WEST MCCRACKEN COUNTY WATER DISTRICT

FINANCIAL STATEMENTS
With Independent Auditor's Report

YEARS ENDED DECEMBER 31, 2015 and 2014

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KEMPER
CPA GROUP LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
West McCracken County Water District
West Paducah, Kentucky

We have audited the accompanying financial statements of the business-type activities of the West McCracken County Water District as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinions on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the West McCracken County Water District, as of December 31, 2015 and 2014, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension schedules on pages 20-21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the West McCracken County Water District's basic financial statements. The supplemental schedule of insurance in force on page 22 is presented for purposes of additional analysis and is not a required part of the financial statements of basic financial statements. The schedule of insurance in force has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2016 on our consideration of West McCracken County Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West McCracken County Water District's internal control over financial reporting and compliance.

Kemper CPA Group, LLP

Certified Public Accountants and Consultants
Paducah, Kentucky
May 12, 2016

WEST MCCRACKEN COUNTY WATER DISTRICT
STATEMENTS OF NET POSITION
December 31, 2015 and 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 23,494	$ 15,058
Accounts receivable, less allowance for doubtful accounts of $3,959 and $3,959, respectively	62,430	70,455
Prepaid expenses	7,708	6,249
Inventory, at cost	13,896	10,560
Total current assets	107,528	102,322
RESTRICTED ASSETS		
Checking and Cash Management Accounts		
Depreciation and sinking funds held by District	180,383	150,153
Construction and sinking funds held in trust	52,807	53,432
Total restricted assets	233,190	203,585
NON-CURRENT ASSETS		
Capital Assets		
Capital assets, not being depreciated	19,480	19,480
Capital assets, being depreciated, net	4,506,648	4,648,066
Total non-current assets	4,526,128	4,667,546
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges - pensions	43,378	11,392
Deferred charge on refunding	9,504	11,482
Total deferred outflows of resources	52,882	22,874
Total Assets	4,919,728	4,996,327

The notes to financial statements are an integral part of this statement.

	2015	2014
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	$ 24,920	$ 20,398
Accrued interest payable	7,956	8,506
Bonds payable – current	40,000	40,000
Accrued and withheld payroll taxes	4,781	4,716
Customer advances for construction	500	-
Line of credit	-	-
Notes payable – current	-	-
Other current liabilities	7,566	8,645
Total current liabilities	85,723	82,265
NON-CURRENT LIABILITIES		
Bonds payable, non-current	441,347	489,951
Pension obligations	239,366	175,500
Total non-current liabilities	680,713	665,451
Total Liabilities	766,436	747,716
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pensions	-	19,590
Total deferred inflows of resources	-	19,590
NET POSITION		
Invested in capital assets, net of related debt	4,044,281	4,137,595
Restricted for debt service and construction	233,190	203,585
Unrestricted	(124,179)	(112,161)
Total Net Position	$ 4,153,292	$ 4,229,019

The notes to financial statements are an integral part of this statement.

WEST MCCRACKEN COUNTY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended December 31, 2015 and 2014

	2015	2014
OPERATING REVENUE		
Sales of water, net of refunds	$ 656,785	$ 705,108
Penalties	11,050	13,391
Service charge – fire department	-	575
Other	12,875	15,812
Total operating revenues	680,710	734,886
OPERATING EXPENSES		
Depreciation expense	201,435	199,998
Utility regulation assessment fee	1,443	1,380
Salaries	150,962	139,449
Employee pension and benefits	48,700	35,445
Purchased water	201,613	210,980
Purchased power	9,433	9,969
Chemicals	1,466	909
Materials and supplies	23,247	29,402
Contractual services	35,596	31,532
Transportation expense	6,826	10,571
Insurance	37,471	37,198
Advertising	450	610
Bad debt expense	7,304	487
Maintenance	36,713	50,093
Miscellaneous	12,501	11,845
Total operating expenses	775,160	769,868
Operating income (loss)	(94,450)	(34,982)
NON-OPERATING REVENUES (EXPENSES)		
Interest income	267	194
Interest expense	(12,578)	(13,480)
Non-utility income - other	81	4,038
Tap-on fees	30,953	9,100
Total non-operating revenues (expenses)	18,723	(148)
Changes in net position	(75,727)	(35,130)
TOTAL NET POSITION - BEGINNING	4,229,019	4,264,149
TOTAL NET POSITION - ENDING	$ 4,153,292	$ 4,229,019

The notes to financial statements are an integral part of this statement.

