

ORIGINAL

For

**Application for General Rate Adjustment
Radcliff Sewer System
PSC Case No. 2013-00050**

Presented To:

**Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-0615**



Filed By:



1400 Rogersville Road
Radcliff, KY. 40160
Phone: 270-351-3222
Mr. Jim Bruce, General Manager

June 2013

Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 60 Years

1400 Rogersville Road
Radcliff, KY. 40160

RECEIVED

JUN 24 2013

PUBLIC SERVICE
COMMISSION

June 19, 2013

Mr. Jeff Derouen
Executive Director - Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40620-0615

SUBJECT: Filing of Application for General Sewer Rate Adjustment - Case 2013-00050


Dear Director Derouen,

Enclosed please find an original and 10 copies of our application for the above filing. Along with this application we are also filing a binder with pre-filed testimony and exhibits. An advance Notice of Intent to file this application was provided to the Commission on May 1, 2013. A public notice has also been made to all our sewer customers in accordance with KRS 278.185 and in response to an order from the Commission, related to public notification requirements, dated May 3, 2013. Proof of the public notification mailing will be provided to your office as soon as it is available.

Our application assume an effective date for the new rates of April 1, 2014. We have not included an actual new tariff sheet as we plan to include numerous other text and policy changes in our tariff, along with the new approved rates.

If you have any questions, please do not hesitate to call me or our attorney, Mr. David Wilson II (Phone: 270-351-4404).

Sincerely,



Jim Bruce, General Manager

Cf; Mr. David Wilson II, HCWD1 Attorney

Encl.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:)	
)	
THE APPLICATION OF HARDIN)	
DISTRICT COUNTY WATER DISTRICT)	CASE NO. <u>2013-00050</u>
No. 1 FOR A GENERAL SANITARY SEWER)	
RATE ADJUSTMENT EFFECTIVE ON AND)	
AFTER APRIL 1, 2014)	

* * * * *

APPLICATION

The Applicant, Hardin County Water District No. 1 (“Hardin District”), respectfully submits this Application, pursuant to KRS 278.030, 807 KAR 5:001 §16 and all other applicable laws and regulations, and requests that the Public Service Commission (“PSC”) enter an order approving the proposed adjustment in rates. In support of this Application, Hardin District states as follows:

1. Hardin District is a water district organized and existing under the provisions of KRS Chapter 74 and is a political subdivision of the Commonwealth of Kentucky. Its principal office and place of business is in the City of Radcliff in Hardin County, Kentucky. Hardin District operates a sanitary sewer system acquired from the City of Radcliff, Kentucky (“Radcliff Sewer”). See Case No. 2008-0074. Hardin District also has customers in Meade and Breckinridge counties and owns and operates the Fort Knox water, sanitary and storm sewer systems (See Cases 2011-00416, 2004-00422). The post office address of Hardin District is 1400 Rogersville Road, Radcliff, Kentucky 40160, and the email address of its general manager, James S. Bruce, is jbruce@hcwd.com. Hardin District’s website address is www.hcwd.com.
2. In order to meet the continuing demand for the reliable collection, transmission and treatment of sewage for the public (“Sewer Services”), Hardin District has been and will be required to

expend money to renew and replace its existing sewer services facilities. KAR 5:001, §16(1)(b). Furthermore, the increase in the cost of services has not been off-set by the revenue produced by the rates effective April 23, 2008 and as referenced in Case No. 2008-00074. An increase in the rates for Sewer Services is essential for Hardin District to maintain a reasonable level of service for existing and new customers, to adequately provide for renewal and replacement of its facilities and to adequately service its current debt.

3. An original and ten (10) copies of this Application have been filed with the PSC and one (1) copy was delivered to the Attorney General, Utility Intervention and Rate Division.
4. As authorized by KRS 178.192(1)(a), Hardin District has utilized a historical test period of twelve (12) consecutive calendar months ending December 31, 2012. In accordance with 807 KAR 5:001 §16(1)(a), Hardin District has included in its application *pro forma* adjustments for certain known and measurable changes to insure fair, just, and reasonable rates based on the historical test period.
5. KAR 5:001 §16(1)(b)(2) and KAR 5:001 §14: Hardin District is not incorporated, is not a limited partnership, is not a limited liability company, and does not have an assumed name. Hardin District was formed pursuant to Resolution approved by the Hardin District County Fiscal Court in 1952, which is attached as **Exhibit 1**. Hardin District is a water district organized under the provisions of KRS Chapter 74 and is a political subdivision of the Commonwealth of Kentucky. *Louisville Extension Meter District vs. Deal Pump and Supply Company, Inc.*, Ky., 246 S.W.2d 585 (1952).
6. Hardin District's Annual Reports, including the Annual Report for 2012, are on file with the PSC. Hardin District's audited financial statements for the years ended December 31, 2011 and December 31, 2012 are appended hereto as **Exhibit 2**.

7. KAR 5:001 §16(1)(b)(4) and (5): Hardin District does not seek new or revised tariff sheets as of the date of this Application; however, Hardin District plans to revise tariff sheets as needed for any approved rate changes and will be submitting other text changes to numerous tariff sections. Hardin District requests and anticipates that the new rates become effective on or after April 1, 2014.
8. In accordance with KRS 278.185 and KAR 5:001 §16(4) customer public notice has been given by direct mailed notice to each customer. Verification and proof of printing and mailing will be provided to the Commission when available. The notice method will also be as instructed in an order from the Commission dated May 3, 2013 (Case No. 2013-00050) related to public notice methods and requirements.
9. In accordance with KRS 278.180 and 807 KAR 5:001, §16, on or about May 1, 2013, Hardin District filed with the Executive Director of the PSC its written notice of its intent to file a rate application, and Hardin District transmitted by electronic mail a copy of the notice in a portable document format to the Office of the Attorney General, Utility Intervention and Rate Division, at rateintervention@ag.ky.gov.
10. In accordance with 807 KAR 5:001, §16(9) the following are attached hereto for the consideration of the Commission:
 - a. A complete description and quantified explanation for all proposed adjustments, with proper support for changes in price or activity levels, is attached as **Exhibit 3**;
 - b. Hardin District has gross annual revenues greater than \$5,000,000. The prepared testimony of each witness Hardin District proposes to use to support its application is attached under separate cover.

- c. An estimate of the effect that each new rate will have upon the revenues of Hardin District including, at minimum, the total amount of revenues resulting from the increase sought and the percentage of the increase is as set forth in attached **Exhibit 3, Page 160**.
- d. The effect upon the average bill for each customer classification to which the proposed rate change will apply is set forth in attached **Exhibit 3, Page 163**.
- e. A detailed analysis of customers' bills whereby revenues from the present and proposed rates can be readily determined for each customer class is attached as **Exhibit 3, Appendix E, Page 161 and 162**.
- f. A summary of Hardin District's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules is attached as **Exhibit 3, Appendix E, Page 160 and 164**.
- g. A reconciliation of the rate base and capital used to determine its revenue requirements is attached as **Exhibit 3, Appendix E, Page 160**.
- h. A current chart of accounts, compliant with the Uniform System of Accounts, is attached as **Exhibit 4**;
- i. The independent auditor's annual opinion report, with written communication from the independent auditor to Hardin District is attached as **Exhibit 2**;
- j. A summary of Hardin District's latest depreciation study with schedules by major plant accounts is attached as **Exhibit 3, Appendix D**.
- k. A list of all commercially available or in-house developed computer software, programs and models used in the development of the schedules and work papers associated with the filing of Hardin District's application is attached as **Exhibit 5**;

- l. Hardin District has no stock or bond offerings, no shareholders, and no filings with the Securities and Exchange Commission;
 - m. The monthly managerial reports providing financial results of operations for the twelve months in the test period are attached as **Exhibit 6**;
 - n. Hardin District has numerous general and administrative, or “home office” expenses that are allocated to each of its five utility funds. A full description of the allocation methods and amounts are shown in **Exhibit 7**;
 - o. The cost of service study based on a methodology generally accepted within the industry and based on current and reliable data from a single time period is attached as **Exhibit 3**.
11. In accordance with 807 KAR 5:001 §16(10), Hardin District will request pro-forma adjustments for known and measurable changes to ensure fair, just, and reasonable rates based on the historical test period. Attached hereto is Hardin District’s Cost of Service Study which sets forth the pro-forma adjustments Hardin District seeks, as well as a detailed income statement and balance sheet reflecting the impact of all proposed adjustments, the most recent capital construction budget containing at least the period of time as proposed for any pro-forma adjustments for plant additions. Attached is **Exhibit 3, Appendix E**.
12. In accordance with KAR 5:001 §16(10)(c), for each proposed pro-forma adjustment reflecting plant additions, the following information is attached as **Exhibit 3, Appendix E, Pages 160, 166, and 192, and Exhibit 8**:
 - a. The starting date of the construction of each major component of plant;
 - b. The proposed in-service date;
 - c. The total estimated cost of construction at completion;
 - d. The amount contained in construction work in progress at the end of the test period;

- e. A schedule containing a 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;
 - f. The original cost and the 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;
 - g. An explanation of differences, if applicable, in the amounts contained in the capital construction budget and the amounts of capital construction cost contained in the pro forma adjustment period; and
 - h. The impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements.
13. In accordance with 807 KAR 5:001 §16(10)(d) the operating budget for each month of the period encompassing the pro forma adjustment is attached as **Exhibit 9**;
14. In accordance with 807 KAR 5:001 §16(10)(e) Hardin District does not anticipate adding any customers to the test period ending number of customers and, therefore, there is no related revenue requirements impact for the additional customers.
15. In accordance with 807 KAR 5:001 §2, Hardin District submits the following:
- a. Hardin District submits that its status as a political subdivision of the Commonwealth, coupled with its financial integrity, is sufficient to ensure the continuity of sewage services. Accordingly, the Hardin District request that the obligation to provide a third party beneficiary agreement guaranteeing the continued operation of the Hardin District sewage treatment facilities be waived. 807 KAR 5:071 §3(2)(a).
 - b. A comparative income statement showing test period; per books, revenues and expenses, pro forma adjustments to those figures, and explanations for each adjusted entry is attached as **Exhibit 3, Appendix E, Page 168 and 169.**

- c. A detailed analysis of any expenses contained in the comparative income statement which represent an allocation or proration of the total expense is attached as **Exhibit 7**;
- d. A detailed depreciation schedule of all treatment plant properties and facilities is attached as **Exhibit 3, Appendix D**. Hardin District does not own or operate any package treatment plants.
- e. A copy of all service contracts, including amendments, entered by Hardin District for outside services pertaining to operation and maintenance are attached as **Exhibit 10**. The only contract Hardin District has entered into as described in subparagraph (e) is the attached contract with Veolia Water, North America, South, LLC.
- f. A description of the applicant's property and facilities, including a statement of the net original cost and facilities owned by Hardin District is attached as **Exhibit 3, Appendix D**. Hardin District accepted the systems assets, including a previous depreciation schedule, from the previous owner, the City of Radcliff and does not have information identifying which assets were contributed or non-contributed.
- g. A detailed customer listing showing number of customers in each customer class and average water consumption for each class of customers is attached as **Exhibit 3, Appendix E, Page 161**; however, it should be noted that Hardin District does not maintain separate customer classifications.
- h. Hardin District has no billing or collection services provided by the Louisville Water Company;
- i. Hardin District does not file a state or federal tax return, but a copy of the most recently audited financial statement are attached as **Exhibit 2**;
- j. Hardin District has no corporate or business relationships as described in subparagraph 807 KAR 5:071 § 3(2)(a).

16. In accordance with 807 KAR 5:001 §16(4), the notice attached as **Exhibit 11** was mailed to all customers prior to the filing of this application.
17. Hardin District requests of and authorizes the Commission, if allowed under statutes, to communicate with either its General Manager or Attorney to request any clarifications or additional information by using facsimile, electronic mail or telephone as listed in the below contact information;

Attorney;

Mr. David T. Wilson, II, Esq.
Skeeters, Bennett, Wilson & Pike
550 West Lincoln Trail Blvd.
Radcliff, KY 40160
W: (270) 351-4404
F: (270) 352-4626
email: david.wilson@sbw-law.com

General Manager;

Mr. Jim Bruce, General Manager
Hardin County Water District No. 1
1400 Rogersville Road
Radcliff, KY 40160
W: (270) 351-3222
F: (270) 352-3055
email: jbruce@hcwd.com

VERIFICATION

The undersigned, Mr. James S. Bruce, General Manager of the Hardin County Water District No.1, hereby verifies that he has personal knowledge of the matters set forth in the enclosed application for a general rate increase submitted to the Commission, and that he is duly designated by the Board of Commissioners of the Hardin County Water District No. 1 to sign and submit this information its behalf.

Hardin County Water District No. 1

By James S. Bruce
James S. Bruce, General Manager

CERTIFICATION OF SERVICE

The undersigned, Mr. David T. Wilson II, the attorney of the Hardin County Water District No. 1, hereby verifies that the foregoing was served on Mr. Jeff Derouen, Executive Director, Kentucky Public Service Commission, 211 Sower Boulevard, Frankfort, KY. 40601-8204 and on Hon. David E. Spendard, Assistant Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, KY. 40601-8204 on this 25th Day of JUNE, 2013

By David T. Wilson II
Mr. David T. Wilson II, ESQ
Attorney for Hardin County Water District No. 1

STATE OF KENTUCKY
COUNTY OF HARDIN

I, the undersigned, a Notary Public, do hereby certify that on this 19th day of June, 2013, personally appeared before me, James S. Bruce and David T. Wilson II, who being by me first sworn, subscribed to and acknowledged that they both represent the Hardin County Water District No. 1, a Kentucky Corporation, that they have signed the foregoing document as General Manager and Attorney of the Corporation.

Mary Gallant
NOTARY PUBLIC, STATE OF KENTUCKY

My Commission Expires; 11-29-15



HARDIN COUNTY COURT

SPECIAL TERM, JULY 15, 1952

PRES. HON. W. S. LONG, JUDGE

Pursuant to a request filed with me as County Judge by Pete Kersey, Constable in District Four, Hardin County, on account of his not being eligible to act in the said District, the said Pete Kersey requested me to accept his resignation as such. Therefore, it is ordered that the said resignation be, and it is, accepted, and the said appointment shall stand for naught and that the said Pete Kersey is now relieved of any further official capacity in said district.

In the matter of Charles Clark, Administrator of the estate of W. J. Clark, a final settlement was this day returned, filed, and laid over.

In the matter of the estate of William T. Brown, an inventory and appraisal was this day returned, filed, and ordered recorded.

HERMAN C. DAVIS, ET AL

PETITIONERS

PETITION

EX PARTE

We the undersigned state that we are resident freeholders of a proposed water district, hereinafter described, that we desire the County Court to establish a water district and appoint water commissioners for the purpose of furnishing a water supply to the undersigned and other residents and citizens of the territory hereinafter described; and we further state the establishment of such district is reasonably necessary for the public health, convenience, fire protection and comfort of the residents; that said proposed district is described as follows:

"Hardin County Water District No. 1"

Beginning at a point in the southeasterly boundary of the Fort Knox Military Reservation where it intersects the center line of U. S. Kentucky Highway 31 W, approximately one mile north of the intersection of Wilson Road and Highway 31W which is known as Radcliff and running 500 feet on each side of Highway 31W for a distance of approximately 5,280 feet to the intersection of Wilson Road and U. S. Highway 31W; thence, 500 feet west of the center line of Wilson Road, in a northerly direction along Wilson Road approximately 5,400 feet to the intersection of the Southern Boundary of the Fort Knox Military Reservation and the center line of Wilson Road; from the intersection of Red Hill Road and U.S. 31W 500 feet each side of Red Hill Road and running along Red Hill Road in a westerly direction 5000 feet to a point of ending; from the intersection of Wilson Road and Highway 31W, 500 feet each side of Wilson Road and running in a southeasterly direction along Wilson Road 7,500 feet to the intersection of Kentucky Highway 64 and Wilson Road which is known as Vine Grove Junction; thence 500 feet each side of Kentucky Highway 64 running in a westerly direction along Kentucky Highway 64 approximately 7,850 feet to a point of ending; from the intersection of Kentucky Highway 64 and Wilson Road, 500 feet each side of Wilson

FORM 0-77

Road running in a southerly direction along Wilson Road approximately 4,200 feet to the intersection of Wilson Road and Mill Creek Road which is known as Rogersville; thence 500 feet each side of Mill Creek Road running in a north easterly direction along Mill Creek Road approximately 5,200 feet to the intersection of the center line of Mill Creek Road and the southern boundary of the Fort Knox Military Reservation; from the intersection of Mill Creek Road and Wilson Road 500 feet west and 1500 feet east of the center line of Wilson Road running in a southerly direction along Wilson Road approximately 3,500 feet to a point of ending, as per attached map.

J. L. McCoy		Red Hill Road
Lee Stephens		" " "
Clifford J. Decker		" " "
Russell S. Martin		" " "
Hubert C. Martin		" " "
H. C. Davis		Radcliff
Church at Mill Creek		
C. W. Yates	Right	Mill Creek
Denver Jones	"	" "
Raymond C. Jones	"	" "
Henry G. Neely	Left	" "
Forrest D. Pasch	"	" "
R. O. Hargan	"	" "
Vernon L. Jones	Right	" "
Wallace J. Winfrey	"	" "
Homer G. Minor	(New Dixie)	Rogersville
Chas. R. Rogers		Rogersville Inn
James M. Young	Left	Mill Creek
Jimmie Cralle	Right	" "
Walter E. Johnson	Right	" "
C. E. Bennett	Right	" " Road
Joseph B. Hutcherson	"	" " "
Robert G. Sherrard	"	" " "
J. G. Drakos by wife	Left	" " "
Reinhold Schneider	"	" " "
Theo. E. Johnson	Right	" " "
Mrs. Walter Smith		D. E. Denson
Frank E. Bewley		Mr. and Mrs. C. M. Coffman
Mrs. E. K. Hand		Mrs. W. M. Logsdon
Joseph R. Cissell		Mr. and Mrs. Irwin Shields
Mr. & Mrs. Reathel T. Haven		Shields and Haven Apt.
Mr. and Mrs. Angel Yturralde		Mr. and Mrs. Cyril Durbin
Mrs. Sarah B and Joe Vick		Mr. & Mrs. Geo. R. Jenkins
Mr. & Mrs. William T. Pierce		Mr. & Mrs. Delbert H. Gaby
Mrs. & Mrs. T. Brown Logsdon		Mr. & Mrs. Glenn H. Cornet
Mr & Mrs. James P. Groenwell		Raymond R. Dawley

Mr. & Mrs. Floyd E. Logsdon	Mr & Mrs R. P. Powell	
John H. Muhlherr	Rogersville	
John Muhlherr	"	
Mrs. Curtis C. Graham	"	
Mrs. Ida Van Meter	"	
John W. Rogers	"	
James R. Sims	Radcliff	
N. Dixie	Cpl. Augustus Freeman	W. H. Glane
N. Dixie	Joe Trabue	James F. Maephurs
N. Dixie	James D. Osborn	Judd C. Gray
N. Dixie	R. L. Brizendine	Spencer E. Emberton
N. Dixie	William Ames	Bernie Atcher
N. Dixie	Lloyd Nobles	Mattie Shelton
N. Dixie	Carrol Gill	James Shelton
N. Dixie	W. M. Boling, Sr.	

Male R Vine Grove R 2

Mrs. James C. Armstrong, Old 31 W
 Charles L. Fox, Route #2, Vine Grove, Ky.
 Felix G. Black, Route 2, VineGrove, Ky.
 Warren G. Hansen, RR #2 Vine Grove, Ky.,
 Gerald Wheatly " "
 W. P. McCollum, R#2 Vine Grove, Ky., Route #64
 W. M. Brown, R#2, Vine Grove, Ky. Rogersville
 Brown & New, R#2, Vine Grove, Ky.
 Harry Corum, Rogersville, Ky.
 Richard H. Maurer, Rogersville, Rt. Vine
 Burton Raine, Vine Grove Junction
 Paul Trustman, Vine Grove Junction
 H. L. Froman, Vine Grove W. C. Stone, Vine Grove R2
 John A. Mather, VineGrove R2 Nelson Robinson, Vine Grove R2
 Chas. B. Deaton, Vine Grove R2 Dixie-Thrift-Way Service Station
 Simon Bros., Paul Simon, Vine Grove Jct. Joe S. Tarpley, Elizabethtown, Ky.
 H. C. Drane Ruby Zwicker, Radcliff
 Mrs. D. L. Hargan, Radcliff L. H. Caudle, Radcliff, Ky.
 Edward Haire, Radcliff Albert L. Gojmerac, Radcliff
 Anthony Keita, Radcliff Wilber L. Berry, Radcliff
 J. H. Blackville, Green Gables Tourst, Vine Grove, Ky. R#2
 E. T. Murphy Edith Payne Store
 Earl Brown at Browns Store Mary M. Brown, Radcliffe
 Will Sattles, Radcliffe Elmer L. Hargan, Radcliffe
 Hakman Wingfield, Radcliffe Kate Gray, Radcliffe
 Fred Skaggs, Radcliffe Paul J. Brown, Radcliffe

31W-N Burton Davis Willie Atcher H. W. Waldman W. R. Kunnecke, Jr.
 " Joseph F. Donehue Martin Clarke Narmany C. Carter M. S. Haire
 " Reason Briggs by Edith Donohue Earnest Straney

Court now adjourned.

W. A. Rupp

On the motion of J. Henry Clark it is ordered that T. C. Mall, H. E. McCullum, Sr., T. O. Gatton, or any two of them after first being duly sworn be, and they are, hereby appointed the appraisers of the estate of H. B. (Hilary B.) Clark.

HERMAN C. DAVIS, ET AL

PETITIONERS

JUDGMENT

EX PARTE

It appearing to the Court that Herman C. Davis and more than 75 other resident freeholders of the district hereinafter described did on July 15, 1952, file their petition herein and that notice of the filing of said petition was published in three issues of the Elizabethtown News and three issues of the Hardin County Enterprise, both newspapers of general circulation in this county, and it further appearing that no objection or exception has been filed herein, and oral proof having been heard by the court, and the Court being advised, it is now ordered and adjudged by this Court as follows:

1. The establishment of the following described water district is reasonably necessary for the public health, convenience, fire protection and comfort of the residents, and a suitable name and number for such district is "Hardin County Water District No. 1". Said district is more completely described by name and number and boundary as follows:

"Hardin County Water District No. 1"

Beginning at a point in the southeasterly boundary of the Fort Knox Military Reservation where it intersects the center line of U.S. Kentucky Highway 31W, approximately one mile north of the intersection of Wilson Road and Highway 31 W which is known as Adoliff and running 500 feet on each side of Highway 31 W for a distance of approximately 5,280 feet to the intersection of Wilson Road and U.S. Highway 31W; thence, 500 feet west of the center line of Wilson Road, in a northerly direction along Wilson Road approximately 5,400 feet to the intersection of the Southern Boundary of the Fort Knox Military Reservation and the center line of Wilson Road; from the intersection of Red Hill Road and U.S. 31W 500 feet each side of Red Hill Road and running along Red Hill Road in a westerly direction 5000 feet to a point of ending; from the intersection of Wilson Road and Highway 31W, 500 feet each side of Wilson Road and running in a southeasterly direction along Wilson Road 7,500 feet to the intersection of Kentucky Highway 64 and Wilson Road which is known as Vine Grove Junction; thence 500 feet each side of Kentucky Highway 64 running in a westerly direction along Kentucky Highway 64 approximately 7,850 feet to a point of ending; from the intersection of Kentucky Highway 64 and Wilson Road, 500 feet each side of Wilson Road running in a southerly direction along Wilson Road approximately 4,200 feet to the intersection of Wilson Road and Mill Creek Road which is known as Rogersville; thence 500 feet each side of Mill Creek Road running in a north easterly direction along Mill Creek Road approximately 5,200 feet to the intersection of the center line of Mill Creek Road and the southern boundary of the

Fort Knox Military Reservation; from the intersection of Mill Creek Road and Wilson Road 500 feet west and 1500 feet east of the center line of Wilson Road, running in a southerly direction along Wilson Road approximately 3,500 feet to a point of ending.

2. The following named persons are hereby appointed water district commissioners for this district for the terms indicated:

W. M. Brown - Two Years

M. T. Logsdon - Three Years

H. C. Davis - Four years

3. Each of the commissioners shall execute a bond in the sum of One Thousand Dollars, said bond to be approved by this court, and providing for the faithful performance of his duties herein, and each commissioner shall be sworn to faithfully perform the duties of his position as provided by law.

Dated this 18th day of August, 1952.

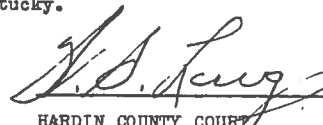
In the matter of Rosalyn J. Terry, Guardian for Dorothy C. and Gay G. Holly, a periodical settlement was this day returned, filed, and laid over.

In the matter of the First Hardin National Bank, Committee for William M. Arvin, a periodical settlement was this day returned, filed, and laid over.

Came William P. Barrett, minister of the Episcopal Church and Chaplain of the U. S. Army, and executed bond in the penal sum of one hundred (100) dollars with C. B. Jeffries as surety.

Came William P. Barrett and took the oath as required by law to perform marriage rites in the Commonwealth of Kentucky.

Court now adjourned.

 Judge
HARDIN COUNTY COURT

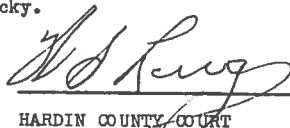
SPECIAL TERM, AUGUST 21, 1952

PRES. HON. W. S. LONG, JUDGE

Came Charles B. Whitman, minister of the Methodist Church, and executed bond in the penal sum of one hundred (100) dollars with W. S. Long, as surety.

Came Charles B. Whitman and took the oath as required by law to perform marriage rites in the Commonwealth of Kentucky.

Court now adjourned.

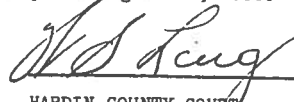
 Judge
HARDIN COUNTY COURT

SPECIAL TERM, AUGUST 22, 1952

PRES. HON. W. S. LONG, JUDGE

Came Louella Keith, widow of J. P. Keith, and produced an instrument of writing purporting to be the last will and testament of J. P. Keith, deceased. Said will was proven in due form of law by the oath of Elizabeth Ditto, one of the subscribing witnesses thereto, who attested the signature of Horace E. Tabb, the other subscribing witness thereto, and as such the same was established and ordered recorded.

Came Eugene Patterson and took the oath as required by law as a notary public for Hardin County. Said commission expires August 27, 1956.
Court now adjourned.

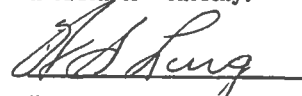

Judge
HARDIN COUNTY COURT
SPECIAL TERM, AUGUST 27, 1952
PRES. HON. W. S. LONG, JUDGE

In the matter of the First Hardin National Bank, Guardian for Wanda Joyce Horn Odom, a final settlement was this day returned, filed, and laid over.

In the matter of the First Hardin National Bank, Guardian for Shirley June Horn Morehead, a final settlement was this day returned, filed, and laid over.

Came Walter J. Vrudny and executed bond in the penal sum of one hundred (100) dollars with W. S. Long as surety to perform marriage rites in the Commonwealth of Kentucky.

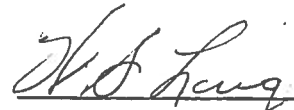
Came Walter J. Vrudney, Lutheran minister, and took the oath as required by law to perform marriage rites in the Commonwealth of Kentucky.
Court now adjourned.


Judge
HARDIN COUNTY COURT
SPECIAL TERM, AUGUST 29, 1952
PRES. HON. W. S. LONG, JUDGE

In the matter of the estate of J. P. Keith, an inventory and appraisalment was this day returned, filed, and ordered recorded.

In the matter of the First Hardin National Bank, Trustee for Mrs. Catherine Q. Montgomery, a periodical settlement was this day returned, filed, and laid over.

Court now adjourned.


Judge
HARDIN COUNTY COURT
SPECIAL TERM, AUGUST 30, 1952
PRES. HON. W. S. LONG, JUDGE

Came W. M. Brown, H. T. Logsdon, Herman C. Davis, duly appointed water commissioners for Hardin County/District 1, and executed bond in the penal sum of one thousand (1000) dollars each as follows:

W. M. Brown with H. T. Logsdon as surety.

H. T. Logsdon with W. M. Brown as surety

Herman C. Davis with W. M. Brown as surety.

Came W. M. Brown, H. T. Logsdon, Herman C. Davis and took the oath as required by law as the Water Commissioners for Hardin County Water District One.

In the matter of the First Hardin National Bank, Trustee for the Glendale Christian Church, a periodical settlement was this day returned, filed, and laid over.

Special Term, Day, 22 Day of October 19 54

HARDIN COUNTY COURT
 SPECIAL TERM, OCTOBER 22, 1954
 PRES. HON. J.R. TERRILL, JUDGE

In the matter of the estate of Dorothy Mae Lockard, an inventory and appraisalment was this day returned, filed and ordered recorded.

In the matter of the estate of James Michael Whalen, an inventory and appraisalment was this day returned, filed and ordered recorded.

In the matter of the Appointment of a Guardian for Raymond Dowdell:

This day came Raymond Dowdell, a minor child of Erma K. Dowdell and (father deceased) Dowdell, and over fourteen years of age and chose Erma K. Dowdell as his Guardian, and the court being sufficiently advised, it is ordered and adjudged that Erma K. Dowdell be and she is hereby appointed Guardian for the aforesaid Raymond Dowdell.

WHEREUPON, the said Erma K. Dowdell appeared in open court and took the oath prescribed by law and duly qualified as such guardian, and together with J. T. Hatcher, as surety, who was accepted and approved by the court, entered into and acknowledged and executed bond in the sum of \$2500.00, being the amount fixed by the court.

Court now adjourned

J. R. Terrill
 Judge

HARDIN COUNTY COURT
 SPECIAL TERM, OCTOBER 23, 1954
 PRES. HON. J. R. TERRILL, JUDGE

Came Martha Hagan and produced her commission as Notary Public for Hardin County, signed by the Secretary of State and executed bond in the penal sum of Five Hundred (\$500) Dollars, with F. J. Lanz as surety which bond is accepted and approved by the court.

Came Martha Hagan and took oath as required by law as Notary Public of Hardin County. Said Commission expires August 14, 1958.

In the matter of Appointment of Commissioner for Hardin County Water District No. 1.

It appearing to the court that there is now a vacancy in the office of Commissioner for the Hardin County Water District No. 1, because the term to which W. M. Brown was appointed has expired, it is ordered that W. M. Brown be and he is appointed Commissioner for Hardin County Water District No. 1 for a term of four years. It is ordered that the bond of said Commissioner be fixed at \$1000.

Came W. M. Brown and executed bond in the amount of \$1000 with Brown Logsdon and H. C. Davis as sureties, which bond is approved and accepted.

Came W. M. Brown and was sworn to faithfully perform the duties of his position as required by law.



**HARDIN COUNTY WATER DISTRICT NO. 1
Radcliff, Kentucky**

**FINANCIAL STATEMENTS
December 31, 2011**

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Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 50 Years

1400 Rogersville Road
Radcliff, KY. 40160

March 20, 2012

TO: Hardin County Water District No. 1
Board of Commissioners

SUBJECT: 2011 Annual Report & Managements's Discussion and Analysis

This report is a joint effort of our staff and Ray, Foley, Hensley & Co, PLLC, Certified Public Accountants. This is the seventh year we have retained this firm to complete our annual audit. This report includes the Management Analysis, the Independent Auditor's Report and the basic financial statements of the District.

I would like to recognize the contribution of our Finance & Accounting Manager, Mr. Scott Schmuck and his accounting staff, Ms. Stephanie Strange (Accountant) and Ms. Karen Morrison (Accounting Specialist) for their work assisting the auditors in preparing this information. Mr. Bradley Hayes, CPA, was the lead auditor for the firm and lead their field staff to complete the audit.

In several respects, 2011 was a historical year for the District. After a three and a half year process, the Defense Logistics Agency, Department of Defense, approved a 50 year contract for the District to own and operate the Ft. Knox Potable Water System. The contract was signed on September 30th, 2011 and operations of the system began on February 1, 2012.

In early 2008, we entered into a partnership with the Louisville Water Company ("LWC") to pursue this contract. LWC funded the proposal development process, and was an integral part of the proposal pricing and development. This January, we entered into an Operating Agreement with LWC. Under this agreement, LWC will operate the two water treatment plants at Ft. Knox, oversee water quality monitoring and assist with regulatory reporting.

The addition of this system will increase operating revenues for the District by \$4.3 million (+40%). In the first five years of the contract, an additional \$29 million will be paid to the District as contributed capital for numerous construction projects, rehabilitation projects, studies and recovery of start-up equipment and administrative expenses. During the ten year period ending in 2012, District operating revenues have increased 360%.

Financial Performance & Highlights

Consolidated Financial Performance: Our financial reports include statements for four distinct enterprise utility funds; Water, Ft. Knox Sanitary Sewer, Ft. Knox Storm sewer and Radcliff sewer. This letter first reviews the overall consolidated financial highlights of the year, with more specific key items by utility.

For the year, gross plant assets increased by \$4,465,788(+ 2.9% [percent changes in parentheses represent change from 2010]). Total net assets increased by \$3,511,531 (+ 5.6%). Customer payments for new taps decreased by about 45% due to slowed new home and commercial construction compared to 2010.

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Continued

Total revenues, including interest income, decreased by \$264,056 (- 2.3%) due to 2011 being the highest precipitation year on record for Kentucky, which decreases water and sewer revenues and increases most operating expenses. Operating income before depreciation decreased to \$3,514,231 (- 4.5%) and net income after depreciation (and net of non-operating income and expenses) decreased by \$353,239 to \$689,143 (- 34%). This amount was 6.3% (- 34%) of total operating revenues. Total net assets at the end of the year were \$66,726,219 (+ 5.6%).

Cash used for capital construction was \$3,843,277 (- 30%) of which 51% was provided by government grants (both Kentucky and U.S. Government/Dept. of Defense). Principal payments to reduce bond debt were \$718,447 (- 64%) and at year end the consolidated outstanding debt principal was \$11,394,083 (- 6%). Total working capital (unrestricted cash + investments) at year end increased by 22% to \$6,143,387. Of all reserves (cash + investments) 76% (+ 12%) were unrestricted and available as working capital for capital construction or operations. At the beginning of 2012 we have a total of \$14,902,023 of available state or federal grant funding for future capital construction projects.

Individual Fund Highlights:

Water Fund: During 2011, we recorded over 72 inches of rain at our Pirtle Spring Water Treatment Plant. This is a historical high, almost 40% more than an average year. This amount of rainfall significantly lowers customer water use and water revenues. Water sales for the year ended up 8.2% less than budgeted (- \$331,352) and 4% less than 2010. Total operating expenses (excluding debt interest and depreciation) were 5.7% less than budgeted. Net income after depreciation and interest expense decreased by 15% from 2010, mostly due to the decrease in water sales. Net assets increased by 3.5%. The bond coverage ratio was 2.91 which is 142% more than the required 1.20 (+ 11% from 2010).

Ft. Knox Sewer (Sanitary and Storm): Total operating revenues increased by 1.3%. Total operating income, before depreciation expense increased by 3.5% to \$1,187,812. Total net assets increased by 4.5%. Total expended for construction was \$1,001,897 (- 47%) of which 44% was provided by contributed capital (direct grants) from the Government. Working capital increased by 50% to \$2,257,451 which is available for future Ft. Knox sewer related capital projects and improvements. Our engineering manager has numerous projects in design and process which will deplete a large portion of these reserves in the next year.

Radcliff Sewer: Total revenues (including interest income) was \$3,522,095 (- 3.3%) which was 5.1% below revenue estimates, due to high rainfall explained below. Total operating expenses (including depreciation) were 1.4% less than budgeted. Total net assets increased 8.5% to \$22,652,068 and at year end we had construction in progress assets of \$1,608,776 (- 12%). At year end the total cash & investment reserve balance was \$3,174,168 (- 9.7%) of which 89% was unrestricted and available for capital construction or operations. At year end, a total of \$3,666,672 in state grants are available for future capital construction projects. The fund had an operating income before depreciation and debt interest of \$831,368 (- 13%) with a net operating loss of \$79,952 (2.3% of revenues) after those expenses compared to a 2010 net positive income of \$168,708.

While this loss can mostly be attributed to much higher pumping and treatment from excessive rainfall, and subsequent equipment repairs and maintenance, the District has a consultant working on finalizing a rate study so any changes approved by the Board are anticipated to be filed during 2012.

Continued

Operational Changes & Statistics


During 2011 a total of 1,030 MG (million gallons) of water was treated (+ 1%) and a total of 46.5 MG was purchased for resale (- 44%). Total water delivered to the system was 1,034.8 MG which was 6.3% less than the prior year. The maximum demand day was 3.801 MG (- 6.8%) and occurred on 8-June. The average daily water demand for the year was 2.835 MG (- 6.3%). A total of 97 new water services were installed, down 26% from 2010. Wholesale customers purchased 331.2 MG (- 8.6%), which was equivalent to 32% of total water sales volume (- 16%).

The two wastewater treatment plants (Ft. Knox and Radcliff) treated 1,660.9 MG (+ 19%), up from 2010 due to the high rainfall which increases inflow and infiltration into the sewer collection system. This resulted in an average daily flow of clean, recycled water into streams of 4.550 MG.

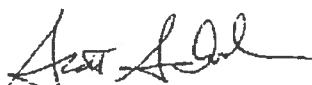
During the year, the Finance & Accounting staff also managed a major project to install a new Financial & Accounting software system. The Microsoft Dynamics GP[®] system replaces multiple re-entry of many accounting entries which required independent spreadsheet based financial statements and reports. The new system integrates directly to the general ledger and saves many hours for month end reporting and improves accuracy of financial information. The system conversion and testing was completed in early, 2012, with additional future modules to be added later this year.

At present we have 39 construction projects in either preliminary or final design and construction. During 2012, several other Ft. Knox Water capital projects will be added as well. The District, its Board and staff face new challenges and exciting changes as we look forward to new endeavors and improving the reliability and functionality of our utility systems through best practice, asset management systems.

Sincerely,



Mr. Jim Bruce
General Manager



Mr. Scott Schmuck
Finance & Accounting Manager



Ray, Foley, Hensley & Company, PLLC

Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

Stephen R. Allen, CPA/PFS
Dennis H. England, CPA
Michael D. Foley, CPA
Lyman Hager, Jr., CPA/PFS
Jerry W. Hensley, CPA

Board of Commissioners
Hardin County Water District No. 1
Radcliff, Kentucky

J. Carroll Luby, CPA

We have audited the accompanying combined balance sheet of Hardin County Water District No. 1 as of December 31, 2011 and the related combined statements of revenues, expenses and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards**, as 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 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 Hardin County Water District No. 1 as of December 31, 2011 and the results of its operations and its cash flows for the year 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 a report dated March 14, 2012 on our consideration of the Hardin County Water District No.1's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with **Government Auditing Standards** and should be read in conjunction with this report in considering the results of our audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1 through 3 and 17 through 20 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.

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Our audits were performed for the purpose of forming an opinion on the financial statements of the Hardin County Water District No.1, taken as a whole. The other supplemental information and schedules on pages 21 through 23 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Ray, Foley, Hensley & Company
Ray, Foley, Hensley, & Company, PLLC
March 14, 2012

HARDIN COUNTY WATER DISTRICT NO. 1
COMBINED BALANCE SHEET
December 31, 2011

ASSETS	Water	Sewer Total	Storm Water	2011 Total	2010 Total
Current assets					
Cash and cash equivalents	\$ 305,600	\$ 4,413,855	\$ 682,535	\$ 5,401,990	\$ 4,450,228
Short-term certificates of deposit	741,397	-	-	741,397	611,148
Customer accounts receivable, net	255,481	458,690	39,816	753,987	1,246,793
Grant receivable	84,806	76,822	-	161,628	363,401
Interest receivable	996	523	-	1,519	4,268
Due from other funds	11,599	287,516	9,577	308,692	113,628
Inventory - materials and supplies	283,719	12,373	-	296,092	440,623
Prepaid expenses	66,664	49,985	432	117,081	109,079
Total current assets	<u>1,750,262</u>	<u>5,299,764</u>	<u>732,360</u>	<u>7,782,386</u>	<u>7,339,168</u>
Non-current assets					
Certificates of deposit	-	-	-	-	589,285
Restricted assets - reserve funds	1,586,094	335,230	-	1,921,324	1,795,275
Total non-current assets	<u>1,586,094</u>	<u>335,230</u>	<u>-</u>	<u>1,921,324</u>	<u>2,384,560</u>
Radcliff sewer acquisition costs	-	211,203	-	211,203	220,303
Property, plant and equipment					
Land and easements	273,045	9,544	-	282,589	282,589
Plant and lines	36,014,189	110,680,787	1,081,974	147,776,950	141,943,534
Vehicles and equipment	4,465,361	2,051,075	149,294	6,665,730	6,253,494
Construction in progress	571,712	2,334,274	17,735	2,923,721	4,703,585
Total	41,324,307	115,075,680	1,249,003	157,648,990	153,183,202
Less accumulated depreciation	(12,036,140)	(75,773,746)	(93,921)	(87,903,807)	(85,547,544)
Total property, plant, and equipment	<u>29,288,167</u>	<u>39,301,934</u>	<u>1,155,082</u>	<u>69,745,183</u>	<u>67,635,658</u>
TOTAL ASSETS	<u>\$ 32,624,523</u>	<u>\$ 45,148,131</u>	<u>\$ 1,887,442</u>	<u>\$ 79,660,096</u>	<u>\$ 77,579,689</u>
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable	\$ 237,688	\$ 431,544	\$ 37,961	\$ 707,193	\$ 1,629,930
Due to other funds	297,093	11,087	512	308,692	113,628
Customers' deposits	162,667	124,214	-	286,881	289,888
Accrued expenses	75,120	46,608	10,982	132,710	165,225
Reserve for unclaimed funds - escheatment	5,262	-	-	5,262	7,091
Deferred rent revenue	643	-	-	643	-
Line of credit	32,683	-	-	32,683	-
Liabilities payable from restricted assets:					
Current portion of long-term debt	500,000	268,362	-	768,362	718,448
Accrued interest on long-term debt	63,267	7,030	-	70,297	73,222
Total current liabilities	<u>1,374,423</u>	<u>888,845</u>	<u>49,455</u>	<u>2,312,723</u>	<u>2,997,432</u>
Long-term liabilities					
Bonds payable	8,785,000	1,840,721	-	10,625,721	11,394,082
Less unamortized discount and expenses	(178,279)	-	-	(178,279)	(193,827)
Compensated absences	47,311	-	-	47,311	37,087
Long-term liabilities, net	<u>8,654,032</u>	<u>1,840,721</u>	<u>-</u>	<u>10,494,753</u>	<u>11,237,342</u>
Other liabilities					
Customer advances for construction	126,401	-	-	126,401	130,227
Total liabilities	<u>10,154,856</u>	<u>2,729,566</u>	<u>49,455</u>	<u>12,933,877</u>	<u>14,365,001</u>
Net assets					
Invested in capital assets	20,085,496	37,185,821	1,155,082	58,426,399	55,716,955
Restricted	1,586,094	335,230	-	1,921,324	1,795,275
Unrestricted	798,077	4,897,514	682,905	6,378,496	5,702,458
Total net assets	<u>22,469,667</u>	<u>42,418,565</u>	<u>1,837,987</u>	<u>66,726,219</u>	<u>63,214,688</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 32,624,523</u>	<u>\$ 45,148,131</u>	<u>\$ 1,887,442</u>	<u>\$ 79,660,096</u>	<u>\$ 77,579,689</u>

The accompanying notes are an integral part of the financial statements.

HARDIN COUNTY WATER DISTRICT NO. 1
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
for the year ended December 31, 2011

	Water	Sewer Total	Storm Water	2011 Total	2010 Total
OPERATING REVENUE					
Metered water sales	\$ 3,049,775	\$ -	\$ -	\$ 3,049,775	\$ 3,150,969
Wholesale sales	635,903	-	-	635,903	695,469
Sewer billing contract revenue	8,612	-	-	8,612	8,589
Sewer service revenue	-	6,143,337	-	6,143,337	6,143,840
Stormwater service revenue	-	-	469,008	469,008	481,425
Penalties, service fees and reimbursements	291,411	202,689	-	494,100	523,575
Total operating revenue	<u>3,985,701</u>	<u>6,346,026</u>	<u>469,008</u>	<u>10,800,735</u>	<u>11,003,867</u>
OPERATING EXPENSES					
Treatment	841,684	-	-	841,684	812,152
Distribution	648,360	-	-	648,360	642,371
Customer service	280,777	476,050	-	756,827	785,649
General & administrative expenses	529,157	4,011,541	-	4,540,698	4,587,217
Purchased water	75,939	-	-	75,939	132,748
General maintenance	77,861	-	-	77,861	61,678
Source of supply	36,872	-	-	36,872	35,819
Stormwater	-	-	308,263	308,263	268,089
Total operating expense	<u>2,490,650</u>	<u>4,487,591</u>	<u>308,263</u>	<u>7,286,504</u>	<u>7,325,723</u>
Operating income before depreciation	1,495,051	1,858,435	160,745	3,514,231	3,678,144
Depreciation and amortization expense	(996,715)	(1,436,108)	(34,322)	(2,467,145)	(2,333,339)
OPERATING INCOME	498,336	422,327	126,423	1,047,086	1,344,805
Non-operating income (expenses)					
Interest income	40,909	50,836	5,599	97,344	158,268
Interest expense	(305,120)	(93,453)	-	(398,573)	(471,958)
Bad debts recovered	-	9,449	-	9,449	9,355
Gain (loss) on sale of equipment	(17,260)	(48,903)	-	(66,163)	725
Realized gain on sale of securities	-	-	-	-	1,187
INCOME BEFORE					
CAPITAL CONTRIBUTIONS	216,865	340,256	132,022	689,143	1,042,382
Capital Contributions					
Grants	144,170	1,383,176	-	1,527,346	2,750,174
Tap fees	64,182	8,700	-	72,882	131,579
Customer contributions	330,375	891,785	-	1,222,160	1,942,606
Special item - loss on disposal of plant	-	-	-	-	(475,401)
CHANGE IN NET ASSETS	755,592	2,623,917	132,022	3,511,531	5,391,340
Net assets, beginning of year	21,714,075	39,794,648	1,705,965	63,214,688	57,823,348
NET ASSETS, END OF YEAR	<u>\$ 22,469,667</u>	<u>\$ 42,418,565</u>	<u>\$ 1,837,987</u>	<u>\$ 66,726,219</u>	<u>\$ 63,214,688</u>

The accompanying notes are an integral
part of the financial statements.

HARDIN COUNTY WATER DISTRICT NO. 1
COMBINED STATEMENT OF CASH FLOWS
for the year ended December 31, 2011

	Water	Sewer Total	Storm Water	2011 Total	2010 Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,407,953	\$ 6,348,902	\$ 742,778	\$ 11,499,633	\$ 10,861,031
Payments to suppliers	(1,246,290)	(4,945,108)	(431,198)	(6,622,596)	(5,376,561)
Payments for employee services and benefits	(1,492,648)	-	-	(1,492,648)	(1,526,685)
Net cash provided by operating activities	<u>1,669,015</u>	<u>1,403,794</u>	<u>311,580</u>	<u>3,384,389</u>	<u>3,957,785</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Contributions in aid of construction	208,352	1,828,186	-	2,036,538	3,965,166
Proceeds from sale of equipment	15,547	3,000	-	18,547	28,331
Acquisition and construction of capital assets	(993,298)	(2,812,497)	(37,482)	(3,843,277)	(5,493,145)
Principal paid on long-term debt	(460,000)	(258,447)	-	(718,447)	(2,023,899)
Proceeds from borrowings	32,683	-	-	32,683	-
Payments on line of credit	-	-	-	-	(2,090,315)
Interest paid on long-term debt	(307,183)	(94,315)	-	(401,498)	(487,960)
Cash (paid) received under advance construction contract	(3,826)	-	-	(3,826)	(16,189)
Net cash (used in) capital and related financing activities	<u>(1,507,725)</u>	<u>(1,334,073)</u>	<u>(37,482)</u>	<u>(2,879,280)</u>	<u>(6,118,011)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest income	40,847	53,647	5,599	100,093	185,082
Redemption of investments	(2,581,452)	770,165	-	(1,811,287)	5,387,222
Purchase of investments	2,493,077	(335,230)	-	2,157,847	(1,384,566)
Net cash provided by (used in) investing activities	<u>(47,528)</u>	<u>488,582</u>	<u>5,599</u>	<u>446,653</u>	<u>4,187,738</u>
NET INCREASE IN CASH	<u>113,762</u>	<u>558,303</u>	<u>279,697</u>	<u>951,762</u>	<u>2,027,512</u>
Cash and cash equivalents, beginning of year	191,838	3,855,552	402,838	4,450,228	2,422,716
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 305,600</u>	<u>\$ 4,413,855</u>	<u>\$ 682,535</u>	<u>\$ 5,401,990</u>	<u>\$ 4,450,228</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 498,336	\$ 422,327	\$ 126,423	\$ 1,047,086	\$ 1,344,805
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization expense	996,715	1,436,108	34,322	2,467,145	2,333,339
Change in assets and liabilities:					
Accounts receivable	144,971	266,978	282,630	694,579	(138,009)
Prepaid expenses	6,168	(13,738)	(432)	(8,002)	38,477
Due from other funds	40,750	(226,954)	-	(186,204)	77,394
Inventory	156,904	(12,373)	-	144,531	(190,502)
Accounts payable	(413,089)	(384,152)	(122,503)	(919,744)	491,023
Accrued expenses	5,178	(45,005)	-	(39,827)	83,641
Due to other funds	236,531	(37,148)	(8,860)	190,523	(82,221)
Other payables	(3,449)	(2,249)	-	(5,698)	(162)
Net cash provided by operating activities	<u>\$ 1,669,015</u>	<u>\$ 1,403,794</u>	<u>\$ 311,580</u>	<u>\$ 3,384,389</u>	<u>\$ 3,957,785</u>
Schedule of non-cash capital and financing activities:					
Contributed water mains from developers	\$ 330,375	\$ -	\$ -	\$ 330,375	\$ 400,384
Construction in process included in accounts payable	\$ 27,394	\$ 69,167	\$ -	\$ 96,561	\$ -

The accompanying notes are an integral part of the financial statements

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Hardin County Water District No. 1 (the District) is organized pursuant to provision of Chapter 74 of the Kentucky Revised Statutes in order to provide a water supply for citizens and residents of Radcliff, Kentucky and parts of Hardin, Meade and Breckinridge Counties. The District is regulated by the Kentucky Public Service Commission.

Reporting Entity

The Hardin County Water District No. 1's financial statements include the operations of all entities for which the District exercises oversight responsibilities. Oversight responsibility includes, but is not limited to, financial interdependency, selection of the governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The entities included in the financial statements are the general operations of the Hardin County Water District No. 1.

There are no other entities that are subject to the District's oversight responsibility as indicated above.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

The District reports all revenue and expenses as operating, except interest income and expense, depreciation and amortization, gains and losses on asset sales or disposals and capital contributions.

The District's financial statements are presented in conformity with the provisions of Governmental Accounting Standards Board Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*".

The District applies all applicable FASB and AICPA pronouncements issued on or before November 30, 1989 that are not in conflict with applicable GASB pronouncements.

Fund Accounting

The District maintains a Water Fund, Ft. Knox Sewer Fund, Radcliff Sewer Fund and a Ft. Knox Stormwater Fund.

Accounts Receivable

The Water Fund's accounts receivable is net of an allowance for uncollectible accounts of \$2,193 as of December 31, 2011. The allowance is increased by charges to bad debts and decreased by write-offs. Management's periodic evaluation of the adequacy of the allowance is based on the District's aged accounts receivable balances. The sewer funds and stormwater fund do not have an allowance for doubtful accounts.

Interfund Transfers

The asset "due from other funds" and the liability "due to other funds" represent amounts transferred between the funds owed for personnel and other operating and non-operating expenses.

Inventory

The water fund's inventory is composed of chemicals, equipment and supply-type items used for routine maintenance and repairs and new water lines. The sewer fund's inventory consists of equipment. The inventory is stated at the lower of cost (first-in, first-out method) or market.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Restricted Assets

The water and sewer funds' restricted assets consist of U.S. Treasury Notes and Bonds, certificates of deposit, money market funds, and non-interest-bearing accounts. The carrying value of the investments approximates market value.

When both restricted and unrestricted resources are available for use, the District's Board of Commissioners makes a determination as to which resource should be used.

Investments

It is the policy of the District to invest public funds in a manner which will provide the highest investment return with the maximum security of principal while meeting the daily cash flow demands of the District and conforming to all state statutes and District regulations governing the investment of public funds. The carrying value of the investments approximates market value.

Property and Equipment

The water, sewer and stormwater fund's property and equipment assets are recorded at cost or, if contributed, at donor cost or appraised value at date of acquisition. Interest relating to the financing of projects under construction is capitalized due to the District's capital financing plans and rate-setting methodology. Depreciation is computed by the straight-line method based on the estimated useful life of the depreciable property. Plant and lines are capitalized with lives ranging from 5-65 years and vehicles and equipment are capitalized with lives ranging from 5-35 years. Land is not subject to depreciation. Expenditures for maintenance and repairs are charged to expense as incurred whereas expenditures, including associated labor, for installation, renewals or betterments are generally capitalized.

Line of Credit

The District maintains a line of credit through Cecilian Bank in the amount of \$2,500,000 designated for use in construction projects if needed.

Amortization

The water and sewer funds' bond discounts and issue costs are being amortized using the straight-line method over the life of the bond issue. The sewer funds' City of Radcliff sewer acquisition costs are being amortized using the straight-line method over a period of twenty-five years.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Estimates

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

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 2 – CASH AND INVESTMENTS

The Hardin County Water District's deposits and investments at December 31, 2011 were covered entirely by federal depository insurance, by collateral held by the custodial banks in the District's name, or invested in money market and government backed securities.

Kentucky Revised Statutes authorize local governmental units to invest in obligations of the United States and its agencies, obligations of the Commonwealth of Kentucky and its agencies, shares in savings and loan associations insured by federal agencies, deposits in national or state chartered banks insured by federal agencies and larger amounts in such institutions providing such banks pledge as security obligations of the United States Government or its agencies.

The following is a detail of the District's cash deposit coverage at December 31, 2011:

FDIC insured (or equivalent)	\$ 1,335,854
Collateralized by securities held by the bank in the District's name	5,727,996
United States Treasury Securities and money market funds	<u>1,249,427</u>
Total	<u>\$ 8,313,277</u>

Cash and investments are classified as follows as of December 31, 2011:

Unrestricted:	
Cash & cash equivalents:	
Revenue fund	\$ 738,502
Other	<u>4,663,488</u>
	5,401,990
Short-term investments:	
Certificates of deposit	<u>741,397</u>
Total unrestricted	<u>6,143,387</u>
Restricted:	
Long-term investments:	
1997 KIA Debt service reserve – Certificate of deposit	335,230
2002 B&I redemption fund – FMV	86,667
2005 B&I redemption fund – FMV	164,172
2005 Debt service reserve – FMV	584,544
Depreciation fund – FMV	<u>750,711</u>
Total restricted	<u>1,921,324</u>
Total cash & investments	<u>\$ 8,064,711</u>

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 3 – CAPITAL ASSETS

A summary of capital asset activity during the fiscal year follows:

	Balance Jan 1, 2011	Additions	Deductions	Balance Dec. 31, 2011
Capital assets not depreciated:				
Land and easements	\$ 282,589	\$ -	\$ -	\$ 282,589
Construction in process	4,703,585	2,606,928	4,386,792	2,923,721
Capital assets that are depreciated:				
Plant and lines	141,943,534	5,967,452	134,037	147,776,949
Vehicles and equipment	<u>6,253,494</u>	<u>431,310</u>	<u>19,073</u>	<u>6,665,731</u>
Total plant and equipment	153,183,202	9,005,690	4,539,902	157,648,990
Less: accumulated depreciation	<u>85,547,544</u>	<u>2,434,892</u>	<u>78,629</u>	<u>87,903,807</u>
Plant and equipment, net	<u>\$ 67,635,658</u>	<u>\$ 6,570,798</u>	<u>\$ 4,461,273</u>	<u>\$ 69,745,183</u>

Depreciation expense for all combined funds totaled \$2,434,892 for the year ended December 31, 2011.

NOTE 4 - COMPLIANCE WITH BOND INDENTURE

Under covenants of the bond ordinance, certain funds have been established. These funds and their current financial requirements are presented in summary as follows:

Bond and Interest Redemption Funds – There is to be a monthly deposit of an amount equal to 1/12 of the next ensuing principal payment due and 1/6 of the next ensuing interest payment due for the 2005 issue. These funds are used to pay maturing bond and interest coupons on the aforementioned issue.

Bond Reserve Fund - This fund shall receive, on a monthly basis, within five years of the issue date, an amount equal to the average annual principal and interest requirements on the 2005 issue outstanding. This fund is to be used in the event of a deficiency in the Bond and Interest Redemption Fund. At December 31, 2011, the District had reserves of \$584,544 invested with the bond custodian. At March 1, 2012, the requirement for this reserve will total \$587,215.

Depreciation Fund - This fund receives \$8,500 monthly after the above transfers have been made until the total sum of \$750,000 has been established and maintained. This fund also receives the proceeds from the sale of any property and equipment. This fund may be used to purchase new or replacement property and equipment. Monies from this account are held by the bond custodian. At December 31, 2011, the District was required to fund the account in the amount of \$750,000 and the assets in this account totaled \$750,711.

Operating and Maintenance Fund - This fund receives, on a monthly basis, the remaining balance in the Revenue Fund after the above transfers have been made. This fund is used to pay operating expenditures. Any surplus left, after operating expenses have been met, may be added to Debt Service Reserve.

Wastewater Revolving Loan Reserve – This loan requires the District to fund a reserve account in the amount of \$310,000. At December 31, 2011, the District had funded this reserve in the amount of \$335,230.

2002 Adjustable Revenue Bonds – The District filed Supplement No.1 to Trust Indenture dated April 1, 2010. This supplement allows for a letter of credit to be issued by Cecilian Bank via a wrap around letter of credit from the Federal Home Loan Bank of Cincinnati as collateral for the original bond issue. As a result, the District is no longer required to fulfill the debt service reserve and depreciation fund requirements with The Bank of New York Mellon Trust Company however, the District continues to carry \$86,667 in an account for this bond issue.

The bond ordinance calls for "net annual revenues" to exceed the maximum annual debt requirements of fixed rate bonds by 1.20 for the Water Fund. For the year ended December 31, 2011, the water fund ratio was 2.91.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 5 – LONG-TERM LIABILITIES

Some of the construction costs of the District's water and sewer facilities have been financed by issuance of revenue bonds and revolving notes authorized under Kentucky Revised Statutes.

Bonds payable of the water and Radcliff sewer funds consists of the following at December 31, 2011:

2005 Revenue Bonds, various semi-annual principal and interest payments at 4.125% through September 1, 2025, secured by the revenues of the District.	\$ 6,135,000
2002 Revenue Bonds, various semi-annual principal payments with monthly interest payments at a variable rate which is to be the lowest interest rate on the determination date at which the bonds can be remarketed at par for the interest rate period through September 1, 2022, secured by a letter of credit issued from Cecilian Bank.	3,150,000
1997 KIA Wastewater Revolving Loan, various semi-annual principal and interest payments at a rate of interest of 3.8% through December 1, 2018, secured by the revenues of the District.	<u>2,109,083</u>
Total debt	11,394,083
Less: current portion	<u>768,362</u>
Total long-term debt	<u><u>\$ 10,625,721</u></u>

In 1998, the District refunded its 1989 and 1992 issues through the issuance of a 1998 fixed rate refunding issue. The District defeased these bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. The trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

In 1998 the District issued variable rate bonds to fund the construction of the new service center and the Fort Knox interconnect project. In 2005 the District issued fixed rate bonds to fund the construction of the New Salem Church Road project and to refund the 1998 variable rate bonds. The District paid off the 1998 bond issue two years early, in September 2010, as approved by the Board of Commissioners during its May 18th 2010 meeting, saving the district approximately \$51,000 in interest.

During April 2008, the District assumed two debt issues as part of the Radcliff sewer acquisition. The District assumed a 1997 Wastewater Revolving Loan through the Kentucky Infrastructure Authority and a 2001 refunding revenue bond issue through the Kentucky League of Cities. The district paid off the 2001 issue during 2010.

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 7 - OTHER LIABILITIES

The water fund's other liabilities in the amount of \$126,401 at December 31, 2011 represent customers' advances for construction and extension of water mains beyond limits now provided by the District. These advances will be repaid in accordance with the terms of the agreements. The terms call for a portion of the revenue from these waterlines to be refunded to customers.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In addition to its general liability insurance, the district also carries commercial insurance for all other risks of loss such as worker's compensation and accident coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 – RETIREMENT PLAN

Hardin County Water District No.1 is a participating employer of the County Employees' Retirement System (CERS). Under the provisions of Kentucky Revised Statute 61.645, the Board of Trustees of Kentucky Retirement Systems administers the CERS.

The plan issues separate financial statements which may be obtained by request from Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601.

Plan Description – CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the System. The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living (COLA) adjustments are provided at the discretion of state legislature.

Contributions – For the year ended December 31, 2011, plan members were required to contribute 5.00% of wages for non-hazardous job classifications and 6.00% for employees hired after September 1, 2008. 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 on the basis of an annual valuation last proceeding 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 contributions rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. Participating employers contributed 16.93% of each non-hazardous employee's wages from January 1, 2011 through June 30 and 18.96% from July 1 through December 31, 2011, which is equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Retirement System are financed through employer contributions and investment earnings.

The required contribution (employee and employer) and the actual percentage contributed for the District for the current and previous two years are as follows:

<u>Year</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2011	\$ 373,637	100%
2010	\$ 330,866	100%
2009	\$ 291,223	100%

HARDIN COUNTY WATER DISTRICT NO. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

NOTE 10 – RECLASSIFICATIONS

Certain items on the balance sheet have been reclassified in the prior year to conform to the current year presentation.

NOTE 11 – SUBSEQUENT EVENTS

The District has evaluated and considered the need to recognize or disclose subsequent events through March 14, 2012, which represents the date these financial statements were available to be issued. Subsequent events past this date, as they pertain to the fiscal year ended December 31, 2011, have not been evaluated by the District.

Effective February 1, 2012, the District purchased that assets and took over operations of the Fort Knox water system. The water system was formerly operated by the United States Army. In order to accomplish this transaction, the District implemented a purchase agreement with Louisville Water to increase supply when needed.

SUPPLEMENTARY INFORMATION

HARDIN COUNTY WATER DISTRICT NO. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
WATER FUND
for the year ended December 31, 2011

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Metered water sales	\$ 3,348,430	\$ 3,348,430	\$ 3,049,775	\$ (298,655)
Wholesale sales	668,600	668,600	635,903	(32,697)
Sewer billing contract revenue	8,500	8,500	8,612	112
Penalties, service fees and reimbursements	<u>303,800</u>	<u>303,800</u>	<u>291,411</u>	<u>(12,389)</u>
Total operating revenue	<u>4,329,330</u>	<u>4,329,330</u>	<u>3,985,701</u>	<u>(343,629)</u>
OPERATING EXPENSES				
Treatment	915,200	915,200	841,684	(73,516)
Transmission and Distribution	702,930	702,930	648,360	(54,570)
Customer service	258,958	258,958	280,777	21,819
General & administrative expenses	538,094	538,094	529,157	(8,937)
Purchased water	119,776	119,776	75,939	(43,837)
General maintenance	76,741	76,741	77,861	1,120
Source of supply	<u>28,125</u>	<u>28,125</u>	<u>36,872</u>	<u>8,747</u>
Total operating expense	<u>2,639,824</u>	<u>2,639,824</u>	<u>2,490,650</u>	<u>(149,174)</u>
Operating income before depreciation	1,689,506	1,689,506	1,495,051	(194,455)
Depreciation and amortization expense	<u>(874,101)</u>	<u>(874,101)</u>	<u>(996,715)</u>	<u>(122,614)</u>
OPERATING INCOME	815,405	815,405	498,336	(317,069)
Non-operating income (expenses)				
Interest income	30,700	30,700	40,909	10,209
Interest expense	(325,102)	(325,102)	(305,120)	19,982
Loss on sale of equipment	<u>8,199</u>	<u>8,199</u>	<u>(17,260)</u>	<u>(25,459)</u>
INCOME BEFORE				
CAPITAL CONTRIBUTIONS	529,202	529,202	216,865	(312,337)
Government contributions	3,572,000	3,572,000	144,170	(3,427,830)
Tap Fees	182,000	182,000	64,182	(117,818)
Customer Contribution	<u>-</u>	<u>-</u>	<u>330,375</u>	<u>330,375</u>
CHANGE IN NET ASSETS	<u>\$ 4,283,202</u>	<u>\$ 4,283,202</u>	<u>\$ 755,592</u>	<u>\$ (3,527,610)</u>

HARDIN COUNTY WATER DISTRICT NO. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
FORT KNOX SEWER FUND
for the year ended December 31, 2011

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Sewer service revenue	\$ 2,843,117	\$ 2,843,117	\$ 2,845,040	\$ 1,923
Penalties, service fees and reimbursements	<u>3,800</u>	<u>3,800</u>	<u>17,975</u>	<u>14,175</u>
Total operating revenue	<u>2,846,917</u>	<u>2,846,917</u>	<u>2,863,015</u>	<u>16,098</u>
OPERATING EXPENSES				
Professional services	9,576	9,576	19,330	9,754
Contractual obligations	1,985,441	1,985,441	1,704,405	(281,036)
Allocated expense	-	-	5,042	5,042
Insurance	55,800	55,800	44,214	(11,586)
Customer service	83,856	83,856	52,113	(31,743)
Other	<u>17,028</u>	<u>17,028</u>	<u>10,844</u>	<u>(6,184)</u>
Total operating expense	<u>2,151,701</u>	<u>2,151,701</u>	<u>1,835,948</u>	<u>(315,753)</u>
Operating income before depreciation	695,216	695,216	1,027,067	331,851
Depreciation and amortization expense	<u>(543,502)</u>	<u>(543,502)</u>	<u>(617,348)</u>	<u>(73,846)</u>
OPERATING INCOME	151,714	151,714	409,719	258,005
Non-operating income (expenses)				
Interest income	18,000	18,000	11,752	(6,248)
Interest expense	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,263)</u>	<u>237</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	168,214	168,214	420,208	251,994
Government contributions	<u>96,400</u>	<u>96,400</u>	<u>436,310</u>	<u>339,910</u>
CHANGE IN NET ASSETS	<u>\$ 264,614</u>	<u>\$ 264,614</u>	<u>\$ 856,518</u>	<u>\$ 591,904</u>

HARDIN COUNTY WATER DISTRICT NO. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
RADCLIFF SEWER FUND
for the year ended December 31, 2011

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Sewer service revenue	\$ 3,397,100	\$ 3,397,100	\$ 3,298,297	\$ (98,803)
Penalties, service fees and reimbursements	<u>280,774</u>	<u>280,774</u>	<u>184,714</u>	<u>(96,060)</u>
Total operating revenue	<u>3,677,874</u>	<u>3,677,874</u>	<u>3,483,011</u>	<u>(194,863)</u>
OPERATING EXPENSES				
Professional services	15,180	15,180	13,786	(1,394)
Contractual obligations	2,180,221	2,180,221	2,082,650	(97,571)
Allocated expense	-	-	65,728	65,728
Insurance	17,800	17,800	19,466	1,666
Customer service	408,036	408,036	423,937	15,901
System maintenance	<u>93,692</u>	<u>93,692</u>	<u>46,076</u>	<u>(47,616)</u>
Total operating expense	<u>2,714,929</u>	<u>2,714,929</u>	<u>2,651,643</u>	<u>(63,286)</u>
Operating income before depreciation	962,945	962,945	831,368	(131,577)
Depreciation and amortization expense	<u>(805,097)</u>	<u>(805,097)</u>	<u>(818,760)</u>	<u>(13,663)</u>
OPERATING INCOME	157,848	157,848	12,608	(145,240)
Non-operating income (expenses)				
Interest income	35,000	35,000	39,084	4,084
Interest expense	(26,882)	(26,882)	(92,190)	(65,308)
Other (expense)	<u>-</u>	<u>-</u>	<u>(39,454)</u>	<u>(39,454)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	165,966	165,966	(79,952)	(245,918)
Government contributions	5,141,839	5,141,839	1,383,176	(3,758,663)
Customer Contributions	<u>63,165</u>	<u>63,165</u>	<u>464,175</u>	<u>401,010</u>
CHANGE IN NET ASSETS	<u>\$ 5,370,970</u>	<u>\$ 5,370,970</u>	<u>\$ 1,767,399</u>	<u>\$ (3,603,571)</u>

HARDIN COUNTY WATER DISTRICT NO. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
STORMWATER FUND
for the year ended December 31, 2011

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Stormwater revenue	\$ 469,576	\$ 469,576	\$ 469,008	\$ (568)
Total operating revenue	<u>469,576</u>	<u>469,576</u>	<u>469,008</u>	<u>(568)</u>
OPERATING EXPENSES				
Professional services	2,392	2,392	1,134	(1,258)
Contractual obligations	269,715	269,715	279,001	9,286
Insurance	1,500	1,500	1,698	198
Customer service	23,433	23,433	-	(23,433)
Other	1,960	1,960	26,430	24,470
Total operating expense	<u>299,000</u>	<u>299,000</u>	<u>308,263</u>	<u>9,263</u>
Operating income before depreciation	170,576	170,576	160,745	(9,831)
Depreciation and amortization expense	<u>(26,843)</u>	<u>(26,843)</u>	<u>(34,322)</u>	<u>(7,479)</u>
OPERATING INCOME	143,733	143,733	126,423	(17,310)
Non-operating income (expenses)				
Interest income	<u>9,500</u>	<u>9,500</u>	<u>5,599</u>	<u>(3,901)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	153,233	153,233	132,022	(21,211)
Government contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>\$ 153,233</u>	<u>\$ 153,233</u>	<u>\$ 132,022</u>	<u>\$ (21,211)</u>

HARDIN COUNTY WATER DISTRICT NO. 1
COMBINED SEWER BALANCE SHEETS
December 31, 2011

	Ft. Knox Sewer	Radcliff Sewer	2011 Total	2010 Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,574,918	\$ 2,838,937	\$ 4,413,855	\$ 3,855,552
Short-term certificates of deposit	-	-	-	381,914
Customer accounts receivable, net	239,245	219,445	458,690	695,280
Grant receivable	16,485	60,337	76,822	107,210
Interest receivable	1	522	523	3,334
Due from other funds	17,388	270,128	287,516	60,562
Inventory	12,373	-	12,373	-
Prepaid expenses	7,171	42,814	49,985	36,247
Total current assets	<u>1,867,581</u>	<u>3,432,183</u>	<u>5,299,764</u>	<u>5,140,099</u>
Long-term investments				
Restricted assets - reserve funds	-	335,230	335,230	377,940
Radcliff acquisition costs, net				
	-	211,203	211,203	220,303
Property, plant and equipment				
Land and easements	-	9,544	9,544	9,544
Plant and lines	78,118,835	32,561,952	110,680,787	107,319,772
Vehicles and equipment	1,074,766	976,309	2,051,075	1,872,097
Construction in progress	725,498	1,608,776	2,334,274	2,710,159
Total	79,919,099	35,156,581	115,075,680	111,911,572
Less accumulated depreciation	<u>(61,842,262)</u>	<u>(13,931,484)</u>	<u>(75,773,746)</u>	<u>(74,398,699)</u>
Total property, plant, and equipment	<u>18,076,837</u>	<u>21,225,097</u>	<u>39,301,934</u>	<u>37,512,873</u>
TOTAL ASSETS	<u>\$ 19,944,418</u>	<u>\$ 25,203,713</u>	<u>\$ 45,148,131</u>	<u>\$ 43,251,215</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 165,594	\$ 265,950	\$ 431,544	\$ 815,696
Due to other funds	2,317	8,770	11,087	48,235
Customers' deposits	-	124,214	124,214	125,601
Accrued expenses	10,010	36,598	46,608	91,613
Liabilities payable from restricted assets:				
Current portion of long-term debt	-	268,362	268,362	258,448
Accrued interest on long-term debt	-	7,030	7,030	7,892
Total current liabilities	<u>177,921</u>	<u>710,924</u>	<u>888,845</u>	<u>1,347,485</u>
Long-term liabilities				
Bonds payable	-	1,840,721	1,840,721	2,109,082
Total liabilities	<u>177,921</u>	<u>2,551,645</u>	<u>2,729,566</u>	<u>3,456,567</u>
Net assets				
Invested in capital assets	18,076,837	19,108,984	37,185,821	35,145,343
Restricted	-	335,230	335,230	377,940
Unrestricted	1,689,660	3,207,854	4,897,514	4,271,365
Total net assets	<u>19,766,497</u>	<u>22,652,068</u>	<u>42,418,565</u>	<u>39,794,648</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 19,944,418</u>	<u>\$ 25,203,713</u>	<u>\$ 45,148,131</u>	<u>\$ 43,251,215</u>

HARDIN COUNTY WATER DISTRICT NO. 1
COMBINED SEWER STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
for the year ended December 31, 2011

	Ft. Knox Sewer	Radcliff Sewer	2011 Total	2010 Total
OPERATING REVENUE				
Sewer service revenue	\$ 2,845,040	\$ 3,298,297	\$ 6,143,337	\$ 6,143,840
Penalties, service fees and reimbursements	<u>17,975</u>	<u>184,714</u>	<u>202,689</u>	<u>222,520</u>
Total operating revenue	<u>2,863,015</u>	<u>3,483,011</u>	<u>6,346,026</u>	<u>6,366,360</u>
OPERATING EXPENSES				
Customer service	52,113	423,937	476,050	505,774
Sewer	<u>1,783,835</u>	<u>2,227,706</u>	<u>4,011,541</u>	<u>3,984,005</u>
Total operating expense	<u>1,835,948</u>	<u>2,651,643</u>	<u>4,487,591</u>	<u>4,489,779</u>
Operating income before depreciation	1,027,067	831,368	1,858,435	1,876,581
Depreciation and amortization expense	<u>(617,348)</u>	<u>(818,760)</u>	<u>(1,436,108)</u>	<u>(1,293,130)</u>
OPERATING INCOME	409,719	12,608	422,327	583,451
Non-operating income (expenses)				
Interest income	11,752	39,084	50,836	84,297
Interest expense	(1,263)	(92,190)	(93,453)	(111,015)
Bad debts recovered	-	9,449	9,449	9,355
Gain (loss) on sale of equipment	<u>-</u>	<u>(48,903)</u>	<u>(48,903)</u>	<u>15,895</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	420,208	(79,952)	340,256	581,983
Grants	-	1,383,176	1,383,176	1,313,553
Tap fees	-	8,700	8,700	22,052
Customer contributions	<u>436,310</u>	<u>455,475</u>	<u>891,785</u>	<u>1,184,582</u>
CHANGE IN NET ASSETS	856,518	1,767,399	2,623,917	3,102,170
Net assets, beginning of year	<u>18,909,979</u>	<u>20,884,669</u>	<u>39,794,648</u>	<u>36,692,478</u>
NET ASSETS, END OF YEAR	<u>\$ 19,766,497</u>	<u>\$ 22,652,068</u>	<u>\$ 42,418,565</u>	<u>\$ 39,794,648</u>

HARDIN COUNTY WATER DISTRICT NO. 1
COMBINED SEWER STATEMENTS OF CASH FLOWS
for the year ended December 31, 2011

	<u>Ft. Knox Sewer</u>	<u>Radcliff Sewer</u>	<u>2011 Total</u>	<u>2010 Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,097,618	\$ 3,251,284	\$ 6,348,902	\$ 6,218,866
Payments to suppliers	<u>(2,105,730)</u>	<u>(2,839,378)</u>	<u>(4,945,108)</u>	<u>(4,373,592)</u>
Net cash provided by operating activities	<u>991,888</u>	<u>411,906</u>	<u>1,403,794</u>	<u>1,845,274</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Contributions in aid of construction	436,310	1,391,876	1,828,186	1,206,632
Proceeds from sale of equipment	-	3,000	3,000	20,000
Acquisition and construction of capital assets	(964,415)	(1,848,082)	(2,812,497)	(3,166,510)
Principal paid on long-term debt	-	(258,447)	(258,447)	(408,899)
Interest paid on long-term debt	<u>(1,263)</u>	<u>(93,052)</u>	<u>(94,315)</u>	<u>(112,916)</u>
Net cash (used in) capital and related financing activities	<u>(529,368)</u>	<u>(804,705)</u>	<u>(1,334,073)</u>	<u>(2,461,693)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	11,752	41,895	53,647	97,882
Redemption of investments	-	770,165	770,165	2,560,023
Purchase of investments	<u>-</u>	<u>(335,230)</u>	<u>(335,230)</u>	<u>-</u>
Net cash provided by investing activities	<u>11,752</u>	<u>476,830</u>	<u>488,582</u>	<u>2,657,905</u>
NET INCREASE IN CASH	<u>474,272</u>	<u>84,031</u>	<u>558,303</u>	<u>2,041,486</u>
Cash and cash equivalents, beginning of year	<u>1,100,646</u>	<u>2,754,906</u>	<u>3,855,552</u>	<u>1,814,066</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,574,918</u>	<u>\$ 2,838,937</u>	<u>\$ 4,413,855</u>	<u>\$ 3,855,552</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 409,719	\$ 12,608	\$ 422,327	\$ 583,451
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	617,348	818,760	1,436,108	1,293,130
Change in assets and liabilities:				
Accounts receivable	256,640	10,338	266,978	107,474
Prepaid expenses	(4,814)	(8,924)	(13,738)	22,139
Inventory	(12,373)	-	(12,373)	-
Due from other funds	(17,388)	(209,566)	(226,954)	7,036
Accounts payable	(228,231)	(155,921)	(384,152)	19,307
Accrued expenses	(24,364)	(20,641)	(45,005)	76,313
Due to other funds	(4,649)	(32,499)	(37,148)	(262,004)
Other payables	<u>-</u>	<u>(2,249)</u>	<u>(2,249)</u>	<u>(1,572)</u>
Net cash provided by operating activities	<u>\$ 991,888</u>	<u>\$ 411,906</u>	<u>\$ 1,403,794</u>	<u>\$ 1,845,274</u>
Schedule of non-cash capital and financing activities:				
Construction in process included in accounts payable	<u>\$ -</u>	<u>\$ 69,167</u>	<u>\$ 69,167</u>	<u>\$ -</u>

**HARDIN COUNTY WATER DISTRICT NO.1
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Hardin County Water District No.1
Radcliff, Kentucky

We have audited the financial statements of Hardin County Water District No.1 as of and for the year ended December 31, 2011, and have issued our report thereon dated March 14, 2012. 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 Hardin County Water District No.1'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 Hardin County Water District No.1's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Hardin County Water District No.1's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hardin County Water District No.1'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*.

This communication is intended solely for the information and use of management, Board of Commissioners and the Public Service Commission of Kentucky and is not intended to be and should not be used by anyone other than these specified parties.

Ray, Foley, Hensley, & Company
Ray, Foley, Hensley, & Company, PLLC
March 14, 2012

HARDIN COUNTY WATER DISTRICT No. 1
Radcliff, Kentucky

FINANCIAL STATEMENTS
December 31, 2012

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Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 60 Years

1400 Rogersville Road
Radcliff, KY. 40160

March 12, 2013

TO: Hardin County Water District No. 1
Board of Commissioners

SUBJECT: 2012 Annual Report & Managements' Discussion and Analysis

This report is a joint effort of our staff and Ray, Foley, Hensley & Co, PLLC, Certified Public Accountants. This is the eighth year we have retained this firm to complete our annual audit. This report includes the Management Analysis, the Independent Auditor's Report, the basic financial statements of the District and related supplemental information and audit notes.

I would like to recognize the contribution of our Finance & Accounting Manager, Mr. Scott Schmuck and his accounting staff, Ms. Stephanie Strange (Accountant) and Ms. Karen Morrison (Accounting Specialist) for their work assisting the auditors in preparing this information. Mr. Bradley Hayes, CPA/CGFM, was the lead auditor for the firm and field staff to complete the audit.

In February 2012, we began operation of the Ft. Knox Water Utility. This system acquisition culminated a three and a half year process with our partner, the Louisville Water Company ("LWC"), to pursue a 50 year Utilities Privatization contract to own and operate the Ft. Knox Potable Water System. The contract was signed on September 30th, 2011 and operation of the system began on February 1, 2012. Because of the new acquisition, our 2012 financial position has changed considerably from 2011.

In May, 2012, we also entered into a 40 year Water Purchase Agreement with LWC. This will provide a new back-up purchased water source, replacing the Ft. Knox source we have had since 1998. The agreement allows us to purchase up to 3.5 million gallons daily, an increase of 30% compared to the Ft. Knox purchased water source.

A \$4.5 million "BRAC" grant from the Kentucky Cabinet of Economic Development has been received to construct a new interconnect facility to the LWC system. Final design is underway on this facility and we hope to have it built and be able to deliver LWC water to our system by late 2014. Several permits will be needed to construct these facilities including permits from U.S. Army Corps of Engineers, Kentucky Environmental Protection Cabinet / Division of Water and the Kentucky Public Service Commission.

Financial Performance & Highlights

Consolidated Financial Performance: Our financial reports now include statements for five distinct enterprise utility funds; County Water, Ft. Knox Water, Ft. Knox Sanitary Sewer, Ft. Knox Storm Sewer and Radcliff Sanitary Sewer. This letter first reviews the overall consolidated financial highlights of the year, with more specific key items by utility.

In November, Moody's Investors Services affirmed an "A1" credit rating on the District's outstanding \$5.9M fixed rate water revenue bonds, issued in 2005. This affirmation means these bonds provide upper-middle grade investment with very low credit risk to bond holders. The District has no immediate plans to issue any new debt or revenue bonds. At year end, the District had \$12.7 million of

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Continued

available grants or contributed capital funding still to be used for capital construction, which all are without any fees, interest cost or repayment requirements.

For the year, gross plant assets increased by \$15,346,791 (+ 9.7% [percent changes in parentheses represent change from 2011]). Total net assets (net position) increased by \$18,878,129 (+ 28.3%). Total revenues, including interest income, increased by \$4,076,921(+ 37.4%). Operating income before depreciation increased to \$5,373,853 (+ 52.9%) and net income after depreciation (and net of non-operating income and expenses) increased by \$1,252,171 to \$1,941,314 (+ 181.7%). This amount was 13% (+ 106.4%) of total operating revenues. Total net assets at the end of the year were \$85,604,348 (+ 28.3%).

Cash used for capital construction was \$6,352,854 (+ 65.3%), of which 96% was provided by government grants (both Kentucky and U.S. Government/Dept. of Defense). Principal payments to reduce bond debt were \$843,513 (+ 17%) and at year end the consolidated outstanding debt principal was \$10,960,486 (- 3.8%). Total working capital (unrestricted cash + investments) at year end increased by 71% to \$10,527,269. Of all reserves (cash + investments), 84% (+ 11%) were unrestricted and available as working capital for capital construction or operations. At the beginning of 2013 we also had total of \$12,677,445 of available state or federal grant funding for future capital construction projects.

Individual Fund Highlights:

County Water: Total operating expenses (excluding debt interest and depreciation) were 5.2% less than budgeted. Revenues were 0.7% less than budgeted. Net income after depreciation and interest expense increased by 154% from 2011, mainly due to some general and administrative operating expenses now being shared by the new Ft. Knox Water utility, which lowered this fund's expenses. Water sales also increased slightly. Net assets increased by 3.9%. The bond coverage ratio was 3.17, which is 2.6 times the required 1.20 (+ 8.9% from 2011).

Ft. Knox Water: Financial results were for an eleven month period in 2012, starting February 1. For the first year of operations of this utility, total operating revenues were \$3,849,586 (including interest income). Net income before depreciation was \$1,327,033. Net income after depreciation and amortized expenses was \$926,342 which is 24% of revenues. Net assets at year end were \$14,506,823. Construction in progress was valued at \$275,600. Working capital and cash available for capital construction was \$3,949,510. As part of the privatization contract with the Government, a surcharge payment (shown as customer contributions) during the first five years will generate in excess of \$25 million to address existing facility deficiencies throughout the water system. We are in the process of developing plans, specifications and a schedule to complete these projects.

Ft. Knox Sewer (Sanitary and Storm): Total operating revenues increased by 3.7%. Total operating income, before depreciation expense, increased by 9.1% to \$1,120,784. Total net assets increased by 14.8%. Total expended for construction was \$3,230,392 (+ 222%) of which 61% was provided by contributed capital (direct grants) from the Government. Working capital increased by 5% to \$2,361,485 which is available for future Ft. Knox sewer related capital projects and improvements. At the beginning of 2013, the fund had a balance of \$4,194,547 in available direct contributed funding, provided by the Government, for construction projects.

Radcliff Sewer: Total revenues (including interest income) were \$3,579,459 (+ 1.6%) which was 5.1% below revenue estimates. Total operating expenses (including depreciation) were

Continued

0.8% less than budgeted. Total net assets increased 2% to \$23,107,910 and at year end we had construction in progress assets of \$1,847,721 (+ 14.8%). Of the \$1,334,930 expended for construction (- 28%), 48% was funded by state grants. At year end the total cash & investment reserve balance was \$3,292,747 (+ 3.7%) of which 89% was unrestricted and available for capital construction or operations. At year end a total of \$3,162,241 in state grants are available for future capital construction projects. The fund had an operating income before depreciation and debt interest of \$880,329 (+ 5.9%) with a net operating loss of \$89,481 (2.5% of revenues) after those expenses (and excluding loss on disposal of equipment), compared to a 2011 net operating loss of \$40,498 (+ 121%).

During 2012 the Board approved the filing of a rate increase request to the Kentucky Public Service Commission for the Radcliff sewer rates. It is anticipated that the filing will be made by mid 2013 with a projected approval in 2014 or early, 2015.

Operational Changes & Statistics


Since acquiring the Ft. Knox Water system we now own and operate five treatment plants (Pirtle Spring County Water Treatment Plant ("WTP"), Ft. Knox Central and Muldraugh WTP's, Radcliff Wastewater Treatment Plant ("WWTP") and Ft. Knox WWTP.

During 2012 a total of 1,782 MG (million gallons) of potable water was treated (+ 73%) and a total of 51.3 MG was purchased for resale (+ 10.3%). Total water delivered to the systems (now County and Ft. Knox combined) was 1,833.7 MG (+ 77.2%). The maximum demand day was 9.085 MG (+ 140%) and occurred on 1-July. The average daily water demand for the year was 5.024 MG (+ 77%). A total of 68 new water services were installed, down 30% from 2011. Wholesale customers purchased 336.6 MG (+ 1.6%), which was equivalent to 37% of total water sales volume (+ 15.6%).


The two wastewater treatment plants (Ft. Knox and Radcliff) treated 1,295.4 MG (- 22%) down due to 2012 having less rainfall, decreasing inflow and infiltration treated at the WWTP's. This resulted in an average daily flow of clean, recycled water into streams of 3.549 MG.

At present we have 23 construction projects in either preliminary or final design and construction. The District, its Board and staff face new challenges and exciting changes as we look forward to new endeavors and improving the reliability and functionality of our utility systems through best practice, asset management systems.

Sincerely,



Mr. Jim Bruce
General Manager



Mr. Scott Schmuck
Finance & Accounting Manager

rfh Ray, Foley, Hensley & Company, PLLC

Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Hardin County Water District No. 1
Radcliff, Kentucky

Stephen R. Allen, CPA/PFS
Dennis H. England, CPA
Michael D. Foley, CPA
Lyman Hager, Jr., CPA/PFS
Jerry W. Hensley, CPA
Mark R. Wadlington, CPA, CGMA
Gwendolyn B. Young, CPA, CVA

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Hardin County Water District No.1, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Hardin County Water District No.1, as of December 31, 2012, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-3 and 17-21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hardin County Water District No. 1's basic financial statements. The combined statements of net position, revenues, expenses and changes in net position, and cash flows are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with **Government Auditing Standards**, we have also issued our report dated March 12, 2013, on our consideration of the Hardin County Water District No. 1'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** in considering Hardin County Water District No. 1's internal control over financial reporting and compliance.

Ray, Foley, Hensley & Company

Ray, Foley, Hensley, & Company, PLLC
March 12, 2013

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED STATEMENT OF NET POSITION
December 31, 2012

ASSETS	Water Total	Sewer Total	Storm Water	2012 Total
Current assets				
Cash and cash equivalents	\$ 4,444,052	\$ 4,612,237	\$ 703,272	\$ 9,759,561
Short-term certificates of deposit	767,708	-	-	767,708
Customer accounts receivable, net	736,654	440,844	39,816	1,217,314
Other accounts receivable	1,001,652	711,587	78,199	1,791,438
Interest receivable	1,874	-	-	1,874
Due from other funds	-	80,225	-	80,225
Inventory - materials and supplies	321,754	12,373	-	334,127
Prepaid expenses	69,800	53,183	270	123,253
Total current assets	<u>7,343,494</u>	<u>5,910,449</u>	<u>821,557</u>	<u>14,075,500</u>
Non-current assets				
Restricted assets - reserve funds	1,634,127	338,723	-	1,972,850
Acquisition costs	-	202,103	-	202,103
Total non-current assets	<u>1,634,127</u>	<u>540,826</u>	<u>-</u>	<u>2,174,953</u>
Property, plant and equipment				
Land and easements	273,045	9,544	-	282,589
Plant and lines	45,384,251	111,823,319	1,272,146	158,479,716
Vehicles and equipment	5,773,986	2,300,517	150,212	8,224,715
Construction in progress	876,545	4,803,696	328,520	6,008,761
Total	<u>52,307,827</u>	<u>118,937,076</u>	<u>1,750,878</u>	<u>172,995,781</u>
Less accumulated depreciation	<u>(13,428,672)</u>	<u>(77,223,428)</u>	<u>(131,135)</u>	<u>(90,783,235)</u>
Total property, plant, and equipment	<u>38,879,155</u>	<u>41,713,648</u>	<u>1,619,743</u>	<u>82,212,546</u>
TOTAL ASSETS	<u>\$ 47,856,776</u>	<u>\$ 48,164,923</u>	<u>\$ 2,441,300</u>	<u>\$ 98,462,999</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 471,925	\$ 823,453	\$ 12,839	\$ 1,308,217
Due to other funds	69,111	10,333	781	80,225
Customers' deposits	168,032	129,454	-	297,486
Accrued expenses	98,899	26,933	951	126,783
Reserve for unclaimed funds - escheatment	5,231	-	-	5,231
Deferred rent revenue	4,533	-	-	4,533
Liabilities payable from restricted assets:				
Current portion of long-term debt	701,960	278,656	-	980,616
Accrued interest on long-term debt	60,792	6,102	-	66,894
Total current liabilities	<u>1,580,483</u>	<u>1,274,931</u>	<u>14,571</u>	<u>2,869,985</u>
Long-term liabilities				
Bonds payable	8,165,000	1,562,065	-	9,727,065
Other long-term debt	252,805	-	-	252,805
Less unamortized discount and expenses	(162,731)	-	-	(162,731)
Compensated absences	58,363	-	-	58,363
Long-term liabilities, net	<u>8,313,437</u>	<u>1,562,065</u>	<u>-</u>	<u>9,875,502</u>
Other liabilities				
Customer advances for construction	113,164	-	-	113,164
Total liabilities	<u>10,007,084</u>	<u>2,836,996</u>	<u>14,571</u>	<u>12,858,651</u>
Net position				
Invested in capital assets, net of related debt	29,861,329	39,866,825	1,619,743	71,347,897
Restricted	1,634,127	338,723	-	1,972,850
Unrestricted	6,354,236	5,122,379	806,986	12,283,601
Total net position	<u>37,849,692</u>	<u>45,327,927</u>	<u>2,426,729</u>	<u>85,604,348</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 47,856,776</u>	<u>\$ 48,164,923</u>	<u>\$ 2,441,300</u>	<u>\$ 98,462,999</u>

The accompanying notes are an integral
part of the financial statements.

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the year ended December 31, 2012

	<u>Water Total</u>	<u>Sewer Total</u>	<u>Storm Water</u>	<u>2012 Total</u>
OPERATING REVENUE				
Metered water sales	\$ 6,538,415	\$ -	\$ -	\$ 6,538,415
Wholesale sales	647,969	-	-	647,969
Sewer billing contract revenue	18,335	-	-	18,335
Sewer service revenue	-	6,256,675	-	6,256,675
Stormwater service revenue	-	-	477,792	477,792
Penalties, service fees and reimbursements	<u>662,107</u>	<u>267,920</u>	<u>18,194</u>	<u>948,221</u>
Total operating revenue	<u>7,866,826</u>	<u>6,524,595</u>	<u>495,986</u>	<u>14,887,407</u>
OPERATING EXPENSES				
Treatment	777,035	-	-	777,035
Distribution	1,175,956	-	-	1,175,956
Customer service	249,581	612,048	-	861,629
General & administrative expenses	2,277,310	3,911,432	-	6,188,742
Purchased water	85,289	-	-	85,289
General maintenance	91,070	-	-	91,070
Source of supply	34,837	-	-	34,837
Stormwater	<u>-</u>	<u>-</u>	<u>298,996</u>	<u>298,996</u>
Total operating expense	<u>4,691,078</u>	<u>4,523,480</u>	<u>298,996</u>	<u>9,513,554</u>
Operating income before depreciation	3,175,748	2,001,115	196,990	5,373,853
Depreciation and amortization expense	<u>(1,449,633)</u>	<u>(1,557,218)</u>	<u>(37,214)</u>	<u>(3,044,065)</u>
OPERATING INCOME	1,726,115	443,897	159,776	2,329,788
Non-operating income (expenses)				
Interest income	43,715	39,165	4,713	87,593
Interest expense	(296,635)	(82,779)	-	(379,414)
Gain (loss) on disposal of equipment	<u>3,250</u>	<u>(99,903)</u>	<u>-</u>	<u>(96,653)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	1,476,445	300,380	164,489	1,941,314
Capital Contributions				
Grants	237,953	642,224	-	880,177
Tap fees	46,333	3,000	-	49,333
Customer contributions	<u>13,619,294</u>	<u>1,963,758</u>	<u>424,253</u>	<u>16,007,305</u>
CHANGE IN NET POSITION	15,380,025	2,909,362	588,742	18,878,129
Net position, beginning of year	<u>22,469,667</u>	<u>42,418,565</u>	<u>1,837,987</u>	<u>66,726,219</u>
NET POSITION, END OF YEAR	<u>\$ 37,849,692</u>	<u>\$ 45,327,927</u>	<u>\$ 2,426,729</u>	<u>\$ 85,604,348</u>

The accompanying notes are an integral
part of the financial statements.

**HARDIN COUNTY WATER DISTRICT No. 1
COMBINED STATEMENT OF CASH FLOWS
for the year ended December 31, 2012**

	<u>Water Total</u>	<u>Sewer Total</u>	<u>Storm Water</u>	<u>2012 Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 6,212,212	\$ 6,114,213	\$ 428,145	\$ 12,754,570
Payments to suppliers	(2,690,467)	(4,150,132)	(334,499)	(7,175,098)
Payments for employee services and benefits	<u>(1,727,828)</u>	<u>-</u>	<u>-</u>	<u>(1,727,828)</u>
Net cash provided by operating activities	<u>1,793,917</u>	<u>1,964,081</u>	<u>93,646</u>	<u>3,851,644</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on long-term debt	(575,151)	(268,362)	-	(843,513)
Borrowings	75,151	-	-	75,151
Principal paid on line of credit	(32,683)	-	-	(32,683)
Interest paid on long-term debt	(299,110)	(83,707)	-	(382,817)
Contributions in aid of construction	4,719,696	2,608,982	424,253	7,752,931
Grants	281,382	-	-	281,382
Proceeds from sale of equipment	7,412	4,640	-	12,052
Acquisition and construction of capital assets	(1,787,532)	(4,063,447)	(501,875)	(6,352,854)
Cash (paid) received under advance construction contract	<u>(13,237)</u>	<u>-</u>	<u>-</u>	<u>(13,237)</u>
Net cash provided by (used in) capital and related financing activities	<u>2,375,928</u>	<u>(1,801,894)</u>	<u>(77,622)</u>	<u>496,412</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	42,837	39,688	4,713	87,238
Redemption of investments	508,442	335,230	-	843,672
Purchase of investments	<u>(582,672)</u>	<u>(338,723)</u>	<u>-</u>	<u>(921,395)</u>
Net cash provided by (used in) investing activities	<u>(31,393)</u>	<u>36,195</u>	<u>4,713</u>	<u>9,515</u>
NET INCREASE IN CASH	<u>4,138,452</u>	<u>198,382</u>	<u>20,737</u>	<u>4,357,571</u>
Cash and cash equivalents, beginning of year	<u>305,600</u>	<u>4,413,855</u>	<u>682,535</u>	<u>5,401,990</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,444,052</u>	<u>\$ 4,612,237</u>	<u>\$ 703,272</u>	<u>\$ 9,759,561</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 1,726,115	\$ 443,897	\$ 159,776	\$ 2,329,788
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	1,449,633	1,557,218	37,214	3,044,065
Change in assets and liabilities:				
Accounts receivable	(1,398,019)	(616,919)	(78,199)	(2,093,137)
Prepaid expenses	(3,136)	189,903	162	186,929
Due from other funds	40,498	(3,198)	-	37,300
Inventory	(38,035)	-	-	(38,035)
Accounts payable	234,237	391,909	(35,665)	590,481
Accrued expenses	34,171	24,476	-	58,647
Due to other funds	(256,881)	(19,675)	10,358	(266,198)
Other payables	<u>5,334</u>	<u>(3,530)</u>	<u>-</u>	<u>1,804</u>
Net cash provided by operating activities	<u>\$ 1,793,917</u>	<u>\$ 1,964,081</u>	<u>\$ 93,646</u>	<u>\$ 3,851,644</u>
Schedule of non-cash capital and financing activities:				
Contributed water mains from developers	<u>\$ 8,945,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,945,931</u>
Construction in process included in accounts payable	<u>\$ 334,765</u>	<u>\$ 1,873</u>	<u>\$ -</u>	<u>\$ 336,638</u>

The accompanying notes are an integral part of the financial statements

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Hardin County Water District No. 1 (the District) is organized pursuant to provision of Chapter 74 of the Kentucky Revised Statutes in order to provide a water supply for citizens and residents of Radcliff, Kentucky and parts of Hardin, Meade and Breckinridge Counties. The District is regulated by the Kentucky Public Service Commission.

Reporting Entity

The Hardin County Water District No. 1's financial statements include the operations of all entities for which the District exercises oversight responsibilities. Oversight responsibility includes, but is not limited to, financial interdependency, selection of the governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The only entity included in these financial statements are the general operations of the Hardin County Water District No. 1.

There are no other entities that are subject to the District's oversight responsibility as indicated above.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

The District reports all revenue and expenses as operating, except interest income and expense, gains and losses on asset sales or disposals and capital contributions.

The District's financial statements are presented in conformity with the provisions of Governmental Accounting Standards Board Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*".

The District applies all applicable FASB and AICPA pronouncements issued on or before November 30, 1989 that are not in conflict with applicable GASB pronouncements.

Fund Accounting

The District maintains a County Water Fund, Ft. Knox Water Fund, Ft. Knox Sewer Fund, Radcliff Sewer Fund and a Ft. Knox Stormwater Fund.

Accounts Receivable

The Water Fund's accounts receivable is net of an allowance for uncollectible accounts of \$2,193 as of December 31, 2012. The allowance is increased by charges to bad debts and decreased by write-offs. Management's periodic evaluation of the adequacy of the allowance is based on the District's aged accounts receivable balances. The sewer funds and stormwater fund do not have an allowance for doubtful accounts.

Interfund Transfers

The asset "due from other funds" and the liability "due to other funds" represent amounts transferred between the funds owed for personnel and other operating and non-operating expenses.

Inventory

The water fund's inventory is composed of chemicals, equipment and supply-type items used for routine maintenance and repairs and new water lines. The sewer fund's inventory consists of equipment. The inventory is stated at the lower of cost (first-in, first-out method) or market.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Restricted Assets

The water and sewer funds' restricted assets consist of U.S. Treasury Notes and Bonds, certificates of deposit, money market funds, and non-interest-bearing accounts. The carrying value of the investments approximates market value.

When both restricted and unrestricted resources are available for use, the District's Board of Commissioners makes a determination as to which resource should be used.

Investments

It is the policy of the District to invest public funds in a manner which will provide the highest investment return with the maximum security of principal while meeting the daily cash flow demands of the District and conforming to all state statutes and District regulations governing the investment of public funds. The carrying value of the investments approximates market value.

Property and Equipment

The water, sewer and stormwater fund's property and equipment assets are recorded at cost or, if contributed, at donor cost or appraised value at date of acquisition. Interest relating to the financing of projects under construction is capitalized due to the District's capital financing plans and rate-setting methodology. Depreciation is computed by the straight-line method based on the estimated useful life of the depreciable property. Plant and lines are capitalized with lives ranging from 5-65 years and vehicles and equipment are capitalized with lives ranging from 5-35 years. Land is not subject to depreciation. Expenditures for maintenance and repairs are charged to expense as incurred whereas expenditures, including associated labor, for installation, renewals or betterments are generally capitalized.

Amortization

The water and sewer funds' bond discounts and issue costs are being amortized using the straight-line method over the life of the bond issue. The sewer funds' City of Radcliff sewer acquisition costs are being amortized using the straight-line method over a period of twenty-five years.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. Investments classified as restricted assets are not included as a cash and cash equivalent.

Estimates

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

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 – CASH AND INVESTMENTS

The Hardin County Water District's deposits and investments at December 31, 2012 were covered entirely by federal depository insurance, by collateral held by the custodial banks in the District's name, or invested in money market and government backed securities.

Kentucky Revised Statutes authorize local governmental units to invest in obligations of the United States and its agencies, obligations of the Commonwealth of Kentucky and its agencies, shares in savings and loan associations insured by federal agencies, deposits in national or state chartered banks insured by federal agencies and larger amounts in such institutions providing such banks pledge as security obligations of the United States Government or its agencies.

The following is a detail of the District's cash deposit coverage at December 31, 2012:

FDIC insured (or equivalent)	\$ 1,339,739
Collateralized by securities held by the bank in the District's name	9,908,395
United States Treasury Securities and money market funds	<u>1,297,460</u>
Total cash in banks	<u>\$ 12,545,594</u>

Cash and investments are classified as follows as of December 31, 2012:

Unrestricted:	
Cash & cash equivalents:	
Revenue fund	\$ 985,253
Other	<u>8,774,308</u>
	9,759,561
Short-term investments:	
Certificates of deposit	<u>767,708</u>
Total unrestricted	<u>10,527,269</u>
Restricted:	
Long-term investments:	
1997 KIA Debt service reserve	338,723
2002 B&I redemption fund – FMV	86,667
2005 B&I redemption fund – FMV	201,122
2005 Debt service reserve – FMV	594,307
Depreciation fund – FMV	<u>752,031</u>
Total restricted	<u>1,972,850</u>
Total reported cash & investments	<u>\$ 12,500,119</u>

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 – CAPITAL ASSETS

A summary of capital asset activity during the fiscal year follows:

	Balance Jan 1, 2012	Additions	Retirements	Balance Dec. 31, 2012
Capital assets not depreciated:				
Land and easements	\$ 282,589	\$ -	\$ -	\$ 282,589
Construction in process	2,923,721	5,100,100	2,015,060	6,008,761
Capital assets that are depreciated:				
Plant and lines	147,776,949	10,884,307	181,540	158,479,716
Vehicles and equipment	<u>6,665,731</u>	<u>1,621,452</u>	<u>62,468</u>	<u>8,224,715</u>
Total plant and equipment	157,648,990	17,605,859	2,259,068	172,995,781
Less: accumulated depreciation	<u>87,903,807</u>	<u>3,014,979</u>	<u>135,551</u>	<u>90,783,235</u>
Plant and equipment, net	<u>\$ 69,745,183</u>	<u>\$ 14,590,880</u>	<u>\$ 2,123,517</u>	<u>\$ 82,212,546</u>

Depreciation expense for all combined funds totaled \$3,014,979 for the year ended December 31, 2012.

NOTE 4 - COMPLIANCE WITH BOND INDENTURE

Under covenants of the bond ordinance, certain funds have been established. These funds and their current financial requirements are presented in summary as follows:

Bond and Interest Redemption Funds – There is to be a monthly deposit of an amount equal to 1/12 of the next ensuing principal payment due and 1/6 of the next ensuing interest payment due for the 2005 issue. These funds are used to pay maturing bond and interest coupons on the aforementioned issue.

Bond Reserve Fund - This fund shall receive, on a monthly basis, within five years of the issue date, an amount equal to the average annual principal and interest requirements on the 2005 issue outstanding. This fund is to be used in the event of a deficiency in the Bond and Interest Redemption Fund. At December 31, 2012, the District had reserves of \$594,307 invested with the bond custodian. At December 31, 2012, the requirement for the reserve totaled \$594,457.

Depreciation Fund - This fund receives \$8,500 monthly after the above transfers have been made until the total sum of \$750,000 has been established and maintained. This fund also receives the proceeds from the sale of any property and equipment. This fund may be used to purchase new or replacement property and equipment. Monies from this account are held by the bond custodian. At December 31, 2012, the District was required to fund the account in the amount of \$750,000 and the assets in this account totaled \$752,031.

Operating and Maintenance Fund - This fund receives, on a monthly basis, the remaining balance in the Revenue Fund after the above transfers have been made. This fund is used to pay operating expenditures. Any surplus left, after operating expenses have been met, may be added to Debt Service Reserve.

Wastewater Revolving Loan Reserve – This loan requires the District to fund a reserve account in the amount of \$310,000. At December 31, 2012, the District had funded this reserve in the amount of \$338,723.

2002 Adjustable Revenue Bonds – The District filed Supplement No.1 to Trust Indenture dated April 1, 2010. This supplement allows for a letter of credit to be issued by Cecilian Bank via a wrap around letter of credit from the Federal Home Loan Bank of Cincinnati as collateral for the original bond issue. As a result, the District is no longer required to fulfill the debt service reserve and depreciation fund requirements with The Bank of New York Mellon Trust Company however, the District continues to carry \$86,667 in an account for this bond issue.

The bond ordinance calls for "net annual revenues" to exceed the maximum annual debt requirements of fixed rate bonds by 1.20 for the Water Fund. For the year ended December 31, 2012, the water fund ratio was 3.17.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 5 – LONG-TERM LIABILITIES

Some of the construction costs of the District's water and sewer facilities have been financed by issuance of revenue bonds and revolving notes authorized under Kentucky Revised Statutes.

Bonds payable of the water and Radcliff sewer funds consists of the following at December 31, 2012:

2005 Revenue Bonds, various semi-annual principal and interest payments at 4.125% through September 1, 2025, secured by the revenues of the District.	\$ 5,895,000
2002 Revenue Bonds, various semi-annual principal payments with monthly interest payments at a variable rate which is to be the lowest interest rate on the determination date at which the bonds can be remarketed at par for the interest rate period through September 1, 2022, secured by a letter of credit issued from Cecilian Bank.	2,890,000
1997 KIA Wastewater Revolving Loan, various semi-annual principal and interest payments at a rate of interest of 3.8% through December 1, 2018, secured by the revenues of the District.	1,840,721
2012 agreement with Louisville Water, reimbursement of costs associated with the acquisition of the Fort Knox water system, 60 monthly payments of \$6,830, bearing no interest, maturing January 2017.	<u>334,765</u>
Total debt	10,960,486
Less: current portion	<u>980,616</u>
Total long-term debt	<u>\$ 9,979,870</u>

In 1998, the District refunded its 1989 and 1992 issues through the issuance of a 1998 fixed rate refunding issue. The District defeased these bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. The trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

In 1998 the District issued variable rate bonds to fund the construction of the new service center and the Fort Knox interconnect project. In 2005 the District issued fixed rate bonds to fund the construction of the New Salem Church Road project and to refund the 1998 variable rate bonds. The District paid off the 1998 bond issue two years early, in September 2010, as approved by the Board of Commissioners during its May 18th 2010 meeting, saving the district approximately \$51,000 in interest.

During April 2008, the District assumed two debt issues as part of the Radcliff sewer acquisition. The District assumed a 1997 Wastewater Revolving Loan through the Kentucky Infrastructure Authority and a 2001 refunding revenue bond issue through the Kentucky League of Cities. The district paid off the 2001 issue during 2010.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 5 – LONG-TERM LIABILITIES, continued

Bond maturities and sinking fund requirements for the District water fund in each of the next five years are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ 620,000	\$ 370,270	\$ 990,270
2014	650,000	343,493	993,493
2015	665,000	315,630	980,630
2016	680,000	287,404	967,404
2017	705,000	257,936	962,936
2018-2022	3,825,000	818,990	4,643,990
2023-2025	<u>1,640,000</u>	<u>137,157</u>	<u>1,777,157</u>
	<u>\$ 8,785,000</u>	<u>\$ 2,530,880</u>	<u>\$ 11,315,880</u>

Debt maturities and sinking fund requirements for the Radcliff sewer fund in each of the next five years are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ 278,656	\$ 70,869	\$ 349,525
2014	289,345	59,616	348,961
2015	300,445	47,933	348,378
2016	311,970	35,800	347,770
2017	323,938	23,203	347,141
2018	<u>336,367</u>	<u>10,123</u>	<u>346,490</u>
	<u>\$ 1,840,721</u>	<u>\$ 247,544</u>	<u>\$ 2,088,265</u>

Total bond and related debt maturities \$ 10,625,721 \$ 2,778,424 \$ 13,404,145

Debt maturities for the Fort Knox water fund in each of the next five years are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ 81,960	\$ -	\$ 81,960
2014	81,960	-	81,960
2015	81,960	-	81,960
2016	81,960	-	81,960
2018	<u>6,925</u>	<u>-</u>	<u>6,925</u>

Total other debt maturities \$ 334,765 \$ - \$ 334,765

Changes in long-term liabilities are as follows:

	Balance Jan 1, 2012	Additions	Payments	Balance Dec. 31, 2012	Due within one year
Long-term debt	\$ 11,394,083	\$ 409,916	(\$ 843,513)	\$ 10,960,486	\$ 980,616
Bond amortization	(178,279)	-	15,548	(162,731)	-
Compensated absences	<u>47,311</u>	<u>11,052</u>	<u>-</u>	<u>58,363</u>	<u>-</u>
Net long-term liabilities	<u>\$ 11,263,115</u>	<u>\$ 420,968</u>	<u>(\$ 827,965)</u>	<u>\$ 10,856,118</u>	<u>\$ 980,616</u>

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 6 – LINE OF CREDIT

The District maintains a \$2,500,000 line of credit that is designated for use in various construction projects if needed. The principal was due September 25, 2012. Accrued interest was payable quarterly at a rate of 3.25%. Changes in the line of credit are as follows:

Balance Jan 1, 2012	Additions	Payments	Balance Dec. 31, 2012
\$ <u>32,683</u>	\$ <u>-</u>	\$ <u>32,683</u>	\$ <u>-</u>

NOTE 7 - OTHER LIABILITIES

The water fund's other liabilities in the amount of \$113,164 at December 31, 2012 represent customers' advances for construction and extension of water mains beyond limits now provided by the District. These advances will be repaid in accordance with the terms of the agreements. The terms call for a portion of the revenue from these waterlines to be refunded to customers.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In addition to its general liability insurance, the district also carries commercial insurance for all other risks of loss such as worker's compensation and accident coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 – RETIREMENT PLAN

Hardin County Water District No.1 is a participating employer of the County Employees' Retirement System (CERS). Under the provisions of Kentucky Revised Statute 61.645, the Board of Trustees of Kentucky Retirement Systems administers the CERS.

The plan issues separate financial statements which may be obtained by request from Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601.

Plan Description – CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the System. The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living (COLA) adjustments are provided at the discretion of state legislature.

Contributions – For the year ended December 31, 2012, plan members were required to contribute 5.00% of wages for non-hazardous job classifications and 6.00% for employees hired after September 1, 2008. 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 on the basis of an annual valuation last proceeding 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 contributions rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. Participating employers contributed 18.96% of each non-hazardous employee's wages from January 1, 2012 through June 30 and 19.55% from July 1 through December 31, 2012, which is equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Retirement System are financed through employer contributions and investment earnings.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 9 – RETIREMENT PLAN, continued

The required contribution (employee and employer) and the actual percentage contributed for the District for the current and previous two years are as follows:

<u>Required</u> <u>Year</u>	<u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
2012	\$ 454,042	100%
2011	\$ 373,637	100%
2010	\$ 330,866	100%

NOTE 10 – CAPITAL ACQUISITION

Effective, February 1, 2012, the District acquired the assets of the Fort Knox water utility from the United States Army for a net \$0 price. The assets associated with the system had an estimated net book value of \$8,902,502 at the date of acquisition. This value has been included as part of contributed capital on the statement of revenues, expenses and changes in net position. The District also entered into a five-year agreement with Louisville Water giving them addition water supply if needed.

NOTE 11 – SUBSEQUENT EVENTS

The District has evaluated and considered the need to recognize or disclose subsequent events through March 12, 2013, which represents the date these financial statements were available to be issued. Subsequent events past this date, as they pertain to the fiscal year ended December 31, 2012, have not been evaluated by the District.

SUPPLEMENTARY INFORMATION

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
COUNTY WATER FUND
for the year ended December 31, 2012

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Metered water sales	\$ 3,088,000	\$ 3,088,000	\$ 3,073,779	\$ (14,221)
Wholesale sales	656,315	656,315	647,969	(8,346)
Sewer billing contract revenue	11,125	11,125	18,335	7,210
Penalties, service fees and reimbursements	<u>302,100</u>	<u>302,100</u>	<u>287,555</u>	<u>(14,545)</u>
Total operating revenue	<u>4,057,540</u>	<u>4,057,540</u>	<u>4,027,638</u>	<u>(29,902)</u>
OPERATING EXPENSES				
Treatment	768,956	768,956	777,035	8,079
Transmission and Distribution	679,596	679,596	667,160	(12,436)
Customer service	275,199	275,199	249,581	(25,618)
General & administrative expenses	389,416	389,416	273,951	(115,465)
Purchased water	74,700	74,700	85,289	10,589
General maintenance	82,227	82,227	91,070	8,843
Source of supply	<u>31,000</u>	<u>31,000</u>	<u>34,837</u>	<u>3,837</u>
Total operating expense	<u>2,301,094</u>	<u>2,301,094</u>	<u>2,178,923</u>	<u>(122,171)</u>
Operating income before depreciation	1,756,446	1,756,446	1,848,715	92,269
Depreciation and amortization expense	<u>(931,232)</u>	<u>(931,232)</u>	<u>(1,038,544)</u>	<u>(107,312)</u>
OPERATING INCOME	825,214	825,214	810,171	(15,043)
Non-operating income (expenses)				
Interest income	26,000	26,000	33,317	7,317
Interest expense	(290,500)	(290,500)	(296,635)	(6,135)
Loss on sale of equipment	<u>-</u>	<u>-</u>	<u>3,503</u>	<u>3,503</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	560,714	560,714	550,356	(10,358)
Government contributions	1,132,000	1,132,000	237,953	(894,047)
Tap Fees	75,000	75,000	41,464	(33,536)
Customer Contribution	<u>-</u>	<u>-</u>	<u>43,429</u>	<u>43,429</u>
CHANGE IN NET POSITION	<u>\$ 1,767,714</u>	<u>\$ 1,767,714</u>	<u>\$ 873,202</u>	<u>\$ (894,512)</u>

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
FORT KNOX WATER FUND
for the year ended December 31, 2012

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Metered water sales	\$ 3,467,821	\$ 3,467,821	\$ 3,464,636	\$ (3,185)
Penalties, service fees and reimbursements	<u>328,980</u>	<u>328,980</u>	<u>374,552</u>	<u>45,572</u>
Total operating revenue	<u>3,796,801</u>	<u>3,796,801</u>	<u>3,839,188</u>	<u>42,387</u>
OPERATING EXPENSES				
Transmission and Distribution	486,606	486,606	508,796	22,190
General & administrative expenses	<u>2,165,887</u>	<u>2,165,887</u>	<u>2,003,359</u>	<u>(162,528)</u>
Total operating expense	<u>2,652,493</u>	<u>2,652,493</u>	<u>2,512,155</u>	<u>(140,338)</u>
Operating income before depreciation	1,144,308	1,144,308	1,327,033	182,725
Depreciation and amortization expense	<u>(50,000)</u>	<u>(50,000)</u>	<u>(411,089)</u>	<u>(361,089)</u>
OPERATING INCOME	1,094,308	1,094,308	915,944	(178,364)
Non-operating income (expenses)				
Interest income	2,500	2,500	10,398	7,898
Loss on disposal of equipment	<u>-</u>	<u>-</u>	<u>(253)</u>	<u>(253)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	1,096,808	1,096,808	926,089	(170,719)
Government contributions	-	-	-	-
Tap Fees	-	-	4,869	4,869
Customer Contribution	<u>4,629,719</u>	<u>4,629,719</u>	<u>13,575,865</u>	<u>8,946,146</u>
CHANGE IN NET POSITION	<u>\$ 5,726,527</u>	<u>\$ 5,726,527</u>	<u>\$ 14,506,823</u>	<u>\$ 8,780,296</u>

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
FORT KNOX SEWER FUND
for the year ended December 31, 2012

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Sewer service revenue	\$ 2,898,595	\$ 2,898,595	\$ 2,883,989	\$ (14,606)
Penalties, service fees and reimbursements	<u>133,966</u>	<u>133,966</u>	<u>85,270</u>	<u>(48,696)</u>
Total operating revenue	<u>3,032,561</u>	<u>3,032,561</u>	<u>2,969,259</u>	<u>(63,302)</u>
OPERATING EXPENSES				
Professional services	9,916	9,916	26,062	16,146
Contractual obligations	1,785,214	1,785,214	1,743,599	(41,615)
Allocated expense	(41,606)	(41,606)	(34,788)	6,818
Insurance	20,000	20,000	20,027	27
Customer service	96,899	96,899	85,198	(11,701)
Other	<u>13,900</u>	<u>13,900</u>	<u>8,377</u>	<u>(5,523)</u>
Total operating expense	<u>1,884,323</u>	<u>1,884,323</u>	<u>1,848,475</u>	<u>(35,848)</u>
Operating income before depreciation	1,148,238	1,148,238	1,120,784	(27,454)
Depreciation and amortization expense	<u>(632,418)</u>	<u>(632,418)</u>	<u>(644,937)</u>	<u>(12,519)</u>
OPERATING INCOME	515,820	515,820	475,847	(39,973)
Non-operating income (expenses)				
Interest income	9,600	9,600	15,042	5,442
Interest expense	<u>(1,400)</u>	<u>(1,400)</u>	<u>(1,127)</u>	<u>273</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	524,020	524,020	489,762	(34,258)
Government contributions	<u>3,044,679</u>	<u>3,044,679</u>	<u>1,963,758</u>	<u>(1,080,921)</u>
CHANGE IN NET POSITION	<u>\$ 3,568,699</u>	<u>\$ 3,568,699</u>	<u>\$ 2,453,520</u>	<u>\$ (1,115,179)</u>

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
RADCLIFF SEWER FUND
for the year ended December 31, 2012

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Sewer service revenue	\$ 3,550,249	\$ 3,550,249	\$ 3,372,686	\$ (177,563)
Penalties, service fees and reimbursements	<u>198,300</u>	<u>198,300</u>	<u>182,650</u>	<u>(15,650)</u>
Total operating revenue	<u>3,748,549</u>	<u>3,748,549</u>	<u>3,555,336</u>	<u>(193,213)</u>
OPERATING EXPENSES				
Professional services	16,527	16,527	11,929	(4,598)
Contractual obligations	2,223,399	2,223,399	2,102,540	(120,859)
Allocated expense	(88,329)	(88,329)	(88,329)	-
Insurance	27,900	27,900	29,231	1,331
Customer service	232,113	232,113	526,850	294,737
System maintenance	<u>273,038</u>	<u>273,038</u>	<u>92,784</u>	<u>(180,254)</u>
Total operating expense	<u>2,684,648</u>	<u>2,684,648</u>	<u>2,675,005</u>	<u>(9,643)</u>
Operating income before depreciation	1,063,901	1,063,901	880,331	(183,570)
Depreciation and amortization expense	<u>(930,806)</u>	<u>(930,806)</u>	<u>(912,281)</u>	<u>18,525</u>
OPERATING INCOME	133,095	133,095	(31,950)	(165,045)
Non-operating income (expenses)				
Interest income	25,000	25,000	24,123	(877)
Interest expense	(87,870)	(87,870)	(81,652)	6,218
Loss on disposal of equipment	<u>-</u>	<u>-</u>	<u>(99,903)</u>	<u>(99,903)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	70,225	70,225	(189,382)	(259,607)
Government contributions	1,775,000	1,775,000	642,224	(1,132,776)
Tap fees	<u>7,500</u>	<u>7,500</u>	<u>3,000</u>	<u>(4,500)</u>
CHANGE IN NET POSITION	<u>\$ 1,852,725</u>	<u>\$ 1,852,725</u>	<u>\$ 455,842</u>	<u>\$ (1,396,883)</u>

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
STORMWATER FUND
for the year ended December 31, 2012

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Stormwater revenue	\$ 477,792	\$ 477,792	\$ 477,792	\$ -
Penalties, service fees and reimbursements	<u>56,399</u>	<u>56,399</u>	<u>18,194</u>	<u>(38,205)</u>
Total operating revenue	<u>534,191</u>	<u>534,191</u>	<u>495,986</u>	<u>(38,205)</u>
OPERATING EXPENSES				
Professional services	2,445	2,445	2,127	(318)
Contractual obligations	280,984	280,984	278,811	(2,173)
Allocated expense	(10,585)	(10,585)	(10,585)	-
Insurance	1,700	1,700	1,729	29
Customer service	286	286	254	(32)
Other	<u>33,506</u>	<u>33,506</u>	<u>26,660</u>	<u>(6,846)</u>
Total operating expense	<u>308,336</u>	<u>308,336</u>	<u>298,996</u>	<u>(9,340)</u>
Operating income before depreciation	225,855	225,855	196,990	(28,865)
Depreciation and amortization expense	<u>(36,646)</u>	<u>(36,646)</u>	<u>(37,214)</u>	<u>(568)</u>
OPERATING INCOME	189,209	189,209	159,776	(29,433)
Non-operating income (expenses)				
Interest income	<u>5,300</u>	<u>5,300</u>	<u>4,713</u>	<u>(587)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	194,509	194,509	164,489	(30,020)
Government contributions	<u>1,281,789</u>	<u>1,281,789</u>	<u>424,253</u>	<u>(857,536)</u>
CHANGE IN NET POSITION	<u>\$ 1,476,298</u>	<u>\$ 1,476,298</u>	<u>\$ 588,742</u>	<u>\$ (887,556)</u>

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED WATER STATEMENT OF NET POSITION
December 31, 2012

	County Water	Ft. Knox Water	2012 Total	2011 Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 494,542	\$ 3,949,510	\$ 4,444,052	\$ 305,600
Short-term certificates of deposit	767,708	-	767,708	741,397
Customer accounts receivable, net	244,310	492,344	736,654	255,481
Other accounts receivable	53,990	947,662	1,001,652	84,806
Interest receivable	1,874	-	1,874	996
Due from other funds	-	-	-	11,599
Inventory - materials and supplies	296,113	25,641	321,754	283,719
Prepaid expenses	<u>56,672</u>	<u>13,128</u>	<u>69,800</u>	<u>66,664</u>
Total current assets	<u>1,915,209</u>	<u>5,428,285</u>	<u>7,343,494</u>	<u>1,750,262</u>
Other assets				
Restricted funds	<u>1,634,127</u>	<u>-</u>	<u>1,634,127</u>	<u>1,586,094</u>
Property, plant and equipment				
Land and easements	273,045	-	273,045	273,045
Plant and lines	36,557,889	8,826,362	45,384,251	36,014,189
Vehicles and equipment	4,667,679	1,106,307	5,773,986	4,465,361
Construction in progress	<u>600,945</u>	<u>275,600</u>	<u>876,545</u>	<u>571,712</u>
Total	42,099,558	10,208,269	52,307,827	41,324,307
Less: accumulated depreciation	<u>(13,017,583)</u>	<u>(411,089)</u>	<u>(13,428,672)</u>	<u>(12,036,140)</u>
Total property, plant, and equipment	<u>29,081,975</u>	<u>9,797,180</u>	<u>38,879,155</u>	<u>29,288,167</u>
TOTAL ASSETS	<u>\$ 32,631,311</u>	<u>\$ 15,225,465</u>	<u>\$ 47,856,776</u>	<u>\$ 32,624,523</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 154,090	\$ 317,835	\$ 471,925	\$ 237,688
Due to other funds	28,899	40,212	69,111	297,093
Customers' deposits	168,032	-	168,032	162,667
Accrued expenses	83,461	15,438	98,899	75,120
Reserve for unclaimed funds - escheatment	5,231	-	5,231	5,262
Deferred rent revenue	4,533	-	4,533	643
Line of credit	-	-	-	32,683
Liabilities payable from restricted assets:				
Current portion of long-term debt	620,000	81,960	701,960	500,000
Accrued interest on long-term debt	<u>60,792</u>	<u>-</u>	<u>60,792</u>	<u>63,267</u>
Total current liabilities	<u>1,125,038</u>	<u>455,445</u>	<u>1,580,483</u>	<u>1,374,423</u>
Long-term liabilities				
Bonds payable	8,165,000	-	8,165,000	8,785,000
Other long-term debt	-	252,805	252,805	-
Less: unamortized discount and expenses	(162,731)	-	(162,731)	(178,279)
Compensated absences	<u>47,971</u>	<u>10,392</u>	<u>58,363</u>	<u>47,311</u>
Total long-term liabilities	<u>8,050,240</u>	<u>263,197</u>	<u>8,313,437</u>	<u>8,654,032</u>
Other liabilities				
Customer advances for construction	<u>113,164</u>	<u>-</u>	<u>113,164</u>	<u>126,401</u>
Total liabilities	<u>9,288,442</u>	<u>718,642</u>	<u>10,007,084</u>	<u>10,154,856</u>
Net position				
Invested in capital assets, net of related debt	20,398,914	9,462,415	29,861,329	20,085,496
Restricted	1,634,127	-	1,634,127	1,586,094
Unrestricted	<u>1,309,828</u>	<u>5,044,408</u>	<u>6,354,236</u>	<u>798,077</u>
Total net position	<u>23,342,869</u>	<u>14,506,823</u>	<u>37,849,692</u>	<u>22,469,667</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 32,631,311</u>	<u>\$ 15,225,465</u>	<u>\$ 47,856,776</u>	<u>\$ 32,624,523</u>

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED WATER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the year ended December 31, 2012

	County Water	Fort Knox Water	2012 Total	2011 Total
OPERATING REVENUE				
Metered water sales	\$ 3,073,779	\$ 3,464,636	\$ 6,538,415	\$ 3,049,775
Wholesale sales	647,969	-	647,969	635,903
Sewer billing contract revenue	18,335	-	18,335	8,612
Penalties, service fees and reimbursements	<u>287,555</u>	<u>374,552</u>	<u>662,107</u>	<u>291,411</u>
Total operating revenue	<u>4,027,638</u>	<u>3,839,188</u>	<u>7,866,826</u>	<u>3,985,701</u>
OPERATING EXPENSES				
Treatment	777,035	-	777,035	841,684
Distribution	667,160	508,796	1,175,956	648,360
Customer service	249,581	-	249,581	280,777
General & administrative expenses	273,951	2,003,359	2,277,310	529,157
Purchased water	85,289	-	85,289	75,939
General maintenance	91,070	-	91,070	77,861
Source of supply	<u>34,837</u>	<u>-</u>	<u>34,837</u>	<u>36,872</u>
Total operating expense	<u>2,178,923</u>	<u>2,512,155</u>	<u>4,691,078</u>	<u>2,490,650</u>
Operating income before depreciation	1,848,715	1,327,033	3,175,748	1,495,051
Depreciation and amortization expense	<u>(1,038,544)</u>	<u>(411,089)</u>	<u>(1,449,633)</u>	<u>(996,715)</u>
OPERATING INCOME	810,171	915,944	1,726,115	498,336
Non-operating income (expenses)				
Interest income	33,317	10,398	43,715	40,909
Interest expense	(296,635)	-	(296,635)	(305,120)
Gain (loss) on sale of equipment	<u>3,503</u>	<u>(253)</u>	<u>3,250</u>	<u>(17,260)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	550,356	926,089	1,476,445	216,865
Capital Contributions				
Grants	237,953	-	237,953	144,170
Tap fees	41,464	4,869	46,333	64,182
Customer contributions	<u>43,429</u>	<u>13,575,865</u>	<u>13,619,294</u>	<u>330,375</u>
CHANGE IN NET POSITION	873,202	14,506,823	15,380,025	755,592
Net position, beginning of year	<u>22,469,667</u>	<u>-</u>	<u>22,469,667</u>	<u>21,714,075</u>
NET POSITION, END OF YEAR	<u>\$ 23,342,869</u>	<u>\$ 14,506,823</u>	<u>\$ 37,849,692</u>	<u>\$ 22,469,667</u>

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED WATER STATEMENT OF CASH FLOWS
for the year ended December 31, 2012

	<u>County Water</u>	<u>Ft. Knox Water</u>	<u>2012 Total</u>	<u>2011 Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,813,030	\$ 2,399,182	\$ 6,212,212	\$ 4,407,953
Payments to suppliers	(966,735)	(1,723,732)	(2,690,467)	(1,246,290)
Payments for employee services and benefits	<u>(1,284,513)</u>	<u>(443,315)</u>	<u>(1,727,828)</u>	<u>(1,492,648)</u>
Net cash provided by operating activities	<u>1,561,782</u>	<u>232,135</u>	<u>1,793,917</u>	<u>1,669,015</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on long-term debt	(500,000)	(75,151)	(575,151)	(460,000)
Borrowings	-	75,151	75,151	32,683
Principal paid on line of credit	(32,683)	-	(32,683)	-
Interest paid on long-term debt	(299,110)	-	(299,110)	(307,183)
Contributions in aid of construction	41,464	4,678,232	4,719,696	208,352
Grants	281,382	-	281,382	-
Proceeds from sale of equipment	7,412	-	7,412	15,547
Acquisition and construction of capital assets	(816,277)	(971,255)	(1,787,532)	(993,298)
Cash (paid) received under advance construction contract	<u>(13,237)</u>	<u>-</u>	<u>(13,237)</u>	<u>(3,826)</u>
Net cash (used in) capital and related financing activities	<u>(1,331,049)</u>	<u>3,706,977</u>	<u>2,375,928</u>	<u>(1,507,725)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	32,439	10,398	42,837	40,847
Redemption of investments	508,442	-	508,442	2,493,077
Purchase of investments	<u>(582,672)</u>	<u>-</u>	<u>(582,672)</u>	<u>(2,581,452)</u>
Net cash provided by investing activities	<u>(41,791)</u>	<u>10,398</u>	<u>(31,393)</u>	<u>(47,528)</u>
NET INCREASE IN CASH	<u>188,942</u>	<u>3,949,510</u>	<u>4,138,452</u>	<u>113,762</u>
Cash and cash equivalents, beginning of year	<u>305,600</u>	<u>-</u>	<u>305,600</u>	<u>191,838</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 494,542</u>	<u>\$ 3,949,510</u>	<u>\$ 4,444,052</u>	<u>\$ 305,600</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 810,171	\$ 915,944	\$ 1,726,115	\$ 498,336
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	1,038,544	411,089	1,449,633	996,715
Change in assets and liabilities:				
Accounts receivable	41,987	(1,440,006)	(1,398,019)	144,971
Prepaid expenses	9,992	(13,128)	(3,136)	6,168
Due from other funds	40,498	-	40,498	40,750
Inventory	(12,394)	(25,641)	(38,035)	156,904
Accounts payable	(83,598)	317,835	234,237	(413,089)
Accrued expenses	8,341	25,830	34,171	5,178
Due to other funds	(297,093)	40,212	(256,881)	236,531
Other payables	<u>5,334</u>	<u>-</u>	<u>5,334</u>	<u>(3,449)</u>
Net cash provided by operating activities	<u>\$ 1,561,782</u>	<u>\$ 232,135</u>	<u>\$ 1,793,917</u>	<u>\$ 1,669,015</u>
Schedule of non-cash capital and financing activities:				
Contributed water mains from developers	<u>\$ 43,429</u>	<u>\$ 8,902,502</u>	<u>\$ 8,945,931</u>	<u>\$ 330,375</u>
Construction in process included in accounts payable	<u>\$ -</u>	<u>\$ 334,765</u>	<u>\$ 334,765</u>	<u>\$ 27,394</u>

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED SEWER STATEMENT OF NET POSITION
December 31, 2012

ASSETS	Ft. Knox Sewer	Radcliff Sewer	2012 Total	2011 Total
Current assets				
Cash and cash equivalents	\$ 1,658,213	\$ 2,954,024	\$ 4,612,237	\$ 4,413,855
Customer accounts receivable, net	236,529	204,315	440,844	458,690
Grant receivable	625,526	86,061	711,587	76,822
Interest receivable	-	-	-	523
Due from other funds	-	80,225	80,225	287,516
Inventory	12,373	-	12,373	12,373
Prepaid expenses	7,675	45,508	53,183	49,985
Total current assets	<u>2,540,316</u>	<u>3,370,133</u>	<u>5,910,449</u>	<u>5,299,764</u>
Other assets				
Restricted assets - reserve funds	-	338,723	338,723	335,230
Radcliff acquisition costs, net	-	202,103	202,103	211,203
Total other assets	<u>-</u>	<u>540,826</u>	<u>540,826</u>	<u>546,433</u>
Property, plant and equipment				
Land and easements	-	9,544	9,544	9,544
Plant and lines	78,529,716	33,293,603	111,823,319	110,680,787
Vehicles and equipment	1,161,926	1,138,591	2,300,517	2,051,075
Construction in progress	2,955,975	1,847,721	4,803,696	2,334,274
Total	82,647,617	36,289,459	118,937,076	115,075,680
Less accumulated depreciation	<u>(62,487,200)</u>	<u>(14,736,228)</u>	<u>(77,223,428)</u>	<u>(75,773,746)</u>
Total property, plant, and equipment	<u>20,160,417</u>	<u>21,553,231</u>	<u>41,713,648</u>	<u>39,301,934</u>
TOTAL ASSETS	<u>\$ 22,700,733</u>	<u>\$ 25,464,190</u>	<u>\$ 48,164,923</u>	<u>\$ 45,148,131</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 464,696	\$ 358,757	\$ 823,453	\$ 431,544
Due to other funds	10,333	-	10,333	11,087
Customers' deposits	-	129,454	129,454	124,214
Accrued expenses	5,687	21,246	26,933	46,608
Liabilities payable from restricted assets:				
Current portion of long-term debt	-	278,656	278,656	268,362
Accrued interest on long-term debt	-	6,102	6,102	7,030
Total current liabilities	<u>480,716</u>	<u>794,215</u>	<u>1,274,931</u>	<u>888,845</u>
Long-term liabilities				
Bonds payable	-	1,562,065	1,562,065	1,840,721
Total liabilities	<u>480,716</u>	<u>2,356,280</u>	<u>2,836,996</u>	<u>2,729,566</u>
Net position				
Invested in capital assets, net of related debt	20,160,417	19,706,408	39,866,825	37,185,821
Restricted	-	338,723	338,723	335,230
Unrestricted	<u>2,059,600</u>	<u>3,062,779</u>	<u>5,122,379</u>	<u>4,897,514</u>
Total net position	<u>22,220,017</u>	<u>23,107,910</u>	<u>45,327,927</u>	<u>42,418,565</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 22,700,733</u>	<u>\$ 25,464,190</u>	<u>\$ 48,164,923</u>	<u>\$ 45,148,131</u>

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED SEWER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the year ended December 31, 2012

	Ft. Knox Sewer	Radcliff Sewer	2012 Total	2011 Total
OPERATING REVENUE				
Sewer service revenue	\$ 2,883,989	\$ 3,372,686	\$ 6,256,675	\$ 6,143,337
Penalties, service fees and reimbursements	<u>85,270</u>	<u>182,650</u>	<u>267,920</u>	<u>202,689</u>
Total operating revenue	<u>2,969,259</u>	<u>3,555,336</u>	<u>6,524,595</u>	<u>6,346,026</u>
OPERATING EXPENSES				
Customer service	85,198	526,850	612,048	476,050
Sewer operations	<u>1,763,277</u>	<u>2,148,155</u>	<u>3,911,432</u>	<u>4,011,541</u>
Total operating expense	<u>1,848,475</u>	<u>2,675,005</u>	<u>4,523,480</u>	<u>4,487,591</u>
Operating income before depreciation	1,120,784	880,331	2,001,115	1,858,435
Depreciation and amortization expense	<u>(644,937)</u>	<u>(912,281)</u>	<u>(1,557,218)</u>	<u>(1,436,108)</u>
OPERATING INCOME	475,847	(31,950)	443,897	422,327
Non-operating income (expenses)				
Interest income	15,042	24,123	39,165	50,836
Interest expense	(1,127)	(81,652)	(82,779)	(93,453)
Bad debts recovered	-	-	-	9,449
Gain (loss) on sale of equipment	<u>-</u>	<u>(99,903)</u>	<u>(99,903)</u>	<u>(48,903)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	489,762	(189,382)	300,380	340,256
Grants	-	642,224	642,224	1,383,176
Tap fees	-	3,000	3,000	8,700
Customer contributions	<u>1,963,758</u>	<u>-</u>	<u>1,963,758</u>	<u>891,785</u>
CHANGE IN NET POSITION	2,453,520	455,842	2,909,362	2,623,917
Net position, beginning of year	<u>19,766,497</u>	<u>22,652,068</u>	<u>42,418,565</u>	<u>39,794,648</u>
NET POSITION, END OF YEAR	<u>\$ 22,220,017</u>	<u>\$ 23,107,910</u>	<u>\$ 45,327,927</u>	<u>\$ 42,418,565</u>

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED SEWER STATEMENT OF CASH FLOWS
for the year ended December 31, 2012

	Ft. Knox Sewer	Radcliff Sewer	2012 Total	2011 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,388,338	\$ 3,725,875	\$ 6,114,213	\$ 6,348,902
Payments to suppliers	<u>(1,554,200)</u>	<u>(2,595,932)</u>	<u>(4,150,132)</u>	<u>(4,945,108)</u>
Net cash provided by operating activities	<u>834,138</u>	<u>1,129,943</u>	<u>1,964,081</u>	<u>1,403,794</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on long-term debt	-	(268,362)	(268,362)	(258,447)
Interest paid on long-term debt	(1,127)	(82,580)	(83,707)	(94,315)
Contributions in aid of construction	1,963,758	645,224	2,608,982	1,828,186
Proceeds from sale of equipment	-	4,640	4,640	3,000
Acquisition and construction of capital assets	<u>(2,728,517)</u>	<u>(1,334,930)</u>	<u>(4,063,447)</u>	<u>(2,812,497)</u>
Net cash (used in) capital and related financing activities	<u>(765,886)</u>	<u>(1,036,008)</u>	<u>(1,801,894)</u>	<u>(1,334,073)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	15,043	24,645	39,688	53,647
Redemption of investments	-	335,230	335,230	770,165
Purchase of investments	<u>-</u>	<u>(338,723)</u>	<u>(338,723)</u>	<u>(335,230)</u>
Net cash provided by investing activities	<u>15,043</u>	<u>21,152</u>	<u>36,195</u>	<u>488,582</u>
NET INCREASE IN CASH	<u>83,295</u>	<u>115,087</u>	<u>198,382</u>	<u>558,303</u>
Cash and cash equivalents, beginning of year	<u>1,574,918</u>	<u>2,838,937</u>	<u>4,413,855</u>	<u>3,855,552</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,658,213</u>	<u>\$ 2,954,024</u>	<u>\$ 4,612,237</u>	<u>\$ 4,413,855</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 475,847	\$ (31,950)	\$ 443,897	\$ 422,327
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	644,937	912,281	1,557,218	1,436,108
Change in assets and liabilities:				
Accounts receivable	(606,325)	(10,594)	(616,919)	266,978
Prepaid expenses	-	189,903	189,903	(13,738)
Inventory	-	-	-	(12,373)
Due from other funds	(504)	(2,694)	(3,198)	(226,954)
Accounts payable	299,102	92,807	391,909	(384,152)
Accrued expenses	25,404	(928)	24,476	(45,005)
Due to other funds	(4,323)	(15,352)	(19,675)	(37,148)
Other payables	<u>-</u>	<u>(3,530)</u>	<u>(3,530)</u>	<u>(2,249)</u>
Net cash provided by operating activities	<u>\$ 834,138</u>	<u>\$ 1,129,943</u>	<u>\$ 1,964,081</u>	<u>\$ 1,403,794</u>
Schedule of non-cash capital and financing activities:				
Construction in process included in accounts payable	<u>\$ 1,873</u>	<u>\$ -</u>	<u>\$ 1,873</u>	<u>\$ 69,167</u>



Ray, Foley, Hensley & Company, PLLC

Certified Public Accountants and Consultants

**HARDIN COUNTY WATER DISTRICT No. 1
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**

Independent Auditors' Report

Board of Commissioners
Hardin County Water District No.1
Radcliff, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in **Government Auditing Standards** issued by the Comptroller General of the United States, the financial statements of the business-type activities of Hardin County Water District No. 1, as of and for the year ended June 30, 2012, and the related notes to the financial statements, which collectively comprise Hardin County Water District No. 1's financial statements, and have issued our report thereon dated March, 12, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hardin County Water District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hardin County Water District No.1's internal control. Accordingly, we do not express an opinion on the effectiveness of Hardin County Water District No. 1's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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**HARDIN COUNTY WATER DISTRICT No. 1
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, continued**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hardin County Water District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Ray, Foley, Hensley, & Company

Ray, Foley, Hensley, & Company, PLLC
March 12, 2013



Hardin County Water District No. 1

Wastewater Rate and Cost of Service Study Radcliff Utility

June 6, 2013



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I. Introduction and Study Data

A. Introduction

The Hardin County Water District No. 1 (“HCWD1”) has been in operation since 1952. HCWD1 currently operates five separate utility systems including a water utility (urban and rural); Fort Knox water, sanitary sewer and storm systems; and the Radcliff sanitary sewer utility (“Radcliff Utility”). HCWD1 maintains an agreement with Veolia Water, North America, South, LLC (“Veolia”) for contract operations of the Fort Knox water, sanitary, and storms systems and the Radcliff Utility. HCWD1 acquired the Radcliff Utility from the City of Radcliff, Kentucky (“City”) in January of 2008. Under the terms of the agreement, HCWD1 assumed the City’s outstanding debt on the facilities (PSC Case No. 2008-00074). Official operation of the utility by HCWD1/Veolia occurred on April 20, 2008.

The Radcliff Utility consists of approximately 9,000 sewer connections with average daily flows of approximately 2.3 million gallons per day (“MGD”). The customer base is predominantly residential, with a select number of commercial and institutional accounts. Wastewater is collected through an infrastructure 2,912 manholes, 62 lift stations, and 104 miles of sewer mains (excluding force mains), and it is delivered for treatment and disposal of solids at a 4.0 MGD facility.

HCDW1 engaged Raftelis Financial Consultants, Inc. (“RFC”) to conduct a rate and cost of service study (“Study”) for the Radcliff Utility. The Study has been designed to be in accordance with Kentucky Public Service Commission requirements and covers retail rates. Although HCWD1 does not currently provide wholesale services from its Radcliff Utility, the Study includes a recommended rate methodology for providing wastewater conveyance and treatment services on a wholesale basis.

B. Study Data

HCWD1 has maintained financial data for the Radcliff Utility since it commenced operation in April of 2008. HCDW1 reports financial information on a calendar year basis and prepared its first annual report for the Radcliff Utility for the full year 2009. The 2012 financial report has been submitted to the PSC and has been audited by Ray, Foley, Hensley, and Company of Lexington, Kentucky. A copy of the 2012 audit is attached to this document in Appendix A. HCWD1 also submits a Detailed Comparative Statement of Revenues, Expenses, and Changes in Net Assets (“Comparative Statement”) for the Radcliff Utility to the PSC. A copy of the Comparative Statement is attached to this document in Appendix B. The Comparative Statement ties to the audit report in total; however, it captures several General Ledger (Appendix C) cost categories differently, particularly allocated depreciation and amortization expense. Due to the additional level of detail provided in the Comparative Statement, the cost of service study will utilize this data for its test year,

with known and measurable changes to the test year revenue requirements to support the need for a rate increase.

Operating and Maintenance Expenses (2012)

HCWD1 reports operating and maintenance (“O&M”) expenses for the Radcliff Utility in various cost categories. The majority of its O&M expenses are categorized under contractual services, as Veolia provides contract operations covering the wastewater treatment plant and collection system for the Radcliff Utility.

Figure 1 summarizes the major categories of operating costs for the Radcliff Utility based on the 2012 audited data.

Figure 1 – O&M Expenses (Test Year)

	2012
Operating Expenses	
Collection System Labor	\$ 91,059
Customer Service Labor	151,356
Administrative Labor	102,927
Management Fee - Veolia	2,102,540
All Other Expenses	153,150
 Total Operating Expenses	 \$ 2,601,032

HCWD1’s agreement with Veolia includes four components: (1) electric, (2) odor control, (3) operation and management, and (4) repair and maintenance. The Veolia agreement identifies contract limits in the test year for each of these components. Exceeding the contract limit is allowable with formal approval by HCWD1.

The comparison of actual versus contract limit costs in 2012 is provided in Figure 2.

Figure 2 – Veolia Contract Operating Costs (Test Year)

	2012		
	Actual	Contract Limit	Delta
Veolia Contract Operations			
Electric	\$ 256,867	\$ 190,764	\$ 66,103
Odor Control	1,140	15,000	(13,860)
Operation and Management	1,561,252	1,617,635	(56,383)
Repairs & Maintenance	283,280	193,200	90,080
Total Veolia Contract Operating Expense	\$ 2,102,540	\$ 2,016,599	\$ 85,941

As noted in Figure 2, electric costs for the Radcliff Utility exceeded the contract limit by \$66,103 in 2012. The initial contract limit was based on historical data for the system provided by the City and engineering and operational estimates by Veolia. However, actual electric costs have been higher than anticipated due to, in large part, substantially higher levels of wet weather and other unanticipated costs related to pumping requirements in the collection system. Repair and maintenance expenses also exceeded the contract limit by \$90,080. Again, this was a result of higher than anticipated needs in the system forecasted in the initial contract with Veolia. Operation and management and odor control costs were \$56,383 and \$13,860 lower than the contract limits costs in 2012, respectively.

The contract operating agreement between HCWD1 and Veolia has a term of 17 years and 4 months, with renewals for successive terms of five years each, unless cancelled in writing by either party no less than 120 days prior to expiration. The annual cost to HCWD1 is based on an Agreement Year, which outlines the contract limits for the cost categories identified above. The contract limits are renegotiated annually, or a fee adjustment formula can be used to determine the contract limits for the upcoming Agreement Year, if necessary. A copy of the contract operating agreement between HCWD1 and Veolia for the Radcliff Utility is provided with this rate filing.

Depreciation/Amortization (2012)

HCWD1 accounts for depreciation to spread the cost of its capital assets over their useful lives. The annual value lost in the asset base should be recognized as a revenue requirement of the system, to ensure appropriate levels of annual reinvestment (renewals and replacements) in these assets over time. Depreciation for the Radcliff Utility is based on accounting records provided by the City and additional investment in the system subsequent to the acquisition by HCWD1. The depreciation expense found in the 2012 audit includes all assets for the Radcliff Utility; allocated depreciation for certain shared assets that benefit the Radcliff Utility; and the amortization of acquisition costs. Appendix D provides detailed schedules including the depreciation of each Radcliff Utility asset, as well as allocated depreciation for certain shared facilities amongst HCWD1's various utilities.

Figure 3 represents a summary of depreciation/amortization for the Radcliff System in 2012.

Figure 3 – Depreciation/Amortization (Test Year)

	2012
Depreciation	\$ 903,181
Allocated Depreciation	68,840
Amortization of Acquisition Expense	9,100
Total Depreciation/Amortization	\$ 981,121

Debt Service (2012)

HCWD1 has only one outstanding long-term debt associated with the Radcliff Utility. The debt obligation is a Kentucky Infrastructure Authority (KIA) loan with a remaining balance of approximately \$1.8 million. Principal, interest, and service fee payments were \$350,067 in 2012. Total interest expense was \$86,791 in 2012. This includes KIA loan interest, allocated interest on a 2002 bond issued for the HCWD1 Service Center, and bond remarketing fees.

User Charge Revenue (2012)

Radcliff Utility sewer customers are assessed a minimum charge for services that includes the first 2,000 gallons of demand based on metered water consumption. Monthly flows above 2,000 gallons but below 15,000 gallons are assessed a rate of \$5.58 per 1,000 gallons (kgal) of consumption. Flows above 15,000 gallons per month are assessed a rate of \$4.47 per kgal. The Radcliff Utility does not assess different rates by customer class. Total user charge revenue in 2012 was \$3,371,082.

Other Revenue and Income/Expenses (2012)

Other revenue and income/expenses includes penalties, service fees and miscellaneous; bad debts recovered; interest income; interest expense; gain on sale from assets; and tap fees. Net revenue from these sources total \$24,685 in 2012. This net revenue is recognized as an offset in the cost of service analysis, including tap fees, which are accounted for as contributed capital, as they represent cash contributions to the Radcliff Utility fund. It should be noted that these fees are independent of the user charge rates. Any recommended rate adjustments do not apply.

Plant Flows and Billable Demand (2012)

Monthly billings and plant flows were provided from 2009 through 2012. The difference between treated flows and billable flows were used to estimate system inflow and infiltration (“I&I”). Inflow is described as extra water, typically stormwater, flowing into the wastewater collection system from above ground sources such as leaky manhole covers or private property drainage spouts connected illegally to the sanitary sewer system. Infiltration is described as extra water that enters the collection system through the soil. This flow usually enters through separated joints and pipe cracks, which

often occur at or near the customer point of connection. Based on average flow data for the past 4 years, total system I&I was approximately 42.1%.

Figure 5 presents billable flows, I&I, and treated flows for the Radcliff Utility in 2012.

Figure 5 – Plant Flows, Inflow and Infiltration, and Treated Flows

	2012	
	Flows (kgal)	% Total
Flow Data		
Billed Flows (1)	489,915	57.9%
Inflow and Infiltration	355,511	42.1%
Treated Flows	845,426	100.0%

(1) Unadjusted billable flows. Billable flows were adjusted in the cost of service and rate model for consistency with actual revenues.

II. Adjustments to the Test Year

A. Introduction

This section documents all adjustments to the test year for the purpose of this rate filing. The PSC will allow such adjustments if they are known and measurable or it can be documented why a specific cost will be higher or lower than the test year. The following describes all of the proposed adjustments to the test year and the basis for the recommended change. Additional detail supporting the proposed adjustments can be found in the schedules from the rate and cost of service model (Appendix E).

B. Known and Measurable Changes

Deduction of Insurance Services – Property and general liability insurance will be reduced by \$3,617. This is based on an estimated 12.3% decrease effective July 1, 2013.

Increase in Wages and Benefits for Collection System Employees – The 2013 Budget for the Radcliff Utility as approved at the 12/6/12 Board Meeting includes a 3.0% increase in salaries for employees. Required contributions to the County Employee Retirement System (CERS) increased from 18.96% to 19.55% effective July 1, 2013. Although the social security (OASDI) employee contribution percentage stays the same, the increase in salaries and wages translates into a proportional increase in OASDI. In aggregate, the total increase in wages and benefits for Radcliff Utility collection system employees is \$3,145.

Increase in Wages and Benefits for Customer Service Employees – Comparable adjustments are included for customer service employees. In aggregate, the total increase in wages and benefits for Radcliff Utility customer service employees is \$4,014.

Increase in Wages and Benefits for Administrative Employees – Comparable adjustments are included for administrative employees. An additional adjustment was made to reflect the General Manager's new 5-year contract. In aggregate, the total increase in wages and benefits for Radcliff Utility administrative employees is \$12,227. This includes \$52 in additional cost for the Board of Commissioners.

Increase of Contract Operating Cost – HCWD1 and Veolia renegotiated the contract operating agreement for the Radcliff Utility. The adjusted contract limits increase the total annual cost by \$79,391 for the new Agreement year.

Reduction in Costs from Allocated General and Administrative Savings – The Radcliff Utility has been allocated a portion of savings in general and administrative costs as a result of HCWD1's recent agreement to provide contract operations to the Fort Knox water system. Radcliff's allocation (17.86%) is based on its portion of HCWD1 administrative costs before savings. Savings reported on the 2012 Comparative Statement were \$88,329. HCWD1 has included a reduction in savings of \$33,663 in its 2013 budget.

Increase in Costs for One-Time Gain on Sale – The 2012 Comparative Statement includes a one-time loss of sale of \$99,903. HCWD1 does not anticipate another loss on sale of assets in 2013.

Deduction of Interest Expense – HCWD1 will use a three-year average for its debt service calculation. As such, interest expense of \$86,791 will be reduced from the test year. This includes interest on an outstanding KIA loan; allocated interest on an outstanding variable rate bond issued for the HCWD1 Service Center; and bond remarketing fees.

Addition of Three-Year Average Debt Service – HCWD1 will submit a three-year average debt service payment for the years 2013 – 2015. This results in a payment of \$348,955. There is no additional adjustment for debt service coverage (DSC). The DSC requirement on the outstanding KIA loan is 1.0 times total debt.

Addition of Amortized Rate Case Consultation – HCWD1 estimates it will incur \$100,000 associated with consultants and attorneys for the rate filing. This represents all cost incurred associated with this filing since 2008, which has included four revisions to the test year and known and measurable changes, as well as numerous iterations of rate and financial planning scenarios. This expense will be amortized over 5 years.

Deduction in Depreciation – Annual depreciation is reduced by \$8,185 to reflect the full depreciation of certain assets in 2013.

Addition of Depreciation – HCWD1 anticipates accounting for an additional \$5,075,948 in capital investment. This represents capital projects already commenced with expected completion in either 2013 or 2014. The additional depreciation associated with these assets is \$132,718.

III. Cost Allocations

A. Background

Once revenue requirements are identified, these costs are allocated proportionately to customers based on how they use the system. The cost allocation approach utilized in this study is consistent with current industry pricing standards as prescribed by the Water Environment Federation in its *Manual of Practice #27 – Financing and Charges for Wastewater Systems*.

The appropriate level of detail required for a cost of service analysis for a wastewater utility is contingent on utility pricing objectives, system characteristics, and the accuracy and availability of data necessary to support the analysis. Based on detailed discussions with HCWD1 staff, it was determined that revenue requirements should be allocated into functional components consistent with the most significant cost causative characteristics of the customer base. These cost components included: (1) Volume; (2) I&I; (3) Billing and Collections; and (4) Meter Reading. Because of the homogenous nature of the customer base, which is predominantly residential, it was not necessary to assign revenue requirements to wastewater treatment process cost centers, such as collection, pumping, primary treatment, secondary treatment, residuals handling, etc., and then to additional treatment parameters, such as biochemical oxygen demand and total suspended solids, to support assigning costs to customer classes based on wastewater strength. Rather, a more appropriate way for HCWD1 to address its specific issue related to higher wastewater strength concentrations, which occur from restaurants predominantly, is through an annual special discharge permit inspection fee, which may be considered by HCWD1 in the future. This fee would ensure that these types of customers install and maintain the proper mechanisms to prevent oil and grease from entering the collection system.

B. Functional Cost Components

A description of the functional components used in the cost of service allocations is provided below.

Billing and Collections – Costs associated with generating a bill and receiving payment for services. This includes customer service labor, billing and collections, and other customer related costs.

Meter Reading – Costs associated with labor, equipment, vehicles, supplies, and other expenses associated with the annual cost of reading a customer's meter.

Volume – the level of wastewater flow by customers for the Radcliff Utility is measured by water meters serving the property. All other system costs are assigned initially to this category for the purpose of assessment based on the amount of wastewater delivered to the system for treatment and disposal. These costs are then allocated between billed volume and I&I (see below).

Inflow & Infiltration – As discussed in Section I, I&I is extra water entering the collection system from above ground sources, such as manhole covers, illegal downspouts, and foundation drain connections, and through groundwater seeping into buried pipes through cracks or loose joints.

Costs assigned to the volume component are allocated further between billed volume and I&I based on a comparison of billed flows to treated flows or some percentage of this number. Based on a four-year average of the 845,425 kgal of wastewater treated, approximately 58.0% was based on measured water consumption and approximately 42.0% was a result of I&I. Based on RFC's experience and general industry benchmarks, this level of I&I is relatively high compared to more typical ranges between 25%-35%.

It is more challenging to identify a basis of allocating the cost of I&I because the demands placed on the system are not a consequence of a directly measurable service. Although a variety of factors could impact the level of system I&I, such as soil type, age of pipe, and integrity of the system connection, the Environmental Protection Agency ("EPA") through use of the 1972 Water Pollution Control Act issued guidelines regarding I&I and the establishment of wastewater rates. In general, the guidelines state that I&I can be recovered from customers in proportion to contributed wastewater volumes, number of connections, land area, property valuations, or in some combination of these factors. The most common approaches used are through a combination of contributed wastewater volumes and number of connections. Contributed flow correlates I&I to water flow volume and pipe size and can recognize a greater level of inflow from larger parcels through manhole covers, for example. Customer connections are also an accepted approach for assessing the responsibility of I&I, as engineering studies have shown there is more significant potential for infiltration from residential customers through illegal drains, cracked pipes, and unsealed joints occurring as a result of a simplistic, un-engineered connection that is not inspected. Larger commercial, industrial, and institutional customer connections are typically engineered and inspected.

For the purpose of this cost of service analysis, it was determined that it was most appropriate to use a combination of contributed wastewater volume (based on water flows) and customer connections to allocate responsibility for I&I. However, in order to mitigate the impact on lower-volume customers, and since HCWD1 is planning to make significant investments in the system to reduce wet weather flows, RFC recommends that HCWD1 initially assign only 37.5% of the volume costs to I&I, which is slightly higher than typical ranges based on our experience. This strategy also provides HCWD1 flexibility to reassess the Radcliff Utility's level of I&I as it makes improvements to the collection system and, if necessary, to revisit the portion of I&I it recovers on a per account basis.

The allocation of costs to the four components is provided in Figure 6. Detail supporting these allocations is provided in Appendix E.

Figure 6 – Allocation of Costs to Functional Components

Cost of Service	Billed Volume	Inflow & Infiltration	Customer Service		
			Billing & Collections	Meter Reading	
Operating Expenses	\$ 2,601,032	\$ 1,475,821	\$ 885,493	\$ 140,060	\$ 99,658
Amortization/Depreciation Expense	981,121	613,201	367,921	-	-
Test Year Cost of Service	3,582,153	2,089,022	1,253,413	140,060	99,658
Less: Non-Operating Income/Expenses	21,685	13,553	8,132	-	-
Less: Capital Contributions	3,000	1,875	1,125	-	-
Test Year Net Cost of Service	\$ 3,557,468	\$ 2,073,594	\$ 1,244,156	\$ 140,060	\$ 99,658
Adjustments to the Test Year	\$ 435,619	\$ 268,141	\$ 160,884	\$ 4,014	\$ 2,579
Adjusted Test Year COS Revenue Requirements	\$ 3,993,086	\$ 2,341,735	\$ 1,405,041	\$ 144,074	\$ 102,237

C. Cost Categories

The functional cost components identified above are allocated further into a volume or account cost category. Costs allocated to the volume component should be distributed to customers based on metered water consumption. Costs assigned to the account component should be distributed to customers based on the annual number of bills.

Billed Volume – These costs are assigned entirely to the volume cost category.

Inflow & Infiltration – These costs are distributed evenly (50/50) between the volume and account cost categories.

Billing and Collections – These costs are assigned entirely to the account cost category

Meter Reading – These costs are assigned entirely to the account cost category.

The distribution of functional costs components to categories is provided in Figure 7.

Figure 7 – Allocation of Costs to Categories

Adjusted Test Year COS Revenue Requirements	Allocation Percentages		Allocation Dollars	
	Volume	Account	Volume	Account
Functional Cost Components				
Billed Volume	\$ 2,341,735	100%	0%	\$ 2,341,735 \$ -
Inflow & Infiltration	1,405,041	50%	50%	702,520 702,520
Billing & Collections	144,074	0%	100%	- 144,074
Meter Reading	102,237	0%	100%	- 102,237
Total	\$ 3,993,086			\$ 3,044,255 \$ 948,831

IV. Recommended Rates

A. Background

As noted previously, the Radcliff Utility currently assesses all customers a minimum charge of \$17.11 on a monthly basis that includes 2,000 gallons of flow. Monthly flows above 2,000 gallons but below 15,000 gallons are assessed a volumetric rate of \$5.58 per kgal. Flows above 15,000 gallons are assessed a volumetric rate of \$4.47 per kgal.

In Section III, adjusted test year revenue requirements were allocated to functional cost centers and categories for the purpose of rate structure design. This section will identify the revenue sufficiency of the Radcliff Utility's existing rates, as well as options for consideration related to alternative rate design that targets a more equitable distribution of costs to customers.

B. Revenue Sufficiency of Existing Rates

The adjusted test year revenue requirements identify a total cost of service for the system of \$3,993,086. Revenue from sewer sales in the test year was \$3,371,082, which results in a deficiency of \$622,004. The revenue sufficiency analysis does not include any additional revenues from new customers. The Radcliff Utility had an average of 8,977 accounts in 2012 (test year). From 2010 through 2012, the Radcliff Utility had an average of 9,004 accounts or 27 accounts higher than the test year. In terms of billable wastewater flows, RFC reviewed historical water billing data from the same period of time. HCWD1 uses billed water flows as a surrogate to assess wastewater volumetric charges. Average billable wastewater flows were 485,565 kgal during this period of time. As noted in Figure 5, billable wastewater flows were 489,915 kgal or 0.8% higher than the 3-year average. Figure 8 summarizes wastewater accounts and billed flows from 2010 through 2012.

Figure 8 – Historical Wastewater Accounts and Billed Flows

Year	Accounts		Billed Flows	
	Average	% Change	Annual	% Change
2010	9,061		493,353	
2011	8,974	-1.0%	473,427	-4.0%
2012	8,977	0.0%	489,915	3.5%
3-Year Avg.	9,004		485,565	

From a financial planning perspective, and based on historical data, it does not appear necessary to recognize incremental revenue from anticipated new customers or billed flows to assess revenue sufficiency. Additionally, as of the date of this report, HCWD1 is not aware of any larger multi-family residential or non-residential customers requesting service in the near future. As a result, the additional revenue needs of \$622,004 result in a rate increase of 18.45%.

Figure 9 summarizes the revenue sufficiency of the existing rates. Additional detail can be found in Appendix E of this rate filing.

Figure 9 – Revenue Sufficiency of Existing Rates

Adjusted Test Year Revenue Requirements	\$ 3,993,086
Revenue From Sewer Sales (Test Year)	<u>3,371,082</u>
Additional Revenue Needs	\$ 622,004
Percent Rate Increase	18.45%

In order to achieve full cost recovery the adjusted test year revenue requirements suggest a rate increase of approximately 18.45%. Based on detailed discussions with HCWD1 staff, it was determined that it would be appropriate for the Board of Directors (“Board”) to consider options other than setting rates for full cost recovery and, in particular, utilizing the HCWD1’s reserves to fund a portion of the depreciation expense in the adjusted test year. Based on test year data, the Radcliff Utility maintains an unrestricted reserve fund balance of \$2,954,024, which excludes \$338,723 in debt service reserve funds. Unrestricted reserves represent 415 days of test year operating expenses and 366 days of operating expenses plus debt service. The majority of these reserves are a result of the acquisition of the Radcliff Utility, which included a transfer of related utility reserve fund balances from the City to HCWD1 (PSC Case No. 2008-00074).

Figure 10 summarizes the Radcliff Utility’s test year unrestricted reserves.

Figure 10 – Test Year Unrestricted Reserves (Test Year)

	Test Year
	2012
Unrestricted Reserves	
Cash and Investments	<u>\$ 2,954,024</u>
Total Unrestricted Reserves	\$ 2,954,024
O&M Expenses	\$ 2,601,032
Days of O&M Expenses	415
Days of O&M Expenses Plus Debt Service	365

C. Options for Consideration

RFC identified and evaluated multiple rate adjustment alternatives for consideration by the HCWD1 Board. Several of these options included variations of full cost recovery with the assumption of using reserves to help fund annual cash capital investment at a level consistent with annual depreciation. However, after careful consideration, the Board determined that any rate adjustment option under consideration should be consistent with a full cost recovery model, which includes 100% funding of depreciation in the form of rate funded, or pay-as-you-go, capital. The primary reasons included:

- Multiple years of reporting a financial loss before capital contributions (2011 and 2012).
- Significant and continued increase in annual depreciation due to capital investment. It should be noted that HCWD1's primary source of funding in the past several years were two grants totaling \$3.75 million from the Federal Base Realignment and Closure (BRAC). BRAC grant funds can be used for sewer I&I and lift station improvements. HCWD1 anticipates that these funds will be exhausted fully by 2013.
- HCWD1 anticipates using internal funds (rate funded capital and reserves) for system reinvestment in 2013 and the foreseeable future. With the expectation of increases in operating costs; the need for continued capital investment; limited leverage and related principal payments; and the likelihood of multiple years between rate filings, it was determined that a full cost pricing model was reasonable.

