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# SYMSONIA WATER DISTRICT

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## AUDIT REPORT

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For The Year Ended  
December 31, 2021

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Commissioners  
Symsonia Water District  
Symsonia, Kentucky

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Symsonia Water District, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Symsonia Water 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 the financial reporting provisions of the Public Service Commission, as described in Note 1. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for 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 opinion on these financial statements based on our audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the financial statements are free from 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 opinion.

**Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note 1, the financial statements are prepared by the Symsonia Water District, on the basis of the financial reporting provisions of the Public Service Commission, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Public Service Commission.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

To the Board of Commissioners  
Symsonia Water District  
Symsonia, Kentucky

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Symsonia Water District as of December 31, 2021, or changes in net position, or its cash flows thereof for the year then ended. Further, the District has not presented the required supplementary management’s discussion and analysis that accounting principles generally accepted in the United States and regulatory agreement has determined is necessary to supplement, although not required to be part of, the basic financial statements.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Symsonia Water District as of December 31, 2021, and respective changes in financial position and cash flows thereof for the year ended December 31, 2021 on the basis of accounting described in Note 1.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Symsonia Water District’s basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with the *Government Auditing Standards*, we have also issued our report dated March 29, 2022 on our consideration of the Symsonia Water District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws and 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 the Symsonia Water District, Symsonia, Kentucky internal control over financial reporting and compliance.

*Romaine & Associates, PLLC*

Mayfield, Kentucky  
March 29, 2022

**SYMSONIA WATER DISTRICT**  
**FINANCIAL STATEMENTS - REGULATORY BASIS**

**For The Year Ended June 30, 2021**

SYMSONIA WATER DISTRICT  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021

<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 267,348
Customer accounts receivable	27,527
<b>Total current assets</b>	<u>294,875</u>
<b>NONCURRENT ASSETS</b>	
Restricted cash	20,072
<b>CAPITAL ASSETS</b>	
Depreciable capital assets:	
Utility plant in service, at cost	2,902,027
Less accumulated provision for depreciation computed by the straight-line method	<u>(1,771,327)</u>
<b>Total capital assets</b>	<u>1,130,700</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>1,150,772</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,445,647</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable and accrued expenses	\$ 6,570
Customer deposits	14,555
Note payable	17,275
<b>Total current liabilities</b>	<u>38,400</u>
<b>NONCURRENT LIABILITIES</b>	
Long-term debt	<u>241,219</u>
<b>Total noncurrent liabilities</b>	<u>241,219</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	872,206
Restricted	20,072
Unrestricted	273,750
<b>Total net position</b>	<u>1,166,028</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 1,445,647</u>

SYMSONIA WATER DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2021

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<b>OPERATING REVENUE</b>	<u>\$ 285,901</u>
<b>OPERATING EXPENSE</b>	
Bank charges	187
Office supplies	5,080
Payroll and related expenses	121,330
Mileage expense	1,980
Utilities	2,624
Purchased power	19,024
Chemicals	13,488
Materials and supplies	17,891
Contractual services	22,853
Insurance	9,428
Miscellaneous	3,257
Depreciation and amortization	69,903
Tax & license	962
<b>Total operating expenses</b>	<u>288,815</u>
<b>Operating income (loss)</b>	<u>(2,914)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest income	346
Interest expense	(5,058)
<b>Nonoperating revenues (expenses)</b>	<u>(4,712)</u>
<b>Net Income (Loss)</b>	(7,626)
<b>NET POSITION</b>	
Beginning of year, Restated	<u>1,173,654</u>
End of year	<u><u>\$ 1,166,028</u></u>

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received from customers	\$ 276,067
Cash payments to suppliers for goods and services	(88,074)
Cash payments to employees and related expense	(121,330)
Customer deposits received	4,150
Customer deposits returned	(2,850)
<b>Net cash provided by operating activities</b>	<b>67,963</b>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Debt reduction:	
Long-term	(17,204)
Interest expense	(5,058)
Utility plant additions and improvements	(10,950)
Interest income	346
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(32,866)</b>

