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COMMISSION

# GALLATIN COUNTY WATER DISTRICT

APPLICATION FOR INCREASE IN RETAIL RATES AND  
INCREASE IN METER CONNECTION FEE

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ON CD

2010 Check Register	Wholesale Cost of Service Study
2010 General Ledger	Retail Cost of Service Study
Billing Analysis	Proposed Rates for 2011
Pro forma and Test Year Wages	Proposed Rates for 2013
Income and Expenses	

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SEP 19 2011

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF THE GALLATIN COUNTY	)	CASE NO
WATER DISTRICT FOR (1) THE APPROVAL	)	2011-_____
OF INCREASED MONTHLY RATES AND FOR	)	
(2) APPROVAL OF AN INCREASE IN IT'S	)	
METER CONNECTION FEE	)	

STATEMENT AND NOTICE

Gallatin County Water District ("Gallatin County"), pursuant to all applicable regulations and statutes, petitions the Commission for (1) the approval of an increase in it's monthly water rates and (2) the approval of an increase in certain it's 5/8 x 3/4 inch connection fee. In support of its application, Gallatin County respectfully states as follows:

1. Gallatin County is a non-profit water district organized under KRS Chapter 74 and has no articles of incorporation or by-laws. Gallatin County's mailing address is 4500 Hwy 455, Sparta, Kentucky 41086.

2. Gallatin County is engaged in the distribution and sale of water. It currently provides water service to approximately 1,900 customers. Gallatin County additionally provides wholesale service to Kentucky American Water Company. A wholesale cost of service study was prepared and is contained on a CD filed as part of this application. No increase is necessary for the wholesale rate at this time. Gallatin County provides service under special contract to the Kentucky Speedway. A copy of the contract is included as part of this

application. No increase in the monthly rate is allowed at this time pursuant to the terms of the contract.

3. Gallatin County requests a deviation, pursuant to 807 KAR 5:001, Section 14, from the requirements of 807 KAR 5:001, Section 6, requiring the financial data filed with the Application be for a twelve (12) month period ending within ninety (90) days of the filing of the application. Gallatin County states that there has been no change that is material in nature in the financial condition of the utility since December 31, 2010, which is also the test-period used to support the requested increase in the rates and charges. The annual reports for 2009 and 2010 are on file with the Commission.

4. The list of the documents filed in support of Gallatin County's application or the explanations for their absence is contained in the Filing Requirement Index for Financing.

5. The proposed increase in the rates and charges is necessary for Gallatin County to meet the continuing demand for adequate service. An increase in rates is essential for Gallatin County to maintain a reasonable level of service, to meet the expanding needs of its service area and to cover its debt service. Gallatin is additionally attempting to decrease its water loss and needs this rate increase to replace aging pipes.

6. As authorized by KRS 278.192(1), and for the purpose of justifying the reasonableness of the proposed general increase in rates, Gallatin County has utilized an historical test period consisting of the twelve (12) consecutive

calendar months ending December 31, 2010. The only operating budget available is shown in Exhibit 4.

7. Gallatin County's annual reports, including the annual report for 2010, are on file with the Public Service Commission as required by 807 KAR 5:006, Section 3(1).

8. Gallatin County hereby gives notice to the Commission of the adjustment of its rates to those set forth in Exhibit 1 in the filing requirements. Gallatin County requests that it be allowed to increase its rates over a 3 year period. Year one will recover 50% of depreciation expense and year three will recover the additional 50 percent of depreciation. This method of increasing its rates is proposed due to the magnitude of the rate increase. Gallatin is hopeful that the economy will improve somewhat by year three and the increase will not have such a negative impact on its customers.

9. Year one rates will become effective on and after November 1, 2011 and will result in an increase of \$75,462 over test year operating revenues of \$985,226. This is an increase of 8 percent. Year three rates will become effective on and after November 1, 2013 and will result in an increase of \$171,801 over year one rates. This is an increase of 17 percent. The tariff is also shown in comparative form in Exhibit 2.

10. Gallatin County has complied with 807 KAR 5:011, Section 9(2) and 807 KAR 5:001 Section 10 (3) and (4), by delivering to newspapers of general circulation in its service area a copy of the Notice identified as Exhibit 3 in the application, for publishing once a week for three consecutive weeks in a

prominent manner. An affidavit of publication will be furnished to the Commission upon receipt by Gallatin County.

11. A copy of this application has been delivered to the Utility Intervention and Rate Division of the Office of the Attorney General as required by 807 KAR 5:001, Section 10(2).

12. Gallatin County will post a copy of its customer notice in its place of business as required by 807 KAR 5:001, Section 10 (4)(f). The notice will remain posted until the Commission has determined the rates to be charged by Gallatin County.

13. The cost justification for the increase in the meter connection fee is included as part of this application. (See list of exhibits). The public notice also includes the current connection fee as well as the proposed connection fee. The District cannot defer this increase until its next general rate case as the current connection fee no longer covers the expenses associated with making the connection. Only new applicants for service will be impacted by the increase in the connection fee. A copy of the utility's annual report is on file with the Commission and the proposed increase will generate revenue exceeding five percent of the total revenues provided by all miscellaneous and non-recurring charges for a recent 12-month period.

14. Gallatin County requests that should the Commission have questions regarding this Application that it be treated as a small utility and assistance given under the Commission's Small Utility help Division. Gallatin County does not plan to submit prepared testimony in this case as it does not have material

information to offer that is not filed as part of this application. Revenues are less than \$1,000,000.



IN TESTIMONY WHEREOF, witness the signature of the undersigned on  
this 8<sup>th</sup> day of September, 2011

Vic Satchwell

Vic Satchwell, Chairman  
Gallatin County Water District

Subscribed and sworn to before me by Vic Satchwell, Chairman of the  
Gallatin Water District, on September 8, 2011.

My Commission Expires May 23, 2013

Jimmy Hendren

Notary Public  
In and for said county and state

## Filing Requirement Index Historical Test Period Rate Case

Filing Requirements	Filing Requirement Description	Location or Absence Reason
	Full name and P. O. address of applicant and reference to the particular provision of law requiring PSC approval.	Application – Page No. 1.
807 KAR 5:001 Section 8(2)	The original and 10 copies of application plus copy for anyone named as interested party.	The correct number of applications has been filed.
807 KAR 5:001 Section 10(1)(b)(1)	Reason adjustment is required.	Application – Page No. 2.
807 KAR 5:001 Section 10(1)(b)(2)	Statement that utility's annual reports, including the most recent calendar year, are filed with PSC. 807 KAR 5:006, Section 3(1)	Application – Page No. 2
807 KAR 5:001 Section 10(1)(b)(3) & (5)	If utility is incorporated certified copy of articles of incorporation and amendments or out of state documents of similar import. If they have already been filed with PSC refer to the style and case number of the prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	Not applicable
807 KAR 5:001 Section 10(1)(b)(4) & (5)	If applicant is limited partnership, certified copy of limited partnership agreement. If agreement filed with PSC refer to style and case number of prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	N/A – Gallatin County is not a limited partnership.
807 KAR 5:001 Section 10(1)(b)(6)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	N/A – Gallatin County has never used an assumed name.
807 KAR 5:001 Section 10(1)(b)(7)	Proposed tariff in form complying with 807 KAR 5:011 effective not less than 30 days from date application filed.	Exhibit No. 1
807 KAR 5:001 Section 10(1)(b)(8)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Exhibit No. 2.
807 KAR 5:001 Section 10(1)(b)(9)	Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy.	Application – Page No. 3.

## Filing Requirement Index Historical Test Period Rate Case

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10(2)	If gross annual revenues exceed \$1,000,000, written notice of intent filed at least 4 weeks prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	Revenues do not exceed \$1,000,000
807 KAR 5:001 Section 10 (6)(a)	Complete description and quantified explanation for proposed adjustments with support for changes in price or activity levels, and other factors affecting the adjustment.	Exhibits No. 4, 5, 6, 8, 9, 12, 13
807 KAR 5:001 Section 10 (6)(b) & (c)	If gross annual revenues exceed \$1,000,000, prepared testimony of each witness who will support the application. If less than \$1,000,000, prepared testimony of each witness who will support application or statement that utility does not plan to submit prepared testimony.	Bullock Pen does not intend to submit prepared testimony. See Page 4 of Application.
807 KAR 5:001 Section 10 (6)(d)	Estimate of effect that new rate(s) will have on revenues including, at minimum, total revenues resulting from increase or decrease and percentage of increase or decrease.	Application Page 3 and Exhibit 2.
807 KAR 5:001 Section 10 (6)(e)	If electric, gas, water or sewer utility effect upon the average bill for each customer classification to which change will apply.	Comparison of Rates at Exhibit No. 2 and notice at Exhibit 3.
807 KAR 5:001 Section 10 (6)(f)	If local exchange company, effect upon the average bill for 807 each customer class for change in basic local service.	N/A – Gallatin County is a Water District
807 KAR 5:001 Section 10 (6)(g)	Analysis of customers' bills in such detail that revenue from present and proposed rates can be readily determined for each customer class.	Exhibit 11.
807 KAR 5:001 Section 10 (6)(h)	Summary of determination of revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.	Exhibit No. 4.
807 KAR 5:001 Section 10 (6)(i)	Reconciliation of rate base and capital used to determine revenue requirements.	N/A – Revenue Requirement reflects Debt Service.

## Filing Requirement Index Historical Test Period Rate Case

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (6)(j):	Current chart of accounts if more detailed than the Uniform System of Accounts.	Not applicable
807 KAR 5:001 Section 10 (6)(k)	Independent auditor's annual opinion report, with any written communication from auditor, which indicates existence of material weakness in internal controls.	The 2010 Audit Report is attached as Exhibit 13.
807 KAR 5:001 Section 10 (6)(l):	The most recent FERC or FCC audit reports.	N/A – Gallatin County is a Water District
807 KAR 5:001 Section 10 (6)m	The most recent FERC Form 1 (electric), FERC Form 2 (gas), or Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone).	N/A – Gallatin County is a Water District.
807 KAR 5:001 Section 10 (6)(n)	Summary of latest depreciation study with schedules by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall provide schedule identifying current and test period depreciation rates used by major plant accounts. If filed in another PSC case refer to that case's number and style.	The audit report at Ex. 13 and annual report show depreciation schedules. An additional depreciation schedule is attached as Exhibit 7.
807 KAR 5:00 Section 10 (6)(o)	List of all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with the filing. Include each software, program, or model; what each was used for; its supplier; brief description and specifications for the computer hardware and the operating system required to run the program.	Excel Word United Systems Software for billing analysis
807 KAR 5:001 Section 10 (6)(p)	Prospectuses of most recent stock or bond offerings.	N/A – Gallatin County is a Water District
807 KAR 5:001 Section 10 (6)(q)	Annual report to shareholders, or members, and statistical supplements covering 2 years prior to application filing date.	N/A – Gallatin County is a Water District

## Filing Requirement Index Historical Test Period Rate Case

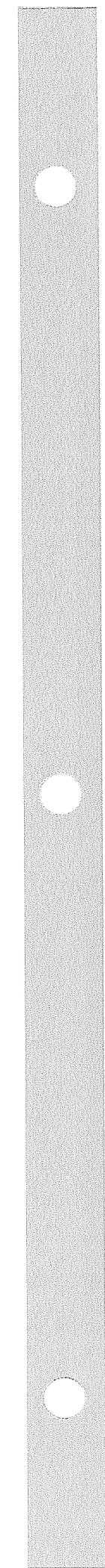
Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (6)(r)	Monthly managerial reports providing financial results for 12 months in test period.	No managerial reports exists that are not included as part of this application.
807 KAR 5:001 Section 10 (6)(s)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued within past 2 years, and Form 10-Qs issued during the past 6 quarters updated as current information becomes available.	N/A – Gallatin County is a Water District
807 KAR 5:001 Section 10 (6)(t)	<p>If utility had any amounts charged or allocated to it by affiliate or general or home office, or paid any monies to affiliate or general or home office during test period or during previous 3 calendar years, file:</p> <ol style="list-style-type: none"> <li>1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each charge allocation or payment;</li> <li>2. Explanation of how allocator for the test period was determined; and</li> <li>3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during test period was reasonable;</li> </ol>	N/A – There are no affiliate allocations.

## Filing Requirement Index Historical Test Period Rate Case

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (6)(u)	If gas, electric or water utility, whose annual gross revenues exceed \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from a single time period.	See Exhibit 11.
807 KAR 5:001 Section 10 (6)(v)	<p>Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file:</p> <ol style="list-style-type: none"> <li>1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and</li> <li>2. Service specific cost studies to support pricing of all services that generate annual revenue greater than \$1,000,000, except local exchange access: <ul style="list-style-type: none"> <li>(a) Based on current and reliable data from a single time period; and</li> <li>(b) Using generally recognized fully allocated, embedded, or incremental cost principles.</li> </ul> </li> </ol>	N/A – Gallatin County is a Water District
807 KAR 5:001 Section 10 (7)(a)	Detailed income statement and balance sheet reflecting impact of all proposed adjustments	Exhibit No. 4.
807 KAR 5:001 Section 10 (7)(b)	Most recent capital construction budget containing at least period of time as proposed for any pro forma adjustment for plant additions.	No construction projects are underway or during the test year.

## Filing Requirement Index Historical Test Period Rate Case

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (7)(c)	<p>For each proposed pro forma adjustment reflecting plant additions the following information:</p> <ol style="list-style-type: none"> <li>1. Starting date of the construction of each major component of plant;</li> <li>2. Proposed in-service date;</li> <li>3. Total estimated cost of construction at completion;</li> <li>4. Amount contained in construction work in progress at end of test period;</li> <li>5. Complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement;</li> <li>6. Original cost, cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions;</li> <li>7. Explanation of any differences in amounts contained in the capital construction budget and amounts of capital construction cost contained in the pro forma adjustment period; and</li> <li>8. Impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements;</li> </ol>	No plant additions are proposed.
807 KAR 5:001 Section 10 (7)(e)	<p>Number of customers to be added to the test period – end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.</p>	No new customers will be added.



FOR Gallatin County, Kentucky

PSC KY NO. 2

2nd. Revised SHEET NO. 3

Gallatin County Water District  
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

1st Revised SHEET NO. 3

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**RATES AND CHARGES**

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<u>Meter Size</u>	<u>Effective</u> <u>11-1-2011</u>	<u>Effective</u> <u>11-1-2013</u>
<u>5/8" x 3/4" Meter</u>		
First 1,000 Gallons	\$ 17.65 Minimum	\$21.00 / 1,000
Next 2,000 Gallons	6.50 / 1,000	7.75 / 1,000
Next 2,000 Gallons	5.96 / 1,000	7.44 / 1,000
Next 5,000 Gallons	5.62 / 1,000	6.70 / 1,000
Over 10,000 Gallons	5.30 / 1,000	6.20 / 1,000
 Wholesale Rate	 \$1.46 / 1,000	 \$1.46 / 1,000

Sales to Kentucky Speedway will be a flat rate equivalent of \$2,917 per month, or a minimum of \$35,000 annually.

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DATE OF ISSUE September 20, 2011  
MONTH / DATE / YEAR

DATE EFFECTIVE Year 1 (11- 1 - 2011 ) Year 3 (11- 1 - 2013)  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

FOR Gallatin County, Kentucky

PSC KY NO. 2

2nd. Revised SHEET NO. 4

Gallatin County Water District  
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

1st Revised SHEET NO. 4

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**RATES AND CHARGES**

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**B. DEPOSITS:**

A customer may be charged a deposit of \$85.14 for rates effective on and after November 1, 2011.

A customer may be charged a deposit of \$102.76 for rates effective on and after November 1, 2013.

**C. METER CONNECTION/TAP-ON CHARGES:**

5/8 X 3/4 Inch Connection	\$802.00
All Larger Meters	Actual Cost of Installation

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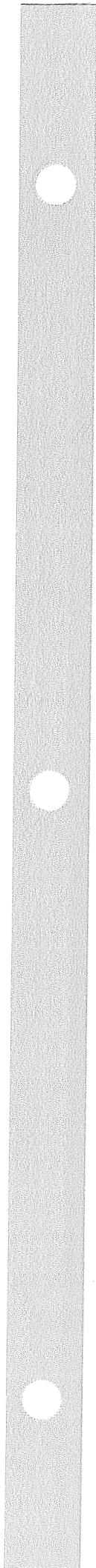
DATE OF ISSUE September 20, 2011  
MONTH / DATE / YEAR

DATE EFFECTIVE Year 1 (11- 1 - 2011 ) Year 3 (11- 1 - 2013)  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



FOR Gallatin County, Kentucky

PSC KY NO. 2

2nd. Revised SHEET NO. 3

Gallatin County Water District  
(NAME OF UTILITY)

CANCELLING PSC KY NO. 1

1st Revised SHEET NO. 3

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COMPARISON OF CURRENT AND PROPOSED RATES YEAR 1

<u>Meter Size</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>	<u>%</u>
<u>5/8" x 3/4" Meter</u>				
First 1,000 Gallons	\$ 16.60 Minimum	\$17.65	\$1.05	.06
Next 2,000 Gallons	5.80 / 1,000	6.50	.70	.12
Next 2,000 Gallons	5.20 / 1,000	5.96	.46	.08
Next 5,000 Gallons	5.60 / 1,000	5.62	.42	.08
Over 10,000 Gallons	5.00 / 1,000	5.30	.30	.06

COMPARISON OF CURRENT AND PROPOSED RATES YEAR 3

<u>Meter Size</u>	<u>Year 1 Rate</u>	<u>Proposed Rate</u>	<u>Increase</u>	<u>%</u>
<u>5/8" x 3/4" Meter</u>				
First 1,000 Gallons	\$ 17.65 Minimum	\$21.00	\$3.35	.19
Next 2,000 Gallons	6.50 / 1,000	7.75	1.25	.19
Next 2,000 Gallons	5.96 / 1,000	7.44	1.48	.25
Next 5,000 Gallons	5.62 / 1,000	6.70	1.08	.19
Over 10,000 Gallons	5.30 / 1,000	6.20	.90	.17

Meter Connection Fee

5/8 x 3/4 Inch Connection	\$530.00	\$802.00	\$272.00	.51
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DATE OF ISSUE September 20, 2011  
MONTH / DATE / YEAR

DATE EFFECTIVE Year 1 (11- 1 - 2011 ) Year 3 (11- 1, 2013)  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

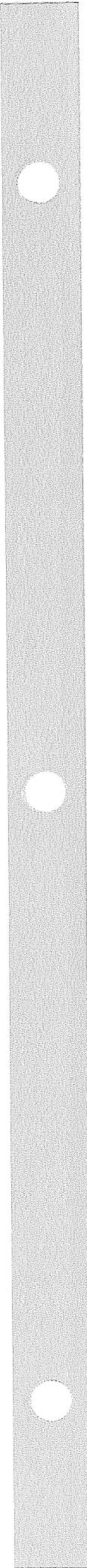
TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

Pursuant to 807 KAR 5:001, Section 10(6)(e). The effect upon the average bill for each customer classification is shown in the customer notice. There is only one rate schedule for Gallatin County.

Pursuant to 807 KAR 5:006, Section 10(3)(a). The amount of change in dollar amounts is shown on Page 3 of the application. The percentage for each customer classification is shown in the customer notice and on Exhibit 2.

Pursuant to 807 KAR 5:006, Section 10(3)(c) The effect on the average bill for each customer class is shown in the customer notice. There is only one rate schedule.



## CUSTOMER NOTICE

The Gallatin County Water District has filed an application with the Public Service Commission to increase its rates for water service and to increase its 5/8 x 3/4 inch connection fee. Gallatin proposed to increase its rates over a 3 - year period with the first rate increase on and after November 1, 2011. The second rate increase would occur on and after November 1, 2013. The increased rates and charges are set out below:

Meter Size 5/8 x 3/4 Inch (Gallatin County does not have separate rates for other size meters) Effective 11-1-2011

	Current Rate	Proposed Rate	Increase	% Increase
First 1,000 Gallons	\$ 16.60	\$ 17.65	\$ 1.05	0.06
Next 2,000 Gallons	5.80	6.50	0.70	0.12
Next 2,000 Gallons	5.50	5.96	0.46	0.08
Next 5,000 Gallons	5.20	5.62	0.42	0.08
Over 10,000 Gallons	5.00	5.30	0.30	0.06

Proposed Rate for 11-1-2013 (Increase over 11-1-2011 rates)

	11-1-2011 Rates	11-1-2013 Rates	Increase	% Increase
First 1,000 Gallons	\$ 17.65	\$ 21.00	\$ 3.35	0.19
Next 2,000 Gallons	6.50	7.75	1.25	0.19
Next 2,000 Gallons	5.96	7.44	1.48	0.25
Next 5,000 Gallons	5.62	6.70	1.08	0.19
Over 10,000 Gallons	5.30	6.20	0.90	0.17

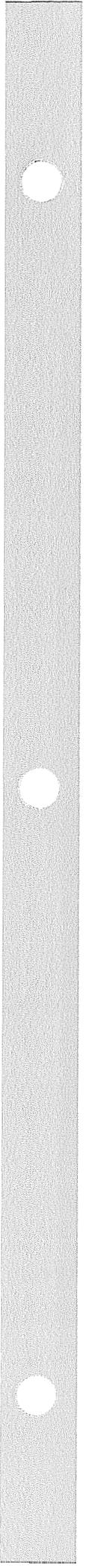
Meter Connection Fee	Current	Proposed	Increase	% Increase
5/8 x 3/4 Inch	\$530.00	\$802.00	\$272.00	0.51

The average bill for water service based on 5,000 gallons will increase effective 11-1-2011 from \$39.20 to \$42.57 an increase of \$3.37 or 9%. The average bill effective 11-1-2013 based on 5,000 gallons will increase from 2011 rates from \$42.57 to \$51.38 an increase of \$8.81 or 21%.

The rates contained in this notice are the rates proposed by Gallatin County Water District. The Public Service Commission may order rates to be charged that are higher or lower than these proposed rates. Such action may result in rates for consumers other than the rates in this notice.

Any corporation, association, body politic or person may by motion within 30 days after publication of the proposed rate changes request leave to intervene. The motion shall be submitted to the Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, KY 40602, and shall set forth the grounds for the request including the status and interest of the party.

Intervenors may obtain copies of the application by contacting the applicant at the District's office at 4500 Hwy. 455 Sparta, KY 41086 or by calling 859-643-5200. A copy of the application shall be made available for public inspection at the office of the utility.



GALLATIN COUNTY WATER DISTRICT

OPERATING INCOME FOR 2010

Total Operating Revenue from Sales	\$ 856,352
Less Bad Debt	(10,267)
Less Leak Adjustments and Incorrect Readings	(8,725)
Plus Forfeited Discounts	31,820
Plus Miscellaneous Service Revenue	21,160
Plus Other Revenue	2,266
Total Operating Revenue	\$ 892,606
Income per Annual Report at Page 49	896,286
Difference	\$ (3,680)
Other Income - at Page 19 (Interest and Non Utility Income)	17,158
Total Operating Revenue	\$ 909,764
Operating Expenses at 100% Depreciation	1,157,027
Revenue Deficiency	\$ (247,263)

GALLATIN COUNTY WATER DISTRICT

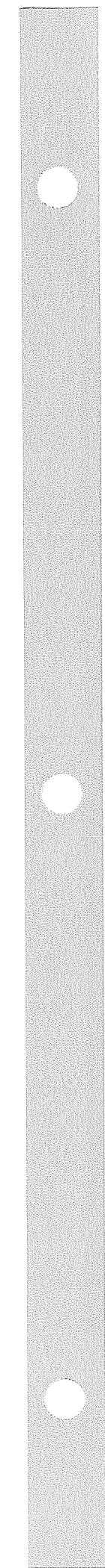
2010 EXPENSES at 100% DEPRECIATION Year 3 Rates

	2010	Adjustments	Proforma
Salaries and Wages - Employees	\$ 217,728	\$ (23,844)	\$ 193,884
Salaries - Commissioners	5,800	1,400	7,200
Pensions and Benefits	110,010	(8,157)	101,853
Purchased Water	7,073		7,073
Purchased Power	60,681		60,681
Chemicals	4,160		4,160
Materials and Supplies	54,915		54,915
Engineering - Contractual	1,807		1,807
Accounting - Contractual	8,480		8,480
Legal - Contractual	3,450		3,450
Water Testing	3,480		3,480
Transportation	18,461		18,461
Insurance - General Liability	14,202	(2,147)	12,055
Insurance - Workers Comp.	3,331	1,567	4,898
Advertising	1,011		1,011
Bad Debt	10,267		10,267
Miscellaneous	19,088		19,088
<i>Depreciation at 100%</i>	<i>343,601</i>		<i>343,601</i>
Amortization	1,428		1,428
Taxes other than Income	16,952		16,952
Total Operating and Maintenance	\$ 905,925	\$ (31,180)	\$ 874,745
Debt Principal and Interest	233,730	1,505	235,235
.20 Coverage	46,746	301	47,047
Total Expenses	\$ 1,186,401	\$ (29,374)	\$ 1,157,027
Operating Income			985,226
Increase Required			\$ 171,801
			17%

GALLATIN COUNTY WATER DISTRICT

2010 EXPENSES AT 50% DEPRECIATION

	2010	Adjustments	Proforma
Salaries and Wages - Employees	\$ 217,728	\$ (23,844)	\$ 193,884
Salaries - Commissioners	5,800	1,400	7,200
Pensions and Benefits	110,010	(8,157)	101,853
Purchased Water	7,073		7,073
Purchased Power	60,681		60,681
Chemicals	4,160		4,160
Materials and Supplies	54,915		54,915
Engineering - Contractual	1,807		1,807
Accounting - Contractual	8,480		8,480
Legal - Contractual	3,450		3,450
Water Testing	3,480		3,480
Transportation	18,461		18,461
Insurance - General Liability	14,202	(2,147)	12,055
Insurance - Workers Comp.	3,331	1,567	4,898
Advertising	1,011		1,011
Bad Debt	10,267		10,267
Miscellaneous	19,088		19,088
<i>Depreciation at 50%</i>	<i>343,601</i>	<i>(171,801)</i>	<i>171,801</i>
Amortization	1,428		1,428
Taxes other than Income	16,952		16,952
Total Operating and Maintenance	\$ 905,925	\$ (202,981)	\$ 702,944
Debt Principal and Interest	233,730	1,505	235,235
.20 Coverage	46,746	301	47,047
Total Expenses	\$ 1,186,401	\$ (201,175)	\$ 985,226
Operating Income			909,764
Increase Required			\$ 75,462
			8%



2010

**Gallatin County Water  
Income Statement-Detailed**

Current Year: 2010  
 Comparative Year: 2010  
 Period: December  
 Period Begin: 12/01/10  
 Period End: 12/31/10

Account	Title	Current Period	Comparative Period	% Variance	Current YTD Balance	Comparative YTD Balance	% Variance
04000-0000	Sales- Residential	\$61,062.15	\$61,062.15	0	760,704.74	760,704.74	0
04002-0000	Sales- Commercial	\$5,606.92	\$5,606.92	0	79,666.16	79,666.16	0
04004-0000	Sales Industrial	\$0.00	\$0.00	N/A	0.00	0.00	N/A
04006-0000	Sales- Resale	\$1,213.26	\$1,213.26	0	13,033.42	13,033.42	0
04008-0000	Sales Public Authorities	\$0.00	\$0.00	N/A	0.00	0.00	N/A
04010-0000	Sales -Milti Dwellings	\$0.00	\$0.00	N/A	0.00	0.00	N/A
04012-0000	Sales - Other	\$0.00	\$0.00	N/A	0.00	0.00	N/A
04020-0000	School Tax	\$0.63	\$0.63	0	329.76	329.76	0
04025-0000	Sales Tax	\$6.10	\$6.10	0	81.52	81.52	0
04040-0000	Reconnection Fees	\$315.00	\$315.00	0	5,845.00	5,845.00	0
04041-0000	Field Collection Charge	\$840.00	\$840.00	0	15,315.00	15,315.00	0
04045-0000	Convenience Fees	\$352.00	\$352.00	0	3,700.00	3,700.00	0
04046-0000	Penalties	\$1,905.78	\$1,905.78	0	28,120.24	28,120.24	0
04060-0000	Customer Refunds	(\$37.92)	(\$37.92)	0	(5,117.49)	(5,117.49)	0
04070-0000	Wrong Readings	(\$138.96)	(\$138.96)	0	(3,132.17)	(3,132.17)	0
04080-0000	Leak Adjustments	(\$734.81)	(\$734.81)	0	(5,593.06)	(5,593.06)	0
04090-0000	Surcharge - Warsaw	\$0.00	\$0.00	N/A	0.00	0.00	N/A
04092-0000	Insurance Proceeds	\$0.00	\$0.00	N/A	0.00	0.00	N/A
04095-0000	Cash Over (Short)	(\$4.02)	(\$4.02)	0	(7.68)	(7.68)	0
04097-0000	Returned Checks	\$10.61	\$10.61	0	1,074.61	1,074.61	0
06030-0000	Capital Contributions	\$20,000.00	\$20,000.00	0	20,000.00	20,000.00	0
06040-0000	Hook -Up Fees	\$530.00	\$530.00	0	7,950.00	7,950.00	0
<b>Total Revenue</b>		<b>\$90,926.74</b>	<b>\$90,926.74</b>	<b>0</b>	<b>921,970.05</b>	<b>921,970.05</b>	<b>0</b>
<b>Expenses</b>		<hr/>					
05010-0000	Accounting & Auditing Fees	\$0.00	\$0.00	N/A	8,480.00	8,480.00	0
05020-0000	Advertising	(\$84.15)	(\$84.15)	0	1,011.30	1,011.30	0

Account	Title	Current Period	Comparative Period	% Variance	Current YTD Balance	Comparative YTD Balance	% Variance
		\$119.00	\$119.00	0	1,428.00	1,428.00	0
05030-0000	Amortization Expense	\$1,373.79	\$1,373.79	0	15,027.75	15,027.75	0
05040-0000	Auto & Truck Expense	\$9,957.11	\$9,957.11	0	10,267.14	10,267.14	0
05050-0000	Bad Debt Expense	\$0.00	\$0.00	N/A	0.00	0.00	N/A
05060-0000	Bank Card Charges	\$261.47	\$261.47	0	7,027.25	7,027.25	0
05070-0000	Bank Service Charges	\$1,845.00	\$1,845.00	0	4,160.00	4,160.00	0
05080-0000	Chemicals	\$400.00	\$400.00	0	5,800.00	5,800.00	0
05090-0000	Commissioner Salaries	\$0.00	\$0.00	N/A	0.00	0.00	N/A
05100-0000	Contributions	\$0.00	\$0.00	N/A	0.00	0.00	N/A
05110-0000	Damages	\$0.00	\$0.00	N/A	0.00	0.00	N/A
05120-0000	Data Processing Expense	\$26,735.00	\$26,735.00	0	343,601.00	343,601.00	0
05125-0000	Depreciaiton Expense	\$75.00	\$75.00	0	1,228.00	1,228.00	0
05130-0000	Dues & Subscriptions	\$0.00	\$0.00	N/A	1,315.00	1,315.00	0
05140-0000	Education & Seminars	\$336.73	\$336.73	0	2,956.72	2,956.72	0
05150-0000	Employer Medicare	\$1,407.59	\$1,407.59	0	12,609.88	12,609.88	0
05160-0000	Employer Social Security	\$0.00	\$0.00	N/A	1,806.93	1,806.93	0
05170-0000	Engineering Expense	(\$2,523.89)	(\$2,523.89)	0	(246.58)	(246.58)	0
05180-0000	Equipment Rental	\$0.00	\$0.00	N/A	0.00	0.00	N/A
05190-0000	Base Account 05190	(\$539.84)	(\$539.84)	0	(6,867.20)	(6,867.20)	0
05200-0000	Insurance - Commissioner Health	\$7,154.60	\$7,154.60	0	81,008.18	81,008.18	0
05210-0000	Insurance- Employee Health	\$1,150.80	\$1,150.80	0	14,201.83	14,201.83	0
05220-0000	Insurance - General	\$406.57	\$406.57	0	4,936.04	4,936.04	0
05230-0000	Insurance - Workers Compensation	\$809.41	\$809.41	0	3,330.86	3,330.86	0
05235-0000	Insurance- Bonds	\$12,391.01	\$12,391.01	0	148,692.02	148,692.02	0
05240-0000	Interest Expense - Bonds	\$1.23	\$1.23	0	177.05	177.05	0
05250-0000	Interest Expense - Customer Deposits	(\$3,633.64)	(\$3,633.64)	0	8,335.00	8,335.00	0
05260-0000	Interest Expense - KIA	(\$1,342.50)	(\$1,342.50)	0	3,450.00	3,450.00	0
05270-0000	Legal Fees	\$936.52	\$936.52	0	10,491.32	10,491.32	0
05280-0000	Maintenance Supplies	\$100.00	\$100.00	0	671.13	671.13	0
05290-0000	Miscellaneous Expense	\$544.35	\$544.35	0	11,173.59	11,173.59	0
05300-0000	Office Expense	\$185.49	\$185.49	0	5,128.81	5,128.81	0
05310-0000	Outside Services	\$0.00	\$0.00	N/A	0.00	0.00	N/A
05320-0000	Penalties	\$427.33	\$427.33	0	7,400.44	7,400.44	0
05330-0000	Postage	\$0.00	\$0.00	N/A	1,385.38	1,385.38	0
05340-0000	Public Service Assessments	\$0.00	\$0.00	N/A	9,329.23	9,329.23	0
05350-0000	Pump Maintenance	\$0.00	\$0.00	N/A	0.00	0.00	N/A
05355-0000	Tank Maintenance	\$0.00	\$0.00	N/A	0.00	0.00	N/A

Account	Title	Current Period	Comparative Period	% Variance	Current YTD Balance	Comparative YTD Balance	% Variance
05360-0000	Purchased Water	\$440.63	\$440.63	0	7,073.14	7,073.14	0
05370-0000	Rent Expense	\$0.00	\$0.00	N/A	0.00	0.00	N/A
05380-0000	Repairs & Maintenance - G& A	\$1,202.56	\$1,202.56	0	11,855.25	11,855.25	0
05390-0000	Retirement Expense	\$3,934.79	\$3,934.79	0	35,868.52	35,868.52	0
05395-0000	401K Expense	\$0.00	\$0.00	N/A	0.00	0.00	N/A
05400-0000	Salaries & Wages - Administrative	\$6,493.18	\$6,493.18	0	65,775.43	65,775.43	0
05410-0000	Salaries & Wages - Customer Svc	\$0.00	\$0.00	N/A	0.00	0.00	N/A
05420-0000	Salaries & Wages Distribution	\$13,838.97	\$13,838.97	0	151,952.36	151,952.36	0
05430-0000	Samples	\$365.00	\$365.00	0	3,480.00	3,480.00	0
05440-0000	Taxes & Licenses - Other	\$0.00	\$0.00	N/A	0.00	0.00	N/A
05450-0000	Telephone	\$1,027.38	\$1,027.38	0	6,788.46	6,788.46	0
05460-0000	Travel & Entertainment	(\$139.26)	(\$139.26)	0	3,433.08	3,433.08	0
05470-0000	Uniforms	\$147.67	\$147.67	0	1,844.75	1,844.75	0
05480-0000	Utilities - Administrative	\$214.35	\$214.35	0	3,552.77	3,552.77	0
05490-0000	Utilities - Pumping	\$3,559.46	\$3,559.46	0	57,128.40	57,128.40	0
	<b>Total Expenses</b>	<b>\$89,578.71</b>	<b>\$89,578.71</b>	<b>0</b>	<b>1,068,068.23</b>	<b>1,068,068.23</b>	<b>0</b>
06010-0000	Other Income	(\$6,494.09)	(\$6,494.09)	0	2,265.99	2,265.99	0
06020-0000	Gain (Loss) on Sale of Assets	\$7,000.00	\$7,000.00	0	7,000.00	7,000.00	0
06050-0000	Interest Income	(\$327.21)	(\$327.21)	0	10,157.91	10,157.91	0
09999-0000	Temporary Distribution	(\$389.30)	(\$389.30)	0	(289.30)	(289.30)	0
	<b>Total Other Income</b>	<b>(\$210.60)</b>	<b>(\$210.60)</b>	<b>0</b>	<b>19,134.60</b>	<b>19,134.60</b>	<b>0</b>
	<b>Net Income/Loss</b>	<b>\$1,137.43</b>	<b>\$1,137.43</b>	<b>0</b>	<b>(126,963.58)</b>	<b>(126,963.58)</b>	<b>0</b>

## Gallatin County Water Balance Sheet-Detailed

Fiscal Year: 2010  
 Comparative Year: 2010  
 Include Thru: December

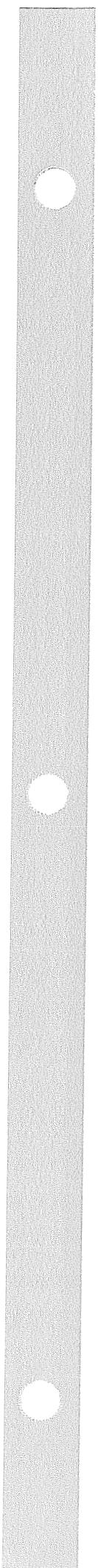
Account	2010 Beginning Balance	Previous Period Balance	2010 YTD 12/31/10	2010 YTD 12/31	Difference	
<b>Balance Sheet</b>						
<b>Assets</b>						
<b>Cash Accounts</b>						
01000-0000	General checking	10,973.45	(492.95)	0.00	0.00	
01001-0000	General/Payroll First Farmers	0.00	4,559.61	13,910.30	13,910.30	
01020-0000	Revenue	332,448.94	(78.46)	0.00	0.00	
01021-0000	Revenue - First Farmers	0.00	222,916.07	211,126.00	211,126.00	
01024-0000	Excess Revenue CD	0.00	0.00	0.00	0.00	
01025-0000	Certificate of Deposits	271,877.58	428,293.90	428,293.90	428,293.90	
01026-0000	RDA Reserve CD	69,101.48	71,739.20	71,739.20	71,739.20	
01030-0000	Security Deposits	23,188.14	0.00	0.00	0.00	
01031-0000	Security Deposits First Farmers	0.00	23,178.75	22,737.35	22,737.35	
01040-0000	KIA Reserve Account	31,327.16	31,853.48	34,733.30	34,733.30	
01045-0000	Construction Account	0.00	0.00	0.00	0.00	
01046-0000	Tobacco Grant Account	0.00	0.00	0.00	0.00	
01050-0000	Bond Sinking Account	129,956.14	113,973.03	131,087.73	131,087.73	
01060-0000	Depreciation Reserve	73,776.85	87,015.23	88,241.28	88,241.28	
01065-0000	RDA RESERVE	133,749.24	149,797.56	155,390.55	155,390.55	
01080-0000	Petty Cash	70.00	70.00	70.00	70.00	
01098-0000	Undeposited Cash	0.00	0.00	0.00	0.00	
	<b>Total Cash Accounts</b>	<b>1,076,468.98</b>	<b>1,132,825.42</b>	<b>1,157,329.61</b>	<b>1,157,329.61</b>	<b>0.00</b>
<b>Current Assets</b>						
01100-0000	Accounts Receivable	77,672.70	82,073.13	84,001.47	84,001.47	0.00
01120-0000	Accounts Receivable -Year End	26,658.18	26,658.18	26,094.58	26,094.58	0.00
01130-0000	Accounts Receivable Other	207.34	207.34	0.00	0.00	0.00
01135-0000	Allowance for Bad Debt	(7,154.56)	(1,827.16)	(11,749.77)	(11,749.77)	0.00
01140-0000	Interest Receivable	3,597.83	3,597.83	3,048.26	3,048.26	0.00
01200-0000	Inventory	26,388.03	26,388.03	24,381.88	24,381.88	0.00
01350-0000	Prepaid Expenses	862.00	862.00	862.00	862.00	0.00
01370-0000	Prepaid Insurance	10,899.75	11,021.15	8,869.79	8,869.79	0.00

Account		2010 Beginning Balance	Previous Period Balance	2010 YTD 12/31/10	2010 YTD 12/31	Difference
01390-0000	Prepaid Taxes	0.00	0.00	0.00	0.00	0.00
	Total Current Assets	139,131.27	148,980.50	135,508.21	135,508.21	0.00
Plant Property And Equipment						
01500-0000	Land	192,257.95	192,257.95	192,257.95	192,257.95	0.00
01505-0000	Land Rights	33,970.66	33,970.66	33,970.66	33,970.66	0.00
01510-0000	Buildings	330,562.61	330,562.61	330,562.61	330,562.61	0.00
01511-0000	A/D - Buildings	(60,486.00)	(66,888.00)	(69,459.00)	(69,459.00)	0.00
01520-0000	Building Improvements	14,347.00	14,347.00	14,347.00	14,347.00	0.00
01521-0000	A/D Building Improvements	0.00	0.00	0.00	0.00	0.00
01550-0000	Lease Hold Improvements	0.00	0.00	0.00	0.00	0.00
01551-0000	A/D Leasehold Improvements	0.00	0.00	0.00	0.00	0.00
01560-0000	Meter Installation	669,907.91	669,907.91	676,382.66	676,382.66	0.00
01561-0000	A/D Meter Installation	(201,562.00)	(216,819.00)	(218,391.00)	(218,391.00)	0.00
01562-0000	Distribution Reservoir	2,038,981.52	2,038,981.52	2,038,981.52	2,038,981.52	0.00
01563-0000	A/D Distribution Reservoir	(485,625.00)	(551,548.00)	(557,442.00)	(557,442.00)	0.00
01564-0000	Transmission Distribution Main	4,119,426.97	4,119,426.97	4,164,986.93	4,164,986.93	0.00
01565-0000	A/D Transmission Dist. Main	(976,266.00)	(1,051,627.00)	(1,059,145.00)	(1,059,145.00)	0.00
01566-0000	Services	237,444.87	237,444.87	238,920.12	238,920.12	0.00
01567-0000	A/D Services	(101,518.00)	(108,756.00)	(109,458.00)	(109,458.00)	0.00
01568-0000	Water Treatment Equipment	22,167.51	22,167.51	22,167.51	22,167.51	0.00
01569-0000	A/D Water Treatment Equipment	(10,491.00)	(11,470.00)	(11,560.00)	(11,560.00)	0.00
01570-0000	Pumping Equipment	1,262,190.92	1,262,190.92	1,262,190.92	1,262,190.92	0.00
01571-0000	A/D Pumping Equipment	(496,563.00)	(608,037.00)	(611,264.00)	(611,264.00)	0.00
01572-0000	Wells	366,887.72	366,887.72	366,887.72	366,887.72	0.00
01573-0000	A/D Wells	(80,252.00)	(92,517.00)	(93,630.00)	(93,630.00)	0.00
01580-0000	Radio/Office Equipment	171,430.55	171,430.55	171,430.55	171,430.55	0.00
01581-0000	A/D Radio Office Equipment	(103,333.00)	(116,841.00)	(117,921.00)	(117,921.00)	0.00
01650-0000	Vehicles	111,754.95	111,754.95	91,499.95	91,499.95	0.00
01651-0000	A/D Vehicles	(76,947.00)	(85,109.00)	(67,636.00)	(67,636.00)	0.00
01660-0000	Hydrants	12,882.83	25,159.66	25,745.71	25,745.71	0.00
01661-0000	A/D Hydrants	(644.00)	(941.00)	(1,127.00)	(1,127.00)	0.00
01680-0000	Other Fixed Assets	0.00	0.00	0.00	0.00	0.00
01685-0000	Construction in Process	0.00	25,559.96	0.00	0.00	0.00
01800-0000	Utility Deposits	0.00	0.00	0.00	0.00	0.00
01810-0000	Other Assets	0.00	0.00	0.00	0.00	0.00
01850-0000	Bond Issuance Cost	56,274.69	56,274.69	56,274.69	56,274.69	0.00

Account		2010 Beginning Balance	Previous Period Balance	2010 YTD 12/31/10	2010 YTD 12/31	Difference
01851-0000	Accumlated Amortization	11,808.44	13,117.44	13,236.44	13,236.44	0.00
01900-0000	Orginazation Cost	0.00	0.00	0.00	0.00	0.00
01901-0000	Accumlated Amortization	0.00	0.00	0.00	0.00	0.00
01902-0000	Non-Utility Assets	0.00	0.00	0.00	0.00	0.00
	Total Plant Property And Equipment	7,034,993.22	6,754,655.01	6,756,337.06	6,756,337.06	0.00
	Total Assets	8,250,593.47	8,036,460.93	8,049,174.88	8,049,174.88	0.00
<b>Liabilities</b>						
<b>Short Term Liabilities</b>						
02000-0000	Accounts Payable	11,246.78	11,246.78	11,194.57	11,194.57	0.00
02010-0000	Credit Cards-Visa	0.00	0.00	0.00	0.00	0.00
02020-0000	Credit Card-Mastercard	0.00	0.00	0.00	0.00	0.00
02030-0000	Credit Card-American Express	0.00	0.00	0.00	0.00	0.00
02040-0000	Accrued Waged	3,925.54	7,897.44	4,330.86	4,330.86	0.00
02050-0000	Accrued Compensated Absences	8,639.93	8,639.93	9,935.80	9,935.80	0.00
02090-0000	Notes Payable- Short Term	0.00	0.00	0.00	0.00	0.00
02110-0000	ACCURED DEFERRED COMP	0.00	0.00	125.00	125.00	0.00
02120-0000	Meter Deposits (void checks)	0.00	0.00	1,262.64	1,262.64	0.00
02180-0000	School Tax Payable	1,995.38	1,832.10	2,008.46	2,008.46	0.00
02190-0000	Sales Tax Payable	369.58	364.11	335.41	335.41	0.00
02191-0000	Sewer Sales Warsaw	78.70	78.70	0.00	0.00	0.00
02192-0000	Garbage Sales Warsaw	85.60	85.60	0.00	0.00	0.00
02200-0000	Federal Witholding	1,772.88	1,479.36	1,856.78	1,856.78	0.00
02210-0000	Social Security Tax Payable	2,795.36	1,819.34	2,843.26	2,843.26	0.00
02212-0000	Medicare W/H Payable	653.74	425.54	665.02	665.02	0.00
02215-0000	State W/H Tax	880.86	706.13	884.90	884.90	0.00
02220-0000	Local W/H Tax Payable	586.10	353.09	599.59	599.59	0.00
02230-0000	Employees Health Insurance W/H	0.00	0.00	0.00	0.00	0.00
02240-0000	Dental Insurance W/H	0.00	0.00	0.00	0.00	0.00
02250-0000	Retirement Witholding Payable	5,233.02	3,435.74	5,406.11	5,406.11	0.00
02255-0000	401K W/H payable	250.00	200.00	250.00	250.00	0.00
02280-0000	Accrued Payroll Taxes	0.00	0.00	0.00	0.00	0.00
02300-0000	Accrued Interest LTD	75,584.76	61,955.21	74,346.22	74,346.22	0.00
02310-0000	Accrued Interest KIA	702.84	4,322.76	689.12	689.12	0.00
02315-0000	Security Depoist-Water Tower- internet	0.00	0.00	0.00	0.00	0.00
02330-0000	Long Term Debt- Current Portion	0.00	0.00	0.00	0.00	0.00
02340-0000	Escrow Metes not Installed	350.00	350.00	350.00	350.00	0.00

Account	2010 Beginning Balance	Previous Period Balance	2010 YTD 12/31/10	2010 YTD 12/31	Difference
Total Short Term Liabilities	115,151.07	105,191.83	117,083.74	117,083.74	0.00
Long Term Liabilities					
02800-0000 Long Term Notes- Debts	0.00	0.00	0.00	0.00	0.00
02802-0000 Notes Payable-KIA	562,269.26	539,443.62	539,443.62	539,443.62	0.00
02804-0000 Bonds Payable -1998 A	208,000.00	201,000.00	201,000.00	201,000.00	0.00
02806-0000 Bonds Payable -1988 B	80,000.00	77,000.00	77,000.00	77,000.00	0.00
02808-0000 Bonds Payable 1993	335,000.00	327,000.00	327,000.00	327,000.00	0.00
02810-0000 Bonds Payable 1996	318,400.00	312,400.00	312,400.00	312,400.00	0.00
02812-0000 Bonds Payable 2000 A	336,400.00	331,200.00	331,200.00	331,200.00	0.00
02814-0000 Bonds Payable 2000 B	102,300.00	100,800.00	100,800.00	100,800.00	0.00
02816-0000 Bonds Payable 2002	123,000.00	121,400.00	121,400.00	121,400.00	0.00
02817-0000 Series 2006 A Revenue Bond	1,379,000.00	1,363,000.00	1,363,000.00	1,363,000.00	0.00
02818-0000 Series 2006 B Revenue Bond	494,800.00	489,400.00	489,400.00	489,400.00	0.00
02830-0000 Interim Financing	0.00	0.00	0.00	0.00	0.00
02835-0000 Escrow New Construction	0.00	0.00	0.00	0.00	0.00
02840-0000 Customer Meter Deposits	17,412.00	17,082.00	17,247.00	17,247.00	0.00
02841-0000 Meter Deposit -Old	769.69	769.69	0.00	0.00	0.00
Total Long Term Liabilities	3,957,350.95	3,880,495.31	3,879,890.62	3,879,890.62	0.00
Total Liabilities	4,072,502.02	3,985,687.14	3,996,974.36	3,996,974.36	0.00
Capital					
03010-0000 Contributions in Aid of Construction.	842,392.66	842,392.66	842,392.66	842,392.66	0.00
03031-0000 Grant Proceeds	2,513,700.00	2,513,700.00	2,513,700.00	2,513,700.00	0.00
03032-0000 Grants Proceeds	135,000.00	135,000.00	135,000.00	135,000.00	0.00
03033-0000 Speedway Contributions	572,900.00	572,900.00	572,900.00	572,900.00	0.00
03034-0000 Contributions- Fiscal Court	123,800.00	123,800.00	123,800.00	123,800.00	0.00
03035-0000 Contributions- Sterling Materials	15,800.00	15,800.00	15,800.00	15,800.00	0.00
03036-0000 Contribution- HB502	250,000.00	250,000.00	250,000.00	250,000.00	0.00
03038-0000 Grant-Tobacco	250,000.00	250,000.00	250,000.00	250,000.00	0.00
03040-0000 Retained Earnings	(525,501.21)	(525,501.21)	(525,501.21)	(525,501.21)	0.00
06050-0000 Interest Income	0.00	10,485.12	10,157.91	10,157.91	0.00
Y-T-Income	0.00	(138,586.13)	(137,121.49)	(137,121.49)	0.00
Total Capital	4,178,091.45	4,049,990.44	4,051,127.87	4,051,127.87	0.00

<b>Account</b>	<b>2010 Beginning Balance</b>	<b>Previous Period Balance</b>	<b>2010 YTD 12/31/10</b>	<b>2010 YTD 12/31</b>	<b>Difference</b>
Total Liabilities & Capital	8,250,593.47	8,035,677.58	8,048,102.23	8,048,102.23	0.00





KENTUCKY RETIREMENT SYSTEMS

William A. Thielen, Interim Executive Director

Perimeter Park West - 1260 Louisville Road - Frankfort, Kentucky 40601
kyret.ky.gov - Phone: 502-696-8800 - Fax: 502-696-8822



MEMORANDUM

TO: Agencies participating in the County Employees Retirement System
FROM: William A. Thielen, Esq., Interim Executive Director WAT
Kentucky Retirement Systems
DATE: June 21, 2011
SUBJECT: Contribution Rates for Fiscal Year 2011-2012

The Kentucky Retirement Systems Board of Trustees adopted the following employer contribution rates at their November 19, 2010 meeting in accordance with KRS 61.565 and the recommendation of the System's independent actuary:

Table with 2 columns: CERS nonhazardous (1 8.96%), CERS hazardous (3 5.76%)

These employer contribution rates will become effective July 1, 2011.