Ultimately, three rate options merited the most consideration.

1. Across the board increase – This represents an across the board adjustment to the Radcliff Utility's rates to meet adjusted test year revenue requirements. As noted in Figure 9, this results in an increase of approximately 18.45% to both the minimum and volumetric charges.
2. Implement a base charge and uniform volume rate – This represents eliminating the existing minimum usage requirement and implementing a basic service charge, as well as eliminating the current declining block rate and implementing a uniform rate. Referring to Section III, the base charge is designed to recover costs on a per account basis including billing and collections, meter reading, and 50% of I&I. The remaining costs are recovered through the uniform volumetric rate.

The elimination of the declining block rate is consistent with cost of service principles and industry rate setting standards for sewer utilities. Unlike residential water usage, which can exhibit seasonal peaks associated with elective consumption, residential sewer demand is related more closely to indoor water usage which tends to be more consistent on a month-to-month basis. As a result, from a unit cost perspective, there is little justification for a larger customer, such as a commercial customer, to benefit from discounted volume rate since their flows tend to exhibit similar patterns of consumption. Further, it is unlikely that larger commercial or institutional customers in the Radcliff Utility service area deliver

wastewater with strength concentrations less than domestic flows, which would support a lower unit cost of service for these customers. Rather, it is more likely that larger customers deliver wastewater with strength concentrations that are equal or above domestic levels.

3. Maintain minimum charge structure and initiate phase out of declining block rate (Hybrid) – This option can be considered a hybrid of the first two options. While the minimum charge structure remains in place, the discount for the declining block rate is reduced from 20% to 10% to enhance consistency with cost of service principles as noted in option 2.

D. Rate Recommendation

The three options described above were presented in detail to the Board. At its meeting on September 18, 2012, the Board approved a proposed sewer rate design using a 10% discount at 15,000 gallons with a minimum charge to include 2,000 gallons (rate option #3). The Hybrid approach provided continued revenue stability through use of the minimum charge for services, and the phase out process of the declining block rate improves rate equity while limiting the additional impact on large customers.

Figure 11 presents the existing and proposed rate structures.

Figure 11 – Proposed Rate Structure

	Existing	Proposed
Minimum Charge (Includes 2,000 Gallons)	\$ 17.11	\$ 19.88
Volumetric Rates (per kgal)		
Rate Block 1 (2,000 - 15,000 Gallons)	\$ 5.58	\$ 6.48
Rate Block 2 (Above 15,000 Gallons)	\$ 4.47	\$ 5.84

V. Wholesale Rate Methodology

A. Background

HCWD1 participated in preliminary discussions with a potential customer related to provided wastewater conveyance and treatment services on a wholesale basis. The potential customer is not expected to delivery any flows to the Radcliff Utility imminently, and initial projections for demand are limited. As such, no additional revenue has been included as an adjustment to the test year. However, in order to be responsive in facilitating this potential service, HCWD1 requested that RFC develop a rate methodology, consistent with industry standards, for providing wholesale wastewater services. Adjusted test year data was used to calculate the wholesale rate.

Based on HCWD1's objectives, available data, and our understanding of the Radcliff Utility system, RFC determined the most appropriate methodology for developing a wholesale rate was to focus on two primary cost components:

1. A proportionate share of the annual depreciation and interest expense associated with the assets that provide service to wholesale customers; and
2. A proportionate share of the O&M expenses related to these assets.

Operating and Maintenance Expenses

RFC worked closely with HCWD1 staff to determine the appropriate allocation of O&M costs associated with providing service to wholesale customers. Costs were segregated between those functions serving all customers and those functions serving retail customers only. The specific costs identified in the adjusted test year revenue requirements related to serving all customers include wastewater treatment, wastewater conveyance, and wastewater pumping. All other O&M costs associated with the Radcliff Utility's wastewater collection system and customer services, such as billing and collection, were excluded, as the wholesale customer would be responsible for providing these services independently to its retail customers.

Since the bulk of the Radcliff Utility cost are identified as a contract operating expense, RFC requested additional detail from Veolia related to a categorical breakdown of costs based on utility function including: wastewater treatment, wastewater collection, lift stations (pumping), wastewater pretreatment, and administration/supervision. Figure 12 summarizes the percentage allocation of adjusted test year contract operating costs to these categories.

Figure 12 – Contract Operating Categorical Cost Allocations

	Total	Pretreatment	Treatment	Collection	Lift Station	Administration
Contract Operations	\$ 2,181,931	\$ 6,877	\$ 950,996	\$ 506,444	\$ 613,861	\$ 103,753
	100.0%	0.3%	43.6%	23.2%	28.1%	4.8%

Costs associated with wastewater collection and lift stations were allocated further between costs supporting the wastewater collection system and costs supporting the wastewater conveyance system. The basis used for allocating these costs was inch-feet of piping in the Radcliff Utility system. Specifically, the wastewater collection system was defined as piping infrastructure 8 inches and below and the wastewater conveyance system as piping infrastructure 10 inches and above.

Figure 13 presents the inch-feet of piping in the Radcliff Utility system.

Figure 13 – Inch Feet of Piping

Nominal Diameter	Length in Feet (Known)	% Total	Known % Allocation	Add Unknown	Revised Length in Feet	Revised Inch/Feet	% Total
2	4,046	0.5%	3.7%	8,317	12,363	24,725.23	0.3%
4	14,700	1.9%	13.5%	30,216	44,916	179,664.29	2.5%
6	9,257	1.2%	8.5%	19,028	28,285	169,709.43	2.4%
8	215,984	28.0%		223,601	439,585	3,516,680.00	49.3%
10	33,725	4.4%	31.0%	69,322	103,047	1,030,472.50	14.5%
12	14,993	1.9%	13.8%	30,818	45,811	549,736.07	7.7%
15	4,802	0.6%	4.4%	9,871	14,673	220,088.76	3.1%
16	21,184	2.7%	19.5%	43,544	64,728	1,035,648.55	14.5%
18	2,815	0.4%	2.6%	5,786	8,601	154,822.96	2.2%
21	1,428	0.2%	1.3%	2,935	4,363	91,628.79	1.3%
24	600	0.1%	0.6%	1,233	1,833	43,999.42	0.6%
30	1,231	0.2%	1.1%	2,530	3,761	112,840.18	1.6%
Unknown (assume 8")	447,202	57.9%					
Total	771,967	100%		447,202	771,967	7,130,016	100%
Unknown Sewer Mains							
Allocated to 8-inch	50.0%	223,601					
Allocated to all other	50.0%	223,601					

Collection System - 8-inches and below	54.6%
Conveyance System - 10-inches and above	45.4%
	100.0%

As seen above, approximately 45.4% of the Radcliff Utility piping infrastructure was classified as wastewater conveyance. Therefore, as noted in Figure 12, of the approximately 51.3% of Veolia contract operating costs allocated to wastewater collection (23.2%) and lift stations (28.1%), approximately 23.3% was assigned to wastewater conveyance ($51.3\% \times 45.4\% = 23.3\%$).

In total, approximately 66.9% ($43.6\% \text{ treatment} + 23.3\% \text{ conveyance} = 66.9\%$) of Veolia contract services and administrative labor and approximately 45.4% of other collection system costs outside

of contract operations were assigned to serving both wholesale and retail customers. This resulted in approximately 56.5% of adjusted test year revenue requirements associated with serving both retail and wholesale customers.

Figure 14 presents the allocation of adjusted test year operating costs to wholesale and retail customers.

Figure 14 – Adjusted Test Year Operating Cost Allocations (Joint Costs)

	Adjusted Test Year	Allocation %	Joint Wholesale & Retail Costs
Operating Costs			
Collection System Labor	\$ 94,204	45.4%	\$ 42,798 <i>Conveyance</i>
Customer Service Labor	155,371	0.00%	-
Administrative Labor	115,154	66.9%	77,051 <i>Treatment & Conveyance</i>
Veolia Contract Services	2,181,931	66.9%	1,459,962 <i>Treatment & Conveyance</i>
Adjustment for G&A Savings	(54,666)	66.9%	(36,578) <i>Treatment & Conveyance</i>
All Other Costs	237,861	0.00%	-
Total Operating Costs	\$ 2,729,855		\$ 1,543,233
<i>% of Total Operating Costs</i>			<i>56.5%</i>

Capital Costs

RFC also worked closely with HCWD1 staff to identify the specific assets that would be used to provide service to both wholesale and retail customers. Depreciation was allocated based on assigning 100% of the wastewater treatment assets and 45.4% of the wastewater collection system assets to a joint wholesale and retail category. This is consistent with the process used to allocate O&M expenses. In total, approximately \$973,103, or 86.45%, of the adjusted test year depreciation was related to serving both wholesale and retail customers. Since HCWD1’s outstanding debt was used to fund existing Radcliff system assets, 86.45% was also used to allocate the interest expenses and fees associated with this outstanding obligation. Allocated interest or depreciation for shared administrative facilities was not included in the wholesale calculation. Detail supporting the allocation of capital costs is provided in Appendix E of this rate filing.

Figure 15 presents the allocation of adjusted test year capital costs to wholesale and retail customers.

Figure 13 – Capital Cost Allocations (Joint Costs)

	Revenue Requirement	Allocation %	Joint Wholesale & Retail Costs
Capital Costs			
Depreciation (1)	\$ 1,125,655	86.45%	\$ 973,103
Interest (2)	59,616	86.45%	51,537
Total Capital Costs	\$ 1,185,271		\$ 1,024,640
% of Total Capital Costs			86.45%

(1) Adjusted test year.

(2) Actual interest and fees associated with the Radcliff Utility's outstanding debt obligation in 2014.

As noted in Section I (Figure 5), total treated flows in 2012 were 845,426 kgal. Since a potential new wholesale customer's wastewater flow will be measured at a point(s) of connection, all flows, including I&I, will be assessed a rate for wholesale wastewater treatment and conveyance services. As a result, the denominator in this sample calculation is based on treated rather than billable flows.

Figure 14 presents the wholesale rate calculation.

Figure 14 – Wholesale Rate Calculation

	Joint Revenue Requirements
Operating Costs	\$ 1,543,233
Capital Costs	1,024,640
Total	\$ 2,567,873
<u>Treated Flows (kgal)</u>	
Retail	845,426
Total	845,426
Wholesale Rate (per kgal)	\$ 3.04

Appendix A

Audit

HARDIN COUNTY WATER DISTRICT No. 1
Radcliff, Kentucky

FINANCIAL STATEMENTS
December 31, 2012

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Hardin County Water District No. 1

Serving Radcliff and Hardin County for Over 60 Years

1400 Rogersville Road
Radcliff, KY. 40160

March 12, 2013

TO: Hardin County Water District No. 1
Board of Commissioners

SUBJECT: 2012 Annual Report & Managements's Discussion and Analysis

This report is a joint effort of our staff and Ray, Foley, Hensley & Co, PLLC, Certified Public Accountants. This is the eighth year we have retained this firm to complete our annual audit. This report includes the Management Analysis, the Independent Auditor's Report, the basic financial statements of the District and related supplemental information and audit notes.

I would like to recognize the contribution of our Finance & Accounting Manager, Mr. Scott Schmuck and his accounting staff, Ms. Stephanie Strange (Accountant) and Ms. Karen Morrison (Accounting Specialist) for their work assisting the auditors in preparing this information. Mr. Bradley Hayes, CPA/CGFM, was the lead auditor for the firm and field staff to complete the audit.

In February 2012, we began operation of the Ft. Knox Water Utility. This system acquisition culminated a three and a half year process with our partner, the Louisville Water Company ("LWC"), to pursue a 50 year Utilities Privatization contract to own and operate the Ft. Knox Potable Water System. The contract was signed on September 30th, 2011 and operation of the system began on February 1, 2012. Because of the new acquisition, our 2012 financial position has changed considerably from 2011.

In May, 2012, we also entered into a 40 year Water Purchase Agreement with LWC. This will provide a new back-up purchased water source, replacing the Ft. Knox source we have had since 1998. The agreement allows us to purchase up to 3.5 million gallons daily, an increase of 30% compared to the Ft. Knox purchased water source.

A \$4.5 million "BRAC" grant from the Kentucky Cabinet of Economic Development has been received to construct a new interconnect facility to the LWC system. Final design is underway on this facility and we hope to have it built and be able to deliver LWC water to our system by late 2014. Several permits will be needed to construct these facilities including permits from U.S. Army Corps of Engineers, Kentucky Environmental Protection Cabinet / Division of Water and the Kentucky Public Service Commission.

Financial Performance & Highlights

Consolidated Financial Performance: Our financial reports now include statements for five distinct enterprise utility funds; County Water, Ft. Knox Water, Ft. Knox Sanitary Sewer, Ft. Knox Storm Sewer and Radcliff Sanitary Sewer. This letter first reviews the overall consolidated financial highlights of the year, with more specific key items by utility.

In November, Moody's Investors Services affirmed an "A1" credit rating on the District's outstanding \$5.9M fixed rate water revenue bonds, issued in 2005. This affirmation means these bonds provide upper-middle grade investment with very low credit risk to bond holders. The District has no immediate plans to issue any new debt or revenue bonds. At year end, the District had \$12.7 million of

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Continued

available grants or contributed capital funding still to be used for capital construction, which all are without any fees, interest cost or repayment requirements.

For the year, gross plant assets increased by \$15,346,791 (+ 9.7% [percent changes in parentheses represent change from 2011]). Total net assets (net position) increased by \$18,878,129 (+ 28.3%). Total revenues, including interest income, increased by \$4,076,921(+ 37.4%). Operating income before depreciation increased to \$5,373,853 (+ 52.9%) and net income after depreciation (and net of non-operating income and expenses) increased by \$1,252,171 to \$1,941,314 (+ 181.7%). This amount was 13% (+ 106.4%) of total operating revenues. Total net assets at the end of the year were \$85,604,348 (+ 28.3%).

Cash used for capital construction was \$6,352,854 (+ 65.3%), of which 96% was provided by government grants (both Kentucky and U.S. Government/Dept. of Defense). Principal payments to reduce bond debt were \$843,513 (+ 17%) and at year end the consolidated outstanding debt principal was \$10,960,486 (- 3.8%). Total working capital (unrestricted cash + investments) at year end increased by 71% to \$10,527,269. Of all reserves (cash + investments), 84% (+ 11%) were unrestricted and available as working capital for capital construction or operations. At the beginning of 2013 we also had total of \$12,677,445 of available state or federal grant funding for future capital construction projects.

Individual Fund Highlights:

County Water: Total operating expenses (excluding debt interest and depreciation) were 5.2% less than budgeted. Revenues were 0.7% less than budgeted. Net income after depreciation and interest expense increased by 154% from 2011, mainly due to some general and administrative operating expenses now being shared by the new Ft. Knox Water utility, which lowered this fund's expenses. Water sales also increased slightly. Net assets increased by 3.9%. The bond coverage ratio was 3.17, which is 2.6 times the required 1.20 (+ 8.9% from 2011).

Ft. Knox Water: Financial results were for an eleven month period in 2012, starting February 1. For the first year of operations of this utility, total operating revenues were \$3,849,586 (including interest income). Net income before depreciation was \$1,327,033. Net income after depreciation and amortized expenses was \$926,342 which is 24% of revenues. Net assets at year end were \$14,506,823. Construction in progress was valued at \$275,600. Working capital and cash available for capital construction was \$3,949,510. As part of the privatization contract with the Government, a surcharge payment (shown as customer contributions) during the first five years will generate in excess of \$25 million to address existing facility deficiencies throughout the water system. We are in the process of developing plans, specifications and a schedule to complete these projects.

Ft. Knox Sewer (Sanitary and Storm): Total operating revenues increased by 3.7%. Total operating income, before depreciation expense, increased by 9.1% to \$1,120,784. Total net assets increased by 14.8%. Total expended for construction was \$3,230,392 (+ 222%) of which 61% was provided by contributed capital (direct grants) from the Government. Working capital increased by 5% to \$2,361,485 which is available for future Ft. Knox sewer related capital projects and improvements. At the beginning of 2013, the fund had a balance of \$4,194,547 in available direct contributed funding, provided by the Government, for construction projects.

Radcliff Sewer: Total revenues (including interest income) were \$3,579,459 (+ 1.6%) which was 5.1% below revenue estimates. Total operating expenses (including depreciation) were

Continued

0.8% less than budgeted. Total net assets increased 2% to \$23,107,910 and at year end we had construction in progress assets of \$1,847,721 (+ 14.8%). Of the \$1,334,930 expended for construction (- 28%), 48% was funded by state grants. At year end the total cash & investment reserve balance was \$3,292,747 (+ 3.7%) of which 89% was unrestricted and available for capital construction or operations. At year end a total of \$3,162,241 in state grants are available for future capital construction projects. The fund had an operating income before depreciation and debt interest of \$880,329 (+ 5.9%) with a net operating loss of \$89,481 (2.5% of revenues) after those expenses (and excluding loss on disposal of equipment), compared to a 2011 net operating loss of \$40,498 (+ 121%).

During 2012 the Board approved the filing of a rate increase request to the Kentucky Public Service Commission for the Radcliff sewer rates. It is anticipated that the filing will be made by mid 2013 with a projected approval in 2014 or early, 2015.

Operational Changes & Statistics


Since acquiring the Ft. Knox Water system we now own and operate five treatment plants (Pirtle Spring County Water Treatment Plant ("WTP"), Ft. Knox Central and Muldraugh WTP's, Radcliff Wastewater Treatment Plant ("WWTP") and Ft. Knox WWTP.

During 2012 a total of 1,782 MG (million gallons) of potable water was treated (+ 73%) and a total of 51.3 MG was purchased for resale (+ 10.3%). Total water delivered to the systems (now County and Ft. Knox combined) was 1,833.7 MG (+ 77.2%). The maximum demand day was 9.085 MG (+ 140%) and occurred on 1-July. The average daily water demand for the year was 5.024 MG (+ 77%). A total of 68 new water services were installed, down 30% from 2011. Wholesale customers purchased 336.6 MG (+ 1.6%), which was equivalent to 37% of total water sales volume (+ 15.6%).

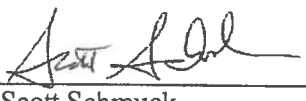
The two wastewater treatment plants (Ft. Knox and Radcliff) treated 1,295.4 MG (- 22%) down due to 2012 having less rainfall, decreasing inflow and infiltration treated at the WWTP's. This resulted in an average daily flow of clean, recycled water into streams of 3.549 MG.

At present we have 23 construction projects in either preliminary or final design and construction. The District, its Board and staff face new challenges and exciting changes as we look forward to new endeavors and improving the reliability and functionality of our utility systems through best practice, asset management systems.

Sincerely,



Mr. Jim Bruce
General Manager



Mr. Scott Schmuck
Finance & Accounting Manager



Ray, Foley, Hensley & Company, PLLC

Certified Public Accountants and Consultants

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Hardin County Water District No. 1
Radcliff, Kentucky

Stephen R. Allen, CPA/PFS
Dennis H. England, CPA
Michael D. Foley, CPA
Lyman Hager, Jr., CPA/PFS
Jerry W. Hensley, CPA
Mark R. Wadlington, CPA, CGMA
Gwendolyn B. Young, CPA, CVA

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Hardin County Water District No.1, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Hardin County Water District No.1, as of December 31, 2012, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-3 and 17-21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hardin County Water District No. 1's basic financial statements. The combined statements of net position, revenues, expenses and changes in net position, and cash flows are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with **Government Auditing Standards**, we have also issued our report dated March 12, 2013, on our consideration of the Hardin County Water District No. 1'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** in considering Hardin County Water District No. 1's internal control over financial reporting and compliance.

Ray, Foley, Hensley & Company

Ray, Foley, Hensley, & Company, PLLC
March 12, 2013

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED STATEMENT OF NET POSITION
December 31, 2012

ASSETS	Water Total	Sewer Total	Storm Water	2012 Total
Current assets				
Cash and cash equivalents	\$ 4,444,052	\$ 4,612,237	\$ 703,272	\$ 9,759,561
Short-term certificates of deposit	767,708	-	-	767,708
Customer accounts receivable, net	736,654	440,844	39,816	1,217,314
Other accounts receivable	1,001,652	711,587	78,199	1,791,438
Interest receivable	1,874	-	-	1,874
Due from other funds	-	80,225	-	80,225
Inventory - materials and supplies	321,754	12,373	-	334,127
Prepaid expenses	69,800	53,183	270	123,253
Total current assets	<u>7,343,494</u>	<u>5,910,449</u>	<u>821,557</u>	<u>14,075,500</u>
Non-current assets				
Restricted assets - reserve funds	1,634,127	338,723	-	1,972,850
Acquisition costs	-	202,103	-	202,103
Total non-current assets	<u>1,634,127</u>	<u>540,826</u>	<u>-</u>	<u>2,174,953</u>
Property, plant and equipment				
Land and easements	273,045	9,544	-	282,589
Plant and lines	45,384,251	111,823,319	1,272,146	158,479,716
Vehicles and equipment	5,773,986	2,300,517	150,212	8,224,715
Construction in progress	876,545	4,803,696	328,520	6,008,761
Total	<u>52,307,827</u>	<u>118,937,076</u>	<u>1,750,878</u>	<u>172,995,781</u>
Less accumulated depreciation	<u>(13,428,672)</u>	<u>(77,223,428)</u>	<u>(131,135)</u>	<u>(90,783,235)</u>
Total property, plant, and equipment	<u>38,879,155</u>	<u>41,713,648</u>	<u>1,619,743</u>	<u>82,212,546</u>
TOTAL ASSETS	<u>\$ 47,856,776</u>	<u>\$ 48,164,923</u>	<u>\$ 2,441,300</u>	<u>\$ 98,462,999</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 471,925	\$ 823,453	\$ 12,839	\$ 1,308,217
Due to other funds	69,111	10,333	781	80,225
Customers' deposits	168,032	129,454	-	297,486
Accrued expenses	98,899	26,933	951	126,783
Reserve for unclaimed funds - escheatment	5,231	-	-	5,231
Deferred rent revenue	4,533	-	-	4,533
Liabilities payable from restricted assets:				
Current portion of long-term debt	701,960	278,656	-	980,616
Accrued interest on long-term debt	60,792	6,102	-	66,894
Total current liabilities	<u>1,580,483</u>	<u>1,274,931</u>	<u>14,571</u>	<u>2,869,985</u>
Long-term liabilities				
Bonds payable	8,165,000	1,562,065	-	9,727,065
Other long-term debt	252,805	-	-	252,805
Less unamortized discount and expenses	(162,731)	-	-	(162,731)
Compensated absences	58,363	-	-	58,363
Long-term liabilities, net	<u>8,313,437</u>	<u>1,562,065</u>	<u>-</u>	<u>9,875,502</u>
Other liabilities				
Customer advances for construction	113,164	-	-	113,164
Total liabilities	<u>10,007,084</u>	<u>2,836,996</u>	<u>14,571</u>	<u>12,858,651</u>
Net position				
Invested in capital assets, net of related debt	29,861,329	39,866,825	1,619,743	71,347,897
Restricted	1,634,127	338,723	-	1,972,850
Unrestricted	6,354,236	5,122,379	806,986	12,283,601
Total net position	<u>37,849,692</u>	<u>45,327,927</u>	<u>2,426,729</u>	<u>85,604,348</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 47,856,776</u>	<u>\$ 48,164,923</u>	<u>\$ 2,441,300</u>	<u>\$ 98,462,999</u>

The accompanying notes are an integral part of the financial statements.

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the year ended December 31, 2012

	Water Total	Sewer Total	Storm Water	2012 Total
OPERATING REVENUE				
Metered water sales	\$ 6,538,415	\$ -	\$ -	\$ 6,538,415
Wholesale sales	647,969	-	-	647,969
Sewer billing contract revenue	18,335	-	-	18,335
Sewer service revenue	-	6,256,675	-	6,256,675
Stormwater service revenue	-	-	477,792	477,792
Penalties, service fees and reimbursements	<u>662,107</u>	<u>267,920</u>	<u>18,194</u>	<u>948,221</u>
Total operating revenue	<u>7,866,826</u>	<u>6,524,595</u>	<u>495,986</u>	<u>14,887,407</u>
OPERATING EXPENSES				
Treatment	777,035	-	-	777,035
Distribution	1,175,956	-	-	1,175,956
Customer service	249,581	612,048	-	861,629
General & administrative expenses	2,277,310	3,911,432	-	6,188,742
Purchased water	85,289	-	-	85,289
General maintenance	91,070	-	-	91,070
Source of supply	34,837	-	-	34,837
Stormwater	<u>-</u>	<u>-</u>	<u>298,996</u>	<u>298,996</u>
Total operating expense	<u>4,691,078</u>	<u>4,523,480</u>	<u>298,996</u>	<u>9,513,554</u>
Operating income before depreciation	3,175,748	2,001,115	196,990	5,373,853
Depreciation and amortization expense	<u>(1,449,633)</u>	<u>(1,557,218)</u>	<u>(37,214)</u>	<u>(3,044,065)</u>
OPERATING INCOME	1,726,115	443,897	159,776	2,329,788
Non-operating income (expenses)				
Interest income	43,715	39,165	4,713	87,593
Interest expense	(296,635)	(82,779)	-	(379,414)
Gain (loss) on disposal of equipment	<u>3,250</u>	<u>(99,903)</u>	<u>-</u>	<u>(96,653)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	1,476,445	300,380	164,489	1,941,314
Capital Contributions				
Grants	237,953	642,224	-	880,177
Tap fees	46,333	3,000	-	49,333
Customer contributions	<u>13,619,294</u>	<u>1,963,758</u>	<u>424,253</u>	<u>16,007,305</u>
CHANGE IN NET POSITION	15,380,025	2,909,362	588,742	18,878,129
Net position, beginning of year	<u>22,469,667</u>	<u>42,418,565</u>	<u>1,837,987</u>	<u>66,726,219</u>
NET POSITION, END OF YEAR	<u>\$ 37,849,692</u>	<u>\$ 45,327,927</u>	<u>\$ 2,426,729</u>	<u>\$ 85,604,348</u>

The accompanying notes are an integral part of the financial statements.

**HARDIN COUNTY WATER DISTRICT No. 1
COMBINED STATEMENT OF CASH FLOWS
for the year ended December 31, 2012**

	<u>Water Total</u>	<u>Sewer Total</u>	<u>Storm Water</u>	<u>2012 Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 6,212,212	\$ 6,114,213	\$ 428,145	\$ 12,754,570
Payments to suppliers	(2,690,467)	(4,150,132)	(334,499)	(7,175,098)
Payments for employee services and benefits	<u>(1,727,828)</u>	<u>-</u>	<u>-</u>	<u>(1,727,828)</u>
Net cash provided by operating activities	<u>1,793,917</u>	<u>1,964,081</u>	<u>93,646</u>	<u>3,851,644</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on long-term debt	(575,151)	(268,362)	-	(843,513)
Borrowings	75,151	-	-	75,151
Principal paid on line of credit	(32,683)	-	-	(32,683)
Interest paid on long-term debt	(299,110)	(83,707)	-	(382,817)
Contributions in aid of construction	4,719,696	2,608,982	424,253	7,752,931
Grants	281,382	-	-	281,382
Proceeds from sale of equipment	7,412	4,640	-	12,052
Acquisition and construction of capital assets	(1,787,532)	(4,063,447)	(501,875)	(6,352,854)
Cash (paid) received under advance construction contract	<u>(13,237)</u>	<u>-</u>	<u>-</u>	<u>(13,237)</u>
Net cash provided by (used in) capital and related financing activities	<u>2,375,928</u>	<u>(1,801,894)</u>	<u>(77,622)</u>	<u>496,412</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	42,837	39,688	4,713	87,238
Redemption of investments	508,442	335,230	-	843,672
Purchase of investments	<u>(582,672)</u>	<u>(338,723)</u>	<u>-</u>	<u>(921,395)</u>
Net cash provided by (used in) investing activities	<u>(31,393)</u>	<u>36,195</u>	<u>4,713</u>	<u>9,515</u>
NET INCREASE IN CASH	<u>4,138,452</u>	<u>198,382</u>	<u>20,737</u>	<u>4,357,571</u>
Cash and cash equivalents, beginning of year	<u>305,600</u>	<u>4,413,855</u>	<u>682,535</u>	<u>5,401,990</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,444,052</u>	<u>\$ 4,612,237</u>	<u>\$ 703,272</u>	<u>\$ 9,759,561</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 1,726,115	\$ 443,897	\$ 159,776	\$ 2,329,788
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	1,449,633	1,557,218	37,214	3,044,065
Change in assets and liabilities:				
Accounts receivable	(1,398,019)	(616,919)	(78,199)	(2,093,137)
Prepaid expenses	(3,136)	189,903	162	186,929
Due from other funds	40,498	(3,198)	-	37,300
Inventory	(38,035)	-	-	(38,035)
Accounts payable	234,237	391,909	(35,665)	590,481
Accrued expenses	34,171	24,476	-	58,647
Due to other funds	(256,881)	(19,675)	10,358	(266,198)
Other payables	<u>5,334</u>	<u>(3,530)</u>	<u>-</u>	<u>1,804</u>
Net cash provided by operating activities	<u>\$ 1,793,917</u>	<u>\$ 1,964,081</u>	<u>\$ 93,646</u>	<u>\$ 3,851,644</u>
Schedule of non-cash capital and financing activities:				
Contributed water mains from developers	<u>\$ 8,945,931</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,945,931</u>
Construction in process included in accounts payable	<u>\$ 334,765</u>	<u>\$ 1,873</u>	<u>\$ -</u>	<u>\$ 336,638</u>

The accompanying notes are an integral part of the financial statements

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Hardin County Water District No. 1 (the District) is organized pursuant to provision of Chapter 74 of the Kentucky Revised Statutes in order to provide a water supply for citizens and residents of Radcliff, Kentucky and parts of Hardin, Meade and Breckinridge Counties. The District is regulated by the Kentucky Public Service Commission.

Reporting Entity

The Hardin County Water District No. 1's financial statements include the operations of all entities for which the District exercises oversight responsibilities. Oversight responsibility includes, but is not limited to, financial interdependency, selection of the governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The only entity included in these financial statements are the general operations of the Hardin County Water District No. 1.

There are no other entities that are subject to the District's oversight responsibility as indicated above.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

The District reports all revenue and expenses as operating, except interest income and expense, gains and losses on asset sales or disposals and capital contributions.

The District's financial statements are presented in conformity with the provisions of Governmental Accounting Standards Board Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*".

The District applies all applicable FASB and AICPA pronouncements issued on or before November 30, 1989 that are not in conflict with applicable GASB pronouncements.

Fund Accounting

The District maintains a County Water Fund, Ft. Knox Water Fund, Ft. Knox Sewer Fund, Radcliff Sewer Fund and a Ft. Knox Stormwater Fund.

Accounts Receivable

The Water Fund's accounts receivable is net of an allowance for uncollectible accounts of \$2,193 as of December 31, 2012. The allowance is increased by charges to bad debts and decreased by write-offs. Management's periodic evaluation of the adequacy of the allowance is based on the District's aged accounts receivable balances. The sewer funds and stormwater fund do not have an allowance for doubtful accounts.

Interfund Transfers

The asset "due from other funds" and the liability "due to other funds" represent amounts transferred between the funds owed for personnel and other operating and non-operating expenses.

Inventory

The water fund's inventory is composed of chemicals, equipment and supply-type items used for routine maintenance and repairs and new water lines. The sewer fund's inventory consists of equipment. The inventory is stated at the lower of cost (first-in, first-out method) or market.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Restricted Assets

The water and sewer funds' restricted assets consist of U.S. Treasury Notes and Bonds, certificates of deposit, money market funds, and non-interest-bearing accounts. The carrying value of the investments approximates market value.

When both restricted and unrestricted resources are available for use, the District's Board of Commissioners makes a determination as to which resource should be used.

Investments

It is the policy of the District to invest public funds in a manner which will provide the highest investment return with the maximum security of principal while meeting the daily cash flow demands of the District and conforming to all state statutes and District regulations governing the investment of public funds. The carrying value of the investments approximates market value.

Property and Equipment

The water, sewer and stormwater fund's property and equipment assets are recorded at cost or, if contributed, at donor cost or appraised value at date of acquisition. Interest relating to the financing of projects under construction is capitalized due to the District's capital financing plans and rate-setting methodology. Depreciation is computed by the straight-line method based on the estimated useful life of the depreciable property. Plant and lines are capitalized with lives ranging from 5-65 years and vehicles and equipment are capitalized with lives ranging from 5-35 years. Land is not subject to depreciation. Expenditures for maintenance and repairs are charged to expense as incurred whereas expenditures, including associated labor, for installation, renewals or betterments are generally capitalized.

Amortization

The water and sewer funds' bond discounts and issue costs are being amortized using the straight-line method over the life of the bond issue. The sewer funds' City of Radcliff sewer acquisition costs are being amortized using the straight-line method over a period of twenty-five years.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents. Investments classified as restricted assets are not included as a cash and cash equivalent.

Estimates

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

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 2 – CASH AND INVESTMENTS

The Hardin County Water District's deposits and investments at December 31, 2012 were covered entirely by federal depository insurance, by collateral held by the custodial banks in the District's name, or invested in money market and government backed securities.

Kentucky Revised Statutes authorize local governmental units to invest in obligations of the United States and its agencies, obligations of the Commonwealth of Kentucky and its agencies, shares in savings and loan associations insured by federal agencies, deposits in national or state chartered banks insured by federal agencies and larger amounts in such Institutions providing such banks pledge as security obligations of the United States Government or its agencies.

The following is a detail of the District's cash deposit coverage at December 31, 2012:

FDIC insured (or equivalent)	\$ 1,339,739
Collateralized by securities held by the bank in the District's name	9,908,395
United States Treasury Securities and money market funds	<u>1,297,460</u>
Total cash in banks	<u>\$ 12,545,594</u>

Cash and investments are classified as follows as of December 31, 2012:

Unrestricted:	
Cash & cash equivalents:	
Revenue fund	\$ 985,253
Other	<u>8,774,308</u>
	9,759,561
Short-term investments:	
Certificates of deposit	<u>767,708</u>
Total unrestricted	<u>10,527,269</u>
Restricted:	
Long-term investments:	
1997 KIA Debt service reserve	338,723
2002 B&I redemption fund – FMV	86,667
2005 B&I redemption fund – FMV	201,122
2005 Debt service reserve – FMV	594,307
Depreciation fund – FMV	<u>752,031</u>
Total restricted	<u>1,972,850</u>
Total reported cash & investments	<u>\$ 12,500,119</u>

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 3 – CAPITAL ASSETS

A summary of capital asset activity during the fiscal year follows:

	Balance Jan 1, 2012	Additions	Retirements	Balance Dec. 31, 2012
Capital assets not depreciated:				
Land and easements	\$ 282,589	\$ -	\$ -	\$ 282,589
Construction in process	2,923,721	5,100,100	2,015,060	6,008,761
Capital assets that are depreciated:				
Plant and lines	147,776,949	10,884,307	181,540	158,479,716
Vehicles and equipment	<u>6,665,731</u>	<u>1,621,452</u>	<u>62,468</u>	<u>8,224,715</u>
Total plant and equipment	157,648,990	17,605,859	2,259,068	172,995,781
Less: accumulated depreciation	<u>87,903,807</u>	<u>3,014,979</u>	<u>135,551</u>	<u>90,783,235</u>
Plant and equipment, net	<u>\$ 69,745,183</u>	<u>\$ 14,590,880</u>	<u>\$ 2,123,517</u>	<u>\$ 82,212,546</u>

Depreciation expense for all combined funds totaled \$3,014,979 for the year ended December 31, 2012.

NOTE 4 - COMPLIANCE WITH BOND INDENTURE

Under covenants of the bond ordinance, certain funds have been established. These funds and their current financial requirements are presented in summary as follows:

Bond and Interest Redemption Funds – There is to be a monthly deposit of an amount equal to 1/12 of the next ensuing principal payment due and 1/6 of the next ensuing interest payment due for the 2005 issue. These funds are used to pay maturing bond and interest coupons on the aforementioned issue.

Bond Reserve Fund - This fund shall receive, on a monthly basis, within five years of the issue date, an amount equal to the average annual principal and interest requirements on the 2005 issue outstanding. This fund is to be used in the event of a deficiency in the Bond and Interest Redemption Fund. At December 31, 2012, the District had reserves of \$594,307 invested with the bond custodian. At December 31, 2012, the requirement for the reserve totaled \$594,457.

Depreciation Fund - This fund receives \$8,500 monthly after the above transfers have been made until the total sum of \$750,000 has been established and maintained. This fund also receives the proceeds from the sale of any property and equipment. This fund may be used to purchase new or replacement property and equipment. Monies from this account are held by the bond custodian. At December 31, 2012, the District was required to fund the account in the amount of \$750,000 and the assets in this account totaled \$752,031.

Operating and Maintenance Fund - This fund receives, on a monthly basis, the remaining balance in the Revenue Fund after the above transfers have been made. This fund is used to pay operating expenditures. Any surplus left, after operating expenses have been met, may be added to Debt Service Reserve.

Wastewater Revolving Loan Reserve – This loan requires the District to fund a reserve account in the amount of \$310,000. At December 31, 2012, the District had funded this reserve in the amount of \$338,723.

2002 Adjustable Revenue Bonds – The District filed Supplement No.1 to Trust Indenture dated April 1, 2010. This supplement allows for a letter of credit to be issued by Cecilian Bank via a wrap around letter of credit from the Federal Home Loan Bank of Cincinnati as collateral for the original bond issue. As a result, the District is no longer required to fulfill the debt service reserve and depreciation fund requirements with The Bank of New York Mellon Trust Company however, the District continues to carry \$86,667 in an account for this bond issue.

The bond ordinance calls for "net annual revenues" to exceed the maximum annual debt requirements of fixed rate bonds by 1.20 for the Water Fund. For the year ended December 31, 2012, the water fund ratio was 3.17.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 5 – LONG-TERM LIABILITIES

Some of the construction costs of the District's water and sewer facilities have been financed by issuance of revenue bonds and revolving notes authorized under Kentucky Revised Statutes.

Bonds payable of the water and Radcliff sewer funds consists of the following at December 31, 2012:

2005 Revenue Bonds, various semi-annual principal and interest payments at 4.125% through September 1, 2025, secured by the revenues of the District.	\$ 5,895,000
2002 Revenue Bonds, various semi-annual principal payments with monthly interest payments at a variable rate which is to be the lowest interest rate on the determination date at which the bonds can be remarketed at par for the interest rate period through September 1, 2022, secured by a letter of credit issued from Cecilian Bank.	2,890,000
1997 KIA Wastewater Revolving Loan, various semi-annual principal and interest payments at a rate of interest of 3.8% through December 1, 2018, secured by the revenues of the District.	1,840,721
2012 agreement with Louisville Water, reimbursement of costs associated with the acquisition of the Fort Knox water system, 60 monthly payments of \$6,830, bearing no interest, maturing January 2017.	<u>334,765</u>
Total debt	10,960,486
Less: current portion	<u>980,616</u>
Total long-term debt	<u>\$ 9,979,870</u>

In 1998, the District refunded its 1989 and 1992 issues through the issuance of a 1998 fixed rate refunding issue. The District defeased these bonds by placing the proceeds of the refunding bonds in an irrevocable trust to provide for all future debt service on the refunded bonds. The trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

In 1998 the District issued variable rate bonds to fund the construction of the new service center and the Fort Knox interconnect project. In 2005 the District issued fixed rate bonds to fund the construction of the New Salem Church Road project and to refund the 1998 variable rate bonds. The District paid off the 1998 bond issue two years early, in September 2010, as approved by the Board of Commissioners during its May 18th 2010 meeting, saving the district approximately \$51,000 in interest.

During April 2008, the District assumed two debt issues as part of the Radcliff sewer acquisition. The District assumed a 1997 Wastewater Revolving Loan through the Kentucky Infrastructure Authority and a 2001 refunding revenue bond issue through the Kentucky League of Cities. The district paid off the 2001 issue during 2010.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 5 – LONG-TERM LIABILITIES, continued

Bond maturities and sinking fund requirements for the District water fund in each of the next five years are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ 620,000	\$ 370,270	\$ 990,270
2014	650,000	343,493	993,493
2015	665,000	315,630	980,630
2016	680,000	287,404	967,404
2017	705,000	257,936	962,936
2018-2022	3,825,000	818,990	4,643,990
2023-2025	<u>1,640,000</u>	<u>137,157</u>	<u>1,777,157</u>
	<u>\$ 8,785,000</u>	<u>\$ 2,530,880</u>	<u>\$ 11,315,880</u>

Debt maturities and sinking fund requirements for the Radcliff sewer fund in each of the next five years are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ 278,656	\$ 70,869	\$ 349,525
2014	289,345	59,616	348,961
2015	300,445	47,933	348,378
2016	311,970	35,800	347,770
2017	323,938	23,203	347,141
2018	<u>336,367</u>	<u>10,123</u>	<u>346,490</u>
	<u>\$ 1,840,721</u>	<u>\$ 247,544</u>	<u>\$ 2,088,265</u>

Total bond and related debt maturities \$ 10,625,721 \$ 2,778,424 \$ 13,404,145

Debt maturities for the Fort Knox water fund in each of the next five years are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ 81,960	\$ -	\$ 81,960
2014	81,960	-	81,960
2015	81,960	-	81,960
2016	81,960	-	81,960
2018	<u>6,925</u>	<u>-</u>	<u>6,925</u>
Total other debt maturities	<u>\$ 334,765</u>	<u>\$ -</u>	<u>\$ 334,765</u>

Changes in long-term liabilities are as follows:

	Balance Jan 1, 2012	Additions	Payments	Balance Dec. 31, 2012	Due within one year
Long-term debt	\$ 11,394,083	\$ 409,916	(\$ 843,513)	\$ 10,960,486	\$ 980,616
Bond amortization	(178,279)	-	15,548	(162,731)	-
Compensated absences	<u>47,311</u>	<u>11,052</u>	<u>-</u>	<u>58,363</u>	<u>-</u>
Net long-term liabilities	<u>\$ 11,263,115</u>	<u>\$ 420,968</u>	<u>(\$ 827,965)</u>	<u>\$ 10,856,118</u>	<u>\$ 980,616</u>

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 6 – LINE OF CREDIT

The District maintains a \$2,500,000 line of credit that is designated for use in various construction projects if needed. The principal was due September 25, 2012. Accrued interest was payable quarterly at a rate of 3.25%. Changes in the line of credit are as follows:

Balance Jan 1, 2012	Additions	Payments	Balance Dec. 31, 2012
\$ <u>32,683</u>	\$ <u>-</u>	\$ <u>32,683</u>	\$ <u>-</u>

NOTE 7 - OTHER LIABILITIES

The water fund's other liabilities in the amount of \$113,164 at December 31, 2012 represent customers' advances for construction and extension of water mains beyond limits now provided by the District. These advances will be repaid in accordance with the terms of the agreements. The terms call for a portion of the revenue from these waterlines to be refunded to customers.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In addition to its general liability insurance, the district also carries commercial insurance for all other risks of loss such as worker's compensation and accident coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 – RETIREMENT PLAN

Hardin County Water District No.1 is a participating employer of the County Employees' Retirement System (CERS). Under the provisions of Kentucky Revised Statute 61.645, the Board of Trustees of Kentucky Retirement Systems administers the CERS.

The plan issues separate financial statements which may be obtained by request from Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601.

Plan Description – CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the System. The plan provides for retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living (COLA) adjustments are provided at the discretion of state legislature.

Contributions – For the year ended December 31, 2012, plan members were required to contribute 5.00% of wages for non-hazardous job classifications and 6.00% for employees hired after September 1, 2008. 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 on the basis of an annual valuation last proceeding 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 contributions rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. Participating employers contributed 18.96% of each non-hazardous employee's wages from January 1, 2012 through June 30 and 19.55% from July 1 through December 31, 2012, which is equal to the actuarially determined rate set by the Board. Administrative costs of Kentucky Retirement System are financed through employer contributions and investment earnings.

HARDIN COUNTY WATER DISTRICT No. 1
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 9 – RETIREMENT PLAN, continued

The required contribution (employee and employer) and the actual percentage contributed for the District for the current and previous two years are as follows:

Required Year	<u>Contribution</u>	Percentage <u>Contributed</u>
2012	\$ 454,042	100%
2011	\$ 373,637	100%
2010	\$ 330,866	100%

NOTE 10 – CAPITAL ACQUISITION

Effective, February 1, 2012, the District acquired the assets of the Fort Knox water utility from the United States Army for a net \$0 price. The assets associated with the system had an estimated net book value of \$8,902,502 at the date of acquisition. This value has been included as part of contributed capital on the statement of revenues, expenses and changes in net position. The District also entered into a five-year agreement with Louisville Water giving them addition water supply if needed.

NOTE 11 – SUBSEQUENT EVENTS

The District has evaluated and considered the need to recognize or disclose subsequent events through March 12, 2013, which represents the date these financial statements were available to be issued. Subsequent events past this date, as they pertain to the fiscal year ended December 31, 2012, have not been evaluated by the District.

SUPPLEMENTARY INFORMATION

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
COUNTY WATER FUND
for the year ended December 31, 2012

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Metered water sales	\$ 3,088,000	\$ 3,088,000	\$ 3,073,779	\$ (14,221)
Wholesale sales	656,315	656,315	647,969	(8,346)
Sewer billing contract revenue	11,125	11,125	18,335	7,210
Penalties, service fees and reimbursements	<u>302,100</u>	<u>302,100</u>	<u>287,555</u>	<u>(14,545)</u>
Total operating revenue	<u>4,057,540</u>	<u>4,057,540</u>	<u>4,027,638</u>	<u>(29,902)</u>
OPERATING EXPENSES				
Treatment	768,956	768,956	777,035	8,079
Transmission and Distribution	679,596	679,596	667,160	(12,436)
Customer service	275,199	275,199	249,581	(25,618)
General & administrative expenses	389,416	389,416	273,951	(115,465)
Purchased water	74,700	74,700	85,289	10,589
General maintenance	82,227	82,227	91,070	8,843
Source of supply	<u>31,000</u>	<u>31,000</u>	<u>34,837</u>	<u>3,837</u>
Total operating expense	<u>2,301,094</u>	<u>2,301,094</u>	<u>2,178,923</u>	<u>(122,171)</u>
Operating income before depreciation	1,756,446	1,756,446	1,848,715	92,269
Depreciation and amortization expense	<u>(931,232)</u>	<u>(931,232)</u>	<u>(1,038,544)</u>	<u>(107,312)</u>
OPERATING INCOME	825,214	825,214	810,171	(15,043)
Non-operating income (expenses)				
Interest income	26,000	26,000	33,317	7,317
Interest expense	(290,500)	(290,500)	(296,635)	(6,135)
Loss on sale of equipment	<u>-</u>	<u>-</u>	<u>3,503</u>	<u>3,503</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	560,714	560,714	550,356	(10,358)
Government contributions	1,132,000	1,132,000	237,953	(894,047)
Tap Fees	75,000	75,000	41,464	(33,536)
Customer Contribution	<u>-</u>	<u>-</u>	<u>43,429</u>	<u>43,429</u>
CHANGE IN NET POSITION	<u>\$ 1,767,714</u>	<u>\$ 1,767,714</u>	<u>\$ 873,202</u>	<u>\$ (894,512)</u>

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
FORT KNOX WATER FUND
for the year ended December 31, 2012

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Metered water sales	\$ 3,467,821	\$ 3,467,821	\$ 3,464,636	\$ (3,185)
Penalties, service fees and reimbursements	<u>328,980</u>	<u>328,980</u>	<u>374,552</u>	<u>45,572</u>
Total operating revenue	<u>3,796,801</u>	<u>3,796,801</u>	<u>3,839,188</u>	<u>42,387</u>
OPERATING EXPENSES				
Transmission and Distribution	486,606	486,606	508,796	22,190
General & administrative expenses	<u>2,165,887</u>	<u>2,165,887</u>	<u>2,003,359</u>	<u>(162,528)</u>
Total operating expense	<u>2,652,493</u>	<u>2,652,493</u>	<u>2,512,155</u>	<u>(140,338)</u>
Operating income before depreciation	1,144,308	1,144,308	1,327,033	182,725
Depreciation and amortization expense	<u>(50,000)</u>	<u>(50,000)</u>	<u>(411,089)</u>	<u>(361,089)</u>
OPERATING INCOME	1,094,308	1,094,308	915,944	(178,364)
Non-operating income (expenses)				
Interest income	2,500	2,500	10,398	7,898
Loss on disposal of equipment	<u>-</u>	<u>-</u>	<u>(253)</u>	<u>(253)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	1,096,808	1,096,808	926,089	(170,719)
Government contributions	-	-	-	-
Tap Fees	-	-	4,869	4,869
Customer Contribution	<u>4,629,719</u>	<u>4,629,719</u>	<u>13,575,865</u>	<u>8,946,146</u>
CHANGE IN NET POSITION	<u>\$ 5,726,527</u>	<u>\$ 5,726,527</u>	<u>\$ 14,506,823</u>	<u>\$ 8,780,296</u>

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
FORT KNOX SEWER FUND
for the year ended December 31, 2012

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Sewer service revenue	\$ 2,898,595	\$ 2,898,595	\$ 2,883,989	\$ (14,606)
Penalties, service fees and reimbursements	<u>133,966</u>	<u>133,966</u>	<u>85,270</u>	<u>(48,696)</u>
Total operating revenue	<u>3,032,561</u>	<u>3,032,561</u>	<u>2,969,259</u>	<u>(63,302)</u>
OPERATING EXPENSES				
Professional services	9,916	9,916	26,062	16,146
Contractual obligations	1,785,214	1,785,214	1,743,599	(41,615)
Allocated expense	(41,606)	(41,606)	(34,788)	6,818
Insurance	20,000	20,000	20,027	27
Customer service	96,899	96,899	85,198	(11,701)
Other	<u>13,900</u>	<u>13,900</u>	<u>8,377</u>	<u>(5,523)</u>
Total operating expense	<u>1,884,323</u>	<u>1,884,323</u>	<u>1,848,475</u>	<u>(35,848)</u>
Operating income before depreciation	1,148,238	1,148,238	1,120,784	(27,454)
Depreciation and amortization expense	<u>(632,418)</u>	<u>(632,418)</u>	<u>(644,937)</u>	<u>(12,519)</u>
OPERATING INCOME	515,820	515,820	475,847	(39,973)
Non-operating income (expenses)				
Interest income	9,600	9,600	15,042	5,442
Interest expense	<u>(1,400)</u>	<u>(1,400)</u>	<u>(1,127)</u>	<u>273</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	524,020	524,020	489,762	(34,258)
Government contributions	<u>3,044,679</u>	<u>3,044,679</u>	<u>1,963,758</u>	<u>(1,080,921)</u>
CHANGE IN NET POSITION	<u>\$ 3,568,699</u>	<u>\$ 3,568,699</u>	<u>\$ 2,453,520</u>	<u>\$ (1,115,179)</u>

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
RADCLIFF SEWER FUND
for the year ended December 31, 2012

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Sewer service revenue	\$ 3,550,249	\$ 3,550,249	\$ 3,372,686	\$ (177,563)
Penalties, service fees and reimbursements	<u>198,300</u>	<u>198,300</u>	<u>182,650</u>	<u>(15,650)</u>
Total operating revenue	<u>3,748,549</u>	<u>3,748,549</u>	<u>3,555,336</u>	<u>(193,213)</u>
OPERATING EXPENSES				
Professional services	16,527	16,527	11,929	(4,598)
Contractual obligations	2,223,399	2,223,399	2,102,540	(120,859)
Allocated expense	(88,329)	(88,329)	(88,329)	-
Insurance	27,900	27,900	29,231	1,331
Customer service	232,113	232,113	526,850	294,737
System maintenance	<u>273,038</u>	<u>273,038</u>	<u>92,784</u>	<u>(180,254)</u>
Total operating expense	<u>2,684,648</u>	<u>2,684,648</u>	<u>2,675,005</u>	<u>(9,643)</u>
Operating income before depreciation	1,063,901	1,063,901	880,331	(183,570)
Depreciation and amortization expense	<u>(930,806)</u>	<u>(930,806)</u>	<u>(912,281)</u>	<u>18,525</u>
OPERATING INCOME	133,095	133,095	(31,950)	(165,045)
Non-operating income (expenses)				
Interest income	25,000	25,000	24,123	(877)
Interest expense	(87,870)	(87,870)	(81,652)	6,218
Loss on disposal of equipment	<u>-</u>	<u>-</u>	<u>(99,903)</u>	<u>(99,903)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	70,225	70,225	(189,382)	(259,607)
Government contributions	1,775,000	1,775,000	642,224	(1,132,776)
Tap fees	<u>7,500</u>	<u>7,500</u>	<u>3,000</u>	<u>(4,500)</u>
CHANGE IN NET POSITION	<u>\$ 1,852,725</u>	<u>\$ 1,852,725</u>	<u>\$ 455,842</u>	<u>\$ (1,396,883)</u>

HARDIN COUNTY WATER DISTRICT No. 1
SCHEDULE OF REVENUES AND EXPENSES - ACTUAL TO BUDGET
STORMWATER FUND
for the year ended December 31, 2012

	Original Budget	Amended Budget	Actual	Variance
OPERATING REVENUE				
Stormwater revenue	\$ 477,792	\$ 477,792	\$ 477,792	\$ -
Penalties, service fees and reimbursements	<u>56,399</u>	<u>56,399</u>	<u>18,194</u>	<u>(38,205)</u>
Total operating revenue	<u>534,191</u>	<u>534,191</u>	<u>495,986</u>	<u>(38,205)</u>
OPERATING EXPENSES				
Professional services	2,445	2,445	2,127	(318)
Contractual obligations	280,984	280,984	278,811	(2,173)
Allocated expense	(10,585)	(10,585)	(10,585)	-
Insurance	1,700	1,700	1,729	29
Customer service	286	286	254	(32)
Other	<u>33,506</u>	<u>33,506</u>	<u>26,660</u>	<u>(6,846)</u>
Total operating expense	<u>308,336</u>	<u>308,336</u>	<u>298,996</u>	<u>(9,340)</u>
Operating income before depreciation	225,855	225,855	196,990	(28,865)
Depreciation and amortization expense	<u>(36,646)</u>	<u>(36,646)</u>	<u>(37,214)</u>	<u>(568)</u>
OPERATING INCOME	189,209	189,209	159,776	(29,433)
Non-operating income (expenses)				
Interest income	<u>5,300</u>	<u>5,300</u>	<u>4,713</u>	<u>(587)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	194,509	194,509	164,489	(30,020)
Government contributions	<u>1,281,789</u>	<u>1,281,789</u>	<u>424,253</u>	<u>(857,536)</u>
CHANGE IN NET POSITION	<u>\$ 1,476,298</u>	<u>\$ 1,476,298</u>	<u>\$ 588,742</u>	<u>\$ (887,556)</u>

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED WATER STATEMENT OF NET POSITION
December 31, 2012

ASSETS	County Water	Ft. Knox Water	2012 Total	2011 Total
Current assets				
Cash and cash equivalents	\$ 494,542	\$ 3,949,510	\$ 4,444,052	\$ 305,600
Short-term certificates of deposit	767,708	-	767,708	741,397
Customer accounts receivable, net	244,310	492,344	736,654	255,481
Other accounts receivable	53,990	947,662	1,001,652	84,806
Interest receivable	1,874	-	1,874	996
Due from other funds	-	-	-	11,599
Inventory - materials and supplies	296,113	25,641	321,754	283,719
Prepaid expenses	<u>56,672</u>	<u>13,128</u>	<u>69,800</u>	<u>66,664</u>
Total current assets	<u>1,915,209</u>	<u>5,428,285</u>	<u>7,343,494</u>	<u>1,750,262</u>
Other assets				
Restricted funds	<u>1,634,127</u>	<u>-</u>	<u>1,634,127</u>	<u>1,586,094</u>
Property, plant and equipment				
Land and easements	273,045	-	273,045	273,045
Plant and lines	36,557,889	8,826,362	45,384,251	36,014,189
Vehicles and equipment	4,667,679	1,106,307	5,773,986	4,465,361
Construction in progress	<u>600,945</u>	<u>275,600</u>	<u>876,545</u>	<u>571,712</u>
Total	42,099,558	10,208,269	52,307,827	41,324,307
Less: accumulated depreciation	<u>(13,017,583)</u>	<u>(411,089)</u>	<u>(13,428,672)</u>	<u>(12,036,140)</u>
Total property, plant, and equipment	<u>29,081,975</u>	<u>9,797,180</u>	<u>38,879,155</u>	<u>29,288,167</u>
TOTAL ASSETS	<u>\$ 32,631,311</u>	<u>\$ 15,225,465</u>	<u>\$ 47,856,776</u>	<u>\$ 32,624,523</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 154,090	\$ 317,835	\$ 471,925	\$ 237,688
Due to other funds	28,899	40,212	69,111	297,093
Customers' deposits	168,032	-	168,032	162,667
Accrued expenses	83,461	15,438	98,899	75,120
Reserve for unclaimed funds - escheatment	5,231	-	5,231	5,262
Deferred rent revenue	4,533	-	4,533	643
Line of credit	-	-	-	32,683
Liabilities payable from restricted assets:				
Current portion of long-term debt	620,000	81,960	701,960	500,000
Accrued interest on long-term debt	<u>60,792</u>	<u>-</u>	<u>60,792</u>	<u>63,267</u>
Total current liabilities	<u>1,125,038</u>	<u>455,445</u>	<u>1,580,483</u>	<u>1,374,423</u>
Long-term liabilities				
Bonds payable	8,165,000	-	8,165,000	8,785,000
Other long-term debt	-	252,805	252,805	-
Less: unamortized discount and expenses	(162,731)	-	(162,731)	(178,279)
Compensated absences	<u>47,971</u>	<u>10,392</u>	<u>58,363</u>	<u>47,311</u>
Total long-term liabilities	<u>8,050,240</u>	<u>263,197</u>	<u>8,313,437</u>	<u>8,654,032</u>
Other liabilities				
Customer advances for construction	<u>113,164</u>	<u>-</u>	<u>113,164</u>	<u>126,401</u>
Total liabilities	<u>9,288,442</u>	<u>718,642</u>	<u>10,007,084</u>	<u>10,154,856</u>
Net position				
Invested in capital assets, net of related debt	20,398,914	9,462,415	29,861,329	20,085,496
Restricted	1,634,127	-	1,634,127	1,586,094
Unrestricted	<u>1,309,828</u>	<u>5,044,408</u>	<u>6,354,236</u>	<u>798,077</u>
Total net position	<u>23,342,869</u>	<u>14,506,823</u>	<u>37,849,692</u>	<u>22,469,667</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 32,631,311</u>	<u>\$ 15,225,465</u>	<u>\$ 47,856,776</u>	<u>\$ 32,624,523</u>

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED WATER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the year ended December 31, 2012

	<u>County Water</u>	<u>Fort Knox Water</u>	<u>2012 Total</u>	<u>2011 Total</u>
OPERATING REVENUE				
Metered water sales	\$ 3,073,779	\$ 3,464,636	\$ 6,538,415	\$ 3,049,775
Wholesale sales	647,969	-	647,969	635,903
Sewer billing contract revenue	18,335	-	18,335	8,612
Penalties, service fees and reimbursements	<u>287,555</u>	<u>374,552</u>	<u>662,107</u>	<u>291,411</u>
Total operating revenue	<u>4,027,638</u>	<u>3,839,188</u>	<u>7,866,826</u>	<u>3,985,701</u>
OPERATING EXPENSES				
Treatment	777,035	-	777,035	841,684
Distribution	667,160	508,796	1,175,956	648,360
Customer service	249,581	-	249,581	280,777
General & administrative expenses	273,951	2,003,359	2,277,310	529,157
Purchased water	85,289	-	85,289	75,939
General maintenance	91,070	-	91,070	77,861
Source of supply	<u>34,837</u>	<u>-</u>	<u>34,837</u>	<u>36,872</u>
Total operating expense	<u>2,178,923</u>	<u>2,512,155</u>	<u>4,691,078</u>	<u>2,490,650</u>
Operating income before depreciation	1,848,715	1,327,033	3,175,748	1,495,051
Depreciation and amortization expense	<u>(1,038,544)</u>	<u>(411,089)</u>	<u>(1,449,633)</u>	<u>(996,715)</u>
OPERATING INCOME	810,171	915,944	1,726,115	498,336
Non-operating Income (expenses)				
Interest income	33,317	10,398	43,715	40,909
Interest expense	(296,635)	-	(296,635)	(305,120)
Gain (loss) on sale of equipment	<u>3,503</u>	<u>(253)</u>	<u>3,250</u>	<u>(17,260)</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS	550,356	926,089	1,476,445	216,865
Capital Contributions				
Grants	237,953	-	237,953	144,170
Tap fees	41,464	4,869	46,333	64,182
Customer contributions	<u>43,429</u>	<u>13,575,865</u>	<u>13,619,294</u>	<u>330,375</u>
CHANGE IN NET POSITION	873,202	14,506,823	15,380,025	755,592
Net position, beginning of year	<u>22,469,667</u>	<u>-</u>	<u>22,469,667</u>	<u>21,714,075</u>
NET POSITION, END OF YEAR	<u>\$ 23,342,869</u>	<u>\$ 14,506,823</u>	<u>\$ 37,849,692</u>	<u>\$ 22,469,667</u>

**HARDIN COUNTY WATER DISTRICT No. 1
COMBINED WATER STATEMENT OF CASH FLOWS
for the year ended December 31, 2012**

	<u>County Water</u>	<u>Ft. Knox Water</u>	<u>2012 Total</u>	<u>2011 Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 3,813,030	\$ 2,399,182	\$ 6,212,212	\$ 4,407,953
Payments to suppliers	(966,735)	(1,723,732)	(2,690,467)	(1,246,290)
Payments for employee services and benefits	<u>(1,284,513)</u>	<u>(443,315)</u>	<u>(1,727,828)</u>	<u>(1,492,648)</u>
Net cash provided by operating activities	<u>1,561,782</u>	<u>232,135</u>	<u>1,793,917</u>	<u>1,669,015</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on long-term debt	(500,000)	(75,151)	(575,151)	(460,000)
Borrowings	-	75,151	75,151	32,683
Principal paid on line of credit	(32,683)	-	(32,683)	-
Interest paid on long-term debt	(299,110)	-	(299,110)	(307,183)
Contributions in aid of construction	41,464	4,678,232	4,719,696	208,352
Grants	281,382	-	281,382	-
Proceeds from sale of equipment	7,412	-	7,412	15,547
Acquisition and construction of capital assets	(816,277)	(971,255)	(1,787,532)	(993,298)
Cash (paid) received under advance construction contract	<u>(13,237)</u>	<u>-</u>	<u>(13,237)</u>	<u>(3,826)</u>
Net cash (used in) capital and related financing activities	<u>(1,331,049)</u>	<u>3,706,977</u>	<u>2,375,928</u>	<u>(1,507,725)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	32,439	10,398	42,837	40,847
Redemption of investments	508,442	-	508,442	2,493,077
Purchase of investments	<u>(582,672)</u>	<u>-</u>	<u>(582,672)</u>	<u>(2,581,452)</u>
Net cash provided by investing activities	<u>(41,791)</u>	<u>10,398</u>	<u>(31,393)</u>	<u>(47,528)</u>
NET INCREASE IN CASH	<u>188,942</u>	<u>3,949,510</u>	<u>4,138,452</u>	<u>113,762</u>
Cash and cash equivalents, beginning of year	<u>305,600</u>	<u>-</u>	<u>305,600</u>	<u>191,838</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 494,542</u>	<u>\$ 3,949,510</u>	<u>\$ 4,444,052</u>	<u>\$ 305,600</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 810,171	\$ 915,944	\$ 1,726,115	\$ 498,336
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	1,038,544	411,089	1,449,633	996,715
Change in assets and liabilities:				
Accounts receivable	41,987	(1,440,006)	(1,398,019)	144,971
Prepaid expenses	9,992	(13,128)	(3,136)	6,168
Due from other funds inventory	40,498	-	40,498	40,750
Accounts payable	(12,394)	(25,641)	(38,035)	156,904
Accrued expenses	(83,598)	317,835	234,237	(413,089)
Due to other funds	8,341	25,830	34,171	5,178
Other payables	(297,093)	40,212	(256,881)	236,531
	<u>5,334</u>	<u>-</u>	<u>5,334</u>	<u>(3,449)</u>
Net cash provided by operating activities	<u>\$ 1,561,782</u>	<u>\$ 232,135</u>	<u>\$ 1,793,917</u>	<u>\$ 1,669,015</u>
Schedule of non-cash capital and financing activities:				
Contributed water mains from developers	\$ 43,429	\$ 8,902,502	\$ 8,945,931	\$ 330,375
Construction in process included in accounts payable	<u>\$ -</u>	<u>\$ 334,765</u>	<u>\$ 334,765</u>	<u>\$ 27,394</u>

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED SEWER STATEMENT OF NET POSITION
December 31, 2012

	Ft. Knox Sewer	Radcliff Sewer	2012 Total	2011 Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,658,213	\$ 2,954,024	\$ 4,612,237	\$ 4,413,855
Customer accounts receivable, net	236,529	204,315	440,844	458,690
Grant receivable	625,526	86,061	711,587	76,822
Interest receivable	-	-	-	523
Due from other funds	-	80,225	80,225	287,516
Inventory	12,373	-	12,373	12,373
Prepaid expenses	7,675	45,508	53,183	49,985
Total current assets	<u>2,540,316</u>	<u>3,370,133</u>	<u>5,910,449</u>	<u>5,299,764</u>
Other assets				
Restricted assets - reserve funds	-	338,723	338,723	335,230
Radcliff acquisition costs, net	-	202,103	202,103	211,203
Total other assets	<u>-</u>	<u>540,826</u>	<u>540,826</u>	<u>546,433</u>
Property, plant and equipment				
Land and easements	-	9,544	9,544	9,544
Plant and lines	78,529,716	33,293,603	111,823,319	110,680,787
Vehicles and equipment	1,161,926	1,138,591	2,300,517	2,051,075
Construction in progress	2,955,975	1,847,721	4,803,696	2,334,274
Total	82,647,617	36,289,459	118,937,076	115,075,680
Less accumulated depreciation	<u>(62,487,200)</u>	<u>(14,736,228)</u>	<u>(77,223,428)</u>	<u>(75,773,746)</u>
Total property, plant, and equipment	<u>20,160,417</u>	<u>21,553,231</u>	<u>41,713,648</u>	<u>39,301,934</u>
TOTAL ASSETS	<u>\$ 22,700,733</u>	<u>\$ 25,464,190</u>	<u>\$ 48,164,923</u>	<u>\$ 45,148,131</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 464,696	\$ 358,757	\$ 823,453	\$ 431,544
Due to other funds	10,333	-	10,333	11,087
Customers' deposits	-	129,454	129,454	124,214
Accrued expenses	5,687	21,246	26,933	46,608
Liabilities payable from restricted assets:				
Current portion of long-term debt	-	278,656	278,656	268,362
Accrued interest on long-term debt	-	6,102	6,102	7,030
Total current liabilities	<u>480,716</u>	<u>794,215</u>	<u>1,274,931</u>	<u>888,845</u>
Long-term liabilities				
Bonds payable	-	1,562,065	1,562,065	1,840,721
Total liabilities	<u>480,716</u>	<u>2,356,280</u>	<u>2,836,996</u>	<u>2,729,566</u>
Net position				
Invested in capital assets, net of related debt	20,160,417	19,706,408	39,866,825	37,185,821
Restricted	-	338,723	338,723	335,230
Unrestricted	2,059,600	3,062,779	5,122,379	4,897,514
Total net position	<u>22,220,017</u>	<u>23,107,910</u>	<u>45,327,927</u>	<u>42,418,565</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 22,700,733</u>	<u>\$ 25,464,190</u>	<u>\$ 48,164,923</u>	<u>\$ 45,148,131</u>

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED SEWER STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
for the year ended December 31, 2012

	Ft. Knox Sewer	Radcliff Sewer	2012 Total	2011 Total
OPERATING REVENUE				
Sewer service revenue	\$ 2,883,989	\$ 3,372,686	\$ 6,256,675	\$ 6,143,337
Penalties, service fees and reimbursements	<u>85,270</u>	<u>182,650</u>	<u>267,920</u>	<u>202,689</u>
Total operating revenue	<u>2,969,259</u>	<u>3,555,336</u>	<u>6,524,595</u>	<u>6,346,026</u>
OPERATING EXPENSES				
Customer service	85,198	526,850	612,048	476,050
Sewer operations	<u>1,763,277</u>	<u>2,148,155</u>	<u>3,911,432</u>	<u>4,011,541</u>
Total operating expense	<u>1,848,475</u>	<u>2,675,005</u>	<u>4,523,480</u>	<u>4,487,591</u>
Operating income before depreciation	1,120,784	880,331	2,001,115	1,858,435
Depreciation and amortization expense	<u>(644,937)</u>	<u>(912,281)</u>	<u>(1,557,218)</u>	<u>(1,436,108)</u>
OPERATING INCOME	475,847	(31,950)	443,897	422,327
Non-operating income (expenses)				
Interest income	15,042	24,123	39,165	50,836
Interest expense	(1,127)	(81,652)	(82,779)	(93,453)
Bad debts recovered	-	-	-	9,449
Gain (loss) on sale of equipment	<u>-</u>	<u>(99,903)</u>	<u>(99,903)</u>	<u>(48,903)</u>
INCOME (LOSS) BEFORE				
CAPITAL CONTRIBUTIONS				
	489,762	(189,382)	300,380	340,256
Grants	-	642,224	642,224	1,383,176
Tap fees	-	3,000	3,000	8,700
Customer contributions	<u>1,963,758</u>	<u>-</u>	<u>1,963,758</u>	<u>891,785</u>
CHANGE IN NET POSITION	2,453,520	455,842	2,909,362	2,623,917
Net position, beginning of year	<u>19,766,497</u>	<u>22,652,068</u>	<u>42,418,565</u>	<u>39,794,648</u>
NET POSITION, END OF YEAR	<u>\$ 22,220,017</u>	<u>\$ 23,107,910</u>	<u>\$ 45,327,927</u>	<u>\$ 42,418,565</u>

HARDIN COUNTY WATER DISTRICT No. 1
COMBINED SEWER STATEMENT OF CASH FLOWS
for the year ended December 31, 2012

	Ft. Knox Sewer	Radcliff Sewer	2012 Total	2011 Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,388,338	\$ 3,725,875	\$ 6,114,213	\$ 6,348,902
Payments to suppliers	<u>(1,554,200)</u>	<u>(2,595,932)</u>	<u>(4,150,132)</u>	<u>(4,945,108)</u>
Net cash provided by operating activities	<u>834,138</u>	<u>1,129,943</u>	<u>1,964,081</u>	<u>1,403,794</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal paid on long-term debt	-	(268,362)	(268,362)	(258,447)
Interest paid on long-term debt	(1,127)	(82,580)	(83,707)	(94,315)
Contributions in aid of construction	1,963,758	645,224	2,608,982	1,828,186
Proceeds from sale of equipment	-	4,640	4,640	3,000
Acquisition and construction of capital assets	<u>(2,728,517)</u>	<u>(1,334,930)</u>	<u>(4,063,447)</u>	<u>(2,812,497)</u>
Net cash (used in) capital and related financing activities	<u>(765,886)</u>	<u>(1,036,008)</u>	<u>(1,801,894)</u>	<u>(1,334,073)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	15,043	24,645	39,688	53,647
Redemption of investments	-	335,230	335,230	770,165
Purchase of investments	<u>-</u>	<u>(338,723)</u>	<u>(338,723)</u>	<u>(335,230)</u>
Net cash provided by investing activities	<u>15,043</u>	<u>21,152</u>	<u>36,195</u>	<u>488,582</u>
NET INCREASE IN CASH	<u>83,295</u>	<u>115,087</u>	<u>198,382</u>	<u>558,303</u>
Cash and cash equivalents, beginning of year	<u>1,574,918</u>	<u>2,838,937</u>	<u>4,413,855</u>	<u>3,855,552</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,658,213</u>	<u>\$ 2,954,024</u>	<u>\$ 4,612,237</u>	<u>\$ 4,413,855</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income	\$ 475,847	\$ (31,950)	\$ 443,897	\$ 422,327
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	644,937	912,281	1,557,218	1,436,108
Change in assets and liabilities:				
Accounts receivable	(606,325)	(10,594)	(616,919)	266,978
Prepaid expenses	-	189,903	189,903	(13,738)
Inventory	-	-	-	(12,373)
Due from other funds	(504)	(2,694)	(3,198)	(226,954)
Accounts payable	299,102	92,807	391,909	(384,152)
Accrued expenses	25,404	(928)	24,476	(45,005)
Due to other funds	(4,323)	(15,352)	(19,675)	(37,148)
Other payables	<u>-</u>	<u>(3,530)</u>	<u>(3,530)</u>	<u>(2,249)</u>
Net cash provided by operating activities	<u>\$ 834,138</u>	<u>\$ 1,129,943</u>	<u>\$ 1,964,081</u>	<u>\$ 1,403,794</u>
Schedule of non-cash capital and financing activities:				
Construction in process included in accounts payable	<u>\$ 1,873</u>	<u>\$ -</u>	<u>\$ 1,873</u>	<u>\$ 69,167</u>

**HARDIN COUNTY WATER DISTRICT No. 1
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**

Independent Auditors' Report

Board of Commissioners
Hardin County Water District No.1
Radcliff, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Hardin County Water District No. 1, as of and for the year ended June 30, 2012, and the related notes to the financial statements, which collectively comprise Hardin County Water District No. 1's financial statements, and have issued our report thereon dated March, 12, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hardin County Water District No. 1's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hardin County Water District No.1's internal control. Accordingly, we do not express an opinion on the effectiveness of Hardin County Water District No. 1's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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**HARDIN COUNTY WATER DISTRICT No. 1
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, continued**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hardin County Water District No. 1's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Ray, Foley, Hensley, & Company

Ray, Foley, Hensley, & Company, PLLC
March 12, 2013

Appendix B

Comparative Statement of Revenues, Expenses, and Net Assets

Hardin County Water District No. 1 Radcliff Sewer Fund
Detail Comparative Income Statements
For the 12 Months Ended Monday, December 31, 2012

	December	December Budget	December Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales	\$215,887.40	\$231,736.60	\$214,604.39	\$2,694,620.88	\$2,875,702.00	\$2,663,102.26
Commercial Sales	33,566.50	20,709.75	31,459.02	428,579.04	248,517.00	396,168.70
Multi-Family Sales	20,977.09	33,944.65	18,907.74	247,882.26	426,030.00	237,305.84
High Strength Surcharge				746.48	200.00	336.70
Discharge Permit Fees	27.78	30.12	27.78	858.36	1,500.00	1,383.36
Bad Debt Recovered	577.98	547.25	470.08	7,415.07	11,000.00	9,448.89
Penalties, Services Fees and Reimbursements	14,905.17	14,171.71	14,602.82	175,235.00	185,600.00	184,713.96
Total Operating Revenues	285,941.92	301,140.08	280,071.83	3,555,337.09	3,748,549.00	3,492,459.71
OPERATING EXPENSES						
Collection System Labor	9,190.03	10,260.11	3,912.81	91,059.02	98,917.00	37,723.11
Customer Service Labor	14,410.47	15,044.53	10,762.98	151,356.14	174,121.00	124,567.58
Administration Labor	5,441.21	12,653.57	9,735.36	102,927.12	124,013.00	95,412.72
Professional Services-Engineering		266.63			3,200.00	2,299.88
Professional Services-Accounting	614.17	614.17	567.00	7,370.20	7,370.00	6,804.00
Professional Services-Legal	267.14	496.42	390.16	4,558.90	5,957.00	4,681.92
Information Technology Expense	1,117.79	1,049.67	947.74	14,596.20	11,300.00	10,202.69
Management Fee - Veolia	156,927.08	179,980.93	176,367.58	2,102,540.03	2,125,319.00	2,082,650.47
Contractual Services	7,754.45	7,386.24	7,465.55	94,932.81	98,080.00	99,133.91
Insurance Expense	2,515.85	2,325.00	1,663.55	29,230.95	27,900.00	19,465.97
Transportation Fuel & Repairs	116.44			1,949.19		
Utility Regulatory Expense	513.45	459.68	455.26	5,812.31	5,500.00	5,447.16
Office Supplies	787.39	546.31	703.82	7,938.15	8,500.00	7,920.22
Utilities	817.99	652.48	974.36	11,400.24	10,600.00	15,829.26
Bad Debt Expense	7,084.33	3,822.19	3,772.70	41,597.28	39,600.00	39,087.21
Agency Collection Expense	288.99	98.41	88.14	2,968.17	3,900.00	3,492.89
Advertising Expense				42.23		
Rent Expense	187.50	187.50	187.50	2,250.00	2,250.00	2,250.00
Investment Fees						1.23
Travel & Lodging	133.16	132.74	132.87	2,700.90	3,000.00	3,002.79
Certification & Training		83.33		1,707.80	1,000.00	1,480.24
Education & Conferences	10.00			1,750.77	3,800.00	4,207.02
Routine Maintenance Service	113.65	22.87	146.98	1,727.49	1,300.00	8,353.10
Miscellaneous Customer Expense	3.29	96.12	57.15	811.89	1,000.00	594.59
Miscellaneous Expense	3,072.32	212.93	114.01	7,415.39	1,450.00	776.36
Amortized Rate Case - Raftelis		1,175.00			14,100.00	
Customer Deposit Interest Expense	31.07	29.25	25.96	717.23	800.00	710.10
Allocated FK Water G&A Expense	(8,029.90)	(8,029.91)		(88,328.90)	(88,329.00)	
Total Operating Expenses	203,367.87	229,566.17	218,471.48	2,601,031.51	2,684,648.00	2,576,094.42
Operating Income Before Depreciation	82,574.05	71,573.91	61,600.35	954,305.58	1,063,901.00	916,365.29
Less Depreciation & Amortization	82,937.48	82,823.52	78,691.54	981,121.38	930,806.00	884,487.38
Operating Income	(363.43)	(11,249.61)	(17,091.19)	(26,815.80)	133,095.00	31,877.91
Non Operating Income/(Expense)						
Interest & Dividend Income	1,575.28	1,542.96	2,412.18	24,123.38	25,000.00	39,083.58
Gain/(Loss) on Assets	(36,454.65)		(2,196.03)	(99,902.69)		(48,903.07)
Interest Expense	(6,576.43)	(6,821.46)	(7,962.30)	(86,790.68)	(87,870.00)	(102,006.68)
Income Before Capital Contributions	(41,819.23)	(16,528.11)	(24,837.34)	(189,385.79)	70,225.00	(79,948.26)
Capital Contributions						
Misc Revenue - Grant			130,000.00	125,519.10		130,000.00
Misc Revenue - Grant - I&I						199,146.98
Misc Revenue - Grant - Pump Stations	3,738.74	72,916.67		122,936.14	875,000.00	419,146.28
Misc Revenue - Grant - SI	21,985.49	75,000.00		391,895.63	900,000.00	634,882.85
Tap Fees		129.31	150.00	3,000.00	7,500.00	8,700.00
Capital Contributions			9,281.76	1,873.20		455,475.07
Change in Net Assets	(16,095.00)	131,517.87	114,594.42	455,838.28	1,852,725.00	1,767,402.92

For Management Purposes Only

Appendix C

General Ledger

Audited GL Summary Trial Balance

Hardin County Water District No. 1

General Ledger

Inactive	Account	Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
	4.00.10000	Radcliff .General. Cash Clearing	\$0.00	\$3,787,263.14	\$3,787,263.14	\$0.00	\$0.00
	4.00.10700	Radcliff.General.CIP - Radcliff	\$1,608,776.81	\$1,589,950.42	\$1,351,006.86	\$238,943.56	\$1,847,720.37
	4.00.11001	Radcliff.General.Accumulated Depreciation	(\$13,931,483.65)	\$98,436.26	\$903,180.92	(\$804,744.66)	(\$14,736,228.31)
	4.00.12400	Radcliff .General.Savings - FKFCU	\$1,015.25	\$1.78	\$0.00	\$1.78	\$1,017.03
	4.00.12402	Radcliff .General. Money Market Cecilian	\$2,601,917.94	\$806,173.15	\$743,717.81	\$62,455.34	\$2,664,373.28
	4.00.12403	Radcliff .General. Certificate of Deposit	\$335,230.42	\$2,159.78	\$337,390.20	(\$335,230.42)	\$0.00
	4.00.13100	Radcliff .General.Revenue Fund - Cecilian	\$372,084.56	\$4,697,559.90	\$4,780,382.29	(\$82,822.39)	\$289,262.17
	4.00.13101	Radcliff.General.O & M Cecilian	(\$136,079.80)	\$4,158,272.88	\$4,022,821.33	\$135,451.55	(\$628.25)
	4.00.13300	Radcliff Sewer.General.Restrict Funds-	\$0.00	\$338,722.61	\$0.00	\$338,722.61	\$338,722.61
	4.00.14200	Radcliff .General.Customer Accounts	\$219,445.27	\$3,808,006.01	\$3,823,135.85	(\$15,129.84)	\$204,315.43
	4.00.14201	Radcliff .General.A/R Mis Statements	\$60,337.10	\$532,089.33	\$506,365.10	\$25,724.23	\$86,061.33
	4.00.14400	Radcliff.General.Accrued Interest	\$521.94	\$1,438.12	\$1,959.69	(\$521.57)	\$0.37
	4.00.14600	Radcliff.General.Due From Other Funds	\$261,358.32	\$4,286,331.39	\$4,467,465.10	(\$181,133.71)	\$80,224.61
	4.00.16600	Radcliff .General.Prepaid Expense	\$42,813.87	\$49,103.03	\$46,409.27	\$2,693.76	\$45,507.63
	4.00.18400	Radcliff .General.Organizaton Costs	\$211,202.82	\$0.00	\$9,100.32	(\$9,100.32)	\$202,102.50
	4.00.21600	Radcliff .General.Retained Earnings	(\$2,145,343.98)	\$1,847,351.18	\$0.00	\$1,847,351.18	(\$297,992.80)
	4.00.22100	Radcliff .General.Bond Payable 1997	(\$1,840,720.99)	\$278,656.20	\$0.00	\$278,656.20	(\$1,562,064.79)
	4.00.23100	Radcliff .General.Current Portion of Bonds	(\$268,361.58)	\$268,377.54	\$278,672.16	(\$10,294.62)	(\$278,656.20)
	4.00.23200	Radcliff .General.Accounts Payable	(\$265,949.98)	\$4,106,989.79	\$4,199,796.06	(\$92,806.27)	(\$358,756.25)
	4.00.23201	Radcliff .General.Sales Tax Payable	\$0.00	\$39,653.68	\$39,653.68	\$0.00	\$0.00
	4.00.23202	Radcliff .General.Sewer Payable Franchise	(\$6,275.92)	\$102,682.15	\$102,402.81	\$279.34	(\$5,996.58)
	4.00.23500	Radcliff.General.Customer Deposits	(\$124,214.00)	\$47,447.76	\$52,687.76	(\$5,240.00)	(\$129,454.00)
	4.00.23700	Radcliff.General.Accrued Interest	(\$7,030.33)	\$88,735.27	\$87,807.34	\$927.93	(\$6,102.40)
	4.00.23800	Radcliff .General.Accrued Expenses	(\$30,322.37)	\$186,413.31	\$163,969.26	\$22,444.05	(\$7,878.32)
	4.00.23801	Radcliff .General.Accrued Audit Expense	\$0.00	\$6,804.36	\$14,174.36	(\$7,370.00)	(\$7,370.00)
	4.00.27100	Radcliff .General.Contributions in Aid of	(\$20,506,728.70)	\$0.00	\$1,847,351.18	(\$1,847,351.18)	(\$22,354,079.88)
	4.00.27101	Radcliff.General.Tap Fees	\$0.00	\$150.00	\$3,150.00	(\$3,000.00)	(\$3,000.00)
	4.00.27102	Radcliff .General.Capital Contributions	\$0.00	\$2,113.05	\$3,986.25	(\$1,873.20)	(\$1,873.20)
	4.00.27104	Radcliff.General.Misc Revenue Grant Pump	\$0.00	\$0.00	\$122,936.14	(\$122,936.14)	(\$122,936.14)
	4.00.27105	Radcliff .General. Misc Revenue - Grant - SI	\$0.00	\$0.00	\$391,895.63	(\$391,895.63)	(\$391,895.63)
	4.00.27106	Radcliff Sewer-General- Misc Revenue -	\$0.00	\$0.00	\$125,519.10	(\$125,519.10)	(\$125,519.10)
	4.00.31000	Radcliff.General.Land & Easements	\$9,544.00	\$0.00	\$0.00	\$0.00	\$9,544.00
	4.00.35201	Radcliff .General.Sewer Plant	\$26,913,457.27	\$200,365.24	\$180,058.70	\$20,306.54	\$26,933,763.81
	4.00.35202	Radcliff.General.Collection Sewers - Gravity	\$4,737,684.21	\$533,908.27	\$38,298.70	\$495,609.57	\$5,233,293.78
	4.00.35211	Radcliff.General.Sewer Plant Improvements	\$453,478.87	\$0.00	\$0.00	\$0.00	\$453,478.87
	4.00.35300	Radcliff.General.Other Collection Plant	\$150,000.00	\$0.00	\$0.00	\$0.00	\$150,000.00

4.00.35400	Radcliff.General.Services to Customers	\$11,294.44	\$3,034.50	\$0.00	\$3,034.50	\$1,328.94
4.00.35500	Radcliff.General.Flow Measuring Devices	\$9,900.00	\$0.00	\$0.00	\$0.00	\$900.00
4.00.36301	Radcliff.General.Pumping Equipment	\$52,889.85	\$186,492.53	\$0.00	\$186,492.53	\$239,382.38
4.00.36302	Radcliff.General.Pumping Equipment Diesel	\$27,810.00	\$0.00	\$0.00	\$0.00	\$27,810.00
4.00.37300	Radcliff.General.Treatment & Disposal	\$152,121.31	\$26,206.77	\$0.00	\$26,206.77	\$178,328.08
4.00.37600	Radcliff.General.Other Trmt & Disposal Plant	\$53,317.41	\$0.00	\$0.00	\$0.00	\$53,317.41
4.00.39100	Radcliff.General.Office Furniture &	\$45,227.60	\$7,581.45	\$604.80	\$6,976.65	\$52,204.25
4.00.39200	Radcliff.General.Transportation Equipment	\$515,611.47	\$174,268.37	\$23,005.00	\$151,263.37	\$666,874.84
4.00.39301	Radcliff.General.Laboratory Equipment	\$10,299.32	\$0.00	\$0.00	\$0.00	\$10,299.32
4.00.39302	Radcliff.General.Power Operated Equipment	\$394,792.25	\$0.00	\$0.00	\$0.00	\$394,792.25
4.00.39303	Radcliff.General.Communication Equipment	\$10,379.00	\$7,585.80	\$3,544.00	\$4,041.80	\$14,420.80
4.00.41700	Radcliff.General.Gain/Loss on Asset	\$0.00	\$109,724.66	\$9,821.97	\$99,902.69	\$99,902.69
4.00.41900	Radcliff.General.Interest & Dividend Income	\$0.00	\$0.24	\$24,123.62	(\$24,123.38)	(\$24,123.38)
4.00.42100	Radcliff.General.Bad Debt Recovered	\$0.00	\$144.23	\$7,559.30	(\$7,415.07)	(\$7,415.07)
4.00.52102	Radcliff.General.Flat Revenue - Commercial	\$0.00	\$250.15	\$428,829.19	(\$428,579.04)	(\$428,579.04)
4.00.52201	Radcliff.General.Measured Revenue - Multi	\$0.00	\$448.07	\$248,330.33	(\$247,882.26)	(\$247,882.26)
4.00.52202	Radcliff.General.Measured Revenue -	\$0.00	\$77,273.36	\$2,771,894.24	(\$2,694,620.88)	(\$2,694,620.88)
4.00.53600	Radcliff.General.Penalties & Misc Fees	\$0.00	\$2,917.03	\$176,791.70	(\$173,874.67)	(\$173,874.67)
4.00.53601	Radcliff.General.Discharge Permit Fees	\$0.00	\$0.00	\$858.36	(\$858.36)	(\$858.36)
4.00.53602	Radcliff.General.Sewer High Strength	\$0.00	\$0.00	\$746.48	(\$746.48)	(\$746.48)
4.00.53604	Radcliff.General.Non-Utility Income	\$0.00	\$111,708.00	\$113,068.33	(\$1,360.33)	(\$1,360.33)
4.00.92400	Radcliff Sewer.General.	\$0.00	\$2,506.30	\$2,506.30	\$0.00	\$0.00
4.03.70100	Radcliff.Distribution.Collection System Labor	\$0.00	\$91,059.02	\$0.00	\$91,059.02	\$91,059.02
4.03.71000	Radcliff.Distribution.Routine Maintenance	\$0.00	\$1,822.25	\$94.76	\$1,727.49	\$1,727.49
4.04.90300	Radcliff.Customer Service.Customer Service	\$0.00	\$151,356.14	\$0.00	\$151,356.14	\$151,356.14
4.04.90301	Radcliff.Customer Service.Misc Customer	\$0.00	\$818.26	\$6.37	\$811.89	\$811.89
4.04.92100	Radcliff.Customer Service.Office Supplies &	\$0.00	\$1,151.04	\$0.00	\$1,151.04	\$1,151.04
4.04.92303	Radcliff.Customer Service.Contractd	\$0.00	\$100,172.46	\$24,637.17	\$75,535.29	\$75,535.29
4.04.93007	Radcliff.Customer Service.Customer Interest	\$0.00	\$717.40	\$0.17	\$717.23	\$717.23
4.06.40300	Radcliff.Administration.Depreciation Expense	\$0.00	\$903,180.92	\$0.00	\$903,180.92	\$903,180.92
4.06.40301	Radcliff.Administration.Allocated	\$0.00	\$76,828.56	\$7,988.42	\$68,840.14	\$68,840.14
4.06.40800	Radcliff.Administration.Regulatory	\$0.00	\$5,812.31	\$0.00	\$5,812.31	\$5,812.31
4.06.42700	Radcliff.Administration.Interest on LT Debt	\$0.00	\$83,448.67	\$6,678.82	\$76,769.85	\$76,769.85
4.06.42701	Radcliff.Administration.Allocated Interest	\$0.00	\$4,882.35	\$0.00	\$4,882.35	\$4,882.35
4.06.43200	Radcliff.Administration.Amortization of Acq.	\$0.00	\$9,100.32	\$0.00	\$9,100.32	\$9,100.32
4.06.70000	Radcliff.Administration.Veolia Management	\$0.00	\$2,209,643.76	\$107,103.73	\$2,102,540.03	\$2,102,540.03
4.06.90302	Radcliff.Administration.Agency Collection	\$0.00	\$2,968.17	\$0.00	\$2,968.17	\$2,968.17
4.06.90400	Radcliff.Administration.Bad Debt Expense	\$0.00	\$41,597.28	\$0.00	\$41,597.28	\$41,597.28
4.06.92000	Radcliff.Administration.Adminstrative Labor	\$0.00	\$103,041.62	\$114.50	\$102,927.12	\$102,927.12
4.06.92100	Radcliff.Administration.Office Supplies &	\$0.00	\$6,859.25	\$72.14	\$6,787.11	\$6,787.11
4.06.92300	Radcliff.Administration.Prof. Services-	\$0.00	\$7,370.36	\$0.16	\$7,370.20	\$7,370.20
4.06.92301	Radcliff.Administration.Prof Services - Legal	\$0.00	\$5,033.88	\$474.98	\$4,558.90	\$4,558.90
4.06.92303	Radcliff.Administration.Contractd Services	\$0.00	\$20,014.58	\$617.06	\$19,397.52	\$19,397.52
4.06.92400	Radcliff.Administration.Insurance Expense	\$0.00	\$33,952.41	\$4,721.46	\$29,230.95	\$29,230.95
4.06.92900	Radcliff.Administration.Travel & Lodging	\$0.00	\$2,714.01	\$13.11	\$2,700.90	\$2,700.90

4.06.92901	Radcliff .Administration. Transport Fuel &	\$0.00	\$1,952.39	\$3.20	\$1,949.19	\$1,949.19	
4.06.93000	Radcliff.Administration.Info Technology	\$0.00	\$15,467.94	\$871.74	\$14,596.20	\$14,596.20	
4.06.93002	Radcliff .Administration. Advertising Expense	\$0.00	\$42.23	\$0.00	\$42.23	\$42.23	
4.06.93004	Radcliff.Administration.Utilities	\$0.00	\$11,841.69	\$441.45	\$11,400.24	\$11,400.24	
4.06.93005	Radcliff.Administration.Certification &	\$0.00	\$1,793.80	\$86.00	\$1,707.80	\$1,707.80	
4.06.93006	Radcliff.Administration.Remarket & Other	\$0.00	\$5,500.55	\$362.07	\$5,138.48	\$5,138.48	
4.06.93008	Radcliff.Administration.Rents	\$0.00	\$2,250.00	\$0.00	\$2,250.00	\$2,250.00	
4.06.93009	Radcliff.Administration.Misc General Expense	\$0.00	\$7,415.39	\$0.00	\$7,415.39	\$7,415.39	
4.06.93010	Radcliff.Administration.Education &	\$0.00	\$1,750.77	\$0.00	\$1,750.77	\$1,750.77	
4.06.93600	Radcliff Sewer-Admin- Allocated FK Water	\$0.00	\$0.00	\$88,328.90	(\$88,328.90)	(\$88,328.90)	
Grand Totals:		Accounts	Beginning Balance	Debit	Credit	Net Change	Ending Balance
		91	(\$0.00)	\$36,486,856.84	\$36,486,856.84	\$0.00	(\$0.00)

Sort By: Fund

Account Range By: Account

Fiscal Year: 2012

Account From: 4.00.10000 Account To: 4.06.93600

From Date: 1/1/2012 To Date: 12/31/2012

Show Inactive Accounts: Yes

Show Unit Accounts: No

Show Zero Balance Accounts: Yes

Show Posting Accounts: Yes

Appendix D

Depreciation Schedules

Fund 04 Radcliff Sewer		Trial Balance		Depreciation Schedule		
Fiscal Year 2012		Year to Date		Current Month		
Period Ending as of December		Debit	Credit	Debit	Credit	Expense
4.00.31000	Land & Easements	9,544.00		9,544.00	-	
4.00.35201	Sewer Plant	26,933,763.81		26,933,763.81	13,390,982.42	52,570.58
4.00.35202	Collection Sewer - Gravity	5,233,293.78		5,233,293.78	445,226.80	8,470.30
4.00.35211	Sewer Plant Improvements	453,478.87		453,478.87	51,758.22	1,578.17
4.00.35300	Other Collection Plant Facilities	150,000.00		150,000.00	114,922.10	312.51
4.00.35400	Services to Customers	14,328.94		14,328.94	4,840.54	117.27
4.00.35500	Flow Measuring Devices	9,900.00		9,900.00	8,393.75	20.09
4.00.36301	Pumping Equipment - Electric	239,382.38		239,382.38	40,164.77	2,109.13
4.00.36302	Pumping Equipment - Diesel	27,810.00		27,810.00	27,810.00	-
4.00.37300	Treatment & Disposal Equipment	178,328.08		178,328.08	77,951.56	1,583.90
4.00.37600	Other Treatment & Disposal Equip	53,317.41		53,317.41	10,363.30	263.89
4.00.39100	Office Furniture & Equipment	52,204.25		52,204.25	22,457.92	483.97
4.00.39200	Transprotation Equipment	666,874.84		666,874.84	315,395.04	5,943.67
4.00.39301	Lab Equipment	10,299.32		10,299.32	7,932.43	23.42
4.00.39302	Power Operated Equipment	394,792.25		394,792.25	211,488.71	2,923.65
4.00.39303	Communication Equipment	14,420.80		14,420.80	6,540.75	63.21
4.00.11001	Accumulated Depreciation		14,736,228.31		-	-
	Grand Totals	34,441,738.73	14,736,228.31	34,441,738.73	14,736,228.31	76,463.76

rt Year to Date out of Balance by - -

Monthly Depreciation Adjustment -

Depreciation Expense per GL -
Adjustments -
-

Per Schedule 76,463.76
Less transfer assets to Stormwater Fund
76,463.76

Difference (76,463.76)

Hardin County Radcliff Sewer Depreciation Expense Report As of December 31, 2012

Book = Internal
FYE Month = December

Sys No	Ext	In Svc Date	Acquired Value	P T	Depr Meth	Est Life	Salv/168 Allow Sec 179	Depreciable Basis	Prior Thru	Prior Accum Depreciation	Depreciation This Run	Current YTD Depreciation	Current Accum Depreciation	Key Code
G/L Asset Acct No = 4.00.31000														
000001		Land												
	000	01/01/62	9,544.00	R	NoDep	00 00	0.00	9,544.00	11/30/12	0.00	0.00	0.00	0.00	
		G/L Asset Acct No = 4.00.31000	9,544.00				0.00	9,544.00		0.00	0.00	0.00	0.00	
		Less disposals and transfers	0.00				0.00	0.00		0.00			0.00	
		Count = 0												
		Net Subtotal	9,544.00				0.00	9,544.00		0.00	0.00	0.00	0.00	
		Count = 1												
G/L Asset Acct No = 4.00.35201														
000004		Sewer Plant & Lift Stations												
	000	01/01/60	1,939,928.22	R	RemVI	57 00	0.00	1,939,928.22	11/30/12	1,751,218.50	3,145.17	37,741.95	1,788,960.45	
000005		Sewer Plant Building												
	000	01/01/69	6,850.15	R	SLMM	40 00	0.00	6,850.15	11/30/12	6,850.15	0.00	0.00	6,850.15	
000006		Sewer Plant Additions & Lift Stations												
	004	01/01/70	1,360,880.36	R	SLMM	50 00	0.00	1,360,880.36	11/30/12	947,712.59	2,268.14	27,217.61	974,930.20	
000007		Sewer Lift Stations & Lines												
	004	01/01/75	1,562,405.88	R	SLMM	50 00	0.00	1,562,405.88	11/30/12	1,140,555.56	2,604.01	31,248.12	1,171,803.68	
000008		System Additions												
	000	01/01/80	493,848.60	R	SLMM	35 00	0.00	493,848.60	11/30/12	321,707.35	1,175.83	14,109.96	335,817.31	
000009		System Additions												
	000	01/01/81	109,474.36	R	SLMM	35 00	0.00	109,474.36	11/30/12	69,120.33	260.66	3,127.84	72,248.17	
000010		System Additions												
	002	01/01/82	253,731.17	R	SLMM	35 00	0.00	253,731.17	11/30/12	155,134.23	604.13	7,249.46	162,383.69	
000012		System Additions												
	000	01/01/83	273,419.21	R	SLMM	35 00	0.00	273,419.21	11/30/12	161,704.66	651.00	7,811.98	169,516.64	
000013		System Additions												
	000	01/01/84	567,554.55	R	SLMM	35 00	0.00	567,554.55	11/30/12	324,315.81	1,351.33	16,215.85	340,531.66	
000014		System Additions												
	000	01/01/85	307,696.41	R	SLMM	35 00	0.00	307,696.41	11/30/12	169,673.33	732.62	8,791.33	178,464.66	
000015		System Additions												
	002	03/01/86	203,112.19	R	SLMM	35 00	0.00	203,112.19	11/30/12	107,145.94	483.61	5,803.21	112,949.15	
000016		System Additions												
	001	01/01/87	138,132.00	R	SLMM	35 00	0.00	138,132.00	03/31/12	70,663.72	0.00	986.66	71,650.38	d
	002	01/01/87	125,952.39	R	SLMM	35 00	0.00	125,952.39	11/30/12	64,433.04	299.89	3,598.64	68,031.68	

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G/L Asset Acct No = 4.00.35201														
000017		Sewer Plant Additions, Lines, & Lift Stations												
	000	01/01/88	9,486,612.53	R	SLMM	50 00	0.00	9,486,612.53	11/30/12	4,454,244.58	15,811.03	189,732.25	4,643,976.83	
000018		System Additions												
	000	01/01/89	119,969.68	R	SLMM	35 00	0.00	119,969.68	11/30/12	56,553.20	285.65	3,427.71	59,980.91	
000019		Replace Liners EQ Basin 1 & 3												
	000	01/01/90	79,400.00	R	SLMM	50 00	0.00	79,400.00	11/30/12	34,143.00	132.34	1,588.00	35,731.00	
000020		Replace Lift Stations												
	000	01/01/90	37,974.00	R	SLMM	35 00	0.00	37,974.00	11/30/12	17,518.48	90.42	1,084.97	18,603.45	
000021		System Additions												
	000	01/01/90	9,892.49	R	SLMM	35 00	0.00	9,892.49	11/30/12	4,566.18	23.56	282.64	4,848.82	
000022		Sewer Construction												
	000	01/01/91	391,017.68	R	SLMM	35 00	0.00	391,017.68	11/30/12	172,603.17	931.00	11,171.93	183,775.10	
000023		System Additions												
	000	01/01/91	17,310.82	R	SLMM	35 00	0.00	17,310.82	11/30/12	8,139.58	41.22	494.60	8,634.18	
000024		System Additions												
	000	01/01/92	730,390.10	R	SLMM	35 00	0.00	730,390.10	11/30/12	365,631.78	1,739.03	20,868.29	386,500.07	
000025		Sewer Construction												
	000	01/01/93	381,665.87	R	SLMM	35 00	0.00	381,665.87	11/30/12	181,520.97	908.73	10,904.74	192,425.71	
000026		Sewer Construction												
	000	01/01/94	169,840.10	R	SLMM	35 00	0.00	169,840.10	11/30/12	63,082.07	404.39	4,852.58	67,934.65	
000027		Sewer Lift Station												
	002	01/01/95	20,543.00	R	SLMM	35 00	0.00	20,543.00	11/30/12	12,698.50	48.92	586.94	13,285.44	
000028		Sewer Lift Stations & Lines												
	002	01/01/98	294,439.50	R	SLMM	35 00	0.00	294,439.50	11/30/12	88,752.45	701.05	8,412.56	97,165.01	
000029		Logan Lift Station Replacement												
	000	01/01/99	12,564.00	R	SLMM	35 00	0.00	12,564.00	11/30/12	3,535.86	29.92	358.97	3,894.83	
000030		Sewer Plant Construction-Expansion												
	000	01/01/99	4,809,652.49	R	SLMM	50 00	0.00	4,809,652.49	11/30/12	1,202,413.13	8,016.09	96,193.05	1,298,606.18	
000031		Church & Kindervater Lift Station Replacement												
	000	01/01/99	210,628.00	R	SLMM	35 00	0.00	210,628.00	11/30/12	59,276.73	501.50	6,017.94	65,294.67	
000032		Sewer Lift Stations												
	000	01/01/99	85,738.63	R	SLMM	35 00	0.00	85,738.63	11/30/12	24,129.32	204.14	2,449.68	26,579.00	
000033		Lift Station Control-Lincoln Trail												
	000	01/01/99	81,896.00	R	SLMM	35 00	0.00	81,896.00	11/30/12	23,047.88	195.00	2,339.89	25,387.77	
000035		Construction of Storage Barn												

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	000	01/01/00	29,857.00	R	SLMM	35 00	0.00	29,857.00	11/30/12	29,857.00	0.00	0.00	29,857.00	
000036		Hwy. 313 Lift Station & Force Main												
	000	01/01/00	976,738.90	R	SLMM	35 00	0.00	976,738.90	11/30/12	255,347.48	2,325.57	27,906.83	283,254.31	
000038		Greenview Lift Station-Progress												
	000	01/01/01	67,762.59	R	SLMM	35 00	0.00	67,762.59	11/30/12	16,359.82	161.34	1,936.07	18,295.89	
000040		Greenview Lift Station Replacement												
	000	01/01/02	4,746.61	R	SLMM	35 00	0.00	4,746.61	11/30/12	1,051.04	11.31	135.62	1,186.66	
000041		Paradise Lift Stations 1 & 2												
	000	01/01/02	300,045.85	R	SLMM	35 00	0.00	300,045.85	11/30/12	69,247.20	714.40	8,572.74	77,819.94	
000045		Sewer Plant Bar Screen Replacement												
	000	01/01/02	78,324.00	R	SLMM	35 00	0.00	78,324.00	11/30/12	78,324.00	0.00	0.00	78,324.00	
000047		Church St./Shelton Rd. Manhole Replacement												
	000	01/01/03	5,400.00	R	SLMM	30 00	0.00	5,400.00	11/30/12	1,965.00	15.00	180.00	2,145.00	
000049		N. Wilson Rd 955 Manhole Replacement												
	000	01/01/03	7,762.27	R	SLMM	30 00	0.00	7,762.27	11/30/12	2,824.59	21.57	258.74	3,083.33	
000052		Wilma Ave. 805 Manhole Replacement												
	000	01/01/03	5,600.00	R	SLMM	30 00	0.00	5,600.00	11/30/12	2,037.79	15.56	186.67	2,224.46	
000053		Pin Oak & Poplar St. Manhole Replacement												
	000	01/01/04	5,000.00	R	SLMM	30 00	0.00	5,000.00	11/30/12	1,819.46	13.89	166.67	1,986.13	
000054		Oak Dr. Lift Station Replacement												
	000	01/01/04	368,489.86	R	SLMM	35 00	0.00	368,489.86	11/30/12	109,230.92	877.36	10,528.28	119,759.20	
000056		Arlington Heights Lift Station Install												
	000	01/01/06	46,303.00	R	SLMM	35 00	0.00	46,303.00	11/30/12	9,095.22	110.25	1,322.94	10,418.16	
000057		Southern Heights Lift Station Install												
	000	01/01/06	50,745.00	R	SLMM	35 00	0.00	50,745.00	11/30/12	9,967.78	120.83	1,449.86	11,417.64	
000059		Replace Liners EO Basins 1&2 Progress												
	000	01/01/06	246,932.67	R	SLMM	10 00	0.00	246,932.67	11/30/12	113,177.48	2,057.78	24,693.27	137,870.75	
000102		Equalization Basins #2 & #3												
	000	07/15/08	11,186.48	P	SLMM	10 00	0.00	11,186.48	11/30/12	3,915.27	93.23	1,118.65	5,033.92	
000103		IMIX-Flexifill-IMI												
	000	07/15/08	1,582.50	P	SLMM	10 00	0.00	1,582.50	11/30/12	553.88	13.19	158.25	712.13	
000117		Replace Liners EQ Basins 1 & 2												
	000	01/01/08	89,126.68	P	SLMM	10 00	0.00	89,126.68	11/30/12	35,650.68	742.73	8,912.67	44,563.35	
000118		Floating Aeration Pump for Basins												
	000	01/01/08	29,996.90	P	SLMM	10 00	0.00	29,996.90	11/30/12	11,998.76	249.98	2,999.69	14,998.45	

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G/L Asset Acct No = 4.00.35201														
000119		Floating Aeration Pump for Basins												
	000	01/01/08	29,996.90	P	SLMM	10 00	0.00	29,996.90	11/30/12	11,998.76	249.98	2,999.69	14,998.45	
000174		Lincoln Trail Odor Study												
	000	05/01/10	35,252.23	P	SLMM	24 00	0.00	35,252.23	11/30/12	2,448.07	122.41	1,468.84	3,916.91	
000193		HWY 313 Lift Station Project												
	000	01/01/11	7,017.00	P	SLMM	35 00	0.00	7,017.00	11/30/12	200.49	16.71	200.49	400.98	
000207		Redmar Lift Station Pump 1 Rebuild												
	000	06/30/11	13,325.20	P	SLMM	15 00	0.00	13,325.20	11/30/12	444.17	74.03	888.35	1,332.52	
000208		Redmar Lift Station pump 2 rebuild												
	000	07/31/11	10,284.00	P	SLMM	15 00	0.00	10,284.00	11/30/12	285.67	57.14	685.60	971.27	
000209		C Square Lift Station pump rebuild												
	000	07/31/11	8,361.97	P	SLMM	15 00	0.00	8,361.97	11/30/12	232.28	46.46	557.47	789.75	
000216		Arlingtonwoods Lift Station												
	000	09/30/11	95,522.45	P	SLMM	35 00	0.00	95,522.45	11/30/12	682.30	227.44	2,729.21	3,411.51	
000218		Clarifier #1 Pump Rebuild												
	000	10/31/11	16,898.90	P	SLMM	15 00	0.00	16,898.90	11/30/12	187.77	93.89	1,126.59	1,314.36	
000220		Crocus Lift Station												
	000	10/31/11	74,909.59	P	SLMM	50 00	0.00	74,909.59	11/30/12	249.70	124.85	1,498.19	1,747.89	
000225		Refurbished RAS Flygt Pump #1												
	000	12/31/11	13,768.34	P	SLMM	15 00	0.00	13,768.34	11/30/12	0.00	76.49	1,529.81	1,529.81	
000231		Greenvew/Pearman/Wilma Lift Station												
	000	03/31/12	153,525.74	P	SLMM	50 00	0.00	153,525.74	11/30/12	0.00	255.87	2,302.89	2,302.89	
000243		3 Pressure Transducer Sensors for N. Logsdon, Oak & Arlington Lift Stations												
	000	07/31/12	4,912.80	P	SLMM	10 00	0.00	4,912.80	11/30/12	0.00	40.94	204.70	204.70	
		G/L Asset Acct No = 4.00.35201	27,071,895.81				0.00	27,071,895.81		12,831,244.67	52,570.58	631,388.13	13,462,632.80	
		Less disposals and transfers	(138,132.00)				0.00	(138,132.00)		(70,663.72)			(71,650.38)	
		Count = 1												
		Net Subtotal	26,933,763.81				0.00	26,933,763.81		12,760,580.95	52,570.58	631,388.13	13,390,982.42	
		Count = 59												

G/L Asset Acct No = 4.00.35202

000034		Sewer Line Ext./313 & Wilson												
	000	01/01/99	63,676.74	R	SLMM	50 00	0.00	63,676.74	11/30/12	15,919.20	106.13	1,273.54	17,192.74	
000037		Redmar Force Main-Progress												

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G/L Asset Acct No = 4.00.35202														
	001	01/01/01	2,217.22	R	SLMM	50 00	0.00	2,217.22	11/30/12	465.61	3.70	44.36	509.97	d
	002	01/01/01	43,267.78	R	SLMM	50 00	0.00	43,267.78	11/30/12	9,086.23	72.12	865.36	9,951.59	
000039		Redmar Force Main Replacement												
	000	01/01/02	19,454.00	R	SLMM	50 00	0.00	19,454.00	11/30/12	3,696.26	32.43	389.08	4,085.34	
000042		Elm Road Force Main Replacement												
	000	01/01/02	84,416.26	R	SLMM	50 00	0.00	84,416.26	11/30/12	17,904.62	140.70	1,688.33	19,592.95	
000043		Knox Blvd. New Line												
	000	01/01/02	10,292.00	R	SLMM	50 00	0.00	10,292.00	11/30/12	1,955.48	17.16	205.84	2,161.32	
000044		Thomas Street New Line												
	000	01/01/02	10,800.00	R	SLMM	50 00	0.00	10,800.00	11/30/12	2,052.00	18.00	216.00	2,268.00	
000046		Novak Sewer Line Replacement												
	000	01/01/03	8,000.00	R	SLMM	50 00	0.00	8,000.00	11/30/12	2,520.00	13.34	160.00	2,680.00	
000048		S Woodland Dr./586 Sewer Line Replacement												
	000	01/01/03	5,200.00	R	SLMM	50 00	0.00	5,200.00	11/30/12	1,638.01	8.67	104.00	1,742.01	
000050		Carolyn St 706 Sewer Line Replacement												
	000	01/01/03	6,858.26	R	SLMM	50 00	0.00	6,858.26	11/30/12	2,160.36	11.44	137.17	2,297.53	
000051		Hitchew/Lily Cove LI 3&4 Sewer Line												
	000	01/01/03	8,000.00	R	SLMM	50 00	0.00	8,000.00	11/30/12	2,520.00	13.34	160.00	2,680.00	
000055		Eagle Pass Sewer Line Replacement												
	000	01/01/04	19,000.00	R	SLMM	50 00	0.00	19,000.00	11/30/12	4,435.01	31.67	380.00	4,815.01	
000058		Douglas Estates Sewer Line												
	000	01/01/06	13,989.80	R	SLMM	50 00	0.00	13,989.80	11/30/12	2,308.34	23.32	279.80	2,588.14	
000060		Replace Old Boone Trace F/M Line												
	000	01/01/06	421,217.31	R	SLMM	50 00	0.00	421,217.31	11/30/12	69,500.89	702.03	8,424.35	77,925.24	
000061		313/Cowley Est Sewer Line Extension												
	000	07/01/06	662,177.31	R	SLMM	50 00	0.00	662,177.31	11/30/12	109,259.29	1,103.63	13,243.55	122,502.84	
000109		Adena Trace												
	000	11/01/08	71,805.81	P	SLMM	50 00	0.00	71,805.81	11/30/12	4,547.71	119.68	1,436.12	5,983.83	
000110		Emerald Isle												
	000	11/01/08	15,727.43	P	SLMM	50 00	0.00	15,727.43	11/30/12	996.08	26.22	314.55	1,310.63	
000111		Clermont Sewer Line												
	000	12/01/08	223,798.58	P	SLMM	50 00	0.00	223,798.58	11/30/12	13,800.91	373.00	4,475.97	18,276.88	
000113		A Arnold Project												
	000	12/31/08	313,839.12	P	SLMM	50 00	0.00	313,839.12	11/30/12	18,830.34	523.07	6,276.78	25,107.12	
000114		313/Cowley Est. Sewer Line Extension												

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G/L Asset Acct No = 4.00.35202														
	000	01/01/08	334,331.97	P	SLMM	50 00	0.00	334,331.97	11/30/12	26,746.56	557.22	6,686.64	33,433.20	
000115		Boone Trace F/M Line Replacement												
	000	01/01/08	63,197.17	P	SLMM	50 00	0.00	63,197.17	11/30/12	5,055.76	105.33	1,263.94	6,319.70	
000116		Brushy Fork Sewer Line												
	001	01/01/08	9,286.48	P	SLMM	50 00	0.00	9,286.48	11/30/12	742.92	15.48	185.73	928.65	d
	002	01/01/08	72,873.52	P	SLMM	50 00	0.00	72,873.52	11/30/12	5,829.88	121.46	1,457.47	7,287.35	
000129		Sewer Line Replacement - 3 houses on Atcher St.												
	000	01/01/09	2,800.00	P	SLMM	50 00	0.00	2,800.00	11/30/12	168.00	4.67	56.00	224.00	
000133		Sewer lines installed at Tam MHP												
	000	01/01/09	4,020.00	P	SLMM	50 00	0.00	4,020.00	11/30/12	241.20	6.70	80.40	321.60	
000134		Slip lining on S. Atcher St.												
	000	01/01/09	5,032.35	P	SLMM	10 00	0.00	5,032.35	11/30/12	1,509.72	41.94	503.24	2,012.96	
000147		Pin Oak Villa Phase 3												
	000	01/01/09	12,199.54	P	SLMM	50 00	0.00	12,199.54	11/30/12	731.97	20.34	243.99	975.96	
000159		Mouser 2,123' gravity sewer main 8 manholes												
	000	07/01/09	141,632.14	P	SLMM	50 00	0.00	141,632.14	11/30/12	7,081.60	236.06	2,832.64	9,914.24	
000170		08 HWY 313 Interceptor/A. Arnold Project												
	000	02/26/10	5,849.23	P	SLMM	50 00	0.00	5,849.23	11/30/12	214.48	9.75	116.99	331.47	
000177		Bridge Community Church												
	000	06/30/10	26,374.51	P	SLMM	50 00	0.00	26,374.51	11/30/12	791.24	43.96	527.49	1,318.73	
000189		Warwick Castle												
	000	12/01/10	46,358.33	P	SLMM	50 00	0.00	46,358.33	11/30/12	1,004.43	77.27	927.17	1,931.60	
000190		Woburn Place Section 1 520' 8" PVC												
	000	12/01/10	63,514.79	P	SLMM	50 00	0.00	63,514.79	11/30/12	1,376.16	105.86	1,270.30	2,646.46	
000199		Lateral CIPP												
	000	12/31/10	9,713.52	P	SLMM	50 00	0.00	9,713.52	11/30/12	194.27	16.19	194.27	388.54	
000200		Wilson Rd Main Relocate 182 ft. 8 in PVC & 2 Manholes												
	000	03/31/11	7,519.62	P	SLMM	50 00	0.00	7,519.62	11/30/12	112.80	12.54	150.39	263.19	
000213		Hillcrest Sewer Main Repair 1,048 lf of line & 4 manholes												
	000	08/31/11	57,279.84	P	SLMM	50 00	0.00	57,279.84	11/30/12	381.87	95.47	1,145.60	1,527.47	
000214		Pearman/Wilma Ave 2,311 lf of gravity main & 14 manholes												
	000	08/31/11	1,424,414.71	P	SLMM	50 00	0.00	1,424,414.71	11/30/12	9,496.10	2,374.03	28,488.30	37,984.40	
000215		Sheltonwoods Phase 2 3942' of mains & 12 manholes												
	000	09/30/11	170,217.63	P	SLMM	50 00	0.00	170,217.63	11/30/12	851.09	283.70	3,404.35	4,255.44	
000217		Arlingtonwoods 5864' of main & 26 manholes												

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G/L Asset Acct No = 4.00.35202														
	001	09/30/11	4,012.22	P	SLMM	50 00	0.00	4,012.22	11/30/12	20.06	6.69	80.25	100.31	d
	003	09/30/11	22,782.78	P	SLMM	50 00	0.00	22,782.78	11/30/12	113.91	37.97	455.66	569.57	d
	004	09/30/11	148,644.37	P	SLMM	50 00	0.00	148,644.37	11/30/12	743.23	247.75	2,972.89	3,716.12	
000219		Byerly LS Elim 164 ft Main & 1 manhole												
	000	10/31/11	21,513.15	P	SLMM	50 00	0.00	21,513.15	11/30/12	71.71	35.86	430.26	501.97	
000221		Elm LS Elm 963 ft of main \$ 5 manholes												
	000	10/31/11	64,657.98	P	SLMM	50 00	0.00	64,657.98	11/30/12	215.53	107.77	1,293.16	1,508.69	
000223		Woods @ Atcher 98' of 8" main & 1 manhole												
	000	11/30/11	6,438.98	P	SLMM	50 00	0.00	6,438.98	11/30/12	10.73	10.74	128.78	139.51	
000224		Outdoor Properties 120 ft. of 8" main												
	000	12/31/11	9,281.76	P	SLMM	50 00	0.00	9,281.76	11/30/12	0.00	15.47	185.64	185.64	
000226		Radcliff Lateral Lining CIPP												
	000	02/01/12	7,559.27	P	SLMM	50 00	0.00	7,559.27	11/30/12	0.00	12.60	138.59	138.59	
000234		Greenview/Pearman/Wilma Mains												
	000	03/31/12	314,350.64	P	SLMM	50 00	0.00	314,350.64	11/30/12	0.00	523.91	4,715.26	4,715.26	
000239		85 ft of 8" main on Logan St												
	000	06/30/12	2,353.94	P	SLMM	50 00	0.00	2,353.94	11/30/12	0.00	3.92	23.54	23.54	
000252		350 LF of 8" DI Pipe for Fredmar Force Main												
	000	12/31/12	48,232.70	P	SLMM	50 00	0.00	48,232.70		0.00	0.00	0.00	0.00	
000253		1 Manhole for E2RC Relocation												
	000	12/31/12	18,782.52	P	SLMM	30 00	0.00	18,782.52		0.00	0.00	0.00	0.00	
000254		321 LF of 18" PVC for E2RC Relocation												
	000	12/31/12	91,262.11	P	SLMM	50 00	0.00	91,262.11		0.00	0.00	0.00	0.00	
000258		Hwy 1500 Phase II Relocation 325LF of 6" PVC & 727 LF of 8" PVC												
	000	12/31/12	45,377.83	P	SLMM	50 00	0.00	45,377.83		0.00	0.00	0.00	0.00	
000259		Hwy 1500 Phase II Relocation - 1 Manhole												
	000	12/31/12	5,989.26	P	SLMM	30 00	0.00	5,989.26		0.00	0.00	0.00	0.00	
		G/L Asset Acct No = 4.00.35202	5,271,592.48				0.00	5,271,592.48		347,301.56	8,470.30	100,033.74	447,335.30	
		Less disposals and transfers	(38,298.70)				0.00	(38,298.70)		(1,342.50)			(2,108.50)	
		Count = 4												
		Net Subtotal	5,233,293.78				0.00	5,233,293.78		345,959.06	8,470.30	100,033.74	445,226.80	
		Count = 48												

G/L Asset Acct No = 4.00.35211

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G/L Asset Acct No = 4.00.35211														
000125		Improve lighting												
	000	01/01/09	6,197.51	P	SLMM	07 00	0.00	6,197.51	11/30/12	2,656.08	73.78	885.36	3,541.44	
000126		Landscaping												
	000	01/01/09	1,208.45	P	SLMM	05 00	0.00	1,208.45	11/30/12	725.07	20.15	241.69	966.76	
000137		Install heater to improve HVAC												
	000	03/01/09	1,850.00	P	SLMM	07 00	0.00	1,850.00	11/30/12	748.82	22.03	264.29	1,013.11	
000161		Trojan PLC Equipment & Davit Crane												
	000	08/01/09	31,528.00	P	SLMM	40 00	0.00	31,528.00	11/30/12	1,904.82	65.69	788.20	2,693.02	
000165		Waste Water Treatment Plant Improvements												
	000	01/01/09	95,071.15	R	SLMM	50 00	0.00	95,071.15	11/30/12	5,704.26	158.46	1,901.42	7,605.68	
000173		WWTP Painting Project Phase I												
	000	04/30/10	136,258.28	P	SLMM	15 00	0.00	136,258.28	11/30/12	15,139.81	757.00	9,083.89	24,223.70	
000186		Blacktop Lincoln Trail Lift Station												
	000	09/30/10	5,900.00	P	SLMM	10 00	0.00	5,900.00	11/30/12	737.50	49.17	590.00	1,327.50	
000187		7% of Curbing for Service Center Parking Lot												
	000	10/31/10	700.00	P	SLMM	35 00	0.00	700.00	11/30/12	23.33	1.67	20.00	43.33	
000188		7% Service Center Parking Lot												
	000	12/01/10	2,284.85	P	SLMM	10 00	0.00	2,284.85	11/30/12	247.53	19.05	228.49	476.02	
000194		WWTP Painting Project Phase 1												
	000	01/01/11	15,017.48	P	SLMM	15 00	0.00	15,017.48	11/30/12	1,001.17	83.44	1,001.17	2,002.34	
000195		EQ Basin Chain Link Fence												
	000	01/01/11	26,113.25	P	SLMM	20 00	0.00	26,113.25	11/30/12	1,305.66	108.81	1,305.66	2,611.32	
000196		Radcliff WWTP Drainage Project												
	000	01/01/11	117,771.78	P	SLMM	50 00	0.00	117,771.78	11/30/12	2,355.44	196.29	2,355.44	4,710.88	
000197		Radcliff WWTP UV Building												
	000	01/01/11	13,578.12	P	SLMM	50 00	0.00	13,578.12	11/30/12	271.56	22.63	271.56	543.12	
		G/L Asset Acct No = 4.00.35211	453,478.87				0.00	453,478.87		32,821.05	1,578.17	18,937.17	51,758.22	
		Less disposals and transfers	0.00				0.00	0.00		0.00			0.00	
		Count = 0												
		Net Subtotal	453,478.87				0.00	453,478.87		32,821.05	1,578.17	18,937.17	51,758.22	
		Count = 13												

G/L Asset Acct No = 4.00.35300
000002 Construction Crew Office Building

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G/L Asset Acct No = 4.00.35300														
		000 01/01/74	64,070.02	R	SLMM	40 00	0.00	64,070.02	11/30/12	48,582.42	133.48	1,601.75	50,184.17	
000003		Sludge Holding Tanks Building												
		000 01/01/75	85,929.98	R	SLMM	40 00	0.00	85,929.98	11/30/12	62,589.68	179.03	2,148.25	64,737.93	
		G/L Asset Acct No = 4.00.35300	150,000.00				0.00	150,000.00		111,172.10	312.51	3,750.00	114,922.10	
		Less disposals and transfers	0.00				0.00	0.00		0.00			0.00	
		Count = 0												
		Net Subtotal	150,000.00				0.00	150,000.00		111,172.10	312.51	3,750.00	114,922.10	
		Count = 2												
G/L Asset Acct No = 4.00.35400														
000124		Yard repairs for cleanout installation												
		000 01/01/09	3,356.50	P	SLMM	07 00	0.00	3,356.50	11/30/12	1,438.50	39.96	479.50	1,918.00	
000136		Paving for new connection for KNB at Elm Rd.												
		000 01/01/09	1,150.00	P	SLMM	07 00	0.00	1,150.00	11/30/12	492.87	13.70	164.29	657.16	
000142		22% River Rock/Landscaping at Service Center												
		000 04/30/09	1,253.44	P	SLMM	07 00	0.00	1,253.44	11/30/12	477.50	14.93	179.06	656.56	
000149		22% Sewer Line Replacement at Service Center												
		000 05/01/09	1,745.34	R	SLMM	30 00	0.00	1,745.34	11/30/12	155.15	4.85	58.18	213.33	
000158		22% Sealing & Striping of Parking Lot at Service Center												
		000 07/17/09	2,383.51	P	SLMM	10 00	0.00	2,383.51	11/30/12	576.01	19.87	238.35	814.36	
000171		New Cleanout Installations												
		000 03/31/10	1,405.65	P	SLMM	07 00	0.00	1,405.65	11/30/12	351.42	16.74	200.81	552.23	
000247		21% of 3 HVAC Units at Service Center												
		000 08/31/12	3,034.50	P	SLMM	35 00	0.00	3,034.50	11/30/12	0.00	7.22	28.90	28.90	
		G/L Asset Acct No = 4.00.35400	14,328.94				0.00	14,328.94		3,491.45	117.27	1,349.09	4,840.54	
		Less disposals and transfers	0.00				0.00	0.00		0.00			0.00	
		Count = 0												
		Net Subtotal	14,328.94				0.00	14,328.94		3,491.45	117.27	1,349.09	4,840.54	
		Count = 7												
G/L Asset Acct No = 4.00.35500														
000067		Isco 4501 Pump Meter												

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G/L Asset Acct No = 4.00.35500														
	000	01/01/02	3,745.00	P	SLMM	10 00	0.00	3,745.00	11/30/12	3,745.00	0.00	0.00	3,745.00	
000068		Isco 4501 Pump Meter												
	000	01/01/02	3,745.00	P	SLMM	10 00	0.00	3,745.00	11/30/12	3,745.00	0.00	0.00	3,745.00	
000148		860 H2S 0-200PPM Monitor												
	000	03/24/09	2,410.00	P	SLMM	10 00	0.00	2,410.00	11/30/12	662.75	20.09	241.00	903.75	
		G/L Asset Acct No = 4.00.35500	9,900.00				0.00	9,900.00		8,152.75	20.09	241.00	8,393.75	
		Less disposals and transfers Count = 0	0.00				0.00	0.00		0.00			0.00	
		Net Subtotal Count = 3	9,900.00				0.00	9,900.00		8,152.75	20.09	241.00	8,393.75	
G/L Asset Acct No = 4.00.36301														
000069		Godwin Driprime 4" Pump												
	000	01/01/06	28,168.00	P	SLMM	10 00	0.00	28,168.00	11/30/12	12,675.61	234.74	2,816.80	15,492.41	
000123		Control panel for lift station												
	000	01/01/09	5,615.59	P	SLMM	07 00	0.00	5,615.59	11/30/12	2,406.69	66.86	802.23	3,208.92	
000131		Wetwell for Audubon lift station												
	000	01/01/09	2,316.00	P	SLMM	07 00	0.00	2,316.00	11/30/12	992.58	27.58	330.86	1,323.44	
000132		Pump & Motor for Sludge at Plant												
	000	01/01/09	1,987.28	P	SLMM	07 00	0.00	1,987.28	11/30/12	851.70	23.66	283.90	1,135.60	
000135		Control Panel for C-Square lift station												
	000	01/01/09	6,785.94	P	SLMM	07 00	0.00	6,785.94	11/30/12	2,908.26	80.79	969.42	3,877.68	
000164		Access Road for Audubon Lift Station												
	000	04/01/09	3,573.03	P	SLMM	35 00	0.00	3,573.03	11/30/12	280.75	8.51	102.09	382.84	
000176		3T Portable Hoist												
	000	05/31/10	4,444.01	P	SLMM	10 00	0.00	4,444.01	11/30/12	703.07	37.04	444.40	1,147.47	
000232		Greenview/Pearman/Wilma LS Pumps												
	000	03/31/12	134,986.67	P	SLMM	10 00	0.00	134,986.67	11/30/12	0.00	1,124.88	10,124.00	10,124.00	
000233		Greenview/Pearman/Wilma LS Control Panel												
	000	03/31/12	24,395.52	P	SLMM	07 00	0.00	24,395.52	11/30/12	0.00	290.42	2,613.81	2,613.81	
000248		Hwy 313 Pump 3 Replacement												
	000	08/31/12	25,758.00	P	SLMM	10 00	0.00	25,758.00	11/30/12	0.00	214.65	858.60	858.60	
000255		313 Lift Station Contactors for Control Panel												
	000	12/31/12	1,352.34	P	SLMM	07 00	0.00	1,352.34		0.00	0.00	0.00	0.00	

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G/L Asset Acct No = 4.00.36301		239,382.38				0.00	239,382.38		20,818.66	2,109.13	19,346.11	40,164.77	
Less disposals and transfers Count = 0		0.00				0.00	0.00		0.00			0.00	
Net Subtotal Count = 11		239,382.38				0.00	239,382.38		20,818.66	2,109.13	19,346.11	40,164.77	
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G/L Asset Acct No = 4.00.36302													
000070	Portable 6" Godwin T Pump 000 01/01/00	27,810.00	P	SLMM	10 00	0.00	27,810.00	11/30/12	27,810.00	0.00	0.00	27,810.00	
G/L Asset Acct No = 4.00.36302		27,810.00				0.00	27,810.00		27,810.00	0.00	0.00	27,810.00	
Less disposals and transfers Count = 0		0.00				0.00	0.00		0.00			0.00	
Net Subtotal Count = 1		27,810.00				0.00	27,810.00		27,810.00	0.00	0.00	27,810.00	
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G/L Asset Acct No = 4.00.37300													
000071	Model L Grit Classifier 000 01/01/04	34,600.00	P	SLMM	10 00	0.00	34,600.00	11/30/12	19,030.67	288.34	3,460.00	22,490.67	
000072	Ariat Spiral Dewat Press 000 01/01/04	17,000.00	P	SLMM	10 00	0.00	17,000.00	11/30/12	10,386.34	141.67	1,700.00	12,086.34	
000120	Work Equipment 000 01/01/08	12,217.00	P	SLMM	10 00	0.00	12,217.00	11/30/12	4,886.80	101.81	1,221.70	6,108.50	
000121	Safety Equipment 000 01/01/08	8,998.00	P	SLMM	10 00	0.00	8,998.00	11/30/12	3,599.20	74.99	899.80	4,499.00	
000122	Aerator installation 000 01/01/09	11,614.96	P	SLMM	25 00	0.00	11,614.96	11/30/12	1,393.80	38.72	464.60	1,858.40	
000127	Hose reel with clamp 000 01/01/09	2,024.17	P	SLMM	07 00	0.00	2,024.17	11/30/12	867.51	24.10	289.17	1,156.68	
000128	Blower & Motor Replacement (newer model) 000 01/01/09	9,024.27	P	SLMM	07 00	0.00	9,024.27	11/30/12	3,867.54	107.44	1,289.18	5,156.72	
000130	Upgrade press-coated stub can idlers 000 01/01/09	7,527.00	P	SLMM	07 00	0.00	7,527.00	11/30/12	3,225.87	89.61	1,075.29	4,301.16	
000138	Upgrade to Sewer Camera												

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G/L Asset Acct No = 4.00.37300														
000139		000 03/02/09	23,499.56	P	SLMM	07 00	0.00	23,499.56	11/30/12	9,490.49	279.76	3,357.08	12,847.57	
		000 03/11/09	2,069.52	P	SLMM	10 00	0.00	2,069.52	11/30/12	591.85	17.25	206.95	798.80	
000172		000 03/31/10	1,842.55	P	SLMM	07 00	0.00	1,842.55	11/30/12	460.64	21.94	263.22	723.86	
000183		000 08/31/10	17,163.81	P	SLMM	10 00	0.00	17,163.81	11/30/12	2,288.51	143.04	1,716.38	4,004.89	
000210		000 07/31/11	4,540.47	P	SLMM	10 00	0.00	4,540.47	11/30/12	189.19	37.84	454.05	643.24	
000229		000 03/31/12	699.53	P	SLMM	15 00	0.00	699.53	11/30/12	0.00	3.88	34.98	34.98	
000230		000 03/31/12	610.50	P	SLMM	15 00	0.00	610.50	11/30/12	0.00	3.39	30.53	30.53	
000237		000 05/31/12	1,400.00	P	SLMM	10 00	0.00	1,400.00	11/30/12	0.00	11.66	81.67	81.67	
000238		000 05/31/12	1,400.00	P	SLMM	10 00	0.00	1,400.00	11/30/12	0.00	11.66	81.67	81.67	
000240		000 06/30/12	17,980.00	P	SLMM	10 00	0.00	17,980.00	11/30/12	0.00	149.83	899.00	899.00	
000249		000 08/31/12	3,105.54	P	SLMM	07 00	0.00	3,105.54	11/30/12	0.00	36.97	147.88	147.88	
000256		000 12/31/12	1,011.20	P	SLMM	10 00	0.00	1,011.20		0.00	0.00	0.00	0.00	
		G/L Asset Acct No = 4.00.37300	178,328.08				0.00	178,328.08		60,278.41	1,583.90	17,673.15	77,951.56	
		Less disposals and transfers	0.00				0.00	0.00		0.00			0.00	
		Count = 0												
		Net Subtotal	178,328.08				0.00	178,328.08		60,278.41	1,583.90	17,673.15	77,951.56	
		Count = 20												
G/L Asset Acct No = 4.00.37600														
000073		000 01/01/99	7,795.00	P	SLMM	20 00	0.00	7,795.00	11/30/12	4,404.09	32.48	389.75	4,793.84	
000169		000 02/01/10	1,017.24	P	SLMM	05 00	0.00	1,017.24	11/30/12	389.94	16.96	203.45	593.39	

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G/L Asset Acct No = 4.00.37600														
000184		Actuator Parts & Installation												
	000	08/31/10	6,368.52	P	SLMM	25 00	0.00	6,368.52	11/30/12	339.65	21.23	254.74	594.39	
000185		Belt Filter Press Chute Modifications												
	000	08/31/10	10,939.00	P	SLMM	10 00	0.00	10,939.00	11/30/12	1,433.54	91.16	1,093.90	2,527.44	
000203		Crane Gantry												
	000	05/31/11	19,044.15	P	SLMM	35 00	0.00	19,044.15	11/30/12	317.40	45.35	544.12	861.52	
000204		50 % of 2 15,000 Watt Generators												
	000	05/31/11	2,280.00	P	SLMM	10 00	0.00	2,280.00	11/30/12	133.00	19.00	228.00	361.00	
000205		50% of 6" Diamond Core Drill												
	000	05/31/11	798.50	P	SLMM	07 00	0.00	798.50	11/30/12	66.54	9.51	114.07	180.61	
000211		50% of 6" WW Pump Bypass Hose												
	000	08/31/11	5,075.00	P	SLMM	15 00	0.00	5,075.00	11/30/12	112.78	28.20	338.33	451.11	
		G/L Asset Acct No = 4.00.37600	53,317.41				0.00	53,317.41		7,196.94	263.89	3,166.36	10,363.30	
		Less disposals and transfers Count = 0	0.00				0.00	0.00		0.00			0.00	
		Net Subtotal Count = 8	53,317.41				0.00	53,317.41		7,196.94	263.89	3,166.36	10,363.30	
G/L Asset Acct No = 4.00.39100														
000074		Workstation Desk-Manager												
	000	01/01/01	4,500.00	P	RemVI	13 09	0.00	4,500.00	11/30/12	3,221.05	38.76	465.07	3,686.12	
000075		Ultra SV14 Desktop Notebook												
	000	01/01/03	2,799.00	P	RemVI	08 10	0.00	2,799.00	11/30/12	2,799.00	0.00	0.00	2,799.00	
000101		26% Sage FAS100 Software												
	000	05/01/08	1,064.70	P	SLMM	10 00	0.00	1,064.70	11/30/12	394.93	8.88	106.47	501.40	
000108		1/3 Document Imaging System												
	000	11/30/08	4,878.80	P	SLMM	10 00	0.00	4,878.80	11/30/12	1,504.31	40.66	487.88	1,992.19	
000112		Remit Plus Software												
	000	05/08/08	4,575.00	P	SLMM	10 00	0.00	4,575.00	11/30/12	1,677.50	38.13	457.50	2,135.00	
000140		32%T3400 Convertible MiniTower Q600, 2.40GHz-Scott Schmuck												
	000	03/18/09	467.20	P	SLMM	05 00	0.00	467.20	11/30/12	179.09	7.79	93.44	272.53	
000141		47% Phaser 3300MFPX Copier												
	000	03/25/09	704.53	P	SLMM	10 00	0.00	704.53	11/30/12	193.74	5.88	70.45	264.19	
000143		47% Drive Thru Drawer Unit												

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G/L Asset Acct No = 4.00.39100														
	000	04/01/09	3,657.54	P	SLMM	10 00	0.00	3,657.54	11/30/12	1,005.82	30.48	365.75	1,371.57	
000144		45%LatitudeE4200,Intel Core 2 Duo SU9300, 1.2GHz-Charlene Easter												
	000	04/01/09	875.60	P	SLMM	05 00	0.00	875.60	11/30/12	335.64	14.60	175.12	510.76	
000145		35%T3400 Convertible MiniTower Q600, 2.40GHz-Jenny Huff												
	000	04/30/09	739.60	P	SLMM	05 00	0.00	739.60	11/30/12	277.35	12.33	147.92	425.27	
000146		35%T3400 MiniTower Q600, 2.40GHz-Brett Pyles												
	000	04/30/09	739.60	P	SLMM	05 00	0.00	739.60	11/30/12	277.35	12.33	147.92	425.27	
000150		22% Zeus Server-Quad Core Xeon E5410 Processor2x6MB Cache, 2.33GHz, 1333MHz FSB												
	000	05/31/09	865.70	P	SLMM	10 00	0.00	865.70	11/30/12	223.64	7.22	86.57	310.21	
000151		Hand Rail for Loading Dock at Service Center												
	000	05/31/09	407.88	P	SLMM	07 00	0.00	407.88	11/30/12	150.53	4.86	58.27	208.80	
000155		35% Brett's Furniture												
	000	03/01/05	3,009.57	P	SLMM	07 00	0.00	3,009.57	11/30/12	1,747.52	0.00	71.66	1,819.18	
000156		22% Panasonic Copier												
	000	02/12/08	2,812.26	P	SLMM	07 00	0.00	2,812.26	11/30/12	1,412.83	33.48	401.75	1,814.58	
000167		Insignia 47" LCD TV w/Blu Ray Player-47%												
	000	12/31/09	460.51	P	SLMM	10 00	0.00	460.51	11/30/12	91.92	3.84	46.05	137.97	
000168		47% of Leightronics Mini Tnet Controller, interface, DVD Player												
	000	01/01/10	691.68	P	SLMM	10 00	0.00	691.68	11/30/12	138.15	5.77	69.17	207.32	
000178		47% Dell Inspiron 1150 100Lcords												
	000	06/30/10	287.52	P	SLMM	05 00	0.00	287.52	11/30/12	74.28	4.80	57.50	131.78	
000179		47% 5 Vostro 3500 Laptops												
	000	07/30/10	1,569.80	P	SLMM	05 00	0.00	1,569.80	11/30/12	392.45	26.17	313.96	706.41	
000180		26% SDI Geosync Enterprise for Utilities												
	000	07/30/10	3,850.34	P	SLMM	10 00	0.00	3,850.34	11/30/12	545.46	32.09	385.03	930.49	
000182		47% Remote I Web Harris Computers												
	000	08/31/10	1,504.00	P	SLMM	10 00	0.00	1,504.00	11/30/12	200.53	12.54	150.40	350.93	
000191		47% iCall IVR												
	000	12/31/10	3,701.25	P	SLMM	10 00	0.00	3,701.25	11/30/12	370.13	30.85	370.13	740.26	
000192		7% Server Room A/C Unit												
	000	12/01/10	257.58	P	SLMM	10 00	0.00	257.58	11/30/12	27.91	2.15	25.76	53.67	
000202		26% of 2 Dell Computers for GIS Mapping												
	000	04/30/11	807.94	P	SLMM	05 00	0.00	807.94	11/30/12	107.73	13.47	161.59	269.32	
000235		48% Dell laptop for Tim Osborne												
	000	05/31/12	263.52	P	SLMM	05 00	0.00	263.52	11/30/12	0.00	4.39	30.74	30.74	

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G/L Asset Acct No = 4.00.39100														
000245		47% OF 6 WORKSTATION COMPUTERS (DIST SUPERVISOR, BILLING SPECIALIST, & 4 CSR'S)												
	000	07/31/12	2,823.49	P	SLMM	05 00	0.00	2,823.49	11/30/12	0.00	47.05	235.29	235.29	
000246		47% OF DELL WEB SERVER												
	000	07/31/12	1,590.63	P	SLMM	10 00	0.00	1,590.63	11/30/12	0.00	13.25	66.28	66.28	
000250		70% of Tipping Rain Bucket Gauge												
	000	08/31/12	710.15	P	SLMM	10 00	0.00	710.15	11/30/12	0.00	5.91	23.67	23.67	
000251		47% of New CSR Chairs												
	000	08/31/12	914.38	P	SLMM	20 00	0.00	914.38	11/30/12	0.00	3.81	15.24	15.24	
000257		70% of Tipping Rain Bucket Gauge												
	000	08/31/12	674.48	P	SLMM	10 00	0.00	674.48		0.00	22.48	22.48	22.48	
		G/L Asset Acct No = 4.00.39100	52,204.25				0.00	52,204.25		17,348.86	483.97	5,109.06	22,457.92	
		Less disposals and transfers	0.00				0.00	0.00		0.00			0.00	
		Count = 0												
		Net Subtotal	52,204.25				0.00	52,204.25		17,348.86	483.97	5,109.06	22,457.92	
		Count = 30												
G/L Asset Acct No = 4.00.39200														
000066		1999 Ford F250 Truck												
	000	01/01/98	23,005.00	A	SLMM	07 00	0.00	23,005.00	07/31/12	23,005.00	0.00	0.00	23,005.00	d
000077		John Deere Gator Utility Vehicle												
	000	01/01/00	6,142.00	A	RemVI	12 08	0.00	6,142.00	11/30/12	5,715.47	0.00	426.53	6,142.00	
000078		Timberwolf Cargo Tractor												
	000	01/01/00	4,095.00	A	RemVI	14 00	0.00	4,095.00	11/30/12	3,241.88	35.55	426.56	3,668.44	
000079		2001 Sterling/Vactor Combo												
	000	01/01/00	194,875.00	A	SLMM	15 00	0.00	194,875.00	11/30/12	112,510.13	1,082.64	12,991.67	125,501.80	
000081		2003 Ford F350 Truck												
	000	06/01/02	25,423.00	A	RemVI	10 11	0.00	25,423.00	11/30/12	21,125.30	268.61	3,223.28	24,348.58	
000082		2003 Ford F150 Truck												
	000	01/01/02	14,366.00	A	RemVI	10 04	0.00	14,366.00	11/30/12	13,824.42	0.00	541.58	14,366.00	
000083		2003 Ford F250 Truck												
	000	01/01/03	20,444.00	A	RemVI	10 00	0.00	20,444.00	11/30/12	17,640.25	233.65	2,803.75	20,444.00	
000084		Mini Cam with Koala Transportation												
	000	04/01/03	9,350.00	A	SLMM	10 00	0.00	9,350.00	11/30/12	8,181.26	77.92	935.00	9,116.26	
000100		2008 F150 4X2 White Regular Cab												

January 7, 2013 at 4:05 PM

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G/L Asset Acct No = 4.00.39200														
	000	05/28/08	16,448.00	A	SLMM	07 00	0.00	16,448.00	11/30/12	8,419.84	195.81	2,349.72	10,769.56	
000104		2008 Kawasaki 4x4 Mule Utility Vehicle												
	000	09/04/08	9,860.00	P	SLMM	10 00	0.00	9,860.00	11/30/12	3,286.67	82.17	986.00	4,272.67	
000105		2008 F450 Crane Truck												
	000	09/15/08	47,572.00	P	SLMM	10 00	0.00	47,572.00	11/30/12	15,857.33	396.44	4,757.20	20,614.53	
000106		2% 2008 F250 Distribution Truck												
	000	09/04/08	434.97	P	SLMM	07 00	0.00	434.97	11/30/12	207.13	5.18	62.14	269.27	
000107		2008 F550 Dump Truck												
	000	10/02/08	36,217.00	P	SLMM	10 00	0.00	36,217.00	11/30/12	11,770.53	301.81	3,621.70	15,392.23	
000152		35%Brett's 2004 Jeep Laredo												
	000	04/20/08	7,171.50	P	SLMM	07 00	0.00	7,171.50	11/30/12	6,915.61	0.00	255.89	7,171.50	
000153		25% 2007 Dodge Sprinter Van												
	000	01/30/08	10,531.75	P	SLMM	07 00	0.00	10,531.75	11/30/12	5,892.68	125.38	1,504.54	7,397.22	
000154		35% 2007 Honda Ridgeline RTL												
	000	03/29/08	8,225.00	P	SLMM	07 00	0.00	8,225.00	11/30/12	4,406.25	97.92	1,175.00	5,581.25	
000160		Electric Start 30 Gal Air Compressor & Power Inverters												
	000	07/15/09	5,991.61	P	SLMM	07 00	0.00	5,991.61	11/30/12	2,139.87	71.33	855.95	2,995.82	
000175		Trailer EX10 GAT E 2900 GVW Trailer												
	000	05/31/10	1,041.00	P	SLMM	10 00	0.00	1,041.00	11/30/12	164.83	8.68	104.10	268.93	
000181		6000 lb Pneumatic Forklift												
	000	07/30/10	25,810.00	P	SLMM	07 00	0.00	25,810.00	11/30/12	5,223.45	307.27	3,687.14	8,910.59	
000198		33% Solar Assisted Arrowboard												
	000	02/28/11	1,518.00	P	SLMM	07 00	0.00	1,518.00	11/30/12	180.72	18.08	216.86	397.58	
000201		25% 2008 Toyota Tacoma 2wd Truck												
	000	03/31/11	5,000.00	P	SLMM	07 00	0.00	5,000.00	11/30/12	535.72	59.53	714.29	1,250.01	
000206		60% of Vac Truck Hydro Excavating Assembly												
	000	05/31/11	1,687.86	P	SLMM	07 00	0.00	1,687.86	11/30/12	140.66	20.10	241.12	381.78	
000212		2011 Ford F450												
	000	08/31/11	40,402.78	P	SLMM	07 00	0.00	40,402.78	11/30/12	1,923.94	480.99	5,771.83	7,695.77	
000227		CCTV Van												
	000	02/29/12	128,036.26	P	SLMM	07 00	0.00	128,036.26	11/30/12	0.00	1,524.24	15,242.41	15,242.41	
000241		2012 Chevy Silverado												
	000	06/30/12	37,373.84	P	SLMM	07 00	0.00	37,373.84	11/30/12	0.00	444.92	2,669.56	2,669.56	
000244		47% OF 2012 FORD F150 VIN 1FTMFEEF6CFC22627												
	000	07/31/12	8,858.27	P	SLMM	07 00	0.00	8,858.27	11/30/12	0.00	105.45	527.28	527.28	

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G/L Asset Acct No = 4.00.39200			689,879.84				0.00	689,879.84		272,308.94	5,943.67	66,091.10	338,400.04	
Less disposals and transfers Count = 1			(23,005.00)				0.00	(23,005.00)		(23,005.00)			(23,005.00)	
Net Subtotal Count = 25			666,874.84				0.00	666,874.84		249,303.94	5,943.67	66,091.10	315,395.04	
G/L Asset Acct No = 4.00.39301														
000085		Analytical Balance Level- Lab 000 01/01/00	3,670.00	P	SLMM	10 00	0.00	3,670.00	11/30/12	3,670.00	0.00	0.00	3,670.00	
000086		Isco Compact Sampler Refrigerator 000 05/01/02	3,820.00	P	SLMM	10 00	0.00	3,820.00	11/30/12	3,198.67	0.00	127.33	3,326.00	
000162		Spectro D2800 to read Ammonia Levels 000 09/01/09	2,809.32	P	SLMM	10 00	0.00	2,809.32	11/30/12	655.50	23.42	280.93	936.43	
G/L Asset Acct No = 4.00.39301			10,299.32				0.00	10,299.32		7,524.17	23.42	408.26	7,932.43	
Less disposals and transfers Count = 0			0.00				0.00	0.00		0.00			0.00	
Net Subtotal Count = 3			10,299.32				0.00	10,299.32		7,524.17	23.42	408.26	7,932.43	
G/L Asset Acct No = 4.00.39302														
000088		John Deere 345 Mower 000 01/01/96	5,250.00	P	SLMM	10 00	0.00	5,250.00	11/30/12	5,250.00	0.00	0.00	5,250.00	
000089		John Deere 345 Lawn Tractor 000 01/01/00	5,435.00	P	SLMM	10 00	0.00	5,435.00	11/30/12	5,435.00	0.00	0.00	5,435.00	
000090		Rig K Sewer Machine 000 01/01/00	3,522.00	P	SLMM	10 00	0.00	3,522.00	11/30/12	3,522.00	0.00	0.00	3,522.00	
000091		Portable Cam Inspection System 000 01/01/00	64,056.00	P	RemVI	15 04	0.00	64,056.00	11/30/12	43,226.00	520.75	6,249.00	49,475.00	
000093		185 Atlas Copco Air Compressor 000 01/01/02	11,995.00	P	SLMM	10 00	0.00	11,995.00	11/30/12	11,995.00	0.00	0.00	11,995.00	
000094		John Deere 5105 Tractor 000 01/01/94	16,191.00	P	SLMM	10 00	0.00	16,191.00	11/30/12	16,191.00	0.00	0.00	16,191.00	
000095		2004 Case 580sm Backhoe												

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G/L Asset Acct No = 4.00.39302														
000096		000 01/01/04	65,275.00	P	SLMM	10 00	0.00	65,275.00	11/30/12	37,930.17	543.96	6,527.50	44,457.67	
		000 01/01/04	23,600.00	P	SLMM	10 00	0.00	23,600.00	11/30/12	14,577.34	196.67	2,360.00	16,937.34	
000097		000 01/01/04	11,789.00	P	SLMM	10 00	0.00	11,789.00	11/30/12	7,515.48	98.25	1,178.90	8,694.38	
000098		000 08/01/06	23,486.00	P	SLMM	10 00	0.00	23,486.00	11/30/12	10,960.14	195.72	2,348.60	13,308.74	
000157		000 03/31/08	843.65	P	SLMM	10 00	0.00	843.65	11/30/12	365.59	7.04	84.37	449.96	
000163		000 09/01/09	1,211.35	P	SLMM	10 00	0.00	1,211.35	11/30/12	282.66	10.10	121.14	403.80	
000166		000 12/01/09	89,281.74	P	SLMM	10 00	0.00	89,281.74	11/30/12	18,547.86	744.02	8,928.17	27,476.03	
000222		000 11/30/11	72,856.51	P	SLMM	10 00	0.00	72,856.51	11/30/12	607.14	607.14	7,285.65	7,892.79	
		G/L Asset Acct No = 4.00.39302	394,792.25				0.00	394,792.25		176,405.38	2,923.65	35,083.33	211,488.71	
		Less disposals and transfers	0.00				0.00	0.00		0.00			0.00	
		Count = 0												
		Net Subtotal	394,792.25				0.00	394,792.25		176,405.38	2,923.65	35,083.33	211,488.71	
		Count = 14												
G/L Asset Acct No = 4.00.39303														
000092		000 01/01/02	6,835.00	P	SLMM	10 00	0.00	6,835.00	11/30/12	6,113.51	0.00	0.00	6,113.51	
000099		000 08/01/06	3,544.00	P	SLMM	10 00	0.00	3,544.00	06/30/12	1,495.19	0.00	177.19	1,672.38	d
000228		000 02/29/12	714.00	P	SLMM	10 00	0.00	714.00	11/30/12	0.00	5.95	59.50	59.50	
000236		000 05/31/12	2,898.24	P	SLMM	10 00	0.00	2,898.24	11/30/12	0.00	24.15	169.06	169.06	
000242		000 06/30/12	3,973.56	P	SLMM	10 00	0.00	3,973.56	11/30/12	0.00	33.11	198.68	198.68	

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		G/L Asset Acct No =	17,964.80				0.00	17,964.80		7,608.70	63.21	604.43	8,213.13	
		4.00.39303												
		Less disposals and transfers	(3,544.00)				0.00	(3,544.00)		(1,495.19)			(1,672.38)	
		Count = 1												
		Net Subtotal	14,420.80				0.00	14,420.80		6,113.51	63.21	604.43	6,540.75	
		Count = 4												
		Grand Total	34,644,718.43				0.00	34,644,718.43		13,931,483.64	76,463.76	903,180.93	14,834,664.57	
		Less disposals and transfers	(202,979.70)				0.00	(202,979.70)		(96,506.41)			(98,436.26)	
		Count = 7												
		Net Grand Total	34,441,738.73				0.00	34,441,738.73		13,834,977.23	76,463.76	903,180.93	14,736,228.31	
		Count = 249												

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Report Assumptions

Report Name: Depreciation Expense
Source Report: <Standard Report>

Calculation Assumptions:
Short Year: none
Include Sec 168 Allowance & Sec 179: No
Adjustment Convention: None

- Key Codes:
- a: A depreciation adjustment amount is included in the reporting period.
 - b: The asset's business-use percentage is less than 100%.
 - d: The asset has been disposed.
 - f: The asset has switched from a MACRS table calculation to the MACRS formula calculation.
 - l: The asset's depreciation has been limited by luxury auto rules.
 - m: The asset's depreciation was calculated using the mid-quarter convention.
 - r: The asset's acquired value was reduced to arrive at the depreciable basis.
 - s: The asset has switched from declining-balance to a straight-line.
 - t: The asset was transferred.
 - v: The asset has switched to remaining value over remaining life due to ACE.