<b>Net increase in cash and cash equivalents</b>	35,097
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**CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR**

252,323

**CASH AND CASH EQUIVALENTS - END OF THE YEAR**

\$ 287,420

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (2,914)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation and amortization	69,903
Changes in assets and liabilities:	
Accounts receivable and other receivables	(9,834)
Accounts payable and accrued expenses	9,508
Customer deposits	1,300
<b>Net cash provided by operating activities</b>	<b>\$ 67,963</b>



**INDEX FOR NOTES  
TO THE FINANCIAL STATEMENT**

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**SYMSONIA WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2021**

**Note 1. Description of Entity & Significant Accounting Policies**

The Symsonia Water District is engaged in providing water and sewer supply to approximately 319 customers who live in the Symsonia community in Graves County, Kentucky area. The water district was created in 1964 and the sewer district in 1980 under Chapter 14 of the Kentucky Revised Statutes.

In evaluating how to define Symsonia Water District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the **ability to significantly influence operations and accountability for fiscal matters**. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has no component units.

*Basis of Presentation and Accounting:*

As stated in Kentucky Revised Statutes (KRS) 278.012, "any water association formed for the purpose of furnishing water services to the general public pursuant to KRS Chapter 273 is deemed to be and shall be a public utility and shall be subject to the jurisdiction of the Public Service Commission". In KRS 278.220, it is outlined that the Public Service Commission may establish a system of accounts to be kept by the utilities subject to its jurisdiction, and may prescribe the manner in which such accounts shall be kept. This uniform system of accounts is presented on the accrual basis in accordance with practices prescribed by the Public Service Commission. In accordance with the Public Service Commission's regulations, costs associated with hook-up fees are capitalized as meters, installations and services. This practice differs from generally accepted accounting principles under which these costs and the related fees are recorded as operating expenses and revenues. Except for this regulatory difference, the Public Service Commission prescribes the use of Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations, and the Accounting Principles Board (APB) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The system has adopted and now follows GASB 62, which codified certain GASB pronouncements.

The District's financial statements (including the related notes) are presented in accordance with GASB No. 34, Basic Financial Statements, Management's Discussion and Analysis, for State and Local Governments and related standards, except as noted herein.

This standard provided significant required changes in terminology; recognition of contributions in the statement of revenues, expenses and changes in net assets; inclusion of a management's discussion and analysis as supplementary information; and other changes.

The Symsonia Water District is operated as a proprietary and/or enterprise fund. Proprietary Funds are used to account for operations (a) which 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.

**SYMSONIA WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2021**

**Note 1. Description of Entity & Significant Accounting Policies- (Continued)**

*Basis of Presentation and Accounting: (Continued)*

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statements of net position regulatory basis. Net position (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt; restricted, constraints imposed by creditors/grantors/laws/or contributions; and unrestricted components, all other. When an expense is incurred for purposes for which both restricted and unrestricted net position are available, unrestricted resources are used first.

*Revenues and Expenses:*

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Non-operating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities.

*Property and Equipment:*

Property and equipment purchased or constructed are stated at cost. The cost of meters, including installation, is capitalized. Interest related to costs, and major improvements, renewals and replacements is capitalized as a cost of the project. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Expenses for maintenance and repairs that do not increase the useful life of the asset are charged to operations as they are incurred. The District does not have a particular dollar amount threshold for capitalization purposes.

*Income Taxes:*

The Symsonia Water District is not subject to income taxes.

*Contributed Capital:*

The District has adopted Governmental Accounting Standards Board's (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. This statement requires governments to recognize capital contributions to proprietary funds as revenues, instead of contributed capital. Prior to implementation GASB No. 33, the fair market value of donated property received by the District, impact fees, tap on fees and grants which were restricted for the acquisition or construction of capital assets, were recorded as contributed capital.

*Statement of Cash Flows:*

For purposes of reporting cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

*Reclassifications:*

For clarification purposes, reclassifications have been made to certain previously reported amounts.