WEST MCCRACKEN COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Collections from customers	$ 688,735	$ 733,054
Cash paid to suppliers	(375,967)	(401,345)
Cash paid to employees for salaries and benefits	(187,307)	(176,859)
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	125,461	154,850
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of property, plant and equipment	(60,017)	(18,047)
Payments on bonds payable	(40,000)	(45,000)
Interest payments on notes and bonds payable	(12,578)	(13,480)
Decrease (increase) in deferred charges	(6,626)	(7,022)
Contributed capital - tap-on fees	30,953	9,100
Non-utility income	81	4,038
Proceeds from advances for construction	500	-
CASH FLOWS USED BY CAPITAL ACTIVITIES	(87,687)	(70,411)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	267	194
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	267	194
NET INCREASE IN CASH AND CASH EQUIVALENTS	38,041	84,633
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	218,643	134,010
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 256,684	$ 218,643

The notes to financial statements are an integral part of this statement.

WEST MCCRACKEN COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS (Continued)
For the Years Ended December 31, 2015 and 2014

	2015	2014
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	$ (94,450)	$ (34,982)
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Depreciation and amortization	201,435	199,998
Changes in operating assets and liabilities:		
Accounts receivable	8,025	(1,832)
Prepaid expenses	(1,459)	545
Inventory	(3,336)	(1,310)
Accounts payable	4,522	(6,888)
Accrued interest payable	(550)	(432)
Accrued and withheld payroll taxes	65	945
Pension and related deferrals	12,290	(2,910)
Other current liabilities	(1,081)	1,716
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 125,461	$ 154,850

The notes to financial statements are an integral part of this statement.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Entity

The West McCracken County Water District (the District) is incorporated as a non-profit corporation formed under the provisions of Chapter 273 of the Kentucky Revised Statutes. The District began operations in 1968. The District provides water service to consumers in Western McCracken County, Kentucky.

The District follows the standards promulgated by GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* to define the reporting entity. The financial statements include all operations over which the District is financially accountable. The District is not a participant in any joint venture and has not identified any entities which would be component units of the District.

Fund Accounting

The District maintains it accounts under the fund method of accounting, and utilizes the chart of accounts established by the Kentucky Public Service Commission. The District's one fund is classified as a business-type fund under the category of Proprietary Fund Type.

Proprietary funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or, (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the statement of net position. Fund equity (i.e., total net position) is segregated into three components – 1) Invested in capital assets, net of related debt; 2) Restricted; and 3) Unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in total net position.

The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenues of the System are charges for water service. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Credit Policies

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 15 days from the invoice date. Unpaid accounts receivable with invoice mailing dates over 15 days old are subject to a 10% penalty on the outstanding balance. Customers are subject to disconnection after 20 days past invoice date. Reconnections are subject to reconnect fees which are recognized as income when received.

Accounts receivable are stated at amounts billed to the customer plus any accrued penalties. Customer account balances with invoices dated over 90 days old are considered delinquent.

Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amounts of accounts receivable is reduced by an allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews accounts receivable balances that exceed 90 days from invoice date and based on an assessment of current credit worthiness, estimates the portion, if any, of the balance that will not be collected. Additionally, for the remaining aggregate accounts, management establishes a general allowance based on historical averages.

Inventory

Inventory is stated at the lower of cost, on a first-in, first-out basis, or market.

Property, Plant and Equipment

Property and equipment are recorded at cost with depreciation provided by the straight-line method over the estimated useful life of the depreciable property. Land and construction in progress are not depreciated. Estimated useful lives are generally those established by the Public Service Commission of the Commonwealth of Kentucky as the following:

Capital asset classes	Lives
Water System	10-50
Vehicles	5-10
Equipment & Furniture	5-10

Donated assets are stated at fair value on the date donated. The System generally capitalizes assets with cost of $750 or more as purchase or construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded.