Group/Sorting Criteria:
Group = All FAS Assets
Include Assets that meet the following conditions:
All FAS Assets
Sorted by: G/L Asset Acct No (with subtotals), System No, Extension

Depreciation Monthly Allocation									
Dec-12				2012 Y-T-D					
				Depreciation Split					
	Class	Water Current Mth	%	Water	%	Radcliff	%	Ft. Knox	Total
	AB	\$ 480.66	50%	\$ 240.33	45%	\$ 216.30	5%	\$ 24.03	\$ 480.66
	AD	\$ 60,240.34	71%	\$ 42,770.64	22%	\$ 13,252.87	7%	\$ 4,216.82	\$ 60,240.34
	AM	\$ 941.83	40%	\$ 376.73	35%	\$ 329.64	25%	\$ 235.46	\$ 941.83
	CS	\$ 107,504.76	53%	\$ 56,977.52	47%	\$ 50,527.24	0%	\$ -	\$ 107,504.76
	FM	\$ 172.03	80%	\$ 137.62	10%	\$ 17.20	10%	\$ 17.20	\$ 172.03
	GI	\$ 3,397.88	50%	\$ 1,698.94	50%	\$ 1,698.94	0%	\$ -	\$ 3,397.88
	GS	\$ 12,095.20	79%	\$ 9,555.21	21%	\$ 2,539.99	0%	\$ -	\$ 12,095.20
	MT	\$ 579.12	52%	\$ 301.14	48%	\$ 277.98	0%	\$ -	\$ 579.12
	PC	\$ 230.00	60%	\$ 138.00	30%	\$ 69.00	10%	\$ 23.00	\$ 230.00
	Allocated Deprec Adj Entry	\$ 185,641.82		\$ 112,196.14		\$ 68,929.16		\$ 4,516.52	\$ 185,641.82
	AJE Needed								
Cr	1.06.40301		\$ 73,445.68						
Dr	4.06.40301	\$ 68,929.16							
Dr	2.00.40301	\$ 4,516.52							
		\$ 73,445.68	\$ 73,445.68						

Appendix E

Schedules from Rate and Cost
of Service Model

HCWD1 - Radcliff Utility
PSC Case
Revenue Requirements

Schedule 1

Test Year Ended 12/31/12

	2012			Pro forma Adjustments
	Test Year	Adjustments	Rate Year	
Required Income Available for Debt Service (1)	\$ 348,955	-	\$ 348,955	Operating Expenses
Plus				Insurance Services
Operating Expenses	\$ 2,601,032	\$ 128,823	\$ 2,729,855	Veolia Contract Operating Costs
Depreciation/Amortization (rate funded capital)	981,121	144,534	1,125,655	Salaries and Benefits
Total Revenue Requirements	\$ 3,931,108	\$ 273,357	\$ 4,204,465	Reduced G&A savings From Fort Knox Water
Less				Subtotal Operating Expense Adjustments
Interest Income	\$ 24,123	\$ -	\$ 24,123	Non-Operating Expenses
Revenue Requirement from Operations	\$ 3,906,984	\$ 273,357	\$ 4,180,341	One-time gain/loss on sale from assets
Less				Depreciation/Amortization
Other Non-Operating Revenue/Expenses	\$ 87,352	\$ 99,903	\$ 187,255	Amortization of Rate Case (5-year)
Less				Deduction of Depreciation
Transfer from Reserves for Capital	\$ -	\$ -	\$ -	Lincoln Trail I/I Reduction Project
Revenue Requirement from Sewer Sales	\$ 3,819,632	\$ 173,454	\$ 3,993,086	Quiggins Gravity System Project
Revenue From Sewer Sales During Test Year	\$ 3,371,082	\$ -	\$ 3,371,082	Boone Trace and Lincoln Trail Lift Station Improvements
Revenue Adjustment for Winter Quarter Billing	\$ -	\$ -	\$ -	WWTP Primary Treatment Building
Net Revenue From Sewer Sales During Test Year	\$ 3,371,082	\$ -	\$ 3,371,082	Watkins LS Project
Increase Needed			\$ 622,004	Drug Store Lift Station Replacement
% Increase Needed			18.45%	WWTP Plant Clarifier, Oxidation Ditch, and Lower Half of 1
Check				Greenview and Cement LS Improvements
Total Revenue Requirement			\$ 4,204,465	Greenview and Cement Gravity System Improvements
Less				North Logsdon Parkway Gravity System Improvements
Total Test Year Revenues from Operations			\$ 3,558,337	Stovall LS/FM Improvements
Interest Income			\$ 24,123	North Woodland Gravity System Improvements
% Increase Needed			\$ 622,004	John Hardin Force Main Improvements
Revenue Requirement Summary				WWTP RAS/WAS Improvements
Debt Service Requirement			\$ 348,955	LS Bypass Improvements
Less Income Available for Debt Service				North Logsdon I.S Improvements Project
Adjusted Revenues from Sewer Sales During Test Year			\$ 3,371,082	Quiggins and Boone Trace I/I Reduction Project
Plus Other Non-Operating Revenues/Expenses			187,255	Seminole I/I Reduction Project
Plus Interest Income			24,123	WWTP Oxidation Ditch Improvements
Less Operating Expenses			2,729,855	Replace 5 Laptops/Workstations
Less Depreciation/Amortization (rate funded capital)			1,125,655	Easement Jetter Machine
Plus Transfer from Reserves			-	Trimble GeoXH 6000 GPS Receiver
Income Available for Debt Service			\$ (273,049)	Replace Sludge Belt Press
Increase Needed			\$ 622,004	Service Center Roof Painting & Equip Bldg Door Coating
% Increase			18.45%	Vertical Edge 700 Phone System
(1) 3-year average debt service				Replace Influent & Effluent Refrigerated Samplers
				Upgrade Utility Billing System
				Chain Cutter Head
				Internal Crane for CCTV Van
				Ladder/Pipe Racks for Trucks
				AutoDesk Infrastructure Design Premium
				Aims 8000 Watt Power Invertors for Trucks
				Aries Wireless Pole Camera
				PT AutoCAD Drafter
				Trailer for Bobcat
				Smart Board
				Replace Carpet in Large Conference Room
				Replace Carpet in Lobby
				Replace Lobby and Customer Service Area Furniture
				Subtotal Depreciation/Amortization Adjustments

From	To	Average Usage	Accounts	Bills	Minimum Charge (1)	Volume Charge for Average Use	Monthly Charge for Average Use	Calculated Revenue From Minimum Charge	Calculate Revenue from Volume Charge for Avg. Use	Calculated Total Revenue
0	0	0	788	9,456	\$ 17.11	\$ -	\$ 17.11	\$ 161,792	\$ -	\$ 161,792
0	999	500	958	11,497	\$ 17.11	\$ -	\$ 17.11	\$ 196,712	\$ -	\$ 196,712
1,000	1,999	1,500	1406	16,871	\$ 17.11	\$ -	\$ 17.11	\$ 288,664	\$ -	\$ 288,664
2,000	2,999	2,500	1431	17,172	\$ 17.11	\$ 2.79	\$ 19.90	\$ 293,804	\$ 47,861	\$ 341,665
3,000	3,999	3,500	1213	14,560	\$ 17.11	\$ 8.37	\$ 25.48	\$ 249,126	\$ 121,829	\$ 370,955
4,000	4,999	4,500	940	11,274	\$ 17.11	\$ 13.95	\$ 31.06	\$ 192,903	\$ 157,245	\$ 350,149
5,000	5,999	5,500	622	7,468	\$ 17.11	\$ 19.53	\$ 36.64	\$ 127,782	\$ 145,834	\$ 273,617
6,000	6,999	6,500	403	4,840	\$ 17.11	\$ 25.11	\$ 42.22	\$ 82,817	\$ 121,526	\$ 204,344
7,000	7,999	7,500	248	2,976	\$ 17.11	\$ 30.69	\$ 47.80	\$ 50,914	\$ 91,315	\$ 142,229
8,000	8,999	8,500	161	1,927	\$ 17.11	\$ 36.27	\$ 53.38	\$ 32,965	\$ 69,875	\$ 102,840
9,000	9,999	9,500	106	1,272	\$ 17.11	\$ 41.85	\$ 58.96	\$ 21,758	\$ 53,214	\$ 74,972
10,000	10,999	10,500	70	834	\$ 17.11	\$ 47.43	\$ 64.54	\$ 14,275	\$ 39,568	\$ 53,843
11,000	11,999	11,500	46	558	\$ 17.11	\$ 53.01	\$ 70.12	\$ 9,539	\$ 29,552	\$ 39,091
12,000	12,999	12,500	36	435	\$ 17.11	\$ 58.59	\$ 75.70	\$ 7,449	\$ 25,507	\$ 32,956
13,000	13,999	13,500	27	318	\$ 17.11	\$ 64.17	\$ 81.28	\$ 5,444	\$ 20,415	\$ 25,859
14,000	14,999	14,500	23	278	\$ 17.11	\$ 69.75	\$ 86.86	\$ 4,753	\$ 19,374	\$ 24,126
15,000	24,999	20,000	91	1,094	\$ 17.11	\$ 94.89	\$ 112.00	\$ 18,724	\$ 103,839	\$ 122,563
25,000	34,999	30,000	30	357	\$ 17.11	\$ 139.59	\$ 156.70	\$ 6,101	\$ 49,773	\$ 55,874
35,000	44,999	40,000	20	244	\$ 17.11	\$ 184.29	\$ 201.40	\$ 4,180	\$ 45,018	\$ 49,197
45,000	54,999	50,000	13	158	\$ 17.11	\$ 228.99	\$ 246.10	\$ 2,697	\$ 36,088	\$ 38,785
55,000	64,999	60,000	8	100	\$ 17.11	\$ 273.69	\$ 290.80	\$ 1,719	\$ 27,497	\$ 29,216
65,000	74,999	70,000	6	75	\$ 17.11	\$ 318.39	\$ 335.50	\$ 1,281	\$ 23,835	\$ 25,115
75,000	84,999	80,000	3	40	\$ 17.11	\$ 363.09	\$ 380.20	\$ 691	\$ 14,663	\$ 15,354
85,000	94,999	90,000	3	33	\$ 17.11	\$ 407.79	\$ 424.90	\$ 556	\$ 13,255	\$ 13,811
95,000	104,999	100,000	2	27	\$ 17.11	\$ 452.49	\$ 469.60	\$ 455	\$ 12,034	\$ 12,489
105,000	114,999	110,000	2	27	\$ 17.11	\$ 497.19	\$ 514.30	\$ 455	\$ 13,223	\$ 13,678
115,000	124,999	120,000	2	23	\$ 17.11	\$ 541.89	\$ 559.00	\$ 388	\$ 12,276	\$ 12,664
125,000	134,999	130,000	1	18	\$ 17.11	\$ 586.59	\$ 603.70	\$ 303	\$ 10,400	\$ 10,704
135,000	144,999	140,000	2	22	\$ 17.11	\$ 631.29	\$ 648.40	\$ 371	\$ 13,680	\$ 14,051
145,000	154,999	150,000	2	20	\$ 17.11	\$ 675.99	\$ 693.10	\$ 337	\$ 13,317	\$ 13,654
155,000	164,999	160,000	1	12	\$ 17.11	\$ 720.69	\$ 737.80	\$ 202	\$ 8,519	\$ 8,721
165,000	174,999	170,000	1	13	\$ 17.11	\$ 765.39	\$ 782.50	\$ 219	\$ 9,801	\$ 10,020
175,000	184,999	180,000	1	12	\$ 17.11	\$ 810.09	\$ 827.20	\$ 202	\$ 9,575	\$ 9,777
185,000	194,999	190,000	1	10	\$ 17.11	\$ 854.79	\$ 871.90	\$ 169	\$ 8,420	\$ 8,588
195,000	204,999	200,000	0	5	\$ 17.11	\$ 899.49	\$ 916.60	\$ 84	\$ 4,430	\$ 4,514
205,000	214,999	210,000	1	10	\$ 17.11	\$ 944.19	\$ 961.30	\$ 169	\$ 9,300	\$ 9,469
215,000	224,999	220,000	0	4	\$ 17.11	\$ 988.89	\$ 1,006.00	\$ 67	\$ 3,896	\$ 3,964
225,000	234,999	230,000	0	5	\$ 17.11	\$ 1,033.59	\$ 1,050.70	\$ 84	\$ 5,090	\$ 5,175
235,000	244,999	240,000	0	5	\$ 17.11	\$ 1,078.29	\$ 1,095.40	\$ 84	\$ 5,311	\$ 5,395
245,000	254,999	250,000	0	4	\$ 17.11	\$ 1,122.99	\$ 1,140.10	\$ 67	\$ 4,425	\$ 4,492
255,000	264,999	260,000	0	2	\$ 17.11	\$ 1,167.69	\$ 1,184.80	\$ 34	\$ 2,300	\$ 2,334
265,000	274,999	270,000	0	4	\$ 17.11	\$ 1,212.39	\$ 1,229.50	\$ 67	\$ 4,777	\$ 4,844
275,000	284,999	280,000	1	8	\$ 17.11	\$ 1,257.09	\$ 1,274.20	\$ 135	\$ 9,906	\$ 10,041
285,000	294,999	290,000	0	5	\$ 17.11	\$ 1,301.79	\$ 1,318.90	\$ 84	\$ 6,411	\$ 6,496
295,000	304,999	300,000	0	5	\$ 17.11	\$ 1,346.49	\$ 1,363.60	\$ 84	\$ 6,631	\$ 6,716
305,000	314,999	310,000	1	7	\$ 17.11	\$ 1,391.19	\$ 1,408.30	\$ 118	\$ 9,592	\$ 9,710
315,000	324,999	320,000	0	3	\$ 17.11	\$ 1,435.89	\$ 1,453.00	\$ 51	\$ 4,243	\$ 4,294
325,000	334,999	330,000	1	7	\$ 17.11	\$ 1,480.59	\$ 1,497.70	\$ 118	\$ 10,209	\$ 10,327
335,000	344,999	340,000	0	4	\$ 17.11	\$ 1,525.29	\$ 1,542.40	\$ 67	\$ 6,010	\$ 6,077
345,000	354,999	350,000	0	0	\$ 17.11	\$ 1,569.99	\$ 1,587.10	\$ -	\$ -	\$ -
355,000	374,999	365,000	0	4	\$ 17.11	\$ 1,637.04	\$ 1,654.15	\$ 67	\$ 6,450	\$ 6,517
375,000	384,999	380,000	0	2	\$ 17.11	\$ 1,704.09	\$ 1,721.20	\$ 34	\$ 3,357	\$ 3,391
385,000	404,999	395,000	0	3	\$ 17.11	\$ 1,771.14	\$ 1,788.25	\$ 51	\$ 5,234	\$ 5,284
405,000	424,999	415,000	0	1	\$ 17.11	\$ 1,860.54	\$ 1,877.65	\$ 17	\$ 1,833	\$ 1,849
425,000	464,999	445,000	0	5	\$ 17.11	\$ 1,994.64	\$ 2,011.75	\$ 84	\$ 9,824	\$ 9,908
465,000	624,999	545,000	1	13	\$ 17.11	\$ 2,441.64	\$ 2,458.75	\$ 219	\$ 31,265	\$ 31,484
625,000	654,999	640,000	0	2	\$ 17.11	\$ 2,866.29	\$ 2,883.40	\$ 34	\$ 5,647	\$ 5,680
655,000	714,999	685,000	1	8	\$ 17.11	\$ 3,067.44	\$ 3,084.55	\$ 135	\$ 24,171	\$ 24,306
715,000	844,999	780,000	2	22	\$ 17.11	\$ 3,492.09	\$ 3,509.20	\$ 371	\$ 75,674	\$ 76,044
845,000	990,000	845,000	0	0	\$ 17.11	\$ 3,782.64	\$ 3,799.75	\$ -	\$ -	\$ -

3,679 104,154 \$ 1,782,073 \$ 1,624,314 \$ 1,406,387

Test Year Revenues \$ 3,371,082

Revenues from Billing Analysis

Base Charge \$ 1,782,073

Volume Charge 1,624,314

Total \$ 3,406,387

Error in Billing Analysis 1.0%

(1) Includes first 2,000 gallons of flow

HCWD1 - Radcliff Utility
PSC Case
Billing Analysis - Proposed Tariff Structure (Board Approved Structure)

Schedule 2b

From	To	Average Usage	Accounts	Bills	Minimum Charge (1)	Volume Charge for Average Use	Monthly Charge for Average Use	Calculated Revenue From Minimum Charge	Calculate Revenue from Volume Charge for Avg. Use	Calculated Total Revenue
0	0	0	788	9,456	\$ 19.88	\$ -	\$ 19.88	\$ 187,995	\$ -	\$ 187,995
0	999	500	958	11,497	\$ 19.88	\$ -	\$ 19.88	\$ 228,571	\$ -	\$ 228,571
1,000	1,999	1,500	1,406	16,871	\$ 19.88	\$ -	\$ 19.88	\$ 335,415	\$ -	\$ 335,415
2,000	2,999	2,500	1,431	17,172	\$ 19.88	\$ 3.24	\$ 23.12	\$ 341,388	\$ 55,612	\$ 397,000
3,000	3,999	3,500	1,213	14,560	\$ 19.88	\$ 9.72	\$ 29.60	\$ 289,474	\$ 141,560	\$ 431,034
4,000	4,999	4,500	940	11,274	\$ 19.88	\$ 16.21	\$ 36.09	\$ 224,145	\$ 182,712	\$ 406,857
5,000	5,999	5,500	622	7,468	\$ 19.88	\$ 22.69	\$ 42.57	\$ 148,477	\$ 169,453	\$ 317,931
6,000	6,999	6,500	403	4,840	\$ 19.88	\$ 29.17	\$ 49.05	\$ 96,230	\$ 141,208	\$ 237,438
7,000	7,999	7,500	248	2,976	\$ 19.88	\$ 35.66	\$ 55.54	\$ 59,160	\$ 106,105	\$ 165,264
8,000	8,999	8,500	161	1,927	\$ 19.88	\$ 42.14	\$ 62.02	\$ 38,304	\$ 81,191	\$ 119,495
9,000	9,999	9,500	106	1,272	\$ 19.88	\$ 48.62	\$ 68.51	\$ 25,281	\$ 61,833	\$ 87,114
10,000	10,999	10,500	70	834	\$ 19.88	\$ 55.11	\$ 74.99	\$ 16,587	\$ 45,977	\$ 62,563
11,000	11,999	11,500	46	558	\$ 19.88	\$ 61.59	\$ 81.47	\$ 11,084	\$ 34,338	\$ 45,422
12,000	12,999	12,500	36	435	\$ 19.88	\$ 68.08	\$ 87.96	\$ 8,656	\$ 29,638	\$ 38,294
13,000	13,999	13,500	27	318	\$ 19.88	\$ 74.56	\$ 94.44	\$ 6,325	\$ 23,721	\$ 30,047
14,000	14,999	14,500	23	278	\$ 19.88	\$ 81.04	\$ 100.92	\$ 5,522	\$ 22,511	\$ 28,034
15,000	24,999	20,000	91	1,094	\$ 19.88	\$ 113.46	\$ 133.34	\$ 21,757	\$ 124,166	\$ 145,922
25,000	34,999	30,000	30	357	\$ 19.88	\$ 171.82	\$ 191.70	\$ 7,089	\$ 61,264	\$ 68,353
35,000	44,999	40,000	20	244	\$ 19.88	\$ 230.17	\$ 250.05	\$ 4,857	\$ 56,226	\$ 61,083
45,000	54,999	50,000	13	158	\$ 19.88	\$ 288.52	\$ 308.40	\$ 3,133	\$ 45,471	\$ 48,604
55,000	64,999	60,000	8	100	\$ 19.88	\$ 346.88	\$ 366.76	\$ 1,997	\$ 34,853	\$ 36,848
65,000	74,999	70,000	6	75	\$ 19.88	\$ 405.23	\$ 425.11	\$ 1,488	\$ 30,335	\$ 31,824
75,000	84,999	80,000	3	40	\$ 19.88	\$ 463.58	\$ 483.46	\$ 803	\$ 18,722	\$ 19,525
85,000	94,999	90,000	3	33	\$ 19.88	\$ 521.94	\$ 541.82	\$ 646	\$ 16,966	\$ 17,612
95,000	104,999	100,000	2	27	\$ 19.88	\$ 580.29	\$ 600.17	\$ 529	\$ 15,433	\$ 15,962
105,000	114,999	110,000	2	27	\$ 19.88	\$ 638.64	\$ 658.52	\$ 529	\$ 16,985	\$ 17,513
115,000	124,999	120,000	2	23	\$ 19.88	\$ 697.00	\$ 716.88	\$ 450	\$ 15,790	\$ 16,241
125,000	134,999	130,000	1	18	\$ 19.88	\$ 755.35	\$ 775.23	\$ 352	\$ 13,392	\$ 13,745
135,000	144,999	140,000	2	22	\$ 19.88	\$ 813.70	\$ 833.58	\$ 431	\$ 17,633	\$ 18,064
145,000	154,999	150,000	2	20	\$ 19.88	\$ 872.06	\$ 891.94	\$ 392	\$ 17,180	\$ 17,571
155,000	164,999	160,000	1	12	\$ 19.88	\$ 930.41	\$ 950.29	\$ 235	\$ 10,997	\$ 11,232
165,000	174,999	170,000	1	13	\$ 19.88	\$ 988.76	\$ 1,008.64	\$ 255	\$ 12,661	\$ 12,916
175,000	184,999	180,000	1	12	\$ 19.88	\$ 1,047.12	\$ 1,067.00	\$ 235	\$ 12,377	\$ 12,612
185,000	194,999	190,000	1	10	\$ 19.88	\$ 1,105.47	\$ 1,125.35	\$ 196	\$ 10,889	\$ 11,085
195,000	204,999	200,000	0	5	\$ 19.88	\$ 1,163.82	\$ 1,183.71	\$ 98	\$ 5,732	\$ 5,830
205,000	214,999	210,000	1	10	\$ 19.88	\$ 1,222.18	\$ 1,242.06	\$ 196	\$ 12,038	\$ 12,234
215,000	224,999	220,000	0	4	\$ 19.88	\$ 1,280.53	\$ 1,300.41	\$ 78	\$ 5,045	\$ 5,124
225,000	234,999	230,000	0	5	\$ 19.88	\$ 1,338.88	\$ 1,358.77	\$ 98	\$ 6,594	\$ 6,692
235,000	244,999	240,000	0	5	\$ 19.88	\$ 1,397.24	\$ 1,417.12	\$ 98	\$ 6,881	\$ 6,979
245,000	254,999	250,000	0	4	\$ 19.88	\$ 1,455.59	\$ 1,475.47	\$ 78	\$ 5,735	\$ 5,813
255,000	264,999	260,000	0	2	\$ 19.88	\$ 1,513.94	\$ 1,533.83	\$ 39	\$ 2,982	\$ 3,022
265,000	274,999	270,000	0	4	\$ 19.88	\$ 1,572.30	\$ 1,592.18	\$ 78	\$ 6,195	\$ 6,273
275,000	284,999	280,000	1	8	\$ 19.88	\$ 1,630.65	\$ 1,650.53	\$ 157	\$ 12,850	\$ 13,006
285,000	294,999	290,000	0	5	\$ 19.88	\$ 1,689.01	\$ 1,708.89	\$ 98	\$ 8,318	\$ 8,416
295,000	304,999	300,000	0	5	\$ 19.88	\$ 1,747.36	\$ 1,767.24	\$ 98	\$ 8,606	\$ 8,704
305,000	314,999	310,000	1	7	\$ 19.88	\$ 1,805.71	\$ 1,825.59	\$ 137	\$ 12,450	\$ 12,587
315,000	324,999	320,000	0	3	\$ 19.88	\$ 1,864.07	\$ 1,883.95	\$ 59	\$ 5,508	\$ 5,567
325,000	334,999	330,000	1	7	\$ 19.88	\$ 1,922.42	\$ 1,942.30	\$ 137	\$ 13,255	\$ 13,392
335,000	344,999	340,000	0	4	\$ 19.88	\$ 1,980.77	\$ 2,000.65	\$ 78	\$ 7,804	\$ 7,883
345,000	354,999	350,000	0	0	\$ 19.88	\$ 2,039.13	\$ 2,059.01	\$ -	\$ -	\$ -
355,000	374,999	365,000	0	4	\$ 19.88	\$ 2,126.66	\$ 2,146.54	\$ 78	\$ 8,379	\$ 8,457
375,000	384,999	380,000	0	2	\$ 19.88	\$ 2,214.19	\$ 2,234.07	\$ 39	\$ 4,362	\$ 4,401
385,000	404,999	395,000	0	3	\$ 19.88	\$ 2,301.72	\$ 2,321.60	\$ 59	\$ 6,802	\$ 6,860
405,000	424,999	415,000	0	1	\$ 19.88	\$ 2,418.42	\$ 2,438.30	\$ 20	\$ 2,382	\$ 2,402
425,000	464,999	445,000	0	5	\$ 19.88	\$ 2,593.48	\$ 2,613.36	\$ 98	\$ 12,773	\$ 12,871
465,000	624,999	545,000	1	13	\$ 19.88	\$ 3,177.02	\$ 3,196.90	\$ 255	\$ 40,682	\$ 40,936
625,000	654,999	640,000	0	2	\$ 19.88	\$ 3,731.38	\$ 3,751.26	\$ 39	\$ 7,351	\$ 7,390
655,000	714,999	685,000	1	8	\$ 19.88	\$ 3,993.97	\$ 4,013.85	\$ 157	\$ 31,472	\$ 31,629
715,000	844,999	780,000	2	22	\$ 19.88	\$ 4,548.32	\$ 4,568.21	\$ 431	\$ 98,562	\$ 98,993
845,000	900,000	845,000	0	0	\$ 19.88	\$ 4,927.62	\$ 4,947.51	\$ -	\$ -	\$ -

\$ 679 104,154 \$ 2,070,691 \$ 1,959,957 \$ 4,030,648

Test Year Revenues \$ 3,371,082

Revenues from Billing Analysis
Minimum Charge \$ 2,070,691
Volume Charge 1,959,957
Total \$ 4,030,648

(1) Includes first 2,000 gallons of flow

HCWDI - Radcliff Utility
PSC Case
Billing Analysis - Comparison (Board Approved Structure)

Schedule 2c

From	To	Average Usage	Accounts	Bills	Existing Rates		Proposed Rates		\$ Change	% Change
					Monthly Charge for Average Use	Monthly Charge for Average Use	Monthly Charge for Average Use	Monthly Charge for Average Use		
0	0	0	788	9,456	\$ 17.11	\$ 19.88	\$ 2.77	16.2%		
0	999	500	958	11,497	\$ 17.11	\$ 19.88	\$ 2.77	16.2%		
1,000	1,999	1,500	1,406	16,871	\$ 17.11	\$ 19.88	\$ 2.77	16.2%		
2,000	2,999	2,500	1,431	17,172	\$ 19.90	\$ 23.12	\$ 3.22	16.2%		
3,000	3,999	3,500	1,213	14,560	\$ 25.48	\$ 29.60	\$ 4.13	16.2%		
4,000	4,999	4,500	940	11,274	\$ 31.06	\$ 36.09	\$ 5.03	16.2%		
5,000	5,999	5,500	622	7,468	\$ 36.64	\$ 42.57	\$ 5.93	16.2%		
6,000	6,999	6,500	403	4,840	\$ 42.22	\$ 49.05	\$ 6.84	16.2%		
7,000	7,999	7,500	248	2,976	\$ 47.80	\$ 55.54	\$ 7.74	16.2%		
8,000	8,999	8,500	161	1,927	\$ 53.38	\$ 62.02	\$ 8.64	16.2%		
9,000	9,999	9,500	106	1,272	\$ 58.96	\$ 68.51	\$ 9.55	16.2%		
10,000	10,999	10,500	70	834	\$ 64.54	\$ 74.99	\$ 10.45	16.2%		
11,000	11,999	11,500	46	558	\$ 70.12	\$ 81.47	\$ 11.36	16.2%		
12,000	12,999	12,500	36	435	\$ 75.70	\$ 87.96	\$ 12.26	16.2%		
13,000	13,999	13,500	27	318	\$ 81.28	\$ 94.44	\$ 13.16	16.2%		
14,000	14,999	14,500	23	278	\$ 86.86	\$ 100.92	\$ 14.07	16.2%		
15,000	24,999	20,000	91	1,094	\$ 112.00	\$ 133.34	\$ 21.35	19.1%		
25,000	34,999	30,000	30	357	\$ 156.70	\$ 191.70	\$ 35.00	22.3%		
35,000	44,999	40,000	20	244	\$ 201.40	\$ 250.05	\$ 48.65	24.2%		
45,000	54,999	50,000	13	158	\$ 246.10	\$ 308.40	\$ 62.31	25.3%		
55,000	64,999	60,000	8	100	\$ 290.80	\$ 366.76	\$ 75.96	26.1%		
65,000	74,999	70,000	6	75	\$ 335.50	\$ 425.11	\$ 89.61	26.7%		
75,000	84,999	80,000	3	40	\$ 380.20	\$ 483.46	\$ 103.27	27.2%		
85,000	94,999	90,000	3	33	\$ 424.90	\$ 541.82	\$ 116.92	27.5%		
95,000	104,999	100,000	2	27	\$ 469.60	\$ 600.17	\$ 130.57	27.8%		
105,000	114,999	110,000	2	27	\$ 514.30	\$ 658.52	\$ 144.23	28.0%		
115,000	124,999	120,000	2	23	\$ 559.00	\$ 716.88	\$ 157.88	28.2%		
125,000	134,999	130,000	1	18	\$ 603.70	\$ 775.23	\$ 171.53	28.4%		
135,000	144,999	140,000	2	22	\$ 648.40	\$ 833.58	\$ 185.19	28.6%		
145,000	154,999	150,000	2	20	\$ 693.10	\$ 891.94	\$ 198.84	28.7%		
155,000	164,999	160,000	1	12	\$ 737.80	\$ 950.29	\$ 212.49	28.8%		
165,000	174,999	170,000	1	13	\$ 782.50	\$ 1,008.64	\$ 226.15	28.9%		
175,000	184,999	180,000	1	12	\$ 827.20	\$ 1,067.00	\$ 239.80	29.0%		
185,000	194,999	190,000	1	10	\$ 871.90	\$ 1,125.35	\$ 253.45	29.1%		
195,000	204,999	200,000	0	5	\$ 916.60	\$ 1,183.71	\$ 267.11	29.1%		
205,000	214,999	210,000	1	10	\$ 961.30	\$ 1,242.06	\$ 280.76	29.2%		
215,000	224,999	220,000	0	4	\$ 1,006.00	\$ 1,300.41	\$ 294.41	29.3%		
225,000	234,999	230,000	0	5	\$ 1,050.70	\$ 1,358.77	\$ 308.07	29.3%		
235,000	244,999	240,000	0	5	\$ 1,095.40	\$ 1,417.12	\$ 321.72	29.4%		
245,000	254,999	250,000	0	4	\$ 1,140.10	\$ 1,475.47	\$ 335.37	29.4%		
255,000	264,999	260,000	0	2	\$ 1,184.80	\$ 1,533.83	\$ 349.03	29.5%		
265,000	274,999	270,000	0	4	\$ 1,229.50	\$ 1,592.18	\$ 362.68	29.5%		
275,000	284,999	280,000	1	8	\$ 1,274.20	\$ 1,650.53	\$ 376.34	29.5%		
285,000	294,999	290,000	0	5	\$ 1,318.90	\$ 1,708.89	\$ 389.99	29.6%		
295,000	304,999	300,000	0	5	\$ 1,363.60	\$ 1,767.24	\$ 403.64	29.6%		
305,000	314,999	310,000	1	7	\$ 1,408.30	\$ 1,825.59	\$ 417.30	29.6%		
315,000	324,999	320,000	0	3	\$ 1,453.00	\$ 1,883.95	\$ 430.95	29.7%		
325,000	334,999	330,000	1	7	\$ 1,497.70	\$ 1,942.30	\$ 444.60	29.7%		
335,000	344,999	340,000	0	4	\$ 1,542.40	\$ 2,000.65	\$ 458.26	29.7%		
345,000	354,999	350,000	0	0	\$ 1,587.10	\$ 2,059.01	\$ 471.91	29.7%		
355,000	374,999	365,000	0	4	\$ 1,654.15	\$ 2,146.54	\$ 492.39	29.8%		
375,000	384,999	380,000	0	2	\$ 1,721.20	\$ 2,234.07	\$ 512.87	29.8%		
385,000	404,999	395,000	0	3	\$ 1,788.25	\$ 2,321.60	\$ 533.35	29.8%		
405,000	424,999	415,000	0	1	\$ 1,877.65	\$ 2,438.30	\$ 560.65	29.9%		
425,000	464,999	445,000	0	5	\$ 2,011.75	\$ 2,613.36	\$ 601.62	29.9%		
465,000	624,999	545,000	1	13	\$ 2,458.75	\$ 3,196.90	\$ 738.15	30.0%		
625,000	654,999	640,000	0	2	\$ 2,883.40	\$ 3,751.26	\$ 867.86	30.1%		
655,000	714,999	685,000	1	8	\$ 3,084.55	\$ 4,013.85	\$ 929.30	30.1%		
715,000	844,999	780,000	2	22	\$ 3,509.20	\$ 4,568.21	\$ 1,059.01	30.2%		
845,000	900,000	845,000	0	0	\$ 3,799.75	\$ 4,947.51	\$ 1,147.76	30.2%		

8,679 104,154

HCWD1 - Radcliff Utility
PSC Case
Revenue Requirement Detail

Schedule 3

	2012		
	Test Year (1)	Adjustments	Rate Year
Operating Expenses			
Collection System Labor	\$ 91,059	\$ 3,145	\$ 94,204
Pumping System Labor	-	-	-
Customer Service Labor	151,356	4,014	155,371
Administrative Labor (4)	102,927	12,227	115,154
Professional Services-Engineering	-	-	-
Professional Services-Accounting	7,370	-	7,370
Professional Services-Legal	4,559	-	4,559
Information Technology Expense	14,596	-	14,596
Certification & Training	1,708	-	1,708
Travel and Lodging	2,701	-	2,701
Education & Conferences	1,751	-	1,751
Bad Debt Expense	41,597	-	41,597
Agency Collection Expense	2,968	-	2,968
Miscellaneous Customer Expense	812	-	812
Management Fee - Veolia	2,102,540	79,391	2,181,931
Contract Services	94,933	-	94,933
Investment Expense	-	-	-
Supplies for Collection System	-	-	-
Office Expense	7,938	-	7,938
Repairs & Maintenance	1,727	-	1,727
Inspection Expense	-	-	-
Insurance Services	29,231	(3,617)	25,614
Transportation Fuel & Repairs	1,949	-	1,949
Dues & Subscriptions	-	-	-
Advertising Expense	42	-	42
Regulatory Commission Expense	5,812	-	5,812
Rent Expense	2,250	-	2,250
Miscellaneous Expense	8,133	-	8,133
Utilities	11,400	-	11,400
Adjustment for Fort Knox (4)	(88,329)	33,663	(54,666)
Total Operating Expenses	\$ 2,601,032	\$ 128,823	\$ 2,729,855
sum check (0)			
Amortization/Depreciation Expense			
Depreciation/Amortization (2)	\$ 981,121	\$ 144,534	\$ 1,125,655
Total Amortization Depreciation Expenses	\$ 981,121	\$ 144,534	\$ 1,125,655
Less Non-Operating Income/Expenses			
Interest Expense - Radcliff Utility (3)	\$ (86,791)	\$ 86,791	\$ -
3-year average debt service (principal and interest)	-	(348,955)	(348,955)
Penalties, Service Fee & Miscellaneous	184,255	-	184,255
Interest Income	24,123	-	24,123
Gain on Sale of Assets	(99,903)	99,903	-
Total Non-Operating Income/Expenses	\$ 21,685	\$ (162,262)	\$ (140,577)
Less Capital Contributions (Cash)			
Tap Fees	\$ 3,000	\$ -	\$ 3,000
Total Capital Contributions	\$ 3,000	\$ -	\$ 3,000
Less Transfer from Reserves	\$ -	\$ -	\$ -
Net Revenue Requirements	\$ 3,557,468	\$ 435,619	\$ 3,993,086
sum check (0)			

(1) Test year period is the calendar year 2012 (January - December)

(2) Includes depreciation, allocated depreciation and amortization of acquisition costs associated with the Radcliff Utility

(3) Includes interest expense on debt allocated directly to the Radcliff Utility as well as allocated debt service associated with interest expense on the 2002 Variable Rate Bond issued for the Service Center. For this specific obligation, debt service is allocated to the Radcliff Utility based on the occupancy percentage of personnel in the Service Center dedicated to the Radcliff Utility. The allocation percentage is calculated based on both square footage of office space and an estimate for the time employees designate to the Radcliff Utility. Interest expense also includes the amortization of debt expense, amortization of allocated debt discount/expense, loan service fees, and customer interest expense.

(4) Includes adjustment for reduced general and administrative costs as a result of the new contract operating agreement HCWD1 and the Fort Knox water system.

HCWDI - Radcliff Utility

PSC Case

3-Year Average Debt Service (Principal & Interest)

Schedule 4

\$4,809,652.01			
KIA Loan # A97-03 (1)			
Payments Due	Principal	Interest/Fees	Total
2013	\$ 278,656	\$ 70,869	\$ 349,525
2014	289,346	59,616	\$ 348,962
2015	300,445	47,933	\$ 348,378
Total	<u>\$ 868,447</u>	<u>\$ 178,418</u>	<u>\$ 1,046,865</u>

Total Debt Service	\$ 1,046,865
Times (x) Debt Service Coverage	1.0
Total Debt Service Plus Coverage	\$ 1,046,865
Total Debt Service Plus Coverage (3 years)	\$ 1,046,865
3-Year Average	\$ 348,955

(1) Debt service payment schedules provided by the HCWDI staff.

	2012							Total
	Test Year	Rate Year	2014	2015	2016	2017	2018	
Capital Projects								
Lincoln Trail I/I Reduction Project	\$ 276,425	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 386,425
Quiggins Gravity System Project	445,904	20,000	-	-	-	-	-	465,904
Boone Trace and Lincoln Trail Lift Station Improvements	42,937	300,000	-	-	-	-	-	342,937
WWTP Primary Treatment Building	380,344	-	-	-	-	-	-	380,344
Watkins LS Project	13,018	35,000	-	-	-	-	-	48,018
Drug Store Lift Station Replacement	30,996	300,000	30,000	-	-	-	-	360,996
WWTP Plant Clarifier, Oxidation Ditch, and Lower Half of WWTP	-	115,000	-	-	-	-	-	115,000
Greenview and Cement LS Improvements	13,823	30,000	-	-	-	-	-	43,823
Greenview and Cement Gravity System Improvements	3,713	90,000	-	-	-	-	-	93,713
North Logsdon Parkway Gravity System Improvements	265,182	-	-	-	-	-	-	265,182
Stovall LS/FM Improvements	113,571	5,000	-	-	-	-	-	118,571
North Woodland Gravity System Improvements	136,932	-	-	-	-	-	-	136,932
John Hardin Force Main Improvements	2,053	10,000	-	-	-	-	-	12,053
WWTP RAS/WAS Improvements	4,311	70,000	-	-	-	-	-	74,311
LS Bypass Improvements	5,753	5,000	-	-	-	-	-	10,753
North Logsdon LS Improvements Project	25,633	400,000	200,000	-	-	-	-	625,633
Quiggins and Boone Trace I/I Reduction Project	-	600,000	400,000	-	-	-	-	1,000,000
Seminole I/I Reduction Project	-	-	300,000	-	-	-	-	300,000
WWTP Oxidation Ditch Improvements	-	200,000	-	-	-	-	-	200,000
Quiggins Lift Station Improvements	-	-	-	-	100,000	-	-	100,000
Scenic Drive Main Sewer Line Replacement	-	-	-	-	-	-	-	-
Redmar Lift Station Improvements	-	-	-	50,000	250,000	-	-	300,000
Future WWTP Projects	-	-	200,000	200,000	200,000	-	-	600,000
Future Lift Station Projects	-	-	300,000	400,000	400,000	-	-	1,100,000
Future Collection System Projects	-	-	100,000	100,000	100,000	-	-	300,000
Future Projects	-	-	-	400,000	150,000	1,300,000	1,400,000	3,250,000
Total Capital Projects	\$ 1,760,594	\$ 2,290,000	\$ 1,530,000	\$ 1,150,000	\$ 1,200,000	\$ 1,300,000	\$ 1,400,000	\$ 10,630,594
Funding Sources								
Rate Funded Capital	\$ 709,044	\$ 502,539	\$ 1,031,736	\$ 855,043	\$ 1,200,000	\$ 1,293,142	\$ 1,338,408	\$ 6,929,912
Cash Reserves	-	421,727	48,264	-	-	6,858	61,592	538,441
LS Grant (BRAC) (1)	164,821	785,000	450,000	294,957	-	-	-	1,694,778
SI Grant (BRAC) (1)	886,730	580,734	-	-	-	-	-	1,467,464
KIA Loans	-	-	-	-	-	-	-	-
Revenue Bonds	-	-	-	-	-	-	-	-
Total Funding Sources	\$ 1,760,594	\$ 2,290,000	\$ 1,530,000	\$ 1,150,000	\$ 1,200,000	\$ 1,300,000	\$ 1,400,000	\$ 10,630,594
<i>Additional Funding Needs</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(1) The District has been awarded a total of \$3.75 million in grants from the Base Realignment And Closure (BRAC). BRAC funds can be used for sewer inflow and infiltration improvements and lift station improvements. The majority of these funds will be spent on projects from 2011 through 2014.

HCWD1 - Radcliff Utility
PSC Case
Revenue Offsets

Schedule 6

	2012		
	<i>Test Year</i>	<i>Adjustments</i>	<i>Rate Year</i>
Revenue Offsets			
Penalties, Service Fee & Miscellaneous	\$ 184,255	\$ -	\$ 184,255
Gain on Sale of Assets	(99,903)	99,903	-
Interest Earnings	24,123	-	24,123
Tap Fees	3,000	-	3,000
Special Discharge Permit Fee	-	-	-
Discharge Permit Inspection	-	-	-
Private Line Clearing - Day	-	-	-
Private Line Clearing - Night	-	-	-
Service Callout - Day	-	-	-
Service Callout - Night	-	-	-
Total Revenue Offsets	\$ 111,476	\$ 99,903	\$ 211,378

HCWDI - Radcliff Utility
PSC Case
Income Statement

Schedule 7

	2012		
	Test Year	Adjustments	Rate Year
Operating Revenue			
Sewer User Charges	\$ 3,371,082	\$ 622,004	\$ 3,993,086
Penalties, Service Fees, & Miscellaneous	184,255	-	184,255
Total Operating Revenues	\$ 3,555,337	\$ 622,004	\$ 4,177,341
Operating Expenses			
Collection System Labor	\$ 91,059	\$ 3,145	\$ 94,204
Pumping System Labor	-	-	-
Customer Service Labor	151,356	4,014	155,371
Administrative Labor	102,927	12,227	115,154
Professional Services-Engineering	-	-	-
Professional Services-Accounting	7,370	-	7,370
Professional Services-Legal	4,559	-	4,559
Information Technology Expense	14,596	-	14,596
Certification & Training	1,708	-	1,708
Travel and Lodging	2,701	-	2,701
Education & Conferences	1,751	-	1,751
Bad Debt Expense	41,597	-	41,597
Agency Collection Expense	2,968	-	2,968
Miscellaneous Customer Expense	812	-	812
Management Fee - Veolia	2,102,540	79,391	2,181,931
Contract Services	94,933	-	94,933
Investment Expense	-	-	-
Supplies for Collection System	-	-	-
Office Expense	7,938	-	7,938
Repairs & Maintenance	1,727	-	1,727
Inspection Expense	-	-	-
Insurance Services	29,231	(3,617)	25,614
Transportation Fuel & Repairs	1,949	-	1,949
Dues & Subscriptions	-	-	-
Advertising Expense	42	-	42
Regulatory Commission Expense	5,812	-	5,812
Rent Expense	2,250	-	2,250
Miscellaneous Expense	8,133	-	8,133
Utilities	11,400	-	11,400
Adjustment for Fort Knox	(88,329)	33,663	(54,666)
Total Operating Expenses	\$ 2,601,032	\$ 128,823	\$ 2,729,855
Operating Income Before Depreciation/Amortization	\$ 954,306	\$ 493,181	\$ 1,447,487
Less: Depreciation/Amortization	981,121	\$ 144,534	\$ 1,125,655
Operating Income	\$ (26,816)	\$ 348,647	\$ 321,832
Non-Operating Income/Expenses			
Interest Expense - Radcliff Utility	\$ (86,791)	\$ -	\$ (86,791)
Interest Income	24,123	-	24,123
Gain on Sale of Assets	(99,903)	99,903	-
Total Non-Operating Income/Expenses	\$ (162,570)	\$ 99,903	\$ (62,667)
Income Before Capital Contributions	\$ (189,386)	\$ 448,550	\$ 259,164
Capital Contributions			
Grants	\$ 640,351	\$ 725,383	\$ 1,365,734
Tap Fees (Cash)	3,000	-	3,000
Capital Contributions	1,873	-	1,873
Change in Net Assets	\$ 455,838	\$ 1,173,933	\$ 1,629,772

HCWD1 - Radcliff Utility
PSC Case
Balance Sheet

Schedule 8

	2012		
	Test Year	Adjustments	Rate Year
Assets			
Current Assets			
Cash and Cash Equivalents (1)	\$ 2,954,024	\$ (421,727)	\$ 2,532,297
Other Current Assets	416,109	-	416,109
Total Current Assets	\$ 3,370,133	\$ (421,727)	\$ 2,948,406
Other Assets			
Restricted Reserves	\$ 338,723	\$ -	\$ 338,723
Radcliff Acquisition Costs, Net	202,103	-	202,103
Total Other Assets	\$ 540,826	\$ -	\$ 540,826
Property, Plant, and Equipment	\$ 36,289,459	\$ 5,075,948	\$ 41,365,407
Less: Accumulated Depreciation	(14,736,228)	(1,125,655)	(15,861,883)
Net Property Plant and Equipment	\$ 21,553,231	\$ 3,950,293	\$ 25,503,524
Total Assets	\$ 25,464,190	\$ 3,528,567	\$ 28,992,757
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable, Cust. Dep. Accr. Exp	\$ 509,457	\$ -	\$ 509,457
Current Portion of Long-Term Debt	278,656	10,690	289,346
Accrued Interest on Long-Term Debt	6,102	-	6,102
Total Current Liabilities	\$ 794,215	\$ 10,690	\$ 804,905
Long-Term Liabilities			
Bonds Payable	\$ 1,562,065	\$ (278,656)	\$ 1,283,409
Total Liabilities	\$ 2,356,280	\$ (267,966)	\$ 2,088,314
Net Assets			
Invested in Capital Assets, Net of Related Debt	\$ 19,706,408	\$ 4,218,260	\$ 23,924,668
Restricted	338,723	-	338,723
Unrestricted	3,062,779	(421,727)	2,641,052
Total Net Assets	\$ 23,107,910	\$ 3,796,533	\$ 26,904,443
Total Liabilities and Net Assets	\$ 25,464,190		\$ 28,992,757

(1) Decrease in cash will be used to fund capital improvements in 2013.

HCWD1 - Radcliff Utility
PSC Case
Cost of Service Allocations

Schedule 9

Support Schedule	Cost of Service	Volume	Inflow & Infiltration	Customer Service	
				Billing & Collections	Meter Reading
Operating Expenses					
Collection System Labor	\$ 91,059	\$ 10,244	\$ 6,146	\$ -	\$ 74,668
Pumping System Labor	-	-	-	-	-
Customer Service Labor	151,356	-	-	139,248	12,108
Administrative Labor	102,927	64,329	38,598	-	-
Professional Services-Engineering	-	-	-	-	-
Professional Services-Accounting	7,370	4,606	2,764	-	-
Professional Services-Legal	4,559	2,849	1,710	-	-
Information Technology Expense	14,596	9,123	5,474	-	-
Certification & Training	1,708	1,067	640	-	-
Travel and Lodging	2,701	1,688	1,013	-	-
Education & Conferences	1,751	1,094	657	-	-
Bad Debt Expense	41,597	25,998	15,599	-	-
Agency Collection Expense	2,968	1,855	1,113	-	-
Miscellaneous Customer Expense	812	-	-	812	-
Management Fee - Veolia	2,102,540	1,314,088	788,453	-	-
Contractual Services	94,933	59,333	35,600	-	-
Investment Expense	-	-	-	-	-
Supplies for Collection System	-	-	-	-	-
Office Expense	7,938	4,961	2,977	-	-
Repairs & Maintenance	1,727	1,080	648	-	-
Inspection Expense	-	-	-	-	-
Insurance Services	29,231	10,779	6,467	-	11,985
Transportation Fuel & Repairs	1,949	658	395	-	897
Dues & Subscriptions	-	-	-	-	-
Advertising Expense	42	26	16	-	-
Regulatory Commission Expense	5,812	3,633	2,180	-	-
Rent Expense	2,250	1,406	844	-	-
Miscellaneous Expense	8,133	5,083	3,050	-	-
Utilities	11,400	7,125	4,275	-	-
Adjustment for Fort Knox	(88,329)	(55,206)	(33,123)	-	-
Total Operating Expenses	\$ 2,601,032	\$ 1,475,821	\$ 885,493	\$ 140,060	\$ 99,658
Amortization/Depreciation Expense					
Depreciation/Amortization	\$ 981,121	\$ 613,201	\$ 367,921	\$ -	\$ -
Total Amortization/Depreciation Expense	\$ 981,121	\$ 613,201	\$ 367,921	\$ -	\$ -
Total Test Year Cost of Service	\$ 3,582,153	\$ 2,089,022	\$ 1,253,413	\$ 140,060	\$ 99,658
Less: Non-Operating Income/Expenses					
Interest Expense	\$ (86,791)	\$ (54,244)	\$ (32,547)	\$ -	\$ -
Penalties, Service Fee & Miscellaneous	184,255	115,159	69,096	-	-
Interest Income	24,123	15,077	9,046	-	-
Gain on Sale of Assets	(99,903)	(62,439)	(37,464)	-	-
Total Non-Operating Income/Expenses	\$ 21,685	\$ 13,553	\$ 8,132	\$ -	\$ -
Less: Capital Contributions					
Tap Fees	\$ 3,000	\$ 1,875	\$ 1,125	\$ -	\$ -
Total Capital Contributions	\$ 3,000	\$ 1,875	\$ 1,125	\$ -	\$ -

Schedule 9 Con't.

Support Schedule	Cost of Service	Volume	Inflow & Infiltration	Customer Service	
				Billing & Collections	Meter Reading
Adjustments to Test Year Cost:					
Deduction of Insurance Services	\$ (3,617)	\$ (2,261)	\$ (1,356)	\$ -	\$ -
Increase in Wages and Benefits for Collection System Employees for 2013	3,145	354	212	-	2,579
Increase in Wages and Benefits for Customer Service Employees for 2013	4,014	-	-	4,014	-
Increase in Wages and Benefits for Administrative Employees for 2013	12,227	7,642	4,585	-	-
Addition of Annual Meter Reading Support O&M Expense	-	-	-	-	-
Addition of Annual Meter Reading Labor Expense	-	-	-	-	-
Addition of Expenses from new 2013 customers	-	-	-	-	-
Deduction of Allocated Expenses for Support Services	-	-	-	-	-
Deduction of transfer from reserves	-	-	-	-	-
Addition of contract operating cost increase for 2013	79,391	49,619	29,772	-	-
Deduction of allocated interest expense	(86,791)	(54,244)	(32,547)	-	-
Addition of 3-year average debt service (principal, interest, and coverage)	348,955	218,097	130,858	-	-
Deduction for reduced interest earnings	-	-	-	-	-
Deduction for anticipated electricity savings	-	-	-	-	-
Deduction for new non-recurring charges	-	-	-	-	-
Deduction for reduced allocated G&A savings	33,663	21,039	12,624	-	-
Addition for one-time Gain/Loss on Sale	(99,903)	(62,439)	(37,464)	-	-
Addition of Amortized Rate Case Consultation (5 years)	20,000	12,500	7,500	-	-
Deduction of Depreciation	(8,185)	(5,115)	(3,069)	-	-
Addition of Depreciation					
Lincoln Trail I/I Reduction Project	7,729	4,830	2,898	-	-
Quiggins Gravity System Project	9,318	5,824	3,494	-	-
Boone Trace and Lincoln Trail Lift Station Improvements	8,573	5,358	3,215	-	-
WWTP Primary Treatment Building	15,214	9,509	5,705	-	-
Watkins LS Project	1,200	750	450	-	-
Drug Store Lift Station Replacement	9,025	5,641	3,384	-	-
WWTP Plant Clarifier, Oxidation Ditch, and Lower Half of WWTP	4,600	2,875	1,725	-	-
Greenview and Cement LS Improvements	1,096	685	411	-	-
Greenview and Cement Gravity System Improvements	1,874	1,171	703	-	-
North Logsdon Parkway Gravity System Improvements	5,304	3,315	1,989	-	-
Stovall LS/FM Improvements	2,964	1,853	1,112	-	-
North Woodland Gravity System Improvements	2,739	1,712	1,027	-	-
John Hardin Force Main Improvements	241	151	90	-	-
WWTP RAS/WAS Improvements	2,972	1,858	1,115	-	-
LS Bypass Improvements	269	168	101	-	-
North Logsdon LS Improvements Project	15,641	9,776	5,865	-	-
Quiggins and Boone Trace I/I Reduction Project	20,000	12,500	7,500	-	-
Seminole I/I Reduction Project	6,000	3,750	2,250	-	-
WWTP Oxidation Ditch Improvements	8,000	5,000	3,000	-	-
Replace 5 Laptops/Workstations	1,748	1,092	655	-	-
Easement Jetter Machine	1,780	1,113	668	-	-
Trimble GeoXH 6000 GPS Receiver	353	220	132	-	-
Replace Sludge Belt Press	330	206	124	-	-
Service Center Roof Painting & Equip. Bldg. Door Coating	198	124	74	-	-
Vertical Edge 700 Phone System	819	512	307	-	-
Replace Influent & Effluent Refrigerated Samplers	1,140	713	428	-	-
Upgrade Utility Billing System	303	189	114	-	-
Chain Cutter Head	150	219	131	-	-
Internal Crane for CCTV Van	529	330	198	-	-
Ladder/Pipe Racks for Trucks	257	161	96	-	-
AutoDesk Infrastructure Design Premium	220	138	83	-	-
Aims 3000 Watt Power Invertors for Trucks	343	214	129	-	-
Aries Wireless Poie Camera	355	222	133	-	-
PT AutoCAD Drafter	78	49	29	-	-
Trailer for Bobcat	743	464	279	-	-
Smart Board	132	83	50	-	-
Replace Carpet in Large Conference Room	18	11	7	-	-
Replace Carpet in Lobby	86	54	32	-	-
Replace Lobby and Customer Service Area Furniture	178	111	67	-	-
Total Adjustments to Test Year Cost	\$ 435,619	\$ 268,141	\$ 160,884	\$ 4,014	\$ 2,579
Adjusted Test Year COS Revenue Requirements	\$ 3,993,086.49	\$ 2,341,735	\$ 1,405,041	\$ 144,074	\$ 102,237

HCWD1 - Radcliff Utility
PSC Case
Cost of Service - % Allocations

Schedule 10

Operating Expenses

- Collection System Labor
- Pumping System Labor
- Customer Service Labor
- Administrative Labor
- Professional Services-Engineering
- Professional Services-Accounting
- Professional Services-Legal
- Information Technology Expense
- Certification & Training
- Travel and Lodging
- Education & Conferences
- Bad Debt Expense
- Agency Collection Expense
- Miscellaneous Customer Expense
- Management Fee - Veolia
- Contractual Services
- Investment Expense
- Supplies for Collection System
- Office Expense
- Repairs & Maintenance
- Inspection Expense
- Insurance Services
- Transportation Fuel & Repairs
- Dues & Subscriptions
- Advertising Expense
- Regulatory Commission Expense
- Rent Expense
- Miscellaneous Expense
- Utilities
- Adjustment for Fort Knox

Volume	Inflow & Infiltration	Customer Service	
		Billing & Collections	Meter Reading

11.3%	6.8%	0.0%	92.0%
62.5%	37.5%	0.0%	0.0%
0.0%	0.0%	92.0%	8.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
0.0%	0.0%	100.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
0.0%	0.0%	0.0%	100.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
36.9%	22.1%	0.0%	41.0%
33.8%	20.3%	0.0%	46.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%

Amortization and Depreciation Expense

- Depreciation/Amortization

62.5%	37.5%	0.0%	0.0%
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Non Operating Income/Expenses

- Interest Expense
- Penalties, Service Fee & Miscellaneous
- Interest Income
- Gain on Sale of Assets
- Oil and Grease Trap Inspection Charge

62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%

Capital Contributions

- Tap Fees

62.5%	37.5%	0.0%	0.0%
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Schedule 10 Con't

Adjustments to Test-Year

Deduction of Insurance Services
 Increase in Wages and Benefits for Collection System Employees for 2013
 Increase in Wages and Benefits for Customer Service Employees for 2013
 Increase in Wages and Benefits for Administrative Employees for 2013
 Addition of Annual Meter Reading Support O&M Expense
 Addition of Annual Meter Reading Labor Expense
 Addition of Expenses from new 2013 customers
 Deduction of Allocated Expenses for Support Services
 Deduction of transfer from reserves
 Addition of contract operating cost increase for 2013
 Deduction of allocated interest expense
 Addition of 3-year average debt service (principal, interest, and coverage)
 Deduction for reduced interest earnings
 Deduction for anticipated electricity savings
 Deduction for new non-recurring charges
 Deduction for reduced allocated G&A savings
 Addition for one-time Gain on Sale
 Addition of Amortized Rate Case Consultation (5 years)
 Deduction of Depreciation
 Addition of Depreciation
 Lincoln Trail I/I Reduction Project
 Quiggins Gravity System Project
 Boone Trace and Lincoln Trail Lift Station Improvements
 WWTP Primary Treatment Building
 Watkins LS Project
 Drug Store Lift Station Replacement
 WWTP Plant Clarifier, Oxidation Ditch, and Lower Half of WWTP
 Greenview and Cement LS Improvements
 Greenview and Cement Gravity System Improvements
 North Logsdon Parkway Gravity System Improvements
 Stovall LS/FM Improvements
 North Woodland Gravity System Improvements
 John Hardin Force Main Improvements
 WWTP RAS/WAS Improvements
 LS Bypass Improvements
 North Logsdon LS Improvements Project
 Quiggins and Boone Trace I/I Reduction Project
 Seminole I/I Reduction Project
 WWTP Oxidation Ditch Improvements
 Replace 5 Laptops/Workstations
 Easement Jetter Machine
 Trimble GeoXH 6000 GPS Receiver
 Replace Sludge Belt Press
 Service Center Roof Painting & Equip. Bldg. Door Coating
 Vertical Edge 700 Phone System
 Replace Influent & Effluent Refrigerated Samplers
 Upgrade Utility Billing System
 Chain Cutter Head
 Internal Crane for CCTV Van
 Ladder/Pipe Racks for Trucks
 AutoDesk Infrastructure Design Premium
 Aims 8000 Watt Power Invertors for Trucks
 Aries Wireless Pole Camera
 PT AutoCAD Drafter
 Trailer for Bobcat
 Smart Board
 Replace Carpet in Large Conference Room
 Replace Carpet in Lobby
 Replace Lobby and Customer Service Area Furniture

Volume	Inflow & Infiltration	Customer Service	
		Billing & Collections	Meter Reading

62.5%	37.5%	0.0%	0.0%
11.3%	6.8%	0.0%	82.0%
0.0%	0.0%	100.0%	0.0%
62.5%	37.5%	0.0%	0.0%
0.0%	0.0%	0.0%	100.0%
0.0%	0.0%	0.0%	100.0%
62.5%	37.5%	0.0%	0.0%
35.0%	21.0%	0.0%	44.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%

62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
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62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%
62.5%	37.5%	0.0%	0.0%

**HCWD1 - Radcliff Utility
PSC Case
Rate Year Cost Categories**

Schedule 11

Functional Categories	Rate Year Cost of Service	Allocation Percentages	
		Volume Component (1)	Account Component (2)
Volume	\$ 2,341,735	100.0%	0.0%
Inflow & Infiltration	\$ 1,405,041	50.0%	50.0%
Billing and Collections	\$ 144,074	0.0%	100.0%
Meter Reading	\$ 102,237	0.0%	100.0%

Total \$ **3,993,086**

Allocation \$s	
Volume Component	Account Component
\$ 2,341,735	\$ -
\$ 702,520	\$ 702,520
\$ -	\$ 144,074
\$ -	\$ 102,237

Total \$ **3,044,255** \$ **948,831**

- (1) Allocated costs to be recovered by the volumetric charge.
- (2) Allocated costs to be recovered by the base charge.

**HCWD1 - Radcliff Utility
PSC Case
Proposed Rates (Board Approved Option)**

Schedule 12

Minimum Charge Revenues

Type of Charge	Proposed Charge (per bill)	Rate Year Number of Bills	Rate Year Revenue Under Proposed Charge
Minimum Charge (1)	\$ 19.881	104,154	\$ 2,070,691

Total Revenues from Minimum Charge Under Proposed Rates \$ 2,070,691

Volumetric Charge Revenues

Type of Charge	Proposed Charge (per kgal)	Rate Year Billable Flows	Rate Year Revenue Under Proposed Charge
Rate Block 1 (2,000 - 15,000 Gallons)	\$ 6.484	193,961	\$ 1,257,586
Rate Block 2 (Above 15,000 Gallons)	\$ 5.835	113,928	664,809

Total Revenues from Volumetric Charges Under Proposed Rates \$ 1,922,395

Total Rate Year Revenue From Proposed Rates and Charges (Calculated) \$ 3,993,086

Rate Year Revenue Requirements \$ 3,993,086

Additional Revenue Needed \$ -

**HCWD1 - Radcliff Utility
PSC Case
Wholesale Rate Calculation**

Schedule 13

	Rate Year	% Allocation to Wholesale	\$ Allocation to Wholesale
Operating Expenses			
Collection System Labor (3)	\$ 94,204	45.4%	\$ 42,798
Pumping System Labor (3)	-	45.4%	-
Customer Service Labor	155,371	0%	-
Administrative Labor	115,154	66.9%	77,051
Professional Services-Engineering	-	45.4%	-
Professional Services-Accounting	7,370	0%	-
Professional Services-Legal	4,559	0%	-
Information Technology Expense	14,596	0%	-
Certification & Training	1,708	0%	-
Travel and Lodging	2,701	0%	-
Education & Conferences	1,751	0%	-
Bad Debt Expense	41,597	0%	-
Agency Collection Expense	2,968	0%	-
Miscellaneous Customer Expense	812	0%	-
Management Fee - Veolia	2,181,931	66.9%	1,459,962
Contract Services	94,933	0%	-
Investment Expense	-	0%	-
Supplies for Collection System	-	45%	-
Office Expense	7,938	0%	-
Repairs & Maintenance	1,727	0%	-
Inspection Expense	-	0%	-
Insurance Services	25,614	0%	-
Transportation Fuel & Repairs	1,949	0%	-
Dues & Subscriptions	-	0%	-
Advertising Expense	42	0%	-
Regulatory Commission Expense	5,812	0%	-
Rent Expense	2,250	0%	-
Miscellaneous Expense	8,133	0%	-
Utilities	11,400	0%	-
Adjustment for Fort Knox	(54,666)	66.9%	(36,578)
Operating Expenses	\$ 2,729,855		\$ 1,543,233
			56.5%
Calculated Operating Cost (per kgal)			\$ 1.825
Capital Costs			
Depreciation/Amortization (1) (3)			\$ 973,103
Interest (4)			51,537
Capital Costs			\$ 1,024,640
Calculated Capital Cost (per kgal)			\$ 1.212
Wholesale Rate (per kgal)			\$ 3.04

Rate Year Flow Data (Wastewater Plant Flows) (kgal) (2)

Wastewater Treated (kgal) 845,425

- (1) Includes only depreciation associated with the wastewater treatment plant and wastewater conveyance system.
- (2) Average annual flows treated at the wastewater treatment plant from 2009 through 2012.
- (3) Costs allocated between the wastewater collection and conveyance system based on inch-feet of piping. Based on input from staff, it was determined that piping 10-inches and larger are conveyance system infrastructure.
- (4) Interest allocated based on the percentage of allocated depreciation associated with the wastewater treatment plant and conveyance system only.

HCWD1 - Radcliff Utility
PSC Case
Fixed Asset Detail

Schedule 14

Asset Description (1)	Service Life	Acquired Value	Depreciation	Accumulated Depreciation	OCLD	Allocation %	Allocated OCLD	Allocated Depreciation	Depreciation Deductions
Land (GL Account: 4.00.31000)		\$ 9,544	\$ -	\$ -	\$ 9,544	100.0%	\$ 9,544	\$ -	\$ -
Subtotal		\$ 9,544	\$ -	\$ -	\$ 9,544				
Sewer Plant (GL Account: 4.00.35201)									
Sewer Plant & Lift Stations	57	\$ 1,039,928	\$ 37,742	\$ 1,788,961	\$ 150,967	100.0%	\$ 150,967	\$ 37,742	\$ -
Sewer Plant Building	40	\$ 6,859	\$ -	\$ 6,859	\$ -	100.0%	\$ -	\$ -	\$ -
Sewer Plant Additions & Lift Stations	50	\$ 1,360,880	\$ 27,218	\$ 974,930	\$ 385,950	100.0%	\$ 385,950	\$ 27,218	\$ -
Sewer Lift Stations & Lines	50	\$ 1,562,409	\$ 31,248	\$ 1,171,803	\$ 390,606	100.0%	\$ 390,606	\$ 31,248	\$ -
System Additions	15	\$ 493,849	\$ 14,110	\$ 335,817	\$ 158,032	100.0%	\$ 158,032	\$ 14,110	\$ -
System Additions	15	\$ 109,474	\$ 3,128	\$ 72,248	\$ 37,226	100.0%	\$ 37,226	\$ 3,128	\$ -
System Additions	15	\$ 253,731	\$ 7,249	\$ 162,383	\$ 91,348	100.0%	\$ 91,348	\$ 7,249	\$ -
System Additions	15	\$ 273,419	\$ 7,812	\$ 169,517	\$ 103,902	100.0%	\$ 103,902	\$ 7,812	\$ -
System Additions	15	\$ 567,555	\$ 16,216	\$ 340,532	\$ 227,023	100.0%	\$ 227,023	\$ 16,216	\$ -
System Additions	15	\$ 307,696	\$ 8,791	\$ 178,465	\$ 129,231	100.0%	\$ 129,231	\$ 8,791	\$ -
System Additions	15	\$ 203,112	\$ 5,803	\$ 112,940	\$ 90,163	100.0%	\$ 90,163	\$ 5,803	\$ -
System Additions	15	\$ 264,084	\$ 4,585	\$ 139,682	\$ 124,402	100.0%	\$ 124,402	\$ 4,585	\$ -
Sewer Plant Additions, Lines, & Lift Stations	50	\$ 9,486,613	\$ 189,712	\$ 4,643,976	\$ 4,842,637	100.0%	\$ 4,842,637	\$ 189,712	\$ -
System Additions	15	\$ 119,970	\$ 3,428	\$ 59,981	\$ 59,989	100.0%	\$ 59,989	\$ 3,428	\$ -
Replace Liners EQ Baan 1 & 3	50	\$ 79,400	\$ 1,388	\$ 15,731	\$ 43,669	100.0%	\$ 43,669	\$ 1,388	\$ -
Replace Lift Stations	35	\$ 37,974	\$ 1,085	\$ 18,603	\$ 19,371	100.0%	\$ 19,371	\$ 1,085	\$ -
System Additions	15	\$ 8,992	\$ 283	\$ 4,848	\$ 5,044	100.0%	\$ 5,044	\$ 283	\$ -
Sewer Construction	35	\$ 391,018	\$ 11,172	\$ 183,775	\$ 207,243	100.0%	\$ 207,243	\$ 11,172	\$ -
System Additions	15	\$ 17,311	\$ 495	\$ 8,634	\$ 8,677	100.0%	\$ 8,677	\$ 495	\$ -
System Additions	15	\$ 730,390	\$ 20,868	\$ 386,500	\$ 343,890	100.0%	\$ 343,890	\$ 20,868	\$ -
Sewer Construction	35	\$ 381,666	\$ 10,905	\$ 192,425	\$ 189,241	100.0%	\$ 189,241	\$ 10,905	\$ -
Sewer Construction	35	\$ 169,840	\$ 4,853	\$ 67,934	\$ 101,906	100.0%	\$ 101,906	\$ 4,853	\$ -
Sewer Lift Station	35	\$ 20,543	\$ 587	\$ 13,285	\$ 7,258	100.0%	\$ 7,258	\$ 587	\$ -
Sewer Lift Stations & Lines	35	\$ 294,439	\$ 8,412	\$ 97,165	\$ 197,274	100.0%	\$ 197,274	\$ 8,412	\$ -
Logan Lift Station Replacement	35	\$ 12,564	\$ 359	\$ 3,894	\$ 8,670	100.0%	\$ 8,670	\$ 359	\$ -
Sewer Plant Construction-Expansion	30	\$ 4,809,652	\$ 96,193	\$ 1,298,606	\$ 3,511,046	100.0%	\$ 3,511,046	\$ 96,193	\$ -
Church & Kindervater Lift Station Replacement	35	\$ 210,628	\$ 6,018	\$ 65,293	\$ 145,333	100.0%	\$ 145,333	\$ 6,018	\$ -
Sewer Lift Stations	35	\$ 85,739	\$ 2,450	\$ 26,579	\$ 59,160	100.0%	\$ 59,160	\$ 2,450	\$ -
Lift Station Control-Lincoln Trail	35	\$ 81,896	\$ 2,340	\$ 25,388	\$ 56,508	100.0%	\$ 56,508	\$ 2,340	\$ -
Construction of Storage Barn	35	\$ 29,857	\$ -	\$ 29,857	\$ -	100.0%	\$ -	\$ -	\$ -
Hwy 313 Lift Station & Force Main	35	\$ 976,739	\$ 27,907	\$ 283,254	\$ 693,485	100.0%	\$ 693,485	\$ 27,907	\$ -
Greensview Lift Station-Progress	35	\$ 67,763	\$ 1,936	\$ 18,295	\$ 49,468	100.0%	\$ 49,468	\$ 1,936	\$ -
Greensview Lift Station Replacement	35	\$ 4,747	\$ 136	\$ 1,186	\$ 3,561	100.0%	\$ 3,561	\$ 136	\$ -
Paradise Lift Stations 1 & 2	35	\$ 900,046	\$ 8,573	\$ 77,819	\$ 222,227	100.0%	\$ 222,227	\$ 8,573	\$ -
Sewer Plant Bay Screen Replacement	35	\$ 78,324	\$ -	\$ 78,324	\$ -	100.0%	\$ -	\$ -	\$ -
Church St/Shellton Rd Manhole Replacement	30	\$ 5,400	\$ 180	\$ 2,145	\$ 3,255	100.0%	\$ 3,255	\$ 180	\$ -
N Wilson Rd 955 Manhole Replacement	30	\$ 7,762	\$ 259	\$ 3,783	\$ 4,679	100.0%	\$ 4,679	\$ 259	\$ -
Wilma Ave. 805 Manhole Replacement	30	\$ 5,600	\$ 187	\$ 2,324	\$ 3,376	100.0%	\$ 3,376	\$ 187	\$ -
Pin Oak & Poplar St. Manhole Replacement	30	\$ 5,800	\$ 167	\$ 1,986	\$ 3,814	100.0%	\$ 3,814	\$ 167	\$ -
Oak Dr Lift Station Replacement	35	\$ 368,490	\$ 10,328	\$ 119,759	\$ 248,731	100.0%	\$ 248,731	\$ 10,328	\$ -
Arlington Heights Lift Station Install	35	\$ 46,303	\$ 1,323	\$ 10,498	\$ 35,885	100.0%	\$ 35,885	\$ 1,323	\$ -
Southern Heights Lift Station Install	35	\$ 50,745	\$ 1,450	\$ 11,418	\$ 39,327	100.0%	\$ 39,327	\$ 1,450	\$ -
Replace Liners EO Basins 1&2 Progress	10	\$ 246,033	\$ 24,693	\$ 137,870	\$ 109,063	100.0%	\$ 109,063	\$ 24,693	\$ -
Replace Liners EQ Basins 1 & 2	10	\$ 89,127	\$ 8,913	\$ 44,563	\$ 44,564	100.0%	\$ 44,564	\$ 8,913	\$ -
Floating Aeration Pump for Basins	10	\$ 29,997	\$ 3,000	\$ 14,988	\$ 15,009	100.0%	\$ 15,009	\$ 3,000	\$ -
Floating Aeration Pump for Basins	10	\$ 29,997	\$ 3,000	\$ 14,998	\$ 14,999	100.0%	\$ 14,999	\$ 3,000	\$ -
Equalization Basins #2 & #3	10	\$ 11,186	\$ 1,119	\$ 5,033	\$ 6,153	100.0%	\$ 6,153	\$ 1,119	\$ -
IMEX-Flexifill-DM	10	\$ 1,583	\$ 158	\$ 712	\$ 871	100.0%	\$ 871	\$ 158	\$ -
Lincoln Trail Odor Study	24	\$ 35,252	\$ 1,469	\$ 3,916	\$ 31,336	100.0%	\$ 31,336	\$ 1,469	\$ -
Hwy 313 Lift Station Project	15	\$ 7,017	\$ 200	\$ 400	\$ 6,617	100.0%	\$ 6,617	\$ 200	\$ -
Redmar Lift Station Pump 1 Rebuild	15	\$ 13,325	\$ 898	\$ 1,332	\$ 11,993	100.0%	\$ 11,993	\$ 898	\$ -
Redmar Lift Station Pump 2 Rebuild	15	\$ 10,284	\$ 685	\$ 971	\$ 9,313	100.0%	\$ 9,313	\$ 685	\$ -
C Square Lift Station Pump Rebuild	15	\$ 8,362	\$ 557	\$ 789	\$ 7,573	100.0%	\$ 7,573	\$ 557	\$ -
Arlingtonwoods Lift Station	35	\$ 95,522	\$ 2,729	\$ 3,411	\$ 92,111	100.0%	\$ 92,111	\$ 2,729	\$ -
Clarifier #1 Pump Rebuild	15	\$ 16,899	\$ 1,126	\$ 1,314	\$ 15,585	100.0%	\$ 15,585	\$ 1,126	\$ -
Crocus Lift Station	50	\$ 74,910	\$ 1,498	\$ 1,747	\$ 73,163	100.0%	\$ 73,163	\$ 1,498	\$ -
Returbished Flyght Pump	15	\$ 13,768	\$ 1,530	\$ 1,530	\$ 12,238	100.0%	\$ 12,238	\$ 1,530	\$ -
Greensview/Pearmar/Wilma Lift Station	50	\$ 153,526	\$ 2,303	\$ 2,303	\$ 151,223	100.0%	\$ 151,223	\$ 2,303	\$ -
3 Pressure Transducer Sensors for N Logsdon, Oak & Arlington	10	\$ 4,913	\$ 204	\$ 204	\$ 4,709	100.0%	\$ 4,709	\$ 204	\$ -
Subtotal		\$ 27,071,898	\$ 631,384	\$ 13,462,605	\$ 13,609,293				
Sewer Plant Improvements (GL Account: 4.00.35211)									
Improve lighting	7	\$ 6,198	\$ 885	\$ 3,541	\$ 2,657	100.0%	\$ 2,657	\$ 885	\$ -
Landscaping	5	\$ 1,208	\$ 242	\$ 966	\$ 242	100.0%	\$ 242	\$ 242	\$ -
Wastewater Treatment Plant Improvements	50	\$ 95,071	\$ 1,901	\$ 7,605	\$ 87,466	100.0%	\$ 87,466	\$ 1,901	\$ -
Install heater to improve HVAC	7	\$ 1,850	\$ 264	\$ 1,013	\$ 837	100.0%	\$ 837	\$ 264	\$ -
Trojan PLC Equipment & Davit Crane	40	\$ 31,528	\$ 788	\$ 2,693	\$ 28,835	100.0%	\$ 28,835	\$ 788	\$ -
WWTP Painting Project Phase 1	15	\$ 136,258	\$ 9,084	\$ 24,223	\$ 112,035	100.0%	\$ 112,035	\$ 9,084	\$ -
Blacktop Lincoln Trail Lift Station	10	\$ 5,900	\$ 590	\$ 1,327	\$ 4,573	100.0%	\$ 4,573	\$ 590	\$ -
7% of Curbing for Service Center Parking Lot	15	\$ 700	\$ 20	\$ 43	\$ 657	100.0%	\$ 657	\$ 20	\$ -
7% Service Center Parking Lot	10	\$ 2,285	\$ 228	\$ 476	\$ 1,809	100.0%	\$ 1,809	\$ 228	\$ -
WWTP Painting Project Phase 1	15	\$ 15,017	\$ 1,001	\$ 2,002	\$ 13,015	100.0%	\$ 13,015	\$ 1,001	\$ -
F&D Basin Chain Link Fence	20	\$ 26,113	\$ 1,306	\$ 2,611	\$ 23,502	100.0%	\$ 23,502	\$ 1,306	\$ -
Radcliff WWTP Drainage Project	50	\$ 117,772	\$ 2,355	\$ 4,710	\$ 113,062	100.0%	\$ 113,062	\$ 2,355	\$ -
Radcliff WWTP HV Building	50	\$ 13,578	\$ 272	\$ 543	\$ 13,035	100.0%	\$ 13,035	\$ 272	\$ -
Subtotal		\$ 453,479	\$ 18,237	\$ 51,753	\$ 401,726				
Gravity Collection Sewers (GL Account: 4.00.35202)									
Sewer Line Ext B13 & Wilson	50	\$ 63,677	\$ 1,274	\$ 17,192	\$ 46,485	45.4%	\$ 21,118	\$ 579	\$ -
Radmar Force Main-Progress	50	\$ 45,485	\$ 910	\$ 10,461	\$ 35,024	45.4%	\$ 15,912	\$ 413	\$ -
Radmar Force Main Replacement	50	\$ 19,154	\$ 389	\$ 4,085	\$ 15,069	45.4%	\$ 6,982	\$ 177	\$ -
Flm Road Force Main Replacement	50	\$ 84,416	\$ 1,688	\$ 19,593	\$ 64,823	45.4%	\$ 29,450	\$ 767	\$ -
Knov Blvd New Line	50	\$ 10,292	\$ 206	\$ 2,161	\$ 8,131	45.4%	\$ 3,694	\$ 94	\$ -
Thomas Street New Line	50	\$ 10,809	\$ 216	\$ 2,268	\$ 8,532	45.4%	\$ 3,876	\$ 98	\$ -
Novak Sewer Line Replacement	50	\$ 8,000	\$ 160	\$ 2,680	\$ 5,320	45.4%	\$ 2,417	\$ 73	\$ -
S Woodland Dr 1586 Sewer Line Replacement	50	\$ 5,299	\$ 104	\$ 1,742	\$ 3,458	45.4%	\$ 1,571	\$ 47	\$ -
Caroly n St 706 Sewer Line Replacement	50	\$ 6,858	\$ 137	\$ 2,298	\$ 3,560	45.4%	\$ 1,612	\$ 42	\$ -
Hitchewfly Cove L1 3&4 Sewer Line	50	\$ 8,000	\$ 160	\$ 2,680	\$ 5,320	45.4%	\$ 2,417	\$ 73	\$ -
Eagle Pass Sewer Line Replacement	50	\$ 19,000	\$ 380	\$ 4,815	\$ 14,185	45.4%	\$ 6,444	\$ 173	\$ -
Douglas Estates Sewer Line	50	\$ 11,998	\$ 280	\$ 2,588	\$ 11,410	45.4%	\$ 5,180	\$ 127	\$ -

Replace Old Boone Trace F/M Line	50	\$ 421,217	\$ 8,424	\$ 77,924	\$ 343,293	45.4%	\$ 155,962	\$ 3,827	\$ -		\$ -
313/Cowley East Sewer Line Extension	50	\$ 662,177	\$ 13,244	\$ 122,802	\$ 539,675	45.4%	\$ 245,180	\$ 6,017	\$ -		\$ -
313/Cowley East Sewer Line Extension	50	\$ 134,332	\$ 6,687	\$ 33,433	\$ 300,899	45.4%	\$ 136,701	\$ 3,038	\$ -		\$ -
Boone Trace F/M Line Replacement	50	\$ 63,197	\$ 1,264	\$ 6,319	\$ 56,878	45.4%	\$ 25,840	\$ 574	\$ -		\$ -
Bensby Fork Sewer Line	50	\$ 82,160	\$ 1,643	\$ 8,216	\$ 73,944	45.4%	\$ 33,593	\$ 747	\$ -		\$ -
Adena Trace	50	\$ 71,806	\$ 1,436	\$ 5,984	\$ 65,822	45.4%	\$ 29,904	\$ 652	\$ -		\$ -
Emerald Isle	50	\$ 15,727	\$ 315	\$ 1,311	\$ 14,416	45.4%	\$ 6,550	\$ 143	\$ -		\$ -
Clermont Sewer Line	50	\$ 223,799	\$ 4,476	\$ 18,277	\$ 205,522	45.4%	\$ 93,370	\$ 2,033	\$ -		\$ -
A. Arnold Project	50	\$ 113,819	\$ 2,277	\$ 25,107	\$ 288,732	45.4%	\$ 131,174	\$ 2,852	\$ -		\$ -
Sewer Line Replacement - 3 houses on Atcher St	50	\$ 2,800	\$ 56	\$ 224	\$ 2,576	45.4%	\$ 1,170	\$ 25	\$ -		\$ -
Sewer lines installed at Tam MIP	50	\$ 4,020	\$ 80	\$ 321	\$ 3,699	45.4%	\$ 1,689	\$ 37	\$ -		\$ -
Slip lining on S. Atcher St	10	\$ 5,032	\$ 503	\$ 2,013	\$ 3,019	45.4%	\$ 1,372	\$ 229	\$ -		\$ -
Pin Oak Villa Phase 3	50	\$ 12,200	\$ 244	\$ 976	\$ 11,224	45.4%	\$ 5,099	\$ 111	\$ -		\$ -
Mouser 2, 123' gravity sewer main 8 manholes	50	\$ 141,632	\$ 2,833	\$ 9,914	\$ 131,718	45.4%	\$ 59,841	\$ 1,287	\$ -		\$ -
08 HWY 313 Interceptor/A. Arnold Project	50	\$ 5,849	\$ 117	\$ 331	\$ 5,518	45.4%	\$ 2,507	\$ 53	\$ -		\$ -
Bridge Community Church	50	\$ 26,375	\$ 527	\$ 1,319	\$ 25,056	45.4%	\$ 11,383	\$ 240	\$ -		\$ -
Warwick Castle	50	\$ 46,358	\$ 927	\$ 1,932	\$ 44,426	45.4%	\$ 20,183	\$ 421	\$ -		\$ -
Woburn Place Section 1 520' 8" PVC	50	\$ 63,515	\$ 1,270	\$ 2,646	\$ 60,869	45.4%	\$ 27,653	\$ 577	\$ -		\$ -
Lateral CIPP	50	\$ 9,714	\$ 194	\$ 388	\$ 9,326	45.4%	\$ 4,237	\$ 88	\$ -		\$ -
Wilson Rd Main Relocate 182 ft. 8" PVC & 2 Manholes	50	\$ 37,280	\$ 750	\$ 263	\$ 7,257	45.4%	\$ 3,297	\$ 68	\$ -		\$ -
Hilkeest Sewer Main Repair 1,048 ft of line & 4 manholes	50	\$ 124,415	\$ 2,488	\$ 1,527	\$ 55,753	45.4%	\$ 25,129	\$ 520	\$ -		\$ -
Pearman/Wilma Ave 2,311 ft of gravity main & 14 manholes	50	\$ 142,415	\$ 2,848	\$ 37,984	\$ 1,386,431	45.4%	\$ 629,869	\$ 12,942	\$ -		\$ -
Sheltonwoods Phase 2 3942' of main & 12 manholes	50	\$ 170,218	\$ 3,404	\$ 4,255	\$ 165,963	45.4%	\$ 75,398	\$ 1,340	\$ -		\$ -
Arlingtonwoods 5864' of main & 26 manholes	50	\$ 175,438	\$ 3,509	\$ 4,385	\$ 171,053	45.4%	\$ 77,711	\$ 1,394	\$ -		\$ -
Beverly LS Elm 164 ft Main 1 Manhole	50	\$ 21,513	\$ 430	\$ 502	\$ 21,011	45.4%	\$ 9,546	\$ 193	\$ -		\$ -
Elm LS Elm 963 ft of main & 5 manholes	50	\$ 64,658	\$ 1,293	\$ 1,509	\$ 63,149	45.4%	\$ 28,689	\$ 587	\$ -		\$ -
Woods @ Atcher 98' of 8" main & 1 manhole	50	\$ 6,430	\$ 129	\$ 139	\$ 6,300	45.4%	\$ 2,862	\$ 59	\$ -		\$ -
Outdoor Properties 120 ft. of 8" main	50	\$ 9,282	\$ 186	\$ 186	\$ 9,096	45.4%	\$ 4,132	\$ 85	\$ -		\$ -
Radeliff Lateral Lining CIPP	50	\$ 7,559	\$ 138	\$ 138	\$ 7,421	45.4%	\$ 3,371	\$ 63	\$ -		\$ -
Greenview/Pearman/Wilma Matts	50	\$ 314,350	\$ 4,715	\$ 4,715	\$ 309,635	45.4%	\$ 140,670	\$ 2,112	\$ -		\$ -
85 ft of 8" main on Logan St	50	\$ 2,353	\$ 23	\$ 23	\$ 2,330	45.4%	\$ 1,059	\$ 10	\$ -		\$ -
350 LF of 8" DI Pipe for Fredmar Force Main	50	\$ 48,232	\$ -	\$ -	\$ 48,232	45.4%	\$ 21,912	\$ -	\$ -		\$ -
1 Manhole for E2RC Relocation	30	\$ 18,782	\$ -	\$ -	\$ 18,782	45.4%	\$ 8,533	\$ -	\$ -		\$ -
321 LF of 18" PVC for E2RC Relocation	50	\$ 91,262	\$ -	\$ -	\$ 91,262	45.4%	\$ 41,461	\$ -	\$ -		\$ -
Hwy 1500 Phase II Relocation 323 LF of 6" PVC & 727 LF of 8" PVC	50	\$ 45,377	\$ -	\$ -	\$ 45,377	45.4%	\$ 20,615	\$ -	\$ -		\$ -
Hwy 1500 Phase II Relocation	30	\$ 5,989	\$ -	\$ -	\$ 5,989	45.4%	\$ 2,721	\$ -	\$ -		\$ -
Subtotal		\$ 5,271,587	\$ 100,031	\$ 447,326	\$ 4,824,261						\$ -
Other Collection Plant Facilities (GL Account: 4.00.35300)											
Construction Crew Office Building	40	\$ 64,070	\$ 1,602	\$ 50,184	\$ 13,886	100.0%	\$ 13,886	\$ 1,602	\$ -		\$ -
Sludge Holding Tanks Building	40	\$ 85,930	\$ 2,148	\$ 64,738	\$ 21,192	100.0%	\$ 21,192	\$ 2,148	\$ -		\$ -
Subtotal		\$ 150,000	\$ 3,750	\$ 114,922	\$ 35,078						\$ -
Services to Customers (GL Account: 4.00.35400)											
Yard repairs for cleanout installation	7	\$ 3,357	\$ 480	\$ 1,918	\$ 1,439	0.0%	\$ -	\$ -	\$ -		\$ -
Paving for new connection for KNB at Elm Rd	7	\$ 1,150	\$ 164	\$ 657	\$ 493	0.0%	\$ -	\$ -	\$ -		\$ -
22% River Rock/Landscaping at Service Center	7	\$ 1,253	\$ 179	\$ 657	\$ 596	0.0%	\$ -	\$ -	\$ -		\$ -
22% Sewer Line Replacement at Service Center	30	\$ 1,745	\$ 58	\$ 213	\$ 1,532	0.0%	\$ -	\$ -	\$ -		\$ -
22% Sealing & Striping of Parking lot at Service Center	10	\$ 2,384	\$ 238	\$ 814	\$ 1,570	0.0%	\$ -	\$ -	\$ -		\$ -
New Cleanout Installations	7	\$ 1,406	\$ 201	\$ 552	\$ 854	0.0%	\$ -	\$ -	\$ -		\$ -
21% of 3 HVAC Units at Service Center	15	\$ 3,034	\$ 29	\$ 29	\$ 3,005	0.0%	\$ -	\$ -	\$ -		\$ -
Subtotal		\$ 14,328	\$ 1,349	\$ 4,840	\$ 9,488						\$ -
Flow Measuring Devices (GL Account: 4.00.35500)											
Iscro 4501 Pump Meter	10	\$ 3,745	\$ -	\$ 3,745	\$ -	45.4%	\$ -	\$ -	\$ -		\$ -
Iscro 4501 Pump Meter	10	\$ 3,745	\$ -	\$ 3,745	\$ -	45.4%	\$ -	\$ -	\$ -		\$ -
860 H2S 0-5-FPM Monitor	10	\$ 2,410	\$ 241	\$ 904	\$ 1,506	45.4%	\$ 684	\$ 109	\$ -		\$ -
Subtotal		\$ 9,900	\$ 241	\$ 8,394	\$ 1,506						\$ -
Pumping Equipment Electric (GL Account: 4.00.36301)											
Godwin Driprime 4" Pump	10	\$ 28,168	\$ 2,817	\$ 15,492	\$ 12,676	45.4%	\$ 5,759	\$ 1,280	\$ -		\$ -
Control panel for lift station	7	\$ 5,616	\$ 802	\$ 3,209	\$ 2,407	45.4%	\$ 1,093	\$ 364	\$ -		\$ -
Wetwell for Audubon lift station	7	\$ 2,316	\$ 331	\$ 1,323	\$ 993	45.4%	\$ 451	\$ 150	\$ -		\$ -
Pump & Motor for Sludge at Plant	7	\$ 1,987	\$ 284	\$ 1,136	\$ 851	45.4%	\$ 387	\$ 129	\$ -		\$ -
Control Panel for C-Square lift station	7	\$ 6,796	\$ 969	\$ 3,878	\$ 2,908	45.4%	\$ 1,321	\$ 440	\$ -		\$ -
Access Road for Audubon Lift Station	35	\$ 3,573	\$ 102	\$ 383	\$ 3,190	45.4%	\$ 1,449	\$ 46	\$ -		\$ -
3T Portable Hoist	10	\$ 4,444	\$ 444	\$ 1,447	\$ 3,297	45.4%	\$ 1,498	\$ 202	\$ -		\$ -
Greensview/Pearman/Wilma LS Pumps	10	\$ 134,987	\$ 10,124	\$ 10,124	\$ 124,863	45.4%	\$ 56,727	\$ 4,599	\$ -		\$ -
Greensview/Pearman/Wilma LS Control Pumps	7	\$ 24,395	\$ 2,613	\$ 2,613	\$ 21,782	45.4%	\$ 9,896	\$ 1,187	\$ -		\$ -
HWY 313 Pump 3 Replacement	10	\$ 25,758	\$ 859	\$ 859	\$ 24,899	45.4%	\$ 11,312	\$ 390	\$ -		\$ -
313 Lift Station Contractors for Control Panel	7	\$ 1,152	\$ -	\$ -	\$ 1,152	45.4%	\$ 614	\$ -	\$ -		\$ -
Subtotal		\$ 239,382	\$ 19,346	\$ 40,164	\$ 199,218						\$ -
Pumping Equipment Diesel (GL Account: 4.00.36302)											
Portable 6-inch Godwin T Pump	10	\$ 27,810	\$ -	\$ 27,810	\$ -	45.4%	\$ -	\$ -	\$ -		\$ -
Subtotal		\$ 27,810	\$ -	\$ 27,810	\$ -						\$ -
Treatment and Disposal Plant Equipment (GL Account: 4.00.37300)											
Model I, Cini Classifier	10	\$ 34,090	\$ 3,409	\$ 22,490	\$ 12,100	100.0%	\$ 12,100	\$ 3,409	\$ -		\$ -
Ariat Spiral Devast Press	10	\$ 17,000	\$ 1,700	\$ 12,086	\$ 4,914	100.0%	\$ 4,914	\$ 1,700	\$ -		\$ -
Work Equipment	10	\$ 12,217	\$ 1,222	\$ 6,108	\$ 6,109	100.0%	\$ 6,109	\$ 1,222	\$ -		\$ -
Safety Equipment	10	\$ 8,098	\$ 900	\$ 4,499	\$ 4,499	100.0%	\$ 4,499	\$ 900	\$ -		\$ -
Acenter installation	25	\$ 11,615	\$ 463	\$ 1,858	\$ 9,757	100.0%	\$ 9,757	\$ 465	\$ -		\$ -
Hose reel with clamp	7	\$ 2,024	\$ 289	\$ 1,157	\$ 967	100.0%	\$ 967	\$ 289	\$ -		\$ -
Blower & Motor Replacement (never used)	7	\$ 9,024	\$ 1,289	\$ 5,155	\$ 3,869	100.0%	\$ 3,869	\$ 1,289	\$ -		\$ -
Upgrade press-coated stub can silos	7	\$ 7,527	\$ 1,075	\$ 4,302	\$ 3,225	100.0%	\$ 3,225	\$ 1,075	\$ -		\$ -
Upgrade to Sewer Camera	7	\$ 23,509	\$ 3,357	\$ 12,847	\$ 10,662	100.0%	\$ 10,662	\$ 3,357	\$ -		\$ -
Butterfly Valve-EQ Basins #1 & #2	10	\$ 2,070	\$ 207	\$ 799	\$ 1,271	100.0%	\$ 1,271	\$ 207	\$ -		\$ -
Root Cutter w/ ring, assembly 8"-10"	7	\$ 1,843	\$ 263	\$ 724	\$ 1,119	100.0%	\$ 1,119	\$ 263	\$ -		\$ -
32% 4" Camera System	10	\$ 17,164	\$ 1,716	\$ 4,005	\$ 13,159	100.0%	\$ 13,159	\$ 1,716	\$ -		\$ -
50% of Fan Lift Zoom Camera	10	\$ 4,540	\$ 454	\$ 643	\$ 3,897	100.0%	\$ 3,897	\$ 454	\$ -		\$ -
25% Multiump MTN04 Cycle Rammer Compactor	15	\$ 699	\$ 35	\$ 16	\$ 683	100.0%	\$ 683	\$ 35	\$ -		\$ -
25% I Dec 18" Concrete & Asphalt Walk Behind Saw	15	\$ 610	\$ 31	\$ 31	\$ 579	100.0%	\$ 579	\$ 31	\$ -		\$ -
10 ft Baffle for Oxidation Ditch #2	10	\$ 1,400	\$ 81	\$ 81	\$ 1,319	100.0%	\$ 1,319	\$ 81	\$ -		\$ -
8 ft Baffle for Oxidation Ditch #2	10	\$ 1,400	\$ 81	\$ 81	\$ 1,319	100.0%	\$ 1,319	\$ 81	\$ -		\$ -
Filter Cloth Press Conveyor & Belt	10	\$ 17,080	\$ 899	\$ 900	\$ 17,080	100.0%	\$ 17,080	\$ 899	\$ -		\$ -
Amprobe Analyzer	7	\$ 3,105	\$ 148	\$ 148	\$ 2,957	100.0%	\$ 2,957	\$ 148	\$ -		\$ -
Ditch 1 & 2 Oxygen Reduction Sensor	10	\$ 1,012	\$ -	\$ -	\$ 1,012	100.0%	\$ 1,012	\$ -	\$ -		\$ -
Subtotal		\$ 178,327	\$ 17,672	\$ 77,951	\$ 100,376						\$ -
Other Treatment and Disposal Plant Equipment (GL Account: 4.00.37600)											
Plant Gate Chain Link 16x7	20	\$ 7,735	\$ 390	\$ 4,793	\$ 3,002	100.0%	\$ 3,002	\$ 390	\$ -		\$ -
Pressure Transmitter Model 1100	5	\$ 1,017	\$ 203	\$ 503	\$ 421	100.0%	\$ 421	\$ 203	\$ -		\$ -

HCWD1 - Radcliff Utility
PSC Case
Inch-Feet Sewer Mains

Schedule 15

Nominal Diameter	Length in Feet (Known)	% Total	Known % Allocation	Add Unknown	Revised Length in Feet	Revised Inch/Feet	% Total
2	4,046	0.5%	3.7%	8,317	12,363	24,725.23	0.3%
4	14,700	1.9%	13.5%	30,216	44,916	179,664.29	2.5%
6	9,257	1.2%	8.5%	19,028	28,285	169,709.43	2.4%
8	215,984	28.0%		223,601	439,585	3,516,680.00	49.3%
10	33,725	4.4%	31.0%	69,322	103,047	1,030,472.50	14.5%
12	14,993	1.9%	13.8%	30,818	45,811	549,736.07	7.7%
15	4,802	0.6%	4.4%	9,871	14,673	220,088.76	3.1%
16	21,184	2.7%	19.5%	43,544	64,728	1,035,648.55	14.5%
18	2,815	0.4%	2.6%	5,786	8,601	154,822.96	2.2%
21	1,428	0.2%	1.3%	2,935	4,363	91,628.79	1.3%
24	600	0.1%	0.6%	1,233	1,833	43,999.42	0.6%
30	1,231	0.2%	1.1%	2,530	3,761	112,840.18	1.6%
Unknown (assume 8")	447,202	57.9%					
Total	771,967	100%		447,202	771,967	7,130,016	100%
Unknown Sewer Mains							
Allocated to 8-inch	50.0%	223,601					
Allocated to all other	50.0%	223,601					

Collection System - 8-inches and below	54.6%
Conveyance System - 10-inches and above	45.4%
	100.0%

	Current Hourly Rate	Hours per Week	2012			% Capitalized	Net O&M	Allocation to Radcliff Utility	
			Test Year (1)	Adjustments	Rate Year			% Allocation	\$ Allocation
Salaries & Wages									
Accountant	\$ 22.14	40	\$ 46,051	\$ 1,382	\$ 47,433	25.0%	\$ 35,575	35.0%	\$ 12,451
PT Salaries	\$ -	40	\$ 41,028	\$ 1,231	\$ 42,259	0.0%	\$ 42,259	28.0%	\$ 11,832
Accounting Specialist	\$ 18.57	40	\$ 38,626	\$ 1,159	\$ 39,784	25.0%	\$ 29,838	25.0%	\$ 7,460
Project Coordinator	\$ 22.37	40	\$ 46,530	\$ 1,396	\$ 47,925	33.0%	\$ 32,110	31.0%	\$ 9,954
General Manager	\$ 49.68	40	\$ 103,334	\$ 21,674	\$ 125,008	20.0%	\$ 100,006	25.0%	\$ 25,002
Finance & Accounting Manager	\$ 32.89	40	\$ 68,411	\$ 2,052	\$ 70,464	25.0%	\$ 52,848	25.0%	\$ 13,212
Engineering Manager	\$ 33.21	40	\$ 69,077	\$ 2,072	\$ 71,149	100.0%	\$ -	19.8%	\$ -
Executive Assistant	\$ 18.74	40	\$ 38,979	\$ 1,169	\$ 40,149	0.0%	\$ 40,149	32.0%	\$ 12,848
Operations Manager	\$ 34.51	40	\$ 71,781	\$ 2,153	\$ 73,934	50.0%	\$ 36,967	15.0%	\$ 5,545
WQ / Measurement Specialist	\$ 27.46	40	\$ 57,117	\$ 1,714	\$ 58,830	0.0%	\$ 58,830	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ 25.38	40	\$ 52,790	\$ 1,584	\$ 54,374	50.0%	\$ 27,187	42.5%	\$ 11,554
Overtime									
Accountant			\$ -	\$ -	\$ -	25.0%	\$ -	35.0%	\$ -
PT Salaries			\$ -	\$ -	\$ -	0.0%	\$ -	28.0%	\$ -
Accounting Specialist			\$ 464	\$ 14	\$ 478	25.0%	\$ 358	25.0%	\$ 90
Project Coordinator			\$ -	\$ -	\$ -	33.0%	\$ -	31.0%	\$ -
General Manager			\$ -	\$ -	\$ -	20.0%	\$ -	25.0%	\$ -
Finance & Accounting Manager			\$ -	\$ -	\$ -	25.0%	\$ -	25.0%	\$ -
Engineering Manager			\$ -	\$ -	\$ -	100.0%	\$ -	19.8%	\$ -
Executive Assistant			\$ 468	\$ 14	\$ 482	0.0%	\$ 482	32.0%	\$ 154
Operations Manager			\$ -	\$ -	\$ -	50.0%	\$ -	15.0%	\$ -
WQ / Measurement Specialist			\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Dist. System GIS/Planning Specialist			\$ -	\$ -	\$ -	50.0%	\$ -	42.5%	\$ -
Health									
Accountant			\$ 6,535	\$ -	\$ 6,535	25.0%	\$ 4,901	35.0%	\$ 1,715
PT Salaries			\$ -	\$ -	\$ -	0.0%	\$ -	28.0%	\$ -
Accounting Specialist			\$ 6,535	\$ -	\$ 6,535	25.0%	\$ 4,901	25.0%	\$ 1,225
Project Coordinator			\$ 6,535	\$ -	\$ 6,535	33.0%	\$ 4,378	31.0%	\$ 1,357
General Manager			\$ 8,598	\$ 3,893	\$ 12,491	20.0%	\$ 9,993	25.0%	\$ 2,498
Finance & Accounting Manager			\$ 4,488	\$ -	\$ 4,488	25.0%	\$ 3,366	25.0%	\$ 842
Engineering Manager			\$ 4,488	\$ -	\$ 4,488	100.0%	\$ -	19.8%	\$ -
Executive Assistant			\$ 4,488	\$ -	\$ 4,488	0.0%	\$ 4,488	32.0%	\$ 1,436
Operations Manager			\$ 6,535	\$ -	\$ 6,535	50.0%	\$ 3,268	15.0%	\$ 490
WQ / Measurement Specialist			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	0.0%	\$ -
Dist. System GIS/Planning Specialist			\$ 6,535	\$ -	\$ 6,535	50.0%	\$ 3,268	42.5%	\$ 1,389
W_Comp									
Accountant			\$ 74	\$ -	\$ 74	25.0%	\$ 56	35.0%	\$ 19
PT Salaries			\$ -	\$ -	\$ -	0.0%	\$ -	28.0%	\$ -
Accounting Specialist			\$ 62	\$ -	\$ 62	25.0%	\$ 47	25.0%	\$ 12
Project Coordinator			\$ 74	\$ -	\$ 74	33.0%	\$ 50	31.0%	\$ 15
General Manager			\$ 200	\$ -	\$ 200	20.0%	\$ 160	25.0%	\$ 40
Finance & Accounting Manager			\$ 109	\$ -	\$ 109	25.0%	\$ 82	25.0%	\$ 20
Engineering Manager			\$ 318	\$ -	\$ 318	100.0%	\$ -	19.8%	\$ -
Executive Assistant			\$ 62	\$ -	\$ 62	0.0%	\$ 62	32.0%	\$ 20
Operations Manager			\$ 330	\$ -	\$ 330	50.0%	\$ 165	15.0%	\$ 25
WQ / Measurement Specialist			\$ 1,057	\$ -	\$ 1,057	0.0%	\$ 1,057	0.0%	\$ -
Dist. System GIS/Planning Specialist			\$ 84	\$ -	\$ 84	50.0%	\$ 42	42.5%	\$ 18
Dental & Vision									
Accountant			\$ 372	\$ -	\$ 372	25.0%	\$ 279	35.0%	\$ 98
PT Salaries			\$ -	\$ -	\$ -	0.0%	\$ -	28.0%	\$ -
Accounting Specialist			\$ 372	\$ -	\$ 372	25.0%	\$ 279	25.0%	\$ 70
Project Coordinator			\$ 372	\$ -	\$ 372	33.0%	\$ 249	31.0%	\$ 77
General Manager			\$ 372	\$ -	\$ 372	20.0%	\$ 298	25.0%	\$ 74
Finance & Accounting Manager			\$ 288	\$ -	\$ 288	25.0%	\$ 216	25.0%	\$ 54
Engineering Manager			\$ 288	\$ -	\$ 288	100.0%	\$ -	19.8%	\$ -
Executive Assistant			\$ 372	\$ -	\$ 372	0.0%	\$ 372	32.0%	\$ 119
Operations Manager			\$ 372	\$ -	\$ 372	50.0%	\$ 186	15.0%	\$ 28
WQ / Measurement Specialist			\$ 372	\$ -	\$ 372	0.0%	\$ 372	0.0%	\$ -
Dist. System GIS/Planning Specialist			\$ 372	\$ -	\$ 372	50.0%	\$ 186	42.5%	\$ 79
Life & LTD									
Accountant			\$ 519	\$ -	\$ 519	25.0%	\$ 389	35.0%	\$ 136
PT Salaries			\$ -	\$ -	\$ -	0.0%	\$ -	28.0%	\$ -
Accounting Specialist			\$ 437	\$ -	\$ 437	25.0%	\$ 328	25.0%	\$ 82
Project Coordinator			\$ 529	\$ -	\$ 529	33.0%	\$ 354	31.0%	\$ 110
General Manager			\$ 1,176	\$ -	\$ 1,176	20.0%	\$ 941	25.0%	\$ 235
Finance & Accounting Manager			\$ 774	\$ -	\$ 774	25.0%	\$ 581	25.0%	\$ 145
Engineering Manager			\$ 779	\$ -	\$ 779	100.0%	\$ -	19.8%	\$ -
Executive Assistant			\$ 441	\$ -	\$ 441	0.0%	\$ 441	32.0%	\$ 141
Operations Manager			\$ 812	\$ -	\$ 812	50.0%	\$ 406	15.0%	\$ 61
WQ / Measurement Specialist			\$ 646	\$ -	\$ 646	0.0%	\$ 646	0.0%	\$ -
Dist. System GIS/Planning Specialist			\$ 595	\$ -	\$ 595	50.0%	\$ 298	42.5%	\$ 126

OASDI

Accountant	\$ 3,523	\$ 106	\$ 3,629	25.0%	\$ 2,721	35.0%	\$ 953
PT Salaries	\$ 3,139	\$ 94	\$ 3,233	0.0%	\$ 3,233	28.0%	\$ 905
Accounting Specialist	\$ 2,990	\$ 90	\$ 3,080	25.0%	\$ 2,310	25.0%	\$ 578
Project Coordinator	\$ 3,560	\$ 107	\$ 3,666	33.0%	\$ 2,456	31.0%	\$ 761
General Manager	\$ 7,905	\$ 1,658	\$ 9,563	20.0%	\$ 7,650	25.0%	\$ 1,913
Finance & Accounting Manager	\$ 5,233	\$ 157	\$ 5,390	25.0%	\$ 4,043	25.0%	\$ 1,011
Engineering Manager	\$ 5,284	\$ 159	\$ 5,443	100.0%	\$ -	19.8%	\$ -
Executive Assistant	\$ 3,018	\$ 91	\$ 3,108	0.0%	\$ 3,108	32.0%	\$ 995
Operations Manager	\$ 5,491	\$ 165	\$ 5,656	50.0%	\$ 2,828	15.0%	\$ 424
WQ / Measurement Specialist	\$ 4,369	\$ 131	\$ 4,501	0.0%	\$ 4,501	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ 4,038	\$ 121	\$ 4,160	50.0%	\$ 2,080	42.5%	\$ 884

Pension

Accountant	\$ 9,003	\$ 144	\$ 9,147	25.0%	\$ 6,860	35.0%	\$ 2,401
PT Salaries	\$ -	\$ -	\$ -	0.0%	\$ -	28.0%	\$ -
Accounting Specialist	\$ 7,642	\$ 122	\$ 7,764	25.0%	\$ 5,823	25.0%	\$ 1,456
Project Coordinator	\$ 9,097	\$ 146	\$ 9,242	33.0%	\$ 6,192	31.0%	\$ 1,920
General Manager	\$ 20,202	\$ 4,737	\$ 24,939	20.0%	\$ 19,951	25.0%	\$ 4,988
Finance & Accounting Manager	\$ 13,374	\$ 214	\$ 13,588	25.0%	\$ 10,191	25.0%	\$ 2,548
Engineering Manager	\$ 13,505	\$ 216	\$ 13,721	100.0%	\$ -	19.8%	\$ -
Executive Assistant	\$ 7,712	\$ 123	\$ 7,835	0.0%	\$ 7,835	32.0%	\$ 2,507
Operations Manager	\$ 14,033	\$ 225	\$ 14,258	50.0%	\$ 7,129	15.0%	\$ 1,069
WQ / Measurement Specialist	\$ 11,166	\$ 179	\$ 11,345	0.0%	\$ 11,345	0.0%	\$ -
Dist. System GIS/Planning Specialist	\$ 10,321	\$ 165	\$ 10,486	50.0%	\$ 5,243	42.5%	\$ 2,228

Total Administration

\$ 873,163	\$ 50,655	\$ 923,818	\$ 625,747	\$ 150,399
	\$ 12,175			24.0%

Allocated to Rutchiff

	Current Hourly Rate	Hours per Week	2012			Allocation to Radcliff Utility				
			Test Year (1)	Adjustments	Rate Year	% Capitalized	Net O&M	% Allocation	\$ Allocation	
Salaries and Wages										
Commissioner	\$ 57.69	2	\$ 6,000	\$ -	\$ 6,000	0.0%	\$ 6,000	32.0%	\$ 1,920	
Commissioner	\$ 59.62	2	\$ 6,200	\$ -	\$ 6,200	0.0%	\$ 6,200	32.0%	\$ 1,984	
Commissioner	\$ 57.69	2	\$ 6,000	\$ -	\$ 6,000	0.0%	\$ 6,000	32.0%	\$ 1,920	
Commissioner	\$ 57.69	2	\$ 6,000	\$ -	\$ 6,000	0.0%	\$ 6,000	32.0%	\$ 1,920	
Commissioner	\$ 57.69	2	\$ 6,000	\$ -	\$ 6,000	0.0%	\$ 6,000	32.0%	\$ 1,920	
Overtime										
Commissioner			\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -	
Commissioner			\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -	
Commissioner			\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -	
Commissioner			\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -	
Commissioner			\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -	
Health										
Commissioner			\$ 1,680	\$ -	\$ 1,680	0.0%	\$ 1,680	32.0%	\$ 538	
Commissioner			\$ 10,636	\$ -	\$ 10,636	0.0%	\$ 10,636	32.0%	\$ 3,404	
Commissioner			\$ 1,680	\$ -	\$ 1,680	0.0%	\$ 1,680	32.0%	\$ 538	
Commissioner			\$ 1,680	\$ -	\$ 1,680	0.0%	\$ 1,680	32.0%	\$ 538	
Commissioner			\$ 10,636	\$ -	\$ 10,636	0.0%	\$ 10,636	32.0%	\$ 3,404	
W_Comp										
Commissioner			\$ 10	\$ -	\$ 10	0.0%	\$ 10	32.0%	\$ 3	
Commissioner			\$ 10	\$ -	\$ 10	0.0%	\$ 10	32.0%	\$ 3	
Commissioner			\$ 10	\$ -	\$ 10	0.0%	\$ 10	32.0%	\$ 3	
Commissioner			\$ 10	\$ -	\$ 10	0.0%	\$ 10	32.0%	\$ 3	
Commissioner			\$ 10	\$ -	\$ 10	0.0%	\$ 10	32.0%	\$ 3	
Dental & Vision										
Commissioner			\$ 372	\$ -	\$ 372	0.0%	\$ 372	32.0%	\$ 119	
Commissioner			\$ 372	\$ -	\$ 372	0.0%	\$ 372	32.0%	\$ 119	
Commissioner			\$ 372	\$ -	\$ 372	0.0%	\$ 372	32.0%	\$ 119	
Commissioner			\$ 372	\$ -	\$ 372	0.0%	\$ 372	32.0%	\$ 119	
Commissioner			\$ 372	\$ -	\$ 372	0.0%	\$ 372	32.0%	\$ 119	
Life & LTD										
Commissioner			\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -	
Commissioner			\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -	
Commissioner			\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -	
Commissioner			\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -	
Commissioner			\$ -	\$ -	\$ -	0.0%	\$ -	32.0%	\$ -	
OASDI										
Commissioner			\$ 459	\$ 14	\$ 473	0.0%	\$ 473	32.0%	\$ 151	
Commissioner			\$ 474	\$ 14	\$ 489	0.0%	\$ 489	32.0%	\$ 156	
Commissioner			\$ 459	\$ 14	\$ 473	0.0%	\$ 473	32.0%	\$ 151	
Commissioner			\$ 459	\$ 14	\$ 473	0.0%	\$ 473	32.0%	\$ 151	
Commissioner			\$ 459	\$ 14	\$ 473	0.0%	\$ 473	32.0%	\$ 151	
Pension										
Commissioner			\$ 1,173	\$ 19	\$ 1,192	0.0%	\$ 1,192	32.0%	\$ 381	
Commissioner			\$ 1,212	\$ 19	\$ 1,231	0.0%	\$ 1,231	32.0%	\$ 394	
Commissioner			\$ 1,173	\$ 19	\$ 1,192	0.0%	\$ 1,192	32.0%	\$ 381	
Commissioner			\$ 1,173	\$ 19	\$ 1,192	0.0%	\$ 1,192	32.0%	\$ 381	
Commissioner			\$ 1,173	\$ 19	\$ 1,192	0.0%	\$ 1,192	32.0%	\$ 381	
Total Commissioners			\$ 66,636	\$ 164	\$ 66,800		\$ 66,800		\$ 21,376	
				\$ 52					\$ 32.0%	
			<i>Allocated to Radcliff</i>							

HCWD1 - Radcliff Utility
PSC Case
Customer Service

Schedule 16c

	Current Hourly Rate	Hours per Week	2012				Allocation to Radcliff Utility		
			Test Year (1)	Adjustments	Rate Year	% Capitalized	Net O&M	% Allocation	\$ Allocation
Salaries and Wages									
Customer Service Representative	\$ 16.42	40	\$ 34,154	\$ 1,025	\$ 35,178	0.0%	\$ 35,178	47.0%	\$ 16,534
Customer Service Manager	\$ 29.52	40	\$ 61,402	\$ 1,842	\$ 63,244	0.0%	\$ 63,244	47.0%	\$ 29,725
Customer Service Representative (Vacant)	\$ 11.25	40	\$ 11,700	\$ 351	\$ 12,051	0.0%	\$ 12,051	46.0%	\$ 5,543
Customer Service Representative	\$ 13.89	40	\$ 28,891	\$ 867	\$ 29,758	0.0%	\$ 29,758	47.0%	\$ 13,986
Customer Service Representative	\$ 17.04	40	\$ 35,443	\$ 1,063	\$ 36,506	0.0%	\$ 36,506	47.0%	\$ 17,158
Customer Service Representative	\$ 14.67	40	\$ 30,514	\$ 915	\$ 31,429	0.0%	\$ 31,429	47.0%	\$ 14,772
Utility Billing Specialist	\$ 19.36	40	\$ 40,269	\$ 1,208	\$ 41,477	0.0%	\$ 41,477	46.0%	\$ 19,079
Overtime									
Customer Service Representative			\$ 171	\$ 5	\$ 176	0.0%	\$ 176	47.0%	\$ 83
Customer Service Manager			\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative (Vacant)			\$ -	\$ -	\$ -	0.0%	\$ -	46.0%	\$ -
Customer Service Representative			\$ 144	\$ 4	\$ 148	0.0%	\$ 148	47.0%	\$ 70
Customer Service Representative			\$ 177	\$ 5	\$ 182	0.0%	\$ 182	47.0%	\$ 86
Customer Service Representative			\$ 153	\$ 5	\$ 158	0.0%	\$ 158	47.0%	\$ 74
Utility Billing Specialist			\$ 201	\$ 6	\$ 207	0.0%	\$ 207	46.0%	\$ 95
Health									
Customer Service Representative			\$ 4,488	\$ -	\$ 4,488	0.0%	\$ 4,488	47.0%	\$ 2,109
Customer Service Manager			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	47.0%	\$ 3,071
Customer Service Representative (Vacant)			\$ -	\$ -	\$ -	0.0%	\$ -	46.0%	\$ -
Customer Service Representative			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	47.0%	\$ 3,071
Customer Service Representative			\$ 4,488	\$ -	\$ 4,488	0.0%	\$ 4,488	47.0%	\$ 2,109
Customer Service Representative			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	47.0%	\$ 3,071
Utility Billing Specialist			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	46.0%	\$ 3,006
W_Comp									
Customer Service Representative			\$ 55	\$ -	\$ 55	0.0%	\$ 55	47.0%	\$ 26
Customer Service Manager			\$ 104	\$ -	\$ 104	0.0%	\$ 104	47.0%	\$ 49
Customer Service Representative (Vacant)			\$ 19	\$ -	\$ 19	0.0%	\$ 19	46.0%	\$ 9
Customer Service Representative			\$ 46	\$ -	\$ 46	0.0%	\$ 46	47.0%	\$ 22
Customer Service Representative			\$ 57	\$ -	\$ 57	0.0%	\$ 57	47.0%	\$ 27
Customer Service Representative			\$ 49	\$ -	\$ 49	0.0%	\$ 49	47.0%	\$ 23
Utility Billing Specialist			\$ 64	\$ -	\$ 64	0.0%	\$ 64	46.0%	\$ 29
Dental & Vision									
Customer Service Representative			\$ 373	\$ -	\$ 373	0.0%	\$ 373	47.0%	\$ 175
Customer Service Manager			\$ 373	\$ -	\$ 373	0.0%	\$ 373	47.0%	\$ 175
Customer Service Representative (Vacant)			\$ -	\$ -	\$ -	0.0%	\$ -	46.0%	\$ -
Customer Service Representative			\$ 373	\$ -	\$ 373	0.0%	\$ 373	47.0%	\$ 175
Customer Service Representative			\$ -	\$ -	\$ -	0.0%	\$ -	47.0%	\$ -
Customer Service Representative			\$ 373	\$ -	\$ 373	0.0%	\$ 373	47.0%	\$ 175
Utility Billing Specialist			\$ 373	\$ -	\$ 373	0.0%	\$ 373	46.0%	\$ 172
Life & LTD									
Customer Service Representative			\$ 429	\$ -	\$ 429	0.0%	\$ 429	47.0%	\$ 202
Customer Service Manager			\$ 771	\$ -	\$ 771	0.0%	\$ 771	47.0%	\$ 362
Customer Service Representative (Vacant)			\$ -	\$ -	\$ -	0.0%	\$ -	46.0%	\$ -
Customer Service Representative			\$ 363	\$ -	\$ 363	0.0%	\$ 363	47.0%	\$ 171
Customer Service Representative			\$ 446	\$ -	\$ 446	0.0%	\$ 446	47.0%	\$ 210
Customer Service Representative			\$ 383	\$ -	\$ 383	0.0%	\$ 383	47.0%	\$ 180
Utility Billing Specialist			\$ 505	\$ -	\$ 505	0.0%	\$ 505	46.0%	\$ 232
OASDI									
Customer Service Representative			\$ 2,626	\$ 79	\$ 2,705	0.0%	\$ 2,705	47.0%	\$ 1,271
Customer Service Manager			\$ 4,697	\$ 141	\$ 4,838	0.0%	\$ 4,838	47.0%	\$ 2,274
Customer Service Representative (Vacant)			\$ 895	\$ 27	\$ 922	0.0%	\$ 922	46.0%	\$ 424
Customer Service Representative			\$ 2,221	\$ 67	\$ 2,288	0.0%	\$ 2,288	47.0%	\$ 1,075
Customer Service Representative			\$ 2,725	\$ 82	\$ 2,807	0.0%	\$ 2,807	47.0%	\$ 1,319
Customer Service Representative			\$ 2,346	\$ 70	\$ 2,416	0.0%	\$ 2,416	47.0%	\$ 1,136
Utility Billing Specialist			\$ 3,096	\$ 93	\$ 3,189	0.0%	\$ 3,189	46.0%	\$ 1,467
Pension									
Customer Service Representative			\$ 6,710	\$ 107	\$ 6,818	0.0%	\$ 6,818	47.0%	\$ 3,204
Customer Service Manager			\$ 12,004	\$ 192	\$ 12,196	0.0%	\$ 12,196	47.0%	\$ 5,732
Customer Service Representative (Vacant)			\$ -	\$ -	\$ -	0.0%	\$ -	46.0%	\$ -
Customer Service Representative			\$ 5,676	\$ 91	\$ 5,767	0.0%	\$ 5,767	47.0%	\$ 2,711
Customer Service Representative			\$ 6,964	\$ 111	\$ 7,075	0.0%	\$ 7,075	47.0%	\$ 3,325
Customer Service Representative			\$ 5,995	\$ 96	\$ 6,091	0.0%	\$ 6,091	47.0%	\$ 2,863
Utility Billing Specialist			\$ 7,912	\$ 127	\$ 8,038	0.0%	\$ 8,038	46.0%	\$ 3,698
Total Customer Service			\$ 347,358	\$ 8,579	\$ 355,937		\$ 355,937		\$ 166,557
				\$ 4,014					\$ 46,876
			<i>Allocated to Radcliff</i>						

	Current Hourly Rate	Hours per Week	2012				Allocation to Radcliff Utility		
			Test Year (1)	Adjustments	Rate Year	% Capitalized	Net O&M	% Allocation	\$ Allocation
Salaries and Wages									
Distribution Operator - III	\$ 17.60	40	\$ 36,608	\$ 1,098	\$ 37,706	0.0%	\$ 37,706	47.0%	\$ 17,722
Distribution Operator - I or II	\$ 14.39	40	\$ 29,931	\$ 898	\$ 30,829	0.0%	\$ 30,829	47.0%	\$ 14,490
Distribution Operator - I or II	\$ 18.21	40	\$ 37,877	\$ 1,136	\$ 39,013	0.0%	\$ 39,013	47.0%	\$ 18,336
Distribution Operator - I	\$ 17.38	40	\$ 36,150	\$ 1,085	\$ 37,235	40.0%	\$ 22,341	0.0%	\$ -
Distribution Operator - I	\$ 13.97	40	\$ 29,058	\$ 872	\$ 29,929	0.0%	\$ 29,929	0.0%	\$ -
Distribution Operator - III	\$ 17.30	40	\$ 35,984	\$ 1,080	\$ 37,064	0.0%	\$ 37,064	0.0%	\$ -
Heavy Equipment Operator - IVD	\$ -	40	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Distribution Operator - I or II	\$ 19.70	40	\$ 40,976	\$ 1,229	\$ 42,205	0.0%	\$ 42,205	0.0%	\$ -
Distribution Operator - I or II	\$ 17.07	40	\$ 35,506	\$ 1,065	\$ 36,571	0.0%	\$ 36,571	47.0%	\$ 17,188
Distribution Operator - I or II	\$ 13.43	40	\$ 27,934	\$ 838	\$ 28,772	0.0%	\$ 28,772	47.0%	\$ 13,523
Distribution Operator - I or II	\$ 15.37	40	\$ 31,970	\$ 959	\$ 32,929	0.0%	\$ 32,929	0.0%	\$ -
Distribution Supervisor	\$ 28.39	40	\$ 59,051	\$ 1,772	\$ 60,823	0.0%	\$ 60,823	1.5%	\$ 912
TEMP Summer Help	\$ 9.80	40	\$ 4,951	\$ 149	\$ 5,100	0.0%	\$ 5,100	0.0%	\$ -
Overtime									
Distribution Operator - III			\$ 2,306	\$ 69	\$ 2,375	0.0%	\$ 2,375	47.0%	\$ 1,116
Distribution Operator - I or II			\$ 1,886	\$ 57	\$ 1,943	0.0%	\$ 1,943	47.0%	\$ 913
Distribution Operator - I or II			\$ 2,386	\$ 72	\$ 2,458	0.0%	\$ 2,458	47.0%	\$ 1,155
Distribution Operator - I			\$ 2,277	\$ 68	\$ 2,345	40.0%	\$ 1,407	0.0%	\$ -
Distribution Operator - I			\$ 1,831	\$ 55	\$ 1,886	0.0%	\$ 1,886	0.0%	\$ -
Distribution Operator - III			\$ 2,267	\$ 68	\$ 2,335	0.0%	\$ 2,335	0.0%	\$ -
Heavy Equipment Operator - IVD			\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Distribution Operator - I or II			\$ 2,581	\$ 77	\$ 2,658	0.0%	\$ 2,658	0.0%	\$ -
Distribution Operator - I or II			\$ 2,237	\$ 67	\$ 2,304	0.0%	\$ 2,304	47.0%	\$ 1,083
Distribution Operator - I or II			\$ 1,760	\$ 53	\$ 1,813	0.0%	\$ 1,813	47.0%	\$ 852
Distribution Operator - I or II			\$ 2,014	\$ 60	\$ 2,074	0.0%	\$ 2,074	0.0%	\$ -
Distribution Supervisor			\$ -	\$ -	\$ -	0.0%	\$ -	1.5%	\$ -
TEMP Summer Help			\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Health									
Distribution Operator - III			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	47.0%	\$ 3,071
Distribution Operator - I or II			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	47.0%	\$ 3,071
Distribution Operator - I or II			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	47.0%	\$ 3,071
Distribution Operator - I			\$ 6,535	\$ -	\$ 6,535	40.0%	\$ 3,921	0.0%	\$ -
Distribution Operator - I			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	0.0%	\$ -
Distribution Operator - III			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	0.0%	\$ -
Heavy Equipment Operator - IVD			\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Distribution Operator - I or II			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	0.0%	\$ -
Distribution Operator - I or II			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	47.0%	\$ 3,071
Distribution Operator - I or II			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	47.0%	\$ 3,071
Distribution Operator - I or II			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	0.0%	\$ -
Distribution Supervisor			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	1.5%	\$ 98
TEMP Summer Help			\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
W_Comp									
Distribution Operator - III			\$ 660	\$ -	\$ 660	0.0%	\$ 660	47.0%	\$ 310
Distribution Operator - I or II			\$ 538	\$ -	\$ 538	0.0%	\$ 538	47.0%	\$ 253
Distribution Operator - I or II			\$ 675	\$ -	\$ 675	0.0%	\$ 675	47.0%	\$ 317
Distribution Operator - I			\$ 651	\$ -	\$ 651	40.0%	\$ 391	0.0%	\$ -
Distribution Operator - I			\$ 519	\$ -	\$ 519	0.0%	\$ 519	0.0%	\$ -
Distribution Operator - III			\$ 666	\$ -	\$ 666	0.0%	\$ 666	0.0%	\$ -
Heavy Equipment Operator - IVD			\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Distribution Operator - I or II			\$ 720	\$ -	\$ 720	0.0%	\$ 720	0.0%	\$ -
Distribution Operator - I or II			\$ 641	\$ -	\$ 641	0.0%	\$ 641	47.0%	\$ 301
Distribution Operator - I or II			\$ 500	\$ -	\$ 500	0.0%	\$ 500	47.0%	\$ 235
Distribution Operator - I or II			\$ 573	\$ -	\$ 573	0.0%	\$ 573	0.0%	\$ -
Distribution Supervisor			\$ 1,059	\$ -	\$ 1,059	0.0%	\$ 1,059	1.5%	\$ 16
TEMP Summer Help			\$ 92	\$ -	\$ 92	0.0%	\$ 92	0.0%	\$ -
Dental & Vision									
Distribution Operator - III			\$ 372	\$ -	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Distribution Operator - I or II			\$ 372	\$ -	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Distribution Operator - I or II			\$ 372	\$ -	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Distribution Operator - I			\$ 372	\$ -	\$ 372	40.0%	\$ 223	0.0%	\$ -
Distribution Operator - I			\$ 372	\$ -	\$ 372	0.0%	\$ 372	0.0%	\$ -
Distribution Operator - III			\$ 372	\$ -	\$ 372	0.0%	\$ 372	0.0%	\$ -
Heavy Equipment Operator - IVD			\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Distribution Operator - I or II			\$ 372	\$ -	\$ 372	0.0%	\$ 372	0.0%	\$ -
Distribution Operator - I or II			\$ 372	\$ -	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Distribution Operator - I or II			\$ 372	\$ -	\$ 372	0.0%	\$ 372	47.0%	\$ 175
Distribution Operator - I or II			\$ 372	\$ -	\$ 372	0.0%	\$ 372	0.0%	\$ -
Distribution Supervisor			\$ 372	\$ -	\$ 372	0.0%	\$ 372	1.5%	\$ 6
TEMP Summer Help			\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Life & LTD									
Distribution Operator - III			\$ 417	\$ -	\$ 417	0.0%	\$ 417	47.0%	\$ 196
Distribution Operator - I or II			\$ 340	\$ -	\$ 340	0.0%	\$ 340	47.0%	\$ 160
Distribution Operator - I or II			\$ 425	\$ -	\$ 425	0.0%	\$ 425	47.0%	\$ 200
Distribution Operator - I			\$ 410	\$ -	\$ 410	40.0%	\$ 246	0.0%	\$ -
Distribution Operator - I			\$ 328	\$ -	\$ 328	0.0%	\$ 328	0.0%	\$ -
Distribution Operator - III			\$ 418	\$ -	\$ 418	0.0%	\$ 418	0.0%	\$ -
Heavy Equipment Operator - IVD			\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Distribution Operator - I or II			\$ 453	\$ -	\$ 453	0.0%	\$ 453	0.0%	\$ -

Distribution Operator - I or II	\$ 403	\$ -	\$ 403	0.0%	\$ 403	47.0%	\$ 189
Distribution Operator - I or II	\$ 316	\$ -	\$ 316	0.0%	\$ 316	47.0%	\$ 149
Distribution Operator - I or II	\$ 360	\$ -	\$ 360	0.0%	\$ 360	0.0%	\$ -
Distribution Supervisor	\$ 666	\$ -	\$ 666	0.0%	\$ 666	1.5%	\$ 10
TEMP Summer Help	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
OASDI							
Distribution Operator - III	\$ 2,977	\$ 89	\$ 3,066	0.0%	\$ 3,066	47.0%	\$ 1,441
Distribution Operator - I or II	\$ 2,434	\$ 73	\$ 2,507	0.0%	\$ 2,507	47.0%	\$ 1,178
Distribution Operator - I or II	\$ 3,080	\$ 92	\$ 3,173	0.0%	\$ 3,173	47.0%	\$ 1,491
Distribution Operator - I	\$ 2,940	\$ 88	\$ 3,028	40.0%	\$ 1,817	0.0%	\$ -
Distribution Operator - I	\$ 2,363	\$ 71	\$ 2,434	0.0%	\$ 2,434	0.0%	\$ -
Distribution Operator - III	\$ 2,926	\$ 88	\$ 3,014	0.0%	\$ 3,014	0.0%	\$ -
Heavy Equipment Operator - IVD	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Distribution Operator - I or II	\$ 3,332	\$ 100	\$ 3,432	0.0%	\$ 3,432	0.0%	\$ -
Distribution Operator - I or II	\$ 2,887	\$ 87	\$ 2,974	0.0%	\$ 2,974	47.0%	\$ 1,398
Distribution Operator - I or II	\$ 2,272	\$ 68	\$ 2,340	0.0%	\$ 2,340	47.0%	\$ 1,100
Distribution Operator - I or II	\$ 2,600	\$ 78	\$ 2,678	0.0%	\$ 2,678	0.0%	\$ -
Distribution Supervisor	\$ 4,517	\$ 136	\$ 4,653	0.0%	\$ 4,653	1.5%	\$ 70
TEMP Summer Help	\$ 379	\$ 11	\$ 390	0.0%	\$ 390	0.0%	\$ -
Pension							
Distribution Operator - III	\$ 7,608	\$ 122	\$ 7,730	0.0%	\$ 7,730	47.0%	\$ 3,633
Distribution Operator - I or II	\$ 6,220	\$ 100	\$ 6,320	0.0%	\$ 6,320	47.0%	\$ 2,970
Distribution Operator - I or II	\$ 7,871	\$ 126	\$ 7,997	0.0%	\$ 7,997	47.0%	\$ 3,759
Distribution Operator - I	\$ 7,513	\$ 120	\$ 7,633	40.0%	\$ 4,580	0.0%	\$ -
Distribution Operator - I	\$ 6,039	\$ 97	\$ 6,136	0.0%	\$ 6,136	0.0%	\$ -
Distribution Operator - III	\$ 7,478	\$ 120	\$ 7,598	0.0%	\$ 7,598	0.0%	\$ -
Heavy Equipment Operator - IVD	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%	\$ -
Distribution Operator - I or II	\$ 8,515	\$ 136	\$ 8,652	0.0%	\$ 8,652	0.0%	\$ -
Distribution Operator - I or II	\$ 7,379	\$ 118	\$ 7,497	0.0%	\$ 7,497	47.0%	\$ 3,523
Distribution Operator - I or II	\$ 5,805	\$ 93	\$ 5,898	0.0%	\$ 5,898	47.0%	\$ 2,772
Distribution Operator - I or II	\$ 6,644	\$ 106	\$ 6,750	0.0%	\$ 6,750	0.0%	\$ -
Distribution Supervisor	\$ 11,345	\$ 185	\$ 11,729	0.0%	\$ 11,729	1.5%	\$ 176
TEMP Summer Help	\$ 968	\$ 15	\$ 983	0.0%	\$ 983	0.0%	\$ -
Total Collection System	\$ 631,639	\$ 15,145	\$ 646,784		\$ 623,500		\$ 129,473
		\$ 3,145					20.8%
		<i>Allocated to Radcliff</i>					

HCWDI - Radcliff Utility
PSC Case
Legal

Schedule 16c

	Current Hourly Rate	Hours per Week	2012				Allocation to Radcliff Utility	
			Test Year (1)	Adjustments	Rate Year	% Capitalized	Net O&M	% Allocation
Salaries and Wages Attorney (Professional Services)	\$ 27,512	77	\$ 27,589	0.0%	\$ 27,589	30.2%	\$ 8,332	
Total Legal	\$ 27,512	77	\$ 27,589		\$ 27,589		\$ 8,332	
			\$ 23				30.2%	
			<i>Allocated to Radcliff</i>					

HCWD1 - Radcliff Utility
PSC Case
Operation & Maintenance

Schedule 16f

	Current Hourly Rate	Hours per Week	2012				Allocation to Radcliff Utility		
			Test Year (1)	Adjustments	Rate Year	% Capitalized	Net O&M	% Allocation	\$ Allocation
Salaries and Wages									
Maint. & Control Specialist	\$ 26.17	40	\$ 54,434	\$ 1,633	\$ 56,067	0.0%	\$ 56,067	0.0%	\$ -
Overtime									
Maint. & Control Specialist			\$ 2,994	\$ 90	\$ 3,084	0.0%	\$ 3,084	0.0%	\$ -
Health									
Maint. & Control Specialist			\$ 6,535	\$ -	\$ 6,535	0.0%	\$ 6,535	0.0%	\$ -
W_Comp									
Maint. & Control Specialist			\$ 1,007	\$ -	\$ 1,007	0.0%	\$ 1,007	0.0%	\$ -
Dental & Vision									
Maint. & Control Specialist			\$ 372	\$ -	\$ 372	0.0%	\$ 372	0.0%	\$ -
Life & LTD									
Maint. & Control Specialist			\$ 616	\$ -	\$ 616	0.0%	\$ 616	0.0%	\$ -
OASDI									
Maint. & Control Specialist			\$ 4,393	\$ 132	\$ 4,525	0.0%	\$ 4,525	0.0%	\$ -
Pension									
Maint. & Control Specialist			\$ 11,227	\$ 180	\$ 11,407	0.0%	\$ 11,407	0.0%	\$ -
Total Maintenance			\$ 81,578	\$ 2,034	\$ 83,612		\$ 83,612		\$ -
				\$ -					0.0%

Allocated to Radcliff

HCWD1 - Radcliff Utility
PSC Case
Property, General, and Liability Insurance

Schedule 17

	2012		
	<i>Test Year (1)</i>	<i>Adjustments</i>	<i>Rate Year</i>
Insurance Services (1)	\$ 29,231	\$ (3,617)	\$ 25,614

(1) Adjustment per estimated premium breakdown by utility fund provided by Hardin County staff.

Capital Projects - New Additions	Estimated Cost	Completion Year	Service Life	Monthly Depreciation	Months in Service for Rate Year	Depreciation Adjustment
Lincoln Trail I/I Reduction Project	\$ 386,425	2013	50	\$ 644	12	\$ 7,729
Quiggins Gravity System Project	\$ 465,904	2014	50	\$ 777	12	\$ 9,318
Boone Trace and Lincoln Trail Lift Station Improvements	\$ 342,937	2014	40	\$ 714	12	\$ 8,573
WWTP Primary Treatment Building	\$ 380,344	2013	25	\$ 1,268	12	\$ 15,214
Watkins LS Project	\$ 48,018	2014	40	\$ 100	12	\$ 1,200
Drug Store Lift Station Replacement	\$ 360,996	2014	40	\$ 752	12	\$ 9,025
WWTP Plant Clarifier, Oxidation Ditch, and Lower Half of WWTP	\$ 115,000	2013	25	\$ 383	12	\$ 4,600
Greenview and Cement LS Improvements	\$ 43,823	2014	40	\$ 91	12	\$ 1,096
Greenview and Cement Gravity System Improvements	\$ 93,713	2014	50	\$ 156	12	\$ 1,874
North Logsdon Parkway Gravity System Improvements	\$ 265,182	2013	50	\$ 442	12	\$ 5,304
Stovall LS/FM Improvements	\$ 118,571	2013	40	\$ 247	12	\$ 2,964
North Woodland Gravity System Improvements	\$ 136,932	2013	50	\$ 228	12	\$ 2,739
John Hardin Force Main Improvements	\$ 12,053	2013	50	\$ 20	12	\$ 241
WWTP RAS/WAS Improvements	\$ 74,311	2013	25	\$ 248	12	\$ 2,972
LS Bypass Improvements	\$ 10,753	2013	40	\$ 22	12	\$ 269
North Logsdon LS Improvements Project	\$ 625,633	2014	40	\$ 1,303	12	\$ 15,641
Quiggins and Boone Trace I/I Reduction Project	\$ 1,000,000	2014	50	\$ 1,667	12	\$ 20,000
Seminole I/I Reduction Project	\$ 300,000	2014	50	\$ 500	12	\$ 6,000
WWTP Oxidation Ditch Improvements	\$ 200,000	2014	25	\$ 667	12	\$ 8,000
Capital Outlays						
Replace 5 Laptops/Workstations	\$ 8,738	2013	5	\$ 146	12	\$ 1,748
Easement Jetter Machine	\$ 17,800	2013	10	\$ 148	12	\$ 1,780
Trimble GeoXH 6000 GPS Receiver	\$ 3,525	2013	10	\$ 29	12	\$ 353
Replace Sludge Belt Press	\$ 3,300	2013	10	\$ 28	12	\$ 330
Service Center Roof Painting & Equip. Bldg. Door Coating	\$ 6,930	2013	35	\$ 17	12	\$ 198
Vertical Edge 700 Phone System	\$ 8,192	2013	10	\$ 68	12	\$ 819
Replace Influent & Effluent Refrigerated Samplers	\$ 11,400	2013	10	\$ 95	12	\$ 1,140
Upgrade Utility Billing System	\$ 3,032	2013	10	\$ 25	12	\$ 303
Chain Cutter Head	\$ 3,500	2013	10	\$ 29	12	\$ 350
Internal Crane for CCTV Van	\$ 3,700	2013	7	\$ 44	12	\$ 529
Ladder/Pipe Racks for Trucks	\$ 1,800	2013	7	\$ 21	12	\$ 257
AutoDesk Infrastructure Design Premium	\$ 2,204	2013	10	\$ 18	12	\$ 220
Aims 8000 Walt Power Invertors for Trucks	\$ 2,400	2013	7	\$ 29	12	\$ 343
Aries Wireless Pole Camera	\$ 3,550	2013	10	\$ 30	12	\$ 355
PT AutoCAD Drafter	\$ 1,560	2013	20	\$ 7	12	\$ 78
Trailer for Bobcat	\$ 5,200	2013	7	\$ 62	12	\$ 743
Smart Board	\$ 1,320	2013	10	\$ 11	12	\$ 132
Replace Carpet in Large Conference Room	\$ 630	2013	35	\$ 2	12	\$ 18
Replace Carpet in Lobby	\$ 3,008	2013	35	\$ 7	12	\$ 86
Replace Lobby and Customer Service Area Furniture	\$ 3,566	2013	20	\$ 15	12	\$ 178
Total	\$ 5,075,948					\$ 132,718

Amortized Cost	Estimated Cost	Projected Competition Date	Service Life	Monthly Depreciation	Months in Service for Rate Year	Depreciation Adjustment
Amortized Rate Case Expense	\$ 100,000	2011	5	\$ 1,667	12	\$ 20,000
Total	\$ 100,000					\$ 20,000

**HCWD1 - Radcliff Utility
PSC Case
Contractual Operating Agreement**

Schedule 19

	2012		
	<i>Test Year (1)</i>	<i>Adjustments</i>	<i>Rate Year</i>
Contractual Services (1)	\$ 2,102,540	\$ 79,391	\$ 2,181,931

(1) HCWD1 capitalizes a portion of the Veolia contract operating agreement.

HCWD1 - Radcliff Utility
PSC Case
Adjustment for Fort Knox Water

Schedule 20

	2012		
	<i>Test Year (1)</i>	<i>Adjustments</i>	<i>Rate Year</i>
Fort Knox Water (1)	\$ (88,329)	\$ 33,663	\$ (54,666)

(1) Adjustment to recognize reduced allocations of general and administrative costs to the Radcliff Utility due to the new contract operating agreement between HCWD1 and the Fort Knox water system. The Radcliff Utility was allocated 17.86% of a total of \$306,102 available savings.



Hardin County Water District No. 1
Chart of Accounts

Account Number	Account Description	Posting Type	Account Category Number	Active
1.00.10000	Water.General.Cash Clearing	Balance Sheet	Cash	Yes
1.00.10300	Water.General.Property Held for Future Use	Balance Sheet	Property, Plant and Equipment	Yes
1.00.10500	Water.General.CIP - Water	Balance Sheet	Work in Process	Yes
1.00.10800	Water.General.Accumulated Depreciation	Balance Sheet	Accumulated Depreciation	Yes
1.00.12700	Water.General.Certificate of Deposit - LNB	Balance Sheet	Long-Term Investments	Yes
1.00.12701	Water.General.Certificate of Deposit- Cecilian DSR	Balance Sheet	Long-Term Investments	Yes
1.00.13100	Water.General.Revenue Fund - Cecilian	Balance Sheet	Cash	Yes
1.00.13101	Water.General.O & M Cecilian	Balance Sheet	Cash	Yes
1.00.13102	Water.General.Change Fund	Balance Sheet	Cash	Yes
1.00.13201	Water.General.2005 DSR Fund - U.S. Bank	Balance Sheet	Cash	Yes
1.00.13202	Water.General.2005 Sinking Fund - U.S. Bank	Balance Sheet	Cash	Yes
1.00.13203	Water.General. 2002 Sinking Fund Interest-Cecilian	Balance Sheet	Cash	Yes
1.00.13204	Water.General.2002 Sinking Fund Principal-Cecilian	Balance Sheet	Cash	Yes
1.00.13205	Water.General.Unrealized Gain/Loss-Investments	Balance Sheet	Long-Term Investments	Yes
1.00.13206	Water.General.2005 Depreciation Fund-US Bank	Balance Sheet	Cash	Yes
1.00.13500	Water.General.Savings - FKFCU	Balance Sheet	Cash	Yes
1.00.13501	Water.General.Savings - Cecilian	Balance Sheet	Cash	Yes
1.00.13502	Water.General.Certificate of Deposit - Cecilian	Balance Sheet	Short-Term Investments	Yes
1.00.13503	Water.General.Certificate of Deposit- LNB	Balance Sheet	Short-Term Investments	Yes
1.00.13504	Water.General.Certificate of Deposit-Cecilian	Balance Sheet	Short-Term Investments	Yes
1.00.13505	Water.General.Certificate of Deposit-Cecilian DSR	Balance Sheet	Short-Term Investments	Yes
1.00.13506	Water.General.First Federal Money Market-Water	Balance Sheet	Cash	Yes
1.00.13507	Water-General- Money Market - Cecilian	Balance Sheet	Cash	Yes
1.00.13508	Water.General. Certificate of Deposit - LNB	Balance Sheet	Short-Term Investments	Yes
1.00.13509	Water.General. Certificate of Deposit - LNB	Balance Sheet	Short-Term Investments	Yes
1.00.14100	Water.General.Accounts Receivable	Balance Sheet	Accounts Receivable	Yes
1.00.14101	Water.General.Vouchers Receivable	Balance Sheet	Accounts Receivable	Yes
1.00.14102	Water.General.A/R Unapplied Cash	Balance Sheet	Accounts Receivable	Yes
1.00.14201	Water.General.A/R Mis Statements	Balance Sheet	Accounts Receivable	Yes

Hardin County Water District No. 1
Chart of Accounts

Account Number	Account Description	Posting Type	Account Category Number	Active
1.00.14301	Water.General.Reserve for Bad Debt	Balance Sheet	Accounts Receivable	Yes
1.00.14500	Water.General. Due From Other Funds	Balance Sheet	Other Assets	Yes
1.00.15101	Water.General.Inventory - Chemicals	Balance Sheet	Inventory	Yes
1.00.15102	Water.General.Inventory - Meters	Balance Sheet	Inventory	Yes
1.00.15103	Water.General.Inventory - Distribution Materials	Balance Sheet	Inventory	Yes
1.00.16201	Water.General.Prepaid Expense	Balance Sheet	Prepaid Expenses	Yes
1.00.16202	Water.General.Prepaid Rate Case Expense	Balance Sheet	Prepaid Expenses	Yes
1.00.16203	Water.General.Prepaid LOC Fees	Balance Sheet	Prepaid Expenses	Yes
1.00.17100	Water.General.Accrued Interest	Balance Sheet	Other Assets	Yes
1.00.18101	Water.General.Unamortized Bond - 2002	Balance Sheet	Intangible Assets	Yes
1.00.18102	Water.General.Unamortized Bond - 2005	Balance Sheet	Intangible Assets	Yes
1.00.21502	Water.General.Cont. in Aid of Construction	Balance Sheet	Retained Earnings	Yes
1.00.21600	Water.General.Retained Earnings	Balance Sheet	Retained Earnings	Yes
1.00.22101	Water.General.L/T 2002 Bond Payable	Balance Sheet	Long-Term Debt	Yes
1.00.22102	Water.General.L/T 2005 Bond Payable	Balance Sheet	Long-Term Debt	Yes
1.00.23100	Water.General.Accounts Payable	Balance Sheet	Accounts Payable	Yes
1.00.23101	Water.General.Accounts Payable - C.C. 01	Balance Sheet	Accounts Payable	Yes
1.00.23300	Water.General. Due To Other Funds	Balance Sheet	Other Current Liabilities	Yes
1.00.23501	Water.General.Customer Meter Deposit	Balance Sheet	Other Current Liabilities	Yes
1.00.23502	Water.General.Lawn/Pool Meter Deposit	Balance Sheet	Other Current Liabilities	Yes
1.00.23503	Water.General.Contractor Deposits	Balance Sheet	Other Current Liabilities	Yes
1.00.23601	Water.General.Social Security Withholding	Balance Sheet	Taxes Payable	Yes
1.00.23602	Water.General.Federal Tax Withholding	Balance Sheet	Taxes Payable	Yes
1.00.23603	Water.General.State Tax Withholding	Balance Sheet	Taxes Payable	Yes
1.00.23604	Water.General.State Tax - Water Sales	Balance Sheet	Taxes Payable	Yes
1.00.23605	Water.General.County Utility Tax Payable	Balance Sheet	Taxes Payable	Yes
1.00.23606	Water.General.Radcliff City Tax Withholding	Balance Sheet	Taxes Payable	Yes
1.00.23607	Water.General.Employee Insurance Withholding	Balance Sheet	Other Current Liabilities	Yes
1.00.23608	Water.General.Employee 401K Withholding	Balance Sheet	Other Current Liabilities	Yes
1.00.23609	Water.General.Garnishment Withholding	Balance Sheet	Other Current Liabilities	Yes

Hardin County Water District No. 1
Chart of Accounts

Account Number	Account Description	Posting Type	Account Category Number	Active
1.00.23610	Water.General.United Way Withholding	Balance Sheet	Other Current Liabilities	Yes
1.00.23611	Water.General.125 Cafeteria Plan Withholding	Balance Sheet	Other Current Liabilities	Yes
1.00.23612	Water.General.HRA Flex Spending	Balance Sheet	Other Current Liabilities	Yes
1.00.23613	Water.General.Employee Retirement Purchase	Balance Sheet	Other Current Liabilities	Yes
1.00.23614	Water.General.Vine Grove City Tax Withholding	Balance Sheet	Taxes Payable	Yes
1.00.23615	Water.General.Meade County Utility Tax Payable	Balance Sheet	Taxes Payable	Yes
1.00.23701	Water.General.Accrued Interest Expense - Debt	Balance Sheet	Interest Payable	Yes
1.00.23702	Water.General.Accr Interest Exp - Customer Deposit	Balance Sheet	Interest Payable	Yes
1.00.23901	Water.General.Current Portion - 2002 Bonds Payable	Balance Sheet	Current Maturities of Long-Term Debt	Yes
1.00.23902	Water.General.Current Portion - 2005 Bond Payable	Balance Sheet	Current Maturities of Long-Term Debt	Yes
1.00.23904	Water.General.Notes Payable - Cecilian LOC	Balance Sheet	Notes Payable	Yes
1.00.24201	Water.General.Accrued Expenses	Balance Sheet	Other Current Liabilities	Yes
1.00.24202	Water.General.Accrued Audit Expense	Balance Sheet	Other Current Liabilities	Yes
1.00.24203	Water.General.Accrued Compensated Absenses	Balance Sheet	Other Current Liabilities	Yes
1.00.24204	Water.General.Accrued Salaries	Balance Sheet	Other Current Liabilities	Yes
1.00.24205	Water.General.County Retirement Withholding	Balance Sheet	Other Current Liabilities	Yes
1.00.24208	Water.General.Sewer Payable - Franchise Fee	Balance Sheet	Other Current Liabilities	Yes
1.00.24209	Water.General.Sewer Payable - Storm Water	Balance Sheet	Other Current Liabilities	Yes
1.00.24211	Water.General.Sales & Use Tax Payable	Balance Sheet	Other Current Liabilities	Yes
1.00.25201	Water.General.Advance for Construction	Balance Sheet	Other Current Liabilities	Yes
1.00.25301	Water.General.Reserve for Uncashed Checks	Balance Sheet	Other Current Liabilities	Yes
1.00.25302	Water.General.Deferred Revenue - Rent	Balance Sheet	Other Current Liabilities	Yes
1.00.30300	Water.General.Land & Land Right	Balance Sheet	Property, Plant and Equipment	Yes
1.00.30400	Water.General.Structures & Improvements	Balance Sheet	Property, Plant and Equipment	Yes
1.00.30700	Water.General.Wells & Springs	Balance Sheet	Property, Plant and Equipment	Yes
1.00.30900	Water.General.Supply Mains	Balance Sheet	Property, Plant and Equipment	Yes
1.00.31100	Water.General.Booster Stations	Balance Sheet	Property, Plant and Equipment	Yes
1.00.32000	Water.General.Water Treatment Equipment	Balance Sheet	Property, Plant and Equipment	Yes
1.00.33000	Water.General.Standpipe Tanks & Foundations	Balance Sheet	Property, Plant and Equipment	Yes
1.00.33100	Water.General.Transmission & Distribution Mains	Balance Sheet	Property, Plant and Equipment	Yes

Hardin County Water District No. 1
Chart of Accounts

Account Number	Account Description	Posting Type	Account Category Number	Active
1.00.33300	Water.General.Service Lines & Connections	Balance Sheet	Property, Plant and Equipment	Yes
1.00.33400	Water.General.Meters	Balance Sheet	Property, Plant and Equipment	Yes
1.00.33500	Water.General.Hydrants	Balance Sheet	Property, Plant and Equipment	Yes
1.00.33900	Water.General.Other Plant & Misc Equip	Balance Sheet	Property, Plant and Equipment	Yes
1.00.34000	Water.General.Office Furniture & Equip	Balance Sheet	Property, Plant and Equipment	Yes
1.00.34100	Water.General.Transportation Equipment	Balance Sheet	Property, Plant and Equipment	Yes
1.00.34200	Water.General. Stores Equipment	Balance Sheet	Property, Plant and Equipment	Yes
1.00.34300	Water.General.Tool, Work & Safety Equip	Balance Sheet	Property, Plant and Equipment	Yes
1.00.34400	Water.General.Lab Equipment	Balance Sheet	Property, Plant and Equipment	Yes
1.00.34500	Water.General.Power Operated Equip	Balance Sheet	Property, Plant and Equipment	Yes
1.00.34600	Water.General.Communication Equip	Balance Sheet	Property, Plant and Equipment	Yes
1.00.41401	Water.General.Gain/Loss on Fixed Assets	Profit and Loss	Gain/Loss on Asset Disposal	Yes
1.00.41402	Water.General. Inter-Departmental Transfers	Profit and Loss	Other Income	Yes
1.00.41901	Water.General.Interest & Dividend Income	Profit and Loss	Other Income	Yes
1.00.42101	Water.General.Gain/Loss on Investments	Profit and Loss	Gain/Loss on Asset Disposal	Yes
1.00.42102	Water.General.Net Unrealized Gain/Loss	Profit and Loss	Other Income	Yes
1.00.43201	Water.General.Misc Revenue - Grant	Profit and Loss	Other Income	Yes
1.00.43202	Water.General.Misc Revenue-Grant-HWY 1882	Profit and Loss	Other Income	Yes
1.00.43203	Water.General.Misc Revenue-Grant-HWY 144	Profit and Loss	Other Income	Yes
1.00.43204	Water.General.Misc Revenue-Grant-PWTP	Profit and Loss	Other Income	Yes
1.00.43205	Water.General.Tap Fees	Profit and Loss	Other Income	Yes
1.00.43206	Water.General.Capital Contributions	Profit and Loss	Other Income	Yes
1.00.43207	Water.General.Misc Revenue-Grant-LWC Connector	Profit and Loss	Other Income	Yes
1.00.43208	Water.General.Misc Revenue-Grant-Constantine Road	Profit and Loss	Other Income	Yes
1.00.46001	Water.General.Customer Meter Charges	Profit and Loss	Sales	Yes
1.00.46101	Water.General.Residential Sales	Profit and Loss	Sales	Yes
1.00.46102	Water.General.Commercial Sales	Profit and Loss	Sales	Yes
1.00.46105	Water.General.Multi-Family Sales	Profit and Loss	Sales	Yes
1.00.46202	Water.General.Private Fire Protection	Profit and Loss	Sales	Yes
1.00.46601	Water.General.Sales for Resale - Vine Grove	Profit and Loss	Sales	Yes

Hardin County Water District No. 1
 Chart of Accounts

Account Number	Account Description	Posting Type	Account Category Number	Active
1.00.46602	Water.General.Sales for Resale - District 2	Profit and Loss	Sales	Yes
1.00.46603	Water.General.Sales for Resale - Meade County	Profit and Loss	Sales	Yes
1.00.46604	Water.General.Sales for Resale - Hardinsburg	Profit and Loss	Sales	Yes
1.00.47001	Water.General.Penalties & Misc Fees	Profit and Loss	Other Income	Yes
1.00.47100	Water.General.Bad Debt Recovered	Profit and Loss	Other Income	Yes
1.00.47201	Water.General.Rents from Water Property	Profit and Loss	Other Income	Yes
1.00.47401	Water.General.Non Utility Income	Profit and Loss	Other Income	Yes
1.00.47402	Water.General.Water Revenue-Other	Profit and Loss	Other Income	Yes
1.00.47403	Water.General.Sewer Storm Water-Monthly Contract	Profit and Loss	Other Income	Yes
1.00.47404	Water.General.Lab Service Fees	Profit and Loss	Other Income	Yes
1.01.61501	Water.Source.Power Purchased/Well-Gray Lane	Profit and Loss	Administrative Expense	Yes
1.01.62200	Water.Source.Service Line Repairs	Profit and Loss	Administrative Expense	Yes
1.01.62300	Water.Source.Maintenance & Repairs	Profit and Loss	Administrative Expense	Yes
1.01.63600	Water.Source.Contractual Services	Profit and Loss	Administrative Expense	Yes
1.02.40812	Water.PWTP.OASDI	Profit and Loss	Tax Expense	Yes
1.02.60100	Water.PWTP.Salary & Wages	Profit and Loss	Salaries Expense	Yes
1.02.60101	Water.PWTP.Salary - Contra Acct	Profit and Loss	Salaries Expense	Yes
1.02.60102	Water.PWTP.Overtime	Profit and Loss	Salaries Expense	Yes
1.02.60103	Water.PWTP.Premium Time	Profit and Loss	Salaries Expense	Yes
1.02.60400	Water.PWTP.Pension Expense	Profit and Loss	Other Employee Expenses	Yes
1.02.60401	Water.PWTP.Hlth, Life & Disab Insurance	Profit and Loss	Other Employee Expenses	Yes
1.02.60402	Water.PWTP.Flexible Benefits	Profit and Loss	Other Employee Expenses	Yes
1.02.61500	Water.PWTP.Utilities	Profit and Loss	Administrative Expense	Yes
1.02.61503	Water.PWTP.WTP Energy Expense	Profit and Loss	Administrative Expense	Yes
1.02.61800	Water.PWTP.Chemicals	Profit and Loss	Administrative Expense	Yes
1.02.62000	Water.PWTP.Materials & Supplies - Misc	Profit and Loss	Administrative Expense	Yes
1.02.62300	Water.PWTP.Maintenance & Repairs	Profit and Loss	Administrative Expense	Yes
1.02.62600	Water.PWTP.Small Tool Expense	Profit and Loss	Administrative Expense	Yes
1.02.63500	Water.PWTP.Prof Services - Lab	Profit and Loss	Administrative Expense	Yes
1.02.63600	Water.PWTP.Contractual Services	Profit and Loss	Administrative Expense	Yes

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1.02.65000	Water.PWTP.Transportation Fuel & Repairs	Profit and Loss	Administrative Expense	Yes
1.02.65800	Water.PWTP.Workers Comp Expense	Profit and Loss	Administrative Expense	Yes
1.02.67600	Water.PWTP.Phone Expense	Profit and Loss	Administrative Expense	Yes
1.03.40812	Water.Distribution.OASDI	Profit and Loss	Tax Expense	Yes
1.03.60100	Water.Distribution.Salary & Wages	Profit and Loss	Salaries Expense	Yes
1.03.60101	Water.Distribution.Salary - Contra Acct	Profit and Loss	Salaries Expense	Yes
1.03.60102	Water.Distribution.Overtime	Profit and Loss	Salaries Expense	Yes
1.03.60103	Water.Distribution.Premium Time	Profit and Loss	Salaries Expense	Yes
1.03.60107	Water.Distribution.Part Time - Salary & Wages	Profit and Loss	Salaries Expense	Yes
1.03.60117	Water.Distribution.P/Time Salary & Wages - Contra	Profit and Loss	Salaries Expense	Yes
1.03.60400	Water.Distribution.Pension Expense	Profit and Loss	Other Employee Expenses	Yes
1.03.60401	Water.Distribution.Hlth, Life & Disab Insurance	Profit and Loss	Other Employee Expenses	Yes
1.03.60402	Water.Distribution.Flexible Benefits	Profit and Loss	Other Employee Expenses	Yes
1.03.61502	Water.Distribution.Ft Knox Energy	Profit and Loss	Administrative Expense	Yes
1.03.61504	Water.Distribution.1882 Energy	Profit and Loss	Administrative Expense	Yes
1.03.61505	Water.Distribution.WHSP Hills Energy	Profit and Loss	Administrative Expense	Yes
1.03.61901	Water.Distribution.Bac-T Supplies	Profit and Loss	Administrative Expense	Yes
1.03.62000	Water.Distribution.Materials & Supplies-Misc	Profit and Loss	Administrative Expense	Yes
1.03.62200	Water.Distribution.Service Line Repairs	Profit and Loss	Administrative Expense	Yes
1.03.62300	Water.Distribution.Maintenance & Repairs	Profit and Loss	Administrative Expense	Yes
1.03.62400	Water.Distribution.Storage Maintenance	Profit and Loss	Administrative Expense	Yes
1.03.62500	Water.Distribution.Booster Station Supply & Exp	Profit and Loss	Administrative Expense	Yes
1.03.62600	Water.Distribution.Small Tool Expense	Profit and Loss	Administrative Expense	Yes
1.03.62700	Water.Distribution.Transmission Main Repairs	Profit and Loss	Administrative Expense	Yes
1.03.62701	Water.Distribution.Existing Meter Repairs	Profit and Loss	Administrative Expense	Yes
1.03.62800	Water.Distribution.SCADA Supplies	Profit and Loss	Administrative Expense	Yes
1.03.63600	Water.Distribution.Contractual Services	Profit and Loss	Administrative Expense	Yes
1.03.65000	Water.Distribution.Transportation Fuel & Repairs	Profit and Loss	Administrative Expense	Yes
1.03.65800	Water.Distribution.Workers Comp Expense	Profit and Loss	Administrative Expense	Yes
1.03.67600	Water.Distribution.Phone Expense	Profit and Loss	Administrative Expense	Yes

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Account Number	Account Description	Posting Type	Account Category Number	Active
1.03.68300	Water.Distribution.Certification & Training	Profit and Loss	Administrative Expense	Yes
1.04.40812	Water.Customer Service.OASDI	Profit and Loss	Tax Expense	Yes
1.04.42704	Water.Customer Service.Deposit Interest Expense	Profit and Loss	Interest Expense	Yes
1.04.60100	Water.Customer Service.Salary & Wages	Profit and Loss	Salaries Expense	Yes
1.04.60101	Water.Customer Service.Salary - Contra Acct	Profit and Loss	Salaries Expense	Yes
1.04.60102	Water.Customer Service.Overtime	Profit and Loss	Salaries Expense	Yes
1.04.60107	Water.Customer Service.Salary & Wages - Part Time	Profit and Loss	Salaries Expense	Yes
1.04.60400	Water.Customer Service.Pension Expense	Profit and Loss	Other Employee Expenses	Yes
1.04.60401	Water.Customer Service.Hlth,Life & Disab Insurance	Profit and Loss	Other Employee Expenses	Yes
1.04.60402	Water.Customer Service.Flexible Benefits	Profit and Loss	Other Employee Expenses	Yes
1.04.62000	Water.Customer Service.Material & Supplies-Misc(A)	Profit and Loss	Administrative Expense	Yes
1.04.62100	Water.Customer Service.Computer Supplies	Profit and Loss	Administrative Expense	Yes
1.04.62300	Water.Customer Service.Maintenance & Repairs(A)	Profit and Loss	Administrative Expense	Yes
1.04.63600	Water.Customer Service.Contractual Services (A)	Profit and Loss	Administrative Expense	Yes
1.04.63800	Water.Customer Service.Bill Print/Mailing Contr(A)	Profit and Loss	Administrative Expense	Yes
1.04.63900	Water.Customer Service.Contract Security Serv(A)	Profit and Loss	Administrative Expense	Yes
1.04.65800	Water.Customer Service.Workers Comp Expense	Profit and Loss	Administrative Expense	Yes
1.04.67600	Water.Customer Service.Phone Expense	Profit and Loss	Administrative Expense	Yes
1.04.67900	Water.Customer Service.Cash Over & Short(A)	Profit and Loss	Administrative Expense	Yes
1.05.40812	Water.Maintenance.OASDI	Profit and Loss	Tax Expense	Yes
1.05.60100	Water.Maintenance.Salary & Wages	Profit and Loss	Salaries Expense	Yes
1.05.60101	Water.Maintenance.Salary - Contra Acct	Profit and Loss	Salaries Expense	Yes
1.05.60102	Water.Maintenance.Overtime	Profit and Loss	Salaries Expense	Yes
1.05.60104	Water.Maintenance.Distribution Maint Labor	Profit and Loss	Salaries Expense	Yes
1.05.60105	Water.Maintenance.C/S Maint Labor	Profit and Loss	Salaries Expense	Yes
1.05.60106	Water.Maintenance.PWTP Maint Labor	Profit and Loss	Salaries Expense	Yes
1.05.60400	Water.Maintenance.Pension Expense	Profit and Loss	Other Employee Expenses	Yes
1.05.60401	Water.Maintenance.Hlth, Life & Disab Insurance	Profit and Loss	Other Employee Expenses	Yes
1.05.60402	Water.Maintenance.Flexible Benefits	Profit and Loss	Other Employee Expenses	Yes
1.05.62000	Water.Maintenance.Materials & Supplies - Misc	Profit and Loss	Administrative Expense	Yes

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Account Number	Account Description	Posting Type	Account Category Number	Active
1.05.62600	Water.Maintenance.Small Tool Expense	Profit and Loss	Administrative Expense	Yes
1.05.65000	Water.Maintenance.Transportation Fuel & Repairs	Profit and Loss	Administrative Expense	Yes
1.05.65800	Water.Maintenance.Workers Comp Expense	Profit and Loss	Administrative Expense	Yes
1.05.67600	Water.Maintenance.Phone Expense	Profit and Loss	Administrative Expense	Yes
1.06.40300	Water.Administration.Depreciation Expense	Profit and Loss	Depreciation Expense	Yes
1.06.40301	Water.Administration.Allocated Depreciation Exp	Profit and Loss	Depreciation Expense	Yes
1.06.40803	Water.Administration.Amortized Rate Case 2007-2012	Profit and Loss	Amortization of Intangible Assets	Yes
1.06.40810	Water.Administration.Regulatory Commission Exp	Profit and Loss	Tax Expense	Yes
1.06.40812	Water.Administration.OASDI	Profit and Loss	Tax Expense	Yes
1.06.42702	Water.Administration.Fixed Rate Long Term Debt	Profit and Loss	Interest Expense	Yes
1.06.42705	Water.Administration.Remark & Other Bond Fees(A)	Profit and Loss	Interest Expense	Yes
1.06.42722	Water.Administration.Variable Rate Long Term Debt	Profit and Loss	Interest Expense	Yes
1.06.42723	Water-Administration-Alloc. Variable Rate Interest	Profit and Loss	Interest Expense	Yes
1.06.42800	Water.Administration.Amortization of Debt Disc	Profit and Loss	Amortization of Intangible Assets	Yes
1.06.42801	Water.Administration.Allocated Amortization Exp	Profit and Loss	Amortization of Intangible Assets	Yes
1.06.60100	Water.Administration.Salary & Wages	Profit and Loss	Salaries Expense	Yes
1.06.60101	Water.Administration.Salary - Contra Acct	Profit and Loss	Salaries Expense	Yes
1.06.60102	Water.Administration.Overtime	Profit and Loss	Salaries Expense	Yes
1.06.60107	Water.Administration.Salary & Wages - Part Time	Profit and Loss	Salaries Expense	Yes
1.06.60400	Water.Administration.Pension Expense	Profit and Loss	Other Employee Expenses	Yes
1.06.60401	Water.Administration.Hlth, Life & Disab Insurance	Profit and Loss	Other Employee Expenses	Yes
1.06.60402	Water.Administration.Flexible Benefits	Profit and Loss	Other Employee Expenses	Yes
1.06.61000	Water.Administration.Purchased Water	Profit and Loss	Administrative Expense	Yes
1.06.61500	Water.Administration.Utilities (A)	Profit and Loss	Administrative Expense	Yes
1.06.61900	Water.Administration.Lab Supplies	Profit and Loss	Administrative Expense	Yes
1.06.62000	Water.Administration.Materials & Supplies- Misc(A)	Profit and Loss	Administrative Expense	Yes
1.06.62100	Water.Administration.Computer Supplies (A)	Profit and Loss	Administrative Expense	Yes
1.06.62300	Water.Administration.Maintenance & Repairs	Profit and Loss	Administrative Expense	Yes
1.06.63200	Water.Administration.Prof Services-Accounting	Profit and Loss	Administrative Expense	Yes
1.06.63300	Water.Administration.Prof Services - Legal	Profit and Loss	Administrative Expense	Yes

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Account Number	Account Description	Posting Type	Account Category Number	Active
1.06.63600	Water.Administration.Contractual Services(A)	Profit and Loss	Administrative Expense	Yes
1.06.63700	Water.Administration.Uniform Expense (A)	Profit and Loss	Administrative Expense	Yes
1.06.64000	Water.Administration.Invest Fees & Bank Charges	Profit and Loss	Administrative Expense	Yes
1.06.65000	Water.Administration.Transport. Fuel & Repairs (A)	Profit and Loss	Administrative Expense	Yes
1.06.65700	Water.Administration.Insurance Expense	Profit and Loss	Administrative Expense	Yes
1.06.65800	Water.Administration.Workers Comp Expense	Profit and Loss	Administrative Expense	Yes
1.06.65900	Water.Administration.Unemployment Insurance	Profit and Loss	Administrative Expense	Yes
1.06.66000	Water.Administration.Advertising Expense	Profit and Loss	Administrative Expense	Yes
1.06.67000	Water.Administration.Bad Debt Expense	Profit and Loss	Administrative Expense	Yes
1.06.67100	Water.Administration.Collection Expense	Profit and Loss	Administrative Expense	Yes
1.06.67500	Water.Administration.Miscellaneous Expense(A)	Profit and Loss	Administrative Expense	Yes
1.06.67600	Water.Administration.Phone Expense (A)	Profit and Loss	Administrative Expense	Yes
1.06.67700	Water.Administration.Dues & Subscriptions(A)	Profit and Loss	Administrative Expense	Yes
1.06.67800	Water.Administration.Postage & Mailing (A)	Profit and Loss	Administrative Expense	Yes
1.06.68000	Water.Administration.Safety Expense (A)	Profit and Loss	Administrative Expense	Yes
1.06.68100	Water.Administration.Information Technology Exp(A)	Profit and Loss	Administrative Expense	Yes
1.06.68300	Water.Administration.Certification & Training(A)	Profit and Loss	Administrative Expense	Yes
1.06.68400	Water.Administration.Travel & Lodging(A)	Profit and Loss	Administrative Expense	Yes
1.06.68500	Water.Administration.Education & Conferences(A)	Profit and Loss	Administrative Expense	Yes
1.06.68600	Water-Administration- Allocated FK Water G&A Exp	Profit and Loss	Administrative Expense	Yes
1.07.40812	Water.Commission.Commission OASDI	Profit and Loss	Tax Expense	Yes
1.07.60300	Water.Commission.Commission Salary & Wages	Profit and Loss	Salaries Expense	Yes
1.07.60400	Water.Commission.Pension Expense	Profit and Loss	Other Employee Expenses	Yes
1.07.60401	Water.Commission.Commission Hlth Insurance	Profit and Loss	Other Employee Expenses	Yes
1.07.68200	Water.Commission.Commission Expense (A)	Profit and Loss	Administrative Expense	Yes
1.08.40812	Water.Lawyer. Legal OASDI	Profit and Loss	Tax Expense	Yes
1.08.60100	Water.Lawyer.Legal Wages	Profit and Loss	Salaries Expense	Yes
1.08.60400	Water.Lawyer.Legal Pension Expense	Profit and Loss	Other Employee Expenses	Yes
1.94.62000	Water.Allocated C/S. Material & Supplies-Misc			Yes
1.94.62300	Water.Allocated C/S.Miscellaneous Customer Exp			Yes

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1.94.63600	Water.Allocated C/S.Contractual Services			Yes
1.94.63800	Water.Allocated C/S.Bill Printing/Mailing Contract			Yes
1.94.63900	Water.Allocated C/S.Contractured Security Service			Yes
1.94.67900	Water.Allocated C/S.Cash Over/Short			Yes
1.96.42705	Water.Allocated Admin.Remarket & Other Bond Fees			Yes
1.96.61500	Water.Allocated Admin.Utilities			Yes
1.96.62000	Water.Allocated Admin.Material & Supplies - Misc			Yes
1.96.62100	Water.Allocated Admin.Computer Supplies			Yes
1.96.63600	Water.Allocated Admin.Contractual Services			Yes
1.96.63700	Water.Allocated Admin.Uniform Expense			Yes
1.96.65000	Water.Allocated Admin.Transport Fuel & Repairs			Yes
1.96.67500	Water.Allocated Admin.Miscellaneous Expense			Yes
1.96.67600	Water.Allocated Admin.Phone Expense			Yes
1.96.67700	Water.Allocated Admin.Dues & Subscriptions			Yes
1.96.67800	Water.Allocated Admin.Postage & Mailing			Yes
1.96.68000	Water.Allocated Admin.Safety Expense			Yes
1.96.68100	Water.Allocated Admin.Information Technology Exp			Yes
1.96.68300	Water.Allocated Admin.Certification & Training			Yes
1.96.68400	Water.Allocated Admin.Travel & Lodging			Yes
1.96.68500	Water.Allocated Admin.Education & Conferences			Yes
1.97.68200	Water.Allocated Commission.Commission Expense			Yes

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2.00.10000	Ft. Knox Sewer.General. Cash Clearing	Balance Sheet	Cash	Yes
2.00.10700	Ft. Knox Sewer.General. CIP - FK Sewer	Balance Sheet	Work in Process	Yes
2.00.11001	Ft. Knox Sewer.General.Accumulated Depreciation	Balance Sheet	Accumulated Depreciation	Yes
2.00.12400	Ft. Knox Sewer.General.Savings - FKFCU	Balance Sheet	Cash	Yes
2.00.12401	Ft. Knox Sewer.General.Savings - Cecilian	Balance Sheet	Cash	Yes
2.00.12404	Ft. Knox Sewer.General.Money Market - Cecilian	Balance Sheet	Cash	Yes
2.00.13100	Ft. Knox Sewer.General. Revenue - Cecilian	Balance Sheet	Cash	Yes
2.00.13101	Ft. Knox Sewer.General.O & M Cecilian	Balance Sheet	Cash	Yes
2.00.14200	Ft. Knox Sewer.General.Customer Accts Receivable	Balance Sheet	Accounts Receivable	Yes
2.00.14201	Ft. Knox Sewer.General.A/R Misc Statements	Balance Sheet	Accounts Receivable	Yes
2.00.14202	Ft. Knox Sewer.General.A/R Muldraugh Sewer	Balance Sheet	Accounts Receivable	Yes
2.00.14300	Ft. Knox Sewer.General.Accrued Interest	Balance Sheet	Other Assets	Yes
2.00.14600	Ft. Knox Sewer.General.Due From Other Funds	Balance Sheet	Other Assets	Yes
2.00.15000	Ft. Knox Sewer.General.Invent-Oxidation Gear Drive	Balance Sheet	Inventory	Yes
2.00.16600	Ft. Knox Sewer.General.Prepaid Expense	Balance Sheet	Prepaid Expenses	Yes
2.00.16601	Ft. Knox Sewer.General.Special Inspection	Balance Sheet	Prepaid Expenses	Yes
2.00.21600	Ft. Knox Sewer.General.Retained Earnings	Balance Sheet	Retained Earnings	Yes
2.00.23200	Ft. Knox Sewer.General.Accounts Payable	Balance Sheet	Accounts Payable	Yes
2.00.23203	Ft. Knox Sewer.General.Accounts Payable Credit Car	Balance Sheet	Accounts Payable	Yes
2.00.23400	Ft. Knox Sewer.General.Due To Other Funds	Balance Sheet	Other Current Liabilities	Yes
2.00.23800	Ft. Knox Sewer.General.Accrued Expenses	Balance Sheet	Other Current Liabilities	Yes
2.00.23801	Ft. Knox Sewer.General.Accrued Audit Expense	Balance Sheet	Other Current Liabilities	Yes
2.00.27100	Ft. Knox Sewer.General.Contributions in Aid of Con	Balance Sheet	Retained Earnings	Yes
2.00.27102	Ft. Knox Sewer.General.Captial Contributions	Profit and Loss	Other Income	Yes
2.00.35201	Ft. Knox Sewer.General. Collection Sewers	Balance Sheet	Property, Plant and Equipment	Yes
2.00.35202	Ft. Knox Sewer.General. Plant Sewers	Balance Sheet	Property, Plant and Equipment	Yes
2.00.35300	Ft. Knox Sewer.General. Collection Structures	Balance Sheet	Property, Plant and Equipment	Yes
2.00.35400	Ft. Knox Sewer.General. Structures & Improvements	Balance Sheet	Property, Plant and Equipment	Yes
2.00.35500	Ft. Knox Sewer.General. Flow Measuring Installatio	Balance Sheet	Property, Plant and Equipment	Yes