Please distribute copies of this memorandum to the individuals responsible for your budget. Employer contribution rates for all systems may be changed if legislation affecting the rates is enacted in upcoming sessions of the Kentucky General Assembly.

Updated 7/1/11

## GALLATIN COUNTY WATER DISTRICT

### 2010 WAGES AND BENEFITS

Employee	Duties	Hire Date	2010 Pay	Regular Hours	Overtime, BON, HOL	Health	Retirement	Total
T. McIntyre	Meter Reader .25 Distribution .75	2/1/1994	\$33,090	\$28,188	4,902	\$10,049	\$5,344	\$48,484
M. Courtney	Manager	12/1/1989	52,817	51,769	1,047	11,734	9,815	74,366
S. Simpson	Secretary	3/1/1995	29,382	24,896	4,486	11,532	4,720	45,635
T. Hendron	Office .85 Distribtuion .15	4/30/1997	36,265	30,884	5,381	7,840	5,856	49,961
B. Glacken	.50 Customer .50 Distribution	1/17/2000	29,697	25,060	4,637	9,683	4,751	44,131
M. Garrett	.80 Distribution .20 Customer	6/3/1997	36,824	30,876	5,949	6,298	5,854	48,977
J. Cain	Meter Reader	2/17/2011	2,349	2,349	-			2,349
D. Easton	Commissioner	8/1/2006	1,100	1,100	-	6,710		7,810
L. Burgett	Commissioner	8/17/2006	1,100	1,100	-			1,100
V. Satchwell	Chairman	8/17/2006	3,600	3,600		14,061		17,661
<b>Total</b>			<b>\$ 226,224</b>	<b>\$ 199,821</b>	<b>\$ 26,403</b>	<b>\$ 77,908</b>	<b>\$ 36,341</b>	<b>\$ 340,473</b>

T. McIntyre will be replaced 9-2011 at \$24,960 or \$12.00 per hour. No longer employed with District.

M. Courtney retired 7-31-2011. Will not replace at this time.

J. Cain is temporary employee. Will not use after September hire.

L. Burgett is ill and will not return. New Commissioner sworn in on 9-8-2011.

**GALLATIN COUNTY WATER DISTRICT**

**PROFORMA WAGES AND BENEFITS**

Employee	Duties	Hire Date	2011	Regular Hours	Overtime, BON, HOL	Health	Retirement	Total
New Hire	Meter Reader .25 Distribution .75	10/1/2011	\$24,960	\$24,960	-	\$ 6,950	\$4,732	\$36,642
A. Smith	.90 Distribution .10 Customer	6/1/2011	31,200	31,200	-	6,950	5,916	44,065
S. Simpson	Secretary	3/1/1995	30,264	24,896	5,368	11,532	4,720	46,516
T. Hendron	Office .85 Distribtuion .15	4/30/1997	37,353	30,884	6,469	7,840	5,856	51,049
B. Glacken	.50 Customer .50 Distribution	1/17/2000	30,588	25,060	5,528	9,683	4,751	45,022
M. Garrett	.80 Distribution .20 Customer	6/3/1997	39,520	30,876	8,644	6,298	5,854	51,672
D. Easton	Commissioner	8/1/2006	1,800	1,800	-	6,710		8,510
L. Burgett	Commissioner	8/17/2006	1,800	1,800	-			1,800
V. Satchwell	Chairman	8/17/2006	3,600	3,600		14,061		17,661
<b>Total</b>			<b>\$ 201,084</b>	<b>\$ 175,075</b>	<b>\$ 26,009</b>	<b>\$ 70,024</b>	<b>\$ 31,829</b>	<b>\$ 302,937</b>

New hire estimated health insurance same as A. Smith recent hire.

Salaries were increased pursuant to November 2010 Board Meeting ( attached).

New Commissioner to replace Lee Burgett was sworn in at the 9-8-2011 board meeting.

Duties allocated per information from Gallatin County.

**Employee Detail:**  
**GALLATIN COUNTY WATER DIS**  
**558401-001**

GALLATIN COUNTY WATER DIS

Member Name	Member ID Number	Plan	Coverage Type	Premium			Total Premium
				Medical	Dental	Specialty	
COURTNEY, MORRIS  Employee Total	000373329	NPO	EMP	\$943.19			<i>Well Care</i> <i>9/1/11</i> <i>Refund</i> <del>\$977.84</del>
	000373328	LBE-15.0K	EMP			\$33.90	
	000373328	ABE-15.0K	EMP			\$0.75	
EASTON, DAVID  Employee Total	005496173	NPO	EMP	\$522.92			<i>100% company paid</i> \$559.18
	005496174	LBE-9.8K	EMP			\$35.77	
	005496174	ABE-9.8K	EMP			\$0.49	
GARRETT, MICHAEL  Employee Total	000373333	NPO	ECH	\$724.22			<i>Company paid</i> <i>524.84</i> <i>Employee pays</i> <del>\$729.47</del> <i>204.63</i>
	000373332	LBE-15.0K	EMP			\$4.50	
	000373332	ABE-15.0K	EMP			\$0.75	
GLACKEN, BARRY  Employee Total	000373343	NPO	ECH	\$949.52			<i>Company paid - 806.90</i> <i>Employee pays 155.97</i> \$962.87
	000373342	LBE-15.0K	EMP			\$12.60	
	000373342	ABE-15.0K	EMP			\$0.75	
HENDREN, TAMMY  Employee Total	000373339	NPO	EMP	\$648.57			<i>100% company paid</i> \$653.37
	000373338	LBE-15.0K	EMP			\$4.35	
	000373338	ABE-15.0K	EMP			\$0.45	
SATCHWELL, VICTOR  Employee Total	000373337	NPO	ESP	\$1,739.07			<i>Company paid</i> <i>empy - 1171.75</i> <i>608.08</i> \$1,779.83
	000373336	LBE-9.8K	EMP			\$40.27	
	000373336	ABE-9.8K	EMP			\$0.49	
SIMPSON, SANDRA  Employee Total	000373331	NPO	EMP	\$943.19			<i>100% company paid</i> \$961.04
	000373330	LBE-15.0K	EMP			\$17.40	
	000373330	ABE-15.0K	EMP			\$0.45	
SMITH, ALBERT NEW ENROLLMENT: 07/01/2011  NEW ENROLLMENT: 07/01/2011  NEW ENROLLMENT: 07/01/2011  Employee Total	009910727	NPO	EMP	\$284.62			<i>100% company paid</i> \$579.14
	009910727	NPO	EMP	\$284.62			
	009910726	LBE-15.0K	EMP			\$4.20	
	009910726	LBE	EMP			\$4.20	
	009910726	ABE-15.0K	EMP			\$0.75	
	009910726	ABE	EMP			\$0.75	

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## Group Summary

### ► Payments

Date	Description	Amount	Balance
	Amount due from last invoice		\$6,623.60
Jul 8	Payment received (thank you)	-\$6,623.60	\$0.00
	<b>Amount past due</b>		<b>\$0.00</b>

### ► Premiums by Product Type

Product type	QTY	Employee (EMP)	QTY	Employee Plus Spouse (ESP)	QTY	Employee Plus Children (ECH)	QTY	Family (FAM)	Total
Medical	5	\$3,342.49	1	\$1,739.07	2	\$1,673.74	0	\$0.00	\$6,755.30
Specialty	16	\$157.87	0	\$0.00	0	\$0.00	0	\$0.00	\$157.87
<b>Totals</b>	<b>21</b>	<b>\$3,500.36</b>	<b>1</b>	<b>\$1,739.07</b>	<b>2</b>	<b>\$1,673.74</b>	<b>0</b>	<b>\$0.00</b>	<b>\$6,913.17</b>

### ► Premiums by Plan Type

Plan type	QTY	Employee (EMP)	QTY	Employee Plus Spouse (ESP)	QTY	Employee Plus Children (ECH)	QTY	Family (FAM)	Total
NPO	5	\$3,342.49	1	\$1,739.07	2	\$1,673.74	0	\$0.00	\$6,755.30
LBE	8	\$152.99	0	\$0.00	0	\$0.00	0	\$0.00	\$152.99
ABE	8	\$4.88	0	\$0.00	0	\$0.00	0	\$0.00	\$4.88
<b>Totals</b>	<b>21</b>	<b>\$3,500.36</b>	<b>1</b>	<b>\$1,739.07</b>	<b>2</b>	<b>\$1,673.74</b>	<b>0</b>	<b>\$0.00</b>	<b>\$6,913.17</b>



#### Plan Type Legend

ABE	BASIC EMPLOYEE AD&D
LBE	BASIC EMPLOYEE LIFE
NPO	NATIONAL POINT OF SERVICE

**Employee Information**

<b>Number</b> 000000008	<b>Department</b> COM Commissioners	<b>Birthday</b>
<b>Name</b> Easton, David	<b>Position</b>	<b>Hire Date</b> 08/17/2006
<b>Address</b> 1030 Fogg Road Sparta, KY 41086	<b>Default Shift</b>	<b>Benefit Date</b> 08/17/2006
<b>SSN</b> <del>24-12-1000</del>	<b>EEOC Code</b>	<b>Last Review Date</b>
<b>Phone</b> <del>24-12-1000</del> Ext.	<b>Pay Frequency</b> Monthly	<b>Next Review Date</b> 08/17/2007
<b>Gender</b> Male	<b>Wage Grade/Step</b>	<b>Last Raise Date</b>
<b>Status</b> Active	<b>Salary Amount</b> \$150.00	<b>Termination Date</b>
<b>Type</b> Full Time Salary	<b>Pay Rate</b> \$0.87	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b>	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$200.00		\$300.00		\$300.00		\$300.00		\$1,100.00
<b>Earnings Information</b>										
REG Regular Pay	346.6666	\$200.00	519.9999	\$300.00	519.9999	\$300.00	519.9999	\$300.00	1,906.666	\$1,100.00
<b>Tax Information</b>										
FMC Medicare Withholding		\$2.90		\$4.35		\$4.35		\$4.35		\$15.95
Adjusted Gross		\$200.00		\$300.00		\$300.00		\$300.00		\$1,100.00
FMD Federal Married		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Adjusted Gross		\$200.00		\$300.00		\$300.00		\$300.00		\$1,100.00
FSS Social Security		\$12.40		\$18.60		\$18.60		\$18.60		\$68.20
Adjusted Gross		\$200.00		\$300.00		\$300.00		\$300.00		\$1,100.00
SKY Kentucky State		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Adjusted Gross		\$200.00		\$300.00		\$300.00		\$300.00		\$1,100.00
<b>Net Amounts</b>										
Calculated Employee Net		\$184.70		\$277.05		\$277.05		\$277.05		\$1,015.85
Employee Net		\$184.70		\$277.05		\$277.05		\$277.05		\$1,015.85

*Commissioner*

**Employee Information**

<b>Number</b> 000000008	<b>Department</b> COM Commissioners	<b>Birthday</b>
<b>Name</b> Easton, David	<b>Position</b>	<b>Hire Date</b> 08/17/2006
<b>Address</b> 1030 Fogg Road Sparta, KY 41086	<b>Default Shift</b>	<b>Benefit Date</b> 08/17/2006
<b>SSN</b> ██████████	<b>EEOC Code</b>	<b>Last Review Date</b>
<b>Phone</b> ██████████ <b>Ext.</b> ██████████	<b>Pay Frequency</b> Monthly	<b>Next Review Date</b> 08/17/2007
<b>Gender</b> Male	<b>Wage Grade/Step</b>	<b>Last Raise Date</b>
<b>Status</b> Active	<b>Salary Amount</b> \$150.00	<b>Termination Date</b>
<b>Type</b> Full Time Salary	<b>Pay Rate</b> \$0.87	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b>	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$450.00		\$450.00		\$300.00		\$0.00		\$1,200.00
<b>Earnings Information</b>										
REG Regular Pay	519.9999	\$450.00	519.9999	\$450.00	346.6666	\$300.00	0.00	\$0.00	1,386.666	\$1,200.00
<b>Tax Information</b>										
FMC Medicare Withholding		\$6.54		\$6.54		\$4.36		\$0.00		\$17.44
Adjusted Gross		\$450.00		\$450.00		\$300.00		\$0.00		\$1,200.00
FMD Federal Married		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Adjusted Gross		\$450.00		\$450.00		\$300.00		\$0.00		\$1,200.00
FSS Social Security		\$18.90		\$18.90		\$12.60		\$0.00		\$50.40
Adjusted Gross		\$450.00		\$450.00		\$300.00		\$0.00		\$1,200.00
SNY Kentucky State		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Adjusted Gross		\$450.00		\$450.00		\$300.00		\$0.00		\$1,200.00
<b>Net Amounts</b>										
Calculated Employee Net		\$424.56		\$424.56		\$283.04		\$0.00		\$1,132.16
Employee Net		\$424.56		\$424.56		\$283.04		\$0.00		\$1,132.16

**Employee Information**

<b>Number</b> 000000007	<b>Department</b> COM Commissioners	<b>Birthdate</b>
<b>Name</b> Burgett, Lee	<b>Position</b>	<b>Hire Date</b> 08/17/2006
<b>Address</b> P.O. Box 22	<b>Default Shift</b>	<b>Benefit Date</b> 08/17/2006
Verona, KY 41092	<b>EEOC Code</b>	<b>Last Review Date</b>
<b>SSN</b> <del>402 63 5 222</del>	<b>Pay Frequency</b> Monthly	<b>Next Review Date</b> 08/17/2007
<b>Phone</b> (859) 643-4010 <b>Ext.</b>	<b>Wage Grade/Step</b>	<b>Last Raise Date</b>
<b>Gender</b> Female	<b>Salary Amount</b> \$150.00	<b>Termination Date</b>
<b>Status</b> Active	<b>Pay Rate</b> \$0.87	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Type</b> Full Time Salary	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Job Title</b>	<b>Uses Pension Plan</b> <input type="checkbox"/>	<b>Account Number</b>
<b>Email</b>		<b>Account Type</b>

**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$300.00		\$300.00		\$300.00		\$200.00		\$1,100.00
<b>Earnings Information</b>										
REG Regular Pay	519.9999	\$300.00	519.9999	\$300.00	519.9999	\$300.00	346.6666	\$200.00	1,906.666	\$1,100.00
<b>Tax Information</b>										
FMC Medicare Withholding		\$4.35		\$4.35		\$4.35		\$2.90		\$15.95
Adjusted Gross		\$300.00		\$300.00		\$300.00		\$200.00		\$1,100.00
FSN Federal Single		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Adjusted Gross		\$300.00		\$300.00		\$300.00		\$200.00		\$1,100.00
FSS Social Security		\$18.60		\$18.60		\$18.60		\$12.40		\$68.20
Adjusted Gross		\$300.00		\$300.00		\$300.00		\$200.00		\$1,100.00
SkY Kentucky State		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Adjusted Gross		\$300.00		\$300.00		\$300.00		\$200.00		\$1,100.00
<b>Net Amounts</b>										
Calculated Employee Net		\$277.05		\$277.05		\$277.05		\$184.70		\$1,015.85
Employee Net		\$277.05		\$277.05		\$277.05		\$184.70		\$1,015.85

*Commissioner*

**Employee Information**

<b>Number</b> 000000007	<b>Department</b> COM Commissioners	<b>Birthdate</b>
<b>Name</b> Burgett, Lee	<b>Position</b>	<b>Hire Date</b> 08/17/2006
<b>Address</b> P.O. Box 22 Verona, KY 41092	<b>Default Shift</b>	<b>Benefit Date</b> 08/17/2006
<b>SSN</b> <del>402-388-1116</del>	<b>EEOC Code</b>	<b>Last Review Date</b>
<b>Phone</b> (859) 643-4010 Ext.	<b>Pay Frequency</b> Monthly	<b>Next Review Date</b> 08/17/2007
<b>Gender</b> Female	<b>Wage Grade/Step</b>	<b>Last Raise Date</b>
<b>Status</b> Active	<b>Salary Amount</b> \$150.00	<b>Termination Date</b>
<b>Type</b> Full Time Salary	<b>Pay Rate</b> \$0.87	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b>	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$300.00		\$0.00		\$0.00		\$0.00		\$300.00
<b>Earnings Information</b>										
REG Regular Pay	346.6666	\$300.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	346.6666	\$300.00
<b>Tax Information</b>										
FMC Medicare Withholding		\$4.36		\$0.00		\$0.00		\$0.00		\$4.36
Adjusted Gross		\$300.00		\$0.00		\$0.00		\$0.00		\$300.00
FSN Federal Single		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Adjusted Gross		\$300.00		\$0.00		\$0.00		\$0.00		\$300.00
FSS Social Security		\$12.60		\$0.00		\$0.00		\$0.00		\$12.60
Adjusted Gross		\$300.00		\$0.00		\$0.00		\$0.00		\$300.00
SKY Kentucky State		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Adjusted Gross		\$300.00		\$0.00		\$0.00		\$0.00		\$300.00
<b>Net Amounts</b>										
Calculated Employee Net		\$283.04		\$0.00		\$0.00		\$0.00		\$283.04
Employee Net		\$283.04		\$0.00		\$0.00		\$0.00		\$283.04

*She Had a stroke in March -  
will not be coming BACK -  
- expect she will be replaced -  
in the near future*

**Employee Information**

<b>Number</b> 000000009	<b>Department</b> COM Commissioners	<b>Birthday</b>
<b>Name</b> Satchwell, Vic	<b>Position</b>	<b>Hire Date</b> 08/17/2006
<b>Address</b> 770 Hwy 455 Sparta, KY 41086	<b>Default Shift</b>	<b>Benefit Date</b> 08/17/2006
<b>SSN</b> <del>40-200-1123</del>	<b>EEOC Code</b>	<b>Last Review Date</b>
<b>Phone</b> Ext.	<b>Pay Frequency</b> Monthly	<b>Next Review Date</b> 08/17/2007
<b>Gender</b> Male	<b>Wage Grade/Step</b>	<b>Last Raise Date</b>
<b>Status</b> Active	<b>Salary Amount</b> \$300.00	<b>Termination Date</b>
<b>Type</b> Full Time Salary	<b>Pay Rate</b> \$1.73	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b>	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$900.00		\$900.00		\$900.00		\$900.00		\$3,600.00
<b>Earnings Information</b>										
REG Regular Pay	519.9999	\$900.00	519.9999	\$900.00	519.9999	\$900.00	519.9999	\$900.00	2,079.999	\$3,600.00
<b>Tax Information</b>										
FMC Medicare Withholding		\$13.05		\$13.05		\$13.05		\$13.05		\$52.20
Adjusted Gross		\$900.00		\$900.00		\$900.00		\$900.00		\$3,600.00
FMD Federal Married		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Adjusted Gross		\$900.00		\$900.00		\$900.00		\$900.00		\$3,600.00
FSS Social Security		\$55.80		\$55.80		\$55.80		\$55.80		\$223.20
Adjusted Gross		\$900.00		\$900.00		\$900.00		\$900.00		\$3,600.00
SKY Kentucky State		\$7.05		\$7.05		\$7.05		\$7.05		\$28.20
Adjusted Gross		\$900.00		\$900.00		\$900.00		\$900.00		\$3,600.00
<b>Net Amounts</b>										
Calculated Employee Net		\$824.10		\$824.10		\$824.10		\$824.10		\$3,296.40
Employee Net		\$824.10		\$824.10		\$824.10		\$824.10		\$3,296.40

*Chairman - Commissioner*

**Employee Information**

<b>Number</b> 000000009	<b>Department</b> COM Commissioners	<b>Birthday</b>
<b>Name</b> Satchwell, Vic	<b>Position</b>	<b>Hire Date</b> 08/17/2006
<b>Address</b> 770 Hwy 455 Sparta, KY 41086	<b>Default Shift</b>	<b>Benefit Date</b> 08/17/2006
<b>SSN</b> ██████████	<b>EEOC Code</b>	<b>Last Review Date</b>
<b>Phone</b> ██████████ Ext.	<b>Pay Frequency</b> Monthly	<b>Next Review Date</b> 08/17/2007
<b>Gender</b> Male	<b>Wage Grade/Step</b>	<b>Last Raise Date</b>
<b>Status</b> Active	<b>Salary Amount</b> \$300.00	<b>Termination Date</b>
<b>Type</b> Full Time Salary	<b>Pay Rate</b> \$1.73	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b>	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$900.00		\$900.00		\$600.00		\$0.00		\$2,400.00
<b>Earnings Information</b>										
REG Regular Pay	519.9999	\$900.00	519.9999	\$900.00	346.6666	\$600.00	0.00	\$0.00	1,386.666	\$2,400.00
<b>Tax Information</b>										
FMC Medicare Withholding		\$13.05		\$13.05		\$8.70		\$0.00		\$34.80
Adjusted Gross		\$900.00		\$900.00		\$600.00		\$0.00		\$2,400.00
FMD Federal Married		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Adjusted Gross		\$900.00		\$900.00		\$600.00		\$0.00		\$2,400.00
FSS Social Security		\$37.80		\$37.80		\$25.20		\$0.00		\$100.80
Adjusted Gross		\$900.00		\$900.00		\$600.00		\$0.00		\$2,400.00
SKY Kentucky State		\$6.81		\$6.81		\$4.54		\$0.00		\$18.16
Adjusted Gross		\$900.00		\$900.00		\$600.00		\$0.00		\$2,400.00
<b>Net Amounts</b>										
Calculated Employee Net		\$842.34		\$842.34		\$561.56		\$0.00		\$2,246.24
Employee Net		\$842.34		\$842.34		\$561.56		\$0.00		\$2,246.24

*Commissioner -  
Chairman*

**Employee Information**

<b>Number</b> 000000001	<b>Department</b> Water Water Salaries	<b>Birthday</b>
<b>Name</b> Courtney, Morris R.	<b>Position</b>	<b>Hire Date</b> 12/01/1989
<b>Address</b> 2671 Hwy. 455 Sparta, KY 41086	<b>Default Shift</b>	<b>Benefit Date</b> 01/01/1989
<b>SSN</b> <del>407207007</del>	<b>EEOC Code</b>	<b>Last Review Date</b> 01/01/2009
<b>Phone</b> Ext.	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 01/01/2010
<b>Gender</b> Male	<b>Wage Grade/Step</b>	<b>Last Raise Date</b> 01/01/2009
<b>Status</b> Active	<b>Salary Amount</b> \$1,048.08	<b>Termination Date</b>
<b>Type</b> Full Time Salary	<b>Pay Rate</b> \$26.20	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b> Manager	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

**Employee Accrual Information**

Accrual Type	Accrual Table	Accrual Period	Available Time Accrued	Time Remaining	Last Flat Rate Accrual Dates
Vacation	vacation	after 1 year	120.0000	0.0000	12/30/2010
Holiday	Holiday	after 1 year	72.0000	56.0000	12/30/2010
Sick Leave	sick time	after 1 year	456.0000	0.0000	12/30/2010

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$11,969.28		\$13,000.00		\$13,000.00		\$14,847.42		\$52,816.70
<b>Earnings Information</b>										
BON Bonus Pay	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$847.42	0.00	\$847.42
HOL Holiday Pay	8.00	\$200.00	8.00	\$0.00	16.00	\$0.00	24.00	\$0.00	56.00	\$200.00
r Regular Pay	472.00	\$11,769.28	512.00	\$13,000.00	504.00	\$13,000.00	536.00	\$14,000.00	2,024.00	\$51,769.28
<b>Pre-Tax Deduction Information</b>										
RET Retirement		\$598.46		\$650.00		\$650.00		\$742.37		\$2,640.83
<b>Benefit Information</b>										
RET Retirement Benefit -		\$1,934.24		\$2,100.80		\$2,185.50		\$2,513.67		\$8,734.21
<b>Tax Information</b>										
FMC Medicare Withholding		\$164.93		\$179.14		\$179.14		\$204.59		\$727.80
Adjusted Gross		\$11,370.82		\$12,350.00		\$12,350.00		\$14,105.05		\$50,175.87
FSN Federal Single		\$1,868.39		\$2,034.63		\$2,034.63		\$2,191.14		\$8,128.79
Adjusted Gross		\$11,370.82		\$12,350.00		\$12,350.00		\$14,105.05		\$50,175.87
FSS Social Security		\$704.99		\$765.70		\$765.70		\$874.51		\$3,110.90
Adjusted Gross		\$11,370.82		\$12,350.00		\$12,350.00		\$14,105.05		\$50,175.87
LCT County Tax		\$119.69		\$130.00		\$130.00		\$148.47		\$528.16
Adjusted Gross		\$11,969.28		\$13,000.00		\$13,000.00		\$14,847.42		\$52,816.70
SKY Kentucky State		\$587.75		\$638.56		\$638.56		\$687.68		\$2,552.55
Adjusted Gross		\$11,370.82		\$12,350.00		\$12,350.00		\$14,105.05		\$50,175.87
<b>Net Amounts</b>										
Calculated Employee Net		\$7,925.07		\$8,601.97		\$8,601.97		\$9,998.66		\$35,127.67
Employee Net		\$7,925.07		\$8,601.97		\$8,601.97		\$9,998.66		\$35,127.67

*Manager - Daily Operation -*

*Retired - 7/2/11 - Not going to Replace Him @ this time -*

*Mike will TAKE over field operations* Tammy

**Employee Information**

<b>Number</b> 000000001	<b>Department</b> Water Water Salaries	<b>Birthdate</b>
<b>Name</b> Courtney, Morris R.	<b>Position</b>	<b>Hire Date</b> 12/01/1989
<b>Address</b> 2671 Hwy. 455	<b>Default Shift</b>	<b>Benefit Date</b> 01/01/1989
Sparta, KY 41086	<b>EEOC Code</b>	<b>Last Review Date</b> 01/01/2009
<b>SSN</b> <del>400-00-7000</del>	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 01/01/2010
<b>Phone</b> Ext.	<b>Wage Grade/Step</b>	<b>Last Raise Date</b> 01/01/2009
<b>Gender</b> Male	<b>Salary Amount</b> \$1,048.08	<b>Termination Date</b>
<b>Status</b> Active	<b>Pay Rate</b> \$26.20	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Type</b> Full Time Salary	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Job Title</b> Manager	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
<b>Email</b>		<b>Account Type</b>

**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

**Employee Accrual Information**

<b>Accrual Type</b>	<b>Accrual Table</b>	<b>Accrual Period</b>	<b>Available Time Accrued</b>	<b>Time Remaining</b>	<b>Last Flat Rate Accrual Dates</b>
Vacation	vacation	after 1 year	120.0000	0.0000	12/30/2010
Holiday	Holiday	after 1 year	72.0000	56.0000	12/30/2010
Sick Leave	sick time	after 1 year	456.0000	0.0000	12/30/2010

<b>Description</b>	<b>Quarter 1</b>		<b>Quarter 2</b>		<b>Quarter 3</b>		<b>Quarter 4</b>		<b>Year To Date</b>	
	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>
Employee Gross		\$12,538.48		\$14,673.12		\$18,112.13		\$0.00		\$45,323.73

**Earnings Information**

HOL Holiday Pay	16.00	\$0.00	8.00	\$0.00	8.00	\$0.00	0.00	\$0.00	32.00	\$0.00
OVT Overtime Pay	0.00	\$0.00	0.00	\$0.00	327.50	\$12,871.73	0.00	\$0.00	327.50	\$12,871.73
Regular Pay	464.00	\$12,538.48	168.00	\$5,240.40	0.00	\$0.00	0.00	\$0.00	632.00	\$17,778.88
Sick Pay	0.00	\$0.00	264.00	\$6,288.48	192.00	\$5,240.40	0.00	\$0.00	456.00	\$11,528.88
VAC Vacation Pay	0.00	\$0.00	120.00	\$3,144.24	0.00	\$0.00	0.00	\$0.00	120.00	\$3,144.24

**Pre-Tax Deduction Information**

RET Retirement	\$626.88	\$733.60	\$905.59	\$0.00	\$2,266.07
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**Benefit Information**

RET Retirement Benefit -	\$2,122.77	\$2,484.16	\$3,066.38	\$0.00	\$7,673.31
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**Tax Information**

FMC Medicare Withholding	\$172.75	\$202.16	\$249.51	\$0.00	\$624.42
Adjusted Gross	\$11,911.60	\$13,939.52	\$17,206.54	\$0.00	\$43,057.66
FSN Federal Single	\$2,082.46	\$2,440.20	\$4,710.95	\$0.00	\$9,233.61
Adjusted Gross	\$11,911.60	\$13,939.52	\$17,206.54	\$0.00	\$43,057.66
FSS Social Security	\$500.30	\$585.48	\$722.68	\$0.00	\$1,808.46
Adjusted Gross	\$11,911.60	\$13,939.52	\$17,206.54	\$0.00	\$43,057.66
LCT County Tax	\$125.38	\$146.72	\$181.12	\$0.00	\$453.22
Adjusted Gross	\$12,538.48	\$14,673.12	\$18,112.13	\$0.00	\$45,323.73
SKY Kentucky State	\$618.40	\$723.94	\$983.23	\$0.00	\$2,325.57
Adjusted Gross	\$11,911.60	\$13,939.52	\$17,206.54	\$0.00	\$43,057.66

**Net Amounts**

Calculated Employee Net	\$8,412.31	\$9,841.02	\$10,359.05	\$0.00	\$28,612.38
Employee Net	\$8,412.31	\$9,841.02	\$10,359.05	\$0.00	\$28,612.38

**Employee Information**

<b>Number</b> 000000002	<b>Department</b> Water Water Salaries	<b>Birthday</b>
<b>Name</b> McIntyre, Terry	<b>Position</b>	<b>Hire Date</b> 02/01/1994
<b>Address</b> 151 Driftwood Drive	<b>Default Shift</b>	<b>Benefit Date</b> 01/01/1995
Warsaw, KY 41095	<b>EEOC Code</b>	<b>Last Review Date</b> 01/01/2008
<b>SSN</b> ██████████	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 01/01/2009
<b>Phone</b> ██████████ <b>Ext.</b>	<b>Wage Grade/Step</b>	<b>Last Raise Date</b> 01/01/2008
<b>Gender</b> Male	<b>Salary Amount</b> \$0.00	<b>Termination Date</b>
<b>Status</b> Active	<b>Pay Rate</b> \$18.72	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Type</b> Full Time Hourly	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Job Title</b>	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
<b>Email</b>		<b>Account Type</b>

<b>Advance EIC Payment Information</b>	
<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

<b>Employee Accrual Information</b>		<b>Available Time</b>		<b>Last Flat Rate</b>
<b>Accrual Type</b>	<b>Accrual Table</b>	<b>Accrual Period</b>	<b>Accrued</b>	<b>Time Remaining</b>
Vacation	vacation	after 1 year	120.0000	0.0000 12/30/2010
Holiday	Holiday	after 1 year	72.0000	72.0000 12/30/2010
Sick Leave	sick time	after 1 year	40.0000	0.0000 12/30/2010

<b>Description</b>	<b>Quarter 1</b>		<b>Quarter 2</b>		<b>Quarter 3</b>		<b>Quarter 4</b>		<b>Year To Date</b>	
	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>
Employee Gross		\$8,593.40		\$8,380.93		\$7,413.38		\$8,702.84		\$33,090.55

<b>Earnings Information</b>										
BON Bonus Pay	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$789.77	0.00	\$789.77
HOL Holiday Pay	8.00	\$145.36	8.00	\$145.36	8.00	\$145.36	24.00	\$436.08	48.00	\$872.16
Overtime Pay	10.75	\$292.99	1.50	\$40.88	0.00	\$0.00	0.00	\$0.00	12.25	\$333.87
REG Regular Pay	338.25	\$6,120.01	403.00	\$7,322.53	400.00	\$7,268.02	411.50	\$7,476.99	1,552.75	\$28,187.55
SIC Sick Pay	40.00	\$726.80	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	40.00	\$726.80
VAC Vacation Pay	72.00	\$1,308.24	48.00	\$872.16	0.00	\$0.00	0.00	\$0.00	120.00	\$2,180.40

<b>Pre-Tax Deduction Information</b>					
MED1 Medical Ins	\$1,179.24	\$1,277.51	\$1,277.51	\$1,375.78	\$5,110.04
RET Retirement	\$429.67	\$419.03	\$370.68	\$435.15	\$1,654.53

<b>Deduction Information</b>					
MED Medical Ins	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PHONE Phone	\$220.00	\$280.00	\$130.00	\$140.00	\$770.00

<b>Benefit Information</b>					
RET Retirement Benefit -	\$1,388.68	\$1,354.37	\$1,244.56	\$1,473.39	\$5,461.00

<b>Tax Information</b>					
FMC Medicare Withholding	\$101.28	\$96.92	\$83.61	\$99.94	\$381.75
Adjusted Gross	\$6,984.49	\$6,684.39	\$5,765.19	\$6,891.91	\$26,325.98
FMD Federal Married	\$386.63	\$314.37	\$249.29	\$232.30	\$1,182.59
Adjusted Gross	\$6,984.49	\$6,684.39	\$5,765.19	\$6,891.91	\$26,325.98
FSS Social Security	\$433.05	\$414.43	\$357.44	\$427.31	\$1,632.23
Adjusted Gross	\$6,984.49	\$6,684.39	\$5,765.19	\$6,891.91	\$26,325.98
LCT County Tax	\$85.93	\$83.81	\$74.14	\$87.01	\$330.89
Adjusted Gross	\$8,593.40	\$8,380.93	\$7,413.38	\$8,702.84	\$33,090.55
SKY Kentucky State	\$333.33	\$309.94	\$256.69	\$272.48	\$1,172.44
Adjusted Gross	\$6,984.49	\$6,684.39	\$5,765.19	\$6,891.91	\$26,325.98

<b>Net Amounts</b>					
Isolated Employee Net	\$5,424.27	\$5,184.92	\$4,614.02	\$5,632.87	\$20,856.08
Employee Net	\$5,424.27	\$5,184.92	\$4,614.02	\$5,632.87	\$20,856.08

*NO LONGER EMPLOYED - AS OF MAY 2011*

*100% meter Reading  
90% DISTRIB  
Will Be Replaced - Starting SALARY est. 12.00 per hour 24,960.00  
September 2011*

**Employee Information**

<b>Number</b> 000000002	<b>Department</b> Water Water Salaries	<b>Birthdate</b>
<b>Name</b> McIntyre, Terry	<b>Position</b>	<b>Hire Date</b> 02/01/1994
<b>Address</b> 151 Driftwood Drive	<b>Default Shift</b>	<b>Benefit Date</b> 01/01/1995
Warsaw, KY 41095	<b>EEOC Code</b>	<b>Last Review Date</b> 01/01/2008
<b>SSN</b> <del>000000000</del>	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 01/01/2009
<b>Phone</b> Ext.	<b>Wage Grade/Step</b>	<b>Last Raise Date</b> 01/01/2008
<b>Gender</b> Male	<b>Salary Amount</b> \$0.00	<b>Termination Date</b>
<b>Status</b> Active	<b>Pay Rate</b> \$18.72	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Type</b> Full Time Hourly	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Job Title</b>	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
<b>Email</b>		<b>Account Type</b>

<b>Advance EIC Payment Information</b>	
<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

<b>Employee Accrual Information</b>			<b>Available Time</b>	<b>Last Flat Rate</b>	
<b>Accrual Type</b>	<b>Accrual Table</b>	<b>Accrual Period</b>	<b>Accrued</b>	<b>Time Remaining</b>	<b>Accrual Dates</b>
Vacation	vacation	after 1 year	120.0000	0.0000	12/30/2010
Holiday	Holiday	after 1 year	72.0000	72.0000	12/30/2010
Sick Leave	sick time	after 1 year	40.0000	0.0000	12/30/2010

<b>Description</b>	<b>Quarter 1</b>		<b>Quarter 2</b>		<b>Quarter 3</b>		<b>Quarter 4</b>		<b>Year To Date</b>	
	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>
Employee Gross		\$8,696.56		\$2,925.00		\$0.00		\$0.00		\$11,621.56

<b>Earnings Information</b>										
HOL Holiday Pay	24.00	\$440.48	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	24.00	\$440.48
OVT Overtime Pay	7.50	\$210.60	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	7.50	\$210.60
Regular Pay	306.25	\$5,724.20	120.25	\$2,251.08	0.00	\$0.00	0.00	\$0.00	426.50	\$7,975.28
Sick Pay	40.00	\$748.80	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	40.00	\$748.80
VAC Vacation Pay	84.00	\$1,572.48	36.00	\$673.92	0.00	\$0.00	0.00	\$0.00	120.00	\$2,246.40

<b>Pre-Tax Deduction Information</b>										
MED1 Medical Ins		\$1,179.24		\$589.62		\$0.00		\$0.00		\$1,768.86
RET Retirement		\$434.82		\$146.25		\$0.00		\$0.00		\$581.07

<b>Deduction Information</b>										
MED Medical Ins		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
PHONE Phone		\$974.88		\$0.00		\$0.00		\$0.00		\$974.88

<b>Benefit Information</b>										
RET Retirement Benefit -		\$1,472.32		\$495.20		\$0.00		\$0.00		\$1,967.52

<b>Tax Information</b>										
FMC Medicare Withholding		\$102.70		\$31.75		\$0.00		\$0.00		\$134.45
Adjusted Gross		\$7,082.50		\$2,189.13		\$0.00		\$0.00		\$9,271.63
FMD Federal Married		\$532.12		\$122.75		\$0.00		\$0.00		\$654.87
Adjusted Gross		\$7,082.50		\$2,189.13		\$0.00		\$0.00		\$9,271.63
FSS Social Security		\$297.47		\$91.94		\$0.00		\$0.00		\$389.41
Adjusted Gross		\$7,082.50		\$2,189.13		\$0.00		\$0.00		\$9,271.63
LCT County Tax		\$86.96		\$29.24		\$0.00		\$0.00		\$116.20
Adjusted Gross		\$8,696.56		\$2,925.00		\$0.00		\$0.00		\$11,621.56
SKY Kentucky State		\$338.33		\$91.14		\$0.00		\$0.00		\$429.47
Adjusted Gross		\$7,082.50		\$2,189.13		\$0.00		\$0.00		\$9,271.63

<b>Net Amounts</b>										
Calculated Employee Net		\$4,750.04		\$1,822.31		\$0.00		\$0.00		\$6,572.35
Employee Net		\$4,750.04		\$1,822.31		\$0.00		\$0.00		\$6,572.35

**Employee Information**

<b>Number</b> 000000011	<b>Department</b> Water Water Salaries	<b>Birthday</b> 06/16/1977
<b>Name</b> Smith, Albert L	<b>Position</b>	<b>Hire Date</b> 06/01/2011
<b>Address</b> P.O. Box 671 Warsaw, KY 41095	<b>Default Shift</b>	<b>Benefit Date</b> 06/01/2011
<b>SSN</b> <del>40-30-3337</del>	<b>EEOC Code</b>	<b>Last Review Date</b>
<b>Phone</b> (859) 567-1264 Ext.	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 06/01/2012
<b>Gender</b> Male	<b>Wage Grade/Step</b>	<b>Last Raise Date</b>
<b>Status</b> Active	<b>Salary Amount</b> \$0.00	<b>Termination Date</b>
<b>Type</b> Full Time Hourly	<b>Pay Rate</b> \$15.00	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b> Laborer/ equipment operator	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b> asmith6@zoomtown.com	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$0.00		\$2,287.50		\$3,277.51		\$0.00		\$5,565.01
<b>Earnings Information</b>										
HOL Holiday Pay	0.00	\$0.00	0.00	\$0.00	8.00	\$120.00	0.00	\$0.00	8.00	\$120.00
OVT Overtime Pay	0.00	\$0.00	3.00	\$67.50	7.00	\$157.51	0.00	\$0.00	10.00	\$225.01
REG Regular Pay	0.00	\$0.00	148.00	\$2,220.00	200.00	\$3,000.00	0.00	\$0.00	348.00	\$5,220.00
<b>Pre-Tax Deduction Information</b>										
RET Retirement		\$0.00		\$137.25		\$196.65		\$0.00		\$333.90
<b>Benefit Information</b>										
RFT Retirement Benefit -		\$0.00		\$387.28		\$554.89		\$0.00		\$942.17
<b>Tax Information</b>										
FMC Medicare Withholding		\$0.00		\$31.18		\$44.67		\$0.00		\$75.85
Adjusted Gross		\$0.00		\$2,150.25		\$3,080.86		\$0.00		\$5,231.11
FMD Federal Married		\$0.00		\$44.59		\$78.54		\$0.00		\$123.13
Adjusted Gross		\$0.00		\$2,150.25		\$3,080.86		\$0.00		\$5,231.11
FSS Social Security		\$0.00		\$90.31		\$129.40		\$0.00		\$219.71
Adjusted Gross		\$0.00		\$2,150.25		\$3,080.86		\$0.00		\$5,231.11
LCT County Tax		\$0.00		\$22.88		\$32.79		\$0.00		\$55.67
Adjusted Gross		\$0.00		\$2,287.50		\$3,277.51		\$0.00		\$5,565.01
SKY Kentucky State		\$0.00		\$94.42		\$134.27		\$0.00		\$228.69
Adjusted Gross		\$0.00		\$2,150.25		\$3,080.86		\$0.00		\$5,231.11
<b>Net Amounts</b>										
Calculated Employee Net		\$0.00		\$1,866.87		\$2,661.19		\$0.00		\$4,528.06
Employee Net		\$0.00		\$1,866.87		\$2,661.19		\$0.00		\$4,528.06

*new employee just started -*

*100% Meter Reading  
90% Distribution/Equipment operator.*

**Employee Information**

<b>Number</b> 000000010	<b>Department</b> Water Water Salaries	<b>Birthdate</b>
<b>Name</b> Cain, John	<b>Position</b>	<b>Hire Date</b> 02/17/2011
<b>Address</b> 4105 Ky. Hwy 455 Sparta, KY 41086	<b>Default Shift</b>	<b>Benefit Date</b> 02/17/2011
<b>SSN</b> <del>000000000</del>	<b>EEOC Code</b>	<b>Last Review Date</b>
<b>Phone</b> <del>0000000000</del> Ext.	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 02/17/2012
<b>Gender</b> Male	<b>Wage Grade/Step</b>	<b>Last Raise Date</b>
<b>Status</b> Active	<b>Salary Amount</b> \$0.00	<b>Termination Date</b>
<b>Type</b> Part Time Hourly	<b>Pay Rate</b> \$12.00	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b>	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

<b>Advance EIC Payment Information</b>	
<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$731.00		\$1,258.00		\$360.00		\$0.00		\$2,349.00
<b>Earnings Information</b>										
REG Regular Pay	68.00	\$731.00	109.00	\$1,258.00	30.00	\$360.00	0.00	\$0.00	207.00	\$2,349.00
<b>Tax Information</b>										
FMC Medicare Withholding		\$10.59		\$18.24		\$5.22		\$0.00		\$34.05
Adjusted Gross		\$731.00		\$1,258.00		\$360.00		\$0.00		\$2,349.00
FSN Federal Single		\$0.00		\$73.26		\$39.77		\$0.00		\$113.03
Adjusted Gross		\$0.00		\$828.00		\$360.00		\$0.00		\$1,188.00
FSS Social Security		\$30.70		\$52.83		\$15.12		\$0.00		\$98.65
Adjusted Gross		\$731.00		\$1,258.00		\$360.00		\$0.00		\$2,349.00
LCI County Tax		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Adjusted Gross		\$731.00		\$1,258.00		\$360.00		\$0.00		\$2,349.00
SKY Kentucky State		\$0.00		\$25.45		\$14.84		\$0.00		\$40.29
Adjusted Gross		\$0.00		\$828.00		\$360.00		\$0.00		\$1,188.00
<b>Net Amounts</b>										
Calculated Employee Net		\$689.71		\$1,088.22		\$285.05		\$0.00		\$2,062.98
Employee Net		\$689.71		\$1,088.22		\$285.05		\$0.00		\$2,062.98

*Temporary = Meter reader -  
Will not use after New Hire  
expected in September*

**Employee Information**

<b>Number</b> 000000005	<b>Department</b> Water Water Salaries	<b>Birthday</b>
<b>Name</b> Garrett, Michael	<b>Position</b>	<b>Hire Date</b> 06/03/1997
<b>Address</b> P.O. Box 271	<b>Default Shift</b>	<b>Benefit Date</b> 01/01/1997
Warsaw, KY 41095	<b>EEOC Code</b>	<b>Last Review Date</b> 01/01/2008
<b>SSN</b> ██████████	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 01/01/2009
<b>Phone</b> ██████████ <b>Ext.</b>	<b>Wage Grade/Step</b>	<b>Last Raise Date</b> 01/01/2008
<b>Gender</b> Male	<b>Salary Amount</b> \$0.00	<b>Termination Date</b>
<b>Status</b> Active	<b>Pay Rate</b> \$19.00	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Type</b> Full Time Hourly	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Job Title</b>	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
<b>Email</b>		<b>Account Type</b>

<b>Advance EIC Payment Information</b>	
<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

<b>Employee Accrual Information</b>			<b>Available Time</b>	<b>Last Flat Rate</b>
<b>Accrual Type</b>	<b>Accrual Table</b>	<b>Accrual Period</b>	<b>Accrued</b>	<b>Time Remaining</b>
Vacation	vacation	after 1 year	120.0000	0.0000 12/30/2010
Holiday	Holiday	after 1 year	72.0000	60.0000 12/30/2010
Sick Leave	sick time	after 1 year	40.0000	0.0000 12/30/2010

<b>Description</b>	<b>Quarter 1</b>		<b>Quarter 2</b>		<b>Quarter 3</b>		<b>Quarter 4</b>		<b>Year To Date</b>	
	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>
Employee Gross		\$8,358.90		\$8,928.07		\$9,168.72		\$10,368.72		\$36,824.41

<b>Earnings Information</b>										
BON Bonus Pay	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$755.19	0.00	\$755.19
HOL Holiday Pay	8.00	\$137.52	8.00	\$137.52	20.00	\$343.80	24.00	\$412.56	60.00	\$1,031.40
Overtime Pay	13.25	\$341.68	10.75	\$277.20	19.25	\$496.36	11.50	\$296.54	54.75	\$1,411.78
REG Regular Pay	356.25	\$6,091.94	463.25	\$7,963.27	460.50	\$7,916.00	518.00	\$8,904.43	1,798.00	\$30,875.64
SIC Sick Pay	40.00	\$687.60	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	40.00	\$687.60
VAC Vacation Pay	64.00	\$1,100.16	32.00	\$550.08	24.00	\$412.56	0.00	\$0.00	120.00	\$2,062.80

<b>Pre-Tax Deduction Information</b>										
MED1 Medical Ins		\$411.36		\$445.64		\$445.64		\$479.92		\$1,782.56
RET Retirement		\$417.95		\$446.40		\$458.43		\$518.42		\$1,841.20

<b>Deduction Information</b>										
MED Medical Ins		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00

<b>Benefit Information</b>										
RET Retirement Benefit -		\$1,350.81		\$1,442.77		\$1,541.67		\$1,755.43		\$6,090.68

<b>Tax Information</b>										
FMC Medicare Withholding		\$109.17		\$116.51		\$119.81		\$135.86		\$481.35
Adjusted Gross		\$7,529.59		\$8,036.03		\$8,264.65		\$9,370.38		\$33,200.65
FSN Federal Single		\$987.38		\$1,053.83		\$1,101.36		\$1,138.82		\$4,281.39
Adjusted Gross		\$7,529.59		\$8,036.03		\$8,264.65		\$9,370.38		\$33,200.65
FSS Social Security		\$466.81		\$498.22		\$512.39		\$580.94		\$2,058.36
Adjusted Gross		\$7,529.59		\$8,036.03		\$8,264.65		\$9,370.38		\$33,200.65
LCT County Tax		\$83.60		\$89.28		\$91.69		\$103.67		\$368.24
Adjusted Gross		\$8,358.90		\$8,928.07		\$9,168.72		\$10,368.72		\$36,824.41
SKY Kentucky State		\$424.94		\$453.33		\$466.59		\$488.13		\$1,832.99
Adjusted Gross		\$7,529.59		\$8,036.03		\$8,264.65		\$9,370.38		\$33,200.65

<b>Net Amounts</b>										
Calculated Employee Net		\$5,457.69		\$5,824.86		\$5,972.81		\$6,922.96		\$24,178.32
Employee Net		\$5,457.69		\$5,824.86		\$5,972.81		\$6,922.96		\$24,178.32

*ASSISTANT Superintendent - Distribution 80%  
Field Operations Meter Reading 10%  
Customer Service 10%*

**Employee Information**

<b>Number</b> 000000005	<b>Department</b> Water Water Salaries	<b>Birthday</b>
<b>Name</b> Garrett, Michael	<b>Position</b>	<b>Hire Date</b> 06/03/1997
<b>Address</b> P.O. Box 271	<b>Default Shift</b>	<b>Benefit Date</b> 01/01/1997
Warsaw, KY 41095	<b>EEOC Code</b>	<b>Last Review Date</b> 01/01/2008
<b>SSN</b> ██████████	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 01/01/2009
<b>Phone</b> ██████████ <b>Ext.</b>	<b>Wage Grade/Step</b>	<b>Last Raise Date</b> 01/01/2008
<b>Gender</b> Male	<b>Salary Amount</b> \$0.00	<b>Termination Date</b>
<b>Status</b> Active	<b>Pay Rate</b> \$19.00	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Type</b> Full Time Hourly	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Job Title</b>	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
<b>Email</b>		<b>Account Type</b>