**SYMSONIA WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2021**

**Note 1. Description of Entity & Significant Accounting Policies- (Continued)**

*Deferred Outflows and Inflows of Resources:*

Pursuant to GASB Statement Number 63 and GASB Statement Number 65, the water district recognizes deferred outflows and inflows or resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future period.

*Net Position:*

Net position is comprised of the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. Net position is classified in the following three components:

*Invested in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributed to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. Rather that portion of the debt is included in the same net position component as the unspent proceeds.

*Restricted* – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* – This component of net position consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

**Note 2. Deposits**

KRS 66.480 authorizes the District to invest in obligations of the United States and its agencies and instrumentalities including repurchase agreements, through sources including national and state banks chartered in Kentucky, obligations and contracts for future delivery backed by the full faith of the United States or its Agency, certificates of deposit and interest bearing accounts in institutions insured by the Federal Depository Insurance Corporation and other investments described therein provided that approved securities are pledged to secure those funds on deposit in an amount equal to the amount of those funds. The District may also invest in mutual funds meeting the requirements of the statute.

Symsonia Water District’s policies regarding deposits of cash are discussed above. The table presented below is designed to disclose the level of custody credit risk assumed by the District based upon how its deposits were insured or secured with collateral at December 31, 2021. The categories of credit risk are defined as follows:

Category 1 – Insured by FDIC or collateralized with securities held by the District (public trust) or by its agent in its name.

Category 2 – Uninsured but collateralized with securities held by the pledging financial institution’s trust department or agent in the District’s name.

Category 3 - Uninsured and uncollateralized; or collateralized with securities held by the Pledging financial institution, or by its trust department or agent, but not in the District’s name; or collateralized with no written or approved collateral agreement.

**SYMSONIA WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2021**

**Note 2. Deposits (Continued)**

<u>December 31, 2021</u>	<u>Total Bank</u>	<u>Custody Credit Risk Category</u>		
		<u>1</u>	<u>2</u>	<u>3</u>
<u>Type of Deposits</u>	<u>Balance</u>			
Demand Deposits-CFSB	\$ 215,060	\$ 215,060	\$ -	\$ -
Demand Deposits-CFSB	14,555	14,555	-	-
Demand Deposits-CFSB	717	717	-	-
Demand Deposits-CFSB	4,800	4,800	-	-
Demand Deposits-CFSB	<u>52,494</u>	<u>52,494</u>	<u>-</u>	<u>-</u>
Total Demand Deposits	<u>\$ 287,626</u>	<u>\$ 287,626</u>	<u>\$ -</u>	<u>\$ -</u>

**Note 3. Restricted Assets**

Restricted cash and investments consist of the following:

<u>Type of Account</u>	<u>December 31, 2021</u>
Grant Account	\$ 717
KIA-Reserve Account	4,800
Customer Deposits Account	<u>14,555</u>
<b>Total</b>	<u><u>\$ 20,072</u></u>

**Note 4. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Note 5. Grants/Loans**

In the normal course of operations, the District receives grant/loan funds from various Federal and/or State agencies. The grant/loan programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting/loaning of funds.

**Note 6. Budget**

The budget for the proprietary fund operation is prepared on the cash and expenditures basis. Revenues are budgeted in the year receipt is expected; and expenditures are budgeted in the year that the applicable expenditure is expected to be made. Budgeted appropriations lapse at year-end.

**Note 7. Customer Accounts Receivable**

The District provides an allowance for doubtful collections that is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Normal billing receivables are due 15 days after billing. Receivables past due are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. No provision for doubtful accounts has been made at December 31, 2021, as management considers all amounts fully collectible.

**SYMSONIA WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2021**

**Note 8. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; and natural disasters. The District carries commercial insurance for risk of loss. The District did not settle claims that exceeded the District's commercial insurance coverage in any of the past two years.