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2.00.37300	Ft. Knox Sewer.General. Trmt. & Disp Equip	Balance Sheet	Property, Plant and Equipment	Yes
2.00.37301	Ft. Knox Sewer.General.Pumping Equipment	Balance Sheet	Property, Plant and Equipment	Yes
2.00.37302	Ft. Knox Sewer.General. Treatment Systems	Balance Sheet	Property, Plant and Equipment	Yes
2.00.39100	Ft. Knox Sewer.General. Office Furn. & Equip	Balance Sheet	Property, Plant and Equipment	Yes
2.00.39200	Ft. Knox Sewer.General. Transportatin Equipment	Balance Sheet	Property, Plant and Equipment	Yes
2.00.39300	Ft. Knox Sewer.General.Tool, Work & Safety Equip	Balance Sheet	Property, Plant and Equipment	Yes
2.00.39301	Ft. Knox Sewer.General. Laboratory Equip	Balance Sheet	Property, Plant and Equipment	Yes
2.00.39302	Ft. Knox Sewer.General. Power Operated Equip	Balance Sheet	Property, Plant and Equipment	Yes
2.00.39303	Ft. Knox Sewer.General. Communication Equip	Balance Sheet	Property, Plant and Equipment	Yes
2.00.39304	Ft. Knox Sewer.General. Other Plant & Misc Equip	Balance Sheet	Property, Plant and Equipment	Yes
2.00.39305	Ft. Knox Sewer.General. Other Tangible Plant	Balance Sheet	Property, Plant and Equipment	Yes
2.00.40300	Ft. Knox Sewer.General. Depreciation Expense	Profit and Loss	Depreciation Expense	Yes
2.00.40301	Ft. Knox Sewer.General.Allocated Depreciatin Exp	Profit and Loss	Depreciation Expense	Yes
2.00.40800	Ft. Knox Sewer.General. Regulatory Comm. Expense	Profit and Loss	Tax Expense	Yes
2.00.41700	Ft. Knox Sewer.General. Gain/Loss on Fixed Assets	Profit and Loss	Gain/Loss on Asset Disposal	Yes
2.00.41900	Ft. Knox Sewer.General. Interest & Dividend Income	Profit and Loss	Other Income	Yes
2.00.42700	Ft. Knox Sewer.General. Interest on Long Term Debt	Profit and Loss	Interest Expense	Yes
2.00.52103	Ft. Knox Sewer.General. Sewer Revenue	Profit and Loss	Sales	Yes
2.00.52104	Ft. Knox Sewer.General. Fixed Mthly Billing - Muld	Profit and Loss	Sales	Yes
2.00.52105	Ft. Knox Sewer.General. Muldraugh WW Flows	Profit and Loss	Sales	Yes
2.00.53603	Ft. Knox Sewer.General. Reimbursement of Overhead	Profit and Loss	Other Income	Yes
2.00.53604	Ft. Knox Sewer.General. Non-Utility Income	Profit and Loss	Other Income	Yes
2.00.70000	Ft. Knox Sewer.General. Veolia Mgmt Fee	Profit and Loss	Administrative Expense	Yes
2.00.71001	Ft. Knox Sewer.General. Internal Maint/Super	Profit and Loss	Administrative Expense	Yes
2.00.90301	Ft. Knox Sewer.General. Alloc. Customer Svc Labor	Profit and Loss	Salaries Expense	Yes
2.00.92000	Ft. Knox Sewer.General. -Administrative Labor	Profit and Loss	Salaries Expense	Yes
2.00.92100	Ft. Knox Sewer.General. Office Supplies & Expense	Profit and Loss	Administrative Expense	Yes
2.00.92300	Ft. Knox Sewer.General. Prof Services Accounting	Profit and Loss	Administrative Expense	Yes
2.00.92301	Ft. Knox Sewer.General. Prof Services Legal	Profit and Loss	Administrative Expense	Yes
2.00.92302	Ft. Knox Sewer.General. Prof Services Engineering	Profit and Loss	Administrative Expense	Yes

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Account Number	Account Description	Posting Type	Account Category Number	Active
2.00.92303	Ft. Knox Sewer.General. Contractual Services Other	Profit and Loss	Administrative Expense	Yes
2.00.92400	Ft. Knox Sewer.General. Insurance Expense	Profit and Loss	Administrative Expense	Yes
2.00.92900	Ft. Knox Sewer.General. Travel & Lodging	Profit and Loss	Administrative Expense	Yes
2.00.92901	Ft. Knox Sewer.General.Transportation Fuel & Rpr	Profit and Loss	Administrative Expense	Yes
2.00.93000	Ft. Knox Sewer.General. Information Tech Expense	Profit and Loss	Administrative Expense	Yes
2.00.93001	Ft. Knox Sewer.General. Misc Allocated Expense	Profit and Loss	Administrative Expense	Yes
2.00.93003	Ft. Knox Sewer.General. Investment Fees & Bank Cha	Profit and Loss	Administrative Expense	Yes
2.00.93004	Ft. Knox Sewer.General. Utilities	Profit and Loss	Administrative Expense	Yes
2.00.93005	Ft. Knox Sewer.General. Certification & Training	Profit and Loss	Administrative Expense	Yes
2.00.93010	Ft. Knox Sewer.General. Education & Conferences	Profit and Loss	Administrative Expense	Yes
2.00.93600	Ft. Knox Sewer-General- Allocated FK Water G&A Exp	Profit and Loss	Administrative Expense	Yes

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Account Number	Account Description	Posting Type	Account Category Number	Active
3.00.10000	Storm Water .General. Cash Clearing	Balance Sheet	Cash	Yes
3.00.10700	Storm Water .General.CIP - Storm Water	Balance Sheet	Work in Process	Yes
3.00.11001	Storm Water.General.Accumulated Depreciation	Balance Sheet	Accumulated Depreciation	Yes
3.00.12404	Storm Water .General.Money Market - Cecilian	Balance Sheet	Cash	Yes
3.00.13100	Storm Water .General.Revenue Fund Cecilian	Balance Sheet	Cash	Yes
3.00.13101	Storm Water .General.O & M Cecilian	Balance Sheet	Cash	Yes
3.00.14200	Storm Water .General.Customer Accts. Receivable	Balance Sheet	Accounts Receivable	Yes
3.00.14201	FK Storm-General-A/R Mis Statements	Balance Sheet	Accounts Receivable	Yes
3.00.14600	Storm Water .General.Due From Other Funds	Balance Sheet	Other Assets	Yes
3.00.16600	Storm Water .General.Prepaid Expense	Balance Sheet	Prepaid Expenses	Yes
3.00.21600	Storm Water .General.Retained Earnings	Balance Sheet	Retained Earnings	Yes
3.00.23200	Storm Water .General.Accounts Payable	Balance Sheet	Accounts Payable	Yes
3.00.23400	Storm Water .General.Due To Other Funds	Balance Sheet	Other Current Liabilities	Yes
3.00.23800	Storm Water .General.Accrued Expenses	Balance Sheet	Other Current Liabilities	Yes
3.00.23801	Storm Water .General.Accrued Audit Expense	Balance Sheet	Other Current Liabilities	Yes
3.00.27100	Storm Water.General.Contributions in Aid of Const.	Balance Sheet	Retained Earnings	Yes
3.00.27102	Storm Water .General.Captial Contributions	Profit and Loss	Other Income	Yes
3.00.31000	Storm Water .General. Storm Water Property	Balance Sheet	Property, Plant and Equipment	Yes
3.00.35400	Storm Water .General. Structures & Improvements	Balance Sheet	Property, Plant and Equipment	Yes
3.00.37300	Storm Water .General. Treatment & Disposal Equip	Balance Sheet	Property, Plant and Equipment	Yes
3.00.37303	Storm Water .General. Storm Water GIS	Balance Sheet	Property, Plant and Equipment	Yes
3.00.39100	Storm Water .General.Office Furn & Equip	Balance Sheet	Property, Plant and Equipment	Yes
3.00.39300	FK Storm.General.Tool, Work & Safety Equip	Balance Sheet	Property, Plant and Equipment	Yes
3.00.40300	Storm Water .General.Depreciation Expense	Profit and Loss	Depreciation Expense	Yes
3.00.41900	Storm Water .General. Interest & Dividend Income	Profit and Loss	Other Income	Yes
3.00.52106	Storm Water .General. Storm Water Revenue	Profit and Loss	Sales	Yes
3.00.53603	Storm Water .General.Reimbursement of Overhead	Profit and Loss	Other Income	Yes
3.00.70000	Storm Water .General.Veolia Mgmt Fee	Profit and Loss	Administrative Expense	Yes
3.00.90301	FK Storm-General- Alloc Customer Svc Labor	Profit and Loss	Salaries Expense	Yes

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3.00.92000	Storm Water .General. Administrative Labor	Profit and Loss	Administrative Expense	Yes
3.00.92100	Storm Water .General.Office Supplies & Expense	Profit and Loss	Administrative Expense	Yes
3.00.92300	Storm Water .General.Prof Services - Accounting	Profit and Loss	Administrative Expense	Yes
3.00.92301	Storm Water .General. Prof. Services - Legal	Profit and Loss	Administrative Expense	Yes
3.00.92302	Storm Water.General.Prof Services Engineering	Profit and Loss	Administrative Expense	Yes
3.00.92303	FK Storm.General.Contractual Services Other	Profit and Loss	Administrative Expense	Yes
3.00.92400	Storm Water .General. Insurance Expense	Profit and Loss	Administrative Expense	Yes
3.00.92900	Storm Water .General.Travel & Lodging	Profit and Loss	Administrative Expense	Yes
3.00.92901	Storm Water .General.Transportation Fuel & Repair	Profit and Loss	Administrative Expense	Yes
3.00.93000	Storm Water .General.Info. Technology Expense	Profit and Loss	Administrative Expense	Yes
3.00.93003	Storm Water .General.Invest. Fees & Bank Charges	Profit and Loss	Administrative Expense	Yes
3.00.93004	Storm Water .General.Utilities	Profit and Loss	Administrative Expense	Yes
3.00.93005	Storm Water .General.Certification & Training	Profit and Loss	Administrative Expense	Yes
3.00.93010	Storm Water .General.Education & Conferences	Profit and Loss	Administrative Expense	Yes
3.00.93600	FK Storm-General- Allocated FK Water G&A Exp	Profit and Loss	Administrative Expense	Yes

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4.00.10000	Radcliff .General. Cash Clearing	Balance Sheet	Cash	Yes
4.00.10700	Radcliff.General.CIP - Radcliff	Balance Sheet	Work in Process	Yes
4.00.11001	Radcliff.General.Accumulated Depreciation	Balance Sheet	Accumulated Depreciation	Yes
4.00.12400	Radcliff .General.Savings - FKFCU	Balance Sheet	Cash	Yes
4.00.12402	Radcliff .General. Money Market Cecilian	Balance Sheet	Cash	Yes
4.00.12403	Radcliff .General. Certificate of Deposit Cecilian	Balance Sheet	Long-Term Investments	Yes
4.00.12404	Radcliff .General.Money Market - First Federal	Balance Sheet	Cash	Yes
4.00.12405	Radcliff .General.Bond Reserve Fund 1997	Balance Sheet	Long-Term Investments	Yes
4.00.12406	Radcliff .General.Bond Reserve Fund - 2001	Balance Sheet	Long-Term Investments	Yes
4.00.12407	Radcliff .General.Bond Sinking Fund - 2001	Balance Sheet	Long-Term Investments	Yes
4.00.13000	Radcliff Sewer.General.Refund Check Clearing Acct	Balance Sheet	Cash	Yes
4.00.13100	Radcliff .General.Revenue Fund - Cecilian	Balance Sheet	Cash	Yes
4.00.13101	Radcliff.General.O & M Cecilian	Balance Sheet	Cash	Yes
4.00.13300	Radcliff Sewer.General.Restrict Funds-Cecilian MM	Balance Sheet	Cash	Yes
4.00.14200	Radcliff .General.Customer Accounts Receivable	Balance Sheet	Accounts Receivable	Yes
4.00.14201	Radcliff .General.A/R Mis Statements	Balance Sheet	Accounts Receivable	Yes
4.00.14400	Radcliff.General.Accrued Interest	Balance Sheet	Other Assets	Yes
4.00.14600	Radcliff.General.Due From Other Funds	Balance Sheet	Other Assets	Yes
4.00.16600	Radcliff .General.Prepaid Expense	Balance Sheet	Prepaid Expenses	Yes
4.00.18100	Radcliff.General.Unamortized Debt Expense	Balance Sheet	Intangible Assets	Yes
4.00.18101	Radcliff .General.Deferred Discount - 01 KLC Bond	Balance Sheet	Intangible Assets	Yes
4.00.18400	Radcliff .General.Organization Costs	Balance Sheet	Intangible Assets	Yes
4.00.21600	Radcliff .General.Retained Earnings	Balance Sheet	Retained Earnings	Yes
4.00.22100	Radcliff .General.Bond Payable 1997	Balance Sheet	Long-Term Debt	Yes
4.00.23100	Radcliff .General.Current Portion of Bonds	Balance Sheet	Current Maturities of Long-Term Debt	Yes
4.00.23200	Radcliff .General.Accounts Payable	Balance Sheet	Accounts Payable	Yes
4.00.23201	Radcliff .General.Sales Tax Payable	Balance Sheet	Other Current Liabilities	Yes
4.00.23202	Radcliff .General.Sewer Payable Franchise Fee	Balance Sheet	Other Current Liabilities	Yes
4.00.23400	Radcliff .General.Due To Other Funds	Balance Sheet	Other Current Liabilities	Yes

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4.00.23500	Radcliff.General.Customer Deposits	Balance Sheet	Other Current Liabilities	Yes
4.00.23503	Radcliff Sewer.General.Contractor Deposits	Balance Sheet	Other Current Liabilities	Yes
4.00.23700	Radcliff.General.Accrued Interest	Balance Sheet	Other Current Liabilities	Yes
4.00.23800	Radcliff .General.Accrued Expenses	Balance Sheet	Other Current Liabilities	Yes
4.00.23801	Radcliff .General.Accrued Audit Expense	Balance Sheet	Other Current Liabilities	Yes
4.00.27100	Radcliff .General.Contributions in Aid of Const.	Balance Sheet	Retained Earnings	Yes
4.00.27101	Radcliff.General.Tap Fees	Profit and Loss	Other Income	Yes
4.00.27102	Radcliff .General.Captial Contributions	Profit and Loss	Other Income	Yes
4.00.27103	Radcliff .General.Misc Revenue - Grant I & I	Profit and Loss	Other Income	Yes
4.00.27104	Radcliff.General.Misc Revenue Grant Pump Stations	Profit and Loss	Other Income	Yes
4.00.27105	Radcliff .General. Misc Revenue - Grant - SI	Profit and Loss	Other Income	Yes
4.00.27106	Radcliff Sewer-General- Misc Revenue - Grant	Profit and Loss	Other Income	Yes
4.00.31000	Radcliff.General.Land & Easements	Balance Sheet	Property, Plant and Equipment	Yes
4.00.35201	Radcliff .General.Sewer Plant	Balance Sheet	Property, Plant and Equipment	Yes
4.00.35202	Radcliff.General.Collection Sewers - Gravity	Balance Sheet	Property, Plant and Equipment	Yes
4.00.35211	Radcliff.General.Sewer Plant Improvements	Balance Sheet	Property, Plant and Equipment	Yes
4.00.35300	Radcliff.General.Other Collection Plant Facilitie	Balance Sheet	Property, Plant and Equipment	Yes
4.00.35400	Radcliff.General.Services to Customers	Balance Sheet	Property, Plant and Equipment	Yes
4.00.35500	Radcliff.General.Flow Measuring Devices	Balance Sheet	Property, Plant and Equipment	Yes
4.00.36301	Radcliff .General.Pumping Equipment Electric	Balance Sheet	Property, Plant and Equipment	Yes
4.00.36302	Radcliff.General.Pumping Equipment Diesel	Balance Sheet	Property, Plant and Equipment	Yes
4.00.37300	Radcliff.General.Treatment & Disposal Equipment	Balance Sheet	Property, Plant and Equipment	Yes
4.00.37600	Radcliff.General.Other Trmt & Disposal Plant Equi	Balance Sheet	Property, Plant and Equipment	Yes
4.00.39100	Radcliff.General.Office Furniture & Equipment	Balance Sheet	Property, Plant and Equipment	Yes
4.00.39200	Radcliff.General.Transportation Equipment	Balance Sheet	Property, Plant and Equipment	Yes
4.00.39300	Radcliff Sewer.General.Tool, Work & Safety Equip	Balance Sheet	Property, Plant and Equipment	Yes
4.00.39301	Radcliff.General.Laboratory Equipment	Balance Sheet	Property, Plant and Equipment	Yes
4.00.39302	Radcliff.General.Power Operated Equipment	Balance Sheet	Property, Plant and Equipment	Yes
4.00.39303	Radcliff.General.Communication Equipment	Balance Sheet	Property, Plant and Equipment	Yes
4.00.41700	Radliff.General.Gain/Loss on Asset Dispositions	Profit and Loss	Gain/Loss on Asset Disposal	Yes

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4.00.41900	Radcliff.General.Interest & Dividend Income	Profit and Loss	Other Income	Yes
4.00.42100	Radcliff.General.Bad Debt Recovered	Profit and Loss	Other Income	Yes
4.00.52102	Raqdcliff.General.Flat Revenue - Commercial	Profit and Loss	Sales	Yes
4.00.52201	Radcliff .General.Measured Revenue - Multi Family	Profit and Loss	Sales	Yes
4.00.52202	Radcliff.General.Measured Revenue - Residential	Profit and Loss	Sales	Yes
4.00.53600	Radcliff.General.Penalites & Misc Fees	Profit and Loss	Other Income	Yes
4.00.53601	Radcliff.General.Discharge Permit Fees	Profit and Loss	Other Income	Yes
4.00.53602	Radcliff.General.Sewer High Strength Surcharge	Profit and Loss	Other Income	Yes
4.00.53604	Radcliff.General.Non-Utility Income	Profit and Loss	Other Income	Yes
4.00.92400	Radcliff Sewer.General.	Profit and Loss	Administrative Expense	Yes
4.03.70100	Radcliff.Distribution.Collection System Labor	Profit and Loss	Salaries Expense	Yes
4.03.71000	Radcliff.Distribution.Routine Maintenance Service	Profit and Loss	Administrative Expense	Yes
4.03.71001	Radcliff.Distribution.Internal Maint Supervision	Profit and Loss	Administrative Expense	Yes
4.03.93009	Radcliff.Distribution.Misc General Expense	Profit and Loss	Administrative Expense	Yes
4.04.90300	Radcliff.Customer Service.Customer Service Labor	Profit and Loss	Salaries Expense	Yes
4.04.90301	Radcliff.Customer Service.Misc Customer Expense	Profit and Loss	Administrative Expense	Yes
4.04.92100	Radcliff.Customer Service.Office Supplies & Expen	Profit and Loss	Administrative Expense	Yes
4.04.92303	Radcliff.Customer Service.Contractd Services	Profit and Loss	Administrative Expense	Yes
4.04.93007	Radcliff.Customer Service.Customer Interest Expens	Profit and Loss	Interest Expense	Yes
4.06.40300	Radcliff.Administration.Depreciation Expense	Profit and Loss	Depreciation Expense	Yes
4.06.40301	Radcliff.Administration.Allocated Depreciation	Profit and Loss	Depreciation Expense	Yes
4.06.40800	Radcliff.Administration.Regulatory Commission Ex.	Profit and Loss	Administrative Expense	Yes
4.06.40804	Radcliff.Administration.Amort Rate Case - Raftelis	Profit and Loss	Amortization of Intangible Assets	Yes
4.06.42700	Radcliff .Administration.Interest on LT Debt	Profit and Loss	Interest Expense	Yes
4.06.42701	Radcliff .Administration.Allocated Interest Expen	Profit and Loss	Interest Expense	Yes
4.06.42800	Radcliff .Administration.Amort of Debt Expense	Profit and Loss	Amortization of Intangible Assets	Yes
4.06.42801	Radcliff.Administration.Allo.of Amort. Debt Disc	Profit and Loss	Amortization of Intangible Assets	Yes
4.06.43200	Radcliff.Administration.Amortization of Acq. Expen	Profit and Loss	Amortization of Intangible Assets	Yes
4.06.70000	Radcliff.Administration.Veolia Management Fee	Profit and Loss	Administrative Expense	Yes
4.06.90302	Radcliff.Administration.Agency Collection Expense	Profit and Loss	Administrative Expense	Yes

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4.06.90400	Radcliff.Administration.Bad Debt Expense	Profit and Loss	Administrative Expense	Yes
4.06.92000	Radcliff.Administration.Administrative Labor	Profit and Loss	Salaries Expense	Yes
4.06.92100	Radcliff.Administration.Office Supplies & Expense	Profit and Loss	Administrative Expense	Yes
4.06.92300	Radcliff.Administration.Prof. Services- Accounting	Profit and Loss	Administrative Expense	Yes
4.06.92301	Radcliff.Administration.Prof Services - Legal	Profit and Loss	Administrative Expense	Yes
4.06.92302	Radcliff.Administration.Prof Services - Engineerin	Profit and Loss	Administrative Expense	Yes
4.06.92303	Radcliff.Administration.Contractd Services	Profit and Loss	Administrative Expense	Yes
4.06.92400	Radcliff.Administration.Insurance Expense	Profit and Loss	Administrative Expense	Yes
4.06.92900	Radcliff.Administration.Travel & Lodging	Profit and Loss	Administrative Expense	Yes
4.06.92901	Radcliff .Administration. Transport Fuel & Repairs	Profit and Loss	Administrative Expense	Yes
4.06.93000	Radcliff.Administration.Info Technology Expense	Profit and Loss	Administrative Expense	Yes
4.06.93002	Radcliff .Administration. Advertising Expense	Profit and Loss	Administrative Expense	Yes
4.06.93003	Radcliff.Administration.Investment Fees & Bank Cha	Profit and Loss	Administrative Expense	Yes
4.06.93004	Radcliff.Administration.Utilities	Profit and Loss	Administrative Expense	Yes
4.06.93005	Radcliff.Administration.Certification & Training	Profit and Loss	Administrative Expense	Yes
4.06.93006	Radcliff.Administration.Remarket & Other Bond Fees	Profit and Loss	Administrative Expense	Yes
4.06.93008	Radcliff.Administration.Rents	Profit and Loss	Administrative Expense	Yes
4.06.93009	Radcliff.Administration.Misc General Expense	Profit and Loss	Administrative Expense	Yes
4.06.93010	Radcliff.Administration.Education & Conferences	Profit and Loss	Administrative Expense	Yes
4.06.93600	Radcliff Sewer-Admin- Allocated FK Water G&A Exp	Profit and Loss	Administrative Expense	Yes

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5.00.10000	FK Water-General- Cash Clearing	Balance Sheet	Cash	Yes
5.00.10300	FK Water-General- Property Held for Future Use	Balance Sheet	Property, Plant and Equipment	Yes
5.00.10500	FK Water-General- CIP	Balance Sheet	Work in Process	Yes
5.00.10800	FK Water-General-Accumulated Depreciation	Balance Sheet	Accumulated Depreciation	Yes
5.00.13100	FK Water-General- Revenue Fund - Cecilian	Balance Sheet	Cash	Yes
5.00.13101	FK Water-General-O & M Cecilian	Balance Sheet	Cash	Yes
5.00.13507	FK Water-General- Money Market - Cecilian	Balance Sheet	Cash	Yes
5.00.14100	FK Water-General- Accounts Receivable	Balance Sheet	Accounts Receivable	Yes
5.00.14102	FK Water-General- Unapplied Cash	Balance Sheet	Accounts Receivable	Yes
5.00.14201	FK Water-General-A/R Mis Statements	Balance Sheet	Accounts Receivable	Yes
5.00.14500	FK Water-General- Due From Other Funds	Balance Sheet	Other Assets	Yes
5.00.15101	FK Water-General- Inventory - Chemicals	Balance Sheet	Inventory	Yes
5.00.15102	FK Water-General- Inventory - Meters	Balance Sheet	Inventory	Yes
5.00.15103	FK Water-General-Inventory - Distribution Materias	Balance Sheet	Inventory	Yes
5.00.16201	FK Water-General- Prepaid Expense	Balance Sheet	Prepaid Expenses	Yes
5.00.17100	FK Water-General- Accrued Interest	Balance Sheet	Other Assets	Yes
5.00.18400	FK Water-General- Acquisition Costs	Balance Sheet	Other Assets	Yes
5.00.21502	FK Water-General- Cont. in Aid of Construction	Balance Sheet	Retained Earnings	Yes
5.00.21600	FK Water-General-Retained Earnings	Balance Sheet	Retained Earnings	Yes
5.00.22400	FK Water.General.LWC Development Cost	Balance Sheet	Other Current Liabilities	Yes
5.00.23100	FK Water-General- Accounts Payable	Balance Sheet	Accounts Payable	Yes
5.00.23503	FK Water-General- Contractor Deposits	Balance Sheet	Other Current Liabilities	Yes
5.00.23601	FK Water-General- Social Security Withholding	Balance Sheet	Taxes Payable	Yes
5.00.23602	FK Water-General- Federal Tax Withholding	Balance Sheet	Taxes Payable	Yes
5.00.23603	FK Water-General- State Tax Withholding	Balance Sheet	Taxes Payable	Yes
5.00.23606	FK Water-General- Radcliff City Withholding	Balance Sheet	Taxes Payable	Yes
5.00.23607	FK Water-General- Employee Insurance Withholding	Balance Sheet	Other Current Liabilities	Yes
5.00.23608	FK Water-General- Employee 401K Withholding	Balance Sheet	Other Current Liabilities	Yes
5.00.23609	FK Water-General- Garnishment Withholding	Balance Sheet	Other Current Liabilities	Yes

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5.00.23610	FK Water-General- Garnishment Withholding	Balance Sheet	Other Current Liabilities	Yes
5.00.23611	FK Water-General- 125 Cafeteria Plan Withholding	Balance Sheet	Other Current Liabilities	Yes
5.00.23612	FK Water-General- HRA Flex Spending	Balance Sheet	Other Current Liabilities	Yes
5.00.23613	FK Water-General- Employee Retirement Purchase	Balance Sheet	Other Current Liabilities	Yes
5.00.23614	FK Water-General- Vine Grove City Tax Withholding	Balance Sheet	Other Current Liabilities	Yes
5.00.23701	FK Water-General- Accrued Interest Expense	Balance Sheet	Taxes Payable	Yes
5.00.24201	FK Water-General- Accrued Expenses	Balance Sheet	Interest Payable	Yes
5.00.24202	FK Water-General- Accrued Audit Expense	Balance Sheet	Other Current Liabilities	Yes
5.00.24203	FK Water-General- Accrued Compensated Absences	Balance Sheet	Other Current Liabilities	Yes
5.00.24204	FK Water-General- Accrued Salaries	Balance Sheet	Other Current Liabilities	Yes
5.00.24205	FK Water-General- County Retirement Withholding	Balance Sheet	Other Current Liabilities	Yes
5.00.24211	FK Water-General- Sales & Use Tax Payable	Balance Sheet	Other Current Liabilities	Yes
5.00.30100	FK Water.General.LWC Acquisition Costs	Balance Sheet	Other Current Liabilities	Yes
5.00.30300	FK Water-General- Land & Land Rights	Balance Sheet	Property, Plant and Equipment	Yes
5.00.30400	FK Water-General- Structures & Improvements	Balance Sheet	Property, Plant and Equipment	Yes
5.00.30700	FK Water-General- Wells & Springs	Balance Sheet	Property, Plant and Equipment	Yes
5.00.30900	FK Water-General- Supply Mains	Balance Sheet	Property, Plant and Equipment	Yes
5.00.31100	FK Water-General- Booster Stations	Balance Sheet	Property, Plant and Equipment	Yes
5.00.32000	FK Water-General- Water Treatment Equipment	Balance Sheet	Property, Plant and Equipment	Yes
5.00.33000	FK Water-General- Standpipe Tanks & Foundations	Balance Sheet	Property, Plant and Equipment	Yes
5.00.33100	FK Water-General-Transmission & Distribution Mains	Balance Sheet	Property, Plant and Equipment	Yes
5.00.33300	FK Water-General- Service Lines & Connections	Balance Sheet	Property, Plant and Equipment	Yes
5.00.33400	FK Water-General- Meters	Balance Sheet	Property, Plant and Equipment	Yes
5.00.33500	FK Water-General- Hydrants	Balance Sheet	Property, Plant and Equipment	Yes
5.00.33900	FK Water-General- Other Plant & Misc Equip	Balance Sheet	Property, Plant and Equipment	Yes
5.00.34000	FK Water-General- Office Furniture & Equip	Balance Sheet	Property, Plant and Equipment	Yes
5.00.34100	FK Water-General- Transportation Equipment	Balance Sheet	Property, Plant and Equipment	Yes
5.00.34200	FK Water-General- Stores Equipment	Balance Sheet	Property, Plant and Equipment	Yes
5.00.34300	FK Water-General- Tool, Work & Safety Equip	Balance Sheet	Property, Plant and Equipment	Yes
5.00.34400	FK Water-General- Lab Equipment	Balance Sheet	Property, Plant and Equipment	Yes

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5.00.34500	FK Water-General- Power Operated Equip	Balance Sheet	Property, Plant and Equipment	Yes
5.00.34600	FK Water-General- Communication Equipment	Balance Sheet	Property, Plant and Equipment	Yes
5.00.41401	FK Water-General- Gain/Loss on Fixed Assets	Profit and Loss	Gain/Loss on Asset Disposal	Yes
5.00.41402	FK Water.General. Inter-Departmental Transfers	Profit and Loss	Other Income	Yes
5.00.41901	FK Water-General- Interest & Dividend Income	Profit and Loss	Other Income	Yes
5.00.43205	FK Water-General- Tap Fees	Profit and Loss	Other Income	Yes
5.00.43206	FK Water-General- Capital Contributions	Profit and Loss	Other Income	Yes
5.00.46400	FK Water-General- Water Revenue	Profit and Loss	Sales	Yes
5.00.47401	FK Water-General- Non Utility Income	Profit and Loss	Other Income	Yes
5.00.47405	FK Water-General- Reimbursement of Overhead	Profit and Loss	Other Income	Yes
5.03.40812	FK Water-Distribution- OASDI	Profit and Loss	Tax Expense	Yes
5.03.60100	FK Water-Distribution- Salary & Wages	Profit and Loss	Salaries Expense	Yes
5.03.60101	FK Water-Distribution- Salary - Contra Acct	Profit and Loss	Salaries Expense	Yes
5.03.60102	FK Water-Distribution- Overtime	Profit and Loss	Salaries Expense	Yes
5.03.60103	FK Water-Distribution- Premium Time	Profit and Loss	Salaries Expense	Yes
5.03.60107	FK Water-Distribution- Part Time - Salary & Wages	Profit and Loss	Salaries Expense	Yes
5.03.60400	FK Water-Distribution- Pension Expense	Profit and Loss	Other Employee Expenses	Yes
5.03.60401	FK Water-Distribution-Hlth, Life & Disab Insurance	Profit and Loss	Other Employee Expenses	Yes
5.03.60402	FK Water-Distribution- Flexible Benefits	Profit and Loss	Other Employee Expenses	Yes
5.03.61901	FK Water-Distribution- Bac-T Supplies	Profit and Loss	Administrative Expense	Yes
5.03.62000	FK Water-Distribution- Materials & Supplies - Misc	Profit and Loss	Administrative Expense	Yes
5.03.62200	FK Water-Distribution- Service Line Repairs	Profit and Loss	Administrative Expense	Yes
5.03.62400	FK Water-Distribution- Storage Maintenance	Profit and Loss	Administrative Expense	Yes
5.03.62500	FK Water-Distribution-Booster Station Supply & Exp	Profit and Loss	Administrative Expense	Yes
5.03.62600	FK Water-Distribution- Small Tool Expense	Profit and Loss	Administrative Expense	Yes
5.03.62700	FK Water-Distribution- Transmission Main Repairs	Profit and Loss	Administrative Expense	Yes
5.03.62701	FK Water-Distribution- Existing Meter Repairs	Profit and Loss	Administrative Expense	Yes
5.03.63600	FK Water-Distribution- Contractual Services	Profit and Loss	Administrative Expense	Yes
5.03.63700	FK Water-Distribution- Uniform Expense	Profit and Loss	Administrative Expense	Yes
5.03.65000	FK Water-Distribution-Transportation Fuel & Repair	Profit and Loss	Administrative Expense	Yes

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5.03.65800	FK Water-Distribution- Workers Comp Expense	Profit and Loss	Administrative Expense	Yes
5.03.65900	FK Water-Distribution- Unemployment Insurance	Profit and Loss	Administrative Expense	Yes
5.03.67600	FK Water-Distribution- Phone Expense	Profit and Loss	Administrative Expense	Yes
5.06.40300	FK Water-Administration- Depreciation Expense	Profit and Loss	Depreciation Expense	Yes
5.06.40810	FK Water-Administration- Regulatory Commission Exp	Profit and Loss	Tax Expense	Yes
5.06.42802	FK Water-Administration- Amort. of Acquisition Exp	Profit and Loss	Amortization of Intangible Assets	Yes
5.06.60107	FK Water-Administration- Legal Wages	Profit and Loss	Salaries Expense	Yes
5.06.60108	FK Water-Administration- Alloc. Commisisoner Labor	Profit and Loss	Salaries Expense	Yes
5.06.60109	FK Water-Administration- Allocated Admin Labor	Profit and Loss	Salaries Expense	Yes
5.06.60110	FK Water-Administration- Alloc. Cust Service Labor	Profit and Loss	Salaries Expense	Yes
5.06.60111	FK Water-Administration-Allocted Maintenance Labor	Profit and Loss	Salaries Expense	Yes
5.06.60112	FK Water-Administration- Alloc. Distribution Labor	Profit and Loss	Salaries Expense	Yes
5.06.61000	FK Water-Administration- Purchased Water	Profit and Loss	Administrative Expense	Yes
5.06.62000	FK Water-Administration-Materials & Supplies -Misc	Profit and Loss	Administrative Expense	Yes
5.06.63200	FK Water-Administration- Prof Services -Accounting	Profit and Loss	Administrative Expense	Yes
5.06.63300	FK Water-Administration- Prof Services - Legal	Profit and Loss	Administrative Expense	Yes
5.06.63600	FK Water-Administration- Contractual Services	Profit and Loss	Administrative Expense	Yes
5.06.63800	FK Water-Administration- Management Fee - LWC	Profit and Loss	Administrative Expense	Yes
5.06.65700	FK Water-Administration- Insurance Expense	Profit and Loss	Administrative Expense	Yes
5.06.66000	FK Water-Administration- Advertising Expense	Profit and Loss	Administrative Expense	Yes
5.06.67500	FK Water-Administration- Miscellaneous Expense	Profit and Loss	Administrative Expense	Yes
5.06.67700	FK Water-Administration.Dues & Subscriptions	Profit and Loss	Administrative Expense	Yes
5.06.67800	FK Water-Administration- Postage & Mailing	Profit and Loss	Administrative Expense	Yes
5.06.68000	FK Water-Administration- Safety Expense	Profit and Loss	Administrative Expense	Yes
5.06.68100	FK Water-Administration-Information Technology Exp	Profit and Loss	Administrative Expense	Yes
5.06.68300	FK Water-Administration- Certification & Training	Profit and Loss	Administrative Expense	Yes
5.06.68400	FK Water-Administration- Travel & Lodging	Profit and Loss	Administrative Expense	Yes
5.06.68500	FK Water-Administration- Education & Conferences	Profit and Loss	Administrative Expense	Yes
5.06.68600	FK Water-Administration-Allocated FK Water G&A Exp	Profit and Loss	Administrative Expense	Yes





Per KAR 5:001, Section 16(9)(o)

**Computer Software,
Program or Model**

Description of Use:

Supplier

Hardware/OS

Computer Software, Program or Model	Description of Use:	Supplier	Hardware/OS
Arcview GIS	Mapping Software used to complete annual PSC report and Sewer Plant Statistics	ESRI	Workstation: Windows 7 32/64 bit with latest service pack (64 bit recommended) 1.6 GHz + processor or Dual/Quad Core equivalent 2 GB RAM minimum • Video Card and Monitor that supports SXGA (1024 x 768 resolution) 50 MBfree Hard Drive space
Crystal Reports XI	Export Customer usage data for Rate Study Model	Business Objects	Windows Vista, Windows XP, Windows 2000, Windows Server 2008, Windows Server 2003; Processor: 700 mHz or higher recommended, RAM: 512 MB or higher, Free Disk Space: 1.5 GB for program
Excel 2007, 2010	Spreadsheet Application used to create Rate Study Model and various exhibits	Microsoft	Microsoft Windows XP (Professional or Home) including Windows Vista; Processor: 1 GHz or higher recommended RAM: 500 MB or higher, Free Disk Space: 3.5 GB for program
FAS 100 Asset Accounting	Record Fixed Assets and Calculate Depreciation	Sage Software, Inc.	Microsoft Windows XP (Professional or Home) with SP2 or SP3; Windows Vista SP2; Windows 7 SP1; 32-bit and 64-bit compatibility; Processor: 1 GHz or higher recommended RAM: 1 GB or higher, Free Disk Space: 500 MB for program
iCIS/iONE; i-nHANCE; Executable File: 6.12.10.0; Utility Billing Package: 6.0.10.0; Technical Services Package: 6.0.10.0; Accounting Package: 6.0.10.0; System Admin Package: 6.0.10.0; Common Package: 6.12.10.0; Custom Package: 6.12.10.0; Database Version: 6.0.10.0 - 7/5/2012 5:39:34 PM	Utility Billing Software; Distribution Inventory Tracking; All Customer use and billing data is developed and extracted from this	Harris Computing	Workstation: • Windows 7 32/64 bit with latest service pack (64 bit recommended) • 2.8 GHz + processor or Dual/Quad Core equivalent • 2 GB RAM minimum / 8 + GB RAM Recommended • Video Card and Monitor that supports SXGA (1280 x 1024 resolution) • 1 GBfree Hard Drive space for iCIS/iONEsoftware • DVD ROM; Server Hardware & Software: • Operating System:Windows 2008 R2 Server / 64bit running the latest Service Pack or better • Database:MS SQL Server 2008 R2 Standard the latest Service Pack or better • Processor:Two Quad-Core Xeon Processors or better • Memory: 16 GB RAM minimum, 32 GB or more Recommended • Hard Drive Configuration:RAID 1 for operation system and applications (2 disks) RAID 1 for SQL database log files (2 disks) RAID 5 (4 disks min) for SQL data files **Microsoft Recommended Hard Drive Configuration • Network Configuration:TCP/IP Configuration Preferred, Must be member of a Domain and have access to the Active Directory • Network Card: 1GB Ethernet • Connectivity: MS Remote Desktop for Remote Support Connection

Microsoft Dynamics GP 2010	Financial Accounting, General Ledger and Accounts Payable Software	Microsoft	Windows® 7 Enterprise, Ultimate or Professional Edition SP1 or later <input checked="" type="checkbox"/> Windows® Vista Enterprise, Ultimate or Business Edition SP2 or later <input checked="" type="checkbox"/> Windows® XP Professional Edition SP3 or later; Microsoft Office 2007 or Office 2010; Processor - Single or Dual Core: 2.6 GHz or higher recommended RAM : 2 GB or higher, Free Disk Space : 2 GB for program
MV-RS, version 8.3	Meter Reading software - Download Meter Reading Data into IUS Software	I-Tron	Microsoft Windows XP or Windows Vista; Processor : 550 mHz or higher recommended RAM : 500 MB or higher, Free Disk Space : 2 GB for program
Outlook 2007, 2010	Provide secure email communications	Microsoft	Microsoft Windows XP (Professional or Home) including Windows Vista; Processor : 1 GHz or higher recommended RAM : 500 MB or higher, Free Disk Space : 3.5 GB for program
Power Point 2007, 2010	Slide Presentations for Board of Commissioners	Microsoft	Microsoft Windows XP (Professional or Home) including Windows Vista; Processor : 1 GHz or higher recommended RAM : 500 MB or higher, Free Disk Space : 2 GB for program
Quattro Pro 12, 12.0.0.238, X4	Spreadsheet Application used to create Rate Study Model and various exhibits	Corel	Windows Vista Home Basic, Home Premium, Ultimate, and Business (32 Bit and 64 Bit), Windows XP Home, Media, or Professional Edition (with latest Service Pack and Critical Updates), Windows 2000 (with latest Service Pack and Critical Updates), or Windows 98 SE (with latest Critical Updates); Processor : 800 mHz or higher recommended, RAM : 512 MB or higher, Free Disk Space : 600 MB for program
SQL Server 2008	Required for Harris and other SQL based applications (i-Nhance, GP) to run	Microsoft	Microsoft Windows Server 2008, NTFS file format; Processor : 2 GHz or higher recommended; RAM : 2 GB or higher, Free Disk Space : N/A for program
Word 2007, 2010	Report Writer application and all other Text Documents created for Rate Adjustment Application	Microsoft	Microsoft Windows XP (Professional or Home) including Windows Vista; Processor : 1 GHz or higher recommended RAM : 500 MB or higher, Free Disk Space : 3.5 GB for program
Word Perfect 12, 12.0.0.238, X4	Report Writer application and all other Text Documents created for Rate Adjustment Application	Corel	Windows Vista Home Basic, Home Premium, Ultimate, and Business (32 Bit and 64 Bit), Windows XP Home, Media, or Professional Edition (with latest Service Pack and Critical Updates), Windows 2000 (with latest Service Pack and Critical Updates), or Windows 98 SE (with latest Critical Updates); Processor : 800 mHz or higher recommended, RAM : 512 MB or higher, Free Disk Space : 600 MB for program



HARDIN COUNTY WATER DISTRICT NO. 1
As of January 31, 2012

	CURRENT MONTH					YEAR to DATE				
	WATER FUND	FT. KNOX SEWER	FT. KNOX STORMWATER	RADCLIFF SEWER	TOTAL	WATER FUND	FT. KNOX SEWER	FT. KNOX STORMWATER	RADCLIFF SEWER	TOTAL
Total Operating Revenue	307,879.01	243,855.55	40,092.78	287,723.81	879,551.15	307,879.01	243,855.55	40,092.78	287,723.81	879,551.15
Total Operating Expenses	205,740.57	158,765.19	24,813.10	214,369.99	803,478.85	205,740.57	158,765.19	24,813.10	214,369.99	803,478.85
Less Depreciation & Amortization	(79,686.72)	(63,409.21)	(3,081.32)	(78,772.65)	(214,808.90)	(79,686.72)	(63,409.21)	(3,081.32)	(78,772.65)	(214,808.90)
Operating Income	22,572.72	31,681.15	12,418.36	(5,418.83)	61,283.40	22,572.72	31,681.15	12,418.36	(5,418.83)	61,283.40
Interest Income	3,169.27	1,283.71	545.35	2,707.11	7,705.44	3,169.27	1,283.71	545.35	2,707.11	7,705.44
Interest Expense	(24,248.99)	(91.36)	-	(7,518.10)	(31,866.45)	(24,248.99)	(91.36)	-	(7,518.10)	(31,866.45)
Net Unrealized Gain (Loss)	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Investments	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Assets	(16.17)	-	-	(14.33)	(30.50)	(16.17)	-	-	(14.33)	(30.50)
Non-utility Income	-	-	-	-	-	-	-	-	-	-
Income Before Contributed Capital	1,478.83	32,883.80	12,863.71	(10,242.16)	37,081.89	1,478.83	32,883.80	12,863.71	(10,242.16)	37,081.89
Government Contributions	-	-	-	-	-	-	-	-	-	-
Misc Grants	-	-	-	-	-	-	-	-	-	-
Misc Grants-HWY 1862	-	-	-	-	-	-	-	-	-	-
Misc Grants-HWY 144	-	-	-	-	-	-	-	-	-	-
Misc Grants Louisville H2O Connector	-	-	-	-	-	-	-	-	-	-
Misc Grants Constantine Road	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/ & I	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/Pump Stations	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/SI	-	-	-	-	-	-	-	-	-	-
Tap fees	2,570.00	-	-	150.00	2,720.00	2,570.00	-	-	150.00	2,720.00
Capital Contributions	-	21,367.29	8,290.33	-	27,657.62	-	21,367.29	8,290.33	-	27,657.62
Change in Net Assets	-4,046.83	54,250.79	19,254.04	(10,082.16)	67,459.51	4,046.83	54,250.79	19,254.04	(10,082.16)	67,459.51
Return on Assets (ROA)						0.004%	0.16%	0.68%	-0.04%	0.05%

We will not show Fort Knox Water until the Month of February as the Official Takeover Date is February 1, 2012. Also at this time, Fort Knox Water will share in the Allocation of G&A expense, thereby reducing the overall expenses of the existing four funds (Water, FK Sewer, FK Storm and Radcliff). This will equate to a better Net Income or Reduction of Net Loss for these funds.

As of January 31, 2012, we have drawn approximately \$200,000 of the Board approved \$350,000 on the Line of Credit for purchases at Fort Knox Water. These purchases include a Dump Truck, Back Hoe, Trailer, Tools and Miscellaneous Office Equipment/Supplies.

The contributed capital received this month is as follows: Ft. Knox Sewer (\$21,367) was for Matthews LS & Force Main, Pinwheel/Camp Carlson; Ft. Knox Stormwater (\$8,290) was for Godman Airfield SW Improvements and P&L Railroad Crossing SW Improvements.

Water: Compared to Last Year, Y-T-D sales change is as follows: Residential down (7.07%), Commercial up (.51%), Multi-Family down (21.6%) and Wholesale down (13.6%). Total Revenues are down 7.4%. The number of customer accounts is down 209 customers and the number of gallons sold is down 7.2 million compared to January of 2011. Chemical expense is up due to an increase in chemical usage as a result of 4.35% of rainfall for the month. The loss on disposal of assets is from disposing of 2 6/8 x 3/4 meters. Certification & Training was up due to having both Water Treatment Plant Operators and Distribution Operators attending training for certification.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$44,061 difference; This Year Compared to Last Year YTD = -\$29,981.

Ft. Knox Sewer - Veolia Management Fee is slightly lower due to the capitalization of \$1,085 for the PTB Rehab/Replacement project.

Ft. Knox Stormwater - Veolia Management Fee is slightly lower due to the capitalization of \$2,013 for the 1st Cav Storm Improvements project.

Radcliff: Compared to Last Year, Y-T-D sales change as follows: Residential down (3.6%), Multi-Family down (19.2%), Commercial Sales up (3.4%). Total Revenue are down 4.28%. The number of customer accounts is down 166 customers and the number of gallons sold is down 2.2 million compared to January of 2011. Veolia Management Fee was lower for the month due to the capitalization of \$16,700 for the Redimer Force Main Relocation.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$30,029 difference; This Year YTD Compared to Last Year YTD = -\$21,188.

Bad Debt Expense: Compared to last year Y-T-D, Radcliff is down approximately 10.3% & Water is down approximately 11%. Compared to Last Year, Bad Debt Recovered for Water is up approximately 6.2% and Radcliff is up approximately 30.8%.

Invested Funds Inventory
 HCWD1
 7/31/2012

<u>Name of Account</u>	<u>Rate</u>	<u>Balance</u>	<u>Mkt Val</u>	<u>Accr'd Inc</u>	<u>Earnings</u>	<u>Fees</u>	<u>R = Restrict</u>	<u>Current Investment</u>	<u>Invested By</u>	<u>Maturity</u>
Water Revenue/O&M	0.250%	363,175.67	363,175.67	0.00	83.97		U = Unrest	Cecilian Bank	Cecilian Bank	
Water Savings	0.250%	53,732.30	53,732.30	11.41	11.41		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Water Fund	0.250%	1,037.09	1,037.09	0.22	0.22		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-Water Fund	4.910%	246,120.57	246,120.57	1,158.79	1,026.36		U = Unrest	Cecilian Bank	Cecilian Bank	09/27/12
HCWD1 CD-Water Fund	1.490%	122,013.77	122,013.77	154.40	154.40		U = Unrest	FKFCU	FKFCU	12/04/12
HCWD1 CD-Water Fund	5.200%	373,703.87	373,703.87	1,863.40	1,650.44		U = Unrest	Lincoln National Bank	Lincoln National Bank	09/27/12
2002 Sinking Fund - Principal	0.000%	108,333.35	108,333.35				R = Restrict	Cecilian Bank	Cecilian Bank	
2002 Sinking Fund - Interest	0.000%	342.70	342.70				R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Depreciation Fund	0.170%	750,820.06	750,820.06	117.62	117.62		R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Debt Serv Res	0.170%	584,628.19	584,628.19	91.59	91.59		R = Restrict	First American Govt Oblig Fd	U S Bank	
2005 Sinking Fund	0.170%	205,980.82	205,980.82	28.29	28.29		R = Restrict	First American Govt Oblig Fd	U S Bank	
Subtotal Water Fund		2,809,888.39	2,809,888.39	3,426.72	3,164.30	0.00				
Ft. Knox Sewer Revenue/O&M	0.250%	276,833.24	276,833.24	0.00	54.89		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Sewer Savings	0.250%	1,816.80	1,816.80	0.34	0.34		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Ft. Knox Sewer Fund	0.250%	1,015.89	1,015.89	0.21	0.21		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Ft. Knox Sewer Money Market	1.00%	1,402,220.79	1,402,220.79		1,228.27		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Sewer Fund		1,681,686.72	1,681,686.72	0.55	1,283.71	0.00				
Ft. Knox Stormwater Revenue/O&M	0.25%	92,487.03	92,487.03	0.00	18.92		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Stormwater Money Market	1.00%	600,990.30	600,990.30		526.43		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Stormwater Fund		693,477.33	693,477.33	0.00	545.35	0.00				
Radcliff Sewer Revenue/O&M	0.250%	138,751.82	138,751.82	0.00	58.49		U = Unrest	Cecilian Bank	Cecilian Bank	
Radcliff Sewer Business Partner MM	1.000%	2,604,199.07	2,604,199.07		2,281.13		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Radcliff Sewer Fund	0.250%	1,015.89	1,015.89	0.21	0.21		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-KIA Maint & Repair Fund	1.290%	335,230.42	335,230.42	888.58	387.28		R = Restrict	Cecilian Bank	Cecilian Bank	06/18/12
Subtotal Radcliff Sewer Fund		3,079,197.20	3,079,197.20	888.79	2,707.11	0.00				
Total		8,264,249.64	8,264,249.64	4,316.06	7,165.12	0.00				

HARDIN COUNTY WATER DISTRICT NO. 1 WATER FUND
COMPARATIVE BALANCE SHEET
JANUARY 31, 2012

ASSETS

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets			
Cash	\$ 419,645.06	\$ 229,745.53	\$ 189,899.53
Investments - Less than 1 year to Maturity	741,838.21	229,233.89	512,604.32
Accounts receivable, net	413,696.98	437,650.86	(23,953.88)
Due from other funds	-	61,885.99	(61,885.99)
Inventory-materials & supplies	273,764.35	396,978.68	(123,214.33)
Accrued interest	3,425.72	4,290.70	(864.98)
Prepaid expenses	70,449.09	71,321.59	(872.50)
Total current assets	<u>1,922,819.41</u>	<u>1,431,107.24</u>	<u>491,712.17</u>
Long-term Investments			
Unrestricted reserve	-	-	-
Certificates of Deposit Over 1 year to Maturity	-	589,284.77	(589,284.77)
Restricted assets-reserve funds	1,649,762.42	1,480,445.85	169,316.57
Market adjustment on investments	-	-	-
Total long-term investments	<u>1,649,762.42</u>	<u>2,069,730.62</u>	<u>(419,968.20)</u>
Property, plant & equipment			
Land	273,045.22	273,045.22	-
Buildings, Plant & lines	36,019,518.22	34,037,199.74	1,982,318.48
Equipment	4,484,503.38	4,232,522.79	251,980.59
Construction in Progress	853,062.01	1,578,638.93	(725,576.92)
Total	<u>41,630,128.83</u>	<u>40,121,406.68</u>	<u>1,508,722.15</u>
Less accumulated depreciation	(12,120,378.68)	(11,168,243.43)	(952,135.25)
Total property, plant, & equipment	<u>29,509,752.15</u>	<u>28,953,163.25</u>	<u>556,588.90</u>
TOTAL ASSETS	<u>\$ 33,082,333.98</u>	<u>\$ 32,454,001.11</u>	<u>\$ 628,332.87</u>

LIABILITIES & NET ASSETS

Current Liabilities			
Accounts payable	\$ 323,285.26	\$ 439,971.14	\$ (116,685.88)
Due to other funds	352,872.73	64,588.43	288,284.30
Customers' deposits	164,480.00	162,418.00	2,062.00
Accrued expenses	208,953.52	198,446.53	10,506.99
Line of Credit-Cecilian Bank	199,953.10	-	199,953.10
Radcliff collections payable	115,374.90	131,156.32	(15,781.42)
State encheatment-reserve for unclaimed funds	6,095.13	7,091.24	(996.11)
Deferred Revenue	2,261.50	1,320.00	941.50
Current portion of long-term debt	500,000.00	460,000.00	40,000.00
Total current liabilities	<u>1,873,276.14</u>	<u>1,464,991.66</u>	<u>408,284.48</u>
Long-Term Debt			
Bonds payable	8,785,000.00	9,285,000.00	(500,000.00)
Less unamortized discount & expenses	(176,982.99)	(192,531.03)	15,548.04
Long-term debt net	<u>8,608,017.01</u>	<u>9,092,468.97</u>	<u>(484,451.96)</u>
Other Liabilities			
Customer advances for construction	126,400.73	130,226.53	(3,825.80)
Total liabilities	<u>10,607,693.82</u>	<u>10,687,687.16</u>	<u>(79,993.28)</u>
Net Assets			
Retained Earnings	10,733,604.72	10,563,614.95	217,789.77
Contributed Capital	11,633,938.55	11,145,282.54	538,726.01
Current Earnings	4,046.83	52,236.46	(49,189.63)
Total net assets	<u>22,474,640.10</u>	<u>21,786,313.95</u>	<u>708,326.15</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 33,082,333.98</u>	<u>\$ 32,454,001.11</u>	<u>\$ 628,332.87</u>

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX SEWER FUND
COMPARATIVE BALANCE SHEET**

As of January 31, 2012

ASSETS

Current Assets	<u>2012</u>	<u>2011</u>	<u>Change</u>
Cash	\$ 1,681,686.72	\$ 942,950.45	\$ 738,736.27
Investments	-	-	-
Accounts receivable, net	263,628.50	512,270.48	(248,641.98)
Due from other funds	-	-	-
Inventory-materials & supplies	12,372.77	-	12,372.77
Prepaid expenses	5,142.35	16,211.27	(11,068.92)
Accrued interest	0.55	0.55	-
Total current assets	<u>1,962,830.89</u>	<u>1,471,432.75</u>	<u>491,398.14</u>
Long-term Investments			
Certificates of Deposit Over 1 year to Maturity	-	-	-
Restricted assets-reserve funds	-	-	-
Property, plant & equipment			
Plant & lines	78,086,012.83	77,047,843.50	1,038,169.33
Equipment	1,107,589.20	1,029,387.51	78,201.69
Construction in Progress	759,666.84	945,857.22	(186,190.38)
Total	<u>79,953,268.87</u>	<u>79,023,088.23</u>	<u>930,180.64</u>
Less accumulated depreciation	(61,895,291.40)	(61,273,328.01)	(621,963.39)
Total property, plant, & equipment	<u>18,057,977.47</u>	<u>17,749,760.22</u>	<u>308,217.25</u>
TOTAL ASSETS	<u>\$ 20,020,808.36</u>	<u>\$ 19,221,192.97</u>	<u>\$ 799,615.39</u>

LIABILITIES & NET ASSETS

Current Liabilities			
Accounts payable	\$ 171,799.44	\$ 250,473.67	\$ (78,674.23)
Due to other funds	12,477.08	6,783.21	5,693.87
Customers' deposits	-	-	-
Intra-Fund Loan - Stormwater	-	-	-
Accrued expenses	27,355.25	22,128.64	5,226.61
Total current liabilities	<u>211,631.77</u>	<u>279,385.52</u>	<u>(67,753.75)</u>
Long-Term Debt			
Bonds payable	-	-	-
Long-term debt net	-	-	-
Other Liabilities			
Customer advances for construction	-	-	-
Total other liabilities	<u>211,631.77</u>	<u>279,385.52</u>	<u>(67,753.75)</u>
Net Assets			
Retained Earnings	1,102,459.62	711,794.21	390,665.41
Contributed Capital	18,652,466.18	18,198,181.72	454,284.46
Current Earnings	54,250.79	31,831.52	22,419.27
Total net assets	<u>19,809,176.59</u>	<u>18,941,807.45</u>	<u>867,369.14</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 20,020,808.36</u>	<u>\$ 19,221,192.97</u>	<u>\$ 799,615.39</u>

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX STORMWATER FUND
COMPARATIVE BALANCE SHEET**

As of January 31, 2012

ASSETS			
	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets			
Cash	\$ 693,477.33	\$ 417,180.02	\$ 276,297.31
Investments			-
Accounts receivable, net	46,383.11	179,551.40	(133,168.29)
Intra-Fund Loan Receivable - FK Sewer	-	-	-
Due from other funds	-	-	-
Inventory-materials & supplies	-	-	-
Prepaid expenses	287.82	278.30	9.52
Accrued interest	-	-	-
Total current assets	<u>740,148.26</u>	<u>597,009.72</u>	<u>143,138.54</u>
Long-term Investments			
Certificates of Deposit Over 1 year to Maturity	-	-	-
Restricted assets-reserve funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Property, plant & equipment			
Storm water property	1,081,973.54	643,983.18	437,990.36
Plant & lines			-
Treatment & Disposal Equipment	61,471.82	61,331.17	140.65
Stormwater GIS	86,026.33	86,026.33	-
Office Furniture & Equipment	1,796.49	1,516.82	279.67
Construction in Progress	27,837.67	432,869.22	(405,031.55)
Total	<u>1,259,105.85</u>	<u>1,225,726.72</u>	<u>33,379.13</u>
Less accumulated depreciation	<u>(96,982.79)</u>	<u>(61,924.51)</u>	<u>(35,058.28)</u>
Total property, plant, & equipment	<u>1,162,123.06</u>	<u>1,163,802.21</u>	<u>(1,679.15)</u>
TOTAL ASSETS	<u>\$ 1,902,271.32</u>	<u>\$ 1,760,811.93</u>	<u>\$ 141,459.39</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 29,440.12	\$ 37,629.50	\$ (8,189.38)
Due to other funds	3,673.14	2,838.56	834.58
Customers' deposits			-
Accrued expenses	4,635.25	2,764.72	1,870.53
Total current liabilities	<u>37,748.51</u>	<u>43,232.78</u>	<u>(5,484.27)</u>
Long-Term Debt			
Bonds payable			-
Long-term debt net	<u>-</u>	<u>-</u>	<u>-</u>
Other Liabilities			
Customer advances for construction			-
Total liabilities	<u>37,748.51</u>	<u>43,232.78</u>	<u>(5,484.27)</u>
Net Assets			
Retained Earnings	1,410,272.22	1,270,969.26	139,302.96
Contributed Capital	434,996.55	434,996.55	-
Current Earnings	19,254.04	11,813.34	7,640.70
Total net assets	<u>1,864,522.81</u>	<u>1,717,579.15</u>	<u>146,943.66</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 1,902,271.32</u>	<u>\$ 1,760,811.93</u>	<u>\$ 141,459.39</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER FUND
BALANCE SHEET**

As of January 31, 2012

ASSETS	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets			
Cash	\$ 2,743,966.78	\$ 2,661,724.50	\$ 82,242.28
Investments - Less than 1 year to maturity	-	381,913.86	(381,913.86)
Accounts receivable, net	278,053.04	214,621.93	63,431.11
Due from other funds	369,022.95	64,588.43	304,434.52
Inventory-materials & supplies	-	-	-
Prepaid expenses	39,810.38	38,176.38	1,634.00
Accrued interest	888.79	5,441.17	(4,552.38)
Total current assets	<u>3,431,741.94</u>	<u>3,366,466.27</u>	<u>65,275.67</u>
Long-term Investments			
Certificates of Deposit over 1 year to maturity	-	-	-
Restricted assets-reserve funds	335,230.42	377,939.86	(42,709.44)
Total long-term investments	<u>335,230.42</u>	<u>377,939.86</u>	<u>(42,709.44)</u>
Property, plant & equipment			
Property, plant & lines	32,571,497.36	30,441,587.14	2,129,910.22
Equipment & furniture	976,309.64	870,990.55	105,319.09
Construction in Progress	1,631,363.09	1,654,985.09	(23,622.00)
Total	<u>35,179,170.09</u>	<u>32,967,562.78</u>	<u>2,211,607.31</u>
Less accumulated depreciation	(14,003,872.20)	(13,236,648.28)	(767,223.92)
Total property, plant, & equipment	<u>21,175,297.89</u>	<u>19,730,914.50</u>	<u>1,444,383.39</u>
Organizational Costs	<u>210,444.46</u>	<u>219,544.78</u>	<u>(9,100.32)</u>
TOTAL ASSETS	<u>\$ 25,152,714.71</u>	<u>\$ 23,694,865.41</u>	<u>\$ 1,457,849.30</u>
 LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 242,353.18	\$ 184,606.05	\$ 57,747.13
Due to other funds	0.00	52,264.22	(52,264.22)
Customers' deposits	125,960.00	123,974.00	1,986.00
Current portion of long-term debt	268,361.58	258,447.29	9,914.29
Accrued expenses	33,338.43	70,275.81	(36,937.38)
Total current liabilities	<u>670,013.19</u>	<u>689,567.37</u>	<u>(19,554.18)</u>
Long-Term Debt			
Bonds payable	1,840,720.99	2,109,082.57	(268,361.58)
Less unamortized discount & expenses	-	-	-
Long-term debt net	<u>1,840,720.99</u>	<u>2,109,082.57</u>	<u>(268,361.58)</u>
Total liabilities	<u>2,510,734.18</u>	<u>2,798,649.94</u>	<u>(287,915.76)</u>
Net Assets			
Retained Earnings	357,272.80	437,221.06	(79,948.26)
Contributed Capital	22,294,799.88	20,447,448.70	1,847,351.18
Current Earnings	(10,092.15)	11,545.71	(21,637.86)
Total net assets	<u>22,641,980.53</u>	<u>20,896,215.47</u>	<u>1,745,765.06</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 25,152,714.71</u>	<u>\$ 23,694,865.41</u>	<u>\$ 1,457,849.30</u>

For Management Purposes Only

Hardin County Water District No. 1 Water Fund
Detail Comparative Income Statements
For the 1 Months Ended Tuesday, January 31, 2012

	January	January Budget	January Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Customer Meter Charges	\$58,214.89	\$59,779.77	\$59,278.67	\$58,214.89	\$59,779.77	\$59,278.67
Residential Sales	146,163.82	159,730.26	157,290.97	146,163.82	159,730.26	157,290.97
Commercial Sales	20,165.47	12,537.18	20,063.03	20,165.47	12,537.18	20,063.03
Multi-Family Sales	15,191.91	31,565.13	19,380.64	15,191.91	31,565.13	19,380.64
Sales for Resale - Vine Grove	20,576.83	24,405.51	23,495.61	20,576.83	24,405.51	23,495.61
Sales for Resale - Meade County	25,133.18	30,238.66	29,436.66	25,133.18	30,238.66	29,436.66
Sewer Storm Water-Monthly Contract	718.60	1,007.06	714.46	718.60	1,007.06	714.46
Bad Debt Recovered	492.74	546.00	468.52	492.74	546.00	468.52
Penalties, Service Fees and Reimbursements	21,221.57	23,068.57	22,463.87	21,221.57	23,068.57	22,463.87
Total Operating Revenue	307,879.01	342,878.14	332,582.43	307,879.01	342,878.14	332,582.43
OPERATING EXPENSES						
Salaries & Benefits	121,432.86	114,423.27	121,380.38	121,432.86	114,423.27	121,380.38
Purchased Water	2,444.46	8,574.58	8,716.86	2,444.46	8,574.58	8,716.86
Utilities & Energy Expense	23,524.40	23,298.36	23,784.58	23,524.40	23,298.36	23,784.58
Chemicals	16,360.96	8,700.47	9,767.54	16,360.96	8,700.47	9,767.54
Materials & Supplies	1,435.30	3,483.47	3,562.39	1,435.30	3,483.47	3,562.39
Maintenance & Repairs	1,952.42	2,838.67	2,739.90	1,952.42	2,838.67	2,739.90
Storage Maintenance	261.96	346.67	326.93	261.96	346.67	326.93
Booster Station Expense	46.90	2.46	22.25	46.90	2.46	22.25
Small Tool Expenses		237.63	72.05		237.63	72.05
Accounting & Legal Services	1,518.81	1,513.52	1,497.72	1,518.81	1,513.52	1,497.72
Contractual Services	10,507.52	11,544.41	11,184.63	10,507.52	11,544.41	11,184.63
Laboratory Services		321.79	885.50		321.79	885.50
Lab Supplies		608.33			608.33	
Bac-T Supplies	250.68	366.67		250.68	366.67	
Utility Regulatory Fees	522.21	523.04	518.33	522.21	523.04	518.33
Amortized 2007-12 Rate Case	633.78	366.67	633.78	633.78	366.67	633.78
Fuel & Transportation Expense	4,321.91	3,431.51	2,971.23	4,321.91	3,431.51	2,971.23
Insurance Expense	3,537.69	3,575.00	2,780.55	3,537.69	3,575.00	2,780.55
Workers Comp/Unemployment Expense	1,816.98	2,043.09	1,693.79	1,816.98	2,043.09	1,693.79
Advertising Expense	207.48	526.34	123.60	207.48	526.34	123.60
Bad Debt Expense	3,429.95	3,692.58	3,854.90	3,429.95	3,692.58	3,854.90
Collection Expense	977.27	221.99	187.84	977.27	221.99	187.84
Phone Expense	1,542.12	1,397.16	1,329.36	1,542.12	1,397.16	1,329.36
Dues & Subscriptions	554.99	358.37	498.87	554.99	358.37	498.87
Postage & Mailing	442.19	125.87	101.30	442.19	125.87	101.30
Supplies Expense	75.70	1,203.56	1,081.26	75.70	1,203.56	1,081.26
Information Technology Expense	3,775.06	4,211.33	3,800.14	3,775.06	4,211.33	3,800.14
Communication Expense	306.72	159.10	126.00	306.72	159.10	126.00
Travel & Lodging	560.83	86.54	69.82	560.83	86.54	69.82
Certification & Education	2,876.25	853.26	735.00	2,876.25	853.26	735.00
Miscellaneous Expense	378.10	707.42	585.46	378.10	707.42	585.46
Customer Deposit Interest Expense	40.81	27.25	40.83	40.81	27.25	40.83
Cash Over & Short	4.26		(5.36)	4.26		(5.36)
TOTAL OPERATING EXPENSES	205,740.57	199,770.38	205,069.43	205,740.57	199,770.38	205,069.43
Operating Income Before Depreciation	102,138.44	143,107.76	127,523.00	102,138.44	143,107.76	127,523.00
Less Depreciation & Amortization	79,565.72	75,833.36	74,861.10	79,565.72	75,833.36	74,861.10
Operating Income	22,572.72	67,274.40	52,661.90	22,572.72	67,274.40	52,661.90
Non-Operating Income(Expense)						
Interest & Dividend Income	3,189.27	2,869.57	4,515.06	3,189.27	2,869.57	4,515.06
Interest Expense	(24,248.99)	(24,806.22)	(25,709.45)	(24,248.99)	(24,806.22)	(25,709.45)
Gain/(Loss) on Assets	(18.17)			(18.17)		
Income Before Capital Contributions	1,476.83	45,537.75	31,467.51	1,476.83	45,537.75	31,467.51
Capital Contributions						
Misc Revenue - Grant - LWC		41,668.83			41,668.83	
Misc Revenue - Grant - Constantine Rd		52,668.87			52,668.87	
Tap fees	2,570.00	5,255.80	4,497.50	2,570.00	5,255.80	4,497.50
Customer contributions			16,271.45			16,271.45
Change in Net Assets	4,046.83	145,126.65	52,236.46	4,046.83	145,126.65	52,236.46

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Detail Comparative Income Statements
For the 1 Months Ended Tuesday, January 31, 2012

	January	January Budget	January Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Sanitary Sewer Revenue	\$235,239.00	\$233,921.91	\$230,057.00	\$235,239.00	\$233,921.91	\$230,057.00
Muldrough-Fixed Monthly Billing	402.24	402.25	402.24	402.24	402.25	402.24
Muldrough-Waste Water Flows	7,274.15	4,960.14	4,478.40	7,274.15	4,960.14	4,478.40
Reimbursement of HCWD Overhead	940.16	11,163.84		940.16	11,163.84	
Total Operating Revenues	243,855.55	250,448.14	234,935.64	243,855.55	250,448.14	234,935.64
OPERATING EXPENSES						
Customer Service Labor	41.95	53.36	610.53	41.95	53.36	610.53
Administrative Labor	9,237.22	7,100.91	4,902.11	9,237.22	7,100.91	4,902.11
Internal Maintenance/Supervision			235.23			235.23
Information Technology Expense	201.34	228.44	202.67	201.34	228.44	202.67
Professional Services-Engineering			2,539.75			2,539.75
Professional Services-Accounting	473.92	524.17	472.50	473.92	524.17	472.50
Professional Services-Legal	237.49	302.17	237.49	237.49	302.17	237.49
Management Fee - Veolia	146,052.49	148,767.83	142,287.81	146,052.49	148,767.83	142,287.81
Contractual Services	76.52			76.52		
Insurance Expense	1,667.30	1,666.67	3,479.40	1,667.30	1,666.67	3,479.40
Regulatory Commission Expenses	361.53	371.07	370.31	361.53	371.07	370.31
Transportation Fuel & Repairs	3.29	11.66	12.99	3.29	11.66	12.99
Office Supplies Expense	15.00	16.89	11.98	15.00	16.89	11.98
Utilities	203.83	203.36	230.25	203.83	203.36	230.25
Travel & Lodging	29.91	3.59	3.72	29.91	3.59	3.72
Education & Conferences		61.47	38.20		61.47	38.20
Certification & Training	153.40			153.40		
Miscellaneous Expense		62.27	50.56		62.27	50.56
Total Operating Expenses	158,755.19	159,373.86	155,686.50	158,755.19	159,373.86	155,686.50
Operating Income Before Depreciation	85,100.36	91,074.28	79,249.14	85,100.36	91,074.28	79,249.14
Less Depreciation & Amortization	53,409.21	49,560.36	48,700.88	53,409.21	49,560.36	48,700.88
OPERATING INCOME	31,691.15	41,513.92	30,548.26	31,691.15	41,513.92	30,548.26
Non Operating Income/(Expense)						
Interest & Dividend Income	1,283.71	1,144.80	1,401.39	1,283.71	1,144.80	1,401.39
Interest Expense	(91.36)	(130.91)	(118.13)	(91.36)	(130.91)	(118.13)
Income Before Capital Contributions	32,883.50	42,527.81	31,831.52	32,883.50	42,527.81	31,831.52
Capital Contributions	21,367.29	253,723.25		21,367.29	253,723.25	
Change in Net Assets	54,250.79	296,251.06	31,831.52	54,250.79	296,251.06	31,831.52

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
 Detail Comparative Income Statements
 For the 1 Months Ended Tuesday, January 31, 2012

	January	January Budget	January Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Storm Water Revenue	\$39,818.00	\$39,567.43	\$38,840.00	\$39,818.00	\$39,567.43	\$38,840.00
Reimbursement of Overhead	276.78	4,899.88		276.78	4,899.88	
Total Operating Revenue	40,092.78	44,267.31	38,840.00	40,092.78	44,267.31	38,840.00
OPERATING EXPENSES						
Administrative Labor	2,870.11	2,266.35	2,723.39	2,870.11	2,266.35	2,723.39
Customer Service Labor	20.98	23.87		20.98	23.87	
Information Technology Expense	50.35	59.60	50.67	50.35	59.60	50.67
Professional Services - Accounting	79.25	95.83	94.50	79.25	95.83	94.50
Professional Services - Legal	84.82	107.92	84.82	84.82	107.92	84.82
Management Fee - Veolia	21,272.35	23,415.33	22,429.42	21,272.35	23,415.33	22,429.42
Insurance Expense	143.92	141.67	139.15	143.92	141.67	139.15
Transportation Fuel & Repairs	0.82	41.67	3.25	0.82	41.67	3.25
Office Supplies Expense	3.75	9.16	3.00	3.75	9.16	3.00
Utilities	40.92	54.06	47.52	40.92	54.06	47.52
Travel & Lodging	7.48	11.54	0.93	7.48	11.54	0.93
Education & Conferences		27.26	9.80		27.26	9.80
Certification & Training	36.35			36.35		
Total Operating Expenses	24,613.10	26,254.26	25,586.45	24,613.10	26,254.26	25,586.45
Operating Income Before Depreciation	15,479.68	18,013.05	13,253.55	15,479.68	18,013.05	13,253.55
Less Depreciation & Amortization	3,061.32	2,482.48	2,325.05	3,061.32	2,482.48	2,325.05
Operating Income	12,418.36	15,530.57	10,928.50	12,418.36	15,530.57	10,928.50
Non-Operating Income(Expenses)						
Interest & Dividend Income	545.35	648.22	684.84	545.35	648.22	684.84
Income Before Capital Contributions	12,963.71	16,178.79	11,613.34	12,963.71	16,178.79	11,613.34
Capital Contributions	6,290.33	106,815.75		6,290.33	106,815.75	
Change in Net Assets	19,254.04	122,994.54	11,613.34	19,254.04	122,994.54	11,613.34

Hardin County Water District No. 1 Radcliff Sewer Fund
Detail Comparative Income Statements
For the 1 Months Ended Tuesday, January 31, 2012

	January	January Budget	January Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales	\$221,436.62	\$248,034.03	\$229,696.95	\$221,436.62	\$248,034.03	\$229,696.95
Commercial Sales	31,713.95	20,709.75	30,666.91	31,713.95	20,709.75	30,666.91
Multi-Family Sales	19,863.66	44,156.46	24,595.89	19,863.66	44,156.46	24,595.89
Discharge Permit Fees	27.78	30.12	27.78	27.78	30.12	27.78
Bad Debt Recovered	661.77	588.95	505.90	661.77	588.95	505.90
Penalties, Services Fees and Reimbursements	14,020.03	15,255.50	15,138.29	14,020.03	15,255.50	15,138.29
Total Operating Revenues	287,723.81	328,774.81	300,631.72	287,723.81	328,774.81	300,631.72
OPERATING EXPENSES						
Collection System Labor	8,252.73	9,296.80	3,545.44	8,252.73	9,296.80	3,545.44
Customer Service Labor	12,532.75	16,214.49	11,599.98	12,532.75	16,214.49	11,599.98
Administration Labor	12,019.04	9,530.44	10,925.07	12,019.04	9,530.44	10,925.07
Professional Services-Engineering		266.67			266.67	
Professional Services-Accounting	614.17	614.17	567.00	614.17	614.17	567.00
Professional Services-Legal	390.16	496.42	390.16	390.16	496.42	390.16
Information Technology Expense	1,006.70	1,122.36	1,013.37	1,006.70	1,122.36	1,013.37
Management Fee - Vecolia	162,753.55	175,434.15	171,912.08	162,753.55	175,434.15	171,912.08
Contractual Services	6,906.51	8,382.43	8,471.54	6,906.51	8,382.43	8,471.54
Insurance Expense	2,360.73	2,325.00	1,444.24	2,360.73	2,325.00	1,444.24
Transportation Fuel & Repairs	16.46			16.46		
Utility Regulatory Expense	455.26	456.99	452.60	455.26	456.99	452.60
Office Supplies	533.59	1,062.79	960.12	533.59	1,062.79	960.12
Utilities	1,032.30	1,298.70	1,939.42	1,032.30	1,298.70	1,939.42
Bad Debt Expense	3,856.69	4,356.19	4,299.78	3,856.69	4,356.19	4,299.78
Agency Collection Expense	290.35	218.80	195.96	290.35	218.80	195.96
Rent Expense	187.50	187.50	187.50	187.50	187.50	187.50
Investment Fees			0.85			0.85
Travel & Lodging	149.57	83.49	83.57	149.57	83.49	83.57
Certification & Training	767.00	83.33		767.00	83.33	
Education & Conferences		177.04	196.00		177.04	196.00
Routine Maintenance Service	193.02	13.82	88.83	193.02	13.82	88.83
Miscellaneous Customer Expense	18.33	70.13	41.70	18.33	70.13	41.70
Miscellaneous Expense		89.05	47.68		89.05	47.68
Amortized Rate Case - Rafalls		1,175.00			1,175.00	
Customer Deposit Interest Expense	33.58	38.52	34.19	33.58	38.52	34.19
Total Operating Expenses	214,369.99	232,994.28	218,397.08	214,369.99	232,994.28	218,397.08
Operating Income Before Depreciation	73,353.82	95,780.53	82,234.64	73,353.82	95,780.53	82,234.64
Less Depreciation & Amortization	78,772.65	72,364.62	68,767.53	78,772.65	72,364.62	68,767.53
Operating Income	(5,418.83)	23,415.91	13,467.11	(5,418.83)	23,415.91	13,467.11
Non Operating Income/(Expense)						
Interest & Dividend Income	2,707.11	3,822.39	5,975.70	2,707.11	3,822.39	5,975.70
Gain/(Loss) on Assets	(14.33)			(14.33)		
Interest Expense	(7,516.10)	(7,451.91)	(8,497.10)	(7,516.10)	(7,451.91)	(8,497.10)
Income Before Capital Contributions	(10,242.15)	19,786.39	10,945.71	(10,242.15)	19,786.39	10,945.71
Capital Contributions						
Misc Revenue - Grant - Pump Stations		72,918.63			72,918.63	
Misc Revenue - Grant - SI		75,000.00			75,000.00	
Tap Fees	150.00	517.24	600.00	150.00	517.24	600.00
Change In Net Assets	(10,092.15)	168,220.26	11,545.71	(10,092.15)	168,220.26	11,545.71

For Management Purposes Only

Hardin County Water District No. 1 - Water Fund
Statement of Cash Flow
For the One Month Ended January 31, 2012

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ 4,046.83	4,046.83
Adjustments to reconcile net income to net cash provided by operating activities:		:
Accum. Depreciation & Amortization	84,236.41	84,236.41
Accounts Receivable	42,997.32	42,997.32
Interest on Investments	(441.69)	(441.69)
Due from Other Funds	-	-
Inventory	9,954.32	9,954.32
Accounts Payable & Accrued Expenses	114,467.33	114,467.33
Due to Other Funds	67,379.23	67,379.23
Customer Deposits	1,813.00	1,813.00
Radcliff Collections Payable	(5,724.31)	(5,724.31)
Prepaid Expense	(3,784.67)	(3,784.67)
Deferred Revenue	1,619.00	1,619.00
Reserve for Uncashed Checks	832.70	832.70
Total Adjustments	<u>313,348.64</u>	<u>313,348.64</u>
Net Cash provided by Operations	<u>317,395.47</u>	<u>317,395.47</u>
Cash Flows from investing activities used for:		
Construction in Progress	(281,349.20)	(281,349.20)
Advances for Construction	-	-
Other Investments & Interest	(2,429.97)	(2,429.97)
Land & Buildings	-	-
Supply Mains, Lines, Meters, & Connections	(5,329.40)	(5,329.40)
Furniture & Equipment	(19,142.51)	(19,142.51)
Net cash used in investing	<u>(308,251.08)</u>	<u>(308,251.08)</u>
Cash Flows from financing activities proceeds from:		
Restricted Bond Funds	(63,668.73)	(63,668.73)
Bonds Payable	-	-
Unamortized Bond Discount/Premium	1,295.67	1,295.67
LOC - Cecilian Bank	167,270.11	167,270.11
Net cash used in financing	<u>104,897.05</u>	<u>104,897.05</u>
Net increase <decrease> in cash	<u>\$ 114,041.44</u>	<u>114,041.44</u>
Summary		
Cash & Funds Available for Sale Balance at End of Period	\$ 419,645.06	419,645.06
Cash & Funds Available for Sale Balance at Beg of Period	<u>305,603.62</u>	<u>305,603.62</u>
Net Increase <Decrease> in Cash	<u>\$ 114,041.44</u>	<u>114,041.44</u>

Hardin Co. Water District No. 1 Fort Knox Sewer Fund
Statement of Cash Flow
For the One Month Ended January 31, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ 54,250.79	54,250.79
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation	53,029.09	53,029.09
Accounts Receivable	(7,897.98)	(7,897.98)
Due From Other Funds	-	-
Prepaid Expense	2,028.83	2,028.83
Accrued Interest	0.09	0.09
Inventory	-	-
Due To Other Funds	27,547.82	27,547.82
Accounts Payable & Accrued Expenses	<u>11,981.86</u>	<u>11,981.86</u>
Total Adjustments	<u>86,689.71</u>	<u>86,689.71</u>
Net Cash provided by Operations	<u>140,940.50</u>	<u>140,940.50</u>
Cash Flows from investing activities used for:		
Construction in Progress	(34,168.41)	(34,168.41)
Investments & Interest	-	-
Plant, Lines, Furniture, & Equipment	<u>-</u>	<u>-</u>
Net cash used in investing	<u>(34,168.41)</u>	<u>(34,168.41)</u>
Cash Flows from financing activities		
Intra-Fund Loan - StormWater	-	-
Contributed capital	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Net increase <decrease> in cash	<u>\$ 106,772.09</u>	<u>106,772.09</u>
Summary		
Cash Balance at End of Period	\$1,681,686.72	1,681,686.72
Less Cash Balance at Beg of Period	<u>\$1,574,914.63</u>	<u>1,574,914.63</u>
Net Increase <Decrease> in Cash	<u>\$ 106,772.09</u>	<u>106,772.09</u>

For Management Purposes Only

Hardin Co. Water District No. 1 Fort Knox Stormwater Fund
Statement of Cash Flow
For the One Month Ended January 31, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ 19,254.04	19,254.04
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation	3,061.32	3,061.32
Accounts Receivable	(6,567.11)	(6,567.11)
Due From Other Funds	-	-
Prepaid Expense	143.92	143.92
Accrued Interest	-	-
Due To Other Funds	12,737.58	12,737.58
Accounts Payable & Accrued Expenses	<u>(7,586.18)</u>	<u>(7,586.18)</u>
Total Adjustments	<u>1,789.53</u>	<u>1,789.53</u>
Net Cash provided by Operations	<u>21,043.57</u>	<u>21,043.57</u>
Cash Flows from investing activities used for:		
Construction in Progress	(10,102.19)	407,247.76
GIS	-	-
Structures	<u>-</u>	<u>(438,410.68)</u>
Net cash used in investing	<u>(10,102.19)</u>	<u>(31,162.92)</u>
Cash Flows from financing activities		
Intra-Fund Loan Receivable - FK Sewer	-	-
Contributed capital	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Net increase <decrease> in cash	<u>\$ 10,941.38</u>	<u>10,941.38</u>
Summary		
Cash Balance at End of Period	\$ 693,477.33	693,477.33
Less Cash Balance at Beg of Period	<u>\$ 682,535.95</u>	<u>682,535.95</u>
Net Increase <Decrease> in Cash	<u>\$ 10,941.38</u>	<u>10,941.38</u>

For Management Purposes Only

Hardin Co. Water District No. 1 Radcliff Sewer Fund
Statement of Cash Flow
For the One Month Ended January 31, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ (10,092.15)	(10,092.15)
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation & Amortization	72,388.55	72,388.55
Accounts Receivable	1,729.33	1,729.33
Due From Other Funds	(107,664.63)	(107,664.63)
Prepaid Expenses	3,003.49	3,003.49
Accrued Interest	(366.85)	(366.85)
Due To Other Funds	0.00	-
Customer Deposits	1,746.00	1,746.00
Accounts Payable & Accrued Expenses	<u>35,280.01</u>	<u>35,280.01</u>
Total Adjustments	<u>6,115.90</u>	<u>6,115.90</u>
Net Cash provided by Operations	<u>(3,976.25)</u>	<u>(3,976.25)</u>
Cash Flows from investing activities used for:		
Investments & Interest	-	-
Construction in Progress	(91,753.28)	(91,753.28)
Plant Equipment	-	-
Furniture & Equipment	-	-
Transportation Equipment	<u>-</u>	<u>-</u>
Net cash used in investing	<u>(91,753.28)</u>	<u>(91,753.28)</u>
Cash Flows from financing activities		
Bond Payments	-	-
Bond Sinking Funds	-	-
Unamortized Bond Discount/Premium	-	-
Organizational Costs	758.36	758.36
Tap Fees	-	-
Contributed Capital	<u>-</u>	<u>-</u>
Net cash used in financing	<u>758.36</u>	<u>758.36</u>
Net increase <decrease> in cash	<u>\$ (94,971.17)</u>	<u>(94,971.17)</u>
Summary		
Cash Balance at End of Period	\$2,743,966.78	2,743,966.78
Less Cash Balance at Beg of Period	<u>2,838,937.95</u>	<u>2,838,937.95</u>
Net Increase <Decrease> in Cash	<u>\$ (94,971.17)</u>	<u>(94,971.17)</u>

For Management Purposes Only

Hardin County Water District No. 1

Accounts Receivable Report

Date : 2/10/2012 2:29:42 PM
 User Name : Charlene

Account	Unbilled						Total Balance
	Balance	< 30	30-59	60-89	90-119	120+	
1150579-00	218.17	0.00	0.00	0.00	0.00	0.00	218.17
1150588-00	8.45	9.20	0.00	0.00	0.00	0.00	17.65
1160249-00	624.48	0.00	0.00	0.00	0.00	0.00	624.48
1180814-00	31.08	0.00	0.00	0.00	0.00	0.00	31.08
1180918-00	14.18	0.00	0.00	0.00	0.00	0.00	14.18
1180721-00	56.17	0.00	0.00	0.00	0.00	0.00	56.17
1180756-00	70.14	0.00	0.00	0.00	0.00	0.00	70.14
1200260-00	252.09	281.54	255.45	97.24	20.16	0.00	906.48
1200507-00	8.45	9.98	7.78	0.89	0.00	0.00	26.86
1210023-00	120.32	0.00	0.00	0.00	0.00	0.00	120.32
1210027-00	70.25	0.00	0.00	0.00	0.00	0.00	70.25
1210126-00	585.81	0.00	0.00	0.00	0.00	0.00	585.81
1250734-00	33.22	38.86	32.73	36.23	35.70	307.98	484.52
2070171-00	0.00	36.77	0.00	0.00	0.00	0.00	36.77
2070183-00	0.00	32.07	25.77	29.19	30.26	217.26	334.55
2070250-00	0.00	(370.52)	0.00	0.00	0.00	0.00	(370.52)
3110136-00	0.00	1,400.81	0.00	0.00	0.00	0.00	1,400.81
Grand Total	2,092.81	1,438.49	321.71	163.35	86.12	525.24	4,627.72

Detail By Group/Income Center

Group/Income Center	Unbilled Balance						Total Balance
	Balance	< 30	30-59	60-89	90-119	120+	
Service / Water Taxable	730.37	557.99	95.75	2.65	3.09	14.57	1,404.42
Service / Water Franchise Fee	25.12	19.54	3.88	2.93	0.82	5.04	57.11
Service / Water State Tax	27.06	19.54	3.63	2.93	0.82	5.04	58.82
Service / Customer Charge	55.64	40.19	7.46	6.02	1.27	10.32	120.90
Service / Sewer	170.68	92.87	32.63	25.10	17.57	153.11	491.96
Service / Sewer Franchise Fee	994.43	827.38	163.65	88.81	34.22	268.07	2,376.56
Service / Sewer State Tax	29.83	24.81	4.90	3.88	1.02	7.99	72.41
Service / Unapplied Cash	59.88	49.66	9.83	7.73	2.06	16.14	145.10
Penalty	0.00	(370.52)	0.00	0.00	0.00	0.00	(370.52)
Grand Total	2,092.81	1,438.49	321.71	163.35	86.12	525.24	4,627.72

Handwritten notes:
 4,627.72
 12,757.76
 COLLECTED 294.50
 UNBILLED 2,092.81
 BALANCE 15,581.77

Mobile Home Park Montly Update

31-Jan-12

To date (13 months), we have billed \$85,325.88 for Master Meters. \$69,738.71 (82%) has been paid to date leaving an Uncollected Balance of \$15,587.17 (18%) of the 23 accounts. Two accounts have triggered the First Warning Letter and one account has triggered the Second Warning Letter. One account has been turned over to Legal with one other account being turned over to the Collection Agency.

HARDIN COUNTY WATER DIST NO. 1
AVAILABLE FUNDING
February 17, 2012

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
KIA WX21093020 Grant	3/14/2007	KIA - Constantine Road Grant	\$1,000,000.00	\$111,925.00	\$888,075.00
KY EBDG for BRAC Grant	1/12/2010	Radcliff WW Pump Station Upgrades	\$2,250,000.00	\$447,895.16	\$1,802,104.84
KY EBDG for BRAC Grant	9/16/2011	Radcliff WW System Improvements Project	\$2,500,000.00	\$668,475.72	\$1,831,524.28
KY EBDG for BRAC Grant	11/10/2011	Louisville Water-Fort Knox Interconnect Pr	\$4,500,000.00	\$0.00	\$4,500,000.00
Fort Knox - CLIN 0015	2010	IBCT Project Phase I & II	\$2,410,000.00	\$2,410,000.00	\$0.00
Fort Knox - CLIN 0016	2010	Godman Airfield Improvements (2922)	\$270,000.00	\$255,907.61	\$14,092.39
Fort Knox - CLIN 0033	7/21/2011	WWTP Improvements (2910)	\$415,000.00	\$228,381.33	\$186,618.67
Fort Knox - CLIN 0034	7/21/2011	Brooks Field Phase III Improvements (2923)	\$100,000.00	\$482.41	\$99,517.59
Fort Knox - CLIN 0035	7/21/2011	Basin 2 Improvements	\$406,000.00		\$406,000.00
Fort Knox - CLIN 0036	7/21/2011	Basin 6 Improvements	\$107,000.00	\$27,979.21	\$79,020.79
Fort Knox - CLIN 0037	7/21/2011	Dietz Lift Station (2704)	\$1,025,000.00	\$6,346.79	\$1,018,653.21
Fort Knox - CLIN 0038	7/21/2011	Basin 8 Improvements	\$403,000.00		\$403,000.00
Fort Knox - CLIN 0039	7/21/2011	Matthews LS & Force Main (2918)	\$675,000.00	\$51,383.42	
Fort Knox - CLIN 0039	7/21/2011	Chaffee Pump Station (2924)		\$0.00	\$623,616.58
Fort Knox - CLIN 0040	7/21/2011	Van Voorhis Area Improvements (2824)	\$1,200,000.00		\$1,200,000.00

Updated 2/17/2012

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
Fort Knox - CLIN 0041	7/21/2011	Lift Station Generators	\$50,000.00	\$3,471.30	\$46,528.70
Fort Knox - CLIN 0042	7/21/2011	Godman Airfield Improvements (4914)	\$1,160,000.00	\$6,567.11	\$1,153,432.89
Fort Knox - CLIN 0043	7/21/2011	Basin 3 Storm Water Improvements	\$250,000.00		\$250,000.00
Fort Knox - CLIN 0044	7/21/2011	Basin 4 Storm Water Improvements	\$125,000.00		\$125,000.00
Fort Knox - CLIN 0045	7/21/2011	Basin 5 Storm Water Improvements	\$200,000.00		\$200,000.00
Funding Totals			\$19,046,000.00	\$4,218,815.06	\$14,827,184.94

HARDIN COUNTY WATER DISTRICT NO. 1
As of February 29, 2012

	CURRENT MONTH						YEAR to DATE					
	WATER FUND	FT. KNOX SEWER	FT. KNOX STORMWATER	RADCLIFF SEWER	FT. KNOX WATER	TOTAL	WATER FUND	FT. KNOX SEWER	FT. KNOX STORMWATER	RADCLIFF SEWER	FT. KNOX WATER	TOTAL
Total Operating Revenue	308,643.06	242,443.04	40,120.67	266,512.34	372,717.79	1,250,436.90	616,622.07	486,296.69	60,213.45	674,236.15	372,717.79	2,129,868.06
Total Operating Expenses	186,024.36	147,049.59	24,838.33	201,073.63	226,004.66	784,980.49	371,764.93	305,804.78	49,461.43	415,443.62	226,004.66	1,368,469.34
Less Depreciation & Amortization	(79,714.61)	(53,419.16)	(3,061.49)	(78,882.38)	-	(216,077.61)	(169,290.33)	(108,626.36)	(6,122.81)	(157,866.01)	-	(429,886.51)
Operating Income	62,904.09	41,974.30	12,220.66	6,556.35	146,713.21	270,368.80	85,478.61	73,865.45	24,639.21	1,137.52	146,713.21	331,632.20
Interest Income	2,990.07	1,145.33	467.52	2,335.87	-	6,838.79	6,159.34	2,429.04	1,012.67	5,042.96	-	14,844.23
Interest Expenses	(24,339.23)	(98.27)	-	(7,530.32)	-	(31,968.82)	(48,568.22)	(2,429.04)	(187.63)	(15,046.42)	-	(63,822.27)
Net Unrealized Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Investments	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-utility Income	-	-	-	-	-	-	(16.17)	-	-	(14.33)	-	(30.50)
Income Before Contributed Capital	41,664.86	43,023.36	12,668.37	1,361.90	146,713.21	246,341.77	43,031.78	78,908.86	26,642.96	(8,880.28)	146,713.21	282,423.66
Government Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants	63,971.98	-	-	-	-	63,971.98	63,971.98	-	-	-	-	-
Misc Grants-HWY 1652	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants-HWY 144	-	-	-	-	-	-	-	-	-	-	-	63,971.98
Misc Grants Louisville H2O Connection	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Constantine Road	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/ & I	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/Pump Stations	-	-	-	16,048.88	-	16,048.88	-	-	-	-	-	-
Misc Revenue/Grant/Sl	-	-	-	34,808.61	-	34,808.61	-	-	-	16,048.88	-	16,048.88
Tap Fees	1,619.00	-	-	2,100.00	-	3,719.00	-	-	-	34,808.61	-	34,808.61
Capital contributions	5,260.67	38,642.96	6,824.20	1,873.20	939,803.21	992,604.26	4,189.00	60,010.27	13,214.63	2,250.00	639,803.21	6,439.00
Change in Net Assets	112,408.58	81,666.34	19,812.67	56,282.69	1,086,516.42	1,366,494.60	116,463.41	136,917.13	38,968.61	48,200.44	1,086,516.42	1,423,964.01
Return on Assets (ROA)							0.129%	0.37%	1.32%	-0.04%	10.71%	0.34%

As of February 29, 2012, we have drawn approximately \$296,000 of the Board approved \$475,000 on the Line of Credit for purchases and operational expenses at Fort Knox Water. These purchases include a Dump Truck, Back Hoe, Trailer, Tools and Miscellaneous Office Equipment/Supplies.

Water, Ft. Knox Sewer, Stormwater & Radcliff Sewer are all now receiving a monthly credit for Ft. Knox Water G&A Expenses.

The contributed capital received this month is as follows: Water (\$5,261) was for WME, Ft. Knox Sewer (\$36,643) was for Godman Airfield Improvements, VanVoorhis Coll. Sys. Imp, Brooks Field Manhole Rehab, Charlee Pump Station, Generators for Pinwheel & Camp, Basin 2 Improvements, Basin 6 Improvements, Basin 7 Improvements & Basin 8 Improvements; Ft. Knox Stormwater (\$8,924) was for Stormwater Improvements & Concrete Lined Ditch-Wilson Rd; Radcliff Sewer (\$1,873) was for the Underground Storage Tank Cleanup. Ft. Knox Water (\$639,803) was for IGDC & Transition Surcharge.

Water: Compared to Last Year, Y-T-D sales change is as follows: Residential down (6.1%), Commercial down (1.7%), Multi-Family down (15%) and Wholesale down (10.3%). Total Revenue are down 6.7%. YTD gallons sold is down 12 million compared to YTD 2011. Labor & Benefits are down due to five employees moving to FCW and there being vacant positions for the County Water Distribution Department as well as new employees starting out at a lower rate. Contractual services is up due to various yard repairs.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$63,360 difference; This Year Compared to Last Year YTD = -\$3,668.

Ft. Knox Sewer - Vault Management Fee is slightly lower due to the capitalization of \$6,377 for the PTB Rehab/Replacement project.

Radcliff: Compared to Last Year, Y-T-D sales change as follows: Residential down (1.6%), Multi-Family down (16.5%), Commercial Sales up (.82%). Total Revenue are down 2.5%. Vault Management Fee was lower for the month due to the capitalization of \$14,700 for the Redner Force Main Relocation.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$46,464 difference; This Year YTD Compared to Last Year YTD = - \$39,366.

Bad Debt Expense: Compared to last year Y-T-D, Radcliff is up approximately 4.6% & Water is down approximately 16.6%. Compared to Last Year, Bad Debt Recovered for Water is down approximately 39% and Radcliff is down approximately 37.8%.

Invested Funds Inventory
 HCWD1
 2/29/2012

<u>Name of Account</u>	<u>Rate</u>	<u>Balance</u>	<u>Mkt Val</u>	<u>Acc'd Inc</u>	<u>Earnings</u>	<u>Fees</u>	<u>R = Restrict</u>	<u>Current Investment</u>	<u>Invested By</u>	<u>Maturity</u>
Water Revenue/O&M	0.250%	472,841.35	472,841.35	0.00	85.44		U = Unrest	Cecilian Bank	Cecilian Bank	
Water Savings	0.250%	53,732.30	53,732.30	22.08	10.67		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Water Fund	0.250%	1,037.09	1,037.09	0.43	0.21		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-Water Fund	4.910%	246,120.57	246,120.57	2,118.92	980.13		U = Unrest	Cecilian Bank	Cecilian Bank	09/27/12
HCWD1 CD-Water Fund	1.490%	122,013.77	122,013.77	298.84	144.44		U = Unrest	FKFCU	FKFCU	12/04/12
HCWD1 CD-Water Fund	5.200%	373,703.87	373,703.87	3,407.38	1,543.98		U = Unrest	Lincoln National Bank	Lincoln National Bank	09/27/12
2002 Sinking Fund - Principal	0.000%	130,000.00	130,000.00				R = Restrict	Cecilian Bank	Cecilian Bank	
2002 Sinking Fund - Interest	0.000%	0.00	0.00				R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Depreciation Fund	0.190%	750,937.68	750,937.68	118.20	118.20		R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Debt Serv Res	0.190%	584,719.78	584,719.78	92.04	92.04		R = Restrict	First American Govt Oblig Fd	U S Bank	
2005 Sinking Fund	0.190%	247,798.18	247,798.18	34.98	34.98		R = Restrict	First American Govt Oblig Fd	U S Bank	
Subtotal Water Fund		2,982,904.59	2,982,904.59	6,092.85	2,990.07	0.00				
Ft. Knox Sewer Revenue/O&M	0.250%	343,786.68	343,786.68	0.00	61.89		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Sewer Savings	0.250%	1,816.80	1,816.80	0.86	0.32		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Ft. Knox Sewer Fund	0.250%	1,015.89	1,015.89	0.41	0.20		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Ft. Knox Sewer Money Market	0.94%	1,601,082.92	1,601,082.92		1,082.92		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Sewer Fund		1,947,602.29	1,947,602.29	1.07	1,145.33	0.00				
Ft. Knox Stormwater Revenue/O&M	0.25%	88,406.09	88,406.09	0.00	18.01		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Stormwater Money Market	0.95%	601,439.81	601,439.81		449.51		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Stormwater Fund		689,845.90	689,845.90	0.00	467.52	0.00				
Radcliff Sewer Revenue/O&M	0.250%	299,199.13	299,199.13	0.00	43.83		U = Unrest	Cecilian Bank	Cecilian Bank	
Radcliff Sewer Business Partner MM	0.950%	2,606,146.87	2,606,146.87		1,947.80		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Radcliff Sewer Fund	0.250%	1,015.89	1,015.89	0.41	0.20		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-KIA Maint & Repair Fund	1.290%	338,320.42	338,320.42	142.82	344.04		R = Restrict	Cecilian Bank	Cecilian Bank	05/18/12
Subtotal Radcliff Sewer Fund		3,242,682.31	3,242,682.31	143.03	2,335.87	0.00				
Ft. Knox Water Revenue/O&M	0.25%	0.00	0.00	0.00	0.00	0.00	U = Unrest	Cecilian Bank	Cecilian Bank	
Total		8,862,935.09	8,862,935.09	6,236.95	6,938.79	0.00				

HARDIN COUNTY WATER DISTRICT NO. 1 WATER FUND
COMPARATIVE BALANCE SHEET
FEBRUARY 29, 2012

ASSETS

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets			
Cash	\$ 529,310.74	\$ 961,299.66	\$ (431,988.92)
Investments - Less than 1 year to Maturity	741,838.21	117,199.00	624,639.21
Accounts receivable, net	418,555.35	371,839.53	46,715.82
Due from other funds	-	57,073.23	(57,073.23)
Inventory-materials & supplies	277,713.77	355,840.75	(78,126.98)
Accrued interest	6,092.85	6,199.92	(107.07)
Prepaid expenses	58,973.50	61,992.90	(3,019.40)
Total current assets	<u>2,032,484.42</u>	<u>1,931,444.99</u>	<u>101,039.43</u>
Long-term Investments			
Unrestricted reserve	-	-	-
Certificates of Deposit Over 1 year to Maturity	-	589,284.77	(589,284.77)
Restricted assets-reserve funds	1,713,455.64	938,756.30	774,699.34
Market adjustment on investments	-	-	-
Total long-term investments	<u>1,713,455.64</u>	<u>1,528,041.07</u>	<u>185,414.57</u>
Property, plant & equipment			
Land	273,045.22	273,045.22	-
Buildings, Plant & lines	36,021,386.87	34,189,110.05	1,832,276.82
Equipment	4,485,514.88	4,234,086.79	251,428.09
Construction in Progress	962,278.79	1,568,100.26	(605,821.47)
Total	<u>41,742,225.76</u>	<u>40,264,342.32</u>	<u>1,477,883.44</u>
Less accumulated depreciation	(12,204,897.65)	(11,244,110.23)	(960,787.42)
Total property, plant, & equipment	<u>29,537,328.11</u>	<u>29,020,232.09</u>	<u>517,096.02</u>
TOTAL ASSETS	<u>\$ 33,283,268.17</u>	<u>\$ 32,479,718.15</u>	<u>\$ 803,550.02</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 290,082.07	\$ 354,138.05	\$ (64,053.98)
Due to other funds	339,510.71	124,028.82	215,481.89
Customers' deposits	166,813.00	164,443.00	2,370.00
Accrued expenses	233,135.68	221,236.92	11,898.76
Line of Credit-Cecilian Bank	295,948.93	-	295,948.93
Radcliff collections payable	124,180.65	135,959.29	(11,778.64)
State encroachment-reserve for unclaimed funds	6,095.13	7,058.39	(961.26)
Deferred Revenue	10,922.50	3,212.50	7,710.00
Current portion of long-term debt	500,000.00	460,000.00	40,000.00
Total current liabilities	<u>1,966,688.67</u>	<u>1,470,072.97</u>	<u>496,615.70</u>
Long-Term Debt			
Bonds payable	8,785,000.00	9,285,000.00	(500,000.00)
Less unamortized discount & expenses	(175,687.32)	(191,235.36)	15,548.04
Long-term debt net	<u>8,609,312.68</u>	<u>9,093,764.64</u>	<u>(484,451.96)</u>
Other Liabilities			
Customer advances for construction	121,140.06	130,226.53	(9,086.47)
Total liabilities	<u>10,697,141.41</u>	<u>10,694,064.14</u>	<u>3,077.27</u>
Net Assets			
Retained Earnings	8,067,737.80	10,568,814.95	(2,501,077.15)
Contributed Capital	14,401,935.55	11,145,262.54	3,256,673.01
Current Earnings	116,453.41	71,578.52	44,876.89
Total net assets	<u>22,586,126.76</u>	<u>21,785,654.01</u>	<u>800,472.75</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 33,283,268.17</u>	<u>\$ 32,479,718.15</u>	<u>\$ 803,550.02</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX SEWER FUND
COMPARATIVE BALANCE SHEET**

As of February 29, 2012

ASSETS

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets			
Cash	\$ 1,947,502.29	\$ 1,002,210.10	\$ 945,292.19
Investments	-	-	-
Accounts receivable, net	281,044.28	608,561.70	(327,517.42)
Due from other funds	-	-	-
Inventory-materials & supplies	12,372.77	-	12,372.77
Prepaid expenses	3,113.47	10,967.40	(7,853.93)
Accrued interest	1.07	1.05	0.02
Total current assets	<u>2,244,033.88</u>	<u>1,621,740.25</u>	<u>622,293.63</u>
Long-term Investments			
Certificates of Deposit Over 1 year to Maturity	-	-	-
Restricted assets-reserve funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Property, plant & equipment			
Plant & lines	78,315,986.15	77,827,376.14	488,610.01
Equipment	1,119,543.35	1,030,905.51	88,637.84
Construction in Progress	586,181.12	249,393.89	336,787.23
Total	<u>80,021,710.62</u>	<u>79,107,675.54</u>	<u>914,035.08</u>
Less accumulated depreciation	(61,948,330.41)	(61,321,816.16)	(626,514.25)
Total property, plant, & equipment	<u>18,073,380.21</u>	<u>17,785,859.38</u>	<u>287,520.83</u>
TOTAL ASSETS	<u>\$ 20,317,414.09</u>	<u>\$ 19,407,599.63</u>	<u>\$ 909,814.46</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 401,716.33	\$ 318,540.99	\$ 83,175.34
Due to other funds	6,667.39	9,345.37	(2,677.98)
Customers' deposits	-	-	-
Intra-Fund Loan - Stormwater	-	-	-
Accrued expenses	6,618.00	10,361.00	(3,743.00)
Total current liabilities	<u>415,001.72</u>	<u>338,247.36</u>	<u>76,754.36</u>
Long-Term Debt			
Bonds payable	-	-	-
Long-term debt net	<u>-</u>	<u>-</u>	<u>-</u>
Other Liabilities			
Customer advances for construction	-	-	-
Total other liabilities	<u>415,001.72</u>	<u>338,247.36</u>	<u>76,754.36</u>
Net Assets			
Retained Earnings	702,793.06	711,794.21	(9,001.15)
Contributed Capital	19,063,702.18	18,198,181.72	865,520.46
Current Earnings	135,917.13	159,376.34	(23,459.21)
Total net assets	<u>19,902,412.37</u>	<u>19,069,352.27</u>	<u>833,060.10</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 20,317,414.09</u>	<u>\$ 19,407,599.63</u>	<u>\$ 909,814.46</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX STORMWATER FUND
COMPARATIVE BALANCE SHEET**

As of February 29, 2012

ASSETS			
Current Assets	2012	2011	Change
Cash	\$ 689,845.90	\$ 534,777.09	\$ 155,068.81
Investments			-
Accounts receivable, net	47,044.87	60,604.90	(13,560.03)
Intra-Fund Loan Receivable - FK Sewer	-	-	-
Due from other funds	3,701.21	-	3,701.21
Inventory-materials & supplies			-
Prepaid expenses	143.91	139.15	4.76
Accrued interest	-	-	-
Total current assets	740,735.89	595,521.14	145,214.75
Long-term Investments			
Certificates of Deposit Over 1 year to Maturity	-	-	-
Restricted assets-reserve funds	-	-	-
	-	-	-
Property, plant & equipment			
Storm water property	1,081,973.54	643,983.18	437,990.36
Plant & lines			-
Treatment & Disposal Equipment	61,471.82	61,331.17	140.65
Stormwater GIS	86,026.33	86,026.33	-
Office Furniture & Equipment	1,844.09	1,516.82	327.27
Construction in Progress	64,854.31	433,055.12	(368,200.81)
Total	1,296,170.09	1,225,912.62	70,257.47
Less accumulated depreciation	(100,044.28)	(64,249.67)	(35,794.61)
Total property, plant, & equipment	1,196,125.81	1,161,662.95	34,462.86
TOTAL ASSETS	\$ 1,936,861.70	\$ 1,757,184.09	\$ 179,677.61
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 58,714.82	\$ 23,995.64	\$ 34,719.18
Due to other funds	-	2,687.63	(2,687.63)
Customers' deposits			-
Accrued expenses	1,292.50	1,293.00	(0.50)
Total current liabilities	60,007.32	27,976.27	32,031.05
Long-Term Debt			
Bonds payable			-
Long-term debt net	-	-	-
Other Liabilities			
Customer advances for construction			-
Total liabilities	60,007.32	27,976.27	32,031.05
Net Assets			
Retained Earnings	1,402,991.22	1,270,969.28	132,021.96
Contributed Capital	434,996.55	434,996.55	-
Current Earnings	38,866.61	23,242.01	15,624.60
Total net assets	1,876,854.38	1,729,207.82	147,646.56
TOTAL LIABILITIES & NET ASSETS	\$ 1,936,861.70	\$ 1,757,184.09	\$ 179,677.61

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER FUND
BALANCE SHEET**

As of February 29, 2012

ASSETS	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets			
Cash	\$ 2,906,381.89	\$ 2,571,156.99	\$ 335,204.90
Investments - Less than 1 year to maturity	-	385,283.07	(385,283.07)
Accounts receivable, net	320,165.13	283,245.52	36,919.61
Due from other funds	413,704.47	124,028.82	289,675.65
Inventory-materials & supplies	-	-	-
Prepaid expenses	36,806.83	36,162.84	643.99
Accrued interest	143.03	1,098.19	(955.16)
Total current assets	<u>3,677,181.35</u>	<u>3,400,975.43</u>	<u>276,205.92</u>
Long-term Investments			
Certificates of Deposit over 1 year to maturity	-	-	-
Restricted assets-reserve funds	336,320.42	380,827.76	(44,507.34)
Total long-term investments	<u>336,320.42</u>	<u>380,827.76</u>	<u>(44,507.34)</u>
Property, plant & equipment			
Property, plant & lines	32,579,056.63	30,441,587.14	2,137,469.49
Equipment & furniture	1,105,059.90	872,508.55	232,551.35
Construction in Progress	1,534,905.85	1,830,293.99	(295,388.14)
Total	<u>35,219,022.38</u>	<u>33,144,389.68</u>	<u>2,074,632.70</u>
Less accumulated depreciation	(14,076,274.31)	(13,299,513.61)	(776,760.70)
Total property, plant, & equipment	<u>21,142,748.07</u>	<u>19,844,876.07</u>	<u>1,297,872.00</u>
Organizational Costs	<u>209,686.10</u>	<u>218,786.42</u>	<u>(9,100.32)</u>
TOTAL ASSETS	<u><u>\$ 25,365,935.94</u></u>	<u><u>\$ 23,845,465.68</u></u>	<u><u>\$ 1,520,470.26</u></u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 377,415.58	\$ 292,684.88	\$ 84,730.68
Due to other funds	0.00	45,040.23	(45,040.23)
Customers' deposits	128,322.00	125,747.00	2,575.00
Current portion of long-term debt	268,361.58	258,447.29	9,914.29
Accrued expenses	52,842.69	51,437.31	1,405.38
Total current liabilities	<u>826,941.83</u>	<u>773,356.71</u>	<u>53,585.12</u>
Long-Term Debt			
Bonds payable	1,840,720.99	2,109,082.57	(268,361.58)
Less unamortized discount & expenses	-	-	-
Long-term debt net	<u>1,840,720.99</u>	<u>2,109,082.57</u>	<u>(268,361.58)</u>
Total liabilities	<u>2,667,662.82</u>	<u>2,882,439.28</u>	<u>(214,776.46)</u>
Net Assets			
Retained Earnings	297,992.80	437,221.06	(139,228.26)
Contributed Capital	22,354,079.88	20,447,448.70	1,906,631.18
Current Earnings	48,200.44	78,356.64	(32,156.20)
Total net assets	<u>22,698,273.12</u>	<u>20,963,026.40</u>	<u>1,735,246.72</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 25,365,935.94</u></u>	<u><u>\$ 23,845,465.68</u></u>	<u><u>\$ 1,520,470.26</u></u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FT. KNOX WATER FUND
BALANCE SHEET**

As of February 29, 2012

ASSETS	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets			
Cash	\$ -		\$ -
Investments - Less than 1 year to maturity			-
Accounts receivable, net	1,312,521.00		1,312,521.00
Due from other funds			-
Inventory-materials & supplies	11,174.33		11,174.33
Prepaid expenses	6,743.74		6,743.74
Accrued interest	-		-
Total current assets	<u>1,330,439.07</u>	<u>-</u>	<u>1,330,439.07</u>
Long-term Investments			
Certificates of Deposit over 1 year to maturity	-	-	-
Restricted assets-reserve funds	-	-	-
Total long-term investments	<u>-</u>	<u>-</u>	<u>-</u>
Property, plant & equipment			
Property, plant & lines			0.00
Equipment & furniture	2,373.82		2,373.82
Construction in Progress	5,515.75		5,515.75
Total	<u>7,889.57</u>	<u>-</u>	<u>7,889.57</u>
Less accumulated depreciation	0.00		0.00
Total property, plant, & equipment	<u>7,889.57</u>	<u>-</u>	<u>7,889.57</u>
Organizational Costs	<u>31,831.93</u>	<u>-</u>	<u>31,831.93</u>
TOTAL ASSETS	<u>\$ 1,370,160.57</u>	<u>\$ -</u>	<u>\$ 1,370,160.57</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 189,158.96		\$ 189,158.96
Due to other funds	71,227.58		71,227.58
Customers' deposits	-		0.00
Current portion of long-term debt	-		0.00
Accrued expenses	23,257.61		23,257.61
Total current liabilities	<u>283,644.15</u>	<u>-</u>	<u>283,644.15</u>
Long-Term Debt			
Bonds payable	-	-	-
Less unamortized discount & expenses	-	-	-
Long-term debt net	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>283,644.15</u>	<u>-</u>	<u>283,644.15</u>
Net Assets			
Retained Earnings	0.00		0.00
Contributed Capital	0.00		0.00
Current Earnings	1,086,516.42		1,086,516.42
Total net assets	<u>1,086,516.42</u>	<u>-</u>	<u>1,086,516.42</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 1,370,160.57</u>	<u>\$ -</u>	<u>\$ 1,370,160.57</u>

For Management Purposes Only

Hardin County Water District No. 1 Water Fund
Detail Comparative Income Statements
For the 2 Months Ended Wednesday, February 29, 2012

	February	February Budget	February Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Customer Meter Charges	\$58,771.65	\$59,344.40	\$58,846.95	\$116,986.54	\$119,124.17	\$118,125.62
Residential Sales	142,286.71	152,101.52	149,778.73	288,450.53	311,831.78	307,069.70
Commercial Sales	21,328.06	13,841.46	22,150.25	41,491.53	26,378.04	42,213.28
Multi-Family Sales	16,079.68	28,334.96	17,397.35	31,271.59	59,900.09	36,777.99
Sales for Resale - Vine Grove	19,867.39	20,423.80	19,662.34	40,444.22	44,829.31	43,157.95
Sales for Resale - Meade County	27,186.63	31,623.43	30,784.71	52,319.81	61,862.09	60,221.37
Sewer Storm Water-Monthly Contract	719.32	1,006.05	713.74	1,437.92	2,013.11	1,428.20
Bad Debt Recovered	986.13	2,279.02	1,965.61	1,478.87	2,825.02	2,424.13
Penalties, Service Fees and Reimbursements	21,419.49	20,372.34	19,840.58	42,641.06	43,440.91	42,304.45
Total Operating Revenue	308,643.06	329,326.98	321,130.26	616,522.07	672,205.12	653,722.89
OPERATING EXPENSES						
Salaries & Benefits	91,698.39	115,278.22	120,292.94	213,131.25	229,701.49	241,673.32
Purchased Water	2,795.58	2,564.15	2,606.70	5,240.04	11,138.73	11,323.56
Utilities & Energy Expense	23,937.29	25,923.39	27,383.48	47,461.69	49,221.72	51,168.06
Chemicals	15,158.71	7,670.64	8,611.41	31,519.67	16,371.11	18,378.95
Materials & Supplies	1,677.50	1,809.18	1,537.80	3,112.80	5,292.63	5,100.25
Maintenance & Repairs	9,169.10	4,018.21	3,985.35	11,121.52	6,858.88	6,725.25
Storage Maintenance	224.26	389.81	369.86	486.22	736.48	698.79
Booster Station Expense	46.03	2.58	23.33	92.93	5.04	45.58
Small Tool Expenses	1,648.28	1,205.82	403.49	1,648.28	1,444.46	475.54
Accounting & Legal Services	1,177.29	1,562.86	1,659.53	2,696.10	3,076.18	3,157.25
Contractual Services	12,448.71	11,721.14	11,295.98	22,954.23	23,265.55	22,480.61
Laboratory Services	169.40	246.26	677.65	169.40	568.05	1,563.15
Lab Supplies		608.33			1,216.66	
Bac-T Supplies	302.01	366.67		552.89	733.34	
Utility Regulatory Fees	522.21	523.04	518.33	1,044.42	1,046.08	1,036.66
Amortized 2007-12 Rate Case	633.78	366.67	633.78	1,267.58	733.34	1,267.58
Fuel & Transportation Expense	4,845.79	3,822.17	3,331.09	9,167.70	7,253.68	6,302.32
Insurance Expense	3,537.68	3,575.00	2,552.05	7,075.36	7,150.00	5,332.60
Workers Comp/Unemployment Expense	1,666.23	2,043.01	1,693.78	3,483.21	4,086.10	3,387.57
Advertising Expense	568.56			776.04	528.34	123.60
Bad Debt Expense	1,634.83	2,076.51	2,167.79	5,064.78	5,769.09	6,022.69
Collection Expense	972.47	1,268.63	1,073.45	1,949.74	1,480.62	1,261.29
Phone Expense	1,292.79	1,891.45	1,790.81	2,834.91	3,288.61	3,120.17
Dues & Subscriptions	277.33	356.33	267.33	832.32	716.70	786.20
Printing & Mailing	188.70	782.21	629.51	630.89	906.08	730.81
Supplies Expense	215.99	176.83	158.86	291.69	1,380.39	1,240.12
Information Technology Expense	4,073.48	3,708.20	3,346.13	7,846.54	7,919.53	7,146.27
Commission Expense	138.00	185.84	147.17	444.72	344.94	273.17
Travel & Lodging	396.97	386.80	1,074.24	957.80	473.34	1,144.06
Certification & Education	858.75	1,845.26	1,398.39	3,735.00	2,698.52	2,133.39
Miscellaneous Expense	834.38	857.99	710.07	1,212.48	1,586.41	1,295.53
Customer Deposit Interest Expense	53.37	32.96	49.39	94.18	60.21	90.22
Cash Over & Short	(2.74)		6.36	1.52		1.00
Allocated FK Water G&A Expense	(17,132.74)	(17,132.73)		(17,132.74)	(17,132.73)	
TOTAL OPERATING EXPENSES	166,024.36	180,136.18	200,416.11	371,764.93	379,906.56	406,485.54
Operating Income Before Depreciation	142,618.70	149,190.80	120,714.15	244,757.14	292,298.56	248,237.15
Less Depreciation & Amortization	79,714.61	76,056.23	75,081.49	158,280.33	151,889.59	149,942.59
Operating Income	62,904.09	73,134.57	45,632.66	85,476.81	140,408.97	98,294.56
Non-Operating Income(Expense)						
Interest & Dividend Income	2,990.07	2,198.52	3,459.22	6,159.34	5,068.09	7,974.28
Interest Expense	(24,339.23)	(24,579.33)	(25,638.01)	(48,588.22)	(49,185.55)	(51,347.46)
Gain/(Loss) on Assets			(8,024.81)	(16.17)		(8,024.81)
Income Before Capital Contributions	41,554.93	50,753.76	15,429.06	43,031.76	96,291.51	46,896.57
Capital Contributions						
Misc Revenue - Grant	63,971.98			63,971.98		
Misc Revenue - Grant - LWC		41,666.67			83,333.30	
Misc Revenue - Grant - Constantine Rd		52,666.67			105,333.34	
Tap fees	1,619.00	4,570.24	3,911.00	4,189.00	9,825.84	8,408.50
Customer contributions	5,260.67			5,260.67		16,271.45
Change in Net Assets	112,406.58	149,657.34	19,340.06	116,453.41	294,783.99	71,576.52

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Detail Comparative Income Statements
For the 2 Months Ended Wednesday, February 29, 2012

	February	February Budget	February Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Sanitary Sewer Revenue	\$235,239.00	\$233,921.91	\$230,057.00	\$470,478.00	\$467,843.82	\$460,114.00
Muldrough-Fixed Monthly Billing	402.24	402.25	402.24	804.48	804.50	804.48
Muldrough-Waste Water Flows	5,721.55	5,127.22	4,627.18	12,995.70	10,087.38	9,103.58
Reimbursement of HCWD Overhead	1,080.25	11,163.83	1,881.17	2,020.41	22,327.87	1,881.17
Total Operating Revenues	242,443.04	250,615.21	236,967.59	486,298.59	501,063.35	471,903.23
OPERATING EXPENSES						
Customer Service Labor	37.18	44.13	504.98	79.13	97.49	1,115.51
Administrative Labor	8,601.82	5,601.91	4,238.53	15,839.04	12,702.82	9,140.64
Internal Maintenance/Supervision			182.68			417.91
Information Technology Expense	217.25	201.15	178.48	418.59	429.59	381.13
Professional Services-Engineering			2,539.75			5,079.50
Professional Services-Accounting	474.08	524.17	472.50	948.00	1,048.34	945.00
Professional Services-Legal	237.49	302.13	237.49	474.98	604.30	474.98
Management Fee - Veolia	140,759.87	148,767.83	146,655.28	286,812.36	297,535.66	288,943.09
Contractual Services	76.52			153.04		
Insurance Expense	1,667.35	1,668.67	3,456.90	3,334.65	3,333.34	6,936.30
Regulatory Commission Expense	361.53	371.07	370.31	723.06	742.14	740.62
Transportation Fuel & Repairs	54.02	30.40	33.87	57.31	42.08	46.86
Office Supplies Expense	19.92	36.11	25.61	34.92	53.00	37.59
Utilities	257.95	238.71	270.28	461.78	442.07	500.53
Travel & Lodging	21.17	15.81	57.29	51.08	19.40	61.01
Education & Conferences	34.20	74.29	47.38	34.20	135.76	86.58
Certification & Training	11.80	345.45	15.20	165.00	345.45	15.20
Miscellaneous Expense					62.27	50.56
Allocated FK Water G&A Expense	(3,782.36)	(3,782.40)		(3,782.36)	(3,782.40)	
Total Operating Expenses	147,049.59	154,437.43	159,286.51	305,804.78	313,811.29	314,973.01
Operating Income Before Depreciation	95,393.45	96,177.78	77,681.08	180,493.81	187,252.06	156,930.22
Less Depreciation & Amortization	53,419.15	49,636.46	48,775.70	106,828.36	99,196.82	97,476.58
OPERATING INCOME	41,974.30	46,541.32	28,905.38	73,665.45	88,055.24	59,453.64
Non Operating Income/(Expense)						
Interest & Dividend Income	1,145.33	602.48	737.52	2,429.04	1,747.28	2,138.91
Interest Expense	(96.27)	(129.95)	(117.26)	(187.63)	(260.86)	(235.39)
Income Before Capital Contributions	43,023.36	47,013.85	29,525.64	75,906.86	89,541.66	61,357.16
Capital Contributions	38,642.98	253,723.25	98,019.18	60,010.27	507,446.50	98,019.18
Change in Net Assets	81,666.34	300,737.10	127,544.82	135,917.13	596,988.16	159,376.34

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
 Detail Comparative Income Statements
 For the 2 Months Ended Wednesday, February 29, 2012

	February	February Budget	February Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Storm Water Revenue	\$39,816.00	\$39,567.43	\$38,840.00	\$79,632.00	\$79,134.88	\$77,680.00
Reimbursement of Overhead	304.67	4,699.92		581.45	9,399.80	
Total Operating Revenue	<u>40,120.67</u>	<u>44,267.35</u>	<u>38,840.00</u>	<u>80,213.45</u>	<u>88,534.68</u>	<u>77,680.00</u>
OPERATING EXPENSES						
Administrative Labor	2,048.15	1,800.96	2,354.73	4,918.26	4,067.31	5,078.12
Customer Service Labor	18.59	23.83		39.57	47.70	
Information Technology Expense	54.31	52.48	44.62	104.66	112.08	95.29
Professional Services - Accounting	79.25	95.83	94.50	158.50	191.68	189.00
Professional Services - Legal	84.82	107.92	84.82	169.64	215.84	189.64
Management Fee - Veolia	23,285.42	23,415.33	22,429.42	44,557.77	46,830.66	44,858.84
Insurance Expense	143.91	141.67	139.15	287.83	283.34	278.30
Transportation Fuel & Repairs	13.51	41.67	8.47	14.33	83.34	11.72
Office Supplies Expense	4.98	19.55	6.40	8.73	28.71	9.40
Utilities	50.91	65.46	57.54	91.83	119.52	105.06
Travel & Lodging	5.30	62.91	14.32	12.78	74.45	15.25
Education & Conferences	8.55	32.97	11.85	8.55	60.23	21.65
Certification & Training	2.90	38.87	3.80	41.25	38.87	3.80
Allocated FK Water G&A Expense	(962.27)	(962.27)		(962.27)	(962.27)	
Total Operating Expenses	<u>24,838.33</u>	<u>24,937.18</u>	<u>25,249.62</u>	<u>49,451.43</u>	<u>51,191.44</u>	<u>50,836.07</u>
Operating Income Before Depreciation	15,282.34	19,330.17	13,590.38	30,762.02	37,343.22	26,843.93
Less Depreciation & Amortization	3,081.49	2,482.60	2,325.16	6,122.81	4,965.08	4,650.21
Operating Income	<u>12,220.85</u>	<u>16,847.57</u>	<u>11,265.22</u>	<u>24,639.21</u>	<u>32,378.14</u>	<u>22,193.72</u>
Non-Operating Income(Expenses)						
Interest & Dividend Income	467.52	344.02	363.45	1,012.87	992.24	1,048.29
Income Before Capital Contributions	<u>12,688.37</u>	<u>17,191.59</u>	<u>11,628.67</u>	<u>25,652.08</u>	<u>33,370.38</u>	<u>23,242.01</u>
Capital Contributions	6,924.20	106,815.75		13,214.53	213,631.50	
Change in Net Assets	<u>19,612.57</u>	<u>124,007.34</u>	<u>11,628.67</u>	<u>38,866.61</u>	<u>247,001.88</u>	<u>23,242.01</u>

For Management Purposes Only

Hardin County Water District No. 1 Radcliff Sewer Fund
Detail Comparative Income Statements
For the 2 Months Ended Wednesday, February 29, 2012

	February	February Budget	February Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales	\$214,036.76	\$230,057.00	\$213,048.96	\$435,473.36	\$478,091.03	\$442,745.91
Commercial Sales	33,492.72	20,709.75	34,008.71	85,206.67	41,419.50	64,875.62
Multi-Family Sales	21,758.32	45,292.21	25,228.52	41,621.98	89,448.67	49,824.41
Discharge Permit Fees	552.78	30.12	27.78	580.56	60.24	55.56
Bad Debt Recovered	1,346.35	3,168.33	2,721.56	2,008.12	3,757.28	3,227.46
Penalties, Services Fees and Reimbursements	15,325.41	13,298.64	13,196.46	29,345.44	28,554.14	28,334.75
Total Operating Revenues	286,512.34	312,556.05	288,231.99	574,236.15	641,330.86	588,863.71
OPERATING EXPENSES						
Collection System Labor	5,245.47	7,201.65	2,746.43	13,498.20	16,498.45	6,291.87
Customer Service Labor	11,080.49	13,411.31	9,594.56	23,613.24	29,625.80	21,194.54
Administration Labor	8,496.99	7,620.66	9,455.73	20,516.03	17,151.10	20,380.80
Professional Services-Engineering		268.67	650.00		533.34	650.00
Professional Services-Accounting	614.33	614.17	567.00	1,228.50	1,228.34	1,134.00
Professional Services-Legal	390.16	496.38	390.16	780.32	982.80	780.32
Information Technology Expense	1,086.27	988.27	892.30	2,092.97	2,110.63	1,905.67
Management Fee - Veolia	163,782.28	175,434.15	171,912.08	328,536.83	350,868.30	343,824.16
Contractual Services	8,551.28	8,491.51	8,585.32	15,457.77	16,873.94	17,056.88
Insurance Expense	2,360.79	2,325.00	1,373.44	4,721.52	4,650.00	2,817.68
Transportation Fuel & Repairs	330.27			346.73		
Utility Regulatory Expense	456.26	456.99	452.60	910.52	913.68	905.20
Office Supplies	585.64	770.42	721.71	1,119.23	1,833.21	1,681.83
Utilities	1,225.11	1,560.21	2,328.90	2,257.41	2,858.91	4,269.32
Bad Debt Expense	3,693.95	2,944.37	2,908.24	7,560.64	7,300.56	7,208.02
Agency Collection Expense	551.76	822.22	736.39	842.11	1,041.02	932.35
Rent Expense	187.50	187.50	187.50	375.00	375.00	375.00
Investment Fees			0.38			1.23
Travel & Lodging	105.86	278.85	455.79	255.43	362.34	539.36
Certification & Training	58.00	83.33	76.00	825.00	166.66	76.00
Education & Conferences	171.00	213.99	236.91	171.00	391.03	432.91
Routine Maintenance Service	92.53	71.64	460.29	285.55	85.46	549.12
Miscellaneous Customer Expense		39.99	23.78	18.33	110.12	65.48
Miscellaneous Expense		278.53	148.08		365.58	195.74
Amortized Rate Case - Raftelis		1,175.00			2,350.00	
Customer Deposit Interest Expense	38.61	35.69	31.68	72.19	74.21	65.87
Amortized Rate Case - Raftelis	(8,029.90)	(8,029.90)	31.68	(8,029.90)	(8,029.90)	65.87
Rating Expenses	201,073.63	217,736.60	214,934.25	415,443.62	450,730.88	433,331.33
Operating Income Before Depreciation	85,438.71	94,819.45	73,297.74	158,792.53	190,589.98	155,532.38
Less Depreciation & Amortization	78,882.36	72,432.23	68,833.96	157,655.01	144,798.85	137,801.49
Operating Income	6,556.35	22,387.22	4,463.78	1,137.52	45,803.13	17,930.89
Non Operating Income/(Expense)						
Interest & Dividend Income	2,335.87	2,844.08	4,446.27	5,042.98	6,666.47	10,421.97
Gain/(Loss) on Assets				(14.33)		
Interest Expense	(7,530.32)	(7,444.12)	(8,486.29)	(15,046.42)	(14,896.03)	(16,983.39)
Income Before Capital Contributions	1,361.90	17,787.18	423.76	(8,880.25)	37,573.57	11,369.47
Capital Contributions						
Misc Revenue - Grant - I&I			39,980.11			39,980.11
Misc Revenue - Grant - Pump Stations	16,048.88	72,916.67	25,507.06	16,048.88	145,833.30	25,507.06
Misc Revenue - Grant - SI	34,908.61	75,000.00		34,908.61	150,000.00	
Tap Fees	2,100.00	775.86	900.00	2,250.00	1,293.10	1,500.00
Capital Contributions	1,873.20			1,873.20		
Change in Net Assets	56,292.59	166,479.71	66,810.93	46,200.44	334,699.97	78,356.64

For Management Purposes Only

Hardin County Water District No. 1 Fort Knox Water Fund
 Detail Comparative Income Statements
 For the 2 Months Ended Wednesday, February 29, 2012

	February	February Budget	February Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Fort Knox Water Revenue	\$314,966.86	\$315,256.50		\$314,966.86	\$315,256.50	
Reimbursement of Overhead	57,750.93	29,907.27		57,750.93	29,907.27	
Total Operating Revenue	372,717.79	345,163.77		372,717.79	345,163.77	
OPERATING EXPENSES						
Salaries & Benefits	26,138.32	34,222.67		26,138.32	34,222.67	
Allocated Distribution Labor	12.28	23.18		12.28	23.18	
Allocated Customer Service Labor	53.44	78.00		53.44	78.00	
Allocated Maintenance Labor	130.98	141.27		130.98	141.27	
Allocated Admin Labor	4,613.35	6,230.82		4,613.35	6,230.82	
Allocated Commissioner Labor	716.41	873.45		716.41	873.45	
Materials & Supplies	512.34	1,368.00		512.34	1,368.00	
Geo-T Supplies		775.27			775.27	
Maintenance & Repairs	4,297.82	5,622.73		4,297.82	5,622.73	
Storage Maintenance		454.55			454.55	
Booster Station Expense		454.55			454.55	
Small Tool Expenses		136.40			136.40	
Accounting & Legal Services	309.25	272.73		309.25	272.73	
Management Fee - LWC	141,054.01	143,130.45		141,054.01	143,130.45	
Contractual Services	1,998.41	854.00		1,998.41	854.00	
Utility Regulatory Fees		1,159.09			1,159.09	
Amortized Acquisition Expense	10,167.72	10,167.73		10,167.72	10,167.73	
Fuel & Transportation Expense	1,561.98	287.45		1,561.98	287.45	
Insurance Expense	3,371.87	3,390.90		3,371.87	3,390.90	
Workers Comp/Unemployment Expense	280.31	587.00		280.31	587.00	
Advertising Expense		136.38			136.38	
Phone Expense	694.65	109.09		694.65	109.09	
Postage & Mailing		45.45			45.45	
Travel & Lodging		227.27			227.27	
Certification & Education		252.81			252.81	
Miscellaneous Expense	186.19	227.27		186.19	227.27	
Allocated FK Water G&A Expense	29,907.27	29,907.27		29,907.27	29,907.27	
TOTAL OPERATING EXPENSES	226,004.58	241,135.76		226,004.58	241,135.76	
Operating Income Before Depreciation	146,713.21	104,028.01		146,713.21	104,028.01	
Less Depreciation & Amortization		4,545.50			4,545.50	
Operating Income	146,713.21	99,482.51		146,713.21	99,482.51	
Non-Operating Income(Expense)		227.27			227.27	
Interest & Dividend Income		227.27			227.27	
Income Before Capital Contributions	146,713.21	99,709.78		146,713.21	99,709.78	
Capital Contributions		420,883.55			420,883.55	
Capital Contributions	939,803.21	420,883.55		939,803.21	420,883.55	
Change In Net Assets	1,086,516.42	520,593.33		1,086,516.42	520,593.33	

For Management Purposes Only

Hardin County Water District No. 1 - Water Fund
Statement of Cash Flow
For the Two Months Ended February 29, 2012

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ 112,406.58	116,453.41
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation & Amortization	84,520.97	168,757.38
Accounts Receivable	(4,858.37)	38,138.95
Interest on Investments	-	(441.69)
Due from Other Funds	-	-
Inventory	(3,949.42)	6,004.90
Accounts Payable & Accrued Expenses	(9,940.95)	104,526.38
Due to Other Funds	(13,362.02)	54,017.21
Customer Deposits	2,333.00	4,146.00
Radcliff Collections Payable	8,805.75	3,081.44
Prepaid Expense	11,475.59	7,690.92
Deferred Revenue	8,661.00	10,280.00
Reserve for Uncashed Checks	-	832.70
Total Adjustments	<u>83,685.55</u>	<u>397,034.19</u>
Net Cash provided by Operations	<u>196,092.13</u>	<u>513,487.60</u>
Cash Flows from investing activities used for:		
Construction in Progress	(109,216.78)	(390,565.98)
Advances for Construction	(5,260.67)	(5,260.67)
Other Investments & Interest	(2,667.13)	(5,097.10)
Land & Buildings	-	-
Supply Mains, Lines, Meters, & Connections	(2,880.15)	(8,209.55)
Furniture & Equipment	-	(19,142.51)
Net cash used in investing	<u>(120,024.73)</u>	<u>(428,275.81)</u>
Cash Flows from financing activities proceeds from:		
Restricted Bond Funds	(63,693.22)	(127,361.95)
Bonds Payable	-	-
Unamortized Bond Discount/Premium	1,295.67	2,591.34
LOC - Cecilian Bank	95,995.83	263,265.94
Net cash used in financing	<u>33,598.28</u>	<u>138,495.33</u>
Net increase <decrease> in cash	<u>\$ 109,665.68</u>	<u>223,707.12</u>
Summary		
Cash & Funds Available for Sale Balance at End of Period	\$ 529,310.74	529,310.74
Cash & Funds Available for Sale Balance at Beg of Period	<u>419,645.06</u>	<u>305,603.62</u>
Net Increase <Decrease> in Cash	<u>\$ 109,665.68</u>	<u>223,707.12</u>

Hardin Co. Water District No. 1 Fort Knox Sewer Fund
Statement of Cash Flow
For the Two Months Ended February 29, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ 81,666.34	135,917.13
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation	53,039.01	106,068.10
Accounts Receivable	(17,415.78)	(25,313.76)
Due From Other Funds	-	-
Prepaid Expense	2,028.88	4,057.71
Accrued Interest	(0.52)	(0.43)
Inventory	-	-
Due To Other Funds	(5,809.69)	21,738.13
Accounts Payable & Accrued Expenses	<u>220,749.08</u>	<u>232,730.94</u>
Total Adjustments	<u>252,590.98</u>	<u>339,280.69</u>
Net Cash provided by Operations	<u>334,257.32</u>	<u>475,197.82</u>
Cash Flows from investing activities used for:		
Construction in Progress	173,485.72	139,317.31
Investments & Interest	-	-
Plant, Lines, Furniture, & Equipment	<u>(241,927.47)</u>	<u>(241,927.47)</u>
Net cash used in investing	<u>(68,441.75)</u>	<u>(102,610.16)</u>
Cash Flows from financing activities		
Intra-Fund Loan - Storm Water	-	-
Contributed capital	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Net increase <decrease> in cash	<u>\$ 265,815.57</u>	<u>372,587.66</u>
Summary		
Cash Balance at End of Period	\$1,947,502.29	1,947,502.29
Less Cash Balance at Beg of Period	<u>\$1,681,686.72</u>	<u>1,574,914.63</u>
Net Increase <Decrease> in Cash	<u>\$ 265,815.57</u>	<u>372,587.66</u>

For Management Purposes Only

Hardin Co. Water District No. 1 Fort Knox Stormwater Fund
Statement of Cash Flow
For the Two Months Ended February 29, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ 19,612.57	38,866.61
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation	3,061.49	6,122.81
Accounts Receivable	(661.76)	(7,228.87)
Due From Other Funds	(7,374.35)	(7,374.35)
Prepaid Expense	143.91	287.83
Accrued Interest	-	-
Due To Other Funds	-	12,737.58
Accounts Payable & Accrued Expenses	<u>18,650.95</u>	<u>11,064.77</u>
Total Adjustments	<u>13,820.24</u>	<u>15,609.77</u>
Net Cash provided by Operations	<u>33,432.81</u>	<u>54,476.38</u>
Cash Flows from investing activities used for:		
Construction in Progress	(37,016.64)	(47,118.83)
GIS Structures	<u>(47.60)</u>	<u>(47.60)</u>
Net cash used in investing	<u>(37,064.24)</u>	<u>(68,227.16)</u>
Cash Flows from financing activities		
Intra-Fund Loan Receivable - FK Sewer	-	-
Contributed capital	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Net increase <decrease> in cash	<u>\$ (3,631.43)</u>	<u>7,309.95</u>
Summary		
Cash Balance at End of Period	\$ 689,845.90	689,845.90
Less Cash Balance at Beg of Period	<u>\$ 693,477.33</u>	<u>682,535.95</u>
Net Increase <Decrease> in Cash	<u>\$ (3,631.43)</u>	<u>7,309.95</u>

Hardin Co. Water District No. 1 Radcliff Sewer Fund
Statement of Cash Flow
For the Two Months Ended February 29, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ 56,292.59	46,200.44
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation & Amortization	72,402.11	144,790.66
Accounts Receivable	(42,112.09)	(40,382.76)
Due From Other Funds	(44,681.52)	(152,346.15)
Prepaid Expenses	3,003.55	6,007.04
Accrued Interest	745.76	378.91
Due To Other Funds	0.00	-
Customer Deposits	2,362.00	4,108.00
Accounts Payable & Accrued Expenses	<u>154,566.64</u>	<u>189,846.65</u>
Total Adjustments	<u>146,286.45</u>	<u>152,402.35</u>
Net Cash provided by Operations	<u>202,579.04</u>	<u>198,602.79</u>
Cash Flows from investing activities used for:		
Investments & Interest	(1,090.00)	(1,090.00)
Construction in Progress	96,457.24	4,703.96
Plant Equipment	(7,559.27)	(7,559.27)
Furniture & Equipment	(714.00)	(714.00)
Transportation Equipment	<u>(128,036.26)</u>	<u>(128,036.26)</u>
Net cash used in investing	<u>(40,942.29)</u>	<u>(132,695.57)</u>
Cash Flows from financing activities		
Bond Payments	-	-
Bond Sinking Funds	-	-
Unamortized Bond Discount/Premium	-	-
Organizational Costs	758.36	1,516.72
Tap Fees	-	-
Contributed Capital	<u>-</u>	<u>-</u>
Net cash used in financing	<u>758.36</u>	<u>1,516.72</u>
Net increase <decrease> in cash	<u>\$ 162,395.11</u>	<u>67,423.94</u>
Summary		
Cash Balance at End of Period	\$2,906,361.89	2,906,361.89
Less Cash Balance at Beg of Period	<u>2,743,966.78</u>	<u>2,838,937.95</u>
Net Increase <Decrease> in Cash	<u>\$ 162,395.11</u>	<u>67,423.94</u>

For Management Purposes Only

Hardin Co. Water District No. 1 Ft. Knox Water Fund
Statement of Cash Flow
For the Two Months Ended February 29, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$1,086,516.42	1,086,516.42
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation & Amortization	-	-
Accounts Receivable	(1,312,521.00)	(1,312,521.00)
Due From Other Funds	-	-
Inventory	(11,174.33)	(11,174.33)
Prepaid Expenses	(6,743.74)	(6,743.74)
Accrued Interest	-	-
Due To Other Funds	71,227.58	71,227.58
Customer Deposits	-	-
Accounts Payable & Accrued Expenses	<u>212,416.57</u>	<u>212,416.57</u>
Total Adjustments	(1,046,794.92)	(1,046,794.92)
Net Cash provided by Operations	39,721.50	39,721.50
Cash Flows from investing activities used for:		
Investments & Interest	-	-
Construction in Progress	(5,515.75)	(5,515.75)
Plant Equipment	(297.50)	(297.50)
Furniture & Equipment	(2,076.32)	(2,076.32)
Transportation Equipment	<u>-</u>	<u>-</u>
Net cash used in investing	(7,889.57)	(7,889.57)
Cash Flows from financing activities		
Bond Payments	-	-
Bond Sinking Funds	-	-
Unamortized Bond Discount/Premium	-	-
Organizational Costs	(31,831.93)	(31,831.93)
Tap Fees	-	-
Contributed Capital	<u>0</u>	<u>-</u>
Net cash used in financing	(31,831.93)	(31,831.93)
Net increase <decrease> in cash	<u>\$ -</u>	<u>-</u>
Summary		
Cash Balance at End of Period	-	-
Less Cash Balance at Beg of Period	<u>-</u>	<u>-</u>
Net Increase <Decrease> in Cash	<u>\$ -</u>	<u>-</u>

For Management Purposes Only

HARDIN COUNTY WATER DIST NO. 1
AVAILABLE FUNDING
March 7, 2012

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
KIA WX21093020 Grant	3/14/2007	KIA - Constantine Road Grant	\$1,000,000.00	\$111,925.00	\$888,075.00
KY EBDG for BRAC Grant	1/12/2010	Radcliff WW Pump Station Upgrades	\$2,250,000.00	\$468,951.58	\$1,781,048.42
KY EBDG for BRAC Grant	9/16/2011	Radcliff WW System Improvements Project	\$2,500,000.00	\$691,767.40	\$1,808,232.60
KY EBDG for BRAC Grant	11/10/2011	Louisville Water-Fort Knox Interconnect Pr	\$4,500,000.00	\$0.00	\$4,500,000.00
Fort Knox - CLIN 0016	2010	Godman Airfield Improvements (2922)	\$270,000.00	\$270,000.00	\$0.00
Fort Knox - CLIN 0033	7/21/2011	WWTP Improvements (2910)	\$415,000.00	\$228,381.33	\$186,618.67
Fort Knox - CLIN 0034	7/21/2011	Brooks Field Phase III Improvements (2923)	\$100,000.00	\$1,352.41	\$98,647.59
Fort Knox - CLIN 0035	7/21/2011	Basin 2 Improvements	\$406,000.00	\$870.00	\$405,130.00
Fort Knox - CLIN 0036	7/21/2011	Basin 6 Improvements	\$107,000.00	\$28,849.22	\$78,150.78
Fort Knox - CLIN 0037	7/21/2011	Dietz Lift Station (2704)	\$1,025,000.00	\$7,216.79	\$1,017,783.21
Fort Knox - CLIN 0038	7/21/2011	Basin 8 Improvements	\$403,000.00	\$870.00	\$402,130.00
Fort Knox - CLIN 0039	7/21/2011	Matthews LS & Force Main (2918)	\$675,000.00	\$55,329.05	
Fort Knox - CLIN 0039	7/21/2011	Chaffee Pump Station (2924)		\$0.00	\$619,670.95
Fort Knox - CLIN 0040	7/21/2011	Van Voorhis Area Improvements (2824)	\$1,200,000.00	\$1,392.01	\$1,198,607.99
Fort Knox - CLIN 0041	7/21/2011	Lift Station Generators	\$50,000.00	\$19,414.49	\$30,585.51

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
Fort Knox - CLIN 0042	7/21/2011	Godman Airfield Improvements (4914)	\$1,160,000.00	\$4,593.95	\$1,155,406.05
Fort Knox - CLIN 0043	7/21/2011	Basin 3 Storm Water Improvements	\$250,000.00	\$7,046.17	\$242,953.83
Fort Knox - CLIN 0044	7/21/2011	Basin 4 Storm Water Improvements	\$125,000.00	\$1,973.16	\$123,026.84
Fort Knox - CLIN 0045	7/21/2011	Basin 5 Storm Water Improvements	\$200,000.00	\$182.70	\$199,817.30
Funding Totals			\$16,636,000.00	\$1,900,115.26	\$14,735,884.74

Mobile Home Park Montly Update
29-Feb-12

To date (14 months), we have billed \$92,130 for Master Meters. \$77,870 (85%) has been paid to date leaving an Uncollected Balance of \$14,260 (15%) of the 23 accounts. Two accounts have triggered the First Warning Letter. Two accounts have been turned over Legal.

Hardin County Water District No. 1

Accounts Receivable Report

Date: 3/15/2012 8:46:08 AM
 User Name:

Account	Unbilled Balance	< 30	30-60	60-90	90-119	120+	Total Balance
1150579400	216.47	0.00	0.00	0.00	0.00	0.00	216.47
1150588000	8.45	0.00	0.00	0.00	0.00	0.00	8.45
1160249800	683.39	5.00	0.00	0.00	0.00	0.00	688.39
1180414000	0.00	(13.84)	0.00	0.00	0.00	0.00	(13.84)
1180618100	13.70	0.00	0.00	0.00	0.00	0.00	13.70
1180721000	13.70	0.00	0.00	0.00	0.00	0.00	13.70
1180750200	61.31	0.00	0.00	0.00	0.00	0.00	61.31
1200280900	304.28	296.69	0.00	0.00	0.00	0.00	600.97
1200307800	8.45	9.98	0.00	0.00	0.00	0.00	18.41
1210022100	118.11	0.00	0.00	0.00	0.00	0.00	118.11
1210027000	85.83	0.00	0.00	0.00	0.00	0.00	85.83
1210136600	558.35	0.00	0.00	0.00	0.00	0.00	558.35
1220754000	32.73	39.15	32.73	32.73	38.23	343.68	517.25
2070188900	0.00	32.58	27.25	25.77	29.19	247.52	382.29
2070199000	0.00	(39.77)	0.00	0.00	0.00	0.00	(39.77)
3100094000	0.00	97.12	0.00	0.00	0.00	0.00	97.12
3100104000	0.00	5.63	0.00	0.00	0.00	0.00	5.63
3110061200	0.00	0.10	0.00	0.00	0.00	0.00	0.10
Grand Total	2,082.77	432.60	59.98	58.60	65.42	591.20	3,290.47

Detail By Group/Income Center

Group/Income Center	Unbilled Balance	< 30	30-60	60-90	90-119	120+	Total Balance
Service / Water Taxable	710.87	130.72	2.65	1.33	2.65	17.68	865.88
Service / Water Franchise Fee	25.48	5.20	0.61	0.57	0.61	5.68	38.13
Service / School Tax	28.24	5.20	0.61	0.57	0.61	5.68	38.89
Service / Water State Tax	54.00	10.70	1.24	1.16	1.24	11.59	79.93
Service / Customer Charge	183.15	42.67	17.57	17.57	17.57	170.68	429.21
Service / Sewer	1,011.97	210.79	34.22	34.22	34.22	302.29	1,627.71
Service / Sewer Franchise Fee	30.35	6.42	1.02	1.02	1.02	9.01	48.84
Service / Sewer State Tax	60.71	12.65	2.08	2.08	2.08	18.20	97.74
Service / Unapplied Cash	0.00	(53.61)	0.00	0.00	0.00	0.00	(53.61)
Other-S / Other-Sewer	0.00	2.50	0.00	0.00	0.00	0.00	2.50
Other	0.00	2.50	0.00	0.00	0.00	0.00	2.50
Penalty	0.00	58.86	0.00	0.00	5.44	50.45	112.75

UN BILLED (2,082.77)
 LEGAL 12,757.46
 LEGAL 294.80
 14,254.96

Hardin County Water District No. 1

Accounts Receivable Report

Date: 6/17/2012 8:46:08 AM
 User Name: Charlene

Account	Name	Unbilled Balance	< 30	30-59	60-89	90-119	120+	Total Balance
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Detail By Group/Income Center

Group/Income Center	Unbilled Balance	< 30	30-59	60-89	90-119	120+	Balance
Grand Total	2,082.77	432.60	59.98	66.50	65.42	591.20	3,290.47

HARDIN COUNTY WATER DISTRICT NO. 1
As of March 31, 2012

	CURRENT MONTH					YEAR to DATE						
	WATER FUND	FT. KNOX SEWER	FT. KNOX STORMWATER	RADCLIFF SEWER	FT. KNOX WATER	TOTAL	WATER FUND	FT. KNOX SEWER	FT. KNOX STORMWATER	RADCLIFF SEWER	FT. KNOX WATER	TOTAL
Total Operating Revenue	317,877.42	242,616.23	40,431.27	280,735.75	346,647.00	1,228,307.67	934,399.49	728,914.82	120,644.72	854,971.90	719,364.79	3,358,295.72
Total Operating Expenses	185,315.20	155,380.46	25,411.46	221,409.23	241,075.51	828,591.86	556,992.37	461,185.24	74,862.89	636,852.85	467,090.09	2,198,973.44
Less Depreciation & Amortization	(79,725.71)	(53,899.86)	(3,061.82)	(80,379.09)	(37.08)	(217,103.66)	(239,006.04)	(160,728.22)	(9,184.73)	(238,034.10)	(37.08)	(646,990.17)
Operating Income	52,836.51	33,335.91	11,957.89	(21,052.57)	105,534.41	182,612.15	138,401.08	107,001.36	36,597.10	(19,915.05)	252,247.62	514,332.11
Interest Income	3,190.44	1,227.23	457.23	2,338.02	-	7,212.92	9,349.78	3,656.27	1,470.10	7,381.00	-	21,857.15
Interest Expense	(24,418.69)	(97.85)	-	(7,542.43)	-	(32,058.97)	(73,006.91)	(285.48)	-	(22,588.85)	-	(95,681.24)
Net Unrealized Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Investments	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Assets	1,829.03	-	-	(64,859.65)	-	(63,030.62)	1,812.86	-	-	(64,873.98)	-	(63,061.12)
Non-utility Income	-	-	-	-	-	-	-	-	-	-	-	-
Income Before Contributed Capital	33,437.29	34,465.29	12,416.12	(91,116.63)	106,534.41	94,735.48	76,556.81	110,372.16	36,067.20	(99,996.88)	252,247.62	377,246.90
Government Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants	-	-	-	-	-	-	63,971.98	-	-	-	-	63,971.98
Misc Grants-HWY 1882	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants-HWY 144	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Louisville H2O Connecti	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Constantine Road	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/ I	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/Pump Stations	-	-	-	26,337.15	-	26,337.15	-	-	-	42,386.03	-	42,386.03
Misc Revenue/Grant/SI	-	-	-	30,500.94	-	30,500.94	-	-	-	65,409.55	-	65,409.55
Tap fees	1,285.00	-	-	150.00	-	1,435.00	5,474.00	-	-	2,400.00	-	7,874.00
Capital contributions	24,080.01	65,245.45	13,983.22	-	373,356.00	476,664.68	29,340.68	125,255.72	27,197.75	1,873.20	1,313,159.21	1,496,826.56
Change in Net Assets	58,802.30	99,710.74	26,398.34	(34,128.54)	478,890.41	829,673.25	175,343.47	235,627.87	65,264.95	12,071.90	1,565,406.83	2,053,715.02
Return on Assets (ROA)							0.232%	0.54%	1.99%	-0.40%	11.36%	0.48%

As of March 31, 2012, we have drawn approximately \$346,667 of the Board approved \$475,000 on the Line of Credit for purchases and operational expenses at Fort Knox Water. These purchases include a Dump Truck, Back Hoe, Trailer, Tools and Miscellaneous Office Equipment/Supplies.

Water, Ft. Knox Sewer, Stormwater & Radcliff Sewer are all now receiving a monthly credit for Ft. Knox Water G&A Expenses.

The contributed capital received this month is as follows: Water (\$24,080) was for Parks at Vine, Ft. Knox Sewer (\$65,245) was for VanVoorhis Collection Sys Imp, Brooks Field Manhole Rehab, Chaffee Pump Station, Basin 2 Improvements, Basin 6 Improvements, Basin 7 Improvements & Basin 8 Improvements; Ft. Knox Stormwater (\$13,983) was for Stormwater Improvements & Godman Airfield SW Improvements. Ft. Knox Water (\$373,356) was for the ISDC Surcharge.

Water: Compared to Last Year, Y-T-D sales change is as follows: Residential down (4%), Commercial down (2.6%), Multi-Family down (8.96%) and Wholesale down (8.11%). Total Revenues are down 3.61%. Labor & Benefits are up due to Distribution & PWTP employees' retro raises as well as Pension Expense being up due to three payrolls for the month. Advertising expense is up due to the CCR mailing. Certification & Training is up due to registration for employees to obtain required certification hours, as well as reimbursing an employee for education expense. The gain on asset disposal is from the sale of 2005 Chevy Colorado that was fully depreciated.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$25,269 difference; This Year Compared to Last Year YTD = +\$49,830.

Ft Knox Sewer - Allocated Labor & Benefits expense is up due to pension expense being higher as there were three payrolls in March.

Radcliff: Compared to Last Year, Y-T-D sales change as follows: Residential down (1.73%), Multi-Family down (8.5%), Commercial Sales up (1.66%). Total Revenues are down 1.9%. Allocated Labor & Benefits is up due to increased pension costs from three payrolls in March, as well as Distribution employees retro pay. The loss on asset disposal is from the disposal of Greenview/Peerman/Wilma Phase II Lift Stations & Lines.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$140,397 difference; This Year YTD Compared to Last Year YTD = - \$102,064.

Bad Debt Expense: Compared to last year Y-T-D, Radcliff is up approximately 10.4% & Water is down approximately 5.5%. Compared to Last Year, Bad Debt Recovered for Water is down approximately 43% and Radcliff is down approximately 39.4%.