**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

**Employee Accrual Information**

Accrual Type	Accrual Table	Accrual Period	Available Time Accrued	Time Remaining	Last Flat Rate Accrual Dates
Vacation	vacation	after 1 year	120.0000	0.0000	12/30/2010
Holiday	Holiday	after 1 year	72.0000	60.0000	12/30/2010
Sick Leave	sick time	after 1 year	40.0000	0.0000	12/30/2010

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$9,465.17		\$8,317.27		\$5,970.76		\$0.00		\$23,753.20
<b>Earnings Information</b>										
HOL Holiday Pay	16.00	\$289.52	0.00	\$0.00	8.00	\$152.00	0.00	\$0.00	24.00	\$441.52
OVT Overtime Pay	15.50	\$436.34	19.50	\$555.77	49.50	\$1,410.76	0.00	\$0.00	84.50	\$2,402.87
REG Regular Pay	390.25	\$7,371.31	320.50	\$6,089.50	232.00	\$4,408.00	0.00	\$0.00	942.75	\$17,868.81
SICK Sick Pay	20.00	\$380.00	20.00	\$380.00	0.00	\$0.00	0.00	\$0.00	40.00	\$760.00
VAC Vacation Pay	52.00	\$988.00	68.00	\$1,292.00	0.00	\$0.00	0.00	\$0.00	120.00	\$2,280.00
<b>Pre-Tax Deduction Information</b>										
MED1 Medical Ins		\$411.36		\$377.08		\$244.53		\$0.00		\$1,032.97
RET Retirement		\$473.27		\$415.88		\$298.54		\$0.00		\$1,187.69
<b>Deduction Information</b>										
MED Medical Ins		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
<b>Benefit Information</b>										
RET Retirement Benefit -		\$1,602.46		\$1,408.12		\$1,010.84		\$0.00		\$4,021.42
<b>Tax Information</b>										
FMC Medicare Withholding		\$124.42		\$109.10		\$78.70		\$0.00		\$312.22
Adjusted Gross		\$8,580.54		\$7,524.31		\$5,427.69		\$0.00		\$21,532.54
FSN Federal Single		\$1,264.12		\$1,124.56		\$910.32		\$0.00		\$3,299.00
Adjusted Gross		\$8,580.54		\$7,524.31		\$5,427.69		\$0.00		\$21,532.54
FSS Social Security		\$360.38		\$316.03		\$227.97		\$0.00		\$904.38
Adjusted Gross		\$8,580.54		\$7,524.31		\$5,427.69		\$0.00		\$21,532.54
LCT County Tax		\$94.66		\$83.18		\$59.71		\$0.00		\$237.55
Adjusted Gross		\$9,465.17		\$8,317.27		\$5,970.76		\$0.00		\$23,753.20
SKY Kentucky State		\$485.22		\$425.01		\$308.97		\$0.00		\$1,219.20
Adjusted Gross		\$8,580.54		\$7,524.31		\$5,427.69		\$0.00		\$21,532.54
<b>Net Amounts</b>										
Calculated Employee Net		\$6,251.74		\$5,466.43		\$3,842.02		\$0.00		\$15,560.19
Employee Net		\$6,251.74		\$5,466.43		\$3,842.02		\$0.00		\$15,560.19

**Employee Information**

<b>Number</b> 000000006	<b>Department</b> Water Water Salaries	<b>Birthday</b>
<b>Name</b> Glacken, Barry	<b>Position</b>	<b>Hire Date</b> 01/17/2000
<b>Address</b> P.O. Box 333 Glencoe, KY 41046	<b>Default Shift</b>	<b>Benefit Date</b> 01/01/2000
<b>SSN</b> ██████████	<b>EEOC Code</b>	<b>Last Review Date</b> 01/01/2008
<b>Phone</b> ██████████ Ext.	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 01/01/2009
<b>Gender</b> Male	<b>Wage Grade/Step</b>	<b>Last Raise Date</b> 01/01/2008
<b>Status</b> Active	<b>Salary Amount</b> \$0.00	<b>Termination Date</b>
<b>Type</b> Full Time Hourly	<b>Pay Rate</b> \$15.45	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b>	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

<b>Advance EIC Payment Information</b>	
<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

<b>Employee Accrual Information</b>			<b>Available Time</b>	<b>Last Flat Rate</b>
<b>Accrual Type</b>	<b>Accrual Table</b>	<b>Accrual Period</b>	<b>Accrued</b>	<b>Time Remaining</b>
Vacation	vacation	after 1 year	120.0000	0.0000 12/30/2010
Holiday	Holiday	after 1 year	72.0000	56.0000 12/30/2010
Sick Leave	sick time	after 1 year	40.0000	8.0000 12/30/2010

<b>Description</b>	<b>Quarter 1</b>		<b>Quarter 2</b>		<b>Quarter 3</b>		<b>Quarter 4</b>		<b>Year To Date</b>	
	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>	<b>Hours</b>	<b>Amount</b>
Employee Gross		\$7,344.26		\$7,389.38		\$7,188.76		\$7,774.35		\$29,696.75

<b>Earnings Information</b>										
BON Bonus Pay	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$720.60	0.00	\$720.60
HOL Holiday Pay	8.00	\$120.00	8.00	\$120.00	24.00	\$360.00	24.00	\$360.00	64.00	\$960.00
Overtime Pay	10.50	\$236.26	3.25	\$73.13	4.00	\$90.01	2.00	\$45.00	19.75	\$444.40
REG Regular Pay	356.00	\$5,316.00	423.75	\$6,356.25	449.25	\$6,738.75	443.25	\$6,648.75	1,672.25	\$25,059.75
SIC Sick Pay	40.00	\$600.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	40.00	\$600.00
VAC Vacation Pay	72.00	\$1,072.00	56.00	\$840.00	0.00	\$0.00	0.00	\$0.00	128.00	\$1,912.00

<b>Pre-Tax Deduction Information</b>										
MED1 Medical Ins		\$347.28		\$376.22		\$376.22		\$405.16		\$1,504.88
RET Retirement		\$367.22		\$369.48		\$359.45		\$388.74		\$1,484.89

<b>Deduction Information</b>										
GAR Wage Garnishment		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
MED Medical Ins		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
PHONE Phone		\$120.00		\$130.00		\$130.00		\$140.00		\$520.00
STD Short Term Disability		\$84.24		\$91.26		\$91.26		\$98.28		\$365.04

<b>Benefit Information</b>										
RET Retirement Benefit -		\$1,186.82		\$1,194.12		\$1,207.47		\$1,316.21		\$4,904.62

<b>Tax Information</b>										
FMC Medicare Withholding		\$96.16		\$96.36		\$93.59		\$101.24		\$387.35
Adjusted Gross		\$6,629.76		\$6,643.68		\$6,453.09		\$6,980.45		\$26,706.98
FSN Federal Single		\$606.04		\$578.11		\$549.52		\$476.65		\$2,210.32
Adjusted Gross		\$6,629.76		\$6,643.68		\$6,453.09		\$6,980.45		\$26,706.98
FSS Social Security		\$411.08		\$411.92		\$400.10		\$432.79		\$1,655.89
Adjusted Gross		\$6,629.76		\$6,643.68		\$6,453.09		\$6,980.45		\$26,706.98
LCT County Tax		\$73.45		\$73.91		\$71.90		\$77.76		\$297.02
Adjusted Gross		\$7,344.26		\$7,389.38		\$7,188.76		\$7,774.35		\$29,696.75
SKY Kentucky State		\$308.17		\$302.59		\$291.55		\$270.65		\$1,172.96
Adjusted Gross		\$6,629.76		\$6,643.68		\$6,453.09		\$6,980.45		\$26,706.98

*General Labor/ Meter Reading*

*10% Meter Reading*

*40% Ground Maintenance*

*50% Distribution - Tammy*

*Work orders - Repair meter change out etc.*

**Net Amounts**

Calculated Employee Net	\$4,930.62	\$4,959.53	\$4,825.17	\$5,383.08	\$20,098.40
Employee Net	\$4,930.62	\$4,959.53	\$4,825.17	\$5,383.08	\$20,098.40

B. Celagston

Employee Information

<b>Number</b> 000000006	<b>Department</b> Water Water Salaries	<b>Birthday</b>
<b>Name</b> <del>XXXXXXXXXX</del>	<b>Position</b>	<b>Hire Date</b> 01/17/2000
<b>Address</b> P.O. Box 333 Glencoe, KY 41046	<b>Default Shift</b>	<b>Benefit Date</b> 01/01/2000
<b>SSN</b> 406-02-0547	<b>EEOC Code</b>	<b>Last Review Date</b> 01/01/2008
<b>Phone</b> Ext.	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 01/01/2009
<b>Gender</b> Male	<b>Wage Grade/Step</b>	<b>Last Raise Date</b> 01/01/2008
<b>Status</b> Active	<b>Salary Amount</b> \$0.00	<b>Termination Date</b>
<b>Type</b> Full Time Hourly	<b>Pay Rate</b> \$15.45	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b>	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

Advance EIC Payment Information

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

Employee Accrual Information

Accrual Type	Accrual Table	Accrual Period	Available Time Accrued	Time Remaining	Last Flat Rate Accrual Dates
Vacation	vacation	after 1 year	120.0000	0.0000	12/30/2010
Holiday	Holiday	after 1 year	72.0000	56.0000	12/30/2010
Sick Leave	sick time	after 1 year	40.0000	8.0000	12/30/2010

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$4,439.08		\$9,208.20		\$3,908.85		\$0.00		\$17,556.13

Earnings Information

HOL Holiday Pay	16.00	\$243.60	8.00	\$123.60	8.00	\$123.60	0.00	\$0.00	32.00	\$490.80
OVT Overtime Pay	11.00	\$254.94	35.00	\$811.12	11.50	\$266.51	0.00	\$0.00	57.50	\$1,332.57
REG Regular Pay	110.75	\$1,715.74	527.50	\$8,149.88	227.75	\$3,518.74	0.00	\$0.00	866.00	\$13,384.36
SIC Sick Pay	32.00	\$494.40	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	32.00	\$494.40
VAC Vacation Pay	112.00	\$1,730.40	8.00	\$123.60	0.00	\$0.00	0.00	\$0.00	120.00	\$1,854.00

Pre-Tax Deduction Information

MED1 Medical Ins	\$202.58	\$405.16	\$208.01	\$0.00	\$815.75
RET Retirement	\$221.95	\$460.44	\$195.45	\$0.00	\$877.84

Deduction Information

GAR Wage Garnishment	\$0.00	\$1,497.04	\$662.93	\$0.00	\$2,159.97
MED Medical Ins	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PHONE Phone	\$202.64	\$0.00	\$0.00	\$0.00	\$202.64
STD Short Term Disability	\$49.14	\$0.00	\$0.00	\$0.00	\$49.14

Benefit Information

RET Retirement Benefit -	\$751.54	\$1,558.93	\$661.76	\$0.00	\$2,972.23
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Tax Information

FMC Medicare Withholding	\$58.20	\$120.96	\$50.84	\$0.00	\$230.00
Adjusted Gross	\$4,014.55	\$8,342.60	\$3,505.39	\$0.00	\$15,862.54
FSN Federal Single	\$427.86	\$903.08	\$376.39	\$0.00	\$1,707.33
Adjusted Gross	\$4,014.55	\$8,342.60	\$3,505.39	\$0.00	\$15,862.54
FSS Social Security	\$168.62	\$350.38	\$147.24	\$0.00	\$666.24
Adjusted Gross	\$4,014.55	\$8,342.60	\$3,505.39	\$0.00	\$15,862.54
LCT County Tax	\$44.39	\$92.08	\$39.08	\$0.00	\$175.55
Adjusted Gross	\$4,439.08	\$9,208.20	\$3,908.85	\$0.00	\$17,556.13
SKY Kentucky State	\$187.89	\$393.97	\$164.78	\$0.00	\$746.64
Adjusted Gross	\$4,014.55	\$8,342.60	\$3,505.39	\$0.00	\$15,862.54

Net Amounts

Calculated Employee Net	\$2,875.81	\$4,985.09	\$2,064.13	\$0.00	\$9,925.03
Employee Net	\$2,875.81	\$4,985.09	\$2,064.13	\$0.00	\$9,925.03

*Tammy Hendron*

**Employee Information**

<b>Number</b> 000000004	<b>Department</b> ADM Administrative	<b>Birthdate</b>
<b>Name</b> <del>XXXXXXXXXX</del>	<b>Position</b>	<b>Hire Date</b> 04/30/1997
<b>Address</b> 1225 Little Sugar Creek Road Warsaw, KY 41095	<b>Default Shift</b>	<b>Benefit Date</b> 01/01/1997
<b>SSN</b> <del>XXXXXXXXXX</del>	<b>EEOC Code</b>	<b>Last Review Date</b> 01/01/2008
<b>Phone</b> (859) 393-5459 Ext.	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 01/01/2009
<b>Gender</b> Female	<b>Wage Grade/Step</b>	<b>Last Raise Date</b> 01/01/2008
<b>Status</b> Active	<b>Salary Amount</b> \$0.00	<b>Termination Date</b>
<b>Type</b> Full Time Hourly	<b>Pay Rate</b> \$18.54	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b>	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

**Employee Accrual Information**

Accrual Type	Accrual Table	Accrual Period	Available Time Accrued	Time Remaining	Last Flat Rate Accrual Dates
Vacation	vacation	after 1 year	120.0000	28.0000	12/30/2010
Holiday	Holiday	after 1 year	72.0000	38.7500	12/30/2010
Sick Leave	sick time	after 1 year	40.0000	0.0000	12/30/2010

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$8,624.25		\$8,988.75		\$8,725.50		\$9,926.19		\$36,264.69

**Earnings Information**

BON Bonus Pay	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$755.19	0.00	\$755.19
HOL Holiday Pay	8.00	\$144.00	16.00	\$288.00	16.00	\$288.00	24.00	\$432.00	64.00	\$1,152.00
Overtime Pay	4.25	\$114.75	9.25	\$249.75	3.50	\$94.50	5.00	\$135.00	22.00	\$594.00
REG Regular Pay	406.50	\$7,285.50	413.50	\$7,443.00	423.50	\$7,623.00	474.00	\$8,532.00	1,717.50	\$30,883.50
SIC Sick Pay	40.00	\$720.00	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	40.00	\$720.00
VAC Vacation Pay	20.00	\$360.00	56.00	\$1,008.00	40.00	\$720.00	4.00	\$72.00	120.00	\$2,160.00

**Pre-Tax Deduction Information**

401K Ky Deferred Comp	\$300.00	\$325.00	\$400.00	\$350.00	\$1,375.00
DEN Dental	\$196.32	\$212.68	\$212.68	\$229.04	\$850.72
RET Retirement	\$431.23	\$449.44	\$436.28	\$496.33	\$1,813.28

**Deduction Information**

LOAN loan repayment	\$0.00	\$0.00	\$25.00	\$350.00	\$375.00
MED Medical Ins	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PHONE Phone	\$120.00	\$130.00	\$130.00	\$140.00	\$520.00
STD Short Term Disability	\$66.48	\$72.02	\$72.02	\$77.56	\$288.08

**Benefit Information**

RET Retirement Benefit -	\$1,393.70	\$1,452.58	\$1,466.41	\$1,680.51	\$5,993.20
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**Tax Information**

FMC Medicare Withholding	\$115.94	\$120.73	\$117.10	\$133.42	\$487.19
Adjusted Gross	\$7,996.70	\$8,326.63	\$8,076.54	\$9,200.82	\$33,600.69
FMD Federal Married	\$730.72	\$750.27	\$766.61	\$741.71	\$2,989.31
Adjusted Gross	\$7,696.70	\$8,001.63	\$7,751.54	\$8,850.82	\$32,300.69
FSS Social Security	\$495.77	\$516.23	\$500.73	\$570.44	\$2,083.17
Adjusted Gross	\$7,996.70	\$8,326.63	\$8,076.54	\$9,200.82	\$33,600.69
LCT County Tax	\$86.26	\$89.90	\$87.27	\$99.29	\$362.72
Adjusted Gross	\$8,624.25	\$8,988.75	\$8,725.50	\$9,926.19	\$36,264.69
Kentucky State	\$434.63	\$451.33	\$432.48	\$442.99	\$1,761.43
Adjusted Gross	\$7,696.70	\$8,001.63	\$7,751.54	\$8,850.82	\$32,300.69

Employee 000000004 Hendren, Tammy R

	Net Amounts				
Calculated Employee Net	\$5,646.90	\$5,871.15	\$5,545.33	\$6,295.41	\$23,358.79
Employee Net	\$5,646.90	\$5,871.15	\$5,545.33	\$6,295.41	\$23,358.79

Office Manager - Accounts Payable 25%  
Billing/A/R - 25%  
 Clerical/ Customer service 35%  
 Distribution 15%

*Tammy Henderson*

**Employee Information**

<b>Number</b> 000000004	<b>Department</b> ADM Administrative	<b>Birthday</b>
<b>Name</b> <del>Tammy Henderson</del>	<b>Position</b>	<b>Hire Date</b> 04/30/1997
<b>Address</b> 1225 Little Sugar Creek Road Warsaw, KY 41095	<b>Default Shift</b>	<b>Benefit Date</b> 01/01/1997
<b>SSN</b> <del>42-24-1234</del>	<b>EEOC Code</b>	<b>Last Review Date</b> 01/01/2008
<b>Phone</b> (859) 393-5459 Ext.	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 01/01/2009
<b>Gender</b> Female	<b>Wage Grade/Step</b>	<b>Last Raise Date</b> 01/01/2008
<b>Status</b> Active	<b>Salary Amount</b> \$0.00	<b>Termination Date</b>
<b>Type</b> Full Time Hourly	<b>Pay Rate</b> \$18.54	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b>	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

**Employee Accrual Information**

Accrual Type	Accrual Table	Accrual Period	Available Time Accrued	Time Remaining	Last Flat Rate Accrual Dates
Vacation	vacation	after 1 year	120.0000	28.0000	12/30/2010
Holiday	Holiday	after 1 year	72.0000	38.7500	12/30/2010
Sick Leave	sick time	after 1 year	40.0000	0.0000	12/30/2010

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$9,183.22		\$10,490.43		\$4,475.11		\$0.00		\$24,148.76

**Earnings Information**

HOL Holiday Pay	16.00	\$292.32	17.25	\$319.82	8.00	\$148.32	0.00	\$0.00	41.25	\$760.46
OVT Overtime Pay	12.00	\$333.74	5.55	\$154.36	8.25	\$229.44	0.00	\$0.00	25.80	\$717.54
REG Regular Pay	394.25	\$7,296.44	484.25	\$8,978.01	213.00	\$3,949.03	0.00	\$0.00	1,091.50	\$20,223.48
SICK Sick Pay	28.00	\$519.12	12.00	\$222.48	0.00	\$0.00	0.00	\$0.00	40.00	\$741.60
VAC Vacation Pay	40.00	\$741.60	44.00	\$815.76	8.00	\$148.32	0.00	\$0.00	92.00	\$1,705.68

**Pre-Tax Deduction Information**

401K Ky Deferred Comp	\$300.00	\$350.00	\$150.00	\$0.00	\$800.00
DEN Dental	\$196.32	\$0.00	\$0.00	\$0.00	\$196.32
RET Retirement	\$459.18	\$524.53	\$223.77	\$0.00	\$1,207.48

**Deduction Information**

LOAN loan repayment	\$300.00	\$350.00	\$150.00	\$0.00	\$800.00
MED Medical Ins	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
PHONE Phone	\$120.00	\$140.00	\$60.00	\$0.00	\$320.00
STD Short Term Disability	\$66.48	\$0.00	\$0.00	\$0.00	\$66.48

**Benefit Information**

RET Retirement Benefit -	\$1,554.73	\$1,776.02	\$757.63	\$0.00	\$4,088.38
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**Tax Information**

FMC Medicare Withholding	\$123.65	\$144.49	\$61.65	\$0.00	\$329.79
Adjusted Gross	\$8,527.72	\$9,965.90	\$4,251.34	\$0.00	\$22,744.96
FMD Federal Married	\$884.54	\$1,104.50	\$470.39	\$0.00	\$2,459.43
Adjusted Gross	\$8,227.72	\$9,615.90	\$4,101.34	\$0.00	\$21,944.96
FSS Social Security	\$358.17	\$418.57	\$178.56	\$0.00	\$955.30
Adjusted Gross	\$8,527.72	\$9,965.90	\$4,251.34	\$0.00	\$22,744.96
LCT County Tax	\$91.83	\$104.90	\$44.76	\$0.00	\$241.49
Adjusted Gross	\$9,183.22	\$10,490.43	\$4,475.11	\$0.00	\$24,148.76
SKY Kentucky State	\$444.76	\$543.19	\$231.66	\$0.00	\$1,219.61
Adjusted Gross	\$8,227.72	\$9,615.90	\$4,101.34	\$0.00	\$21,944.96

	<b>Net Amounts</b>				
Calculated Employee Net	\$5,838.29	\$6,810.25	\$2,904.32	\$0.00	\$15,552.86
Employee Net	\$5,838.29	\$6,810.25	\$2,904.32	\$0.00	\$15,552.86

**Employee Information**

<b>Number</b> 000000003	<b>Department</b> ADM Administrative	<b>Birthdate</b>
<b>Name</b> <del>Simpson</del> Sandra K	<b>Position</b>	<b>Hire Date</b> 03/01/1995
<b>Address</b> 369 Heritage Drive Sparta, KY 41086	<b>Default Shift</b>	<b>Benefit Date</b> 01/01/1995
<b>SSN</b> <del>400-90-7221</del>	<b>EEOC Code</b>	<b>Last Review Date</b> 01/01/2008
<b>Phone</b> (859) 643-3292 <b>Ext.</b>	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 01/01/2009
<b>Gender</b> Female	<b>Wage Grade/Step</b>	<b>Last Raise Date</b> 01/01/2008
<b>Status</b> Active	<b>Salary Amount</b> \$0.00	<b>Termination Date</b>
<b>Type</b> Full Time Hourly	<b>Pay Rate</b> \$16.48	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b>	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

<b>Advance EIC Payment Information</b>	
<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

Employee Accrual Information			Available Time	Last Flat Rate
Accrual Type	Accrual Table	Accrual Period	Accrued	Time Remaining
Vacation	vacation	after 1 year	120.0000	72.0000
Holiday	Holiday	after 1 year	72.0000	56.0000
Sick Leave	sick time	after 1 year	48.0000	26.0000

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$6,668.00		\$7,324.00		\$7,060.00		\$8,330.24		\$29,382.24

Earnings Information										
BON Bonus Pay	0.00	\$0.00	0.00	\$0.00	0.00	\$0.00	0.00	\$778.24	0.00	\$778.24
HOL Holiday Pay	8.00	\$128.00	8.00	\$128.00	16.00	\$256.00	32.00	\$512.00	64.00	\$1,024.00
Overtime Pay	1.50	\$36.00	4.00	\$96.00	0.00	\$0.00	0.00	\$0.00	5.50	\$132.00
REG Regular Pay	384.00	\$6,128.00	394.75	\$6,332.00	385.25	\$6,164.00	392.00	\$6,272.00	1,556.00	\$24,896.00
SIC Sick Pay	12.00	\$192.00	0.00	\$0.00	4.00	\$64.00	16.00	\$256.00	32.00	\$512.00
VAC Vacation Pay	12.00	\$184.00	48.00	\$768.00	36.00	\$576.00	32.00	\$512.00	128.00	\$2,040.00

Pre-Tax Deduction Information										
401K Ky Deferred Comp		\$300.00		\$325.00		\$325.00		\$350.00		\$1,300.00
MED1 Medical Ins		\$112.36		\$0.00		\$0.00		\$0.00		\$112.36
RET Retirement		\$333.40		\$366.20		\$353.00		\$416.51		\$1,469.11

Deduction Information										
MED Medical Ins		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00

Benefit Information										
RET Retirement Benefit -		\$1,077.54		\$1,183.55		\$1,186.88		\$1,410.32		\$4,858.29

Tax Information										
FMC Medicare Withholding		\$90.18		\$100.86		\$97.21		\$114.71		\$402.96
Adjusted Gross		\$6,222.24		\$6,957.80		\$6,707.00		\$7,913.73		\$27,800.77
FMD Federal Married		\$375.33		\$431.83		\$398.22		\$424.00		\$1,629.38
Adjusted Gross		\$5,922.24		\$6,632.80		\$6,382.00		\$7,563.73		\$26,500.77
FSS Social Security		\$385.82		\$431.40		\$415.87		\$490.68		\$1,723.77
Adjusted Gross		\$6,222.24		\$6,957.80		\$6,707.00		\$7,913.73		\$27,800.77
LCT County Tax		\$66.68		\$73.24		\$70.60		\$83.30		\$293.82
Adjusted Gross		\$6,668.00		\$7,324.00		\$7,060.00		\$8,330.24		\$29,382.24
SKY Kentucky State		\$267.11		\$301.97		\$287.42		\$306.72		\$1,163.22
Adjusted Gross		\$5,922.24		\$6,632.80		\$6,382.00		\$7,563.73		\$26,500.77

Net Amounts										
Related Employee Net		\$4,737.12		\$5,293.50		\$5,112.68		\$6,144.32		\$21,287.62
Employee Net		\$4,737.12		\$5,293.50		\$5,112.68		\$6,144.32		\$21,287.62

*Secretary - Billing/AR - 75%  
Customer service 25%*

**Employee Information**

<b>Number</b> 000000003	<b>Department</b> ADM Administrative	<b>Birthday</b>
<b>Name</b> Simpson, Sandra K	<b>Position</b>	<b>Hire Date</b> 03/01/1995
<b>Address</b> 369 Heritage Drive Sparta, KY 41086	<b>Default Shift</b>	<b>Benefit Date</b> 01/01/1995
<b>SSN</b> <del>XXXXXXXXXX</del>	<b>EEOC Code</b>	<b>Last Review Date</b> 01/01/2008
<b>Phone</b> (859) 643-3292 Ext.	<b>Pay Frequency</b> Weekly	<b>Next Review Date</b> 01/01/2009
<b>Gender</b> Female	<b>Wage Grade/Step</b>	<b>Last Raise Date</b> 01/01/2008
<b>Status</b> Active	<b>Salary Amount</b> \$0.00	<b>Termination Date</b>
<b>Type</b> Full Time Hourly	<b>Pay Rate</b> \$16.48	<b>Uses Direct Deposit</b> <input type="checkbox"/>
<b>Job Title</b>	<b>Overtime Rate</b> \$0.00	<b>Bank</b>
<b>Email</b>	<b>Uses Pension Plan</b> <input checked="" type="checkbox"/>	<b>Account Number</b>
		<b>Account Type</b>

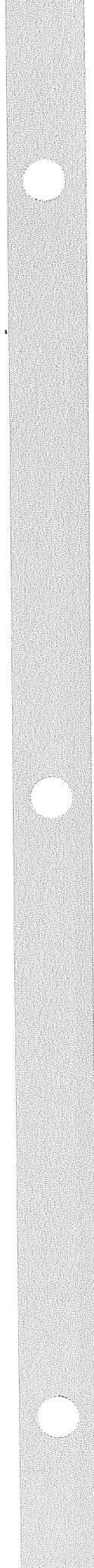
**Advance EIC Payment Information**

<b>Eligible For Payments</b> <input type="checkbox"/>	<b>Has Filed Form W-5</b> <input type="checkbox"/>
<b>Marital Status</b>	<b>Date W-5 Form Was Filed</b>
<b># Of Qualifying Children</b> 0	<b>Employee's spouse has W-5 in effect</b> <input type="checkbox"/>
<b>Federal Tax Return Filing Status</b>	<b>Advance EIC Payment Table</b>

**Employee Accrual Information**

Accrual Type	Accrual Table	Accrual Period	Available Time Accrued	Time Remaining	Last Flat Rate Accrual Dates
Vacation	vacation	after 1 year	120.0000	72.0000	12/30/2010
Holiday	Holiday	after 1 year	72.0000	56.0000	12/30/2010
Sick Leave	sick time	after 1 year	48.0000	26.0000	12/30/2010

Description	Quarter 1		Quarter 2		Quarter 3		Quarter 4		Year To Date	
	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount	Hours	Amount
Employee Gross		\$6,998.80		\$7,881.56		\$3,366.04		\$0.00		\$18,246.40
<b>Earnings Information</b>										
HOL Holiday Pay	16.00	\$259.84	8.00	\$131.84	8.00	\$131.84	0.00	\$0.00	32.00	\$523.52
REG Regular Pay	393.50	\$6,475.28	422.25	\$6,958.68	190.25	\$3,135.32	0.00	\$0.00	1,006.00	\$16,569.28
Sick Pay	16.00	\$263.68	0.00	\$0.00	6.00	\$98.88	0.00	\$0.00	22.00	\$362.56
VAC Vacation Pay	0.00	\$0.00	48.00	\$791.04	0.00	\$0.00	0.00	\$0.00	48.00	\$791.04
<b>Pre-Tax Deduction Information</b>										
401K Ky Deferred Comp		\$300.00		\$350.00		\$150.00		\$0.00		\$800.00
MED1 Medical Ins		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
RET Retirement		\$349.94		\$394.07		\$168.31		\$0.00		\$912.32
<b>Deduction Information</b>										
MED Medical Ins		\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
<b>Benefit Information</b>										
RET Retirement Benefit -		\$1,184.88		\$1,334.33		\$569.86		\$0.00		\$3,089.07
<b>Tax Information</b>										
FMC Medicare Withholding		\$96.39		\$108.54		\$46.35		\$0.00		\$251.28
Adjusted Gross		\$6,648.86		\$7,487.49		\$3,197.73		\$0.00		\$17,334.08
FMD Federal Married		\$432.34		\$471.42		\$200.95		\$0.00		\$1,104.71
Adjusted Gross		\$6,348.86		\$7,137.49		\$3,047.73		\$0.00		\$16,534.08
FSS Social Security		\$279.25		\$314.46		\$134.31		\$0.00		\$728.02
Adjusted Gross		\$6,648.86		\$7,487.49		\$3,197.73		\$0.00		\$17,334.08
LCT County Tax		\$69.97		\$78.79		\$33.65		\$0.00		\$182.41
Adjusted Gross		\$6,998.80		\$7,881.56		\$3,366.04		\$0.00		\$18,246.40
SKY Kentucky State		\$291.20		\$324.10		\$138.26		\$0.00		\$753.56
Adjusted Gross		\$6,348.86		\$7,137.49		\$3,047.73		\$0.00		\$16,534.08
<b>Net Amounts</b>										
Calculated Employee Net		\$5,179.71		\$5,840.18		\$2,494.21		\$0.00		\$13,514.10
Employee Net		\$5,179.71		\$5,840.18		\$2,494.21		\$0.00		\$13,514.10



Select Transactions By   
 Fiscal Year: 2010  
 Period: December  
 Beginning Date: N/A  
 Ending Date: N/A

## Gallatin County Water December Trial Balance Report

Account	Beginning Balance	Period Activity	Ending Balance
00001-0000 temporary ums account	\$0.00	\$0.00	\$0.00
01000-0000 General checking	(\$492.95)	\$492.95	\$0.00
01001-0000 General/Payroll First Farmers	\$4,559.61	\$9,350.69	\$13,910.30
01020-0000 Revenue	(\$78.46)	\$78.46	\$0.00
01021-0000 Revenue - First Farmers	\$222,916.07	(\$11,790.07)	\$211,126.00
01024-0000 Excess Revenue CD	\$0.00	\$0.00	\$0.00
01025-0000 Certificate of Deposits	\$428,293.90	\$0.00	\$428,293.90
01026-0000 RDA Reserve CD	\$71,739.20	\$0.00	\$71,739.20
01030-0000 Security Deposits	\$0.00	\$0.00	\$0.00
01031-0000 Security Deposits First Farmers	\$23,178.75	(\$441.40)	\$22,737.35
01040-0000 KIA Reserve Account	\$31,853.48	\$2,879.82	\$34,733.30
01045-0000 Construction Account	\$0.00	\$0.00	\$0.00
01046-0000 Tobacco Grant Account	\$0.00	\$0.00	\$0.00
01050-0000 Bond Sinking Account	\$113,973.03	\$17,114.70	\$131,087.73
01060-0000 Depreciation Reserve	\$87,015.23	\$1,226.05	\$88,241.28
01065-0000 RDA RESERVE	\$149,797.56	\$5,592.99	\$155,390.55
01080-0000 Petty Cash	\$70.00	\$0.00	\$70.00
01098-0000 Undeposited Cash	\$0.00	\$0.00	\$0.00
01099-0000 Cash Transfers	\$0.00	\$0.00	\$0.00
01100-0000 Accounts Receivable	\$82,073.13	\$1,928.34	\$84,001.47
01120-0000 Accounts Receivable -Year End	\$26,658.18	(\$563.60)	\$26,094.58
01130-0000 Accounts Receivable Other	\$207.34	(\$207.34)	\$0.00
01135-0000 Allowance for Bad Debt	(\$1,827.16)	(\$9,922.61)	(\$11,749.77)
01140-0000 Interest Receivable	\$3,597.83	(\$549.57)	\$3,048.26
01200-0000 Inventory	\$26,388.03	(\$2,006.15)	\$24,381.88
01350-0000 Prepaid Expenses	\$862.00	\$0.00	\$862.00
01370-0000 Prepaid Insurance	\$11,021.15	(\$2,151.36)	\$8,869.79
01390-0000 Prepaid Taxes	\$0.00	\$0.00	\$0.00
01500-0000 Land	\$192,257.95	\$0.00	\$192,257.95
01505-0000 Land Rights	\$33,970.66	\$0.00	\$33,970.66
01510-0000 Buildings	\$330,562.61	\$0.00	\$330,562.61
01511-0000 A/D - Buildings	(\$66,888.00)	(\$2,571.00)	(\$69,459.00)
01520-0000 Building Improvements	\$14,347.00	\$0.00	\$14,347.00
01521-0000 A/D Building Improvements	\$0.00	\$0.00	\$0.00
01550-0000 Lease Hold Improvements	\$0.00	\$0.00	\$0.00
01551-0000 A/D Leasehold Improvements	\$0.00	\$0.00	\$0.00
01560-0000 Meter Installation	\$669,907.91	\$6,474.75	\$676,382.66
01561-0000 A/D Meter Installation	(\$216,819.00)	(\$1,572.00)	(\$218,391.00)
01562-0000 Distribution Reservoir	\$2,038,981.52	\$0.00	\$2,038,981.52
01563-0000 A/D Distribution Reservoir	(\$551,548.00)	(\$5,894.00)	(\$557,442.00)
01564-0000 Transmission Distribution Main	\$4,119,426.97	\$45,559.96	\$4,164,986.93
01565-0000 A/D Transmission Dist. Main	(\$1,051,627.00)	(\$7,518.00)	(\$1,059,145.00)
01566-0000 Services	\$237,444.87	\$1,475.25	\$238,920.12
01567-0000 A/D Services	(\$108,756.00)	(\$702.00)	(\$109,458.00)
01568-0000 Water Treatment Equipment	\$22,167.51	\$0.00	\$22,167.51
01569-0000 A/D Water Treatment Equipment	(\$11,470.00)	(\$90.00)	(\$11,560.00)
01570-0000 Pumping Equipment	\$1,262,190.92	\$0.00	\$1,262,190.92
01571-0000 A/D Pumping Equipment	(\$608,037.00)	(\$3,227.00)	(\$611,264.00)
01572-0000 Wells	\$366,887.72	\$0.00	\$366,887.72
01573-0000 A/D Wells	(\$92,517.00)	(\$1,113.00)	(\$93,630.00)
01580-0000 Radio/Office Equipment	\$171,430.55	\$0.00	\$171,430.55
01581-0000 A/D Radio Office Equipment	(\$116,841.00)	(\$1,080.00)	(\$117,921.00)

Account	Beginning Balance	Period Activity	Ending Balance
01650-0000 Vehicles	\$111,754.95	(\$20,255.00)	\$91,499.95
01651-0000 A/D Vehicles	(\$85,109.00)	\$17,473.00	(\$67,636.00)
01660-0000 Hydrants	\$25,159.66	\$586.05	\$25,745.71
01661-0000 A/D Hydrants	(\$941.00)	(\$186.00)	(\$1,127.00)
01680-0000 Other Fixed Assets	\$0.00	\$0.00	\$0.00
01681-0000 Base Account 01681	\$0.00	\$0.00	\$0.00
01682-0000 Base Account 01682	\$0.00	\$0.00	\$0.00
01685-0000 Construction in Process	\$25,559.96	(\$25,559.96)	\$0.00
01800-0000 Utility Deposits	\$0.00	\$0.00	\$0.00
01810-0000 Other Assets	\$0.00	\$0.00	\$0.00
01850-0000 Bond Issuance Cost	\$56,274.69	\$0.00	\$56,274.69
01851-0000 Accumlated Amortization	(\$13,117.44)	(\$119.00)	(\$13,236.44)
01900-0000 Orginazation Cost	\$0.00	\$0.00	\$0.00
01901-0000 Accumlated Amortization	\$0.00	\$0.00	\$0.00
01902-0000 Non-Utility Assets	\$0.00	\$0.00	\$0.00
<b>TOTAL ASSETS</b>	<b>\$8,036,460.93</b>	<b>\$12,713.95</b>	<b>\$8,049,174.88</b>
02000-0000 Accounts Payable	(\$11,246.78)	\$52.21	(\$11,194.57)
02010-0000 Credit Cards-Visa	\$0.00	\$0.00	\$0.00
02020-0000 Credit Card-Mastercard	\$0.00	\$0.00	\$0.00
02030-0000 Credit Card-American Express	\$0.00	\$0.00	\$0.00
02040-0000 Accrued Waged	(\$7,897.44)	\$3,566.58	(\$4,330.86)
02050-0000 Accrued Compensated Absences	(\$8,639.93)	(\$1,295.87)	(\$9,935.80)
02090-0000 Notes Payable- Short Term	\$0.00	\$0.00	\$0.00
02110-0000 ACCURED DEFERRED COMP	\$0.00	(\$125.00)	(\$125.00)
02120-0000 Meter Deposits (void checks)	\$0.00	(\$1,262.64)	(\$1,262.64)
02180-0000 School Tax Payable	(\$1,832.10)	(\$176.36)	(\$2,008.46)
02190-0000 Sales Tax Payable	(\$364.11)	\$28.70	(\$335.41)
02191-0000 Sewer Sales Warsaw	(\$78.70)	\$78.70	\$0.00
02192-0000 Garbage Sales Warsaw	(\$85.60)	\$85.60	\$0.00
02200-0000 Federal Withholding	(\$1,479.36)	(\$377.42)	(\$1,856.78)
02210-0000 Social Security Tax Payable	(\$1,819.34)	(\$1,023.92)	(\$2,843.26)
02212-0000 Medicare W/H Payable	(\$425.54)	(\$239.48)	(\$665.02)
02215-0000 State W/H Tax	(\$706.13)	(\$178.77)	(\$884.90)
02220-0000 Local W/H Tax Payable	(\$353.09)	(\$246.50)	(\$599.59)
02230-0000 Employees Health Insurance W/H	\$0.00	\$0.00	\$0.00
02240-0000 Dental Insurance W/H	\$0.00	\$0.00	\$0.00
02245-0000 Wage Garnishment	\$0.00	\$0.00	\$0.00
02250-0000 Retirement Witholding Payable	(\$3,435.74)	(\$1,970.37)	(\$5,406.11)
02255-0000 401K W/H payable	(\$200.00)	(\$50.00)	(\$250.00)
02280-0000 Accrued Payroll Taxes	\$0.00	\$0.00	\$0.00
02300-0000 Accrued Interest LTD	(\$61,955.21)	(\$12,391.01)	(\$74,346.22)
02310-0000 Accrued Interest KIA	(\$4,322.76)	\$3,633.64	(\$689.12)
02315-0000 Security Depoist-Water Tower- internet	\$0.00	\$0.00	\$0.00
02330-0000 Long Term Debt- Current Portion	\$0.00	\$0.00	\$0.00
02340-0000 Escrow Metes not Installed	(\$350.00)	\$0.00	(\$350.00)
02800-0000 Long Term Notes- Debts	\$0.00	\$0.00	\$0.00
02802-0000 Notes Payable-KIA	(\$539,443.62)	\$0.00	(\$539,443.62)
02804-0000 Bonds Payable -1998 A	(\$201,000.00)	\$0.00	(\$201,000.00)
02806-0000 Bonds Payable -1988 B	(\$77,000.00)	\$0.00	(\$77,000.00)
02808-0000 Bonds Payable 1993	(\$327,000.00)	\$0.00	(\$327,000.00)
02810-0000 Bonds Payable 1996	(\$312,400.00)	\$0.00	(\$312,400.00)
02812-0000 Bonds Payable 2000 A	(\$331,200.00)	\$0.00	(\$331,200.00)
02814-0000 Bonds Payable 2000 B	(\$100,800.00)	\$0.00	(\$100,800.00)
02816-0000 Bonds Payable 2002	(\$121,400.00)	\$0.00	(\$121,400.00)
02817-0000 Series 2006 A Revenue Bond	(\$1,363,000.00)	\$0.00	(\$1,363,000.00)
02818-0000 Series 2006 B Revenue Bond	(\$489,400.00)	\$0.00	(\$489,400.00)

Account	Beginning Balance	Period Activity	Ending Balance
02830-0000 Interim Financing	\$0.00	\$0.00	\$0.00
02835-0000 Escrow New Construction	\$0.00	\$0.00	\$0.00
02840-0000 Customer Meter Deposits	(\$17,082.00)	(\$165.00)	(\$17,247.00)
02841-0000 Meter Deposit -Old	(\$769.69)	\$769.69	\$0.00
<b>TOTAL LIABILITIES</b>	<b>(\$3,985,687.14)</b>	<b>(\$11,287.22)</b>	<b>(\$3,996,974.36)</b>
03010-0000 Contributions in Aid of Construction.	(\$842,392.66)	\$0.00	(\$842,392.66)
03031-0000 Grant Proceeds	(\$2,513,700.00)	\$0.00	(\$2,513,700.00)
03032-0000 Grants Proceeds	(\$135,000.00)	\$0.00	(\$135,000.00)
03033-0000 Speedway Contributions	(\$572,900.00)	\$0.00	(\$572,900.00)
03034-0000 Contributions- Fiscal Court	(\$123,800.00)	\$0.00	(\$123,800.00)
03035-0000 Contributions- Sterling Materials	(\$15,800.00)	\$0.00	(\$15,800.00)
03036-0000 Contribution- HB502	(\$250,000.00)	\$0.00	(\$250,000.00)
03038-0000 Grant-Tobacco	(\$250,000.00)	\$0.00	(\$250,000.00)
03040-0000 Retained Earnings	\$525,501.21	\$0.00	\$525,501.21
<b>TOTAL EQUITY</b>	<b>(\$4,178,091.45)</b>	<b>\$0.00</b>	<b>(\$4,178,091.45)</b>
04000-0000 Sales- Residential	(\$699,642.59)	(\$61,062.15)	(\$760,704.74)
04002-0000 Sales- Commercial	(\$74,059.24)	(\$5,606.92)	(\$79,666.16)
04004-0000 Sales Industrial	\$0.00	\$0.00	\$0.00
04006-0000 Sales- Resale	(\$11,820.16)	(\$1,213.26)	(\$13,033.42)
04008-0000 Sales Public Authorities	\$0.00	\$0.00	\$0.00
04010-0000 Sales -Milti Dwellings	\$0.00	\$0.00	\$0.00
04012-0000 Sales - Other	\$0.00	\$0.00	\$0.00
04020-0000 School Tax	(\$329.13)	(\$0.63)	(\$329.76)
04025-0000 Sales Tax	(\$75.42)	(\$6.10)	(\$81.52)
04040-0000 Reconnection Fees	(\$5,530.00)	(\$315.00)	(\$5,845.00)
04041-0000 Field Collection Charge	(\$14,475.00)	(\$840.00)	(\$15,315.00)
04045-0000 Convenience Fees	(\$3,348.00)	(\$352.00)	(\$3,700.00)
04046-0000 Penalties	(\$26,214.46)	(\$1,905.78)	(\$28,120.24)
04060-0000 Customer Refunds	\$5,079.57	\$37.92	\$5,117.49
04070-0000 Wrong Readings	\$2,993.21	\$138.96	\$3,132.17
04080-0000 Leak Adjustments	\$4,858.25	\$734.81	\$5,593.06
04090-0000 Surcharge - Warsaw	\$0.00	\$0.00	\$0.00
04092-0000 Insurance Proceeds	\$0.00	\$0.00	\$0.00
04095-0000 Cash Over (Short)	\$3.66	\$4.02	\$7.68
04097-0000 Returned Checks	(\$1,064.00)	(\$10.61)	(\$1,074.61)
06020-0000 Gain (Loss) on Sale of Assets	\$0.00	(\$7,000.00)	(\$7,000.00)
06030-0000 Capital Contributions	\$0.00	(\$20,000.00)	(\$20,000.00)
06040-0000 Hook -Up Fees	(\$7,420.00)	(\$530.00)	(\$7,950.00)
06050-0000 Interest Income	(\$10,485.12)	\$327.21	(\$10,157.91)
<b>TOTAL REVENUES</b>	<b>(\$841,528.43)</b>	<b>(\$97,599.53)</b>	<b>(\$939,127.96)</b>
00000-0000 Tank Maintenance	\$0.00	\$0.00	\$0.00
05010-0000 Accounting & Auditing Fees	\$8,480.00	\$0.00	\$8,480.00
05020-0000 Advertising	\$1,095.45	(\$84.15)	\$1,011.30
05030-0000 Amortization Expense	\$1,309.00	\$119.00	\$1,428.00
05040-0000 Auto & Truck Expense	\$13,653.96	\$1,373.79	\$15,027.75
05050-0000 Bad Debt Expense	\$310.03	\$9,957.11	\$10,267.14
05060-0000 Bank Card Charges	\$0.00	\$0.00	\$0.00
05070-0000 Bank Service Charges	\$6,765.78	\$261.47	\$7,027.25
05080-0000 Chemicals	\$2,315.00	\$1,845.00	\$4,160.00
05090-0000 Commissioner Salaries	\$5,400.00	\$400.00	\$5,800.00
05100-0000 Contributions	\$0.00	\$0.00	\$0.00
05110-0000 Damages	\$0.00	\$0.00	\$0.00
05120-0000 Data Processing Expense	\$0.00	\$0.00	\$0.00
05125-0000 Depreciaiton Expense	\$316,866.00	\$26,735.00	\$343,601.00

Account	Beginning Balance	Period Activity	Ending Balance
05130-0000 Dues & Subscriptions	\$1,153.00	\$75.00	\$1,228.00
05140-0000 Education & Seminars	\$1,315.00	\$0.00	\$1,315.00
05150-0000 Employer Medicare	\$2,619.99	\$336.73	\$2,956.72
05160-0000 Employer Social Security	\$11,202.29	\$1,407.59	\$12,609.88
05170-0000 Engineering Expense	\$1,806.93	\$0.00	\$1,806.93
05180-0000 Equipment Rental	\$2,277.31	(\$2,523.89)	(\$246.58)
05190-0000 Base Account 05190	\$0.00	\$0.00	\$0.00
05200-0000 Insurance - Commissioner Health	(\$6,327.36)	(\$539.84)	(\$6,867.20)
05210-0000 Insurance- Employee Health	\$73,853.58	\$7,154.60	\$81,008.18
05220-0000 Insurance - General	\$13,051.03	\$1,150.80	\$14,201.83
05230-0000 Insurance - Workers Compensation	\$4,529.47	\$406.57	\$4,936.04
05235-0000 Insurance- Bonds	\$2,521.45	\$809.41	\$3,330.86
05240-0000 Interest Expense - Bonds	\$136,301.01	\$12,391.01	\$148,692.02
05250-0000 Interest Expense - Customer Deposits	\$175.82	\$1.23	\$177.05
05260-0000 Interest Expense - KIA	\$11,968.64	(\$3,633.64)	\$8,335.00
05270-0000 Legal Fees	\$4,792.50	(\$1,342.50)	\$3,450.00
05280-0000 Maintenance Supplies	\$9,554.80	\$936.52	\$10,491.32
05290-0000 Miscellaneous Expense	\$571.13	\$100.00	\$671.13
05300-0000 Office Expense	\$10,629.24	\$544.35	\$11,173.59
05310-0000 Outside Services	\$4,943.32	\$185.49	\$5,128.81
05320-0000 Penalties	\$0.00	\$0.00	\$0.00
05330-0000 Postage	\$6,973.11	\$427.33	\$7,400.44
05340-0000 Public Service Assessments	\$1,385.38	\$0.00	\$1,385.38
05350-0000 Pump Maintenance	\$9,329.23	\$0.00	\$9,329.23
05355-0000 Tank Maintenance	\$0.00	\$0.00	\$0.00
05360-0000 Purchased Water	\$6,632.51	\$440.63	\$7,073.14
05370-0000 Rent Expense	\$0.00	\$0.00	\$0.00
05380-0000 Repairs & Maintenance - G& A	\$10,652.69	\$1,202.56	\$11,855.25
05390-0000 Retirement Expense	\$31,933.73	\$3,934.79	\$35,868.52
05395-0000 401K Expense	\$0.00	\$0.00	\$0.00
05400-0000 Salaries & Wages - Administrative	\$59,282.25	\$6,493.18	\$65,775.43
05410-0000 Salaries & Wages - Customer Svc	\$0.00	\$0.00	\$0.00
05420-0000 Salaries & Wages Distribution	\$138,113.39	\$13,838.97	\$151,952.36
05430-0000 Samples	\$3,115.00	\$365.00	\$3,480.00
05440-0000 Taxes & Licenses - Other	\$0.00	\$0.00	\$0.00
05450-0000 Telephone	\$5,761.08	\$1,027.38	\$6,788.46
05460-0000 Travel & Entertainment	\$3,572.34	(\$139.26)	\$3,433.08
05470-0000 Uniforms	\$1,697.08	\$147.67	\$1,844.75
05480-0000 Utilities - Administrative	\$3,338.42	\$214.35	\$3,552.77
05490-0000 Utilities - Pumping	\$53,568.94	\$3,559.46	\$57,128.40
06010-0000 Other Income	(\$8,760.08)	\$6,494.09	(\$2,265.99)
09999-0000 Temporary Distribution	(\$100.00)	\$389.30	\$289.30
<b>TOTAL EXPENSES</b>	<b>\$969,629.44</b>	<b>\$96,462.10</b>	<b>\$1,066,091.54</b>
<b>TOTAL ASSETS</b>	<b>\$8,036,460.93</b>	<b>\$12,713.95</b>	<b>\$8,049,174.88</b>
<b>TOTAL LIABILITIES</b>	<b>(\$3,985,687.14)</b>	<b>(\$11,287.22)</b>	<b>(\$3,996,974.36)</b>
<b>TOTAL EQUITY</b>	<b>(\$4,178,091.45)</b>	<b>\$0.00</b>	<b>(\$4,178,091.45)</b>
	<b>(\$127,317.66)</b>	<b>\$1,426.73</b>	<b>(\$125,890.93)</b>
<b>TOTAL REVENUES</b>	<b>(\$841,528.43)</b>	<b>(\$97,599.53)</b>	<b>(\$939,127.96)</b>
<b>TOTAL EXPENSES</b>	<b>\$969,629.44</b>	<b>\$96,462.10</b>	<b>\$1,066,091.54</b>
	<b>\$128,101.01</b>	<b>(\$1,137.43)</b>	<b>\$126,963.58</b>