**Note 9. Long-Term Debt**

**Direct Borrowings**

**A. Kentucky Infrastructure Authority (KIA)**

The District entered into a debt agreement for the construction of a new 150,000 gallon storage tank. The agreement with Kentucky Infrastructure Authority was for \$327,102 and bears interest of 1.75%. Principal and interest are payable semi-annually on the note. As of December 31, 2021, the balance was \$248,194. The future principal and interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest and Fees</u>	<u>Total Payment</u>
2022	\$ 15,177	\$ 4,766	\$ 19,943
2023	15,444	4,469	19,913
2024	15,716	4,166	19,882
2025	15,992	3,859	19,851
2026	16,273	3,545	19,818
2027-2031	85,757	12,833	98,590
2032-2036	83,835	4,135	87,970
Total	<u>\$ 248,194</u>	<u>\$ 37,773</u>	<u>\$ 285,967</u>

**B. John Deere Financial**

The District entered into a debt agreement on July 1, 2019 with John Deere Financial for a John Deere 1025R Sub-compact Utility Tractor for \$15,693. The terms of this agreement consist of 84 principal payments of \$191 due monthly at an interest rate of 0 percent. As of December 31, 2021, the balance was \$10,300. The future principal and interest are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest and Fees</u>	<u>Total Payment</u>
2022	\$ 2,098	-	\$ 2,098
2023	2,289	-	2,289
2024	2,289	-	2,289
2025	2,289	-	2,289
2026	1,335	-	1,335
Total	<u>\$ 10,300</u>	<u>\$ -</u>	<u>\$ 10,300</u>

**SYMSONIA WATER DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2021**

**Note 9. Long-term Debt (Continued)**

**Direct Borrowings (Continued)**

**C. Changes In Long-term Debt**

Changes in Long-Term Debt consist of the following:

Description	Beginning Principal Balance 12/31/2020	Additional Borrowings	Principal Paid	Ending Principal Balance 12/31/2021	Payable Within One Year
KIA Loan #B12-07	\$ 263,109	\$ -	\$ 14,915	\$ 248,194	\$ 15,177
John Deere Financial	12,589		2,289	10,300	2,098.00
<b>Total Liabilities</b>	<b>\$ 275,698</b>	<b>\$ -</b>	<b>\$ 17,204</b>	<b>\$ 258,494</b>	<b>\$ 17,275</b>

**D. Aggregate Debt Schedule**

Year Ending June 30,	Business-Type Activities	
	Notes from Direct Borrowings	
	Principal	Interest
2022	\$ 17,275	\$ 4,766
2023	17,733	4,469
2024	18,005	4,166
2025	18,281	3,859
2026	17,608	3,545
2027-2031	85,757	12,833
2032-2033	83,835	4,135
	<b>\$ 258,494</b>	<b>\$ 37,773</b>

**Note 10. Subsequent Events**

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through March 29, 2022, the date financial statements were available to be issued.

**Note 11. Insurance**

For the fiscal year ended June 30, 2021, the Symsonia Water District was a member of the Kentucky Association of Counties' All Lines Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

**SYMSONIA WATER DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**December 31, 2021**

**Note 12. Capital Assets**

A summary of Symsonia Water District's change in capital assets for the year ended December 31, 2021 is as follows:

<b>Water System</b>				
<b>Description</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Structures & Improvements	\$ 225,774	\$ -	\$ -	\$ 225,774
Distribution System	526,304	-	-	526,304
Machinery & Equipment	57,384	-	-	57,384
Water Treatment Plant	922,103	-	-	922,103
<b>Total at Historical Cost</b>	<b>1,731,565</b>	<b>-</b>	<b>-</b>	<b>1,731,565</b>
Less: Accumulated Depreciation				
Structures & Improvements	(176,935)	(3,928)	-	(180,863)
Distribution System	(310,879)	(8,925)	-	(319,804)
Machinery & Equipment	(39,149)	(1,731)	-	(40,880)
Water Treatment Plant	(135,293)	(27,058)	-	(162,351)
<b>Total Accumulated Depreciation</b>	<b>(662,256)</b>	<b>(41,642)</b>	<b>-</b>	<b>(703,898)</b>
<b>Capital Assets, Net</b>	<b>\$ 1,069,309</b>	<b>\$ (41,642)</b>	<b>\$ -</b>	<b>\$ 1,027,667</b>