Invested Funds Inventory
 HCWD1
 3/31/2012

<u>Name of Account</u>	<u>Rate</u>	<u>Balance</u>	<u>Mkt Val</u>	<u>Acc'd Inc</u>	<u>Earnings</u>	<u>Fees</u>	<u>R = Restrict</u>	<u>Current Investment</u>	<u>Invested By</u>	<u>Maturity</u>
Water Revenue/O&M	0.250%	350,425.95	350,425.95	0.00	92.79		U = Unrest	Cecilian Bank	Cecilian Bank	
Water Savings	0.250%	53,765.79	53,765.79	0.00	11.41		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Water Fund	0.250%	1,037.09	1,037.09	0.64	0.21		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-Water Fund	4.910%	249,133.42	249,133.42	134.05	1,027.98		U = Unrest	Cecilian Bank	Cecilian Bank	09/27/12
HCWD1 CD-Water Fund	1.490%	122,013.77	122,013.77	453.24	154.40		U = Unrest	FKFCU	FKFCU	12/04/12
HCWD1 CD-Water Fund	5.200%	378,548.71	378,548.71	215.72	1,653.20		U = Unrest	Lincoln National Bank	Lincoln National Bank	09/27/12
2002 Sinking Fund - Principal	0.000%	21,666.67	21,666.67				R = Restrict	Cecilian Bank	Cecilian Bank	
2002 Sinking Fund - Interest	0.000%	558.78	558.78				R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Depreciation Fund	0.190%	751,055.88	751,055.88	126.12	126.12		R = Restrict		U S Bank	
2005 Debt Serv Res	0.190%	588,311.82	588,311.82	98.65	98.65		R = Restrict	First American Govt Oblig Fd	U S Bank	
2005 Sinking Fund	0.190%	126,534.41	126,534.41	25.66	25.66		R = Restrict	First American Govt Oblig Fd	U S Bank	
Subtotal Water Fund		2,643,052.29	2,643,052.29	1,064.06	3,190.42	0.00				
Ft. Knox Sewer Revenue/O&M	0.250%	480,245.02	480,245.02	0.00	42.31		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Sewer Savings	0.250%	1,617.81	1,617.81	0.00	0.35		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Ft. Knox Sewer Fund	0.250%	1,015.89	1,015.89	0.62	0.21		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Ft. Knox Sewer Money Market	0.90%	1,602,267.28	1,602,267.28		1,184.36		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Sewer Fund		2,085,146.00	2,085,146.00	0.62	1,227.23	0.00				
Ft. Knox Stormwater Revenue/O&M	0.25%	10,712.15	10,712.15	0.00	12.33		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Stormwater Money Market	0.90%	601,884.71	601,884.71		444.90		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Stormwater Fund		612,596.86	612,596.86	0.00	457.23	0.00				
Radcliff Sewer Revenue/O&M	0.250%	212,329.95	212,329.95	0.00	41.49		U = Unrest	Cecilian Bank	Cecilian Bank	
Radcliff Sewer Business Partner MM	0.900%	2,608,074.71	2,608,074.71		1,927.84		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Radcliff Sewer Fund	0.250%	1,015.89	1,015.89	0.62	0.21		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-KIA Maint & Repair Fund	1.290%	336,320.42	336,320.42	511.10	368.48		R = Restrict	Cecilian Bank	Cecilian Bank	05/18/12
Subtotal Radcliff Sewer Fund		3,157,740.97	3,157,740.97	511.72	2,338.02	0.00				
Ft. Knox Water Revenue/O&M	0.25%	0.00	0.00	0.00	0.00	0.00	U = Unrest	Cecilian Bank	Cecilian Bank	
Total		8,498,536.12	8,498,536.12	1,566.42	7,212.90	0.00				

HARDIN COUNTY WATER DISTRICT NO. 1 WATER FUND
COMPARATIVE BALANCE SHEET
MARCH 31, 2012

ASSETS

Current Assets	<u>2012</u>	<u>2011</u>	<u>Change</u>
Cash	\$ 406,928.83	\$ 243,194.54	\$ 163,734.29
Investments - Less than 1 year to Maturity	749,695.90	118,617.91	631,077.99
Accounts receivable, net	409,693.07	347,725.95	61,967.12
Due from other funds	-	66,781.31	(66,781.31)
Inventory-materials & supplies	275,351.53	333,196.52	(57,844.99)
Accrued interest	1,054.08	396.95	657.13
Prepaid expenses	80,806.91	61,187.82	19,619.09
Total current assets	<u>1,923,530.32</u>	<u>1,171,101.00</u>	<u>752,429.32</u>
Long-term Investments			
Unrestricted reserve	-	-	-
Certificates of Deposit Over 1 year to Maturity	-	596,672.92	(596,672.92)
Restricted assets-reserve funds	1,520,622.19	1,458,082.61	62,539.58
Market adjustment on investments	-	-	-
	<u>1,520,622.19</u>	<u>2,054,755.53</u>	<u>(534,133.34)</u>
Property, plant & equipment			
Land	273,045.22	273,045.22	-
Buildings, Plant & lines	38,052,527.00	34,256,104.94	1,796,422.06
Equipment	4,475,308.97	4,245,161.79	230,145.18
Construction in Progress	995,506.47	1,673,673.58	(678,167.11)
Total	<u>41,796,385.66</u>	<u>40,447,985.53</u>	<u>1,348,400.13</u>
Less accumulated depreciation	(12,275,294.12)	(11,323,571.56)	(951,722.56)
Total property, plant, & equipment	<u>29,521,091.54</u>	<u>29,124,413.97</u>	<u>396,677.57</u>
TOTAL ASSETS	<u>\$ 32,965,244.05</u>	<u>\$ 32,350,270.50</u>	<u>\$ 614,973.55</u>

LIABILITIES & NET ASSETS

Current Liabilities			
Accounts payable	\$ 226,845.40	\$ 344,712.06	\$ (117,866.66)
Due to other funds	259,105.74	194,293.08	64,812.66
Customers' deposits	183,680.00	164,420.00	19,260.00
Accrued expenses	76,451.65	65,315.57	11,136.08
Line of Credit-Cecilian Bank	346,667.18	-	346,667.18
Radcliff collections payable	119,677.01	125,829.18	(6,152.17)
State encheatment-reserve for unclaimed funds	8,051.84	7,056.39	(1,004.55)
Deferred Revenue	-	1,927.50	(1,927.50)
Current portion of long-term debt	370,000.00	330,000.00	40,000.00
Total current liabilities	<u>1,588,478.82</u>	<u>1,233,553.78</u>	<u>354,925.04</u>
Long-Term Debt			
Bonds payable	8,785,000.00	9,285,000.00	(500,000.00)
Less unamortized discount & expenses	(174,391.65)	(189,939.69)	15,548.04
Long-term debt net	<u>8,610,608.35</u>	<u>9,095,060.31</u>	<u>(484,451.96)</u>
Other Liabilities			
Customer advances for construction	121,140.06	130,226.53	(9,086.47)
Total liabilities	<u>10,320,227.23</u>	<u>10,458,840.62</u>	<u>(138,613.39)</u>
Net Assets			
Retained Earnings	8,067,737.80	10,568,814.95	(2,501,077.15)
Contributed Capital	14,401,935.55	11,145,262.54	3,256,673.01
Current Earnings	175,343.47	177,352.39	(2,008.92)
Total net assets	<u>22,645,016.82</u>	<u>21,891,429.88</u>	<u>753,586.94</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 32,965,244.05</u>	<u>\$ 32,350,270.50</u>	<u>\$ 614,973.55</u>

Hardin County Water District No. 1 Water Fund
Detail Comparative Income Statements
For the 3 Months Ended Saturday, March 31, 2012

	March	March Budget	March Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Customer Meter Charges	\$58,848.95	\$59,789.89	\$59,288.71	\$175,833.49	\$178,914.08	\$177,414.33
Residential Sales	148,737.51	148,569.49	148,300.64	435,188.04	460,401.27	453,370.34
Commercial Sales	21,074.83	13,763.80	22,025.96	62,566.36	40,142.44	64,239.24
Multi-Family Sales	15,609.08	23,989.18	14,729.09	46,880.67	83,889.27	51,507.08
Sales for Resale - Vine Grove	21,403.39	18,776.26	18,076.23	61,847.61	63,605.57	61,234.16
Sales for Resale - Meade County	27,259.39	33,342.30	32,457.99	79,579.20	95,204.39	92,679.36
Sewer Storm Water-Monthly Contract	718.87	1,009.98	716.53	2,156.79	3,023.09	2,144.73
Bad Debt Recovered	494.60	1,196.26	1,026.50	1,973.47	4,021.28	3,450.63
Penalties, Service Fees and Reimbursements	25,732.80	21,626.59	21,056.95	68,373.88	65,067.50	63,361.40
Total Operating Revenue	317,877.42	322,063.75	315,678.60	934,399.49	994,268.87	969,401.29
OPERATING EXPENSES						
Salaries & Benefits	114,277.21	138,384.42	145,307.86	327,408.46	368,085.91	386,981.18
Purchased Water	1,300.82	1,985.90	2,018.85	6,540.86	13,124.63	13,342.41
Utilities & Energy Expense	22,194.34	21,936.25	22,508.10	69,656.03	71,157.97	73,676.16
Chemicals	13,164.01	18,116.21	20,338.08	44,683.68	34,487.32	38,717.03
Materials & Supplies	3,567.74	1,474.88	1,472.55	6,592.78	6,767.51	6,572.80
Maintenance & Repairs	4,800.09	3,735.72	3,874.04	15,921.61	10,592.60	10,399.29
Storage Maintenance	218.01	301.67	286.23	704.23	1,038.15	985.02
Booster Station Expense	43.82	2.40	21.77	136.75	7.44	67.35
Small Tool Expenses	73.42	32.35	(17.72)	1,719.70	1,476.80	457.82
Accounting & Legal Services	1,333.20	1,433.44	1,418.47	4,029.30	4,509.62	4,575.72
Contractual Services	11,999.21	18,638.45	16,131.74	34,953.44	41,904.00	38,612.35
Laboratory Services	1,764.00	804.14	2,212.80	1,933.40	1,372.19	3,775.95
Lab Supplies		808.33			1,824.99	
Bac-T Supplies	570.13	366.67		1,122.82	1,100.01	
Utility Regulatory Fees	522.21	523.04	518.33	1,566.63	1,569.12	1,554.99
Amortized 2007-12 Rate Case	833.78	733.34	633.78	1,901.34	1,466.68	1,901.34
Fuel & Transportation Expense	5,540.32	5,025.75	4,334.54	14,708.02	12,279.43	10,636.88
Insurance Expense	3,537.63	3,575.00	2,585.62	10,612.98	10,725.00	7,918.22
Workers Comp/Unemployment Expense	1,666.23	2,043.05	1,693.79	5,149.44	6,129.15	5,081.36
Advertising Expense	2,707.50	2,028.53	476.36	3,483.54	2,554.87	599.96
Bad Debt Expense	3,023.94	2,433.93	2,540.92	8,088.72	8,203.02	8,563.61
Collection Expense	369.58	514.66	435.49	2,319.32	2,005.28	1,696.78
Phone Expense	1,389.97	1,586.46	1,512.40	4,224.88	4,875.07	4,632.57
Dues & Subscriptions	298.93	358.33	327.33	1,131.25	1,075.03	1,113.53
Postage	712.32	116.53	93.78	1,343.21	1,024.61	824.59
Security	789.34	148.80	131.88	1,081.03	1,527.19	1,372.00
Information Technology Expense	3,290.92	3,950.73	3,564.98	11,139.46	11,870.26	10,711.25
Commission Expense	138.00	209.61	166.00	582.72	554.55	439.17
Travel & Lodging	213.24	852.59	1,444.66	1,171.04	1,325.93	2,588.72
Certification & Education	1,519.32	2,529.99	2,154.21	5,254.32	5,228.51	4,287.60
Miscellaneous Expense	749.51	761.85	630.51	1,961.99	2,327.26	1,926.04
Customer Deposit Interest Expense	43.45	30.06	45.04	137.63	90.27	135.26
Cash Over & Short	(4.25)		(3.52)	(2.73)		(2.52)
Allocated FK Water G&A Expense	(17,132.74)	(17,132.73)		(34,265.48)	(34,265.46)	
TOTAL OPERATING EXPENSES	185,315.20	218,108.35	238,658.87	556,992.37	598,014.91	644,144.41
Operating Income Before Depreciation	132,562.22	103,955.40	77,019.73	377,407.12	396,253.96	325,256.88
Less Depreciation & Amortization	79,725.71	78,248.56	75,271.59	239,006.04	228,138.15	225,214.18
Operating Income	52,836.51	27,706.84	1,748.14	138,401.08	168,115.81	100,042.70
Non-Operating Income(Expense)						
Interest & Dividend Income	3,190.44	2,428.47	3,821.02	9,349.78	7,496.56	11,795.30
Interest Expense	(24,418.69)	(24,800.84)	(25,692.81)	(73,006.91)	(73,786.19)	(77,040.07)
Gain/(Loss) on Assets	1,829.03		(46.50)	1,812.86		(8,071.31)
Income Before Capital Contributions	33,437.29	5,534.67	(20,169.95)	76,556.81	101,826.18	26,726.62
Capital Contributions						
Visc Revenue - Grant				63,971.98		
Visc Revenue - Grant - Hwy 1382			22,531.99			22,531.99
Visc Revenue - Grant - Hwy 144			12,011.57			12,011.57
Visc Revenue - Grant - LWC		41,866.67			124,999.97	
Visc Revenue - Grant - Constantine Rd		52,866.67			158,000.01	
Tap fees	1,285.00	5,255.80	4,497.50	5,474.00		12,906.00
Customer contributions	24,080.01		33,904.76	29,340.63		103,176.21
Change in Net Assats	53,802.30	105,123.61	105,775.87	175,343.47	399,907.60	177,352.39

For Management Purposes Only

Hardin County Water District No. 1 - Water Fund
Statement of Cash Flow
For the Three Months Ended March 31, 2012

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ 58,802.30	175,343.47
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation & Amortization	70,396.47	239,153.85
Accounts Receivable	8,862.28	47,001.23
Interest on Investments	(7,857.69)	(8,299.38)
Due from Other Funds	-	-
Inventory	2,362.24	8,367.14
Accounts Payable & Accrued Expenses	(219,832.94)	(115,306.56)
Due to Other Funds	(80,404.97)	(26,387.76)
Customer Deposits	16,867.00	21,013.00
Radcliff Collections Payable	(4,503.64)	(1,422.20)
Prepaid Expense	(21,833.41)	(14,142.49)
Deferred Revenue	(10,922.50)	(642.50)
Reserve for Uncashed Checks	(43.29)	789.41
Total Adjustments	<u>(246,910.45)</u>	<u>150,123.74</u>
Net Cash provided by Operations	<u>(188,108.15)</u>	<u>325,379.45</u>
Cash Flows from investing activities used for:		
Construction in Progress	(33,227.68)	(423,793.66)
Advances for Construction	-	(5,260.67)
Other Investments & Interest	5,038.77	(58.33)
Land & Buildings	-	-
Supply Mains, Lines, Meters, & Connections	(20,932.22)	(29,141.77)
Furniture & Equipment	-	(19,142.51)
Net cash used in investing	<u>(49,121.13)</u>	<u>(477,396.94)</u>
Cash Flows from financing activities proceeds from:		
Restricted Bond Funds	192,833.45	65,471.50
Bonds Payable	(130,000.00)	(130,000.00)
Unamortized Bond Discount/Premium	1,295.67	3,887.01
LOC - Cecilian Bank	50,718.25	313,984.19
Net cash used in financing	<u>114,847.37</u>	<u>253,342.70</u>
Net increase <decrease> in cash	<u>\$ (122,381.91)</u>	<u>101,325.21</u>
Summary		
Cash & Funds Available for Sale Balance at End of Period	\$ 406,928.83	406,928.83
Cash & Funds Available for Sale Balance at Beg of Period	<u>529,310.74</u>	<u>305,603.62</u>
Net Increase <Decrease> in Cash	<u>\$ (122,381.91)</u>	<u>101,325.21</u>

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX SEWER FUND
COMPARATIVE BALANCE SHEET**

As of March 31, 2012

ASSETS

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets			
Cash	\$ 2,085,146.00	\$ 1,311,085.44	\$ 774,060.56
Investments	-		-
Accounts receivable, net	309,437.34	279,989.13	29,448.21
Due from other funds	-	12,999.00	(12,999.00)
Inventory-materials & supplies	12,372.77	12,372.77	-
Prepaid expenses	1,084.59	16,094.23	(15,009.64)
Accrued interest	0.62	0.61	0.01
Total current assets	2,408,041.32	1,632,541.18	775,500.14
Long-term Investments			
Certificates of Deposit Over 1 year to Maturity	-	-	-
Restricted assets-reserve funds	-	-	-
	-	-	-
Property, plant & equipment			
Plant & lines	78,315,986.15	77,827,376.14	488,610.01
Equipment	1,119,543.35	1,037,904.51	81,638.84
Construction in Progress	671,632.52	270,470.68	401,161.84
Total	80,107,162.02	79,135,751.33	971,410.69
Less accumulated depreciation	(62,001,850.13)	(61,372,458.35)	(629,391.78)
Total property, plant, & equipment	18,105,311.89	17,763,292.98	342,018.91
TOTAL ASSETS	\$ 20,513,353.21	\$ 19,395,834.16	\$ 1,117,519.05
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 451,576.74	\$ 238,824.55	\$ 212,752.19
Due to other funds	58,231.44	49,769.98	8,461.46
Customers' deposits	-		-
Intra-Fund Loan - Stormwater	-	-	-
Accrued expenses	1,421.92	8,917.50	(7,495.58)
Total current liabilities	511,230.10	297,512.03	213,718.07
Long-Term Debt			
Bonds payable	-	-	-
Long-term debt net	-	-	-
Other Liabilities			
Customer advances for construction	-	-	-
Total other liabilities	511,230.10	297,512.03	213,718.07
Net Assets			
Retained Earnings	702,793.06	711,794.21	(9,001.15)
Contributed Capital	19,063,702.18	18,198,181.72	865,520.46
Current Earnings	235,627.87	188,346.20	47,281.67
Total net assets	20,002,123.11	19,098,322.13	903,800.98
TOTAL LIABILITIES & NET ASSETS	\$ 20,513,353.21	\$ 19,395,834.16	\$ 1,117,519.05

Hardin County Water District No. 1 - Fort Knox Sewer
Detail Comparative Income Statements
For the 3 Months Ended Saturday, March 31, 2012

	March	March Budget	March Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Sanitary Sewer Revenue	\$235,239.00	\$233,921.91	\$230,057.00	\$705,717.00	\$701,765.73	\$690,171.00
Muldrough-Fixed Monthly Billing	402.24	402.25	402.24	1,206.72	1,206.75	1,206.72
Muldrough-Waste Water Flows	4,104.15	6,519.97	5,884.11	17,099.85	16,607.33	14,987.69
Reimbursement of HCWD Overhead	2,870.84	11,163.83	1,384.78	4,891.25	33,491.50	3,285.95
Total Operating Revenues	<u>242,616.23</u>	<u>252,007.96</u>	<u>237,728.13</u>	<u>728,914.82</u>	<u>753,071.31</u>	<u>709,631.36</u>
OPERATING EXPENSES						
Customer Service Labor	42.01	52.31	598.48			
Administrative Labor	8,408.57	7,957.28	5,281.21	121.14	149.80	1,713.99
Internal Maintenance/Supervision			241.26	24,247.61	20,660.10	14,421.85
Information Technology Expense	214.82	214.31	190.13			659.17
Professional Services-Engineering			500.00	633.41	643.90	571.26
Professional Services-Accounting	473.92	524.17	472.50			5,579.50
Professional Services-Legal	237.49	302.17	237.49	1,421.92	1,572.51	1,417.50
Management Fee - Veolia	147,137.08	148,767.83	146,623.81	712.47	906.47	712.47
Contractual Services	76.52			433,948.44	448,303.49	435,566.90
Insurance Expense	1,667.35	1,666.67	3,456.90	229.56		
Regulatory Commission Expense	381.53	371.07	370.31	5,002.00	5,000.01	10,393.20
Transportation Fuel & Repairs	29.55	29.38	32.73	1,084.59	1,113.21	1,110.93
Office Supplies Expense	24.81	179.23	127.13	88.86	71.44	79.59
Utilities	209.04	198.28	222.24	59.73	232.23	164.72
Travel & Lodging	11.38	34.85	77.05	670.82	638.35	722.77
Education & Conferences	238.35	191.00	121.81	62.46	54.25	138.06
Certification & Training	30.40	45.46	2.00	272.55	326.76	208.39
Miscellaneous Expense				195.40	390.91	17.20
Allocated FK Water G&A Expense	(3,782.36)	(3,782.36)		82.27	50.56	
Total Operating Expenses	<u>155,380.46</u>	<u>156,749.65</u>	<u>158,555.05</u>	<u>(7,564.72)</u>	<u>(7,564.76)</u>	
Operating Income Before Depreciation	<u>87,235.77</u>	<u>95,258.31</u>	<u>79,173.08</u>	<u>461,185.24</u>	<u>470,580.94</u>	<u>473,528.06</u>
Less Depreciation & Amortization	53,899.86	51,828.23	50,930.48	267,729.58	282,510.37	236,103.30
OPERATING INCOME	<u>33,335.91</u>	<u>43,430.08</u>	<u>28,242.60</u>	<u>160,728.22</u>	<u>151,025.05</u>	<u>148,407.06</u>
				107,001.36	131,485.32	87,696.24
Non Operating Income/(Expense)						
Interest & Dividend Income	1,227.23	890.46	845.21	3,658.27	2,437.74	2,984.12
Interest Expense	(97.85)	(130.72)	(117.95)	(285.48)	(391.58)	(353.34)
Income before Capital Contributions	<u>34,465.29</u>	<u>43,989.82</u>	<u>28,969.86</u>	<u>110,372.15</u>	<u>133,531.48</u>	<u>90,327.02</u>
Capital Contributions	65,245.45	253,723.25		125,255.72	761,169.75	98,019.18
Change in Net Assets	<u>99,710.74</u>	<u>297,713.07</u>	<u>28,969.86</u>	<u>235,627.87</u>	<u>894,701.23</u>	<u>188,346.20</u>

For Management Purposes Only

Hardin Co. Water District No. 1 Fort Knox Sewer Fund
Statement of Cash Flow
For the Three Months Ended March 31, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ 99,710.74	235,627.87
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation	53,519.72	159,587.82
Accounts Receivable	(28,393.06)	(53,706.82)
Due From Other Funds	-	-
Prepaid Expense	2,028.88	6,086.59
Accrued Interest	0.45	0.02
Inventory	-	-
Due To Other Funds	51,564.05	73,302.18
Accounts Payable & Accrued Expenses	<u>44,664.33</u>	<u>277,395.27</u>
Total Adjustments	<u>123,384.37</u>	<u>462,665.06</u>
Net Cash provided by Operations	<u>223,095.11</u>	<u>698,292.93</u>
Cash Flows from investing activities used for:		
Construction in Progress	(85,451.40)	53,865.91
Investments & Interest	-	-
Plant, Lines, Furniture, & Equipment	<u>-</u>	<u>(241,927.47)</u>
Net cash used in investing	<u>(85,451.40)</u>	<u>(188,061.56)</u>
Cash Flows from financing activities		
Intra-Fund Loan - StormWater	-	-
Contributed capital	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Net increase <decrease> in cash	<u>\$ 137,643.71</u>	<u>510,231.37</u>
Summary		
Cash Balance at End of Period	\$2,085,146.00	2,085,146.00
Less Cash Balance at Beg of Period	<u>\$1,947,502.29</u>	<u>1,574,914.63</u>
Net Increase <Decrease> in Cash	<u>\$ 137,643.71</u>	<u>510,231.37</u>

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX STORMWATER FUND
COMPARATIVE BALANCE SHEET**

As of March 31, 2012

ASSETS			
Current Assets			
Cash	\$	<u>612,596.86</u>	\$
Investments			\$
Accounts receivable, net		54,414.49	21,764.90
Intra-Fund Loan Receivable - FK Sewer		-	-
Due from other funds		42,937.64	38,840.00
Inventory-materials & supplies		-	-
Prepaid expenses		-	417.45
Accrued interest		-	-
Total current assets		<u>709,948.99</u>	<u>607,864.66</u>
			102,084.33
Long-term Investments			
Certificates of Deposit Over 1 year to Maturity		-	-
Restricted assets-reserve funds		-	-
		<u>-</u>	<u>-</u>
Property, plant & equipment			
Storm water property		1,081,973.54	1,033,749.79
Plant & lines			48,223.75
Treatment & Disposal Equipment		61,471.82	61,331.17
Stormwater GIS		86,026.33	86,026.33
Office Furniture & Equipment		1,844.09	1,516.82
Construction in Progress		78,865.12	43,544.61
Total		<u>1,310,180.90</u>	<u>1,226,168.72</u>
Less accumulated depreciation		<u>(103,106.20)</u>	<u>(66,574.86)</u>
Total property, plant, & equipment		<u>1,207,074.70</u>	<u>1,159,593.86</u>
			47,480.84
TOTAL ASSETS	\$	<u>1,917,023.69</u>	\$
			<u>1,767,458.52</u>
			\$ 149,565.17
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$	13,533.22	\$
Due to other funds		-	23,533.42
Customers' deposits		-	3,440.76
Accrued expenses		237.75	-
Total current liabilities		<u>13,770.97</u>	<u>27,257.68</u>
			(13,486.71)
Long-Term Debt			
Bonds payable		-	-
Long-term debt net		<u>-</u>	<u>-</u>
			-
Other Liabilities			
Customer advances for construction		-	-
Total liabilities		<u>13,770.97</u>	<u>27,257.68</u>
			(13,486.71)
Net Assets			
Retained Earnings		1,402,991.22	1,270,969.26
Contributed Capital		434,996.55	434,996.55
Current Earnings		65,264.95	34,235.03
Total net assets		<u>1,903,252.72</u>	<u>1,740,200.84</u>
			163,051.88
TOTAL LIABILITIES & NET ASSETS	\$	<u>1,917,023.69</u>	\$
			<u>1,767,458.52</u>
			\$ 149,565.17

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
 Detail Comparative Income Statements
 For the 3 Months Ended Saturday, March 31, 2012

	March	March Budget	March Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Storm Water Revenue	\$39,816.00	\$39,567.43	\$38,840.00	\$119,448.00	\$118,702.29	\$116,520.00
Reimbursement of Overhead	615.27	4,689.92		1,196.72	14,099.72	
Total Operating Revenue	40,431.27	44,267.35	38,840.00	120,644.72	132,802.01	116,520.00
OPERATING EXPENSES						
Administrative Labor	2,606.68	2,532.22	2,934.00	7,524.94	6,599.53	8,012.12
Customer Service Labor	21.01	23.83		60.58	71.53	
Information Technology Expense	53.71	55.90	47.53	158.37	187.98	142.82
Professional Services - Accounting	79.25	95.83	94.50	237.75	287.49	283.50
Professional Services - Legal	84.82	107.82	84.82	254.46	323.78	254.46
Management Fee - Veolia	23,284.92	23,415.33	22,429.42	67,842.69	70,245.99	67,288.26
Insurance Expense	143.91	141.67	139.15	431.74	425.01	417.45
Transportation Fuel & Repairs	7.39	41.67	8.18	21.72	125.01	19.90
Office Supplies Expense	6.21	326.21	106.78	14.94	354.92	116.18
Utilities	42.21	51.78	45.52	134.04	171.30	150.58
Travel & Lodging	2.84	75.73	19.26	15.62	150.18	34.51
Education & Conferences	33.18	63.68	22.89	41.73	123.91	44.54
Certification & Training	7.60	5.11	0.50	48.85	43.98	4.30
Allocated FK Water G&A Expense	(962.27)	(962.27)		(1,924.54)	(1,924.54)	
Total Operating Expenses	25,411.46	25,974.61	25,932.55	74,862.69	77,166.05	76,768.62
Operating Income Before Depreciation	15,019.81	18,292.74	12,907.45	45,781.83	55,635.96	39,751.38
Less Depreciation & Amortization	3,061.92	2,482.63	2,325.19	9,184.73	7,447.71	6,975.40
Operating Income	11,957.89	15,810.11	10,582.26	36,597.10	48,188.25	32,775.98
Non-Operating Income(Expenses)						
Interest & Dividend Income	457.23	388.80	410.76	1,470.10	1,381.04	1,459.05
Income Before Capital Contributions	12,415.12	16,198.91	10,993.02	38,067.20	49,569.29	34,235.03
Capital Contributions	13,983.22	106,815.75		27,197.75	320,447.25	
Change in Net Assets	26,398.34	123,014.66	10,993.02	65,264.95	370,016.54	34,235.03

For Management Purposes Only

Hardin Co. Water District No. 1 Fort Knox Stormwater Fund
Statement of Cash Flow
For the Three Months Ended March 31, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ 26,398.34	65,264.95
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation	3,061.92	9,184.73
Accounts Receivable	(7,369.62)	(14,598.49)
Due From Other Funds	(39,236.43)	(46,610.78)
Prepaid Expense	143.91	431.74
Accrued Interest	-	-
Due To Other Funds	-	12,737.58
Accounts Payable & Accrued Expenses	<u>(46,236.35)</u>	<u>(35,171.58)</u>
Total Adjustments	<u>(89,636.57)</u>	<u>(74,026.80)</u>
Net Cash provided by Operations	<u>(63,238.23)</u>	<u>(8,761.85)</u>
Cash Flows from investing activities used for:		
Construction in Progress	(14,010.81)	(61,129.64)
GIS Structures	<u>-</u>	<u>(47.60)</u>
Net cash used in investing	<u>(14,010.81)</u>	<u>(82,237.97)</u>
Cash Flows from financing activities		
Intra-Fund Loan Receivable - FK Sewer	-	-
Contributed capital	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Net increase <decrease> in cash	<u>\$ (77,249.04)</u>	<u>(69,939.09)</u>
Summary		
Cash Balance at End of Period	\$ 612,596.86	612,596.86
Less Cash Balance at Beg of Period	<u>\$ 689,845.90</u>	<u>682,535.95</u>
Net Increase <Decrease> in Cash	<u>\$ (77,249.04)</u>	<u>(69,939.09)</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 WADCLIFF SEWER FUND
BALANCE SHEET**

As of March 31, 2012

ASSETS	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets			
Cash	\$ 2,821,420.55	\$ 2,724,109.70	\$ 97,310.85
Accounts receivable - Less than 1 year to maturity	-	385,283.07	(385,283.07)
Accounts receivable, net	273,437.63	371,134.42	(97,696.79)
Due from other funds	457,391.45	188,294.08	271,097.37
Inventory-materials & supplies	-	-	-
Prepaid expenses	33,803.28	38,269.62	(4,466.34)
Accrued interest	511.72	3,225.37	(2,713.65)
Total current assets	<u>3,586,564.63</u>	<u>3,708,316.26</u>	<u>(121,751.63)</u>
Long-term Investments			
Certificates of Deposit over 1 year to maturity	-	-	-
Restricted assets-reserve funds	336,320.42	330,242.63	6,077.79
Total long-term investments	<u>336,320.42</u>	<u>330,242.63</u>	<u>6,077.79</u>
Property, plant & equipment			
Property, plant & lines	33,069,493.23	30,458,160.28	2,611,332.95
Equipment & furniture	1,105,059.90	877,508.55	227,551.35
Construction in Progress	927,090.42	1,978,211.13	(1,051,120.71)
Total	<u>35,101,643.55</u>	<u>33,313,879.96</u>	<u>1,787,763.59</u>
Less accumulated depreciation	(14,078,520.37)	(13,361,973.89)	(716,546.48)
Total property, plant, & equipment	<u>21,023,123.18</u>	<u>19,951,906.07</u>	<u>1,071,217.11</u>
Organizational Costs	208,927.74	218,028.06	(9,100.32)
TOTAL ASSETS	<u>\$ 25,154,935.97</u>	<u>\$ 24,208,493.02</u>	<u>\$ 946,442.95</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 189,324.03	\$ 386,591.63	\$ (197,267.60)
Due to other funds	0.00	57,410.57	(57,410.57)
Customers' deposits	131,171.00	125,747.00	5,424.00
Current portion of long-term debt	268,361.58	258,447.29	9,914.29
Accrued expenses	61,213.79	58,180.62	3,033.17
Total current liabilities	<u>650,070.40</u>	<u>886,377.11</u>	<u>(236,306.71)</u>
Long-Term Debt			
Bonds payable	1,840,720.99	2,109,082.57	(268,361.58)
Less unamortized discount & expenses	-	-	-
Long-term debt net	<u>1,840,720.99</u>	<u>2,109,082.57</u>	<u>(268,361.58)</u>
Total liabilities	<u>2,490,791.39</u>	<u>2,995,459.68</u>	<u>(504,668.29)</u>
Net Assets			
Retained Earnings	297,992.80	437,221.06	(139,228.26)
Contributed Capital	22,354,079.88	20,447,448.70	1,906,631.18
Current Earnings	12,071.90	328,363.58	(316,291.68)
Total net assets	<u>22,664,144.58</u>	<u>21,213,033.34</u>	<u>1,451,111.24</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 25,154,935.97</u>	<u>\$ 24,208,493.02</u>	<u>\$ 946,442.95</u>

For Management Purposes Only

Hardin County Water District No. 1 Radcliff Sewer Fund
Detail Comparative Income Statements
For the 3 Months Ended Saturday, March 31, 2012

	March	March Budget	March Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales	\$211,780.11	\$233,100.55	\$215,867.50	\$647,253.49	\$711,191.58	\$658,813.41
Commercial Sales	33,541.96	20,709.75	32,464.27	98,748.63	62,129.25	97,139.89
Multi-Family Sales	21,415.45	34,219.55	19,060.86	83,037.43	123,668.22	68,885.27
High Strength Surcharge		53.43	89.95		53.43	89.95
Discharge Permit Fees	27.78	30.12	27.78	808.34	90.36	83.34
Bad Debt Recovered	645.28	1,342.60	1,153.28	2,653.40	5,099.88	4,380.74
Penalties, Services Fees and Reimbursements	13,325.17	14,089.38	13,961.26	42,670.61	42,623.50	42,296.01
Total Operating Revenues	280,735.75	303,525.36	282,624.90	854,971.90	944,856.22	871,488.61
OPERATING EXPENSES						
Collection System Labor	7,515.90	7,867.47	3,000.35	21,014.10	24,365.92	9,292.22
Customer Service Labor	12,522.53	15,894.48	11,371.04	38,135.77	45,520.28	32,565.58
Administration Labor	10,757.96	10,638.40	11,777.51	31,273.99	27,789.50	32,158.31
Professional Services-Engineering		266.67	687.44		800.01	1,337.44
Professional Services-Accounting	614.17	614.17	567.00	1,842.67	1,842.51	1,701.00
Professional Services-Legal	390.16	496.42	390.16	1,170.48	1,489.22	1,170.48
Information Technology Expense	1,074.16	1,052.90	950.66	3,187.13	3,163.53	2,858.33
Management Fee - Veolia	178,466.57	175,434.15	171,912.08	505,002.40	526,302.45	515,736.24
Contractual Services	8,228.73	8,613.11	8,705.88	23,886.50	25,487.05	25,762.74
Insurance Expense	2,360.79	2,325.00	1,373.44	7,082.31	6,975.00	4,191.12
Transportation Fuel & Repairs	147.77			494.50		
Utility Regulatory Expense	455.26	456.99	452.60	1,365.78	1,370.97	1,357.80
Office Supplies	867.10	660.15	626.29	1,986.33	2,493.36	2,308.12
Utilities	1,063.72	1,427.12	2,131.15	3,321.13	4,286.03	6,400.47
Bad Debt Expense	3,430.70	2,776.44	2,740.49	10,981.34	10,077.00	9,946.51
Agency Collection Expense	217.14	610.72	546.97	1,059.25	1,651.74	1,479.32
Rent Expense	187.50	187.50	187.50	562.50	562.50	562.50
Investment Fees						1.23
Travel & Lodging	56.86	371.85	548.88	312.29	734.19	1,088.24
Certification & Training	152.00	83.33	10.00	977.00	249.99	86.00
Education & Conferences	437.25	442.97	490.42	608.25	834.00	923.33
Routine Maintenance Service	121.50	15.56	99.97	407.06	101.02	649.08
Miscellaneous Customer Expense	335.40	14.37	8.54	353.73	124.49	74.02
Miscellaneous Expense		126.48	67.72		492.06	263.46
Amortized Rate Case - Raftelis		1,175.00			3,525.00	
Customer Deposit Interest Expense	35.96	44.52	39.52	108.15	118.73	105.39
Allocated Water G&A Expense	(8,029.90)	(8,029.91)		(16,059.80)	(16,059.81)	
Total Operating Expenses	221,408.23	223,565.86	218,685.61	636,852.85	674,296.74	652,016.94
Operating Income Before Depreciation	59,326.52	79,959.50	63,939.29	218,119.05	270,559.48	219,471.67
Less Depreciation & Amortization	80,379.09	72,547.81	68,945.06	238,034.10	217,344.66	208,548.55
Operating Income	(21,052.57)	7,411.69	(5,005.77)	(19,915.05)	53,214.82	12,925.12
Non Operating Income/(Expense)						
Interest & Dividend Income	2,338.02	3,063.48	4,789.29	7,381.00	9,729.95	15,211.26
Gain/(Loss) on Assets	(64,859.65)		(189.20)	(64,873.98)		(189.20)
Interest Expense	(7,542.43)	(7,648.54)	(8,876.47)	(22,588.85)	(22,544.57)	(25,859.86)
Income Before Capital Contributions	(91,116.63)	2,826.63	(9,282.15)	(99,996.88)	40,400.20	2,087.32
Capital Contributions						
Misc Revenue - Grant - I&I			159,166.87			199,146.98
Misc Revenue - Grant - Pump Stations	26,337.15	72,918.87	99,672.22	42,388.03	218,749.97	125,179.28
Misc Revenue - Grant - SI	30,500.94	75,000.00		85,409.55	225,000.00	
Tap Fees	150.00	387.93	450.00	2,400.00	1,881.03	1,950.00
Capital Contributions				1,873.20		
Change in Net Assets	(34,128.54)	151,131.23	250,006.94	12,071.90	435,831.20	328,363.58

For Management Purposes Only

Hardin Co. Water District No. 1 Radcliff Sewer Fund
Statement of Cash Flow
For the Three Months Ended March 31, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ (34,128.54)	12,071.90
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation & Amortization	2,246.06	147,036.72
Accounts Receivable	46,727.50	6,344.74
Due From Other Funds	(43,686.98)	(196,033.13)
Prepaid Expenses	3,003.55	9,010.59
Accrued Interest	(368.69)	10.22
Due To Other Funds	0.00	-
Customer Deposits	2,849.00	6,957.00
Accounts Payable & Accrued Expenses	<u>(179,720.43)</u>	<u>10,126.22</u>
Total Adjustments	<u>(168,949.99)</u>	<u>(16,547.64)</u>
Net Cash provided by Operations	<u>(203,078.53)</u>	<u>(4,475.74)</u>
Cash Flows from investing activities used for:		
Investments & Interest	-	(1,090.00)
Construction in Progress	607,815.43	612,519.39
Plant Equipment	(490,436.60)	(497,995.87)
Furniture & Equipment	-	(714.00)
Transportation Equipment	<u>-</u>	<u>(128,036.26)</u>
Net cash used in investing	<u>117,378.83</u>	<u>(15,316.74)</u>
Cash Flows from financing activities		
Bond Payments	-	-
Bond Sinking Funds	-	-
Unamortized Bond Discount/Premium	-	-
Organizational Costs	758.36	2,275.08
Tap Fees	-	-
Contributed Capital	<u>-</u>	<u>-</u>
Net cash used in financing	<u>758.36</u>	<u>2,275.08</u>
Net increase <decrease> in cash	<u>\$ (84,941.34)</u>	<u>(17,517.40)</u>
Summary		
Cash Balance at End of Period	\$2,821,420.55	2,821,420.55
Less Cash Balance at Beg of Period	<u>2,906,361.89</u>	<u>2,838,937.95</u>
Net Increase <Decrease> in Cash	<u>\$ (84,941.34)</u>	<u>(17,517.40)</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FT. KNOX WATER FUND
BALANCE SHEET**

As of March 31, 2012

ASSETS	2012	2011	Change
Current Assets			
Cash	\$ -		\$ -
Investments - Less than 1 year to maturity			-
Accounts receivable, net	2,032,524.00		2,032,524.00
Due from other funds			-
Inventory-materials & supplies	13,990.33		13,990.33
Prepaid expenses	2,430.69		2,430.69
Accrued interest	-		-
Total current assets	2,048,945.02	-	2,048,945.02
Long-term Investments			
Certificates of Deposit over 1 year to maturity	-	-	-
Restricted assets-reserve funds	-	-	-
Total long-term investments	-	-	-
Property, plant & equipment			
Property, plant & lines			0.00
Equipment & furniture	2,373.82		2,373.82
Construction in Progress	11,791.98		11,791.98
Total	14,165.80	-	14,165.80
Less accumulated depreciation	(37.08)		(37.08)
Total property, plant, & equipment	14,128.72	-	14,128.72
Organizational Costs	157,053.11	-	157,053.11
TOTAL ASSETS	\$ 2,220,126.85	\$ -	\$ 2,220,126.85
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 445,275.63		\$ 445,275.63
Due to other funds	182,991.91		182,991.91
Customers' deposits	-		0.00
Current portion of long-term debt	-		0.00
Accrued expenses	26,452.48		26,452.48
Total current liabilities	654,720.02	-	654,720.02
Long-Term Debt			
Bonds payable	-		-
Less unamortized discount & expenses	-	-	-
Long-term debt net	-	-	-
Total liabilities	654,720.02	-	654,720.02
Net Assets			
Retained Earnings	0.00		0.00
Contributed Capital	0.00		0.00
Current Earnings	1,565,406.83		1,565,406.83
Total net assets	1,565,406.83	-	1,565,406.83
TOTAL LIABILITIES & NET ASSETS	\$ 2,220,126.85	\$ -	\$ 2,220,126.85

For Management Purposes Only

Hardin County Water District No. 1 Fort Knox Water Fund
Detail Comparative Income Statements
For the 3 Months Ended Saturday, March 31, 2012

	March	March Budget	March Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Fort Knox Water Revenue	\$314,968.87	\$315,258.45		\$629,933.73	\$630,512.95	
Reimbursement of Overhead	31,880.13	29,907.27		89,431.06	59,814.54	
Total Operating Revenue	346,847.00	345,163.72		719,364.79	690,327.49	
OPERATING EXPENSES						
Salaries & Benefits	37,905.64	34,222.63		64,043.98	68,445.30	
Allocated Distribution Labor	17.59	23.18		29.87	46.38	
Allocated Customer Service Labor	60.39	78.00		113.83	158.00	
Allocated Maintenance Labor	83.16	141.27		214.14	282.54	
Allocated Admin Labor	5,739.54	6,230.82		10,352.89	12,461.64	
Allocated Commissioner Labor	1,008.39	873.45		1,724.80	1,748.90	
Materials & Supplies	869.37	1,368.00		1,381.71	2,738.00	
Bac-T Supplies		775.30			1,550.57	
Maintenance & Repairs	1,322.93	5,622.77		5,620.75	11,245.50	
Storage Maintenance		454.55			909.10	
Booster Station Expense		454.55			909.10	
Small Tool Expenses	583.15	136.38		583.15	272.76	
Accounting & Legal Services	390.78	272.73		700.01	545.46	
Management Fee - LWC	143,130.33	143,130.45		284,184.34	286,280.90	
Contractual Services	836.22	854.00		2,832.63	1,708.00	
Utility Regulatory Fees		1,159.10			2,318.19	
Amortized Acquisition Expense	10,167.72	10,167.73		20,335.44	20,335.46	
Fuel & Transportation Expenses	2,056.22	287.45		3,618.18	574.90	
Insurance Expense	5,057.81	3,380.91		8,429.88	6,781.81	
Workers Comp/Unemployment Expense	280.31	587.00		560.62	1,174.00	
Advertising Expense		136.40			272.76	
Phone Expense	802.99	109.09		1,497.64	218.18	
Postage & Mailing		45.45			90.90	
Safety Expense	420.00			420.00		
Travel & Lodging		227.27			454.54	
Certification & Education	210.90	252.81		210.90	505.62	
Miscellaneous Expense	214.82	227.27		401.01	454.54	
Allocated FK Water G&A Expense	29,907.27	29,907.27		59,814.54	59,814.54	
TOTAL OPERATING EXPENSES	241,075.51	241,136.81		467,080.09	482,271.57	
Operating Income Before Depreciation	105,571.49	104,027.91		252,284.70	208,056.92	
Less Depreciation & Amortization	37.08	4,545.45		37.08	9,090.96	
Operating Income	105,534.41	99,482.46		252,247.62	198,964.97	
Non-Operating Income(Expense)						
Interest & Dividend Income		227.27			454.54	
Income Before Capital Contributions	105,534.41	99,709.73		252,247.62	199,419.51	
Capital Contributions						
Capital Contributions	373,356.00	420,883.55		1,313,159.21	841,767.10	
Change in Net Assets	478,890.41	520,593.28		1,565,406.83	1,041,186.61	

For Management Purposes Only

Hardin Co. Water District No. 1 Ft. Knox Water Fund
Statement of Cash Flow
For the Three Months Ended March 31, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ 478,890.41	1,565,406.83
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation & Amortization	37.08	37.08
Accounts Receivable	(720,003.00)	(2,032,524.00)
Due From Other Funds	-	-
Inventory	(2,816.00)	(13,990.33)
Prepaid Expenses	4,313.05	(2,430.69)
Accrued Interest	-	-
Due To Other Funds	111,764.33	182,991.91
Customer Deposits	-	-
Accounts Payable & Accrued Expenses	<u>259,311.54</u>	<u>471,728.11</u>
Total Adjustments	(347,393.00)	(1,394,187.92)
Net Cash provided by Operations	131,497.41	171,218.91
Cash Flows from investing activities used for:		
Investments & Interest	-	-
Construction in Progress	(6,276.23)	(11,791.98)
Plant Equipment	-	(297.50)
Furniture & Equipment	-	(2,076.32)
Transportation Equipment	<u>-</u>	<u>-</u>
Net cash used in investing	(6,276.23)	(14,165.80)
Cash Flows from financing activities		
Bond Payments	-	-
Bond Sinking Funds	-	-
Unamortized Bond Discount/Premium	-	-
Organizational Costs	(125,221.18)	(157,053.11)
Tap Fees	-	-
Contributed Capital	<u>0</u>	<u>-</u>
Net cash used in financing	(125,221.18)	(157,053.11)
Net increase <decrease> in cash	\$ <u>-</u>	\$ <u>-</u>
Summary		
Cash Balance at End of Period	-	-
Less Cash Balance at Beg of Period	<u>-</u>	<u>-</u>
Net Increase <Decrease> in Cash	\$ <u>-</u>	\$ <u>-</u>

For Management Purposes Only

HARDIN COUNTY WATER DIST NO. 1
AVAILABLE FUNDING
March 31, 2012

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
KIA WX21093020 Grant	3/14/2007	KIA - Constantine Road Grant	\$1,000,000.00	\$111,925.00	\$888,075.00
KY EBDG for BRAC Grant	1/12/2010	Radcliff WW Pump Station Upgrades	\$2,250,000.00	\$474,232.31	\$1,775,767.69
KY EBDG for BRAC Grant	9/16/2011	Radcliff WW System Improvements Project	\$2,500,000.00	\$700,292.40	\$1,799,707.60
KY EBDG for BRAC Grant	11/10/2011	Louisville Water-Fort Knox Interconnect Pr	\$4,500,000.00	\$0.00	\$4,500,000.00
Fort Knox - CLIN 0016	2010	Godman Airfield Improvements (2922)	\$270,000.00	\$270,000.00	\$0.00
Fort Knox - CLIN 0033	7/21/2011	WWTP Improvements (2910)	\$415,000.00	\$228,568.24	\$186,431.76
Fort Knox - CLIN 0034	7/21/2011	Brooks Field Phase III Improvements (2923)	\$100,000.00	\$11,365.90	\$88,634.10
Fort Knox - CLIN 0035	7/21/2011	Basin 2 Improvements	\$406,000.00	\$9,892.14	\$396,107.86
Fort Knox - CLIN 0036	7/21/2011	Basin 6 Improvements	\$107,000.00	\$39,170.68	\$67,829.32
Fort Knox - CLIN 0037	7/21/2011	Dietz Lift Station (2704)	\$1,025,000.00	\$16,546.46	\$1,008,453.54
Fort Knox - CLIN 0038	7/21/2011	Basin 8 Improvements	\$403,000.00	\$10,199.67	\$392,800.33
Fort Knox - CLIN 0039	7/21/2011	Matthews LS & Force Main (2918)	\$675,000.00	\$65,603.35	
Fort Knox - CLIN 0039	7/21/2011	Chaffee Pump Station (2924)		\$23,748.05	\$585,648.60
Fort Knox - CLIN 0040	7/21/2011	Van Voorhis Area Improvements (2824)	\$1,200,000.00	\$11,217.57	\$1,188,782.43
Fort Knox - CLIN 0041	7/21/2011	Lift Station Generators	\$50,000.00	\$19,414.49	\$30,585.51

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
Fort Knox - CLIN 0042	7/21/2011	Godman Airfield Improvements (4914)	\$1,160,000.00	\$18,722.64	\$1,141,277.36
Fort Knox - CLIN 0043	7/21/2011	Basin 3 Storm Water Improvements	\$250,000.00	\$7,515.97	\$242,484.03
Fort Knox - CLIN 0044	7/21/2011	Basin 4 Storm Water Improvements	\$125,000.00	\$1,973.16	\$123,026.84
Fort Knox - CLIN 0045	7/21/2011	Basin 5 Storm Water Improvements	\$200,000.00	\$182.70	\$199,817.30
Funding Totals			\$16,636,000.00	\$2,020,570.73	\$14,615,429.27

**Mobile Home Park (Master Meter billing) Update
31-March-2012**

To date (15 months), we have billed \$98701.63 for Master Meters. \$83209.41 (84%) has been paid leaving an uncollected balance of \$15492.21 (16%) of the 23 accounts. Two accounts will trigger the Second Warning Letter if not paid by March 15th. Two accounts remain in litigation with legal counsel.

Of the twenty one MH Parks, five had zero leaked water and the highest being 168,400 gallons. A total of (544,800 gallons) was billed as leaked water in the month of March which represents 18.71% difference of total gallons metered (2,906,700) and individual customers (2,361,900).

Billed	\$107,624.96
Adjustment/Pay Plan	-\$12,087.29
Penalties	\$3,163.95
Payments	-\$83,209.41
	\$15,492.21

Hardin County Water District No. 1

Accounts Receivable Report

Date: 4/11/2012 3:36:03 PM
 User Name: Charlene

Account	Name	Unbilled Balance	< 30	30-59	60-89	90-118	120+	Total Balance
1150579400		213.94	0.00	0.00	0.00	0.00	0.00	213.94
1150588000		8.45	8.45	0.00	0.00	0.00	0.00	16.90
1160249800		569.75	0.00	0.00	0.00	0.00	0.00	569.75
1180414000		18.72 *	0.00	0.00	0.00	0.00	0.00	18.72
1180618100		13.70	13.70	0.00	0.00	0.00	0.00	27.40
1180721000		13.70	13.70	0.00	0.00	0.00	0.00	27.40
1180750200		74.56	61.31	0.00	0.00	0.00	0.00	135.87
1200280900		286.29	327.12	296.89	0.00	0.00	0.00	912.10
1200307800		8.45	9.20	9.96	0.00	0.00	0.00	27.61
1210022100		98.22	118.11	0.00	0.00	0.00	0.00	216.33
1210027000		59.20	0.00	0.00	0.00	0.00	0.00	59.20
1210136600		370.31	556.35	0.00	0.00	0.00	0.00	926.66
1220754000		33.72	35.74	39.15	32.73	0.00	0.00	553.98
2070171701		0.00	33.72	0.00	0.00	35.74	376.90	33.72
2070168900		0.00	28.80	32.56	27.25	0.00	0.00	389.09
3100094000		0.00	90.50	0.00	0.00	28.20	274.28	90.50
3100104000		0.00	5.63	0.00	0.00	0.00	0.00	5.63
Grand Total		1,771.01	1,300.33	378.36	59.98	63.94	651.18	4,224.80

- 13.94 * Credit on account

1784.25 Detail By Group/Income Center

Group/Income Center	Unbilled Balance	< 30	30-59	60-89	90-118	120+	Total Balance
Service / Water Taxable	587.01	399.65	96.89	2.65	1.33	20.31	1,107.64
Service / Water Franchise Fee	22.14	15.47	3.88	0.61	0.57	6.27	48.94
Service / School Tax	22.90	16.23	3.88	0.61	0.57	6.27	50.46
Service / Water State Tax	47.07	33.36	7.98	1.24	1.16	12.83	103.64
Service / Customer Charge	170.68	140.56	32.63	17.57	17.57	188.25	567.26
Service / Sewer	844.42	610.96	161.87	34.22	34.22	336.51	2,022.20
Service / Sewer Franchise Fee	25.59	18.32	4.85	1.02	1.02	10.03	60.83
Service / Sewer State Tax	51.20	38.66	9.72	2.06	2.06	20.26	121.96
Penalty	0.00	29.12	56.86	0.00	5.44	50.45	141.87
Grand Total	1,771.01	1,300.33	378.36	59.98	63.94	651.18	4,224.80

Legal
 Legal
 unbilled
 + 12,757.46
 + 294.80
 - 1784.85
 Balance
 13,492.21

- 1784.85
 2439.75

HARDIN COUNTY WATER DISTRICT NO. 1
As of April 30, 2012

	CURRENT MONTH					YEAR to DATE						
	WATER FUND	FT. KNOX SEWER	FT. KNOX STORMWATER	RADCLIFF SEWER	FT. KNOX WATER	TOTAL	WATER FUND	FT. KNOX SEWER	FT. KNOX STORMWATER	RADCLIFF SEWER	FT. KNOX WATER	TOTAL
Total Operating Revenue	322,113.01	242,590.50	40,277.57	287,506.29	346,647.00	1,239,134.37	1,256,512.50	971,505.32	180,922.29	1,142,478.19	1,066,011.79	4,597,430.09
Total Operating Expenses	169,090.18	154,526.76	25,177.31	219,603.45	243,516.89	811,914.39	726,082.55	815,712.00	100,040.20	856,456.30	710,596.78	3,006,887.83
Less Depreciation & Amortization	(79,683.91)	(53,899.78)	(3,061.66)	(82,202.19)	(37.08)	(218,664.82)	(318,689.95)	(214,828.00)	(12,246.59)	(320,236.29)	(74.16)	(665,674.99)
Operating income	73,338.92	34,163.96	12,038.40	(14,299.35)	103,093.23	208,335.16	211,740.00	141,165.32	48,635.50	(34,214.40)	355,340.85	722,667.27
Interest Income	3,115.99	1,297.41	475.33	2,403.10	1,629.38	8,921.21	12,465.77	4,953.68	1,945.43	9,784.10	1,629.38	30,778.36
Interest Expense	(24,350.16)	(95.40)	-	(7,531.82)	-	(31,977.38)	(97,357.07)	(380.88)	-	(30,120.67)	-	(127,858.62)
Net Unrealized Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Investments	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Assets	-	-	-	-	-	-	1,812.86	-	-	(64,873.98)	-	(63,061.12)
Non-utility income	-	-	-	-	-	-	-	-	-	-	-	-
Income Before Contributed Capital	52,104.75	35,365.97	12,513.73	(19,428.07)	104,722.61	185,278.99	128,661.56	145,738.12	50,580.93	(119,424.95)	356,970.23	562,525.89
Government Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants	3,727.51	-	-	3,727.51	-	7,455.02	67,699.49	-	-	3,727.51	-	71,427.00
Misc Grants-HWY 1882	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants-HWY 144	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Louisville H2O Connectio	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Constantine Road	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/I & I	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/Pump Stations	-	-	-	-	-	-	-	-	-	42,386.03	-	42,386.03
Misc Revenue/Grant/SI	-	-	-	-	-	-	-	-	-	65,409.55	-	65,409.55
Tap fees	5,402.50	-	-	-	-	5,402.50	10,876.50	-	-	2,400.00	-	13,276.50
Capital contributions	-	10,072.00	10,490.10	-	373,356.00	393,918.10	29,340.68	135,327.72	37,687.85	1,873.20	1,686,515.21	1,890,744.66
Change in Net Assets	61,234.76	45,437.97	23,003.83	(15,700.56)	478,078.61	582,054.61	236,578.23	281,065.84	88,268.78	(3,628.66)	2,043,485.44	2,645,769.63
Return on Assets (ROA)							0.394%	0.72%	2.59%	-0.47%	14.26%	0.68%

We received the first payment from the Government for FK Water totalling \$1,314,125.19. Of this amount, \$1,604.19 was for interest. With this payment, we paid off the Line of Credit in the amount of \$346,667.16. Currently, we have two invoices outstanding (April & May) totalling \$1,440,006. As of May 7, 2012, Days Invoice Outstanding = 37.

Water, Ft. Knox Sewer, Stormwater & Radcliff Sewer are all now receiving a monthly credit for Ft. Knox Water G&A Expenses.

The contributed capital received this month is as follows: Ft. Knox Sewer (\$10,072) was for Matthews LS & Force Main; Ft. Knox Stormwater (\$10,490) was for Godman Airfield Improvements; and Ft. Knox Water (\$373,356) was for the ISDC Surcharge.

Water: Compared to Last Year, Y-T-D sales change is as follows: Residential down (2.11%), Commercial down (3.76%), Multi-Family down (6.21%) and Wholesale down (5.44%). Total Revenues are down 2.39%. Chemical Usage is down slightly due to drier weather conditions; Travel/Lodging & Certification/Education are up slightly due to three employees testing to obtain their Class IV Water Certification as well as one employee enrolling in UMI classes. The Line of Credit was paid off on April 25, 2012.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = +\$16,207 difference; This Year Compared to Last Year YTD = +\$116,926.

Radcliff: Compared to Last Year, Y-T-D sales change as follows: Residential down (1.22%), Multi-Family down (5.16%), Commercial Sales up (2.75%). Total Revenues are down 1.26%. No unusual Operating Expenses to report for the month. Compared to Y-T-D Budget, Operating Expenses are down approximately \$40,000.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$166,478 difference; This Year YTD Compared to Last Year YTD = - \$118,481.

Bad Debt Expense: Compared to last year Y-T-D, Radcliff is up approximately 6.32% & Water is down approximately 3.57%. Compared to Last Year, Bad Debt Recovered for Water is down approximately 37.9% and Radcliff is down approximately 38.8%.

Invested Funds Inventory
 HCWD1
 4/30/2012

<u>Name of Account</u>	<u>Rate</u>	<u>Balance</u>	<u>Mkt Val</u>	<u>Acc'd Inc</u>	<u>Earnings</u>	<u>Fees</u>	<u>R = Restrict</u>	<u>Current Investment</u>	<u>Invested By</u>	<u>Maturity</u>
Water Revenue/O&M	0.250%	369,570.79	369,570.79	0.00	92.03		U = Unrest	Cecilian Bank	Cecilian Bank	
Water Savings	0.250%	53,785.79	53,785.79	11.04	11.04		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Water Fund	0.150%	1,037.48	1,037.48	0.13	0.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-Water Fund	4.910%	249,133.42	249,133.42	1,139.46	1,005.41		U = Unrest	Cecilian Bank	Cecilian Bank	09/27/12
HCWD1 CD-Water Fund	1.490%	122,467.03	122,467.03	149.98	149.98		U = Unrest	FKFCU	FKFCU	12/04/12
HCWD1 CD-Water Fund	5.200%	378,548.71	378,548.71	1,833.63	1,617.91		U = Unrest	Lincoln National Bank	Lincoln National Bank	09/27/12
2002 Sinking Fund - Principal	0.000%	43,333.34	43,333.34				R = Restrict	Cecilian Bank	Cecilian Bank	
2002 Sinking Fund - Interest	0.000%	692.45	692.45				R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Depreciation Fund	0.200%	751,182.00	751,182.00	118.73	118.73		R = Restrict		U S Bank	
2005 Debt Serv Res	0.200%	588,991.47	588,991.47	93.09	93.09		R = Restrict	First American Govt Oblig Fd	U S Bank	
2005 Sinking Fund	0.200%	200,702.80	200,702.80	27.85	27.85		R = Restrict	First American Govt Oblig Fd	U S Bank	
Subtotal Water Fund		2,759,425.06	2,759,425.06	3,373.91	3,116.17	0.00				
Ft. Knox Sewer Revenue/O&M	0.250%	362,791.31	362,791.31	0.00	72.46		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Sewer Savings	0.250%	1,617.81	1,617.81	0.33	0.33		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Ft. Knox Sewer Fund	0.150%	1,016.27	1,016.27	0.12	0.12		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Ft. Knox Sewer Money Market	0.90%	1,603,492.03	1,603,492.03		1,224.75		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Sewer Fund		1,968,917.42	1,968,917.42	0.45	1,297.65	0.00				
Ft. Knox Stormwater Revenue/O&M	0.25%	78,201.68	78,201.68	0.00	15.28		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Stormwater Money Market	0.90%	602,344.78	602,344.78		460.07		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Stormwater Fund		680,546.44	680,546.44	0.00	475.33	0.00				
Radcliff Sewer Revenue/O&M	0.250%	450,524.56	450,524.56	0.00	53.08		U = Unrest	Cecilian Bank	Cecilian Bank	
Radcliff Sewer Business Partner MM	0.900%	2,610,068.28	2,610,068.28		1,993.57		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Radcliff Sewer Fund	0.150%	1,016.27	1,016.27	0.12	0.12		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-KIA Maint & Repair Fund	1.290%	336,320.42	336,320.42	867.81	358.59		R = Restrict	Cecilian Bank	Cecilian Bank	05/18/12
Subtotal Radcliff Sewer Fund		3,397,929.53	3,397,929.53	867.81	2,403.34	0.00				
Ft. Knox Water Revenue/O&M	0.25%	497,826.32	497,826.32	0.00	25.19	0.00	U = Unrest	Cecilian Bank	Cecilian Bank	
Total		9,304,644.79	9,304,644.79	4,242.17	7,317.68	0.00				

**HARDIN COUNTY WATER DISTRICT NO. 1 WATER FUND
COMPARATIVE BALANCE SHEET
APRIL 30, 2012**

ASSETS

	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets			
Cash	\$ 426,074.06	\$ 143,562.76	\$ 282,511.30
Investments - Less than 1 year to Maturity	750,149.16	118,617.91	631,531.25
Accounts receivable, net	419,750.15	433,139.94	(13,389.79)
Due from other funds	-	58,682.50	(58,682.50)
Inventory-materials & supplies	285,326.56	294,172.78	(8,846.22)
Accrued interest	3,373.91	3,528.42	(154.51)
Prepaid expenses	81,347.19	84,606.01	(3,258.82)
Total current assets	<u>1,966,021.03</u>	<u>1,136,310.32</u>	<u>829,710.71</u>
Long-term Investments			
Unrestricted reserve	-	-	-
Certificates of Deposit Over 1 year to Maturity	-	596,672.92	(596,672.92)
Restricted assets-reserve funds	1,584,209.41	1,550,916.69	33,292.72
Market adjustment on investments	-	-	-
	<u>1,584,209.41</u>	<u>2,147,589.61</u>	<u>(563,380.20)</u>
Property, plant & equipment			
Land	273,045.22	273,045.22	-
Buildings, Plant & lines	36,057,946.79	34,311,695.00	1,746,251.79
Equipment	4,494,929.55	4,244,565.61	250,363.94
Construction in Progress	633,176.14	1,645,209.90	(1,012,033.76)
Total	<u>41,459,097.70</u>	<u>40,474,515.73</u>	<u>984,581.97</u>
Less accumulated depreciation	(12,359,821.87)	(11,400,216.31)	(959,605.56)
Total property, plant, & equipment	<u>29,099,275.83</u>	<u>29,074,299.42</u>	<u>24,976.41</u>
TOTAL ASSETS	<u>\$ 32,649,506.27</u>	<u>\$ 32,358,199.35</u>	<u>\$ 291,306.92</u>

LIABILITIES & NET ASSETS

Current Liabilities			
Accounts payable	\$ 188,622.74	\$ 184,252.29	\$ 4,370.45
Due to other funds	232,094.74	313,871.13	(81,776.39)
Customers' deposits	177,025.00	168,517.00	8,508.00
Accrued expenses	108,878.26	93,921.34	12,956.92
Line of Credit-Cecilian Bank	-	-	-
Radcliff collections payable	118,630.06	120,447.03	(1,816.97)
State encumbrance-reserve for unclaimed funds	6,037.31	7,056.39	(1,019.08)
Deferred Revenue	10,922.50	2,832.50	8,090.00
Current portion of long-term debt	370,000.00	330,000.00	40,000.00
Total current liabilities	<u>1,210,210.61</u>	<u>1,220,897.68</u>	<u>(10,687.07)</u>
Long-Term Debt			
Bonds payable	8,785,000.00	9,285,000.00	(500,000.00)
Less unamortized discount & expenses	(173,095.96)	(188,644.02)	15,548.04
Long-term debt net	<u>8,611,904.02</u>	<u>9,096,355.98</u>	<u>(484,451.96)</u>
Other Liabilities			
Customer advances for construction	121,140.06	130,226.53	(9,086.47)
Total liabilities	<u>9,943,254.69</u>	<u>10,447,480.19</u>	<u>(504,225.50)</u>
Net Assets			
Retained Earnings	8,067,737.80	10,568,814.65	(2,501,077.15)
Contributed Capital	14,401,935.55	11,145,282.54	3,256,673.01
Current Earnings	238,578.23	196,641.67	39,936.56
Total net assets	<u>22,706,251.58</u>	<u>21,910,719.13</u>	<u>795,532.42</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 32,649,506.27</u>	<u>\$ 32,358,199.35</u>	<u>\$ 291,306.92</u>

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX SEWER FUND
COMPARATIVE BALANCE SHEET**

As of April 30, 2012

ASSETS

	2012	2011	Change
Current Assets			
Cash	\$ 1,968,917.42	\$ 1,098,445.17	\$ 870,472.25
Investments	-	-	-
Accounts receivable, net	251,836.22	504,358.44	(252,522.22)
Due from other funds	786.63	-	786.63
Inventory-materials & supplies	12,372.77	12,372.77	-
Prepaid expenses	4,057.66	11,654.42	(7,596.76)
Accrued interest	0.45	0.54	(0.09)
Total current assets	<u>2,237,971.15</u>	<u>1,626,831.34</u>	<u>611,139.81</u>
Long-term Investments			
Certificates of Deposit Over 1 year to Maturity	-	-	-
Restricted assets-reserve funds	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Property, plant & equipment			
Plant & lines	78,315,986.15	77,827,376.14	488,610.01
Equipment	1,119,543.35	1,038,401.70	81,141.65
Construction in Progress	745,561.84	285,289.45	460,272.39
Total	<u>80,181,091.34</u>	<u>79,151,067.29</u>	<u>1,030,024.05</u>
Less accumulated depreciation	(62,055,369.79)	(61,423,183.83)	(632,185.96)
Total property, plant, & equipment	<u>18,125,721.55</u>	<u>17,727,883.46</u>	<u>397,838.09</u>
TOTAL ASSETS	<u><u>\$ 20,363,692.70</u></u>	<u><u>\$ 19,354,714.80</u></u>	<u><u>\$ 1,008,977.90</u></u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 314,235.78	\$ 200,848.42	\$ 113,387.36
Due to other funds	-	8,032.01	(8,032.01)
Customers' deposits	-	-	-
Intra-Fund Loan - Stormwater	-	-	-
Accrued expenses	1,895.84	11,890.00	(9,994.16)
Total current liabilities	<u>316,131.62</u>	<u>220,770.43</u>	<u>95,361.19</u>
Long-Term Debt			
Bonds payable	-	-	-
Long-term debt net	<u>-</u>	<u>-</u>	<u>-</u>
Other Liabilities			
Customer advances for construction	-	-	-
Total other liabilities	<u>318,131.62</u>	<u>220,770.43</u>	<u>95,361.19</u>
Net Assets			
Retained Earnings	702,793.06	711,794.21	(9,001.15)
Contributed Capital	19,063,702.18	18,198,181.72	865,520.46
Current Earnings	281,065.84	223,968.44	57,097.40
Total net assets	<u>20,047,561.08</u>	<u>19,133,944.37</u>	<u>913,616.71</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 20,363,692.70</u></u>	<u><u>\$ 19,354,714.80</u></u>	<u><u>\$ 1,008,977.90</u></u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX STORMWATER FUND
COMPARATIVE BALANCE SHEET**

As of April 30, 2012

ASSETS			
Current Assets			
Cash	\$	<u>2012</u> 680,546.44	\$
Investments		<u>2011</u> 541,665.57	\$
Accounts receivable, net			<u>Change</u> 138,880.87
Intra-Fund Loan Receivable - FK Sewer		50,767.67	77,680.00
Due from other funds		-	(26,912.33)
Inventory-materials & supplies		-	-
Prepaid expenses		-	-
Accrued interest		287.84	278.30
Total current assets		<u>731,601.95</u>	<u>619,623.87</u>
			<u>111,978.08</u>
Long-term Investments			
Certificates of Deposit Over 1 year to Maturity		-	-
Restricted assets-reserve funds		-	-
Property, plant & equipment			
Storm water property		1,085,008.26	1,033,749.79
Plant & lines			51,258.47
Treatment & Disposal Equipment		61,471.82	61,331.17
Stormwater GIS		86,026.33	86,026.33
Office Furniture & Equipment		1,844.09	1,796.49
Construction in Progress		96,383.69	43,544.61
Total		<u>1,330,734.19</u>	<u>1,226,448.39</u>
Less accumulated depreciation		(106,168.06)	104,285.80
Total property, plant, & equipment		<u>1,224,566.13</u>	<u>(69,549.62)</u>
			<u>87,667.36</u>
TOTAL ASSETS			
	\$	<u>1,956,168.08</u>	\$
			<u>1,776,522.64</u>
			<u>\$ 179,645.44</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$	27,058.04	\$
Due to other funds		2,536.49	\$
Customers' deposits			3,090.77
Accrued expenses		317.00	-
Total current liabilities		<u>29,911.53</u>	<u>378.00</u>
			<u>(61.00)</u>
			<u>4,013.34</u>
Long-Term Debt			
Bonds payable		-	-
Long-term debt net		-	-
Other Liabilities			
Customer advances for construction		-	-
Total liabilities		<u>29,911.53</u>	<u>25,898.19</u>
			<u>4,013.34</u>
Net Assets			
Retained Earnings		1,402,991.22	1,270,969.26
Contributed Capital		434,996.55	434,996.55
Current Earnings		38,288.73	44,658.64
Total net assets		<u>1,928,258.55</u>	<u>1,750,624.45</u>
			<u>175,632.10</u>
TOTAL LIABILITIES & NET ASSETS			
	\$	<u>1,956,168.08</u>	\$
			<u>1,776,522.64</u>
			<u>\$ 179,645.44</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER FUND
BALANCE SHEET**

As of April 30, 2012

ASSETS	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets			
Cash	\$ 3,061,609.11	\$ 2,527,099.62	\$ 534,509.49
Investments - Less than 1 year to maturity	-	385,283.07	(385,283.07)
Accounts receivable, net	274,563.43	278,327.93	(3,764.50)
Due from other funds	277,800.10	313,871.13	(36,071.03)
Inventory-materials & supplies	-	-	-
Prepaid expenses	37,881.98	35,902.08	1,979.90
Accrued interest	867.81	5,283.33	(4,415.52)
Total current assets	<u>3,652,722.43</u>	<u>3,545,767.16</u>	<u>106,955.27</u>
Long-term Investments			
Certificates of Deposit over 1 year to maturity	-	-	-
Restricted assets-reserve funds	336,320.42	330,242.63	6,077.79
Total long-term investments	<u>336,320.42</u>	<u>330,242.63</u>	<u>6,077.79</u>
Property, plant & equipment			
Property, plant & lines	33,069,493.23	30,466,112.28	2,603,380.95
Equipment & furniture	1,105,059.90	878,316.49	226,743.41
Construction in Progress	971,313.73	2,108,710.29	(1,137,396.56)
Total	<u>35,145,866.86</u>	<u>33,453,139.06</u>	<u>1,692,727.80</u>
Less accumulated depreciation	(14,154,204.81)	(13,424,944.27)	(729,260.54)
Total property, plant, & equipment	<u>20,991,662.05</u>	<u>20,028,194.79</u>	<u>963,467.26</u>
Organizational Costs	<u>208,169.38</u>	<u>217,269.70</u>	<u>(9,100.32)</u>
TOTAL ASSETS	<u>\$ 25,188,874.28</u>	<u>\$ 24,121,474.28</u>	<u>\$ 1,067,400.00</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 220,103.80	\$ 292,324.03	\$ (72,220.23)
Due to other funds	0.00	47,559.72	(47,559.72)
Customers' deposits	131,969.00	125,417.00	6,552.00
Current portion of long-term debt	268,361.58	258,447.29	9,914.29
Accrued expenses	79,274.89	76,471.33	2,803.56
Total current liabilities	<u>699,709.27</u>	<u>800,219.37</u>	<u>(100,510.10)</u>
Long-Term Debt			
Bonds payable	1,840,720.99	2,109,082.57	(268,361.58)
Less unamortized discount & expenses	-	-	-
Long-term debt net	<u>1,840,720.99</u>	<u>2,109,082.57</u>	<u>(268,361.58)</u>
Total liabilities	<u>2,540,430.26</u>	<u>2,909,301.94</u>	<u>(368,871.68)</u>
Net Assets			
Retained Earnings	297,992.80	437,221.06	(139,228.26)
Contributed Capital	22,354,079.88	20,447,448.70	1,906,631.18
Current Earnings	(3,828.66)	327,502.58	(331,331.24)
Total net assets	<u>22,648,444.02</u>	<u>21,212,172.34</u>	<u>1,436,271.68</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 25,188,874.28</u>	<u>\$ 24,121,474.28</u>	<u>\$ 1,067,400.00</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FT. KNOX WATER FUND
BALANCE SHEET**

As of April 30, 2012

ASSETS	<u>2012</u>	<u>2011</u>	<u>Change</u>
Current Assets			
Cash	\$ 497,826.32		\$ 497,826.32
Investments - Less than 1 year to maturity			-
Accounts receivable, net	1,440,006.00		1,440,006.00
Due from other funds			-
Inventory-materials & supplies	14,142.12		14,142.12
Prepaid expenses	8,093.28		8,093.28
Accrued interest	-		-
Total current assets	<u>1,960,067.72</u>	<u>-</u>	<u>1,960,067.72</u>
Long-term Investments			
Certificates of Deposit over 1 year to maturity	-	-	-
Restricted assets-reserve funds	-	-	-
Total long-term investments	<u>-</u>	<u>-</u>	<u>-</u>
Property, plant & equipment			
Property, plant & lines	254,462.03		254,462.03
Equipment & furniture	22,079.50		22,079.50
Construction in Progress	17,514.48		17,514.48
Total	<u>294,056.01</u>	<u>-</u>	<u>294,056.01</u>
Less accumulated depreciation	(74.16)		(74.16)
Total property, plant, & equipment	<u>293,981.85</u>	<u>-</u>	<u>293,981.85</u>
Organizational Costs			
	<u>249,125.65</u>	<u>-</u>	<u>249,125.65</u>
TOTAL ASSETS	\$ 2,503,175.22	\$ -	\$ 2,503,175.22
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts payable	\$ 408,309.25		\$ 408,309.25
Due to other funds	43,955.50		43,955.50
Customers' deposits	-		0.00
Current portion of long-term debt	-		0.00
Accrued expenses	7,425.03		7,425.03
Total current liabilities	<u>459,689.78</u>	<u>-</u>	<u>459,689.78</u>
Long-Term Debt			
Bonds payable	-		-
Less unamortized discount & expenses	-		-
Long-term debt net	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>459,689.78</u>	<u>-</u>	<u>459,689.78</u>
Net Assets			
Retained Earnings	0.00		0.00
Contributed Capital	0.00		0.00
Current Earnings	2,043,485.44		2,043,485.44
Total net assets	<u>2,043,485.44</u>	<u>-</u>	<u>2,043,485.44</u>
TOTAL LIABILITIES & NET ASSETS	\$ 2,503,175.22	\$ -	\$ 2,503,175.22

**Hardin County Water District No. 1 Water Fund
Detail Comparative Income Statements
For the 4 Months Ended Monday, April 30, 2012**

	<u>April</u>	<u>April Budget</u>	<u>April Previous Year</u>	<u>2012</u>	<u>2012 Budget</u>	<u>2011</u>
OPERATING REVENUE						
Customer Meter Charges	\$59,198.35	\$59,903.80	\$59,401.88	\$235,031.84	\$238,817.88	\$238,815.99
Residential Sales	154,607.23	151,443.05	149,130.32	589,795.27	611,844.32	602,500.88
Commercial Sales	21,937.01	14,727.84	23,588.38	84,503.37	54,870.08	87,807.82
Multi-Family Sales	14,538.30	22,784.87	13,977.38	61,418.06	108,054.14	85,484.46
Sales for Resale - Vine Grove	21,275.13	23,471.37	22,588.29	83,122.74	87,078.94	83,830.47
Sales for Resale - Meade County	28,145.47	26,088.48	25,318.88	107,724.87	121,212.85	117,998.02
Sewer Storm Water-Monthly Contract	721.12	1,089.98	718.53	2,877.91	4,033.87	2,881.28
Bad Debt Recovered	579.43	771.75	881.78	2,552.90	4,793.03	4,112.39
Penalties, Service Fees and Reimbursements	21,110.88	22,987.08	22,458.35	89,484.74	88,084.58	85,817.75
Total Operating Revenue	322,113.01	323,088.00	317,827.33	1,256,512.50	1,317,388.87	1,287,228.82
OPERATING EXPENSES						
Salaries & Benefits	105,857.58	125,582.10	132,157.80	433,288.04	493,678.01	519,138.78
Purchased Water	3,031.35	4,310.59	4,382.11	9,572.21	17,436.22	17,724.52
Utilities & Energy Expense	22,387.38	20,988.17	21,284.99	92,053.39	92,124.14	94,941.15
Chemicals	4,738.30	21,854.18	24,534.47	48,421.98	56,341.48	63,251.50
Materials & Supplies	1,577.79	2,313.71	2,628.11	8,170.57	9,081.22	9,200.91
Maintenance & Repairs	6,117.88	9,982.53	9,878.38	22,039.50	20,555.13	20,275.67
Storage Maintenance	165.12	248.82	237.04	889.35	1,287.97	1,222.08
Booster Station Expense	41.33	2.45	22.23	178.08	9.89	89.58
Small Tool Expenses	646.19	2,134.73	585.18	2,365.89	3,611.53	1,053.00
Accounting & Legal Services	1,157.11	3,303.98	3,859.97	5,188.41	7,813.58	8,436.89
Contractual Services	11,239.05	13,067.77	12,950.44	48,182.49	54,981.77	51,582.79
Laboratory Services	985.50	503.57	1,385.70	2,918.90	1,875.78	5,161.85
Lab Supplies		888.33			2,433.32	
Bac-T Supplies	884.05	388.87		2,088.87	1,488.88	
Utility Regulatory Fees	522.21	523.84	518.33	2,088.84	2,082.16	2,073.32
Amortized 2007-12 Rate Case	633.78	733.33	633.78	2,536.12	2,208.01	2,535.12
Fuel & Transportation Expense	5,808.87	6,979.88	5,988.18	20,514.89	19,258.29	18,825.04
Insurance Expense	3,537.89	3,575.00	1,931.18	14,150.87	14,300.00	9,849.40
Workers Comp/Unemployment Expense	1,688.23	2,043.05	1,883.79	8,815.67	8,172.20	8,775.15
Advertising Expense	583.20	1,062.67	247.20	4,078.74	3,607.54	847.16
Bad Debt Expense	2,628.00	2,443.48	2,550.90	10,717.32	10,848.51	11,114.51
Collection Expense	170.45	224.38	188.84	2,489.77	2,229.84	1,888.82
Phone Expense	1,387.89	1,412.02	1,345.34	5,582.57	6,287.08	5,977.91
Dues & Subscriptions	157.33	358.33	224.93	1,288.58	1,433.38	1,338.48
Postage & Mailing	152.87	88.91	71.55	1,488.08	1,113.52	886.14
Salaries Expense	182.30	545.49	490.08	1,243.33	2,072.88	1,882.08
Information Technology Expense	6,884.27	3,575.07	3,228.00	17,823.73	15,445.33	13,937.25
Commission Expense	150.18	208.81	168.00	732.88	784.18	605.17
Travel & Lodging	1,564.42		(1,533.28)	2,735.48	1,325.93	1,055.44
Certification & Education	1,005.00	978.50	558.20	6,258.32	6,207.01	4,843.80
Miscellaneous Expense	524.82	872.10	721.75	2,488.81	3,198.38	2,647.79
Customer Deposit Interest Expense	58.82	41.12	61.62	198.25	131.39	198.88
Cash Over & Short	(2.21)		21.45	(4.94)		18.93
Allocated FK Water G&A Expense	(17,132.74)	(17,132.73)		(51,398.22)	(51,398.19)	
TOTAL OPERATING EXPENSES	189,090.18	213,748.78	232,989.04	726,882.55	811,784.89	877,143.45
Operating Income Before Depreciation	153,022.83	109,348.22	84,828.29	530,429.95	505,603.98	410,085.37
Less Depreciation & Amortization	79,883.91	78,353.17	75,375.25	318,889.95	304,491.32	300,589.43
Operating Income	73,338.92	32,995.05	9,453.04	211,740.00	201,112.66	109,495.94
Non-Operating Income(Expense)						
Interest & Dividend Income	3,115.99	2,115.79	3,329.04	12,485.77	9,812.35	15,124.34
Interest Expense	(24,350.16)	(24,432.52)	(25,585.77)	(97,357.07)	(98,268.71)	(102,825.31)
Gain/(Loss) on Assets			(1,188.98)	1,812.88		(9,258.29)
Income Before Capital Contributions	52,104.75	10,628.32	(13,990.67)	128,661.55	112,454.50	12,735.95
Capital Contributions						
Misc Revenue - Grant	3,727.51			37,899.49		
Misc Revenue - Grant - Hwy 1382						22,531.99
Misc Revenue - Grant - Hwy 144						12,011.57
Misc Revenue - Grant - LWC		41,888.87			188,888.84	
Misc Revenue - Grant - Constantine Rd		52,888.87			210,888.83	
Tap Fees	5,402.50	3,000.20		10,378.50	13,081.81	15,478.00
Customer contributions			30,769.95	29,340.83		133,888.18
Change in Net Assets	61,231.76	107,981.26	19,289.23	235,578.23	507,872.46	198,841.67

For Management Purposes Only

**Hardin County Water District No. 1 - Fort Knox Sewer
Detail Comparative Income Statements
For the 4 Months Ended Monday, April 30, 2012**

	April	April Budget	April Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Sanitary Sewer Revenue	\$235,239.00	\$233,921.91	\$230,057.00	\$940,956.00	\$935,687.64	\$920,228.00
Mudraugh-Flood Monthly Billing	402.24	402.25	402.24	1,608.96	1,608.00	1,608.96
Mudraugh-Waste Water Flows	6,508.09	8,139.85	7,348.01	23,805.94	24,747.18	22,333.70
Reimbursement of HCWD Overhead	443.17	11,163.88	223.60	5,334.42	44,655.36	3,489.55
Total Operating Revenues	242,590.50	253,627.87	238,028.85	971,565.32	1,006,693.18	947,660.21
OPERATING EXPENSES						
Customer Service Labor	45.09	45.41	519.63	166.23	195.21	2,233.62
Administrative Labor	7,604.53	8,282.20	5,425.05	31,852.14	28,942.30	19,846.90
Internal Maintenance/Supervision			205.47			864.64
Information Technology Expense	356.49	193.93	172.05	989.90	837.83	743.31
Professional Services-Engineering			500.00			6,079.50
Professional Services-Accounting	473.92	524.17	472.50	1,895.84	2,096.68	1,890.00
Professional Services-Legal	237.48	302.17	237.49	949.96	1,208.64	949.96
Management Fee - Veolia	147,137.06	148,767.83	145,707.15	581,066.52	595,071.32	581,274.05
Contractual Services	76.52			306.08		
Insurance Expense	1,667.39	1,666.67	3,395.70	6,889.30	6,686.68	13,788.90
Regulatory Commission Expense	361.53	371.07	370.31	1,446.12	1,484.28	1,481.24
Transportation Fuel & Repairs	28.34	24.18	26.93	115.20	95.62	106.52
Office Supplies Expense	20.93	19.74	14.00	80.66	251.97	178.72
Utilities	162.87	164.92	186.73	833.69	803.27	909.50
Travel & Lodging	83.43		(81.78)	145.89	54.25	58.28
Education & Conferences	13.00	10.76	6.86	285.55	337.52	215.25
Certification & Training	40.60	518.18	22.80	908.00	62.77	40.00
Miscellaneous Expense				(11,347.06)	(11,347.12)	50.58
Allocated FK Water G&A Expense	(3,782.36)	(3,782.36)				
Total Operating Expenses	154,528.76	157,108.87	157,180.89	615,712.00	627,688.61	630,708.96
Operating Income Before Depreciation	88,063.74	96,519.00	80,847.96	356,793.32	379,029.37	316,951.26
Less Depreciation & Amortization	53,898.78	51,912.92	51,013.77	214,628.00	202,937.97	199,420.83
OPERATING INCOME	34,163.96	44,606.08	29,834.19	141,165.32	176,091.40	117,530.43
Non Operating Income/(Expense)						
Interest & Dividend Income	1,297.41	670.20	820.42	4,953.68	3,107.94	3,804.54
Interest Expense	(95.40)	(126.48)	(114.13)	(380.88)	(518.06)	(467.47)
In Before Capital Contributions	35,365.97	45,149.80	30,540.48	145,738.12	178,681.28	120,867.50
Capital Contributions	10,072.00	253,723.25	5,081.76	135,327.72	1,014,893.00	103,100.94
Change in Net Assets	45,437.97	298,873.05	35,622.24	281,065.84	1,193,574.28	223,968.44

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
Detail Comparative Income Statements
For the 4 Months Ended Monday, April 30, 2012

	April	April Budget	April Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Storm Water Revenue	\$39,816.00	\$39,567.43	\$38,840.00	\$159,284.00	\$158,269.72	\$155,360.00
Reimbursement of Overhead	461.57	4,689.92		1,658.29	18,798.64	
Total Operating Revenue	40,277.57	44,257.35	38,840.00	160,922.29	177,068.36	155,360.00
OPERATING EXPENSES						
Administrative Labor	2,357.73	2,633.10	3,013.91	9,882.67	9,232.63	11,026.03
Customer Service Labor	22.54	23.83		83.12	95.36	
Information Technology Expense	89.13	50.59	43.01	247.50	218.57	185.83
Professional Services - Accounting	79.25	95.83	94.50	317.00	383.32	378.00
Professional Services - Legal	84.82	107.92	84.82	339.28	431.68	339.28
Management Fee - Veolia	23,284.92	23,415.33	22,429.42	91,127.61	93,661.32	89,717.68
Insurance Expense	143.92	141.67	139.15	575.66	568.68	558.60
Transportation Fuel & Repairs	7.09	41.63	6.73	28.81	166.64	26.63
Office Supplies Expense	5.25	10.69	3.50	20.19	365.61	119.88
Utilities	30.67	41.68	38.64	164.71	212.96	187.22
Travel & Lodging	20.86		(20.44)	36.48	150.18	14.07
Education & Conferences	3.25	4.79	1.72	44.96	128.70	46.26
Certification & Training	10.15	58.29	5.70	59.00	102.27	10.00
Allocated FK Water G&A Expense	(962.27)	(962.27)		(2,886.81)	(2,886.81)	
Total Operating Expenses	25,177.31	25,663.08	25,838.66	100,040.20	102,829.13	102,607.28
Operating Income Before Depreciation	15,100.26	18,604.27	13,001.34	60,882.09	74,240.23	52,752.72
Less Depreciation & Amortization	3,061.86	3,176.19	2,974.76	12,246.59	10,623.90	9,950.16
Operating Income	12,038.40	15,428.08	10,026.58	48,635.50	63,616.33	42,802.56
Non-Operating Income(Expenses)						
Interest & Dividend Income	475.33	375.80	397.03	1,945.43	1,756.84	1,856.08
Income Before Capital Contributions	12,513.73	15,803.88	10,423.61	50,580.93	65,373.17	44,658.64
Capital Contributions	10,490.10	106,815.75		37,687.85	427,263.00	
Change in Net Assets	23,003.83	122,619.63	10,423.61	88,268.78	492,636.17	44,658.64

For Management Purposes Only

Hardin County Water District No. 1 Radcliff Sewer Fund
Detail Comparative Income Statements
For the 4 Months Ended Monday, April 30, 2012

	April	April Budget	April Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales	\$219,043.29	\$235,778.52	\$218,347.49	\$866,296.78	\$946,970.10	\$876,960.90
Commercial Sales	34,843.86	20,709.75	32,874.08	133,582.49	82,839.00	130,013.97
Multi-Family Sales	19,789.44	33,113.76	18,444.92	82,826.87	156,781.98	87,330.19
High Strength Surcharge	159.53			159.53	53.43	89.95
Discharge Permit Fees	27.78	30.12	27.78	636.12	120.48	111.12
Bad Debt Recovered	541.30	972.84	835.66	3,194.70	6,072.72	5,216.40
Penalties, Services Fees and Reimbursements	13,101.09	15,164.20	15,047.89	55,771.70	57,787.70	57,343.70
Total Operating Revenues	<u>287,506.29</u>	<u>305,768.19</u>	<u>285,577.82</u>	<u>1,142,478.19</u>	<u>1,250,625.41</u>	<u>1,157,068.23</u>
OPERATING EXPENSES						
Collection System Labor	7,534.04	7,197.06	2,744.68	28,548.14	31,562.98	12,036.90
Customer Service Labor	13,438.68	13,800.40	9,872.92	49,574.45	59,320.88	42,438.50
Administration Labor	9,744.39	11,053.84	12,087.17	41,018.38	38,843.34	44,255.48
Professional Services-Engineering		266.67			1,068.68	1,337.44
Professional Services-Accounting	614.17	614.17	567.00	2,456.84	2,456.68	2,268.00
Professional Services-Legal	390.16	496.42	390.16	1,560.64	1,965.84	1,560.84
Information Technology Expense	1,782.49	952.79	880.27	4,949.62	4,116.32	3,716.00
Management Fee - Veolia	178,466.57	175,434.15	171,912.08	683,468.97	701,738.00	687,648.32
Contractual Services	7,100.87	8,372.92	8,464.32	30,787.37	33,859.97	34,227.06
Insurance Expense	2,360.73	2,325.00	1,181.06	9,443.04	9,300.00	5,372.18
Transportation Fuel & Repairs	141.72			636.22		
Utility Regulatory Expense	455.26	454.99	452.60	1,821.04	1,827.96	1,810.40
Office Supplies	478.06	548.91	505.99	2,484.39	3,040.27	2,814.11
Utilities	820.01	1,215.68	1,815.40	4,141.14	5,501.71	8,215.87
Bad Debt Expense	2,812.91	3,067.92	3,028.19	13,794.25	13,144.92	12,974.70
Agency Collection Expense	167.00	355.72	318.50	1,228.25	2,007.48	1,797.91
Rent Expense	187.50	187.50	187.50	750.00	750.00	750.00
Investment Fees						1.23
Travel & Lodging	417.20	432.09	(274.25)	729.49	1,168.28	813.99
Certification & Training	203.00	83.33	1,324.24	1,180.00	333.32	1,410.24
Education & Conferences	65.00	1,124.14	1,244.55	673.25	1,958.14	2,167.88
Routine Maintenance Service	92.64	21.39	137.41	499.69	122.41	786.50
Miscellaneous Customer Expense	79.89	31.66	18.82	433.82	156.14	92.84
Miscellaneous Expense		202.76	108.58		694.82	372.02
Amortized Rate Cases - Refolls		1,175.00			4,700.00	
Current Deposit Interest Expense	281.06	359.27	318.90	369.21	478.00	424.29
AF&K Water G&A Expense	(8,029.90)	(8,029.91)		(24,089.70)	(24,089.72)	
Total Operating Expenses	<u>219,603.45</u>	<u>221,743.88</u>	<u>217,276.16</u>	<u>856,458.39</u>	<u>896,040.60</u>	<u>869,293.10</u>
Operating Income Before Depreciation	<u>67,902.84</u>	<u>84,025.33</u>	<u>68,301.66</u>	<u>286,021.89</u>	<u>354,584.81</u>	<u>287,773.13</u>
Less Depreciation & Amortization	<u>82,202.19</u>	<u>72,643.34</u>	<u>69,037.45</u>	<u>320,236.29</u>	<u>289,988.00</u>	<u>275,584.00</u>
Operating Income	<u>(14,299.35)</u>	<u>11,381.99</u>	<u>(735.99)</u>	<u>(34,214.40)</u>	<u>64,596.81</u>	<u>12,189.13</u>
Non Operating Income/(Expense)						
Interest & Dividend Income	2,403.10	2,900.80	4,534.95	9,784.10	12,630.75	19,746.21
Gain/(Loss) on Assets				(64,873.98)		(189.20)
Interest Expense	(7,531.82)	(7,830.43)	(8,359.96)	(30,120.87)	(30,175.00)	(34,719.82)
Income Before Capital Contributions	<u>(19,428.07)</u>	<u>6,652.36</u>	<u>(5,061.00)</u>	<u>(119,424.95)</u>	<u>47,052.56</u>	<u>(2,973.68)</u>
Capital Contributions						
Misc Revenue - Grant	3,727.51			3,727.51		
Misc Revenue - Grant - I&I						199,146.98
Misc Revenue - Grant - Pump Stations		72,918.87	3,800.00	42,386.03	291,866.64	128,779.28
Misc Revenue - Grant - SI		75,000.00		85,409.55	300,000.00	
Tap Fees		517.24	600.00	2,400.00	2,198.27	2,550.00
Capital Contributions				1,373.29		
Change in Net Assets	<u>(15,700.55)</u>	<u>155,086.27</u>	<u>(261.00)</u>	<u>(3,628.66)</u>	<u>640,917.47</u>	<u>327,502.58</u>

For Management Purposes Only

Hardin County Water District No. 1 Fort Knox Water Fund
Detail Comparative Income Statements
For the 4 Months Ended Monday, April 30, 2012

	April	April Budget	April Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Fort Knox Water Revenue	\$314,966.87	\$315,256.45		\$944,900.60	\$945,769.40	
Reimbursement of Overhead	31,680.13	29,907.27		121,111.19	89,721.81	
Total Operating Revenue	346,647.00	345,163.72		1,066,011.79	1,035,491.21	
OPERATING EXPENSES						
Salaries & Benefits	30,966.42	34,222.61		95,030.38	102,667.91	
Allocated Distribution Labor	17.63	23.16		47.50	69.54	
Allocated Customer Service Labor	64.81	78.00		178.84	234.00	
Allocated Maintenance Labor	95.32	141.27		309.46	423.81	
Allocated Admin Labor	5,212.53	6,230.82		15,565.42	18,692.46	
Allocated Commissioner Labor	896.62	873.45		2,621.42	2,620.35	
Materials & Supplies	1,972.12	1,368.00		3,353.83	4,104.00	
Geo-T Supplies		775.27			2,325.84	
Maintenance & Repairs	5,615.88	5,622.73		11,236.63	16,868.23	
Storage Maintenance		454.55			1,363.66	
Booster Station Expense		454.55			1,363.66	
Small Tool Expenses	127.82	136.36		720.97	409.12	
Accounting & Legal Services	347.02	272.73		1,047.03	818.19	
Management Fee - LWC	143,130.33	143,130.45		427,314.67	429,391.35	
Contractual Services	1,874.97	853.98		4,707.60	2,561.98	
Utility Regulatory Fees		1,159.09			3,477.28	
Amortized Acquisition Expense	16,524.84	10,167.70		36,880.28	30,503.16	
Fuel & Transportation Expense	1,952.13	287.45		5,570.31	862.35	
Insurance Expense	3,674.26	3,380.91		12,103.94	10,172.72	
Workers Comp/Unemployment Expense	280.31	587.00		840.89	1,761.00	
Advertising Expense		136.36			409.12	
Phone Expense	424.10	109.09		1,921.74	327.27	
Postage & Mailing	5.94	45.45		5.94	136.36	
Safety Expense				420.00		
Travel & Lodging		227.27			681.81	
Certification & Education	150.00	252.81		360.90	758.43	
Miscellaneous Expenses	256.37	227.30		657.36	681.84	
Allocated FK Water G&A Expense	29,907.27	29,907.27		89,721.81	89,721.81	
TOTAL OPERATING EXPENSES	243,516.69	241,136.65		710,596.78	723,407.22	
Operating Income Before Depreciation	103,130.31	104,028.07		355,415.01	312,083.99	
Less Depreciation & Amortization	37.06	4,545.45		74.16	13,636.40	
Operating Income	103,093.23	99,482.62		355,340.85	298,447.59	
Non-Operating Income (Expense)						
Interest & Dividend Income	1,629.38	227.27		1,629.38	681.81	
Income Before Capital Contributions	104,722.61	99,709.89		356,970.23	299,129.40	
Capital Contributions						
Capital Contributions	373,356.00	420,883.55		1,686,515.21	1,262,650.65	
Change in Net Assets	478,078.61	520,593.44		2,043,485.44	1,561,780.05	

For Management Purposes Only

Hardin County Water District No. 1 - Water Fund
Statement of Cash Flow
For the Four Months Ended April 30, 2012

	Current Month	Year to Date
Cash Flows from operating activities		
Net Income	\$ 61,234.76	236,578.23
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation & Amortization	84,527.75	323,681.60
Accounts Receivable	(10,057.08)	36,944.15
Interest on Investments	(453.26)	(8,752.64)
Due from Other Funds	(27,011.00)	(27,011.00)
Inventory	(9,975.03)	(1,607.89)
Accounts Payable & Accrued Expenses	(7,796.05)	(123,102.61)
Due to Other Funds	-	(26,387.76)
Customer Deposits	(6,655.00)	14,358.00
Radcliff Collections Payable	(1,046.95)	(2,469.15)
Prepaid Expense	(540.28)	(14,682.77)
Deferred Revenue	10,922.50	10,280.00
Reserve for Uncashed Checks	(14.53)	774.88
Total Adjustments	<u>31,901.07</u>	<u>182,024.81</u>
Net Cash provided by Operations	<u>93,135.83</u>	<u>418,515.28</u>
Cash Flows from investing activities used for:		
Construction in Progress	362,330.33	(61,463.33)
Advances for Construction	-	(5,260.67)
Other Investments & Interest	(2,319.83)	(2,378.16)
Land & Buildings	-	-
Supply Mains, Lines, Meters, & Connections	(5,419.79)	(34,561.56)
Furniture & Equipment	(19,622.58)	(38,765.09)
Net cash used in investing	<u>334,968.13</u>	<u>(142,428.81)</u>
Cash Flows from financing activities proceeds from:		
Restricted Bond Funds	(63,587.22)	1,884.28
Bonds Payable	-	(130,000.00)
Unamortized Bond Discount/Premium	1,295.67	5,182.68
LOC - Cecilian Bank	(346,667.18)	(32,682.99)
Net cash used in financing	<u>(408,958.73)</u>	<u>(155,616.03)</u>
Net increase <decrease> in cash	<u>\$ 19,145.23</u>	<u>120,470.44</u>
Summary		
Cash & Funds Available for Sale Balance at End of Period	\$ 426,074.06	426,074.06
Cash & Funds Available for Sale Balance at Beg of Period	<u>406,928.83</u>	<u>305,603.62</u>
Net Increase <Decrease> in Cash	<u>\$ 19,145.23</u>	<u>120,470.44</u>

Hardin Co. Water District No. 1 Fort Knox Sewer Fund
Statement of Cash Flow
For the Four Months Ended April 30, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	1,331.97	281,065.84
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	53,519.66	213,107.48
Accounts Receivable	57,601.12	3,894.30
Due From Other Funds	(59,018.07)	(59,018.07)
Prepaid Expense	(2,973.07)	3,113.52
Accrued Interest	0.17	0.19
Inventory	-	-
Due To Other Funds	-	73,302.18
Accounts Payable & Accrued Expenses	<u>(136,867.04)</u>	<u>140,528.23</u>
Total Adjustments	<u>(87,737.23)</u>	<u>374,927.83</u>
Net Cash provided by Operations	<u>(42,299.26)</u>	<u>655,993.67</u>
Cash Flows from investing activities used for:		
Construction in Progress	(73,929.32)	(20,063.41)
Investments & Interest	-	-
Plant, Lines, Furniture, & Equipment	<u>-</u>	<u>(241,927.47)</u>
Net cash used in investing	<u>(73,929.32)</u>	<u>(261,990.88)</u>
Cash Flows from financing activities		
Intra-Fund Loan - Storm Water	-	-
Contributed capital	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Net increase <decrease> in cash	<u>\$ (116,228.58)</u>	<u>394,002.79</u>
Summary		
Cash Balance at End of Period	\$1,968,917.42	1,968,917.42
Less Cash Balance at Beg of Period	<u>\$2,085,146.00</u>	<u>1,574,914.63</u>
Net Increase <Decrease> in Cash	<u>\$ (116,228.58)</u>	<u>394,002.79</u>

For Management Purposes Only

Hardin Co. Water District No. 1 Fort Knox Stormwater Fund
Statement of Cash Flow
For the Four Months Ended April 30, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ 23,003.83	88,268.78
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation	3,061.86	12,246.59
Accounts Receivable	3,646.82	(10,951.67)
Due From Other Funds	45,474.13	(1,136.65)
Prepaid Expense	(287.84)	143.90
Accrued Interest	-	-
Due To Other Funds	-	12,737.58
Accounts Payable & Accrued Expenses	<u>13,604.07</u>	<u>(21,567.51)</u>
Total Adjustments	<u>65,499.04</u>	<u>(8,527.76)</u>
Net Cash provided by Operations	<u>88,502.87</u>	<u>79,741.02</u>
Cash Flows from investing activities used for:		
Construction in Progress	(17,518.57)	(78,648.21)
GIS Structures	<u>(3,034.72)</u>	<u>(3,082.32)</u>
Net cash used in investing	<u>(20,553.29)</u>	<u>(102,791.26)</u>
Cash Flows from financing activities		
Intra-Fund Loan Receivable - FK Sewer	-	-
Contributed capital	<u>-</u>	<u>-</u>
Net cash from financing	<u>-</u>	<u>-</u>
Net increase <decrease> in cash	<u>\$ 67,949.58</u>	<u>(1,989.51)</u>
Summary		
Cash Balance at End of Period	\$ 680,546.44	680,546.44
Less Cash Balance at Beg of Period	<u>\$ 612,596.86</u>	<u>682,535.95</u>
Net Increase <Decrease> in Cash	<u>\$ 67,949.58</u>	<u>(1,989.51)</u>

Hardin Co. Water District No. 1 Radcliff Sewer Fund
Statement of Cash Flow
For the Four Months Ended April 30, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ (15,700.56)	(3,628.66)
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation & Amortization	75,684.44	222,721.16
Accounts Receivable	(1,125.80)	5,218.94
Due From Other Funds	179,591.35	(16,441.78)
Prepaid Expenses	(4,078.70)	4,931.89
Accrued Interest	(356.09)	(345.87)
Due To Other Funds	0.00	-
Customer Deposits	798.00	7,755.00
Accounts Payable & Accrued Expenses	<u>48,840.87</u>	<u>58,967.09</u>
Total Adjustments	<u>299,354.07</u>	<u>282,806.43</u>
Net Cash provided by Operations	<u>283,653.51</u>	<u>279,177.77</u>
Cash Flows from investing activities used for:		
Investments & Interest	-	(1,090.00)
Construction in Progress	(44,223.31)	568,296.08
Plant Equipment	-	(497,995.87)
Furniture & Equipment	-	(714.00)
Transportation Equipment	<u>-</u>	<u>(128,036.26)</u>
Net cash used in investing	<u>(44,223.31)</u>	<u>(59,540.05)</u>
Cash Flows from financing activities		
Bond Payments	-	-
Bond Sinking Funds	-	-
Unamortized Bond Discount/Premium	-	-
Organizational Costs	758.36	3,033.44
Tap Fees	-	-
Contributed Capital	<u>-</u>	<u>-</u>
Net cash used in financing	<u>758.36</u>	<u>3,033.44</u>
Net increase <decrease> in cash	<u>\$ 240,188.56</u>	<u>222,671.16</u>
Summary		
Cash Balance at End of Period	53,061,609.11	3,061,609.11
Less Cash Balance at Beg of Period	<u>2,821,420.55</u>	<u>2,838,937.95</u>
Net Increase <Decrease> in Cash	<u>\$ 240,188.56</u>	<u>222,671.16</u>

For Management Purposes Only

Hardin Co. Water District No. 1 Ft. Knox Water Fund
Statement of Cash Flow
For the Four Months Ended April 30, 2012

	Current Month	Year to Date
Cash Flows from operating activities:		
Net Income	\$ 478,078.61	2,043,485.44
Adjustments to reconcile net income to net cash provided by operating activities:		
Accum. Depreciation & Amortization	37.08	74.16
Accounts Receivable	592,518.00	(1,440,006.00)
Due From Other Funds	(139,036.41)	(139,036.41)
Inventory	(151.79)	(14,142.12)
Prepaid Expenses	(5,662.59)	(8,093.28)
Accrued Interest	-	-
Due To Other Funds	0.00	182,991.91
Customer Deposits	-	-
Accounts Payable & Accrued Expenses	<u>(55,993.83)</u>	<u>415,734.28</u>
Total Adjustments	391,710.46	(1,002,477.46)
Net Cash provided by Operations	869,789.07	1,041,007.98
Cash Flows from investing activities used for:		
Investments & Interest	-	-
Construction in Progress	(5,722.50)	(17,514.48)
Plant Equipment	(5,497.05)	(5,794.55)
Furniture & Equipment	(20,003.18)	(22,079.50)
Transportation Equipment	<u>(248,667.48)</u>	<u>(248,667.48)</u>
Net cash used in investing	(279,890.21)	(294,056.01)
Cash Flows from financing activities		
Bond Payments	-	-
Bond Sinking Funds	-	-
Unamortized Bond Discount/Premium	-	-
Organizational Costs	(92,072.54)	(249,125.65)
Tap Fees	-	-
Contributed Capital	<u>0</u>	<u>-</u>
Net cash used in financing	(92,072.54)	(249,125.65)
Net increase <decrease> in cash	<u>\$ 497,826.32</u>	<u>497,826.32</u>
Summary		
Cash Balance at End of Period	497,826.32	497,826.32
Less Cash Balance at Beg of Period	<u>-</u>	<u>-</u>
Net Increase <Decrease> in Cash	<u>\$ 497,826.32</u>	<u>\$ 497,826.32</u>

For Management Purposes Only

HARDIN COUNTY WATER DIST NO. 1
AVAILABLE FUNDING
April 30, 2012

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
KIA W321093020 Grant	3/14/2007	KIA - Constantine Road Grant	\$1,000,000.00	\$111,925.00	\$888,075.00
KY EBDG for BRAC Grant	1/12/2010	Radcliff WW Pump Station Upgrades	\$2,250,000.00	\$474,232.31	\$1,775,767.69
KY EBDG for BRAC Grant	9/16/2011	Radcliff WW System Improvements Project	\$2,500,000.00	\$700,292.40	\$1,799,707.60
KY EBDG for BRAC Grant	11/10/2011	Louisville Water-Fort Knox Interconnect Pr	\$4,500,000.00	\$0.00	\$4,500,000.00
Fort Knox - CLIN 0033	7/21/2011	WWTP Improvements (2910)	\$415,000.00	\$228,568.24	\$186,431.76
Fort Knox - CLIN 0034	7/21/2011	Brooks Field Phase III Improvements (2923)	\$100,000.00	\$11,365.90	\$88,634.10
Fort Knox - CLIN 0035	7/21/2011	Basin 2 Improvements	\$406,000.00	\$9,892.14	\$396,107.86
Fort Knox - CLIN 0036	7/21/2011	Basin 6 Improvements	\$107,000.00	\$39,170.68	\$67,829.32
Fort Knox - CLIN 0037	7/21/2011	Dietz Lift Station (2704)	\$1,025,000.00	\$16,546.46	\$1,008,453.54
Fort Knox - CLIN 0038	7/21/2011	Basin 8 Improvements	\$403,000.00	\$10,199.67	\$392,800.33
Fort Knox - CLIN 0039	7/21/2011	Matthews LS & Force Main (2918)	\$675,000.00	\$52,370.47	\$622,629.53
Fort Knox - CLIN 0039	7/21/2011	Chaffee Pump Station (2924)		\$23,748.05	\$598,881.48
Fort Knox - CLIN 0040	7/21/2011	Van Voorhis Area Improvements (2824)	\$1,200,000.00	\$11,217.57	\$1,188,782.43
Fort Knox - CLIN 0041	7/21/2011	Lift Station Generators	\$50,000.00	\$19,414.49	\$30,585.51
Fort Knox - CLIN 0042	7/21/2011	Godman Airfield Improvements (4914)	\$1,160,000.00	\$29,674.31	\$1,130,325.69



Source

Date
Awarded



Title

Amount
Awarded

Amount Used



Amount
Remaining

Fort Knox - CLIN 0043

7/21/2011

Basin 3 Storm Water Improvements

\$250,000.00

\$7,515.97

\$242,484.03

Fort Knox - CLIN 0044

7/21/2011

Basin 4 Storm Water Improvements

\$125,000.00

\$7,373.16

\$117,626.84

Fort Knox - CLIN 0045

7/21/2011

Basin 5 Storm Water Improvements

\$200,000.00

\$182.70

\$199,817.30

Funding Totals

\$16,366,000.00

\$1,753,689.52

\$14,612,310.48

Hardin County Water District No. 1 Accounts Receivable Report

Date : 5/7/2012 1:02:01 PM
User Name : Charlene

Account	Unbilled Balance	< 30	30-59	60-89	90-119	120+	Total Balance
1180414000	0.00	(36.28)	0.00	0.00	0.00	0.00	(36.28)
1180618100	0.00	13.70	0.00	0.00	0.00	0.00	13.70
1180721000	0.00	13.70	0.00	0.00	0.00	0.00	13.70
1180750200	0.00	74.56	0.00	0.00	0.00	0.00	74.56
1200280900	0.00	315.86	327.12	296.69	0.00	0.00	939.67
1200307800	0.00	9.20	9.20	9.96	0.00	0.00	28.36
1210022100	0.00	98.22	0.00	0.00	0.00	0.00	98.22
1210136600	0.00	370.31	0.00	0.00	0.00	0.00	370.31
1220754000	0.00	38.89	35.74	39.15	32.73	412.64	558.95
2070171701	0.00	32.73	0.00	0.00	0.00	0.00	32.73
2070188900	0.00	27.48	28.80	32.56	27.25	302.48	416.57
2070199000	0.00	1,658.61	0.00	0.00	0.00	0.00	1,658.61
2070220001	0.00	869.07	0.00	0.00	0.00	0.00	869.07
3100094000	0.00	65.11	0.00	0.00	0.00	0.00	65.11
3100104000	0.00	5.63	0.00	0.00	0.00	0.00	5.63
3110061200	0.00	(18.42)	0.00	0.00	0.00	0.00	(18.42)
3110096100	0.00	45.04	0.00	0.00	0.00	0.00	45.04
3110138000	0.00	435.98	0.00	0.00	0.00	0.00	435.98
Grand Total	0.00	4,017.19	398.86	378.36	59.98	715.12	5,569.51

LEGAL COLLECTION AGENCY
12,757.46
244.80
\$ 18,621.77

Detail By Group/Income Center

Group/Income Center	Unbilled Balance	< 30	30-59	60-89	90-119	120+	Balance
Service / Water Residential	0.00	719.67	0.00	0.00	0.00	0.00	719.67
Service / Water Taxable	0.00	1,060.80	112.75	96.69	2.65	21.64	1,294.53
Service / Water Franchise Fee	0.00	40.60	4.37	3.88	0.61	6.84	56.30
Service / School Tax	0.00	41.36	4.37	3.88	0.61	6.84	57.06
Service / Water State Tax	0.00	84.78	8.98	7.98	1.24	13.99	116.95
Service / Customer Charge	0.00	266.06	32.63	32.63	17.57	205.82	554.71
Service / Sewer	0.00	1,824.39	189.58	161.87	34.22	370.73	2,380.79
Service / Sewer Franchise Fee	0.00	48.72	5.68	4.85	1.02	11.05	71.32
Service / Sewer State Tax	0.00	96.67	11.38	9.72	2.06	22.32	142.15
Service / Unapplied Cash	0.00	(54.70)	0.00	0.00	0.00	0.00	(54.70)
Other-S / Other-Sewer	0.00	2.50	0.00	0.00	0.00	0.00	2.50
Other	0.00	2.50	0.00	0.00	0.00	0.00	2.50

**Mobile Home Park Montly Update
30-Apr-12**

To date (16 months), we have billed \$104,858 for Master Meters. \$86,236 (82%) has been paid to date leaving an Uncollected Balance of \$18,622 (18%) of the 23 accounts. One account has triggered the First & Second Warning Letters. Once account has triggered the First Warning Letter. One account has been turned over to Legal while another has been turned over to the Collection Agency.

HARDIN COUNTY WATER DISTRICT NO. 1
As of May 31, 2012

YEAR to DATE

	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>
Total Operating Revenue	334,022.17	246,446.84	40,053.60	296,111.90	346,647.00	1,263,281.51	1,590,534.67	1,217,952.16	200,975.89	1,438,590.09	1,412,658.79	5,860,711.60
Total Operating Expenses	193,858.46	151,751.53	24,848.42	211,912.64	248,376.44	830,747.49	919,941.01	767,463.53	124,888.82	1,068,368.04	958,973.22	3,839,635.32
Less Depreciation & Amortization	(79,732.90)	(53,896.12)	(3,066.90)	(81,877.00)	(2,821.99)	(221,364.91)	(398,422.85)	(268,524.12)	(15,313.49)	(402,113.29)	(2,896.15)	(1,087,269.90)
Operating Income	60,430.81	40,799.19	12,138.28	2,322.26	95,448.57	211,139.11	272,170.81	181,964.51	60,773.78	(31,862.14)	450,789.42	933,806.38
Interest Income	3,206.92	1,188.91	432.88	2,208.96	82.69	7,120.36	15,672.69	6,142.59	2,378.31	11,993.06	1,712.07	37,898.72
Interest Expense	(24,390.98)	(96.86)	-	(7,538.14)	-	(32,025.98)	(121,748.05)	(477.74)	-	(37,658.81)	-	(159,884.60)
Net Unrealized Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Investments	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Assets	(379.82)	-	-	(336.81)	-	(718.63)	1,433.04	-	-	(65,210.79)	-	(63,777.75)
Non-utility income	-	-	-	-	-	-	-	-	-	-	-	-
Income Before Contributed Capital	38,866.93	41,891.24	12,571.16	(3,343.73)	95,531.26	185,516.86	187,628.49	187,829.36	63,152.09	(122,768.68)	452,501.49	748,042.75
Government Contributions												
Misc Grants	28,909.22	-	-	-	-	28,909.22	86,608.71	-	-	3,727.51	-	100,336.22
Misc Grants-HWY 1882	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants-HWY 144	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Louisville H2O Connector	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Constantine Road	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/I & I	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/Pump Stations	-	-	-	3,682.50	-	3,682.50	-	-	-	48,068.53	-	48,068.53
Misc Revenue/Grant/SI	-	-	-	3,534.00	-	3,534.00	-	-	-	68,943.55	-	68,943.55
Tap fees	2,570.00	-	-	-	-	2,570.00	13,448.50	-	-	2,400.00	-	15,846.50
Capital contributions	6,112.50	203,586.12	5,400.00	-	373,356.00	588,454.62	35,453.18	338,913.84	43,087.85	1,873.20	2,059,871.21	2,479,199.28
Change in Net Assets	76,458.65	245,477.36	17,971.16	3,872.77	488,887.26	812,667.20	313,036.88	526,543.20	106,239.94	244.11	2,512,372.70	3,458,436.83
Return on Assets (ROA)							0.510%	0.88%	3.20%	-0.40%	15.97%	0.90%

We received the second payment from the Government for FK Water totalling \$720,003. Of this amount, \$0.00 is for interest. As of June 8,2012, Days Invoice Outstanding is 43.

Water, Ft. Knox Sewer, Stormwater & Radcliff Sewer are all now receiving a monthly credit for Ft. Knox Water G&A Expenses.

The contributed capital received this month is as follows: Water (\$6,113) was for 75 ERTS contributed from Ferguson; Ft. Knox Sewer (\$203,586) was for VanVoorhis Collection System Improvements, Brooks Field Man Hole Rehab, Generators at Pinwheel, and Basin 2, 6, 7 and 8 Improvements; FK Storm Water was for the P&L Railroad Crossing; FK Water was for the ISDC Surcharge.

The Loss on Assets for Water & Radcliff this month is due to the Disposal of 28 Meters.

Water: Compared to Last Year, Y-T-D sales change is as follows: Residential down (.51%), Commercial down (.87%), Multi-Family down (4.35%) and Wholesale down (2.20%). Total Revenues Y-T-D are down (.96%). Purchased Water is up slightly due to drier weather conditions; Chemical usage is up slightly due to increased organics in the Raw water intake; Contractual Services is up due to the Demolition of the Wells at West Point (\$5,700) & Shirt/Uniform orders for Employees (\$3,100).

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = +\$37,902 difference; This Year Compared to Last Year YTD = +\$171,460.

Radcliff: Compared to Last Year, Y-T-D sales change as follows: Residential down (.25%), Multi-Family down (2.53%), Commercial Sales up (6.32%). Total Revenues are down .06%. No Unusual Operating Expenses to report for the month. Veolia Management is down slightly due to Capitalizing \$5,700 for a Module & Receiver for Oxidation Ditch #1 & 2 (\$2,900) and for a 10 foot and 8 foot Baffle for Oxidation Ditch #2 (\$2,800). Compared to Y-T-D Budget, Operating Expenses are down approximately \$49,900.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$166,478 difference; This Year YTD Compared to Last Year YTD = - \$116,461.

Bad Debt Expense: Compared to last year Y-T-D, Radcliff is up approximately 9.02% & Water is up approximately 1.05%. Compared to Last Year, Bad Debt Recovered for Water is down approximately 35.9% and Radcliff is down approximately 38.3%.

Invested Funds Inventory
 HCWD1
 5/31/2012

<u>Name of Account</u>	<u>Rate</u>	<u>Balance</u>	<u>Mkt Val</u>	<u>Acc'd Inc</u>	<u>Earnings</u>	<u>Fees</u>	<u>R = Restrict</u>	<u>Current Investment</u>	<u>Invested By</u>	<u>Maturity</u>
Water Revenue/O&M	0.250%	378,470.99	378,470.99	0.00	91.73		U = Unrest	Cecilian Bank	Cecilian Bank	
Water Savings	0.250%	53,765.79	53,765.79	22.48	11.42		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Water Fund	0.150%	1,037.48	1,037.48	0.28	0.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-Water Fund	4.910%	249,133.42	249,133.42	2,178.38	1,038.92		U = Unrest	Cecilian Bank	Cecilian Bank	09/27/12
HCWD1 CD-Water Fund	1.490%	122,467.03	122,467.03	304.98	154.98		U = Unrest	FKFCU	FKFCU	12/04/12
HCWD1 CD-Water Fund	5.200%	378,548.71	378,548.71	3,505.47	1,671.84		U = Unrest	Lincoln National Bank	Lincoln National Bank	09/27/12
2002 Sinking Fund - Principal	0.000%	65,000.00	65,000.00				R = Restrict	Cecilian Bank	Cecilian Bank	
2002 Sinking Fund - Interest	0.000%	741.13	741.13				R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Depreciation Fund	0.190%	751,300.73	751,300.73	114.73	114.73		R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Debt Serv Res	0.190%	589,665.56	589,665.56	90.04	90.04		R = Restrict	First American Govt Oblig Fd	U S Bank	
2005 Sinking Fund	0.190%	241,819.52	241,819.52	33.13	33.13		R = Restrict	First American Govt Oblig Fd	U S Bank	
Subtotal Water Fund		2,831,950.36	2,831,950.36	6,249.43	3,206.92	0.00				
Ft. Knox Sewer Revenue/O&M	0.250%	925,362.66	925,362.66	0.00	72.59		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Sewer Savings	0.250%	1,617.81	1,617.81	0.67	0.34		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Ft. Knox Sewer Fund	0.150%	1,016.27	1,016.27	0.25	0.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Ft. Knox Sewer Money Market	0.82%	1,604,607.88	1,604,607.88		1,115.85		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Sewer Fund		2,532,604.62	2,532,604.62	0.92	1,188.91	0.00				
Ft. Knox Stormwater Revenue/O&M	0.25%	83,214.26	83,214.26	0.00	13.64		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Stormwater Money Market	0.82%	605,946.04	605,946.04		419.24		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Stormwater Fund		689,160.30	689,160.30	0.00	432.88	0.00				
Radcliff Sewer Revenue/O&M	0.250%	358,074.84	358,074.84	0.00	109.08		U = Unrest	Cecilian Bank	Cecilian Bank	
Rad Sewer Bus. Part. MM KIA Maint & Rep	0.820%	337,466.00	337,466.00		75.80		R = Restrict	Cecilian Bank	Cecilian Bank	
Radcliff Sewer Business Partner MM	0.820%	2,611,890.14	2,611,890.14		1,821.86		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Radcliff Sewer Fund	0.150%	1,016.27	1,016.27	0.25	0.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-KIA Maint & Repair Fund	1.290%	0.00	0.00	0.00	202.09		R = Restrict	Cecilian Bank	Cecilian Bank	
Subtotal Radcliff Sewer Fund		3,308,447.25	3,308,447.25	0.25	2,208.96	0.00				
Ft. Knox Water Revenue/O&M	0.25%	54,345.97	54,345.97	0.00	82.69	0.00	U = Unrest	Cecilian Bank	Cecilian Bank	
Total		9,416,508.50	9,416,508.50	6,250.60	7,120.36	0.00				

**HARDIN COUNTY WATER DISTRICT NO. 1 WATER
COMPARATIVE BALANCE SHEET
For the Five Months Ending Thursday, May 31, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$434,974.26	\$476,352.03	(\$41,377.77)
Investments - Less than 1 Year to...	750,149.16	715,290.83	34,858.33
Accounts Receivable - Net	473,146.50	436,247.26	36,899.24
Inventory - Materials & Supplies	307,559.66	272,329.21	35,230.45
Prepaid Expenses	67,848.85	76,619.02	(8,770.17)
Accrued Interest	6,249.43	6,677.38	(427.95)
Total Current Assets	<u>2,039,927.86</u>	<u>1,983,515.73</u>	<u>56,412.13</u>
Long Term Investments			
Restricted Assets - Reserve Funds	1,647,785.81	1,611,874.01	35,911.80
Total Long Term Investments	<u>1,647,785.81</u>	<u>1,611,874.01</u>	<u>35,911.80</u>
Property, Plant & Equipment			
Land	273,045.22	273,045.22	
Property, Plant & Lines	36,059,875.80	34,411,472.62	1,648,403.18
Equipment & Furniture	4,495,215.02	4,244,706.26	250,508.76
Construction in Progress	757,741.67	1,596,169.99	(838,428.32)
Total	<u>41,585,877.71</u>	<u>40,525,394.09</u>	<u>1,060,483.62</u>
Less: Accumulated Depreciation	(12,444,126.79)	(11,478,724.91)	(965,401.88)
Total Property, Plant & Equipment	<u>29,141,750.92</u>	<u>29,046,669.18</u>	<u>95,081.74</u>
TOTAL ASSETS	<u>32,829,464.59</u>	<u>32,642,058.92</u>	<u>187,405.67</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	314,862.15	170,452.10	144,410.05
Accrued Expenses	140,745.12	482,442.09	(341,696.97)
Due To Other Funds	165,470.58	233,723.03	(68,252.45)
Customers' Deposits	176,817.00	169,282.00	7,535.00
Current Portion of Long Term Debt	370,000.00	330,000.00	40,000.00
Radcliff Collections Payable	127,261.68	111,150.49	16,111.19
State Encheatment - Reserve for...	5,693.08	7,056.39	(1,363.31)
Deferred Revenue	11,565.00	4,532.50	7,032.50
Total Current Liabilities	<u>1,312,414.61</u>	<u>1,508,638.60</u>	<u>(196,223.99)</u>
Long Term Debt			
Bonds Payable	8,785,000.00	9,285,000.00	(500,000.00)
Less: Unamortized Discount & Ex...	(171,800.31)	(187,348.35)	15,548.04
Total Long Term Debt	<u>8,613,199.69</u>	<u>9,097,651.65</u>	<u>(484,451.96)</u>
Other Liabilities			
Customer Advances for Constructi...	121,140.06	130,226.53	(9,086.47)
Total Liabilities	<u>10,046,754.36</u>	<u>10,736,516.78</u>	<u>(689,762.42)</u>
Net Assets			
Retained Earnings	8,067,737.80	10,568,814.95	(2,501,077.15)
Contributed Capital	14,401,935.55	11,145,262.54	3,256,673.01
Current Earnings	313,036.88	191,464.65	121,572.23
Total Net Assets	<u>22,782,710.23</u>	<u>21,905,542.14</u>	<u>877,168.09</u>
TOTAL LIABILITIES & NET ASSETS	<u>32,829,464.59</u>	<u>32,642,058.92</u>	<u>187,405.67</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX SEWER
COMPARATIVE BALANCE SHEET
For the Five Months Ending Thursday, May 31, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$2,532,604.62	\$1,311,766.24	\$1,220,838.38
Accounts Receivable - Net	452,519.21	236,139.05	216,380.16
Inventory - Materials & Supplies	12,372.77	12,372.77	
Prepaid Expenses	2,028.83	55,905.83	(53,877.00)
Accrued Interest	0.92	1.08	(0.16)
Total Current Assets	2,999,526.35	1,616,184.97	1,383,341.38
Property, Plant & Equipment			
Plant & Lines	78,315,986.15	77,906,228.35	409,757.80
Equipment	1,121,187.85	1,042,324.13	78,863.72
Construction in Progress	980,517.66	330,526.18	649,991.48
Total	80,417,691.66	79,279,078.66	1,138,613.00
Less: Accumulated Depreciation	(62,108,889.24)	(61,475,221.42)	(633,667.82)
Total Property, Plant & Equipment	18,308,802.42	17,803,857.24	504,945.18
TOTAL ASSETS	21,308,328.77	19,420,042.21	1,888,286.56
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	280,242.10	196,931.96	83,310.14
Accrued Expenses	2,369.76	14,862.50	(12,492.74)
Due To Other Funds	732,678.47	41,233.09	691,445.38
Total Current Liabilities	1,015,290.33	253,027.55	762,262.78
Net Assets			
Retained Earnings	702,793.06	711,794.21	(9,001.15)
Contributed Capital	19,063,702.18	18,198,181.72	865,520.46
Current Earnings	526,543.20	257,038.73	269,504.47
Total Net Assets	20,293,038.44	19,167,014.66	1,126,023.78
TOTAL LIABILITIES & NET ASSETS	21,308,328.77	19,420,042.21	1,888,286.56

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX STORM WATER
COMPARATIVE BALANCE SHEET
For the Five Months Ending Thursday, May 31, 2012**

	2012	2011	Change
ASSETS			
<i>Current Assets</i>			
Cash	\$689,160.30	\$531,897.99	\$157,262.31
Accounts Receivable - Net	45,453.60	38,840.00	6,613.60
Due From Other Funds		38,840.00	(38,840.00)
Prepaid Expenses	143.92	20,220.42	(20,076.50)
Total Current Assets	<u>734,757.82</u>	<u>629,798.41</u>	<u>104,959.41</u>
<i>Property, Plant & Equipment</i>			
Storm Water Property	1,085,008.26	1,077,404.25	7,604.01
Treatment & Disposal Equipment	61,471.82	61,471.82	
Storm Water GIS	86,026.33	86,026.33	
Office Furniture & Equipment	1,844.09	1,796.49	47.60
Construction in Progress	112,056.95		112,056.95
Total	<u>1,346,407.45</u>	<u>1,226,698.89</u>	<u>119,708.56</u>
Less: Accumulated Depreciation	(109,234.96)	(72,529.04)	(36,705.92)
Total Property, Plant & Equipment	<u>1,237,172.49</u>	<u>1,154,169.85</u>	<u>83,002.64</u>
TOTAL ASSETS	<u>1,971,930.31</u>	<u>1,783,968.26</u>	<u>187,962.05</u>
LIABILITIES & NET ASSETS			
<i>Current Liabilities</i>			
Accounts Payable	25,111.35	22,570.07	2,541.28
Accrued Expenses	396.25	472.50	(76.25)
Due To Other Funds	2,195.00		2,195.00
Total Current Liabilities	<u>27,702.60</u>	<u>23,042.57</u>	<u>4,660.03</u>
<i>Net Assets</i>			
Retained Earnings	1,402,991.22	1,270,969.26	132,021.96
Contributed Capital	434,996.55	434,996.55	
Current Earnings	106,239.94	54,959.88	51,280.06
Total Net Assets	<u>1,944,227.71</u>	<u>1,760,925.69</u>	<u>183,302.02</u>
TOTAL LIABILITIES & NET ASSETS	<u>1,971,930.31</u>	<u>1,783,968.26</u>	<u>187,962.05</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER
COMPARATIVE BALANCE SHEET**

For the Five Months Ending Thursday, May 31, 2012

	<u>2012</u>	<u>2011</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash	\$3,308,447.25	\$2,409,507.99	\$898,939.26
Accounts Receivable - Net	291,512.37	270,521.71	20,990.66
Due From Other Funds	229,170.80	236,116.12	(6,945.32)
Prepaid Expenses	34,878.49	328,231.22	(293,352.73)
Accrued Interest	0.25	165.22	(164.97)
Total Current Assets	<u>3,864,009.16</u>	<u>3,244,542.26</u>	<u>619,466.90</u>
Long Term Investments			
Restricted Assets - Reserve Funds		333,061.00	(333,061.00)
Total Long Term Investments		<u>333,061.00</u>	<u>(333,061.00)</u>
Property, Plant & Equipment			
Property, Plant & Lines	33,072,293.23	30,480,282.93	2,592,010.30
Equipment & Furniture	1,108,221.66	880,004.35	228,217.31
Construction in Progress	976,778.19	2,154,743.46	(1,177,965.27)
Total	<u>35,157,293.08</u>	<u>33,515,030.74</u>	<u>1,642,262.34</u>
Less: Accumulated Depreciation	(14,229,569.06)	(13,492,610.14)	(736,958.92)
Total Property, Plant & Equipment	<u>20,927,724.02</u>	<u>20,022,420.60</u>	<u>905,303.42</u>
Organizational Costs	207,411.02	216,511.34	(9,100.32)
TOTAL ASSETS	<u>24,999,144.20</u>	<u>23,816,535.20</u>	<u>1,182,609.00</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	184,216.47	197,178.19	(12,961.72)
Customer Deposits	131,292.10	124,902.00	6,390.10
Contractor Deposits		8,542.59	(8,542.59)
Current Portion of Long Term Debt	135,443.51	130,439.72	5,003.79
Accrued Expenses	55,154.34	47,411.44	7,742.90
Total Current Liabilities	<u>506,106.42</u>	<u>508,473.94</u>	<u>(2,367.52)</u>
Long Term Debt			
Bonds Payable	1,840,720.99	2,109,082.57	(268,361.58)
Total Long Term Debt	<u>1,840,720.99</u>	<u>2,109,082.57</u>	<u>(268,361.58)</u>
Total Liabilities	<u>2,346,827.41</u>	<u>2,617,556.51</u>	<u>(270,729.10)</u>
Net Assets			
Retained Earnings	297,992.80	437,221.06	(139,228.26)
Contributed Capital	22,354,079.88	20,447,448.70	1,906,631.18
Current Earnings	244.11	314,308.93	(314,064.82)
Total Net Assets	<u>22,652,316.79</u>	<u>21,198,978.69</u>	<u>1,453,338.10</u>
TOTAL LIABILITIES & NET ASSETS	<u>24,999,144.20</u>	<u>23,816,535.20</u>	<u>1,182,609.00</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX WATER
COMPARATIVE BALANCE SHEET
For the Five Months Ending Thursday, May 31, 2012**

	<u>2012</u>	<u>2011</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash	\$54,345.97		\$54,345.97
Accounts Receivable - Net	1,440,006.00		1,440,006.00
Due From Other Funds	671,173.25		671,173.25
Inventory - Materials & Supplies	18,916.33		18,916.33
Prepaid Expenses	4,419.02		4,419.02
Total Current Assets	<u>2,188,860.57</u>		<u>2,188,860.57</u>
Long Term Investments			
Property, Plant & Equipment			
Equipment & Furniture	276,541.53		276,541.53
Construction in Progress	127,809.85		127,809.85
Total	<u>404,351.38</u>		<u>404,351.38</u>
Less: Accumulated Depreciation	(2,896.15)		(2,896.15)
Total Property, Plant & Equipment	<u>401,455.23</u>		<u>401,455.23</u>
Organizational Costs	<u>243,670.82</u>		<u>243,670.82</u>
TOTAL ASSETS	<u>2,833,986.62</u>		<u>2,833,986.62</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	310,248.11		310,248.11
Accrued Expenses	11,365.81		11,365.81
Total Current Liabilities	<u>321,613.92</u>		<u>321,613.92</u>
Long Term Debt			
Other Liabilities			
Total Liabilities	<u>321,613.92</u>		<u>321,613.92</u>
Net Assets			
Current Earnings	2,512,372.70		2,512,372.70
Total Net Assets	<u>2,512,372.70</u>		<u>2,512,372.70</u>
TOTAL LIABILITIES & NET ASSETS	<u>2,833,986.62</u>		<u>2,833,986.62</u>

For Management Purposes Only

**Hardin County Water District No. 1 Water Fund
Detail Comparative Income Statements
For the 5 Months Ended Thursday, May 31, 2012**

	May	May Budget	May Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Customer Meter Charges						
Residential Sales	\$59,409.19	\$59,802.55	\$59,301.26	\$294,441.03	\$298,620.41	\$296,117.25
Commercial Sales	159,056.52	152,562.64	150,232.62	748,851.79	764,406.98	752,733.48
Multi-Family Sales	24,256.75	13,687.23	21,903.43	108,760.12	68,557.31	109,711.05
Sales for Resale - Vine Grove	14,631.56	22,842.84	14,025.25	76,050.62	129,496.98	79,509.71
Sales for Resale - Meade County	22,408.33	23,275.91	22,408.12	105,531.07	110,352.85	106,238.59
Sewer Storm Water-Monthly Contract	33,689.86	29,045.82	28,275.46	141,414.33	150,258.67	146,273.48
Bad Debt Recovered	721.75	1,009.73	716.35	3,599.66	5,042.80	3,577.61
Penalties, Service Fees and Reimbursements	243.42	291.51	250.61	2,796.32	5,084.54	4,383.00
Total Operating Revenue	334,022.17	324,972.19	319,048.91	1,590,534.67	1,642,339.06	1,606,277.53
OPERATING EXPENSES						
Salaries & Benefits	106,044.41	133,884.35	140,688.56	539,310.45	627,562.36	659,808.34
Purchased Water	10,346.34	5,108.83	5,193.60	19,918.55	22,544.05	22,918.12
Utilities & Energy Expense	22,326.50	20,282.27	20,791.75	114,379.89	112,406.41	115,732.90
Chemicals	19,058.27	19,903.22	22,344.26	68,480.25	76,244.70	85,595.78
Materials & Supplies	1,140.87	1,529.94	1,440.26	9,311.44	10,611.16	10,641.17
Maintenance & Repairs	3,697.05	2,815.38	3,227.86	25,736.55	23,370.51	23,503.53
Storage Maintenance	168.51	185.00	175.53	1,037.86	1,472.97	1,397.59
Booster Station Expense	141.64	159.54	1,444.97	319.72	169.43	1,534.55
Small Tool Expenses	1,588.72	571.90	139.88	3,954.61	4,183.43	1,192.88
Accounting & Legal Services	1,156.50	1,659.24	1,764.94	6,342.91	9,472.82	10,200.63
Contractual Services	20,163.87	16,071.36	14,750.32	68,356.38	71,033.12	66,313.11
Laboratory Services	150.50	1,429.88	3,934.68	3,089.40	3,305.84	9,096.33
Lab Supplies	558.31	608.33		550.31	3,041.85	
Bac-T Supplies	1,577.71	368.67		3,584.58	1,833.36	
Utility Regulatory Fees	522.21	523.04	518.33	2,611.05	2,615.20	2,591.65
Amortized 2007-12 Rate Case	633.78	733.33	633.78	3,168.90	2,933.34	3,168.90
Fuel & Transportation Expense	5,638.64	3,804.83	3,271.93	26,153.33	23,064.12	19,896.97
Insurance Expense	3,537.63	3,575.00	2,808.40	17,688.50	17,875.00	12,657.80
Workers Comp/Unemployment Expenses	1,666.23	2,043.05	1,693.79	8,481.90	10,215.25	8,468.94
Advertising Expense		575.73	135.20	4,076.74	4,183.27	982.36
Bad Debt Expense	3,209.35	2,091.91	2,183.87	13,926.67	12,738.42	13,298.38
Collection Expense	1,164.60	141.39	119.64	3,654.37	2,371.03	2,006.26
Phone Expense	1,334.45	1,422.64	1,353.96	6,927.62	7,709.73	7,331.87
Dues & Subscriptions	639.73	358.33	847.33	1,928.31	1,791.00	2,185.79
Postage	491.71	653.44	525.88	1,967.79	1,706.96	1,422.02
Printing	521.41	275.12	247.16	1,764.74	2,347.80	2,109.22
Information Technology Expense	2,625.30	3,448.24	3,109.75	20,449.03	18,891.57	17,047.00
Communication Expense	138.00	68.24	54.04	870.88	832.40	659.21
Travel & Lodging	218.54	535.41	425.79	2,954.00	1,861.34	1,481.23
Certification & Education	217.50	651.12	510.59	6,476.82	6,858.13	5,354.39
Miscellaneous Expense	240.97	404.89	335.09	2,727.78	3,604.25	2,982.88
Customer Deposit Interest Expense	37.29	17.90	26.84	233.54	149.29	223.72
Cash Over & Short	36.66		15.21	31.72		34.14
Allocated FK Water G&A Expense	(17,132.74)	(17,132.73)		(68,530.96)	(68,530.92)	
TOTAL OPERATING EXPENSES	193,858.46	208,764.78	234,694.19	919,941.01	1,020,529.47	1,111,837.64
Operating Income Before Depreciation	140,163.71	116,207.41	84,354.72	670,593.66	621,809.59	494,439.89
Less Depreciation & Amortization	79,732.90	78,728.82	75,746.61	398,422.85	381,220.14	376,336.04
Operating Income	60,430.81	39,478.59	8,608.11	272,170.81	240,589.45	118,103.85
Non-Operating Income(Expense)						
Interest & Dividend Income						
Interest Expense	3,206.92	2,138.74	3,365.16	15,672.69	11,751.09	18,489.50
Gain/(Loss) on Assets	(24,390.98)	(24,345.76)	(27,733.94)	(121,748.05)	(122,814.47)	(130,359.78)
	(379.32)		(906.75)	1,433.04		(10,165.04)
Income Before Capital Contributions	38,866.93	17,271.57	(16,667.42)	157,528.49	129,726.07	(3,931.47)
Capital Contributions						
Misc Revenue - Grant						
Misc Revenue - Grant - Hwy 1882	28,909.22			96,808.71		
Misc Revenue - Grant - Hwy 144						22,531.99
Misc Revenue - Grant - LWC		41,868.67			208,333.31	12,011.57
Misc Revenue - Grant - Constantine P.d		52,866.67			263,333.35	
Tap fees	2,570.00	9,316.35	7,972.50	13,446.50	27,400.99	23,448.50
Customer contributions	8,112.50		3,517.80	35,453.13		137,404.06
Change in Net Assets	75,453.65	120,921.25	(5,177.02)	313,036.93	623,793.72	191,461.65

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Detail Comparative Income Statements
For the 5 Months Ended Thursday, May 31, 2012

	May	May Budget	May Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Sanitary Sewer Revenue	\$235,239.00	\$233,921.91	\$230,057.00	\$1,176,195.00	\$1,169,609.55	\$1,150,285.00
Muldrough-Flood Monthly Billing	402.24	402.25	402.24	2,011.20	2,011.25	2,011.20
Muldrough-Waste Water Flows	3,193.56	9,965.97	8,994.03	26,799.50	34,713.15	31,327.73
Reimbursement of HCWD Overhead	7,612.04	11,163.83		12,946.46	55,819.19	3,489.55
Total Operating Revenues	246,446.84	255,453.96	239,453.27	1,217,952.16	1,262,153.14	1,187,113.48
OPERATING EXPENSES						
Customer Service Labor	43.38	51.95	594.39	209.81	247.16	2,828.01
Administrative Labor	6,664.61	7,712.25	5,172.74	38,516.75	36,654.55	25,019.64
Internal Maintenance/Supervision			269.24			1,133.88
Information Technology Expense	140.01	186.94	165.85	1,129.91	1,024.77	909.18
Professional Services-Engineering			500.00			6,579.50
Professional Services-Accounting	612.48	524.17	472.50	2,508.32	2,620.85	2,362.50
Professional Services-Legal	237.49	302.17	237.49	1,187.45	1,510.81	1,187.45
Management Fee - Veolia	145,492.58	148,767.87	142,810.15	726,579.10	743,839.19	724,084.20
Contractual Services	76.52			382.60		
Insurance Expense	1,667.30	1,666.67	3,782.40	8,336.60	8,333.35	17,571.30
Regulatory Commission Expense	361.53	371.07	370.31	1,807.65	1,856.35	1,851.55
Transportation Fuel & Repairs	25.17	42.58	47.44	140.37	138.20	153.96
Office Supplies Expense	25.77	52.38	37.15	106.43	304.35	215.87
Utilities	163.79	148.33	167.95	997.48	951.60	1,077.45
Travel & Lodging	11.66	21.69	22.71	157.55	76.14	78.99
Education & Conferences		25.56	18.30	285.55	363.08	231.55
Certification & Training	11.60	90.91	4.00	247.60	1,000.00	44.00
Miscellaneous Expense		20.89	16.96		83.16	67.52
Allocated FK Water G&A Expense	(3,782.36)	(3,782.36)		(15,129.44)	(15,129.45)	
Total Operating Expenses	151,751.53	156,203.27	154,687.58	767,463.53	783,873.68	785,396.53
Operating Income Before Depreciation	94,695.31	99,250.69	84,765.69	450,488.63	478,280.06	401,716.95
Less Depreciation & Amortization	53,896.12	53,266.54	52,343.09	268,524.12	256,204.51	251,763.92
OPERATING INCOME	40,799.19	45,984.15	32,422.60	181,964.51	222,075.55	149,953.03
Non Operating Income/(Expense)						
Interest & Dividend Income	1,188.91	618.73	757.40	6,142.59	3,726.67	4,561.94
Interest Expense	(96.86)	(121.58)	(109.71)	(477.74)	(639.64)	(577.18)
Income Before Capital Contributions	41,891.24	46,481.30	33,070.29	187,629.36	225,162.58	153,937.79
Capital Contributions	203,586.12	253,723.25		338,913.84	1,268,616.25	103,100.94
Change in Net Assets	245,477.36	300,204.55	33,070.29	526,543.20	1,493,778.83	257,038.73

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
 Detail Comparative Income Statements
 For the 5 Months Ended Thursday, May 31, 2012

OPERATING REVENUE

	May	May Budget	May Previous Year	2012	2012 Budget	2011
Storm Water Revenue	\$39,818.00	\$39,567.43	\$38,840.00	\$199,080.00	\$197,837.15	\$194,200.00
Reimbursement of Overhead	237.90	4,699.92		1,895.89	23,499.56	
Total Operating Revenue	40,053.00	44,267.35	38,840.00	200,975.89	221,336.71	194,200.00

OPERATING EXPENSES

Administrative Labor	2,065.47	2,456.15	2,873.74	11,948.14	11,688.78	13,899.77
Customer Service Labor	21.69	23.83		104.81	119.19	
Information Technology Expense	34.99	48.76	41.46	282.49	267.33	227.29
Professional Services - Engineer			200.00			200.00
Professional Services - Accounting	125.44	95.83	94.50	442.44	479.15	472.50
Professional Services - Legal	84.82	107.92	84.82	424.10	539.60	424.10
Management Fee - Veolia	23,284.92	23,415.37	22,429.42	114,412.53	117,076.69	112,147.10
Insurance Expense	143.92	141.67	142.19	719.58	708.35	698.79
Transportation Fuel & Repairs	6.29	41.67	4.27	35.10	208.31	30.90
Office Supplies Expense	6.44	26.38	9.29	26.63	383.98	128.97
Utilities	30.90	36.35	31.95	195.61	249.33	219.17
Travel & Lodging	2.91	27.46	5.68	39.39	177.64	19.75
Education & Conferences		11.32	4.07	44.98	140.02	50.33
Certification & Training	2.90	10.23	1.00	61.90	112.50	11.00
Allocated FK Water G&A Expense	(962.27)	(962.27)		(3,849.08)	(3,849.08)	
Total Operating Expenses	24,848.42	25,482.67	25,922.39	124,888.62	128,311.80	128,529.67
Operating Income Before Depreciation	15,205.18	18,784.68	12,917.61	76,087.27	93,024.91	65,670.33
Less Depreciation & Amortization	3,066.90	3,181.16	2,979.42	15,313.49	13,805.06	12,929.58
Operating Income	12,138.28	15,603.52	9,938.19	60,773.78	79,219.85	52,740.75
Non-Operating Income(Expenses)						
Interest & Dividend Income	432.88	343.64	363.05	2,378.31	2,100.48	2,219.13
Income Before Capital Contributions	12,571.16	15,947.16	10,301.24	63,152.09	81,320.33	54,959.88
Capital Contributions	5,400.00	106,815.75		43,067.85	534,078.75	
Change in Net Assets	17,971.16	122,762.91	10,301.24	106,239.94	615,399.08	54,959.88

For Management Purposes Only.

Hardin County Water District No. 1 Radcliff Sewer Fund
Detail Comparative Income Statements
For the 5 Months Ended Thursday, May 31, 2012

	May	May Budget	May Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales	\$226,631.13	\$236,217.96	\$218,754.44	\$1,092,927.91	\$1,183,188.06	\$1,095,715.34
Commercial Sales	37,385.19	20,709.75	30,799.59	170,977.68	103,548.75	160,813.56
Multi-Family Sales	19,944.20	32,505.90	18,106.33	102,771.07	189,287.88	105,436.52
High Strength Surcharge	73.13			232.66	53.43	89.95
Discharge Permit Fees	27.78	30.12	27.78	663.90	150.00	138.90
Bad Debt Recovered	304.92	533.02	457.86	3,499.62	6,605.74	5,674.26
Penalties, Services Fees and Reimbursements	11,745.55	14,588.26	14,476.16	67,517.25	72,375.96	71,819.86
Total Operating Revenues	298,111.90	304,585.01	282,622.16	1,438,590.09	1,555,210.42	1,439,688.39
OPERATING EXPENSES						
Collection System Labor	7,183.59	7,888.98	3,008.55	35,731.73	39,451.96	15,045.45
Customer Service Labor	12,928.91	15,785.98	11,293.42	62,503.36	75,106.68	53,731.92
Administration Labor	8,518.16	10,288.73	11,508.48	49,536.54	49,132.07	55,763.96
Professional Services-Engineering		268.67	687.44		1,333.35	2,024.88
Professional Services-Accounting	614.17	614.17	567.00	3,071.01	3,070.85	2,835.00
Professional Services-Legal	390.16	496.42	390.16	1,950.80	2,482.06	1,950.80
Information Technology Expense	700.09	918.46	829.27	5,649.71	5,034.78	4,545.87
Management Fee - Veolia	172,768.33	175,434.15	171,912.08	856,237.30	877,170.75	859,560.40
Contractual Services	7,823.49	8,168.09	8,250.28	38,610.88	42,026.06	42,477.34
Insurance Expense	2,360.73	2,325.00	1,663.55	11,803.77	11,625.00	7,035.73
Transportation Fuel & Repairs	125.88			762.10		
Utility Regulatory Expense	455.26	456.97	452.60	2,276.30	2,284.93	2,263.00
Office Supplies	934.43	892.84	847.84	3,368.82	3,933.21	3,661.96
Utilities	848.54	519.34	775.54	4,989.68	6,021.05	8,991.41
Bad Debt Expense	3,203.69	2,651.08	2,616.75	16,967.94	15,798.00	15,591.45
Agency Collection Expense	201.46	168.66	151.05	1,427.71	2,176.12	1,948.96
Rent Expense	187.50	187.50	187.50	937.50	937.50	937.50
Investment Fees						1.23
Travel & Lodging	58.29	217.89	394.78	787.78	1,384.17	1,208.77
Certification & Training	58.00	83.33	70.00	1,238.00	416.85	1,480.24
Education & Conferences		1,310.41	1,450.77	673.25	3,268.55	3,618.65
Routine Maintenance Service	495.87	14.60	93.82	995.56	137.01	880.32
Miscellaneous Customer Expense	55.36	278.63	165.67	488.98	434.77	258.51
Miscellaneous Expense		68.36	35.53		761.18	407.55
Amortized Rate Case - Raftelis		1,175.00			5,875.00	
Customer Deposit Interest Expense	30.63	25.12	22.30	419.84	503.12	446.59
Allowance for Water G&A Expense	(8,029.90)	(8,029.91)	22.30	(32,119.60)	(32,119.63)	
Total Operating Expenses	211,912.64	222,202.57	217,374.36	1,068,368.94	1,118,243.17	1,086,667.48
Operating Income Before Depreciation	84,199.26	82,382.44	65,247.78	370,221.15	436,967.25	353,020.91
Less Depreciation & Amortization	81,877.00	77,684.22	73,815.05	402,113.29	367,672.22	349,399.05
Operating Income	2,322.26	4,698.22	(8,567.27)	(31,892.14)	69,295.03	3,621.86
Non Operating Income/(Expense)						
Interest & Dividend Income						
Gain/(Loss) on Assets	2,208.96	2,190.59	3,424.64	11,993.06	14,821.34	23,170.85
Interest Expense	(336.81)	(7,830.55)	(819.59)	(65,210.79)	(37,858.81)	(1,008.79)
Income Before Capital Contributions	(3,343.73)	(741.74)	(14,843.65)	(122,768.68)	46,310.82	(17,817.33)
Capital Contributions						
Misc Revenue - Grant				3,727.51		
Misc Revenue - Grant - I&I						199,146.98
Misc Revenue - Grant - Pump Stations	3,682.50	72,918.67		46,068.53	364,583.31	128,779.28
Misc Revenue - Grant - SI	3,534.00	75,000.00		58,943.55	375,000.00	
Tap Fees		1,422.41	1,850.00	2,400.00	3,620.63	4,200.00
Capital Contributions	3,872.77	148,597.34	(13,193.65)	244.11	789,514.81	314,308.93
Change in Net Assets	3,872.77	148,597.34	(13,193.65)	244.11	789,514.81	314,308.93

For Management Purposes Only

Hardin County Water District No. 1 Fort Knox Water Fund
 Detail Comparative Income Statements
 For the 5 Months Ended Thursday, May 31, 2012

	May	May Budget	May Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Fort Knox Water Revenue	\$314,988.87	\$315,258.45		\$1,259,887.47	\$1,261,025.85	
Reimbursement of Overhead	31,680.13	29,907.27		152,791.32	119,829.08	
Total Operating Revenue	346,647.00	345,163.72		1,412,658.79	1,380,654.93	
OPERATING EXPENSES						
Salaries & Benefits	31,951.87	34,222.63		126,982.25	136,890.54	
Allocated Distribution Labor	16.81	23.18		64.31	92.72	
Allocated Customer Service Labor	62.36	78.00		240.99	312.00	
Allocated Maintenance Labor	90.70	141.27		400.16	585.08	
Allocated Admin Labor	4,510.15	6,230.82		20,075.57	24,923.28	
Allocated Commissioner Labor	826.68	873.50		3,448.10	3,483.85	
Materials & Supplies	481.07	1,368.00		3,834.90	5,472.00	
Bac-T Supplies		775.27			3,101.11	
Maintenance & Repairs	7,674.23	5,622.73		18,910.86	22,490.96	
Storage Maintenance		454.55			1,818.20	
Booster Station Expense		454.55			1,818.20	
Small Tool Expenses	2,876.80	138.36		3,597.77	545.48	
Accounting & Legal Services	350.13	272.73		1,397.16	1,080.92	
Management Fee - LWC	143,130.33	143,130.45		570,445.00	572,521.80	
Contractual Services	6,331.88	854.00		11,039.28	3,415.98	
Utility Regulatory Fees		1,159.09			4,638.37	
Amortized Acquisition Expense	12,286.76	10,167.73		49,147.04	40,870.89	
Fuel & Transportation Expense	2,576.99	287.50		8,147.30	1,149.85	
Insurance Expense	3,674.28	3,380.91		15,778.20	13,583.63	
Workers Comp/Unemployment Expense	280.31	587.00		1,121.24	2,348.00	
Advertising Expense		136.36			545.48	
Phone Expense	424.22	109.09		2,345.98	436.38	
Postage & Mailing	2.85	45.50		8.79	181.85	
Safety Expense	800.98			1,220.98		
Travel & Lodging		227.27			909.08	
Certification & Education	100.00	252.81		460.90	1,011.24	
Miscellaneous Expense	20.00	227.27		677.38	909.11	
Allocated FK Water G&A Expense	29,907.27	29,907.27		119,629.08	119,629.08	
TOTAL OPERATING EXPENSES	248,378.44	241,136.84		958,973.22	964,543.08	
Operating Income Before Depreciation	98,270.56	104,027.88		453,685.57	416,111.87	
Less Depreciation & Amortization	2,821.99	4,545.45		2,886.15	18,181.85	
Operating Income	95,448.57	99,482.43		450,789.42	397,930.02	
Net Operating Income(Expense)						
Interest Dividend Income	82.99	227.27		1,712.07	909.08	
Income Before Capital Contributions	95,531.26	99,709.70		452,501.49	398,839.10	
Capital Contributions						
Capital Contributions	373,356.00	420,883.55		2,059,871.21	1,683,534.20	
Change in Net Assets	468,887.26	520,593.25		2,512,372.70	2,082,373.30	

For Management Purposes Only

Hardin County Water District No. 1 - Water Fund
Statement of Cash Flow
For the 5 Months Ended Thursday, May 31, 2012

	May	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$76,458.65	\$313,036.88
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	84,304.92	407,986.52
Accounts Receivable	(53,396.35)	(16,452.20)
Accrued Interest	(2,875.52)	(5,253.68)
Due From/To Other Funds	(66,624.16)	(120,022.92)
Inventory	(22,233.10)	(23,840.99)
Prepaid Expense	13,498.34	(1,184.43)
Radcliff Collections Payable	8,631.62	6,162.47
Customer Deposits	(208.00)	14,150.00
Deferred Revenue	642.50	10,922.50
Reserve for Uncashed Checks	(344.23)	430.65
Accounts Payable & Accrued Expenses	160,106.27	36,915.90
Total Adjustments	121,502.29	309,813.82
Net Cash Provided by Operations	197,960.94	622,850.70
Cash Flows from Investing Activities Used For:		
Other Investment & Interest		(8,752.64)
Advances for Construction		(5,260.67)
Construction in Progress	(124,565.53)	(186,028.86)
Land & Buildings		
Supply Mains, Lines, Meters & Connections	(1,929.01)	(45,686.98)
Furniture & Equipment	(285.47)	(29,854.15)
Net Cash Used in Investing	(126,780.01)	(275,583.30)
Cash Flows From Financing Activities:		
Restricted Bond Funds	(63,576.40)	(61,692.12)
Bond Payments		(130,000.00)
Unamortized Bond Discount/Premium	1,295.67	6,478.35
Line of Credit - Cecilian Bank		(32,682.99)
Net Cash Used in Financing	(62,280.73)	(217,896.76)
Net Increase/(Decrease) in Cash	8,900.20	129,370.64
Summary:		
Cash at End of Period	434,974.26	434,974.26
Cash at Beginning of Period	426,074.06	305,603.62
Net Increase/(Decrease) in Cash	8,900.20	129,370.64

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Statement of Cash Flow
For the 5 Months Ended Thursday, May 31, 2012

	May	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$245,477.36	\$526,543.20
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	53,519.45	266,626.93
Accounts Receivable	(200,682.99)	(196,788.69)
Due From/To Other Funds	733,465.10	747,749.21
Prepaid Expense	2,028.83	5,142.35
Accrued Interest	(0.47)	(0.28)
Inventory		
Accounts Payable & Accrued Expenses	(33,519.76)	107,008.47
Total Adjustments	<u>554,810.16</u>	<u>929,737.99</u>
Net Cash Provided by Operations	<u>800,287.52</u>	<u>1,456,281.19</u>
Cash Flows from Investing Activities Used For:		
Construction in Progress	(234,955.82)	(255,019.23)
Plant & Lines		(229,973.32)
Furniture & Equipment	(1,644.50)	(13,598.65)
Net Cash Used in Investing	<u>(236,600.32)</u>	<u>(498,591.20)</u>
Cash Flows From Financing Activities:		
<i>Intra-Fund Loan</i>		
Net Cash Used in Financing	<u> </u>	<u> </u>
Net Increase/(Decrease) in Cash	<u>563,687.20</u>	<u>957,689.99</u>
Summary:		
Cash at End of Period	2,532,604.62	2,532,604.62
Cash at Beginning of Period	1,968,917.42	1,574,914.63
Net Increase/(Decrease) in Cash	<u>563,687.20</u>	<u>957,689.99</u>

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
Statement of Cash Flow
For the 5 Months Ended Thursday, May 31, 2012

	May	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$17,971.16	\$106,239.94
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	3,066.90	15,313.49
Accounts Receivable	5,314.07	(5,637.60)
Due From/To Other Funds	(341.49)	11,259.44
Prepaid Expense	143.92	287.82
Accounts Payable & Accrued Expenses	(1,867.44)	(23,434.95)
Total Adjustments	6,315.96	(2,211.80)
Net Cash Provided by Operations	24,287.12	104,028.14
Cash Flows from Investing Activities Used For:		
Construction in Progress	(15,673.26)	(94,321.47)
GIS Structures		(3,082.32)
Net Cash Used in Investing	(15,673.26)	(97,403.79)
Cash Flows From Financing Activities:		
Intra-Fund Loan		
Net Cash Used in Financing		
Net Increase/(Decrease) in Cash	8,613.86	6,624.35
Summary:		
Cash at End of Period	689,160.30	689,160.30
Cash at Beginning of Period	680,546.44	682,535.95
Net Increase/(Decrease) in Cash	8,613.86	6,624.35

For Management Purposes Only

Hardin County Water District No. 1 - Radcliff Sewer
Statement of Cash Flow
For the 5 Months Ended Thursday, May 31, 2012

	May	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$3,872.77	\$244.11
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	75,364.25	298,085.41
Accounts Receivable	(16,948.94)	(11,730.00)
Due From/To Other Funds	48,629.30	32,187.52
Prepaid Expense	3,003.49	7,935.38
Accrued Interest	867.56	521.69
Customer Deposits	(676.90)	7,078.10
Accounts Payable & Accrued Expenses	(60,007.88)	(70,207.79)
Total Adjustments	50,230.88	263,870.31
Net Cash Provided by Operations	54,103.65	264,114.42
Cash Flows from Investing Activities Used For:		
Investment & Interest	336,320.42	335,230.42
Construction in Progress	(5,464.46)	631,998.62
Plant & Lines	(2,800.00)	(500,795.87)
Furniture & Equipment	(3,161.76)	(3,875.76)
Transportation Equipment		(128,036.26)
Net Cash Used in Investing	324,894.20	334,521.15
Cash Flows From Financing Activities:		
Bond Payments	(132,918.07)	(132,918.07)
Organizational Costs	758.36	3,791.80
Net Cash Used in Financing	(132,159.71)	(129,126.27)
Net Increase/(Decrease) in Cash	246,838.14	469,509.30
Summary:		
Cash at End of Period	3,308,447.25	3,308,447.25
Cash at Beginning of Period	3,061,609.11	2,838,937.95
Net Increase/(Decrease) in Cash	246,838.14	469,509.30

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Water Fund
Statement of Cash Flow
For the 5 Months Ended Thursday, May 31, 2012

	May	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$468,887.26	\$2,512,372.70
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	2,821.99	2,896.15
Accounts Receivable		(1,440,006.00)
Accrued Interest		
Due From/To Other Funds	(715,128.75)	(671,173.25)
Inventory	(4,774.21)	(18,916.33)
Prepaid Expense	3,674.26	(4,419.02)
Accounts Payable & Accrued Expenses	(94,120.36)	321,613.92
Total Adjustments	(807,527.07)	(1,810,004.53)
Net Cash Provided by Operations	(338,639.81)	702,368.17
Cash Flows from Investing Activities Used For:		
Other Investment & Interest		
Construction in Progress	(110,295.37)	(127,809.85)
Land & Buildings		
Supply Mains, Lines, Meters & Connections		
Furniture & Equipment		(276,541.53)
Net Cash Used in Investing	(110,295.37)	(404,351.38)
Cash Flows From Financing Activities:		
Acquisition Costs	5,454.83	(243,670.82)
Net Cash Used in Financing	5,454.83	(243,670.82)
Net Increase/(Decrease) in Cash	(443,480.35)	54,345.97
Summary:		
Cash at End of Period	54,345.97	54,345.97
Cash at Beginning of Period	497,826.32	
Net Increase/(Decrease) in Cash	(443,480.35)	54,345.97

For Management Purposes Only

Hardin County Water District No. 1

Accounts Receivable Report

Date: 07/1/2012 11:17:32 AM
 User Name: Chatlana

Account	Unbilled						Total
	Balance	< 30	30-59	60-89	90-119	120+	
1100240000	0.00	685.92	0.00	0.00			685.92
1100410000	0.00	(6.69)	0.00	0.00	0.00	0.00	(6.69)
1100420000	0.00	13.70	0.00	0.00	0.00	0.00	13.70
1100430000	0.00	14.18	0.00	0.00	0.00	0.00	14.18
1200200000	0.00	83.38	0.00	0.00	0.00	0.00	83.38
1200407000	0.00	290.82	0.00	0.00	0.00	0.00	290.82
1210020000	0.00	8.45	0.00	0.00	0.00	0.00	8.45
1210100000	0.00	110.38	0.00	0.00	0.00	0.00	110.38
1210150000	0.00	409.05	0.00	0.00	0.00	0.00	409.05
1210160000	0.00	35.78	36.69	35.74	39.15	445.37	592.73
1210170000	0.00	26.58	27.48	26.80	32.58	329.73	443.15
1210180000	0.00	1,707.09	1,658.61	0.00	0.00	0.00	3,365.70
1210190000	0.00	76.52	0.00	0.00	0.00	0.00	76.52
1210200000	0.00	6.13	0.00	0.00	0.00	0.00	6.13
1210210000	0.00	(1.03)	0.00	0.00	0.00	0.00	(1.03)
1210220000	0.00	45.04	0.00	0.00	0.00	0.00	45.04
Grand Total	0.00	3,980.85	1,722.78	62.54	71.71	775.10	6,612.98

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Detail By Group/Income Center

LEGAL COLLECTION ADJUSTMENT 13 757.46 294.80 .35

19,665.59

Group/Income Center	Unbilled						Total
	Balance	< 30	30-59	60-89	90-119	120+	
Service / Water Tariff	0.00	1,331.58	622.96	0.00	3.53	24.29	1,982.34
Service / Water Franchise Fee	0.00	46.16	19.48	0.53	0.63	7.45	74.25
Service / Sewer Tariff	0.00	46.95	19.48	0.53	0.63	7.45	75.02
Service / Customer Charge	0.00	96.69	40.03	1.08	1.30	15.23	154.33
Service / Sewer	0.00	233.43	25.10	17.57	17.57	223.39	517.06
Service / Sewer Franchise Fee	0.00	1,900.83	908.80	34.22	34.22	404.95	3,282.82
Service / Sewer State Tax	0.00	57.03	27.26	1.02	1.02	12.07	98.40
Service / Unapplied Cash	0.00	114.03	54.53	2.06	2.06	24.38	197.06
Penalty	0.00	(7.72)	0.00	0.00	0.00	0.00	(7.72)
Grand Total	0.00	3,980.85	1,722.78	62.54	71.71	775.10	6,612.98

Mobile Home Park Montly Update

31-May-12

To date (17 months), we have billed \$110,649 for Master Meters. \$90,983 (82%) has been paid to date leaving an Uncollected Balance of \$19,666 (18%) of the 23 accounts. Two accounts have triggered the First & Second Warning Letters. Once account has triggered the First Warning Letter. One account has been turned over to Legal while another has been turned over to the Collection Agency. A third account is nearing the limit for Legal action.

HARDIN COUNTY WATER DIST NO. 1
AVAILABLE FUNDING
May 31, 2012

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
KIA WX21093020 Grant	3/14/2007	KIA - Constantine Road Grant	\$1,000,000.00	\$111,925.00	\$888,075.00
KY EBDG for BRAC Grant	1/12/2010	Radcliff WW Pump Station Upgrades	\$2,250,000.00	\$477,914.81	\$1,772,085.19
KY EBDG for BRAC Grant	9/16/2011	Radcliff WW System Improvements Project	\$2,500,000.00	\$703,826.40	\$1,796,173.60
KY EBDG for BRAC Grant	11/10/2011	Louisville Water-Fort Knox Interconnect Pr	\$4,500,000.00	\$0.00	\$4,500,000.00
Fort Knox - CLIN 0033	7/21/2011	WWTP Improvements (2910)	\$415,000.00	\$228,568.24	\$186,431.76
Fort Knox - CLIN 0034	7/21/2011	Brooks Field Phase III Improvements (2923)	\$100,000.00	\$81,480.66	\$18,519.34
Fort Knox - CLIN 0035	7/21/2011	Basin 2 Improvements	\$406,000.00	\$33,052.83	\$372,947.17
Fort Knox - CLIN 0036	7/21/2011	Basin 6 Improvements	\$107,000.00	\$63,554.95	\$43,445.05
Fort Knox - CLIN 0037	7/21/2011	Dietz Lift Station (2704)	\$1,025,000.00	\$39,286.43	\$985,713.57
Fort Knox - CLIN 0038	7/21/2011	Basin 8 Improvements	\$403,000.00	\$30,799.44	\$372,200.56
Fort Knox - CLIN 0039	7/21/2011	Matthews LS & Force Main (2918)	\$675,000.00	\$52,370.47	
Fort Knox - CLIN 0039	7/21/2011	Chaffee Pump Station (2924)		\$23,748.05	\$598,881.48
Fort Knox - CLIN 0040	7/21/2011	Van Voorhis Area Improvements (2824)	\$1,200,000.00	\$30,830.76	\$1,169,169.24
Fort Knox - CLIN 0041	7/21/2011	Lift Station Generators	\$50,000.00	\$50,000.00	\$0.00
Fort Knox - CLIN 0042	7/21/2011	Godman Airfield Improvements (4914)	\$1,160,000.00	\$29,674.31	\$1,130,325.69

Updated 6/11/2012

Source

Date
Awarded

Title

Amount
Awarded

Amount Used

Amount
Remaining

Fort Knox - CLIN 0043

7/21/2011

Basin 3 Storm Water Improvements

\$250,000.00

\$7,515.97

\$242,484.03

Fort Knox - CLIN 0044

7/21/2011

Basin 4 Storm Water Improvements

\$125,000.00

\$7,610.76

\$117,389.24

Fort Knox - CLIN 0045

7/21/2011

Basin 5 Storm Water Improvements

\$200,000.00

\$182.70

\$199,817.30

Funding Totals

\$16,366,000.00

\$1,972,341.78

\$14,393,658.22

HARDIN COUNTY WATER DISTRICT NO. 1
As of June 30, 2012

YEAR to DATE

	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>
Total Operating Revenue	357,145.49	242,188.75	45,015.23	308,982.70	346,647.00	1,299,979.17	1,947,680.16	1,460,140.91	245,991.12	1,747,572.79	1,759,305.79	7,160,690.77
Total Operating Expenses	224,506.05	151,972.51	24,790.52	215,932.62	232,543.71	849,745.41	1,144,447.06	919,436.04	149,679.14	1,284,301.56	1,191,516.93	4,689,380.73
Less Depreciation & Amortization	(79,725.51)	(53,932.46)	(3,067.03)	(81,933.46)	(2,821.97)	(221,480.43)	(478,148.36)	(322,456.58)	(18,380.52)	(484,046.75)	(5,718.12)	(1,308,750.33)
Operating Income	52,913.93	36,283.78	17,157.68	11,116.62	111,281.32	228,753.33	325,084.74	218,248.29	77,931.46	(20,775.52)	562,070.74	1,162,559.71
Interest Income	3,080.77	1,015.95	366.35	1,838.66	286.68	6,588.41	18,753.46	7,158.54	2,744.66	13,831.72	1,998.75	44,487.13
Interest Expense	(24,917.50)	(93.91)	-	(7,173.32)	-	(32,184.73)	(146,665.55)	(571.65)	-	(44,832.13)	-	(192,069.33)
Net Unrealized Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Gain(Loss) on Investments	-	-	-	-	-	-	-	-	-	-	-	-
Gain(Loss) on Assets	(20.69)	-	-	(1,889.94)	-	(1,910.63)	1,412.35	-	-	-	-	-
Non-utility income	-	-	-	-	-	-	-	-	-	(67,100.73)	-	(65,688.38)
Income Before Contributed Capital	31,056.51	37,205.82	17,524.03	3,892.02	111,568.00	201,246.38	198,585.00	224,835.18	80,876.12	(118,976.66)	564,069.49	949,289.13
Government Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants	61,844.00	-	-	111,708.00	-	173,552.00	158,452.71	-	-	115,435.51	-	273,888.22
Misc Grants-HWY 1882	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants-HWY 144	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Louisville H2O Connector	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Constantine Road	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/I & I	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/Pump Stations	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/SI	-	-	-	-	-	-	-	-	-	46,068.53	-	46,068.53
Tap fees	7,067.50	-	-	150.00	-	7,217.50	-	-	-	68,943.55	-	68,943.55
Capital contributions	-	64,444.86	118,164.22	-	373,356.00	555,965.08	35,453.18	403,358.70	161,252.07	2,550.00	-	23,064.00
Change in Net Assets	99,968.01	101,650.68	135,688.25	115,750.02	484,924.00	937,980.96	413,004.89	628,193.88	241,928.19	115,994.13	2,997,296.70	4,396,417.79
Return on Assets (ROA)							0.807%	1.09%	3.65%	-0.47%	18.02%	1.13%

The contributed capital received this month is as follows: Ft Knox Sewer (\$64,445) was for VanVoorhis Collection System Improvements, Matthews LS & Force Main, Brooks Field Man Hole Rehab, Chaffee Pump Station & Basins 2, 6, 7 and 8 Improvements; FK Storm Water (\$118,164) was for the Godman Airfield Improvements and the P&L Railroad Crossing; FK Water (\$373,556) was for the ISDC Surcharge.

The Loss on Assets for Water this month is due to the Disposal of 2 5/8 x 3/4 Meters. The Loss on Assets for Radcliff is due to the Disposal of Meters and the WWTP Phone System.

Water: Compared to Last Year, Y-T-D sales change is as follows: Residential down (.07%), Commercial up (.38%), Multi-Family down (2.09%) and Wholesale down (.06%). Total Revenues Y-T-D are down (.21%). Purchased Water is up slightly due to drier, hotter weather conditions; Maint & Repair is up due to Patching of the Road after Service Repairs and adjustments to Distribution and Meter Inventory; Fuel & Transportation is up due purchasing tires for the trucks and equipment trailers; Advertising is up slightly due to the processing of the CCR Brochures.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$67,939 difference; This Year Compared to Last Year YTD = +\$106,744.

Radcliff: Compared to Last Year, Y-T-D sales change as follows: Residential down (.06%), Multi-Family down (.35%), Commercial Sales up (8.11%). Total Revenues are up .37%. No Unusual Operating Expenses to report for the month. Veolia Mgmt Fee is down slightly due to Capitalizing \$1,350 for the Redmar Force Main Project. Compared to Y-T-D Budget, Operating Expenses are under Budget by \$45,000.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$193,359 difference; This Year YTD Compared to Last Year YTD = - \$131,478.

Bad Debt Expense: Compared to last year Y-T-D, Radcliff is up approximately 7.62% & Water is up approximately 10.6%. Compared to Last Year, Bad Debt Recovered for Water is down approximately 27.4% and Radcliff is down approximately 32.9%.