Audit Adjustments

Gallatin County Water  
General Journal Posting Audit

2010

Trans. Date	Transaction Description	Reference Number	Entry Date	Entered By	Debit Amount	Credit Amount
	<b>Account</b> 01000-0000 General checking					
12/31/2010	AUDIT ADJUSTMENTS (D)		03/21/11	Tammy	\$492.95	\$0.00
	<b>Account</b> 01020-0000 Revenue					
12/31/2010	AUDIT ADJUSTMENTS (B)		03/21/11	Tammy	\$78.46	\$0.00
	<b>Account</b> 01021-0000 Revenue - First Farmers					
12/31/2010	AUDIT ADJUSTMENTS (C)		03/21/11	Tammy	\$32.98	\$0.00
	<b>Account</b> 01100-0000 Accounts Receivable					
12/31/2010	AUDIT ADJUSTMENTS (N)		03/21/11	Tammy	\$254.79	\$0.00
	<b>Account</b> 01120-0000 Accounts Receivable -Year End					
12/31/2010	AUDIT ADJUSTMENTS (P)		03/21/11	Tammy	\$0.00	\$563.60
	<b>Account</b> 01130-0000 Accounts Receivable Other					
12/31/2010	AUDIT ADJUSTMENTS (R)		03/21/11	Tammy	\$0.00	\$207.34
	<b>Account</b> 01135-0000 Allowance for Bad Debt					
12/31/2010	AUDIT ADJUSTMENTS (S)		03/21/11	Tammy	\$0.00	\$9,922.61
	<b>Account</b> 01140-0000 Interest Receivable					
12/31/2010	AUDIT ADJUSTMENTS (E)		03/21/11	Tammy	\$0.00	\$549.57
	<b>Account</b> 01200-0000 Inventory					
12/31/2010	AUDIT ADJUSTMENTS (O)		03/21/11	Tammy	\$0.00	\$2,006.15
	<b>Account</b> 01370-0000 Prepaid Insurance					
12/31/2010	AUDIT ADJUSTMENTS (I)		03/21/11	Tammy	\$0.00	\$458.74
12/31/2010	AUDIT ADJUSTMENTS (I)		03/21/11	Tammy	\$557.28	\$0.00
12/31/2010	AUDIT ADJUSTMENTS (I)		03/21/11	Tammy	\$109.62	\$0.00
	<b>Number of Transactions</b>		3	<b>Account Totals</b>	\$666.90	\$458.74
	<b>Account</b> 01511-0000 A/D - Buildings					
12/31/2010	AUDIT ADJUSTMENTS (J)		03/21/11	Tammy	\$0.00	\$1,989.00
	<b>Account</b> 01560-0000 Meter Installation					
12/31/2010	AUDIT ADJUSTMENTS (K)		03/21/11	Tammy	\$6,474.75	\$0.00
	<b>Account</b> 01561-0000 A/D Meter Installation					
12/31/2010	AUDIT ADJUSTMENTS (J)		03/21/11	Tammy	\$0.00	\$185.00
	<b>Account</b> 01563-0000 A/D Distribution Reservoir					
12/31/2010	AUDIT ADJUSTMENTS (J)		03/21/11	Tammy	\$99.00	\$0.00
	<b>Account</b> 01564-0000 Transmission Distribution Main					
12/31/2010	AUDIT ADJUSTMENTS (G)		03/21/11	Tammy	\$45,559.96	\$0.00
	<b>Account</b> 01565-0000 A/D Transmission Dist. Main					
12/31/2010	AUDIT ADJUSTMENTS (J)		03/21/11	Tammy	\$0.00	\$667.00
	<b>Account</b> 01566-0000 Services					
12/31/2010	AUDIT ADJUSTMENTS (K)		03/21/11	Tammy	\$1,475.25	\$0.00
	<b>Account</b> 01567-0000 A/D Services					
12/31/2010	AUDIT ADJUSTMENTS (J)		03/21/11	Tammy	\$0.00	\$44.00
	<b>Account</b> 01569-0000 A/D Water Treatment Equipment					
12/31/2010	AUDIT ADJUSTMENTS (J)		03/21/11	Tammy	\$0.00	\$1.00
	<b>Account</b> 01571-0000 A/D Pumping Equipment					
12/31/2010	AUDIT ADJUSTMENTS (J)		03/21/11	Tammy	\$6,907.00	\$0.00
	<b>Account</b> 01572-0000 Wells					
12/31/2010	AUDIT ADJUSTMENTS (J)		03/21/11	Tammy	\$2.00	\$0.00
	<b>Account</b> 01581-0000 A/D Radio Office Equipment					
12/31/2010	AUDIT ADJUSTMENTS (J)		03/21/11	Tammy	\$148.00	\$0.00

Trans. Date	Transaction Description	Reference Number	Entry Date	Entered By	Debit Amount	Credit Amount
<b>Account 01650-0000 Vehicles</b>						
12/31/2010	AUDIT ADJUSTMENTS (M)		03/21/11	Tammy	\$0.00	\$20,255.00
<b>Account 01651-0000 A/D Vehicles</b>						
12/31/2010	AUDIT ADJUSTMENTS (J)		03/21/11	Tammy	\$0.00	\$2,040.00
12/31/2010	AUDIT ADJUSTMENTS (M)		03/21/11	Tammy	\$20,255.00	\$0.00
<b>Number of Transactions</b>			<b>2</b>	<b>Account Totals</b>	<b>\$20,255.00</b>	<b>\$2,040.00</b>
<b>Account 01660-0000 Hydrants</b>						
12/31/2010	AUDIT ADJUSTMENTS (H)		03/21/11	Tammy	\$586.05	\$0.00
<b>Account 01661-0000 A/D Hydrants</b>						
12/31/2010	AUDIT ADJUSTMENTS (J)		03/21/11	Tammy	\$0.00	\$159.00
<b>Account 01685-0000 Construction in Process</b>						
12/31/2010	AUDIT ADJUSTMENTS (F)		03/21/11	Tammy	\$20,000.00	\$0.00
12/31/2010	AUDIT ADJUSTMENTS (G)		03/21/11	Tammy	\$0.00	\$45,559.96
<b>Number of Transactions</b>			<b>2</b>	<b>Account Totals</b>	<b>\$20,000.00</b>	<b>\$45,559.96</b>
<b>Account 02000-0000 Accounts Payable</b>						
12/31/2010	AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$11,246.78	\$0.00
12/31/2010	AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$0.00	\$11,194.57
<b>Number of Transactions</b>			<b>2</b>	<b>Account Totals</b>	<b>\$11,246.78</b>	<b>\$11,194.57</b>
<b>Account 02040-0000 Accrued Waged</b>						
12/31/2010	AUDIT ADJUSTMENTS (V)		03/21/11	Tammy	\$0.00	\$405.32
<b>Account 02050-0000 Accrued Compensated Absences</b>						
12/31/2010	AUDIT ADJUSTMENTS (W)		03/21/11	Tammy	\$0.00	\$1,295.87
<b>Account 02110-0000 ACCURED DEFERRED COMP</b>						
12/31/2011	AUDIT ADJUSTMENTS		03/21/11	Tammy	\$0.00	\$125.00
<b>Account 02120-0000 Meter Deposits (void checks)</b>						
12/31/2010	AUDIT ADJUSTMENTS (D)		03/21/11	Tammy	\$0.00	\$8.46
12/31/2010	AUDIT ADJUSTMENTS (D)		03/21/11	Tammy	\$0.00	\$19.79
12/31/2010	AUDIT ADJUSTMENTS (D)		03/21/11	Tammy	\$0.00	\$19.94
12/31/2010	AUDIT ADJUSTMENTS (D)		03/21/11	Tammy	\$0.00	\$57.90
12/31/2010	AUDIT ADJUSTMENTS (D)		03/21/11	Tammy	\$0.00	\$75.31
12/31/2010	AUDIT ADJUSTMENTS (D)		03/21/11	Tammy	\$0.00	\$311.55
<b>Number of Transactions</b>			<b>6</b>	<b>Account Totals</b>	<b>\$0.00</b>	<b>\$492.95</b>
<b>Account 02191-0000 Sewer Sales Warsaw</b>						
12/31/2010	AUDIT ADJUSTMENTS (X)		03/21/11	Tammy	\$78.70	\$0.00
<b>Account 02192-0000 Garbage Sales Warsaw</b>						
12/31/2010	AUDIT ADJUSTMENTS (X)		03/21/11	Tammy	\$85.60	\$0.00
<b>Account 02310-0000 Accrued Interest KIA</b>						
12/31/2010	AUDIT ADJUSTMENTS (A)		03/21/11	Tammy	\$4,336.48	\$0.00
<b>Account 04000-0000 Sales- Residential</b>						
12/31/2010	AUDIT ADJUSTMENTS (N)		03/21/11	Tammy	\$0.00	\$254.79
12/31/2010	AUDIT ADJUSTMENTS (P)		03/21/11	Tammy	\$563.60	\$0.00
<b>Number of Transactions</b>			<b>2</b>	<b>Account Totals</b>	<b>\$563.60</b>	<b>\$254.79</b>
<b>Account 05020-0000 Advertising</b>						
12/31/2010	AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$163.60
12/31/2010	AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$79.45	\$0.00
<b>Number of Transactions</b>			<b>2</b>	<b>Account Totals</b>	<b>\$79.45</b>	<b>\$163.60</b>
<b>Account 05040-0000 Auto &amp; Truck Expense</b>						
12/31/2010	AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$939.95
12/31/2010	AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$1,057.76	\$0.00

Trans. Date	Transaction Description	Reference Number	Entry Date	Entered By	Debit Amount	Credit Amount
<b>Number of Transactions</b>			2	<b>Account Totals</b>	\$1,057.76	\$939.95
<b>Account</b>	05050-0000	Bad Debt Expense				
	1/2010 AUDIT ADJUSTMENTS (S)		03/21/11	Tammy	\$9,922.61	\$0.00
<b>Account</b>	05125-0000	Depreciaton Expense				
	12/31/2010 AUDIT ADJUSTMENTS (J)		03/21/11	Tammy	\$0.00	\$2,071.00
<b>Account</b>	05150-0000	Employer Medicare				
	12/31/2010 AUDIT ADJUSTMENTS (V)		03/21/11	Tammy	\$4.22	\$0.00
<b>Account</b>	05160-0000	Employer Social Security				
	12/31/2010 AUDIT ADJUSTMENTS (H)		03/21/11	Tammy	\$0.00	\$34.51
	12/31/2010 AUDIT ADJUSTMENTS (K)		03/21/11	Tammy	\$0.00	\$107.21
	12/31/2010 AUDIT ADJUSTMENTS (V)		03/21/11	Tammy	\$18.06	\$0.00
<b>Number of Transactions</b>			3	<b>Account Totals</b>	\$18.06	\$141.72
<b>Account</b>	05180-0000	Equipment Rental				
	12/31/2010 AUDIT ADJUSTMENTS (K)		03/21/11	Tammy	\$0.00	\$2,550.00
	12/31/2010 AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$298.50
	12/31/2010 AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$183.00	\$0.00
<b>Number of Transactions</b>			3	<b>Account Totals</b>	\$183.00	\$2,848.50
<b>Account</b>	05220-0000	Insurance - General				
	12/31/2010 AUDIT ADJUSTMENTS (I)		03/21/11	Tammy	\$0.00	\$70.64
	12/31/2010 AUDIT ADJUSTMENTS (I)		03/21/11	Tammy	\$0.00	\$137.52
	12/31/2010 AUDIT ADJUSTMENTS (R)		03/21/11	Tammy	\$207.34	\$0.00
<b>Number of Transactions</b>			3	<b>Account Totals</b>	\$207.34	\$208.16
<b>Account</b>	05260-0000	Interest Expense - KIA				
	12/31/2010 AUDIT ADJUSTMENTS (A)		03/21/11	Tammy	\$0.00	\$4,336.48
<b>Account</b>	05270-0000	Legal Fees				
	12/31/2010 AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$1,342.50
<b>Account</b>	05280-0000	Maintenance Supplies				
	12/31/2010 AUDIT ADJUSTMENTS (K)		03/21/11	Tammy	\$0.00	\$629.99
	12/31/2010 AUDIT ADJUSTMENTS (K)		03/21/11	Tammy	\$0.00	\$2,949.15
	12/31/2010 AUDIT ADJUSTMENTS (O)		03/21/11	Tammy	\$2,006.15	\$0.00
	12/31/2010 AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$2,086.54	\$0.00
	12/31/2010 AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$422.97	\$0.00
<b>Number of Transactions</b>			5	<b>Account Totals</b>	\$4,515.66	\$3,579.14
<b>Account</b>	05300-0000	Office Expense				
	12/31/2010 AUDIT ADJUSTMENTS (C)		03/21/11	Tammy	\$0.00	\$32.98
	12/31/2010 AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$502.14
	12/31/2010 AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$387.13	\$0.00
<b>Number of Transactions</b>			3	<b>Account Totals</b>	\$387.13	\$535.12
<b>Account</b>	05360-0000	Purchased Water				
	12/31/2010 AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$625.00
	12/31/2010 AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$440.63	\$0.00
<b>Number of Transactions</b>			2	<b>Account Totals</b>	\$440.63	\$625.00
<b>Account</b>	05380-0000	Repairs & Maintenance - G&A				
	12/31/2010 AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$318.01
<b>Account</b>	05390-0000	Retirement Expense				
	12/31/2010 AUDIT ADJUSTMENTS (H)		03/21/11	Tammy	\$0.00	\$76.73
	12/31/2010 AUDIT ADJUSTMENTS (K)		03/21/11	Tammy	\$0.00	\$238.40
	12/31/2010 AUDIT ADJUSTMENTS (V)		03/21/11	Tammy	\$76.40	\$0.00
<b>Number of Transactions</b>			3	<b>Account Totals</b>	\$76.40	\$315.13

Trans. Date	Transaction Description	Reference Number	Entry Date	Entered By	Debit Amount	Credit Amount
<b>Account</b>	05400-0000	Salaries & Wages - Administrative				
12/31/2010	AUDIT ADJUSTMENTS (V)		03/21/11	Tammy	\$128.50	\$0.00
<b>Account</b>	05420-0000	Salaries & Wages Distribution				
12/31/2010	AUDIT ADJUSTMENTS (H)		03/21/11	Tammy	\$0.00	\$474.81
12/31/2010	AUDIT ADJUSTMENTS (K)		03/21/11	Tammy	\$0.00	\$1,475.25
12/31/2010	AUDIT ADJUSTMENTS (V)		03/21/11	Tammy	\$178.14	\$0.00
12/31/2010	AUDIT ADJUSTMENTS (W)		03/21/11	Tammy	\$1,295.87	\$0.00
	<b>Number of Transactions</b>		4	<b>Account Totals</b>	\$1,474.01	\$1,950.06
<b>Account</b>	05430-0000	Samples				
12/31/2010	AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$125.00
12/31/2010	AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$255.00	\$0.00
	<b>Number of Transactions</b>		2	<b>Account Totals</b>	\$255.00	\$125.00
<b>Account</b>	05450-0000	Telephone				
12/31/2010	AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$535.58
12/31/2010	AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$1,060.02	\$0.00
	<b>Number of Transactions</b>		2	<b>Account Totals</b>	\$1,060.02	\$535.58
<b>Account</b>	05460-0000	Travel & Entertainment				
12/31/2010	AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$313.34
12/31/2010	AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$174.08	\$0.00
	<b>Number of Transactions</b>		2	<b>Account Totals</b>	\$174.08	\$313.34
<b>Account</b>	05470-0000	Uniforms				
12/31/2010	AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$161.70
12/31/2010	AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$172.33	\$0.00
	<b>Number of Transactions</b>		2	<b>Account Totals</b>	\$172.33	\$161.70
<b>Account</b>	05480-0000	Utilities - Administrative				
12/31/2010	AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$421.18
12/31/2010	AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$427.77	\$0.00
	<b>Number of Transactions</b>		2	<b>Account Totals</b>	\$427.77	\$421.18
<b>Account</b>	05490-0000	Utilities - Pumping				
12/31/2010	AUDIT ADJUSTMENTS (T)		03/21/11	Tammy	\$0.00	\$5,500.28
12/31/2010	AUDIT ADJUSTMENTS (U)		03/21/11	Tammy	\$4,447.89	\$0.00
	<b>Number of Transactions</b>		2	<b>Account Totals</b>	\$4,447.89	\$5,500.28
<b>Account</b>	06010-0000	Other Income				
12/31/2010	AUDIT ADJUSTMENTS (B)		03/21/11	Tammy	\$0.00	\$78.46
12/31/2010	AUDIT ADJUSTMENTS (L)		03/21/11	Tammy	\$7,000.00	\$0.00
12/31/2011	AUDIT ADJUSTMENT (X)		03/21/11	Tammy	\$0.00	\$164.30
	<b>Number of Transactions</b>		3	<b>Account Totals</b>	\$7,000.00	\$242.76
<b>Account</b>	06020-0000	Gain (Loss) on Sale of Assets				
12/31/2010	AUDIT ADJUSTMENTS (L)		03/21/11	Tammy	\$0.00	\$7,000.00
<b>Account</b>	06030-0000	Capital Contributions				
12/31/2010	AUDIT ADJUSTMENTS (F)		03/21/11	Tammy	\$0.00	\$20,000.00
<b>Account</b>	06050-0000	Interest Income				
12/31/2010	AUDIT ADJUSTMENTS (E)		03/21/11	Tammy	\$549.57	\$0.00
<b>Account</b>	09999-0000	Temporary Distribution				
12/31/2010	AUDIT ADJUSTMENTS (Q)		03/21/11	Tammy	\$125.00	\$0.00
	<b>Total Number of Transactions</b>		103	<b>Report Totals</b>	\$152,050.68	\$152,050.68

**Gallatin County Water  
General Journal Posting Audit**

Trans. Date	Transaction Description	Reference Number	Entry Date	Entered By	Debit Amount	Credit Amount
<b>Account</b>	02110-0000 ACCURED DEFERRED COMP					
12/31/2010	AUDIT ADJUSTMENTS		08/08/11	Tammy	\$125.00	\$0.00
<b>Account</b>	09999-0000 Temporary Distribution					
12/31/2010	AUDIT ADJUSTMENTS		08/08/11	Tammy	\$0.00	\$125.00
<b>Total Number of Transactions</b>			<b>2</b>	<b>Report Totals</b>	<u>\$125.00</u>	<u>\$125.00</u>

GALLATIN COUNTY WATER DISTRICT														
TRIAL BALANCE WORKSHEET														
December 31, 2010														
		Balances 12-31-09		Working Trial Balance December 31, 2010	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Balances 12-31-10	
1080	Cash on Hand	70.00	x	70.00									✓ 70.00	ok
1000	CIB - General 30000589	x 10,973.45	x	(492.95)	D	492.95							✓ 0.00	AP 5 #2(1) ok
1001	CIB - General/Payroll First Famers	0.00	x	13,910.30									✓ 13,910.30	AP 5 #2(2) ok
1021	CIB - Revenue First Farmers	0.00	x	211,093.02	C	deposit slip chg 32.98							✓ 211,126.00	AP 5 # 2(9) ok
1050	CIB - Sinking Fund 50004200	129,956.14	x	131,087.73									✓ 131,087.73	AP 5 #2(3) ok
1060	CIB - Depreciation 80002160	73,776.85	x	88,241.28									✓ 88,241.28	AP 5 #2(4) ok
1065	RDA Reserve short lived assets	133,749.24	x	155,390.55									✓ 155,390.55	AP 5 #2(5) ok
1020	CIB - Revenue Acct 40011228	332,448.94	x	(78.46)	B	Void old checks 78.46							0.00	AP 5 #2(8) ok
1030	CIB - Security Dep 80002195	23,188.14	x										0.00	AP 5 #2(4) ok
1031	CIB - Security Dep First Farmers	0.00	x	22,737.35									✓ 22,737.35	AP 5 #2(7) ok
1025	Certificates of Deposit FFB	271,877.58	x	428,293.90									✓ 428,293.90	AP 5 #5(1) ok
1026	RDA Reserve CD	69,101.48	x	70,955.85									70,955.85	AP 5 #2( )
1045	Construction Acct 99 FFB	0.00	x	0.00									0.00	
1040	Construction - Speedway/O&M KIA	31,327.16	x	34,733.30									✓ 34,733.30	AP 5 #2(6) ok
1130	A/Receivable - grant funds	0.00											0.00	
1140	Interest Receivable	3,597.83	x	3,597.83	E	Adj interest rec (549.57)							✓ 3,048.26	AP 5 #13 ok
1130	Accounts Receivable - other	207.34	x	207.34					R	Disc Rec'd (207.34)			0.00	ok
1100	Accounts Receivable	77,672.70	x	83,746.68					N	Adj AVR to G/L 254.79			✓ 84,001.47	AP 8 #5(a) ok
1120	Accounts Receivable YE	26,658.18	x	26,658.18					P	Unbilled Rec YE (563.60)			✓ 26,094.58	AP 8 #12) ok
1135	Allowance for Doubtful Accts	(7,154.56)	x	(1,827.16)					S	Adj allow doubtful acct (9,922.61)			✓ (11,749.77)	AP 8 #16(b) ok
1200	Inventory	26,388.03	x	26,388.03					O	Adjust to count (2,006.15)			✓ 24,381.88	AP 12 Inventor ok
1350	Prepaid payroll et transfer	0.00	x	0.00									0.00	AP 5 #2(1)
1370	Prepaid Insurance	10,899.75	x	9,328.53	I	Adj prepaid ins (458.74)							8,869.79	AP 12 #9 ok
1350	Prepaid Expense - dues	862.00	x	862.00									✓ 862.00	KRW Dues ok
1505	Land Rights (303)	33,970.66	x	33,970.66									✓ 33,970.66	AP 12 Depr py ok
1500	Land (303)	192,257.95	x	192,257.95									✓ 192,257.95	AP 12 Depr py ok
1560	Meters & Meter Installation (334)	669,907.91	x	669,907.91					K	New Meters 6,474.75			✓ 676,382.66	AP 12 Depr ok
1561	Accum Depr Meter & Inst	(201,562.00)	x	(218,206.00)					J	Adj Depreciation Exp (185.00)			✓ (218,391.00)	AP 12 Depr ok
1562	Distribution Reservoirs (330)	2,038,981.52	x	2,038,981.52									✓ 2,038,981.52	AP 12 Depr py ok
1563	Accum Depr Distr reservoirs	(485,625.00)	x	(557,541.00)					J	Adj Depreciation Exp 99.00			✓ (557,442.00)	AP 12 Depr ok
1564	Transmission Distr Mains (331)	4,119,426.97	x	4,119,426.97					G	Steele's Bottom 45,559.96			✓ 4,164,986.93	AP 12 Depr ok

		Balances 12-31-09		Working Trial Balance December 31, 2010		Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Balances 12-31-10		
1565	Accum Depr distr mains		(976,266.00) x		(1,058,478.00)			J	(667.00)						✓ (1,059,145.00)	AP 12 Depr	ok
1660	Hydrants (335)	12,882.83		25,159.66		H	586.05								✓ 25,745.71	AP 12 Depr	ok
1661	Accum Depr Hydrants		(644.00) x		(968.00)			J	(159.00)						✓ (1,127.00)	AP 12 Depr	ok
1566	Services (333)	237,444.87		237,444.87		K	1,475.25								✓ 238,920.12	AP 12 Depr	ok
1567	Accum Depr services		(101,518.00) x		(109,414.00)			J	(44.00)						✓ (109,458.00)	AP 12 Depr	ok
1568	Water Treatment Eq (320)	22,167.51		22,167.51											✓ 22,167.51	AP 12 Depr py	ok
1569	Accum depr - Water Treatm		(10,491.00) x		(11,559.00)			J	(1.00)						✓ (11,560.00)	AP 12 Depr py	ok
1650	Transportation Eq ( )	111,754.95		111,754.95						M	2004 Truck Sold (20,255.00)				✓ 91,499.95	AP 12 Depr py	ok
1651	Accum Depr - Trans Eq		(76,947.00) x		(85,851.00)			J	(2,040.00)	M	2004 Truck Sold 20,255.00				✓ (67,636.00)	AP 12 Depr py	ok
1580	Radio/Office Eq/ Other (339/345)	171,430.55		171,430.55											✓ 171,430.55	AP 12 Depr py	ok
1581	Accum Depr office & other		(103,333.00) x		(118,069.00)			J	148.00						✓ (117,921.00)	AP 12 Depr py	ok
1570	Pumping Equipment (311)	1,262,190.92		1,262,190.92											✓ 1,262,190.92	AP 12 Depr py	ok
1571	Accum Depr pumping eq		(496,563.00) x		(618,171.00)			J	6,907.00						✓ (611,264.00)	AP 12 Depr py	ok
1572	Wells	366,887.72		366,887.72											✓ 366,887.72	AP 12 Depr py	ok 2.00
1573	Accum Depr wells		(80,252.00) x		(93,632.00)			J	2.00						✓ (93,630.00)	AP 12 Depr py	ok - 2.00
1510	Buildings	330,562.61		330,562.61											✓ 330,562.61	AP 12 Depr py	ok
1511	Accum Depr building		(60,486.00) x		(67,470.00)			J	(1,989.00)						✓ (69,459.00)	AP 12 Depr py	ok
1520	Building Improvements	14,347.00		14,347.00											✓ 14,347.00	AP 12 Depr py	ok
1685	Construction in Process	0.00		25,559.96		F	Recl Fiscal Ct Contr 20,000.00	G	Steele's Bottom (45,559.96)						0.00	AP 12 CIP	ok
1800	Utility Deposits	0.00	0.00												0.00		
1810	Other Assets	0.00	0.00												0.00		
psc only	Organizational Fees	31,926.00		31,926.00											31,926.00	not on g/l	ok
	Accumulated Amort Organ Fees		(31,926.00)		(31,926.00)										(31,926.00)	not on g/l	ok
																	6,713,298.81
1850	Bond Issuance Costs	56,274.69		56,274.69											✓ 56,274.69	AP 12 Depr py	ok
1851	Accumulated Amort Bond Iss		(11,808.44) x		(13,236.44)										✓ (13,236.44)	AP 12 Depr py	ok
2000	Accounts Payable		(11,246.78) x		(11,246.78)					A/P 10 U	(11,194.57)				✓ (11,194.57)	AP 9 #8	ok
2000	Accounts Payable - construction	0.00	0.00												0.00		
2000	Retainage Payable	0.00	0.00												0.00		
2030	Credit Card - American Express	0.00	0.00												0.00		
2210	FICA w/h		(2,795.36) x		(2,843.26)										✓ (2,843.26)	AP 10 # 9(1)	ok
2212	Medicare w/h		(653.74) x		(665.02)										✓ (665.02)	AP 10 # 9(1)	ok
2200	Federal w/h		(1,772.88) x		(1,856.78)										✓ (1,856.78)	AP 10 # 9(1)	ok
2215	Kentucky w/h		(880.86) x		(884.90)										✓ (884.90)	AP 10 # 9(1)	ok

		Balances 12-31-09	Working Trial Balance December 31, 2010	Adjustments	Adjustments	Balances 12-31-10									
2220	Gallatin Co w/h	(586.10) x	(599.59)										✓ (599.59)	AP 10 # 9(1)	ok
2250	Retirement w/h	(5,233.02) x	(5,406.11)										✓ (5,406.11)	AP 10 #5	ok
2255	401K Withholding Payable	(250.00) x	(250.00)										✓ (250.00)	AP 10 #9(1)	ok
	Accrued Payroll Tax	0.00											0.00		
2110	Accrued Retirement	0.00								Q	Recl Tammy Loan w/h (125.00)		✓ (125.00)	AP 10 #9(1)	ok
2040	Accrued Wages	(3,925.54) x	(3,925.54)									V	Adj Accr Wages (405.32)	AP 10 #4(e)	ok
2050	Accrued Compensated Absences	(8,639.93) x	(8,639.93)							W	Adj Accr Comp Abs (1,295.87)		✓ (9,935.80)	AP 10 #4(a)	ok
2125	Security Deposits	0.00											0.00		
2180	School Tax Payable	(1,995.38) x	(2,008.46)										✓ (2,008.46)	AP 9 #8(b)	ok
2300	Interest Payable	(75,584.76) x	(74,346.22)										✓ (74,346.22)	AP 13 #2	ok
2310	Interest Payable KIA	(702.84) x	(5,025.60) A								Recl Int Paid 12/1 4,336.48		✓ (689.12)	AP 13 #2	ok
2310	Interest Payable KRW	0.00											0.00		
2190	Sales Tax Payable	(369.58) x	(335.41)										✓ (335.41)	AP 9 #8(a)	
2191	Sewer Sales - Warsaw	(78.70) x	(78.70)									X	Zero Warsaw Accts 78.70	AP 8 ext 7	
2192	Garbage Sales - Warsaw	(85.60) x	(85.60)									X	Zero Warsaw Accts 85.60	AP 8 ext 7	
2840	Meter Deposits	(17,412.00) x	(17,247.00)										✓ (17,247.00)	AP 8 #14	
2120	Meter Deposits (Void Checks)	(769.69) x	(769.69) D								Void old checks (492.95)		(1,262.64)	AP 8 Ext #9	
2802	Note Payable KIA (Speedway)	(562,269.26) x	(539,443.62)										✓ (539,443.62)	AP 13 #4(A)2	ok
2800	Interim Financing KRW	0.00	0.00										0.00	AP 13 #1	
2300	Long Term Debts-current	0.00	0.00										0.00		
2804	Bonds Payable - 1988A	(208,000.00) x	(201,000.00)										✓ (201,000.00)	AP 13 #4(a)1	ok
2806	Bonds Payable - 1988B	(80,000.00) x	(77,000.00)										✓ (77,000.00)	AP 13 #4(a)1	ok
2808	Bonds Payable - 1993	(335,000.00) x	(327,000.00)										✓ (327,000.00)	AP 13 #4(a)1	ok
2810	Bonds Payable - 1996	(318,400.00) x	(312,400.00)										✓ (312,400.00)	AP 13 #4(a)1	ok
2812	Bonds Payable - 2000 A	(336,400.00) x	(331,200.00)										✓ (331,200.00)	AP 13 #4(a)1	ok
2814	Bonds Payable - 2000 B	(102,300.00) x	(100,800.00)										✓ (100,800.00)	AP 13 #4(a)1	ok
2816	Bonds Payable - 2002	(123,000.00) x	(121,400.00)										✓ (121,400.00)	AP 13 #4(a)1	ok
2817	Bonds Payable - 2006A	(1,379,000.00) x	(1,363,000.00)										✓ (1,363,000.00)	AP 13 #4(a)1	ok
2818	Bonds Payable - 2006B	(494,800.00) x	(489,400.00)										✓ (489,400.00)	AP 13 #4(a)1	ok
2340	Escrow - LAPE meters not installed	(350.00) x	(350.00)										✓ (350.00)		ok
3010	Contributions in aid of const.	(842,392.66) x	(842,392.66)										✓ (842,392.66)	ok prior year	ok
3031	Grant Proceeds	(1,613,700.00) x	(1,613,700.00)										✓ (1,613,700.00)	ok prior year	ok
3031	Grant Proceeds - RD 2006	(900,000.00) x	(900,000.00)										✓ (900,000.00)	AP 12	ok
	Grant Proceeds - RD 2002 project	0.00	0.00										0.00		

*OK* (125.00) AP 10 #9(1) ok

2015-12-31

		Balances 12-31-09		Working Trial Balance December 31, 2010		Adjustments		Adjustments		Adjustments		Adjustments		Adjustments		Adjustments		Balances 12-31-10		
	Rural Development Grant		(135,000.00) x		(135,000.00)													✓	(135,000.00) py	ok
3033	Speedway contributions		(572,900.00) x		(572,900.00)													✓	(572,900.00) py	ok
3034	Contributions - fiscal court		(123,800.00) x		(123,800.00)													✓	(123,800.00) py	ok
3035	Contribution - Sterling Entr		(15,800.00) x		(15,800.00)													✓	(15,800.00) py	ok
3036	Contributions HB502		(250,000.00) x		(250,000.00)													✓	(250,000.00) py	ok
3038	Grant Proceeds - Tobacco Money		(250,000.00) x		(250,000.00)													✓	(250,000.00) py	ok
3040	Retained Earnings	525,501.21	0.00	525,501.21														✓	525,501.21	(4,178,091.45)
		11,420,670.68	(11,420,670.68)																0.00	(126,674.28)
			0.00																	
4000	Metered Sales		(747,035.02) x		(761,013.55)					Unbilled Rec YE P 563.60		Adj A/R tp G/L N (254.79)						✓	(760,704.74)	AP 8 #5(a)
4002	Sales - Commercial		(72,793.82) x		(79,666.16)													✓	(79,666.16)	AP 8 #5(a) & 8(b)
4006	Sales - Resale		(11,426.74) x		(13,033.42)													✓	(13,033.42)	AP 8 #5(a)
4020	School Tax	5.22	x		(329.76)													✓	(329.76)	
4025	Sales Tax		(56.00) x		(81.52)													✓	(81.52)	
4046	Penalties		(26,716.19) x		(28,120.24)													✓	(28,120.24)	
4080	Adjustments to Accts/Allowances		0.00																0.00	
4040	Reconnection Fees		(5,600.00) x		(5,845.00)													✓	(5,845.00)	
6030	Capital Contributions		(15,000.00)							Rec'd Fiscal Ct Contr F (20,000.00)								✓	(20,000.00)	
6040	Hookups		(4,970.00) x		(7,950.00)													✓	(7,950.00)	
5280	Hookups - excess fees		0.00																0.00	
4090	Surcharge Warsaw		0.00																0.00	
6010	Misc Income		0.00																0.00	
4012	Sales Other		0.00																0.00	
4045	Convenience Fees		(3,434.00) x		(3,700.00)													✓	(3,700.00)	
4041	Field Collection Charges		(15,673.00) x		(15,315.00)													✓	(15,315.00)	
4060	Customer Refunds	1,380.91	x	5,117.49														✓	5,117.49	
4070	Wrong Readings	1,816.04	x	3,132.17														✓	3,132.17	
4080	Leak Adjustments	5,777.15	x	5,593.06														✓	5,593.06	
4095	Over/Short	6.52	x	7.68															7.68	✓ 01
6050	Interest Income		(15,848.01) x		(10,707.48) E					Adj interest rec 549.57								✓	(10,157.91)	AP 5 #13
4090	Warsaw Surcharge		(15.00) x		0.00														0.00	
4092	Insurance Proceeds		0.00																0.00	
6010	Other Income		(3,230.00) x		(9,023.23) B					Void old checks (78.46) L	2004 Truck Sold 7,000.00							X	(2,265.99)	2 10, 109
6020	Gain/Loss on assets		0.00								2004 Truck Sold (7,000.00) L							✓	(7,000.00)	
	Grant Proceeds - Rural Dev		0.00																0.00	

		Balances 12-31-09		Working Trial Balance December 31, 2010	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Balances 12-31-10										
4097	Returned Checks		(1,384.06)	x	(1,074.61)									✓	(1,074.61)									
			0												0.00									
			0												0.00									
5010	Accounting & Auditing Fees	6,880.00		x	8,480.00									✓	8,480.00									
5020	Advertising	836.56		x	1,095.45				U	A/P 10	79.45		T	Reverse A/P 09	(163.60)	✓	1,011.30							
5030	Amortization - Bond Issuance	1,428.00		x	1,428.00									✓	1,428.00		AP 12 DEPR							
5040	Auto & Truck Expense	12,972.82		x	14,909.94				U	A/P 10	1,057.76		T	Reverse A/P 09	(939.95)	✓	15,027.75							
5050	Bad Debts	7,085.02		x	344.53						S	Adj allow doubtful acct			9,922.61	✓	10,267.14	AP 8 #16(b)						
5070	Bank Charges	5,540.07		x	7,027.25											✓	7,027.25							
5080	Chemicals	2,323.50		x	4,160.00											✓	4,160.00							
5090	Commissioners	5,900.00		x	5,800.00											✓	5,800.00	AP 10 #3						
5120	Data Processing Expense	0.00															0.00							
5110	Damages	0.00															0.00							
5125	Depreciation	347,725.00		x	345,672.00	J		J			Adj Depreciation Exp	(2,071.00)				✓	343,601.00	AP 12 DEPR						
5130	Dues	1,296.22		x	1,228.00											✓	1,228.00							
5140	Education	1,045.00		x	1,315.00											✓	1,315.00							
5150	Employer Medicare	2,901.57		x	2,952.50								V	Adj Accr Wages	4.22	✓	2,956.72							
5160	Employer Social Security	12,343.07		x	12,623.92	H	New Meters	K	New Meters	(34.51)	(107.21)		I	Prepaid Ins (SUTA)	109.62	V	Adj Accr Wages	18.06	12,609.88	OK				
	Easements	0.00															0.00							
5170	Engineering	0.00		x	1,806.93											✓	1,806.93							
5180	Equipment Rental	780.31		x	2,418.92			K	New Meters	(2,550.00)		U	A/P 10	183.00	T	Reverse A/P 09	(298.50)	✓	(246.58)					
5200	Insurance Commissioner Health	0.00	(6,157.36)	x	(6,867.20)											✓	(6,867.20)							
5210	Insurance- Employee health	86,464.51		x	81,008.18											✓	81,008.18	12 pymts						
5220	Insurance - General	15,495.01		x	14,065.13				R	Disc Rec'd	207.34			I	Prepaid Ins	(70.64)		14,201.83						
5230	Insurance - Workers Comp	5,259.02		x	5,073.56									J	Prepaid Ins	(137.52)		4,936.04						
5235	Insurance - Bonds	3,219.96		x	2,773.58									I	Prepaid Ins	557.28		3,330.86						
5240	Interest - LTD	151,169.49		x	148,692.02											✓	148,692.02	AP 13 #2	ok					
5260	Interest - KIA	8,643.57		x	12,671.48	A	Recl Int Paid 12/1				(4,336.48)					✓	8,335.00	AP 13 #2	ok					
5250	Interest - Security deposits	178.20		x	177.05												177.05							
5400	Salaries - Administrative	62,459.75		x	65,646.93									V	Adj Accr Wages	128.50	✓	65,775.43	AP 10 #3					
5420	Salaries - Distribution	149,130.15		x	152,428.41							W	Adj Accr Comp Abs	1,295.87	V	Adj Accr Wages	178.14	153,902.42	AP 10 #3					
	Capitalization of Meters		(875.15)			H	Labor Hydrants	K	New Meters	(474.81)	(1,475.25)							(1,950.06)						
	Labor Accrued																							
5270	Legal Fees	11,602.50		x	4,792.50									T	Reverse A/P 09	(1,342.50)	✓	3,450.00						
5280	Line Maintenance	9,325.34		x	9,554.80			K	New Meters	(629.99)	K	New Meters	(2,949.15)	O	Adjust Inv to count	2,006.15	U	A/P 10	2,086.54	U	A/P 10	422.97	✓	10,491.32

1593236

		Balances 12-31-09		Working Trial Balance December 31, 2010		Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Adjustments	Balances 12-31-10	
5290	Miscellaneous Exp	652.63		x	671.13										✓	671.13
5300	Office Expense	9,887.86		x	11,321.58	C	deposit slip chg (32.98)			A/P 10 387.13			T	Reverse A/P 09 (502.14)	✓	11,173.59
5310	Outside Services	4,842.06		x	5,128.81										✓	5,128.81
	Outside Services Construction	0.00														0.00
5320	Penalties	0.00			0.00											0.00
5330	Postage	7,478.26		x	7,400.44										✓	7,400.44
5340	Public Service Assessment	1,385.76		x	1,385.38										✓	1,385.38
5350	Pump Maintenance	12,542.34		x	9,329.23										✓	9,329.23
	Tank Maintenance	0.00			0.00											0.00
5360	Purchased Water	6,876.81		x	7,257.51					A/P 10 440.63			T	Reverse A/P 09 (625.00)	✓	7,073.14
5380	Repairs & Maint - Admin	3,629.39		x	12,173.26								T	Reverse A/P 09 (318.01)	✓	11,855.25
5390	Retirement Expense	31,969.50		x	36,107.25	H	Labor Hydrants (76.73)	K	New Meters (238.40)				V	Adj Accr Wages 76.40	✓	35,868.52
																AP 10 #5
5430	Samples	8,825.00		x	3,350.00					A/P 10 255.00			T	Reverse A/P 09 (125.00)	✓	3,480.00
5440	Taxes & Licenses	0.00			0.00											0.00
5450	Telephone	6,437.86		x	6,264.02					A/P 10 1,060.02			T	Reverse A/P 09 (535.58)	✓	6,788.46
5460	Travel/entertainment	4,078.16		x	3,572.34					A/P 10 174.08			T	Reverse A/P 09 (313.34)	✓	3,433.08
	Transfer - City of Warsaw	0.00														0.00
5470	Uniforms	2,429.54		x	1,834.12					A/P 10 172.33			T	Reverse A/P 09 (161.70)	✓	1,844.75
5480	Utilities - office	3,164.59		x	3,546.18					A/P 10 427.77			T	Reverse A/P 09 (421.18)	✓	3,552.77
5490	Utilities - pumping	53,716.51		x	58,180.79					A/P 10 4,447.89			T	Reverse A/P 09 (5,500.28)	✓	57,128.40
9999	Temporary Distribution	0.00														0.00
																Reel Tammy Loan w/h 125.00
	Profit/Loss															0.00
	Sum of Income/Expense	1,078,906.75	(930,214.35)													(126,674.28)
			148,692.40													126,674.28
		148,692.40			12,632,573.05	(12,632,573.05)	(458.74)	7,950.00	(5,000.85)	(2,949.15)	(2,509.51)	2,086.54	422.97	440.68	18.06	
		(65,500.00)	grant proceeds			0.00										
		83,192.40	net loss												0.00	
					12,632,573.05	(12,632,573.05)										
					12,632,573.05	(12,632,573.05)										

GALLATIN COUNTY WATER DISTRICT  
Worksheet for Statement of Cash Flows  
For the Year Ended December 31, 2010

	Dec 31 09 Beg Bal	Dec 31 10 End Bal	Change Dr.(Cr.)	Eliminations	Noncapital Financing Activities		Financing Activities		Investing Activities		Increase (Decrease) in Cash & Cash Equiv	Operating Activities-		Receipts From Customers	Payments to Suppliers	Payments to Employees	Other	
					Desc	Amount	Desc	Amount	Desc	Amount		Indirect Method	Offsets					
<b>ASSETS</b>												operating inc	13,324					
Cash	735,490	657,296	(78,194)															
CDs	340,979	499,250	158,271					added int	158,271									
Receivables, net	97,176	98,346	1,170									Change	1,170	1,170				
Other Receivable	207	0	(207)									Change	(207)	(207)				
Grant Receivable	0	0	0					grant due	0	x								
Inventory	26,388	24,382	(2,006)									Change	(2,006)		(2,006)			
Interest Receivable	3,597	3,048	(549)					sold	0	interest rec	(549)							
Prepaid Expenses	11,762	9,732	(2,030)					capital interest	0			Change	(2,030)		(2,030)			
Capital Assets	9,616,140	9,662,258	46,118					Purchases	66,373	x								
Accumulated Depreciation	(2,626,613)	(2,948,959)	(323,346)					plug	0			Depreciation						
Bond Issuance Cost	56,274	56,274	0															
Accumulated Amortization	46,118	(11,808)	(13,236)															
Deposits	0	0	0															
<b>Total assets</b>	<b>0</b>	<b>8,250,592</b>	<b>8,048,391</b>	<b>(202,201)</b>														
<b>LIABILITIES &amp; NET ASSETS</b>																		
Accounts payable	351 a/p cap	11,411	11,195	216								Change	216		216			
Accounts payable-capital assets		0	0	0				Cap asset a/p										
Accrued comp absences		8,640	9,936	(1,296)								Change	(1,296)			(1,296)		
Accrued Wages		3,926	4,331	(405)								Change	(405)			(405)		
Accrued p/r taxes		12,172	12,630	(458)								Change	(458)				(458)	
Utility Tax Payable	0	1,995	2,008	(13)								Change	(13)	(13)				
Sales Tax Payable		370	335	35								Change	35	35				
Deposit Payable		0	0	0				Bonds Paid	53,700			Change	0				0	
Bonds, note payable & KIA		3,376,900	3,323,200	53,700				New Bonds	0									
KIA Payable		562,269	539,443	22,826				Principal Paid	22,826									
Interim financing KRW		0	0	0				draws	0									
Escrow - Customer Constr		350	350	0				payoff interim	0			Change						
Refinanced Cost-Amort		0	0	0				less interest	1,253			Change amort						
Accrued interest		76,288	75,035	1,253				more interest	0			Change	(328)	(328)				
Customer deposits		18,182	18,510	(328)														
<b>Total Liabilities</b>		<b>4,072,503</b>	<b>3,996,973</b>	<b>75,530</b>														
<b>Net assets</b>		<b>4,178,089</b>	<b>4,051,418</b>	<b>126,671</b>														
<b>CHANGE IN NET ASSETS</b>																		
Charges for services		(853,860)	(872,860)	(19,000)										(872,860)				
Tap on Fees		(4,970)	(7,950)	(2,980)	capital			(7,950)										
Miscellaneous revenues		(21,298)	(23,426)	(2,128)										(23,426)				
Operating expenses:																		
All Other		296,960	292,108	(4,852)													292,108	
Wages		210,715	217,728	7,013													217,728	
Purchased water & supplies		38,986	45,729	6,743											45,729			
Paint Tank		0	0	0										commissioners			0	
Bad debt expense		7,085	10,267	3,182										10,267		5,800	(5,800)	
Depreciation expense		347,725	343,601	(4,124)									(343,601)					
Amortization		1,428	1,428	0														
Interest & investment revenue		(15,848)	(10,158)	5,690					Revenue	(10,158)								
Interest expense		159,813	157,027	(2,786)				Interest Paid	157,027									
Other Interest deposits		178	177	(1)													177	
Capital contributions		(80,500)	(20,000)	60,500				Contributions	(20,000)	x								
Gain/Loss on Sale of Capital Asset		(3,220)	(7,000)	(3,780)				Sale Cap Asset	(7,000)									
<b>Net income</b>		<b>83,194</b>	<b>126,671</b>	<b>43,477</b>														
<b>Totals</b>					<b>0</b>		<b>0</b>		<b>266,229</b>		<b>147,564</b>	<b>0</b>	<b>(335,599)</b>	<b>0</b>	<b>(885,362)</b>	<b>41,909</b>	<b>221,827</b>	<b>286,027</b>
									78,194		financing	266,229						
									78,194		investment	147,564						
											operations	(335,599)						
											Total cash chg	78,194						
											from above	-78,194						
											difference	0	difference a/p etc fixed assets					

GALLATIN COUNTY WATER  
ADJUSTMENTS  
12-31-10

THIS COPY FOR YOUR FILES  
FROM THE OFFICE OF  
RAISOR ZAPP & WOODS, PSC.  
CERTIFIED PUBLIC ACCOUNTANTS

	1	2	3	4
A ✓				
2310	Accrued Interest - KIA		433648	
5260	Interest Exp - KIA			433648
rec. interest paid on 12/1/10 pymt.				
B ✓				
1020	CIB- Revenue - Bank of Ky		7846	
1000	MISC REVENUE			7846
Old Revenue Acct				
C ✓				
104	CIB- Revenue - FF		3298	
5300	BANK CHARGES / OFFICE *			3298
CREDIT CARD SLIPS - NEVER CHARGED TO THE ACCT				
D				
1000	CIB - Bank of Ky GENERAL		49295	
2120	12777 Joseph BOTTRENS			846
	13019 PEVEZ AMAURY			1979
	13254 JOSHUA MONCANT			1994
	13348 NATALIE RE			5790
	13447 TOWERS ETX			7531
	VARIOUS - refund errors			31155
VOID OLD ✓				
E ✓				
1150	INTEREST INCOME		54957	
1140	INTEREST RECEIVABLE			54957
Adjust to Actual		BK	359783	
		ACT	304926	
F ✓				
1085	Construction IN Process		2000000	
6080	Contributed CAPITAL			2000000
rec. FISCAL CONT Money Received for Hydreus (RESTRICTED)				
G ✓				
154	Distribution LINES		4555996	
1685	Construction IN Process			4555996
TO rec. STEELE'S Bottom LINE				
H ✓				
1100	Hydreus		59605	
120	LABOR DISTRIBUTION			47481
5300	RETIREMENT			9673
5100	Payroll Tax - FICA			3451