<b>Sewer System</b>				
<b>Description</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Disposals</b>	<b>Ending Balance</b>
Land	\$ 6,061	\$ -	\$ -	\$ 6,061
Structures & Improvements	339,424	-	-	339,424
Distribution System	761,102	10,950	-	772,052
Machinery & Equipment	52,925	-	-	52,925
<b>Total at Historical Cost</b>	<b>1,159,512</b>	<b>10,950</b>	<b>-</b>	<b>1,170,462</b>
Less: Accumulated Depreciation				
Structures & Improvements	(263,541)	(8,461)	-	(272,002)
Distribution System	(736,982)	(18,288)	-	(755,270)
Machinery & Equipment	(38,645)	(1,512)	-	(40,157)
<b>Total Accumulated Depreciation</b>	<b>(1,039,168)</b>	<b>(28,261)</b>	<b>-</b>	<b>(1,067,429)</b>
<b>Capital Assets, Net</b>	<b>\$ 120,344</b>	<b>\$ (17,311)</b>	<b>\$ -</b>	<b>\$ 103,033</b>



**SYMSONIA WATER DISTRICT**  
**COMBINED FUND FINANCIAL STATEMENTS**  
**OTHER SUPPLEMENTARY INFORMATION**

**December 31, 2021**

**SYMSONIA WATER DISTRICT  
COMBINED STATEMENTS OF NET POSITION  
DECEMBER 31, 2021**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Totals</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 146,774	\$ 120,574	\$ 267,348
Customer accounts receivable	13,894	13,633	27,527
Interfund receivable		94,708	94,708
<b>Total current assets</b>	<u>160,668</u>	<u>228,915</u>	<u>389,583</u>
<b>NONCURRENT ASSETS</b>			
Restricted cash	<u>20,072</u>	<u>-</u>	<u>20,072</u>
<b>CAPITAL ASSETS</b>			
Depreciable capital assets:			
Utility plant in service, at cost	1,731,565	1,170,462	2,902,027
Less accumulated provision for depreciation computed by the straight-line method	<u>(703,898)</u>	<u>(1,067,429)</u>	<u>(1,771,327)</u>
<b>Total capital assets</b>	<u>1,027,667</u>	<u>103,033</u>	<u>1,130,700</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>1,047,739</u>	<u>103,033</u>	<u>1,150,772</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,208,407</u>	<u>\$ 331,948</u>	<u>\$ 1,540,355</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 3,164	\$ 3,406	\$ 6,570
Customer deposits	14,555	-	14,555
Interfund payable	94,708	-	94,708
Current portion of long-term debt	<u>17,275</u>	<u>-</u>	<u>17,275</u>
<b>Total current liabilities</b>	<u>129,702</u>	<u>3,406</u>	<u>133,108</u>
<b>NONCURRENT LIABILITIES</b>			
Long-term debt	<u>241,219</u>	<u>-</u>	<u>241,219</u>
<b>Total noncurrent liabilities</b>	<u>241,219</u>	<u>-</u>	<u>241,219</u>
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	769,173	103,033	872,206
Restricted	20,072	-	20,072
Unrestricted	<u>48,241</u>	<u>225,509</u>	<u>273,750</u>
<b>Total net position</b>	<u>837,486</u>	<u>328,542</u>	<u>1,166,028</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 1,208,407</u>	<u>\$ 331,948</u>	<u>\$ 1,540,355</u>