Invested Funds Inventory
 HCWD1
 6/30/2012

<u>Name of Account</u>	<u>Rate</u>	<u>Balance</u>	<u>Mkt Val</u>	<u>Acc'd Inc</u>	<u>Earnings</u>	<u>Fees</u>	<u>R = Restrict</u>	<u>Current Investment</u>	<u>Invested By</u>	<u>Maturity</u>
Water Revenue/O&M	0.220%	267,024.30	267,024.30	0.00	72.13		U = Unrest	Cecilian Bank	Cecilian Bank	
Water Savings	0.240%	53,797.90	53,797.90	0.00	9.65		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Water Fund	0.150%	1,037.48	1,037.48	0.39	0.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-Water Fund	4.910%	252,216.67	252,216.67	101.78	1,006.65		U = Unrest	Cecilian Bank	Cecilian Bank	09/27/12
HCWD1 CD-Water Fund	1.490%	122,467.03	122,467.03	454.94	149.98		U = Unrest	FKFCU	FKFCU	12/04/12
HCWD1 CD-Water Fund	5.200%	383,510.29	383,510.29	183.91	1,620.02		U = Unrest	Lincoln National Bank	Lincoln National Bank	09/27/12
2002 Sinking Fund - Principal	0.000%	86,666.67	86,666.67				R = Restrict	Cecilian Bank	Cecilian Bank	
2002 Sinking Fund - Interest	0.000%	692.94	692.94				R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Depreciation Fund	0.180%	751,415.48	751,415.48	104.50	104.50		R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Debt Serv Res	0.180%	590,336.60	590,336.60	82.08	82.08		R = Restrict	First American Govt Oblig Fd	U S Bank	
2005 Sinking Fund	0.180%	282,941.72	282,941.72	35.63	35.63		R = Restrict	First American Govt Oblig Fd	U S Bank	
Subtotal Water Fund		<u>2,792,107.06</u>	<u>2,792,107.06</u>	<u>943.23</u>	<u>3,080.77</u>	<u>0.00</u>				
Ft. Knox Sewer Revenue/O&M	0.220%	361,808.71	361,808.71	0.00	74.75		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Sewer Savings	0.240%	1,618.78	1,618.78	0.00	0.30		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Ft. Knox Sewer Fund	0.150%	1,016.27	1,016.27	0.37	0.12		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Ft. Knox Sewer Money Market	0.74%	1,605,548.68	1,605,548.68		940.78		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Sewer Fund		<u>1,969,992.42</u>	<u>1,969,992.42</u>	<u>0.37</u>	<u>1,016.95</u>	<u>0.00</u>				
Ft. Knox Stormwater Revenue/O&M	0.22%	92,507.90	92,507.90	0.00	11.08		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Stormwater Money Market	0.74%	606,301.31	606,301.31		355.27		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Stormwater Fund		<u>698,809.21</u>	<u>698,809.21</u>	<u>0.00</u>	<u>366.35</u>	<u>0.00</u>				
Radcliff Sewer Revenue/O&M	0.220%	472,549.94	472,549.94	0.00	85.19		U = Unrest	Cecilian Bank	Cecilian Bank	
Rad Sewer Bus. Part. MM KIA Maint & Repl	0.740%	337,671.25	337,671.25		205.25		R = Restrict	Cecilian Bank	Cecilian Bank	
Radcliff Sewer Business Partner MM	0.740%	2,664,082.10	2,664,082.10		1,548.10		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Radcliff Sewer Fund	0.150%	1,016.27	1,016.27	0.37	0.12		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Subtotal Radcliff Sewer Fund		<u>3,475,319.56</u>	<u>3,475,319.56</u>	<u>0.37</u>	<u>1,838.66</u>	<u>0.00</u>				
Ft. Knox Water Revenue/O&M	0.22%	164,752.57	164,752.57	0.00	37.37	0.00	U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Water Money Market	0.74%	500,249.31	500,249.31		249.31		U = Unrest	Cecilian Bank	Cecilian Bank	
		<u>665,001.88</u>	<u>665,001.88</u>	<u>0.00</u>	<u>286.68</u>	<u>0.00</u>				
Total		9,601,230.13	9,601,230.13	943.97	6,588.41	0.00				

**HARDIN COUNTY WATER DISTRICT NO. 1 WATER
COMPARATIVE BALANCE SHEET
For the Six Months Ending Saturday, June 30, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$323,559.68	\$595,458.72	(\$271,899.04)
Investments - Less than 1 Year to...	758,193.99	724,405.92	33,788.07
Accounts Receivable - Net	458,537.03	454,674.10	3,862.93
Inventory - Materials & Supplies	282,017.19	279,306.30	2,710.89
Prepaid Expenses	81,179.34	79,579.78	1,599.56
Accrued Interest	943.23	490.64	452.59
Total Current Assets	1,904,430.46	2,133,915.46	(229,485.00)
Long Term Investments			
Restricted Assets - Reserve Funds	1,711,410.45	1,672,897.29	38,513.16
Total Long Term Investments	1,711,410.45	1,672,897.29	38,513.16
Property, Plant & Equipment			
Land	273,045.22	273,045.22	
Property, Plant & Lines	36,068,447.66	34,710,115.46	1,358,332.20
Equipment & Furniture	4,495,215.02	4,291,160.37	204,054.65
Construction in Progress	773,384.68	1,427,504.28	(654,119.60)
Total	41,610,092.58	40,701,825.33	908,267.25
Less: Accumulated Depreciation	(12,528,660.75)	(11,555,430.05)	(973,230.70)
Total Property, Plant & Equipment	29,081,431.83	29,146,395.28	(64,963.45)
TOTAL ASSETS	32,697,272.74	32,953,208.03	(255,935.29)
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	189,880.00	183,847.87	6,032.13
Accrued Expenses	171,630.15	506,616.89	(334,986.74)
Due To Other Funds	24,458.41	383,693.35	(359,234.94)
Customers' Deposits	178,150.00	169,498.00	8,652.00
Current Portion of Long Term Debt	370,000.00	330,000.00	40,000.00
Radcliff Collections Payable	129,044.96	113,479.19	15,565.77
State Encheatment - Reserve for...	5,693.08	7,375.58	(1,682.50)
Deferred Revenue	10,102.48	3,576.69	6,525.79
Total Current Liabilities	1,078,959.08	1,698,087.57	(619,128.49)
Long Term Debt			
Bonds Payable	8,785,000.00	9,285,000.00	(500,000.00)
Less: Unamortized Discount & Ex...	(170,504.64)	(186,052.68)	15,548.04
Total Long Term Debt	8,614,495.36	9,098,947.32	(484,451.96)
Other Liabilities			
Customer Advances for Constructi...	121,140.06	126,400.73	(5,260.67)
Total Liabilities	9,814,594.50	10,923,435.62	(1,108,841.12)
Net Assets			
Retained Earnings	8,067,737.80	10,568,814.95	(2,501,077.15)
Contributed Capital	14,401,935.55	11,145,262.54	3,256,673.01
Current Earnings	413,004.89	315,694.92	97,309.97
Total Net Assets	22,882,678.24	22,029,772.41	852,905.83
TOTAL LIABILITIES & NET ASSETS	32,697,272.74	32,953,208.03	(255,935.29)

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX SEWER
COMPARATIVE BALANCE SHEET
For the Six Months Ending Saturday, June 30, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$1,969,992.42	\$1,239,402.02	\$730,590.40
Accounts Receivable - Net	308,601.54	236,139.05	72,462.49
Inventory - Materials & Supplies	12,372.77	12,372.77	
Prepaid Expenses	10,076.10	58,914.22	(48,838.12)
Accrued Interest	0.37	0.62	(0.25)
Total Current Assets	<u>2,301,043.20</u>	<u>1,546,828.68</u>	<u>754,214.52</u>
Property, Plant & Equipment			
Plant & Lines	78,320,986.15	77,906,228.35	414,757.80
Equipment	1,121,187.85	1,042,324.13	78,863.72
Construction in Progress	1,087,098.72	448,623.04	638,475.68
Total	<u>80,529,272.72</u>	<u>79,397,175.52</u>	<u>1,132,097.20</u>
Less: Accumulated Depreciation	<u>(62,162,445.02)</u>	<u>(61,527,452.15)</u>	<u>(634,992.87)</u>
Total Property, Plant & Equipment	<u>18,366,827.70</u>	<u>17,869,723.37</u>	<u>497,104.33</u>
TOTAL ASSETS	<u>20,667,870.90</u>	<u>19,416,552.05</u>	<u>1,251,318.85</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	253,251.69	195,680.15	57,571.54
Accrued Expenses	2,843.68	17,835.00	(14,991.32)
Due To Other Funds	17,086.41	262.00	16,824.41
Total Current Liabilities	<u>273,181.78</u>	<u>213,777.15</u>	<u>59,404.63</u>
Net Assets			
Retained Earnings	702,793.06	711,794.21	(9,001.15)
Contributed Capital	19,063,702.18	18,198,181.72	865,520.46
Current Earnings	628,193.88	292,798.97	335,394.91
Total Net Assets	<u>20,394,689.12</u>	<u>19,202,774.90</u>	<u>1,191,914.22</u>
TOTAL LIABILITIES & NET ASSETS	<u>20,667,870.90</u>	<u>19,416,552.05</u>	<u>1,251,318.85</u>

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX STORM WATER
COMPARATIVE BALANCE SHEET
For the Six Months Ending Saturday, June 30, 2012

	<u>2012</u>	<u>2011</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash	\$698,809.21	\$586,691.34	\$112,117.87
Accounts Receivable - Net	163,179.45	38,840.00	124,339.45
Prepaid Expenses	431.76	22,755.83	(22,324.07)
Total Current Assets	<u>862,420.42</u>	<u>648,287.17</u>	<u>214,133.25</u>
Property, Plant & Equipment			
Storm Water Property	1,085,008.26	1,077,404.25	7,604.01
Treatment & Disposal Equipment	61,471.82	61,471.82	
Storm Water GIS	86,026.33	86,026.33	
Office Furniture & Equipment	1,844.09	1,796.49	47.60
Construction in Progress	228,145.74	970.00	227,175.74
Total	<u>1,462,496.24</u>	<u>1,227,668.89</u>	<u>234,827.35</u>
Less: Accumulated Depreciation	(112,301.99)	(75,582.96)	(36,719.03)
Total Property, Plant & Equipment	<u>1,350,194.25</u>	<u>1,152,085.93</u>	<u>198,108.32</u>
TOTAL ASSETS	<u>2,212,614.67</u>	<u>1,800,373.10</u>	<u>412,241.57</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	124,539.22	22,429.42	102,109.80
Accrued Expenses	475.50	567.00	(91.50)
Due To Other Funds	7,683.99	282.00	7,401.99
Total Current Liabilities	<u>132,698.71</u>	<u>23,278.42</u>	<u>109,420.29</u>
Net Assets			
Retained Earnings	1,402,991.22	1,270,969.26	132,021.96
Contributed Capital	434,996.55	434,996.55	
Current Earnings	241,928.19	71,128.87	170,799.32
Total Net Assets	<u>2,079,915.96</u>	<u>1,777,094.68</u>	<u>302,821.28</u>
TOTAL LIABILITIES & NET ASSETS	<u>2,212,614.67</u>	<u>1,800,373.10</u>	<u>412,241.57</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER
COMPARATIVE BALANCE SHEET
For the Six Months Ending Saturday, June 30, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$3,475,319.56	\$2,226,116.47	\$1,249,203.09
Accounts Receivable - Net	291,845.57	290,322.35	1,523.22
Due From Other Funds	103,610.43	384,237.35	(280,626.92)
Prepaid Expenses	45,555.35	330,215.64	(284,660.29)
Accrued Interest	0.37	518.55	(518.18)
Total Current Assets	3,916,331.28	3,231,410.36	684,920.92
Long Term Investments			
Restricted Assets - Reserve Funds		333,061.00	(333,061.00)
Total Long Term Investments		333,061.00	(333,061.00)
Property, Plant & Equipment			
Property, Plant & Lines	33,092,627.17	30,493,608.13	2,599,019.04
Equipment & Furniture	1,146,025.06	880,004.35	266,020.71
Construction in Progress	1,097,128.51	2,277,526.36	(1,180,397.85)
Total	35,335,780.74	33,651,138.84	1,684,641.90
Less: Accumulated Depreciation	(14,303,313.35)	(13,560,370.38)	(742,942.97)
Total Property, Plant & Equipment	21,032,467.39	20,090,768.46	941,698.93
Organizational Costs	206,652.66	215,752.98	(9,100.32)
TOTAL ASSETS	25,155,451.33	23,870,992.80	1,284,458.53
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	206,072.53	202,772.68	3,299.85
Customer Deposits	132,375.10	124,132.00	8,243.10
Contractor Deposits		8,542.59	(8,542.59)
Current Portion of Long Term Debt	135,443.51	130,439.72	5,003.79
Accrued Expenses	72,772.39	65,275.46	7,496.93
Total Current Liabilities	546,663.53	531,162.45	15,501.08
Long Term Debt			
Bonds Payable	1,840,720.99	2,109,082.57	(268,361.58)
Total Long Term Debt	1,840,720.99	2,109,082.57	(268,361.58)
Total Liabilities	2,387,384.52	2,640,245.02	(252,860.50)
Net Assets			
Retained Earnings	297,992.80	437,221.06	(139,228.26)
Contributed Capital	22,354,079.88	20,447,448.70	1,906,631.18
Current Earnings	115,994.13	346,078.02	(230,083.89)
Total Net Assets	22,768,066.81	21,230,747.78	1,537,319.03
TOTAL LIABILITIES & NET ASSETS	25,155,451.33	23,870,992.80	1,284,458.53

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX WATER
COMPARATIVE BALANCE SHEET
For the Six Months Ending Saturday, June 30, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$665,001.88		\$665,001.88
Accounts Receivable - Net	2,160,009.00		2,160,009.00
Inventory - Materials & Supplies	19,585.85		19,585.85
Prepaid Expenses	10,937.26		10,937.26
Total Current Assets	<u>2,855,533.99</u>		<u>2,855,533.99</u>
Long Term Investments			
Property, Plant & Equipment			
Equipment & Furniture	276,541.53		276,541.53
Construction in Progress	153,491.74		153,491.74
Total	<u>430,033.27</u>		<u>430,033.27</u>
Less: Accumulated Depreciation	(5,718.12)		(5,718.12)
Total Property, Plant & Equipment	<u>424,315.15</u>		<u>424,315.15</u>
Organizational Costs	<u>240,762.99</u>		<u>240,762.99</u>
TOTAL ASSETS	<u><u>3,520,612.13</u></u>		<u><u>3,520,612.13</u></u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	455,942.81		455,942.81
Accrued Expenses	12,991.00		12,991.00
Due To Other Funds	54,381.62		54,381.62
Total Current Liabilities	<u>523,315.43</u>		<u>523,315.43</u>
Long Term Debt			
Other Liabilities			
Total Liabilities	<u>523,315.43</u>		<u>523,315.43</u>
Net Assets			
Current Earnings	2,997,296.70		2,997,296.70
Total Net Assets	<u>2,997,296.70</u>		<u>2,997,296.70</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>3,520,612.13</u></u>		<u><u>3,520,612.13</u></u>

For Management Purposes Only

Hardin County Water District No. 1 Water Fund
Detail Comparative Income Statements
For the 6 Months Ended Saturday, June 30, 2012

	June	June Budget	June Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Customer Meter Charges	\$59,328.87	\$59,845.58	\$59,343.93	\$353,769.90	\$358,465.99	\$355,461.18
Residential Sales	170,888.79	170,234.13	167,634.44	919,740.58	934,641.09	920,367.92
Commercial Sales	26,025.70	15,348.00	24,561.13	134,785.82	83,905.31	134,272.18
Multi-Family Sales	15,334.77	22,513.71	13,823.17	91,385.39	152,010.69	93,332.88
Sales for Resale - Vine Grove	25,841.48	28,093.68	27,046.27	131,372.55	138,448.53	133,284.86
Sales for Resale - Meade County	34,575.36	28,754.11	27,991.49	175,989.69	179,012.78	174,264.97
Sewer Storm Water-Monthly Contract	722.58	1,010.49	716.89	4,322.22	6,053.29	4,294.50
Bad Debt Recovered	588.07	348.67	299.19	3,384.39	5,433.21	4,662.19
Penalties, Service Fees and Reimbursements	23,839.89	24,522.78	24,009.79	132,929.62	135,041.32	131,763.15
Total Operating Revenue	357,145.49	350,671.15	345,426.30	1,947,680.16	1,993,010.21	1,951,703.83
OPERATING EXPENSES						
Salaries & Benefits	107,364.02	41,959.94	65,722.57	646,674.47	669,522.30	725,530.91
Purchased Water	20,070.69	8,303.44	8,441.22	39,989.24	30,847.49	31,359.34
Utilities & Energy Expense	23,310.25	22,087.51	21,350.68	137,690.14	134,493.92	137,083.58
Chemicals	10,178.81	11,266.07	12,647.80	78,659.06	87,510.77	98,243.56
Materials & Supplies	4,401.64	1,866.83	2,155.27	13,713.08	12,477.99	12,796.44
Maintenance & Repairs	29,284.99	685.13	503.35	55,021.54	24,055.64	24,006.88
Storage Maintenance	153.53	298.48	283.21	1,191.39	1,771.45	1,680.80
Booster Station Expense	45.66	396.75	3,593.52	365.38	566.18	5,128.07
Small Tool Expenses	350.89	2,928.34	630.48	4,306.50	7,111.77	1,823.36
Accounting & Legal Services	1,163.62	2,787.96	3,227.51	7,506.53	12,260.78	13,428.14
Contractual Services	11,788.15	15,933.08	14,140.40	78,144.51	86,968.20	80,453.51
Laboratory Services		29.98	82.50	3,069.40	3,335.62	9,178.83
Lab Supplies		608.33		558.31	3,649.98	
Bac-T Supplies		366.67		3,584.58	2,200.02	
Utility Regulatory Fees	522.21	523.04	518.33	3,133.26	3,138.24	3,109.98
Amortized 2007-12 Rate Case	633.78	733.33	633.78	3,802.68	3,686.67	3,802.68
Fuel & Transportation Expense	10,930.71	3,819.57	3,138.91	37,084.04	26,683.69	23,035.88
Insurance Expense	3,537.63	3,575.00	2,808.40	21,226.13	21,450.00	15,466.20
Workers Comp/Unemployment Expense	1,668.23	2,043.01	1,693.80	10,148.13	12,258.26	10,162.74
Advertising Expense	4,252.83	1,490.27	349.96	8,329.57	5,673.54	1,332.32
Bad Debt Expense	2,855.44	1,797.82	1,876.85	16,782.11	14,536.24	15,175.23
Collection Expense	167.47	172.69	146.12	3,821.84	2,543.72	2,152.38
Phone Expense	1,385.17	2,235.61	2,127.71	8,312.19	9,945.34	9,458.58
Dues & Subscriptions	344.43	358.33	227.33	2,272.74	2,150.02	2,413.12
Postage & Mailing	120.78	202.48	162.95	2,108.57	1,969.44	1,584.97
Supplies Expense	130.95	1,014.36	911.28	1,895.69	3,362.16	3,020.50
Information Technology Expense	5,692.83	3,136.96	2,830.67	26,141.86	22,028.53	19,877.67
Commission Expense	182.00	159.10	126.00	1,052.88	991.50	785.21
Travel & Lodging	368.99	754.12	599.71	3,322.99	2,815.46	2,080.94
Certification & Education	262.50			6,739.32	8,658.13	5,354.39
Miscellaneous Expense	397.96	543.44	449.75	3,125.74	4,147.09	3,432.63
Customer Deposit Interest Expense	72.27	51.98	77.89	305.81	201.27	301.61
Cash Over & Short	2.36		(15.26)	34.08		18.88
Allocated FK Water G&A Expense	(17,132.74)	(17,132.73)		(85,663.70)	(85,663.65)	
TOTAL OPERATING EXPENSES	224,508.05	114,796.89	151,442.69	1,144,447.06	1,135,326.36	1,263,280.33
Operating Income Before Depreciation	132,639.44	235,874.26	193,983.61	803,233.10	857,683.85	688,423.50
Less Depreciation & Amortization	79,725.51	77,154.55	76,167.76	478,148.36	454,374.69	452,503.80
Operating Income	52,913.93	158,719.71	117,815.85	325,084.74	399,309.16	235,919.70
Non-Operating Income(Expense)						
Interest & Dividend Income	3,080.77	2,077.73	3,269.18	18,753.46	13,828.82	21,758.66
Interest Expense	(24,917.50)	(23,999.54)	(23,420.73)	(146,665.55)	(146,814.01)	(153,780.51)
Gain/(Loss) on Assets	(20.69)		(1,892.13)	1,412.35		(12,057.17)
Income Before Capital Contributions	31,056.51	136,797.50	95,772.15	158,585.00	266,523.97	91,840.63
Capital Contributions						
Misc Revenue - Grant	61,844.00		13,946.94	158,452.71		13,946.94
Misc Revenue - Grant - Hwy 1832						22,531.99
Misc Revenue - Grant - Hwy 144						12,011.57
Misc Revenue - Grant - LWC		41,666.67			249,999.98	
Misc Revenue - Grant - Constantine Rd		52,666.67			316,000.02	
Tap fees	7,067.59	11,547.00	3,231.39	29,514.60	28,947.59	33,329.89
Customer contributions			4,829.79	35,453.13		142,003.85
Change in Net Assets	\$9,968.01	242,673.21	124,230.27	413,004.89	971,471.96	315,694.92

For Management Purposes Only

**Hardin County Water District No. 1 - Fort Knox Sewer
Detail Comparative Income Statements
for the 6 Months Ended Saturday, June 30, 2012**

	June	June Budget	June Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Sanitary Sewer Revenue	\$235,239.00	\$233,921.91	\$230,057.00	\$1,411,434.00	\$1,403,531.46	\$1,380,342.00
Muldrough-Fixed Monthly Billing	402.24	402.25	402.24	2,413.44	2,413.50	2,413.44
Muldrough-Waste Water Flows	3,711.88	7,843.55	7,078.60	30,511.38	42,556.70	38,406.33
Reimbursement of HCWD Overhead	2,835.63	11,163.83		15,782.09	66,983.02	3,489.55
Total Operating Revenues	242,188.75	253,331.54	237,537.84	1,460,140.91	1,515,484.68	1,424,651.32
OPERATING EXPENSES						
Customer Service Labor	41.66	45.03	515.31	251.27	292.19	3,343.32
Administrative Labor	6,005.85	8,524.48	(5,019.71)	44,522.60	45,179.03	19,999.93
Internal Maintenance/Supervision			308.70			1,442.58
Information Technology Expense	621.61	170.17	150.97	1,751.52	1,194.94	1,060.13
Professional Services-Engineering			500.00			7,079.50
Professional Services-Accounting	612.48	524.17	472.50	3,120.80	3,145.02	2,835.00
Professional Services-Legal	237.49	302.17	237.49	1,424.94	1,812.98	1,424.94
Management Fee - Veolia	145,925.08	148,767.83	148,363.99	872,504.18	892,607.02	872,448.19
Contractual Services	76.52			459.12		
Insurance Expense	1,667.30	1,666.67	3,782.40	10,003.90	10,000.02	21,353.70
Regulatory Commission Expense	361.53	371.07	370.31	2,169.18	2,226.42	2,221.86
Transportation Fuel & Repairs	23.25	30.63	34.12	163.62	168.83	188.08
Office Supplies Expense	15.81	7.97	5.65	122.24	312.32	221.52
Utilities	132.62	261.43	296.00	1,130.10	1,213.03	1,373.45
Travel & Lodging	19.67	30.83	31.99	177.22	106.97	110.98
Education & Conferences	14.00			299.55	363.08	231.55
Certification & Training				247.60	1,000.00	44.00
Miscellaneous Expense					83.16	67.52
Allocated FK Water G&A Expense	(3,782.36)	(3,782.36)		(18,911.80)	(18,911.84)	
Total Operating Expenses	151,972.51	156,920.09	150,049.72	919,436.04	940,793.17	935,446.25
Operating Income Before Depreciation	90,216.24	96,411.45	87,488.12	540,704.87	574,691.51	489,205.07
Less Depreciation & Amortization	53,932.46	53,489.99	52,560.62	322,456.58	309,894.50	304,324.54
OPERATING INCOME	36,283.78	42,921.46	34,927.50	218,248.29	264,997.01	184,880.53
Non Operating Income/(Expense)						
Interest & Dividend Income	1,015.95	760.76	931.27	7,158.54	4,487.43	5,493.21
Interest Expense	(93.91)	(109.19)	(96.53)	(571.65)	(748.83)	(675.71)
Income Before Capital Contributions	37,205.82	43,573.03	35,760.24	224,835.18	268,735.61	189,698.03
Capital Contributions	64,444.86	253,723.25		403,358.70	1,522,339.50	103,100.94
Change In Net Assets	101,650.68	297,296.28	35,760.24	628,193.88	1,791,075.11	292,798.97

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
Detail Comparative Income Statements
For the 6 Months Ended Saturday, June 30, 2012

	June	June Budget	June Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Storm Water Revenue	\$39,816.00	\$39,567.43	\$38,840.00	\$238,896.00	\$237,404.58	\$233,040.00
Reimbursement of Overhead	5,199.23	4,699.92		7,095.12	28,199.48	
Total Operating Revenue	<u>45,015.23</u>	<u>44,267.35</u>	<u>38,840.00</u>	<u>245,991.12</u>	<u>265,604.06</u>	<u>233,040.00</u>
OPERATING EXPENSES						
Administrative Labor	1,859.61	2,337.76	(2,788.73)	13,807.75	14,026.54	11,111.04
Customer Service Labor	20.83	23.83		125.84	143.02	
Information Technology Expense	181.90	44.39	37.74	464.39	311.72	265.03
Professional Services - Engineer						200.00
Professional Services - Accounting	125.44	95.83	94.50	567.88	574.98	567.00
Professional Services - Legal	84.82	107.92	84.82	508.92	647.52	508.92
Management Fee - Veolia	23,284.92	23,415.33	22,429.42	137,697.45	140,492.02	134,576.52
Insurance Expense	143.92	141.67	142.19	863.50	850.02	840.98
Transportation Fuel & Repairs	5.81	41.67	8.53	40.91	249.98	39.43
Office Supplies Expense	3.96	4.32	1.41	30.59	398.31	130.38
Utilities	33.15	63.08	55.45	228.76	312.41	274.62
Travel & Lodging	4.93	45.63	8.00	44.32	223.27	27.75
Education & Conferences	3.50			48.48	140.02	50.33
Certification & Training				61.90	112.50	11.00
Allocated FK Water G&A Expense	(962.27)	(962.27)		(4,811.35)	(4,811.35)	
Total Operating Expenses	<u>24,790.52</u>	<u>25,358.16</u>	<u>20,073.33</u>	<u>149,679.14</u>	<u>153,670.96</u>	<u>148,603.00</u>
Operating Income Before Depreciation	20,224.71	18,908.19	18,766.67	96,311.98	111,933.10	84,437.00
Less Depreciation & Amortization	3,067.03	3,260.71	3,053.92	18,380.52	17,065.77	15,983.50
Operating Income	<u>17,157.68</u>	<u>15,647.48</u>	<u>15,712.75</u>	<u>77,931.46</u>	<u>94,867.33</u>	<u>68,453.50</u>
Non-Operating Income(Expenses)						
Interest & Dividend Income	366.35	431.85	456.24	2,744.68	2,532.33	2,675.37
Income Before Capital Contributions	<u>17,524.03</u>	<u>16,079.33</u>	<u>16,168.99</u>	<u>80,676.12</u>	<u>97,399.66</u>	<u>71,128.87</u>
Capital Contributions	118,164.22	106,815.75		161,252.07	640,894.50	
Change in Net Assets	<u>135,688.25</u>	<u>122,895.08</u>	<u>16,168.99</u>	<u>241,928.19</u>	<u>738,294.16</u>	<u>71,128.87</u>

For Management Purposes Only

Hardin County Water District No. 1 Radcliff Sewer Fund
Detail Comparative Income Statements
For the 6 Months Ended Saturday, June 30, 2012

	June	June Budget	June Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales	\$234,396.88	\$250,961.98	\$232,399.18	\$1,327,324.79	\$1,434,140.04	\$1,328,114.52
Commercial Sales	38,439.74	20,709.75	32,901.89	209,417.42	124,258.50	193,715.45
Multi-Family Sales	20,822.02	33,384.53	18,585.74	123,583.09	222,672.41	124,032.26
High Strength Surcharge		27.58	48.40	232.66	80.99	136.35
Discharge Permit Fees	27.78	599.39	552.78	691.68	749.99	691.68
Bad Debt Recovered	546.05	413.64	355.31	4,045.67	7,019.38	6,029.57
Penalties, Services Fees and Reimbursements	14,750.23	16,687.47	18,559.25	82,267.48	89,063.43	88,379.11
Total Operating Revenues	308,962.70	322,774.32	301,410.55	1,747,572.79	1,877,984.74	1,741,088.94
OPERATING EXPENSES						
Collection System Labor	8,160.72	8,408.41	3,206.64	43,892.45	47,860.37	18,252.09
Customer Service Labor	12,417.47	13,685.81	9,790.94	74,920.83	88,792.47	63,522.86
Administration Labor	7,643.74	8,889.62	(11,123.41)	57,180.28	58,021.69	44,640.55
Professional Services-Engineering		266.67			1,600.02	2,024.88
Professional Services-Accounting	614.17	614.17	567.00	3,685.18	3,685.02	3,402.00
Professional Services-Legal	390.16	496.42	390.16	2,340.96	2,978.48	2,340.96
Information Technology Expense	1,518.10	836.03	754.84	7,167.81	5,870.81	5,300.71
Management Fee - Veolia	177,110.13	167,209.24	163,852.30	1,033,347.43	1,044,379.99	1,023,412.70
Contractual Services	8,135.94	8,135.17	8,220.25	46,746.80	50,161.23	50,897.59
Insurance Expense	2,360.73	2,325.00	1,663.55	14,164.50	13,950.00	8,699.28
Transportation Fuel & Repairs	129.74			891.84		
Utility Regulatory Expense	455.26	456.99	452.60	2,731.56	2,741.92	2,715.60
Office Supplies	480.52	788.51	707.42	3,879.34	4,721.72	4,369.37
Utilities	874.82	905.00	1,351.46	5,864.50	6,926.05	10,342.87
Bad Debt Expense	2,951.78	2,984.11	2,945.47	19,949.72	18,780.11	18,536.92
Agency Collection Expense	162.53	211.12	189.08	1,590.24	2,387.24	2,138.04
Rent Expense	187.50	187.50	187.50	1,125.00	1,125.00	1,125.00
Investment Fees						1.23
Travel & Lodging	98.39	153.89	330.52	886.17	1,537.88	1,539.29
Certification & Training		83.33		1,238.00	499.98	1,480.24
Education & Conferences	70.00			743.25	3,268.55	3,618.85
Routine Maintenance Service	74.69	1,054.59	6,776.22	1,070.25	1,191.60	7,856.54
Miscellaneous Customer Expense	19.77	175.01	104.06	508.75	609.78	362.57
Miscellaneous Expense	53.13	58.03	30.00	53.13	817.21	437.55
Amortized Rate Case - Refills		1,175.00			7,050.00	
Current Deposit Interest Expense	53.23	63.17	56.07	473.07	566.29	502.66
All Other Water G&A Expense	(8,029.90)	(8,029.91)		(40,149.50)	(40,149.54)	
Total Operating Expenses	215,932.62	211,130.68	190,452.67	1,284,301.56	1,329,373.85	1,277,120.15
Operating Income Before Depreciation	93,050.08	111,643.64	110,957.88	463,271.23	548,610.89	463,978.79
Less Depreciation & Amortization	81,933.46	77,900.57	74,024.09	484,046.75	445,572.79	423,423.14
Operating Income	11,116.62	33,743.07	36,933.79	(20,775.52)	103,038.10	40,555.65
Non Operating Income/(Expense)						
Interest & Dividend Income	1,838.66	1,635.88	2,557.44	13,831.72	16,457.22	25,728.29
Gain/(Loss) on Assets	(1,889.94)		(665.87)	(67,100.73)		(1,674.66)
Interest Expense	(7,173.32)	(7,207.48)	(8,406.27)	(44,832.13)	(45,013.03)	(52,007.52)
Income Before Capital Contributions	3,892.02	28,171.47	30,419.09	(118,876.66)	74,482.29	12,601.76
Capital Contributions						
Misc Revenue - Grant	111,708.00			115,435.51		
Misc Revenue - Grant - I&I		72,918.67		48,068.53	437,499.98	199,146.98
Misc Revenue - Grant - Pump Stations		75,000.00		88,943.55	450,000.00	128,779.28
Tap Fees	150.00	1,163.79	1,350.00	2,550.00	4,784.47	5,550.00
Capital Contributions				1,873.20		
Change in Net Assets	115,750.02	177,251.93	31,769.09	115,994.13	966,766.74	346,078.02

For Management Purposes Only

Hardin County Water District No. 1 Fort Knox Water Fund
Detail Comparative Income Statements
For the 6 Months Ended Saturday, June 30, 2012

	June	June Budget	June Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Fort Knox Water Revenue	\$314,966.87	\$315,256.45		\$1,574,834.34	\$1,576,282.30	
Reimbursement of Overhead	31,680.13	29,907.27		184,471.45	149,536.35	
Total Operating Revenue	346,647.00	345,163.72		1,759,305.79	1,725,818.65	
OPERATING EXPENSES						
Salaries & Benefits	29,581.80	34,222.61		156,564.05	171,113.15	
Allocated Distribution Labor	19.10	23.18		83.41	115.90	
Allocated Customer Service Labor	59.89	78.00		300.88	390.00	
Allocated Maintenance Labor	112.37	141.27		512.53	706.35	
Allocated Admin Labor	3,948.16	6,230.80		24,023.73	31,154.08	
Allocated Commissioner Labor	826.68	873.45		4,274.78	4,367.30	
Materials & Supplies	1,391.49	1,368.00		5,226.39	6,840.00	
Bac-T Supplies		775.27			3,876.38	
Maintenance & Repairs	2,786.69	5,622.73		21,697.55	28,113.69	
Storage Maintenance		454.55			2,272.75	
Booster Station Expense		454.55			2,272.75	
Small Tool Expenses		136.38		3,597.77	681.84	
Accounting & Legal Services	345.35	272.73		1,742.51	1,363.66	
Management Fee - LWC	143,130.33	143,130.45		713,575.33	715,652.25	
Contractual Services	1,165.51	854.00		12,204.79	4,289.98	
Utility Regulatory Fees		1,159.09			5,795.48	
Amortized Acquisition Expense	12,286.76	10,167.73		81,433.80	50,838.62	
Fuel & Transportation Expense	1,940.79	287.45		10,088.09	1,437.30	
Insurance Expense	3,674.28	3,380.91		19,452.46	16,954.54	
Workers Comp/Unemployment Expense	280.31	587.00		1,401.55	2,935.00	
Advertising Expense		136.38			881.84	
Phone Expense	424.22	109.10		2,770.18	545.46	
Postage & Mailing		45.45		8.79	227.30	
Safety Expense	98.73			1,319.71		
Information Technology Expense	405.00			405.00		
Travel & Lodging		227.27			1,136.35	
Certification & Education	159.00	252.88		819.90	1,264.10	
Miscellaneous Expense		227.27		677.38	1,136.38	
Allocated FK Water G&A Expense	29,907.27	29,907.27		149,536.35	149,536.35	
TOTAL OPERATING EXPENSES	232,543.71	241,136.71		1,191,516.93	1,205,678.77	
Operating Income Before Depreciation	114,103.29	104,028.01		567,788.86	520,139.88	
Less Depreciation & Amortization	2,821.97	4,545.45		5,718.12	22,727.30	
Operating Income	111,281.32	99,482.56		562,070.74	497,412.58	
Non-Operating Income (Expense)						
Interest & Dividend Income	286.68	227.27		1,998.75	1,136.35	
Income Before Capital Contributions	111,568.00	99,709.83		564,069.49	498,548.93	
Capital Contributions						
Capital Contributions	373,356.00	420,883.55		2,433,227.21	2,104,417.75	
Change in Net Assets	484,924.00	520,593.38		2,997,296.70	2,602,966.68	

For Management Purposes Only

Hardin County Water District No. 1 - Water Fund
Statement of Cash Flow
For the 6 Months Ended Saturday, June 30, 2012

	June	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$99,968.01	\$413,004.89
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	84,533.96	492,520.48
Accounts Receivable	14,609.47	(1,842.73)
Accrued Interest	5,306.20	52.52
Due From/To Other Funds	(141,012.17)	(261,035.09)
Inventory	25,542.47	1,701.48
Prepaid Expense	(13,330.49)	(14,514.92)
Radcliff Collections Payable	1,783.28	7,945.75
Customer Deposits	1,333.00	15,483.00
Deferred Revenue	(1,462.52)	9,459.98
Reserve for Uncashed Checks		430.65
Accounts Payable & Accrued Expenses	(94,097.12)	(57,181.22)
Total Adjustments	(116,793.92)	193,019.90
Net Cash Provided by Operations	(16,825.91)	606,024.79
Cash Flows from Investing Activities Used For:		
Other Investment & Interest	(8,044.83)	(16,797.47)
Advances for Construction		(5,260.67)
Construction in Progress	(15,643.01)	(201,671.87)
Land & Buildings		
Supply Mains, Lines, Meters & Connections	(8,571.86)	(54,258.84)
Furniture & Equipment		(29,854.15)
Net Cash Used in Investing	(32,259.70)	(307,843.00)
Cash Flows From Financing Activities:		
Restricted Bond Funds	(63,624.64)	(125,316.76)
Bond Payments		(130,000.00)
Unamortized Bond Discount/Premium	1,295.67	7,774.02
Line of Credit - Cecilian Bank		(32,682.99)
Net Cash Used in Financing	(62,328.97)	(280,225.73)
Net Increase/(Decrease) in Cash	(111,414.58)	17,956.06
Summary:		
Cash at End of Period	323,559.68	323,559.68
Cash at Beginning of Period	434,974.26	305,603.62
Net Increase/(Decrease) in Cash	(111,414.58)	17,956.06

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Statement of Cash Flow
For the 6 Months Ended Saturday, June 30, 2012

	June	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$101,650.68	\$628,193.88
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	53,555.78	320,182.71
Accounts Receivable	143,917.67	(52,871.02)
Due From/To Other Funds	(715,592.06)	32,157.15
Prepaid Expense	(8,047.27)	(2,904.92)
Accrued Interest	0.55	0.27
Inventory		
Accounts Payable & Accrued Expenses	(26,516.49)	80,491.98
Total Adjustments	(552,681.82)	377,056.17
Net Cash Provided by Operations	(451,031.14)	1,005,250.05
Cash Flows from Investing Activities Used For:		
Construction in Progress	(106,581.06)	(361,600.29)
Plant & Lines	(5,000.00)	(234,973.32)
Furniture & Equipment		(13,598.65)
Net Cash Used in Investing	(111,581.06)	(610,172.26)
Cash Flows From Financing Activities:		
Intra-Fund Loan		
Net Cash Used in Financing		
Net Increase/(Decrease) in Cash	(562,612.20)	395,077.79
Summary:		
Cash at End of Period	1,969,992.42	1,969,992.42
Cash at Beginning of Period	2,532,604.62	1,574,914.63
Net Increase/(Decrease) in Cash	(562,612.20)	395,077.79

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
Statement of Cash Flow
For the 6 Months Ended Saturday, June 30, 2012

	June	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$135,688.25	\$241,928.19
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	3,067.03	18,380.52
Accounts Receivable	(117,725.85)	(123,363.45)
Due From/To Other Funds	5,488.99	16,748.43
Prepaid Expense	(287.84)	(0.02)
Accounts Payable & Accrued Expenses	99,507.12	76,072.17
Total Adjustments	(9,950.55)	(12,162.35)
Net Cash Provided by Operations	125,737.70	229,765.84
Cash Flows from Investing Activities Used For:		
Construction in Progress	(116,088.79)	(210,410.26)
GIS Structures		(3,082.32)
Net Cash Used in Investing	(116,088.79)	(213,492.58)
Cash Flows From Financing Activities:		
Intra-Fund Loan		
Net Cash Used in Financing		
Net Increase/(Decrease) in Cash	9,648.91	16,273.26
Summary:		
Cash at End of Period	698,809.21	698,809.21
Cash at Beginning of Period	689,160.30	682,535.95
Net Increase/(Decrease) in Cash	9,648.91	16,273.26

For Management Purposes Only

Hardin County Water District No. 1 - Radcliff Sewer
Statement of Cash Flow
For the 6 Months Ended Saturday, June 30, 2012

	June	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$115,750.02	\$115,994.13
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	73,744.29	371,829.70
Accounts Receivable	(333.20)	(12,063.20)
Due From/To Other Funds	125,560.37	157,747.89
Prepaid Expense	(10,676.86)	(2,741.48)
Accrued Interest	(0.12)	521.57
Customer Deposits	1,083.00	8,161.10
Accounts Payable & Accrued Expenses	39,474.11	(30,733.68)
Total Adjustments	<u>228,851.59</u>	<u>492,721.90</u>
Net Cash Provided by Operations	<u>344,601.61</u>	<u>608,716.03</u>
Cash Flows from Investing Activities Used For:		
Investment & Interest		335,230.42
Construction in Progress	(120,350.32)	511,648.30
Plant & Lines	(20,333.94)	(521,129.81)
Furniture & Equipment	(429.56)	(4,305.32)
Transportation Equipment	(37,373.84)	(165,410.10)
Net Cash Used in Investing	<u>(178,487.66)</u>	<u>156,033.49</u>
Cash Flows From Financing Activities:		
Bond Payments		(132,918.07)
Organizational Costs	758.36	4,550.16
Net Cash Used in Financing	<u>758.36</u>	<u>(128,367.91)</u>
Net Increase/(Decrease) in Cash	<u>166,872.31</u>	<u>636,381.61</u>
Summary:		
Cash at End of Period	3,475,319.56	3,475,319.56
Cash at Beginning of Period	<u>3,308,447.25</u>	<u>2,838,937.95</u>
Net Increase/(Decrease) in Cash	<u>166,872.31</u>	<u>636,381.61</u>

Hardin County Water District No. 1 - Fort Knox Water Fund
Statement of Cash Flow
For the 6 Months Ended Saturday, June 30, 2012

	June	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$484,924.00	\$2,997,296.70
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	2,821.97	5,718.12
Accounts Receivable	(720,003.00)	(2,160,009.00)
Accrued Interest		
Due From/To Other Funds	725,554.87	54,381.62
Inventory	(669.52)	(19,585.85)
Prepaid Expense	(6,518.24)	(10,937.26)
Accounts Payable & Accrued Expenses	147,319.89	468,933.81
Total Adjustments	148,505.97	(1,661,498.56)
Net Cash Provided by Operations	633,429.97	1,335,798.14
Cash Flows from Investing Activities Used For:		
Other Investment & Interest		
Construction in Progress	(25,681.89)	(153,491.74)
Land & Buildings		
Supply Mains, Lines, Meters & Connections		
Furniture & Equipment		(276,541.53)
Net Cash Used in Investing	(25,681.89)	(430,033.27)
Cash Flows From Financing Activities:		
Acquisition Costs	2,907.83	(240,762.99)
Net Cash Used in Financing	2,907.83	(240,762.99)
Net Increase/(Decrease) in Cash	610,655.91	665,001.88
Summary:		
Cash at End of Period	665,001.88	665,001.88
Cash at Beginning of Period	54,345.97	
Net Increase/(Decrease) in Cash	610,655.91	665,001.88

For Management Purposes Only

Hardin County Water District No. 1

Accounts Receivable Report

Date: 7/12/2012 10:03:00 AM
 User Name: Charlene

Account	Unbilled						Total Balance
	Balance	< 30	30-59	60-89	90-119	120+	
115057940	281.59	0.00	0.00	0.00	0.00	0.00	281.59
116024980	305.78	489.65	0.00	0.00	0.00	0.00	795.43
118041400	32.07	24.88	0.00	0.00	0.00	0.00	56.95
118051810	14.18	13.70	0.00	0.00	0.00	0.00	27.88
118072100	13.70	13.70	0.00	0.00	0.00	0.00	27.40
118075020	28.80	40.32	0.00	0.00	0.00	0.00	68.92
120023030	168.56	179.45	0.00	0.00	0.00	0.00	348.01
120030760	8.45	8.45	0.00	0.00	0.00	0.00	16.90
121002210	92.79	108.16	0.00	0.00	0.00	0.00	200.95
121002700	40.89	0.00	0.00	0.00	0.00	0.00	40.89
121013060	533.39	555.50	0.00	0.00	0.00	0.00	1,088.89
122075400	32.73	35.70	35.78	36.69	35.74	0.00	681.16
207018300	0.00	33.22	0.00	0.00	0.00	484.52	33.22
207018800	0.00	26.49	26.58	27.48	26.80	0.00	469.64
310005300	0.00	1,045.51	1,707.09	101.85	0.00	362.29	2,854.45
310010300	0.00	(7.30)	0.00	0.00	0.00	0.00	(7.30)
Grand Total	1,552.53	2,566.93	1,789.45	166.02	62.54	0.00	(0.50)

Detail By Group/Income Center

BALANCE = *18,463.66
 UNBILLED 8,964.28
 LEGAL <1,552.53>
 COLLECTIONS 12,757.46
 ADJUST 214.80
 2.35

Group/Income Center	Unbilled Balance						Balance
	Balance	< 30	30-59	60-89	90-119	120+	
Service / Water Taxable	500.89	771.59	582.96	1.76	0.00	27.82	1,885.02
Service / Water Franchise Fee	19.17	28.21	18.25	19.46	0.53	8.08	93.70
Service / School Tax	19.94	28.74	18.25	0.59	0.53	8.08	76.13
Service / Water State Tax	41.03	59.15	37.57	1.18	1.08	16.53	156.54
Service / Customer Charge	163.15	163.15	25.10	25.10	17.57	240.96	635.03
Service / Sewer	741.60	1,181.85	854.72	34.22	34.22	439.17	3,285.78
Service / Sewer Franchise Fee	22.24	35.51	25.83	27.28	1.02	13.09	124.75
Service / Sewer State Tax	44.51	71.09	51.29	51.27	2.08	26.44	246.66
Service / Unsprinkled Cash	0.00	(7.80)	0.00	0.00	0.00	0.00	(7.80)
Penalty	0.00	235.44	155.68	5.18	5.53	66.64	468.47
Grand Total	1,552.53	2,566.93	1,789.45	166.02	62.54	846.81	8,964.28

Mobile Home Park Monthly Update

30-Jun-12

To date (18 months), we have billed \$115,439 for Master Meters. \$96,976 (84%) has been paid to date leaving an Uncollected Balance of \$18,464 (16%) of the 23 accounts. Two accounts have triggered the First & Second Warning Letters. One account has triggered the First Warning Letter. One account has been turned over to Legal (\$12,758) while another has been turned over to the Collection Agency (\$295). A third account is nearing the limit for Legal action (\$2,855).

HARDIN COUNTY WATER DIST NO. 1
AVAILABLE FUNDING
June 30, 2012

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
KIA WX21093020 Grant	3/14/2007	KIA - Constantine Road Grant	\$1,000,000.00	\$111,925.00	\$888,075.00
KY EBDG for BRAC Grant	1/12/2010	Radcliff WW Pump Station Upgrades	\$2,250,000.00	\$481,144.81	\$1,768,855.19
KY EBDG for BRAC Grant	9/16/2011	Radcliff WW System Improvements Project	\$2,500,000.00	\$708,148.04	\$1,791,851.96
KY EBDG for BRAC Grant	11/10/2011	Louisville Water-Fort Knox Interconnect Pr	\$4,500,000.00	\$0.00	\$4,500,000.00
Fort Knox - CLIN 0033	7/21/2011	WWTP Improvements (2910)	\$415,000.00	\$228,568.24	\$186,431.76
Fort Knox - CLIN 0034	7/21/2011	Brooks Field Phase III Improvements (2923)	\$100,000.00	\$85,811.42	\$14,188.58
Fort Knox - CLIN 0035	7/21/2011	Basin 2 Improvements	\$406,000.00	\$37,383.60	\$368,616.40
Fort Knox - CLIN 0036	7/21/2011	Basin 6 Improvements	\$107,000.00	\$71,951.62	\$35,048.38
Fort Knox - CLIN 0037	7/21/2011	Dietz Lift Station (2704)	\$1,025,000.00	\$48,444.75	\$976,555.25
Fort Knox - CLIN 0038	7/21/2011	Basin 8 Improvements	\$403,000.00	\$35,683.52	\$367,316.48
Fort Knox - CLIN 0039	7/21/2011	Matthews LS & Force Main (2918)	\$675,000.00	\$54,174.51	\$576,438.84
Fort Knox - CLIN 0039	7/21/2011	Chaffee Pump Station (2924)		\$44,386.65	
Fort Knox - CLIN 0040	7/21/2011	Van Voorhis Area Improvements (2824)	\$1,200,000.00	\$46,482.01	\$1,153,517.99
Fort Knox - CLIN 0041	7/21/2011	Lift Station Generators	\$50,000.00	\$50,000.00	\$0.00
Fort Knox - CLIN 0042	7/21/2011	Godman Airfield Improvements (4914)	\$1,160,000.00	\$52,775.50	\$1,107,224.50



Source

Date
Awarded


Title

Amount
Awarded

Amount Used


Amount
Remaining

Fort Knox - CLIN 0043

7/21/2011

Basin 3 Storm Water Improvements

\$250,000.00

\$7,515.97

\$242,484.03

Fort Knox - CLIN 0044

7/21/2011

Basin 4 Storm Water Improvements

\$125,000.00

\$114,248.02

\$10,751.98

Fort Knox - CLIN 0045

7/21/2011

Basin 5 Storm Water Improvements

\$200,000.00

\$182.70

\$199,817.30

Funding Totals

\$16,366,000.00

\$2,178,826.36

\$14,187,173.64



Invested Funds Inventory
 HCWD1
 7/31/2012

Name of Account	Rate	Balance	Mkt Val	Acc'd Inc	Earnings	Fees	R = Restrict	Current Investment	Invested By	Maturity
Water Revenue/O&M	0.200%	263,321.88	263,321.88	0.00	57.51		U = Unrest	Cecilian Bank	Cecilian Bank	
Water Savings	0.240%	53,797.90	53,797.90	10.98	10.98		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Water Fund	0.150%	1,037.87	1,037.87	0.13	0.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-Water Fund	4.910%	252,216.67	252,216.67	1,153.55	1,051.77		U = Unrest	Cecilian Bank	Cecilian Bank	09/27/12
HCWD1 CD-Water Fund	1.490%	122,921.97	122,921.97	155.55	155.55		U = Unrest	FKFCU	FKFCU	12/04/12
HCWD1 CD-Water Fund	5.200%	383,510.29	383,510.29	1,857.65	1,693.74		U = Unrest	Lincoln National Bank	Lincoln National Bank	09/27/12
2002 Sinking Fund - Principal	0.000%	108,333.34	108,333.34				R = Restrict	Cecilian Bank	Cecilian Bank	
2002 Sinking Fund - Interest	0.000%	581.05	581.05				R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Depreciation Fund	0.170%	751,519.96	751,519.96	111.10	111.10		R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Debt Serv Rec	0.170%	590,999.68	590,999.68	87.37	87.37		R = Restrict	First American Govt Oblig Fd	U S Bank	
2005 Sinking Fund	0.170%	324,066.42	324,066.42	43.93	43.93		R = Restrict	First American Govt Oblig Fd	U S Bank	
Subtotal Water Fund		2,862,307.03	2,862,307.03	3,420.24	3,212.08	0.00				
Ft. Knox Sewer Revenue/O&M	0.200%	185,362.42	185,362.42	0.00	71.76		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Sewer Savings	0.240%	1,618.78	1,618.78	0.32	0.32		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Ft. Knox Sewer Fund	0.150%	1,016.65	1,016.65	0.12	0.12		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Ft. Knox Sewer Money Market	0.70%	1,606,533.98	1,606,533.98		985.32		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Sewer Fund		1,794,631.83	1,794,631.83	0.44	1,067.52	0.00				
Ft. Knox Stormwater Revenue/O&M	0.20%	50,178.61	50,178.61	0.00	13.76		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Stormwater Money Market	0.70%	606,673.40	606,673.40		372.09		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Stormwater Fund		656,852.01	656,852.01	0.00	385.85	0.00				
Radcliff Sewer Revenue/O&M	0.200%	356,225.25	356,225.25	0.00	97.67		U = Unrest	Cecilian Bank	Cecilian Bank	
Rad Sewer Bus. Part. MM KIA Maint & Repr	0.700%	337,872.00	337,872.00		200.75		R = Restrict	Cecilian Bank	Cecilian Bank	
Radcliff Sewer Business Partner MM	0.700%	2,914,003.50	2,914,003.50		1,874.75		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Radcliff Sewer Fund	0.150%	1,016.65	1,016.65	0.12	0.12		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Subtotal Radcliff Sewer Fund		3,609,117.40	3,609,117.40	0.12	1,973.29	0.00				
Ft. Knox Water Revenue/O&M	0.20%	462,609.49	462,609.49	0.00	35.80	0.00	U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Water Money Market	0.70%	1,750,398.06	1,750,398.06		398.06		U = Unrest	Cecilian Bank	Cecilian Bank	
		2,213,007.55	2,213,007.55	0.00	433.86	0.00				
Total		11,126,815.82	11,126,815.82	3,420.80	7,062.38	0.00				

**HARDIN COUNTY WATER DISTRICT NO. 1 WATER
COMPARATIVE BALANCE SHEET
For the Seven Months Ending Tuesday, July 31, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$323,957.65	\$510,467.99	(\$186,510.34)
Investments - Less than 1 Year to...	758,648.93	724,405.92	34,243.01
Accounts Receivable - Net	481,032.83	456,918.47	24,114.36
Due From Other Funds	27,848.74		27,848.74
Inventory - Materials & Supplies	285,552.55	277,163.02	8,389.53
Prepaid Expenses	69,014.70	75,896.74	(6,882.04)
Accrued Interest	3,420.24	3,587.52	(167.28)
Total Current Assets	<u>1,949,475.64</u>	<u>2,048,439.66</u>	<u>(98,964.02)</u>
Long Term Investments			
Restricted Assets - Reserve Funds	1,774,919.40	1,733,896.18	41,023.22
Total Long Term Investments	<u>1,774,919.40</u>	<u>1,733,896.18</u>	<u>41,023.22</u>
Property, Plant & Equipment			
Land	273,045.22	273,045.22	
Property, Plant & Lines	36,099,410.94	34,716,545.44	1,382,865.50
Equipment & Furniture	4,508,338.67	4,291,160.37	217,178.30
Construction in Progress	796,012.25	1,550,828.98	(754,816.73)
Total	<u>41,676,807.08</u>	<u>40,831,580.01</u>	<u>845,227.07</u>
Less: Accumulated Depreciation	(12,610,349.74)	(11,633,501.88)	(976,847.86)
Total Property, Plant & Equipment	<u>29,066,457.34</u>	<u>29,198,078.13</u>	<u>(131,620.79)</u>
TOTAL ASSETS	<u>32,790,852.38</u>	<u>32,980,413.97</u>	<u>(189,561.59)</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	180,313.03	210,134.61	(29,821.58)
Accrued Expenses	207,187.15	484,968.65	(277,781.50)
Due To Other Funds		351,062.24	(351,062.24)
Customers' Deposits	177,575.00	169,642.00	7,933.00
Current Portion of Long Term Debt	370,000.00	330,000.00	40,000.00
Radcliff Collections Payable	133,053.99	111,762.38	21,291.61
State Encheatment - Reserve for...	6,721.22	7,308.62	(587.40)
Deferred Revenue	3,890.00	3,546.50	343.50
Total Current Liabilities	<u>1,078,740.39</u>	<u>1,668,425.00</u>	<u>(589,684.61)</u>
Long Term Debt			
Bonds Payable	8,785,000.00	9,285,000.00	(500,000.00)
Less: Unamortized Discount & Ex...	(169,208.97)	(184,757.01)	15,548.04
Total Long Term Debt	<u>8,615,791.03</u>	<u>9,100,242.99</u>	<u>(484,451.96)</u>
Other Liabilities			
Customer Advances for Constructi...	121,140.06	126,400.73	(5,260.67)
Total Liabilities	<u>9,815,671.48</u>	<u>10,895,068.72</u>	<u>(1,079,397.24)</u>
Net Assets			
Retained Earnings	8,067,737.80	10,568,814.95	(2,501,077.15)
Contributed Capital	14,401,935.55	11,145,262.54	3,256,673.01
Current Earnings	505,507.55	371,267.76	134,239.79
Total Net Assets	<u>22,975,180.90</u>	<u>22,085,345.25</u>	<u>889,835.65</u>
TOTAL LIABILITIES & NET ASSETS	<u>32,790,852.38</u>	<u>32,980,413.97</u>	<u>(189,561.59)</u>

For Management Purposas Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX SEWER
COMPARATIVE BALANCE SHEET
For the Seven Months Ending Tuesday, July 31, 2012**

	<u>2012</u>	<u>2011</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash	\$1,794,531.83	\$1,274,114.74	\$520,417.09
Accounts Receivable - Net	606,124.11	244,896.21	361,227.90
Inventory - Materials & Supplies	12,372.77	12,372.77	
Prepaid Expenses	7,985.95	59,544.94	(51,558.99)
Accrued Interest	0.44	0.56	(0.12)
Total Current Assets	<u>2,421,015.10</u>	<u>1,590,929.22</u>	<u>830,085.88</u>
Property, Plant & Equipment			
Plant & Lines	78,327,628.05	77,906,228.35	421,399.70
Equipment	1,196,196.46	1,046,864.61	149,331.85
Construction in Progress	1,083,505.33	576,815.68	506,689.65
Total	<u>80,607,329.84</u>	<u>79,529,908.64</u>	<u>1,077,421.20</u>
Less: Accumulated Depreciation	(62,215,999.99)	(61,579,682.20)	(636,317.79)
Total Property, Plant & Equipment	<u>18,391,329.85</u>	<u>17,950,226.44</u>	<u>441,103.41</u>
TOTAL ASSETS	<u><u>20,812,344.95</u></u>	<u><u>19,541,155.66</u></u>	<u><u>1,271,189.29</u></u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	306,423.37	233,911.37	72,512.00
Accrued Expenses	3,317.60	20,807.50	(17,489.90)
Due To Other Funds	15,388.59	48,126.37	(32,737.78)
Total Current Liabilities	<u>325,129.56</u>	<u>302,845.24</u>	<u>22,284.32</u>
Net Assets			
Retained Earnings	702,793.06	711,794.21	(9,001.15)
Contributed Capital	19,063,702.18	18,198,181.72	865,520.46
Current Earnings	720,720.15	328,334.49	392,385.66
Total Net Assets	<u>20,487,215.39</u>	<u>19,238,310.42</u>	<u>1,248,904.97</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>20,812,344.95</u></u>	<u><u>19,541,155.66</u></u>	<u><u>1,271,189.29</u></u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX STORM WATER
COMPARATIVE BALANCE SHEET
For the Seven Months Ending Tuesday, July 31, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$656,852.01	\$563,927.89	\$92,924.12
Accounts Receivable - Net	251,330.34	38,840.00	212,490.34
Due From Other Funds		38,492.10	(38,492.10)
Prepaid Expenses	287.84	20,948.86	(20,661.02)
Total Current Assets	<u>908,470.19</u>	<u>662,208.85</u>	<u>246,261.34</u>
Property, Plant & Equipment			
Storm Water Property	1,132,688.44	1,077,404.25	55,284.19
Treatment & Disposal Equipment	61,945.87	61,471.82	474.05
Storm Water GIS	86,026.33	86,026.33	
Office Furniture & Equipment	1,844.09	1,796.49	47.60
Construction in Progress	226,487.32	3,047.86	223,439.46
Total	<u>1,508,992.05</u>	<u>1,229,746.75</u>	<u>279,245.30</u>
Less: Accumulated Depreciation	(115,368.85)	(78,636.78)	(36,732.07)
Total Property, Plant & Equipment	<u>1,393,623.20</u>	<u>1,151,109.97</u>	<u>242,513.23</u>
TOTAL ASSETS	<u>2,302,093.39</u>	<u>1,813,318.82</u>	<u>488,774.57</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	158,625.67	24,159.38	134,466.29
Accrued Expenses	554.75	661.50	(106.75)
Due To Other Funds	2,079.49		2,079.49
Total Current Liabilities	<u>161,259.91</u>	<u>24,820.88</u>	<u>136,439.03</u>
Net Assets			
Retained Earnings	1,402,991.22	1,270,969.26	132,021.96
Contributed Capital	434,996.55	434,996.55	
Current Earnings	302,845.71	82,532.13	220,313.58
Total Net Assets	<u>2,140,833.48</u>	<u>1,788,497.94</u>	<u>352,335.54</u>
TOTAL LIABILITIES & NET ASSETS	<u>2,302,093.39</u>	<u>1,813,318.82</u>	<u>488,774.57</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER
COMPARATIVE BALANCE SHEET
For the Seven Months Ending Tuesday, July 31, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$3,609,117.40	\$2,072,729.89	\$1,536,387.51
Accounts Receivable - Net	306,851.18	449,211.97	(142,360.79)
Due From Other Funds	31,109.13	360,696.51	(329,587.38)
Prepaid Expenses	52,016.06	290,335.76	(238,319.70)
Accrued Interest	0.12	883.06	(882.94)
Total Current Assets	<u>3,999,093.89</u>	<u>3,173,857.19</u>	<u>825,236.70</u>
Long Term Investments			
Restricted Assets - Reserve Funds		333,061.00	(333,061.00)
Total Long Term Investments		<u>333,061.00</u>	<u>(333,061.00)</u>
Property, Plant & Equipment			
Property, Plant & Lines	33,097,539.97	30,516,794.57	2,580,745.40
Equipment & Furniture	1,136,292.45	880,004.35	256,288.10
Construction in Progress	1,098,789.71	2,639,206.07	(1,540,416.36)
Total	<u>35,332,622.13</u>	<u>34,036,004.99</u>	<u>1,296,617.14</u>
Less: Accumulated Depreciation	(14,356,326.31)	(13,628,203.79)	(728,122.52)
Total Property, Plant & Equipment	<u>20,976,295.82</u>	<u>20,407,801.20</u>	<u>568,494.62</u>
Organizational Costs	<u>205,894.30</u>	<u>214,994.62</u>	<u>(9,100.32)</u>
TOTAL ASSETS	<u>25,181,284.01</u>	<u>24,129,714.01</u>	<u>1,051,570.00</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	185,550.53	189,820.78	(4,270.25)
Customer Deposits	131,798.10	124,256.00	7,542.10
Contractor Deposits		8,542.59	(8,542.59)
Current Portion of Long Term Debt	135,443.51	130,439.72	5,003.79
Accrued Expenses	97,690.44	83,139.48	14,550.96
Total Current Liabilities	<u>550,482.58</u>	<u>536,198.57</u>	<u>14,284.01</u>
Long Term Debt			
Bonds Payable	<u>1,840,720.99</u>	<u>2,109,082.57</u>	<u>(268,361.58)</u>
Total Long Term Debt	<u>1,840,720.99</u>	<u>2,109,082.57</u>	<u>(268,361.58)</u>
Total Liabilities	<u>2,391,203.57</u>	<u>2,645,281.14</u>	<u>(254,077.57)</u>
Net Assets			
Retained Earnings	297,992.80	437,221.06	(139,228.26)
Contributed Capital	22,354,079.88	20,447,448.70	1,906,631.18
Current Earnings	138,007.76	599,763.11	(461,755.35)
Total Net Assets	<u>22,790,080.44</u>	<u>21,484,432.87</u>	<u>1,305,647.57</u>
TOTAL LIABILITIES & NET ASSETS	<u>25,181,284.01</u>	<u>24,129,714.01</u>	<u>1,051,570.00</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX WATER
COMPARATIVE BALANCE SHEET
For the Seven Months Ending Tuesday, July 31, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$2,213,007.55		\$2,213,007.55
Accounts Receivable - Net	724,872.46		724,872.46
Inventory - Materials & Supplies	21,449.10		21,449.10
Prepaid Expenses	7,406.11		7,406.11
Total Current Assets	2,966,735.22		2,966,735.22
Long Term Investments			
Property, Plant & Equipment			
Property, Plant & Lines	7,842.86		7,842.86
Equipment & Furniture	284,718.61		284,718.61
Construction in Progress	209,765.96		209,765.96
Total	502,327.43		502,327.43
Less: Accumulated Depreciation	(8,540.11)		(8,540.11)
Total Property, Plant & Equipment	493,787.32		493,787.32
Organizational Costs	235,308.16		235,308.16
TOTAL ASSETS	3,695,830.70		3,695,830.70
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	155,706.90		155,706.90
Accrued Expenses	15,305.87		15,305.87
Due To Other Funds	41,489.79		41,489.79
Total Current Liabilities	212,502.56		212,502.56
Long Term Debt			
Other Liabilities			
Total Liabilities	212,502.56		212,502.56
Net Assets			
Current Earnings	3,483,328.14		3,483,328.14
Total Net Assets	3,483,328.14		3,483,328.14
TOTAL LIABILITIES & NET ASSETS	3,695,830.70		3,695,830.70

For Management Purposes Only

**Hardin County Water District No. 1 Water Fund
Detail Comparative Income Statements
For the 7 Months Ended Tuesday, July 31, 2012**

	July	July Budget	July Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Customer Meter Charges	\$60,107.72	\$59,648.15	\$59,148.15	\$413,877.82	\$418,114.14	\$414,609.33
Residential Sales	188,623.66	172,101.10	169,472.89	1,108,364.24	1,108,742.19	1,089,840.81
Commercial Sales	30,186.45	17,247.75	27,601.27	164,984.27	101,153.06	161,873.45
Multi-Family Sales	14,961.33	23,136.31	14,205.44	106,346.72	175,147.00	107,538.32
Sales for Resale - Vine Grove	30,755.52	24,377.79	23,468.92	162,128.07	162,824.32	156,753.78
Sales for Resale - District 2	1,767.88			1,767.88		
Sales for Resale - Meade County	33,565.40	33,038.18	32,161.93	209,555.09	212,050.96	206,428.90
Sewer Storm Water-Monthly Contract	2,341.50	1,013.79	719.23	6,663.72	7,067.08	5,013.73
Bad Debt Recovered	380.18	1,014.11	870.20	3,764.57	6,447.32	5,532.39
Penalties, Service Fees and Reimbursements	23,843.97	26,191.75	25,684.59	156,773.59	161,233.07	157,447.74
Total Operating Revenue	366,546.61	357,768.93	353,332.62	2,334,225.77	2,350,779.14	2,305,036.45
OPERATING EXPENSES						
Salaries & Benefits	108,585.94	114,734.86	123,823.09	755,260.41	784,257.16	849,354.00
Purchased Water	32,134.17	15,249.87	15,502.91	72,123.41	46,097.36	46,862.25
Utilities & Energy Expense	22,141.10	21,617.58	14,636.45	159,831.24	156,111.50	151,720.03
Chemicals	8,245.37	18,620.92	20,904.69	86,904.43	106,131.69	119,148.25
Materials & Supplies	1,130.96	1,718.87	2,126.40	14,844.04	14,196.68	14,922.84
Maintenance & Repairs	1,515.88	415.21	383.62	56,537.42	24,470.85	24,390.50
Storage Maintenance	179.50	158.96	150.83	1,370.89	1,830.41	1,831.63
Booster Station Expense	244.66	6.15	55.69	610.04	572.33	5,183.76
Small Tool Expenses	1,044.15	1,318.98	365.62	5,349.65	8,430.75	2,188.98
Accounting & Legal Services	1,941.77	1,262.55	1,249.37	9,448.30	13,523.33	14,677.51
Contractual Services	12,164.06	13,535.84	12,654.85	90,308.57	100,502.04	93,108.36
Laboratory Services	7,825.28	306.80	844.25	10,894.68	3,642.42	10,023.08
Lab Supplies	485.96	608.33		1,042.29	4,258.31	
Bac-T Supplies	976.26	366.63		4,560.84	2,566.65	
Utility Regulatory Fees	573.85	526.96	522.24	3,707.11	3,665.20	3,632.22
Amortized 2007-12 Rate Case	633.78	733.33	633.78	4,436.46	4,400.00	4,436.46
Fuel & Transportation Expense	4,056.55	5,070.18	4,368.33	41,140.59	31,753.87	27,404.21
Insurance Expense	3,356.87	3,575.00	2,832.93	24,583.00	25,025.00	18,299.13
Workers Comp/Unemployment Expense	(248.99)	2,262.69	1,816.82	9,899.14	14,520.95	11,979.56
Advertising Expense	375.53			8,705.10	5,873.54	1,332.32
Bad Debt Expense	2,064.69	1,389.57	1,450.65	18,846.80	15,925.81	16,625.88
Collection Expense	130.92	1,274.42	1,078.35	3,952.76	3,818.14	3,230.73
Phone Expense	1,352.17	527.40	504.47	9,664.36	10,472.74	9,964.05
Duplicate Subscriptions	202.02	358.33	320.93	2,474.76	2,568.35	2,734.05
Postage & Mailing	491.36	182.05	146.51	2,599.95	2,151.49	1,731.48
Software Expense	202.65	296.29	296.18	2,098.34	3,658.45	3,286.68
Information Technology Expense	4,378.48	2,868.12	2,588.08	30,520.34	24,896.65	22,465.75
Commission Expense	933.37	356.09	282.00	1,986.25	1,347.59	1,067.21
Travel & Lodging	1,344.01	738.67	587.42	4,687.00	3,354.13	2,688.36
Certification & Education	2,980.62	962.09	828.75	9,719.94	7,820.22	6,183.14
Miscellaneous Expense	278.07	1,239.26	1,025.61	3,403.81	5,386.95	4,458.24
Customer Deposit Interest Expense	61.25	40.72	61.01	367.06	241.99	362.62
Cash Over & Short	1.10		(0.08)	35.18		18.80
Allocated FK Water G&A Expense	(17,132.74)	(17,132.73)		(102,796.44)	(102,796.38)	
TOTAL OPERATING EXPENSES	204,650.66	195,189.99	212,011.75	1,349,697.72	1,330,516.36	1,475,292.08
Operating Income Before Depreciation	181,894.95	162,578.94	141,320.87	985,128.05	1,020,262.79	829,744.37
Less Depreciation & Amortization	79,735.32	77,683.55	76,691.43	557,883.68	536,058.24	529,195.23
Operating Income	102,159.63	84,895.39	64,629.44	427,244.37	484,204.55	300,549.14
Non-Operating Income(Expense)						
Interest & Dividend Income	3,212.06	2,158.24	3,395.83	21,965.52	15,987.06	25,154.49
Interest Expense	(24,256.51)	(23,855.19)	(25,464.15)	(170,922.08)	(170,469.20)	(179,244.66)
Gain/(Loss) on Assets			(1,942.30)	1,412.35		(13,999.47)
Income Before Capital Contributions	81,115.18	63,198.44	40,618.82	279,700.18	329,722.41	132,459.50
Capital Contributions						
Misc Revenue - Grant				158,452.71		13,948.94
Misc Revenue - Grant - Hwy 1832						22,531.99
Misc Revenue - Grant - Hwy 144						12,011.57
Misc Revenue - Grant - LW/C		41,666.87			291,566.85	
Misc Revenue - Grant - Consteline P/d		52,666.87			368,666.89	
Tap fees	11,387.43	7,999.02	8,345.19	31,901.43	46,947.01	40,175.08
Customer contributions			8,108.33	35,453.13		150,142.68
Change in Net Assets	92,502.65	165,530.80	55,572.84	505,507.55	1,037,002.76	371,267.76

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Detail Comparative Income Statements
For the 7 Months Ended Tuesday, July 31, 2012

	July	July Budget	July Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Sanitary Sewer Revenue	\$236,529.37	\$233,919.87	\$230,055.00	\$1,847,963.37	\$1,637,451.33	\$1,610,397.00
Muldrough-Fixed Monthly Billing	402.24	402.25	402.24	2,815.88	2,815.75	2,815.88
Muldrough-Waste Water Flows	3,681.25	6,722.30	6,066.70	34,192.63	49,279.00	44,473.03
Reimbursement of HCWD Overhead	2,331.29	11,163.83	30.80	18,113.38	78,146.85	3,520.35
Total Operating Revenues	<u>242,944.15</u>	<u>252,208.25</u>	<u>236,554.74</u>	<u>1,703,085.06</u>	<u>1,767,692.93</u>	<u>1,661,206.06</u>
OPERATING EXPENSES						
Customer Service Labor	47.35	50.95	582.96	298.62	343.14	3,926.28
Administrative Labor	7,146.18	8,110.84	3,590.52	51,668.78	53,289.87	23,590.45
Internal Maintenance/Supervision			154.34			1,596.92
Information Technology Expense	233.51	155.58	138.03	1,985.03	1,350.52	1,198.16
Professional Services-Engineering			500.00			7,579.50
Professional Services-Accounting	473.92	524.17	472.50	3,594.72	3,669.19	3,307.50
Professional Services-Legal	237.49	302.17	237.49	1,662.43	2,115.15	1,662.43
Management Fee - Veolia	145,116.13	148,767.83	139,758.60	1,017,620.31	1,041,374.85	1,012,206.79
Contractual Services	76.52			535.84		
Insurance Expense	1,667.30	1,688.67	3,815.60	11,671.20	11,666.69	25,169.30
Regulatory Commission Expense	422.85	362.27	361.53	2,582.03	2,588.69	2,583.39
Transportation Fuel & Repairs	32.55	23.97	26.70	196.17	192.80	214.78
Office Supplies Expense	23.02	10.52	7.48	145.26	322.84	229.00
Utilities	105.03	146.52	165.90	1,235.13	1,359.55	1,539.35
Travel & Lodging	71.89	30.20	31.33	248.91	137.17	142.31
Education & Conferences	120.80	69.31	44.20	420.15	432.39	275.75
Certification & Training	38.36			285.98	1,000.00	44.00
Miscellaneous Expense		58.31	47.34		141.47	114.86
Allocated FK Water G&A Expense	<u>(3,782.36)</u>	<u>(3,782.36)</u>		<u>(22,694.16)</u>	<u>(22,694.20)</u>	
Total Operating Expenses	<u>152,030.14</u>	<u>156,496.95</u>	<u>149,934.52</u>	<u>1,071,466.18</u>	<u>1,097,290.12</u>	<u>1,085,380.77</u>
Operating Income Before Depreciation	90,914.01	95,711.30	86,620.22	631,618.88	670,402.81	575,825.29
Less Depreciation & Amortization	53,931.64	53,544.84	52,610.18	376,388.22	363,239.34	356,934.72
OPERATING INCOME	<u>36,982.37</u>	<u>42,166.46</u>	<u>34,010.04</u>	<u>255,230.66</u>	<u>307,163.47</u>	<u>218,890.57</u>
Non Operating Income/(Expense)						
Interest & Dividend Income	1,057.53	751.01	919.34	8,216.07	5,238.44	6,412.55
Interest Expense	(92.05)	(104.02)	(93.86)	(663.70)	(852.85)	(769.57)
Income Before Capital Contributions	<u>37,947.85</u>	<u>42,813.45</u>	<u>34,835.52</u>	<u>262,783.03</u>	<u>311,549.06</u>	<u>224,533.55</u>
Capital Contributions	54,578.42	253,723.25	700.00	457,937.12	1,776,062.75	103,800.94
Change in Net Assets	<u>92,526.27</u>	<u>296,536.70</u>	<u>35,535.52</u>	<u>720,720.15</u>	<u>2,087,611.81</u>	<u>328,334.49</u>

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
 Detail Comparative Income Statements
 For the 7 Months Ended Tuesday, July 31, 2012

	July	July Budget	July Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Storm Water Revenue	\$39,816.00	\$39,567.43	\$38,840.00	\$278,712.00	\$276,972.01	\$271,880.00
Reimbursement of Overhead	1,583.96	4,699.92		8,679.08	32,899.40	
Total Operating Revenue	41,399.96	44,267.35	38,840.00	287,391.08	309,871.41	271,880.00
OPERATING EXPENSES						
Administrative Labor	2,215.91	2,518.16	1,994.74	16,023.66	16,544.70	13,105.78
Customer Service Labor	23.67	23.83		149.31	166.85	
Information Technology Expense	58.37	40.59	34.51	522.76	352.31	299.54
Professional Services - Engineer						200.00
Professional Services - Accounting	79.25	95.87	94.50	647.13	670.85	661.50
Professional Services - Legal	84.82	107.92	84.82	593.74	755.44	593.74
Management Fee - Veolia	22,810.87	23,415.33	22,429.42	160,508.32	163,907.35	157,005.94
Insurance Expense	143.92	141.67	143.53	1,007.42	991.69	984.51
Transportation Fuel & Repairs	8.14	41.67	6.68	49.05	291.65	46.11
Office Supplies Expense	5.75	5.71	1.87	36.34	404.02	132.25
Utilities	26.26	32.11	26.23	255.02	344.52	302.85
Travel & Lodging	17.93	40.05	7.83	62.25	263.32	35.58
Education & Conferences	30.15	30.74	11.05	78.63	170.76	61.38
Certification & Training	9.59			71.49	112.50	11.00
Allocated FK Water G&A Expense	(962.27)	(962.27)		(5,773.62)	(5,773.62)	
Total Operating Expenses	24,552.36	25,531.38	24,837.18	174,231.50	179,202.34	173,440.18
Operating Income Before Depreciation	16,847.60	18,735.97	14,002.82	113,159.58	130,669.07	98,439.82
Less Depreciation & Amortization	3,066.86	3,260.60	3,053.82	21,447.38	20,326.37	19,037.32
Operating Income	13,780.74	15,475.37	10,949.00	91,712.20	110,342.70	79,402.50
Non-Operating Income(Expenses)						
Interest & Dividend Income	385.85	429.97	454.26	3,130.51	2,962.30	3,129.63
Income Before Capital Contributions	14,166.59	15,905.34	11,403.26	94,842.71	113,305.00	82,532.13
Capital Contributions	46,750.93	106,815.75		208,003.00	747,710.25	
Change in Net Assets	60,917.52	122,721.09	11,403.26	302,845.71	861,015.25	82,532.13

For Management Purposes Only

Hardin County Water District No. 1 Radcliff Sewer Fund
 Detail Comparative Income Statements
 For the 7 Months Ended Tuesday, July 31, 2012

	July	July Budget	July Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales						
Commercial Sales	\$248,852.37	\$248,749.15	\$230,359.20	\$1,575,977.16	\$1,682,889.19	\$1,558,473.72
Multi-Family Sales	40,884.29	20,709.75	34,116.10	250,301.71	144,968.25	227,831.55
High Strength Surcharge	20,304.19	34,063.64	18,974.02	143,897.28	256,736.05	143,006.28
Discharge Permit Fees				232.68	80.99	136.35
Bad Debt Recovered	27.78	30.12	27.78	719.46	780.11	719.46
Penalties, Services Fees and Reimbursements	398.65	1,061.69	911.98	4,444.32	8,081.07	6,941.55
Total Operating Revenues	<u>325,597.97</u>	<u>322,552.35</u>	<u>302,189.26</u>	<u>2,073,170.76</u>	<u>2,200,537.09</u>	<u>2,043,288.20</u>
OPERATING EXPENSES						
Collection System Labor	7,347.75	7,231.94	2,757.98	51,240.20	55,092.31	21,010.07
Customer Service Labor	14,112.74	15,482.48	11,078.29	89,033.57	104,274.95	74,599.15
Administration Labor	9,242.15	10,462.29	8,049.44	66,422.43	68,483.98	52,689.99
Professional Services-Engineering		268.67			1,866.69	2,024.88
Professional Services-Accounting	614.17	614.17	567.00	4,299.35	4,299.19	3,969.00
Professional Services-Legal	390.16	496.42	390.16	2,731.12	3,474.90	2,731.12
Information Technology Expense	1,167.60	764.39	690.16	8,335.41	6,635.20	5,990.87
Management Fee - Veolia	185,766.57	163,657.16	160,371.53	1,219,114.00	1,208,037.15	1,183,784.23
Contractual Services	7,752.24	8,493.88	8,578.61	54,499.04	58,655.11	59,276.20
Insurance Expense	2,506.30	2,325.00	1,676.75	16,670.80	16,275.00	10,376.03
Transportation Fuel & Repairs	162.79			1,054.63		
Utility Regulatory Expense	513.50	458.68	455.26	3,245.08	3,201.60	3,170.86
Office Supplies	489.33	577.05	522.77	4,368.87	5,298.77	4,892.14
Utilities	775.50	536.74	801.53	6,640.00	7,462.79	11,144.40
Bad Debt Expense	3,014.21	2,111.59	2,084.25	22,963.93	20,891.70	20,621.17
Agency Collection Expense	132.30	438.19	392.45	1,722.54	2,825.43	2,530.49
Rent Expense	187.50	187.50	187.50	1,312.50	1,312.50	1,312.50
Investment Fees						1.23
Travel & Lodging	358.41	369.70	390.06	1,244.58	1,927.56	1,929.35
Certification & Training	191.80	63.33		1,429.80	563.31	1,480.24
Education & Conferences	603.02	199.82	221.00	1,346.27	3,468.17	3,839.65
Routine Maintenance Service	89.38	15.61	100.33	1,159.63	1,207.21	7,758.87
Miscellaneous Customer Expense	9.56			518.31	609.76	362.57
Miscellaneous Expense		115.68	61.94	53.13	932.89	499.49
Amortized Rate Case - Refunds		1,175.00			8,225.00	
Current Deposit Interest Expense	45.96	49.11	43.59	519.03	615.40	546.25
AFWK Water G&A Expense	<u>(8,029.90)</u>	<u>(8,029.91)</u>		<u>(48,179.40)</u>	<u>(48,179.45)</u>	
Total Operating Expenses	<u>227,443.04</u>	<u>208,103.29</u>	<u>199,418.60</u>	<u>1,511,744.60</u>	<u>1,537,477.14</u>	<u>1,476,538.75</u>
Operating Income Before Depreciation	<u>98,154.93</u>	<u>114,449.06</u>	<u>102,770.66</u>	<u>561,426.16</u>	<u>663,059.95</u>	<u>566,749.45</u>
Less Depreciation & Amortization	<u>82,545.32</u>	<u>78,151.69</u>	<u>74,268.09</u>	<u>566,592.07</u>	<u>523,724.48</u>	<u>497,691.23</u>
Operating Income	<u>15,609.61</u>	<u>36,297.37</u>	<u>28,502.57</u>	<u>(5,165.91)</u>	<u>139,335.47</u>	<u>69,058.22</u>
Non Operating Income/(Expense)						
Interest & Dividend Income	1,973.30					
Gain/(Loss) on Assets	4,100.00	1,441.26	2,253.19	15,805.02	17,898.48	27,981.48
Interest Expense	<u>(7,074.28)</u>	<u>(7,198.83)</u>	<u>(8,412.06)</u>	<u>(63,000.73)</u>	<u>(51,906.41)</u>	<u>(3,398.98)</u>
Income Before Capital Contributions	<u>14,608.63</u>	<u>30,539.80</u>	<u>20,621.38</u>	<u>(104,268.03)</u>	<u>105,022.09</u>	<u>33,223.14</u>
Capital Contributions						
Misc Revenue - Grant				115,435.51		
Misc Revenue - Grant - I&I						199,146.98
Misc Revenue - Grant - Pump Stations	3,230.00	72,916.67	232,763.71	49,298.53	510,416.65	361,542.99
Misc Revenue - Grant - SI	4,025.00	75,000.00		72,968.55	525,000.00	
Tap Fees	150.00	258.63	300.00	2,700.00	5,043.10	5,850.00
Capital Contributions				<u>1,873.20</u>		
Change in Net Assets	<u>22,013.63</u>	<u>178,715.10</u>	<u>253,685.09</u>	<u>138,007.76</u>	<u>1,145,481.84</u>	<u>599,763.11</u>

For Management Purposes Only

Hardin County Water District No. 1 Fort Knox Water Fund
Detail Comparative Income Statements
For the 7 Months Ended Tuesday, July 31, 2012

	July	July Budget	July Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Fort Knox Water Revenue	\$314,966.87	\$315,256.45		\$1,889,801.21	\$1,891,538.75	
Reimbursement of Overhead	31,680.13	29,907.27		216,151.58	179,443.62	
Total Operating Revenue	346,647.00	345,163.72		2,106,952.79	2,070,982.37	
OPERATING EXPENSES						
Salaries & Benefits	31,973.84	34,222.63		188,537.89	205,335.78	
Allocated Distribution Labor	17.20	23.18		100.61	139.08	
Allocated Customer Service Labor	68.06	78.00		368.94	468.00	
Allocated Maintenance Labor	90.67	141.30		803.20	847.65	
Allocated Admin Labor	4,917.80	6,230.82		28,941.53	37,384.90	
Allocated Commissioner Labor	828.90	873.45		5,103.68	5,240.75	
Materials & Supplies	502.15	1,368.00		5,728.54	8,208.00	
Rec-T Supplies	581.26	775.27		581.26	4,851.65	
Maintenance & Repairs	599.06	5,622.73		22,296.61	33,736.42	
Storage Maintenance		454.55			2,727.30	
Booster Station Expense		454.55			2,727.30	
Small Tool Expenses	1,087.69	136.36		4,685.46	819.20	
Accounting & Legal Services	350.10	272.73		2,092.61	1,636.38	
Management Fee - LWC	143,130.33	143,130.45		856,705.66	858,782.70	
Contractual Services	1,890.86	854.00		14,095.65	5,123.98	
Utility Regulatory Fees		1,159.09			6,954.55	
Amortized Acquisition Expense	12,286.76	10,167.73		73,720.56	61,008.35	
Fuel & Transportation Expense	1,415.62	287.45		11,503.71	1,724.75	
Insurance Expense	3,112.28	3,390.91		22,564.74	20,345.45	
Workers Comp/Unemployment Expense	3,426.73	587.00		4,828.28	3,522.00	
Advertising Expense		136.36			818.20	
Phone Expense	177.31	109.09		2,947.49	854.55	
Postage & Mailing	110.00	45.45		118.79	272.75	
Safety Expense	45.32			1,365.03		
Information Technology Expense				405.00		
Travel & Lodging		227.30			1,363.65	
Certification & Education	280.74	252.81		900.64	1,516.91	
Miscellaneous Expense	119.57	227.27		796.95	1,363.65	
Allocated FK Water G&A Expense	29,907.27	29,907.27		179,443.62	179,443.62	
TOTAL OPERATING EXPENSES	236,899.52	241,136.75		1,428,416.45	1,446,814.52	
Operating Income Before Depreciation	109,747.48	104,027.97		677,536.34	624,167.85	
Less: Depreciation & Amortization	2,821.99	4,545.46		8,540.11	27,272.75	
Operating Income	106,925.49	99,482.52		668,996.23	596,895.10	
Non-Operating Income (Expense)						
Interest & Dividend Income	1,133.66	227.27		3,132.41	1,363.62	
Gain/(Loss) on Assets	(253.17)			(253.17)		
Income Before Capital Contributions	107,805.98	99,709.79		671,875.47	598,258.72	
Capital Contributions						
Tap Fees	4,869.46			4,869.46		
Capital Contributions	373,366.00	420,883.55		2,806,583.21	2,525,301.30	
Change in Net Assets	486,031.44	520,593.34		3,483,328.14	3,123,560.02	

For Management Purposes Only

Hardin County Water District No. 1 - Water Fund
Statement of Cash Flow
For the 7 Months Ended Tuesday, July 31, 2012

	July	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$92,502.66	\$505,507.55
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	81,688.99	574,209.47
Accounts Receivable	(22,495.80)	(24,338.53)
Accrued Interest	(2,477.01)	(2,424.49)
Due From/To Other Funds	(52,307.15)	(313,342.24)
Inventory	(3,535.36)	(1,833.88)
Prepaid Expense	12,164.64	(2,350.28)
Radcliff Collections Payable	4,009.03	11,954.78
Customer Deposits	(575.00)	14,908.00
Deferred Revenue	(6,212.48)	3,247.50
Reserve for Uncashed Checks	1,028.14	1,458.79
Accounts Payable & Accrued Expenses	25,990.03	(31,191.19)
Total Adjustments	37,278.03	230,297.93
Net Cash Provided by Operations	129,780.69	735,805.48
Cash Flows from Investing Activities Used For:		
Other Investment & Interest	(454.94)	(17,252.41)
Advances for Construction		(5,260.67)
Construction in Progress	(22,627.57)	(224,299.44)
Land & Buildings		
Supply Mains, Lines, Meters & Connections	(30,963.28)	(85,222.12)
Furniture & Equipment	(13,123.65)	(42,977.80)
Net Cash Used in Investing	(67,169.44)	(375,012.44)
Cash Flows From Financing Activities:		
Restricted Bond Funds	(63,508.95)	(188,825.71)
Bond Payments		(130,000.00)
Unamortized Bond Discount/Premium	1,295.67	9,069.69
Line of Credit - Cecilian Bank		(32,682.99)
Net Cash Used in Financing	(62,213.28)	(342,439.01)
Net Increase/(Decrease) in Cash	397.97	18,354.03
Summary:		
Cash at End of Period	323,957.65	323,957.65
Cash at Beginning of Period	323,559.68	305,603.62
Net Increase/(Decrease) in Cash	397.97	18,354.03

For Management Purposes Only

**Hardin County Water District No. 1 - Fort Knox Sewer
Statement of Cash Flow
For the 7 Months Ended Tuesday, July 31, 2012**

	July	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$92,526.27	\$720,720.15
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	53,554.97	373,737.68
Accounts Receivable	(297,522.57)	(350,393.59)
Due From/To Other Funds	(1,697.82)	30,459.33
Prepaid Expense	2,090.15	(814.77)
Accrued Interest	(0.07)	0.20
Inventory		
Accounts Payable & Accrued Expenses	53,645.60	134,137.58
Total Adjustments	(189,929.74)	187,126.43
Net Cash Provided by Operations	(97,403.47)	907,846.58
Cash Flows from Investing Activities Used For:		
Construction in Progress	3,593.39	(358,006.90)
Plant & Lines	(6,641.90)	(241,615.22)
Furniture & Equipment	(75,008.61)	(88,607.26)
Net Cash Used in Investing	(78,057.12)	(688,229.38)
Cash Flows From Financing Activities:		
Intra-Fund Loan		
Net Cash Used in Financing	_____	_____
Net Increase/(Decrease) in Cash	(175,460.59)	219,617.20
Summary:		
Cash at End of Period	1,794,531.83	1,794,531.83
Cash at Beginning of Period	1,969,992.42	1,574,914.63
Net Increase/(Decrease) in Cash	(175,460.59)	219,617.20

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
Statement of Cash Flow
For the 7 Months Ended Tuesday, July 31, 2012

	July	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$60,917.52	\$302,845.71
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	3,066.86	21,447.38
Accounts Receivable	(88,150.89)	(211,514.34)
Due From/To Other Funds	(5,604.50)	11,143.93
Prepaid Expense	143.92	143.90
Accounts Payable & Accrued Expenses	34,165.70	110,237.87
Total Adjustments	(56,378.91)	(68,541.26)
Net Cash Provided by Operations	4,538.61	234,304.45
Cash Flows from Investing Activities Used For:		
Construction in Progress	1,658.42	(208,751.84)
GIS Structures	(48,154.23)	(51,236.55)
Net Cash Used in Investing	(46,495.81)	(259,988.39)
Cash Flows From Financing Activities:		
Intra-Fund Loan	_____	_____
Net Cash Used in Financing	_____	_____
Net Increase/(Decrease) in Cash	(41,957.20)	(25,683.94)
Summary:		
Cash at End of Period	656,852.01	656,852.01
Cash at Beginning of Period	698,809.21	682,535.95
Net Increase/(Decrease) in Cash	(41,957.20)	(25,683.94)

For Management Purposes Only

Hardin County Water District No. 1 - Radcliff Sewer
Statement of Cash Flow
For the 7 Months Ended Tuesday, July 31, 2012

	July	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$22,013.63	\$138,007.76
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	53,012.96	424,842.66
Accounts Receivable	(15,005.61)	(27,068.81)
Due From/To Other Funds	72,501.30	230,249.19
Prepaid Expense	(6,460.71)	(9,202.19)
Accrued Interest	0.25	521.82
Customer Deposits	(577.00)	7,584.10
Accounts Payable & Accrued Expenses	4,396.05	(26,337.63)
Total Adjustments	107,867.24	600,589.14
Net Cash Provided by Operations	129,880.87	738,596.90
Cash Flows from Investing Activities Used For:		
Investment & Interest		335,230.42
Construction in Progress	(1,661.20)	509,987.10
Plant & Lines	(4,912.80)	(526,042.61)
Furniture & Equipment	(4,414.12)	(8,719.44)
Transportation Equipment	14,146.73	(151,263.37)
Net Cash Used in Investing	3,158.61	159,192.10
Cash Flows From Financing Activities:		
Bond Payments		(132,918.07)
Organizational Costs	758.36	5,308.52
Net Cash Used in Financing	758.36	(127,609.55)
Net Increase/(Decrease) in Cash	133,797.84	770,179.45
Summary:		
Cash at End of Period	3,609,117.40	3,609,117.40
Cash at Beginning of Period	3,475,319.56	2,838,937.95
Net Increase/(Decrease) in Cash	133,797.84	770,179.45

For Management Purposes Only

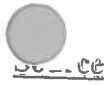
Hardin County Water District No. 1 - Fort Knox Water Fund
Statement of Cash Flow
For the 7 Months Ended Tuesday, July 31, 2012

	July	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$486,031.44	\$3,483,328.14
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	2,821.99	8,540.11
Accounts Receivable	1,435,136.54	(724,872.46)
Accrued Interest		
Due From/To Other Funds	(12,891.83)	41,489.79
Inventory	(1,863.25)	(21,449.10)
Prepaid Expense	3,531.15	(7,406.11)
Accounts Payable & Accrued Expenses	(297,921.04)	171,012.77
Total Adjustments	1,128,813.56	(532,685.00)
Net Cash Provided by Operations	1,614,845.00	2,950,643.14
Cash Flows from Investing Activities Used For:		
Other Investment & Interest		
Construction in Progress	(56,274.22)	(209,765.96)
Land & Buildings		
Supply Mains, Lines, Meters & Connections	(7,842.86)	(7,842.86)
Furniture & Equipment	(8,177.08)	(284,718.61)
Net Cash Used in Investing	(72,294.16)	(502,327.43)
Cash Flows From Financing Activities:		
Acquisition Costs	5,454.83	(235,308.16)
Net Cash Used in Financing	5,454.83	(235,308.16)
Net Increase/(Decrease) in Cash	1,548,005.67	2,213,007.55
Summary:		
Cash at End of Period	2,213,007.55	2,213,007.55
Cash at Beginning of Period	665,001.88	
Net Increase/(Decrease) in Cash	1,548,005.67	2,213,007.55

For Management Purposes Only

HARDIN COUNTY WATER DIST NO. 1
AVAILABLE FUNDING
July 31, 2012

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
KIA WX21093020 Grant	3/14/2007	KIA - Constantine Road Grant	\$1,000,000.00	\$111,925.00	\$888,075.00
KY EBDG for BRAC Grant	1/12/2010	Radcliff WW Pump Station Upgrades	\$2,250,000.00	\$486,457.31	\$1,763,542.69
KY EBDG for BRAC Grant	9/16/2011	Radcliff WW System Improvements Project	\$2,500,000.00	\$709,852.36	\$1,790,147.64
KY EBDG for BRAC Grant	11/10/2011	Louisville Water-Fort Knox Interconnect Pr	\$4,500,000.00	\$0.00	\$4,500,000.00
Fort Knox - CLIN 0033	7/21/2011	WWTP Improvements (2910)	\$415,000.00	\$230,233.75	\$184,766.25
Fort Knox - CLIN 0034	7/21/2011	Brooks Field Phase III Improvements (2923)	\$100,000.00	\$94,183.42	\$5,816.58
Fort Knox - CLIN 0035	7/21/2011	Basin 2 Improvements	\$406,000.00	\$44,182.72	\$361,817.28
Fort Knox - CLIN 0036	7/21/2011	Basin 6 Improvements	\$107,000.00	\$77,352.13	\$29,647.87
Fort Knox - CLIN 0037	7/21/2011	Dietz Lift Station (2704)	\$1,025,000.00	\$54,240.36	\$970,759.64
Fort Knox - CLIN 0038	7/21/2011	Basin 8 Improvements	\$403,000.00	\$46,447.27	\$356,552.73
Fort Knox - CLIN 0039	7/21/2011	Matthews LS & Force Main (2918)	\$675,000.00	\$54,174.51	
Fort Knox - CLIN 0039	7/21/2011	Chaffee Pump Station (2924)		\$44,386.65	\$576,438.84
Fort Knox - CLIN 0040	7/21/2011	Van Voorhis Area Improvements (2824)	\$1,200,000.00	\$63,751.92	\$1,136,248.08
Fort Knox - CLIN 0041	7/21/2011	Lift Station Generators	\$50,000.00	\$50,000.00	\$0.00
Fort Knox - CLIN 0042	7/21/2011	Godman Airfield Improvements (4914)	\$1,160,000.00	\$86,963.76	\$1,073,036.24



Fort Knox - CLIN 0043

Fort Knox - CLIN 0044

Fort Knox - CLIN 0045

Date
Awarded

7/21/2011

7/21/2011

7/21/2011

Basin 3 Storm Water Improvements

Basin 4 Storm Water Improvements

Basin 5 Storm Water Improvements

Funding Totals



Title

Amount
Awarded

\$250,000.00

\$125,000.00

\$200,000.00

\$16,366,000.00

Amount Used

\$7,515.97

\$125,000.00

\$182.70

\$2,286,849.83

Amount
Remaining

\$242,484.03

\$0.00

\$199,817.30

\$14,079,150.17



Hardin County Water District No. 1

Accounts Receivable Report

Date : 8/14/2012 4:14:41 PM
 User Name : Charlene

Account	Unbilled						Total Balance
	Balance	< 30	30-59	60-89	90-119	120+	
1150579401	176.40	0.00	0.00	0.00	0.00	0.00	176.40
1150588001	8.45	0.00	0.00	0.00	0.00	0.00	8.45
1160249800	309.14	305.78	0.00	0.00	0.00	0.00	614.92
1180414000	0.00	(12.47)	0.00	0.00	0.00	0.00	(12.47)
1180610100	13.70	0.00	0.00	0.00	0.00	0.00	13.70
1180721000	114.98	0.00	0.00	0.00	0.00	0.00	114.98
1180750200	31.58	0.00	0.00	0.00	0.00	0.00	31.58
1200280900	210.23	182.18	179.45	0.00	0.00	0.00	571.86
1200307000	8.45	9.20	8.45	0.00	0.00	0.00	26.10
1210022100	74.00	0.00	0.00	0.00	0.00	0.00	74.00
1210027000	59.28	0.00	0.00	0.00	0.00	0.00	59.28
1210136600	634.52	0.00	0.00	0.00	0.00	0.00	634.52
1220754000	32.73	35.70	35.70	32.73	36.77	483.23	656.86
2070171701	0.00	33.22	0.00	0.00	0.00	0.00	33.22
2070188900	0.00	28.47	26.49	24.28	27.57	391.30	498.11
2070199000	0.00	820.64	0.00	0.00	0.00	0.00	820.64
Grand Total	1,673.44	1,402.72	250.09	57.01	64.34	874.53	4,322.13

Detail By Group/Income Center

Group/Income Center	Unbilled Balance						Total Balance
	Balance	< 30	30-59	60-89	90-119	120+	
Service / Water Taxable	607.79	448.17	39.52	0.00	1.76	27.38	1,122.62
Service / Water Franchise Fee	19.61	15.73	2.97	0.53	0.59	8.23	47.66
Service / School Tax	23.15	15.73	2.74	0.53	0.59	7.84	50.58
Service / Water State Tax	47.61	32.36	5.61	1.08	1.18	16.04	103.88
Service / Customer Charge	163.15	77.81	32.63	17.57	17.57	245.98	554.71
Service / Sewer	745.06	665.93	123.31	34.22	34.22	452.85	2,055.59
Service / Sewer Franchise Fee	22.35	19.98	3.69	1.02	1.02	14.01	62.07
Service / Sewer State Tax	44.72	39.98	7.41	2.06	2.06	27.26	123.47
Service / Unapplied Cash	0.00	(12.47)	0.00	0.00	0.00	0.00	(12.47)
Penalty	0.00	101.52	32.21	0.00	5.35	74.94	214.02
Grand Total	1,673.44	1,402.72	250.09	57.01	64.34	874.53	4,322.13

UN-BILLED < 1,673.44 >
 LEGAL 12,757.46
 COLLECTION 294.86
 BALANCE 15,700.60

Mobile Home Park Montly Update

31-Jul-12

To date (19 months), we have billed \$119,950 for Master Meters. \$104,250 (87%) has been paid to date leaving an Uncollected Balance of \$15,700 (13%) of the 23 accounts. One account has triggered the First & Second Warning Letters. Three accounts have triggered the First Warning Letter. One account has been turned over to Legal (\$12,758) while another has been turned over to the Collection Agency (\$295). A third account has paid on their account after notification from legal. However, this account is till in arrears to date (\$821).

HARDIN COUNTY WATER DISTRICT NO. 1
As of August 31, 2012

YEAR to DATE

	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>
Total Operating Revenue	380,223.33	239,872.38	42,777.49	317,412.93	346,647.00	1,326,933.13	2,714,449.10	1,942,957.44	330,168.57	2,390,583.69	2,452,599.79	9,830,758.59
Total Operating Expenses	208,458.11	155,837.29	25,442.32	212,853.87	250,135.12	852,528.71	1,557,555.83	1,227,103.47	199,673.82	1,724,598.47	1,678,551.57	8,387,483.18
Less Depreciation & Amortization	(79,950.25)	(54,838.36)	(3,150.37)	(82,762.75)	(2,908.51)	(223,408.24)	(637,833.93)	(431,024.58)	(24,597.75)	(649,354.82)	(11,448.82)	(1,754,259.70)
Operating Income	91,814.97	29,598.73	14,184.80	21,796.31	93,603.37	250,998.18	519,059.34	284,829.39	105,897.00	16,630.40	762,599.60	1,689,015.73
Interest Income	3,201.80	946.14	311.14	1,778.64	1,032.84	7,270.36	25,167.12	9,162.21	3,441.65	17,583.66	4,165.25	59,519.89
Interest Expense	(24,245.44)	(93.34)	-	(7,072.81)	-	(31,411.59)	(195,167.50)	(757.04)	-	(58,979.22)	-	(254,903.76)
Net Unrealized Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Investments	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Assets	2,880.08	-	-	(106.33)	-	2,773.75	4,292.43	-	-	-	-	-
Non-utility income	-	1,360.33	-	-	-	1,360.33	-	1,360.33	-	(63,107.06)	(253.17)	(59,067.80)
Income Before Contributed Capital	73,651.21	31,811.86	14,495.94	16,395.81	94,636.21	230,991.03	363,361.39	294,694.89	109,338.65	(87,872.22)	766,611.68	1,435,924.39
Government Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants	-	-	-	-	-	-	158,452.71	-	-	115,435.51	-	273,888.22
Misc Grants-HWY 1882	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants-HWY 144	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Louisville H2O Connector	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Constantine Road	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/I & I	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/Pump Stations	-	-	-	5,312.50	-	5,312.50	-	-	-	-	-	-
Misc Revenue/Grant/SI	-	-	-	871.58	-	871.58	-	-	-	54,611.03	-	54,611.03
Tap fees	3,855.00	-	-	150.00	-	4,005.00	35,758.48	-	-	73,840.13	-	73,840.13
Capital contributions	-	10,184.15	67,306.58	-	373,356.00	450,846.73	35,453.18	468,121.27	275,309.58	1,873.20	3,179,939.21	3,960,696.44
Change in Net Assets	77,506.21	41,996.01	81,802.52	22,729.89	467,992.21	692,026.84	583,013.76	762,716.16	384,648.23	160,737.65	3,951,320.35	5,842,436.15
Return on Assets (ROA)							1.074%	1.41%	4.72%	-0.35%	17.71%	1.68%

The contributed capital received this month is as follows: Ft. Knox Sewer (\$10,184) was for VanVoorhis Collection System Improvements and Matthews LS & Force main; FK Storm Water (\$67,307) was for Godman Airfield Improvements and Storm Water Improvements; FK Water (\$373,556) was for the ISDC Surcharge.

The Gain on Assets for County Water is due to the Disposal of 2002 Ford F150 that was fully depreciated and then sold for \$3,000 less the disposal of 13 Meters. The Loss on Assets for Radcliff was due to the disposal of 13 Meters.

Sale of Scrap Metal totalled \$7,783 with the breakdown as follows: County Water (\$5,083), FK Sewer (\$1,360) and Radcliff Sewer (\$1,360).

Water: Compared to Last Year, Y-T-D sales change is as follows: Residential up (1.35%), Commercial up (1.92%), Multi-Family up (0.39%) and Wholesale up (3.48%). Total Revenues Y-T-D are up (1.11%). Salaries & Benefits are up slightly due to there being three PR's in August thereby causing Pension Expense to be higher; Maint & Repair is up due to stock being issued out of Inventory, Patching/Repairs of Sidewalks & repairing a Controller at the PWTP. Accounting/Legal Expense are up due to Legal Fees related to the Horsley Construction matter; Advertising Expense is up due to costs related to the Water Festival; Travel & Certification/Education are up slightly due to Certification Testing of Distribution Operators.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = **-\$39,762 difference**; This Year Compared to Last Year YTD = **+\$190,944**.

Radcliff: Compared to Last Year, Y-T-D sales change as follows: Residential up (1.1%), Multi-Family up (1.95%), Commercial Sales up (10.2%). Total Revenues are up 1.6%. Allocated Payroll costs are up slightly due to the increased Pension Costs related to three PR in the month. Veolia Mgmt Fee is down considerably as we Capitalized \$25,758 of the fee for a Pump Replacement associated with Hwy 313 that Veolia paid for out of the Repair & Maintenance Limit account. Had this cost not been capitalized, Radcliff would have shown a Net Loss for the Month in the amount of (\$9,362).

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = **-\$202,464 difference**; This Year YTD Compared to Last Year YTD = **- \$119,567**.

Bad Debt Expense: Compared to last year Y-T-D, Radcliff is up approximately 5.6% & Water is up approximately 5.5%. Compared to Last Year, Bad Debt Recovered for Water is down approximately 23.3% and Radcliff is down approximately 29.6%.

Invested Funds Inventory
 HCWD1
 8/31/2012

Name of Account	Rate	Balance	Mkt Val	Acc'd Inc	Earnings	Fees	R = Restrict	Current Investment	Invested By	Maturity
Water Revenue/O&M	0.200%	297,886.47	297,886.47	0.00	57.25					
Water Savings	0.240%	53,797.90	53,797.90	21.93	10.97		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savlngs-Water Fund	0.150%	1,037.87	1,037.87	0.26	0.13		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 CD-Water Fund	4.910%	252,216.67	252,216.67	2,205.33	1,051.78		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-Water Fund	1.490%	122,921.97	122,921.97	311.11	155.58		U = Unrest	Cecilian Bank	Cecilian Bank	09/27/12
HCWD1 CD-Water Fund	5.200%	383,510.29	383,510.29	3,551.40	1,693.75		U = Unrest	FKFCU	FKFCU	12/04/12
2002 Sinking Fund - Principal	0.000%	130,000.00	130,000.00				U = Unrest	Lincoln National Bank	Lincoln National Bank	09/27/12
2002 Sinking Fund - Interest	0.000%	623.96	623.96				R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Depreciation Fund	0.180%	751,631.06	751,631.06	103.56	103.56		R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Debt Serv Res	0.180%	591,087.05	591,087.05	61.44	61.44		R = Restrict		U S Bank	
2005 Sinking Fund	0.180%	365,780.42	365,780.42	47.16	47.16		R = Restrict	First American Govt Oblig Fd	U S Bank	
Subtotal Water Fund		2,950,493.66	2,950,493.66	6,322.19	3,201.60	0.00	R = Restrict	First American Govt Oblig Fd	U S Bank	
Ft. Knox Sewer Revenue/O&M	0.200%	49,726.46	49,726.46	0.00	46.28		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Sewer Savings	0.240%	1,618.78	1,618.78	0.65	0.33		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savlngs-Ft. Knox Sewer Fund	0.150%	1,016.65	1,016.65	0.25	0.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Ft. Knox Sewer Money Market	0.60%	1,800,899.40	1,800,899.40		699.40		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Sewer Fund		1,853,261.29	1,853,261.29	0.90	946.14	0.00				
Ft. Knox Stormwater Revenue/O&M	0.19%	70,114.18	70,114.18	0.00	13.34		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Stormwater Money Market	0.61%	575,297.80	575,297.80		297.80		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Stormwater Fund		645,411.98	645,411.98	0.00	311.14	0.00				
Radcliff Sewer Revenue/O&M	0.200%	108,413.76	108,413.76	0.00	54.04		U = Unrest	Cecilian Bank	Cecilian Bank	
Rad Sewer Bus. Part. MM KIA Maint & Reps	0.600%	338,044.18	338,044.18		172.18		R = Restrict	Cecilian Bank	Cecilian Bank	
Radcliff Sewer Business Partner MM	0.600%	3,063,680.29	3,063,680.29		1,552.29		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savlngs-Radcliff Sewer Fund	0.150%	1,016.65	1,016.65	0.25	0.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Subtotal Radcliff Sewer Fund		3,511,164.88	3,511,164.88	0.26	1,778.64	0.00				
Ft. Knox Water Revenue/O&M	0.20%	96,796.16	96,796.16	0.00	37.59	0.00	U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Water Money Market	0.60%	2,000,995.25	2,000,995.25		995.25		U = Unrest	Cecilian Bank	Cecilian Bank	
		2,097,791.41	2,097,791.41	0.00	1,032.84	0.00				
Total		11,058,113.22	11,058,113.22	6,323.34	7,270.36	0.00				

**HARDIN COUNTY WATER DISTRICT NO. 1 WATER
COMPARATIVE BALANCE SHEET
For the Eight Months Ending Friday, August 31, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$354,422.24	\$406,963.97	(\$52,541.73)
Investments - Less than 1 Year to...	758,648.93	724,405.92	34,243.01
Accounts Receivable - Net	464,626.85	462,440.85	2,186.00
Due From Other Funds	80,320.35		80,320.35
Inventory - Materials & Supplies	301,950.14	278,541.78	25,408.38
Prepaid Expenses	68,381.92	64,775.82	3,606.10
Accrued Interest	6,322.19	6,742.04	(419.85)
Total Current Assets	<u>2,034,672.62</u>	<u>1,941,870.36</u>	<u>92,802.26</u>
Long Term Investments			
Restricted Assets - Reserve Funds	1,838,498.53	1,794,870.40	43,628.13
Total Long Term Investments	<u>1,838,498.53</u>	<u>1,794,870.40</u>	<u>43,628.13</u>
Property, Plant & Equipment			
Land	273,045.22	273,045.22	
Property, Plant & Lines	36,115,835.42	35,528,851.77	586,983.65
Equipment & Furniture	4,492,401.65	4,291,160.37	201,241.28
Construction in Progress	817,543.15	893,373.49	(75,830.34)
Total	<u>41,698,825.44</u>	<u>40,986,430.85</u>	<u>712,394.59</u>
Less: Accumulated Depreciation	(12,677,963.03)	(11,704,331.63)	(973,631.40)
Total Property, Plant & Equipment	<u>29,020,862.41</u>	<u>29,282,099.22</u>	<u>(261,236.81)</u>
TOTAL ASSETS	<u>32,894,033.56</u>	<u>33,018,839.98</u>	<u>(124,806.42)</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	232,014.96	218,178.96	13,836.00
Accrued Expenses	183,769.52	476,125.53	(292,356.01)
Due To Other Funds		344,597.61	(344,597.61)
Customers' Deposits	178,227.24	169,154.00	9,073.24
Current Portion of Long Term Debt	370,000.00	330,000.00	40,000.00
Radcliff Collections Payable	131,101.75	114,384.11	16,717.64
State Encheatment - Reserve for...	6,721.22	7,284.29	(543.07)
Deferred Revenue	1,285.00	6,207.87	(4,922.87)
Total Current Liabilities	<u>1,103,119.69</u>	<u>1,665,912.37</u>	<u>(562,792.68)</u>
Long Term Debt			
Bonds Payable	8,785,000.00	9,285,000.00	(500,000.00)
Less: Unamortized Discount & Ex...	(167,913.30)	(183,461.34)	15,548.04
Total Long Term Debt	<u>8,617,086.70</u>	<u>9,101,538.66</u>	<u>(484,451.96)</u>
Other Liabilities			
Customer Advances for Constructi...	121,140.06	126,400.73	(5,260.67)
Total Liabilities	<u>9,841,346.45</u>	<u>10,893,851.76</u>	<u>(1,052,505.31)</u>
Net Assets			
Retained Earnings	8,067,737.80	10,568,814.95	(2,501,077.15)
Contributed Capital	14,401,935.55	11,145,262.54	3,256,673.01
Current Earnings	583,013.76	410,910.73	172,103.03
Total Net Assets	<u>23,052,687.11</u>	<u>22,124,988.22</u>	<u>927,698.89</u>
TOTAL LIABILITIES & NET ASSETS	<u>32,894,033.56</u>	<u>33,018,839.98</u>	<u>(124,806.42)</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX SEWER
COMPARATIVE BALANCE SHEET
For the Eight Months Ending Friday, August 31, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$1,853,261.29	\$1,066,973.38	\$786,287.91
Accounts Receivable - Net	549,577.66	494,271.00	55,306.66
Inventory - Materials & Supplies	12,372.77	12,372.77	
Prepaid Expenses	5,895.80	49,023.15	(43,127.35)
Accrued Interest	0.90	1.12	(0.22)
Total Current Assets	<u>2,421,108.42</u>	<u>1,622,641.42</u>	<u>798,467.00</u>
Property, Plant & Equipment			
Plant & Lines	78,328,206.05	77,906,228.35	421,977.70
Equipment	1,196,297.91	1,051,939.61	144,358.30
Construction in Progress	1,241,905.33	692,400.37	549,504.96
Total	<u>80,766,409.29</u>	<u>79,650,568.33</u>	<u>1,115,840.96</u>
Less: Accumulated Depreciation	(62,270,259.68)	(61,631,950.57)	(638,309.11)
Total Property, Plant & Equipment	<u>18,496,149.61</u>	<u>18,018,617.76</u>	<u>477,531.85</u>
TOTAL ASSETS	<u>20,917,258.03</u>	<u>19,641,259.18</u>	<u>1,275,998.85</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	376,268.85	328,860.73	47,408.12
Accrued Expenses	3,791.52	23,780.00	(19,988.48)
Due To Other Funds	7,986.26	3,423.17	4,563.09
Total Current Liabilities	<u>388,046.63</u>	<u>356,063.90</u>	<u>31,982.73</u>
Net Assets			
Retained Earnings	702,793.06	711,794.21	(9,001.15)
Contributed Capital	19,063,702.18	18,198,181.72	865,520.46
Current Earnings	762,716.16	375,219.35	387,496.81
Total Net Assets	<u>20,529,211.40</u>	<u>19,285,195.28</u>	<u>1,244,016.12</u>
TOTAL LIABILITIES & NET ASSETS	<u>20,917,258.03</u>	<u>19,641,259.18</u>	<u>1,275,998.85</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX STORM WATER
COMPARATIVE BALANCE SHEET
For the Eight Months Ending Friday, August 31, 2012**

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$645,411.98	\$577,946.47	\$67,465.51
Accounts Receivable - Net	198,234.96	77,680.00	120,554.96
Prepaid Expenses	143.92	18,346.91	(18,202.99)
Total Current Assets	<u>843,790.86</u>	<u>673,973.38</u>	<u>169,817.48</u>
Property, Plant & Equipment			
Storm Water Property	1,132,832.94	1,077,404.25	55,428.69
Treatment & Disposal Equipment	61,945.87	61,471.82	474.05
Storm Water GIS	86,026.33	86,026.33	
Office Furniture & Equipment	2,046.99	1,796.49	250.50
Construction in Progress	306,918.26	4,028.09	302,890.17
Total	<u>1,589,770.39</u>	<u>1,230,726.98</u>	<u>359,043.41</u>
Less: Accumulated Depreciation	(118,519.22)	(81,690.66)	(36,828.56)
Total Property, Plant & Equipment	<u>1,471,251.17</u>	<u>1,149,036.32</u>	<u>322,214.85</u>
TOTAL ASSETS	<u><u>2,315,042.03</u></u>	<u><u>1,823,009.70</u></u>	<u><u>492,032.33</u></u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	89,240.21	22,429.42	66,810.79
Accrued Expenses	634.00	756.00	(122.00)
Due To Other Funds	2,531.82	367.05	2,164.77
Total Current Liabilities	<u>92,406.03</u>	<u>23,552.47</u>	<u>68,853.56</u>
Net Assets			
Retained Earnings	1,402,991.22	1,270,969.26	132,021.96
Contributed Capital	434,996.55	434,996.55	
Current Earnings	384,648.23	93,491.42	291,156.81
Total Net Assets	<u>2,222,636.00</u>	<u>1,799,457.23</u>	<u>423,178.77</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>2,315,042.03</u></u>	<u><u>1,823,009.70</u></u>	<u><u>492,032.33</u></u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER
COMPARATIVE BALANCE SHEET
For the Eight Months Ending Friday, August 31, 2012**

	<u>2012</u>	<u>2011</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash	\$3,511,154.88	\$2,240,753.83	\$1,270,401.05
Accounts Receivable - Net	285,796.14	300,990.95	(15,194.81)
Due From Other Funds		348,387.83	(348,387.83)
Prepaid Expenses	47,929.90	245,431.54	(197,501.64)
Accrued Interest	0.25	165.77	(165.52)
Total Current Assets	<u>3,844,881.17</u>	<u>3,135,729.92</u>	<u>709,151.25</u>
Long Term Investments			
Restricted Assets - Reserve Funds		334,143.95	(334,143.95)
Total Long Term Investments		<u>334,143.95</u>	<u>(334,143.95)</u>
Property, Plant & Equipment			
Property, Plant & Lines	33,129,438.01	31,996,842.88	1,132,595.13
Equipment & Furniture	1,137,916.98	920,407.13	217,509.85
Construction in Progress	1,382,868.64	1,251,171.47	131,698.17
Total	<u>35,650,224.63</u>	<u>34,168,421.48</u>	<u>1,481,803.15</u>
Less: Accumulated Depreciation	(14,432,551.78)	(13,691,543.52)	(741,008.26)
Total Property, Plant & Equipment	<u>21,217,672.85</u>	<u>20,476,877.96</u>	<u>740,794.89</u>
Organizational Costs	205,135.94	214,236.26	(9,100.32)
TOTAL ASSETS	<u>25,267,689.96</u>	<u>24,160,988.09</u>	<u>1,106,701.87</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	206,803.44	190,314.84	16,488.60
Customer Deposits	132,527.10	124,065.00	8,462.10
Contractor Deposits		8,542.59	(8,542.59)
Current Portion of Long Term Debt	135,443.51	130,439.72	5,003.79
Accrued Expenses	122,608.49	108,703.50	13,904.99
Due To Other Funds	16,776.10		16,776.10
Total Current Liabilities	<u>614,158.64</u>	<u>562,065.65</u>	<u>52,092.99</u>
Long Term Debt			
Bonds Payable	1,840,720.99	2,109,082.57	(268,361.58)
Total Long Term Debt	<u>1,840,720.99</u>	<u>2,109,082.57</u>	<u>(268,361.58)</u>
Total Liabilities	<u>2,454,879.63</u>	<u>2,671,148.22</u>	<u>(216,268.59)</u>
Net Assets			
Retained Earnings	297,992.80	437,221.06	(139,228.26)
Contributed Capital	22,354,079.88	20,447,448.70	1,906,631.18
Current Earnings	160,737.65	605,170.11	(444,432.46)
Total Net Assets	<u>22,812,810.33</u>	<u>21,489,839.87</u>	<u>1,322,970.46</u>
TOTAL LIABILITIES & NET ASSETS	<u>25,267,689.96</u>	<u>24,160,988.09</u>	<u>1,106,701.87</u>

For Management Purposes Only

**HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX WATER
COMPARATIVE BALANCE SHEET
For the Eight Months Ending Friday, August 31, 2012**

	<u>2012</u>	<u>2011</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash	\$2,097,791.41		\$2,097,791.41
Accounts Receivable - Net	1,444,875.46		1,444,875.46
Inventory - Materials & Supplies	24,635.26		24,635.26
Prepaid Expenses	5,961.11		5,961.11
Total Current Assets	<u>3,573,263.24</u>		<u>3,573,263.24</u>
Long Term Investments			
Property, Plant & Equipment			
Property, Plant & Lines	7,842.86		7,842.86
Equipment & Furniture	284,718.61		284,718.61
Construction in Progress	215,706.07		215,706.07
Total	<u>508,267.54</u>		<u>508,267.54</u>
Less: Accumulated Depreciation	(11,448.62)		(11,448.62)
Total Property, Plant & Equipment	<u>496,818.92</u>		<u>496,818.92</u>
Organizational Costs	<u>257,318.33</u>		<u>257,318.33</u>
TOTAL ASSETS	<u><u>4,327,400.49</u></u>		<u><u>4,327,400.49</u></u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	315,541.77		315,541.77
Accrued Expenses	7,512.20		7,512.20
Due To Other Funds	53,026.17		53,026.17
Total Current Liabilities	<u>376,080.14</u>		<u>376,080.14</u>
Long Term Debt			
Other Liabilities			
Total Liabilities	<u>376,080.14</u>		<u>376,080.14</u>
Net Assets			
Current Earnings	3,951,320.35		3,951,320.35
Total Net Assets	<u>3,951,320.35</u>		<u>3,951,320.35</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>4,327,400.49</u></u>		<u><u>4,327,400.49</u></u>

For Management Purposes Only

**Hardin County Water District No. 1 Water Fund
Detail Comparative Income Statements
For the 8 Months Ended Friday, August 31, 2012**

	August	August Budget	August Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Customer Meter Charges	\$58,773.14	\$59,835.45	\$59,333.89	\$473,650.76	\$477,949.59	\$473,943.22
Residential Sales	177,135.50	181,362.42	178,592.78	1,285,499.74	1,288,104.81	1,288,433.59
Commercial Sales	28,111.84	17,243.80	27,594.95	193,096.11	118,396.86	189,488.40
Multi-Family Sales	15,911.27	23,194.84	14,241.25	122,257.99	196,341.84	121,779.57
Sales for Resale - Vine Grove	25,068.57	27,001.97	25,995.26	187,196.64	189,828.29	182,749.04
Sales for Resale - District 2				1,767.88		
Sales for Resale - Meade County	43,937.61	39,437.12	38,391.16	253,492.70	251,488.08	244,818.06
Sewer Storm Water-Monthly Contract	2,335.90	1,017.44	721.84	8,999.62	8,084.52	5,735.57
Bad Debt Recovered	835.17	539.85	463.07	4,599.74	6,986.97	5,995.46
Penalties, Service Fees and Reimbursements	27,114.33	37,714.17	34,219.52	183,887.92	196,947.24	191,667.26
Total Operating Revenue	380,223.33	387,346.66	379,553.72	2,714,449.10	2,738,125.88	2,684,590.17
OPERATING EXPENSES						
Salaries & Benefits	118,393.62	120,578.58	130,899.92	873,654.03	904,833.74	980,253.92
Purchased Water	5,497.53	17,654.20	17,947.13	77,820.94	83,751.56	64,809.38
Utilities & Energy Expense	25,988.05	25,268.29	25,889.03	185,819.29	181,379.79	177,609.06
Chemicals	13,639.11	3,590.64	4,031.01	100,543.54	109,722.33	123,179.26
Materials & Supplies	1,594.31	1,341.55	1,475.72	16,438.35	15,538.41	16,398.58
Maintenance & Repairs	13,581.63	16,674.13	16,425.96	70,119.05	41,144.98	40,816.46
Storage Maintenance	665.64	165.43	156.96	2,026.53	2,095.84	1,988.59
Booster Station Expense	48.48	7.56	68.44	658.52	579.89	5,252.20
Small Tool Expenses	1,091.46	1,427.03	394.15	8,441.11	9,857.78	2,583.13
Accounting & Legal Services	3,514.24	1,230.77	1,217.92	12,962.54	14,754.10	15,895.43
Contractual Services	12,161.56	23,225.57	19,224.63	102,470.13	123,727.61	112,332.99
Laboratory Services	970.50	1,204.26	4,342.20	11,865.18	4,846.68	14,365.28
Lab Supplies	42.73	608.33		1,085.02	4,866.04	
Bac-T Supplies	119.63	366.67		4,680.47	2,933.32	
Utility Regulatory Fees	573.85	526.96	522.21	4,280.96	4,182.16	4,154.43
Amortized 2007-12 Rate Case			633.78	4,438.48	4,400.00	5,070.24
Fuel & Transportation Expense	5,954.44	8,843.28	7,580.50	47,095.03	40,597.15	34,984.71
Insurance Expense	3,356.87	3,575.00	2,832.93	27,939.87	28,600.00	21,132.06
Workers Comp/Unemployment Expense	1,700.58	2,262.81	2,495.38	11,599.72	16,783.76	14,474.94
Advertising Expense	4,097.95			12,803.05	5,673.54	1,332.32
Bad Debt Expense	2,208.66	3,197.17	3,337.71	21,055.46	19,122.96	19,963.59
Collection Expense	420.91	124.20	105.09	4,373.67	3,942.34	3,335.82
Phone Expense	1,357.68	1,331.56	1,266.80	11,022.04	11,804.30	11,230.85
Dues & Subscriptions	329.96	358.33	317.68	2,804.72	2,866.68	3,051.73
Postage & Mailing	949.82	2,149.19	1,729.64	3,549.77	4,300.68	3,481.12
Salaries Expense	168.51	78.29	70.33	2,264.85	3,736.74	3,357.01
Information Technology Expense	4,432.86	2,890.32	2,608.11	34,953.20	27,788.97	25,073.86
Commission Expense	304.00	596.32	944.49	2,290.25	1,943.91	2,011.70
Travel & Lodging	1,470.62	136.26	108.36	6,137.62	3,490.39	2,776.72
Certification & Education	678.00	1,466.21	1,263.00	10,397.94	9,286.43	7,446.14
Miscellaneous Expense	230.66	594.19	491.75	3,634.47	5,981.14	4,949.99
Customer Deposit Interest Expense	64.28	37.67	56.44	431.34	279.66	419.06
Cash Over & Short	(5.29)		5.79	29.89		24.59
Allocated FK Water G&A Expense	(17,132.74)	(17,132.73)		(119,929.18)	(119,929.11)	
TOTAL OPERATING EXPENSES	208,458.11	224,376.04	248,443.06	1,557,555.83	1,554,892.39	1,723,735.14
Operating Income Before Depreciation	171,765.22	162,970.62	131,110.66	1,156,893.27	1,183,233.41	960,855.03
Less Depreciation & Amortization	79,950.25	77,677.89	76,685.79	637,833.93	613,736.13	805,881.02
Operating Income	91,814.97	85,292.73	54,424.87	519,059.34	569,497.28	354,974.01
Non-Operating Income(Expense)						
Interest & Dividend Income	3,201.60	2,173.15	3,419.29	25,167.12	18,160.21	28,573.78
Interest Expense	(24,245.44)	(24,084.89)	(25,450.80)	(195,167.50)	(194,553.89)	(204,695.26)
Gain/(Loss) on Assets	2,880.08		(2,445.86)	4,292.43		(16,445.33)
Income Before Capital Contributions	73,651.21	63,381.19	29,947.70	353,351.39	393,103.60	162,407.20
Capital Contributions						
Misc Revenue - Grant			5,205.27	158,452.71		19,152.21
Misc Revenue - Grant - Hwy 1432						22,531.99
Misc Revenue - Grant - Hwy 144						12,011.57
Misc Revenue - Grant - LWC		41,666.87			333,333.32	
Misc Revenue - Grant - Constantine Rd		52,666.87			(21,333.36)	
Tap fees	3,355.00	5,246.34	4,489.00	35,758.43	52,193.35	44,665.08
Customer contributions				25,453.13		150,142.88
Change in Net Assets	77,306.21	162,961.97	39,642.97	523,013.76	1,159,964.13	410,910.73

For Management Purposes Only

**Hardin County Water District No. 1 - Fort Knox Sewer
Detail Comparative Income Statements
For the 8 Months Ended Friday, August 31, 2012**

	August	August Budget	August Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Sanitary Sewer Revenue	\$236,529.37	\$233,921.91	\$230,057.00	\$1,884,492.74	\$1,871,373.24	\$1,840,454.00
Muldrough-Fixed Monthly Billing	402.24	402.25	402.24	3,217.92	3,218.00	3,217.92
Muldrough-Waste Water Flows	2,492.65	4,734.33	4,272.61	36,685.28	54,013.33	48,745.64
Reimbursement of HCWD Overhead	448.12	11,163.83	814.16	18,561.50	89,310.68	4,334.51
Total Operating Revenues	<u>239,872.38</u>	<u>250,222.32</u>	<u>235,546.01</u>	<u>1,942,957.44</u>	<u>2,017,915.25</u>	<u>1,896,752.07</u>
OPERATING EXPENSES						
Customer Service Labor	43.40	43.19	494.17	342.02	386.33	4,420.45
Administrative Labor	8,374.84	9,571.62	4,237.18	60,043.42	62,861.49	27,827.63
Internal Maintenance/Supervision			214.13			1,811.06
Information Technology Expense	236.40	156.79	139.10	2,221.43	1,507.31	1,337.28
Professional Services-Engineering			500.00			8,079.50
Professional Services-Accounting	612.48	524.17	472.50	4,207.20	4,193.36	3,780.00
Professional Services-Legal	237.49	302.17	237.49	1,899.92	2,417.32	1,899.92
Management Fee - Veolia	147,137.06	148,767.83	141,754.89	1,164,757.39	1,190,142.68	1,153,961.68
Contractual Services	76.52			612.16		
Insurance Expense	1,667.30	1,666.63	3,815.00	13,338.50	13,333.32	28,984.90
Regulatory Commission Expense	422.85	362.27	361.53	3,014.88	2,950.96	2,944.92
Transportation Fuel & Repairs	27.89	23.34	26.00	224.06	216.14	240.78
Office Supplies Expense	32.14	26.03	18.46	177.40	348.87	247.46
Utilities	164.93	170.55	1,363.00	1,400.06	1,530.10	2,922.35
Travel & Lodging	78.45	276.00	286.96	327.36	413.77	429.27
Education & Conferences	20.96	1,037.82	661.87	441.11	1,470.21	937.62
Certification & Training	15.20			301.16	1,000.00	44.00
Miscellaneous Expense	271.92	1,058.53	859.44	271.92	1,200.00	974.30
Allocated FK Water G&A Expense	(3,782.36)	(3,782.36)		(26,476.52)	(26,476.56)	
Total Operating Expenses	<u>155,637.29</u>	<u>160,206.18</u>	<u>155,462.32</u>	<u>1,227,103.47</u>	<u>1,257,495.30</u>	<u>1,240,843.09</u>
Operating Income Before Depreciation	84,235.09	90,017.14	80,083.69	715,853.97	760,419.95	655,908.98
Less Depreciation & Amortization	54,636.36	53,583.84	52,648.51	431,024.58	416,823.18	409,583.23
OPERATING INCOME	<u>29,598.73</u>	<u>36,433.30</u>	<u>27,435.18</u>	<u>284,829.39</u>	<u>343,596.77</u>	<u>246,325.75</u>
Non Operating Income(Expense)						
Interest & Dividend Income	946.14	855.57	1,047.33	9,162.21	6,094.01	7,459.88
Interest Expense	(63.34)	(112.24)	(101.28)	(757.04)	(965.09)	(870.85)
Non Operating Income	1,369.33			1,380.33		
Income before Capital Contributions	<u>31,811.86</u>	<u>37,176.63</u>	<u>28,381.23</u>	<u>294,594.89</u>	<u>348,725.69</u>	<u>252,914.78</u>
Capital Contributions	10,184.15	253,723.25	18,503.63	468,121.27	2,029,786.00	122,304.57
Change in Net Assets	<u>41,996.01</u>	<u>290,899.88</u>	<u>46,884.86</u>	<u>762,716.16</u>	<u>2,378,511.69</u>	<u>375,219.35</u>

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
Detail Comparative Income Statements
For the 8 Months Ended Friday, August 31, 2012

	<u>August</u>	<u>August Budget</u>	<u>August Previous Year</u>	<u>2012</u>	<u>2012 Budget</u>	<u>2011</u>
OPERATING REVENUE						
Storm Water Revenue	\$39,816.00	\$39,567.43	\$38,840.00	\$318,528.00	\$316,539.44	\$310,720.00
Reimbursement of Overhead	2,961.49	4,689.92		11,640.57	37,599.32	
Total Operating Revenue	<u>42,777.49</u>	<u>44,267.35</u>	<u>38,840.00</u>	<u>330,168.57</u>	<u>354,138.76</u>	<u>310,720.00</u>
OPERATING EXPENSES						
Administrative Labor	2,599.80	2,971.67	2,353.99	18,623.46	19,516.37	15,459.77
Customer Service Labor	21.70	23.83		171.01	190.68	
Information Technology Expense	59.09	40.90	34.77	581.85	393.21	334.31
Professional Services - Engineer						200.00
Professional Services - Accounting	125.44	95.83	94.50			756.00
Professional Services - Legal	84.82	107.92	84.82	772.57	766.68	678.56
Management Fee - Veolia	23,284.92	23,415.33	22,429.42	678.56	863.36	179,435.36
Insurance Expense	143.92	141.67	143.53	183,793.24	187,322.66	1,128.04
Transportation Fuel & Repairs	6.98	41.67	6.50	1,151.34	1,133.36	1,128.04
Office Supplies Expense	8.03	14.08	4.61	58.03	333.32	52.61
Utilities	41.24	45.81	40.27	44.37	418.10	136.86
Travel & Lodging	19.61	110.42	47.21	296.28	390.33	343.12
Education & Conferences	5.24	316.02	113.59	81.86	373.74	82.79
Certification & Training	3.80			83.87	486.78	174.97
Allocated FK Water G&A Expense	(962.27)	(962.27)		75.29	112.50	11.00
Total Operating Expenses	<u>25,442.32</u>	<u>26,362.88</u>	<u>25,353.21</u>	<u>(6,735.89)</u>	<u>(6,735.89)</u>	<u>198,793.39</u>
Operating Income Before Depreciation	<u>17,335.17</u>	<u>17,904.47</u>	<u>13,486.79</u>	<u>130,494.75</u>	<u>148,573.54</u>	<u>111,926.61</u>
Less Depreciation & Amortization	3,150.37	3,260.66	3,053.88	24,597.75	23,587.03	22,091.20
Operating Income	<u>14,184.80</u>	<u>14,643.81</u>	<u>10,432.91</u>	<u>105,897.00</u>	<u>124,986.51</u>	<u>89,835.41</u>
Non-Operating Income(Expenses)						
Interest & Dividend Income	311.14	498.22	526.38	3,441.65	3,460.52	3,656.01
Income Before Capital Contributions	<u>14,495.94</u>	<u>15,142.03</u>	<u>10,959.29</u>	<u>109,338.65</u>	<u>128,447.03</u>	<u>93,491.42</u>
Capital Contributions	67,306.58	106,815.75		275,309.58	854,526.00	
Change in Net Assets	<u>81,802.52</u>	<u>121,957.78</u>	<u>10,959.29</u>	<u>384,648.23</u>	<u>982,973.03</u>	<u>93,491.42</u>

For Management Purposes Only

Hardin County Water District No. 1 Radcliff Sewer Fund
 Detail Comparative Income Statements
 For the 8 Months Ended Friday, August 31, 2012

	August	August Budget	August Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales	\$240,889.46	\$257,806.64	\$238,561.86	\$1,816,866.62	\$1,940,495.83	\$1,797,035.58
Commercial Sales	39,269.94	20,709.75	35,011.08	289,571.65	165,878.00	262,842.63
Multi-Family Sales	21,129.32	33,876.94	18,870.02	165,026.60	290,612.90	161,876.30
High Strength Surcharge				232.66	80.99	136.35
Discharge Permit Fees	27.78	30.12	27.78	747.24	810.23	747.24
Bad Debt Recovered	884.99	737.23	633.27	5,329.31	8,818.30	7,574.82
Penalties, Services Fees and Reimbursements	15,211.44	16,573.33	16,445.99	112,800.61	123,574.76	122,625.28
Total Operating Revenues	317,412.93	329,534.01	309,550.00	2,390,583.69	2,530,071.10	2,352,838.20
OPERATING EXPENSES						
Collection System Labor	8,365.74	8,780.26	3,348.45	59,606.94	63,872.57	24,358.52
Customer Service Labor	12,935.69	13,124.24	9,389.18	101,969.26	117,399.19	83,988.33
Administration Labor	10,912.56	12,545.30	9,652.06	77,334.99	81,029.28	62,342.05
Professional Services-Engineering		266.67	275.00		2,133.36	2,299.88
Professional Services-Accounting	614.17	614.16	567.00	4,913.52	4,913.35	4,536.00
Professional Services-Legal	390.16	496.42	390.16	3,121.26	3,971.32	3,121.28
Information Technology Expenses	1,162.11	770.29	695.49	9,517.52	7,405.48	6,688.36
Management Fee - Veolia	169,199.24	189,338.94	185,537.72	1,388,313.24	1,397,376.09	1,389,321.95
Contractual Services	8,411.21	8,254.22	8,339.83	62,910.25	66,909.33	67,616.03
Insurance Expense	2,506.30	2,325.00	1,676.75	19,177.10	18,600.00	12,052.78
Transportation Fuel & Repairs	147.47			1,202.10		
Utility Regulatory Expenses	513.45	459.68	455.26	3,758.51	3,661.28	3,626.12
Office Supplies	711.15	954.06	873.60	5,079.82	6,252.83	5,766.74
Utilities	1,067.82	665.43	993.70	7,727.82	8,128.22	12,138.10
Bad Debt Expense	2,284.88	3,328.23	3,285.13	25,248.81	24,219.93	23,906.30
Agency Collection Expense	346.73	108.54	97.21	2,069.27	2,933.97	2,627.70
Advertising Expense	42.23			42.23		
Rent Expense	187.50	187.50	187.50	1,500.00	1,500.00	1,500.00
Investment Fees						1.23
Travel & Lodging	392.19	158.75	158.90	1,636.77	2,086.31	2,088.25
Certification & Training	266.00	83.33		1,095.80	666.64	1,480.24
Education & Conferences	104.80	246.02	272.37	1,451.07	3,714.19	4,112.02
Routine Maintenance Service	94.26	18.75	120.46	1,253.89	1,225.96	7,877.33
Miscellaneous Customer Expense	119.53	30.04	17.86	637.84	639.82	380.43
Miscellaneous Expenses	17.72	42.53	22.77	70.85	975.42	522.26
Amortization Rate Case - Raffleis		1,175.00			9,400.00	
Customer Deposit Interest Expense	50.86	47.67	42.31	569.89	663.07	588.56
All Other W&K Water G&A Expense	(8,029.90)	(8,029.91)		(56,209.30)	(56,209.36)	
Total Operating Expenses	212,853.87	235,991.12	226,398.71	1,724,588.47	1,773,468.26	1,702,937.46
Operating Income Before Depreciation	104,559.06	93,542.89	83,151.29	665,985.22	756,602.84	649,900.74
Less Depreciation & Amortization	82,762.75	78,295.42	74,404.00	649,354.82	602,019.90	572,095.23
Operating Income	21,796.31	15,247.47	8,747.29	16,630.40	154,582.94	77,805.51
Non Operating Income/(Expense)						
Interest & Dividend Income	1,778.64	1,528.92	2,390.22	17,563.68	19,427.40	30,371.70
Gain/(Loss) on Assets	(106.33)		(4,254.36)	(63,107.06)		(7,651.34)
Interest Expense	(7,072.81)	(7,216.88)	(8,411.15)	(58,979.22)	(59,428.74)	(68,830.73)
Income Before Capital Contributions	16,395.81	9,559.51	(1,528.00)	(87,872.22)	114,581.60	31,695.14
Capital Contributions						
Misc Revenue - Grant				115,435.51		
Misc Revenue - Grant - I&I						199,146.98
Misc Revenue - Grant - Pump Stations	5,312.50	72,916.67	6,035.00	54,811.03	583,333.32	367,577.99
Misc Revenue - Grant - SI	871.58	75,000.00		73,840.13	600,000.00	
Tap Fees	150.00	775.86	900.00	2,850.00	5,818.98	6,750.00
Capital Contributions				1,873.20		
Change In Net Assets	22,729.89	158,252.04	5,407.00	160,737.65	1,303,733.88	605,170.11

For Management Purposes Only

**Hardin County Water District No. 1 Fort Knox Water Fund
Detail Comparative Income Statements
For the 8 Months Ended Friday, August 31, 2012**

	August	August Budget	August Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Fort Knox Water Revenue	\$314,988.87	\$315,258.45		\$2,204,768.08	\$2,208,795.20	
Reimbursement of Overhead	31,680.13	29,907.27		247,831.71	209,350.89	
Total Operating Revenue	346,647.00	345,163.72		2,452,599.79	2,416,146.09	
OPERATING EXPENSES						
Salaries & Benefits	35,288.74	34,222.62		223,827.63	239,558.40	
Allocated Distribution Labor	19.19	23.20		119.80	162.28	
Allocated Customer Service Labor	82.39	78.00		431.33	548.00	
Allocated Maintenance Labor	103.04	141.27		708.24	988.92	
Allocated Admin Labor	5,985.79	6,230.82		34,907.32	43,615.72	
Allocated Commissioner Labor	828.90	873.45		5,932.58	6,114.20	
Materials & Supplies	841.02	1,368.00		6,569.58	9,578.00	
Boo-T Supplies	8.54	775.27		569.80	5,428.92	
Maintenance & Repairs	6,619.74	5,622.73		28,916.35	39,359.15	
Storage Maintenance		454.55			3,181.85	
Booster Station Expense		454.55			3,181.85	
Small Tool Expenses	180.00	138.38			954.59	
Accounting & Legal Services	387.28	272.73		4,845.48	2,479.87	
Management Fee - LWC	143,130.33	143,130.45		2,479.87	1,909.11	
Contractual Services	6,428.74	854.00		989,835.99	1,001,913.15	
Utility Regulatory Fees		1,159.09		20,524.39	5,977.98	
Amortized Acquisition Expense	12,286.76	10,167.73		89,007.32	8,113.64	
Fuel & Transportation Expense	2,528.83	287.45		14,030.54	71,174.08	
Insurance Expense	3,112.28	3,360.91		25,677.02	2,012.20	
Workers Comp/Unemployment Expense	418.79	587.00		25,677.02	23,738.36	
Advertising Expense		136.36		5,247.07	4,109.00	
Phone Expense	711.42	109.09		3,658.91	954.58	
Postage & Mailing		45.45		118.79	763.64	
Safety Expense				1,365.03	318.20	
Information Technology Expense				405.00		
Travel & Lodging	1,024.44	227.27		1,024.44	1,590.92	
Certification & Education	190.00	252.85		1,080.64	1,768.76	
Miscellaneous Expense	112.65	227.27		908.60	1,590.92	
Allocated FK Water G&A Expense	29,907.27	29,907.27		209,360.89	209,350.89	
TOTAL OPERATING EXPENSES	250,135.12	241,136.74		1,678,561.57	1,687,960.28	
Operating Income Before Depreciation	96,511.88	104,027.98		774,048.22	728,185.83	
Less Depreciation & Amortization	2,908.51	4,545.45		11,448.62	31,818.20	
Operating Income	93,603.37	99,482.53		762,599.60	696,377.63	
Non-Operating Income (Expense)						
Interest & Dividend Income	1,032.84	227.27		4,185.25	1,590.89	
Gain/(Loss) on Assets				(253.17)		
Income Before Capital Contributions	94,636.21	99,709.80		766,511.68	697,968.52	
Capital Contributions						
Tap Fees				4,869.46		
Capital Contributions	373,366.00	420,883.55		3,179,939.21	2,946,184.35	
Change in Net Assets	467,992.21	520,593.35		3,951,320.35	3,644,153.37	

For Management Purposes Only

Hardin County Water District No. 1 - Water Fund
Statement of Cash Flow
For the 8 Months Ended Friday, August 31, 2012

	August	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$77,506.21	\$583,013.76
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	67,613.29	641,822.76
Accounts Receivable	16,405.98	(7,932.55)
Accrued Interest	(2,901.95)	(5,326.44)
Due From/To Other Funds	(52,471.61)	(365,813.85)
Inventory	(16,397.59)	(18,231.47)
Prepaid Expense	632.78	(1,717.50)
Radcliff Collections Payable	(1,952.24)	10,002.54
Customer Deposits	652.24	15,560.24
Deferred Revenue	(2,605.00)	642.50
Reserve for Uncashed Checks		1,458.79
Accounts Payable & Accrued Expenses	28,284.30	(2,906.89)
Total Adjustments	37,260.20	267,558.13
Net Cash Provided by Operations	114,766.41	850,571.89
Cash Flows from Investing Activities Used For:		
Other Investment & Interest		(17,252.41)
Advances for Construction		(5,260.67)
Construction in Progress	(21,530.90)	(245,830.34)
Land & Buildings		
Supply Mains, Lines, Meters & Connections	(16,424.48)	(101,646.60)
Furniture & Equipment	15,937.02	(27,040.78)
Net Cash Used in Investing	(22,018.36)	(397,030.80)
Cash Flows From Financing Activities:		
Restricted Bond Funds	(63,579.13)	(252,404.84)
Bond Payments		(130,000.00)
Unamortized Bond Discount/Premium	1,295.67	10,365.36
Line of Credit - Cecilian Bank		(32,682.99)
Net Cash Used in Financing	(62,283.46)	(404,722.47)
Net Increase/(Decrease) in Cash	30,464.59	48,818.62
Summary:		
Cash at End of Period	354,422.24	354,422.24
Cash at Beginning of Period	323,957.65	305,603.62
Net Increase/(Decrease) in Cash	30,464.59	48,818.62

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Statement of Cash Flow
For the 8 Months Ended Friday, August 31, 2012

	August	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$41,996.01	\$762,716.16
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	54,259.69	427,997.37
Accounts Receivable	56,546.45	(293,847.14)
Due From/To Other Funds	(7,402.33)	23,057.00
Prepaid Expense	2,090.15	1,275.38
Accrued Interest	(0.46)	(0.26)
Inventory		
Accounts Payable & Accrued Expenses	70,319.40	204,456.98
Total Adjustments	175,812.90	362,939.33
Net Cash Provided by Operations	217,808.91	1,125,655.49
Cash Flows from Investing Activities Used For:		
Construction in Progress	(158,400.00)	(516,406.90)
Plant & Lines	(578.00)	(242,193.22)
Furniture & Equipment	(101.45)	(88,708.71)
Net Cash Used in Investing	(159,079.45)	(847,308.83)
Cash Flows From Financing Activities:		
Intra-Fund Loan		
Net Cash Used in Financing		
Net Increase/(Decrease) in Cash	58,729.46	278,346.66
Summary:		
Cash at End of Period	1,853,261.29	1,853,261.29
Cash at Beginning of Period	1,794,531.83	1,574,914.63
Net Increase/(Decrease) in Cash	58,729.46	278,346.66

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
Statement of Cash Flow
For the 8 Months Ended Friday, August 31, 2012

	August	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$81,802.52	\$384,648.23
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	3,150.37	24,597.75
Accounts Receivable	53,095.38	(158,418.96)
Due From/To Other Funds	452.33	11,596.26
Prepaid Expense	143.92	287.82
Accounts Payable & Accrued Expenses	(69,306.21)	40,931.66
Total Adjustments	(12,464.21)	(81,005.47)
Net Cash Provided by Operations	69,338.31	303,642.76
Cash Flows from Investing Activities Used For:		
Construction in Progress	(80,430.94)	(289,182.78)
GIS Structures	(347.40)	(51,583.95)
Net Cash Used in Investing	(80,778.34)	(340,766.73)
Cash Flows From Financing Activities:		
Intra-Fund Loan	_____	_____
Net Cash Used in Financing	_____	_____
Net Increase/(Decrease) in Cash	(11,440.03)	(37,123.97)
Summary:		
Cash at End of Period	645,411.98	645,411.98
Cash at Beginning of Period	656,852.01	682,535.95
Net Increase/(Decrease) in Cash	(11,440.03)	(37,123.97)

For Management Purposes Only

**Hardin County Water District No. 1 - Radcliff Sewer
Statement of Cash Flow
For the 8 Months Ended Friday, August 31, 2012**

	August	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$22,729.89	\$160,737.65
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	76,225.47	501,068.13
Accounts Receivable	21,055.04	(6,013.77)
Due From/To Other Funds	47,885.23	278,134.42
Prepaid Expense	4,086.16	(5,116.03)
Accrued Interest	(0.13)	521.69
Customer Deposits	729.00	8,313.10
Accounts Payable & Accrued Expenses	46,170.96	19,833.33
Total Adjustments	196,151.73	796,740.87
Net Cash Provided by Operations	218,881.62	957,478.52
Cash Flows from Investing Activities Used For:		
Investment & Interest		335,230.42
Construction in Progress	(284,079.93)	225,907.17
Plant & Lines	(31,898.04)	(557,940.65)
Furniture & Equipment	(1,624.53)	(10,343.97)
Transportation Equipment		(151,263.37)
Net Cash Used in Investing	(317,602.50)	(158,410.40)
Cash Flows From Financing Activities:		
Bond Payments		(132,918.07)
Organizational Costs	758.36	6,066.88
Net Cash Used in Financing	758.36	(126,851.19)
Net Increase/(Decrease) in Cash	(97,962.52)	672,216.93
Summary:		
Cash at End of Period	3,511,154.88	3,511,154.88
Cash at Beginning of Period	3,609,117.40	2,838,937.95
Net Increase/(Decrease) in Cash	(97,962.52)	672,216.93

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Water Fund
Statement of Cash Flow
For the 8 Months Ended Friday, August 31, 2012

	August	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$467,992.21	\$3,951,320.35
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	2,908.51	11,448.62
Accounts Receivable	(720,003.00)	(1,444,875.46)
Accrued Interest		
Due From/To Other Funds		
Inventory	11,536.38	53,026.17
Prepaid Expense	(3,186.16)	(24,635.26)
Accounts Payable & Accrued Expenses	1,445.00	(5,961.11)
Total Adjustments	152,041.20	323,053.97
Net Cash Provided by Operations	(555,258.07)	(1,087,943.07)
Net Cash Provided by Operations	(87,265.86)	2,863,377.28
Cash Flows from Investing Activities Used For:		
Other Investment & Interest		
Construction in Progress	(5,940.11)	(215,706.07)
Land & Buildings		
Supply Mains, Lines, Meters & Connections		(7,842.86)
Furniture & Equipment		(284,718.61)
Net Cash Used in Investing	(5,940.11)	(508,267.54)
Cash Flows From Financing Activities:		
Acquisition Costs	(22,010.17)	(257,318.33)
Net Cash Used in Financing	(22,010.17)	(257,318.33)
Net Increase/(Decrease) in Cash	(115,216.14)	2,097,791.41
Summary:		
Cash at End of Period	2,097,791.41	2,097,791.41
Cash at Beginning of Period	2,213,007.55	
Net Increase/(Decrease) in Cash	(115,216.14)	2,097,791.41

For Management Purposes Only

HARDIN COUNTY WATER DIST NO. 1
PROJECT FUNDING
AS OF 8/31/2012

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
KIA WX21093020 Grant	3/14/2007	KIA - Constantine Road Grant	\$1,000,000.00	\$111,925.00	\$888,075.00
KY EBDG for BRAC Grant	1/12/2010	Radcliff WW Pump Station Upgrades	\$2,250,000.00	\$486,457.31	\$1,763,542.69
KY EBDG for BRAC Grant	9/16/2011	Radcliff WW System Improvements Project	\$2,500,000.00	\$709,852.36	\$1,790,147.64
KY EBDG for BRAC Grant	11/10/2011	Louisville Water-Fort Knox Interconnect Pr	\$4,500,000.00	\$0.00	\$4,500,000.00
Fort Knox - CLIN 0033	7/21/2011	WWTP Improvements (2910)	\$415,000.00	\$230,233.75	\$184,766.25
Fort Knox - CLIN 0034	7/21/2011	Brooks Field Phase III Improvements (2923)	\$100,000.00	\$94,183.42	\$5,816.58
Fort Knox - CLIN 0035	7/21/2011	Basin 2 Improvements	\$406,000.00	\$44,182.72	\$361,817.28
Fort Knox - CLIN 0036	7/21/2011	Basin 6 Improvements	\$107,000.00	\$77,352.13	\$29,647.87
Fort Knox - CLIN 0037	7/21/2011	Dietz Lift Station (2704)	\$1,025,000.00	\$54,240.36	\$970,759.64
Fort Knox - CLIN 0038	7/21/2011	Basin 8 Improvements	\$403,000.00	\$46,447.27	\$356,552.73
Fort Knox - CLIN 0039	7/21/2011	Matthews LS & Force Main (2918)	\$675,000.00	\$54,174.51	
Fort Knox - CLIN 0039	7/21/2011	Chaffee Pump Station (2924)		\$44,386.65	\$576,438.84
Fort Knox - CLIN 0040	7/21/2011	Van Voorhis Area Improvements (2824)	\$1,200,000.00	\$63,751.92	\$1,136,248.08
Fort Knox - CLIN 0041	7/21/2011	Lift Station Generators	\$50,000.00	\$50,000.00	\$0.00
Fort Knox - CLIN 0042	7/21/2011	Godman Airfield Improvements (4914)	\$1,160,000.00	\$86,963.76	\$1,073,036.24

Updated 9/11/2012

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
Fort Knox - CLIN 0043	7/21/2011	Basin 3 Storm Water Improvements	\$250,000.00	\$7,515.97	\$242,484.03
Fort Knox - CLIN 0044	7/21/2011	Basin 4 Storm Water Improvements	\$125,000.00	\$125,000.00	\$0.00
Fort Knox - CLIN 0045	7/21/2011	Basin 5 Storm Water Improvements	\$200,000.00	\$182.70	\$199,817.30
Funding Totals			\$16,366,000.00	\$2,286,849.83	\$14,079,150.17



Mobile Home Park Montly Update

31-Aug-12

To date (20 months), we have billed \$124,361 for Master Meters. \$108,156 (87%) has been paid to date leaving an Uncollected Balance of \$16,206 (13%) of the 23 accounts. Two accounts have triggered the First & Second Warning Letters. Two accounts have triggered the First Warning Letter. One account has been turned over to Legal (\$12,758) while another has been turned over to the Collection Agency (\$295).

Hardin County Water District No. 1

Accounts Receivable Report

Date : 9/11/2012 2:32:16 PM
 User Name :

Account	Inbilled						Total Balance
	Balance	< 30	30-59	60-89	90-119	120+	
1160249800	0.00	314.14	0.00	0.00	0.00	0.00	
1180414000	0.00	0.00	(12.47)	0.00	0.00	0.00	*
1180618100	0.00	13.70	0.00	0.00	0.00	0.00	
1180721000	0.00	114.98	0.00	0.00	0.00	0.00	
1180750200	0.00	31.58	0.00	0.00	0.00	0.00	
1200280900	0.00	225.49	0.00	0.00	0.00	0.00	
1200307800	0.00	8.45	0.00	0.00	0.00	0.00	*
1210022100	0.00	74.00	0.00	0.00	0.00	0.00	
1210027000	0.00	59.26	0.00	0.00	0.00	0.00	
1210136600	0.00	634.52	0.00	0.00	0.00	0.00	
1220754000	0.00	35.70	35.70	35.70	0.00	0.00	
2070171701	0.00	32.73	0.00	0.00	35.78	516.95	**
2070188900	0.00	57.81	28.47	26.49	0.00	0.00	
3110096100	0.00	45.04	0.00	0.00	26.58	416.57	**
3110138000	0.00	396.83	0.00	0.00	0.00	0.00	
Grand Total	0.00	2,044.03	51.70	62.19	62.36	933.52	

3,153.80
 LEGAL 12,757.46
 COLLECTIONS 294.45
 MHP AR 16,205.71

Detail By Group/Income Center

Group/Income Center	Unbilled Balance	Inbilled						Total Balance
		< 30	30-59	60-89	90-119	120+		
Service / Water Taxable	0.00	668.91	1.77	0.00	0.00	29.14	699.82	
Service / Water Franchise Fee	0.00	24.60	0.58	0.53	0.53	8.82	35.06	
Service / School Tax	0.00	27.91	0.58	0.53	0.53	8.43	37.98	
Service / Water State Tax	0.00	57.44	1.19	1.08	1.08	17.22	78.01	
Service / Customer Charge	0.00	240.96	17.57	17.57	17.57	263.55	557.22	
Service / Sewer	0.00	890.11	34.22	34.22	34.22	487.07	1,479.84	
Service / Sewer Franchise Fee	0.00	26.70	1.02	1.02	1.02	15.03	44.79	
Service / Sewer State Tax	0.00	53.42	2.06	2.06	2.06	29.32	88.92	
Service / Unapplied Cash	0.00	0.00	(12.47)	0.00	0.00	0.00	(12.47)	
Other-S / Other-Sewer	0.00	2.50	0.00	0.00	0.00	0.00	2.50	
Other	0.00	2.50	0.00	0.00	0.00	0.00	2.50	
Penalty	0.00	48.98	5.18	5.18	5.35	74.94	139.63	
Grand Total	0.00	2,044.03	51.70	62.19	62.36	933.52	3,153.80	

HARDIN COUNTY WATER DISTRICT NO. 1
As of September 30, 2012

YEAR to DATE

	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>
Total Operating Revenue	351,940.61	244,801.83	41,194.86	302,102.29	346,647.00	1,286,686.59	3,066,389.71	2,187,759.27	371,363.43	2,692,685.98	2,799,246.79	11,117,445.18
Total Operating Expenses	178,514.96	156,074.59	24,710.78	222,580.34	239,142.48	821,023.15	1,736,070.79	1,383,178.06	224,384.60	1,947,178.81	1,917,694.05	7,208,508.31
Less Depreciation & Amortization	(79,956.13)	(54,636.43)	(3,152.41)	(82,957.15)	(2,960.02)	(223,664.14)	(717,790.06)	(485,663.01)	(27,750.16)	(732,311.97)	(14,408.64)	(1,977,923.84)
Operating Income	93,469.52	34,088.81	13,331.67	(3,435.20)	104,544.50	241,999.30	612,528.86	318,918.20	119,228.67	13,195.20	887,144.10	1,931,015.03
Interest Income	2,796.21	1,496.72	278.04	1,557.08	1,037.30	7,165.35	27,963.33	10,658.93	3,719.89	19,140.74	5,202.55	66,685.24
Interest Expense	(24,202.79)	(90.56)	-	(7,066.03)	-	(31,359.38)	(219,370.29)	(847.60)	-	(66,045.25)	-	(268,263.14)
Net Unrealized Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Investments	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Assets	-	-	-	-	-	-	-	-	-	-	-	-
Non-utility Income	-	-	-	-	-	-	4,282.43	-	-	(63,107.06)	(253.17)	(59,087.80)
Income Before Contributed Capital	72,062.94	35,494.97	13,609.71	(8,944.16)	105,681.80	217,805.27	425,414.33	330,089.86	122,948.36	(96,816.37)	872,093.48	1,653,729.66
Government Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants	9,970.55	-	-	7,970.54	-	17,941.09	168,423.26	-	-	123,406.05	-	291,829.31
Misc Grants-HWY 1882	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants-HWY 144	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Louisville H2O Connector	2,332.08	-	-	-	-	2,332.08	2,332.08	-	-	-	-	-
Misc Grants Constantine Road	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/I & I	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/Pump Stations	-	-	-	25,697.00	-	25,697.00	-	-	-	-	-	-
Misc Revenue/Grant/SI	-	-	-	152,626.50	-	152,626.50	-	-	-	80,308.03	-	80,308.03
Tap fees	642.50	-	-	-	-	642.50	36,398.98	-	-	226,466.63	-	226,466.63
Capital contributions	-	126,402.75	31,337.42	-	373,356.00	531,096.17	35,453.18	594,524.02	308,647.00	2,850.00	4,889.46	44,118.44
Change in Net Assets	85,008.07	161,897.72	44,947.13	177,349.89	478,937.80	948,140.61	668,021.83	924,613.88	429,565.36	338,087.54	4,430,258.15	6,790,576.78
Return on Assets (ROA)							1.310%	1.57%	5.35%	-0.38%	18.11%	1.92%

The contributed capital received this month is as follows: Ft. Knox Sewer (\$126,402) was for VanVoorhis Collection System Improvements, PTB Rehab/Replacement, Brooks Field Manhole Rehab, Chatee Pump Station and Basins 2, 6, 7 & 8 Improvements; FK Storm Water (\$31,337) was for Godman Airfield Improvements and Storm Water Improvements; FK Water (\$373,556) was for the ISDC Surcharge.

Water: Compared to Last Year, Y-T-D sales change is as follows: Residential up (1.05%), Commercial up (.06%), Multi-Family up (0.87%) and Wholesale up (2.58%). Total Revenues Y-T-D are up (.84%). Maintenance & Repairs is up due to stock issued for Multiple Main Breaks in the month. Travel & Certification/Education are up slightly due to Certification Testing of Distribution Operators as well as UMI Class for three employees.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$44,723 difference; This Year Compared to Last Year YTD = +\$214,415.

Ft. Knox Sewer: Management Fee Veolia was slightly lower for the month due to \$4,100 being pulled out to capitalize to projects.

Radcliff: Compared to Last Year, Y-T-D sales change as follows: Residential up (1.22%), Multi-Family up (2.52%), Commercial Sales up (9.32%). Total Revenues are up 1.7%. Travel & Certification/Education was up slightly due to Certification Testing of Distribution Operators as well as UMI Class for three employees. Veolia Management Fee is up due to no costs being capitalized for the month.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$211,741 difference; This Year YTD Compared to Last Year YTD = - \$105,282.

Bad Debt Expense: Compared to last year Y-T-D, Radcliff is up approximately 4.8% & Water is up approximately 3.5%. Compared to Last Year, Bad Debt Recovered for Water is down approximately 17.7% and Radcliff is down approximately 21.6%.