	Initials	Date
Approved by		
Prepared by	fy	1/14/11

GALLATIN COUNTY WATER

ADJUSTMENTS

12-31-10

		1	2	3	4
	I ✓				
1	5220 Insurance Exp - Ins				7064
2	Insurance Exp - w/c		493604		13752
3	1370 Prepaid Insurance		886979		45874
4	Insurance Exp - Bond	277358	333086	55728	
5	Payroll Tax			109662	
6					
7	Adjust Prepaid Insurance to Actual				
8					
9					
10	J				
11	1561 Accum depl - Meters	218206	218391		18500
12	1563 - DIST RESERVOIRS	557541	557442	9900	
13	1565 - DIST MAINS	1058478	1059145		66700
14	1641 - HYDRANTS	968	1127		15900
15	1567 - SERVICES	109414	109458		4400
16	1569 - WATER TREATMENT	11559	11569		100
17	1681 Trans Eq	65596	67636		204000
18	1581 Radio/Office	118069	117921	14900	
19	1571 Pumping	618171	611264	690700	
20	1572 Wells	93632	93630	200	
21	1511 Bldgs	67470	69459		198900
22	5125 Depl Expense				207100
23			2917033		
24	ADJUST Depl Exp				
25					
26					
27	K ✓				
28	560 Meters + Installation			647475	
29	1566 SERVICES			147525	
30	5230 EXCESS				62999
31	5280 Operating Supply				294915
32	5420 Labor				147525
33	5180 Eq Usage				255000
34	5390 Ret Exp				23840
35	5160 PR Tax				10721
36					
37	New Meters Capitalization				
38					
39					
40	L ✓				
41	6010 OTHER INCOME			700000	
42	6020 GAIN ON Eq SALES				700000
43					
44	Reel Income from Sale of Truck				
45					
46	M ✓				
47	1681 Accum depl			2025500	
48	50 Transportation Eq				2025500
49					
50	Remove Truck Sold (2004)				

Approved by	Initials	Date
Prepared by	98	

Gallatin Co Water

ADJUSTMENTS

12-31-10

	1	2	3	4
N ✓				
1100 A/RECEIVABLE			25479	
4000 WATER REVENUE				25479
TO ADJUST A/REC - W/L TO BILLING REGISTER				
O ✓				
5200 DISTRIBUTION SUPPLIES / MAINTENANCE			200615	
1200 INVENTORY				200615
TO ADJUST INVENTORY TO COUNT 24381.88				
P ✓				
1120 A/REC - EOY				56360
4000 RESIDENTIAL SALES			56360	
ADJUST UNBILLED RECEIVABLES TO EST. @ YE 2609458				
O				
9999 TEMPORARY DISTRIBUTION			12500	
2110 RECEIVED RETIREMENT				12500
TO RECL LIABILITY FOR TAMMY'S LOAN (DEACOM) WITHHELD FROM HER PAY DEC & NOT REMITTED UNTIL JAN				
R ✓				
5220 INSURANCE -			20734	
1150 A/R - OTHER				20734
RECL REFUND OF PREMIUM DISCOUNT RECEIVED (REPORTED AS A/REC PRIOR YEAR)				
S ✓				
1135 Allowance for Doubtful Accts		1174977		992261
5050 Bad debt			992261	
ADJ ALLOWANCE FOR YE ESTIMATE				

	Initials	Date
Approved by		
Prepared by	fy	2/1/11

GALLATIN CO WATER

ADJUSTMENTS

12-31-10

		1	2	3	4
	T ✓				
1	5300 Purchased WATER				42500
2	5430 Samples				12500
3	5300 OFFICE				50214
4	5450 TELEPHONE				53558
5	5040 AUTO EXPENSE				93995
6	5490 UTILITIES - PUMPING	✓			550028
7	5380 R.M. - GA				31801
8	30 UTILITIES - OFFICE				42118
9	5180 Ed Rent				29850
0	5460 T.E				31334
1	5270 LEGAL				134250
2	5470 UNIFORMS				16170
3	5020 ADVERTISING				16360
4	2000 Accts Payable			1124678	
5					
6	Reverse A/Pay @ 12/31/09				
7					
8					
9	U ✓				
0	5490 UTILITIES - PUMPING			444789	
1	5280 MATERIALS			208654	
2	5450 TELEPHONE			106002	
3	5180 Ed Rent			18300	
4	5020 ADU			7975	
5	5300 OFFICE			38713	
6	5230 Supplies			42297	
7	5340 Purchased WATER			44063	
8	480 GAS - OFFICE (DUKE)			42777	
9	5430 SAMPLES			25500	
0	5470 UNIFORMS			17233	
1	5400 EMT			17408	
2	5040 TRUCK			105776	
3	2000 Accts Payable				1119457
4					
5					
6					
7	2040 Accrued Wages	392557	433086		40562
8	5390 RET EXP	51396	59036	7640	
9	5160 Employer SS	18783	20539	1806	
0	5150 Employer Med	4381	4803	422	
1	5400 SALARIES ADMIN	89550	102400	12850	
2	5420 SALARIES TRANS			17814	
3					
4					
5					
6	W ✓				
7	2050 Accrued Compensated Absences	863993	993580		129587
8	420 WAGES - TRANS			129587	
9					
0	Ads Comp. Absences				



GALLATIN COUNTY WATER DISTRICT											
DEPRECIATION SCHEDULE											
December 31, 2008											
			<b>Cost:</b>				<b>12/31/2007</b>		<b>12/31/2008</b>		<b>Remaining</b>
			<b>Beginning</b>			<b>Ending</b>			<b>Ending</b>	<b>Basis</b>	
<b>Description</b>	<b>Date</b>	<b>Life</b>	<b>Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance</b>	<b>Balance</b>	<b>2008</b>	<b>Retiremt</b>	<b>Balance</b>	<b>Basis</b>
<b>Account 181</b>											
Bond Issuance Costs	11/01/93	39	9,207			9,207	3,324	236		3,560	5,647
Bond Issuance Costs	06/01/94	39	7,935			7,935	2,337	203		2,540	5,395
Bond Issuance Costs (00)	11/16/00	39	9,340			9,340	1,693	239		1,932	7,408
Bond Issuance Costs (02)	02/14/03	39	8,440			8,440	1,063	216		1,279	7,161
Bond Issuance Costs (06)	05/21/07	40	21,353			21,353	534	534		1,068	20,285
							1			1	
<b>Total Bond Issuance Costs</b>			<b>56,275</b>	<b>0</b>	<b>0</b>	<b>56,275</b>	<b>8,952</b>	<b>1,429</b>	<b>0</b>	<b>10,381</b>	<b>45,895</b>
<b>Account 303</b>											
Tank Site		Memo	11,515			11,515					
Land Rights		Memo	4,430			4,430					
Land Rights	07/01/89	Memo	2,000			2,000					
Land Rights	07/01/89	Memo	6,381			6,381					
Land Rights	07/01/92	Memo	704			704					
Land Rights	11/01/93	Memo	7,463			7,463					
Land Rights	07/01/97	Memo	105			105					
Land Rights	1999	Memo	108			108					
Tank Site	1998	Memo	1,000			1,000					
Tank Site - Hudepol	04/24/99	Memo	2,085			2,085					
Tank Site - Smith	09/13/99	Memo	35,295			35,295					
Easement - Jackson	2000	Memo	8,000			8,000					
Easements - Var. Extension	2000	Memo	3,192			3,192					
Building Site	2000	Memo	26,071			26,071					
Well Site - J L Davis	2000	Memo	77,563			77,563					
Land Ambrose Rd Scudder	2001	Memo	18,063			18,063					
Tank Site Lot 1 Mars PI	10/29/2002	Memo	13,317			13,317					
Land Rights	1/20/1900	Memo	3,587			3,587					
Land Rights - U S 42		Memo	900			900					
Easements - 2005 Huddleston		Memo	1,450			1,450					
Pump Station Site - Dyer	5/12/2006	Memo	3,000			3,000					
<b>Total Land Rights</b>			<b>226,229</b>	<b>0</b>	<b>0</b>	<b>226,229</b>					
<b>Account 330</b>											
Distribution Reservoirs &											
Standpipe Elevated Tank	07/01/89	30	197,291			197,291	121,658	6,576		128,234	69,057
Fence - Water Tank	04/01/90	20	3,100			3,100	2,738	155		2,893	207
Standpipe	12/01/96	30	133,983			133,983	49,478	4,466		53,944	80,039

DEPRECIATION SCHEDULE												
December 31, 2008												
			<b>Cost:</b>								<b>12/31/2007</b>	<b>12/31/2008</b>
			<b>Beginning</b>			<b>Ending</b>					<b>Ending</b>	<b>Remaining</b>
<b>Description</b>	<b>Date</b>	<b>Life</b>	<b>Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance</b>	<b>Balance</b>	<b>2008</b>	<b>Retiremt</b>	<b>Balance</b>	<b>Balance</b>	<b>Basis</b>
Fence - Standpipe	12/01/96	20	5,780			5,780	3,203	289		3,492		2,288
Steel tank -450,000 speedway	03/01/01	25	572,900			572,900	148,954	22,916		171,870		401,030
Survey for fence at speedway tank rounding		memo	420			420						420
						0	1			1		(1)
Tank (Ky Gl Lined) existing well	08/01/07	30	108,159			108,159	1,514	3,605		5,119		103,040
Tank (Ky Gl Lined) Steele's B well	08/01/07	30	100,087			100,087	1,401	3,336		4,737		95,350
200,000 Elev Tank (Caldwell)	08/01/07	30	500,792			500,792	7,011	16,693		23,704		477,088
100,000 Elev Tank (Caldwell)	08/01/07	30	416,470			416,470	5,831	13,882		19,713		396,757
							1			1		
<b>Total Distrib. Reservoirs</b>			<b>2,038,982</b>	<b>0</b>	<b>0</b>	<b>2,038,982</b>	<b>341,790</b>	<b>71,919</b>	<b>0</b>	<b>413,709</b>		<b>1,625,274</b>
<b>Account 334</b>												
Meters & Installation	07/01/89	40	83,157			83,157	38,461	2,079		40,540		42,617
Meters & Installation	08/01/89	40	2,468			2,468	1,139	62		1,201		1,267
Meters & Installation	07/01/90	40	8,162			8,162	3,570	204		3,774		4,388
Meters & Installation	07/01/91	40	19,037			19,037	7,854	476		8,330		10,707
Meters & Installation	01/01/92	40	8,990			8,990	3,599	225		3,824		5,166
Meters & Installation	07/01/92	40	9,280			9,280	3,596	232		3,828		5,452
Meters & Installation	11/01/93	40	76,300			76,300	27,295	1,908		29,203		47,098
Meters & Installation	07/01/93	40	12,362			12,362	4,481	309		4,790		7,572
Meters & Installation	07/01/94	40	12,362			12,362	4,172	309		4,481		7,881
Meters & Installation	07/01/95	40	13,552			13,552	4,237	339		4,576		8,976
Meters & Installation	07/01/96	40	19,073			19,073	5,483	477		5,960		13,113
Meters & Installation	12/01/96	40	64,831			64,831	17,965	1,621		19,586		45,245
Meters & Installation	07/01/97	40	29,864			29,864	7,945	747		8,692		21,172
Meters & Installation	07/01/98	40	28,960			28,960	6,878	724		7,602		21,358
Meters & Installation	07/01/99	40	29,562			29,562	6,282	739		7,021		22,541
Meters & Installation 2000 ext	11/01/00	40	11,403			11,403	2,042	285		2,327		9,076
Meters & Installation	07/01/00	40	15,037			15,037	2,820	376		3,196		11,841
Meters & Installation	07/01/01	40	32,106			32,106	5,217	803		6,020		26,086
Meters & Installation	07/01/02	40	36,595			36,595	5,033	915		5,948		30,647
Meters & Installation 2003 ext	08/01/03	40	14,404			14,404	1,590	360		1,950		12,454
Meters & Installation	07/01/03	40	28,359			28,359	3,190	709		3,899		24,460
Meters & Installation 2004	07/01/04	40	22,386			22,386	1,959	560		2,519		19,867
Meters & Installation racetract	07/01/04	40	4,143			4,143	363	104		467		3,676
Meters & Installation US 42 (JS)	07/01/04	40	8,232			8,232	721	206		927		7,305
Meters & Installation 2005	07/01/05	40	21,565			21,565	1,348	539		1,887		19,678
Meters & Installation 2006	07/01/06	40	15,902			15,902	597	398		995		14,907
Meters & Installation tob grant	07/01/06	40	6,260			6,260	235	157		392		5,869
Meters & Installation 2007	08/01/07	40	14,293			14,293	150	357		507		13,786
Meters & Installation 2007 (2 Add)	12/31/07	40	893			893		22		22		871
Meters & Installation 2008	06/01/08	40		16,139		16,139		403		403		15,736
			0			0	(5)			(5)		5
<b>Total Meters &amp; Install.</b>			<b>649,538</b>	<b>16,139</b>	<b>0</b>	<b>665,677</b>	<b>168,217</b>	<b>16,642</b>	<b>0</b>	<b>184,859</b>		<b>480,818</b>

DEPRECIATION SCHEDULE												
December 31, 2008												
Description	Date	Life	Cost:			12/31/2007		12/31/2008		Remaining Basis		
			Beginning Balance	Additions	Retirements	Ending Balance	Ending Balance	2008	Retiremt		Ending Balance	
<b>Account 331</b>												
Transmission & Dist Lines	07/01/89	50	729,931			729,931	269,998	14,599		284,597	445,334	
Transmission & Dist Lines	07/01/89	50	6,000			6,000	2,220	120		2,340	3,660	
Transmission & Dist Lines	08/01/89	50	1,064			1,064	390	21		411	653	
Transmission & Dist Lines	01/01/92	50	23,522			23,522	7,523	470		7,993	15,529	
Transmission & Dist Lines	07/01/91	50	64,000			64,000	21,120	1,280		22,400	41,600	
Transmission & Dist Lines	11/01/93	50	696,591			696,591	199,106	13,932		213,038	483,553	
Transmission & Dist Lines	09/01/96	50	18,075			18,075	4,069	362		4,431	13,645	
Transmission & Dist Lines	12/01/96	50	489,330			489,330	107,942	9,787		117,729	371,601	
Transmission & Dist Lines	06/01/97	50	58,135			58,135	12,208	1,163		13,371	44,764	
Transmission & Dist Lines	06/01/97	50	29,351			29,351	6,164	587		6,751	22,600	
Transmission & Dist Lines	07/01/98	50	4,877			4,877	933	98		1,031	3,846	
Transmission & Dist Lines-Speedway	05/01/00	50	521,390			521,390	79,948	10,428		90,376	431,014	
Transmission & Dist Lines-Line Ext	11/01/00	50	278,501			278,501	39,918	5,570		45,488	233,013	
Transmission & Dist Lines-Meadowla	07/01/00	50	3,500			3,500	524	70		594	2,906	
Transmission & Dist Lines-Sterling E	07/01/00	50	15,800			15,800	2,370	316		2,686	13,114	
Transmission & Dist Lines	07/01/01	50	23,579			23,579	3,065	472		3,537	20,042	
Transmission & Dist Lines	07/01/02	50	17,984			17,984	2,069	360		2,429	15,555	
Increase In size Hwy 35	05/01/00	48	41,739			41,739	4,349	870		5,219	36,520	
Transmission & Dist Lines-2003 exte	08/01/03	50	264,554			264,554	23,369	5,291		28,660	235,894	
Transmission & Dist Lines-Speedway	01/01/03	50	74,335			74,335	7,434	1,487		8,921	65,414	
Transmission & Dist CrossCreek	07/01/04	50	22,926			22,926	1,605	459		2,064	20,862	
Transmission & Dist US 42 (JS)	07/01/04	50	63,031			63,031	4,412	1,261		5,673	57,358	
Transmission & Dist Tob Grant	07/01/06	50	281,316			281,316	8,440	5,626		14,066	267,250	
Transmission & Dist 2007 impr	08/01/07	50	292,833			292,833	2,460	5,857		8,317	284,516	
Transmission & Dist Heritage Hills	06/01/08	50		10,366		10,366		207		207	10,159	
US \$@ Extension	06/01/08	50		76,061		76,061		1,521		1,521	74,540	
							(4)			(4)		
<b>Total Transmission &amp; Dist.</b>			<b>4,022,364</b>	<b>86,427</b>	<b>0</b>	<b>4,108,791</b>	<b>811,632</b>	<b>82,211</b>	<b>0</b>	<b>893,843</b>	<b>0</b>	<b>3,214,944</b>
<b>Account 320</b>												
Chlorine Plant Eq	11/01/93	20	11,433			11,433	8,269	572		8,841	2,592	
Chlorinator	08/01/94	20	785			785					785	
Telemetry - chlorine treatment	11/01/07	20	9,950			9,950	84	498		582	9,369	
			<b>22,168</b>	<b>0</b>	<b>0</b>	<b>22,168</b>	<b>8,353</b>	<b>1,069</b>		<b>9,422</b>		<b>12,746</b>
<b>Account 333</b>												
Services	07/01/89	30	19,283			19,283	11,894	643		12,537	6,746	
Services	08/01/89	30	3,960			3,960	2,431	132		2,563	1,397	
Services	07/01/90	30	10,898			10,898	6,355	363		6,718	4,180	

DEPRECIATION SCHEDULE												
December 31, 2008												
Description	Date	Life	Cost:			12/31/2007			12/31/2008			Remaining
			Beginning	Additions	Retirements	Ending	Ending	2008	Retiremt	Ending	Basis	
			Balance			Balance	Balance			Balance		
Services	07/01/91	30	3,850			3,850	2,114	128		2,242		1,608
Services	01/01/92	30	1,550			1,550	830	52		882		668
Services	07/01/92	30	1,600			1,600	824	53		877		723
Services	07/01/93	30	2,937			2,937	1,414	98		1,512		1,425
Services	11/01/93	30	16,259			16,259	7,794	542		8,336		7,923
Services	07/01/94	30	8,498			8,498	3,823	283		4,106		4,392
Services	07/01/95	30	16,248			16,248	6,773	542		7,315		8,933
Services	07/01/96	30	18,177			18,177	6,969	606		7,575		10,602
Services	07/01/97	30	29,636			29,636	10,430	988		11,418		18,218
Services	07/01/98	30	28,340			28,340	8,503	945		9,448		18,892
Services	07/01/99	30	28,588			28,588	8,099	953		9,052		19,536
Services	07/01/00	30	13,463			13,463	3,367	449		3,816		9,647
Services	07/01/01	30	5,795			5,795	1,255	193		1,448		4,347
Services	07/01/02	30	6,455			6,455	1,183	215		1,398		5,057
Services	07/01/03	30	4,841			4,841	726	161		887		3,954
Services	07/01/04	30	3,814			3,814	445	127		572		3,242
Services	07/01/05	30	3,741			3,741	311	125		436		3,305
Services	07/01/06	30	2,807			2,807	140	94		234		2,573
Services	07/01/07	30	2,667			2,667	44	89		133		2,534
Services (2 add)	12/31/07	30	167			167		6		6		161
Services	07/01/08	30		3,131		3,131		104		104		3,027
<b>Total Services</b>			<b>233,574</b>	<b>3,131</b>	<b>0</b>	<b>236,705</b>	<b>85,724</b>	<b>7,890</b>	<b>0</b>	<b>93,614</b>		<b>143,091</b>
<b>Transportation Equip</b>												
1998 GMC Dump Truck	06/01/98	5	22,885			22,885	22,885	0		22,885	*	0
Trailer	06/01/98	10	2,250			2,250	2,138	112		2,250		0
Ford 250 4x4	05/22/02	5	21,824			21,824	21,824	0		21,824		0
Ford 250 4x4	03/06/04	5	20,255			20,255	15,529	4,051		19,580		675
Ford 250 4x4 & Equip	06/25/05	5	20,640			20,640	10,320	4,128		14,448		6,192
18' Trailer (sparta trailer)	05/18/07	10	2,650			2,650	154	265		419		2,231
Ford 250 4x4	06/01/07	5	19,207			19,207	2,228	3,841		6,069		13,138
<b>Total Transportation</b>			<b>109,711</b>	<b>0</b>	<b>0</b>	<b>109,711</b>	<b>75,078</b>	<b>12,397</b>	<b>0</b>	<b>87,475</b>		<b>22,236</b>
<b>Radios &amp; Office Equip</b>												
Microwave	10/01/94	5	100			100	100			100	*	0
Hydraulic Study		5	9,700			9,700	9,700			9,700	*	0
Telephone System	12/31/01	10	8,531			8,531	5,971	853		6,824		1,707
Furniture	12/31/01	10	6,386			6,386	4,471	639		5,110		1,276
Sign	06/30/01	5	200			200	200	0		200		0

DEPRECIATION SCHEDULE												
December 31, 2008												
Description	Date	Life	Cost:			12/31/2007			12/31/2008			Remaining Basis
			Beginning Balance	Additions	Retirements	Ending Balance	Ending Balance	2008	Retiremt	Ending Balance		
Radio Equipment	06/30/01	5	1,187			1,187	1,187	0		1,187	0	
Compressor	06/30/01	10	800			800	520	80		600	200	
Computer Eq & Software	06/30/01	5	6,148			6,148	6,148	0		6,148	0	
Sign on Building	06/30/02	10	1,138			1,138	627	114		741	397	
Security Equipment	11/01/03	5	3,738			3,738	3,116	622		3,738	0	
Fence	11/01/03	10	1,995			1,995	832	200		1,032	964	
Computer Eq & Software	03/01/04	5	5,728			5,728	4,391	1,146		5,537	191	
Radio Equipment	06/01/04	5	687			687	481	137		618	69	
Backhoe	06/30/01	10	48,577			48,577	31,576	4,858		36,434	12,143	
Ditchwitch	06/30/04	10	4,305			4,305	1,507	431		1,938	2,368	
3700 Trencher (diesel)	05/31/05	10	13,989			13,989	3,615	1,399		5,014	8,975	
Kabota Lawn Tractor	12/31/06	10	9,500			9,500	950	950		1,900	7,600	
United Systems G/L Program	09/06/06	5	4,600			4,600	1,223	920		2,143	2,457	
Catapillar 303C Excavator	03/03/08	15		35,891		35,891		2,393		2,393	33,498	
<b>Total Radio &amp; Office Eq</b>			<b>127,309</b>	<b>35,891</b>	<b>0</b>	<b>163,200</b>	<b>76,615</b>	<b>14,740</b>	<b>0</b>	<b>91,355</b>	<b>71,845</b>	
<b>Account 311 Pump Eq</b>												
Pumping Equipment	07/01/89	20	69,525			69,525	64,308	3,476		67,784	1,741	
Pressure Recorder	07/01/90	10	494			494	494			494	0	
Pressure Flow Meter	06/01/93	10	332			332	332			332	0	
Pump Station Modifications	06/01/97	20	21,119			21,119	11,088	1,056		12,144	8,975	
Temporary Pump Equipment	09/01/99	10	18,174			18,174	15,144	1,817		16,961	1,213	
Pump Station Telemetry EIC	11/01/00	10	27,150			27,150	19,458	2,715		22,173	4,977	
Booster Pump Station Straffer	11/01/01	10	69,504			69,504	49,810	6,950		56,760	12,744	
Booster Pump Station J&S	08/01/03	10	86,624			86,624	38,258	8,662		46,920	39,704	
Pump Eq-Racetrack-Straeffer	06/01/04	10	13,500			13,500	4,725	1,350		6,075	7,425	
Pumps & Telemetry SCADA	06/01/04	10	39,312			39,312	13,757	3,931		17,688	21,624	
Pump Eq Existing Well 2007 Impr	08/01/07	10	246,751			246,751	10,364	24,675		35,039	211,712	
Pump Eq Steeles B 2007 Impr	08/01/07	10	421,473			421,473	17,702	42,147		59,849	361,624	
Pump Eq Ky 16 Booster 2007 Impr	08/01/07	10	129,847			129,847	5,454	12,985		18,439	111,408	
Telemetry - tanks 2007 Impr	08/01/07	10	35,277			35,277	1,482	3,528		5,010	30,267	
Telemetry - wells 2007 Impr	08/01/07	10	20,573			20,573	864	2,057		2,921	17,652	
Telemetry - office 2007 Impr	08/01/07	10	27,863			27,863	1,170	2,786		3,956	23,907	
Telemetry - Pump 2007 Impr	08/01/07	10	30,578			30,578	1,285	3,058		4,343	26,235	
Telemetry - EIC 2008 Impr	04/11/08	10		4,095		4,095		410		410	3,686	
<b>Total Pumping Eq</b>			<b>1,258,096</b>	<b>4,095</b>	<b>0</b>	<b>1,262,191</b>	<b>255,695</b>	<b>121,604</b>		<b>377,299</b>	<b>884,892</b>	
<b>WELLS</b>												
Well - (Speedway site)	5/1/2000	35	231,227			231,227	50,649	6,606		57,255	173,972	
Well Impr Speedway 2007	8/1/2007	10	23,267			23,267	977	2,327		3,304	19,963	
Well Impr Steele's B 2007	8/1/2007	10	17,276			17,276	726	1,728		2,454	14,822	

DEPRECIATION SCHEDULE												
December 31, 2008												
Description	Date	Life	Cost:			Ending Balance	12/31/2007	2008	Retiremt	12/31/2008	Remaining Basis	
			Beginning Balance	Additions	Retirements		Ending Balance			Ending Balance		
Well Steele's Bottom	8/1/2007	35	95,118			95,118	1,142	2,718		3,860	91,258	
<b>Total Wells</b>			<b>366,888</b>	<b>0</b>	<b>0</b>	<b>366,888</b>	<b>53,494</b>	<b>13,378</b>	<b>0</b>	<b>66,872</b>	<b>300,016</b>	
<b>Building - Johnson Road</b>	12/31/2000	40	237,643			237,643	41,587	5,941		47,528	190,115	
Building - Metal	6/30/2001	40	13,473			13,473	2,190	337		2,527	10,946	
Parking Lot Paving	11/30/2006	20	13,996			13,996	758	700		1,458	12,538	
Building Addition				351		351		not in svc				
<b>Total Buildings</b>			<b>265,112</b>	<b>351</b>	<b>0</b>	<b>265,463</b>	<b>44,535</b>	<b>6,978</b>		<b>51,513</b>	<b>213,950</b>	
<b>Hydrants</b>												
4 hydrants Fiscal Court Paid	6/1/2008	40		12,883		12,883		322		322	12,561	
<b>Total Depreciation</b>			<b>9,319,971</b>	<b>158,917</b>	<b>0</b>	<b>9,478,888</b>	<b>1,921,133</b>	<b>349,151</b>	<b>0</b>	<b>2,270,284</b>	<b>6,982,372</b>	
<b>Total Amortization Bond Issuance Cost</b>			<b>56,275</b>	<b>0</b>	<b>0</b>	<b>56,275</b>	<b>8,952</b>	<b>1,429</b>	<b>0</b>	<b>10,381</b>	<b>45,895</b>	

**Nelson Insurance Agency, Inc.**  
 2000 Envoy Circle  
 Louisville, KY 40299  
 Phone : 502-736-7000 Fax : 502-736-7001

+  
**Gallatin County Water District**  
 4500 Highway 455  
 Sparta, KY 41086  
 +

<b>INVOICE # 14822</b>		<b>Page 1</b>
<b>ACCOUNT NO.</b> GALLA-2	<b>OP</b> KP	<b>DATE</b> 07/01/11
<b>Worker's Comp - New (3/88)</b>		
<b>POLICY #</b> 376115		
<b>COMPANY</b> KY Employers Mutual Insurance		
<b>PRODUCER</b> D. Bradley Stewart		
<b>EFFECTIVE</b> 07/01/11	<b>EXPIRATION</b> 07/01/12	

Itm #	Eff Date	Trm	Type	Policy #	Description	Producer	Amount
306991	07/01/11	MEM	WC-S	376115	11/12 Work Comp Ren	D. Bradley Stewart	\$ 4,897.94
Invoice Balance:							\$ 4,897.94

Please make payable to KEMI.

**Nelson Insurance Agency, Inc.**  
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 Louisville, KY 40299  
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+  
**Gallatin County Water District** +  
 4500 Highway 455  
 Sparta, KY 41086  
 +

<b>INVOICE # 14797</b>		Page 1
ACCOUNT NO. <b>GALLA-2</b>	OP. <b>KP</b>	DATE <b>06/24/11</b>
Commercial Package		
POLICY # <b>4624752-00</b>		
COMPANY <b>TRIDENT INSURANCE SERVICES</b>		
PRODUCER <b>D. Bradley Stewart</b>		
EFFECTIVE <b>07/01/11</b>		EXPIRATION <b>07/01/12</b>

Item #	Eff Date	Trn	Type	Policy #	Description	Producer	Amount
306522	07/01/11	REW	PCKG	4624752-00	11/12 Comm Package	D. Bradley Stewart	\$ 11,906.00
306523	07/01/11	CFE	PCKG	4624752-00	KY SC re 11/12 Pckg	D. Bradley Stewart	\$ 149.31
Invoice Balance:							\$ 12,055.31
Account Balance:							\$ 12,055.31

IF NOT PAID WITHIN 30 DAYS. 1 1/2% INTEREST WILL BE ADDED  
 (PER MONTH) FROM THE DATE OF INVOICE

# INSURANCE BINDER

THIS BINDER IS A TEMPORARY INSURANCE CONTRACT, SUBJECT TO THE CONDITIONS SHOWN ON THE QUOTE.

<b>INSURED</b> Gallatin County Water 4500 Hwy 455 Sparta, KY 41086	<b>COMPANY</b> A Trident Insurance Servies B C												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 25%;">EFFECTIVE</th> <th style="width: 25%;">DATE/TIME</th> <th style="width: 25%;">EXPIRATION</th> <th style="width: 25%;">DATE/TIME</th> </tr> <tr> <td>7/1/2011</td> <td>12:01 AM</td> <td>8/1/2011</td> <td>12:01 AM</td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </table>	EFFECTIVE	DATE/TIME	EXPIRATION	DATE/TIME	7/1/2011	12:01 AM	8/1/2011	12:01 AM				
EFFECTIVE	DATE/TIME	EXPIRATION	DATE/TIME										
7/1/2011	12:01 AM	8/1/2011	12:01 AM										

<b>BROKER OF RECORD</b> Public Entities of America, LLC 2839 Paces Ferry Road, Suite 1200 Atlanta, GA 30339 Office: (800)535-4305 Fax: (678)919-1151	<b>LOCAL SERVICING AGENT</b> Nelson Insurance Group 2000 Envoy Circle Suite 2001 Louisville, KY 40299 Office: (502) 736-7000
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## COVERAGES

Coverage	Company	Limits		
<b>General Liability</b> Occurrence <input checked="" type="checkbox"/>	Company A Claims Made _____	Each Occurrence	\$1,000,000	
		Rented Premises	\$100,000	
		Med Expense		
		Personal & Ad.	\$1,000,000	
		General Aggregate	\$3,000,000	
		Products & Comp	\$3,000,000	
<b>Public Officials Liability</b> Occurrence _____ Retro Date 7/1/2003	Company A Claims Made _____	Each Occurrence	\$1,000,000	
		General Aggregate	\$3,000,000	
		Deductible	\$5,000	
<b>Employment Practices Liability</b> Occurrence _____ Retro Date 7/1/2003	Company A Claims Made A _____	Each Occurrence	\$1,000,000	
		General Aggregate	\$3,000,000	
		Deductible	\$5,000	
<b>Law Enforcement Liability</b> Occurrence _____ Retro Date _____	Company Claims Made _____	Each Occurrence		
		General Aggregate		
		Deductible		
<b>Automobile Liability</b> X Any Auto All Owned Autos Scheduled Autos Hired Autos Non-Owned Autos	Company A # of Vehicles 5 _____	Combine Single	\$1,000,000	
		Bodily Injury		
		BI per Accident		
		Property Damage		
		Medical Payment		
		Personal Injury	\$10,000	
		Uninsured Motorist	\$250,000	
		Underinsured	\$250,000	
<b>Auto Physical Damage</b> Collision \$500 Other Than Collision \$500	X All Vehicles _____ Scheduled Vehicles _____	X	Actual Cash Value Stated Amount	
<b>Property</b> Basic Broad X Special	Company A	Deductible	COINS	AMOUNT
		\$1,000	90%	\$3,802,455
<b>Inland Marine</b> Hired/Misc Sch./Misc Unscheduled Crime	Company A	Limit	\$50K/\$217,923/\$50K	
		Deductible	\$500	
<b>Public Employee Dishonesty</b> Umbrella/XS	Company A	Limit	\$100,000	
		Deductible	\$1,000	
<b>Workers Compensation</b> WC Statutory Limits	Company A Retention _____	Each Occurrence	\$3,000,000	
		Aggregate	\$3,000,000	
		Each Accident		
<b>Special Conditions / Other Coverages</b>		Disease -- Employee		
		Disease -- Policy		

Authorized Representative

Date

Yvonne Bynum

June 24, 2011

***AN INSURANCE PROPOSAL  
PREPARED FOR:***

*GALLATIN COUNTY WATER DISTRICT  
4500 HIGHWAY 455  
SPARTA, KY 41086*

***PRESENTED BY:***

*D. BRADLEY STEWART  
NELSON INSURANCE AGENCY, INC.  
2000 ENVOY CIRCLE  
LOUISVILLE, KY 40299*

*JUNE, 2011*

DISCLAIMER - The abbreviated outlines of coverages used throughout this proposal are not intended to express any legal opinion as to the nature of coverage. They are only visuals to a basic understanding of coverages. Please read your policy for specific details of coverages.

## ***PREMIUM QUOTATION***

### ***COVERAGE***

---

### ***ANNUAL PREMIUM***

---

Commercial Property	\$3,887.00
General Liability	\$1,729.00
Public Officials Liability	\$318.00
Inland Marine	\$636.00
Business Auto	\$1,741.00
Commercial Crime	\$145.00
Employment practices Liability	\$500.00
Excess Liability	\$2,678.00
Taxes	149.31
Subtotal	\$11,783.31
Workers Compensation	\$4,897.94
Grand Total	\$16,681.25

## GENERAL LIABILITY (PE-4624752-00) GCIC

Occurrence Form

### Standard Coverage

	<u>Limit</u>
Bodily Injury/Property Damage	1,000,000
Personal Injury/Advertising Injury	1,000,000
Fire Damage	100,000
Employee Benefits (\$1,000 deductible applies)	1,000,000
General Aggregate	3,000,000
Products/Completed Operations Aggregate	3,000,000
Deductible (Expenses included within retention)	None
<i>Each Occurrence</i>	
<b>PREMIUM</b>	<b>1,729</b>

Miscellaneous:

### Description

Exclusion - (Limited) - Failure to Supply

### Limit

Included

### Deductible

None

### General Liability P.E. 2

Public Water Utility

### Limit

Included

### Deductible

None

### General Liability Features and Benefits

#### Description

"Pay On Behalf" Form  
 Additional Insureds by Written Agreement, Contract or Permit  
 Chartered Aircraft Liability  
 Contractual Liability  
 Defense Costs in Addition to Limit of Liability  
 Extended Property Damage  
 Host Liquor Liability  
 Non Auditable Policy  
 Premises / Operations  
 Products / Completed Operations  
 Special Events (subject to company approval)  
 Supplementary Payments - Bail Bonds  
 Supplementary Payments - Daily Loss of Earnings  
 Watercraft Liability  
 Broadened Definition of Who Is Insured

## **PUBLIC OFFICIALS' LIABILITY (PO-4624752-00) GCIC**

Claims Made Form

### **Standard Coverage**

	<u>Limit</u>
Per Wrongful Act	1,000,000
Annual Aggregate	3,000,000
Employment Related Wrongful Acts	Excluded
Deductible	5,000

### ***Each Wrongful Act***

Prior Acts Date 07/01/2003

**PREMIUM 318**

### **Public Officials P.E. 2**

Public Water Utility

<u>Limit</u>	<u>Deductible</u>
Included	5000

### **Public Officials' Liability Features and Benefits**

#### **Description**

"Pay On Behalf" Form  
Broad Form Named Insured  
Civil Rights Violations  
Licensing & Permitting Coverage  
Non Auditable Policy  
Zoning Coverage

## **EMPLOYMENT PRACTICES LIABILITY (EP-4624752-00) GCIC**

Claims Made Form

### **Standard Coverage**

	<u>Limit</u>
Per Wrongful Employment Act	1,000,000
Annual Aggregate	3,000,000
Deductible	5,000

### ***Each Wrongful Act***

Prior Acts Date 07/01/2003

**PREMIUM 500**

Miscellaneous:

#### **Description**

Pre-Termination Coverage

<u>Limit</u>	<u>Deductible</u>
Included	5,000

## COMMERCIAL AUTOMOBILE LIABILITY (BA-4624752-00) GCIC

<u>Standard Coverage</u>	<u>Limit</u>	<u>Symbol</u>
Liability Limit	1,000,000	1
Deductible	None	
Personal Injury Protection	10,000	5
Uninsured Motorist	250,000	2
Underinsured Motorist	250,000	2
<b>Total Units Quoted</b>	<b>5</b>	
<b>PREMIUM</b>		<b>1,257</b>

## COMMERCIAL AUTOMOBILE PHYSICAL DAMAGE (BA-4624752-00) GCIC

<u>Standard Coverage</u>	<u>OCN</u>	<u>Deductible</u>	<u>Units</u>	<u>Valuation</u>	<u>Symbol</u>
Comprehensive	87,250	500	5	ACV	10
<b>Total Comprehensive</b>	<b>87,250</b>		<b>5</b>		
Collision	87,250	1,000	5	ACV	10
<b>Total Collision</b>	<b>87,250</b>		<b>5</b>		
<b>PREMIUM</b>					<b>484</b>

---

## FLEET AUTOMATIC

---

**The premium quoted is the final annual premium. Subject to the conditions described in item #2 below, this coverage will not be audited.**

**# 1 - Commercial Automobile Liability**

Coverage is automatically provided for ANY AUTO the entity owns or acquires during the Policy Period.

**# 2 - Commercial Automobile Physical Damage**

Coverage is provided on a "Fleet Automatic" basis. This means that any auto(s) the entity acquires during the term of the policy will be covered automatically, provided it is an additional new auto or replaces an auto the entity previously owned which had Physical Damage coverage. The entity must inform Trident that they desire Physical Damage coverage for these autos within 30 days after the entity acquires the auto(s). The entity must submit a request for coverage for any auto(s) which do not meet the conditions outlined above. Coverage for these autos will be added by endorsement.

**IMPORTANT NOTE: The Insured should continue to submit all change request to their agent and the agent should submit copies of all requests to Trident to insure accurate record keeping and claims verification.**

## COMMERCIAL PROPERTY (PE-4624752-00) GCIC

### Standard Coverage

	<u>Limit</u>
Building	3,610,913
Contents	191,542
TOTAL INSURED VALUES	3,802,455
Loss Limit	No
Blanket Limit Applies (subject to 125% maximum limit per Building or Personal Property Limit)	
Cause of Loss Form	Special
Co-insurance	90%
Deductible	1,000
Valuation	RC
Inflation Guard	4%
<b>TOTAL PREMIUM</b>	<b>4,159</b>

### Other Perils

	<u>Total Insured Values</u>	<u>Deductible</u>
Equipment Breakdown Coverage	3,802,455	1,000
Causes of Loss - Earthquake Form	1,000,000	50,000
Earthquake Coverage Limitation	1,000,000	50,000
Exclusion Amendment - Flood	1,000,000	50,000

### Equipment Breakdown

#### Description

	<u>Limit</u>
Limit	3,802,455
Business Income & Extra Expense	Per CP-360 unless otherwise specified
Expediting Expenses	100,000
Hazardous Substances	100,000
CFC Refrigerants	Included
Data Restoration	100,000
Boiler Inspection	Included
Computer Equipment	100,000
Deductible	1,000

### Commercial Property Features and Benefits

<u>Description</u>	<u>Limit</u>	<u>Revised Limit</u>	<u>Deductible</u>
Accounts Receivable	100,000		
Arson Reward	7,500		
Building Ordinance or Law			
Loss to Undamaged Portion of Building	Building Limit		
Demolition Cost Coverage	100,000		
Increased Cost of Construction	100,000		
Changes in Temperature or Humidity	50,000		
Commandeered Property	100,000		
Common Deductible Provision	Included		
Communications Equipment	50,000		
Computer Equipment	50,000		
Crime Reward			
Per Person	1,000		
Maximum	5,000		
Detached Signs	5,000		
Electrical Damage	50,000		
Extra Expense and Business Income	100,000	500,000	1,000
Fairs, Exhibitions, Expositions or Trade Shows	50,000		
Fine Arts	50,000		
Fire Department Service Charge	5,000		
Fire Equipment Recharge	Included		
Flagpoles	5,000		
Foundations	Included		
Glass	Included		
Glass Display or Trophy Cases	5,000		
Grounds Maintenance Equipment	50,000		
Lock Replacement	500		
Money and Securities			
Inside Premise	5,000		
Outside Premise	5,000		
Newly Acquired or Constructed Property			
Building	1,000,000		
Personal Property	500,000		
Off Premises Utility Failure	50,000		
Outdoor Property			
Any one Tree, Shrub or Plant	1,000		
Total Limit	50,000		
Personal Effects and Property of Others			
Any one Employee or Volunteer	1,500		
Any One Occurrence	50,000		
Replacement Cost Valuation	Included		
Pollutant Clean up and Removal	25,000		
Premises Boundary Increased Limit	1,000 Feet		
Property in Transit	50,000		
Property Off-Premises	50,000		
Sewer Back-Up	Included		
Spoilage	10,000		
Valuable Papers	100,000		

## COMMERCIAL INLAND MARINE (PE-4624752-00) GCIC

<u>Standard Coverage</u>	<u>Limit</u>	<u>Deductible</u>	<u>Valuation</u>
Hired, Leased, Borrowed Equipment	50,000	500	ACV
Miscellaneous Scheduled	217,923	500	ACV
Miscellaneous Unscheduled	50,000	500	ACV
Subject to maximum amount of: 500 per item			
<b>PREMIUM</b>			<b>636</b>

## COMMERCIAL CRIME (PE-4624752-00) GCIC

<u>Standard Coverage</u>	<u>Limit</u>	<u>Deductible</u>
Public Employees Dishonesty	100,000	1,000
<b>PREMIUM</b>		<b>145</b>

## COMMERCIAL EXCESS LIABILITY (UMB-4624752-00) GCIC

### Standard Coverage

	<u>Limit</u>
Each Occurrence, Offense, Accident, or Wrongful Act	3,000,000
Annual Aggregate	3,000,000

### *Underlying Insurance*

General Liability	—	1,000,000
Public Officials' Liability		1,000,000
Commercial Automobile Liability		1,000,000
Employment Practices Liability		1,000,000

### **PREMIUM**

**2,678**

The following is a price breakdown for this quotation:

Option 1

<u>Coverage</u>	<u>Premium</u>
General Liability	1,729
Public Officials' Liability	318
Commercial Automobile Liability	1,257
Commercial Automobile Physical Damage	484
Commercial Property	4,159
Commercial Inland Marine	636
Commercial Crime	145
Commercial Excess Liability	2,678
Employment Practices Liability	500
<b>TOTAL</b>	<b>11,906</b>

The total premium shown includes a charge for Certified Acts of Terrorism coverage. The amount of premium attributed to this coverage is:

272

**Estimated Taxes And Fees**

Kentucky Surcharge	149.31
<b>Total Estimated Taxes and Fees</b>	<b>149.31</b>

## **GENERAL CONDITIONS**

**This proposal is based on information provided to TRIDENT by the Agent. An application signed and dated by an official of the entity and the agent/broker must be received within thirty (30) days of binding coverage.**

**The quotation in this proposal does not necessarily match the coverages or limits requested in the bid specifications and/or application. No warranty is made or implied with respect to the total compliance to bid specifications or applications.**

**Each individual policy contains the actual terms, conditions and exclusions. This proposal highlights certain features and benefits of the Trident program. Specifically excluded exposures include, but are not limited to: airports/aviation activities, medical facilities or medical professional liability, mechanically operated amusement devices, injury to volunteers, lead contamination, pollution liability, etc.**

**Please note that any professional liability lines quoted (Public Officials Liability, Law Enforcement Liability, Educator's Legal Liability, and Employment Practices Liability) include defense costs within the deductible.**

**AN EXCLUSION FOR MOLD OR A SUBLIMIT MAY APPLY.**

**The quoted premium for the Terrorism Risk Insurance Program Reauthorization Act of 2007 and Total Estimated Taxes and Fees are based on quoted limits and coverages. Final premium is subject to adjustment based on any changes to those limits and coverages.**

**A TERRORISM EXCLUSION MAY APPLY.**





May 18, 2011

COPY

Nelson Insurance Agency Inc  
2000 Envoy Circle Ste 2001  
Louisville, KY 40299

**Kentucky Employers Mutual Insurance**  
**250 W Main Street, Suite 900**  
**Lexington, KY 40507**  
**www.kemi.com**  
**859-425-7800 / 800-640-5364**

Quote Date: May 18, 2011

Prospective Insured:	Legal Entity:	Other
Name: Gallatin County Water District	FEIN:	61112417
Address: 4500 Highway 455		
City: Sparta, KY 41086		

Agency:	Nelson Insurance Agency Inc
Agent Number:	636
Address:	2000 Envoy Circle Ste 2001
City:	Louisville, KY 40299
Phone:	(502)736-7000

Renewal Quote for Workers Compensation Coverage 376115-07/01/2011-07/01/2012
---

Proposed Effective Date: 07/01/2011      Proposed Expiration Date: 07/01/2012

Employer's Liability Limits: (3.B)	Bodily Injury by Accident	\$500,000 each accident
	Bodily Injury by Disease	\$500,000 policy limit
	Bodily Injury by Disease	\$500,000 each employee

Quote for Workers Compensation Coverage  
376115-- 07/01/2011-07/01/2012

7520-000	Waterworks Operation & Drivers
8810-000	Clerical Office Employees NOC
9410-000	Municipal, Township or State Employee NOC

CLASS RATING AND MANUAL PREMIUM DETAIL	EXPOSURE	RATE	PREMIUM
Gallatin County Water District 07/01/2011 - 07/01/2012			
9410-000	6,016	1.92	\$116.00
7520-000	157,178	2.56	\$4,024.00
8810-000	65,848	.18	\$119.00

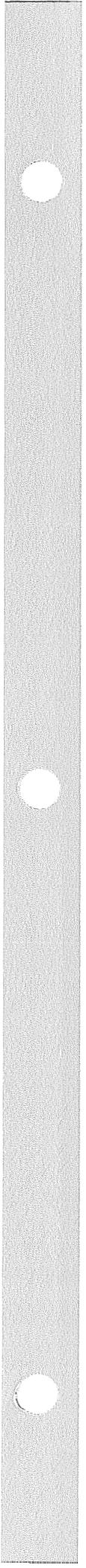
PREMIUM CALCULATION DETAIL	TYPE	FACTOR	AMOUNT
07/01/2011 - 07/01/2012	Total Manual Premium		\$4,259.00
	Employers Liability Limits	.020	\$85.00
	Employers Liability Increased Limits Balance to Minimum Premium		\$15.00
	Total Subject Premium		\$4,359.00
	Total Modified Premium		\$4,359.00
Final Estimate	Total Standard Premium		\$4,359.00
	Expense Constant		\$240.00
	Estimated Annual Premium		\$4,599.00
	Kentucky Special Fund Assessment		\$298.94
	Total Amount Due		\$4,897.94

TOTAL ESTIMATED ANNUAL POLICY PREMIUM **\$4,897.94**

Payment Plan Eligibility: Three-Payment Plan

**Required Initial Installment Premium:**

BILLING SCHEDULE BILL DATE	BILLING SCHEDULE BILL AMOUNT
06/01/2011	\$2,448.97
08/01/2011	\$1,224.49
09/01/2011	\$1,224.48



GALLATIN COUNTY WATER DISTRICT

3 -YEAR AVERAGE DEBT PAYMENTS

See Audit Report at Page 15 for Notes

	2011	2012	2013	3 Year Average	1.20 Coverage	Total 3 Yr. Average
1988 Series B - Rate at 5%	\$ 6,850	\$ 6,700	\$ 6,550	\$ 6,700	\$ 1,340	\$ 8,040
1988 Series A - Rate at 5%	16,700	17,350	16,950	17,000	3,400	20,400
1993 Series - Rate at 5%	25,350	24,900	24,450	24,900	4,980	29,880
1996 Series - Rate at 4.875%	21,530	21,622	21,596	21,583	4,317	25,899
2000 Series A - Rate at 4.875%	21,546	21,583	21,605	21,578	4,316	25,893
2000 Series B - Rate at 5%	6,640	6,660	6,575	6,625	1,325	7,950
2002 Series - Rate at 4.625%	7,315	7,336	7,353	7,335	1,467	8,802
2006 Series A - Rate at 4.125%	72,224	72,564	72,863	72,550	14,510	87,060
2006 Series B - Rate at 4.125%	25,888	25,853	25,909	25,883	5,177	31,060
KIA Rate of 1.3%	31,129	31,082	31,035	31,082	6,216	37,298
<b>Total</b>	<b>\$ 235,170</b>	<b>\$ 235,650</b>	<b>\$ 234,885</b>	<b>\$ 235,235</b>	<b>\$ 47,047</b>	<b>\$ 282,282</b>

GALLATIN COUNTY WATER DISTRICT  
 SCHEDULE OF INDEBTEDNESS  
 December 31, 2009

4.625%

4.875%

5%

4.875%

5%

Water System Revenue Bonds

Year	2002 Series		2000 Series A		2000 Series B		1996 Series		1993 Series <sup>5%</sup>		1988 Series A <sup>5%</sup>		1988 Series B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005														
2006														
2007														
2008														
2009														
2010														
2011	1,700.00	5,614.75	5,400.00	16,146.00	1,600.00	5,040.00	6,300.00	15,229.50	9,000.00	16,350.00	7,000.00	10,050.00	3,000.00	3,850.00
2012	1,800.00	5,536.13	5,700.00	15,882.75	1,700.00	4,960.00	6,700.00	14,922.38	9,000.00	15,900.00	7,000.00	9,700.00	3,000.00	3,700.00
2013	1,900.00	5,452.88	6,000.00	15,604.88	1,700.00	4,875.00	7,000.00	14,595.75	9,000.00	15,450.00	8,000.00	9,350.00	3,000.00	3,550.00
2014	1,900.00	5,365.00	6,200.00	15,312.38	1,900.00	4,790.00	7,400.00	14,254.50	10,000.00	15,000.00	8,000.00	8,950.00	3,000.00	3,400.00
2015	2,000.00	5,277.13	6,600.00	15,010.13	1,900.00	4,695.00	7,800.00	13,893.75	10,000.00	14,500.00	9,000.00	8,550.00	3,000.00	3,250.00
2016	2,100.00	5,184.63	6,900.00	14,688.38	2,100.00	4,600.00	8,200.00	13,513.50	11,000.00	14,000.00	9,000.00	8,100.00	3,000.00	3,100.00
2017	2,200.00	5,087.50	7,200.00	14,352.00	2,100.00	4,495.00	8,600.00	13,113.75	11,000.00	13,450.00	10,000.00	7,650.00	4,000.00	2,950.00
2018	2,300.00	4,985.75	7,600.00	14,001.00	2,300.00	4,390.00	9,100.00	12,694.50	12,000.00	12,900.00	10,000.00	7,150.00	4,000.00	2,750.00
2019	2,400.00	4,879.38	7,900.00	13,630.50	2,300.00	4,275.00	9,500.00	12,250.88	13,000.00	12,300.00	11,000.00	6,650.00	4,000.00	2,550.00
2020	2,600.00	4,768.38	8,300.00	13,245.38	2,500.00	4,160.00	10,100.00	11,787.75	13,000.00	11,650.00	11,000.00	6,100.00	4,000.00	2,350.00
2021	2,700.00	4,648.13	8,700.00	12,840.75	2,600.00	4,035.00	10,500.00	11,295.38	14,000.00	11,000.00	12,000.00	5,550.00	4,000.00	2,150.00
2022	2,800.00	4,523.25	9,200.00	12,416.63	2,800.00	3,905.00	11,100.00	10,783.50	15,000.00	10,300.00	12,000.00	4,950.00	5,000.00	1,950.00
2023	2,900.00	4,393.75	9,600.00	11,968.13	2,900.00	3,765.00	11,700.00	10,242.38	15,000.00	9,550.00	13,000.00	4,350.00	5,000.00	1,700.00
2024	3,100.00	4,259.63	10,100.00	11,500.13	3,000.00	3,620.00	12,300.00	9,672.00	16,000.00	8,800.00	13,000.00	3,700.00	5,000.00	1,450.00
2025	3,200.00	4,116.25	10,600.00	11,007.75	3,200.00	3,470.00	13,000.00	9,072.38	17,000.00	8,000.00	14,000.00	3,050.00	5,000.00	1,200.00
2026	3,400.00	3,968.25	11,100.00	10,491.00	3,400.00	3,310.00	13,600.00	8,438.63	18,000.00	7,150.00	15,000.00	2,350.00	6,000.00	950.00
2027	3,500.00	3,811.00	11,600.00	9,949.88	3,500.00	3,140.00	14,400.00	7,775.63	19,000.00	6,250.00	16,000.00	1,600.00	6,000.00	650.00
2028	3,700.00	3,649.13	12,200.00	9,384.38	3,700.00	2,965.00	15,100.00	7,073.63	19,000.00	5,300.00	16,000.00	800.00	7,000.00	350.00
2029	3,900.00	3,478.00	12,800.00	8,789.63	3,900.00	2,780.00	15,900.00	6,337.50	21,000.00	4,350.00				
2030	4,100.00	3,297.63	13,400.00	8,165.63	4,100.00	2,585.00	16,700.00	5,562.38	21,000.00	3,300.00				
2031	4,300.00	3,108.00	14,100.00	7,512.38	4,300.00	2,380.00	17,600.00	4,748.25	23,000.00	2,250.00				
2032	4,500.00	2,909.13	14,700.00	6,825.00	4,500.00	2,165.00	18,500.00	3,890.25	22,000.00	1,100.00				
2033	4,700.00	2,701.00	15,500.00	6,108.38	4,800.00	1,940.00	19,500.00	2,988.38						
2034	4,900.00	2,483.63	16,200.00	5,352.75	5,000.00	1,700.00	20,500.00	2,037.75						
2035	5,100.00	2,257.00	17,000.00	4,563.00	5,300.00	1,450.00	21,300.00	1,038.38						
2036	5,400.00	2,021.13	17,800.00	3,734.25	5,500.00	1,185.00								
2037	5,600.00	1,771.38	18,700.00	2,866.50	5,800.00	910.00								
2038	5,900.00	1,512.38	19,600.00	1,964.88	6,100.00	620.00								
2039	6,200.00	1,239.50	20,500.00	999.38	6,300.00	315.00								
2040	6,500.00	952.75												
2041	6,800.00	652.13												
2042	7,300.00	337.63												
2043														
2044														
2045														
2046														
Total Outstanding 12/31/2010	\$ 121,400.00	\$ 114,242.13	\$ 331,200.00	\$ 294,303.75	\$ 100,800.00	\$ 92,520.00	\$ 312,400.00	\$ 237,212.63	\$ 327,000.00	\$ 218,850.00	\$ 201,000.00	\$ 108,600.00	\$ 77,000.00	\$ 41,850.00



**Gallatin County Water District  
January 14, 2010**

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners; Lee Burgett, Vic Satchwell and David Easton, Employees; Morris Courtney and Tammy Hendren, Attorney; Rhonda Huddleston, Judge Executive; Kenny French and Napoleon- Concord Magistrate; Joel Shinkle

David made a motion to approve the December Minutes, Lee seconds the motion. Motion carries 3-years, 0-nays. Spelling errors noted.