Unamortized Bond Discount and Issue Costs

Certain costs were incurred when the Kentucky Rural Water Finance Corp Multimodal Public Projects Revenue Bonds Series 2004D dated October 1, 2004 were issued. These costs were capitalized and amortized over the term of the bond using the effective interest method. During the fiscal year ending December 31, 2013, the District issued new bonds to retire the outstanding 2004D series bonds. Accordingly, these unamortized bond issue costs of the 2004D series bonds were removed from the District's records as part of the carrying value of the old debt (See Note F). Amortization of bond issue costs for year ended December 31, 2015 and 2014 was $0 and $937, respectively.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to a future periods and so will not be recognized as an outflow of resources until then. The District only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt as a component of interest expense.

Sales of Water

Charges to customers for the sale of water are based on rates approved by the Kentucky Public Service Commission (PSC).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Advertising

The District expenses advertising costs as they are incurred. Such expenses primarily relate to advertising in local directories and requests for invitations to bid on contractual services or construction projects.

Reclassification

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

NOTE B - DEPOSITS WITH FINANCIAL INSTITUTIONS

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District’s deposits may not be returned or the District will not be able to recover collateral securities in the possession of an outside party. The District maintains collateral agreements with its financial institutions. Deposits are 100% secured with collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). The District does not have a deposit policy for custodial risk.

Cash deposits and investments are carried at cost, which approximates market value. The District's deposits reporting entity are insured and collateralized with securities held by the District, its agent, or by the pledging financial institution's trust department or agent in the name of the District. During the years ended December 31, 2015 and 2014, the District's only cash and cash equivalents were demand deposits.

For the years ended December 31, 2015 and 2014, the carrying amounts of the District's cash and cash equivalents, including restricted cash, were $256,684 and $218,643, respectively. The bank balances of the District's cash and cash equivalents were $255,945 and $220,774, respectively. As of December 31, 2015 and 2014, the District's bank balances did not exceed federally insured limits.

NOTE C - UTILITY PLANT IN SERVICE

The major classifications and related costs of utility plant assets as of December 31 are as follows:

	Balance as of Dec 31, 2014	Additions	Retirements	Balance as of Dec 31, 2015
Capital assets, not being depreciated:				
Construction in progress	$ -	$ -	$ -	$ -
Land	19,480	-	-	19,480
Total capital assets, not being depreciated:	19,480	-	-	19,480
Capital assets, being depreciated:				
Water system	7,648,198	55,517	-	7,703,715
Vehicles	62,355	-	-	62,355
Equipment & furniture	89,939	4,500	-	94,439
	7,800,492	60,017	-	7,860,509
Less accumulated depreciation	(3,152,426)	(201,435)	-	(3,353,861)
Total capital assets, being depreciated, net:	4,648,066	(141,418)	-	4,506,648
Total District capital assets – net:	$ 4,667,546	$ (141,418)	$ -	$ 4,526,128

	Balance as of Dec 31, 2013	Additions	Retirements	Balance as of Dec 31, 2014
Capital assets, not being depreciated:				
Construction in progress	$ -	$ -	$ -	$ -
Land	19,480	-	-	19,480
Total capital assets, not being depreciated:	19,480	-	-	19,480
Capital assets, being depreciated:				
Water system	7,431,419	16,779	-	7,648,198
Vehicles	62,355	-	-	62,355
Equipment & furniture	93,286	1,268	(4,615)	89,939
	7,787,060	18,047	(4,615)	7,800,492
Less accumulated depreciation	(2,957,043)	(199,998)	4,615	(3,152,426)
Total capital assets, being depreciated, net:	4,830,017	(181,951)	-	4,648,066
Total District capital assets – net:	$ 4,849,497	$ (181,951)	$ -	$ 4,667,546

NOTE D - RESTRICTED ASSETS

The District is required to maintain separate funds to meet their obligations on their revenue bonds as described in Note F. These funds have been classified as restricted assets in the statements of net assets. In addition, funds contributed from developers and grants for future construction have been classified as restricted assets in the statements of net position.

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted as needed.