Invested Funds Inventory
 HCWD1
 9/30/2012

Name of Account	Rate	Balance	Mkt Val	Accr'd Inc	Earnings	Fees	R = Restrict	Current Investment	Invested By	Maturity
Water Revenue/O&M	0.200%	386,355.31	386,355.31	0.00	58.48					
Water Savings	0.200%	53,825.02	53,825.02	0.00	5.19		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Water Fund	0.150%	1,037.87	1,037.87	0.38	0.12		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 CD-Water Fund	4.910%	255,338.08	255,338.08	0.00	916.08		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-Water Fund	1.490%	122,921.97	122,921.97	461.65	160.54		U = Unrest	Cecilian Bank	Cecilian Bank	09/27/12
HCWD1 CD-Water Fund	5.200%	388,536.90	388,536.90	0.00	1,475.21		U = Unrest	FKFCU	FKFCU	12/04/12
2002 Sinking Fund - Principal	0.000%	21,666.67	21,666.67				U = Unrest	Lincoln National Bank	Lincoln National Bank	09/27/12
2002 Sinking Fund - Interest	0.000%	531.13	531.13				R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Depreciation Fund	0.160%	751,734.62	751,734.62	102.57	102.57		R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Debt Serv Res	0.160%	588,458.62	588,458.62	80.30	80.30		R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Sinking Fund	0.160%	43,673.14	43,673.14	7.72	7.72		R = Restrict	First American Govt Oblig Fd	U S Bank	
Subtotal Water Fund		2,614,079.33	2,614,079.33	652.62	2,796.21	0.00	R = Restrict	First American Govt Oblig Fd	U S Bank	
Ft. Knox Sewer Revenue/O&M	0.200%	231,842.64	231,842.64	0.00	53.39		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Sewer Savings	0.200%	1,619.60	1,619.60	0.00	0.17		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Ft. Knox Sewer Fund	0.150%	1,016.65	1,016.65	0.37	0.12		U = Unrest	FL. Knox Federal Credit Union	FKFCU	
Ft. Knox Sewer Money Market	0.60%	1,801,728.31	1,801,728.31		828.91		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Sewer Fund		2,036,207.20	2,036,207.20	0.37	882.59	0.00				
Ft. Knox Stormwater Revenue/O&M	0.20%	148,649.79	148,649.79	0.00	13.24		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Stormwater Money Market	0.60%	575,562.60	575,562.60		264.80		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Stormwater Fund		724,212.39	724,212.39	0.00	278.04	0.00				
Radcliff Sewer Revenue/O&M	0.200%	73,122.10	73,122.10	0.00	22.95		U = Unrest	Cecilian Bank	Cecilian Bank	
Rad Sewer Bus. Part. MM KIA Maint & Rep	0.600%	338,210.88	338,210.88		166.70		R = Restrict	Cecilian Bank	Cecilian Bank	
Radcliff Sewer Business Partner MM	0.600%	2,863,323.13	2,863,323.13		1,367.31		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Radcliff Sewer Fund	0.150%	1,016.65	1,016.65	0.37	0.12		U = Unrest	FL. Knox Federal Credit Union	FKFCU	
Subtotal Radcliff Sewer Fund		3,275,872.76	3,275,872.76	0.37	1,557.08	0.00				
Ft. Knox Water Revenue/O&M	0.20%	280,666.74	280,666.74	0.00	42.57		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Water Money Market	0.60%	2,300,994.73	2,300,994.73		994.73		U = Unrest	Cecilian Bank	Cecilian Bank	
Total		11,231,833.15	11,231,833.15	653.36	6,551.22	0.00				

HARDIN COUNTY WATER DISTRICT NO. 1 WATER
COMPARATIVE BALANCE SHEET
For the Nine Months Ending Sunday, September 30, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$442,918.20	\$474,903.10	(\$31,984.90)
Investments - Less than 1 Year to...	766,796.95	733,637.27	33,159.68
Accounts Receivable - Net	473,127.37	445,919.56	27,207.81
Due From Other Funds	68,682.45		68,682.45
Inventory - Materials & Supplies	284,633.21	281,330.02	3,303.19
Prepaid Expenses	67,928.40	55,352.94	12,575.46
Accrued Interest	652.62	406.72	245.90
Total Current Assets	<u>2,104,739.20</u>	<u>1,991,549.61</u>	<u>113,189.59</u>
Long Term Investments			
Restricted Assets - Reserve Funds	1,405,533.05	1,395,217.58	10,315.47
Total Long Term Investments	<u>1,405,533.05</u>	<u>1,395,217.58</u>	<u>10,315.47</u>
Property, Plant & Equipment			
Land	273,045.22	273,045.22	
Property, Plant & Lines	36,124,864.67	35,597,307.09	527,557.58
Equipment & Furniture	4,619,418.04	4,300,504.72	318,913.32
Construction in Progress	711,741.99	926,021.15	(214,279.16)
Total	<u>41,729,069.92</u>	<u>41,096,878.18</u>	<u>632,191.74</u>
Less: Accumulated Depreciation	(12,762,758.47)	(11,786,772.52)	(975,985.95)
Total Property, Plant & Equipment	<u>28,966,311.45</u>	<u>29,310,105.66</u>	<u>(343,794.21)</u>
TOTAL ASSETS	<u>32,476,583.70</u>	<u>32,696,872.85</u>	<u>(220,289.15)</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	198,165.65	182,995.79	15,169.86
Accrued Expenses	81,316.44	277,113.96	(195,797.52)
Due To Other Funds		474,852.23	(474,852.23)
Customers' Deposits	173,470.24	164,291.11	9,179.13
Radcliff Collections Payable	137,800.04	113,845.15	23,954.89
State Encroachment - Reserve for...	6,686.22	7,264.29	(578.07)
Deferred Revenue	1,927.50	5,782.50	(3,855.00)
Total Current Liabilities	<u>599,366.09</u>	<u>1,226,145.03</u>	<u>(626,778.94)</u>
Long Term Debt			
Bonds Payable	8,785,000.00	9,285,000.00	(500,000.00)
Less: Unamortized Discount & Ex...	(166,617.63)	(182,165.67)	15,548.04
Total Long Term Debt	<u>8,618,382.37</u>	<u>9,102,834.33</u>	<u>(484,451.96)</u>
Other Liabilities			
Customer Advances for Constructi...	121,140.06	126,400.73	(5,260.67)
Total Liabilities	<u>9,338,888.52</u>	<u>10,455,380.09</u>	<u>(1,116,491.57)</u>
Net Assets			
Retained Earnings	8,067,737.80	10,568,814.95	(2,501,077.15)
Contributed Capital	14,401,935.55	11,145,262.54	3,256,673.01
Current Earnings	668,021.83	527,415.27	140,606.56
Total Net Assets	<u>23,137,695.18</u>	<u>22,241,492.76</u>	<u>896,202.42</u>
TOTAL LIABILITIES & NET ASSETS	<u>32,476,583.70</u>	<u>32,696,872.85</u>	<u>(220,289.15)</u>

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX SEWER
COMPARATIVE BALANCE SHEET
For the Nine Months Ending Sunday, September 30, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$2,036,207.20	\$1,353,281.28	\$682,925.92
Accounts Receivable - Net	374,936.37	555,393.95	(180,457.58)
Inventory - Materials & Supplies	12,372.77	12,372.77	
Prepaid Expenses	8,826.60	39,866.15	(31,039.55)
Accrued Interest	0.37	0.65	(0.28)
Total Current Assets	<u>2,432,343.31</u>	<u>1,960,914.80</u>	<u>471,428.51</u>
Property, Plant & Equipment			
Plant & Lines	78,328,206.05	77,906,228.35	421,977.70
Equipment	1,196,297.91	1,061,111.77	135,186.14
Construction In Progress	1,357,219.95	764,783.70	592,436.25
Total	<u>80,881,723.91</u>	<u>79,732,123.82</u>	<u>1,149,600.09</u>
Less: Accumulated Depreciation	(62,324,521.44)	(61,684,247.02)	(640,274.42)
Total Property, Plant & Equipment	<u>18,557,202.47</u>	<u>18,047,876.80</u>	<u>509,325.67</u>
TOTAL ASSETS	<u>20,989,545.78</u>	<u>20,008,791.60</u>	<u>980,754.18</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	276,790.03	265,699.82	11,090.21
Accrued Expenses	4,265.44	26,752.50	(22,487.06)
Due To Other Funds	17,381.19	94,116.74	(76,735.55)
Total Current Liabilities	<u>298,436.66</u>	<u>386,569.06</u>	<u>(88,132.40)</u>
Net Assets			
Retained Earnings	702,793.06	711,794.21	(9,001.15)
Contributed Capital	19,063,702.18	18,198,181.72	865,520.46
Current Earnings	924,613.88	712,246.61	212,367.27
Total Net Assets	<u>20,691,109.12</u>	<u>19,622,222.54</u>	<u>1,068,886.58</u>
TOTAL LIABILITIES & NET ASSETS	<u>20,989,545.78</u>	<u>20,008,791.60</u>	<u>980,754.18</u>

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX STORM WATER
COMPARATIVE BALANCE SHEET
For the Nine Months Ending Sunday, September 30, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$724,212.39	\$555,507.48	\$168,704.91
Accounts Receivable - Net	72,532.28	38,840.00	33,692.28
Due From Other Funds		77,465.41	(77,465.41)
Prepaid Expenses	433.41	16,460.40	(16,026.99)
Total Current Assets	<u>797,178.08</u>	<u>688,273.29</u>	<u>108,904.79</u>
Property, Plant & Equipment			
Storm Water Property	1,132,832.94	1,077,404.25	55,428.69
Treatment & Disposal Equipment	61,945.87	61,471.82	474.05
Storm Water GIS	86,026.33	86,026.33	
Office Furniture & Equipment	2,046.99	1,796.49	250.50
Construction In Progress	339,979.74	4,310.09	335,669.65
Total	<u>1,622,831.87</u>	<u>1,231,008.98</u>	<u>391,822.89</u>
Less: Accumulated Depreciation	(121,671.63)	(84,744.54)	(36,927.09)
Total Property, Plant & Equipment	<u>1,501,160.24</u>	<u>1,146,264.44</u>	<u>354,895.80</u>
TOTAL ASSETS	<u>2,298,338.32</u>	<u>1,834,537.73</u>	<u>463,800.59</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	26,879.24	22,429.42	4,449.82
Accrued Expenses	713.25	850.50	(137.25)
Due To Other Funds	3,162.70		3,162.70
Total Current Liabilities	<u>30,755.19</u>	<u>23,279.92</u>	<u>7,475.27</u>
Net Assets			
Retained Earnings	1,402,991.22	1,270,969.26	132,021.96
Contributed Capital	434,996.55	434,996.55	
Current Earnings	429,595.36	105,292.00	324,303.36
Total Net Assets	<u>2,267,583.13</u>	<u>1,811,257.81</u>	<u>456,325.32</u>
TOTAL LIABILITIES & NET ASSETS	<u>2,298,338.32</u>	<u>1,834,537.73</u>	<u>463,800.59</u>

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER
COMPARATIVE BALANCE SHEET
For the Nine Months Ending Sunday, September 30, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$3,275,672.76	\$2,128,304.18	\$1,147,368.58
Accounts Receivable - Net	466,855.80	863,687.34	(396,831.54)
Due From Other Funds	21,636.54	491,503.56	(469,867.02)
Prepaid Expenses	51,391.29	203,641.46	(152,250.17)
Accrued Interest	0.37	520.26	(519.89)
Total Current Assets	3,815,556.76	3,687,656.80	127,899.96
Long Term Investments			
Restricted Assets - Reserve Funds		334,143.95	(334,143.95)
Total Long Term Investments		334,143.95	(334,143.95)
Property, Plant & Equipment			
Property, Plant & Lines	33,129,438.01	32,402,071.33	727,366.68
Equipment & Furniture	1,137,916.98	920,407.13	217,509.85
Construction In Progress	1,654,920.91	1,369,789.84	285,131.07
Total	35,922,275.90	34,692,268.30	1,230,007.60
Less: Accumulated Depreciation	(14,508,992.26)	(13,743,295.61)	(765,696.65)
Total Property, Plant & Equipment	21,413,283.64	20,948,972.69	464,310.95
Organizational Costs	204,377.58	213,477.90	(9,100.32)
TOTAL ASSETS	25,433,217.98	25,184,251.34	248,966.64
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	187,537.62	191,229.99	(3,692.37)
Customer Deposits	131,829.10	124,092.00	7,737.10
Contractor Deposits		8,542.59	(8,542.59)
Current Portion of Long Term Debt	135,443.51	130,439.72	5,003.79
Accrued Expenses	147,526.54	134,267.52	13,259.02
Total Current Liabilities	602,336.77	588,571.82	13,764.95
Long Term Debt			
Bonds Payable	1,840,720.99	2,109,082.57	(268,361.58)
Total Long Term Debt	1,840,720.99	2,109,082.57	(268,361.58)
Total Liabilities	2,443,057.76	2,697,654.39	(254,596.63)
Net Assets			
Retained Earnings	297,992.80	437,221.06	(139,228.26)
Contributed Capital	22,354,079.88	20,447,448.70	1,906,631.18
Current Earnings	338,087.54	1,601,927.19	(1,263,839.65)
Total Net Assets	22,990,160.22	22,486,596.95	503,563.27
TOTAL LIABILITIES & NET ASSETS	25,433,217.98	25,184,251.34	248,966.64

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX WATER
 COMPARATIVE BALANCE SHEET
 For the Nine Months Ending Sunday, September 30, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$2,581,661.47		\$2,581,661.47
Accounts Receivable - Net	1,440,006.00		1,440,006.00
Inventory - Materials & Supplies	21,066.31		21,066.31
Prepaid Expenses	12,159.15		12,159.15
Total Current Assets	4,054,892.93		4,054,892.93
Long Term Investments			
Property, Plant & Equipment			
Property, Plant & Lines	7,842.86		7,842.86
Equipment & Furniture	290,899.75		290,899.75
Construction In Progress	224,427.68		224,427.68
Total	523,170.29		523,170.29
Less: Accumulated Depreciation	(14,408.64)		(14,408.64)
Total Property, Plant & Equipment	508,761.65		508,761.65
Organizational Costs	251,863.50		251,863.50
TOTAL ASSETS	4,815,518.08		4,815,518.08
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	306,316.25		306,316.25
Accrued Expenses	9,168.58		9,168.58
Due To Other Funds	69,775.10		69,775.10
Total Current Liabilities	385,259.93		385,259.93
Long Term Debt			
Other Liabilities			
Total Liabilities	385,259.93		385,259.93
Net Assets			
Current Earnings	4,430,258.15		4,430,258.15
Total Net Assets	4,430,258.15		4,430,258.15
TOTAL LIABILITIES & NET ASSETS	4,815,518.08		4,815,518.08

For Management Purposes Only

Hardin County Water District No. 1 Water Fund
Detail Comparative Income Statements
For the 9 Months Ended Sunday, September 30, 2012

	September	September Budget	September Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Customer Meter Charges						
Residential Sales	\$59,672.74	\$58,908.21	\$58,414.42	\$533,323.50	\$536,857.80	\$532,357.84
Commercial Sales	166,683.10	171,330.92	168,714.48	1,452,182.84	1,459,435.53	1,437,148.07
Multi-Family Sales	24,811.81	17,688.57	28,306.70	217,907.72	136,085.43	217,775.10
Sales for Resale - Vine Grove	15,074.69	23,400.82	14,367.72	137,332.68	221,742.28	136,147.29
Sales for Resale - District 2	23,728.45	25,563.84	24,610.75	210,923.09	215,380.13	207,359.79
Sales for Resale - Meade County	613.74			2,381.82		
Sewer Storm Water-Monthly Contract	34,548.17	37,573.88	36,577.34	288,040.87	289,061.96	281,395.40
Bad Debt Recovered	2,338.25	1,013.79	719.23	11,335.87	9,098.31	8,454.80
Penalties, Service Fees and Reimbursements	665.37	467.70	401.33	5,265.11	7,454.87	6,386.79
Total Operating Revenue	<u>351,940.81</u>	<u>360,520.05</u>	<u>356,170.11</u>	<u>3,068,389.71</u>	<u>3,098,645.85</u>	<u>3,040,780.28</u>
OPERATING EXPENSES						
Salaries & Benefits	100,231.98	108,411.28	120,249.90	973,888.01	1,013,245.02	1,100,503.82
Purchased Water	3,618.21	4,963.56	5,045.92	81,239.15	68,715.12	69,855.30
Utilities & Energy Expense	22,107.88	24,841.50	26,083.87	207,926.97	206,221.29	203,692.93
Chemicals	13,480.04	5,990.37	6,725.06	114,023.58	115,712.70	129,904.32
Materials & Supplies	3,915.09	1,998.16	1,735.64	20,353.44	17,536.56	18,134.20
Maintenance & Repairs	13,228.02	6,866.80	6,841.18	83,347.07	48,011.78	47,657.84
Storage Maintenance	422.48	161.95	153.66	2,449.01	2,257.79	2,142.25
Booster Station Expense	47.85	5.33	48.30	706.37	585.22	5,300.50
Small Tool Expenses	386.53	167.82	46.52	6,827.64	10,025.60	2,629.65
Accounting & Legal Services	1,485.94	2,015.28	2,166.59	14,448.48	16,788.36	18,062.02
Contractual Services	12,794.16	21,884.95	18,219.65	115,284.29	145,612.56	130,562.84
Laboratory Services	220.50	395.09	1,087.20	12,085.68	5,241.77	15,452.48
Lab Supplies	223.10	608.33		1,308.12	5,474.97	
Bac-T Supplies	1.98	366.67		4,682.45	3,299.99	
Utility Regulatory Fees	573.85	526.96	522.21	4,854.81	4,718.12	4,676.64
Amortized 2007-12 Rate Case			633.78	4,436.46	4,400.00	5,704.02
Fuel & Transportation Expense	5,637.26	5,469.87	4,705.73	52,732.29	46,067.02	39,690.44
Insurance Expense	3,356.87	3,575.00	2,832.93	31,296.74	32,175.00	23,964.99
Workers Comp/Unemployment Expense	1,700.54	2,262.81	1,816.98	13,300.26	19,048.57	18,291.92
Advertising Expense	37.48			12,840.53	5,673.54	1,332.32
Bad Debt Expense	2,187.93	2,388.94	2,493.95	23,243.39	21,511.92	22,457.54
Collection Expense	265.63	1,227.72	1,038.84	4,638.30	5,170.05	4,374.66
Printing Expense	1,334.68	1,580.17	1,506.83	12,356.72	13,384.47	12,737.68
Subscriptions	219.59	358.33	215.33	3,024.31	3,225.01	3,267.08
Printing & Mailing	143.28	131.26	105.84	3,683.05	4,431.94	3,566.78
Stationery Expense	131.58	40.24	36.15	2,396.41	3,776.98	3,393.16
Information Technology Expense	5,846.75	2,810.49	2,536.07	40,799.95	30,597.46	27,609.93
Commission Expense	276.00	516.48	409.02	2,566.25	2,460.39	2,420.72
Travel & Lodging	1,037.92			7,175.54	3,490.39	2,776.72
Certification & Education	186.11			10,584.05	9,286.43	7,446.14
Miscellaneous Expense	503.81	314.52	260.30	4,138.28	6,295.66	5,210.29
Customer Deposit Interest Expense	51.28	31.86	47.74	482.62	311.52	466.80
Cash Over & Short	(6.40)		1.47	23.49		26.06
Allocated FK Water G&A Expense	(17,132.74)	(17,132.73)		(137,061.92)	(137,061.84)	
TOTAL OPERATING EXPENSES	<u>178,514.96</u>	<u>182,778.98</u>	<u>207,566.46</u>	<u>1,736,070.79</u>	<u>1,737,671.37</u>	<u>1,831,301.60</u>
Operating Income Before Depreciation	173,425.65	177,741.07	148,603.65	1,330,318.92	1,360,974.48	1,109,458.68
Less Depreciation & Amortization	79,958.13	78,768.41	77,759.43	717,790.06	692,502.54	683,640.45
Operating Income	<u>93,469.52</u>	<u>98,974.66</u>	<u>70,844.22</u>	<u>612,528.86</u>	<u>668,471.94</u>	<u>425,818.23</u>
Non-Operating Income(Expense)						
Interest & Dividend Income						
Interest Expense	2,796.21	2,036.64	3,204.51	27,963.33	20,196.85	31,778.29
Gain/(Loss) on Assets	(24,202.79)	(23,977.84)	(25,389.33)	(219,370.29)	(218,531.73)	(230,084.59)
Income Before Capital Contributions	<u>72,062.94</u>	<u>77,033.46</u>	<u>48,592.17</u>	<u>425,414.33</u>	<u>470,137.06</u>	<u>210,999.37</u>
Capital Contributions						
Misc Revenue - Grant						
Misc Revenue - Grant - Hwy 1882	9,970.55			168,423.26		19,152.21
Misc Revenue - Grant - Hwy 144						22,531.99
Misc Revenue - Grant - LWC	2,332.08	41,666.67		2,332.08	374,999.99	12,011.57
Misc Revenue - Grant - Constantine Rd		52,666.67			474,000.03	
Tap fees	642.50	7,093.11	6,069.96	36,398.98	59,286.96	50,735.04
Customer contributions			61,842.41	35,453.18		211,985.09
Change in Net Assets	<u>85,008.07</u>	<u>178,459.91</u>	<u>116,504.54</u>	<u>668,021.83</u>	<u>1,378,424.04</u>	<u>527,415.27</u>

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
 Detail Comparative Income Statements
 For the 9 Months Ended Sunday, September 30, 2012

	September	September Budget	September Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Sanitary Sewer Revenue	\$236,529.37	\$233,921.91	\$230,057.00	\$2,121,022.11	\$2,105,295.15	\$2,070,511.00
Mudraugh-Fixed Monthly Billing	402.24	402.25	402.24	3,620.16	3,620.25	3,620.16
Mudraugh-Waste Water Flows	2,562.15	3,200.60	2,888.46	39,247.43	57,213.93	51,634.10
Reimbursement of HCWD Overhead	5,308.07	11,163.83	12,978.25	23,869.57	100,474.51	17,312.76
Total Operating Revenues	244,801.83	248,688.59	246,325.95	2,187,759.27	2,266,603.84	2,143,078.02
OPERATING EXPENSES						
Customer Service Labor	35.39	48.15	550.92	377.41	434.48	4,971.37
Administrative Labor	6,078.57	6,758.42	2,991.83	66,121.99	69,619.91	30,819.46
Internal Maintenance/Supervision			135.73			1,946.78
Information Technology Expense	311.80	152.45	135.26	2,533.23	1,658.76	1,472.52
Professional Services-Engineering			500.00			8,579.50
Professional Services-Accounting	612.48	524.17	472.50	4,819.68	4,717.53	4,252.50
Professional Services-Legal	237.49	302.17	237.49	2,137.41	2,718.49	2,137.41
Management Fee - Veolia	143,037.35	148,767.83	144,410.77	1,307,794.74	1,338,910.51	1,298,372.45
Contractual Services	7,204.52			7,816.68		
Insurance Expense	1,667.30	1,666.67	3,815.60	15,005.80	14,999.99	32,800.50
Regulatory Commission Expense	422.85	362.27	361.53	3,437.73	3,313.23	3,306.45
Transportation Fuel & Repairs	34.21	21.68	24.15	258.27	237.82	284.93
Office Supplies Expense	18.11	28.92	20.51	195.51	377.79	267.97
Utilities	131.61	202.18	(960.99)	1,531.67	1,732.28	1,961.36
Travel & Lodging	55.34			382.70	413.77	429.27
Education & Conferences	1.53			442.64	1,470.21	937.62
Certification & Training	8.40			309.56	1,000.00	44.00
Miscellaneous Expense				271.92	1,200.00	974.30
Allocated FK Water G&A Expense	(3,782.36)	(3,782.36)		(30,258.88)	(30,258.92)	
Total Operating Expenses	156,074.59	155,052.55	152,695.30	1,383,178.06	1,412,547.85	1,393,538.39
Operating Income Before Depreciation	88,727.24	93,636.04	93,630.65	804,581.21	854,055.99	749,539.63
Less Depreciation & Amortization	54,638.43	53,612.40	52,676.59	485,663.01	470,435.58	462,259.82
OPERATING INCOME	34,088.81	40,023.64	40,954.06	318,918.20	383,620.41	287,279.81
Non Operating Income/(Expense)						
Interest & Dividend Income						
Interest Expense	1,496.72	989.63	1,211.44	10,658.93	7,083.64	8,671.32
Net Community Income	(90.56)	(108.42)	(97.83)	(847.60)	(1,073.51)	(968.66)
Income Before Capital Contributions	35,494.97	40,904.85	42,067.67	330,089.86	389,630.54	294,982.45
Capital Contributions	126,402.75	253,723.25	294,959.59	594,524.02	2,283,509.25	417,264.16
Change in Net Assets	161,897.72	294,628.10	337,027.26	924,613.88	2,673,139.79	712,246.61

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
 Detail Comparative Income Statements
 For the 9 Months Ended Sunday, September 30, 2012

	September	September Budget	September Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Storm Water Revenue	\$39,816.00	\$39,567.43	\$38,840.00	\$358,344.00	\$356,106.87	\$349,560.00
Reimbursement of Overhead	1,378.86	4,696.92		13,019.43	42,299.24	
Total Operating Revenue	<u>41,194.86</u>	<u>44,267.35</u>	<u>38,840.00</u>	<u>371,363.43</u>	<u>398,406.11</u>	<u>349,560.00</u>
OPERATING EXPENSES						
Administrative Labor	1,876.03	2,098.28	1,662.13	20,499.49	21,614.65	17,121.90
Customer Service Labor	17.70	23.83		188.71	214.51	
Information Technology Expense	77.94	39.77	33.81	659.79	432.98	368.12
Professional Services - Engineer				898.01	862.51	200.00
Professional Services - Accounting	125.44	95.83	94.50	763.38	971.28	850.50
Professional Services - Legal	84.82	107.92	84.82	207,078.16	210,738.01	201,864.78
Management Fee - Veolia	23,284.92	23,415.33	22,429.42	1,295.26	1,275.03	1,271.57
Insurance Expense	143.92	141.67	143.53	84.58	374.99	58.85
Transportation Fuel & Repairs	8.55	41.67	6.04	48.90	433.77	141.99
Office Supplies Expense	4.53	15.67	5.13	329.15	431.14	378.99
Utilities	32.89	40.81	35.87	95.69	380.41	82.79
Travel & Lodging	13.83	16.67		84.25	486.78	174.97
Education & Conferences	0.38			77.39	112.50	11.00
Certification & Training	2.10			(7,698.16)	(7,698.16)	
Allocated FK Water G&A Expense	(962.27)	(962.27)		224,384.60	230,640.40	223,288.64
Total Operating Expenses	<u>24,710.78</u>	<u>25,075.18</u>	<u>24,495.25</u>	<u>146,978.83</u>	<u>167,765.71</u>	<u>126,271.36</u>
Operating Income Before Depreciation	16,484.08	19,192.17	14,344.75	27,750.16	26,847.69	25,145.08
Less Depreciation & Amortization	3,152.41	3,260.66	3,053.88	119,228.67	140,918.02	101,126.28
Operating Income	<u>13,331.67</u>	<u>15,931.51</u>	<u>11,290.87</u>			
Non-Operating Income(Expenses)						
Interest & Dividend Income	278.04	482.46	509.71	3,719.69	3,942.98	4,165.72
Income Before Capital Contributions	<u>13,609.71</u>	<u>16,413.97</u>	<u>11,800.58</u>	<u>122,948.36</u>	<u>144,861.00</u>	<u>105,292.00</u>
Capital Contributions	31,337.42	106,815.75		306,647.00	961,341.75	
Change In Net Assets	<u>44,947.13</u>	<u>123,229.72</u>	<u>11,800.58</u>	<u>429,595.36</u>	<u>1,106,202.75</u>	<u>105,292.00</u>

For Management Purposes Only

Hardin County Water District No. 1 Radcliff Sewer Fund
Detail Comparative Income Statements
For the 9 Months Ended Sunday, September 30, 2012

	September	September Budget	September Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales						
Commercial Sales	\$229,021.13	\$242,068.48	\$224,172.44	\$2,045,887.75	\$2,182,564.31	\$2,021,208.02
Multi-Family Sales	35,505.08	20,709.75	34,513.52	325,076.71	186,387.75	297,356.15
High Strength Surcharge	20,398.10	34,107.20	18,998.28	185,424.70	324,720.19	180,874.58
Discharge Permit Fees	179.44			412.10	80.99	136.35
Bad Debt Recovered	27.78	30.19	27.78	775.02	84.42	775.02
Penalties, Services Fees and Reimbursements	965.07	527.78	453.36	6,294.38	9,348.08	8,028.18
Total Operating Revenues	<u>302,102.29</u>	<u>314,145.45</u>	<u>294,739.12</u>	<u>2,692,685.98</u>	<u>2,844,216.55</u>	<u>2,647,577.32</u>
OPERATING EXPENSES						
Collection System Labor	7,415.60	8,716.33	3,324.07	67,021.54	72,588.90	27,682.59
Customer Service Labor	10,549.80	14,631.49	10,467.49	112,518.86	132,030.68	94,455.82
Administration Labor	7,591.67	8,774.32	6,750.76	84,926.66	89,803.60	69,092.81
Professional Services-Engineering		266.87			2,400.03	2,299.88
Professional Services-Accounting	614.17	614.14	567.00	5,527.69	5,527.49	5,103.00
Professional Services-Legal	390.16	496.42	390.16	3,511.44	4,467.74	3,511.44
Information Technology Expense	1,558.14	749.03	676.29	11,076.66	8,154.52	7,362.65
Management Fee - Veolia	185,766.57	183,471.12	179,787.70	1,574,079.81	1,580,847.21	1,549,109.65
Contractual Services	8,327.11	8,024.37	8,107.32	71,237.38	74,933.70	75,723.35
Insurance Expense	2,506.30	2,325.00	1,676.75	21,683.40	20,925.00	13,729.53
Transportation Fuel & Repairs	171.03			1,373.13		
Utility Regulatory Expense	513.45	459.68	455.26	4,271.96	4,120.98	4,081.38
Office Supplies	467.02	413.05	605.46	5,546.84	6,665.88	6,371.20
Utilities	896.84	637.53	952.04	8,624.66	8,765.75	13,090.14
Bad Debt Expense	2,873.05	2,965.45	2,927.05	28,121.86	27,185.38	26,833.35
Agency Collection Expense	334.69	270.54	242.30	2,403.98	3,204.51	2,870.00
Advertising Expense				42.23		
Rent Expense	187.50	187.50	187.50	1,687.50	1,687.50	1,687.50
Investment Fees						1.23
Travel & Lodging	276.79	120.65	120.76	1,913.56	2,208.96	2,209.01
Certification & Training	42.00	83.33		1,737.80	749.97	1,480.24
Education & Conferences	7.63			1,458.70	3,714.19	4,112.02
Routine Maintenance Service	79.41	19.38	124.39	1,333.30	1,245.32	8,001.72
Miscellaneous Customer Expense				637.84	639.82	380.43
Miscellaneous Expense		74.88	40.09	70.85	1,050.30	562.35
Amortized Rate Case - Raftalls		1,175.00			10,575.00	
Customer Deposit Interest Expense	40.51	40.37	35.83	610.40	703.44	624.39
Allowed FK Water G&A Expense	(8,029.90)	(8,029.91)		(84,239.20)	(64,239.27)	
Total Operating Expenses	<u>222,580.34</u>	<u>228,486.32</u>	<u>217,438.22</u>	<u>1,947,178.81</u>	<u>1,999,954.58</u>	<u>1,920,375.68</u>
Operating Income Before Depreciation	79,521.95	87,659.13	77,300.90	745,507.17	844,261.97	727,201.64
Less Depreciation & Amortization	82,957.15	81,438.41	77,381.36	732,311.97	683,458.31	649,476.59
Operating Income	(3,435.20)	6,220.72	(80.46)	13,195.20	160,803.66	77,725.05
Non Operating Income/(Expense)						
Interest & Dividend Income	1,557.08	1,325.33	2,071.94	19,140.74	20,752.73	32,443.64
Gain/(Loss) on Assets			(16,819.85)	(63,107.06)		(24,471.19)
Interest Expense	(7,066.03)	(7,203.22)	(8,401.47)	(66,045.25)	(66,631.96)	(77,232.20)
Income Before Capital Contributions	(8,944.15)	342.83	(23,229.84)	(96,816.37)	114,924.43	8,465.30
Capital Contributions						
Misc Revenue - Grant	7,970.54			123,406.05		
Misc Revenue - Grant - I&I						199,146.98
Misc Revenue - Grant - Pump Stations	25,697.00	72,916.67	579,632.59	80,308.03	656,249.99	367,577.99
Misc Revenue - Grant - SI	152,626.50	75,000.00	600.00	226,466.63	675,000.00	579,632.59
Tap Fees		517.25		2,850.00	6,336.21	7,350.00
Capital Contributions			439,754.33	1,873.20		439,754.33
Change in Net Assets	<u>177,349.89</u>	<u>148,776.75</u>	<u>996,757.08</u>	<u>338,087.54</u>	<u>1,452,510.63</u>	<u>1,601,927.19</u>

For Management Purposes Only

Hardin County Water District No. 1 Fort Knox Water Fund
 Detail Comparative Income Statements
 For the 9 Months Ended Sunday, September 30, 2012

	September	September Budget	September Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Fort Knox Water Revenue						
Reimbursement of Overhead	\$314,966.87	\$315,256.45		\$2,519,734.95	\$2,522,061.65	
Total Operating Revenue	<u>314,966.87</u>	<u>315,256.45</u>		<u>2,799,511.84</u>	<u>2,399,258.16</u>	
	346,647.00	345,163.72		2,798,246.78	2,761,309.81	
OPERATING EXPENSES						
Salaries & Benefits	34,370.91	34,222.65				
Allocated Distribution Labor	17.36	23.18		258,198.54	273,781.05	
Allocated Customer Service Labor	50.88	78.00		137.16	185.48	
Allocated Maintenance Labor	142.98	141.27		482.21	624.00	
Allocated Admin Labor	3,580.49	6,230.82		849.22	1,130.19	
Allocated Commissioner Labor	1,128.90	873.45		38,487.81	49,848.54	
Materials & Supplies	154.94	1,388.00		7,061.48	6,987.85	
Bac-T Supplies		775.27		6,724.50	10,944.00	
Maintenance & Repairs	6,368.14	5,622.73		569.80	6,202.19	
Storage Maintenance	242.75	454.55		35,284.49	44,981.88	
Booster Station Expense		454.55		242.75	3,636.40	
Small Tool Expenses	44.50	136.36			3,636.40	
Accounting & Legal Services	360.46	272.73		4,889.98	1,090.92	
Management Fee - LWC	143,130.33	143,130.45		2,840.33	2,181.84	
Contractual Services	895.02	854.00		1,142,966.32	1,145,043.80	
Utility Regulatory Fees		1,159.09		21,419.41	6,831.98	
Amortized Acquisition Expense	12,286.76	10,167.73			9,272.73	
Fuel & Transportation Expense	1,712.91	287.45		98,294.08	81,341.81	
Insurance Expense	3,112.28	3,390.91		15,743.45	2,298.85	
Workers Comp/Unemployment Expense	418.87	587.00		28,789.30	27,127.27	
Advertising Expense		138.38		5,665.94	4,696.00	
Phone Expense		109.09			1,090.92	
Postage & Mailing	424.15	45.45		4,083.06	872.73	
Safety Expense	53.88			118.79	363.65	
Information Technology Expense				1,418.91		
Travel & Lodging	621.80	227.27		405.00		
Certification & Education	50.00	252.81		1,646.04	1,818.19	
Miscellaneous Expense	67.10	227.27		1,140.64	2,022.57	
Allocated FK Water G&A Expense	29,907.27	29,907.30		978.70	1,818.19	
TOTAL OPERATING EXPENSES	<u>238,142.48</u>	<u>241,135.74</u>		<u>239,258.16</u>	<u>239,258.16</u>	
Operating Income Before Depreciation	107,504.52	104,027.98		1,917,694.05	1,929,086.00	
Depreciation & Amortization	2,960.02	4,545.45		881,552.74	832,223.81	
Operating Income	<u>104,544.50</u>	<u>99,482.53</u>		<u>14,406.64</u>	<u>36,363.65</u>	
Non-Operating Income(Expense)				867,144.10	795,860.16	
Interest & Dividend Income						
Gain/(Loss) on Assets	1,037.30	227.27		5,202.55	1,818.16	
Income Before Capital Contributions	<u>105,581.80</u>	<u>99,709.80</u>		<u>872,093.48</u>	<u>797,678.32</u>	
Capital Contributions						
Tap Fees						
Capital Contributions	373,356.00	420,883.56		4,869.46	3,367,088.40	
Change in Net Assets	<u>478,937.80</u>	<u>520,593.35</u>		<u>3,553,295.21</u>	<u>4,164,746.72</u>	
	4,430,258.15	4,164,746.72		4,430,258.15	4,164,746.72	

For Management Purposes Only

Hardin County Water District No. 1 - Water Fund
Statement of Cash Flow
For the 9 Months Ended Sunday, September 30, 2012

	September	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$85,008.07	\$668,021.83
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	84,795.44	726,618.20
Accounts Receivable	(8,500.52)	(16,433.07)
Accrued Interest	5,669.57	343.13
Due From/To Other Funds	11,637.90	(354,175.95)
Inventory	17,316.93	(914.54)
Prepaid Expense	453.52	(1,263.98)
Radcliff Collections Payable	6,698.29	16,700.83
Customer Deposits	(4,757.00)	10,803.24
Deferred Revenue	642.50	1,285.00
Reserve for Uncashed Checks	(35.00)	1,423.79
Accounts Payable & Accrued Expenses	(136,302.39)	(139,209.28)
Total Adjustments	(22,380.76)	245,177.37
Net Cash Provided by Operations	62,627.31	913,199.20
Cash Flows from Investing Activities Used For:		
Other Investment & Interest	(8,148.02)	(25,400.43)
Advances for Construction		(5,260.67)
Construction In Progress	105,801.16	(140,029.18)
Land & Buildings		
Supply Mains, Lines, Meters & Connections	(9,029.25)	(110,675.85)
Furniture & Equipment	(127,016.39)	(154,057.17)
Net Cash Used in Investing	(38,392.50)	(435,423.30)
Cash Flows From Financing Activities:		
Restricted Bond Funds	432,965.48	180,560.64
Bond Payments	(370,000.00)	(500,000.00)
Unamortized Bond Discount/Premium	1,295.67	11,661.03
Line of Credit - Cecilian Bank		(32,682.99)
Net Cash Used in Financing	64,261.15	(340,461.32)
Net Increase/(Decrease) in Cash	88,495.96	137,314.58
Summary:		
Cash at End of Period	442,918.20	442,918.20
Cash at Beginning of Period	354,422.24	305,603.62
Net Increase/(Decrease) in Cash	88,495.96	137,314.58

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Statement of Cash Flow
For the 9 Months Ended Sunday, September 30, 2012

	September	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$161,897.72	\$924,613.88
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	54,261.76	482,259.13
Accounts Receivable	174,641.29	(119,205.85)
Due From/To Other Funds	9,394.93	32,451.93
Prepaid Expense	(2,930.80)	(1,655.42)
Accrued Interest	0.53	0.27
Inventory		
Accounts Payable & Accrued Expenses	(99,004.90)	105,452.08
Total Adjustments	136,362.81	499,302.14
Net Cash Provided by Operations	298,260.53	1,423,916.02
Cash Flows from Investing Activities Used For:		
Construction in Progress	(115,314.62)	(631,721.52)
Plant & Lines		(242,193.22)
Furniture & Equipment		(88,708.71)
Net Cash Used in Investing	(115,314.62)	(962,623.45)
Cash Flows From Financing Activities:		
Intra-Fund Loan		
Net Cash Used in Financing		
Net Increase/(Decrease) in Cash	182,945.91	461,292.57
Summary:		
Cash at End of Period	2,036,207.20	2,036,207.20
Cash at Beginning of Period	1,853,261.29	1,574,914.63
Net Increase/(Decrease) in Cash	182,945.91	461,292.57

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
Statement of Cash Flow
For the 9 Months Ended Sunday, September 30, 2012

	September	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$44,947.13	\$429,595.36
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	3,152.41	27,750.16
Accounts Receivable	125,702.68	(32,716.28)
Due From/To Other Funds	630.88	12,227.14
Prepaid Expense	(289.49)	(1.67)
Accounts Payable & Accrued Expenses	(62,281.72)	(21,350.06)
Total Adjustments	66,914.76	(14,090.71)
Net Cash Provided by Operations	111,861.89	415,504.65
Cash Flows from Investing Activities Used For:		
Construction in Progress	(33,061.48)	(322,244.26)
GIS Structures		(51,583.95)
Net Cash Used in Investing	(33,061.48)	(373,828.21)
Cash Flows From Financing Activities:		
Intra-Fund Loan		
Net Cash Used In Financing		
Net Increase/(Decrease) in Cash	78,800.41	41,676.44
Summary:		
Cash at End of Period	724,212.39	724,212.39
Cash at Beginning of Period	645,411.98	682,535.95
Net Increase/(Decrease) in Cash	78,800.41	41,676.44

For Management Purposes Only

Hardin County Water District No. 1 - Radcliff Sewer
Statement of Cash Flow
For the 9 Months Ended Sunday, September 30, 2012

	September	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$177,349.89	\$338,087.54
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	76,440.48	577,508.61
Accounts Receivable	(181,059.66)	(187,073.43)
Due From/To Other Funds	(38,412.64)	239,721.78
Prepaid Expense	(3,461.39)	(8,577.42)
Accrued Interest	(0.12)	521.57
Customer Deposits	(698.00)	7,615.10
Accounts Payable & Accrued Expenses	5,652.23	25,485.56
Total Adjustments	(141,539.10)	655,201.77
Net Cash Provided by Operations	35,810.79	993,289.31
Cash Flows from Investing Activities Used For:		
Investment & Interest		335,230.42
Construction in Progress	(272,051.27)	(46,144.10)
Plant & Lines		(557,940.65)
Furniture & Equipment		(10,343.97)
Transportation Equipment		(151,263.37)
Net Cash Used in Investing	(272,051.27)	(430,461.67)
Cash Flows From Financing Activities:		
Bond Payments		(132,918.07)
Organizational Costs	758.36	6,825.24
Net Cash Used in Financing	758.36	(126,092.83)
Net Increase/(Decrease) in Cash	(235,482.12)	436,734.81
Summary:		
Cash at End of Period	3,275,672.76	3,275,672.76
Cash at Beginning of Period	3,511,154.88	2,838,937.95
Net Increase/(Decrease) in Cash	(235,482.12)	436,734.81

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Water Fund
Statement of Cash Flow
For the 9 Months Ended Sunday, September 30, 2012

	September	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$478,937.80	\$4,430,258.15
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	2,960.02	14,408.64
Accounts Receivable	4,869.46	(1,440,006.00)
Accrued Interest		
Due From/To Other Funds	16,748.93	69,775.10
Inventory	3,568.95	(21,066.31)
Prepaid Expense	(6,198.04)	(12,159.15)
Accounts Payable & Accrued Expenses	(7,569.14)	315,484.83
Total Adjustments	14,380.18	(1,073,562.89)
Net Cash Provided by Operations	493,317.98	3,356,695.26
Cash Flows from Investing Activities Used For:		
Other Investment & Interest		
Construction in Progress	(8,721.61)	(224,427.68)
Land & Buildings		
Supply Mains, Lines, Meters & Connections		(7,842.86)
Furniture & Equipment	(6,181.14)	(290,899.75)
Net Cash Used in Investing	(14,902.75)	(523,170.29)
Cash Flows From Financing Activities:		
Acquisition Costs	5,454.83	(251,863.50)
Net Cash Used in Financing	5,454.83	(251,863.50)
Net Increase/(Decrease) in Cash	483,870.06	2,581,661.47
Summary:		
Cash at End of Period	2,581,661.47	2,581,661.47
Cash at Beginning of Period	2,097,791.41	
Net Increase/(Decrease) in Cash	483,870.06	2,581,661.47

For Management Purposes Only

**HARDIN COUNTY WATER DIST NO. 1
PROJECT FUNDING
AS OF 9/30/2012**

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
KIA WX21093020 Grant	3/14/2007	KIA - Constantine Road Grant	\$1,000,000.00	\$111,925.00	\$888,075.00
KY EBDG for BRAC Grant	1/12/2010	Radcliff WW Pump Station Upgrades	\$2,250,000.00	\$517,598.83	\$1,732,401.17
KY EBDG for BRAC Grant	9/16/2011	Radcliff WW System Improvements Project	\$2,500,000.00	\$865,390.73	\$1,634,609.27
KY EBDG for BRAC Grant	11/10/2011	Louisville Water-Fort Knox Interconnect Pr	\$4,500,000.00	\$2,332.08	\$4,497,667.92
Fort Knox - CLIN 0033	7/21/2011	WWTP Improvements (2910)	\$415,000.00	\$247,321.97	\$167,678.03
Fort Knox - CLIN 0034	7/21/2011	Brooks Field Phase III Improvements (2923)	\$100,000.00	\$100,000.00	\$0.00
Fort Knox - CLIN 0035	7/21/2011	Basin 2 Improvements	\$406,000.00	\$63,474.99	\$342,525.01
Fort Knox - CLIN 0036	7/21/2011	Basin 6 Improvements	\$107,000.00	\$100,566.94	\$6,433.06
Fort Knox - CLIN 0037	7/21/2011	Dietz Lift Station (2704)	\$1,025,000.00	\$75,910.93	\$949,089.07
Fort Knox - CLIN 0038	7/21/2011	Basin 8 Improvements	\$403,000.00	\$59,054.26	\$343,945.74
Fort Knox - CLIN 0039	7/21/2011	Matthews LS & Force Main (2918)	\$675,000.00	\$56,615.39	
Fort Knox - CLIN 0039	7/21/2011	Chaffee Pump Station (2924)		\$45,222.52	\$573,162.09
Fort Knox - CLIN 0040	7/21/2011	Van Voorhis Area Improvements (2824)	\$1,200,000.00	\$117,114.77	\$1,082,885.23
Fort Knox - CLIN 0041	7/21/2011	Lift Station Generators	\$50,000.00	\$50,000.00	\$0.00
Fort Knox - CLIN 0042	7/21/2011	Godman Airfield Improvements (4914)	\$1,160,000.00	\$157,382.11	\$1,002,617.89

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
Fort Knox - CLIN 0043	7/21/2011	Basin 3 Storm Water Improvements	\$250,000.00	\$37,101.62	\$212,898.38
Fort Knox - CLIN 0044	7/21/2011	Basin 4 Storm Water Improvements	\$125,000.00	\$125,000.00	\$0.00
Fort Knox - CLIN 0045	7/21/2011	Basin 5 Storm Water Improvements	\$200,000.00	\$182.70	\$199,817.30
Funding Totals			\$16,366,000.00	\$2,732,194.84	\$13,633,805.16

**Mobile Home Park Montly Update
30-Sep-12**

To date (21 months), we have billed \$129,415 for Master Meters. \$111,190 (86%) has been paid to date leaving an Uncollected Balance of \$18,225 (14%) of the 23 accounts. Two accounts have triggered the First & Second Warning Letters. One account has triggered the First Warning Letter. One account has been turned over to Legal (\$12,758) while another has been turned over to the Collection Agency (\$295).

Hardin County Water District No. 1

Accounts Receivable Report

Date : 10/10/2012 8:27:57 AM
 User Name : Charlene

Account	Name	Unbilled Balance	Age					Total Balance
			< 30	30-59	60-89	90-119	120+	
1160249800		0.00	270.31	5.00	0.00	0.00	0.00	275.31
1180414000		0.00	17.62	0.00	0.00	0.00	0.00	17.62
1180618100		0.00	13.70	0.00	0.00	0.00	0.00	13.70
1180721000		0.00	13.70	0.00	0.00	0.00	0.00	13.70
1180750200		0.00	28.11	0.00	0.00	0.00	0.00	28.11
1200280900		0.00	581.32	225.40	0.00	0.00	0.00	806.72
1200307800		0.00	9.20	8.45	0.00	0.00	0.00	17.65
1210022100		0.00	55.22	0.00	0.00	0.00	0.00	55.22
1210027000		0.00	49.31	0.00	0.00	0.00	0.00	49.31
1210136600		0.00	655.59	0.00	0.00	0.00	0.00	655.59
1220754000		0.00	35.70	35.70	35.70	35.70	477.73	620.53
2070171701		0.00	32.73	0.00	0.00	0.00	0.00	32.73
2070188900		0.00	62.41	57.81	28.47	28.49	443.15	618.13
2070220001		0.00	569.83	0.00	0.00	0.00	0.00	569.83
3100094000		0.00	68.27	0.00	0.00	0.00	0.00	68.27
3100104000		0.00	5.83	0.00	0.00	0.00	0.00	5.83
3100132000		0.00	877.15	0.00	0.00	0.00	0.00	877.15
3100142000		0.00	14.08	0.00	0.00	0.00	0.00	14.08
3110096100		0.00	45.04	0.00	0.00	0.00	0.00	45.04
3110138000		0.00	610.08	0.00	0.00	0.00	0.00	610.08
Grand Total		0.00	3,792.80	332.25	64.17	62.19	920.88	5,172.29

Detail By Group/Income Center

Group/Income Center	Unbilled Balance	Age					Total Balance
		< 30	30-59	60-89	90-119	120+	
Service / Water Taxable	0.00	1,203.08	94.83	1.77	0.00	28.70	1,328.38
Service / Water Franchise Fee	0.00	48.54	3.84	0.58	0.53	8.19	61.68
Service / School Tax	0.00	49.30	3.81	0.58	0.53	8.19	62.21
Service / Water State Tax	0.00	101.48	7.40	1.19	1.08	18.73	127.88
Service / Customer Charge	0.00	436.74	32.83	17.57	17.57	253.90	758.41
Service / Sewer	0.00	1,742.98	150.12	34.22	34.22	487.07	2,448.59
Service / Sewer Franchise Fee	0.00	52.58	7.00	1.02	1.02	15.03	76.63
Service / Sewer State Tax	0.00	105.19	9.01	2.08	2.08	29.32	147.64
Other-S / Other-Sewer	0.00	0.00	2.50	0.00	0.00	0.00	2.50
Penalty	0.00	52.97	21.31	5.18	5.18	73.75	158.39

LELAL COLLECTIONS
 12,757.46
 29480
 18,224.55

Hardin County Water District No. 1

Accounts Receivable Report

Date : 10/10/2012 8:27:57 AM
 User Name : Charlene

Account	Name	Unbilled Balance	< 30	30-59	60-89	90-119	120+	Total Balance
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Detail By Group/Income Center

Group/Income Center	Unbilled Balance	< 30	30-59	60-89	90-119	120+	Balance
Grand Total	0.00	3,792.80	332.25	64.17	62.19	920.88	5,172.29

HARDIN COUNTY WATER DISTRICT NO. 1
As of October 31, 2012

YEAR to DATE

	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>
Total Operating Revenue	332,554.14	244,902.99	39,816.00	289,818.93	346,647.00	1,253,539.06	3,398,043.85	2,432,662.26	411,179.43	2,982,304.91	3,145,893.79	12,370,984.24
Total Operating Expenses	189,394.54	158,772.61	25,468.92	227,145.80	249,559.38	850,341.25	1,925,465.33	1,541,950.67	249,853.52	2,174,324.61	2,167,253.43	8,058,647.56
Less Depreciation & Amortization	(80,960.60)	(54,592.51)	(3,152.37)	(82,967.64)	(2,960.02)	(224,653.14)	(798,770.66)	(540,255.52)	(30,902.53)	(815,279.61)	(17,368.66)	(2,202,578.98)
Operating Income	82,179.00	31,537.87	11,194.71	(20,494.51)	94,127.60	178,544.67	674,707.86	350,456.07	130,423.36	(7,299.31)	961,271.70	2,109,559.70
Interest Income	3,462.88	1,668.64	345.76	1,782.79	1,501.25	8,759.32	31,426.21	12,325.57	4,065.45	20,923.53	6,703.80	75,444.56
Interest Expense	(23,484.59)	(94.37)	-	(7,082.55)	-	(30,661.51)	(242,854.88)	(941.97)	-	(63,281.43)	-	(307,078.28)
Net Unrealized Gain (Loss)	(303.25)	-	-	(174.37)	-	(477.62)	-	-	-	-	-	-
Gain/(Loss) on Investments	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Assets	-	-	-	-	-	-	3,989.18	-	-	(73,127.80)	(253.17)	(69,391.79)
Non-utility income	-	-	-	-	-	-	-	1,360.33	-	-	-	1,360.33
Income Before Contributed Capital	41,854.04	33,110.14	11,540.47	(25,968.64)	95,628.85	156,164.86	467,268.37	363,200.00	134,488.83	(122,785.01)	967,722.33	1,809,894.52
Government Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants	-	-	-	-	-	-	168,423.26	-	-	123,408.05	-	291,829.31
Misc Grants-HWY 1682	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants-HWY 144	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Louisville H2O Connector	42,000.00	-	-	-	-	42,000.00	44,332.08	-	-	-	-	44,332.08
Misc Grants Constantine Road	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/I & I	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/Pump Stations	-	-	-	4,719.98	-	4,719.98	-	-	-	65,029.01	-	65,029.01
Misc Revenue/Grant/SI	-	-	-	43,183.52	-	43,183.52	-	-	-	269,650.15	-	269,650.15
Tap fees	642.50	-	-	150.00	-	792.50	37,041.48	-	-	3,000.00	4,899.46	44,910.94
Capital contributions	-	108,044.91	-	-	373,356.00	481,400.91	35,453.18	702,568.93	306,647.00	1,873.20	3,926,651.21	4,973,193.52
Change in Net Assets	84,496.54	141,155.05	11,540.47	22,084.86	468,984.85	728,281.77	752,518.37	1,065,768.93	441,135.83	360,172.40	4,899,243.00	7,518,838.53
Return on Assets (ROA)							1.435%	1.72%	5.73%	-0.48%	18.88%	2.09%

The contributed capital received this month is as follows: Ft. Knox Sewer (\$108,045) was for VanVoorhis Collection System Improvements, PTB Rehab/Replacement, and Basins 2, 6, 7 & 8 Improvements. FK Water (\$373,556) was for ISDC Surcharge.

Water: Compared to Last Year, Y-T-D sales change is as follows: Residential up .89%, Commercial down (1.3%), Multi-Family up 1.5% and Wholesale up 2.6%. Total Revenues Y-T-D are up .82%. Contractual Services is up due to the tank inspection & yard repairs. Bac T Supplies is up due to all the testing from the breaks in September. Safety Expense is up due to purchasing a gas monitor as well as CPR/First Aid training for employees. The loss is due to the disposal of 1 radio & 28 5/8 x 3/4 meters.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$82,393 difference; This Year Compared to Last Year YTD = +\$221,786.

Radcliff: Compared to Last Year, Y-T-D sales change as follows: Residential up .85%, Multi-Family up 3.19%, Commercial Sales up 6.72%. Total Revenues are up 1.44%. The loss is due to the disposal of 28 5/8 x 3/4 meters. Veolia Management Fee is up due to no costs being capitalized for the month.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$240,361 difference; This Year YTD Compared to Last Year YTD = - \$136,022.

Ft. Knox Water: Maintenance & Repairs is up due to curbing & stops for the hospital due to breaks. Contractual Services is up due to yard repairs from breaks.

Bad Debt Expense: Compared to last year Y-T-D, Radcliff is up approximately 5.06% & Water is up approximately 4.83%. Compared to Last Year, Bad Debt Recovered for Water is down approximately 19.56% and Radcliff is down approximately 23.7%.

Invested Funds Inventory
 HCWD1
 10/31/2012

Name of Account	Rate	Balance	Mkt Val	Accr'd Inc	Earnings	Fees	R = Restrict	Current Investment	Invested By	Maturity
Water Revenue/O&M	0.200%	369,130.68	369,130.68	0.00	76.54					
Water Savings	0.200%	100,000.00	100,000.00	14.19	14.19		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Water Fund	0.150%	1,038.26	1,038.26	0.13	0.13		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 CD-Water Fund	1.000%	255,338.08	255,338.08	202.87	202.87		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-Water Fund	1.490%	123,383.62	123,383.62	156.13	156.13		U = Unrest	Lincoln National Bank	Lincoln National Bank	07/03/13
HCWD1 CD-Water Fund	1.000%	388,664.00	388,664.00	306.80	306.80		U = Unrest	FKFCU	FKFCU	12/04/12
2002 Sinking Fund - Principal	0.000%	43,333.34	43,333.34				U = Unrest	Lincoln National Bank	Lincoln National Bank	07/03/13
2002 Sinking Fund - Interest	0.000%	658.26	658.26				R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Depreciation Fund	0.160%	751,837.19	751,837.19	103.84	103.84		R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Debt Serv Res	0.160%	592,991.79	592,991.79	81.88	81.88		R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Sinking Fund	0.160%	90,073.06	90,073.06	8.35	8.35		R = Restrict	First American Govt Oblig Fd	U S Bank	
Subtotal Water Fund		2,716,448.28	2,716,448.28	876.19	862.73	0.00	R = Restrict	First American Govt Oblig Fd	U S Bank	
Ft. Knox Sewer Revenue/O&M	0.200%	319,014.89	319,014.89	0.00	61.90		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Sewer Savings	0.200%	1,619.60	1,619.60	0.27	0.27		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Ft. Knox Sewer Fund	0.150%	1,017.03	1,017.03	0.12	0.12		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Ft. Knox Sewer Money Market	0.60%	1,600,924.32	1,600,924.32		924.32		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Sewer Fund		1,922,576.84	1,922,576.84	0.39	986.61	0.00				
Ft. Knox Stormwater Revenue/O&M	0.20%	166,570.77	166,570.77	0.00	25.50		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Stormwater Money Market	0.60%	600,320.26	600,320.26		320.26		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Stormwater Fund		766,891.03	766,891.03	0.00	345.76	0.00				
Radcliff Sewer Revenue/O&M	0.200%	217,445.36	217,445.36	0.00	45.94		U = Unrest	Cecilian Bank	Cecilian Bank	
Rad Sewer Bus. Part. MM KIA Maint & Rep	0.600%	338,383.22	338,383.22		172.34		R = Restrict	Cecilian Bank	Cecilian Bank	
Radcliff Sewer Business Partner MM	0.600%	2,864,887.51	2,864,887.51		1,564.38		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Radcliff Sewer Fund	0.150%	1,017.03	1,017.03	0.12	0.12		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Subtotal Radcliff Sewer Fund		3,421,733.12	3,421,733.12	0.12	1,782.78	0.00				
Ft. Knox Water Revenue/O&M	0.20%	409,693.24	409,693.24	0.00	64.32	0.00	U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Water Money Market	0.60%	3,201,436.93	3,201,436.93		1,436.93		U = Unrest	Cecilian Bank	Cecilian Bank	
		3,611,130.17	3,611,130.17	0.00	1,501.25	0.00				
Total		12,438,778.44	12,438,778.44	876.70	5,669.13	0.00				

HARDIN COUNTY WATER DISTRICT NO. 1 WATER
COMPARATIVE BALANCE SHEET
For the Ten Months Ending Wednesday, October 31, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$471,868.94	\$501,910.64	(\$30,041.70)
Investments - Less than 1 Year to...	767,385.70	733,637.27	33,748.43
Accounts Receivable - Net	492,609.82	425,646.82	66,963.00
Due From Other Funds	33,160.28		33,160.28
Inventory - Materials & Supplies	286,330.14	277,613.73	8,716.41
Prepaid Expenses	61,498.58	66,876.09	(5,377.51)
Accrued Interest	876.19	3,210.88	(2,334.69)
Total Current Assets	2,113,729.65	2,008,895.43	104,834.22
Long Term Investments			
Restricted Assets - Reserve Funds	1,478,235.38	1,458,824.59	19,410.79
Total Long Term Investments	1,478,235.38	1,458,824.59	19,410.79
Property, Plant & Equipment			
Land	273,045.22	273,045.22	
Property, Plant & Lines	36,131,606.43	35,960,314.06	171,292.37
Equipment & Furniture	4,624,238.04	4,300,504.72	323,733.32
Construction in Progress	791,768.59	641,637.16	150,131.43
Total	41,820,658.28	41,175,501.16	645,157.12
Less: Accumulated Depreciation	(12,847,674.16)	(11,869,245.63)	(978,428.53)
Total Property, Plant & Equipment	28,972,984.12	29,306,255.53	(333,271.41)
TOTAL ASSETS	32,564,949.15	32,773,975.55	(209,026.40)
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	164,595.84	157,996.63	6,599.21
Accrued Expenses	122,027.81	263,086.20	(141,058.39)
Due To Other Funds		479,459.76	(479,459.76)
Customers' Deposits	169,490.24	162,543.00	6,947.24
Radcliff Collections Payable	136,739.69	112,430.11	24,309.58
State Encroachment - Reserve for...	5,230.75	5,282.74	(51.99)
Deferred Revenue	3,855.00	6,414.00	(2,559.00)
Total Current Liabilities	601,939.33	1,187,212.44	(585,273.11)
Long Term Debt			
Bonds Payable	8,785,000.00	9,285,000.00	(500,000.00)
Less: Unamortized Discount & Ex...	(165,321.96)	(180,870.00)	15,548.04
Total Long Term Debt	8,619,678.04	9,104,130.00	(484,451.96)
Other Liabilities			
Customer Advances for Constructi...	121,140.06	126,400.73	(5,260.67)
Total Liabilities	9,342,757.43	10,417,743.17	(1,074,985.74)
Net Assets			
Retained Earnings	8,067,737.80	10,568,814.95	(2,501,077.15)
Contributed Capital	14,401,935.55	11,145,262.54	3,256,673.01
Current Earnings	752,518.37	642,154.89	110,363.48
Total Net Assets	23,222,191.72	22,356,232.38	865,959.34
TOTAL LIABILITIES & NET ASSETS	32,564,949.15	32,773,975.55	(209,026.40)

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX SEWER
COMPARATIVE BALANCE SHEET
For the Ten Months Ending Wednesday, October 31, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$1,922,575.84	\$1,049,068.65	\$873,507.19
Accounts Receivable - Net	355,809.75	791,515.27	(435,705.52)
Due From Other Funds	11,808.91		11,808.91
Inventory - Materials & Supplies	12,372.77	12,372.77	
Prepaid Expenses	6,730.10	40,355.23	(33,625.13)
Accrued Interest	0.39	0.56	(0.17)
Total Current Assets	<u>2,309,297.76</u>	<u>1,893,312.48</u>	<u>415,985.28</u>
Property, Plant & Equipment			
Plant & Lines	78,331,742.05	78,086,012.83	245,729.22
Equipment	1,196,297.91	1,061,111.77	135,186.14
Construction in Progress	1,671,693.98	582,537.12	1,089,156.86
Total	<u>81,199,733.94</u>	<u>79,729,661.72</u>	<u>1,470,072.22</u>
Less: Accumulated Depreciation	(62,378,737.28)	(61,736,589.72)	(642,147.56)
Total Property, Plant & Equipment	<u>18,820,996.66</u>	<u>17,993,072.00</u>	<u>827,924.66</u>
TOTAL ASSETS	<u>21,130,294.42</u>	<u>19,886,384.48</u>	<u>1,243,909.94</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	293,290.89	188,530.31	104,760.58
Accrued Expenses	4,739.36	29,725.00	(24,985.64)
Due To Other Funds		11,551.95	(11,551.95)
Total Current Liabilities	<u>298,030.25</u>	<u>229,807.26</u>	<u>68,222.99</u>
Net Assets			
Retained Earnings	702,793.06	711,794.21	(9,001.15)
Contributed Capital	19,063,702.18	18,198,181.72	865,520.46
Current Earnings	1,065,768.93	746,601.29	319,167.64
Total Net Assets	<u>20,832,264.17</u>	<u>19,656,577.22</u>	<u>1,175,686.95</u>
TOTAL LIABILITIES & NET ASSETS	<u>21,130,294.42</u>	<u>19,886,384.48</u>	<u>1,243,909.94</u>

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX STORM WATER
COMPARATIVE BALANCE SHEET
For the Ten Months Ending Wednesday, October 31, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$766,891.03	\$610,667.25	\$156,223.78
Accounts Receivable - Net	39,816.00	78,656.00	(38,840.00)
Prepaid Expenses	288.94	14,568.33	(14,279.39)
Total Current Assets	<u>806,995.97</u>	<u>703,891.58</u>	<u>103,104.39</u>
Property, Plant & Equipment			
Storm Water Property	1,132,832.94	1,081,973.54	50,859.40
Treatment & Disposal Equipment	81,945.87	61,471.82	474.05
Storm Water GIS	86,026.33	86,026.33	
Office Furniture & Equipment	2,046.99	1,796.49	250.50
Construction in Progress	383,063.67	282.00	382,781.67
Total	1,665,915.80	1,231,550.18	434,365.62
Less: Accumulated Depreciation	(124,824.00)	(87,798.39)	(37,025.61)
Total Property, Plant & Equipment	<u>1,541,091.80</u>	<u>1,143,751.79</u>	<u>397,340.01</u>
TOTAL ASSETS	<u>2,348,087.77</u>	<u>1,847,643.37</u>	<u>500,444.40</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	42,702.41	22,429.42	20,272.99
Accrued Expenses	792.50	945.00	(152.50)
Due To Other Funds	25,469.26	699.45	24,769.81
Total Current Liabilities	<u>68,964.17</u>	<u>24,073.87</u>	<u>44,890.30</u>
Net Assets			
Retained Earnings	1,402,991.22	1,270,969.26	132,021.96
Contributed Capital	434,996.55	434,996.55	
Current Earnings	441,135.83	117,603.69	323,532.14
Total Net Assets	<u>2,279,123.60</u>	<u>1,823,569.50</u>	<u>455,554.10</u>
TOTAL LIABILITIES & NET ASSETS	<u>2,348,087.77</u>	<u>1,847,643.37</u>	<u>500,444.40</u>

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER
COMPARATIVE BALANCE SHEET
For the Ten Months Ending Wednesday, October 31, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$3,421,733.12	\$2,117,220.67	\$1,304,512.45
Accounts Receivable - Net	323,508.11	970,517.43	(647,009.32)
Due From Other Funds	27,842.27	491,711.15	(463,868.88)
Prepaid Expenses	47,295.58	165,052.32	(117,756.74)
Accrued Interest	0.12	885.92	(885.80)
Total Current Assets	<u>3,820,379.20</u>	<u>3,745,387.49</u>	<u>74,991.71</u>
Long Term Investments			
Restricted Assets - Reserve Funds		334,143.95	(334,143.95)
Total Long Term Investments		<u>334,143.95</u>	<u>(334,143.95)</u>
Property, Plant & Equipment			
Property, Plant & Lines	33,129,438.01	32,530,591.28	598,846.73
Equipment & Furniture	1,137,916.98	920,407.13	217,509.85
Construction in Progress	1,769,836.90	1,352,956.11	416,880.79
Total	<u>36,037,191.89</u>	<u>34,803,954.52</u>	<u>1,233,237.37</u>
Less: Accumulated Depreciation	(14,585,432.57)	(13,799,149.37)	(786,283.20)
Total Property, Plant & Equipment	<u>21,451,759.32</u>	<u>21,004,805.15</u>	<u>446,954.17</u>
Organizational Costs	203,619.22	212,719.54	(9,100.32)
TOTAL ASSETS	<u>25,475,757.74</u>	<u>25,297,056.13</u>	<u>178,701.61</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	301,168.75	190,390.76	110,777.99
Customer Deposits	130,485.10	123,964.00	6,521.10
Contractor Deposits		8,542.59	(8,542.59)
Current Portion of Long Term Debt	135,443.51	130,439.72	5,003.79
Accrued Expenses	55,694.31	166,831.54	(111,137.23)
Total Current Liabilities	<u>622,791.67</u>	<u>620,168.61</u>	<u>2,623.06</u>
Long Term Debt			
Bonds Payable	1,840,720.99	2,109,082.57	(268,361.58)
Total Long Term Debt	<u>1,840,720.99</u>	<u>2,109,082.57</u>	<u>(268,361.58)</u>
Total Liabilities	<u>2,463,512.66</u>	<u>2,729,251.18</u>	<u>(265,738.52)</u>
Net Assets			
Retained Earnings	297,992.80	437,221.06	(139,228.26)
Contributed Capital	22,354,079.88	20,447,448.70	1,906,631.18
Current Earnings	360,172.40	1,683,135.19	(1,322,962.79)
Total Net Assets	<u>23,012,245.08</u>	<u>22,567,804.95</u>	<u>444,440.13</u>
TOTAL LIABILITIES & NET ASSETS	<u>25,475,757.74</u>	<u>25,297,056.13</u>	<u>178,701.61</u>

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX WATER
 COMPARATIVE BALANCE SHEET
 For the Ten Months Ending Wednesday, October 31, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$3,611,130.17		\$3,611,130.17
Accounts Receivable - Net	720,003.00		720,003.00
Inventory - Materials & Supplies	23,030.63		23,030.63
Prepaid Expenses	8,949.61		8,949.61
Total Current Assets	4,363,113.41		4,363,113.41
Long Term Investments			
Property, Plant & Equipment			
Property, Plant & Lines	7,842.86		7,842.86
Equipment & Furniture	290,899.75		290,899.75
Construction in Progress	233,728.25		233,728.25
Total	532,470.86		532,470.86
Less: Accumulated Depreciation	(17,368.66)		(17,368.66)
Total Property, Plant & Equipment	515,102.20		515,102.20
Organizational Costs	246,408.67		246,408.67
TOTAL ASSETS	5,124,624.28		5,124,624.28
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	165,000.54		165,000.54
Accrued Expenses	13,038.54		13,038.54
Due To Other Funds	47,342.20		47,342.20
Total Current Liabilities	225,381.28		225,381.28
Long Term Debt			
Other Liabilities			
Total Liabilities	225,381.28		225,381.28
Net Assets			
Current Earnings	4,899,243.00		4,899,243.00
Total Net Assets	4,899,243.00		4,899,243.00
TOTAL LIABILITIES & NET ASSETS	5,124,624.28		5,124,624.28

For Management Purposes Only

Hardin County Water District No. 1 Water Fund
Detail Comparative Income Statements
For the 10 Months Ended Wednesday, October 31, 2012

	October	October Budget	October Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Customer Meter Charges	\$59,215.92	\$59,086.21	\$58,590.93	\$592,539.42	\$595,944.01	\$590,948.57
Residential Sales	153,247.84	156,485.53	154,076.10	1,605,430.48	1,615,901.06	1,591,224.17
Commercial Sales	22,879.83	16,351.14	28,166.46	240,787.55	152,438.57	243,941.56
Multi-Family Sales	15,339.50	23,256.25	14,279.08	152,672.18	244,998.51	150,426.37
Sales for Resale - Vine Grove	20,311.32	22,060.36	21,237.89	231,234.41	237,450.49	228,597.68
Sales for Resale - District 2	(613.74)			1,767.88		
Sales for Resale - Meade County	35,342.94	33,190.43	32,310.15	323,383.81	322,252.39	313,705.55
Sewer Storm Water-Monthly Contract	2,334.50	1,014.17	719.50	13,670.37	10,112.48	7,174.30
Bad Debt Recovered	162.38	408.41	350.45	5,427.49	7,863.08	6,747.24
Penalties, Service Fees and Reimbursements	24,333.85	23,333.34	22,814.75	232,030.26	246,853.10	238,540.15
Total Operating Revenue	332,554.14	335,165.84	330,545.31	3,398,943.85	3,433,811.69	3,371,305.59
OPERATING EXPENSES						
Salaries & Benefits	112,051.37	110,095.41	118,638.20	1,085,937.38	1,123,340.43	1,219,142.02
Purchased Water	3,748.61	2,077.06	2,111.52	84,987.76	70,792.18	71,966.82
Utilities & Energy Expense	19,865.59	22,280.67	22,763.44	227,592.56	228,501.96	226,456.37
Chemicals	10,966.59	5,340.51	5,995.50	124,990.17	121,053.21	135,899.82
Materials & Supplies	1,901.55	4,089.58	4,718.80	22,254.99	21,636.14	22,853.00
Maintenance & Repairs	7,302.22	7,123.11	7,054.12	90,649.29	55,134.89	54,711.78
Storage Maintenance	157.10	162.43	154.12	2,608.11	2,420.22	2,296.37
Booster Station Expense	26.43	4.96	44.93	732.80	590.18	5,345.43
Small Tool Expenses	286.53	417.56	124.40	7,114.17	10,443.16	2,754.05
Accounting & Legal Services	1,166.84	1,391.01	1,423.00	15,615.32	18,160.37	19,485.02
Contractual Services	19,510.83	16,176.40	13,485.08	134,775.12	161,788.98	144,037.72
Laboratory Services	256.00	359.18	(40.00)	12,341.68	5,600.95	15,412.48
Lab Supplies	920.06	608.33		2,228.18	6,083.30	
Bac-T Supplies	1,596.87	366.87		6,279.32	3,666.66	
Utility Regulatory Fees	573.85	526.96	522.21	5,428.66	5,246.08	5,198.85
Amortized 2007-12 Rate Case			633.78	4,436.46	4,400.00	6,337.80
Fuel & Transportation Expense	5,938.24	4,110.01	3,550.30	58,670.53	50,177.03	43,240.74
Insurance Expense	3,369.61	3,575.00	2,817.41	34,666.35	35,750.00	26,782.40
Workers Comp/Unemployment Expense	1,700.54	2,262.81	1,816.98	15,000.80	21,309.38	18,108.90
Advertising Expense	262.04			13,102.57	5,673.54	1,332.32
Bad Debt Expense	3,263.36	2,709.47	2,828.57	26,506.75	24,221.39	25,286.11
Collection Expense	932.33	566.44	479.29	5,571.63	5,736.50	4,853.95
Phys. Expense	2,013.19	1,420.37	1,353.65	14,369.91	14,804.84	14,091.33
Duplicate Descriptions	432.39	356.33	289.73	3,456.70	3,583.34	3,556.79
Postage & Mailing	92.59	59.38	47.79	3,785.64	4,491.32	3,614.55
Safety Expense	1,499.21	536.03	481.56	3,895.62	4,313.01	3,874.72
Information Technology Expense	4,367.41	3,654.74	3,297.89	45,167.36	34,252.20	30,907.82
Commission Expense	511.48	175.27	138.80	3,077.73	2,635.86	2,559.52
Travel & Lodging	75.78	523.71	416.48	7,251.30	4,014.10	3,193.20
Certification & Education	788.51	413.57	356.25	11,370.56	9,700.00	7,802.39
Miscellaneous Expense	1,090.66	440.88	364.87	5,228.94	6,738.54	5,575.16
Customer Deposit Interest Expense	52.84	28.81	43.17	535.46	340.33	509.97
Cash Over & Short	8.68		0.82	32.17		26.88
Allocated FK Water G&A Expense	(17,132.74)	(17,132.73)		(154,194.66)	(154,194.57)	
TOTAL OPERATING EXPENSES	189,394.54	174,731.93	195,912.66	1,925,465.33	1,912,403.30	2,127,214.26
Operating Income Before Depreciation	143,159.60	160,433.91	134,632.65	1,473,478.52	1,521,408.39	1,244,091.33
Less Depreciation & Amortization	80,980.60	78,820.32	77,812.18	798,770.66	771,322.86	761,452.61
Operating Income	62,179.00	81,613.59	56,820.49	674,707.86	750,085.53	482,638.72
Non-Operating Income(Expense)						
Interest & Dividend Income	3,462.88	1,933.15	3,041.67	31,426.21	22,130.00	34,819.96
Interest Expense	(23,484.59)	(24,022.04)	(24,741.80)	(242,854.88)	(242,553.77)	(254,826.39)
Gain/(Loss) on Assets	(303.25)		(637.80)	3,989.13		(17,150.36)
Income Before Capital Contributions	41,854.04	59,524.70	34,482.56	467,268.37	529,661.76	245,481.93
Capital Contributions						
Misc Revenue - Grant				168,423.28		19,152.21
Misc Revenue - Grant - Hwy 1332						22,531.99
Misc Revenue - Grant - Hwy 1-44						12,011.57
Misc Revenue - Grant - LWC	42,000.00	41,866.67		44,332.03	416,866.68	
Misc Revenue - Grant - Constantine Rd		52,666.67			526,866.70	
Tap fees	642.50	6,006.40	5,140.00	37,041.43	85,293.36	55,875.04
Customer contributions			75,117.08	35,453.18		287,102.15
Change in Net Assets	34,496.54	159,864.44	114,739.62	752,512.37	1,533,283.43	642,154.89

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Detail Comparative Income Statements
For the 10 Months Ended Wednesday, October 31, 2012

	October	October Budget	October Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Sanitary Sewer Revenue	\$236,529.37	\$239,190.93	\$235,239.00	\$2,357,551.48	\$2,344,486.08	\$2,305,750.00
Muldraugh-Fixed Monthly Billing	402.24	402.25	402.24	4,022.40	4,022.50	4,022.40
Muldraugh-Waste Water Flows	3,427.98	4,178.27	3,770.78	42,675.41	61,392.20	55,404.88
Reimbursement of HCWD Overhead	4,543.40	11,163.83		28,412.97	111,638.34	17,312.76
Total Operating Revenues	<u>244,902.99</u>	<u>254,935.28</u>	<u>239,412.02</u>	<u>2,432,662.26</u>	<u>2,521,539.12</u>	<u>2,382,490.04</u>
OPERATING EXPENSES						
Customer Service Labor	41.75	44.12	504.78	419.16	478.80	5,476.15
Administrative Labor	7,007.39	8,437.05	3,734.93	73,129.38	78,058.96	34,554.39
Internal Maintenance/Supervision			149.17			2,095.95
Information Technology Expense	232.91	198.26	175.89	2,766.14	1,858.02	1,648.41
Professional Services-Engineering			500.00			9,079.50
Professional Services-Accounting	473.92	524.17	472.50	5,293.60	5,241.70	4,725.00
Professional Services-Legal	237.49	302.17	237.49	2,374.90	3,021.68	2,374.90
Management Fee - Veolia	149,993.50	148,767.83	142,871.12	1,457,788.24	1,487,678.34	1,441,243.57
Contractual Services	76.52			7,893.20		
Insurance Expense	1,673.65	1,668.67	3,849.05	16,679.45	16,668.68	38,649.55
Regulatory Commission Expense	422.85	362.23	361.53	3,860.58	3,675.46	3,867.98
Transportation Fuel & Repairs	60.12	20.84	23.22	318.39	258.66	288.15
Office Supplies Expense	755.74	23.66	16.78	951.25	401.45	284.75
Utilities	148.54	148.34	167.96	1,680.21	1,880.62	2,129.32
Travel & Lodging	4.04	21.41	22.21	386.74	435.18	451.48
Education & Conferences	41.95	29.79	19.00	484.59	1,500.00	956.62
Certification & Training				309.58	1,000.00	44.00
Miscellaneous Expense	1,384.60			1,656.52	1,200.00	974.30
Allocated FK Water G&A Expense	(3,782.36)	(3,782.36)		(34,041.24)	(34,041.28)	
Total Operating Expenses	<u>158,772.61</u>	<u>156,764.18</u>	<u>153,105.63</u>	<u>1,541,950.67</u>	<u>1,569,312.03</u>	<u>1,546,644.02</u>
Operating Income Before Depreciation	86,130.38	98,171.10	86,306.39	890,711.59	952,227.09	835,846.02
Less Depreciation & Amortization	54,592.51	53,659.43	52,722.83	540,255.52	524,095.01	514,982.65
OPERATING INCOME	<u>31,537.87</u>	<u>44,511.67</u>	<u>33,583.56</u>	<u>350,456.07</u>	<u>428,132.08</u>	<u>320,863.37</u>
Non Operating Income/(Expense)						
Interest & Dividend Income	1,666.64	711.01	870.37	12,325.57	7,794.85	9,541.69
Interest Expense	(94.37)	(109.99)	(99.25)	(941.97)	(1,183.50)	(1,067.93)
Non-Utility Income				1,360.33		
In Before Capital Contributions	<u>33,110.14</u>	<u>45,112.69</u>	<u>34,354.68</u>	<u>363,200.00</u>	<u>434,743.23</u>	<u>329,337.13</u>
Capital Contributions	108,044.91	253,723.25		702,568.93	2,537,232.50	417,264.16
Change in Net Assets	<u>141,155.05</u>	<u>298,835.94</u>	<u>34,354.68</u>	<u>1,065,768.93</u>	<u>2,971,975.73</u>	<u>746,601.29</u>

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
Detail Comparative Income Statements
For the 10 Months Ended Wednesday, October 31, 2012

	October	October Budget	October Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Storm Water Revenue						
Reimbursement of Overhead	\$39,816.00	\$40,561.71	\$39,816.00	\$398,160.00	\$396,668.58	\$389,376.00
Total Operating Revenue	<u>39,816.00</u>	<u>45,261.63</u>	<u>39,816.00</u>	<u>411,179.43</u>	<u>443,667.74</u>	<u>389,376.00</u>
OPERATING EXPENSES						
Administrative Labor	2,171.39	2,619.42	2,074.96	22,670.88	24,234.07	19,196.86
Customer Service Labor	20.88	23.83		209.59	238.34	
Information Technology Expense	58.22	51.72	43.97	718.01	484.70	412.09
Professional Services - Engineer						200.00
Professional Services - Accounting	79.25	95.83	94.50	977.26	958.34	945.00
Professional Services - Legal	84.82	107.92	84.82	848.20	1,079.20	848.20
Management Fee - Veolia	23,806.50	23,415.33	22,429.42	230,884.66	234,153.34	224,294.20
Insurance Expense	144.47	141.63	142.19	1,439.73	1,416.66	1,413.76
Transportation Fuel & Repairs	15.03	41.67	5.81	79.61	416.66	64.46
Office Supplies Expense	2.00	12.83	4.20	50.90	446.60	146.19
Utilities	37.13	31.96	28.09	366.28	483.10	407.08
Travel & Lodging	1.01	31.36	5.55	96.70	421.77	88.34
Education & Conferences	10.49	13.22	4.75	94.74	500.00	179.72
Certification & Training				77.39	112.50	11.00
Allocated FK Water G&A Expense	(962.27)	(962.27)		(8,660.43)	(8,660.43)	
Total Operating Expenses	<u>25,466.92</u>	<u>25,624.45</u>	<u>24,918.26</u>	<u>249,853.52</u>	<u>256,284.85</u>	<u>248,206.90</u>
Operating Income Before Depreciation	14,347.08	19,637.18	14,897.74	161,325.91	187,402.89	141,169.10
Less Depreciation & Amortization	3,152.37	3,260.63	3,053.85	30,902.53	30,108.32	28,198.93
Operating Income	<u>11,194.71</u>	<u>16,376.55</u>	<u>11,843.89</u>	<u>130,423.38</u>	<u>157,294.57</u>	<u>112,970.17</u>
Non-Operating Income(Expenses)						
Interest & Dividend Income	345.76	442.79	467.80	4,065.45	4,385.77	4,633.52
Income Before Capital Contributions	<u>11,540.47</u>	<u>16,819.34</u>	<u>12,311.69</u>	<u>134,488.83</u>	<u>161,680.34</u>	<u>117,603.69</u>
Capital Contributions		108,815.75		306,647.00	1,068,157.50	
Change in Net Assets	<u>11,540.47</u>	<u>123,635.09</u>	<u>12,311.69</u>	<u>441,135.83</u>	<u>1,229,837.84</u>	<u>117,603.69</u>

For Management Purposes Only

Hardin County Water District No. 1 Radcliff Sewer Fund
Detail Comparative Income Statements
For the 10 Months Ended Wednesday, October 31, 2012

	October	October Budget	October Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales	\$216,318.54	\$239,694.83	\$221,974.08	\$2,262,206.29	\$2,422,258.94	\$2,243,182.10
Commercial Sales	36,193.08	20,709.75	34,851.03	361,269.79	207,097.50	332,207.18
Multi-Family Sales	20,893.34	34,218.74	19,060.41	206,318.04	358,938.93	199,934.99
High Strength Surcharge				412.10	80.99	138.35
Discharge Permit Fees	27.78	599.34	552.78	802.80	1,439.78	1,327.80
Bad Debt Recovered	157.58	503.48	432.48	6,451.96	9,849.54	8,480.66
Penalties, Services Fees and Reimbursements	16,028.61	15,688.94	15,568.40	144,843.93	155,965.77	154,767.42
Total Operating Revenues	289,618.93	311,414.88	292,439.18	2,982,304.91	3,155,631.43	2,940,016.50
OPERATING EXPENSES						
Collection System Labor	7,986.77	8,066.97	3,076.43	75,008.31	80,655.87	30,759.02
Customer Service Labor	12,444.63	13,406.01	9,590.77	124,963.49	145,436.69	104,046.59
Administration Labor	9,039.33	10,832.85	8,334.54	93,965.99	100,636.45	77,427.35
Professional Services-Engineering		266.87			2,666.70	2,299.88
Professional Services-Accounting	614.17	614.17	567.00	6,141.86	6,141.86	5,670.00
Professional Services-Legal	390.16	496.42	390.16	3,901.60	4,964.16	3,901.60
Information Technology Expense	1,164.66	974.02	879.44	12,241.32	9,128.54	8,242.09
Management Fee - Veolia	185,766.57	176,244.36	172,706.03	1,759,846.38	1,757,091.57	1,721,815.68
Contractual Services	8,006.89	7,961.70	8,049.13	79,244.25	82,895.40	83,772.48
Insurance Expense	2,515.85	2,325.00	2,409.34	24,199.25	23,250.00	16,138.87
Transportation Fuel & Repairs	300.61			1,673.74		
Utility Regulatory Expense	513.45	459.88	455.26	4,785.41	4,580.64	4,536.64
Office Supplies	993.99	698.68	20.03	6,540.83	7,364.56	6,391.23
Utilities	988.17	557.88	833.09	9,612.83	9,323.63	13,923.23
Bad Debt Expense	3,583.73	3,389.72	3,345.82	31,705.59	30,575.10	30,179.17
Agency Collection Expense	211.10	305.80	273.88	2,615.06	3,510.31	3,143.88
Advertising Expense				42.23		
Rent Expense	187.50	187.50	187.50	1,875.00	1,875.00	1,875.00
Investment Fees						1.23
Travel & Lodging	20.20	226.97	227.18	1,933.76	2,433.93	2,436.19
Certification & Training	(30.00)	83.33		1,707.80	833.30	1,480.24
Education & Conferences	209.74	85.81	95.00	1,668.44	3,800.00	4,207.02
Routine Maintenance Service	113.23	15.93	102.37	1,446.53	1,261.25	8,104.09
Miscellaneous Customer Expense	114.95	212.55	126.38	752.79	852.37	506.81
Miscellaneous Expense		186.77	100.00	70.85	1,237.07	662.35
Amortized Rate Case - Raftelis		1,175.00			11,750.00	
Customer Deposit Interest Expense	40.00	35.44	31.46	650.40	738.88	655.85
Allocation Water G&A Expense	(8,029.90)	(8,029.91)		(72,269.10)	(72,269.18)	
Total Operating Expenses	227,145.80	220,779.32	211,800.81	2,174,324.61	2,220,733.90	2,132,176.49
Operating Income Before Depreciation	62,473.13	90,635.56	80,638.37	807,980.30	934,897.53	807,840.01
Less Depreciation & Amortization	82,967.64	82,143.79	78,047.63	815,279.61	765,602.10	727,524.22
Operating Income	(20,494.51)	8,491.77	2,590.74	(7,299.31)	169,295.43	80,315.79
Non Operating Income/(Expense)						
Interest & Dividend Income	1,782.79	1,370.28	2,142.22	20,923.53	22,123.01	34,585.86
Gain/(Loss) on Assets	(174.37)		(22,235.85)	(63,281.43)		(46,707.04)
Interest Expense	(7,082.55)	(7,210.01)	(8,407.66)	(73,127.80)	(73,841.97)	(85,639.86)
Income Before Capital Contributions	(25,968.64)	2,652.04	(25,910.55)	(122,785.01)	117,576.47	(17,445.25)
Capital Contributions						
Misc Revenue - Grant				123,406.05		
Misc Revenue - Grant - I&I						199,146.98
Misc Revenue - Grant - Pump Stations	4,719.98	72,916.67	51,568.29	85,028.01	729,166.66	419,146.28
Misc Revenue - Grant - SI	43,183.52	75,000.00	55,250.26	269,650.15	750,000.00	634,882.85
Tap Fees	150.00	258.62	300.00	3,000.00	6,594.83	7,650.00
Capital Contributions				1,873.20		439,754.33
Change In Net Assets	22,084.86	150,827.33	81,208.00	360,172.40	1,603,337.96	1,683,135.19

For Management Purposes Only

Hardin County Water District No. 1 Fort Knox Water Fund
Detail Comparative Income Statements
For the 10 Months Ended Wednesday, October 31, 2012

	October	October Budget	October Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Fort Knox Water Revenue	\$314,966.87	\$315,256.45		\$2,834,701.82	\$2,837,308.10	
Reimbursement of Overhead	31,680.13	29,907.27		311,191.97	269,165.43	
Total Operating Revenue	346,647.00	345,163.72		3,145,893.79	3,106,473.53	
OPERATING EXPENSES						
Salaries & Benefits	36,338.58	34,222.65		294,537.12	308,003.70	
Allocated Distribution Labor	18.69	23.18		155.85	208.64	
Allocated Customer Service Labor	60.02	78.00		542.23	702.00	
Allocated Maintenance Labor	104.49	141.27		953.71	1,271.48	
Allocated Admin Labor	4,720.96	6,230.82		43,208.77	56,077.38	
Allocated Commissioner Labor	884.07	873.45		7,945.55	7,861.10	
Materials & Supplies	1,315.87	1,368.00		8,040.37	12,312.00	
Sec-T Supplies	263.26	775.27		833.06	6,977.48	
Maintenance & Repairs	9,749.83	5,622.68		45,034.32	50,604.56	
Storage Maintenance	116.09	454.55		358.84	4,090.95	
Booster Station Expenses		454.55			4,090.95	
Small Tool Expenses	58.86	136.36		4,948.82	1,227.28	
Accounting & Legal Services	359.39	272.70		3,199.72	2,454.54	
Management Fee - LWC	143,130.33	143,130.45		1,286,096.65	1,288,174.06	
Contractual Services	3,638.28	854.00		25,067.69	7,685.98	
Utility Regulatory Fees		1,159.09			10,431.82	
Amortized Acquisition Expense	12,286.76	10,167.73		110,580.84	91,509.54	
Fuel & Transportation Expense	2,029.86	287.45		17,773.31	2,587.10	
Insurance Expense	3,124.13	3,390.91		31,913.43	30,518.18	
Workers Comp/Unemployment Expense	418.87	587.00		6,084.81	5,283.00	
Advertising Expense		136.36			1,227.28	
Phone Expense	457.36	109.09		4,540.42	981.82	
Postage & Mailing		45.45		118.79	409.10	
Safety Expense	134.36			1,553.27		
Information Technology Expense	424.07			829.07		
Travel & Lodging		227.27		1,846.04	2,045.46	
Certification & Education		252.81		1,140.64	2,275.38	
Miscellaneous Expense	17.98	227.27		994.68	2,045.46	
Allocated FK Water G&A Expense	29,907.27	29,907.27		269,165.43	269,165.46	
TOTAL OPERATING EXPENSES	249,559.38	241,136.63		2,167,263.43	2,170,221.63	
Operating Income Before Depreciation	97,087.62	104,028.09		978,640.36	936,251.90	
Letting & Amortization	2,980.02	4,545.45		17,368.66	40,909.10	
Operating Income	94,127.60	99,482.64		961,271.70	895,342.80	
Non-Operating Income(Expense)						
Interest & Dividend Income	1,501.25	227.30		6,703.80	2,045.46	
Gain/(Loss) on Assets				(253.17)		
Income Before Capital Contributions	95,628.85	99,709.94		967,722.33	897,388.26	
Capital Contributions						
Tap Fees				4,869.46		
Capital Contributions	373,356.00	420,883.55		3,926,651.21	3,787,951.95	
Change in Net Assets	468,984.85	520,593.49		4,899,243.00	4,685,340.21	

For Management Purposes Only

Hardin County Water District No. 1 - Water Fund
Statement of Cash Flow
For the 10 Months Ended Wednesday, October 31, 2012

	October	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$84,496.54	\$752,518.37
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	84,915.69	811,533.89
Accounts Receivable	(19,482.45)	(35,915.52)
Accrued Interest	(223.57)	119.56
Due From/To Other Funds	35,522.17	(318,653.78)
Inventory	(1,696.93)	(2,611.47)
Prepaid Expense	6,429.82	5,165.84
Radcliff Collections Payable	(1,060.35)	15,640.48
Customer Deposits	(3,980.00)	6,823.24
Deferred Revenue	1,927.50	3,212.50
Reserve for Uncashed Checks	(1,455.47)	(31.68)
Accounts Payable & Accrued Expenses	7,141.56	(132,067.72)
Total Adjustments	108,037.97	353,215.34
Net Cash Provided by Operations	192,534.51	1,105,733.71
Cash Flows from Investing Activities Used For:		
Other Investment & Interest	(588.75)	(25,989.18)
Advances for Construction		(5,260.67)
Construction in Progress	(80,026.60)	(220,055.78)
Land & Buildings		
Supply Mains, Lines, Meters & Connections	(6,741.76)	(117,417.61)
Furniture & Equipment	(4,820.00)	(158,877.17)
Net Cash Used in Investing	(92,177.11)	(527,600.41)
Cash Flows From Financing Activities:		
Restricted Bond Funds	(72,702.33)	107,858.31
Bond Payments		(500,000.00)
Unamortized Bond Discount/Premium	1,295.67	12,956.70
Line of Credit - Cecilian Bank		(32,682.99)
Net Cash Used in Financing	(71,406.66)	(411,867.98)
Net Increase/(Decrease) in Cash	28,950.74	166,265.32
Summary:		
Cash at End of Period	471,868.94	471,868.94
Cash at Beginning of Period	442,918.20	305,603.62
Net Increase/(Decrease) in Cash	28,950.74	166,265.32

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Statement of Cash Flow
For the 10 Months Ended Wednesday, October 31, 2012

	October	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$141,155.05	\$1,065,768.93
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	54,215.84	536,474.97
Accounts Receivable	19,126.62	(100,079.23)
Due From/To Other Funds	(29,190.10)	3,261.83
Prepaid Expense	2,096.50	441.08
Accrued Interest	(0.02)	0.25
Inventory		
Accounts Payable & Accrued Expenses	16,974.78	122,426.86
Total Adjustments	63,223.62	562,525.76
Net Cash Provided by Operations	204,378.67	1,628,294.69
Cash Flows from Investing Activities Used For:		
Construction in Progress	(314,474.03)	(946,195.55)
Plant & Lines	(3,536.00)	(245,729.22)
Furniture & Equipment		(88,708.71)
Net Cash Used in Investing	(318,010.03)	(1,280,633.48)
Cash Flows From Financing Activities:		
Intra-Fund Loan		
Net Cash Used in Financing		
Net Increase/(Decrease) in Cash	(113,631.36)	347,661.21
Summary:		
Cash at End of Period	1,922,575.84	1,922,575.84
Cash at Beginning of Period	2,036,207.20	1,574,914.63
Net Increase/(Decrease) in Cash	(113,631.36)	347,661.21

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
Statement of Cash Flow
For the 10 Months Ended Wednesday, October 31, 2012

	October	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$11,540.47	\$441,135.83
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	3,152.37	30,902.53
Accounts Receivable	32,716.28	
Due From/To Other Funds	22,306.56	34,533.70
Prepaid Expense	144.47	142.80
Accounts Payable & Accrued Expenses	15,902.42	(5,447.64)
Total Adjustments	74,222.10	60,131.39
Net Cash Provided by Operations	85,762.57	501,267.22
Cash Flows from Investing Activities Used For:		
Construction in Progress	(43,083.93)	(365,328.19)
GIS Structures		(51,583.95)
Net Cash Used in Investing	(43,083.93)	(416,912.14)
Cash Flows From Financing Activities:		
Intra-Fund Loan		
Net Cash Used in Financing		
Net Increase/(Decrease) in Cash	42,678.64	84,355.08
Summary:		
Cash at End of Period	766,891.03	766,891.03
Cash at Beginning of Period	724,212.39	682,535.95
Net Increase/(Decrease) in Cash	42,678.64	84,355.08

For Management Purposes Only

Hardin County Water District No. 1 - Radcliff Sewer
Statement of Cash Flow
For the 10 Months Ended Wednesday, October 31, 2012

	October	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$22,084.86	\$360,172.40
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	76,440.31	653,948.92
Accounts Receivable	143,347.69	(43,725.74)
Due From/To Other Funds	(6,205.73)	233,516.05
Prepaid Expense	4,095.71	(4,481.71)
Accrued Interest	0.25	521.82
Customer Deposits	(1,344.00)	6,271.10
Accounts Payable & Accrued Expenses	21,798.90	47,284.46
Total Adjustments	238,133.13	893,334.90
Net Cash Provided by Operations	260,217.99	1,253,507.30
Cash Flows from Investing Activities Used For:		
Investment & Interest		335,230.42
Construction in Progress	(114,915.99)	(161,060.09)
Plant & Lines		(557,940.65)
Furniture & Equipment		(10,343.97)
Transportation Equipment		(151,263.37)
Net Cash Used in Investing	(114,915.99)	(545,377.66)
Cash Flows From Financing Activities:		
Bond Payments		(132,918.07)
Organizational Costs	758.36	7,583.60
Net Cash Used in Financing	758.36	(125,334.47)
Net Increase/(Decrease) in Cash	146,060.36	582,795.17
Summary:		
Cash at End of Period	3,421,733.12	3,421,733.12
Cash at Beginning of Period	3,275,672.76	2,838,937.95
Net Increase/(Decrease) in Cash	146,060.36	582,795.17

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Water Fund
Statement of Cash Flow
For the 10 Months Ended Wednesday, October 31, 2012

	October	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$468,984.85	\$4,899,243.00
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	2,960.02	17,368.66
Accounts Receivable	720,003.00	(720,003.00)
Accrued Interest		
Due From/To Other Funds	(22,432.90)	47,342.20
Inventory	(1,964.32)	(23,030.63)
Prepaid Expense	3,209.54	(8,949.61)
Accounts Payable & Accrued Expenses	(137,445.75)	178,039.08
Total Adjustments	564,329.59	(509,233.30)
Net Cash Provided by Operations	1,033,314.44	4,390,009.70
Cash Flows from Investing Activities Used For:		
Other Investment & Interest		
Construction in Progress	(9,300.57)	(233,728.25)
Land & Buildings		
Supply Mains, Lines, Meters & Connections		(7,842.86)
Furniture & Equipment		(290,899.75)
Net Cash Used in Investing	(9,300.57)	(532,470.86)
Cash Flows From Financing Activities:		
Acquisition Costs	5,454.83	(246,408.67)
Net Cash Used in Financing	5,454.83	(246,408.67)
Net Increase/(Decrease) in Cash	1,029,468.70	3,611,130.17
Summary:		
Cash at End of Period	3,611,130.17	3,611,130.17
Cash at Beginning of Period	2,581,661.47	
Net Increase/(Decrease) in Cash	1,029,468.70	3,611,130.17

For Management Purposes Only

**HARDIN COUNTY WATER DIST NO. 1
PROJECT FUNDING
AS OF 10/31/2012**

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
KIA WX21093020 Grant	3/14/2007	KIA - Constantine Road Grant	\$1,000,000.00	\$111,925.00	\$888,075.00
KY EBDG for BRAC Grant	1/12/2010	Radcliff WW Pump Station Upgrades	\$2,250,000.00	\$517,745.82	\$1,732,254.18
KY EBDG for BRAC Grant	9/16/2011	Radcliff WW System Improvements Project	\$2,500,000.00	\$904,533.00	\$1,595,467.00
KY EBDG for BRAC Grant	11/10/2011	Louisville Water-Fort Knox Interconnect Pr	\$4,500,000.00	\$62,313.22	\$4,437,686.78
Fort Knox - CLIN 0033	7/21/2011	WWTP Improvements (2910)	\$415,000.00	\$255,077.74	\$159,922.26
Fort Knox - CLIN 0034	7/21/2011	Brooks Field Phase III Improvements (2923)	\$100,000.00	\$100,000.00	\$0.00
Fort Knox - CLIN 0035	7/21/2011	Basin 2 Improvements	\$406,000.00	\$86,364.39	\$319,635.61
Fort Knox - CLIN 0036	7/21/2011	Basin 6 Improvements	\$107,000.00	\$107,000.00	\$0.00
Fort Knox - CLIN 0037	7/21/2011	Dietz Lift Station (2704)	\$1,025,000.00	\$109,128.74	\$915,871.26
Fort Knox - CLIN 0038	7/21/2011	Basin 8 Improvements	\$403,000.00	\$73,548.00	\$329,452.00
Fort Knox - CLIN 0039	7/21/2011	Matthews LS & Force Main (2918)	\$675,000.00	\$56,615.39	
Fort Knox - CLIN 0039	7/21/2011	Chaffee Pump Station (2924)		\$48,496.63	\$569,887.98
Fort Knox - CLIN 0040	7/21/2011	Van Voorhis Area Improvements (2824)	\$1,200,000.00	\$140,563.19	\$1,059,436.81
Fort Knox - CLIN 0041	7/21/2011	Lift Station Generators	\$50,000.00	\$50,000.00	\$0.00
Fort Knox - CLIN 0042	7/21/2011	Godman Airfield Improvements (4914)	\$1,160,000.00	\$159,332.11	\$1,000,667.89

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
Fort Knox - CLIN 0043	7/21/2011	Basin 3 Storm Water Improvements	\$250,000.00	\$77,854.03	\$172,145.97
Fort Knox - CLIN 0044	7/21/2011	Basin 4 Storm Water Improvements	\$125,000.00	\$125,000.00	\$0.00
Fort Knox - CLIN 0045	7/21/2011	Basin 5 Storm Water Improvements	\$200,000.00	\$0.00	\$200,000.00
Fort Knox - CLIN 0054		Collection System Improvements	\$600,000.00	\$0.00	\$600,000.00
Fort Knox - CLIN 0057		Storm System Improvements	\$305,000.00	\$1,286.85	\$303,713.15
Funding Totals			\$17,271,000.00	\$2,986,784.11	\$14,284,215.89

Mobile Home Park Montly Update

31-Oct-12

To date (22 months) we have billed \$137,649 for Master Meters. \$116,837 (85%) has been paid to date leaving an Uncollected Balance of \$20,812 (15%) of the 23 accounts. Three accounts have triggered the First & Second Warning Letters.

One account has been turned over to Legal (\$12,758) while another has been turned over to the Collection Agency (\$295).

Hardin County Water District No. 1

Accounts Receivable Report

Date : 11/15/2012 10:59:29 AM
 User Name : Charlene

Account	Name	Unbilled						Total Balance
		Balance	< 30	30-60	60-90	90-119	120+	
1150579401		346.48	0.00	0.00	0.00	0.00	0.00	346.48
1150568001		8.45	0.00	0.00	0.00	0.00	0.00	8.45
1160249800		259.42	0.00	0.00	0.00	0.00	0.00	259.42
1180414000		0.00	(25.18)	0.00	0.00	0.00	0.00	(25.18)
1180618100		13.70	13.70	0.00	0.00	0.00	0.00	27.40
1180721000		18.13	27.24	0.00	0.00	0.00	0.00	43.37
1180750200		27.59	27.59	0.00	0.00	0.00	0.00	55.18
1200280900		625.73	650.43	581.32	210.23	0.00	0.00	2,062.97 *
1200307800		8.45	9.20	9.20	7.76	15.26	0.00	35.30
1210022100		48.59	51.91	0.00	0.00	0.00	0.00	100.50
1210027000		42.68	0.00	0.00	0.00	0.00	0.00	42.68
1210136600		701.09	889.05	0.00	0.00	0.00	0.00	1,590.14
1220754000		32.73	35.70	35.70	32.73	38.67	480.43	655.96 *
2070171701		0.00	32.73	0.00	0.00	0.00	0.00	32.73
2070168900		0.00	42.74	62.41	55.22	30.86	469.64	660.87 *
2070220001		0.00	2,821.00	589.63	0.00	0.00	0.00	3,390.63 *
3100094000		0.00	194.01	0.00	0.00	0.00	0.00	194.01
3100104000		0.00	6.13	0.00	0.00	0.00	0.00	6.13
3110096100		0.00	45.04	0.00	0.00	0.00	0.00	45.04
3110136000		0.00	386.74	0.00	0.00	0.00	0.00	386.74
Grand Total		2,131.04	5,208.03	1,238.26	305.94	85.48	950.07	9,918.82

+ 28.11
2159.15

Detail By Group/Income Center

Unbilled - 2159.15
7759.67

Group/Income Center	Unbilled Balance	< 30	30-60	60-90	90-119	120+	Balance
Service / Water Tarable	723.70	1,809.48	419.56	94.83	1.77	28.70	3,078.02
Service / Water Franchise Fee	25.80	60.77	14.77	3.84	0.58	8.72	114.48
Service / School Tax	26.63	61.90	14.77	3.61	0.58	8.34	115.83
Service / Water State Tax	54.77	127.49	30.42	7.40	1.19	17.04	238.31
Service / Customer Charge	163.15	253.51	72.79	32.63	17.57	261.04	800.69
Service / Sewer	1,043.11	2,572.44	603.85	150.12	34.22	504.18	4,807.92
Service / Sewer Franchise Fee	31.29	77.17	18.11	4.50	1.02	15.54	147.63
Service / Sewer State Tax	62.59	154.35	36.23	9.01	2.06	30.35	294.59
Service / Unapplied Cash	0.00	(25.18)	0.00	0.00	0.00	0.00	(25.18)
Penalty	0.00	116.12	27.76	0.00	26.49	76.16	246.53

HARDIN COUNTY WATER DISTRICT NO. 1
As of November 30, 2012

YEAR to DATE

	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>
Total Operating Revenue	324,413.40	269,802.27	41,894.91	287,090.28	346,847.00	1,289,647.84	3,723,357.25	2,702,464.53	452,874.34	3,269,395.17	3,492,540.79	13,640,632.08
Total Operating Expenses	154,683.87	182,337.11	24,229.38	223,339.03	236,021.28	800,810.87	2,080,149.20	1,704,287.78	274,082.90	2,397,663.64	2,403,274.71	8,859,458.23
Less Depreciation & Amortization	80,963.74	54,597.17	3,152.38	82,904.29	2,960.10	224,567.88	879,754.40	594,852.69	34,054.91	898,183.90	20,328.78	2,427,174.86
Operating Income	88,745.79	52,867.99	14,313.15	(19,153.08)	107,865.62	244,439.49	763,453.65	403,324.06	144,736.53	(26,452.37)	1,068,937.32	2,353,999.19
Interest Income	946.69	1,418.84	321.51	1,624.57	1,731.10	6,042.71	32,372.90	13,744.41	4,386.96	22,548.10	8,434.90	81,487.27
Interest Expense	(23,509.81)	(95.27)	-	(7,086.45)	-	(30,691.53)	(266,364.69)	(1,037.24)	-	(80,214.25)	-	(347,616.18)
Net Unrealized Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Investments	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Assets	(187.89)	-	-	(166.61)	-	(354.50)	3,801.29	-	-	(63,448.04)	(253.17)	(59,899.82)
Non-utility income	-	-	-	-	-	-	-	1,360.33	-	-	-	1,360.33
Income Before Contributed Capital	65,994.78	54,191.56	14,634.66	(24,781.55)	109,396.72	219,436.17	533,263.15	417,391.56	149,123.49	(147,666.66)	1,077,119.05	2,029,330.69
Government Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants	2,113.05	-	-	2,113.05	-	4,226.10	170,536.31	-	-	125,519.10	-	296,055.41
Misc Grants-HWY 1882	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants-HWY 144	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Louisville H2O Connector	17,981.14	-	-	-	-	17,981.14	62,313.22	-	-	-	-	62,313.22
Misc Grants Constantine Road	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/I & I	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/Pump Stations	-	-	-	34,169.39	-	34,169.39	-	-	-	119,197.40	-	119,197.40
Misc Revenue/Grant/SI	-	-	-	100,259.99	-	100,259.99	-	-	-	369,910.14	-	369,910.14
Tap fees	3,855.00	-	-	-	-	3,855.00	40,696.48	-	-	3,000.00	4,869.46	48,765.94
Capital contributions	-	668,430.38	42,702.41	-	373,356.00	1,084,488.79	35,453.18	1,370,999.31	349,349.41	1,873.20	4,300,007.21	6,057,662.31
Change in Net Assets	89,943.97	722,621.94	57,337.07	111,760.88	482,752.72	1,464,418.58	642,462.34	1,788,390.87	498,472.90	471,933.28	5,381,995.72	8,983,255.11
Return on Assets (ROA)							1.631%	1.61%	6.14%	-0.58%	18.22%	1.68%

The contributed capital received this month is as follows: Ft. Knox Sewer (\$668,430) was for VanVoorhis Collection System Improvements, PTB Rehab/Replacement, Chaffee Pump Station, Basins 2, 7 & 8 Improvements and Collection System Improvements. Ft. Knox Storm (\$42,702) was for Godman Airfield Improvements and Storm Water Improvements. Ft. Knox Water (\$373,356) was for the ISDC Surcharge.

Water: Compared to Last Year, Y-T-D sales change is as follows: Residential up 1.3%, Commercial down (2.5%), Multi-Family up 2.2% and Wholesale up 3.06%. Total Revenues Y-T-D are up 1.16%. Total Labor is down for the month due to increase in CLN invoices which means more Labor is Capitalized to these Projects. Purchased Water is down considerably as overall Demand was down 4.9% for the month compared to October. Collection Expense is up slightly due to the Koppel MHP issue. Loss on Disposal of Assets is due to Disposing 29 5/8 x 3/4 meters for the month.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$27,065 difference; This Year Compared to Last Year YTD = +\$281,675.

Radcliff: Compared to Last Year, Y-T-D sales change as follows: Residential up 1.2%, Commercial Sales up 8.3% and Multi-Family is up 3.9%. Total Revenues are up 1.8%. Allocated Labor is down approximately \$7,000 for the month due to more Labor being Allocated to Projects for increase in CLN invoices. Miscellaneous Expense is up slightly for the month due to repairs to 2 Lift Stations. Loss on Disposal of Assets is due to Disposing 29 5/8 x 3/4 meters for the month.

Net Income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$234,320 difference; This Year YTD Compared to Last Year YTD = - \$92,458.

Ft. Knox Water: Allocated Labor is down slightly due to the increased CLN invoices described above. Storage Maintenance is up slightly due to Restoration services for Tank Sites. Management Fee Expense is down slightly as we capitalized \$9,153 from LWC Fee for Water Treatment Equipment purchases.

Bad Debt Expense: Compared to last year Y-T-D, Radcliff is down approximately (2.3%) & Water is down approximately (5.5%). Compared to Last Year, Bad Debt Recovered for Water is down approximately (19.5%) and Radcliff is down approximately (23.9%).

Invested Funds Inventory
 HCWD1
 11/30/2012

Name of Account	Rate	Balance	Mkt Val	Accr'd Inc	Earnings	Fees	R = Restrict	Current Investment	Invested By	Maturity
Water Revenue/O&M	0.200%	434,117.79	434,117.79	0.00	75.03		U = Unrest	Cecilian Bank	Cecilian Bank	
Water Savings	0.200%	100,000.00	100,000.00	30.62	16.43		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Water Fund	0.150%	1,038.26	1,038.26	0.26	0.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-Water Fund	1.000%	255,338.08	255,338.08	412.74	209.87		U = Unrest	Lincoln National Bank	Lincoln National Bank	07/03/13
HCWD1 CD-Water Fund	1.490%	123,383.62	123,383.62	307.23	151.10		U = Unrest	FKFCU	FKFCU	12/04/12
HCWD1 CD-Water Fund	1.000%	388,664.00	388,664.00	628.25	319.45		U = Unrest	Lincoln National Bank	Lincoln National Bank	07/03/13
2002 Sinking Fund - Principal	0.000%	70,000.01	70,000.01				R = Restrict	Cecilian Bank	Cecilian Bank	
2002 Sinking Fund - Interest	0.000%	688.27	688.27				R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Depreciation Fund	0.170%	751,941.03	751,941.03	90.46	90.46		R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Debt Serv Res	0.170%	593,654.67	593,654.67	71.42	71.42		R = Restrict	First American Govt Oblig Fd	U S Bank	
2005 Sinking Fund	0.170%	140,345.48	140,345.48	12.80	12.80		R = Restrict	First American Govt Oblig Fd	U S Bank	
Subtotal Water Fund		2,859,171.21	2,859,171.21	1,553.78	946.69	0.00				
Ft. Knox Sewer Revenue/O&M	0.200%	94,985.89	94,985.89	0.00	95.57		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Sewer Savings	0.200%	1,619.60	1,619.60	0.53	0.26		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Ft. Knox Sewer Fund	0.150%	1,017.03	1,017.03	0.24	0.12		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Ft. Knox Sewer Money Market	0.60%	1,200,717.00	1,200,717.00		717.00		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Sewer Fund		1,298,339.52	1,298,339.52	0.77	812.95	0.00				
Ft. Knox Stormwater Revenue/O&M	0.20%	138,060.45	138,060.45	0.00	25.46		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Stormwater Money Market	0.60%	600,616.31	600,616.31		298.05		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Stormwater Fund		738,676.76	738,676.76	0.00	321.51	0.00				
Radcliff Sewer Revenue/O& M	0.200%	154,382.64	154,382.64	0.00	58.12		U = Unrest	Cecilian Bank	Cecilian Bank	
Rad Sewer Bus. Part. MM KIA Maint & Rep	0.600%	338,550.09	338,550.09		168.87		R = Restrict	Cecilian Bank	Cecilian Bank	
Radcliff Sewer Business Partner MM	0.600%	2,663,016.24	2,663,016.24		1,399.46		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Radcliff Sewer Fund	0.150%	1,017.03	1,017.03	0.24	0.12		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Subtotal Radcliff Sewer Fund		3,156,966.00	3,156,966.00	0.24	1,624.57	0.00				
Ft. Knox Water Revenue/O&M	0.20%	383,666.38	383,666.38	0.00	62.16	0.00	U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Water Money Market	0.60%	3,701,668.94	3,701,668.94		1,668.94		U = Unrest	Cecilian Bank	Cecilian Bank	
Total		12,138,488.81	12,138,488.81	1,554.79	6,436.82	0.00				

HARDIN COUNTY WATER DISTRICT NO. 1 WATER
COMPARATIVE BALANCE SHEET
For the Eleven Months Ending Friday, November 30, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$536,856.05	\$422,310.83	\$114,545.22
Investments - Less than 1 Year to...	767,385.70	733,637.27	33,748.43
Accounts Receivable - Net	462,224.51	419,131.53	43,092.98
Due From Other Funds	89,627.60		89,627.60
Inventory - Materials & Supplies	309,294.13	282,346.29	26,947.84
Prepaid Expenses	55,896.55	55,694.50	202.05
Accrued Interest	1,553.78	5,954.22	(4,400.44)
Total Current Assets	<u>2,222,838.32</u>	<u>1,919,074.64</u>	<u>303,763.68</u>
Long Term Investments			
Restricted Assets - Reserve Funds	1,555,941.19	1,522,446.53	33,494.66
Total Long Term Investments	<u>1,555,941.19</u>	<u>1,522,446.53</u>	<u>33,494.66</u>
Property, Plant & Equipment			
Land	273,045.22	273,045.22	
Property, Plant & Lines	36,138,315.85	36,008,528.36	129,787.49
Equipment & Furniture	4,624,238.04	4,465,360.87	158,877.17
Construction in Progress	814,108.59	462,784.71	351,323.88
Total	<u>41,849,707.70</u>	<u>41,209,719.16</u>	<u>639,988.54</u>
Less: Accumulated Depreciation	(12,932,775.16)	(11,952,236.47)	(980,538.69)
Total Property, Plant & Equipment	<u>28,916,932.54</u>	<u>29,257,482.69</u>	<u>(340,550.15)</u>
TOTAL ASSETS	<u>32,695,712.05</u>	<u>32,699,003.86</u>	<u>(3,291.81)</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	170,983.17	196,716.55	(25,733.38)
Accrued Expenses	157,374.93	253,837.85	(96,462.92)
Due To Other Funds		307,766.78	(307,766.78)
Customers' Deposits	168,467.00	163,196.00	5,271.00
Radcliff Collections Payable	136,194.24	124,758.43	11,435.81
State Encheatment - Reserve for...	5,230.75	5,262.43	(31.68)
Deferred Revenue	3,212.50	5,605.78	(2,393.28)
Total Current Liabilities	<u>641,462.59</u>	<u>1,057,143.82</u>	<u>(415,681.23)</u>
Long Term Debt			
Bonds Payable	8,785,000.00	9,285,000.00	(500,000.00)
Less: Unamortized Discount & Ex...	(164,026.29)	(179,574.33)	15,548.04
Total Long Term Debt	<u>8,620,973.71</u>	<u>9,105,425.67</u>	<u>(484,451.96)</u>
Other Liabilities			
Customer Advances for Constructi...	121,140.06	126,400.73	(5,260.67)
Total Liabilities	<u>9,383,576.36</u>	<u>10,288,970.22</u>	<u>(905,393.86)</u>
Net Assets			
Retained Earnings	8,067,737.80	10,568,814.95	(2,501,077.15)
Contributed Capital	14,401,935.55	11,145,262.54	3,256,673.01
Current Earnings	842,462.34	695,956.15	146,506.19
Total Net Assets	<u>23,312,135.69</u>	<u>22,410,033.64</u>	<u>902,102.05</u>
TOTAL LIABILITIES & NET ASSETS	<u>32,695,712.05</u>	<u>32,699,003.86</u>	<u>(3,291.81)</u>

For Management Purposes Only

Hardin County Water District No. 1 Water Fund
Detail Comparative Income Statements
For the 11 Months Ended Friday, November 30, 2012

	November	November Budget	November Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Customer Meter Charges	\$59,065.32	\$59,096.34	\$58,600.97	\$651,604.74	\$655,040.35	\$649,549.54
Residential Sales	149,102.48	142,575.94	140,398.62	1,754,532.94	1,758,477.00	1,731,622.79
Commercial Sales	21,253.73	15,559.71	24,899.93	262,041.28	167,996.28	268,841.49
Multi-Family Sales	15,076.11	22,393.61	13,749.43	167,748.29	267,392.12	164,175.80
Sales for Resale - Vine Grove	20,344.13	20,232.14	19,477.83	251,578.54	257,882.63	248,075.51
Sales for Resale - District 2				1,767.88		
Sales for Resale - Meade County	31,202.31	28,890.02	28,123.78	354,586.12	351,142.41	341,829.33
Sewer Storm Water-Monthly Contract	2,331.70	1,012.52	718.33	16,002.07	11,125.00	7,892.63
Bad Debt Recovered	320.67	455.86	391.17	5,748.16	8,318.94	7,138.41
Penalties, Service Fees and Reimbursements	25,718.97	23,710.39	23,048.03	257,747.23	270,563.49	261,588.18
Total Operating Revenue	324,413.40	313,928.53	309,408.09	3,723,357.25	3,747,738.22	3,880,713.68
OPERATING EXPENSES						
Salaries & Benefits	92,190.90	111,892.71	121,987.03	1,178,128.28	1,235,233.14	1,341,109.05
Purchased Water	297.62	1,299.56	1,321.12	85,285.38	72,091.74	73,287.94
Utilities & Energy Expense	19,418.66	22,205.47	21,337.56	247,011.22	250,707.43	247,793.93
Chemicals	6,094.24	13,293.17	14,923.52	131,084.41	134,346.38	150,823.34
Materials & Supplies	1,291.02	2,720.33	2,138.15	23,548.01	24,356.47	24,991.15
Maintenance & Repairs	6,455.15	3,081.17	2,948.16	97,104.44	58,196.06	57,659.92
Storage Maintenance	258.11	172.58	163.75	2,862.22	2,582.80	2,460.12
Booster Station Expense	22.81	4.85	43.95	755.61	595.03	5,389.38
Small Tool Expenses	1,204.11	18.00	4.99	8,318.28	10,461.16	2,759.04
Accounting & Legal Services	1,159.87	1,222.01	1,209.25	16,774.99	19,382.38	20,694.27
Contractual Services	16,093.84	15,107.20	12,983.03	150,868.96	176,896.16	157,020.75
Laboratory Services	866.00	375.61	1,033.60	13,207.68	5,976.58	16,448.08
Lab Supplies	7.00	608.33		2,235.18	6,691.63	
Bac-T Supplies		366.67		6,279.32	4,033.33	
Utility Regulatory Fees	573.85	526.96	522.21	6,002.51	5,773.04	5,721.06
Amortized 2007-12 Rate Case			633.78	4,436.46	4,400.00	6,971.58
Fuel & Transportation Expense	5,753.59	4,330.03	3,745.72	64,424.12	54,507.08	46,986.46
Insurance Expense	3,369.66	3,575.00	2,808.40	38,036.01	39,325.00	29,590.80
Workers Comp/Unemployment Expense	1,700.54	2,282.81	1,816.98	16,701.34	23,572.19	19,925.88
Advertising Expense		1,473.74	346.08	13,102.57	7,147.28	1,678.40
Bad Debt Expense	2,000.84	4,659.38	4,864.20	28,507.59	28,880.77	30,150.31
Collection Expense	2,056.59	156.60	132.51	7,628.22	5,893.10	4,986.46
Printing Expense	1,565.75	1,408.15	1,345.06	15,935.66	16,212.99	15,436.39
Subscriptions	169.99	358.33	387.33	3,626.69	3,941.67	3,944.12
Postage & Mailing	903.64	563.80	453.58	4,689.28	5,054.92	4,068.13
Safety Expense	203.99	231.62	208.10	4,099.61	4,544.63	4,082.82
Information Technology Expense	4,639.08	4,209.20	3,798.18	49,806.44	38,461.40	34,706.00
Commission Expense	138.00	596.33		3,215.73	3,231.99	2,559.52
Travel & Lodging	2,377.44	1,522.96	1,211.12	9,628.74	5,537.06	4,404.32
Certification & Education	271.23			11,641.79	9,700.00	7,802.39
Miscellaneous Expense	400.28	600.60	497.06	5,629.22	7,337.14	6,072.22
Customer Deposit Interest Expense	337.07	235.26	352.52	872.53	575.59	862.49
Cash Over & Short	(2.06)		(6.58)	30.11		20.30
Allocated FK Water G&A Expense	(17,132.74)	(17,132.73)		(171,327.40)	(171,327.30)	
TOTAL OPERATING EXPENSES	154,683.87	181,925.50	203,190.36	2,080,149.20	2,094,328.80	2,330,404.62
Operating Income Before Depreciation	169,729.53	132,001.03	106,217.73	1,643,208.05	1,653,409.42	1,350,309.06
Less Depreciation & Amortization	80,983.74	79,295.40	78,280.87	879,754.40	850,618.26	839,733.28
Operating Income	88,745.79	52,705.63	27,937.06	763,453.65	802,791.16	510,575.78
Non-Operating Income(Expense)						
Interest & Dividend Income	946.69	1,900.70	2,990.62	32,372.90	24,030.70	37,810.58
Interest Expense	(23,509.81)	(23,999.56)	(24,721.50)	(266,364.69)	(266,553.33)	(279,547.89)
Gain/(Loss) on Assets	(187.89)			3,801.29		(17,150.36)
Income Before Capital Contributions	65,994.78	30,606.77	6,206.18	533,263.15	560,268.53	251,688.11
Capital Contributions						
Misc Revenue - Grant	2,113.05		1,621.98	170,536.31		20,774.19
Misc Revenue - Grant - Hwy 1882						22,531.99
Misc Revenue - Grant - Hwy 144						12,011.57
Misc Revenue - Grant - LWC	17,981.14	41,666.67		62,313.22	458,333.33	
Misc Revenue - Grant - Constantine Rd		52,666.67			579,333.37	
Tap fees	3,855.00	3,155.95	2,700.72	40,896.48	68,449.31	58,575.76
Customer contributions			43,272.38	35,453.18		330,374.53
Change in Net Assets	89,943.97	128,096.06	53,801.26	842,462.34	1,666,384.54	695,956.15

For Management Purposes Only

Hardin County Water District No. 1 - Water Fund
Statement of Cash Flow
For the 11 Months Ended Friday, November 30, 2012

	November	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$89,943.97	\$842,462.34
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	85,101.00	896,634.89
Accounts Receivable	30,385.31	(5,530.21)
Accrued Interest	(677.59)	(558.03)
Due From/To Other Funds	(56,467.32)	(375,121.10)
Inventory	(22,963.99)	(25,575.46)
Prepaid Expense	5,602.03	10,767.87
Radcliff Collections Payable	(545.45)	15,095.03
Customer Deposits	(1,023.24)	5,800.00
Deferred Revenue	(642.50)	2,570.00
Reserve for Uncashed Checks		(31.68)
Accounts Payable & Accrued Expenses	41,734.45	(90,333.27)
Total Adjustments	80,502.70	433,718.04
Net Cash Provided by Operations	170,446.67	1,276,180.38
Cash Flows from Investing Activities Used For:		
Other Investment & Interest		(25,989.18)
Advances for Construction		(5,260.67)
Construction in Progress	(22,340.00)	(242,395.78)
Land & Buildings		
Supply Mains, Lines, Meters & Connections	(6,709.42)	(124,127.03)
Furniture & Equipment		(158,877.17)
Net Cash Used in Investing	(29,049.42)	(556,649.83)
Cash Flows From Financing Activities:		
Restricted Bond Funds	(77,705.81)	30,152.50
Bond Payments		(500,000.00)
Unamortized Bond Discount/Premium	1,295.67	14,252.37
Line of Credit - Cecilian Bank		(32,682.99)
Net Cash Used in Financing	(76,410.14)	(488,278.12)
Net Increase/(Decrease) in Cash	64,987.11	231,252.43
Summary:		
Cash at End of Period	536,856.05	536,856.05
Cash at Beginning of Period	471,868.94	305,603.62
Net Increase/(Decrease) in Cash	64,987.11	231,252.43

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX SEWER
COMPARATIVE BALANCE SHEET
For the Eleven Months Ending Friday, November 30, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$1,298,339.52	\$1,546,951.00	(\$248,611.48)
Accounts Receivable - Net	941,060.92	246,619.12	694,441.80
Inventory - Materials & Supplies	12,372.77	12,372.77	
Prepaid Expenses	4,633.60	30,302.19	(25,668.59)
Accrued Interest	0.77	1.10	(0.33)
Total Current Assets	2,256,407.58	1,836,246.18	420,161.40
Property, Plant & Equipment			
Plant & Lines	78,331,742.05	78,086,012.83	245,729.22
Equipment	1,196,297.91	1,107,589.20	88,708.71
Construction In Progress	2,544,739.95	641,366.40	1,903,373.55
Total	82,072,779.91	79,834,968.43	2,237,811.48
Less: Accumulated Depreciation	(62,432,966.47)	(61,789,232.08)	(643,734.39)
Total Property, Plant & Equipment	19,639,813.44	18,045,736.35	1,594,077.09
TOTAL ASSETS	21,896,221.02	19,881,982.53	2,014,238.49
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	329,797.24	153,446.24	176,351.00
Accrued Expenses	5,213.28	17,697.50	(12,484.22)
Due To Other Funds	6,324.39	2,617.76	3,706.63
Total Current Liabilities	341,334.91	173,761.50	167,573.41
Net Assets			
Retained Earnings	702,793.06	711,794.21	(9,001.15)
Contributed Capital	19,063,702.18	18,198,181.72	865,520.46
Current Earnings	1,788,390.87	798,245.10	990,145.77
Total Net Assets	21,554,886.11	19,708,221.03	1,846,665.08
TOTAL LIABILITIES & NET ASSETS	21,896,221.02	19,881,982.53	2,014,238.49

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Detail Comparative Income Statements
For the 11 Months Ended Friday, November 30, 2012

	November	November Budget	November Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Sanitary Sewer Revenue	\$236,529.37	\$239,190.96	\$235,239.00	\$2,594,080.85	\$2,583,677.04	\$2,540,989.00
Muldrough-Fixed Monthly Billing	402.24	402.25	402.24	4,424.64	4,424.75	4,424.64
Muldrough-Waste Water Flows	3,457.43	3,054.40	2,756.52	48,132.84	64,446.60	58,161.40
Reimbursement of HCWD Overhead	29,413.23	11,163.83	223.29	57,826.20	122,802.17	17,536.05
Total Operating Revenues	269,802.27	253,811.44	238,621.05	2,702,464.53	2,775,350.56	2,621,111.09
OPERATING EXPENSES						
Customer Service Labor	40.20	44.89	513.58	459.36	523.49	5,989.73
Administrative Labor	2,969.47	8,386.41	3,712.51	76,098.85	86,443.37	38,266.90
Internal Maintenance/Supervision			222.90			2,318.85
Information Technology Expense	247.40	228.33	202.57	3,013.54	2,086.35	1,850.98
Professional Services-Engineering			1,230.80			10,310.30
Professional Services-Accounting	473.92	524.17	472.50	5,767.52	5,765.87	5,197.50
Professional Services-Legal	237.49	302.17	237.49	2,612.39	3,323.83	2,612.39
Management Fee - Veolia	149,993.50	148,767.83	129,410.77	1,607,781.74	1,636,446.17	1,570,654.34
Contractual Services	9,076.52			16,969.72		
Insurance Expense	1,673.65	1,666.67	3,782.40	18,353.10	18,333.33	40,431.95
Regulatory Commission Expense	422.85	362.27	361.53	4,283.43	4,037.73	4,029.51
Transportation Fuel & Repairs	31.82	19.88	22.15	350.21	278.54	310.30
Office Supplies Expense	21.27	87.96	62.39	972.52	489.41	347.14
Utilities	145.90	150.07	169.91	1,826.11	2,030.69	2,299.23
Travel & Lodging	126.79	62.25	64.59	513.53	497.43	516.07
Education & Conferences	14.47			499.06	1,500.00	958.62
Certification & Training				309.56	1,000.00	44.00
Miscellaneous Expense	644.22			2,300.74	1,200.00	974.30
Allocated FK Water G&A Expense	(3,782.36)	(3,782.36)		(37,823.60)	(37,823.64)	
Total Operating Expenses	162,337.11	156,820.54	140,466.09	1,704,287.78	1,726,132.57	1,887,110.11
Operating Income Before Depreciation	107,465.16	96,990.90	98,154.96	998,176.75	1,049,217.99	934,000.98
Less Depreciation & Amortization	54,597.17	53,964.23	53,022.50	594,852.69	578,059.24	568,005.15
OPERATING INCOME	52,867.99	43,026.67	45,132.46	403,324.06	471,158.75	365,995.83
Non Operating Income/(Expense)						
Interest & Dividend Income	1,416.84	1,254.03	1,535.10	13,744.41	9,048.88	11,076.79
Interest Expense	(95.27)	(109.20)	(98.53)	(1,037.24)	(1,292.70)	(1,166.46)
Net Non-Operating Income	1,321.57	1,144.83	1,436.57	12,707.17	7,756.18	9,910.33
Income Before Capital Contributions	54,191.56	44,171.50	46,569.03	417,391.56	478,914.73	375,906.16
Capital Contributions	668,430.38	253,723.25	5,074.78	1,370,999.31	2,790,955.75	422,338.94
Change in Net Assets	722,621.94	297,894.75	51,643.81	1,788,390.87	3,269,870.48	798,245.10

For Management Purposes Only

HardIn County Water District No. 1 - Fort Knox Sewer
Statement of Cash Flow
For the 11 Months Ended Friday, November 30, 2012

	November	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$722,621.94	\$1,788,390.87
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	54,229.19	590,704.16
Accounts Receivable	(585,251.17)	(685,330.40)
Due From/To Other Funds	18,133.30	21,395.13
Prepaid Expense	2,096.50	2,537.58
Accrued Interest	(0.38)	(0.13)
Inventory		
Accounts Payable & Accrued Expenses	36,980.27	159,407.13
Total Adjustments	(473,812.29)	88,713.47
Net Cash Provided by Operations	248,809.65	1,877,104.34
Cash Flows from Investing Activities Used For:		
Construction in Progress	(873,045.97)	(1,819,241.52)
Plant & Lines		(245,729.22)
Furniture & Equipment		(88,708.71)
Net Cash Used in Investing	(873,045.97)	(2,153,679.45)
Cash Flows From Financing Activities:		
Intra-Fund Loan		
Net Cash Used in Financing		
Net Increase/(Decrease) in Cash	(624,236.32)	(276,575.11)
Summary:		
Cash at End of Period	1,298,339.52	1,298,339.52
Cash at Beginning of Period	1,922,575.84	1,574,914.63
Net Increase/(Decrease) in Cash	(624,236.32)	(276,575.11)

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX STORM WATER
 COMPARATIVE BALANCE SHEET
 For the Eleven Months Ending Friday, November 30, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$738,676.76	\$666,663.42	\$72,013.34
Accounts Receivable - Net	84,397.32	39,816.00	44,581.32
Prepaid Expenses	144.47	12,243.27	(12,098.80)
Total Current Assets	823,218.55	718,722.69	104,495.86
Property, Plant & Equipment			
Storm Water Property	1,132,832.94	1,081,973.54	50,859.40
Treatment & Disposal Equipment	61,945.87	61,471.82	474.05
Storm Water GIS	86,026.33	86,026.33	
Office Furniture & Equipment	2,046.99	1,796.49	250.50
Construction In Progress	451,665.83	1,314.00	450,351.83
Total	1,734,517.96	1,232,582.18	501,935.78
Less: Accumulated Depreciation	(127,976.38)	(90,859.89)	(37,116.49)
Total Property, Plant & Equipment	1,606,541.58	1,141,722.29	464,819.29
TOTAL ASSETS	2,429,760.13	1,860,444.98	569,315.15
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	66,378.59	23,179.42	43,199.17
Accrued Expenses	871.75	1,039.50	(167.75)
Due To Other Funds	26,049.12	282.00	25,767.12
Total Current Liabilities	93,299.46	24,500.92	68,798.54
Net Assets			
Retained Earnings	1,402,991.22	1,270,969.26	132,021.96
Contributed Capital	434,996.55	434,996.55	
Current Earnings	498,472.90	129,978.25	368,494.65
Total Net Assets	2,336,460.67	1,835,944.06	500,516.61
TOTAL LIABILITIES & NET ASSETS	2,429,760.13	1,860,444.98	569,315.15

For Management Purposes Only

HardIn County Water District No. 1 - Fort Knox Stormwater Fund
 Detail Comparative Income Statements
 For the 11 Months Ended Friday, November 30, 2012

	November	November Budget	November Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Storm Water Revenue						
Reimbursement of Overhead	\$39,816.00	\$40,561.71	\$39,816.00	\$437,976.00	\$437,230.29	\$429,192.00
Total Operating Revenue	<u>41,894.91</u>	<u>45,261.63</u>	<u>39,816.00</u>	<u>452,874.34</u>	<u>488,929.37</u>	<u>429,192.00</u>
OPERATING EXPENSES						
Administrative Labor	909.58	2,603.70	2,062.50	23,580.46	26,837.77	21,259.36
Customer Service Labor	20.10	23.83	84.82	229.89	262.17	200.00
Information Technology Expense	61.84	59.56	50.64	779.85	544.26	462.73
Professional Services - Engineer	79.25	95.83	94.50	1,056.51	1,054.17	1,039.50
Professional Services - Accounting	84.82	107.92	84.82	933.02	1,187.12	933.02
Professional Services - Legal	23,806.50	23,415.33	22,429.42	254,691.16	257,568.67	246,723.62
Management Fee - Veolia	144.47	141.67	142.19	1,584.20	1,558.33	1,555.95
Insurance Expense	7.95	41.67	5.54	87.56	458.33	70.00
Transportation Fuel & Repairs	5.32	47.66	15.60	56.22	494.26	161.79
Office Supplies Expense	36.48	36.90	32.44	402.76	500.00	439.52
Utilities	31.72	59.87	16.15	128.42	481.64	104.49
Travel & Lodging	3.62			98.36	500.00	179.72
Education & Conferences				77.39	112.50	11.00
Certification & Training	(962.27)	(962.30)		(9,622.70)	(9,622.73)	
Allocated FK Water G&A Expense	<u>24,229.38</u>	<u>25,871.64</u>	<u>24,933.80</u>	<u>274,082.90</u>	<u>281,936.49</u>	<u>273,140.70</u>
Total Operating Expenses	<u>17,465.53</u>	<u>19,589.99</u>	<u>14,882.20</u>	<u>178,791.44</u>	<u>206,992.88</u>	<u>156,051.30</u>
Operating Income Before Depreciation	<u>3,152.38</u>	<u>3,268.80</u>	<u>3,061.50</u>	<u>34,054.91</u>	<u>33,377.12</u>	<u>31,260.43</u>
Less Depreciation & Amortization	14,313.15	16,321.19	11,820.70	144,736.53	173,615.76	124,790.87
Operating Income						
Non-Operating Income(Expenses)						
Interest & Dividend Income	321.51	524.25	553.86	4,386.96	4,910.02	5,187.38
Income Before Capital Contributions	<u>14,634.66</u>	<u>16,845.44</u>	<u>12,374.56</u>	<u>149,123.49</u>	<u>178,525.78</u>	<u>129,978.25</u>
Capital Contributions	42,702.41	106,815.75		349,349.41	1,174,973.25	
Change in Net Assets	<u>57,337.07</u>	<u>123,661.19</u>	<u>12,374.56</u>	<u>498,472.90</u>	<u>1,353,499.03</u>	<u>129,978.25</u>

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
Statement of Cash Flow
For the 11 Months Ended Friday, November 30, 2012

	November	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$57,337.07	\$498,472.90
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	3,152.38	34,054.91
Accounts Receivable	(44,581.32)	(44,581.32)
Due From/To Other Funds	579.86	35,113.56
Prepaid Expense	144.47	287.27
Accounts Payable & Accrued Expenses	23,755.43	18,307.79
Total Adjustments	(16,949.18)	43,182.21
Net Cash Provided by Operations	40,387.89	541,655.11
Cash Flows from Investing Activities Used For:		
Construction in Progress	(68,602.16)	(433,930.35)
GIS Structures		(51,583.95)
Net Cash Used in Investing	(68,602.16)	(485,514.30)
Cash Flows From Financing Activities:		
Intra-Fund Loan	_____	_____
Net Cash Used in Financing	_____	_____
Net Increase/(Decrease) in Cash	(28,214.27)	56,140.81
Summary:		
Cash at End of Period	738,676.76	738,676.76
Cash at Beginning of Period	766,891.03	682,535.95
Net Increase/(Decrease) in Cash	(28,214.27)	56,140.81

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER
COMPARATIVE BALANCE SHEET
For the Eleven Months Ending Friday, November 30, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$3,156,966.00	\$2,170,413.04	\$986,552.96
Accounts Receivable - Net	406,746.97	917,857.74	(511,110.77)
Due From Other Funds		310,666.54	(310,666.54)
Prepaid Expenses	43,199.87	125,146.41	(81,946.54)
Accrued Interest	0.24	154.45	(154.21)
Total Current Assets	3,606,913.08	3,524,238.18	82,674.90
Long Term Investments			
Restricted Assets - Reserve Funds		335,230.42	(335,230.42)
Total Long Term Investments		335,230.42	(335,230.42)
Property, Plant & Equipment			
Property, Plant & Lines	33,129,438.01	32,548,447.26	580,990.75
Equipment & Furniture	1,137,916.98	993,263.64	144,653.34
Construction in Progress	1,922,256.77	1,508,173.22	414,083.55
Total	36,189,611.76	35,049,884.12	1,139,727.64
Less: Accumulated Depreciation	(14,661,873.05)	(13,871,036.93)	(790,836.12)
Total Property, Plant & Equipment	21,527,738.71	21,178,847.19	348,891.52
Organizational Costs	202,860.86	211,961.18	(9,100.32)
TOTAL ASSETS	25,337,512.65	25,250,276.97	87,235.68
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	197,049.55	465,146.08	(268,096.53)
Customer Deposits	129,680.00	124,390.00	5,290.00
Contractor Deposits		8,542.59	(8,542.59)
Accrued Expenses	34,108.90	5,637.47	28,471.43
Due To Other Funds	11,947.25		11,947.25
Total Current Liabilities	372,785.70	603,716.14	(230,930.44)
Long Term Debt			
Bonds Payable	1,840,720.99	2,109,082.57	(268,361.58)
Total Long Term Debt	1,840,720.99	2,109,082.57	(268,361.58)
Total Liabilities	2,213,506.69	2,712,798.71	(499,292.02)
Net Assets			
Retained Earnings	297,992.80	437,221.06	(139,228.26)
Contributed Capital	22,354,079.88	20,447,448.70	1,906,631.18
Current Earnings	471,933.28	1,652,808.50	(1,180,875.22)
Total Net Assets	23,124,005.96	22,537,478.26	586,527.70
TOTAL LIABILITIES & NET ASSETS	25,337,512.65	25,250,276.97	87,235.68

For Management Purposes Only

Hardin County Water District No. 1 Radcliff Sewer Fund
Detail Comparative Income Statements
For the 11 Months Ended Friday, November 30, 2012

	November	November Budget	November Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales	\$216,527.19	\$221,706.46	\$205,315.77	\$2,478,733.48	\$2,643,965.40	\$2,448,497.87
Commercial Sales	33,742.75	20,709.75	32,502.50	395,012.54	227,807.25	384,709.68
Multi-Family Sales	20,587.13	33,148.42	18,463.11	226,905.17	392,085.35	218,398.10
High Strength Surcharge	334.38	119.01	200.35	746.48	200.00	336.70
Discharge Permit Fees	27.78	30.12	27.78	830.58	1,489.88	1,355.58
Bad Debt Recovered	385.13	603.21	518.15	6,837.09	10,452.75	8,978.81
Penalties, Services Fees and Reimbursements	15,485.90	15,462.52	15,343.72	160,329.83	171,428.29	170,111.14
Total Operating Revenues	287,090.26	291,777.49	272,371.38	3,269,395.17	3,447,408.92	3,212,387.88
OPERATING EXPENSES						
Collection System Labor	8,860.88	8,001.02	3,051.28	81,868.99	88,656.89	33,810.30
Customer Service Labor	11,982.18	13,639.78	9,758.01	136,945.67	159,076.47	113,804.60
Administration Labor	3,519.92	10,722.98	8,250.01	97,485.91	111,359.43	85,677.36
Professional Services-Engineering		266.67			2,933.37	2,299.88
Professional Services-Accounting	614.17	614.17	567.00	6,756.03	8,755.83	6,237.00
Professional Services-Legal	390.16	496.42	390.16	4,291.76	5,460.58	4,291.76
Information Technology Expense	1,237.09	1,121.79	1,012.86	13,478.41	10,250.33	9,254.95
Management Fee - Veolia	185,766.57	188,246.50	184,467.21	1,945,612.95	1,945,338.07	1,906,282.89
Contractual Services	7,934.11	7,798.36	7,895.88	87,178.36	90,693.78	91,668.36
Insurance Expense	2,515.85	2,325.00	1,663.55	26,715.10	25,575.00	17,802.42
Transportation Fuel & Repairs	159.01			1,832.75		
Utility Regulatory Expense	513.45	459.68	455.26	5,298.88	5,040.32	4,991.90
Office Supplies	609.93	589.13	825.17	7,150.78	7,953.69	7,216.40
Utilities	969.42	623.89	931.67	10,582.25	9,947.52	14,854.90
Bad Debt Expense	2,807.36	5,202.71	5,135.34	34,512.95	35,777.81	35,314.51
Agency Collection Expense	64.12	291.28	260.87	2,679.18	3,801.59	3,404.75
Advertising Expense				42.23		
Rent Expense	187.50	187.50	187.50	2,062.50	2,062.50	2,062.50
Investment Fees						1.23
Travel & Lodging	633.98	433.33	433.73	2,567.74	2,867.26	2,869.92
Certification & Training		83.37		1,707.80	918.67	1,480.24
Education & Conferences	72.33			1,740.77	3,800.00	4,207.02
Routine Maintenance Service	167.31	15.88	102.03	1,613.84	1,277.13	8,206.12
Miscellaneous Customer Expense	55.81	51.51	30.63	808.60	903.88	537.44
Miscellaneous Expense	4,272.22			4,343.07	1,237.07	662.35
Arrest Rate Case - Raftels		1,175.00			12,925.00	
Arrest Rate Deposit Interest Expense	35.78	31.87	28.29	686.16	770.75	684.14
Arrest Rate FK Water G&A Expense	(8,029.90)	(8,029.91)		(80,299.00)	(80,299.09)	
Total Operating Expenses	223,339.03	234,347.93	225,446.45	2,397,663.84	2,455,081.83	2,357,622.94
Operating Income Before Depreciation	63,751.23	57,429.56	46,924.93	871,731.53	992,327.09	854,764.94
Less Depreciation & Amortization	82,904.29	82,380.38	78,271.62	898,183.90	847,982.48	805,795.84
Operating Income	(19,153.06)	(24,950.82)	(31,346.69)	(26,452.37)	144,344.61	48,969.10
Non Operating Income/(Expense)						
Interest & Dividend Income	1,624.57	1,334.03	2,085.54	22,548.10	23,457.04	36,671.40
Gain/(Loss) on Assets	(166.61)			(63,448.04)		(46,707.04)
Interest Expense	(7,086.45)	(7,206.57)	(8,404.52)	(80,214.25)	(81,048.54)	(94,044.38)
Income Before Capital Contributions	(24,781.55)	(30,823.36)	(37,665.67)	(147,566.56)	86,753.11	(55,110.92)
Capital Contributions						
Misc Revenue - Grant	2,113.05			125,519.10		
Misc Revenue - Grant - I&I						199,146.98
Misc Revenue - Grant - Pump Stations	34,169.39	72,916.67		119,197.40	802,083.33	419,146.28
Misc Revenue - Grant - SI	100,259.99	75,000.00		369,910.14	825,000.00	634,882.85
Tap Fees		775.86	900.00	3,000.00	7,370.69	8,550.00
Capital Contributions			6,438.98	1,873.20		446,193.31
Change in Net Assets	111,760.88	117,869.17	(30,326.69)	471,933.28	1,721,207.13	1,652,808.50

For Management Purposes Only

Hardin County Water District No. 1 - Radcliff Sewer
Statement of Cash Flow
For the 11 Months Ended Friday, November 30, 2012

	November	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$111,760.88	\$471,933.28
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	76,440.48	730,389.40
Accounts Receivable	(83,238.86)	(126,964.60)
Due From/To Other Funds	39,789.52	273,305.57
Prepaid Expense	4,095.71	(386.00)
Accrued Interest	(0.12)	521.70
Customer Deposits	(805.10)	5,466.00
Accounts Payable & Accrued Expenses	(125,704.61)	(78,420.15)
Total Adjustments	(89,422.98)	803,911.92
Net Cash Provided by Operations	22,337.90	1,275,845.20
Cash Flows from Investing Activities Used For:		
Investment & Interest		335,230.42
Construction in Progress	(152,419.87)	(313,479.96)
Plant & Lines		(557,940.65)
Furniture & Equipment		(10,343.97)
Transportation Equipment		(151,263.37)
Net Cash Used in Investing	(152,419.87)	(697,797.53)
Cash Flows From Financing Activities:		
Bond Payments	(135,443.51)	(268,361.58)
Organizational Costs	758.36	8,341.96
Net Cash Used In Financing	(134,685.15)	(260,019.62)
Net Increase/(Decrease) in Cash	(264,767.12)	318,028.05
Summary:		
Cash at End of Period	3,156,966.00	3,156,966.00
Cash at Beginning of Period	3,421,733.12	2,838,937.95
Net Increase/(Decrease) in Cash	(264,767.12)	318,028.05

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX WATER
 COMPARATIVE BALANCE SHEET
 For the Eleven Months Ending Friday, November 30, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$4,085,335.32		\$4,085,335.32
Accounts Receivable - Net	720,003.00		720,003.00
Inventory - Materials & Supplies	24,969.59		24,969.59
Prepaid Expenses	5,619.30		5,619.30
Total Current Assets	4,835,927.21		4,835,927.21
Long Term Investments			
Property, Plant & Equipment			
Property, Plant & Lines	7,842.86		7,842.86
Equipment & Furniture	300,053.38		300,053.38
Construction In Progress	239,493.10		239,493.10
Total	547,389.34		547,389.34
Less: Accumulated Depreciation	(20,328.76)		(20,328.76)
Total Property, Plant & Equipment	527,060.58		527,060.58
Organizational Costs	240,953.84		240,953.84
TOTAL ASSETS	5,603,941.63		5,603,941.63
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	161,339.47		161,339.47
Accrued Expenses	15,299.60		15,299.60
Due To Other Funds	45,306.84		45,306.84
Total Current Liabilities	221,945.91		221,945.91
Long Term Debt			
Other Liabilities			
Total Liabilities	221,945.91		221,945.91
Net Assets			
Current Earnings	5,381,995.72		5,381,995.72
Total Net Assets	5,381,995.72		5,381,995.72
TOTAL LIABILITIES & NET ASSETS	5,603,941.63		5,603,941.63

For Management Purposes Only

Hardin County Water District No. 1 Fort Knox Water Fund
 Detail Comparative Income Statements
 For the 11 Months Ended Friday, November 30, 2012

	November	November Budget	November Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Fort Knox Water Revenue	\$314,966.87	\$315,256.45		\$3,149,668.69	\$3,152,564.55	
Reimbursement of Overhead	31,680.13	29,907.27		342,872.10	299,072.70	
Total Operating Revenue	346,647.00	345,163.72		3,492,540.79	3,451,637.25	
OPERATING EXPENSES						
Salaries & Benefits	36,934.86	34,222.65		331,471.98	342,226.35	
Allocated Distribution Labor	16.08	23.18		171.81	231.82	
Allocated Customer Service Labor	57.79	78.00		600.02	780.00	
Allocated Maintenance Labor	101.78	141.27		1,055.49	1,412.73	
Allocated Admin Labor	1,279.25	6,230.82		44,488.02	62,308.18	
Allocated Commissioner Labor	881.95	873.45		8,827.50	8,734.55	
Materials & Supplies	891.62	1,368.00		8,931.99	13,680.00	
Bac-T Supplies		775.27		833.06	7,752.73	
Maintenance & Repairs	5,253.43	5,622.71		50,287.75	56,227.27	
Storage Maintenance	2,545.66	454.55		2,904.50	4,545.50	
Booster Station Expense		454.55			4,545.50	
Small Tool Expenses	70.25	136.38			4,545.50	
Accounting & Legal Services	354.29	272.73		5,019.07	1,363.64	
Management Fee - LWC	133,978.70	143,130.45		3,554.01	2,727.27	
Contractual Services	5,819.37	854.02		1,420,073.35	1,431,304.50	
Utility Regulatory Fees		1,159.09		30,877.08	8,540.00	
Amortized Acquisition Expense	12,286.76	10,167.73			11,590.91	
Fuel & Transportation Expense	1,360.55	287.45		122,867.60	101,677.27	
Insurance Expense	3,124.13	3,390.91		19,133.86	2,874.55	
Workers Comp/Unemployment Expense	418.87	587.00		35,037.56	33,909.09	
Advertising Expense		136.38		6,503.68	5,870.00	
Phone Expense	451.23	109.09		4,991.65	1,090.91	
Postage & Mailing		45.45		118.79	454.55	
Safety Expense	84.33			1,637.60		
Information Technology Expense	144.11			973.18		
Travel & Lodging		227.27		1,646.04	2,272.73	
Certification & Education		252.81		1,140.84	2,528.19	
Miscellaneous Expense	81.02	227.27		1,055.70	2,272.73	
Allocated FK Water G&A Expense	29,907.27	29,907.27		299,072.70	299,072.73	
TOTAL OPERATING EXPENSES	236,021.28	241,135.71		2,403,274.71	2,411,357.34	
Operating Income Before Depreciation	110,625.72	104,028.01		1,089,266.08	1,040,279.91	
Lease Depreciation & Amortization	2,960.10	4,545.45		20,328.78	45,454.55	
Operating Income	107,665.62	99,482.56		1,068,937.32	994,825.36	
Non-Operating Income(Expense)						
Interest & Dividend Income	1,731.10	227.27		8,434.90	2,272.73	
Gain/(Loss) on Assets				(253.17)		
Income Before Capital Contributions	109,396.72	99,709.83		1,077,119.05	997,098.09	
Capital Contributions						
Tap Fees				4,869.46		
Capital Contributions	373,356.00	420,883.50		4,300,007.21	4,208,835.45	
Change in Net Assets	482,752.72	520,593.33		5,381,995.72	5,205,933.54	

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Water Fund
Statement of Cash Flow
For the 11 Months Ended Friday, November 30, 2012

	November	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$482,752.72	\$5,381,995.72
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	2,960.10	20,328.76
Accounts Receivable		(720,003.00)
Accrued Interest		
Due From/To Other Funds	(2,035.36)	45,306.84
Inventory	(1,938.96)	(24,969.59)
Prepaid Expense	3,330.31	(5,619.30)
Accounts Payable & Accrued Expenses	(1,400.01)	176,639.07
Total Adjustments	916.08	(508,317.22)
Net Cash Provided by Operations	483,668.80	4,873,678.50
Cash Flows from Investing Activities Used For:		
Other Investment & Interest		
Construction in Progress	(5,764.85)	(239,493.10)
Land & Buildings		
Supply Mains, Lines, Meters & Connections		(7,842.86)
Furniture & Equipment	(9,153.63)	(300,053.38)
Net Cash Used in Investing	(14,918.48)	(547,389.34)
Cash Flows From Financing Activities:		
Acquisition Costs	5,454.83	(240,953.84)
Net Cash Used in Financing	5,454.83	(240,953.84)
Net Increase/(Decrease) in Cash	474,205.15	4,085,335.32
Summary:		
Cash at End of Period	4,085,335.32	4,085,335.32
Cash at Beginning of Period	3,611,130.17	
Net Increase/(Decrease) in Cash	474,205.15	4,085,335.32

For Management Purposes Only

**HARDIN COUNTY WATER DIST NO. 1
PROJECT FUNDING
AS OF 11/30/2012**

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
KIA WX21093020 Grant	3/14/2007	KIA - Constantine Road Grant	\$1,000,000.00	\$111,925.00	\$888,075.00
KY EBDG for BRAC Grant	1/12/2010	Radcliff WW Pump Station Upgrades	\$2,250,000.00	\$553,759.92	\$1,696,240.08
KY EBDG for BRAC Grant	9/16/2011	Radcliff WW System Improvements Project	\$2,500,000.00	\$1,009,023.44	\$1,490,976.56
KY EBDG for BRAC Grant	11/10/2011	Louisville Water-Fort Knox Interconnect Pr	\$4,500,000.00	\$62,313.22	\$4,437,686.78
Fort Knox - CLIN 0033	7/21/2011	WWTP Improvements (2910)	\$415,000.00	\$288,091.49	\$126,908.51
Fort Knox - CLIN 0034	7/21/2011	Brooks Field Phase III Improvements (2923)	\$100,000.00	\$100,000.00	\$0.00
Fort Knox - CLIN 0035	7/21/2011	Basin 2 Improvements	\$406,000.00	\$87,863.53	\$318,136.47
Fort Knox - CLIN 0036	7/21/2011	Basin 6 Improvements	\$107,000.00	\$107,000.00	\$0.00
Fort Knox - CLIN 0037	7/21/2011	Dietz Lift Station (2704)	\$1,025,000.00	\$109,277.88	\$915,722.12
Fort Knox - CLIN 0038	7/21/2011	Basin 8 Improvements	\$403,000.00	\$90,561.03	\$312,438.97
Fort Knox - CLIN 0039	7/21/2011	Matthews LS & Force Main (2918)	\$675,000.00	\$56,615.39	\$454,799.67
Fort Knox - CLIN 0039	7/21/2011	Chaffee Pump Station (2924)		\$163,584.94	
Fort Knox - CLIN 0040	7/21/2011	Van Voorhis Area Improvements (2824)	\$1,200,000.00	\$755,749.27	\$444,250.73
Fort Knox - CLIN 0041	7/21/2011	Lift Station Generators	\$50,000.00	\$50,000.00	\$0.00
Fort Knox - CLIN 0042	7/21/2011	Godman Airfield Improvements (4914)	\$1,160,000.00	\$159,417.91	\$1,000,582.09

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
Fort Knox - CLIN 0043	7/21/2011	Basin 3 Storm Water Improvements	\$250,000.00	\$94,797.44	\$155,202.56
Fort Knox - CLIN 0044	7/21/2011	Basin 4 Storm Water Improvements	\$125,000.00	\$125,000.00	\$0.00
Fort Knox - CLIN 0045	7/21/2011	Basin 5 Storm Water Improvements	\$200,000.00	\$182.70	\$199,817.30
Fort Knox - CLIN 0054	9/4/2012	Collection System Improvements	\$600,000.00	\$25,047.41	\$574,952.59
Fort Knox - CLIN 0057	9/4/2012	Storm System Improvements	\$305,000.00	\$0.00	\$305,000.00
Funding Totals			\$17,271,000.00	\$3,950,210.57	\$13,320,789.43

Hardin County Water District No. 1

Accounts Receivable Report

Date : 12/11/2012 9:27:46 AM
 User Name : Charlene

Account	Unbilled Balance	< 30	30-59	60-89	90-119	120+	Total Balance
11505794C1	0.00	346.48	0.00	0.00	0.00	0.00	346.48
11505880C1	0.00	8.45	0.00	0.00	0.00	0.00	8.45
11804140C0	0.00	(50.00)	(25.18)	0.00	0.00	0.00	(75.18)
11807210C0	0.00	13.70	0.00	0.00	0.00	0.00	13.70
11807502C0	0.00	18.13	0.00	0.00	0.00	0.00	18.13
12002809C0	0.00	27.59	0.00	0.00	0.00	0.00	27.59
12100221C0	0.00	617.46	0.00	0.00	0.00	0.00	617.46
12101366C0	0.00	48.59	0.00	0.00	0.00	0.00	48.59
1220754000	0.00	701.09	0.00	0.00	0.00	0.00	701.09
2070171701	0.00	35.70	35.70	35.70	35.70	516.13	658.93
20701889C0	0.00	32.73	0.00	0.00	0.00	0.00	32.73
20702200C1	0.00	32.16	42.74	62.41	57.61	498.11	693.03
3100094000	0.00	3,308.51	0.00	0.00	0.00	0.00	3,308.51
3100104000	0.00	95.46	0.00	0.00	0.00	0.00	95.46
Grand Total	0.00	5,240.18	53.26	98.11	93.31	1,014.24	6,499.10

Detail By Group/Income Center

Group/Income Center	Unbilled Balance	< 30	30-59	60-89	90-119	120+	Balance
Service / Water Taxable	0.00	1,745.87	10.19	18.16	17.28	30.47	1,821.97
Service / Water Franchise Fee	0.00	59.02	0.84	1.07	1.05	9.30	71.28
Service / School Tax	0.00	59.85	0.84	1.07	1.05	6.92	71.73
Service / Water State Tax	0.00	123.22	1.71	2.20	2.15	18.23	147.51
Service / Customer Charge	0.00	185.74	17.57	17.57	17.57	278.61	517.06
Service / Sewer	0.00	2,598.89	35.89	45.94	44.82	538.40	3,263.94
Service / Sewer Franchise Fee	0.00	77.98	1.07	1.37	1.34	16.56	98.30
Service / Sewer State Tax	0.00	155.94	2.16	2.76	2.69	32.41	195.96
Service / Unapplied Cash	0.00	(50.00)	(25.18)	0.00	0.00	0.00	(75.18)
Penalty	0.00	283.89	8.17	7.97	5.36	81.34	386.53
Grand Total	0.00	5,240.18	53.26	98.11	93.31	1,014.24	6,499.10

664K 12,757.46
 COLLECTION 294.80
 TOTAL 19,551.36

Mobile Home Park Montly Update
30-Nov-12

To date (23 months), we have billed \$145,440 for Master Meters. \$125,889 (87%) has been paid to date leaving an Uncollected Balance of \$19,551 (13%) of the 23 accounts. Three accounts have triggered the First & Second Warning Letters. One account has been turned over to legal and is nearing settlement (\$12,758) while another is reaching the legal threshold. One account has been turned over to the Collection Agency (\$295).

HARDIN COUNTY WATER DISTRICT NO. 1
As of December 31, 2012

YEAR to DATE

	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>	<u>WATER FUND</u>	<u>FT. KNOX SEWER</u>	<u>FT. KNOX STORMWATER</u>	<u>RADCLIFF SEWER</u>	<u>FT. KNOX WATER</u>	<u>TOTAL</u>
Total Operating Revenue	304,273.02	265,434.89	43,111.75	285,941.92	346,647.00	1,245,408.58	4,027,630.27	2,967,899.42	495,998.09	3,555,337.09	3,839,187.79	14,886,040.66
Total Operating Expenses	189,603.59	153,844.37	24,600.27	222,127.16	231,966.56	822,141.85	2,269,752.79	1,858,132.15	298,683.17	2,619,790.80	2,635,241.27	9,681,600.18
Less Depreciation & Amortization	80,997.25	54,601.07	3,158.96	82,937.48	371,741.35	593,436.11	960,751.65	649,453.78	37,213.67	961,121.38	392,070.11	3,020,610.77
Operating Income	33,672.18	56,989.45	15,352.52	(19,122.72)	(257,080.91)	(170,169.48)	797,125.83	460,313.51	160,089.05	(45,575.09)	811,876.41	2,183,829.71
Interest Income	943.97	1,297.69	328.00	1,575.28	1,982.91	6,105.85	33,316.87	15,042.10	4,712.98	24,123.38	10,397.81	87,593.12
Interest Expense	(23,347.27)	(89.47)	-	(6,576.43)	-	(30,013.17)	(289,711.66)	(1,126.71)	-	(86,790.68)	-	(377,629.35)
Net Unrealized Gain (Loss)	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Investments	-	-	-	-	-	-	-	-	-	-	-	-
Gain/(Loss) on Assets	(298.21)	-	-	(38,454.65)	-	(38,752.86)	3,503.08	-	-	(96,902.60)	(253.17)	(96,652.78)
Non-utility income	-	-	-	-	-	-	-	1,360.33	-	-	-	1,360.33
Income Before Contributed Capital	10,970.67	58,197.67	15,678.62	(60,678.62)	(255,098.00)	(230,829.66)	544,233.82	475,689.23	164,802.01	(208,145.08)	822,021.05	1,798,501.03
Government Contributions	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants	-	-	-	-	-	-	170,536.31	-	-	125,519.10	-	296,055.41
Misc Grants-HWY 1882	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants-HWY 144	-	-	-	-	-	-	-	-	-	-	-	-
Misc Grants Louisville H2O Connecto	5,103.48	-	-	-	-	5,103.48	67,416.70	-	-	-	-	67,416.70
Misc Grants Constantine Road	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/ & I	-	-	-	-	-	-	-	-	-	-	-	-
Misc Revenue/Grant/Pump Stations	-	-	-	3,738.74	-	3,738.74	-	-	-	122,936.14	-	122,936.14
Misc Revenue/Grant/SI	-	-	-	21,985.49	-	21,985.49	-	-	-	391,895.63	-	391,895.63
Tap fees	567.50	-	-	-	-	567.50	41,463.98	-	-	3,000.00	4,869.46	49,333.44
Capital contributions	7,975.81	592,758.33	74,903.31	-	9,275,857.64	9,951,495.09	43,428.99	1,963,757.64	424,252.72	1,873.20	13,575,864.85	16,009,177.40
Change in Net Assets	24,617.46	650,956.00	90,581.83	(34,854.29)	9,020,759.64	9,752,060.64	667,079.80	2,439,346.87	589,054.73	437,078.99	14,402,755.36	18,735,315.75
Return on Assets (ROA)							1.661%	2.10%	6.75%	-0.82%	5.56%	1.49%

The contributed capital received this month is as follows: Ft. Knox Sewer (\$592,758) was for VanVoorhis Collection System Improvements, PTB Rehab/Replacement, Chaffee Pump Station, Basins 2, 7 & 8 Improvements, Rehab/Replace MH & ML & Wilson Range. Ft. Knox Storm (\$74,903) was for Godman Airfield Improvements and Storm Water Improvements. Ft. Knox Water (\$9,275,858) was for the ISDC Surcharge and recording of all assets acquired from taking over the system. County Water (\$7,975) was from the closeout of 2 WME Contracts.

Water: Compared to Last Year, Y-T-D sales change is as follows: Residential up 1.2%, Commercial down (2.4%), Multi-Family up 3.3% and Wholesale up 1.9%. Total Revenues Y-T-D are up 1.05%. Total Labor is up for the month due to Christmas Bonus, taxes on bonuses & the increase in accrued absences. Purchased Water is down considerably as overall Demand was down, so there was not a need to purchase from Ft. Knox. Maint & Repairs is up due to road patching & the issue of stock. Loss from disposal of assets is from the disposal of 44 5/8 x 3/4 meters.

Net income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$16,480 difference; This Year Compared to Last Year YTD = +\$327,364.

Radcliff: Compared to Last Year, Y-T-D sales change as follows: Residential up 1.2%, Commercial Sales up 8.2% and Multi-Family is up 4.5%. Total Revenues are up 1.8%. Allocated Labor is up slightly due to the Christmas Bonus, taxes on bonuses & the increase in accrued expenses. Loss on Disposal of Assets is due to Disposing 44 5/8 x 3/4 meters for the month; the disposal of 311 LF of PVC & 1 manhole for E2RC Project; Disposal of 350 LF of PVC Pipe for Remar Project; and the disposal of 1,052 LF of PVC for the HWY 1500 Phase II Project.

Net income/(Loss) YTD comparison: This Year Compared to Budget YTD = -\$278,370 difference; This Year YTD Compared to Last Year YTD = - \$128,197.

Ft. Knox Water: Allocated Labor is up slightly due to the Christmas Bonus, taxes on bonus & the increase in accrued absences. Depreciation Expense is up due to all assets being recorded and the depreciation being caught up from Feb - Dec.

Bad Debt Expense: Compared to last year Y-T-D, Radcliff is up approximately 6.4% & Water is up approximately 3.4%. The increase is due to partial write off the Koppel account per the settlement agreement. Compared to Last Year, Bad Debt Recovered for Water is down approximately (12.5%) and Radcliff is down approximately (21.5%).