David made a motion to approve the December Financial Reports, Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the December Check Disbursements, David seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the December Account Adjustments, David seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the December Deposit Refunds, Lee seconds the motion. Motion carries 3-years, 0-nays.

The Board reviewed the water loss report. The reports reflect a 12% loss for the year.

Morris informed the board that Ron has evaluated the locations for the fire hydrants. There is adequate pressure for one to be located at the following locations; Stand Pipe-Boone Road, Heritage Hills, I-71 bridge on Hwy 562, Concord voting prescient on Hwy 16 and Jesse James Bluff on Hwy 16. He is waiting on the paperwork from Ron before he proceeds.

Morris informed the Board that Sterling Materials has agreed to stick with the original easement. Denny, Sam Van and Alex Boone took a drive up to the property and they were all in agreement that the original easement was the best route. Denny will get it signed and returned.

Morris informed the Board that Joe Greenwell with the Public Service Commission was here yesterday for our annual inspection. The inspection went well.

Morris informed the Board that he dropped the paperwork off to Meagan at NKADD for the Speedway Project. It is at the top of the list for Gallatin County. Judge French commented that he has applied for some grant funds for the project.

The KRWA Annual Conference is scheduled for February 23<sup>rd</sup> – 24<sup>th</sup>. We will be leaving on the 22<sup>nd</sup>. Need to make some reservation soon.

Judge French inquired about the Steels Bottom loop. Why is that necessary? The Board informed him that with the development that has taken place in the last few years the residents in the Southfork and Ashely Estates area experience low pressure at times. This would allow for a better flow to the residents and allow for future development. The Board has reviewed several options and this is the best solution.

Rhonda informed the board that she has discussed several things with Judge French such as funding for the Speedway project, sending applicants for the Hwy 1039 area to us for water, expanding the area north down the Hwy 1039 corridor.

Rhonda brought the Board up to date on the court cases. PSC case is still sitting in Franklin County. She did receive news that there has been 3 judges appointed in the court of appeals on the Gallatin County case and they do not wish to hear any oral arguments.

Discussion was held regarding the cost to supply water to any new development on Hwy. 1039. The cost at last months meeting was estimated at around \$40,000. We need to find out if there is any casing under the road. Morris commented that he thinks there were four installed. Judge French seems to think that there isn't any. Vic commented that he thought that there was one at John Zalla's property. Morris will contact the State and find out.

Judge French presented to the board a request to allow a new radio tower to be placed on our property adjacent to the Mars Place Water Tower. He explained that Mr. Spry had purchased a lot in the subdivision to erect a 200 ft. tower for a new radio station. During the construction the county started to receive complaints from the residents in the subdivision opposing the development and the project was shut down. There are deed restrictions for the subdivision stating that no commercial development can take place inside the subdivision. Mr. Shinkle commented that he has talked with a number of the residents in the subdivision as well as Mr. Spry. It is a bad situation. Mr. Spry does this for a hobby and has three other stations. According to Judge French and Mr. Shinkle the FCC had one opening for this type of license but it had to be in the Northern Kentucky area so Mr. Spy purchased the two lots in the Mars Place Subdivision. Judge French feels that the residents may not be opposed to the tower if it could be placed on Gallatin County Water District property beside the water tower. Much discussion was held on the matter pertaining to the liability, interference with our SCADA system, revenue that Mr. Spry may receive, lease agreements, etc. Both Vic and David commented that they were not totally opposed to the situation, providing that the Water District was not put in a position where they could be sued.

Vic ask what kind of time frame are we looking at, is this something that needs to be decided today or can it be postponed until we can do some investigating on the liability. Judge French commented that he believed that Mr. Spy had to be in operation within 6 months or he loses his licenses. David made a motion that we proceed with the consideration and investigation into the matter, but table any decision until next months meeting. Rhonda and Vic will set up a meeting with Mr. Spry to discussion the matter. Vic has some experience in dealing with cellular towers that may lend some insight to the matter. Lee seconds the motion. Motion carries 3-yeas, 0-nays.

Lee made a motion to adjourn, David seconds the motion. Motion carries 3-yeas, 0-nays.

Approved By:

*Vic Lathwell*  
*David Easton*  
*Lee L Gurgel*

**Gallatin County Water District  
February 11, 2010**

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners; Lee Burgett, Vic Satchwell and David Easton, Employees; Morris Courtney and Tammy Hendren, INSURAMAX Representative; Brad Stewart.

Deputy Judge Denny French joined the meeting at 9:45 a.m.

Lee made a motion to approve the January Minutes, David seconds the motion. Motion carries 3-yeas, 0-nays. Spelling errors noted and corrected.

David made a motion to approve the January Check Disbursements, Lee seconds the motion. Motion carries 3-yeas, 0-nays.

Lee made a motion to approve the January Financial Report, David seconds the motion. Motion carries 3-yeas, 0-nays.

David made a motion to approve the January Account Adjustments, Lee seconds the motion. Motion carries 3-yeas, 0-nays. Vic commented on the return checks, is seems a little higher this month. Tammy commented that it's not to much higher than normal this month but does expect to see an increase due to not allowing customer payment agreements.

David made a motion to approve the January Deposit Refunds, Lee seconds the motion. Motion carries 3-yeas, 0-nays. Tammy commented that there were a few more added after their packet was sent out. She will make them an updated copy for their records.

January water loss was discussed. We are at 10% for the month.

Brad Stewart with INSURAMAX talked with the board about property, liability and workers comp insurance. He presented the Board with some information on the differences between insurance and self funded pools. He would like to quote us a policy and feels he can offer us better coverage at a cheaper rate than our current carrier. We are insured with Kaco at the present time. We have a locked in price for coverage with them through 2012. We can however cancel our coverage with them if we provide them with a cancellation notice two months prior to the renewal date of July 1, 2010. He commented that with the trouble that KACo is having it has opened up an opportunity for him to quote other districts, cities, and fiscal courts. His company has been able to reduce rates by 10-25% for some entities. After various discussions David made motion to provide Mr. Stewart with the necessary information needed to put a proposal together, Lee seconds the motion. Motion carries 3-yeas, 0-nays. Mr. Stewart will present the proposal at the April meeting.

Gallatin County Water District  
March 11, 2010

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners; Lee Burgett and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Attorney; Rhonda Huddleston

Lee made a motion to approve the February Minutes, Vic seconds the motion. Motion carries 2-yea, 0-nays.

Lee made a motion to approve the Check Disbursements, Vic seconds the motion. Motion carries 2-years, 0-nays,

Lee made a motion to approve the Account Adjustments, Vic seconds the motion. Motion carries 2-yea, 0-nays,

Lee made a motion to approve the Deposit Refunds, Vic seconds the motion. Motion carries 2-yeas, 0-nays.

Lee made a motion to approve the Financial Report. Vic seconds the motion. Motion carries 2-yes, 0-nays.

February water loss was reviewed, currently 11%.

Tammy informed the board that we received some paperwork from the court regarding a person whose property has been foreclosed on. We are named in the suite because of our waterline easement. She turned the paperwork over to Rhonda. Rhonda will respond as necessary.

The board discussed a policy for Jury Duty. Vic made a motion that employees will be paid for their lost wages if they have to report. Lee seconds the motion. Motion carries 2-yeas, 0-nays.

Vic inquired about the easement from Sterling Materials, has Alex Boone signed it yet. Morris commented that he has not heard anything from Denny. He will look into it. The weather is starting to break and we are ready to get things moving.

Rhonda informed the board that she received a ruling on the PSC case from the Franklin county court. The court feels that the proper way to remedy the situation is to vacate the original order and remand the matter for further proceedings. The PSC does not have the authority to create Water District boundaries, but they do have the authority to determine if the extension was in the ordinary course of business or if it required a certificate of need. The PSC may hold the proceedings in abeyance pending the outcome of the appeal

**Gallatin County Water District**  
**April 15, 2010**

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners; David Easton, Lee Burgett and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Attorney; Rhonda Huddleston and Representative Brad Stewart with Insuramax.

Regular session was delayed and Mr. Stewart was given the floor to present his insurance proposal. Mr. Stewart represents Insuramax Risk Services. He has prepared an insurance quote for the District's property, liability and workman's comp. policies. We are currently insured with KACO and have a locked in yearly rate through 2012 of \$4,988 for Workers comp and \$15,746.00 for property and liability. Mr. Stewart has quoted the price of \$4,327.10 for Workers Comp and \$12,400.25 for property and liability, a savings of \$4,006.65 per year. Should we decide to proceed and accept Mr. Stewart's proposal we will need to notify KaCo of our decision in writing prior to May 1<sup>st</sup>. Mr. Stewart explained the differences between a self insured and a pool program. Insuramax is a self insured program and KaCo is a pool program. A self insured policy guarantees that any claim that is presented will get paid at 100% less the deductible. With the pool policy there is a possibility that your claim may not get paid. Money is placed in a pool and everyone who has insurance and files a claim gets paid from the pool. If there have been several claims filed and all of the money is exhausted then your claim could go unpaid. More discussion was held on the subject and David made a motion to accept Mr. Stewart's proposal upon a closer review and recommendation by our attorney. We want to be sure that the coverage is comparable to the coverage that we currently have with KaCo. Lee seconds the motion. Motion carries 3-years, 0-nays. Rhonda will get in contact with Mr. Stewart and ask for a sit down meeting to compare the coverage. She will advise the board of the date and time so that anyone who would like to can sit in.

Lee made a motion to approve the March Minutes, David seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the March Financial Statement. David seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the March Check Disbursements, Lee seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the March Account Adjustments, Lee seconds the motion. Motion carries 3-years, 0-nays. Discussion was held on the accounts that were adjusted due to wrong readings. Tammy explained that when we estimated the meters because of the snow in February there were several accounts that were estimated high and they needed to be adjusted. They were all coded as read wrong.

David made a motion to approve the March Deposit Refunds, Lee seconds the motion. Motion carries, 3-years, 0-nays.

The water loss report was reviewed. There was a 24% loss for the month of March and a total of 8% for the year. The high monthly loss was due to the estimated meter readings.

Vic brought to the Board's attention that Alex Boone has still not signed the easement necessary to proceed with the Steels Bottom Loop. Morris has met with and/or discussed the matter with Denny French on several occasions and feels that he has done everything that he can to try and get the easement signed. Vic feels that we need to take a more direct approach. We don't want to have to proceed with condemnation, but we need to get the ball rolling on this project. It has been long enough and we have changed the easement a couple different times. This loop is necessary in order to supply the residents of Southfork and Ashley Estates with adequate water pressure. Some residents suffered with low pressure last year due to the increased volume of Sterling Materials and other businesses located near them. Funding was provided and water lines were installed for residential use. Mr. Boone needs to be made aware that if the residents suffer with low pressure there is a good possibility that water to his facility may be terminated. After various discussions on the matter David made a motion to have Rhonda send a letter directly to Mr. Boone explaining the Boards position on the matter, Lee seconds the motion. Motion carries 3-years, 0-nays.

Rhonda informed the Board that she has not heard any thing on the appeal filed by Carroll County in Gallatin District court regarding the boundary change.

Vic informed the Board that last month we tabled the discussion of the bank charges being applied to our accounts at the Bank of Kentucky until we had a full Board. Tammy explained that some of the service charges are from our Merchant Service provider for the credit/debit card payments. This usually runs around \$500 - \$600 a month. Half of these fees are recovered through the \$2.00 convenience fee that customers are charged. The remainder balance of approximately \$220 are fees that the Bank of Kentucky charges for processing various transactions such as; a \$14.00 monthly maintenance fee, \$.40 cents for each deposit that is made, \$.11 cents for each check that is handled, \$8.00 for returned checks, \$.15 cents for bank draft processing, etc. The fees are debited to our account on the 15<sup>th</sup> day of each month and are the previous month's charges. These fees are considerably higher than that of Integra's. Also we are earning very little interest on our money. We have only earned \$342.33 in interest on our revenue account since the Bank of Kentucky took over in December. We were earning that monthly on this account with Integra. We have five accounts totally approximately \$500,000 and we are only earning approximately \$120.00 per month in interest. After various discussions the board was in agreement that we may need to look at what type of accounts First Farmers Bank can offer. Rhonda will have a representative from First Farmers Bank get in contact with Tammy and set up meeting.

Tammy informed the board that \$835.87 in outstanding water bills was transferred to a bad debt status.

Morris informed the board that we have completed our annual CCR report. It was approved by the state and submitted to Ky American Water by the April 1<sup>st</sup> deadline. We will get it published in the paper next month and send the certification to the state.

Vic informed the Board that he and Tammy met with Jerilyn and discussed the audit. It had to be submitted to PSC and RDA by March 31<sup>st</sup>. Tammy commented that she has made the necessary adjustments. A copy of the audit was presented to each Commissioner. Jerilyn will be at the May meeting to present the audit to the Board.

A written overtime and jury duty policy was adopted by the board as suggested by our auditor. The Jury duty policy was adopted at last month's meeting and states that employees will be paid for hours missed due to jury duty. The overtime policy states that vacation and overtime hours will be included as time worked when calculating overtime hours. David made a motion to adopt the overtime policy, Lee seconds the motion. Motion carries 3-years, 0-nays. The policies were signed by each Commissioner and placed on file.

Tammy presented to the Board the new insurance rates for our medical insurance effective May 1<sup>st</sup>. There was approximately a 5% increase to remain on the same Humana plan. She briefly talked with Peggy Rankin about different plans and was advised that in order to get a cheaper rate we would have to go with a higher deductible. Our current deductible is \$500 single, \$1,500 family. She did not have Peggy supply any information on other providers. In the past they have all been higher in cost with less coverage. Vic commented that with the May deadline we really don't have much of a choice other than to remain with the current plan. We have great coverage and the higher deductible would be hard for employees to meet. David made a motion to accept the new rates and remain on the plan for another year. Next year we should probably get an earlier start and look at other sources. Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to adjourn, David seconds the motion. Motion carries 3-years, 0-nays.

Approved by: Vic Satchwell  
David Carter  
Lee S. Bergott

Gallatin County Water District  
May 13, 2010

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners; Lee Burgett, David Easton and Vic Satchwell, Employee; Morris Courtney and Tammy Hendren, Attorney; Rhonda Huddleston and Auditor; Jerilyn Zapp

Normal business was postponed and the floor was turned over to Mrs. Zapp who presented the 2009 Annual Audit. Mrs. Zapp briefly touched base on the financial aspects of the District. She suggested some areas of improvements/revisions needed in postings made to the general ledger accounts. Reconciliation should be done on a monthly basis and any discrepancies should be adjusted or corrected in a timely manner. She recommended that Tammy send her a copy of the financial reports on a quarterly basis so that she can aid in correcting any posting errors. A couple other areas of concern were overtime policies, jury duty policies and some missing personnel forms that should be on file. Morris commented that policies have been adopted by the board and I-9 forms have been filled out by all employees. Mrs. Zapp commented that she had discussed her recommendations with both Vic and Tammy and some changes have already been made. We did show a loss for last year. The Board may want to look at ways to cut back or a possible rate increase. Mrs. Zapp thanked the Board for allowing them to conduct the audit. The staff as always was very cooperative and most cordial throughout the audit. If anyone has any questions or would like to discuss the audit in more detail she would be happy to do so.

Lee made a motion to approve the April Minutes, David seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the April Financial Reports, Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the April Check Disbursements, David seconds the motion. Both David and Vic inquired as to the check in the amount of \$215.58 to Gallatin County Fiscal Court. Tammy informed them that the check was for the quarterly payroll tax. Motion carries 3-years, 0-Nays.

David made a motion to approve the April Account Adjustments, Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the April Deposit Refunds, David seconds the motion. Motion carries 3-years, 0-nays.

The April Water Loss Report was reviewed.

Morris informed the Board that he has installed 4 new fire hydrants with the money that was donated to the District by the Gallatin County Fiscal Court. This was money that they had set aside in their 2008-2009 budget.

David made a motion to change the June meeting from the 10<sup>th</sup> to the 17<sup>th</sup>. He will be on vacation. Lee seconds the motion. Motion carries 3-yeyes, 0-nays. Tammy will publish the meeting change in the paper.

Lee made a motion to adjourn, David seconds the motion. Motion carries 3-yeyes, 0-nays

Approved By Viv Satchwell  
David Castro  
Lee S. Burgett

Gallatin County Water District  
June 17, 2010

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m by Chairman Vic Satchwell.

Present at the meeting were Commissioners Lee Burgett, David Easton and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Attorney; Rhonda Huddleston and Guest; Katie Huddleston.

David made a motion to approve the May Minutes, Lee seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the May Financial Statement, Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the May Check Disbursements, David seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the May Deposit Refunds, Lee seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the May Account Adjustments, Lee seconds the Motion. Motion carries 3-years, 0-nays.

The board reviewed the May Water Loss report.

Morris informed the Board that he spoke with Alex Boone this morning and they talked a little bit about the difficulty in reaching Mr. Hartig's attorney. He again stated that he would not stand in our way and would fax a copy of the easement this morning when he got back to the office. Morris advised him that would get the ball rolling but we would need the original easements and he said he would get it to us. Rhonda commented that Mr. Boone travels quite a bit and keeps a pretty full schedule. Vic commented that he and Morris has talked quite a bit about it in the last couple of weeks. He has returned Morris's calls so we have made some progress. We need to stay on top of it. If we do not hear from him Morris will call him again.

Rhonda brought the board up to date on the legal issues. She has filed a response to the motion for Discretionary Review to the Supreme Court in regards to the Carroll County's appeal. Vic commented that we have received favorable rulings in both cases but are still no farther along. What happens with future development? Rhonda commented that if this motion goes in our favor then Carroll cannot file any more appeals. If it doesn't then we are back to filling briefs, etc. If the ruling is in our favor then we still have the PSC case regarding the certificate of public need. She suggested that we contact the PSC to find out where the case stands. After further discussion regarding the investment that will need to be made for the future development Rhonda is going to set up a meeting with the PSC to find out what we need to do to proceed.

Gallatin County Water District  
July 8, 2010

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners Lee Burgett, David Easton and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Sewer Board Member; Dick Koeing

Lee made a motion to approve the June Minutes, David seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the June Financial Statements, Lee seconds the motion. Motion carries 3-years, 0-nays. Tammy commented that the Financial Statement reflects only the bank balances. In changing banks some of the G/L account numbers needed to be updated and she has not completely finished with that. She will provide a June income statement at the August meeting.

Lee made a motion to approve the June Check Disbursements, David seconds the motion. Motion carries 3-years, 0-nays. Tammy commented that the report shows some duplicate check numbers. This was due to an error when entering the starting check number and could not be corrected after Kay made the posting.

Lee made a motion to approve the June Account Adjustments, David seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the June Deposit Refunds, Lee seconds the motion. Motion carries 3-years, 0-nays.

The June water loss was reviewed.

Mr. Koeing discussed with the Board the sewer projects that are being done in the county. Sewer service is going to be made available to about 150 homes in the county. They are working to provide service to the residents in Scenic View Estates by tying that system into the City of Warsaw. Other areas to be serviced are located in the lower end of the county. They have been working closely with Carrollton Utilities. The project is not fully funded as of yet, but they are going to bid it anyway. Morris commented that we could not help them with any funding because any grant money that we receive can only be used for water improvements. The Public Service Commission will not allow money that is allocated for water improvements to be used for sewer improvements and vice versa.

Morris informed the Board we still have not received the easement from Alex Boone. Mr. Boone had told Morris that he faxed the easement and also mailed it. Another letter was sent to Mr. Boone. Various discussions were held on the matter and David made a motion

to advise Rhonda to proceed with legal action as she deemed appropriate, Lee seconds the motion. Motion carries 3-yeas, 0-nays.

Morris informed the Board that he spoke with someone at Kentucky Rural Water regarding a rate increase study. He was advised that Carin Lee no longer worked for them but has her own private consulting business. Tammy spoke with her and Ms. Lee informed her that it would take about 7-8 months to complete and the cost would be around \$5,200.00. She has several that she is closing out but could probably get started soon. After various discussions on the matter David made a motion that we table the matter until next month and get a more information on the feasibility. We don't want to spend that kind of money and not be able to justify and increase. Lee seconds the motion. Motion carries 3-yeas, 0-nays.

Rhonda was unable to attend the meeting. Morris did speak with her and was told that she had spoken with Jerry Wooscher at PSC but was not able to find out when the case would be settled. She believes that they are waiting on the Court of Appeals in the Gallatin case.

Morris informed the Board that Mike would be attending a chlorine safety class in Richmond on July 27<sup>th</sup>. We have safety equipment but no one is properly trained on how to use it. It should be a good informative class.

David made a motion to advertise for bids on the spare truck, Lee seconds the motion. Motion carries 3-yeas, 0-nays. Tammy will run the ad in the Gallatin county paper and we will open bids at the August meeting.

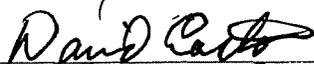
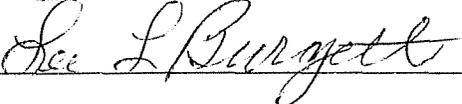
Tammy informed the Board that she transferred \$1,862.21 to a bad debt status.

Tammy informed the Board that our CPR certification will soon expire. She will get something scheduled for recertification as it is a requirement by PSC.

Morris brought to the Boards attention that the Kentucky Rural Water's annual meeting is August 23<sup>rd</sup> – 25<sup>th</sup>. David made a motion nominate Morris as the District's voting delegate and Vic motioned to nominate David as the alternate. Lee seconds the motions. Motions carry 3-yeas, 0-nays. The meeting is in Louisville if anyone wants to attend.

Lee made a motion to adjourn, David seconds the motion. Motion carries 3-yeas, 0-nays.

Approved By:

Gallatin County Water District  
August 12, 2010

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners Lee Burgett, David Easton and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Engineer; Ron Gastineau, Attorney; Rhonda Huddleston and Judge Executive; Kenny French

David made a motion to approve the July Minutes, Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

Lee made a motion to approve the July Financial Statement, David seconds the motion. Motion carries 3-yeyes, 0-nays. A copy of the June Income statement was also presented.

David made a motion to approve the July Check Disbursements, Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

Lee made a motion to approve the July Account Adjustments, David seconds the motion. Motion carries 3-yeyes, 0-nays. David inquired about the leak adjustments, was that for one person or for several. Tammy commented that it was several customers.

David made a motion to approve the July Deposit Refunds, Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

The July Water Loss Report was reviewed. The report reflected a 13% loss.

Only one bid was received for the 2004 Truck. The bid was received from Larry Meadows. The bid amount was \$7,000.00. David made a motion to accept the bid, Lee seconds the motion. Tammy will contact Mr. Meadows.

Morris informed the Board that he received the easements from Alex Boone. He was unaware at last months meeting that Mr. Boone had sent the easements to the Judges office. We did need to have Mr. Boone sign another easement as the first one only included part of the property. He promptly returned it to our office. Both have been filed at the County Clerk's office.

Morris informed the Board that there was an attempted break in on July 21<sup>st</sup>. He was alerted at about 1:20 a.m. A.A.V. Security Systems that we had an alarm going off. When he arrived Ed Caldwell was already here. He had walked around the building and did not see any damages. He and Morris entered the building and did a walk through. At that time everything seemed to be in order. The next day Morris walked around the building and noticed that three of the screens from the board room windows were missing

There are some differences on the interpretation of the court findings between our attorney and Judge French. They are going to schedule a meeting to sit down and discuss the matter.

Vic asks Judge French if there would be any money available from the state now that a Sprint Cup race has been scheduled. We currently have a project at the top of the list with Northern Ky Area Development District that involves improvements at the Kentucky Speedway. The estimated cost of the project is approximately \$416,000. Judge French will follow up and see if we can get any grant money for the project.

Judge French informed the board that Burton Smith, owner of the Speedway is really pushing for an airport. This would be a huge asset to the area. Not only would it be beneficial for the race industry. It would also benefit businesses in the area who wish to fly in their executives. Judge French also mentioned that the Army National Guards have shown an interest in the airstrip. It is possible that if an airport is built they would want to have a storage hanger for helicopters.

Ron brought the board up to date on the Steels Bottom Project. The bid opening is scheduled for August 24<sup>th</sup> at 1:00 p.m. He is going to issue an amendment to the bidders. They will be bidding on the labor only. We will seek quotes from various vendors for the material. All Board members were in agreement to award the contract to the lowest bidder upon Ron's review and recommendation.

A discussion was held on the use of funds from the RDA Short Lived Asset Account. Morris suggested that maybe we pay some of our bills out of this account and build up our revenue account. Tammy commented that this will not reflect any change in the outcome of our annual audit. No matter what account we pay bills out of our expenses will still exceed our incoming revenues. Rhonda suggested that we confer with our auditors before spending any money from that account. Tammy commented that she did not feel that was necessary. She has already spoken with Ernest Scruggs with Rural Development and was advised that we can use the money from that account to pay for projects, equipment etc. The money does not have to be repaid, but we do need to keep making the monthly deposit. Tammy will contact Ernest and ask him to supply the District with a letter stating what type of expenditures can be made from the account.

Morris informed the board of repairs that have been made in the last month. There were some problems with the starters and coils on the pumps at Well B due to power failures. The chlorinators and regulators at Well A needed to be replaced. These items are costly but necessary and are items that we may be able to pay for out of the RDA Short Lived asset account.

Morris also informed the Board that he needed to take the backhoe to Southeastern for repairs and maintenance. Vic commented that as far as he was concerned those things are necessary and did not need approval from the Board.

Gallatin County Water District  
September 9, 2010

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioner; Lee Burgett, David Easton, Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Attorney; Rhonda Huddleston and Engineer; Ron Gastineau

David made a motion to approve the August Minutes, Lee seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the August Check Disbursements, Lee seconds the motion. Motion carries 3-years, 0-nays. David commented that it appears that one of the electric bills was paid twice in the same month. Tammy commented that some of the bills are due at the first of the month and the others are due at the end of the month. Closer attention will be paid to the due dates in order to avoid duplication.

Lee made a motion to approve the Deposit refunds, David seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the August Account Adjustment, David seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the August Financial Statement, Lee seconds the motion. Motion carries 3-years, 0-nays.

The Board reviewed the August Water Loss Report. It reflected a 17% loss for the month and a 3% loss for the year.

Morris informed the board that he has the material ordered for the Steels Bottom Project. He will go into more detail at the pre-construction meeting.

Morris brought the board up to date on the break in. At the time when he and Ed came out to answer the alarm all of the doors were locked. Last week he noticed that the back door to the board room had pry marks on it. He could not figure out why the alarm had gone off without anyone being in the building to activate the motion detector. Apparently they did get in and the alarm scared them off. Too much time has passed to review the tape as it has already been taped over. He did get the door repaired.

Tammy informed the Board that she spoke with Caren Lee about the rate increase. She has sent her a copy of last years audit and our current rates for review. She will get back with us as to what type of increase to expect.

Tammy brought to the Boards attention that we currently have over \$300,000 in the revenue account that is not earning any interest. Normally we only transfer around \$75,000 per month out of that account to pay our monthly bills. We could probably take some of the money and invest it in a CD so that we can earn some interest. After

discussion David made a motion to transfer \$150,000 to a CD, Lee seconds the motion. Motion carries 3-years, 0-nays.

Rhonda informed the board that she has received no word from either the Supreme Court or PSC regarding our two pending cases. She presented to the Board copies of the order where Judge Executive Kenny French changed our service boundaries. She would like for the Board members to review the order prior to her meeting with Judge French. After various discussions was held on how to proceed. David made a motion that we re-submit the plans to serve the Hwy 1039 interchange to the Division of Water for approval. Lee seconds the motion. Motion carries 3-years, 0-nays.

Morris informed the Board that we have a high school senior doing some co-op work. Her name is Amber Hearn and she will be working from 1:30 – 3:00 p.m. each day until she graduates. There is not cost to the Water District and she will earn credit hours for her time.

Morris informed the Board that he has been approached by Verizon about installing a temporary antenna on the Speedway tank for a period of 6-9 weeks in June and July of 2011 for the Sprint Cup Race. Some discussion was held but no decisions were made.

Vic informed the Board that we have not heard anything back from Judge French regarding funding for the track upgrade. The project is on the top of the list for Gallatin County in the amount of \$416,000 with the Northern Ky Area Development District.

Vic presented to the Board a letter that was received from Rural Development regarding disbursements from the RDA Short Lived Asset Account. We can spend money from that account for various improvements without their approval as long as we continue to make the monthly deposit into the account. We will disburse funds from this account for the Steels Bottom project.

The Board discussed water line easements. David made a motion that all future easements should be secured by water district personnel, Lee seconds the motion. Motion carries 3-years, 0-nays.

Tammy informed the Board that we have three CD's that will mature on September 26<sup>th</sup>. David made a motion to renew at First Farmers utilizing the best rate at the time of maturity, Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to adjourn, David seconds the motion. Motion carries 3-years, 0-nays.

Approved By: *Vic Satchwell*  
*David Castro*  
*Lee L Burgett*

Gallatin County Water district  
October 14, 2010

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners; Lee Burgett, David Easton and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Engineer; Ron Gastineau and Attorney; Rhonda Huddleston

David made a motion to approve the September Minutes, Lee seconds the motion. Motion carries 3-yeas, 0-nays.

David made a motion to approve the September Financial Reports, Lee seconds the motion. Motion carries 3-yeas, 0-nays.

Lee made a motion to approve the September Check Disbursements, David seconds the motion. Motion carries 3-yeas, 0-nays.

Lee made a motion to approve the September Deposit Refunds, David seconds the motion. Motion carries 3-yeas, 0-nays.

David made a motion to approve the September Account Adjustments, Lee seconds the motion. Motion carries 3-yeas, 0-nays.

The Board reviewed the Water Loss Report, currently at a 7% loss for the month of September and a yearly loss of 3%.

Morris asks the Board if they had made a decision on Verizon's request to install an antenna on the Speedway Tank during the 2011 cup race. After a brief discussion all Commissioners were in agreement to decline their request.

Morris inquired about the new storage building that we budgeted for this year. He has been doing a little work to get the area prepared. He suggested a 30 x 40 foot pole barn. After various discussions the matter was tabled until next month.

David made a motion that Tammy email a copy of the minutes to Rhonda each month for review, Lee seconds the motion. Motion carries 3-yeas, 0-nays.

Gallatin County Water District  
November 11, 2010

The regular meeting of the Gallatin County Water District was called to order by Chairman Vic Satchwell at 8:30 a.m.

Present at the meeting were Commissioners; Lee Burgett, David Easton and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren

Lee made a motion to approve the October Minutes, David seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the October Financial Statements, David seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the October Check Disbursements, Lee seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the October Deposit Refunds, David seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the October Account Adjustments, David seconds the motion. Motion carries 3-years, 0-nays.

The Water Loss Report was reviewed. Tammy informed the Board that she had been reporting an inaccurate number for the total yearly loss. There was an error in the formula that calculates the yearly total. She had been reporting around 3%. The actual amount is around 14%. Morris commented that 10% or 11% would be a reasonable percentage.

Morris reported to the Board that the Ky. Speedway has been doing a lot of construction and they have hit several of their service lines at the Track. This has caused us some problems. He is working closely with them to avoid any future problems.

Vic inquired as to whether Ron has re-submitted the Hwy 1039 plans. Morris commented that he talked with Ron yesterday and that we are having some trouble locating the original approval letter that we received from the Division of Water. The letter that he had given Ron last month was for the easement from the Transportation Cabinet. Ron suggested that we may need to just have new plans drawn up and then submit them for approval. Morris commented that he has looked every where he can think of for the original approval letter. Tammy commented that maybe she has boxed the letter up with her yearly paperwork. Steve Huddleston may have a copy in his files. She will look for it in those files. If she cannot find it there she will call the Division of Water and request a copy.



Gallatin County Water District  
December 16, 2010

The regular meeting of the Gallatin County Water District was called to order at 10:00 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners; David Easton and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren

David made a motion to approve the November Minutes, Vic seconds the motion. Motion carries 2-yeas, 0-nays.

David made a motion to approve the November Check Disbursements, Vic seconds the motion. Motion carries 2-yeas, 0-nays.

David made a motion to approve the November Financial Statements, Vic seconds the motion. Motion carries, 2-yeas, 0-nays.

David made motion to approve the November Account Adjustments, Vic seconds the motion. Motion carries, 2-yeas, 0-nays.

David made a motion to approve the November Deposit Refunds, Vic seconds the motion. Motion carries 2-yeas, 0-nays.

The water loss report was reviewed, 17% for the month and 14% for the year.

Vic inquired about the Hwy 1039 project; did we ever find the approval letter for the Division of Water? Morris commented that we did not. He and Ron have discussed it and Ron advised him that it would not matter because anything that we do in the future would have to be re-engineered. Some discussion was held, no action taken.

Tammy informed the Board that Rhonda could not be here due to the weather. She has not heard anything on either of the pending cases. I

Discussion was held on the rate increase. Tammy commented that she spoke with Carrin Lee in regards to the Boards questions. Ms. Lee informed her that the increase would have to be made effective on the date that PSC approved it. It will take approximately 7-8 months before it is approved, so if we started in January it would not become effective until August. As far as the amount of the increase, she suggested that we spread it out over a 3 year period requesting 25% of the depreciation the first year, 50% the second year and 25% the third year. This way the customer would not experience such a large increase all at one time. More discussion was held on the matter, no action taken at this time.

Vic presented to the Board a proposal from Raisor, Zapp and Woods to conduct the 2010 audit, the cost not to exceed \$7,845.00. David made a motion that we retain their services, Vic seconds the motion. Motion carries 2-years, 0-nays.

Due to the weather the annual Christmas dinner at O'Charley's was cancelled. Vic made a motion that we close the office as advertised and take the employee's to Jewell's for lunch. David seconds the motion. Motion carries, 2-years, 0-nays.

David made a motion to adjourn, Vic seconds the motion. Motion carries 2-years, 0-nays.

Approved By: *Vic Satchwell*  
*David Castro*  
*Lee L. Burgett*

Gallatin County Water District  
January 13, 2011

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners; Lee Burgett, David Easton and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Attorney; Rhonda Huddleston and Judge Executive; Ken McFarland

David made a motion to approve the December Minutes, Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

Lee made a motion to approve the December Check Disbursements, David seconds the motion. Motion carries 3-yeyes, 0-nays.

Lee made a motion to approve the December Financial Reports, David seconds the motion. Motion carries, 3-yeyes, 0-nays.

David made a motion to approve the December Deposit Refunds, Lee seconds the motion. Motion carries 3-yeyes, 0-nays.

Lee made a motion to approve the December Account Adjustments. David seconds the motion. Motion carries 3-yeyes, 0-nays. David inquired about the leak adjustments, was that for one account or multiple accounts. Tammy commented that there were several accounts adjusted, one in particular (Stacy Baker) was high. Her total bill was \$909.95 and was adjusted down to \$474.81.

The Water Loss report was reviewed.

Rhonda commented that we still have not heard anything on our pending cases. In an effort to familiarize Judge Executive McFarland with our current situation Rhonda briefly explained each case leading up to the present. Vic commented that until we get final rulings from the Supreme Court and PSC our hands are basically tied as to how to proceed with service at the Hwy 1039 and I71 interchange. Judge Executive McFarland commented that he was somewhat familiar with the matter. No further action was taken.

Judge Executive McFarland inquired about a rate increase, are there plans for an increase in the future? Both Vic and David commented that it is something that we have discussed and based on our last couple of audits is something that our auditors have recommended. We have been advised by a utility consulting firm, after reviewing last years audit that an increase would be justifiable. It was their recommendation that we petition PSC for an increase in rates to fund 50% of our depreciation expense. The process would take about 7-8 months to complete. Vic commented that we have not taken any action as of yet but the matter has been tabled for later review.

Gallatin County Water  
February 10, 2011

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. By Chairman Vic Satchwell.

Present at the meeting were Commissioners, Vic Satchwell, David Easton and Lee Burgett, Employees; Morris Courtney and Tammy Hendren, Attorney; Rhonda Huddleston

Lee made a motion to approve the January Minutes, David seconds the motion. Motion carries 3-years, 0-nays.

Lee made a motion to approve the January Financial Statements, David seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the January Check Disbursements, Lee seconds the motion. Motion carries 3-years, 0-nays.

David made a motion to approve the January Account Adjustments, Lee seconds the motion. Motion carries 3-years, 0-nays.

Water Loss- A lengthy discussion was held on water loss. We are currently at 11% for the month of January. Vic inquired as to our total for the end of the year. Tammy commented that it was about 14%. Vic ask Morris what a good total was, Morris commented that anything 10% or less for a system our size is good. How can we get this down? Morris commented that we needed to be more accurate in accounting for line flushing. Tammy commented that she and Mike have been working hard to make sure that they account for everything such as bad regulators, meters not in service, leaks that were not billed through the system, etc. Tammy ask Morris if Mike had talked to him about some type of meter that we could use to get a more accurate flushing record. Morris commented that Mike had mentioned it to him. He does not feel it is necessary, there are other ways to calculate accurate flushing. The meter cost is about \$700.00 and he feels it would just get thrown in the back of the truck and get broken. David ask if there was a way to break it down into sections, comparing water sold to water produced for different areas. Discussion was held on the accuracy of the water meters. Morris commented that if a meter is only registering at 98%, there is 2% loss of water that is not being accounted for. PSC requires that water meters be tested every 10 years and that the accuracy be between 2% high or low. More discussion was held, Tammy and Mike will try and keep a close eye on it.

Discussion was held on the new storage building. Morris provide copies of the building easement and the surveyed land description. This will not be recorded in the deed books at the courthouse but will be in the Fiscal Court Minutes. David ask about bidding, would we have to advertise for bids? Rhonda commented that we have to bid anything over \$10,000. The size of the building was discussed. Morris recommend a 30 ft x 40ft building. Vic recommend at least 10ft – 12ft in height. Zoning was discussed. David made a motion that before we proceed with advertising Rhonda need to look into the legal issues with the lease agreement and the zoning. Lee seconds the motion. Motion carries 3-years, 0-nays.

Rhonda informed the Board that she still has not heard anything on our two court cases.

Gallatin County Water District  
March 10, 2011

The Regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners, David Easton and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Attorney; Rhonda Huddleston

David made a motion to approve the February Minutes noting an amendment to the wording regarding the Animal Shelter property Morris provided a description of the property not an easement for the property. Vic seconds the motion. Motion carries 2-years, 0-nays.

David made a motion to approve the February Financial Reports, Vic seconds the motion. Motion carries 2-years, 0-nays.

David made a motion to approve the February Check Disbursements, Vic seconds the motion. Motion carries 2-years, 0-nays.

David made a motion to approve the February Account Adjustments noting an amendment to a coding error, adjustment should have been coded at key punch error, not read wrong. Vic seconds the motion. Motion carries 2-years, 0-nays.

David made a motion to approve the February Deposit Refunds, Vic seconds the motion. Motion carries 2-years, 0-nays.

Monthly Water Loss Report was review currently at 12% for the month of February.

David inquired about the RDA Short Lived asset account. We could probably earn more money if we took some of it out and opened a CD. Tammy commented that during the audit Jerilyn had made a suggestion that we take some of the excess money that we have in the revenue account and put it into a CD; we are not earning any interest on those funds. After various discussions David made a motion to take \$100,000 out of each of the accounts and open up two new CD's. Vic seconds the motion. Motion carries 2-years, 0-nays.

Morris reminded the Board that we have \$20,000 for fire hydrants. We need to get them installed before June 30, 2011. He suggested that we install one on Hwy 562 close to Scenic View Church. We are limited to where they can be installed. He will talk with Barry Alexander and see if he has any suggestion and then get with Ron for the engineering.

Gallatin County Water District  
April 14, 2011

The regular meeting of the Gallatin County Water District was called to order by Chairman Vic Satchwell at 8:30 a.m.

Present at the meeting were Commissioners; David Easton and Vic Satchwell, Employees; Morris Courtney, Tammy Hendren and Mike Garrett, Attorney; Rhonda Huddleston

David made a motion to approve the March Minutes, Vic seconds the motion. Motion carries 2-yes, 0-nays.

David made a motion to approve the Financial Statements, Vic seconds the motion. Motion carries 2-yeas, 0-nays.

David made a motion to approve the Check Disbursements, Vic seconds the motion. Motion carries 2-yeas, 0-nays. David inquired about Warsaw Water Works bill, did we pump more water last month. Morris commented that we did pump a little more because of work at the Ky. Speedway last month. Also David inquired as to who Trent Servent was? Morris commented that they are the company that supplies parts for our chlorinator systems at the wells.

David made a motion to approve the Account Adjustments, Vic seconds the motion. Motion carries 2-yeas, 0-nays.

David made a motion to approve the Deposit Refunds, Vic seconds the motion. Motion carries 2-yes, 0-nays.

March Water Loss Report was reviewed. Reported loss was 8%.

Tammy commented that we sent Flowers to Lee on behalf of the Water District. She is currently at Gateway in Florence but will be moved to Gallatin Health Care in the next day or two.

Discussion was held on the fire hydrants. Morris commented that we needed to get them install before June 30<sup>th</sup>. He suggested Meadowlark Lane at the top of the hill, Hwy 16 by the Pentecostal Church, and Hwy 562 near Scenic View Church. We still need one more location. He will get with Ron to determine if those locations are suitable.

Morris brought to the Boards attention that the pump impellers at the Race Track need to be upgraded. They are wearing out and only pumping 300 gallons per minute. The upgrade will allow us to get 400 gallons per minute. He has the parts ordered and the estimated cost is a little over \$5,000 just for the parts. He will get with Walter when the parts are received and it should only take one day to do the upgrade.

Morris informed the Board that he met with Robin Costello about the Dog Shelter. They discussed leasing our property along the fence for the property needed for the building. Rhonda commented that she did find where the Fiscal Court approved a lease for the property in the April 2008 minutes. Spike was supposed to have drawn up the lease agreement. She will get with him to discuss the matter.

Morris brought to the Boards attention that he had met with Judge Executive Ken McFarland in regards to the Willow Point Sewer Plant. He informed the Judge that we could not take over that plant, water and sewer money can not be mixed. He advised the Judge that we could offer them the same contract that we have with Warsaw and Carrollton Utilities. We provide the usage each month and they bill the customers for the subdivision and request service disconnection from the District when the sewer bill is not paid.

Tammy informed the Board that our health insurance with Humana will increase by approximately \$1,000 per month on May 1<sup>st</sup> if we keep the current plan. We can save by switching to a different plan with a higher deductible, but we will not have as good of coverage. David feels that we should be able to get more affordable rates if we shopped around. He suggested that we try State Farm. Vic commented that we had a difficult time finding a provider that would insure the Board. J.T. Dossett found this company when he was a Commissioner. After various discussions David made a motion that we renew our current plan, but that next year we get quotes from other companies, Vic seconds the motion. Motion carries 2-yeas, 0-nays.

Rhonda informed the board that she has received no news on our current litigation.

David made a motion to enter into closed session to discuss personnel issues. Vic seconds the motion. Motion carries 2-yeas 0-nays.

David made a motion to enter back into regular session, Vic seconds the motion. Motion carries 2-yeas, 0-nays.

The Board discussed Morris's transition into retirement. His retirement date is July 31, 2011. His last day working in the office will be April 18<sup>th</sup>, he will then continue to draw his personal and vacations days through July 31<sup>st</sup>. He will be available if we need him. Should he be required to work during his time off from April 18 to July 31<sup>st</sup> he will be compensated. Mike will be taking over Morris's duties in the field and Tammy will be taking over office duties. Morris commented that he feels confident that Mike and Tammy will do a good job. They both have been working closely with him for the past several years and know what is required to do the job.

Discussion was held on our current personnel polices. Policies will be reviewed and changes will be made as necessary. Job descriptions will be created for each employee and employee evaluations will be conducted yearly. The Board feels these changes are necessary in order to stay in compliance with the continuing changes in state and federal regulations.

Vic and David along with Rhonda have scheduled a meeting with all employees on Tuesday April 19<sup>th</sup> at 9:00 a.m. to discuss future changes in personnel policies and to advise every one of their current positions. Terry and Barry will be reporting to and taking direction from Mike, Kay will be reporting to and taking direction from Tammy.

With Morris's approaching retirement the Board also discussed advertising to hire a new field employee. This person would need to be able to operator equipment and be willing to obtain a distribution and treatment license. No action was taken at this time only discussion.

Tammy brought to the Boards attention that there are several customers with extremely large water leaks. They are unable to pay the full the amount due after the adjustment. Morris had suggested that she create a payment agreement contract for customers with large bills and have the Board review and approve the agreements. The customer would be required to pay a certain amount each month in addition to their regular monthly bill until the bill is paid in full. Should the customer not make the payment as agreed their service will be disconnect and they will have to pay everything that is owed before their service is restored. After discussing the matter David made a motion that any adjustment over \$200.00 be brought before the Board. Vic seconds the motion. Motion carries.

The Board discussed the use of purchase orders when buying supplies. Tammy commented that there is a Purchase Order option on our Accounts Payable software. She will check into it see how it works.

Vic informed the Board that our auditor will be at the May meeting to discuss the audit. He and Tammy met with her and went over the adjustments.

Vic made a motion to send flowers to Lee once a month. She has been on the Board for a long time and we need to let her know that we are thinking of her. David seconds the motion. Motion carries 2-yeas, 0-nays.

David made a motion to adjourn, Vic seconds the Motion

Approved By:

*Vic Satchwell*  
*David Easton*

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Gallatin County Water District  
May 12, 2011

The regular meeting of the Gallatin County Water District was called to order at 8:30 a.m. by Chairman Vic Satchwell.