NOTE E - UNAMORTIZED COSTS AND DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents the consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in the category. These are the deferred charge on refunding, deferred pension contributions, and pension related deferred components reported in the statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

A deferred pension contribution results from pension contributions subsequent to the measurement date of the pension plan. This amount is deferred and recognized as a component of the change in pension plan liability in the next measurement period. Pension related deferred components include difference between expected and actual experience; the difference between projected and actuarial earnings on pension plan investments results from actual investment earnings above or below actuarial projected earnings; changes in assumptions; and changes in proportion and differences between employer contributions and proportionate share of contributions. These pension related items are deferred and amortized over 5 years as a component of the pension expense.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) which will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item related to the District's pension plans that qualifies for reporting in this category. A difference between projected and actuarial earnings on pension plan investments results from actual investment earnings above or below actuarial projected earnings. This item, difference between projected and actuarial earnings on pension plan investments, is deferred and recognized in future periods as a component of the pension expense.

NOTE F – LONG-TERM LIABILITIES

On March 27, 2013, the District issued $525,000 in Series 2013 revenue bonds with interest rates of 2.30% to 4.80% with annual principal payments and semi-annual interest payments. The proceeds were used to current refund $576,000 of outstanding Series 2004D revenue bonds which had interest rates ranging from 3.89% to 4.56%. The net proceeds of $587,713 (including $62,287 premium on the new bonds; available cash of $15,412 from the prior issue sinking fund; and payment of $14,976 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the April 1, 2013 current refunding of the 2004D outstanding bonds, accrued interest and call premium. As a result, the 2004D Series revenue bonds are considered to be defeased and the liability for those bonds has been removed from the statement of net position. The 2013 series bonds are required to be fully paid by February 1, 2024.

The reacquisition price exceeded the net carrying amount of the old debt by $14,317. This amount, reported as a *deferred outflow of resources* in the statement of net position, is being amortized over the remaining life of the refunding debt as a component of interest expense. The District current refunded the 2004D series bonds to reduce its total debt service payments over 12 years by $67,439 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $50,255.

NOTE F - LONG-TERM LIABILITIES (Continued)

The 2004D bond agreement, as amended by the 2013 bond agreement, requires the following monthly distribution from the revenue fund:

First: One-sixth of the next semi-annual interest payment is to be transferred to the bond and interest redemption fund.

Second: One-twelfth of the succeeding bond maturity is to be transferred to the bond and interest redemption fund.

Third: Transfer to the operating and maintenance account funds sufficient to meet the current expenses not to exceed amount required to cover anticipated expenditures for a two-month period.

Fourth: Within 60 days of fiscal year end, the balance of excess funds is to be transferred to a depreciation fund for extensions or to a sinking fund for purchase or redemption of outstanding bonds.

The following is a summary of long-term debt for the year ended December 31, 2015:

Description	2015	2014
Kentucky Rural Water Finance Corp Multimodal Public Projects revenue bonds – 2013; maturing February 1, 2024 with interest rates of 3.30% - 4.80%.	$ 440,000	$ 480,000
Less current maturities	40,000	40,000
	$ 400,000	$ 440,000

The annual debt service requirements to maturity for long-term debt as of December 31, 2015, are as follows:

Years Ending December 31,	Interest And Fees	Principal	Total
2016	$ 18,885	$ 40,000	$ 58,885
2017	17,258	45,000	62,258
2018	15,323	45,000	60,323
2019	13,387	45,000	58,387
2020	11,345	50,000	61,345
2021 - 2025	22,780	215,000	237,780
	$ 98,978	$ 440,000	$ 538,978

The following is a summary of changes in long-term debt for the year ended December 31, 2015:

Description	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Long-Term Payable:					
Kentucky Rural Water Finance Corp Multimodal Public Projects revenue bonds – 2013	480,000	-	(40,000)	$ 440,000	40,000
Premium	49,951		(8,604)	41,347	
Pension Obligation	175,500	86,335	(22,469)	239,366	-
Total Long-Term Payables	$ 705,451	$ 86,335	$ (71,073)	$ 720,713	$ 40,000

NOTE G - CUSTOMER ADVANCES FOR CONSTRUCTION

The District records contributions in aid of construction from developers net of amounts due to developers for potential tap-on additions. As additional tap-ons are requested, developers are reimbursed an amount determined according to PSC guidelines per tap-on. The reimbursement period is for ten years. At the end of the ten-year period, any advances remaining are recorded as non-operating revenues.

