

MERCER COUNTY SANITATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

- b) Restricted net assets – Consists of net assets with constraints placed on the use either by 1) External groups such as creditors, grantors, contributors, or laws or regulations of other governments, and 2) Law through constitutional provisions or enabling legislation.
- c) Unrestricted net assets – Consists of all other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

3. CASH AND INVESTMENTS

Cash and investments are composed of the following as of June 30, 2014 and 2013, with restriction for use noted:

		June 30, 2014	June 30, 2013
Cash on Deposit - Operating Account	A	\$ 2,481	\$ 3,131
Cash on Deposit - Construction	B	4,441	983
Cash on Deposit - Depreciation	C	2,600	7,200
Cash on Deposit - Debt Service	D	8,890	5,355
Total Cash		18,412	16,669
Certificate of Deposit - Restricted	E	1,300	1,000
Total Cash and Investments		\$ 19,712	\$ 17,669

The cash deposits are fully insured by the FDIC at June 30, 2014 and 2013.

- (A) The operating account is used to meet the current expenses of operating and maintaining the system.
- (B) The construction account is used to account for various grant and loan receipts, and related capital expenditures for various projects funded by the grants and loans.
- (C) The depreciation account was established as required by Rural Development Agency bond covenants for the purpose of funding unusual or extraordinary repairs and maintenance not included in the annual budget or for paying for the cost of future extensions, additions and improvements to the system.
- (D) The debt service account was established as required by Rural Development Agency bond covenants for the purpose of paying the scheduled principal and interest on the District’s debt.
- (E) The certificate of deposit represents donations given to the District for use on the Burgin Sewer Project.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Distribution System	\$ 1,436,425	\$ -	\$ -	\$ 1,436,425
Flow Meters	40,598	-	-	40,598
Pump Stations	338,000	-	-	338,000
Equipment	87,098	-	-	87,098
Construction in Process	362,738	66,035	-	428,773
Total	2,264,859	66,035	-	2,330,894
Less accumulated depreciation for:				
Distribution System	(158,068)	(43,528)	-	(201,596)
Flow Meters	(4,776)	(1,230)	-	(6,006)
Pump Stations	(42,677)	(10,243)	-	(52,920)
Equipment	(24,676)	(6,613)	-	(31,289)
Total accumulated depreciation	(230,197)	(61,614)	-	(291,811)
Capital Assets, Net	\$ 2,034,662	\$ 4,421	\$ -	\$ 2,039,083