**SYMSONIA WATER DISTRICT**  
**COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Totals</b>
<b>OPERATING REVENUE</b>	<u>\$ 142,050</u>	<u>\$ 143,851</u>	<u>\$ 285,901</u>
<b>OPERATING EXPENSE</b>			
Bank charges	187	-	187
Office supplies	2,789	2,291	5,080
Payroll and related expenses	66,610	54,720	121,330
Reg. commission fees	444	364	808
Mileage expense	1,087	893	1,980
Utilities	1,441	1,183	2,624
Purchased power	5,704	13,320	19,024
Chemicals	7,403	6,085	13,488
Materials and supplies	9,822	8,069	17,891
Contractual services	7,780	15,073	22,853
Insurance	5,176	4,252	9,428
Miscellaneous	1,788	1,469	3,257
Depreciation and amortization	41,642	28,261	69,903
Tax & license	528	434	962
<b>Total operating expenses</b>	<u>152,401</u>	<u>136,414</u>	<u>288,815</u>
<b>Operating income (loss)</b>	<u>(10,351)</u>	<u>7,437</u>	<u>(2,914)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest expense	(5,058)	-	(5,058)
Interest income	190	156	346
<b>Non-operating revenues (expenses)</b>	<u>(4,868)</u>	<u>156</u>	<u>(4,712)</u>
<b>Net Income (Loss)</b>	<u>(15,219)</u>	<u>7,593</u>	<u>(7,626)</u>
<b>Increase (Decrease) in net position</b>	<u>(15,219)</u>	<u>7,593</u>	<u>(7,626)</u>
<b>NET POSITION</b>			
Beginning of year, Restated	<u>852,705</u>	<u>320,949</u>	<u>1,173,654</u>
End of year	<u>\$ 837,486</u>	<u>\$ 328,542</u>	<u>\$ 1,166,028</u>

**SYMSONIA WATER DISTRICT  
COMBINED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 142,074	\$ 133,993	\$ 276,067
Cash payments to suppliers for goods and services	(34,477)	(53,597)	(88,074)
Cash payments to employees and related expense	(66,610)	(54,720)	(121,330)
Customer deposits received	4,150		4,150
Customer deposits returned	(2,850)	-	(2,850)
<b>Net cash provided by operating activities</b>	<b>42,287</b>	<b>25,676</b>	<b>67,963</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt reduction:			
Long-term	(17,204)	-	(17,204)
Interest expense	(5,058)	-	(5,058)
Utility plant additions and improvements	-	(10,950)	(10,950)
Interest income	190	156	346
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(22,072)</b>	<b>(10,794)</b>	<b>(32,866)</b>
<b>Net increase in cash and cash equivalents</b>	<b>20,215</b>	<b>14,882</b>	<b>35,097</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR</b>	<b>146,631</b>	<b>105,692</b>	<b>252,323</b>
<b>CASH AND CASH EQUIVALENTS - END OF THE YEAR</b>	<b>\$ 166,846</b>	<b>\$ 120,574</b>	<b>\$ 287,420</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (10,351)	\$ 7,437	\$ (2,914)
Adjustments to reconcile operating income (loss) to cash provided by operating activities:			
Depreciation and amortization	41,642	28,261	69,903
Changes in assets and liabilities:			
Accounts receivable and other receivables	24	(9,858)	(9,834)
Accounts payable and accrued expenses	9,672	(164)	9,508
Customer deposits	1,300	-	1,300
<b>Net cash provided by operating activities</b>	<b>\$ 42,287</b>	<b>\$ 25,676</b>	<b>\$ 67,963</b>

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**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**

To the Board of Commissioners  
Symsonia Water District  
Symsonia, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Symsonia Water District, for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprises the District's financial statements, and have issued our report thereon dated March 29, 2022. The Symsonia Water District financial statements are prepared on a prescribed basis of accounting that demonstrates compliance with the regulatory basis of accounting prescribed by the Public Service Commission.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Symsonia 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Symsonia Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of Symsonia Water District's internal control.

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 entity's financial statement 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Symsonia Water District's financial statements are free from 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 or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Commissioners  
Symsonia Water District

**Purpose Of This Report**

This 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.

*Romaine & Associates, PLLC*

Mayfield, Kentucky  
March 29, 2022