Present at the meeting were Commissioners; Vic Satchwell, David Easton, Employees; Morris Courtney and Tammy Hendren, Engineer; Ron Gastineau, Attorney; Rhonda Huddleston and Auditor; Jerilyn Zapp

The first order of business was to allow Jerilyn Zapp to present the 2010 audit to the Board. She thanked the Board once again for allowing her firm to conduct the audit. As always the staff was cordial and cooperative through out the audit. She briefly discussed the financial position of the District as the audit was reviewed. There were no significant changes in the operating revenues and expenses. Capital Contributions were down and the total net assets were down by approximately \$120,000 mainly due to depreciation. Cash flow was down due to the purchase of CD's. There was an increase in allowance for bad debt. She has observed this in other Districts. The District continues to operate in the red. A rate increase was discussed. We have not had one since 2006. Improvements were observed in balancing payroll liabilities and other accounts in the general ledger. There were some differences still observed in the balancing of the customer deposits, she suggested a manual system to track them. Overall everything looked good and appeared to be in order. She will be happy to discuss any question or concerns the Board may have. Feel free to contact her anytime.

Regular business was resumed.

David made a motion to approve the April Minutes, Vic seconds the motion. Motion carries 2-years, 0-nays.

David made a motion to approve the April Financial Reports, Vic seconds the motion. Motion carries 2-years, 0-nays.

David made a motion to approve the April Check Disbursements, Vic seconds the motion. Motion carries 2-years, 0-nays.

David made a motion to approve the April Account Adjustments, Vic seconds the motion. Motion carries 2-years, 0-nays.

David made a motion to approve the April Deposit Refunds, Vic seconds the motion. Motion carries 3-years, 0-nays.

Water Loss was reviewed, currently at 10% for the month.

The Board discussed the Ky. Speedway. Morris informed them that due to the construction some of our water lines now have 10 – 20 feet of dirt on top of them. This is going to create a problem once this race is over. We don't have any equipment that will dig that deep. He does not anticipate any problems during the race and they will have equipment on site if we need it. But after the race is over we will need to talk with them about installing new lines. Steve Swift is in charge of all the construction on site and Morris commented that he works well with him. Morris, Vic and Ron will ride out that way after the meeting and take a look at things.

Tammy commented that she has been looking at the contract that we have with the Speedway in regards to the water usage. The original contract was signed in May of 2000 so she had been tracking their water usage from May – May each year. As of April 20<sup>th</sup> when we read meters they had exceeded the 8.5 million gallons by approximately 360,000 gallons. She was going to send them a letter and a bill for the excess water. When she reviewed the contract agreement to enclose with the bill and explanation letter, she found an amended agreement with dates ranging from July – July each year. Even in previous years using the dates from July – July they still would not have exceeded the 8.5 million gallons. Should she utilize the original or amended agreement dates when billing for the excess water. Rhonda will review the agreement before billing.

Fire Hydrants were discussed. Morris has GPS locations for Ron. Ron commented that he could have something back on the locations next week. David made a motion for Ron to proceed, Vic seconds the motion. Motion carries 2-yeyes, 0-nays.

Vic inquired as to the pump upgrades at the track. Morris commented the parts have been ordered. He has talked to Walter and they should be able to have the upgrade completed before the race.

Rhonda reported to the Board that she spoke with Spike about the lease for the Dog Shelter property he was going to check on the lease agreement and then get back with her. The Board would like to have a 20 year lease agreement.

Tammy informed the Board that she checked into the purchase order option on our software program and there is a cost to activate it. The cost is \$495.00 plus a yearly maintenance fee of \$120.00. She suggested just using a manually system. All Board members were in agreement, she will set up a manual program on excel.

Rhonda informed the Board that PSC has responded to Carroll County's letter of inquiry regarding our case against the Gallatin County Water District in Franklin Circuit Court. The PSC responded with a letter stating that they were awaiting final action from the Carroll County Water Dist. No 1 vs. Gallatin County Judge Executive case before reopening the PSC case. They expect to issue an Order to reopen the proceedings and comply with the provision of the Franklin Circuit Order no later than May 31, 2011.

Discussion was held on engineering Hwy 1039. With the Supreme Courts ruling to uphold the County Judge Executives boundary change we have the right to provide service to that area and need to be ready for future development. After various discussions Vic made a motion that Ron proceed with engineering in two phases. Phase 1 to consist of crossing under the road to the west side and south to the intersection; Phase 2 to consist of running a parallel with Carroll County's line down to Luvs' Truck Stop. Engineering will include aerial photography down Hwy 1039 to Markland Dam. David seconds the motion. Motion carries 2-years, 0-nays.

Rhonda informed the Board that she has checked into the PSC regulations for replacement of Commissioners. They state that a vacancy would be a result of death, resignation or removal. We do not have a vacancy. After various discussions Vic made a motion that in light of Lee's current illness she be relieved of her Secretary Duties and David be assigned those duties. David seconds the motion. Motion carries 2-years, 0-nays.

Tammy informed the Board that the Kentucky Retirement Systems has mandatory training classes scheduled over the next few months. They are implementing a new online reporting system. She has signed up for the class in Erlanger on July 5<sup>th</sup>.

Tammy presented the Board with some information on a training class that PSC has scheduled for next week. It's a two day course being held at Butler Park in Carrollton on May 17<sup>h</sup> and 18<sup>th</sup>. The classes pertain to various PSC regulations such as rate cases, Board responsibilities, ethics, open records, Division of Water regulations, etc. The cost to attend the class is \$50.00. It is pretty short notice but may be a very informative class if anyone is interested. The class is being offered at several other locations through the year.

David made a motion to enter into closed session with our attorney to discuss personnel issues. Vic seconds the motion. Motion carries 2-years, 0-nays.

After re-entering back into open session and speaking with both Morris and Tammy the Board concluded that Terry McIntyre has quit his job. He was advised to make contact with either Morris or the Board regarding his employment status. As of this morning he has failed to contact either. David made a motion that should Terry McIntyre contact Morris and inquire about his position that he be advised that he has been suspended without pay until a review and investigation into his job performance is completed. He will be notified by letter after the investigation is complete. Vic seconds the motion. Motion carries 2-years, 0-nays.

David made a motion to hire a new operator. Morris will review the applications that we have and make a selection. The new hire will be placed on probation for 90 days, health insurance will be made available after 30 days. Vacation and personnel policies will be discussed and review new personnel. Stating pay will be determined based on experience. Vic seconds the motion. Motion carries 2-years, 0-nays.

Morris suggested that in light of the current situation with our lack of personnel that we estimate meter for the June billing cycle. David made a motion that water meters be estimated and an irregular usage report be generated to investigate high usages, Vic seconds the motion. Motion carries 2-years, 0-nays.

Tammy brought to the Boards attention that Amber's last day will be May 26<sup>th</sup>. She has been very helpful and dependable during her time as a co-op student. Vic made a motion that in reconition of her services she be awarded \$300.00, David seconds the motion. Motion carries 2-years, 0-nays.

David made a motion to adjourn, Vic seconds the motion. Motion carries 2-years, 0-nays.

Approved By:

*Vic Satchwell*  
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*David East*  
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Gallatin County Water District  
June 9, 2011

The regular meeting of the Gallatin County Water District was called to order by Chairman Vic Satchwell at 8:30 a.m.

Present at the meeting were Commissioners; David Easton and Vic Satchwell, Employees; Morris Courtney and Tammy Hendren, Attorney; Steve Huddleston, Insurance Rep; Brad Stewart and Judge Executive; Ken McFarland

Regular business was suspended and the floor turned over to Brad Stewart. Mr. Stewart presented to the Board a quote for property and liability insurance and workers comp. insurance. Mr. Stewart informed the Board that he was no longer with Insuremax but now owned part interest in Nelson Insurance Agency. He briefly explained his reason for leaving Insuremax and assured the Board that there would be no change in our coverage. He was able to retain his client list with Insuramax and take them with him to Nelson. He quoted a sum of \$16,681.25. Slightly less than last years cost of \$17,284.34. David made a motion to accept the quote and renew our policies, Vic seconds the motion. Motion carries 2-yeas, 0-nays.

Morris informed the Board that he hired a new employee Albert Smith. He started on June 1<sup>st</sup>. He has already had him out on a line break and he did an excellent job. There was a leak in the cross country line running from Spencer Road to Hwy 42. We got this repaired and he thinks Al is going to be a good employee.

Morris informed the Board that he has talked with Steve Swift at the Speedway and was advised that they would install a new line after the race. We may want to talk with him about running the line out to Hwy 35.

Morris informed the Board that we have a 10 inch water main on Hwy 35 that may possibly break apart if the right-of-way continues to slip. He has been working with the state on the matter. It should be repaired before the big race. He met with an engineer yesterday.

Morris informed the Board that he has received hydraulics from Ron on the Fire Hydrants. He will go ahead and get the material ordered. They will be installed at the following locations; Hwy 562 & Walnut Lick, Meadowlark Lane & Hwy 35, Hwy. 16 next to the Penacostal Church and on Hwy. 455 between the Hartman and Crommer properties.

Vic inquired as to the pump upgrades at the track, where do we stand? Morris commented that the upgrade can be done in one day. He talked with Walter on Tuesday and the parts have still not came in. It will be done before the race.

A discussion was held on the Animal Shelter property for the new building site. Steve and Judge Executive Ken McFarland will do a property exchange with Fiscal Court when they are ready.

Vic inquired about the race, are we ready? Morris commented that he doesn't foresee any problems. We should have the pumps upgraded prior to the race and he is working with the State on the Hwy 35 slippage near the Speedway.

Morris informed the Board that he had to have his truck repaired. It was still under warranty so it did not cost us anything. He did have to use his personal vehicle to take samples down to the lab. We may want to look at purchasing another vehicle. After various discussions David made a motion to order a new truck. Vic seconds the motion. Motion carries 2-years, 0-nays.

Tammy reported to the Board that due to the estimation of meters our water loss was about 38%. She is going to combine May and June to get a more accurate account of the loss.

Tammy reported to the Board that she has transferred \$7,145.86 to bad debt status. This money will still remain on the books it just takes it out of the billing register so that the system does not continue to print a bill each month.

A brief discussion was held on the Hwy 1039 project. Steve commented that we still have not heard anything from PSC in regards to the case.

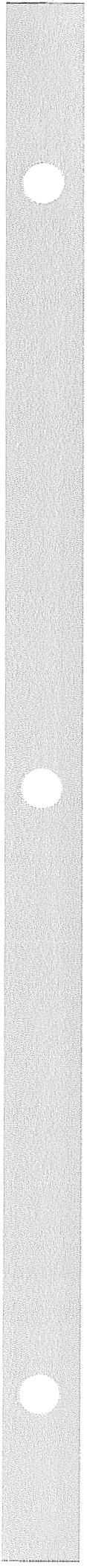
Morris informed the Board that Mike is back to work. His last day in the office will be Friday. He will continue to be available at home if needed until August 1, 2011.

David made a motion to adjourn, Vic seconds the motion. Motion carries 2-years, 0-nays.

Approved By: *Vic Satchwell*

*David Easton*

\_\_\_\_\_



AVERAGE METER CONNECTION EXPENSE  
COST JUSTIFICATION

Name of Utility Gallatin Co. Water District

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch       3/4-Inch       1-Inch       1 1/2-Inch       2-Inch

Other (specify) 5/8" x 3/4"

B. Materials Expense

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Water Meter	<u>1</u>	<u>\$ 48.30</u>	<u>\$ 48.30</u>
2. Meter Yoke	<u>1</u>	<u>\$ 103.47</u>	<u>\$ 103.47</u>
3. Corporation Stop	<u>1</u>	<u>\$ 22.81</u>	<u>\$ 22.81</u>
4. Meter Box and Top	<u>1</u>	<u>\$ 75.25</u>	<u>\$ 75.25</u>
5. Miscellaneous Fittings	_____	_____	_____
6. Other (Itemize)	_____	_____	_____
<b>Total Materials Expense</b> (add total cost)			<u>\$ 403.91</u>
<u>3/4" regulator</u>	<u>1</u>	<u>\$ 48.20</u>	<u>\$ 48.20</u>
<u>3/4" regulator Adpt.</u>	<u>2</u>	<u>\$ 2.53</u>	<u>\$ 5.06</u>
<u>6" saddle</u>	<u>1</u>	<u>\$ 36.22</u>	<u>\$ 36.22</u>
<u>3/4" gasket</u>	<u>4</u>	<u>\$ .31</u>	<u>\$ 1.24</u>
<u>stainless steel insert</u>	<u>3</u>	<u>\$ 1.10</u>	<u>\$ 3.30</u>

# AVERAGE METER CONNECTION EXPENSE

## C. Service Pipe Expense

Type of Service Pipe 3/4" PE 200 psi Size of Service Pipe 3/4"

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Short Side Service	<u>15'</u>	<u>\$ .30'</u>	<u>\$ 4.50</u>
2. Long Side Service	<u>60'</u>	<u>\$ .30'</u>	<u>\$ 18.00</u>
Casing Long Side	<u>40'</u>	<u>\$ .54</u>	<u>\$ 21.60</u>
Average Cost			<u>\$ 22.05</u>
(Add total cost and divide by 2)			

## D. Installation Expense

### Labor

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>4</u>	<u>\$ 34</u>	<u>\$ 136.00</u>
2. Long Side Service	<u>10</u>	<u>\$ 34</u>	<u>\$ 340.00</u>
Average Cost			<u>\$ 240.00</u>
(Add total cost and divide by 2)			

### Equipment

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>2</u>	<u>\$ 15.00</u>	<u>\$ 30.00</u>
2. Long Side Service	<u>5</u>	<u>\$ 15.00</u>	<u>\$ 75.00</u>
Average Cost			<u>\$ 52.50</u>
(Add total cost and divide by 2)			

# AVERAGE METER CONNECTION EXPENSE

Installation Expense continued

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Inspection	_____	\$ _____	\$ _____
2. Site Clean-up	<u>1</u>	<u>\$ 50.00</u>	<u>\$ 50.00</u>
3. Other (Itemize)	_____	_____	_____
Total Miscellaneous (add total cost)			<u>\$ 50.00</u>

E. Overhead Expense

1. Installation expense (\$ _____) times overhead rate ( _____ %)		\$ _____
--	--	----------

F. Administrative Expense

1. Office expense for establishing a new account and billing record.		<u>\$ 18.45</u>
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G. Total Expense

1. Total of all items:

Materials Expense	<u>\$ 403.91</u>
Service Pipe Expense	<u>\$ 22.05</u>
Installation Labor Expense	<u>\$ 240.00</u>
Installation Equipment Expense	<u>\$ 52.50</u>
Equipment Expense	<u>\$ 15.00</u>
Miscellaneous Expense	<u>50.00</u>
Overhead Expense	<u>0</u>
Administrative Expense	<u>18.45</u>
 Total Connection Expense	 <u>\$ 801.91</u>

GALLATIN COUNTY WATER DISTRICT

TEST YEAR BILLING ANALYSIS

	Bills	Gallons	1,000	2,000	2,000	5,000	10,000
First 1,000	3,414	1,137,855	1,137,855				
Next 2,000	6,686	14,064,588	6,686,000	7,378,588			
Next 2,000	6,436	25,213,400	6,436,000	12,872,000	5,905,400		
Next 5,000	4,998	33,487,503	4,998,000	9,996,000	9,996,000	8,497,503	
Over 10,000	1,268	24,901,139	1,268,000	2,536,000	2,536,000	6,340,000	12,221,139
	22,802	98,804,485	20,525,855	32,782,588	18,437,400	14,837,503	12,221,139
	Bills	Gallons	Rate	Revenue			
First 1,000	22,802	20,525,855	\$ 16.60	\$ 378,513			
Next 2,000		32,782,588	5.80	190,139			
Next 2,000		18,437,400	5.50	101,406			
Next 5,000		14,837,503	5.20	77,155			
Over 10,000		12,221,139	5.00	61,106			
Total		98,804,485		\$ 808,319			
KY American Water		8,927,000	1.46	13,033			
KY Speedway/Contract		6,089,460	35,000.00	35,000			
Total Operating Revenue from Sales				\$ 856,352			
Less Bad Debt				(10,267)			
Less Leak Adjustments and Incorrect Readings				(8,725)			

Forfeited Discounts	31,820			
Miscellaneous Service Revenue	21,160			
Other Revenue	2,266			
Total Operating Revenue	\$ 892,606			
Income per Annual Report at Page 49	896,286			
Difference	\$ (3,680)			
Other Income - at Page 19 (Interest and Non Utility Income)	17,158			
Total Operating Revenue	\$ 909,764			
KY Speedway usage does not exceed the gallons min. allowance.				

**GALLATIN COUNTY WATER DISTRICT /  
KENTUCKY SPEEDWAY, LLC**

**FIRST AMENDMENT TO  
WATER SUPPLY AGREEMENT**

**THIS FIRST AMENDMENT TO WATER SUPPLY AGREEMENT** ("Amendment") is made and entered into this 30<sup>th</sup> day of June, 2000, by and between the **GALLATIN COUNTY WATER DISTRICT**, a Kentucky local government agency (the "District"), and the **KENTUCKY SPEEDWAY, LLC**, a Kentucky limited liability company (the "Company").

**WHEREAS**, the District and the Company entered into a Water Supply Agreement dated October 1, 1999 ("Water Supply Agreement"), whereby the Company agreed to pay an Annual Minimum Charge of \$28,800.00 in exchange for the District's constructing a water transmission and distribution system to serve the Kentucky Speedway, as well as surrounding areas, and other mutual covenants and agreements contained in the Water Supply Agreement;

**WHEREAS**, the Company and the District sought an additional \$152,610.00 in loan funds from the Kentucky Infrastructure Authority ("KIA"), bringing the total loan commitment to \$752,610.00, thereby increasing the District's annual debt service obligations; and

**WHEREAS**, pursuant to the Funding Agreement dated January 7, 2000 ("Funding Agreement"), between the District and the Company, the parties agreed to amend the Water Supply Agreement to modify the Annual Minimum Charge to an amount sufficient to allow the District to pay the debt service on the KIA loan;

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants and agreements contained herein, the District and the Company agree to amend the Water Supply Agreement as follows:

- 1. Section II.A. is amended to read as follows:

A. Water Charges. The Company agrees to pay the District an annual rate of \$35,000.00 (the "Annual Minimum Charge") for thirty (30) years in the manner set forth herein. The Annual Minimum Charge shall be due and payable in equal monthly installments of \$2,916.66 each beginning on the 15<sup>th</sup> day of July, 2000, and continuing on the same day of each month thereafter until the 15<sup>th</sup> day of June, 2030.

In consideration for the Annual Minimum Charge, each year the District shall supply the Company with a quantity of water equal to the quantity of water which could be purchased with the Annual Minimum Charge based on the rates approved by the Kentucky Public Service Commission ("PSC") during the applicable year (the "Annual Minimum Charge Quantity").

If the Company requires and is supplied more water than the Annual Minimum Charge Quantity, then the Company shall pay the District per gallon used based on the rates approved by the PSC during the applicable year (the "Excess Rate"). During any year of this Agreement, the Company shall not be obligated to pay any Excess Rate until such time as it has been supplied the full Annual Minimum Charge Quantity. However, during any year of this Agreement, the Company shall not pay less than the Annual Minimum Charge.

The Company shall obtain a three (3) year letter of credit for the benefit of the District in the amount of \$105,000 (the "Letter of Credit"). The Letter of Credit shall be used to guarantee payment of the Annual Minimum Charge for the first three (3) years of this Agreement and shall only be drawn upon in the event the Company defaults on its obligation to pay the monthly installments of the Annual Minimum Charge during the first three (3) years of this Agreement. The Letter of Credit shall be effective July 15, 2000, and shall expire June 15, 2003, and shall not be renewed.

2. Section III.A. is amended to read as follows:

A. Term. This Agreement shall be effective the date first written above and shall end upon the earlier of June 15, 2030, or the date on which the Loan is fully repaid, unless terminated sooner in accordance with this Agreement.

3. Section III.M. is amended to read as follows:

M. Notices. All written notices permitted or required to be delivered by the provisions of this Agreement shall be deemed so delivered when actually delivered by hand or when placed in the United States Mail by Registered Mail or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the parties at the addresses set forth hereinbelow, or to such other address or addresses as the parties shall from time to time designate in writing:

**If to Kentucky Speedway:** Kentucky Speedway, LLC  
11 Spiral drive, Suite 16  
Florence, KY 41042  
Attn: Chris Grathwohl, Controller

**With a copy to:** Deters, Benzinger & LaVelle  
2701 Turkeyfoot Road  
Covington, KY 41017  
Attn: Patrick R. Hughes, Esq.

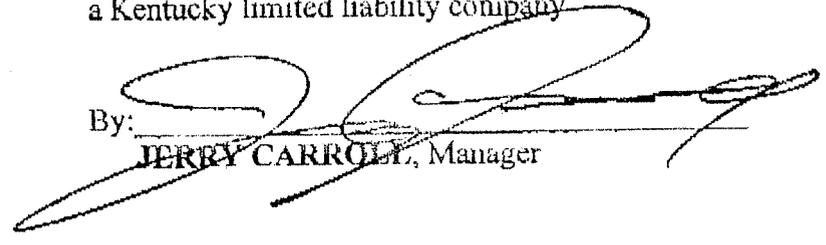
**If to the District:** Gallatin County Water District  
Route 1, Box 210-A  
Warsaw, KY 41095  
Attn: Denny French, Chairman

**With a copy to:**

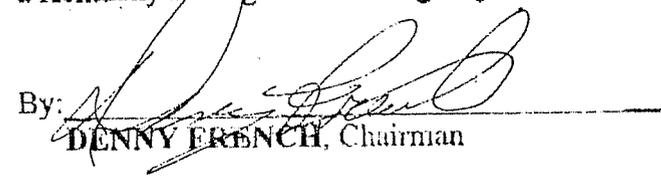
Stephen P. Huddleston, Esq.  
309 West Main Street  
P.O. Box 807  
Warsaw, KY 41095

**COMPANY:**

**KENTUCKY SPEEDWAY, LLC,**  
a Kentucky limited liability company

By:   
JERRY CARROLL, Manager

**GALLATIN COUNTY WATER DISTRICT,**  
a Kentucky local government agency

By:   
DENNY FRENCH, Chairman

GALLATIN COUNTY WATER DISTRICT

ALLOCATION OF EXPENSES AT 100% DEPRECIATION

	Total	Commodity	Trans and Dist	Customer
Salaries and Wages - Employees	\$ 193,884		\$ 98,881	\$ 95,003
Salaries - Commissioners	7,200		3,600	3,600
Pensions and Benefits	101,853		51,945	49,908
Purchased Water	7,073	7,073		
Purchased Power	60,681	38,299	19,618	2,764
Chemicals	4,160	4,160		
Materials and Supplies	54,915		34,496	20,419
Engineering - Contractual	1,807		1,807	
Accounting - Contractual	8,480			8,480
Legal - Contractual	3,450			3,450
Water Testing	3,480		3,480	
Transportation	18,461		15,028	3,433
Insurance - General Liability	12,055		12,055	
Insurance - Workers Comp.	4,898		2,498	2,400
Advertising	1,011		1,011	
Bad Debt	10,267			10,267
Miscellaneous	19,088			19,088
Depreciation	343,601		316,319	27,282
Amortization	1,428			1,428
Taxes other than Income	16,952			16,952
Total Operating and Maintenance	\$ 874,745	\$ 49,532	\$ 560,738	\$ 264,474
Debt Principal and Interest	235,235		211,712	23,524
.20 Coverage	47,047		42,342	4,705
Subtotal Expenses	\$ 1,157,027	\$ 49,532	\$ 814,792	\$ 292,702
Less Other Income	\$ (63,679)			(63,679)
Total Expenses	\$ 1,093,348	49,532	814,792	229,023
Less Wholesale and Contract			(48,033)	
Revenue Required from Rates	1,045,315	49,532	766,759	229,023

## OHIO COUNTY WATER DISTRICT

### CALCULATION OF PROPOSED RATES

	Total	First 1,000	Next 2,000	Next 2,000	Next 5,000	Over 10,000
<b>Actual Water Sales</b>						
Thousand Gallons	98,804.4	20,525.8	32,782.6	18,437.4	14,837.5	12,221.1
Percentage		0.2077	0.3318	0.1866	0.1502	0.1237
<b>Weighted Sales for Demand</b>						
Thousand Gallons	156,845.2	41,051.6	57,369.6	27,656.1	18,546.9	12,221.1
Percentage		0.2617	0.3658	0.1763	0.1182	0.0779
<b>Allocation of Costs</b>						
Commodity	\$ 49,532	\$ 10,290	\$ 16,434	\$ 9,243	\$ 7,438	\$ 6,127
Demand	766,759	200,686	280,459	135,201	90,669	59,744
Customer	229,023	229,023				
<b>Total</b>	<b>\$ 1,045,314</b>	<b>\$ 440,000</b>	<b>\$ 296,893</b>	<b>\$ 144,443</b>	<b>\$ 98,107</b>	<b>\$ 65,871</b>
Number of Bills	22,802					
Cost of Service Rates		\$ 19.30	\$ 9.06	\$ 7.83	\$ 6.61	\$ 5.39
<b>Curent Rates</b>		<b>16.60</b>	<b>5.80</b>	<b>5.50</b>	<b>5.20</b>	<b>5.00</b>
Increase		\$ 2.70	\$ 3.26	\$ 2.33	\$ 1.41	\$ 0.39
Percentage		16%	56%	42%	27%	8%

Due to amount of increase for customers using next 2,000 and next 2,000 Gallatin proposed to move toward cost based rates and not fully implement at this time.



GALLATIN COUNTY WATER DISTRICT

RATES WITH 100 % DEPRECIATION - \$343,601

	Bills	Gallons	Rate	Revenue	Current Rate	Increase	% Increase
First 1,000	22,802	20,525.8	\$ 21.00	\$ 478,842	\$ 17.65	\$ 3.35	0.19
Next 2,000		32,782.6	7.75	254,065	6.50	1.25	0.19
Next 2,000		18,437.4	7.44	137,174	5.96	1.48	0.25
Next 5,000		14,837.5	6.70	99,411	5.62	1.08	0.19
Over 10,000		12,221.1	6.20	75,771	5.30	0.90	0.17
		98,804.4		\$ 1,045,263			
KY-American			1.46	13,033			
KY Speedway			35,000.00	35,000			
Other Revenue				63,679			
Total Operating Revenue				\$ 1,156,975			

GALLATIN COUNTY WATER DISTRICT

WATER PRODUCED AND SOLD

Produced and Purchased	138,868.0	
Retail	106,253.4	0.77
Wholesale	8,927.0	0.06
Plant Use, Flushing, etc.	2,591.2	0.02
Lost	20,645.4	0.15
Total Water Used	138,417.0	1.00

GALLATIN COUNTY WATER DISTRICT

ALLOCATION OF PLANT

	Total	Trans. And Dist.	Customer
Organization	\$ 31,926	\$ 31,926	
Land and Land Rights	226,229	226,229	
Structures and Improvments	344,910	344,910	
Wells and Springs	366,888	366,888	
Pumping Equipment	1,262,191	1,262,191	
Water Treatment Equip.	22,168	22,168	
Dist. Reservoirs and Standpipes	2,038,982	2,038,982	
Transmission and Distribution Mains	4,164,987	4,164,987	
Services	238,918		\$ 238,918
Meters and Installations	676,382		676,382
Hydrants	25,746		25,746
Other Plant and Misc Equipment	9,700	9,700	
Subtotal	9,409,027	8,467,981	941,046
Percentage		0.9000	0.1000
Office Equipment and Furniture	45,768	41,191	4,577
Transportation Equipment	91,501	82,350	9,151
Tools, Shop and Garage	2,795	2,515	280
Power Operated Equipment	102,762	92,484	10,278
Communication Equipment	10,405	9,364	1,041
Total Water Plant	\$ 9,662,258	\$ 8,695,885	\$ 966,373
Percentage		0.9000	0.1000

GALLATIN COUNTY WATER DISTRICT

ALLOCATION OF DEPRECIATION

	Total	Trans. And Dist.	Customer
Structures and Improvments	\$ 8,973	\$ 8,973	
Wells and Springs	13,379	13,379	
Pumping Equipment	114,701	114,701	
Water Treatment Equip.	1,069	1,069	
Dist. Reservoirs and Standpipes	71,817	71,817	
Transmission and Distribution Mains	82,879	82,879	
Services	7,940		\$ 7,940
Meters and Installations	16,829		16,829
Hydrants	483		483
Subtotal	318,070	292,818	25,252
Percentage		0.9206	0.0794
Office Equipment and Furniture	4,377	4,030	347
Transportation Equipment	10,944	10,075	869
Tools, Shop and Garage	279	257	22
Power Operated Equipment	9,078	8,357	721
Communication Equipment	853	785	68
Total	\$ 343,601	\$ 316,322	\$ 27,279
Percentage		0.9206	0.0794

GALLATIN COUNTY WATER DISTRICT

INCH - MILE RATIO

Line Size	Miles	Inch-Miles	Jointly Used Miles	Jointly Used Inch Miles
10	8.0	80	0	
8	11.0	88	0	
6	25.0	150	4.7	28.2
4	64.0	256	0	
3	9.0	27	0	
Total	117.0	601.0	4.7	28.2
Inch Mile Ratio = 28.2 / 601.0			0.0469	

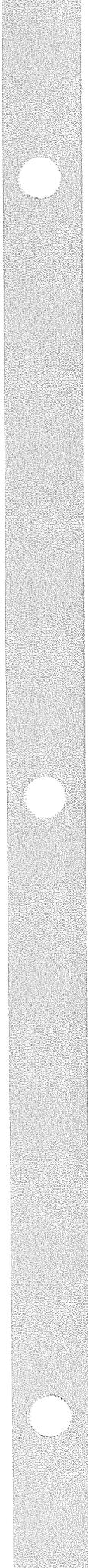
WHOLESALE ALLOCATION FACTORS

Line Loss	0.1487			
Plant Use	0.0187			
Total Plant Use and Line Loss	0.1673			
Gallatin Multiplier	1	/	1-.1704	1.2054
Inch Mile Ratio	28.20	/	601.00	0.0469
Wholesale Share of Line Loss	0.0469	x	0.1487	0.0070
Joint Share of Plant Use and Line Loss	0.0070	+	0.0187	0.0256
Production Multiplier	1	/	1-.0124	1.0125
Production Allocation Factor	<u>8,927.0</u>	x	<u>1.2054</u>	
	115,180.4		1.0125	0.0922
Transmission Factor	<u>8,927.0</u>	x		
	115,180.4		0.0469	0.0036
Commodity Factor	8,927.0	/	115,180.4	0.0775

GALLATIN COUNTY WATER DISTRICT

WHOLESALE RATE TO KY-AMERICAN

Commodity	49,532	0.0775	3,839
Transmission and Distribution	814,792	0.0036	2,933
Customer	292,702	0	-
Total Expenses			6,772
Wholesale Rate Per 1,000 Gallons (8,927.0)			\$ 0.76
No increase required at this time.			



	Water Use Reports	Annual Report	Billing Analysis
Residential and Commercial	106,253.4	106,282.0	104,893.9
Wholesale	8,927.0	8,927.0	8,927.0
Total Water Not Sold	23,687.5	23,659.0	
Total Produced and Purchased	138,867.9	138,868.0	
Plant and Flushing	2,591.2	635.0	
Breaks and Other Loss	20,645.4	23,024.0	
Total Plant and Breaks	23,236.6	23,659.0	
Total Sales	115,180.40	115,209.0	113,820.90
It is believed the difference between the billing analysis and the use reports and the annual report is misread meters.			

## Annual Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

Year: 2010

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	133942000	96%
3	Water Purchased	4925900	4%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	138867900	

<b>WATER SOLD</b>			
5	Residential	90151750	78%
6	Commercial	16266218	14%
7	Industrial	0	0%
8	Bulk Loading Stations	0	0%
9	Wholesale	8927000	8%
10	Other Sales (explain) _____	-164540	0%
11	<b>TOTAL WATER SOLD</b>	115180428	83%
12	<b>TOTAL WATER NOT SOLD</b>	23687472	17%

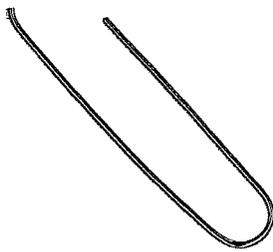
<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	260400	0%
14	Wastewater Plant	0	0%
15	System Flushing	242650	0%
16	Fire Department	0	0%
17	Other (explain) _____	2088183	2%

<b>TOTAL UNSOLD WATER USED</b>		<b>2591233</b>	<b>2%</b>
<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0	0%
19	Line Breaks	644000	0%
20	Other Loss	20001379	14%
<b>TOTAL UNSOLD WATER LOST</b>		<b>20645379</b>	<b>15%</b>

<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
21	"Other Loss"	20001379	
22	% "Other Loss"	14%	
23	Number of Days in Period	365	
24	"Other Loss" per Day (1,000's gallons per Day)	54798	
25	"Other Loss" per Minute (GPM)	38054	



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# Monthly Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

For the Month of: December

Year: 2010

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	10874000	97%
3	Water Purchased	349400	3%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>11223400</b>	
<b>WATER SOLD</b>			
5	Residential	7227390	77%
6	Commercial	1366760	15%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale	831000	9%
10	Other Sales (explain) _____		0%
11	<b>TOTAL WATER SOLD</b>	<b>9425150</b>	<b>84%</b>
12	<b>TOTAL WATER NOT SOLD</b>	<b>1798250</b>	<b>16%</b>
<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	21600	0%
14	Wastewater Plant		0%
15	System Flushing	36000	0%
16	Fire Department		0%
17	Other (explain) _____		0%
<b>TOTAL UNSOLD WATER USED</b>		<b>57600</b>	<b>1%</b>
<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows		0%
19	Line Breaks	644000	6%
20	Other Loss	1096650	10%
<b>TOTAL WATER LOST</b>		<b>1740650</b>	<b>16%</b>

<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>		
21	"Other Loss"	1096650
22	% "Other Loss"	10%
23	Number of Days in Period	31
24	"Other Loss" per Day (1,000's gallons per Day)	35376
25	"Other Loss" per Minute (GPM)	24567



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## Monthly Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

For the Month of: November Year: 2010

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	10993000	96%
3	Water Purchased	488900	4%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	11481900	
	<b>WATER SOLD</b>		
5	Residential	7113587	76%
6	Commercial	1604220	17%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale	677700	7%
10	Other Sales (explain) _____		0%
11	<b>TOTAL WATER SOLD</b>	9395507	82%
12	<b>TOTAL WATER NOT SOLD</b>	2086393	18%
	<b>BREAKDOWN OF UNSOLD WATER USED</b>		
13	Utility and/or Water Treatment Plant	21600	0%
14	Wastewater Plant		0%
15	System Flushing	54500	0%
16	Fire Department		0%
17	Other (explain) <u>1992 line extention</u>	12000	0%
	<b>TOTAL UNSOLD WATER USED</b>	<b>88100</b>	<b>1%</b>
	<b>BREAKDOWN OF WATER LOST</b>		
18	Tank Overflows		0%
19	Line Breaks		0%
20	Other Loss	1998293	17%
	<b>TOTAL WATER LOST</b>	1998293	17%

**"OTHER LOSS" FLOW RATE CALCULATION:**

21	"Other Loss"	1998293
22	% "Other Loss"	17%
23	Number of Days in Period	30
24	"Other Loss" per Day (1,000's gallons per Day)	66610
25	"Other Loss" per Minute (GPM)	46257



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## Monthly Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

For the Month of: October

Year: 2010

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	11541000	97%
3	Water Purchased	388100	3%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	11929100	
	<b>WATER SOLD</b>		
5	Residential	7575100	80%
6	Commercial	1253500	13%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale	747000	8%
10	Other Sales (explain) <u>reading adjustments</u>	-164540	-2%
11	<b>TOTAL WATER SOLD</b>	9411060	79%
12	<b>TOTAL WATER NOT SOLD</b>	2518040	21%
	<b>BREAKDOWN OF UNSOLD WATER USED</b>		
13	Utility and/or Water Treatment Plant	21600	0%
14	Wastewater Plant		0%
15	System Flushing	14000	0%
16	Fire Department	0	0%
17	Other (explain) <u>construction &amp; service line leak</u>	74003	1%
	<b>TOTAL UNSOLD WATER USED</b>	<b>109603</b>	<b>1%</b>
	<b>BREAKDOWN OF WATER LOST</b>		
18	Tank Overflows		0%
19	Line Breaks	0	0%
20	Other Loss	2408437	20%
	<b>TOTAL WATER LOST</b>	2408437	20%

**"OTHER LOSS" FLOW RATE CALCULATION:**

21	"Other Loss"	2408437
22	% "Other Loss"	20%
23	Number of Days in Period	31
24	"Other Loss" per Day (1,000's gallons per Day)	77692
25	"Other Loss" per Minute (GPM)	53952



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## Monthly Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

For the Month of: September Year: 2010

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	12264000	97%
3	Water Purchased	381500	3%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	12645500	
	<b>WATER SOLD</b>		
5	Residential	8655204	74%
6	Commercial	2012290	17%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale	995500	9%
10	Other Sales (explain) <u>Howell Construction not metered</u>	0	0%
11	<b>TOTAL WATER SOLD</b>	11662994	92%
12	<b>TOTAL WATER NOT SOLD</b>	982506	8%
	<b>BREAKDOWN OF UNSOLD WATER USED</b>		
13	Utility and/or Water Treatment Plant	21600	0%
14	Wastewater Plant	0	0%
15	System Flushing	29650	0%
16	Fire Department	0	0%
17	Other (explain) _____	0	0%
	<b>TOTAL UNSOLD WATER USED</b>	<b>51250</b>	<b>0%</b>
	<b>BREAKDOWN OF WATER LOST</b>		
18	Tank Overflows	0	0%
19	Line Breaks	0	0%
20	Other Loss	931256	7%
	<b>TOTAL WATER LOST</b>	<b>931256</b>	<b>7%</b>

**"OTHER LOSS" FLOW RATE CALCULATION:**

21	"Other Loss"	931256
22	% "Other Loss"	7%
23	Number of Days in Period	30
24	"Other Loss" per Day (1,000's gallons per Day)	31042
25	"Other Loss" per Minute (GPM)	21557



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## Monthly Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

For the Month of: August

Year: 2010

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	13040000	97%
3	Water Purchased	462700	3%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	13502700	

<b>WATER SOLD</b>			
5	Residential	8173457	81%
6	Commercial	1110120	11%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale	788800	8%
10	Other Sales (explain) _____	0	0%
11	<b>TOTAL WATER SOLD</b>	10072377	75%
12	<b>TOTAL WATER NOT SOLD</b>	3430323	25%

<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	21600	0%
14	Wastewater Plant	0	0%
15	System Flushing	20500	0%
16	Fire Department	0	0%
17	Other (explain) <u>Key punch error, service line leak Hwy 16 &amp; 4</u>	923340	7%
	<b>TOTAL UNSOLD WATER USED</b>	<b>965440</b>	<b>7%</b>

<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0	0%
19	Line Breaks	0	0%
20	Other Loss	2464923	18%
	<b>TOTAL WATER LOST</b>	<b>2464923</b>	<b>18%</b>

<b>"OTHER LOSS" FLOW RATE CALCULATION:</b>			
21	"Other Loss"	2464923	
22	% "Other Loss"	18%	
23	Number of Days in Period	31	
24	"Other Loss" per Day (1,000's gallons per Day)	79514	
25	"Other Loss" per Minute (GPM)	55218	



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## Monthly Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

For the Month of: July Year: 2010

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	12731000	96%
3	Water Purchased	466500	4%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	13197500	
	<b>WATER SOLD</b>		
5	Residential	8810822	77%
6	Commercial	1894970	17%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale	749500	7%
10	Other Sales (explain) <u>Howell Construction &amp; clay not metered</u>	0	0%
11	<b>TOTAL WATER SOLD</b>	11455292	87%
12	<b>TOTAL WATER NOT SOLD</b>	1742208	13%

### BREAKDOWN OF UNSOLD WATER USED

13	Utility and/or Water Treatment Plant	21600	0%
14	Wastewater Plant	0	0%
15	System Flushing	14500	0%
16	Fire Department	0	0%
17	Other (explain) _____	0	0%

**TOTAL UNSOLD WATER USED      36100      0%**

### BREAKDOWN OF WATER LOST

18	Tank Overflows	0	0%
19	Line Breaks	0	0%
20	Other Loss	1706108	13%
		0	

**TOTAL WATER LOST      1706108      13%**

### "OTHER LOSS" FLOW RATE CALCULATION:

21	"Other Loss"	1706108
22	% "Other Loss"	13%
23	Number of Days in Period	31
24	"Other Loss" per Day (1,000's gallons per Day)	55036
25	"Other Loss" per Minute (GPM)	38219



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## Monthly Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

For the Month of: June

Year: 2010

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	12234000	96%
3	Water Purchased	444700	4%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	12678700	
	<b>WATER SOLD</b>		
5	Residential	8578708	76%
6	Commercial	1822800	16%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale	859800	8%
10	Other Sales (explain) <u>howell construction-not metered</u>	0	0%
11	<b>TOTAL WATER SOLD</b>	11261308	89%
12	<b>TOTAL WATER NOT SOLD</b>	1417392	11%

### BREAKDOWN OF UNSOLD WATER USED

13	Utility and/or Water Treatment Plant	21600	0%
14	Wastewater Plant	0	0%
15	System Flushing	8000	0%
16	Fire Department	0	0%
17	Other (explain) <u>fair grounds leak</u>	7500	0%

**TOTAL UNSOLD WATER USED      37100      0%**

### BREAKDOWN OF WATER LOST

18	Tank Overflows	0	0%
19	Line Breaks	0	0%
20	Other Loss	1380292	11%

**TOTAL WATER LOST      1380292      11%**

### "OTHER LOSS" FLOW RATE CALCULATION:

21	"Other Loss"	1380292
22	% "Other Loss"	11%
23	Number of Days in Period	30
24	"Other Loss" per Day (1,000's gallons per Day)	46010
25	"Other Loss" per Minute (GPM)	31951



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## Monthly Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

For the Month of: May Year: 2010

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	11128000	96%
3	Water Purchased	419000	4%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	11547000	
	<b>WATER SOLD</b>		
5	Residential	6672847	75%
6	Commercial	1568670	18%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale	650600	7%
10	Other Sales (explain) _____		0%
11	<b>TOTAL WATER SOLD</b>	8892117	77%
12	<b>TOTAL WATER NOT SOLD</b>	2654883	23%

### BREAKDOWN OF UNSOLD WATER USED

13	Utility and/or Water Treatment Plant	21600	0%
14	Wastewater Plant	0	0%
15	System Flushing	28500	0%
16	Fire Department	0	0%
17	Other (explain) _____	0	0%

**TOTAL UNSOLD WATER USED      50100      0%**

### BREAKDOWN OF WATER LOST

18	Tank Overflows	0	0%
19	Line Breaks	0	0%
20	Other Loss	2153883	19%

**TOTAL WATER LOST      2153883      19%**

### "OTHER LOSS" FLOW RATE CALCULATION:

21	"Other Loss"	2153883
22	% "Other Loss"	19%
23	Number of Days in Period	31
24	"Other Loss" per Day (1,000's gallons per Day)	69480
25	"Other Loss" per Minute (GPM)	48250



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## Monthly Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

For the Month of: April

Year:

2010

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	10224000	97%
3	Water Purchased	353500	3%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>10577500</b>	
	<b>WATER SOLD</b>		
5	Residential	7254898	81%
6	Commercial	1085134	12%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale	652800	7%
10	Other Sales (explain) _____		0%
11	<b>TOTAL WATER SOLD</b>	<b>8992832</b>	<b>85%</b>
12	<b>TOTAL WATER NOT SOLD</b>	<b>1584668</b>	<b>15%</b>

**BREAKDOWN OF UNSOLD WATER USED**

13	Utility and/or Water Treatment Plant	21600	0%
14	Wastewater Plant	0	0%
15	System Flushing	7500	0%
16	Fire Department	0	0%
17	Other (explain) <u>          ambrose tank, reg st. roberts road          </u>	177000	2%

**TOTAL UNSOLD WATER USED**

**206100**      2%

**BREAKDOWN OF WATER LOST**

18	Tank Overflows	0	0%
19	Line Breaks	0	0%
20	Other Loss	1378568	13%

**TOTAL WATER LOST**

**1378568**      13%

**"OTHER LOSS" FLOW RATE CALCULATION:**

21	"Other Loss"	1378568
22	% "Other Loss"	13%
23	Number of Days in Period	30
24	"Other Loss" per Day (1,000's gallons per Day)	45952
25	"Other Loss" per Minute (GPM)	31911



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## Monthly Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

For the Month of: **March**

Year: **2010**

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	10166000	96%
3	Water Purchased	391600	4%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>10557600</b>	
	<b>WATER SOLD</b>		
5	Residential	6072750	80%
6	Commercial	946408	12%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale	577900	8%
10	Other Sales (explain) _____		0%
11	<b>TOTAL WATER SOLD</b>	<b>7597058</b>	<b>72%</b>
12	<b>TOTAL WATER NOT SOLD</b>	<b>2960542</b>	<b>28%</b>

### BREAKDOWN OF UNSOLD WATER USED

13	Utility and/or Water Treatment Plant	22000	0%
14	Wastewater Plant	0	0%
15	System Flushing	11000	0%
16	Fire Department	0	0%
17	Other (explain) <u>customer leak and vera cruz leak</u>	494740	5%
	<b>TOTAL UNSOLD WATER USED</b>	<b>527740</b>	<b>5%</b>

### BREAKDOWN OF WATER LOST

18	Tank Overflows	0	0%
19	Line Breaks	0	0%
20	Other Loss	2432802	23%
	<b>TOTAL WATER LOST</b>	<b>2432802</b>	<b>23%</b>

### "OTHER LOSS" FLOW RATE CALCULATION:

21	"Other Loss"	2432802
22	% "Other Loss"	23%
23	Number of Days in Period	31
24	"Other Loss" per Day (1,000's gallons per Day)	78477
25	"Other Loss" per Minute (GPM)	54498



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## Monthly Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

For the Month of: February

Year: 2010

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	9025000	97%
3	Water Purchased	326500	3%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	9351500	
	<b>WATER SOLD</b>		
5	Residential	6721047	81%
6	Commercial	825346	10%
7	Industrial		0%
8	Bulk Loading Stations		0%
9	Wholesale	724200	9%
10	Other Sales (explain) _____		0%
11	<b>TOTAL WATER SOLD</b>	8270593	88%
12	<b>TOTAL WATER NOT SOLD</b>	1080907	12%

### BREAKDOWN OF UNSOLD WATER USED

13	Utility and/or Water Treatment Plant	22000	0%
14	Wastewater Plant	0	0%
15	System Flushing	9000	0%
16	Fire Department	0	0%
17	Other (explain) _____	0	0%

**TOTAL UNSOLD WATER USED                      31000                      0%**

### BREAKDOWN OF WATER LOST

18	Tank Overflows	0	0%
19	Line Breaks	0	0%
20	Other Loss	1049907	11%

**TOTAL WATER LOST                      1049907                      11%**

### "OTHER LOSS" FLOW RATE CALCULATION:

21	"Other Loss"	1049907
22	% "Other Loss"	11%
23	Number of Days in Period	28
24	"Other Loss" per Day (1,000's gallons per Day)	37497
25	"Other Loss" per Minute (GPM)	26039



# Monthly Water Use Report

Water Utility: GALLATIN COUNTY WATER DISTRICT

For the Month of: January

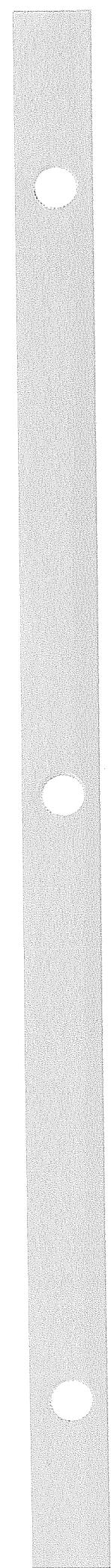
Year: 2010

LINE #	ITEM	GALLONS (Omit 000's)	%
1	<b>WATER PRODUCED or PURCHASED</b>		
2	Water Produced	9722000	96%
3	Water Purchased	453500	4%
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>10175500</b>	
<b>WATER SOLD</b>			
5	Residential	7295940	83%
6	Commercial	776000	9%
7	Industrial	0	0%
8	Bulk Loading Stations	0	0%
9	Wholesale	672200	8%
10	Other Sales (explain) _____	0	0%
11	<b>TOTAL WATER SOLD</b>	<b>8744140</b>	<b>86%</b>
12	<b>TOTAL WATER NOT SOLD</b>	<b>1431360</b>	<b>14%</b> <span style="border: 1px solid black; border-radius: 50%; padding: 2px;">1379,120</span>
<b>BREAKDOWN OF UNSOLD WATER USED</b>			
13	Utility and/or Water Treatment Plant	22000	0%
14	Wastewater Plant	0	0%
15	System Flushing	9500	0%
16	Fire Department	0	0%
17	Other (explain) <u>leak- hwy 562 &amp; hwy 42</u>	399600	4%
<b>TOTAL UNSOLD WATER USED</b>		<b>431100</b>	<b>4%</b>
<b>BREAKDOWN OF WATER LOST</b>			
18	Tank Overflows	0	0%
19	Line Breaks	0	0%
20	Other Loss	1000260	10%
<b>TOTAL WATER LOST</b>		<b>1000260</b>	<b>10%</b>

"OTHER LOSS" FLOW RATE CALCULATION:		
21	"Other Loss"	1000260
22	% "Other Loss"	10%
23	Number of Days in Period	31
24	"Other Loss" per Day (1,000's gallons per Day)	32266
25	"Other Loss" per Minute (GPM)	22407



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**GALLATIN COUNTY WATER DISTRICT**  
**BASIC FINANCIAL STATEMENTS,**  
**SUPPLEMENTARY INFORMATION,**  
**AND INDEPENDENT AUDITORS' REPORTS**

**At December 31, 2010 and 2009**

**GALLATIN COUNTY WATER DISTRICT  
BASIC FINANCIAL STATEMENTS  
SUPPLEMENTARY INFORMATION  
AND INDEPENDENT AUDITORS' REPORTS**

Years Ended December 31, 2010 and 2009

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To the Commissioners of the  
Gallatin County Water District  
Sparta, Kentucky 41086

**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of Gallatin County Water District as of and for the years ended December 31, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of Gallatin County Water District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Gallatin County Water District as of December 31, 2010 and 2009, and the changes in financial position, and cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 17, 2011, on our consideration of the Gallatin 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 5 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.