For the periods ended December 31, 2015 and 2014, the District's customer advances for construction was $500 and $0, respectively.

NOTE H - EMPLOYEE RETIREMENT SYSTEM

The District provides retirement benefits to its employees through a multi-employer public employee retirement fund administered by the Kentucky County Employees Retirement System (CERS). Information regarding this plan is as follows:

County Employees' Retirement System

Plan description - The District is a participant in the County Employees Retirement System (CERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute ("KRS") Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from http://kyret.ky.gov/.

Benefits provided - CERS provides retirement, health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, non-hazardous and hazardous employees are grouped into three tiers, based on hire date:

Non-hazardous members:

Tier 1	Participation date	Prior to September 1, 2008
	Unreduced retirement	27 years of service or 65 years old
	Reduced retirement	Minimum 5 years of service and 55 years old
		Minimum 25 years of service and any age
Tier 2	Participation date	September 1, 2008 to December 31, 2013
	Unreduced retirement	Minimum 5 years of service and 65 years old
		Age of 57 or older and sum of service years plus age equal 87
	Reduced retirement	Minimum 10 years of service and 60 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	Minimum 5 years of service and 65 years old
		Age of 57 or older and sum of service years plus age equal 87
	Reduced retirement	Not available

NOTE H - EMPLOYEE RETIREMENT SYSTEM (Continued)

Hazardous members:

Tier 1	Participation date	Prior to September 1, 2008
	Unreduced retirement	20 years of service and any age
		Minimum 5 years of service and 55 years old
	Reduced retirement	Minimum 15 years of service and 50 years old
Tier 2	Participation date	September 1, 2008 to December 31, 2013
	Unreduced retirement	Minimum 5 years of service and 60 years old
		25 years of service and any age
	Reduced retirement	Minimum 15 years of service and 50 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	Minimum 5 years of service and 60 years old
		25 years of service and any age
	Reduced retirement	Not available

Cost of living adjustments are provided at the discretion of the General Assembly. Retirements is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are $5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and $10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for non-service related disability benefits.

Plan Funding – State statute requires active members to contribute % of creditable compensation based on the tier:

	Non-hazardous **Required Contribution**
Tier 1	5%
Tier 2	5% plus 1% for insurance
Tier 3	5% plus 1% for insurance

Employers contribute at the rate determined by the CERS Board to be necessary for the actuarial soundness of the system, as required by KRS 61.565 and 61.752. The District's required contribution rate for non-hazardous employees was 18.89% for the period January 1, 2014 to June 30, 2014; 17.67% for the period July 1, 2014 to June 30, 2015; and 17.06% for the period July 1, 2015 to December 31, 2015.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2015 and 2014, the District reported a liability for its proportionate share of the net pension liability for CERS. The amount recognized by the District as its proportionate share of the net pension liability that was associated with the District was as follows:

	2015	**2014**
CERS net pension liability associated with the District	$ 239,366	$ 175,500

NOTE H - EMPLOYEE RETIREMENT SYSTEM (Continued)

The net pension liability for the plan was measured as of June 30, 2015 and 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the District as determined by the actuary. At June 30, 2015 and 2014, the District's non-hazardous proportion was 0.005567% and .005409%, respectively.

For the years ended December 31, 2015 and 2014, the District recognized pension expense of $35,056 and $19,950, respective related to CERS pension plans. At December 31, 2015 and 2014, the District reported deferred outflows of resources and deferred inflows of resources related to the CERS pension plans from the following sources:

	2015		2014	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,989	$ -	$ -	$ -
Changes in assumptions	24,137	-	-	-
Net difference between projected and actual earnings on pension plan investments	2,146	-	-	19,590
Changes in proportion and differences between District contributions and proportionate share of contributions	4,072	-	-	-
District contributions subsequent to the measurement date	11,034	-	11,972	-
Total	$ 43,378	$ -	$ 11,972	$ 19,590

The District reported $11,034 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the plan year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Plan Year Ending June 30	Non-Hazardous
2016	$ 13,757
2017	$ 9,685
2018	$ 4,585
2019	$ 4,317

Actuarial assumptions - The total pension liability in the June 30, 2015 and 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2015	2014
Inflation	3.25%	3.50%
Projected salary increases	4.00%	4.50%
Investment rate of return, net of investment expense & inflation	7.50%	7.75%

NOTE H - EMPLOYEE RETIREMENT SYSTEM (Continued)

For CERS plan year ending June 30, 2015, the mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the mortality table used is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 4 years for males). The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2013.

