

INDIANA COUNTY MUNICIPAL SERVICES AUTHORITY
AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Clay & Gascoine LLC
Certified Public Accountants

INDIANA COUNTY MUNICIPAL SERVICES AUTHORITY
STATEMENTS OF NET ASSETS
DECEMBER 31,

	<u>2016</u>	<u>2015</u>		<u>2016</u>	<u>2015</u>
ASSETS					
Current assets			Current liabilities		
Cash and cash equivalents	\$ 162,599	\$ 140,428	Line of credit	\$ 246,384	\$ 166,384
Cash - customer security deposits	80,891	73,783	Current maturities of water revenue bonds and notes	1,862,012	1,601,399
Accounts receivable - trade, net	864,042	731,501	Current maturities of sewer revenue bonds and notes	887,311	1,330,419
Accounts receivable - other	46,116	16,976	Current maturities of water capital leases	28,514	33,030
Note receivable - current	95,696	94,784	Current maturities of sewer capital leases	17,889	26,161
Total current assets	<u>1,249,344</u>	<u>1,057,472</u>	Accounts payable - trade	97,165	137,391
			Accrued expenses	244,988	105,373
Designated assets			Accrued interest payable	135,845	139,219
Debt service fund	566,329	882,566	Customer deposits payable	84,310	76,422
Debt service reserve and repair fund	284,448	42,479	Total current liabilities	<u>3,604,418</u>	<u>3,615,798</u>
Construction fund	24,370	55,404			
Total designated assets	<u>875,147</u>	<u>980,449</u>	Non-current liabilities		
			Water revenue bonds and notes	27,597,086	26,511,986
Utility plant			Sewer revenue bonds and notes	19,635,546	20,504,700
Water systems	61,131,021	50,134,912	Water capital leases	50,725	59,083
Sewage systems	59,065,213	59,196,228	Sewer capital leases	34,762	74,473
Equipment and furniture	940,558	940,558	Total non-current liabilities	<u>47,318,119</u>	<u>47,150,242</u>
Vehicles	618,952	858,347			
	121,755,744	111,130,045	Total liabilities	<u>50,922,537</u>	<u>50,766,040</u>
Less accumulated depreciation	40,393,424	37,373,233			
Net utility plant in service	81,362,320	73,756,812	Net assets		
Construction in progress	5,254,241	9,903,381	Invested in capital assets, net of related debt	36,693,070	33,718,590
Net utility plant	<u>86,616,561</u>	<u>83,660,193</u>	Restricted per bond indenture	850,777	925,045
			Unrestricted	24,370	55,404
Other assets			Total net assets	<u>2,386,684</u>	<u>2,469,514</u>
Note receivable, less current portion	1,810,187	1,897,612	Total liabilities and net assets	<u>\$ 90,877,438</u>	<u>\$ 87,934,593</u>
Unamortized bond discount	78,575	81,627			
Bond issuance costs, net	247,624	257,240			
Total other assets	<u>2,136,386</u>	<u>2,236,479</u>			
Total assets	<u>\$ 90,877,438</u>	<u>\$ 87,934,593</u>			

See independent auditors' report and notes to financial statements.

INDIANA COUNTY MUNICIPAL SERVICES AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2016</u>	<u>2015</u>
Operating revenues		
Charges for services, water	\$ 3,866,566	\$ 3,470,920
Charges for services, sewer	3,033,491	2,897,561
Other	<u>537,164</u>	<u>467,105</u>
Total operating revenues	<u>7,437,221</u>	<u>6,835,586</u>
Operating expenses		
Purification	109,604	129,863
Water purchased	181,019	189,046
Power	531,316	502,963
Transportation	121,691	149,875
Facilities maintenance	317,653	301,012
Payroll and fringe benefits	2,012,696	1,797,222
Special services	81,701	67,821
Administrative and general	521,785	387,724
Depreciation	<u>3,393,030</u>	<u>3,190,132</u>
Total operating expenses	<u>7,270,495</u>	<u>6,715,658</u>
Operating profit (loss)	<u>166,726</u>	<u>119,928</u>
Non-operating revenues (expenses)		
Interest expense	(849,114)	(888,229)
Interest income	17,945	17,025
Gain on sale of assets	10,911	-
Amortization of bond discount and issuance costs	(12,668)	(12,668)
Grants for construction	<u>3,452,548</u>	<u>2,169,204</u>
Total non-operating revenues (expenses)	<u>2,619,622</u>	<u>1,285,332</u>
Increase (decrease) in net assets	2,786,348	1,405,260
Net assets - beginning	<u>37,168,553</u>	<u>35,763,293</u>
Net assets - ending	<u>\$ 39,954,901</u>	<u>\$ 37,168,553</u>

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