*Raisor, Zapp & Woods, PSC*

RAISOR, ZAPP & WOODS, PSC  
Certified Public Accountants

March 17, 2011

**GALLATIN COUNTY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2010**

Our discussion and analysis of the Gallatin County Water District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2010. Please read it in conjunction with the District's financial statements, which begin on page 6.

**REQUIRED FINANCIAL STATEMENTS**

The financial statements of the District report information about the District's use of accounting methods which are similar to those used by private sector companies. These statements offer short and long-term financial information about its activities.

The balance sheet includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to District creditors (liabilities). It also provides the basis for evaluating the capital of the District and assessing its liquidity and financial flexibility.

All of the current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net assets. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its water rates and other fees.

The final required financial statement is its statement of cash flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reported period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities, and the change in cash during the reporting period.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the District's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

**FINANCIAL HIGHLIGHTS**

The following are key financial highlights:

- Total assets at year-end were \$8,048,391 and exceeded liabilities in the amount of \$4,051,418 (i.e. net assets). Of the total net assets, \$887,206 was unrestricted and was available to support short-term operations. Total net assets decreased from year end 2009 to 2010 in the amount of \$126,671 mainly due to a decrease in funding received for capital projects.
- Water charges increased approximately \$18,000 during the year.
- Operating expenses increased by approximately \$4,800, attributable to some small increases in utilities-pumping, retirement expenses and line maintenance.
- The District was in compliance with all debt covenants required by borrowing agreements.

**Balance Sheet, Statement of Net Assets**

Utility Plant decreased by \$277,228, net of depreciation, in 2010. (See diagram below.)

**GALLATIN COUNTY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2010**

**Condensed Assets**

	<u>2010</u>	<u>2009</u>	<u>Difference</u>
Utility Plant	\$ 6,713,299	\$ 6,990,527	\$ (277,228)
Current Assets	768,373	738,619	29,754
Other Non-current Assets	566,719	521,446	45,273
Total Net Assets	<u>\$ 8,048,391</u>	<u>\$ 8,250,592</u>	<u>\$ (202,201)</u>

At the end of December 31, 2010, the District had \$6,713,299 invested in capital assets (net of depreciation) including buildings, equipment, and water lines. (See table below.)

	<u>2010</u>	<u>2009</u>
Land & Land Rights	\$ 226,229	\$ 226,229
Structures & Improvements	275,451	284,424
Distribution System	5,860,988	6,090,333
Wells	273,257	286,635
Machinery & Equipment	<u>77,374</u>	<u>102,906</u>
Totals	<u>\$ 6,713,299</u>	<u>\$ 6,990,527</u>

This year's major additions included:

- Distribution system improvements included a connector loop in the eastern end of the county.
- Distribution system additions included the installation of four new fire protection hydrants.

Long-term debt decreased by normal principal payments made during the year. The decrease in current and accrued liabilities is attributed to the decrease in obligations due on capital projects at December 31, 2010.

**Condensed Liabilities**

	<u>2010</u>	<u>2009</u>	<u>Difference</u>
Long Term Debt	\$ 3,802,680	\$ 3,881,175	\$ (78,495)
Current & Accrued Liabilities	194,293	191,328	2,965
Total Liabilities	<u>\$ 3,996,973</u>	<u>\$ 4,072,503</u>	<u>\$ (75,530)</u>

**GALLATIN COUNTY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2010**

**Net Assets**

At December 31, 2010, net assets decreased \$126,671, as a result of contributions in aid of construction of \$27,950 offset by the District's loss from operations (before contributions) of \$154,621.

**Condensed Net Assets**

	<u>2010</u>	<u>2009</u>	<u>Difference</u>
Invested in Capital Assets, Net of Related Debt	\$ 2,893,694	\$ 3,095,824	\$ (202,130)
Restricted for Capital Projects	20,000	15,000	5,000
Restricted for Debt Service	250,518	228,755	21,763
Unrestricted	887,206	838,510	48,696
Total	<u>\$ 4,051,418</u>	<u>\$ 4,178,089</u>	<u>\$ (126,671)</u>

**Income Statement**

Operating Revenues for 2010 increased by \$17,946 (1%). Operating expenses increased in 2010 due mainly to small increases in utilities-pumping, retirement expenses and line maintenance. Depreciation also decreased.

**Condensed Statement of Revenues and Expenses**

	<u>2010</u>	<u>2009</u>	<u>Difference</u>
Operating Revenue	\$ 886,019	\$ 868,073	\$ 17,946
Operating Expenses	899,343	894,564	4,779
Net-Operating Revenue	(13,324)	(26,491)	13,167
Non-Operating Income (Expenses)	(141,297)	(142,173)	876
Net Income Before Contributions	<u>\$ (154,621)</u>	<u>\$ (168,664)</u>	<u>\$ 14,043</u>

**Statement of Cash Flows**

Cash from Operating Activities was up \$11,701 in 2010. Cash from capital and related financing activities in 2010 reflect grant monies received and used to finance capital improvements equipment. Cash used in investing activities reflects the District's investment in additional certificates of deposit. Cash is consistent with expectations for the year.

**Condensed Statement of Cash Flows**

	<u>2010</u>	<u>2009</u>	<u>Difference</u>
Cash from Operating Activities	\$ 335,599	\$ 323,898	\$ 11,701
Cash from Capital & Related Financing Activities	(266,229)	(229,307)	(36,922)
Cash from Investing Activities	(147,564)	6,821	(154,385)
Change in Cash	\$ (78,194)	\$ 101,412	\$ (179,606)
Cash Balance, Beginning of Year	735,490	634,078	101,412
Cash Balance, End of Year	<u>\$ 657,296</u>	<u>\$ 735,490</u>	<u>\$ (78,194)</u>

**GALLATIN COUNTY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
December 31, 2010**

**Debt**

At year-end, the District had \$3,862,643 in notes payable and bonds payable compared to \$3,939,169 last year as shown below. The decrease is attributable to the payment of scheduled principal and interest payments.

Notes Payable	\$ 539,443	\$ 562,269
Bonds Payable	<u>3,323,200</u>	<u>3,376,900</u>
Totals	<u>\$ 3,862,643</u>	<u>\$ 3,939,169</u>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District anticipates applying for a rate increase in 2011 as well as some minor system upgrades.

The District anticipates operating income in 2011 to be comparable to its 2010 results.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's office at 4500 Highway 455, Sparta, KY 41086.

Tammy Hendren  
Office Manager

GALLATIN COUNTY WATER DISTRICT  
STATEMENT OF NET ASSETS  
December 31, 2010 and 2009

	2010	2009
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash, Including Time Deposits	\$ 633,400	\$ 600,371
Accounts Receivable Trade (Net)	98,346	97,176
Accounts Receivable-Other	-	207
Interest Receivable	2,513	2,715
Inventory	24,382	26,388
Prepaid Expense	9,732	11,762
Total Current Assets	\$ 768,373	\$ 738,619
<b>Noncurrent Assets:</b>		
<b>Restricted Assets:</b>		
Cash, Including Time Deposits	\$ 523,146	\$ 476,098
Interest Receivable	535	882
Bond Issuance Costs, (Net)	43,038	44,466
Capital Assets (Net)	6,713,299	6,990,527
Total Noncurrent Assets	\$ 7,280,018	\$ 7,511,973
<b>Total Assets</b>	<b>\$ 8,048,391</b>	<b>\$ 8,250,592</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	\$ 11,195	\$ 11,411
Accrued Wages	4,331	3,926
Accrued Compensated Absences	9,936	8,640
Accrued Payroll Taxes/Employee Withholding	12,630	12,172
Utility Tax Payable	2,008	1,995
Sales Tax Payable	335	370
<b>Current Liabilities Payable from Restricted Assets:</b>		
Accrued Interest Payable	75,035	76,288
Revenue Bonds Payable	55,700	53,700
Note Payable - Kentucky Infrastructure Authority	23,123	22,826
Total Current Liabilities	\$ 194,293	\$ 191,328
<b>Noncurrent Liabilities:</b>		
Revenue Bonds Payable	\$ 3,267,500	\$ 3,323,200
Note Payable - Kentucky Infrastructure Authority	516,320	539,443
Escrow - Customer Construction Deposits	350	350
<b>Noncurrent Liabilities Payable from Restricted Assets:</b>		
Customer Deposits Payable	18,510	18,182
Total Noncurrent Liabilities	\$ 3,802,680	\$ 3,881,175
<b>Total Liabilities</b>	<b>\$ 3,996,973</b>	<b>\$ 4,072,503</b>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	\$ 2,893,694	\$ 3,095,824
Restricted for Capital Projects	20,000	15,000
Restricted for Debt Service	250,518	228,755
Unrestricted	887,206	838,510
<b>Total Net Assets</b>	<b>\$ 4,051,418</b>	<b>\$ 4,178,089</b>

GALLATIN COUNTY WATER DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
For the Years Ended December 31, 2010 and 2009

	2010	2009
Operating Revenues:		
Charges for Services:		
Water Charges (Net of Estimated Bad Debts)	\$ 830,773	\$ 816,625
Total Charges for Services	\$ 830,773	\$ 816,625
Other Charges and Miscellaneous:		
Billing Service Charges	\$ 31,820	\$ 30,150
Reconnect and Disconnect Charges	21,160	21,273
Miscellaneous	2,266	25
Total Other Charges and Miscellaneous	\$ 55,246	\$ 51,448
Total Operating Revenues	\$ 886,019	\$ 868,073
 Operating Expenses:		
Bank Charges	\$ 7,027	\$ 6,814
Commissioner Fees	5,800	5,900
Contractual Service - Sampling	3,480	8,825
Dues	1,228	1,296
Health Insurance	74,141	79,033
Insurance	22,469	23,974
Labor	217,728	210,715
Maintenance of Mains	38,656	32,106
Office Supplies and Expense	22,495	19,901
Other Interest Expense	177	178
Payroll Taxes	15,567	15,245
Professional Services	13,737	18,483
Purchased Water	7,073	6,877
Regulatory Fees	1,385	1,385
Retirement Expense	35,869	31,970
Travel/Transportation Expense	18,461	17,051
Uniforms	1,845	2,430
Utilities - Office	11,476	10,936
Utilities - Pumping	57,128	53,717
Depreciation Expense	343,601	347,728
Total Operating Expenses	\$ 899,343	\$ 894,564
Net Operating Income (Loss)	\$ (13,324)	\$ (26,491)
 Nonoperating Revenue (Expense):		
Investment Income	\$ 10,158	\$ 15,848
Interest Expense	(157,027)	(159,813)
Amortization of Bond Issuance Costs	(1,428)	(1,428)
Gain (Loss) on Equipment Sold/Abandoned	7,000	3,220
Total Nonoperating Revenues (Expense)	\$ (141,297)	\$ (142,173)
Net Income (Loss) Before Contributions	\$ (154,621)	\$ (168,664)
Capital Contributions	27,950	85,470
Net Income	\$ (126,671)	\$ (83,194)
Net Assets--Beginning of Year	4,178,089	4,261,283
Net Assets--End of Year	\$4,051,418	\$4,178,089

**GALLATIN COUNTY WATER DISTRICT**  
**STATEMENT OF CASH FLOWS**  
For the Years Ended December 31, 2010 and 2009

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 885,362	\$ 847,866
Payments to Suppliers	(286,027)	(328,447)
Payments to Employees	(221,827)	(216,819)
Other Receipts (Payments)	(41,909)	21,298
Net Cash Provided (Used) by Operating Activities	\$ 335,599	\$ 323,898
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Contributions	\$ 7,950	\$ 4,970
Rural Development Grant Proceeds	-	65,500
Fiscal Court Capital Contribution	20,000	15,000
Purchases of Capital Assets	(66,373)	(84,764)
Proceeds from Sales of Assets	7,000	3,220
Principal Paid on Capital Debt	(76,526)	(72,232)
Interest Paid on Capital Debt (including capitalized interest)	(158,280)	(161,001)
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (266,229)	\$ (229,307)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	\$ (158,271)	\$ (6,737)
Interest on Investments	10,707	13,558
Net Cash Provided (Used) by Investing Activities	\$ (147,564)	\$ 6,821
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (78,194)	\$ 101,412
Balances-Beginning of the Year	735,490	634,078
Balances-End of the Year	\$ 657,296	\$ 735,490

	Balances Per December 31, 2010 Statement of Net Assets	Balances Per December 31, 2010 Statement of Cash Flows
Cash	\$ 205,106	\$ 205,106
Time Deposits	428,294	-
Restricted Cash	452,190	452,190
Restricted Time Deposits	70,956	-
Total Cash and Cash Equivalents, End of Year	\$ 1,156,546	\$ 657,296
	Balances Per December 31, 2009 Statement of Net Assets	Balances Per December 31, 2009 Statement of Cash Flows
Cash	\$ 328,493	\$ 328,493
Time Deposits	271,878	-
Restricted Cash	406,997	406,997
Restricted Time Deposits	69,101	-
Total Cash and Cash Equivalents, End of Year	\$ 1,076,469	\$ 735,490

(Continued)

**GALLATIN COUNTY WATER DISTRICT  
STATEMENT OF CASH FLOWS  
For the Years Ended December 31, 2010 and 2009**

	<b>2010</b>	<b>2009</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (13,324)	\$ (26,491)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Cash Flows Reported in Other Categories:		
Depreciation Expense	343,601	347,728
Change in Assets and Liabilities:		
Receivables, Net	(1,170)	(1,659)
Accounts Receivable - Other	207	1,069
Inventories	2,006	(405)
Prepaid Expenses	2,030	1,175
Accounts and Other Payables	(216)	(2,148)
Accrued Expenses	2,137	3,008
Customer Meter Deposits Payable	328	1,621
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 335,599</b>	<b>\$ 323,898</b>

**SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES**

At December 31, 2010 and 2009, Gallatin County Water District had not incurred any noncash transactions.

**GALLATIN COUNTY WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
December 31, 2010 and 2009**

**NOTE 1 – DESCRIPTION OF ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**

The Gallatin County Water District is a rural water company serving approximately 1,890 customers in Gallatin, Grant and Boone Counties of Kentucky, and regulated by the Public Service Commission of the Commonwealth of Kentucky. The Water District was formed under the laws of Gallatin County in September 1960 through the Fiscal Court (reaffirmed in 1985) and began operations in July 1989.

In evaluating how to define Gallatin County 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.

A summary of the District's significant accounting policies follows:

**Basis of presentation and accounting:** As stated in Kentucky Revised Statutes (KRS) 278.015, "any water district 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. The financial statements of the District are prepared in accordance with generally accepted accounting principles (GAAP). The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements.

All activities of the District are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (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.

Proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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 statement of net assets. Net assets (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt; restricted; and unrestricted components.

**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 and result from nonexchange transactions or ancillary activities.

The District adheres to the use restrictions established by Bond Agreements when expenses are incurred for which both restricted and unrestricted net assets are available. The District has no policy defining which resources (restricted or unrestricted) to use first.

GALLATIN COUNTY WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2010 and 2009

**NOTE 1 – DESCRIPTION OF ENTITY AND SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Property and equipment:** Property and equipment purchased or constructed is stated at cost. Interest related to costs, and major improvements, renewals and replacements is capitalized as a cost of the project. Costs associated with hook-up fees are capitalized as meters, installations, and services. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. The range of estimated useful lives by type of asset is as follows:

- Structures & Improvements	40 years
- Distribution System	30-50 years
- Wells	35 years
- Machinery & Equipment	5-20 years

**Inventory:** Inventories are stated at latest cost.

**Compensated Absences:** See Note 9 for the District's policy on vacation and personal days.

**Income Taxes:** The Gallatin County Water District is not subject to income taxes.

**Contributed capital:** Under the Governmental Accounting Standards Board's (GASB) Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District recognizes capital contributions as revenues in the statement of revenues, expenses and changes in fund net assets. Grants totaling \$65,500 were received by the District for the year ended December 31, 2009. No grant monies were received in the year ended December 31, 2010. Also, tap-on fees of \$7,950 and \$4,970 were received by the District for the years ended December 31, 2010 and 2009. In 2010 and 2009 the Gallatin County Fiscal Court contributed \$20,000 and \$15,000 respectively for hydrant installations.

**Net assets:** Net assets comprise the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three components: invested in capital assets, net of related debt; restricted; and unrestricted net assets. Invested in capital assets, net of related debt, consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets; debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net assets consists of net assets for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations and enabling legislation, including self-imposed legal mandates. Unrestricted net assets consist of all other net assets not included in the above categories.

**Estimates:** The preparation of financial statements 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.

**Statement of Cash Flows:** For the purpose of the Statement of Cash Flows, Gallatin County Water District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**NOTE 2 – DEBT RESTRICTIONS AND COVENANTS**

The Bond and Interest Sinking Account was established with the original RECD bond issue, and is to be continued to be maintained as long as any of the 1988, 1993, 1996, 2000, 2002 or 2006 issues are outstanding. Under the bond resolution which established this account, it was provided that a minimum balance be maintained in this account as security to the bondholders. In order to attain the minimum balance, a monthly transfer must be made as follows:

	one sixth (1/6) of the next semiannual interest payment
+	<u>one twelfth (1/12) of next annual principal payment</u>
=	monthly transfer

GALLATIN COUNTY WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2010 and 2009

**NOTE 2 – DEBT RESTRICTIONS AND COVENANTS (Continued)**

Transfers sufficient to meet the total obligation outstanding on all issues were made timely during the years ended December 31, 2010 and 2009.

A funded depreciation reserve account was required in accordance with the original RECD Bond issue and was continued with the District's subsequent issues. The cumulative requirement of these issues was a monthly transfer of \$547 into this account until the balance accumulated to \$71,600. The 2000 Bond Resolution required \$240 to be deposited monthly to the depreciation reserve account as long as any bonds payable remain outstanding, until an additional \$28,800 is accumulated. The 2002 Bond Resolution requires an additional transfer of \$65 per month until \$7,800 (additional) is accumulated. The 2006 Bond Resolution requires an additional transfer of \$865 per month until an additional \$103,800 is accumulated in the reserve. This additional transfer began in January, 2008. The deposits must be resumed any time the account(s) fall below the balance indicated.

A funded Maintenance and Replacement Reserve is required by the District's Assistance Agreement (B99-02) with the Kentucky Infrastructure Authority. Under the agreement, the District must deposit into this account an amount equal to 10% of the amount of the loan payment until the amount accumulated on deposit is equal to 5% of the original principal amount of the loan. Assuming all payments are made as required, the account will be fully funded in June, 2013.

Transfers were made as required in 2010 and 2009.

A funded short lived asset account is required under the letter of conditions establishing funding for the 2006 system improvement project. Under this agreement, the District must deposit \$5,535 monthly into the account. This account may be used as needed to replace or add short lived assets in the District's water system. Transfers began in January, 2008. During 2010, \$45,560 was used to finance the Steele's Bottom line extension.

**NOTE 3 – CASH AND INVESTMENTS**

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.

Gallatin County 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, 2010 and 2009. The categories of credit risk are defined as follows:

Category 1 – Insured by FDIC Insurance or collateralized with a depository surety bond or 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.

GALLATIN COUNTY WATER DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 December 31, 2010 and 2009

**NOTE 3 – CASH AND INVESTMENTS (Continued)**

**December 31, 2010**

Type of Deposits	Total Bank Balance	Custody Credit Risk Category			Total Carrying Value
		1	2	3	
Demand Deposits	\$ 224,580	\$ 224,580	\$ -	\$ -	\$ 225,036
Time and Savings Deposits	931,440	881,088	50,352	-	931,440
<b>Total Deposits</b>	<b>\$ 1,156,020</b>	<b>\$ 1,105,668</b>	<b>\$ 50,352</b>	<b>\$ -</b>	<b>\$ 1,156,476</b>

**December 31, 2009**

Type of Deposits	Total Bank Balance	Custody Credit Risk Category			Total Carrying Value
		1	2	3	
Time and Savings Deposits	\$ 1,077,031	\$ 886,012	\$ 191,019	\$ -	\$ 1,076,399
<b>Total Deposits</b>	<b>\$ 1,077,031</b>	<b>\$ 886,012</b>	<b>\$ 191,019</b>	<b>\$ -</b>	<b>\$ 1,076,399</b>

**Reconciliation to Statement of Net Assets:**

	December 31, 2010	December 31, 2009
Unrestricted Cash	\$ 633,400	\$ 600,371
Restricted Cash, Including Time Deposits	523,146	476,098
Less Cash on Hand	(70)	(70)
	<b>\$ 1,156,476</b>	<b>\$ 1,076,399</b>

**NOTE 4 – RESTRICTED ASSETS**

Restricted cash and investments consist of the following:

	December 31, 2010	December 31, 2009
Bond and Interest Sinking Account	\$ 131,088	\$ 129,956
Depreciation Account	159,197	142,878
Customer Deposits	22,737	23,188
Speedway Maintenance and Replacement Reserve	34,733	31,327
Short Lived Assets Account	155,391	133,749
Hydrant Construction	20,000	15,000
<b>Total</b>	<b>\$ 523,146</b>	<b>\$ 476,098</b>

Restricted receivables consist of the following:

	December 31, 2010	December 31, 2009
Interest Receivable	\$ 535	\$ 882
<b>Total</b>	<b>\$ 535</b>	<b>\$ 882</b>

**NOTE 5 – CUSTOMER ACCOUNTS RECEIVABLE**

Customer Accounts Receivable has been netted with an Allowance for Bad Debts of \$11,750 and \$7,155 at December 31, 2010 and 2009, respectively. The amount provided for bad debts represents the portion of the total amounts for which collection is unlikely, based on historical collection data.

**GALLATIN COUNTY WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2010 and 2009**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the years ended December 31, 2010 and 2009, was as follows:

	Balance at January 1, 2010	Additions	Disposals	Balance at December 31, 2010
Land & Land Rights	\$ 226,229	\$ -	\$ -	\$ 226,229
Organizational Fees	31,926	-	-	31,926
Structures & Improvements	344,910	-	-	344,910
Distribution System	8,363,002	66,373	-	8,429,375
Wells	366,887	-	-	366,887
Machinery & Equipment	283,186	-	(20,255)	262,931
<b>Totals at Historical Cost</b>	<b>\$ 9,616,140</b>	<b>\$ 66,373</b>	<b>\$ (20,255)</b>	<b>\$ 9,662,258</b>
<b>Less: Accumulated Depreciation</b>				
Organizational Fees	\$ (31,926)	\$ -	\$ -	\$ (31,926)
Structures & Improvements	(60,486)	(8,973)	-	(69,459)
Distribution System	(2,272,669)	(295,718)	-	(2,568,387)
Wells	(80,252)	(13,378)	-	(93,630)
Machinery & Equipment	(180,280)	(25,532)	20,255	(185,557)
<b>Total Accumulated Depreciation</b>	<b>\$ (2,625,613)</b>	<b>\$ (343,601)</b>	<b>\$ 20,255</b>	<b>\$ (2,948,959)</b>
<b>Capital Assets, Net</b>	<b>\$ 6,990,527</b>	<b>\$ (277,228)</b>	<b>\$ -</b>	<b>\$ 6,713,299</b>

	Balance at January 1, 2009	Additions	Disposals	Balance at December 31, 2009
Land & Land Rights	\$ 226,229	\$ -	\$ -	\$ 226,229
Organizational Fees	31,926	-	-	31,926
Structures & Improvements	265,463	79,447	-	344,910
Distribution System	8,347,396	15,606	-	8,363,002
Wells	366,887	-	-	366,887
Machinery & Equipment	272,910	34,600	(24,324)	283,186
Construction in Process	56,525	-	(56,525)	-
<b>Totals at Historical Cost</b>	<b>\$ 9,567,336</b>	<b>\$ 129,653</b>	<b>\$ (80,849)</b>	<b>\$ 9,616,140</b>
<b>Less: Accumulated Depreciation</b>				
Organizational Fees	\$ (31,926)	\$ -	\$ -	\$ (31,926)
Structures & Improvements	(51,513)	(8,973)	-	(60,486)
Distribution System	(1,973,068)	(299,601)	-	(2,272,669)
Wells	(66,872)	(13,380)	-	(80,252)
Machinery & Equipment	(178,830)	(25,774)	24,324	(180,280)
<b>Total Accumulated Depreciation</b>	<b>\$ (2,302,209)</b>	<b>\$ (347,728)</b>	<b>\$ 24,324</b>	<b>\$ (2,625,613)</b>
<b>Capital Assets, Net</b>	<b>\$ 7,265,127</b>	<b>\$ (218,075)</b>	<b>\$ (56,525)</b>	<b>\$ 6,990,527</b>

Land and land rights are capital assets not being depreciated. Included under the District's Plant Assets were \$273,959 and \$158,803 of fully depreciated assets, at December 31, 2010 and 2009, respectively.

Depreciation expense aggregated \$343,601 and \$347,728 in 2010 and 2009, respectively.

GALLATIN COUNTY WATER DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 December 31, 2010 and 2009

**NOTE 7 – CUSTOMER DEPOSITS/ESCROW**

Customer deposits are collected upon installation of water service. This amount is to be refunded to the customer upon discontinuation of service (after the customer's bill has been paid in full) or one year pending a satisfactory payment record. Deposits received from customers are held in an interest bearing account (which is included in the financial statements as restricted cash). Records are maintained which detail the accrued interest on each customer's deposit based on the current annual rate. Accrued interest is paid annually and when the deposit is refunded.

Customer construction deposits represent amounts collected for hookups on future line extensions.

**NOTE 8 – LONG-TERM DEBT**

As of December 31, 2010 and 2009, the long-term debt payable consisted of the following:

**Notes Payable:**

	December 31, 2010	December 31, 2009
Kentucky Infrastructure Authority note payable represents a thirty year loan secured by water revenues. Interest is charged at 1.3% per annum. The original principal balance was \$744,796. Payments of principal, interest, and servicing fees are due semiannually.	\$ 539,443	\$ 562,269
Total Notes Payable	\$ 539,443	\$ 562,269
Current Portion	\$ 23,123	\$ 22,826
Noncurrent Portion	516,320	539,443
Total Notes Payable	\$ 539,443	\$ 562,269

**Bonds Payable:**

RECD Revenue Bonds of 1988 Series A, original issue amount of \$290,000, secured by water revenues. Interest is charged at the rate of 5.0% per annum. Final maturity is January 1, 2028.	\$ 201,000	\$ 208,000
RECD Revenue Bonds of 1988 Series B, original issue amount of \$108,000, secured by water revenues. Interest is charged at the rate of 5.0% per annum. Final maturity is January 1, 2028.	77,000	80,000
RECD Revenue Bonds of 1993, original issue amount of \$420,000, secured by water revenues. Interest is charged at the rate of 5.0% per annum. Final maturity is January 1, 2032.	327,000	335,000
RECD Revenue Bonds of 1996, original issue amount of \$371,000, secured by water revenues. Interest is charged at the rate of 4.875% per annum. Final maturity is January 1, 2035.	312,400	318,400

**GALLATIN COUNTY WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2010 and 2009**

**NOTE 8 – LONG-TERM DEBT (Continued)**

**Bonds Payable: (Continued)**

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
RECD Revenue Bonds of 2000 Series A, original issue amount of \$370,000, secured by water revenues. Interest is charged at the rate of 4.875% per annum. Final maturity is January 1, 2039.	331,200	336,400
RECD Revenue Bonds of 2000 Series B, original issue amount of \$112,000, secured by water revenues. Interest is charged at the rate of 5.0% per annum. Final maturity is January 1, 2039.	100,800	102,300
RECD Revenue Bonds of 2002, original issue amount of \$130,000, secured by water revenues. Interest is charged at the rate of 4.625% per annum. Final maturity is January 1, 2042.	121,400	123,000
RECD Revenue Bonds of 2006, Series A, original issue amount of \$1,394,000, secured by water revenues. Interest is charged at the rate of 4.125% per annum. Final maturity is January 1, 2046.	1,363,000	1,379,000
RECD Revenue Bonds of 2006, Series B original issue amount of \$500,000, secured by water revenues. Interest is charged at the rate of 4.125% per annum. Final maturity is January 1, 2046.	489,400	494,800
<b>Total Bonds Payable</b>	<b>\$ 3,323,200</b>	<b>\$ 3,376,900</b>
Current Portion	\$ 55,700	\$ 53,700
Noncurrent Portion	3,267,500	3,323,200
<b>Total Bonds Payable</b>	<b>\$ 3,323,200</b>	<b>\$ 3,376,900</b>

**Accrued Compensated Absences:**

Current Accrued Compensated Absences	\$ 9,936	\$ 8,640
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**Changes in Long-term Debt**

The following is a summary of changes in long-term debt for the years ended December 31, 2010 and 2009.

**December 31, 2010**

	<u>Balance at January 1, 2010</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance at December 31, 2010</u>	<u>Current Portion</u>
Notes Payable	\$ 562,269	\$ -	\$ (22,826)	\$ 539,443	\$ 23,123
Bonds Payable	3,376,900	-	(53,700)	3,323,200	55,700
Accrued Compensated Absences	8,640	1,296	-	9,936	9,936
<b>Total Enterprise Fund Debt</b>	<b>\$ 3,947,809</b>	<b>\$ 1,296</b>	<b>\$ (76,526)</b>	<b>\$ 3,872,579</b>	<b>\$ 88,759</b>

GALLATIN COUNTY WATER DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 December 31, 2010 and 2009

**NOTE 8 – LONG-TERM DEBT (Continued)**

**December 31, 2009**

	Balance at January 1, 2009	Additions	Repayments	Balance at December 31, 2009	Current Portion
Notes Payable	\$ 584,801	\$ -	\$ (22,532)	\$ 562,269	\$ 22,826
Bonds Payable	3,426,600	-	(49,700)	3,376,900	53,700
Accrued Compensated Absences	6,967	1,673	-	8,640	8,640
<b>Total Enterprise Fund Debt</b>	<b>\$ 4,018,368</b>	<b>\$ 1,673</b>	<b>\$ (72,232)</b>	<b>\$ 3,947,809</b>	<b>\$ 85,166</b>

The annual requirements for all long-term debt outstanding at December 31, 2010, are as follows:

Due	Bonds	Bond Interest	KIA Note	Note Interest	Note Servicing Fee	Total Payments Due
2011	\$ 55,700	\$ 146,118	\$ 23,123	\$ 6,938	\$ 1,067	\$ 232,946
2012	57,800	143,450	23,425	6,636	1,021	232,332
2013	60,800	140,645	23,730	6,331	974	232,480
2014	63,900	137,698	24,040	6,021	926	232,585
2015	66,100	134,644	24,353	5,708	878	231,683
2016-2020	385,000	621,520	126,615	23,691	3,645	1,160,471
2021-2025	485,200	518,869	135,090	15,216	2,341	1,156,716
2026-2030	567,100	392,451	144,132	6,173	950	1,110,806
2031-2035	551,200	265,702	14,935	97	15	831,949
2036-2040	482,300	154,254	-	-	-	636,554
2041-2045	449,500	58,051	-	-	-	507,551
2046 and thereafter	98,600	-	-	-	-	98,600
	<b>\$ 3,323,200</b>	<b>\$ 2,713,402</b>	<b>\$ 539,443</b>	<b>\$ 76,811</b>	<b>\$ 11,817</b>	<b>\$ 6,664,673</b>

The annual requirements for all long-term debt outstanding at December 31, 2009, are as follows:

Due	Bonds	Bond Interest	KIA Note	Note Interest	Note Servicing Fee	Total Payments Due
2010	\$ 53,700	\$ 148,692	\$ 22,826	\$ 7,236	\$ 1,113	\$ 233,567
2011	55,700	146,118	23,123	6,938	1,067	232,946
2012	57,800	143,450	23,425	6,636	1,021	232,332
2013	60,800	140,645	23,730	6,331	974	232,480
2014	63,900	137,698	24,040	6,021	926	232,585
2015-2019	367,200	639,321	124,985	25,321	3,896	1,160,723
2020-2024	462,600	541,328	133,351	16,955	2,609	1,156,843
2025-2029	564,200	418,561	142,277	8,029	1,235	1,134,302
2030-2034	550,600	290,471	44,512	580	89	886,252
2035-2039	509,400	175,079	-	-	-	684,479
2040-2044	438,000	76,663	-	-	-	514,663
2045 and thereafter	193,000	4,067	-	-	-	197,067
	<b>\$ 3,376,900</b>	<b>\$ 2,862,093</b>	<b>\$ 562,269</b>	<b>\$ 84,047</b>	<b>\$ 12,930</b>	<b>\$ 6,898,239</b>

**GALLATIN COUNTY WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2010 and 2009**

**NOTE 9 – COMPENSATED ABSENCES**

Vacation days accumulate as follows:

At the end of 1 <sup>st</sup> year	1 week of vacation
At the end of 2 <sup>nd</sup> year	2 weeks of vacation
At the end of 5 <sup>th</sup> year	3 weeks of vacation

Vacation, if not taken in the calendar year due, is lost, unless specifically approved by the Commissioners. In 2001, the District approved a policy under which employees accrue 5 days of personal leave per year. In 2009, the District approved a policy under which an employee may accumulate up to 60 days (previously it was 30 days) personal leave. The District accrues a liability for compensated absences, which meet the following criteria:

1. The District's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria, the District has accrued a liability for compensated absences in the amount of \$9,936 and \$8,640 at December 31, 2010 and 2009, respectively.

**NOTE 10 – INTEREST EXPENSE**

Interest expense incurred and charged to expense for the years ended December 31, 2010 and 2009 was \$157,204 and \$159,991, respectively. No interest was capitalized in 2010 or 2009.

**NOTE 11 – FUND EQUITY – RESTRICTED NET ASSETS**

	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Restricted Capital Projects:		
Monies Restricted for Future Projects	\$ 20,000	\$ 15,000
Total Restricted for Capital Projects	<u>\$ 20,000</u>	<u>\$ 15,000</u>
Restricted for Debt Service:		
RECD Revenue Bonds of 1988, 1993, 1996, 2000, 2002 and 2006		
Kentucky Infrastructure Authority Note		
Cash	\$ 325,018	\$ 304,161
Add: Accrued Interest Receivable	535	882
Less: Accrued Interest Payable	(75,035)	(76,288)
Total Restricted for Debt Service	<u>\$ 250,518</u>	<u>\$ 228,755</u>

**NOTE 12 – BAD DEBT EXPENSE**

Water revenue charges have been netted with estimated bad debt expense of \$10,267 and \$7,085 at December 31, 2010 and 2009, respectively.

**NOTE 13 – INSURANCE AND RELATED ACTIVITIES**

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, etc. Each of these risks is covered through the contributions, premiums and assessments to the Kentucky Association of All Lines Fund (KALF). The District is also subject to the risks associated with employee injury. These risks are covered through premiums paid to the Kentucky Association of Counties, Workers' Compensation Self-insurance Fund. Such coverage is retrospectively rated and premiums may be adjusted based on experience.

GALLATIN COUNTY WATER DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 December 31, 2010 and 2009

**NOTE 14 – THE COUNTY EMPLOYEES’ RETIREMENT SYSTEM**

Entry into the Commonwealth of Kentucky’s County Employees’ Retirement System (CERS) was authorized by the Commissioners in November 1999. Beginning December 1, 1999, electing employees and all new employees of the District may participate in the System. The most recent financial report on CERS is included in the Kentucky Retirement System’s annual report, June 30, 2010 and 2009. Copies of this report will be distributed to each participating employer in the Kentucky Employees Retirement System, County Employees Retirement System, and State Police Retirement System. Copies will also be available to Legislative personnel and state libraries.

**Plan Description** – CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in non-hazardous duty positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in CERS. The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the plan documents. Retirement benefits may be extended to beneficiaries of plan members under circumstances. Cost-of-living (COLA) adjustments are provided at the discretion of the State legislature.

**Contributions** – For the years ended June 30, 2010, and 2009, plan members were required to contribute 5% of their annual creditable compensation. Participating employers were required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 61.565 (3), normal contribution and past service contribution rates shall be determined by the Board of Trustees of the Kentucky Retirement Systems (Board) on the basis of an annual valuation last preceding the July 1 of a new biennium. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial bases adopted by the Board. For the years ended June 30, 2010 and 2009, participating employers contributed 13.5% of each employee’s creditable compensation through June 30, 2009, and 16.16% of each employee’s creditable compensation through June 30, 2010 (17.16% for new members after September 1, 2008). The rate was increased to 16.93% July 1, 2010 (17.93% for new members after September 1, 2008). The actuarially determined rates to be paid on creditable compensation set by the Board for the fiscal years ended June 30, 2010 and 2009 were 20.91% and 15.58%, respectively. Administrative costs of Kentucky Retirement System are financed through employer contributions and investment earnings.

The District’s total payroll for the year ended December 31, 2010, was \$223,875. Contributions were based on \$218,075 (eligible gross wages). The total pension expense for the fiscal year ended December 31, 2010, was \$36,107 and \$10,904 for the employer and employees, respectively. All contributions were made as required during the year ending December 31, 2010.

The District’s total payroll for the year ended December 31, 2009, was \$218,440. Contributions were based on \$212,540 (eligible gross wages). The total pension expense for the fiscal year ended December 31, 2009, was \$31,597 and \$10,627 for the employer and employees, respectively. All contributions were made as required during the year ending December 31, 2009.

The District’s contribution for the years ended June 30, 2010 and 2009, was .0104% and .0107%, respectively, of the System’s total contribution requirements for all employers.

For non-hazardous duty, the required contributions to the plan were as follows:

	Annual Required Contributions	Actual Contributions	Retiree Drug Subsidy Contributions	Percentage Contributions
June 30, 2010	453,055,709	373,482,939	9,156,991	84.5%
June 30, 2009	425,830,683	303,046,162	7,623,628	73.0%
June 30, 2008	544,853,127	347,035,445	6,003,181	64.8%

The Kentucky Retirement Systems Insurance Fund (Fund) was established to provide hospital and medical insurance for members receiving benefits from CERS. The Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance for current beneficiaries.

GALLATIN COUNTY WATER DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
December 31, 2010 and 2009

**NOTE 15 – RESALE AGREEMENT**

The District has entered into a water resale agreement with the Kentucky American Water District under which agreement, Gallatin County Water District will sell its water to Kentucky American Water at a price of \$1.46 per thousand gallons. A minimum of 559,567 is required to be purchased monthly. The agreement is for a term of 20 years with automatic one year extensions unless terminated by either party upon written notice as specified. Rates may be modified by providing 180 days notice, or by regulatory authority action.

**NOTE 16 - PURCHASED WATER CONTRACT**

Gallatin County Water District has a long-term contract with the City of Warsaw for the purchase of treated water. The original contract for water became effective July 28, 1986, and extended for a period of forty-five (45) years. On June 13, 2007 the contract was amended. Under the agreement, Gallatin County Water District will be charged \$1.25 per 1,000 gallons purchased, with a minimum of 500,000 gallons to be purchased monthly. Additionally, the District agreed to transfer ownership of its 8" Smith Avenue line to the City.

**NOTE 17 – WATER SUPPLY AGREEMENT – ECONOMIC DEPENDENCY**

The District has entered into a water-supply agreement with Kentucky Speedway, LLC. Under the terms of the agreement, Kentucky Speedway, LLC is assessed an annual minimum charge of \$35,000 for annual usage up to 8,500,000 gallons. The Speedway is billed monthly the minimum installment plus sales tax and school tax. When accumulated usage exceeds the annual maximum, the Speedway is charged the current rates in effect for that usage. 4.4% and 5.0% of total water revenue was received from Kentucky Speedway, LLC for the years ended December 31, 2010 and 2009, respectively.

**NOTE 18 – CONTINGENCIES**

The District has motions before the Public Service Commission and Franklin and Gallatin Courts regarding its service area and the provision of services within that area.

To the Commissioners of the  
Gallatin County Water District  
Sparta, KY 41086

**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**

We have audited the financial statements of Gallatin County Water District, as of and for the year ended December 31, 2010, and have issued our report thereon dated March 17, 2011. 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.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit we considered Gallatin County Water District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Gallatin County Water District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Gallatin County Water District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses (Items 10-1 and 10-2).

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Gallatin 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 or other matters that are required to be reported under Government Auditing Standards.

We noted certain matters that we reported to management of Gallatin County Water District in a separate letter dated March 17, 2011.

Gallatin County Water District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Gallatin County Water District's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Rural Economic Community Development Service, Kentucky Infrastructure Authority, other lending agencies, and the Public Service Commission, and is not intended to be and should not be used by anyone other than these specified parties.

*Raisor, Zapp & Woods, PSC*

RAISOR, ZAPP, & WOODS P.S.C  
Certified Public Accountants

March 17, 2011

GALLATIN COUNTY WATER DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
For the Year Ended December 31, 2010

**A. SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of the Gallatin County Water District.
2. Two deficiencies in internal control related to the audit of the financial statements are reported in the 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. Items 10-1 and 10-2 were reported as material weaknesses.
3. No instances of noncompliance material to the financial statements of Gallatin County Water District, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

**GOVERNMENT AUDITING STANDARDS**

**DEFICIENCIES IN INTERNAL CONTROL**

**10-1 SIZE OF ENTITY, CROSS-TRAINING AND CHECKING PROCEDURES**

**CONDITION:**

Due to the size of the entity, cross-training and checking procedures are not in place for certain administrative positions. This limits internal control. This condition was also cited as a material weakness in the schedule of findings and responses for the year ended December 31, 2009 as 09-1.

**CRITERIA:**

Internal controls should be in place to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and allow timely preparation of financial data consistent with management assertions.

**CAUSE:**

Responsibilities associated with individual positions limit the availability of individuals to rotate duties and implement checking procedures.

**EFFECT:**

This limitation may affect the ability to timely record, process, summarize and report financial data.

**RECOMMENDATION:**

Management should strive to provide cross-training for administrative staff and implement checking processes.

**RESPONSE:**

We concur with the recommendation. Management believes adequate resources have been expended and control procedures implemented, that are commensurate with the staff size and responsibility of financial personnel.

GALLATIN COUNTY WATER DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES (Continued)  
For the Year Ended December 31, 2010

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT (Continued)**

**GOVERNMENT AUDITING STANDARDS (Continued)**

**DEFICIENCIES IN INTERNAL CONTROL (Continued)**

**10-2 FAILURE TO PREPARE COMPLETE SET OF FINANCIAL STATEMENTS INCLUDING REQUIRED NOTE DISCLOSURES**

**CONDITION:**

District financial statements, including the required disclosures, are prepared as part of the annual audit. This condition was also cited as a material weakness in the schedule of findings and responses for the year ended December 31, 2009 as 09-2.

**CRITERIA:**

Internal controls should be in place to provide management with reasonable, but not absolute, assurance that financial statements and required notes are prepared in accordance with generally accepted accounting principles.

**CAUSE:**

The draft accrual basis financial statements and disclosures are prepared during the audit process. The entries are entered into the District's general ledger/financial reports.

**EFFECT:**

Management engaged the auditor to prepare the draft of the financial statements, including the related notes to the financial statements. Management reviewed, approved, and accepted responsibility for the financial statements prior to their issuance.

**RECOMMENDATION:**

District management should continue to enhance its knowledge of reporting requirements in providing oversight of this service.

**RESPONSE:**

The outsourcing of this service is a result of management's cost benefit decision to use others' accounting expertise rather than incur internal resource costs. We concur with the recommendation and will continue to improve our overall accounting knowledge in performing our oversight responsibilities.

**COMPLIANCE AND OTHER MATTERS**

**NONE**

To the Commissioners of the  
Gallatin County Water District  
Sparta, KY 41086

RURAL DEVELOPMENT COMPLIANCE LETTER

We have audited the financial statements of Gallatin County Water District as of December 31, 2010, and have issued our report thereon dated March 17, 2011. 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 of material misstatement.

In planning and performing our audit of the financial statements of Gallatin County Water District for the year ended December 31, 2010, we considered its internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Gallatin County Water District's internal control over financial reporting. After obtaining an understanding of the control environment and the flow of transactions through the accounting system, we did not rely on the system of internal accounting controls because of the size of the entity. Our review identified material weaknesses in the internal accounting control system as disclosed in the Schedule of Findings and Responses.

The following information is presented as supplemental information in accordance with USDA Rural Development's requirements.

1. The accounting records of Gallatin County Water District appear adequate.
2. Control over fixed assets is adequate. A supply inventory has been taken.
3. USDA Rural Development loan agreements for the 1988, 1993, 1996, 2000, 2002 and 2006 issues require transfers to be made monthly to the Bond and Interest Sinking Account and Depreciation Account. All accounts are properly funded as of December 31, 2010. Transfers required under the 2006 issues to the Depreciation Account and those required in the establishment of a short lived asset account began in January, 2008.
4. The general accounting records were kept on forms and in the manner suggested by Rural Development.
5. All bank accounts were confirmed directly by the depositories and reconciled to the cash balances as shown in these financial statements. The accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation. Additionally the Bond and Interest Sinking Fund of the District is secured by FDIC Insurance (\$131,088). Deposits in excess of FDIC coverage at First Farmers Bank are secured by two Federal Home Loan Bank letters of credit for \$500,000 and pledged securities with a market value of \$416,092.

6. Insurance coverage may be summarized as follows:

<u>General and Public Officials Liability</u>	\$	3,000,000	
<u>Vehicles &amp; Equipment</u>	\$	1,000,000	Liability/Each Accident
<u>Property, Buildings, Tanks &amp; Equipment</u>	\$	4,036,073	
<u>Employee Dishonesty</u>	\$	150,000	
<u>Fidelity Bond (Position)</u>			
Commissioner (2 Positions)	\$	211,000	
Secretary/Bookkeeper		211,000	
Office Manager		211,000	
<u>Position Bond</u>			
Commissioner(s) & Office Manager	\$	100,000	each
<u>Workmen's Compensation</u>			
All employees			Statutory

7. Gallatin County Water District is a governmental unit and thus exempt from income taxes.

8. Accounts receivable as of December 31, 2010, may be aged as follows.

<u>Total Accounts Receivable</u>	<u>1-30 Days</u>	<u>31-60 Days</u>	<u>Over 60</u>
\$ 110,096	\$ 89,146	\$ 3,621	\$ 17,329

<u>Total Accounts Receivable</u>	<u>Allowance for Uncollectibles</u>	<u>Net Accounts Receivable</u>
\$ 110,096	\$ 11,750	\$ 98,346

Respectfully submitted,

*Raisor, Zapp & Woods, PSC*

RAISOR, ZAPP & WOODS, PSC  
Certified Public Accountants

March 17, 2011

# RAISOR, ZAPP & WOODS, P.S.C.

Certified Public Accountants

513 HIGHLAND AVENUE  
P.O. BOX 354  
CARROLLTON, KENTUCKY 41008  
(502) 732-6655 FAX (502) 732-6161

March 17, 2011

To the Commissioners of the  
Gallatin County Water District  
Sparta, Kentucky 41086

We have audited the financial statements of Gallatin County Water District for the years ended December 31, 2010 and 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 9, 2010. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Gallatin County Water District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during years ending December 31, 2010 and 2009. We noted no transactions entered into by the District during these years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the fixed asset depreciable lives is based on each asset's projected useful life expectancy. We evaluated the key factors and assumptions used to develop the fixed asset depreciable lives and evaluated depreciation expense in determining its reasonableness in relation to the financial statements taken as a whole.
- Management's estimate of the allowance for doubtful accounts is based on historical water revenues, historical loss levels, and an analysis of the aging and collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

To the Commissioners of the  
Gallatin County Water District  
Sparta, Kentucky  
Page Two

The following material misstatements, either individually or in the aggregate, detected as a result of audit procedures were adjusted to the District's trial balance by management:

- To reclassify long-term debt interest.
- Adjust interest receivable to actual.
- Adjust prepaid expenditures for insurance and dues.
- Record accounts payable.
- Capitalize line improvements and other assets acquired during the year.
- Adjust allowance for doubtful accounts and bad debt expense.
- Record additional depreciation expense and remove sold equipment.
- Adjust inventory to physical count at year-end.
- Adjust accrued wages and accrued compensated absences to year-end actual.
- Adjust accounts receivable, customer deposits, and miscellaneous accounts receivable to actual.
- Reclassified hookups.
- Adjust cash balances for old voided checks.
- Reclassify fiscal court's contribution toward hydrant installations to contributed capital.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 17, 2011.

#### *Management Consultation with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Commissioners of the  
Gallatin County Water District  
Sparta, Kentucky  
Page Three

This information is intended solely for the use of the Commissioners and management of Gallatin County Water District and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Raisor, Zapp & Woods, PSC*

RAISOR, ZAPP & WOODS, PSC  
Certified Public Accountants

**RAISOR, ZAPP & WOODS, P.S.C.**

Certified Public Accountants

513 HIGHLAND AVENUE  
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Commissioners of Gallatin County Water District  
4500 Highway 455  
Sparta, Kentucky 41086

In planning and performing our audit of the financial statements of Gallatin County Water District as of and for the year ended December 31, 2010, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

We previously reported on the District's internal control in our report dated March 17, 2011. A separate report contains our report on deficiencies in the District's internal control. This letter does not affect our report dated March 17, 2011, on the financial statements of Gallatin County Water District.

We found the District's accounting system to be capable of providing essential information for effective operating and financial control of the District's operations. At the same time, we observed certain areas where procedural modifications or revisions might provide better internal control. This letter summarizes our comments and suggestions regarding those matters.

In our review of disbursements, we observed instances where expenditures were paid from statements rather than invoices. Employees did not always initial invoices indicating receipt. It should be reiterated to District employees that all disbursements should have proper documentation (i.e. invoices). Disbursements should be paid from the invoice; not from the monthly vendor statement. Receipt of purchased items should be documented.

Improvements were observed in balancing payroll liabilities and other accounts in the general ledger. However, some differences were still observed in the balancing of outstanding customer deposits. Monthly reconciling procedures should be implemented to assure transactions are correctly posted.

Although we have indicated some items for review as observed during the audit process, we would like to take this opportunity to compliment the District on the conscientious attitude of its employees. The staff, as always, was most cordial and cooperative with us throughout the audit process.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of management, the Rural Economic Community Development Service, Kentucky Infrastructure Authority, other lending agencies, and the Public Service Commission and is not intended to be and should not be used by anyone other than these specified parties.

*Raisor, Zapp & Woods, PSC*

RAISOR, ZAPP & WOODS, PSC  
Certified Public Accountants

March 17, 2011