For CERS plan year ending June 30, 2014, mortality rates for the period after service retirement are according to the 1983 Group Annuity Mortality Table for all retired employees and beneficiaries as of June 30, 2006 and the 1994 Group Annuity Mortality Table for all other employees. The Group Annuity Mortality Table set forward five years is used for the period after disability retirement. The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2008.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated April 30, 2014. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. .

The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015, as provided by CERS's investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Combined Equity	44.0%	5.40%
Combined Fixed Income	19.0%	1.50%
Real Return (Diversified Inflation Strategies	10.0%	3.50%
Private Equity	10.0%	8.50%
Real Estate	5.0%	4.50%
Absolute Return (Diversified Hedge Funds)	10.0%	4.25%
Cash Equivalent	2.0%	(0.25%)
Total	100.0%	

Discount rate – For the plan years ended June 30, 2015 and 2014 the discount rate used to measure the total pension liability was 7.50% and 7.75%, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan employees and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 7.50% in 2015 and 7.75% in 2014 . The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE H - EMPLOYEE RETIREMENT SYSTEM (Continued)

Sensitivity of CERS proportionate share of net pension liability to changes in the discount rate - The following table presents the net pension liability of the System, calculated using the discount rates selected by the pension system, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

For plan year ended June 30, 2015	1% Decrease	Current Discount Rate	1% Increase
CERS	6.50%	7.50%	8.50%
Non-hazardous' proportionate share of net pension liability	$ 305,566	$ 239,366	$ 182,651

For plan year ended June 30, 2014	1% Decrease	Current Discount Rate	1% Increase
CERS	6.75%	7.75%	8.75%
Non-hazardous' proportionate share of net pension liability	$ 230,931	$ 175,500	$ 126,504

Pension plan fiduciary net position - Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the CERS.

NOTE I - SUPPLEMENTAL DISCLOSURES REGARDING STATEMENTS OF CASH FLOWS

Accounting Policy

For purposes of the statements of cash flows, cash and cash equivalents include all highly liquid debt instruments with maturities of three months or less.

Cash and cash equivalents include all restricted and unrestricted demand and savings accounts of the District and are reported in the statement of net position as follows:

	2015	2014
Cash and cash equivalents	$ 23,494	$ 15,058
Restricted cash	233,190	203,585
Total cash and cash equivalents	$ 256,684	$ 218,643

Supplemental Disclosure of Cash Flow Information

Cash paid for interest expense in 2015 and 2014 totaled $19,775 and $20,933, respectively.

Non-cash Capital and Financing

During the years ended December 31, 2015 and December 31, 2014, the District did not incur any noncash capital and financing transactions.

NOTE K - RISK MANAGEMENT

West McCracken County Water District is exposed to various risks of loss including, but not limited to property, casualty, general liability, auto liability, public officials' liability, workers compensation, and employee health and life.

To limit exposure to these risks, West McCracken County Water District contracts for insurance coverage. During the years ended December 31, 2015 and 2014, there were no significant reductions in insurance coverage. There have been no significant settlement amounts, which exceed insurance coverage in the past two years. The District is not aware of any claims owed as of December 31, 2015.

NOTE J - CONCENTRATION

The District purchases all water from the City of Paducah Water Works. Loss of this supplier would significantly affect the District's ability to supply water to its customers. The organization is currently developing contingency plans with other suppliers should the need arise.

The District has one industrial customer which provided $98,740 (15%) and $171,267 (23%) of revenue for the years ended December 31, 2015 and 2014, respectively. Loss of this customer would significantly affect the District's revenues.

NOTE K – RESTATEMENT OF NET POSITION FOR NEW PRONOUNCEMENT

Effective January 1, 2015, the District was required to adopt Governmental Accounting Standards Board (GASB) Statement no. 68, "*Accounting and Financial Reporting for Pensions*" (GASB 68). GASB 68 replaced the requirements of GASB 27, "*Accounting for Pensions by State and Local Governmental Employers*" and GASB 50, "*Pension Disclosures*", as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability to more comprehensively and comparably measure the annual costs of pension benefits. Cost-sharing governmental employers, such as the System, are required to report a net pension liability, pension expense and pension-related assets and liabilities based on their proportionate share of the collective amounts for all governments in the plan.

GASB 68 required retrospective application. Since the District presents two years of financial information, the beginning net pension as of January 1, 2013 was adjusted to reflect the retrospective application. The adjustment resulted in a $186,608 reduction in beginning net position on the Statement of Activities and an increase of $11,974 of deferred outflows of resources - District contributions subsequent to the measurement date. Beginning net position restatement by type is as follows:

	Business Type Activities
Beginning net position – as previously stated	$ 4,450,757
GASB 68 implementation	(186,608)
Beginning net position – as restated	$ 4,264,149

NOTE L - SUBSEQUENT EVENT

Management has evaluated subsequent events through May 12, 2016, the date which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

WEST MCCRACKEN COUNTY WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TO COUNTY EMPLOYEES' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS*

Year Ended June 30	District's proportion of the net pension liability	District's proportionate share of the net pension liability (asset)	District's covered employee payroll	District's share of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
CERS Nonhazardous					
2015	0.0056%	$ 239,366	$ 145,067	165.0038%	59.9684%
2014	0.0054%	$ 175,500	$ 124,099	141.4194%	66.8010%
2013	0.0054%	$ 198,582	$ 118,887	167.0342%	61.2209%

***** The amounts presented were determined as of the measurement date June 30 of the prior year.

***** Schedule is intended to show information for 10 years. Additional years of supplemental information will be provided as this information becomes available.

WEST MCCRACKEN COUNTY WATER DISTRICT
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
TO COUNTY EMPLOYEES' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS*

Year Ended June 30	Contractually required contribution	Contributions relative to contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
CERS Nonhazardous					
2015	$ 25,783	$ 25,783	$ -	$ 145,067	17.7732%
2014	$ 23,442	$ 23,442	$ -	$ 124,099	18.8898%
2013	$ 22,891	$ 22,891	$ -	$ 118,887	19.2544%

* The amounts presented for each fiscal year were determined as of the measurement date June 30 of the prior year.

* Schedule is intended to show information for 10 years. Additional years of supplemental information will be provided as this information becomes available.

Notes to Required Supplementary Information
For the Year Ended June 30, 2015

Changes of Benefit Terms:

A cash balance plan was introduced for members whose participation date is on or after January 1, 2014.

Changes of assumptions:

The assumed investment rate of return was decreased from 7.75% to 7.50%.

The assumed rate of inflation was reduced from 3.50% to 3.25%.

The assumed rate of wage inflation wsa reduced from 1.00% to 0.75%.

Payroll growth assumption was reduced from 4.50% to 4.00%.

The assumptions were updated as of result of an experience study for the five year period ending June 30, 2013.

The amortization period of the unfunded accrued liability was reset to a closed 30 year period for the year ended June 30, 2013.

The mortality tables used was updated to RP-2000 Combined Mortality Table projected with Scale BB to 2013.

OTHER SUPPLEMENTAL INFORMATION

WEST MCCRACKEN COUNTY WATER DISTRICT
SCHEDULE OF INSURANCE IN FORCE
December 31, 2015

Multiple Peril Policy	
Property including equipment	$2,500,156 less $1,000 deductible
General Liability	$1,000,000 aggregate of $3,000,000
Cyber Crime	$100,000
Business Income	$250,000
Employee Dishonesty	$250,000 less $1,000 deductible
Employee Benefits Liability	$1,000,000 aggregate of $3,000,000
Professional Liability	$1,000,000 aggregate of $3,000,000
Public Official Liability	$1,000,000 aggregate of $3,000,000
Workmen’s Compensation	Statutory
Automobile	
Liability	$1,000,000
PIP	Included
Uninsured and underinsured motorist	$1,000,000
Comprehensive	ACV, less $1,000 deductible
Collision	ACV, less $1,000 deductible
Equipment/Item	
Non-Owned Contractors Equipment/ Tools	$53,000 less $1,000

See independent auditor’s report on pages 1 and 2.

KEMPER
CPA GROUP LLP
Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
West McCracken County Water District
West Paducah, Kentucky

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of West McCracken County Water District as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise West McCracken County Water District's basic financial statements, and have issued our report thereon dated May 12, 2016.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered West McCracken County Water District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West McCracken County Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of the West McCracken County Water District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying *schedule of findings and responses*, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies (reference #'s 2015-1 and 2015-2) described in the accompanying *schedule of findings and responses* to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West McCracken County Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

100 South 4th Street ▪ Suite 300 ▪ Paducah, KY 42001
Phone: (270)443-4400 Fax: (270)443-0963 kempercpa.com

West McCracken County Water District's Response to Finding*s*

West McCracken County Water District's responses to the findings identified in our audit are described in the accompanying *schedule of findings and responses*. West McCracken County Water District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kemper CPA Group, LLP

Certified Public Accountants and Consultants
Paducah, Kentucky
May 12, 2016

WEST MCCRACKEN COUNTY WATER DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2015

Reference # 2015-1
The District does not have adequate segregation of duties over cash receipts and disbursements. The basic premise in a good system of internal control is that an employee should not have access to assets and responsibility for the related accounting records.

Cause
This is due to inadequate number of personnel to achieve true segregation of duties.

Effect
The District is at risk of misappropriation of assets.

Recommendation
Unless the District hires additional personnel, we recommend the District consider using a lockbox system for receipts. Under such a system, remitters are requested, via notations, to send their payments to a post office box which is accessible only to the District's bank. Each day, the bank collects receipts from the box, credits the receipts to the District's account, and sends copies of all check stubs, remittance advices, and other communications to the District for processing. Since employees have no direct contact with remittances from the District's customers, the risk of mishandling or misappropriation is virtually eliminated.

With regard to disbursements, segregation could be improved by limiting check signing to the District's board members only. This would achieve oversight of disbursements by someone outside the function of recording transactions.

Response
The District agrees with the auditors' comments. We do not have adequate segregation of duties. The District strives to provide safe, clean drinking water to our customers at a competitive price and in order to have adequate segregation of duties it would require additional personnel, which would increase our operation expenses. The Districts' Board of Commissioners scrutinizes a profit and loss statement, payroll check register, accounts payable register that includes GL Detail, bank reconciliation reports, and invoices at monthly board meetings. The District is going to implement unannounced rotation of duties as part of its internal control. It will not only be an effective internal check but it will provide valuable training for the employees.

Reference # 2015-2
The District does not have employees with the necessary accounting expertise or knowledge to properly prepare financial statements and related disclosures in accordance with the generally accepted accounting principles. Accordingly, the District relies on its auditors to prepare year-end financial statements and related disclosures in accordance with generally accepted accounting principles.

Cause
The District's personnel have not received training in areas of preparation of financial statements and the related required disclosures in accordance with generally accepted accounting principles.

Effect
In absence of the necessary knowledge and expertise, the District cannot properly prepare financial statements and the related required disclosures in accordance with generally accepted accounting principles. Accordingly, the District requested its independent auditors to assist in the preparation of such statements and disclosures.

Recommendation
We recommend the District consider additional training of personnel in the area of financial statement preparation in accordance with generally accepted accounting principles.

Response
We do not have employees with the necessary accounting expertise to prepare financial statements and the related required disclosures. To employ someone with that expertise would not be feasible for the District.

WEST MCCRACKEN COUNTY WATER DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2014

Reference # 2014-1
The District does not have adequate segregation of duties over cash receipts and disbursements. The basic premise in a good system of internal control is that an employee should not have access to assets and responsibility for the related accounting records.

Status
This finding is still present.

Reference # 2014-2
The District does not have employees with the necessary accounting expertise or knowledge to properly prepare financial statements and related disclosures in accordance with the generally accepted accounting principles. Accordingly, the District relies on its auditors to prepare year-end financial statements in accordance with generally accepted accounting principles.

Status
This finding is still present.