Invested Funds Inventory
 HCWD1
 12/31/2012

Name of Account	Rate	Balance	Mkt Val	Accr'd Inc	Earnings	Fees	R = Restrict	Current Investment	Invested By	Maturity
Water Revenue/O&M	0.200%	291,745.26	291,745.26	0.00	68.02		U = Unrest	Cecilian Bank	Cecilian Bank	
Water Savings	0.200%	200,058.04	200,058.04	0.00	27.42		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Water Fund	0.150%	1,038.26	1,038.26	0.39	0.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
HCWD1 CD-Water Fund	1.000%	255,338.08	255,338.08	629.60	216.86		U = Unrest	Lincoln National Bank	Lincoln National Bank	07/03/13
HCWD1 CD-Water Fund	1.490%	0.00	0.00	0.00	15.12		U = Unrest	FKFCU	FKFCU	12/04/12
HCWD1 CD-Water Fund	1.200%	123,705.97	123,705.97	101.68	101.68		U = Unrest	Lincoln National Bank	Lincoln National Bank	12/08/13
HCWD1 CD-Water Fund	1.000%	388,664.00	388,664.00	958.35	330.10		U = Unrest	Lincoln National Bank	Lincoln National Bank	07/03/13
2002 Sinking Fund - Principal	0.000%	86,666.67	86,666.67				R = Restrict	Cecilian Bank	Cecilian Bank	
2002 Sinking Fund - Interest	0.000%	494.84	494.84				R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Depreciation Fund	0.140%	752,031.49	752,031.49	91.33	91.33		R = Restrict	Cecilian Bank	Cecilian Bank	
2005 Debt Serv Res	0.140%	594,307.09	594,307.09	72.17	72.17		R = Restrict	U S Bank	U S Bank	
2005 Sinking Fund	0.140%	201,122.35	201,122.35	20.14	20.14		R = Restrict	First American Govt Oblig Fd	U S Bank	
Subtotal Water Fund		2,896,172.06	2,896,172.06	1,873.66	943.97	0.00				
Ft. Knox Sewer Revenue/O&M	0.200%	154,930.20	154,930.20	0.00	49.30		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Sewer Savings	0.200%	1,620.42	1,620.42	0.00	0.29		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Ft. Knox Sewer Fund	0.150%	1,017.03	1,017.03	0.37	0.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Ft. Knox Sewer Money Market	0.60%	1,500,646.23	1,500,646.23		646.23		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Sewer Fund		1,658,213.88	1,658,213.88	0.37	695.95	0.00				
Ft. Knox Stormwater Revenue/O&M	0.20%	102,350.44	102,350.44	0.00	19.93		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Stormwater Money Market	0.60%	600,922.38	600,922.38		308.07		U = Unrest	Cecilian Bank	Cecilian Bank	
Subtotal Ft. Knox Stormwater Fund		703,272.82	703,272.82	0.00	328.00	0.00				
Radcliff Sewer Revenue/O&M	0.200%	288,633.92	288,633.92	0.00	45.59		U = Unrest	Cecilian Bank	Cecilian Bank	
Rad Sewer Bus. Part. MM KIA Maint & Rep	0.600%	338,722.61	338,722.61		172.52		R = Restrict	Cecilian Bank	Cecilian Bank	
Radcliff Sewer Business Partner MM	0.600%	2,664,373.28	2,664,373.28		1,357.04		U = Unrest	Cecilian Bank	Cecilian Bank	
HCWD1 Savings-Radcliff Sewer Fund	0.150%	1,017.03	1,017.03	0.37	0.13		U = Unrest	Ft. Knox Federal Credit Union	FKFCU	
Subtotal Radcliff Sewer Fund		3,292,746.84	3,292,746.84	0.37	1,575.28	0.00				
Ft. Knox Water Revenue/O&M	0.20%	147,592.90	147,592.90	0.00	45.87		U = Unrest	Cecilian Bank	Cecilian Bank	
Ft. Knox Water Money Market	0.60%	3,801,917.04	3,801,917.04		1,917.04		U = Unrest	Cecilian Bank	Cecilian Bank	
Total		12,498,915.53	12,498,915.53	1,874.40	5,504.11	0.00				

HARDIN COUNTY WATER DISTRICT NO. 1 WATER
COMPARATIVE BALANCE SHEET
For the Twelve Months Ending Monday, December 31, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$494,541.56	\$305,603.62	\$188,937.94
Investments - Less than 1 Year to...	767,708.05	741,396.52	26,311.53
Accounts Receivable - Net	436,337.12	456,694.30	(20,357.18)
Inventory - Materials & Supplies	296,113.49	283,718.67	12,394.82
Prepaid Expenses	56,671.99	66,664.42	(9,992.43)
Accrued Interest	1,873.68	995.75	877.91
Total Current Assets	2,053,245.87	1,855,073.28	198,172.59
Long Term Investments			
Restricted Assets - Reserve Funds	1,634,127.60	1,586,093.69	48,033.91
Total Long Term Investments	1,634,127.60	1,586,093.69	48,033.91
Property, Plant & Equipment			
Land	273,045.22	273,045.22	
Property, Plant & Lines	36,557,888.48	36,014,188.82	543,699.66
Equipment & Furniture	4,667,679.28	4,465,360.87	202,318.41
Construction In Progress	600,945.13	571,712.81	29,232.32
Total	42,099,558.11	41,324,307.72	775,250.39
Less: Accumulated Depreciation	(13,017,582.74)	(12,036,140.27)	(981,442.47)
Total Property, Plant & Equipment	29,081,975.37	29,288,167.45	(206,192.08)
TOTAL ASSETS	32,769,348.84	32,729,334.42	40,014.42
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	154,089.80	237,687.57	(83,597.77)
Accrued Expenses	193,821.85	181,003.80	12,818.05
Due To Other Funds	28,898.64	285,493.50	(256,594.86)
Customers' Deposits	168,032.00	162,667.00	5,365.00
Current Portion of Long Term Debt	620,000.00	500,000.00	120,000.00
Line of Credit - Cecilian Bank		32,682.99	(32,682.99)
Radcliff Collections Payable	142,556.52	121,099.21	21,457.31
State Encheatment - Reserve for...	5,230.75	5,262.43	(31.68)
Deferred Revenue	4,532.50	642.50	3,890.00
Total Current Liabilities	1,317,162.06	1,526,539.00	(209,376.94)
Long Term Debt			
Bonds Payable	8,165,000.00	8,785,000.00	(620,000.00)
Less: Unamortized Discount & Ex...	(162,730.62)	(178,278.66)	15,548.04
Total Long Term Debt	8,002,269.38	8,606,721.34	(604,451.96)
Other Liabilities			
Customer Advances for Constructi...	113,164.25	126,400.73	(13,236.48)
Total Liabilities	9,432,595.69	10,259,661.07	(827,065.38)
Net Assets			
Retained Earnings	8,067,737.80	7,850,867.95	216,869.85
Contributed Capital	14,401,935.55	13,863,209.54	538,726.01
Current Earnings	867,079.80	755,595.86	111,483.94
Total Net Assets	23,336,753.15	22,469,673.35	867,079.80
TOTAL LIABILITIES & NET ASSETS	32,769,348.84	32,729,334.42	40,014.42

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX SEWER
COMPARATIVE BALANCE SHEET
For the Twelve Months Ending Monday, December 31, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$1,658,213.88	\$1,574,914.63	\$83,299.25
Accounts Receivable - Net	862,055.18	255,730.52	606,324.64
Due From Other Funds		15,070.74	(15,070.74)
Inventory - Materials & Supplies	12,372.77	12,372.77	
Prepaid Expenses	7,674.76	7,171.18	503.58
Accrued Interest	0.37	0.64	(0.27)
Total Current Assets	<u>2,540,316.94</u>	<u>1,865,260.48</u>	<u>675,056.46</u>
Property, Plant & Equipment			
Plant & Lines	78,495,248.15	78,086,012.83	409,235.32
Equipment	1,196,394.27	1,107,589.20	88,805.07
Construction In Progress	2,955,974.81	725,498.43	2,230,476.38
Total	<u>82,647,617.23</u>	<u>79,919,100.46</u>	<u>2,728,516.77</u>
Less: Accumulated Depreciation	(62,487,199.56)	(61,842,262.31)	(644,937.25)
Total Property, Plant & Equipment	<u>20,160,417.67</u>	<u>18,076,838.15</u>	<u>2,083,579.52</u>
TOTAL ASSETS	<u>22,700,734.61</u>	<u>19,942,098.63</u>	<u>2,758,635.98</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	478,872.22	165,594.33	313,277.89
Accrued Expenses	5,687.00	10,009.06	(4,322.06)
Due To Other Funds	10,333.28		10,333.28
Total Current Liabilities	<u>494,892.50</u>	<u>175,603.39</u>	<u>319,289.11</u>
Net Assets			
Retained Earnings	702,793.06	300,558.21	402,234.85
Contributed Capital	19,063,702.18	18,609,417.72	454,284.46
Current Earnings	2,439,346.87	856,519.31	1,582,827.56
Total Net Assets	<u>22,205,842.11</u>	<u>19,766,495.24</u>	<u>2,439,346.87</u>
TOTAL LIABILITIES & NET ASSETS	<u>22,700,734.61</u>	<u>19,942,098.63</u>	<u>2,758,635.98</u>

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX STORM WATER
COMPARATIVE BALANCE SHEET
For the Twelve Months Ending Monday, December 31, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$703,272.82	\$682,535.95	\$20,736.87
Accounts Receivable - Net	118,015.06	39,816.00	78,199.06
Due From Other Funds		9,064.44	(9,064.44)
Prepaid Expenses	270.05	431.74	(161.69)
Total Current Assets	<u>821,557.93</u>	<u>731,848.13</u>	<u>89,709.80</u>
Property, Plant & Equipment			
Storm Water Property	1,272,145.05	1,081,973.54	190,171.51
Treatment & Disposal Equipment	61,945.87	61,471.82	474.05
Storm Water GIS	86,026.33	86,026.33	
Office Furniture & Equipment	2,239.70	1,796.49	443.21
Construction In Progress	328,520.36	17,735.48	310,784.88
Total	<u>1,750,877.31</u>	<u>1,249,003.66</u>	<u>501,873.65</u>
Less: Accumulated Depreciation	(131,135.34)	(93,921.47)	(37,213.87)
Total Property, Plant & Equipment	<u>1,619,741.97</u>	<u>1,155,082.19</u>	<u>464,659.78</u>
TOTAL ASSETS	<u>2,441,299.90</u>	<u>1,886,930.32</u>	<u>554,369.58</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	12,525.87	37,961.05	(25,435.18)
Accrued Expenses	951.00	10,981.50	(10,030.50)
Due To Other Funds	780.53		780.53
Total Current Liabilities	<u>14,257.40</u>	<u>48,942.55</u>	<u>(34,685.15)</u>
Net Assets			
Retained Earnings	1,402,991.22	1,270,969.26	132,021.96
Contributed Capital	434,996.55	434,996.55	
Current Earnings	589,054.73	132,021.96	457,032.77
Total Net Assets	<u>2,427,042.50</u>	<u>1,837,987.77</u>	<u>589,054.73</u>
TOTAL LIABILITIES & NET ASSETS	<u>2,441,299.90</u>	<u>1,886,930.32</u>	<u>554,369.58</u>

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 RADCLIFF SEWER
COMPARATIVE BALANCE SHEET
For the Twelve Months Ending Monday, December 31, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$3,292,746.84	\$2,838,937.95	\$453,808.89
Accounts Receivable - Net	290,376.76	279,782.37	10,594.39
Due From Other Funds	80,224.61	261,358.32	(181,133.71)
Prepaid Expenses	45,507.63	42,813.87	2,693.76
Accrued Interest	0.37	521.94	(521.57)
Total Current Assets	<u>3,708,856.21</u>	<u>3,423,414.45</u>	<u>285,441.76</u>
Long Term Investments			
Restricted Assets - Reserve Funds		335,230.42	(335,230.42)
Total Long Term Investments		<u>335,230.42</u>	<u>(335,230.42)</u>
Property, Plant & Equipment			
Property, Plant & Lines	33,303,147.27	32,571,497.36	731,649.91
Equipment & Furniture	1,138,591.46	976,309.64	162,281.82
Construction In Progress	1,767,484.84	1,608,776.81	158,708.03
Total	36,209,223.57	35,156,583.81	1,052,639.76
Less: Accumulated Depreciation	(14,736,228.31)	(13,931,483.65)	(804,744.66)
Total Property, Plant & Equipment	<u>21,472,995.26</u>	<u>21,225,100.16</u>	<u>247,895.10</u>
Organizational Costs	202,102.50	211,202.82	(9,100.32)
TOTAL ASSETS	<u>25,383,953.97</u>	<u>25,194,947.85</u>	<u>189,006.12</u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	284,517.30	272,225.90	12,291.40
Customer Deposits	129,454.00	124,214.00	5,240.00
Current Portion of Long Term Debt	278,656.20	268,361.58	10,294.62
Accrued Expenses	40,110.01	37,352.70	2,757.31
Total Current Liabilities	<u>732,737.51</u>	<u>702,154.18</u>	<u>30,583.33</u>
Long Term Debt			
Bonds Payable	1,562,064.79	1,840,720.99	(278,656.20)
Total Long Term Debt	<u>1,562,064.79</u>	<u>1,840,720.99</u>	<u>(278,656.20)</u>
Total Liabilities	<u>2,294,802.30</u>	<u>2,542,875.17</u>	<u>(248,072.87)</u>
Net Assets			
Retained Earnings	297,992.80	377,941.06	(79,948.26)
Contributed Capital	22,354,079.88	20,506,728.70	1,847,351.18
Current Earnings	437,078.99	1,767,402.92	(1,330,323.93)
Total Net Assets	<u>23,089,151.67</u>	<u>22,652,072.68</u>	<u>437,078.99</u>
TOTAL LIABILITIES & NET ASSETS	<u>25,383,953.97</u>	<u>25,194,947.85</u>	<u>189,006.12</u>

For Management Purposes Only

HARDIN COUNTY WATER DISTRICT NO. 1 FORT KNOX WATER
COMPARATIVE BALANCE SHEET
For the Twelve Months Ending Monday, December 31, 2012

	2012	2011	Change
ASSETS			
Current Assets			
Cash	\$3,949,509.94		\$3,949,509.94
Accounts Receivable - Net	1,440,006.00		1,440,006.00
Inventory - Materials & Supplies	25,640.51		25,640.51
Prepaid Expenses	13,127.97		13,127.97
Total Current Assets	<u>5,428,284.42</u>		<u>5,428,284.42</u>
Long Term Investments			
Property, Plant & Equipment			
Property, Plant & Lines	8,120,944.69		8,120,944.69
Equipment & Furniture	1,106,305.80		1,106,305.80
Construction In Progress	275,600.43		275,600.43
Total	<u>9,502,850.92</u>		<u>9,502,850.92</u>
Less: Accumulated Depreciation	(392,070.11)		(392,070.11)
Total Property, Plant & Equipment	<u>9,110,780.81</u>		<u>9,110,780.81</u>
Organizational Costs	235,499.01		235,499.01
TOTAL ASSETS	<u><u>14,774,564.24</u></u>		<u><u>14,774,564.24</u></u>
LIABILITIES & NET ASSETS			
Current Liabilities			
Accounts Payable	311,885.29		311,885.29
Accrued Expenses	19,711.43		19,711.43
Due To Other Funds	40,212.16		40,212.16
Total Current Liabilities	<u>371,808.88</u>		<u>371,808.88</u>
Long Term Debt			
Other Liabilities			
Total Liabilities	<u>371,808.88</u>		<u>371,808.88</u>
Net Assets			
Current Earnings	14,402,755.36		14,402,755.36
Total Net Assets	<u>14,402,755.36</u>		<u>14,402,755.36</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>14,774,564.24</u></u>		<u><u>14,774,564.24</u></u>

For Management Purposes Only

Hardin County Water District No. 1 Water Fund
Detail Comparative Income Statements
For the 12 Months Ended Monday, December 31, 2012

	December	December Budget	December Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Customer Meter Charges	\$58,995.04	\$58,959.65	\$58,465.43	\$710,599.78	\$714,000.00	\$708,014.97
Residential Sales	143,753.67	146,423.00	144,186.93	1,898,286.61	1,904,900.00	1,875,809.72
Commercial Sales	19,754.11	12,403.72	19,849.45	281,795.39	180,400.00	288,690.94
Multi-Family Sales	15,348.38	21,307.88	13,082.80	183,096.67	288,700.00	177,258.60
Sales for Resale - Vine Grove	18,065.19	21,562.37	20,758.47	269,643.73	279,245.00	268,833.98
Sales for Resale - District 2				1,767.88		
Sales for Resale - Meade County	21,971.31	25,927.59	25,239.93	378,557.43	377,070.00	367,069.26
Sewer Storm Water-Monthly Contract	2,333.10		719.14	18,335.17		8,811.77
Bad Debt Recovered	858.86	481.06	412.79	6,607.02	8,800.00	7,551.20
Penalties, Service Fees and Reimbursements	23,193.36	22,736.51	22,270.35	280,940.59	293,300.00	283,858.53
Total Operating Revenue	304,273.02	309,801.78	304,985.29	4,027,830.27	4,057,540.00	3,985,698.97
OPERATING EXPENSES						
Salaries & Benefits	112,498.69	132,645.86	148,427.93	1,290,626.97	1,367,879.00	1,489,536.98
Purchased Water	3.34	2,608.26	2,651.54	85,288.72	74,700.00	75,939.48
Utilities & Energy Expense	18,382.79	20,842.57	21,756.08	265,394.01	271,550.00	269,550.01
Chemicals	17,090.21	15,653.62	17,573.46	148,174.62	150,000.00	168,396.80
Materials & Supplies	4,860.07	2,943.53	3,167.14	28,406.08	27,300.00	28,158.29
Maintenance & Repairs	17,424.80	9,803.94	10,845.61	114,529.24	68,000.00	88,505.53
Storage Maintenance	174.32	207.20	196.60	3,036.54	2,800.00	2,656.72
Booster Station Expense	186.65	4.97	45.03	942.26	600.00	5,434.41
Small Tool Expenses	73.95	138.84	39.10	8,392.23	10,600.00	7,998.14
Accounting & Legal Services	1,355.74	1,317.62	1,303.86	18,130.73	20,700.00	21,998.13
Contractual Services	9,665.50	12,143.84	11,365.55	160,534.46	189,040.00	168,386.30
Laboratory Services	120.50	23.44	64.50	13,328.18	6,000.00	16,510.58
Lab Supplies	74.36	608.37		2,309.54	7,300.00	
Bac-T Supplies	148.70	366.67		6,428.02	4,400.00	
Utility Regulatory Fees	573.85	526.96	522.21	6,576.36	6,300.00	6,243.27
Amortized 2007-12 Rate Case			633.78	4,436.46	4,400.00	7,605.38
Fuel & Transportation Expense	4,723.37	5,642.94	4,861.69	69,147.49	60,150.00	51,848.15
Insurance Expense	3,369.66	3,575.00	2,808.40	41,405.67	42,900.00	32,399.20
Workers Comp/Unemployment Expense	1,700.54	2,262.81	1,816.98	18,401.88	25,835.00	21,742.86
Advertising Expense	395.52	2,052.72	482.04	13,498.09	9,200.00	2,160.44
Bad Debt Expense	5,803.36	2,919.23	3,047.55	34,310.95	31,800.00	33,197.86
Collection Expense	236.21	106.90	90.45	7,864.43	6,000.00	5,076.91
Phone Expense	648.27	1,387.01	1,325.09	16,581.93	17,600.00	16,761.48
Direct Subscriptions	704.67	358.33	402.01	4,331.36	4,300.00	4,346.13
Postage & Mailing	89.16	145.08	116.76	4,778.44	5,200.00	4,184.89
Safety Expense	483.12	155.37	139.58	4,582.73	4,700.00	4,222.40
Information Technology Expense	4,191.68	3,938.60	3,554.07	53,998.12	42,400.00	38,260.07
Commission Expense	138.00	68.01	53.86	3,353.73	3,300.00	2,613.38
Travel & Lodging	499.40	62.94	50.04	10,128.14	5,600.00	4,454.36
Certification & Education	37.50			11,879.29	9,700.00	7,802.39
Miscellaneous Expense	1,038.56	1,362.86	1,127.90	6,667.78	8,700.00	7,200.12
Customer Deposit Interest Expense	41.64	24.41	36.57	914.17	600.00	899.06
Cash Over & Short	4.20		32.27	34.31		52.57
Allocated FK Water G&A Expense	(17,132.74)	(17,132.70)		(188,460.14)	(188,460.00)	
TOTAL OPERATING EXPENSES	189,603.59	206,785.20	238,537.65	2,269,752.79	2,301,094.00	2,568,942.27
Operating Income Before Depreciation	114,669.43	103,036.58	66,447.64	1,757,877.48	1,756,446.00	1,416,756.70
Less Depreciation & Amortization	80,997.25	80,613.74	79,580.93	960,751.65	931,232.00	919,314.21
Operating Income	33,672.18	22,422.84	(13,133.29)	797,125.83	825,214.00	497,442.49
Non-Operating Income/(Expense)						
Interest & Dividend Income	943.97	1,969.30	3,098.55	33,316.87	26,000.00	40,909.13
Interest Expense	(23,347.27)	(23,946.67)	(24,673.62)	(289,711.96)	(290,500.00)	(304,221.51)
Gain/(Loss) on Assets	(298.21)		(109.90)	3,503.08		(17,260.26)
Income Before Capital Contributions	10,970.67	445.47	(34,818.26)	544,233.82	560,714.00	216,869.85
Capital Contributions						
Misc Revenue - Grant			38,852.19	170,536.31		109,626.38
Misc Revenue - Grant - Hwy 1882						22,531.99
Misc Revenue - Grant - Hwy 144						12,011.57
Misc Revenue - Grant - LWC	5,103.48	41,666.67		67,416.70	500,000.00	
Misc Revenue - Grant - Constantine Rd		52,666.63			632,000.00	
Tap fees	567.50	6,550.69	5,605.78	41,463.98	75,000.00	64,181.54
Customer contributions	7,975.81			43,428.99		330,374.53
Change in Net Assets	24,617.46	101,329.46	59,639.71	867,079.80	1,767,714.00	755,595.86

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Detail Comparative Income Statements
For the 12 Months Ended Monday, December 31, 2012

	December	December Budget	December Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Sanitary Sewer Revenue	\$236,529.37	\$239,190.96	\$235,239.00	\$2,830,610.22	\$2,822,868.00	\$2,776,228.00
Muldrough-Fixed Monthly Billing	402.24	402.25	402.24	4,826.88	4,827.00	4,826.88
Muldrough-Waste Water Flows	2,419.61	6,453.40	5,824.03	48,552.45	70,900.00	63,985.43
Reimbursement of HCWD Overhead	26,083.67	11,163.83	438.45	83,909.87	133,966.00	17,974.50
Total Operating Revenues	<u>265,434.89</u>	<u>257,210.44</u>	<u>241,903.72</u>	<u>2,967,899.42</u>	<u>3,032,561.00</u>	<u>2,863,014.81</u>
OPERATING EXPENSES						
Customer Service Labor	48.35	49.51	566.47	507.71	573.00	6,558.20
Administrative Labor	4,376.29	9,882.63	4,374.86	80,475.14	96,326.00	42,641.76
Internal Maintenance/Supervision			307.78			2,826.83
Information Technology Expense	223.54	213.65	189.55	3,237.08	2,300.00	2,040.53
Professional Services-Engineering			500.00			10,810.30
Professional Services-Accounting	473.92	524.13	472.50	6,241.44	6,290.00	5,670.00
Professional Services-Legal	162.61	302.17	237.49	2,775.00	3,626.00	2,849.88
Management Fee - Veolia	149,993.50	148,767.83	133,749.83	1,757,775.24	1,785,214.00	1,704,404.17
Contractual Services	76.52			17,046.24		
Insurance Expense	1,673.65	1,666.67	3,782.42	20,026.75	20,000.00	44,214.37
Regulatory Commission Expense	422.85	362.27	361.53	4,706.28	4,400.00	4,391.04
Transportation Fuel & Repairs	23.29	21.46	23.91	373.50	300.00	334.21
Office Supplies Expense	5.44	10.59	7.51	977.98	500.00	354.65
Utilities	118.13	169.31	191.70	1,944.24	2,200.00	2,490.93
Travel & Lodging	26.64	2.57	2.67	540.17	500.00	518.74
Education & Conferences	2.00			501.08	1,500.00	956.62
Certification & Training				309.56	1,000.00	44.00
Miscellaneous Expense				2,300.74	1,200.00	974.30
Allocated FK Water G&A Expense	(3,782.36)	(3,782.36)		(41,605.96)	(41,606.00)	
Total Operating Expenses	<u>153,844.37</u>	<u>158,190.43</u>	<u>144,768.22</u>	<u>1,858,132.15</u>	<u>1,884,323.00</u>	<u>1,831,878.33</u>
Operating Income Before Depreciation	111,590.52	99,020.01	97,135.50	1,109,767.27	1,148,238.00	1,031,136.48
Less Depreciation & Amortization	54,601.07	54,358.76	53,410.38	649,453.76	632,418.00	621,415.53
OPERATING INCOME	<u>56,989.45</u>	<u>44,661.25</u>	<u>43,725.12</u>	<u>460,313.51</u>	<u>515,820.00</u>	<u>409,720.95</u>
Non Operating Income/(Expense)						
Interest & Dividend Income	1,297.69	551.32	674.89	15,042.10	9,600.00	11,751.68
Int. Expense	(89.47)	(107.30)	(96.82)	(1,126.71)	(1,400.00)	(1,263.28)
Non-Operating Income				1,360.33		
Income Before Capital Contributions	<u>58,197.67</u>	<u>45,105.27</u>	<u>44,303.19</u>	<u>475,589.23</u>	<u>524,020.00</u>	<u>420,209.35</u>
Capital Contributions	592,758.33	253,723.25	13,971.02	1,963,757.64	3,044,679.00	436,309.96
Change in Net Assets	<u>650,956.00</u>	<u>298,828.52</u>	<u>58,274.21</u>	<u>2,439,346.87</u>	<u>3,568,699.00</u>	<u>856,519.31</u>

For Management Purposes Only

HardIn County Water District No. 1 - Fort Knox Stormwater Fund
Detail Comparative Income Statements
For the 12 Months Ended Monday, December 31, 2012

	December	December Budget	December Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Storm Water Revenue	\$39,816.00	\$40,561.71	\$39,816.00	\$477,792.00	\$477,792.00	\$469,008.00
Reimbursement of Overhead	3,295.75	4,699.92		18,194.09	56,399.00	
Total Operating Revenue	<u>43,111.75</u>	<u>45,261.63</u>	<u>39,816.00</u>	<u>495,986.09</u>	<u>534,191.00</u>	<u>489,008.00</u>
OPERATING EXPENSES						
Administrative Labor	1,350.32	3,068.23	2,430.48	24,930.78	29,906.00	23,689.84
Customer Service Labor	24.17	23.83		253.86	286.00	
Information Technology Expense	55.88	55.74	47.39	835.73	600.00	510.12
Professional Services - Engineer	79.25	95.83	94.50	1,135.76	1,150.00	200.00
Professional Services - Accounting	58.08	107.88	84.82	991.10	1,295.00	1,134.00
Professional Services - Legal	23,806.50	23,415.33	32,276.92	278,497.66	280,984.00	279,000.54
Management Fee - Veolia	144.47	141.67	142.19	93.38	500.00	1,698.14
Insurance Expense	5.82	41.67	5.98	1,728.67	1,700.00	75.98
Transportation Fuel & Repairs	1.38	5.74	1.88	93.38	500.00	163.67
Office Supplies Expense	29.53		37.89	57.58	500.00	477.41
Utilities	6.66	18.36	0.67	432.29	500.00	105.16
Travel & Lodging	0.50			135.08	500.00	179.72
Education & Conferences		387.50		98.86	500.00	11.00
Certification & Training	(962.27)	(962.27)		77.39	500.00	
Allocated FK Water G&A Expense	(962.27)	(962.27)		(10,584.97)	(10,585.00)	
Total Operating Expenses	<u>24,600.27</u>	<u>26,399.51</u>	<u>35,122.72</u>	<u>298,683.17</u>	<u>308,336.00</u>	<u>308,283.42</u>
Operating Income Before Depreciation	18,511.48	18,862.12	4,693.28	197,302.92	225,855.00	160,744.58
Less Depreciation & Amortization	3,158.96	3,268.88	3,061.58	37,213.87	36,646.00	34,322.01
Operating Income	<u>15,352.52</u>	<u>15,593.24</u>	<u>1,631.70</u>	<u>160,089.05</u>	<u>189,209.00</u>	<u>126,422.57</u>
Non-Operating Income(Expenses)						
Interest & Dividend Income	326.00	389.98	412.01	4,712.96	5,300.00	5,599.39
Income Before Capital Contributions	<u>15,678.52</u>	<u>15,983.22</u>	<u>2,043.71</u>	<u>164,802.01</u>	<u>194,509.00</u>	<u>132,021.96</u>
Capital Contributions	74,903.31	106,815.75		424,252.72	1,281,789.00	
Change in Net Assets	<u>90,581.83</u>	<u>122,798.97</u>	<u>2,043.71</u>	<u>589,054.73</u>	<u>1,476,298.00</u>	<u>132,021.96</u>

For Management Purposes Only

Hardin County Water District No. 1 Radcliff Sewer Fund
 Detail Comparative Income Statements
 For the 12 Months Ended Monday, December 31, 2012

	December	December Budget	December Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Residential Sales	\$215,887.40	\$231,736.60	\$214,604.39	\$2,694,820.88	\$2,875,702.00	\$2,663,102.26
Commercial Sales	33,566.50	20,709.75	31,459.02	428,579.04	248,517.00	396,168.70
Multi-Family Sales	20,977.09	33,944.85	18,907.74	247,882.26	426,030.00	237,305.84
High Strength Surcharge				746.48	200.00	336.70
Discharge Permit Fees	27.78	30.12	27.78	858.36	1,500.00	1,383.36
Bad Debt Recovered	577.98	547.25	470.08	7,415.07	11,000.00	9,448.89
Penalties, Services Fees and Reimbursements	14,905.17	14,171.71	14,802.82	175,235.00	185,600.00	184,713.96
Total Operating Revenues	285,941.92	301,140.08	280,071.83	3,555,337.09	3,748,549.00	3,492,459.71
OPERATING EXPENSES						
Collection System Labor	9,190.03	10,260.11	3,912.81	91,059.02	98,917.00	37,723.11
Customer Service Labor	14,410.47	15,044.53	10,762.98	151,356.14	174,121.00	124,567.58
Administration Labor	5,441.21	12,653.57	9,735.36	102,927.12	124,013.00	95,412.72
Professional Services-Engineering		266.63			3,200.00	2,299.88
Professional Services-Accounting	614.17	614.17	567.00		3,200.00	2,299.88
Professional Services-Legal	267.14	496.42	390.16	7,370.20	7,370.00	6,804.00
Information Technology Expense	1,117.79	1,049.67	947.74	4,558.90	5,957.00	4,681.92
Management Fee - Veolia	175,686.37	179,980.93	176,367.58	14,596.20	11,300.00	10,202.69
Contractual Services	7,754.45	7,386.24	7,485.55	2,121,299.32	2,125,319.00	2,082,650.47
Insurance Expense	2,515.85	2,325.00	1,663.55	94,932.81	98,080.00	99,133.91
Transportation Fuel & Repairs	116.44			29,230.95	27,900.00	19,465.97
Utility Regulatory Expense	513.45	459.68	455.26	1,949.19		
Office Supplies	787.39	546.31	703.82	5,812.31	5,500.00	5,447.16
Utilities	817.99	652.48	974.36	7,938.15	8,500.00	7,920.22
Bad Debt Expense	7,084.33	3,822.19	3,772.70	11,400.24	10,600.00	15,829.26
Agency Collection Expense	288.99	98.41	88.14	41,597.28	39,600.00	39,087.21
Advertising Expense				2,968.17	3,900.00	3,492.89
Rent Expense	187.50	187.50	187.50	42.23		
Investment Fees				2,250.00	2,250.00	2,250.00
Travel & Lodging	133.16	132.74	132.87	2,700.90	3,000.00	1.23
Certification & Training		83.33		1,707.80	1,000.00	3,002.79
Education & Conferences	10.00			1,750.77	3,800.00	1,480.24
Routine Maintenance Service	113.65	22.87	146.98	1,727.49	1,300.00	4,207.02
Miscellaneous Customer Expense	3.29	96.12	57.15	811.88	1,000.00	8,353.10
Miscellaneous Expense	3,072.32	212.93	114.01	7,415.39	1,450.00	594.59
Arbitration Rate Case - Raftelis		1,175.00	25.96		14,100.00	776.36
Customer Deposit Interest Expense	31.07	29.25			800.00	
Allocation of Water G&A Expense	(8,029.90)	(8,029.91)		717.23		710.10
Total Operating Expenses	222,127.16	229,566.17	218,471.48	(88,328.90)	(88,329.00)	
Operating Income Before Depreciation	63,814.76	71,573.91	61,600.35	935,548.29	1,063,901.00	816,365.29
Less Depreciation & Amortization	82,937.48	82,823.52	78,691.54	981,121.38	930,806.00	884,487.38
Operating Income	(19,122.72)	(11,249.61)	(17,091.19)	(45,575.09)	133,095.00	31,877.91
Non Operating Income/(Expense)						
Interest & Dividend Income	1,575.28	1,542.96	2,412.18	24,123.38	25,000.00	39,083.58
Gain/(Loss) on Assets	(36,454.65)		(2,196.03)	(99,902.69)		(48,903.07)
Interest Expense	(6,576.43)	(6,821.46)	(7,962.30)	(86,790.68)	(87,870.00)	(102,006.68)
Income Before Capital Contributions	(60,578.52)	(16,528.11)	(24,837.34)	(208,145.08)	70,225.00	(79,948.26)
Capital Contributions						
Misc Revenue - Grant			130,000.00	125,519.10		130,000.00
Misc Revenue - Grant - I&I						199,146.98
Misc Revenue - Grant - Pump Stations	3,738.74	72,916.67				419,146.28
Misc Revenue - Grant - SI	21,985.49	75,000.00		122,936.14	875,000.00	634,882.85
Tap Fees		129.31	150.00	391,895.63	900,000.00	8,700.00
Capital Contributions			9,281.76	3,000.00	7,500.00	8,700.00
Change in Net Assets	(34,854.29)	131,517.87	114,594.42	437,078.99	1,852,725.00	1,767,402.92

For Management Purposes Only

Hardin County Water District No. 1 Fort Knox Water Fund
Detail Comparative Income Statements
For the 12 Months Ended Monday, December 31, 2012

	December	December Budget	December Previous Year	2012	2012 Budget	2011
OPERATING REVENUE						
Fort Knox Water Revenue						
Reimbursement of Overhead	\$314,966.87	\$315,256.45		\$3,464,635.56	\$3,487,821.00	
Total Operating Revenue	<u>31,680.13</u>	<u>29,907.30</u>		<u>374,552.23</u>	<u>328,980.00</u>	
	<u>346,647.00</u>	<u>345,163.75</u>		<u>3,839,187.79</u>	<u>3,796,801.00</u>	
OPERATING EXPENSES						
Salaries & Benefits	40,062.75	34,222.65				
Allocated Distribution Labor	21.51	23.18		371,534.73	376,449.00	
Allocated Customer Service Labor	69.50	78.00		193.42	255.00	
Allocated Maintenance Labor	122.15	141.27		669.52	858.00	
Allocated Admin Labor	2,554.83	6,230.82		1,177.84	1,554.00	
Allocated Commissioner Labor	828.90	873.45		47,042.85	68,539.00	
Materials & Supplies	806.80	1,368.00		9,656.40	9,608.00	
Bac-T Supplies	24.78	775.27		9,738.79	15,048.00	
Maintenance & Repairs	(3,594.21)	5,622.73		857.84	8,528.00	
Storage Maintenance	11.28	454.50		46,693.54	61,850.00	
Booster Station Expense		454.50		2,915.78	5,000.00	
Small Tool Expenses	702.31	136.38			5,000.00	
Accounting & Legal Services	382.84	272.73		5,721.38	1,500.00	
Management Fee - LWC	140,566.19	143,130.50		3,936.85	3,000.00	
Contractual Services	719.36	854.00		1,560,639.54	1,574,435.00	
Utility Regulatory Fees		1,159.09		31,596.42	9,394.00	
Amortized Acquisition Expense	12,286.76	10,167.73			12,750.00	
Fuel & Transportation Expense	2,450.23	287.45		135,154.36	111,845.00	
Insurance Expense	3,124.13	3,390.91		21,584.09	3,162.00	
Workers Comp/Unemployment Expense	418.87	587.00		38,161.69	37,300.00	
Advertising Expense		136.36		6,922.55	6,457.00	
Phone Expense	374.72	109.09			1,500.00	
Postage & Mailing		45.45		5,366.37	1,200.00	
Safety Expense	3.31			118.79	500.00	
Information Technology Expense	61.76			1,640.91		
Travel & Lodging		227.27		1,034.94		
Certification & Education		252.81		1,646.04	2,500.00	
Miscellaneous Expense	60.52	227.27		1,140.64	2,781.00	
Allocated FK Water G&A Expense	29,907.27	29,907.27		1,116.22	2,500.00	
TOTAL OPERATING EXPENSES	<u>231,966.58</u>	<u>241,135.66</u>		<u>328,979.97</u>	<u>328,980.00</u>	
Operating Income Before Depreciation	<u>114,680.44</u>	<u>104,028.09</u>		<u>2,635,241.27</u>	<u>2,652,493.00</u>	
Less Depreciation & Amortization	371,741.35	4,545.45		1,203,946.52	1,144,308.00	
Operating Income	<u>(257,060.91)</u>	<u>99,482.64</u>		<u>392,070.11</u>	<u>50,000.00</u>	
				811,876.41	1,094,308.00	
Non-Operating Income(Expense)						
Interest & Dividend Income						
Gain/(Loss) on Assets	1,962.91	227.27		10,397.81	2,500.00	
Income Before Capital Contributions	<u>(255,098.00)</u>	<u>99,709.91</u>		<u>(253.17)</u>		
				822,021.05	1,096,808.00	
Capital Contributions						
Tap Fees						
Capital Contributions	9,275,857.64	420,883.55		4,869.46		
Change in Net Assets	<u>9,020,759.64</u>	<u>520,593.46</u>		<u>13,575,864.85</u>	<u>4,629,719.00</u>	
				<u>14,402,755.36</u>	<u>5,726,527.00</u>	

For Management Purposes Only

Hardin County Water District No. 1 - Water Fund
Statement of Cash Flow
For the 12 Months Ended Monday, December 31, 2012

	December	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$24,617.46	\$867,079.80
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	84,807.58	981,442.47
Accounts Receivable	25,887.39	20,357.18
Accrued Interest	(319.88)	(877.91)
Due From/To Other Funds	118,526.24	(256,594.86)
Inventory	13,180.64	(12,394.82)
Prepaid Expense	(775.44)	9,992.43
Radcliff Collections Payable	6,362.28	21,457.31
Customer Deposits	(435.00)	5,365.00
Deferred Revenue	1,320.00	3,890.00
Reserve for Uncashed Checks		(31.68)
Accounts Payable & Accrued Expenses	19,553.55	(70,779.72)
Total Adjustments	268,107.36	701,825.40
Net Cash Provided by Operations	292,724.82	1,568,905.20
Cash Flows from Investing Activities Used For:		
Other Investment & Interest	(322.35)	(26,311.53)
Advances for Construction	(7,975.81)	(13,236.48)
Construction in Progress	213,163.46	(29,232.32)
Land & Buildings		
Supply Mains, Lines, Meters & Connections	(419,572.63)	(543,699.66)
Furniture & Equipment	(43,441.24)	(202,318.41)
Net Cash Used in Investing	(258,148.57)	(814,798.40)
Cash Flows From Financing Activities:		
Restricted Bond Funds		
Bond Payments	(78,186.41)	(48,033.91)
Unamortized Bond Discount/Premium	1,295.67	(500,000.00)
Line of Credit - Cecilian Bank		15,548.04
Net Cash Used in Financing	(76,890.74)	(565,168.86)
Net Increase/(Decrease) in Cash	(42,314.49)	188,937.94
Summary:		
Cash at End of Period	494,541.56	494,541.56
Cash at Beginning of Period	536,856.05	305,603.62
Net Increase/(Decrease) in Cash	(42,314.49)	188,937.94

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Sewer
Statement of Cash Flow
For the 12 Months Ended Monday, December 31, 2012

	December	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$650,956.00	\$2,439,346.87
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	54,233.09	644,937.25
Accounts Receivable	79,005.76	(606,324.64)
Due From/To Other Funds	4,008.89	25,404.02
Prepaid Expense	(3,041.16)	(503.58)
Accrued Interest	0.40	0.27
Inventory		
Accounts Payable & Accrued Expenses	149,548.70	308,955.83
Total Adjustments	283,755.68	372,469.15
Net Cash Provided by Operations	934,711.68	2,811,816.02
Cash Flows from Investing Activities Used For:		
Construction in Progress	(411,234.86)	(2,230,476.38)
Plant & Lines	(163,506.10)	(409,235.32)
Furniture & Equipment	(96.36)	(88,805.07)
Net Cash Used in Investing	(574,837.32)	(2,728,516.77)
Cash Flows From Financing Activities:		
Intra-Fund Loan		
Net Cash Used in Financing		
Net Increase/(Decrease) in Cash	359,874.36	83,299.25
Summary:		
Cash at End of Period	1,658,213.88	1,658,213.88
Cash at Beginning of Period	1,298,339.52	1,574,914.63
Net Increase/(Decrease) in Cash	359,874.36	83,299.25

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Stormwater Fund
Statement of Cash Flow
For the 12 Months Ended Monday, December 31, 2012

	December	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$90,581.83	\$589,054.73
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	3,158.96	37,213.87
Accounts Receivable	(33,617.74)	(78,199.06)
Due From/To Other Funds	(25,268.59)	9,844.97
Prepaid Expense	(125.58)	161.69
Accounts Payable & Accrued Expenses	(53,773.47)	(35,465.68)
Total Adjustments	(109,626.42)	(66,444.21)
Net Cash Provided by Operations	(19,044.59)	522,610.52
Cash Flows from Investing Activities Used For:		
Construction in Progress	123,145.47	(310,784.88)
GIS Structures	(139,504.82)	(191,088.77)
Net Cash Used in Investing	(16,359.35)	(501,873.65)
Cash Flows From Financing Activities:		
Intra-Fund Loan	_____	_____
Net Cash Used in Financing	_____	_____
Net Increase/(Decrease) in Cash	(35,403.94)	20,736.87
Summary:		
Cash at End of Period	703,272.82	703,272.82
Cash at Beginning of Period	738,676.76	682,535.95
Net Increase/(Decrease) in Cash	(35,403.94)	20,736.87

For Management Purposes Only

Hardin County Water District No. 1 - Radcliff Sewer
Statement of Cash Flow
For the 12 Months Ended Monday, December 31, 2012

	December	Year to Date
Cash Flows from Operating Activities:		
Net Income	(\$34,854.29)	\$437,078.99
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	74,355.26	804,744.66
Accounts Receivable	116,370.21	(10,594.39)
Due From/To Other Funds	(92,171.86)	181,133.71
Prepaid Expense	(2,307.76)	(2,693.76)
Accrued Interest	(0.13)	521.57
Customer Deposits	(226.00)	5,240.00
Accounts Payable & Accrued Expenses	93,468.86	15,048.71
Total Adjustments	189,488.58	993,400.50
Net Cash Provided by Operations	154,634.29	1,430,479.49
Cash Flows from Investing Activities Used For:		
Investment & Interest		335,230.42
Construction in Progress	154,771.93	(158,708.03)
Plant & Lines	(173,709.26)	(731,649.91)
Furniture & Equipment	(674.48)	(11,018.45)
Transportation Equipment		(151,263.37)
Net Cash Used in Investing	(19,611.81)	(717,409.34)
Cash Flows From Financing Activities:		
Bond Payments		(268,361.58)
Organizational Costs	758.36	9,100.32
Net Cash Used in Financing	758.36	(259,261.26)
Net Increase/(Decrease) in Cash	135,780.84	453,808.89
Summary:		
Cash at End of Period	3,292,746.84	3,292,746.84
Cash at Beginning of Period	3,156,966.00	2,838,937.95
Net Increase/(Decrease) in Cash	135,780.84	453,808.89

For Management Purposes Only

Hardin County Water District No. 1 - Fort Knox Water Fund
Statement of Cash Flow
For the 12 Months Ended Monday, December 31, 2012

	December	Year to Date
Cash Flows from Operating Activities:		
Net Income	\$9,020,759.64	\$14,402,755.36
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Accum. Depreciation & Amortization	371,741.35	392,070.11
Accounts Receivable	(720,003.00)	(1,440,006.00)
Accrued Interest		
Due From/To Other Funds		
Inventory	(5,094.68)	40,212.16
Prepaid Expense	(670.92)	(25,640.51)
Accounts Payable & Accrued Expenses	(7,508.67)	(13,127.97)
Total Adjustments	154,957.65	331,596.72
	(206,578.27)	(714,895.49)
Net Cash Provided by Operations	8,814,181.37	13,687,859.87
Cash Flows from Investing Activities Used For:		
Other Investment & Interest		
Construction in Progress		
Land & Buildings	(36,107.33)	(275,600.43)
Supply Mains, Lines, Meters & Connections		
Furniture & Equipment	(8,113,101.83)	(8,120,944.69)
Net Cash Used in Investing	(806,252.42)	(1,106,305.80)
	(8,955,461.58)	(9,502,850.92)
Cash Flows From Financing Activities:		
Acquisition Costs	5,454.83	(235,499.01)
Net Cash Used in Financing	5,454.83	(235,499.01)
Net Increase/(Decrease) in Cash	(135,825.38)	3,949,509.94
Summary:		
Cash at End of Period	3,949,509.94	3,949,509.94
Cash at Beginning of Period	4,085,335.32	
Net Increase/(Decrease) in Cash	(135,825.38)	3,949,509.94

For Management Purposes Only

**HARDIN COUNTY WATER DIST NO. 1
PROJECT FUNDING
AS OF 12/31/2012**

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
KIA WX21093020 Grant	3/14/2007	KIA - Constantine Road Grant	\$1,000,000.00	\$111,925.00	\$888,075.00
KY EBDG for BRAC Grant	1/12/2010	Radcliff WW Pump Station Upgrades	\$2,250,000.00	\$555,222.92	\$1,694,777.08
KY EBDG for BRAC Grant	9/16/2011	Radcliff WW System Improvements Project	\$2,500,000.00	\$1,032,535.98	\$1,467,464.02
KY EBDG for BRAC Grant	11/10/2011	Louisville Water-Fort Knox Interconnect Pr	\$4,500,000.00	\$67,416.70	\$4,432,583.30
Fort Knox - CLIN 0033	7/21/2011	WWTP Improvements (2910)	\$415,000.00	\$306,466.38	\$108,533.62
Fort Knox - CLIN 0034	7/21/2011	Brooks Field Phase III Improvements (2923)	\$100,000.00	\$100,000.00	\$0.00
Fort Knox - CLIN 0035	7/21/2011	Basin 2 Improvements	\$406,000.00	\$234,493.02	\$171,506.98
Fort Knox - CLIN 0036	7/21/2011	Basin 6 Improvements	\$107,000.00	\$107,000.00	\$0.00
Fort Knox - CLIN 0037	7/21/2011	Dietz Lift Station (2704)	\$1,025,000.00	\$114,288.19	\$910,711.81
Fort Knox - CLIN 0038	7/21/2011	Basin 8 Improvements	\$403,000.00	\$95,571.34	\$307,428.66
Fort Knox - CLIN 0039	7/21/2011	Matthews LS & Force Main (2918)	\$675,000.00	\$56,615.39	
Fort Knox - CLIN 0039	7/21/2011	Chaffee Pump Station (2924)		\$221,946.74	\$396,437.87
Fort Knox - CLIN 0040	7/21/2011	Van Voorhis Area Improvements (2824)	\$1,200,000.00	\$871,730.16	\$328,269.84
Fort Knox - CLIN 0041	7/21/2011	Lift Station Generators	\$50,000.00	\$50,000.00	\$0.00
Fort Knox - CLIN 0042	7/21/2011	Godman Airfield Improvements (4914)	\$1,160,000.00	\$212,714.78	\$947,285.22

<u>Source</u>	<u>Date Awarded</u>	<u>Title</u>	<u>Amount Awarded</u>	<u>Amount Used</u>	<u>Amount Remaining</u>
Fort Knox - CLIN 0043	7/21/2011	Basin 3 Storm Water Improvements	\$250,000.00	\$104,549.33	\$145,450.67
Fort Knox - CLIN 0044	7/21/2011	Basin 4 Storm Water Improvements	\$125,000.00	\$125,000.00	\$0.00
Fort Knox - CLIN 0045	7/21/2011	Basin 5 Storm Water Improvements	\$200,000.00	\$182.70	\$199,817.30
Fort Knox - CLIN 0054	9/4/2012	Rehab/Replace MH & ML (1,4,5,6,9) (2933	\$600,000.00	\$225,896.41	\$374,103.59
Fort Knox - CLIN 0057	9/4/2012	Storm System Improvements	\$305,000.00	\$0.00	\$305,000.00
Funding Totals			\$17,271,000.00	\$4,593,555.04	\$12,677,444.96

Hardin County Water District No. 1

Accounts Receivable Report

Date : 1/8/2013 9:43:03 AM
 User Name : Charlene

Account	Name	Unbilled Balance	< 30	30-59	60-89	90-119	120+	Total Balance
1150579401								
1150588001		0.00	279.06	0.00				279.06
1160249800		1.00	8.45	0.00	0.00	0.00	0.00	8.45
1180414000		1.00	271.18	0.00	0.00	0.00	0.00	271.18
1180618100		1.00	(46.58)	0.00	0.00	0.00	0.00	(46.58)
1180721000		1.00	13.70	0.00	0.00	0.00	0.00	13.70
1180750200		1.00	13.70	0.00	0.00	0.00	0.00	13.70
1200280900		0.00	28.11	0.00	0.00	0.00	0.00	28.11
1200307800		0.00	761.29	817.48	0.00	0.00	0.00	1,578.77
1210022100		0.00	8.45	0.00	0.00	0.00	0.00	8.45
1210027000		0.00	33.72	0.00	0.00	0.00	0.00	33.72
1210136600		0.00	45.99	0.00	0.00	0.00	0.00	45.99
1220754000		0.00	638.20	0.00	0.00	0.00	0.00	638.20
2060884800		0.00	38.19	35.70	0.00	0.00	0.00	73.89
2060898900		0.00	37.70	0.00	35.70	35.70	551.83	639.93
2070171701		0.00	28.77	0.00	0.00	0.00	0.00	28.77
2070188900		0.00	32.73	0.00	0.00	0.00	0.00	32.73
2070199000		0.00	26.89	32.18	0.00	0.00	0.00	59.07
2070199200		0.00	699.08	0.00	42.74	62.41	555.72	1,360.00
2070199900		0.00	28.18	0.00	0.00	0.00	0.00	28.18
2070220001		0.00	14.08	0.00	0.00	0.00	0.00	14.08
3100094000		0.00	3,631.35	1,808.51	0.00	0.00	0.00	5,439.86
3100104000		0.00	70.69	0.00	0.00	0.00	0.00	70.69
3100132000		0.00	8.13	8.13	0.00	0.00	0.00	16.26
3100142000		0.00	1,210.68	0.00	0.00	0.00	0.00	1,210.68
3110096100		0.00	14.08	0.00	0.00	0.00	0.00	14.08
3110138000		0.00	45.04	0.00	0.00	0.00	0.00	45.04
Grand Total		0.00	8,278.24	2,499.96	78.44	98.11	1,107.55	12,062.30

Detail By Group/Income Center

Group/Income Center	Unbilled Balance	< 30	30-59	60-89	90-119	120+	Total Balance
Service / Water Taxable	0.00	2,889.80	175.06	10.19	18.18	47.75	2,940.98
Service / Water Franchise Fee	0.00	97.43	43.80	0.84	1.07	10.35	153.49
Service / School Tax	0.00	98.19	43.80	0.84	1.07	9.97	153.87

1,107.55
 SETTLEMENT BALANCE 7,333.32
 COLLECTIONS 294.80
 MHP AR BALANCE 19,640.42

Hardin County Water District No. 1 Accounts Receivable Report

Date : 1/8/2013 9:43:03 AM
 User Name : Charlene

Account	Name	Unbilled Balance	< 30	30-59	60-89	90-119	120+	Total Balance
Detail By Group/Income Center								
Group/Income Center	Unbilled Balance	< 30	30-59	60-89	90-119	120+	Balance	Balance
Service / Water State Tax	0.00	202.15	90.22	1.71	2.20	20.38	318.68	318.68
Service / Customer Charge	0.00	512.04	70.28	17.57	17.57	20.38	913.64	913.64
Service / Sewer	0.00	3,962.39	1,631.93	35.89	45.94	583.22	6,259.37	6,259.37
Service / Sewer Franchise Fee	0.00	118.84	59.40	1.07	1.37	17.90	198.58	198.58
Service / Sewer State Tax	0.00	237.77	118.81	2.16	2.76	35.10	398.80	398.80
Service / Unapplied Cash	0.00	(46.58)	0.00	0.00	0.00	0.00	(46.58)	(46.58)
Other-S / Other-Sewer	0.00	2.50	0.00	0.00	0.00	0.00	2.50	2.50
Other	0.00	2.50	0.00	0.00	0.00	0.00	2.50	2.50
Penalty	0.00	401.21	266.66	8.17	7.97	88.70	770.71	770.71
Grand Total	0.00	8,278.24	2,499.96	78.44	98.11	1,107.55	12,062.30	12,062.30

Mobile Home Park Montly Update
31-Dec-12

To date (24 months), we have billed \$149,185 for Master Meters. \$129,495 (87%) has been paid to date leaving an Uncollected Balance of \$19,690 (13%) of the 23 accounts. Three accounts have triggered the First & Second Warning Letters. One account has received the Third Warning Letter and will be turned over to Legal. Per the Settlement Agreement, One account is making payments on the Agreed Amount and has a balance of \$7,333. One account has been turned over to the Collection Agency (\$295).



Labor Allocation Methodologies: 807 KAR 5:071 Section 3(2)(c) & 807 KAR 5:001 Section 16(9)(t)(1-3)

Labor	Generally based upon estimates of how much time each employee spends working for Funds other than their home department. However, some employees, such as meter readers and Customer Service Representatives (CSR's), are based upon total Revenues of County Water and Radcliff Sewer(52%/48%). The Engineering Manager is 100% capitalized to each open project for the month by tracking the number of hours spent on overseeing these projects. The Board of Commissioners and Legal Counsel are based upon the prior years Topics of Discussion and Motions made. Following is a breakdown by department of how labor is Allocated:
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Methodology Description for 2012	PWTP	100 % Direct County Water
	County Distribution	Includes Meter Readers at 52% Co. Wat & 48% Radcliff; Meter Technician at 52.5% Co. Water, 47% Radcliff and .5% FK Wat; Operators at 100% Co. Water. Dist Supvsr at 98.5% Co. Water, 1.5% Radcliff. If time is worked in other Funds or Departments, then it is recorded directly to that Fund or Department.
	FK Water Distribution	GIS & Admin Clerk at 100% FK Water; FK Dist Supvsr at 100% FK Water; Operators at 100% FK Water. If time is worked in other Funds, then it is recorded directly to that Fund or Department.
	Cust Svc	CSR's at 52% Co. Water & 48% Radcliff; C/S Supvsr at 52% Co. Water & 48% Radcliff; Utility Billing Specialist at 51% Co. Water, 46% Radcliff, 1% FK Swr, 0.5% FK Storm & 1.5% FK Water
	Maint	Maintenance at 98% Co. Water & 2% FK Water
	Admin	Admin - Various splits depending on amount of time EE spends on each Fund
	Commissioner	Based on Topics of Discussion & Motions made by Board Jan - Sept 2012
	Legal	Based on Topics of Discussion & Motions made by Board Jan - Sept 2012

****NOTE****

FK Water was Acquired on 02/01/12. Therefore, All Labor Allocated to this Fund is based on Estimated time

Labor Allocation	For Budgeting Purposes, after each employee's Labor and Benefits are calculated for the year, approved salary increases and known and/or projected insurance increases are then applied. Once total Labor and Benefits are calculated, Labor is then allocated to each Department within each Fund based upon the allocations described above. Once the total by Department for each Fund is calculated, the Percent to Total is calculated and used to Allocate actual Labor and Benefit dollars monthly.
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Engineering Mgr Labor Capitalized	The Engineering Mgr's Labor is initially coded to Operations. Since this position is 100% Capitalized to the Construction-in-Progress Accounts (CIP) manually, he will keep track of his time spent on each project per month at which time the total Labor and Benefits is credited to Operation Expense and Capitalized to each CIP he has worked on.
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Admin/Dist Labor
Capitalized

Part of seven (7) other employees labor are Capitalized. The amounts of Labor Capitalized are calculated by Department and include six (6) Administration and one (Distribution) employees. The yearly amounts for each Department is broken down into months. The Engineering Mgr's monthly capitalized labor is subtracted from each monthly Administration total. The resulting factor is then credited to Operations on the County Water and capitalized to each CIP Project that had activity for the month. The positions and percent of labor capitalized are as follows:

Position	% Labor Capitalized
Accountant	25%
Accounting Specialist	25%
Finance & Accounting Mgr	25%
Project Coordinater	50%
General Manager	20%
GIS/Planning Specialist	50%
Distribution Inspector	40%

Hardin County Water District #1
2012 Salary & Benefit Summary
2011 Actual

Board Approved 12/20/11

807 KAR 5:071 Section 3(2)(c) & 807 KAR 6:001 Section 16(9)(1)(1-3)

14-Jun-13
4:54 PM

1	5	6	7	8	9	10	11	12	13	14	15	16
DIV	TITLE	#FTE	#PTE	P_GDE	CLASS	HRATE	HRSWK	FT-SALS	PT-SALS	\$/MON	OT	Flex \$234
CS	Customer Service Representative	1.0		2	CLER	\$ 15 74	40	\$ 32,739	\$ 0	\$ 2,728	\$ 481	\$ 2,808
CS	Customer Service Representative	1.0		2	CLER	\$ 13 00	40	\$ 27,040	\$ 0	\$ 2,253	\$ 0	\$ 4,624
ADM	Accountant	1.0		E1	CLER	\$ 20 79	40	\$ 43,243	\$ 0	\$ 3,604	\$ 0	\$ 4,624
ADM	Executive Assistant	1.0		1	CLER	\$ 16 90	40	\$ 35,152	\$ 0	\$ 2,929	\$ 636	\$ 4,624
ADM	Accounting Specialist	1.0		3	CLER	\$ 17 48	40	\$ 36,358	\$ 0	\$ 3,030	\$ 934	\$ 4,624
ADM	Project Coordinator	1.0		E1	CLER	\$ 21 38	40	\$ 44,470	\$ 0	\$ 3,706	\$ 0	\$ 4,624
ADM	General Manager	1.0			CLER	\$ 49 07	40	\$ 102,066	\$ 0	\$ 8,505	\$ 0	\$ 9,726
ADM	Finance & Accounting Manager	1.0		S2	CLER	\$ 31 00	40	\$ 64,480	\$ 0	\$ 5,373	\$ 0	\$ 2,808
ADM	Engineering Manager	1.0		S2	SLS-OUT	\$ 31 35	40	\$ 65,208	\$ 0	\$ 5,434	\$ 0	\$ 4,624
CS	Customer Service Manager	1.0		S1	CLER	\$ 27 65	40	\$ 57,512	\$ 0	\$ 4,793	\$ 0	\$ 4,624
COMM	Commissioner	1.0			CLER	\$ 57 69	2	\$ 6,000	\$ 0	\$ 500	\$ 0	\$ 0
COMM	Commissioner	1.0			CLER	\$ 59 62	2	\$ 6,200	\$ 0	\$ 517	\$ 0	\$ 9,447
COMM	Commissioner	1.0			CLER	\$ 57 69	2	\$ 6,000	\$ 0	\$ 500	\$ 0	\$ 0
COMM	Commissioner	1.0			CLER	\$ 57 69	2	\$ 6,000	\$ 0	\$ 500	\$ 0	\$ 0
COMM	Commissioner	1.0			CLER	\$ 57 69	2	\$ 6,000	\$ 0	\$ 500	\$ 0	\$ 0
CS	Customer Service Representative	1.0		2	CLER	\$ 13 07	40	\$ 27,186	\$ 0	\$ 2,265	\$ 525	\$ 2,808
CS	Customer Service Representative	1.0		2	CLER	\$ 15 97	40	\$ 33,218	\$ 0	\$ 2,768	\$ 480	\$ 2,808
CS	Customer Service Representative	1.0		2	CLER	\$ 13 90	40	\$ 28,912	\$ 0	\$ 2,409	\$ 747	\$ 4,624
DIST	Distribution Operator - III	1.0		2	OPER	\$ 16 76	40	\$ 34,861	\$ 0	\$ 2,905	\$ 1,642	\$ 4,624
DIST	Distribution Operator - I or II	1.0		1	OPER	\$ 12 79	40	\$ 26,603	\$ 0	\$ 2,217	\$ 1,230	\$ 4,624
CS	Utility Billing Specialist	1.0		2	CLER	\$ 18 31	40	\$ 38,085	\$ 0	\$ 3,174	\$ 564	\$ 4,624
DIST	Distribution Operator - I or II	1.0		1	OPER	\$ 17 06	40	\$ 35,485	\$ 0	\$ 2,957	\$ 1,625	\$ 4,624
ADM	Dist. System GIS/Planning Specialist	1.0		E1	CLER	\$ 23 72	40	\$ 49,338	\$ 0	\$ 4,111	\$ 0	\$ 4,624
DIST	Distribution Operator - I	1.0		1	OPER	\$ 16 49	40	\$ 34,299	\$ 0	\$ 2,858	\$ 1,620	\$ 4,624
DIST	Distribution Operator - I	1.0		2	OPER	\$ 11 36	40	\$ 23,629	\$ 0	\$ 1,969	\$ 1,705	\$ 4,624
DIST	Heavy Equipment Operator - IVD	1.0		4	OPER	\$ 20 75	40	\$ 43,160	\$ 0	\$ 3,597	\$ 2,027	\$ 4,624
DIST	Distribution Operator - I or II	1.0		1	OPER	\$ 18 23	40	\$ 37,918	\$ 0	\$ 3,160	\$ 1,779	\$ 4,624
DIST	Distribution Operator - I or II	1.0		1	OPER	\$ 15 05	40	\$ 31,304	\$ 0	\$ 2,609	\$ 1,455	\$ 4,624
DIST	Distribution Operator - I or II	1.0		1	OPER	\$ 16 79	40	\$ 34,923	\$ 0	\$ 2,910	\$ 1,624	\$ 4,624
DIST	Distribution Operator - I or II	1.0		1	OPER	\$ 14 44	40	\$ 30,035	\$ 0	\$ 2,503	\$ 1,409	\$ 4,624
ADM	Operations Manager	1.0		S2	SLS-OUT	\$ 32 81	40	\$ 68,245	\$ 0	\$ 5,687	\$ 0	\$ 4,624
DIST	Distribution Supervisor	1.0		S1	OPER	\$ 20 88	40	\$ 43,430	\$ 0	\$ 3,619	\$ 0	\$ 4,624
DIST	TEMP Summer Help		0.2	3	OPER	\$ 11 00	40	\$ 0	\$ 5,557	\$ 463	\$ 0	\$ 0
LEG	Attorney	1.0			ATTY		40	\$ 20,400	\$ 0	\$ 1,700	\$ 0	\$ 0
MAINT	Maint. & Controls Specialist	1.0		4	OPER	\$ 24 76	40	\$ 51,501	\$ 0	\$ 4,292	\$ 1,880	\$ 4,624
PIRTLE	Plant Supervisor	1.0		S1	OPER	\$ 27 05	40	\$ 56,264	\$ 0	\$ 4,689	\$ 0	\$ 4,624
ADM	WG / Measurement Specialist	1.0		E1	OPER	\$ 25 49	40	\$ 53,019	\$ 0	\$ 4,418	\$ 0	\$ 4,624
FK WAT-Dist	Distribution Operator - IV	0.9		3	OPER	\$ 16 60	40	\$ 34,528	\$ 0	\$ 2,877	\$ 1,000	\$ 4,624
FK WAT-Dist	Distribution Operator - I or II	0.9		1	OPER	\$ 12 70	40	\$ 26,416	\$ 0	\$ 2,201	\$ 750	\$ 4,624
FK WAT-Dist	Distribution Operator - I or II	0.9		1	OPER	\$ 12 70	40	\$ 26,416	\$ 0	\$ 2,201	\$ 750	\$ 4,624
FK WAT-Dist	Heavy Equipment Operator - IVD	0.9		4	OPER	\$ 19 20	40	\$ 39,936	\$ 0	\$ 3,328	\$ 1,000	\$ 4,624
FK WAT-Dist	Distribution Supervisor	0.9		S1	OPER	\$ 26 70	40	\$ 55,536	\$ 0	\$ 4,628	\$ 0	\$ 4,624
FK WAT-Dist	Dist. System GIS/Planning Specialist	0.9		E1	OPER	\$ 18 16	40	\$ 37,773	\$ 0	\$ 3,148	\$ 0	\$ 4,624
FK WAT-Dist	Accounting Specialist	0.9		3	CLER	\$ 15 20	40	\$ 31,616	\$ 0	\$ 2,635	\$ 500	\$ 4,624
PIRTLE	WTP Operator - Class IV	1.0		3	OPER	\$ 18 52	40	\$ 38,522	\$ 0	\$ 3,210	\$ 963	\$ 4,624
PIRTLE	WTP Operator - Class IV	1.0		3	OPER	\$ 18 90	40	\$ 39,312	\$ 0	\$ 3,276	\$ 983	\$ 4,624
PIRTLE	WTP Operator - Class IV	1.0		3	OPER	\$ 17 32	40	\$ 36,026	\$ 0	\$ 3,002	\$ 901	\$ 4,624
PIRTLE	WTP Operator - Class IV	1.0		3	OPER	\$ 19 77	40	\$ 41,122	\$ 0	\$ 3,427	\$ 1,028	\$ 4,624
PIRTLE	WTP Operator - Class 1A - 2A	1.0		1	OPER	\$ 15 14	40	\$ 31,491	\$ 0	\$ 2,624	\$ 787	\$ 2,808
	TOTAL	47.36667	0.24289					\$ 1,778,976	\$ 5,557	\$ 148,711	\$ 31,027	\$ 209,135
	STAFF	41.36667						\$ 1,728,376	\$ 5,557	\$ 144,494	\$ 31,027	\$ 190,242

Hardin County Water District #1
2012 Salary & Benefit Summary
2011 Actual

1	5	17	18	19	20	21	22	23	24	25	26
DIV	TITLE	DENT/MSN	LIFE,ADD<D	FLEX_140	OASDI	PENSION	W_COMP	TOTAL	%_CAPIZD	\$_CAPIZD	\$_NET O&M
CS	Customer Service Representative	\$ 361	\$ 369	\$ 1,680	\$ 2,541	\$ 6,299	\$ 59	\$ 47,337	0.0%	\$ 0	\$ 47,337
CS	Customer Service Representative	\$ 361	\$ 305	\$ 1,680	\$ 2,069	\$ 5,127	\$ 49	\$ 41,254	0.0%	\$ 0	\$ 41,254
ADM	Accountant	\$ 361	\$ 485	\$ 1,680	\$ 3,308	\$ 8,199	\$ 78	\$ 61,978	25.0%	-\$ 15,495	\$ 46,484
ADM	Executive Assistant	\$ 361	\$ 395	\$ 1,680	\$ 2,738	\$ 6,785	\$ 63	\$ 52,435	0.0%	\$ 0	\$ 52,435
ADM	Accounting Specialist	\$ 361	\$ 409	\$ 1,680	\$ 2,853	\$ 7,071	\$ 65	\$ 54,355	25.0%	-\$ 13,589	\$ 40,767
ADM	Project Coordinator	\$ 361	\$ 499	\$ 1,680	\$ 3,402	\$ 8,432	\$ 80	\$ 63,549	50.0%	-\$ 31,774	\$ 31,774
ADM	General Manager	\$ 361	\$ 1,128	\$ 1,680	\$ 7,808	\$ 19,352	\$ 184	\$ 142,304	20.0%	-\$ 28,461	\$ 113,843
ADM	Finance & Accounting Manager	\$ 0	\$ 724	\$ 1,680	\$ 4,933	\$ 12,225	\$ 116	\$ 86,966	25.0%	-\$ 21,741	\$ 65,224
ADM	Engineering Manager	\$ 361	\$ 731	\$ 1,680	\$ 4,988	\$ 12,363	\$ 352	\$ 90,308	100.0%	-\$ 90,308	\$ 0
CS	Customer Service Manager	\$ 361	\$ 645	\$ 1,680	\$ 4,400	\$ 10,904	\$ 104	\$ 80,230	0.0%	\$ 0	\$ 80,230
COMM	Commissioner	\$ 361	\$ 0	\$ 1,680	\$ 459	\$ 1,138	\$ 11	\$ 9,648	0.0%	\$ 0	\$ 9,648
COMM	Commissioner	\$ 361	\$ 0	\$ 0	\$ 474	\$ 1,176	\$ 11	\$ 17,668	0.0%	\$ 0	\$ 17,668
COMM	Commissioner	\$ 361	\$ 0	\$ 1,680	\$ 459	\$ 1,138	\$ 11	\$ 9,648	0.0%	\$ 0	\$ 9,648
COMM	Commissioner	\$ 361	\$ 0	\$ 1,680	\$ 459	\$ 1,138	\$ 11	\$ 9,648	0.0%	\$ 0	\$ 9,648
COMM	Commissioner	\$ 361	\$ 0	\$ 0	\$ 459	\$ 1,138	\$ 11	\$ 17,415	0.0%	\$ 0	\$ 17,415
CS	Customer Service Representative	\$ 361	\$ 306	\$ 1,680	\$ 2,120	\$ 5,254	\$ 49	\$ 40,288	0.0%	\$ 0	\$ 40,288
CS	Customer Service Representative	\$ 361	\$ 373	\$ 1,680	\$ 2,578	\$ 6,389	\$ 60	\$ 47,947	0.0%	\$ 0	\$ 47,947
CS	Customer Service Representative	\$ 361	\$ 324	\$ 1,680	\$ 2,269	\$ 5,623	\$ 52	\$ 44,593	0.0%	\$ 0	\$ 44,593
DIST	Distribution Operator - III	\$ 361	\$ 391	\$ 1,680	\$ 2,792	\$ 6,921	\$ 892	\$ 54,165	0.0%	\$ 0	\$ 54,165
DIST	Distribution Operator - I or II	\$ 361	\$ 298	\$ 1,680	\$ 2,129	\$ 5,277	\$ 681	\$ 42,884	0.0%	\$ 0	\$ 42,884
CS	Utility Billing Specialist	\$ 361	\$ 428	\$ 1,680	\$ 2,957	\$ 7,328	\$ 69	\$ 56,095	0.0%	\$ 0	\$ 56,095
DIST	Distribution Operator - I or II	\$ 361	\$ 399	\$ 1,680	\$ 2,839	\$ 7,036	\$ 908	\$ 54,957	0.0%	\$ 0	\$ 54,957
ADM	Dist. System GIS/Planning Specialist	\$ 361	\$ 555	\$ 1,680	\$ 3,774	\$ 9,354	\$ 89	\$ 69,775	50.0%	-\$ 34,888	\$ 34,888
DIST	Distribution Operator - I	\$ 361	\$ 384	\$ 1,680	\$ 2,748	\$ 6,810	\$ 878	\$ 53,405	40.0%	-\$ 21,362	\$ 32,043
DIST	Distribution Operator - I	\$ 361	\$ 265	\$ 1,680	\$ 1,938	\$ 4,803	\$ 605	\$ 39,610	0.0%	\$ 0	\$ 39,610
DIST	Heavy Equipment Operator - IVD	\$ 361	\$ 485	\$ 1,680	\$ 3,457	\$ 8,567	\$ 1,105	\$ 65,466	0.0%	\$ 0	\$ 65,466
DIST	Distribution Operator - I or II	\$ 361	\$ 425	\$ 1,680	\$ 3,037	\$ 7,527	\$ 971	\$ 58,322	0.0%	\$ 0	\$ 58,322
DIST	Distribution Operator - I or II	\$ 361	\$ 351	\$ 1,680	\$ 2,506	\$ 6,211	\$ 801	\$ 49,294	0.0%	\$ 0	\$ 49,294
DIST	Distribution Operator - I or II	\$ 361	\$ 392	\$ 1,680	\$ 2,796	\$ 6,929	\$ 894	\$ 54,224	0.0%	\$ 0	\$ 54,224
DIST	Distribution Operator - I or II	\$ 361	\$ 339	\$ 1,680	\$ 2,405	\$ 5,962	\$ 769	\$ 47,584	0.0%	\$ 0	\$ 47,584
ADM	Operations Manager	\$ 361	\$ 765	\$ 1,680	\$ 5,221	\$ 12,939	\$ 369	\$ 94,203	50.0%	-\$ 47,102	\$ 47,102
DIST	Distribution Supervisor	\$ 361	\$ 488	\$ 1,680	\$ 3,322	\$ 8,234	\$ 1,112	\$ 63,252	0.0%	\$ 0	\$ 63,252
DIST	TEMP Summer Help	\$ 0	\$ 0	\$ 0	\$ 425	\$ 0	\$ 0	\$ 5,982	0.0%	\$ 0	\$ 5,982
LEG	Attorney	\$ 0	\$ 0	\$ 0	\$ 1,561	\$ 3,868	\$ 39	\$ 25,867	0.0%	\$ 0	\$ 25,867
MAINT	Maint. & Controls Specialist	\$ 361	\$ 578	\$ 1,680	\$ 4,084	\$ 10,121	\$ 1,318	\$ 76,147	0.0%	\$ 0	\$ 76,147
PIRTLE	Plant Supervisor	\$ 277	\$ 631	\$ 1,680	\$ 4,304	\$ 10,668	\$ 1,440	\$ 79,889	0.0%	\$ 0	\$ 79,889
ADM	WQ / Measurement Specialist	\$ 361	\$ 596	\$ 1,680	\$ 4,056	\$ 10,052	\$ 1,357	\$ 75,746	0.0%	\$ 0	\$ 75,746
FK WAT-Dist	Distribution Operator - IV	\$ 361	\$ 388	\$ 1,680	\$ 2,718	\$ 6,736	\$ 884	\$ 52,919	0.0%	\$ 0	\$ 52,919
FK WAT-Dist	Distribution Operator - I or II	\$ 361	\$ 298	\$ 1,680	\$ 2,078	\$ 5,151	\$ 676	\$ 42,034	0.0%	\$ 0	\$ 42,034
FK WAT-Dist	Distribution Operator - I or II	\$ 361	\$ 298	\$ 1,680	\$ 2,078	\$ 5,151	\$ 676	\$ 42,034	0.0%	\$ 0	\$ 42,034
FK WAT-Dist	Heavy Equipment Operator - IVD	\$ 361	\$ 448	\$ 1,680	\$ 3,132	\$ 7,761	\$ 1,022	\$ 59,964	0.0%	\$ 0	\$ 59,964
FK WAT-Dist	Distribution Supervisor	\$ 361	\$ 623	\$ 1,680	\$ 4,249	\$ 10,530	\$ 1,422	\$ 79,024	0.0%	\$ 0	\$ 79,024
FK WAT-Dist	Dist. System GIS/Planning Specialist	\$ 361	\$ 425	\$ 1,680	\$ 2,890	\$ 7,162	\$ 967	\$ 55,881	0.0%	\$ 0	\$ 55,881
FK WAT-Dist	Accounting Specialist	\$ 361	\$ 354	\$ 1,680	\$ 2,457	\$ 6,089	\$ 809	\$ 48,491	0.0%	\$ 0	\$ 48,491
PIRTLE	WTP Operator - Class IV	\$ 361	\$ 432	\$ 1,680	\$ 3,021	\$ 7,486	\$ 986	\$ 58,075	0.0%	\$ 0	\$ 58,075
PIRTLE	WTP Operator - Class IV	\$ 361	\$ 440	\$ 1,680	\$ 3,083	\$ 7,640	\$ 1,006	\$ 59,129	0.0%	\$ 0	\$ 59,129
PIRTLE	WTP Operator - Class IV	\$ 277	\$ 406	\$ 1,680	\$ 2,825	\$ 7,001	\$ 922	\$ 54,662	0.0%	\$ 0	\$ 54,662
PIRTLE	WTP Operator - Class IV	\$ 361	\$ 462	\$ 1,680	\$ 3,224	\$ 7,992	\$ 1,053	\$ 61,545	0.0%	\$ 0	\$ 61,545
PIRTLE	WTP Operator - Class TA - 2A	\$ 0	\$ 354	\$ 1,680	\$ 2,469	\$ 6,120	\$ 806	\$ 46,516	0.0%	\$ 0	\$ 46,516
	TOTAL	\$ 16,066	\$ 19,391	\$ 75,600	\$ 138,890	\$ 343,177	\$ 26,893	\$ 2,644,712		-\$ 304,719	\$ 2,339,992
	STAFF	\$ 14,262	\$ 19,391	\$ 70,560	\$ 135,019	\$ 333,583	\$ 26,799	\$ 2,554,817		-\$ 304,719	\$ 2,250,098
											\$ 304,719
											11.5%
							25000				
							0.929623862				

Hardin County Water District #1
2012 Salary & Benefit Summary
2011 Actual

	5	27	28	29	30	31	32	33	34	35	36
			0.275363636								
DIV	TITLE	%_WAT	%_RASEW	%_FKSEW	%_FKSTM	%_FK WAT	\$_WAT	\$_RASEW	\$_FKSEW	\$_FKSTM	\$_FK WAT
CS	Customer Service Representative	52.0%	48.0%	0.0%	0.0%	0.0%	\$ 24,615	\$ 22,722	\$ 0	\$ 0	\$ 0
CS	Customer Service Representative	52.0%	48.0%	0.0%	0.0%	0.0%	\$ 21,452	\$ 19,802	\$ 0	\$ 0	\$ 0
ADM	Accountant	53.7%	26.9%	12.5%	1.9%	5.0%	\$ 24,962	\$ 12,504	\$ 5,810	\$ 883	\$ 2,324
ADM	Executive Assistant	27.5%	25.0%	25.0%	7.5%	15.0%	\$ 14,420	\$ 13,109	\$ 13,109	\$ 3,933	\$ 7,865
ADM	Accounting Specialist	27.5%	25.0%	25.0%	7.5%	15.0%	\$ 11,211	\$ 10,192	\$ 10,192	\$ 3,057	\$ 6,115
ADM	Project Coordinator	48.0%	25.0%	15.0%	2.0%	10.0%	\$ 15,252	\$ 7,944	\$ 4,766	\$ 635	\$ 3,177
ADM	General Manager	45.2%	25.0%	15.0%	5.0%	9.8%	\$ 51,457	\$ 28,461	\$ 17,076	\$ 5,692	\$ 11,157
ADM	Finance & Accounting Manager	27.5%	25.0%	25.0%	7.5%	15.0%	\$ 17,937	\$ 16,306	\$ 16,306	\$ 4,892	\$ 9,784
ADM	Engineering Manager	5.1%	19.8%	30.0%	5.1%	40.0%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
CS	Customer Service Manager	52.0%	48.0%	0.0%	0.0%	0.0%	\$ 41,719	\$ 38,510	\$ 0	\$ 0	\$ 0
COMM	Commissioner	27.5%	25.0%	25.0%	7.5%	15.0%	\$ 2,653	\$ 2,412	\$ 2,412	\$ 724	\$ 1,447
COMM	Commissioner	27.5%	25.0%	25.0%	7.5%	15.0%	\$ 4,859	\$ 4,417	\$ 4,417	\$ 1,325	\$ 2,650
COMM	Commissioner	27.5%	25.0%	25.0%	7.5%	15.0%	\$ 2,653	\$ 2,412	\$ 2,412	\$ 724	\$ 1,447
COMM	Commissioner	27.5%	25.0%	25.0%	7.5%	15.0%	\$ 2,653	\$ 2,412	\$ 2,412	\$ 724	\$ 1,447
COMM	Commissioner	27.5%	25.0%	25.0%	7.5%	15.0%	\$ 4,789	\$ 4,354	\$ 4,354	\$ 1,306	\$ 2,612
CS	Customer Service Representative	52.0%	48.0%	0.0%	0.0%	0.0%	\$ 20,950	\$ 19,338	\$ 0	\$ 0	\$ 0
CS	Customer Service Representative	52.0%	48.0%	0.0%	0.0%	0.0%	\$ 24,932	\$ 23,014	\$ 0	\$ 0	\$ 0
CS	Customer Service Representative	52.0%	48.0%	0.0%	0.0%	0.0%	\$ 23,188	\$ 21,405	\$ 0	\$ 0	\$ 0
DIST	Distribution Operator - III	52.0%	48.0%	0.0%	0.0%	0.0%	\$ 28,166	\$ 25,999	\$ 0	\$ 0	\$ 0
DIST	Distribution Operator - I or II	52.0%	48.0%	0.0%	0.0%	0.0%	\$ 22,300	\$ 20,584	\$ 0	\$ 0	\$ 0
CS	Utility Billing Specialist	51.0%	46.0%	1.0%	0.5%	1.5%	\$ 28,608	\$ 25,804	\$ 561	\$ 280	\$ 841
DIST	Distribution Operator - I or II	52.5%	47.0%	0.0%	0.0%	0.5%	\$ 28,878	\$ 25,830	\$ 0	\$ 0	\$ 250
ADM	Dist. System GIS/Planning Specialist	42.5%	30.0%	13.0%	2.0%	12.5%	\$ 14,827	\$ 10,466	\$ 4,535	\$ 698	\$ 4,361
DIST	Distribution Operator - I	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 32,043	\$ 0	\$ 0	\$ 0	\$ 0
DIST	Distribution Operator - I	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 39,610	\$ 0	\$ 0	\$ 0	\$ 0
DIST	Heavy Equipment Operator - IVD	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 65,466	\$ 0	\$ 0	\$ 0	\$ 0
DIST	Distribution Operator - I or II	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 58,322	\$ 0	\$ 0	\$ 0	\$ 0
DIST	Distribution Operator - I or II	52.0%	48.0%	0.0%	0.0%	0.0%	\$ 25,633	\$ 23,661	\$ 0	\$ 0	\$ 0
DIST	Distribution Operator - I or II	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 54,224	\$ 0	\$ 0	\$ 0	\$ 0
DIST	Distribution Operator - I or II	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 47,584	\$ 0	\$ 0	\$ 0	\$ 0
ADM	Operations Manager	13.5%	15.0%	15.0%	10.3%	46.2%	\$ 6,353	\$ 7,065	\$ 7,065	\$ 4,857	\$ 21,761
DIST	Distribution Supervisor	98.5%	1.5%	0.0%	0.0%	0.0%	\$ 62,303	\$ 949	\$ 0	\$ 0	\$ 0
DIST	TEMP Summer Help	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 5,982	\$ 0	\$ 0	\$ 0	\$ 0
LEG	Attorney	58.0%	23.0%	14.0%	5.0%	0.0%	\$ 15,003	\$ 5,949	\$ 3,621	\$ 1,293	\$ 0
MAINT	Maint. & Controls Specialist	98.0%	0.0%	0.0%	0.0%	2.0%	\$ 74,624	\$ 0	\$ 0	\$ 0	\$ 1,523
PIRTLE	Plant Supervisor	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 79,889	\$ 0	\$ 0	\$ 0	\$ 0
ADM	WQ / Measurement Specialist	99.0%	0.0%	0.0%	0.0%	1.0%	\$ 74,989	\$ 0	\$ 0	\$ 0	\$ 757
FK WAT-Dist	Distribution Operator - IV	0.0%	0.0%	0.0%	0.0%	100.0%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 52,919
FK WAT-Dist	Distribution Operator - I or II	0.0%	0.0%	0.0%	0.0%	100.0%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,034
FK WAT-Dist	Distribution Operator - I or II	0.0%	0.0%	0.0%	0.0%	100.0%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 42,034
FK WAT-Dist	Heavy Equipment Operator - IVD	0.0%	0.0%	0.0%	0.0%	100.0%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 59,964
FK WAT-Dist	Distribution Supervisor	0.0%	0.0%	0.0%	0.0%	100.0%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 79,024
FK WAT-Dist	Dist. System GIS/Planning Specialist	0.0%	0.0%	0.0%	0.0%	100.0%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 55,881
FK WAT-Dist	Accounting Specialist	0.0%	0.0%	0.0%	0.0%	100.0%	\$ 0	\$ 0	\$ 0	\$ 0	\$ 48,491
PIRTLE	WTP Operator - Class IV	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 58,075	\$ 0	\$ 0	\$ 0	\$ 0
PIRTLE	WTP Operator - Class IV	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 59,129	\$ 0	\$ 0	\$ 0	\$ 0
PIRTLE	WTP Operator - Class IV	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 54,662	\$ 0	\$ 0	\$ 0	\$ 0
PIRTLE	WTP Operator - Class IV	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 61,546	\$ 0	\$ 0	\$ 0	\$ 0
PIRTLE	WTP Operator - Class 1A - 2A	100.0%	0.0%	0.0%	0.0%	0.0%	\$ 46,516	\$ 0	\$ 0	\$ 0	\$ 0
	TOTAL						\$ 1,354,432	\$ 395,621	\$ 99,049	\$ 31,024	\$ 459,865
	STAFF						\$ 1,321,822	\$ 373,664	\$ 79,421	\$ 24,928	\$ 450,262
							57.9%	16.9%	4.2%	1.3%	19.7%
	= Capizd										
										\$ 1,880,126	
										\$ 1,799,836	

Category	APFE	PTSA	PTSA	OT	HEALTH	DEHTVSH	LIFE-LTD	QASD	PENSIOM	FLEX_140	LESS CAPZD	W_COMP	TOTAL	\$_WAT	\$_RASEW	\$_FKSEW	\$_FKSTW	\$_FKWAT	% OF TOTAL
CLERK	10	\$30,200	\$0	\$0	\$18,683	\$1,804	\$0	\$2,310	\$5,726	\$5,940	\$0	\$54	\$64,027	\$17,608	\$18,027	\$18,027	\$4,822	\$9,623	2.7%
LEV	10	\$20,400	\$0	\$0	\$0	\$0	\$0	\$1,561	\$3,866	\$0	\$0	\$39	\$25,967	\$15,000	\$5,949	\$3,821	\$1,293	\$0	1.1%
PP-WAT Dam	64	\$237,221	\$0	\$4,033	\$32,370	\$2,525	\$2,833	\$19,601	\$48,579	\$11,700	\$0	\$6,457	\$380,340	\$0	\$0	\$0	\$0	\$380,347	18.3%
ADM	100	\$581,379	\$0	\$1,570	\$49,529	\$3,246	\$6,286	\$43,081	\$106,773	\$16,800	\$283,257	\$2,753	\$508,282	\$231,405	\$106,046	\$78,880	\$24,648	\$67,301	21.7%
PRILE	40	\$242,136	\$0	\$4,662	\$25,830	\$1,837	\$2,725	\$18,926	\$46,507	\$10,080	\$0	\$6,714	\$359,816	\$359,816	\$0	\$0	\$0	\$0	15.4%
CA	10	\$244,631	\$0	\$2,708	\$26,921	\$2,525	\$2,750	\$18,833	\$46,924	\$11,700	\$0	\$442	\$327,743	\$185,465	\$170,585	\$981	\$280	\$841	15.3%
WAT	10	\$31,501	\$0	\$1,880	\$4,424	\$3,811	\$5,878	\$4,084	\$10,121	\$1,680	\$0	\$1,318	\$78,147	\$74,824	\$0	\$0	\$0	\$1,523	3.3%
CLERK	110	\$375,648	\$5,567	\$18,117	\$50,868	\$3,968	\$4,217	\$30,385	\$74,279	\$18,480	-\$21,362	\$9,617	\$587,783	\$470,511	\$97,023	\$0	\$0	\$250	24.3%
TOTAL	314	\$1,776,376	\$5,567	\$31,027	\$209,135	\$16,066	\$19,391	\$138,880	\$343,177	\$75,600	\$304,719	\$26,883	\$2,339,882	\$1,354,432	\$385,621	\$99,049	\$31,024	\$459,865	100.0%
STAFF	314	\$1,776,376	\$5,567	\$31,027	\$190,242	\$14,282	\$19,391	\$136,019	\$333,583	\$70,560	\$304,719	\$26,799	\$2,290,088	\$7,976	18.9%	4.2%	1.3%	10.7%	100.0%

Category	APFE	PTSA	PTSA	OT	HEALTH	DEHTVSH	LIFE-LTD	QASD	PENSIOM	FLEX_140	LESS CAPZD	TOTAL	W_COMP	% OF TOTAL
CLERK	274	\$1,630,627	\$3,316	\$17,963	\$121,089	\$9,302	\$11,227	\$80,418	\$199,689	\$43,772	\$178,432	\$1,236,285	\$15,511	51.2%
LEV	100	\$360,770	\$840	\$5,146	\$35,358	\$2,716	\$3,278	\$22,482	\$58,021	\$12,782	-\$15,519	\$391,074	\$4,547	18.7%
PP-WAT Dam	20	\$75,202	\$380	\$1,313	\$8,852	\$640	\$821	\$5,879	\$14,526	\$3,200	\$-12,888	\$97,911	\$1,126	6.2%
ADM	100	\$373,149	\$74	\$4,112	\$12,723	\$2,713	\$2,927	\$1,841	\$4,550	\$1,002	-\$4,040	\$320,667	\$3,357	1.3%
PRILE	93	\$345,811	\$1,082	\$6,694	\$41,100	\$3,197	\$3,811	\$27,295	\$67,447	\$14,857	-\$50,645	\$454,580	\$5,285	19.4%
TOTAL	474	\$1,775,297	\$5,566	\$31,033	\$209,172	\$16,068	\$19,395	\$138,915	\$343,238	\$75,614	\$304,774	\$2,313,518	\$28,627	100.0%

Summary by District
 Head Year - For Lower Account Budgets

2012 Budget	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162
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Water Assets Depreciation Allocation (Shared Assets)

807 KAR 5:071 Section 3(2)(c) & 807 KAR 5:001 Section 16(9)(t)(1-3)

**The Following Assets are on Water Depreciation Schedule
Only and Depreciation is Allocated Mthly via Journal Entries**

Asset #	Asset Description	Water %	FK Sewer %	Radcliff %	Methodology
	Meters; Inventory/Installation/Service; Rings/Lids; Setters/Tubing, New Service/Installation				
Various 638 & 635	3 Comm Phone System & Upgrade	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
636	Dell Poweredge 850 Rack Server	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
651	2009 Toyota Tocomo - Distribution/Meter Readers	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
566	2005 Chevy Coloroda 1/2ton Truck-Meter Readers	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
666	Web Page Design	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
661	Audiotel Machine for Check Scanning	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
646	Remit Plus Software	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
650	Server Installation & Transfer	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
545	Precision 390 E4300 1.80 Ghz - Jim Bruce	40%	25%	35%	Based on 2009 Budgeted Salaries & Benefits for Jim
546	Precision 390 E4300 1.80 Ghz - Stephanie Brown	40%	25%	35%	Based on 2009 Budgeted Salaries & Benefits for Stephanie
547	Precision 390 E4300 1.80 Ghz - Charlie Miller	60%	10%	30%	Based on 2009 Budgeted Salaries & Benefits for Charlie
548	Precision 390 E4300 1.80 Ghz - Karen Brown	40%	25%	35%	Based on 2009 Budgeted Salaries & Benefits for Karen
549	Precision 390 E4300 1.80 Ghz - Field Reps	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
543	Precision 390 E4300 1.80 Ghz - Check Reader	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
536	Lattitude D430 1.20 Ghz - Brett Pyles	40%	25%	35%	Based on 2009 Budgeted Salaries & Benefits for Brett
537	Lattitude D430 1.20 Ghz - Jim Bruce	40%	25%	35%	Based on 2009 Budgeted Salaries & Benefits for Jim
538	Vostro 1500 1.40 Ghz - Mike Mosely/Meter Reading	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
539	Precision 390 1.86 Ghz - Linda Thompson/Billing	50%	5%	45%	Based on 2009 Budgeted Salaries & Benefits for Linda
540	Precision 390 1.86 Ghz - Charlene Easter/Cust Svc Mgr	50%	5%	45%	Based on 2009 Budgeted Salaries & Benefits for Charlene
541	Precision 390 1.86 Ghz - Credit Desk/CSR area	53%	0%	47%	Based on 2009 Budgeted Salaries & Benefits for CSR's
542	Precision 390 1.86 Ghz - Christie Campbell/Admin Clerk	53%	0%	47%	Based on 2009 Budgeted Salaries & Benefits for Christie
535	30 Stackable Chairs	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
532,533 & 534	Dell PWS390 CMT PC's - CSR's	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
531	Precision 390 - Drive Thru - CSR	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
529	Office Pro 2007 Software License	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
528	Server	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
527	IT Study	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
525	New Security Camera	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
521	Credit Card Swipe Machine Software - CSR	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
526	Dell Email Server & Software	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
523	GIS Workstation & Replacement PC	79%	0%	21%	Based on # of Megabites System uses per Daniel - W=344 mb; R=90mb
519	Furniture for Cust Svc Mgr Office - Charlene	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
683	3" Sensors in Field Meter Tester - Large Meters	52%	0%	48%	Total Lrg Meters=23; 11=Meters in Radcliff (11/23 = 48%)
489	Geo XH HandHeld GPS Unit - Daniel	50%	0%	50%	Evenly split per Daniel between Water & Radcliff
488	Color Aerial Photography	50%	0%	50%	Evenly split per Daniel between Water & Radcliff
487	GIS Updated Aerial Imagery	50%	0%	50%	Evenly split per Daniel between Water & Radcliff
484 & 486	GIS Mapping	79%	0%	21%	Based on # of Megabites System uses per Daniel - W=344 mb; R=90mb
368	Ultrasonic Flow Meter	80%	10%	10%	Estimated usage per Brett

691 Vinyl Fence at Service Center	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
55 Carpet & Ceramic Tile at Service Center	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
54 3 Heat Pumps for Service Center	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
524 Field Service Rep's Office Doors	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
51 Ice Blockers for Service Center Roof	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
50 Meter Shop Air Conditioner	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
48 Server Software Laptop & PC's	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
49 Re-do Restroom Floors - Service Center	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
46 Meter Shop Doors	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
44 Heat Detectors - Service Center	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
43 Flag Pole at Service Center	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
27 Service Center	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
41 Drive Thru Improvements	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D
40 Air Temp	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits

Water Assets Depreciation Allocation

The Following Assets are split between Water, Ft. Knox and Radcliff and are on Depreciation Schedule Accordingly

Asset #	Asset Description	Water %	FK Sewer %	Radcliff %	Methodology
674	2008 Extended Cab F250 - Distribution Spvrs	98%	0%	2%	Based on 2009 Budgeted Salaries & Benefits for Rich Stranahan
574	2007 Honda Ridgeline RTL - Jim Bruce	40%	25%	35%	Based on 2009 Budgeted Salaries & Benefits for Jim
571	2007 Dodge Sprinter Van - Maint Spvrs	75%	0%	25%	Based on 2009 Budgeted Salaries & Benefits for Curt Pickerell
567	2004 Jeep Laredo - Operations Mgr - Brett Pyles	40%	25%	35%	Based on 2009 Budgeted Salaries & Benefits for Brett
551	Sage Fixed Asset Software (MAS100)	42%	32%	26%	Based on Plant Asset Dollars Net of Depreciation per 2008 Audit
550	Panasonic DP-C354 Copier - Service Center	71%	7%	22%	Based on 2009 Total Budgeted Salaries & Benefits
520	Operations Mgr Office Furniture - Brett Pyles	40%	25%	35%	Based on 2009 Budgeted Salaries & Benefits for Brett
611	Finish Mower Model #RDTH84R	53%	0%	47%	Based on Number of Billings - March 2009 Y-T-D

Any New Assets are based on the same Methodology as above.

Depreciation Monthly Allocation - Shared Assets

807 KAR 5:071 Section 3(2)(c) & 807 KAR 5:001 Section 16(9)(t)(1-3)

Assets are Booked on County Water Depreciation Schedule

Dec-12			2012 Y-T-D Depreciation Split						
Class	Water Current Mth	%	Water	%	Radcliff	%	Ft. Knox	Total	
AB	\$ 480.66	50%	\$ 240.33	45%	\$ 216.30	5%	\$ 24.03	\$ 480.66	
AD	\$ 60,240.34	71%	\$ 42,770.64	22%	\$ 13,252.87	7%	\$ 4,216.82	\$ 60,240.34	
AM	\$ 941.83	40%	\$ 376.73	35%	\$ 329.64	25%	\$ 235.46	\$ 941.83	
CS	\$ 107,504.76	53%	\$ 56,977.52	47%	\$ 50,527.24	0%	\$ -	\$ 107,504.76	
FM	\$ 172.03	80%	\$ 137.62	10%	\$ 17.20	10%	\$ 17.20	\$ 172.03	
GI	\$ 3,397.88	50%	\$ 1,698.94	50%	\$ 1,698.94	0%	\$ -	\$ 3,397.88	
GS	\$ 12,095.20	79%	\$ 9,555.21	21%	\$ 2,539.99	0%	\$ -	\$ 12,095.20	
MT	\$ 579.12	52%	\$ 301.14	48%	\$ 277.98	0%	\$ -	\$ 579.12	
PC	\$ 230.00	60%	\$ 138.00	30%	\$ 69.00	10%	\$ 23.00	\$ 230.00	
Allocated Deprec Adj Entry	\$ 185,641.82		\$ 112,196.14		\$ 68,929.16		\$ 4,516.52	\$ 185,641.82	
			60.44%		37.13%		2.43%		
Cr	AJE Needed 1.06.40301	\$ 73,445.68							
Dr	4.06.40301	\$ 68,929.16							
Dr	2.00.40301	\$ 4,516.52							
		\$ 73,445.68	\$ 73,445.68						

Purchase of New Assets	<p>After 2009/2010, if it is deemed that the purchase of a new asset should be "shared" between more than one fund, the purchase price of the asset is "split" between the funds and entered seperately on the depreciation schedules. The methodology used in determing the split of costs between funds is very similar in nature as that of the "shared assets" in that it is determined how much of the asset will be used in the other funds. This may be based on the budgeted time of the employee using the asset, for example purchasing a new vehicle for the Meter Readers. In this case, the asset would be "split" as follows: 53% to County Water and 47% to Radcliff Sewer as the Meter Readers budgeted time is based on the Revenue Splits.</p>
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2012 Depreciation for Split Assets		807 KAR 5:071 Section 3(2)(c) & 807 KAR 5:001 Section 16(9)(t)(1-3)								
DOES NOT INCLUDE ASSETS SPLIT ONLY BETWEEN FK SEWER & RADCLIFF SEWER										
Asset Description	Water	%	FK Sewer	%	FK Storm	%	Radcliff	%	FK Water	%
River Rock for Service Center Landscaping	577.89	71%	56.98	7%			179.06	22%		100%
Sewer Line at Service Center	187.76	71%	18.51	7%			58.18	22%		100%
Curbing for Service Center Parking Lot	202.86	71%	48.57	17%	14.29	5%	20.00	7%		100%
Service Center Parking Lot	2,317.49	71%	554.89	17%	163.20	5%	228.49	7%		100%
3 HVAC Units for Service Center	101.84	74%	5.51	4%	1.38	1%	28.90	21%		100%
Software: ArcPad 10, GPS Analyst, GPS Correct	84.29	42.5%	25.78	13.0%	3.97	2.0%	59.50	30.0%	24.79	12.5%
Operations Mgrs. Furniture	171.98	40%	107.49	25%			71.66	35%		100%
Panasonic Copier	907.59	71%	89.48	7%			401.75	22%		100%
Sage FAS100 Software	171.99	42%	131.04	32%			106.47	26%		100%
Phaser Copier 3300MFPX	79.45	53%					70.45	47%		100%
Convertible Minitower Computer Sschmuck	102.20	35%	48.18	33%			93.44	32%		100%
1/3 Document Imaging System	487.88	34%	487.88	33%			487.88	33%		100%
Remit Plus Software	457.50	50%					457.50	50%		100%
Latitude Computer CEaster	194.58	50%	9.73	5%			175.12	45%		100%
Convertible Minitower Computer Bpyles	169.05	40%	52.83	25%			147.92	35%		100%
convertible minitower computer jhuff	169.05	40%	52.83	25%			147.92	35%		100%
Drive Thru Drawer Unit & Counter	412.45	53%					365.75	47%		100%
Handrail for Loading Dock	131.63	71%	18.54	7%			58.27	22%		100%
Zeus Server	279.39	71%	27.55	7%			86.57	22%		100%
Sealing & Striping of SC Parking Lot	752.85	71%	73.50	7%			238.35	22%		100%
Insignia 47" LCD TV	51.93	53%					46.05	47%		100%
Leightronics Mini Tnet Controller Int. DVD player	78.00	53%					69.17	47%		100%
Dell Inspiron 1150	64.85	53%					57.50	47%		100%
5 Dell Vostro Laptops	354.04	53%					313.96	47%		100%
SDI Geosync Enterprise for Utilities	725.64	49%	236.94	16%	133.28	9%	385.03	26%		100%
Remote Access Iweb Harris	169.60	53%					150.40	47%		100%
Icall	417.38	53%					370.13	47%		100%
Server AC Unit	261.27	71%	62.56	17%	18.40	5%	25.76	7%		100%
2 Dell Computers GIS Mapping	304.53	49%	99.44	16%	55.93	9%	161.59	26%		100%
Dell Laptop Tim Osborne	33.31	52%					30.74	48%		100%
Web Server	71.80	53%					66.28	47%		100%
6 Workstation Computers (Dist Sup, Billing & 4 CSR'S)	254.90	53%					235.29	47%		100%
New CSR Chairs	17.19	53%					15.24	47%		100%
2004 Jeep Laredo	292.45	40%		25%			255.89	35%		100%
2007 Dodge Sprinter Van	4,513.39	75%					1,504.54	25%		100%
Honda Ridgeline	1,342.86	40%	839.29	25%			1,175.00	35%		100%
Ext Cab F250 Dist Supervisor	3,044.82	98%					62.14	2%		100%
Solar Assisted Arrow Board	223.43	34%	216.86	33%			216.86	33%		100%
Toyota Tundra	1,142.72	40%	999.86	35%			714.29	25%		100%
Vac Truck Hydro Excavating Assembly	20.09	5%	120.56	30%	20.09	5%	241.12	60%		100%
2012 Ford F150	605.43	53%					527.28	47%		100%
Edco 18" Concrete Asphalt Walk Behind Saw	91.56	75%					30.53	25%		100%
Multiquip MTX60 4 Cycle Rammer Compactor	104.95	75%					34.98	25%		100%
Dixie Chopper	412.50	50%	412.50	50%						100%
Finish Mower	95.14	53%					84.37	47%		100%
Total	\$ 22,653.50		\$ 4,797.30		\$ 410.54		\$ 10,257.32		\$ 24.79	\$ 38,143.45
Total of Split Assets Other than County Water	59.39%		12.58%		1.08%		26.89%		0.06%	

Other Cost Allocations Methodologies

807 KAR 5:071 Section 3(2)(c) & 807 KAR 5:001 Section 16(9)(t)(1-3)

Other Direct Costs	After assessing that Labor, Assets and Depreciation should be shared or split between Funds, it was determined that other costs should be shared as well especially in the areas of Customer Service and Administration Costs. The methodology used to determine the percentage of cost to be split to other Funds is very similar to the Labor Allocation and Asset Allocation methodologies in that an overall average of an employees time and square footage of office space etc. was used to calculate some of the Allocations. Other determining factors include the percent of total revenues between County Water and Radcliff Sewer, square feet of the Service Center attributable to the refinance of existing debt to the 2002 Variable rate debt with the Bank of New York (BoNY), etc.
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Since we have gone to a new accounting software, MicroSoft Dynamics - GP, we can automatically set up allocations to take effect immediately by coding to a specific general ledger number. Below are the accounts that are allocated and the percentages allocated to other Funds - FK Sewer, FK Storm and Radcliff Sewer along with the Allocation Method used:

Legend	Allocation Methodology Description
A	Total Personnel Costs by Utility from 2010 Budgeted Wages
B	% of Total Dollar Revenues Billed with \$0 for FK Sewer & Storm
C	Based upon the occupancy % of Personnel Devoted to Radcliff Swr. This was based on Square Footage of Office Space and Amount of Time Employees Designate to Radcliff Swr
D	Total Personnel Costs for Radcliff from 2010 Budgeted Wages with Balance to County Water
E	Number of Meter Readers as % of Total Employees with Uniforms multiplied by number of Meters read by Utility, none for FK Swr & Storm

GL Account	Account Description	%	Allocation Methodolgy
1.94.62000	Water.Allocated C/S. Material & Supplies-Misc		A
1.04.62000	County Water	75.00%	
2.00.92100	Fort Knox Sewer	4.00%	
3.00.92100	Fort Knox Storm	1.00%	
4.04.92100	Radcliff Sewer	20.00%	
		100.00%	
1.94.62300	Water.Allocated C/S.Miscellaneous Customer Exp		B
1.04.62300	County Water	53.00%	
4.04.90301	Radcliff Sewer	47.00%	
		100.00%	
1.94.63600	Water.Allocated C/S.Contractual Services		B
1.04.63600	County Water	53.00%	
4.04.92303	Radcliff Sewer	47.00%	
		100.00%	
1.94.63800	Water.Allocated C/S.Bill Printing/Mailing Contract		B
1.04.63800	County Water	53.00%	
4.04.92303	Radcliff Sewer	47.00%	
		100.00%	

1.94.63900	Water.Allocated C/S.Contractd Security Service		
1.04.63900	County Water	53.00%	B
4.04.92303	Radcliff Sewer	47.00%	
		100.00%	
1.94.67900	Water.Allocated C/S.Cash Over/Short		
1.04.67900	County Water	53.00%	B
4.04.92303	Radcliff Sewer	47.00%	
		100.00%	
1.96.42705	Water.Allocated Admin.Remarket & Other Bond Fees		
1.06.42705	County Water	87.00%	C
4.06.93006	Radcliff Sewer	13.00%	
		100.00%	
1.96.61500	Water.Allocated Admin.Utilities		
1.06.61500	County Water	75.00%	A
2.00.93004	Fort Knox Sewer	4.00%	
3.00.93004	Fort Knox Storm	1.00%	
4.06.93004	Radcliff Sewer	20.00%	
		100.00%	
1.96.62000	Water.Allocated Admin.Material & Supplies - Misc		
1.06.62000	County Water	80.00%	D
4.06.92100	Radcliff Sewer	20.00%	
		100.00%	
1.96.62100	Water.Allocated Admin.Computer Supplies		
1.06.62100	County Water	80.00%	D
4.06.92100	Radcliff Sewer	20.00%	
		100.00%	
1.96.63600	Water.Allocated Admin.Contractual Services		
1.06.63600	County Water	53.00%	B
4.06.92303	Radcliff Sewer	47.00%	
		100.00%	
1.96.63700	Water.Allocated Admin.Uniform Expense		
1.06.63700	County Water	93.00%	E
4.03.71000	Radcliff Sewer	7.00%	
		100.00%	
1.96.65000	Water.Allocated Admin.Transport Fuel & Repairs		
1.06.65000	County Water	75.00%	A
2.00.92901	Fort Knox Sewer	4.00%	
3.00.92901	Fort Knox Storm	1.00%	
4.06.92901	Radcliff Sewer	20.00%	
		100.00%	
1.96.67500	Water.Allocated Admin.Miscellaneous Expense		
1.06.67500	County Water	80.00%	D
4.06.92100	Radcliff Sewer	20.00%	
		100.00%	

1.96.67600	Water.Allocated Admin.Phone Expense		
1.06.67600	County Water	75.00%	A
2.00.93004	Fort Knox Sewer	4.00%	
3.00.93004	Fort Knox Storm	1.00%	
4.06.93004	Radcliff Sewer	20.00%	
		100.00%	
1.96.67700	Water.Allocated Admin.Dues & Subscriptions		
1.06.67700	County Water	80.00%	D
4.06.92100	Radcliff Sewer	20.00%	
		100.00%	
1.96.67800	Water.Allocated Admin.Postage & Mailing		
1.06.67800	County Water	80.00%	D
4.06.92100	Radcliff Sewer	20.00%	
		100.00%	
1.96.68000	Water.Allocated Admin.Safety Expense		
1.06.68000	County Water	80.00%	D
4.06.92100	Radcliff Sewer	20.00%	
		100.00%	
1.96.68100	Water.Allocated Admin.Information Technology Exp		
1.06.68100	County Water	75.00%	A
2.00.93000	Fort Knox Sewer	4.00%	
3.00.93000	Fort Knox Storm	1.00%	
4.06.93000	Radcliff Sewer	20.00%	
		100.00%	
1.96.68300	Water.Allocated Admin.Certification & Training		
1.06.68300	County Water	75.00%	A
2.00.93005	Fort Knox Sewer	4.00%	
3.00.93005	Fort Knox Storm	1.00%	
4.06.93005	Radcliff Sewer	20.00%	
		100.00%	
1.96.68400	Water.Allocated Admin.Travel & Lodging		
1.06.68400	County Water	75.00%	A
2.00.92900	Fort Knox Sewer	4.00%	
3.00.92900	Fort Knox Storm	1.00%	
4.06.92900	Radcliff Sewer	20.00%	
		100.00%	
1.96.68500	Water.Allocated Admin.Education & Conferences		
1.06.68500	County Water	75.00%	A
2.00.93010	Fort Knox Sewer	4.00%	
3.00.93010	Fort Knox Storm	1.00%	
4.06.93010	Radcliff Sewer	20.00%	
		100.00%	
1.97.68200	Water.Allocated Commission.Commission Expense		
1.07.68200	County Water	80.00%	D
4.06.92000	Radcliff Sewer	20.00%	
		100.00%	

2012 Expense Allocation
Actual Costs
Labor & Benefit Allocation

	County Water	FK Sewer	FK Storm	Radcliff Sewer	FK Water	Total	Allocation Methodology
Pirtle Water Treatment	\$ 386,451	\$ -	\$ -	\$ -	\$ -	\$ 386,451	A
Distribution	\$ 434,755	\$ -	\$ -	\$ 91,059	\$ 193	\$ 526,007	B
FK Water Distribution	\$ -	\$ -	\$ -	\$ -	\$ 377,653	\$ 377,653	C
Cust Svc	\$ 164,528	\$ 508	\$ 254	\$ 151,356	\$ 670	\$ 317,315	D
Maintenance	\$ 62,485	\$ -	\$ -	\$ -	\$ 1,178	\$ 63,663	E
Admin	\$ 193,106	\$ 62,983	\$ 19,683	\$ 84,661	\$ 47,043	\$ 407,477	F
Commissioner	\$ 19,242	\$ 17,492	\$ 5,247	\$ 17,492	\$ 9,656	\$ 69,130	G
Legal	\$ 16,040	\$ 2,775	\$ 991	\$ 4,559	\$ -	\$ 24,365	H
Total Labor/Benefits	\$ 1,276,607	\$ 83,758	\$ 26,176	\$ 349,128	\$ 436,393	\$ 2,172,061	
% of Total Labor Costs	58.8%	3.9%	1.2%	16.1%	20.1%	100.0%	

HCWD1 took over operations of FK Water on February 1, 2012. Expenses only include 11 months

Legend	Labor Methodology Description
A	100 % Direct County Water
B	Includes Meter Readers at 52% Co. Wat & 48% Radcliff; Dist Supvrs at 98.5% Co. Wat, 1.5% Rad; Operators at 100% Co. Water; Meter Technician at 52.5% Co. Wat, 47% Radcliff & .5% FK Water
C	GIS & Admin Clerk at 100% FK Water; FK Dist Supvrs at 100% FK Water; Operators at 100% FK Water
D	CSR's at 52% Co. Water & 48% Radcliff; C/S Supvrs at 52% Co. Water & 48% Radcliff; Billing Specialist at 51% Co. Water, 48% Radcliff, 1% FK Swr, 0.5% FK Storm & 1.5% FK Water
E	Maintenance at 98% Co. Water & 2% FK Water
F	Executive Assistant, Accounting Specialist & Finance & Accounting Mgr at 27.5% Co. Water, 25% Radcliff, 25% FK Swr, 7.5% FK Storm & 15% FK Water; Accountant at 53.7% Co. Water, 26.9% Radcliff, 12.5% FK Swr, 1.9% FK Storm & 5% FK Water; Project Coordinator at 48% Co. Water, 25% Radcliff, 15% FK Swr, 2% FK Storm & 10% FK Water; General Mgr at 45.2% Co. Water, 25% Radcliff, 15% FK Swr, 5% FK Storm & 9.8% FK Water; GIS/Planning Specialist at 42.5% Co. Water, 30% Radcliff, 13% FK Swr, 2% FK Storm & 12.5% FK Storm; Operations Mgr at 13.5% Co. Water, 15% Radcliff, 15% FK Swr, 10.3% FK Storm, & 46.2% FK Water; WQ Specialist at 99% Co. Water & 1% FK Water. Engineering Mgr is 100% Capitalized to open CIP Projects.
G	Commissioners at 27.5% Co. Water, 25% Radcliff, 25% FK Swr, 7.5% FK Storm & 15% FK Water
H	Atty at 58% Co. Water, 23% Radcliff, 14% FK Swr & 5% FK Storm. FK Water Legal Fees were 100% capitalized to FK Water Acquisition Project.

2012 Other Expense Account Allocations
DOES NOT INCLUDE DIRECT COSTS TO SEWER & STORM UTILITIES

	County Water	FK Sewer	FK Storm	Radcliff Sewer	FK Water	Total	Allocation Methodology
C/S Material & Supplies	\$ 5,117	\$ 230	\$ 58	\$ 1,151	\$ -	\$ 6,556	J
C/S Maint & Repairs	\$ 916	\$ -	\$ -	\$ 812	\$ -	\$ 1,727	K
C/S Contractual Svcs	\$ 33,911	\$ -	\$ -	\$ 69,536	\$ -	\$ 103,447	K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item
C/S Contracted Security Svc	\$ 1,161	\$ -	\$ -	\$ -	\$ -	\$ 1,161	K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item
C/S Bill Printing/Mailing	\$ 43,306	\$ -	\$ -	\$ -	\$ -	\$ 43,306	K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item
C/S Cash Over & Short	\$ 34	\$ -	\$ -	\$ -	\$ -	\$ 34	K - Contract Svc, Security Svc & Bill Printing allocated to 1 Radcliff line item
Admin Allocated Depreciation	\$ (73,357)	\$ 4,517	\$ -	\$ 68,840	\$ -	\$ -	L - Assets are Booked as Co. Water Assets but are shared with FK Swr & Radcliff Swr
Admin Var Rate L/T Debt	\$ 31,547	\$ 1,127	\$ -	\$ 4,882	\$ -	\$ 37,556	M
Admin Remark/Bond Fees	\$ 7,571	\$ -	\$ -	\$ 1,131	\$ -	\$ 8,702	M
Admin Utilities	\$ 22,078	\$ -	\$ -	\$ -	\$ -	\$ 22,078	J - Utilities & Phone Exp Allocated to one Account
Admin Materials & Supplies	\$ 5,568	\$ -	\$ -	\$ 6,510	\$ -	\$ 12,078	N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account
Admin Contractual Svcs	\$ 14,830	\$ -	\$ -	\$ 13,151	\$ -	\$ 27,980	K
Admin Uniform Expense	\$ 20,679	\$ -	\$ -	\$ 1,727	\$ -	\$ 22,406	O
Admin Transport Fuel/Repairs	\$ 7,003	\$ 374	\$ 93	\$ 1,949	\$ -	\$ 9,419	J
Admin Miscellaneous Expense	\$ 6,668	\$ -	\$ -	\$ -	\$ -	\$ 6,668	N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account
Admin Phone Expense	\$ 10,344	\$ -	\$ -	\$ -	\$ -	\$ 10,344	J - Utilities & Phone Exp Allocated to one Account
Admin Dues & Subscriptions	\$ 4,331	\$ -	\$ -	\$ -	\$ -	\$ 4,331	N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account
Admin Postage & Mailing	\$ 4,778	\$ -	\$ -	\$ -	\$ -	\$ 4,778	N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account
Admin Safety Expense	\$ 4,583	\$ -	\$ -	\$ -	\$ -	\$ 4,583	N - Admin Supplies, Miscell, Dues, Postage & Saftey Exp Allocated to one account
Admin IT Expense	\$ 53,998	\$ 2,919	\$ 730	\$ 14,596	\$ -	\$ 72,243	J
Admin Certification & Training	\$ 5,804	\$ 310	\$ 77	\$ 1,548	\$ -	\$ 7,739	J
Admin Travel & Lodging	\$ 10,128	\$ 540	\$ 135	\$ 2,701	\$ -	\$ 13,504	J
Admin Education & Conference	\$ 5,875	\$ 501	\$ 99	\$ 1,751	\$ -	\$ 8,226	J
Commission Expense	\$ 3,354	\$ -	\$ -	\$ 774	\$ -	\$ 4,127	N
Allocated FK Water G&A Exp	\$ (188,460)	\$ (41,606)	\$ (10,585)	\$ (88,329)	\$ 328,980	\$ -	P
Total Other Allocated Expenses	\$ 41,770	\$ (29,145)	\$ (8,961)	\$ 111,376	\$ 328,980	\$ 444,021	
% of Other Allocated Expenses	9.4%	-6.6%	-2.0%	25.1%	74.1%	100%	
Total Allocated Expenses	\$ 1,318,377	\$ 54,613	\$ 17,215	\$ 460,504	\$ 765,373	\$ 2,616,082	
% of Total Allocated Expenses	50.4%	2.1%	0.7%	17.6%	29.3%	100%	

Legend:

Other Expense Accounts Allocation Methodology Description

J	Total Personnel costs by Utility from 2010 Budgeted Wages
K	% of Total Dollar Revenues Billed for Co. Water & Radcliff Swr with \$0 for FK Sewer, Storm & FK Water
L	Assets Booked as Co. Water Assets but Depreciation is Shared with FK Swr & Radcliff Swr. See Depreciation Allocation-Shared Assets for Complete Methodology Descriptions
M	Based on the Occupancy % of Personnel Devoted to FK Swr & Radcliff Swr. This was based on Square Footage of Office Space and Amount of Time Employees devote to each
N	Total Personnel costs for Radcliff Swr from 2010 Budgeted Wages with balance to Co. Water
O	Number of Meter Readers as % of Total Employees with Uniforms multiplied by number of Meters read by Utility, none for FK Swr, FK Storm or FK Water
P	Net S,G&A Overhead to charge FK Water and Credit other Funds. See calculation on 2012 Labor Budget Spreadsheet

Comparative Income Statement
Operating Expenses at December 31, 2012

Operating Expenses	Direct Costs	Allocated Costs	Total Costs	
Collection System Labor	\$ -	\$ 91,059	\$ 91,059	
Customer Service Labor	\$ -	\$ 151,356	\$ 151,356	
Administration Labor	\$ -	\$ 102,927	\$ 102,927	Admin & Commission Labor plus Commission Expense
Professional Services-Accounting	\$ 7,370	\$ -	\$ 7,370	
Professional Services-Legal	\$ -	\$ 4,559	\$ 4,559	Legal Labor
Information Technology Expense	\$ -	\$ 14,596	\$ 14,596	
Management Fee - Veolia	\$ 2,102,540	\$ -	\$ 2,102,540	
Contractual Services	\$ 12,247	\$ 82,686	\$ 94,933	C/S Contractual plus Admin Contractual
Insurance Expense	\$ 29,231	\$ -	\$ 29,231	
Transportation Fuel & Repairs	\$ -	\$ 1,949	\$ 1,949	
Utility Regulatory Expense	\$ 5,812	\$ -	\$ 5,812	
Office Supplies	\$ 277	\$ 7,661	\$ 7,938	C/S & Admin Material & Supplies
Utilities	\$ 2,754	\$ 8,646	\$ 11,400	Water, Sewer & Phone Expenses
Bad Debt Expense	\$ 41,597	\$ -	\$ 41,597	Direct Write Off of Radcliff Sewer Accounts
Agency Collection Expense	\$ 2,968	\$ -	\$ 2,968	Expense Attributable to Radcliff Sewer Accounts
Advertising Expense	\$ 42	\$ -	\$ 42	
Rent Expense	\$ 2,250	\$ -	\$ 2,250	
Travel & Lodging	\$ -	\$ 2,701	\$ 2,701	
Certification & Training	\$ 160	\$ 1,548	\$ 1,708	
Education & Conferences	\$ -	\$ 1,751	\$ 1,751	
Routine Maintenance Service	\$ -	\$ 1,727	\$ 1,727	Admin Uniform Expense
Miscellaneous Customer Expense	\$ -	\$ 812	\$ 812	C/S Maint & Repairs
Miscellaneous Expense	\$ 7,415	\$ -	\$ 7,415	Registration Fees, Easement Fees, Distribution Mat for water line at RPTB
Customer Deposit Interest Expense	\$ 717	\$ -	\$ 717	
Allocated FK Water G&A Expense	\$ -	\$ (88,329)	\$ (88,329)	
Total Operating Expense	\$ 2,215,380	\$ 385,650	\$ 2,601,030	
Depreciation & Amortization Expense	\$ 912,281	\$ 68,840	\$ 981,121	
Interest Expense	\$ 80,777	\$ 6,014	\$ 86,791	
Total Expenses 2012	\$ 3,208,438	\$ 460,504	\$ 3,668,942	



**HCWD1 - Radcliff Utility
PSC Case**

Capital Projects

Lincoln Trail I/I Reduction Project
 Quiggins Gravity System Project
 Boone Trace and Lincoln Trail Lift Station Improvements
 WWTP Primary Treatment Building
 Watkins LS Project
 Drug Store Lift Station Replacement
 WWTP Plant Clarifier, Oxidaton Ditch, and Lower Half of WWTP
 Greenview and Cement LS Improvements
 Greenview and Cement Gravity System Improvements
 North Logsdon Parkway Gravity System Improvements
 Stovall LS/FM Improvements
 North Woodland Gravity System Improvements
 John Hardin Force Main Improvements
 WWTP RAS/WAS Improvements
 LS Bypass Improvements
 North Logsdon LS Improvements Project
 Quiggins and Boone Trace I/I Reduction Project
 Seminole I/I Reduction Project
 WWTP Oxidation Ditch Improvements

Start Date	Proposed In Service Date	Cost of Construction
10/1/2011	5/1/2013	\$ 386,425
3/1/2011	9/1/2014	465,904
9/1/2013	1/1/2014	342,937
6/1/2012	2/1/2013	380,344
10/1/2013	1/1/2014	48,018
9/1/2013	1/1/2014	360,996
9/1/2013	12/1/2013	115,000
10/1/2013	10/1/2014	43,823
10/1/2013	10/1/2014	93,713
6/1/2012	5/1/2013	265,182
6/1/2012	5/1/2013	118,571
6/1/2012	5/1/2013	136,932
9/1/2013	11/1/2013	12,053
7/1/2013	9/1/2013	74,311
6/1/2012	12/1/2013	10,753
8/1/2013	5/1/2014	625,633
9/1/2013	8/1/2014	1,000,000
1/1/2014	10/1/2014	300,000
10/1/2013	8/1/2014	200,000



2013 Radcliff Approved Budget

ACCOUNT NO	ACCOUNT	Approved Budget	Jan	Feb	March	April	May	June	July	August	September	October	November	December	Total
Expenses:															
4.03.70100	Collection System Labor	125,984.00	11,418.00	7,257.33	10,398.57	10,423.66	9,938.80	11,290.70	10,165.92	11,574.35	10,259.80	11,050.03	9,492.04	12,714.79	125,984.00
4.03.71000	Routine Maintenance Service	1,800.00	201.12	96.41	126.60	96.53	516.68	77.83	93.13	98.22	82.74	117.98	174.33	118.42	1,800.00
4.03.71001	Internal Maintenance Supervision & Engineering														
4.04.90300	Customer Service Labor	161,269.00	13,353.57	11,806.19	13,342.68	14,318.83	13,775.67	13,230.73	15,037.03	13,782.90	11,240.53	13,259.67	12,766.94	15,354.26	161,269.00
4.04.90301	Miscellaneous Customer Expense	700.00	15.80	96.39	96.39	68.88	47.73	17.05	8.24	103.06	96.40	99.11	48.12	2.84	700.00
4.04.92100	Office Supplies & Expense	1,300.00	84.69	112.48	140.09	118.22	145.48	89.27	129.97	181.54	102.27	45.12	120.15	30.72	1,300.00
4.04.92303	Contracted Services	78,900.00	6,088.26	7,778.81	7,577.37	6,384.03	6,254.34	6,785.01	6,372.40	6,497.49	6,386.25	6,297.54	6,215.17	34.66	78,900.00
4.04.93007	Customer Interest Expense	800.00	37.46	43.07	40.11	313.49	34.16	59.37	51.26	56.73	45.18	44.62	39.89	34.66	800.00
4.06.93000	Administrative Labor	156,338.00	18,255.95	12,906.24	16,340.47	14,800.94	12,938.40	11,610.23	14,038.08	16,575.30	11,531.13	13,730.01	5,346.47	8,264.76	156,338.00
4.06.93004	Utilities	11,700.00	1,059.44	1,257.32	1,091.69	841.57	870.85	897.82	795.89	1,116.42	920.42	1,014.15	994.91	839.50	11,700.00
4.06.92302	Professional Services - Engineering														
4.06.92300	Professional Services - Accounting	7,370.00	614.15	614.31	614.15	614.15	614.15	614.15	614.15	614.15	614.15	614.15	614.15	614.15	7,370.00
4.06.92301	Professional Services - Legal	8,332.00	713.07	713.07	713.07	713.07	713.07	713.07	713.07	713.07	713.07	713.07	713.07	713.07	8,332.00
4.06.93000	IT Expense	11,800.00	813.85	878.17	868.38	1,441.02	565.97	1,227.28	943.92	955.65	1,260.45	941.55	1,000.10	903.65	11,800.00
4.06.93005	Certification & Training	1,400.00	628.76	47.55	124.60	166.41	47.55	-	157.23	193.47	34.43	-	-	-	1,400.00
4.06.93010	Education & Conferences	3,100.00	-	302.78	774.22	115.09	-	123.95	1,067.74	185.56	13.51	371.38	128.07	17.71	3,100.00
4.06.93002	Promotion/Advertising														
4.06.90302	Agency Collection Expense	3,300.00	322.81	613.44	241.42	185.67	223.98	180.70	147.09	385.49	372.11	234.70	-	-	3,300.00
4.06.90400	Bad Debt Expense	38,300.00	3,550.98	3,401.14	3,158.76	2,589.94	2,949.74	2,717.80	2,775.28	2,103.77	2,645.31	3,299.66	2,584.83	6,522.78	38,300.00
4.06.70000	Management Fee (Veolia)	2,181,931.00	181,827.58	181,827.58	181,827.58	181,827.58	181,827.58	181,827.58	181,827.58	181,827.58	181,827.58	181,827.58	181,827.58	181,827.58	2,181,931.00
4.06.92100	Office Supplies & Expense	6,800.00	459.47	486.97	744.47	374.10	807.15	402.24	374.96	551.46	377.18	955.85	504.51	761.63	6,800.00
4.06.92303	Contracted Services	21,600.00	1,200.28	1,229.55	1,085.15	1,101.40	2,044.32	1,826.52	1,955.38	2,572.91	2,345.92	2,107.92	2,121.45	2,009.20	21,600.00
4.06.92400	Insurance Expenses	25,600.00	2,133.33	2,133.33	2,133.33	2,133.33	2,133.33	2,133.33	2,133.33	2,133.33	2,133.33	2,133.33	2,133.33	2,133.33	25,600.00
4.06.40800	Regulatory Commission Expense	6,200.00	513.45	513.45	513.45	513.45	513.45	513.45	513.45	519.88	519.88	519.88	519.88	519.88	6,200.00
4.06.92901	Transportation Fuel & Repairs	1,900.00	16.04	321.94	144.04	138.14	122.70	126.47	158.68	143.75	166.71	293.02	155.00	113.50	1,900.00
4.06.93008	Rents	2,250.00	187.50	187.50	187.50	187.50	187.50	187.50	187.50	187.50	187.50	187.50	187.50	187.50	2,250.00
4.06.93009	Miscellaneous General Expenses	500.00	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	41.67	500.00
4.06.92900	Travel & Lodging	2,800.00	155.06	109.74	58.95	432.51	60.43	102.00	371.56	406.58	286.95	20.94	657.24	138.05	2,800.00
4.06.40300	Depreciation Expense	954,766.00	76,523.01	76,537.35	78,117.03	80,007.15	79,668.67	79,724.08	80,359.72	80,579.08	80,806.37	80,806.19	80,806.37	80,830.98	954,766.00
4.06.40301	Allocated Depreciation Expense	67,960.00	5,553.81	5,648.73	5,651.10	5,685.75	5,680.82	5,684.81	5,695.24	5,705.03	5,684.69	5,695.21	5,632.50	5,642.29	67,960.00
4.06.43200	Amortization of Acquisition Expense	9,100.00	758.33	758.33	758.33	758.33	758.33	758.33	758.33	758.33	758.33	758.33	758.33	758.33	9,100.00
4.06.40804	Amortization of Rate Case Expense														
4.06.42700	Interest on Long Term Debt	66,400.00	5,776.61	5,776.61	5,776.61	5,776.61	5,776.61	5,776.61	5,412.57	5,412.57	5,412.57	5,412.57	5,412.57	5,041.54	66,400.00
4.06.93006	Remarketing & Other Bond Fees	4,500.00	386.58	380.42	385.04	385.04	385.04	445.33	365.64	359.48	364.10	364.10	364.10	315.14	4,500.00
4.06.42701	Allocated Interest Expense	5,500.00	446.00	469.94	477.64	465.69	472.81	458.42	449.36	455.64	442.05	460.66	456.06	436.74	5,500.00
4.06.93600	Allocated FK Water G & A Expenses	(54,666.00)	(4,555.50)	(4,555.50)	(4,555.50)	(4,555.50)	(4,555.50)	(4,555.50)	(4,555.50)	(4,555.50)	(4,555.50)	(4,555.50)	(4,555.50)	(4,555.50)	(54,666.00)
TOTAL RADCLIFF SEWER EXPENSE >>		3,915,534.00	328,581.15	319,792.34	328,994.96	328,464.26	325,561.51	324,723.76	329,057.28	332,111.37	323,228.34	328,950.72	317,423.48	328,644.82	3,915,534.01
Revenues:															
4.00.52102	Flat Revenue - Commercial	467,800.00	34,616.22	36,557.77	36,611.52	38,032.56	40,806.46	41,957.51	44,625.77	42,863.69	38,754.27	39,505.25	36,830.68	36,638.30	467,800.00
4.00.52201	Measured Revenue - Multi Family	268,900.00	21,547.88	23,603.19	23,231.25	21,467.37	21,635.25	22,587.50	22,025.77	22,920.86	22,127.64	22,664.87	22,332.70	22,755.72	268,900.00
4.00.52202	Measured Revenue - Residential	2,946,800.00	242,160.01	234,067.63	231,599.79	239,542.70	247,840.66	256,333.18	271,922.78	263,433.37	250,454.33	236,562.95	236,791.13	236,091.46	2,946,800.00
4.00.53600	Penalties	169,900.00	13,699.54	14,975.08	13,020.56	12,801.61	11,477.05	14,413.05	14,980.24	13,534.48	15,639.83	15,662.21	15,131.90	14,564.45	169,900.00
4.00.53601	Discharge Permit Fees	1,500.00	48.55	965.99	48.55	48.55	48.55	48.55	48.55	48.55	48.55	48.55	48.55	48.55	1,500.00
4.00.53602	Sewer High Strength Surcharge	500.00	-	-	-	106.85	48.98	-	-	-	-	-	-	-	500.00
4.00.41900	Interest & Dividend Income	19,700.00	2,210.72	1,907.55	1,909.31	1,962.46	1,803.91	1,501.51	1,611.47	1,201.19	1,201.19	1,201.19	1,201.19	1,201.19	19,700.00
4.00.27101	Sewer Tap Fees	3,750.00	312.50	312.50	312.50	312.50	312.50	312.50	312.50	312.50	312.50	312.50	312.50	312.50	3,750.00
4.00.27104	Misc Revenue - Grant - Pump Stations	1,200,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	1,200,000.00
4.00.27105	Misc Revenue - Grants - SI Grant	1,200,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	1,200,000.00
4.00.42100	Bad Debt Recovered	8,900.00	794.29	1,615.97	774.50	649.70	365.98	655.40	478.48	1,062.22	1,158.33	189.14	462.26	693.73	8,900.00
4.00.27102	Capital Contributions														
SUB TOTAL REV >>		6,287,750.00	515,389.72	514,005.69	507,507.98	514,924.30	524,339.35	537,809.20	556,005.56	545,628.16	529,887.20	516,401.35	513,460.36	512,391.14	6,287,750.00
NON-OPERATING REVENUES >>		(2,403,750.00)	(200,312.50)	(200,312.50)	(200,312.50)	(200,312.50)	(200,312.50)	(200,312.50)	(200,312.50)	(200,312.50)	(200,312.50)	(200,312.50)	(200,312.50)	(200,312.50)	(2,403,750.00)
TOTAL OPERATING REVENUES >>		3,884,000.00	315,077.22	313,693.19	307,195.48	314,611.80	324,026.85	337,496.70	355,693.06	345,315.66	329,574.70	316,088.85	313,147.86	312,078.64	3,884,000.00
EXPENSES >>		3,915,534.00	328,581.15	319,792.34	328,994.96	328,464.26	325,561.51	324,723.76	329,057.28	332,111.37	323,228.34	328,950.72	317,423.48	328,644.82	3,915,534.01
OPERATING INCOME >>		(31,534.00)	(13,503.93)	(6,099.15)	(21,799.48)	(13,852.47)	(1,534.66)	12,772.94	26,635.77	13,204.29	6,346.36	(12,861.87)	(4,275.62)	(16,566.18)	(31,534.01)



AGREEMENT

BY AND BETWEEN

HARDIN COUNTY WATER DISTRICT No. 1

AND

VEOLIA WATER NORTH AMERICA – SOUTH, LLC

TO PROVIDE

**OPERATIONS MAINTENANCE AND MANAGEMENT OF
WASTEWATER UTILITY SYSTEM**

**AT
RADCLIFF, KY**

February 8, 2008

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AGREEMENT

THIS AGREEMENT, made and entered into this 14th of February, 2008 (hereinafter referred to as the "Agreement"), by and between the HARDIN COUNTY WATER DISTRICT No. 1 hereinafter referred to as the "DISTRICT", and Veolia Water North America – South, LLC hereinafter referred to as "VEOLIA WATER."

WITNESSETH:

WHEREAS, the DISTRICT and VEOLIA WATER entered into an Agreement ("Agreement") in June, 2005 to work together to privatize the wastewater and storm water utility systems at Ft. Knox, Kentucky (the "Fort Knox Operations") under Defense Energy Support Center Solicitation No. SP0600-01-R-0121; and

WHEREAS, the success of that Agreement brought about interest by the City of Radcliff ("CITY") in determining whether economies of scale exist that could likewise reduce costs and provide more effective service in the operation, maintenance and management of the CITY's wastewater utility system (the "Radcliff System"); and

WHEREAS, the DISTRICT entered into a Memorandum of Agreement with the CITY to carry out a study to determine if opportunities exist to reduce rates and to improve and expand service to meet the needs of the BRAC activities on Ft Knox; and,

WHEREAS, the DISTRICT and the CITY entered into a Wastewater System Acquisition Agreement on January 31, 2008 (the "Radcliff Agreement") to enact the transfer of all assets and liabilities of the CITY System to the DISTRICT, which included, as part of the Radcliff Agreement, VEOLIA WATER providing O&M services to the DISTRICT in connection with operation, maintenance and management of the Radcliff System; and,

WHEREAS, the DISTRICT and VEOLIA WATER shall enter into this Agreement to provide the terms under which VEOLIA WATER will operate, maintain and manage the CITY System only if the transfer of the CITY system to the DISTRICT is approved by the Kentucky Public Service Commission;

NOW, THEREFORE, in consideration of the mutual covenants and Agreement set forth hereinafter, the DISTRICT and the VEOLIA WATER agree as follows:

1. General Terms of the Agreement:

1. Scope of this Agreement: The intention of the parties is that the terms of this Agreement will exclusively govern the services to be performed by VEOLIA WATER in connection with the Radcliff Sewer System. A separate document sets forth terms regarding VEOLIA WATER and the DISTRICT's other relationship regarding the Fort Knox Operations which requires specialized language relating to the Federal Acquisition Regulations and other federal procurement laws incorporated therein by reference but which shall not apply to the services

4. General Duties of VEOLIA WATER:

- .1 VEOLIA WATER shall operate and maintain the system so as to provide reliable, cost-effective, and compliant service ("work") over the term of the contract as described herein. The work to be provided by VEOLIA WATER is divided into various categories and sections which are further defined and described in this section.
- .2 VEOLIA WATER shall establish, maintain and adhere to a Quality Management Plan within ninety (90) days of project start. The plan shall include staffing, customer feedback system, method of system inspection, record keeping and environmental compliance plan.
- .3 The DISTRICT reserves the right to monitor and evaluate the progress and performance of VEOLIA WATER to assure that the terms of this Agreement are being met in accordance with applicable wastewater industry monitoring and evaluating criteria and standards. VEOLIA WATER shall cooperate with the DISTRICT relating to such monitoring and evaluation.
- .4 VEOLIA WATER shall develop and/or supply and utilize computerized programs for process control, maintenance, and laboratory Quality Assurance/Quality Control. The maintenance program will be capable of exporting information to the DISTRICT's GIS Mapping system.
- .5 VEOLIA WATER shall provide sufficient financial information to the DISTRICT for the purposes of preparing accounting reports which classify costs into categories or accounts as required by the Kentucky Public Service Commission. In lieu of duplicate reports, VEOLIA may produce for the DISTRICT a digital computer file with its costs allocated to its own account numbers, into a spreadsheet or database program, with sufficient other explanation or use for each expense for the DISTRICT to further categorize the expenses into other required Uniform System Chart of Accounts.
- .6 VEOLIA WATER will provide for the collection and hauling of solid waste, screenings, grit, sludge and scum ("Waste") to the DISTRICT's existing or approved disposal sites. It shall be the sole right and responsibility of the DISTRICT to designate, approve or select disposal sites to be used by VEOLIA WATER for the DISTRICT's waste materials. All Waste and/or byproduct treated and/or generated during VEOLIA WATER's performance of services is and shall remain the sole and exclusive property of the DISTRICT. All manifests or other documentation required for disposal of Waste shall be signed by or in the name of the DISTRICT or its authorized representative.
- .7 Upon request of the DISTRICT, VEOLIA WATER will provide a listing of recommended capital improvements required for the Project. VEOLIA WATER

will not be relieved of its responsibility to perform if the recommendations are not implemented; provided however, that the capital improvement necessary to: (I) meet effluent requirements; (ii) meet federal, state or local laws, rules or regulations for the safety of persons in or about the Project; or (iii) meet ADA (Americans with Disabilities Act) requirements. If the project(s) are approved, the DISTRICT will make arrangements for the design and construction of said improvements.

- .8 VEOLIA WATER shall provide its own telephone, cable television company, computer internet, natural gas and electrical service. The DISTRICT and VEOLIA WATER however do agree that if the rates are less expensive as government rates versus a corporate rate then the service will be in the name of the DISTRICT and paid by VEOLIA WATER.
- .9 Prior to operating two-way, portable, or land mobile devices VEOLIA WATER shall be certain these are compatible with Ft Knox regulations because of the interchange of personnel and equipment between the two project.
- .10 VEOLIA WATER will be permitted to use the offices, maintenance shops, and materials storage/staging areas at Radcliff for the operation of the project but not for non related project activities unless provided for in writing from the DISTRICT.
- .11 VEOLIA WATER shall be responsible for the disposition of VEOLIA WATER removed or salvaged materials in accordance with CITY, County, State and Federal regulations..
- .12 VEOLIA WATER shall provide a vehicle for its project manager and a lawn mower required to cut grass. The above property shall be readily identifiable as to include both the DISTRICT and VEOLIA WATER markings on each vehicle.
- .13 VEOLIA WATER shall employ sound utility practices to ensure continuous, dependable, and reliable utility service is provided to the Installation 24 hours each day and to minimize the scope and length of any service disruption. VEOLIA WATER shall ensure it is able to receive the Service Requests 24 hours a day, every day. Once a request is received, VEOLIA WATER shall respond in accordance with their Service Interruption/Contingency Plan which shall be provided to the DISTRICT ninety (90) days after start of the contract. The standards shall distinguish between different categories (routine, emergency) of service requests and service interruptions and, identify response times for each category. The standards will match those currently being utilized in the service provided to Ft Knox.
- .14 Intentionally Left Blank

- .15 VEOLIA WATER shall comply with all applicable State and Federal environmental laws and regulations.
- .16 VEOLIA WATER shall comply with industry standards regarding work in and around environmentally sensitive or contaminated property.
- .17 VEOLIA WATER shall provide an inventory of all materials, tools, chemicals and supplies on hand at the site within 24 hours of starting the contract. .
- .18 Intentionally Left Blank
- .19 VEOLIA WATER shall at its expense comply with all applicable laws on occupational safety and health, the handling and storage of hazardous materials included in its scope of work and the proper handling and disposal of hazardous wastes and hazardous substances generated by VEOLIA WATER during its activities.
- .20 VEOLIA WATER Duties - Personnel related work and scope:
 - .1 VEOLIA WATER will offer employment to all existing full time CITY employees as long as their positions are necessary to VEOLIA WATER'S performance under this Agreement and they continue to perform their duties in a satisfactory manner and subject to all such individuals taking and successfully passing a drug screen test and a physical evaluation to be administered by a VEOLIA WATER company physician.
 - .2 VEOLIA WATER will agree to lease a single employee for a period not to exceed six months per the Utility Transfer Agreement signed between the DISTRICT and the CITY. VEOLIA WATER will enter into a separate agreement with the CITY for that employee and will reimburse them for that cost. The employee after the six months would be offered employment under the same terms listed in Section 20.1.
 - .3 VEOLIA WATER will as an alternative to offering full time employment, provide three employees with a cash settlement option that would meet the requirements of the DISTRICT in the Utility Transfer Agreement signed between the DISTRICT and the CITY. The cash settlement will not exceed one year's base wage plus income taxes, and will require that the individual in exchange for a cash settlement terminate employment with the CITY and waive any right to employment with VEOLIA WATER. The completion of the transaction to occur before start of the contract.
 - .4 VEOLIA WATER will provide said employees with the same wage as paid by the CITY on July 1, 2007 and industry competitive fringe benefits package. VEOLIA WATER will accept existing CITY employee time with the CITY in establishing their vacation time with VEOLIA WATER.

performed under this Agreement unless otherwise specifically stated herein. This Agreement shall not modify or change the terms under which VEOLIA WATER performs services for the DISTRICT in connection with the Fort Knox Operations. Definitions of words and phrases used in this Agreement and the attachments are contained in APPENDIX A.

- .2 DISTRICT Property: All land, buildings, facilities, easements, licenses, rights-of-way, equipment and vehicles presently or hereinafter acquired or owned by the DISTRICT shall remain the exclusive property of the DISTRICT unless specifically provided for otherwise in this Agreement.
- .3 Binding Agreement: This Agreement shall be binding upon the successors and assigns of each of the parties, but neither party shall assign this Agreement without the prior written consent of the other party. Consent shall not be unreasonably withheld, conditioned or delayed.
- .4 Notices: All notices shall be in writing and transmitted to the party's addresses and persons listed below. All notices shall be deemed effectively given when delivered, if delivered personally or by courier, mail service, i.e., Federal Express or DHL; delivered after such notice has been deposited in the United States mail postage prepaid, if mailed certified or registered U.S. mail, return receipt requested; or received by the party for which notice is intended, if given in any other manner.

If to the DISTRICT to:

Primary Address;

Hardin County Water District No.1
Mr. Jim Bruce, General Manager
1400 Rogersville Road
Radcliff, KY 40160

with a copy to:

Mr. David Wilson
Skeeters, Bennett, Wilson and
Pike
550 West Lincoln Trail Blvd.
Radcliff, KY 40160

If to VEOLIA WATER to:

Veolia Water North America – South, LLC
Mr. Robert Nicholas, Area Manager
14055 Riveredge Drive – Suite 240
Tampa, Florida 33637

With a copy to:

Veolia Water North America - South, LLC
Mr. Van Cates, Senior Counsel
14055 Riveredge Drive – Suite 240
Tampa, Florida 33637

- .5 Radcliff Agreement: It is understood that certain requirements from the Radcliff Agreement are set forth in Appendix F is incorporated herein for all purposes. VEOLIA WATER agrees to comply with all such requirements..
- .6 Entire Agreement: This Agreement, including APPENDICES A through F, is the entire Agreement between the parties with respect to the Radcliff Sewer System. This Agreement may be modified only by written Agreement signed by both parties. Wherever used, the terms "VEOLIA WATER" and "DISTRICT" shall include the respective officers, agents, directors, elected or appointed officials and employees, where appropriate VEOLIA WATER's or anyone acting on their behalf.
- .7 Savings Clause: If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect, and shall in no way be affected, impaired or invalidated.
- .8 Nature of Services: The services provided under this Agreement are of a professional nature and shall be performed in accordance with good and accepted industry practices for contract operators similarly situated. However, such services shall not be considered engineering services, and nothing herein is intended to imply that VEOLIA WATER is to supply professional engineering services to the DISTRICT, unless specifically stated in this Agreement to the contrary.
- .9 Attorneys Fees: If any litigation is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, which are directly attributed to such litigation, in addition to any other relief to which it may be entitled.
- .10 No Third Party Beneficiaries: Nothing in this Agreement shall be construed to create in any third party or in favor of any third party any right(s), license(s), power(s) or privilege(s).
- .11 Designated Representative: Prior to the commencement of work under this Agreement, each party shall designate in writing an employee or other representative of the designating party who shall have full authority to approve changes in the Scope of Work and compensation therefore, execute written Change Orders reflecting such changes, render decisions promptly, and furnish information expeditiously to the other party when necessary.
- .12 Governing Law: This Agreement shall be governed by, construed and interpreted in accordance with the laws of the Commonwealth of Kentucky, excluding any choice of law rules, which may direct the application of the laws of any other jurisdiction. More particularly, any action pertaining to this Agreement taken in

a court of law shall, unless otherwise prevented by law, be subject to venue and jurisdiction in Hardin County, Kentucky,

- .13 Severability: If any provision of this Agreement is deemed invalid, illegal, such provision will be deemed amended to conform to applicable laws so as to be valid and enforceable, or if it cannot be so amended without materially altering the intention of the parties, it will be stricken, (ii) the validity, legality and enforceability of such provision will not in any way be affected or impaired thereby in any other jurisdiction, and (iii) the remainder of this Agreement will remain in full force and effect.
- .14 Dispute Resolution: In the event of dispute between DISTRICT and VEOLIA WATER, said parties shall immediately enter into discussions to arrive at a mutually satisfactory solution to said dispute. If a mutually satisfactory solution cannot be reached between VEOLIA WATER and the DISTRICT, then the parties hereby knowingly, voluntarily and irrevocably agree that any disputes or conflicts in any way arising out of or relating to this Agreement shall first be mediated, by a professional mediator, based in Kentucky and mutually agreed to by both parties, and if mediation fails to resolve the dispute between the Parties, then the dispute shall be resolved by binding arbitration after which each party would select an arbitrator, and those two arbitrators would then select the final arbitrator who would arbitrate the dispute.
- .15 Work Deliverables: All documentation pertaining to any and all services and work performed, pertaining to this contract, including but not limited to: photos, videos, compact disc, studies, data, computations, reports, etc., excluding VEOLIA WATER proprietary software processes, shall be provided to the DISTRICT upon request. Moreover, VEOLIA WATER hereby agrees that all photos, videos, studies and related data, reports and any other data completed as a deliverable requirement under this Agreement is the sole property of the DISTRICT.
- .16 Labor Dispute: In the event activities by employee groups or unions cause a disruption in VEOLIA WATER's ability to perform at the Project, the DISTRICT, with VEOLIA WATER's assistance or VEOLIA WATER at its own option, may seek appropriate injunctive court orders. During any such disruption, VEOLIA WATER shall operate the facilities on a best efforts basis until any such disruptions cease.
- .17 Force Majeure: Neither party shall be liable for its failure to perform its obligations under this Agreement, if such failure is due to any Unforeseen Circumstances beyond its reasonable control. However, this Section may not be used by either party to avoid, delay or otherwise affect any payments due to the other party.

- .18 Entire Agreement: This Agreement constitutes the entire understanding and Agreement between the parties relating to the services provided by VEOLIA WATER to DISTRICT and supersedes any and all prior Agreement s whether written or oral, which may exist between the parties regarding the services. This Agreement may be amended only by a written instrument signed by each party.
- .19 Successors and Assigns: This Agreement shall be binding upon, and to the benefit of the parties hereto, their successors and assigns.

2. Status as Contractor, Subcontractor:

- .1 The parties agree that VEOLIA WATER shall be an independent contractor and both VEOLIA WATER and his/her employees, subcontractors and agents shall not be considered to be employees of the DISTRICT.
- .2 VEOLIA WATER shall not employ any subcontractor, supplier, or other individual or entity against whom the DISTRICT may have reasonable objection. VEOLIA WATER shall not be required to employ any subcontractor, supplier or other individual or entity to furnish or perform any of VEOLIA WATER's work against whom VEOLIA WATER has reasonable objection.
- .3 VEOLIA WATER shall be solely responsible for scheduling and coordinating their subcontractors, suppliers and other individuals and entities performing or furnishing any of the work under a direct or indirect contract with VEOLIA WATER. All work performed for VEOLIA WATER by a subcontractor or supplier will be pursuant to an appropriate sub-Agreement or purchase order between VEOLIA WATER and the subcontractor or supplier which specifically binds the subcontractor or supplier to the applicable terms and conditions of this Agreement.
- .4 Intentionally Left Blank
- .5 VEOLIA WATER agrees to cooperate with other DISTRICT subcontractors, engineers, consultants or other agencies that would not be under contract to VEOLIA WATER but to the DISTRICT which said cooperation may require reasonable access to data and reports, access to facilities owned by the DISTRICT or sharing other information about the operations of the Project as requested by the DISTRICT.
- .6 All employees, contractors and representatives of VEOLIA WATER, performing work at the Project shall provide proof of security clearance required by Fort Knox because of the interchange of personnel and equipment.

3. **Agreement Term:**

- .1 The Initial Term of this Agreement shall begin March 15, 2008 and shall terminate on the same date as the Fort Knox agreement between DISTRICT and VEOLIA WATER (i.e., with seventeen years (17 years) and four (4) months remaining. Thereafter, this Agreement shall be automatically renewed for successive terms of five (5) years each, unless canceled in writing by either party no less than one hundred and twenty (120) days prior to expiration.
- .2 Both parties agree that the beginning date of March 15, 2008 may be sooner or later based on the time required to obtain final state agency approval but with no change in the end dates. All costs would be prorated accordingly.
- .3 The DISTRICT may terminate this Agreement (1) the District sells or transfers the Radcliff Sewer System to another entity; or (3) on the tenth and fifteenth anniversary of the Ft Knox Agreement Commencement Date for convenience with 120 day prior written notice. Either party may terminate this Agreement at anytime for a material breach of the Agreement by the other party; only after giving written notice of breach; and, except in case of a breach by the DISTRICT for non-payment of VEOLIA WATER's invoices, in which case termination may be immediate by VEOLIA WATER, only after allowing the other party sixty (60) days to cure or commence taking reasonable steps to cure the breach.
- .4 In the event that this Agreement is terminated for the DISTRICT's convenience prior to the expiration of the initial term or any successive term, the DISTRICT shall pay VEOLIA WATER a termination fee based on the remaining unamortized balance of start up costs and capital expenditures made by VEOLIA WATER, all as set forth in Appendix F.
- .5 Upon notice of termination by the DISTRICT, VEOLIA WATER shall assist the DISTRICT in assuming operation of the Project. If additional Cost is incurred by VEOLIA WATER at request of the DISTRICT, the DISTRICT shall pay VEOLIA WATER such Cost within the same terms of a routine monthly invoice as provided for herein.
- .6 Upon termination or expiration of this Agreement and all renewals and extensions of it, VEOLIA WATER will return the Project to the DISTRICT in the same condition as it was upon the effective date of this Agreement, ordinary wear and tear excepted. Equipment and other personal property purchased by VEOLIA WATER for use in the operation or maintenance of the Project shall remain the property of VEOLIA WATER upon termination or expiration of this Agreement, unless the property was directly paid for by the DISTRICT, or the DISTRICT specifically reimbursed VEOLIA WATER for the cost incurred to purchase the property, or this Agreement provides to the contrary.

- .5 VEOLIA WATER will continue to provide employment to all personnel who accept employment with VEOLIA WATER, so long as their positions are necessary to VEOLIA WATER's performance under this Agreement, and they continue to perform their duties in a satisfactory manner. Where applicable, all such personnel must hold current licenses, certificates or authority to perform the work required of their respective positions.
- .6 VEOLIA WATER will implement and maintain an employee safety program in compliance with applicable laws, rules and regulations and make recommendations to the DISTRICT regarding the need, if any, for the DISTRICT to rehabilitate, expand or modify the Project to comply with governmental safety regulations applicable to VEOLIA WATER's operations hereunder and federal regulations promulgated pursuant to ADA.
- .7 VEOLIA WATER because of cross utilization of staff from Radcliff at Ft Knox shall not employ any person for work on this Agreement if such person is identified as a potential threat to the health, safety, security, general well being, or operational mission of the Ft Knox installation or population.
- .8 VEOLIA WATER's personnel shall present a neat appearance and be readily recognized as VEOLIA WATER employees and shall, due to cross utilization of staff at the Ft Knox installation, ensure each employee obtains from Security Forces an ID card that shall include at a minimum the employee's name, photograph and VEOLIA WATERS name. At the DISTRICT's discretion, uniforms worn by VEOLIA WATER employees shall include the DISTRICT's name or logo.
- .9 VEOLIA WATER shall ensure that employees meet all applicable federal, state, and local certification, licensing, and health and safety requirements to perform all assigned tasks and functions of this Agreement.
- .10 VEOLIA WATER, because of cross utilization of the staff at Ft Knox, shall provide sufficient information to obtain complete and favorable National Agency Check (NAC) investigations for its employees for unescorted entrance into restricted areas on the Post.
- .11 VEOLIA WATER, due to cross utilization of staff at Ft Knox, shall apply for personnel security clearances required for performance after the contract is awarded.
- .12 VEOLIA WATER shall maintain a current list of employees.

- .13 Within a reasonable time after start-up, if a majority of existing staff do not transfer employment, VEOLIA WATER will staff the Project with employees who have met appropriate licensing and certification requirements of the Commonwealth of Kentucky.
 - .14 VEOLIA WATER shall provide ongoing training and education for appropriate personnel in all necessary areas of modern wastewater process control, operations, maintenance, safety, and supervisory skills.
 - .15 VEOLIA WATER shall operate, maintain and/or monitor the Project on a 24 hour per day, seven day per week schedule. This does not mean staffing the wastewater plant 24 hour per day 7 day per week..
- .21 VEOLIA WATER's Duties - Maintenance related scope and work:
- .1 VEOLIA WATER shall be responsible for the maintenance of the Wastewater treatment plant and Collection system so as to provide reliable, cost effective and compliant service over the term of the contract. The utility system shall be operated and maintained in accordance with all applicable federal, state and local laws/regulations. At a minimum, performance standards and /or specification shall follow best engineering and management practices consistent with the following:
 - a. Wastewater collection system(s): The most recent edition of reference materials published by the American Water Works Association (AWWA), Water Environment Federation (WEF), American Society of Civil Engineers (ASCE), National Fire Protection Association (NFPA) and Factory Mutual Global. Additional standards for operations and maintenance of the utility systems the Offeror proposes.
 - b. C.12.1 Quality Management Plan: VEOLIA WATER shall establish, maintain and adhere to a Quality Management Plan to ensure the provision of reliable, cost-effective and compliant service over the term of the contract.
 - .2 VEOLIA WATER shall be responsible for maintaining all manufacturers' warranties on new equipment purchased by the DISTRICT and assist the DISTRICT in enforcing existing equipment warranties and guarantees.
 - .3 VEOLIA WATER shall provide the DISTRICT with full documentation that preventive maintenance is being performed on the DISTRICT owned equipment, in accordance with manufacturer's recommendations, at intervals and in sufficient detail as may be determined by the DISTRICT. Such a maintenance program must include documentation of corrective and preventive maintenance and a spare parts inventory.

- .4 VEOLIA WATER may modify the process and/or facilities to achieve the objectives of this Agreement and charge the Costs to the Maintenance and Repair Limit; provided, however, no modification shall be without the DISTRICT's prior written approval, if the complete modification Cost shall be in excess of Two Thousand Five Hundred Dollars (\$2,500.00).
 - .5 In any emergency affecting the safety of persons or property, VEOLIA WATER may act without written Agreement or change order, at VEOLIA WATER's discretion, to prevent threatened damage, injury or loss. VEOLIA WATER shall be compensated by the DISTRICT for any such emergency work notwithstanding the lack of a written Agreement. Such compensation shall include VEOLIA WATER's Costs for the emergency work plus a reasonable mark-up for overhead and profit.
 - .6 Subject to the availability of funds within the Maintenance and Repair Limit, VEOLIA WATER will perform all Maintenance and Repairs for the Project, and submit a monthly accounting to the DISTRICT, along with a detailed invoice, if Maintenance and Repair expenditures for the Project exceed the Maintenance and Repair Limit specified in Section 6, "Fees and Compensation."
 - .7 VEOLIA WATER shall assist the DISTRICT in preparing an Annual Renewals and Replacement plan which shall be completed no later than October 1 of each year. This document will be separate from the plan prepared for the Ft Knox utility systems.
- .22 VEOLIA WATER's Duties – Radcliff Wastewater Treatment Plant related work and scope:
- .1 VEOLIA WATER shall be liable for those fines or civil penalties imposed by a regulatory or enforcement agency for violations occurring on or after the start-up date of the effluent quality requirements provided for in APPENDIX C-1 that are a result of VEOLIA WATER's negligence. The DISTRICT will assist VEOLIA WATER to contest any such fines in administrative proceedings and/or in court prior to any payment by VEOLIA WATER. VEOLIA WATER shall pay the cost of any such contest.
 - .2 Within the design capacity and capabilities of the Radcliff Wastewater Treatment Plant ("Plant") described in APPENDIX B, VEOLIA WATER will manage, operate and maintain the Plant so that effluent discharged from the Plant's out-falls meets the requirements specified in APPENDIX C, Section 1.

- .3 VEOLIA WATER shall maintain the present industrial waste sampling and laboratory analysis program, as described in APPENDIX D. Results of all industrial sampling and testing shall be reported to the DISTRICT in a timely manner.
 - .4 As required by law, permit or court order and government contract, VEOLIA WATER will prepare Plant performance reports and submit them to the DISTRICT for signature and transmittal to appropriate authorities.
 - .5 VEOLIA WATER will provide laboratory testing and sampling presently required by Plant performance portions of the NPDES permit, the Clean Water Act, the Safe Drinking Water Act, and/or any federal, state or local rules and regulations, statutes or ordinances, permit or license requirements or judicial and regulatory orders and decrees and shall keep results of said testing and reports readily available and on-site at the Plant for inspection, review and copying by the DISTRICT whenever requested.
 - .6 VEOLIA WATER will be responsible for reading, maintaining, and calibrating all meters on the utility systems..
 - .7 Intentionally Left Blank
- .23 VEOLIA WATER's Duties – Radcliff Wastewater Collection System related scope and work:
- .1 This section shall apply to VEOLIA WATER's maintenance and repair services for the District's Radcliff Wastewater Collection System.
 - .2 Services pursuant to this Article are limited to 12,480 actual straight time and 624 overtime man-hours per annum for six (6) personnel (four (4) field workers and two (2) lift station mechanics). In an Emergency requiring the payment of overtime, VEOLIA WATER shall invoice the DISTRICT for the premium portion of the costs, if overtime is required above and beyond 624 hours but is not regularly scheduled overtime associated with a shift.
 - .3 For purposes of this Section, an "actual straight time man-hour" shall mean an actual hour of labor by one person unburdened by vacation, holiday or other leave allowances.
 - .4 For purposes of this Section, the "premium portion of the costs" shall mean that multiplier required by the governmental overtime law(s) plus any additional taxes, fees or insurance resulting from the extra money paid; i.e., FICA, unemployment insurance, and workers' compensation.

- .5 Costs associated with the services described in this Section shall be charged to the Maintenance and Repair Limit.
- .6 Intentionally Left Blank.
- .7 VEOLIA WATER shall establish a Wastewater Collection System cleaning and inspection program which monitors 10% of the line and manholes every year after the first year of the contract. The program should include a combination of flow monitoring, smoke testing, water jet cleaning and TV inspection. The inspection information shall be in a format which can be tracked by the computerized maintenance system and be exported to the DISTRICT's GIS Mapping and its engineering consultant.
- .8 VEOLIA WATER shall provide information to the DISTRICT to up date record drawings for all existing and new facilities installed on a regular basis.
- .9 Intentionally Left Blank
- .10 VEOLIA WATER shall perform day to day maintenance of the Radcliff Wastewater Collection System including responding to sewer line blockages, raising manhole rings and making dig down repairs to problems in the Wastewater Collection System.
- .11 Intentionally Left Blank.
- .12 Intentionally Left Blank.
- .24 VEOLIA WATER Duties - Transition Service related scope and work:
 - .1 VEOLIA WATER shall assist the DISTRICT in the coordination of DISTRICT sub contractors working on the Radcliff Wastewater Utility System.
 - .2 VEOLIA WATER shall assist the DISTRICT in the transition from the CITY of Radcliff to DISTRICT ownership including all meetings, tasks, measurements, documentation and certification required.
 - .3 Fifteen (15) days after VEOLIA WATER begins service under this Agreement, VEOLIA WATER shall provide a physical inventory of the DISTRICT's vehicles and equipment in use at the Project and a general statement as to the condition of each vehicle or piece of equipment.

- .4 VEOLIA WATER shall provide the DISTRICT with a physical inventory of chemicals and other consumables on hand when VEOLIA WATER begins services under this Agreement.
 - .5 VEOLIA WATER shall provide the DISTRICT with the same quantity of chemicals or equivalent upon termination of this Agreement. VEOLIA WATER shall propose an Operational Transition Plan.
 - .6 VEOLIA WATER shall provide periodic reports to the DISTRICT for their use and for dissemination. These reports will include a monthly reporting that includes State required reports, maintenance/rehabilitation/replacement effort undertaken and outages.
 - .7 VEOLIA WATER will also assist the DISTRICT by providing information required for the annual Public Service Commission reports due by February 1 each year and the Upgrades, Renewals and Replacement Plan by October 1 of each year.
- .25 VEOLIA WATER Duties - Initial Capital Upgrades related scope and work:
- .1 VEOLIA WATER shall assist the DISTRICT in the coordination of Initial Capital Upgrades required as part of the transfer including but not limited to signage, security and maintenance.
 - .2 VEOLIA WATER shall assist the DISTRICT with installing alarms and lights at the Plant and largest lift stations.
 - .3 Intentionally Left Blank
 - .4 VEOLIA WATER shall identify in the first thirty (30) days minor repairs to the facilities and equipment.
- .26 VEOLIA WATER Duties - Customer Service related scope and work:
- .1 Visits may be made at a reasonable time by the DISTRICT's employees so designated by the DISTRICT's representative. Keys for the Project shall be provided to the DISTRICT by VEOLIA WATER for such visits. All visitors to the Project shall comply with VEOLIA WATER's operating and safety procedures.
 - .2 Access to the utility systems is granted to VEOLIA WATER by the DISTRICT.
 - .3 VEOLIA WATER shall follow the same response times, as set out in the Service Interruptions and Contingencies in place for Ft Knox, for the Padelford system. This requires a telephone response to any Emergency

where power is off or sewerage is being spilled in 15 minutes and a physical presence at the location of the problem within one hour to the notification.

- .4 VEOLIA WATER shall provide a repair response notification procedure to the DISTRICT on the first day of the contract.
 - .5 Routine work, such as the scheduled repair, replacement, or removal of system components that require service interruption, shall be coordinated with the District at least 2 weeks prior to implementation.
 - .6 VEOLIA WATER shall record all service request calls and provide a monthly accounting to the DISTRICT.
 - .7 VEOLIA WATER shall coordinate connections or disconnections with the DISTRICT.
 - .8 VEOLIA WATER will follow all State and Federal requirements requiring pre-dig notification and coordination.
 - .9 VEOLIA WATER shall be responsible for locating underground utility system components required by State and Federal requirements. .
 - .10 VEOLIA WATER shall be available for meetings with the DISTRICT.
- .27 VEOLIA WATER Duties - Capital Upgrades, Renewals and Replacements related scope and work:
- .1 VEOLIA WATER shall assist the DISTRICT in coordinating DISTRICT subcontractors in carrying out capital upgrades and renewals and replacements.
 - .2 VEOLIA WATER shall participate with the DISTRICT in preparing an Annual Capital Upgrades and Renewals and Replacement report.
- .28 Scope Changes: For Changes in Scope related to the services described in Section 4.1 through 4.26 above, the Annual Fee shall be increased (or decreased) by an amount equal to VEOLIA WATER's additional (reduced) Cost associated with the Change in Scope plus fifteen percent (15%). Modifications of the Annual Fee as a result of conditions described in Section 4 shall be effective at the beginning of the next Agreement year. A Change in Scope of services shall occur when and as VEOLIA WATER's costs of providing services under this Agreement change as a result of and limited to:
- .1 Any change in Project operations, personnel qualifications or staffing or other cost which is a result of an Unforeseen Circumstance;

- .2 Increases or decreases of not less than five percent (5%) in the influent flow or loadings as demonstrated by a twelve month moving average compared to the twelve month period ending on the effective date of this Agreement (baseline flow and loading information is located in APPENDIX C);
 - .3 Increases or decreases in rates or other related charges (including taxes) imposed upon VEOLIA WATER by a utility provider (see Section 4.8) or taxing authority, excluding taxes based on VEOLIA WATER's net income.
 - .4 The DISTRICT's request of VEOLIA WATER and VEOLIA WATER's consent to provide additional services.
 - .5 Increases or decreases in insurance premium costs or healthcare benefit costs which are not caused by the fault of either party.
 - .6 Intentionally Left Blank.
 - .7 Intentionally Left Blank.
 - .8 Notwithstanding the terms of this section, additional compensation requested by VEOLIA WATER could be subject to approval of an equivalent increase in the tariff rate from the Kentucky Public Service Commission. Until said tariff change is approved, no additional compensation shall be paid to VEOLIA WATER and VEOLIA WATER shall not be obligated to perform any change or incur any cost in connection with a change.
 - .9 The DISTRICT shall indemnify and hold VEOLIA WATER harmless of any fines or penalties resulting from or non-compliance with a specific scope change requested by the DISTRICT, or by law, of which VEOLIA WATER incurs additional costs and the DISTRICT does not or cannot pay those additional costs, until VEOLIA WATER is compensated as described above.
- .29 Additional Work: Additional Work outside of the initial work may be proposed by VEOLIA WATER and subject to approval by the DISTRICT. Work associated with Additional Work shall not begin nor shall fees accrue until a written Notice to Proceed has been issued to VEOLIA WATER from the DISTRICT. A Notice to Proceed shall be issued for each Additional Work proposed.
- .1 All Additional Work, which shall be requested in writing by VEOLIA WATER, shall require VEOLIA WATER to provide appropriate documentation which might include a schedule of milestones, work

schedules, complete cost estimates, estimated hours and subcontractor costs. Said estimate may be requested by the DISTRICT as either a Not to Exceed amount, a time and materials estimate, or an hourly cost estimate with or without a Not to Exceed amount.

- .2 All Additional Work requests shall be in writing on a form acceptable to the DISTRICT and shall be submitted no less than forty-five (45) days prior to when the work is proposed to begin by VEOLIA WATER. At its discretion, the DISTRICT may reduce or waive the 45 day period.

5 DISTRICT Duties: This Agreement requires the DISTRICT to perform certain tasks and activities and responsibilities which have been agreed to and are generally as follows;

- .1 The DISTRICT shall request funding as needed to fund and provide all necessary Capital Upgrades and Renewals and Replacements. Priority shall be given to safety and regulatory related expenses described in the Annual Capital Upgrades and Renewals and Replacement Plan prepared and submitted to the DISTRICT with the assistance of VEOLIA WATER. Any loss, damage, or injury resulting from the DISTRICT's failure to provide capital improvements and/or funds in excess of the Maintenance and Repair Limit, when reasonably requested by VEOLIA WATER, shall be the sole responsibility of the DISTRICT.
- .2 The DISTRICT shall keep in force all Project warranties, guarantees, easements and licenses that have been granted to the DISTRICT and are not transferred to VEOLIA WATER under this Agreement.
- .3 The DISTRICT shall pay all excises, ad valorem, property, franchise and occupational fees, or other fees associated with the Project, if any, other than fees or taxes imposed upon VEOLIA WATER's net income and/or payroll taxes for VEOLIA WATER's employees.
- .4 In the event VEOLIA WATER is required to pay any sales tax or use taxes on the value of the services provided by VEOLIA WATER hereunder or the services provided by any VEOLIA WATER of VEOLIA WATER, such payments shall be reimbursed by the DISTRICT, unless the DISTRICT furnishes a valid and properly executed exemption certificate relieving the DISTRICT and VEOLIA WATER of the obligation for such taxes. In the event the DISTRICT furnishes an exemption certificate which is invalid or not applicable to services by VEOLIA WATER, the DISTRICT shall indemnify VEOLIA WATER for any taxes, interest, penalties, and increment costs, expenses or fees which it may incur as a result of VEOLIA WATER's reliance on such certificate.
- .5 The DISTRICT shall provide VEOLIA WATER, within a reasonable time after request and on an "as available" basis, with the temporary use of any piece of the DISTRICT's heavy equipment that is available so that VEOLIA WATER may discharge its obligations under this Agreement in the most cost effective manner.

- .6 The DISTRICT shall provide all registrations and licenses for the DISTRICT's vehicles used in connection with the Project.
- .7 The DISTRICT shall provide for VEOLIA WATER's exclusive use of all vehicles and equipment presently in full-time by the CITY of Radcliff excluding a Jeep and a lawn mower in use at the Project. It is agreed by both parties that the existing vehicles are aged and the DISTRICT will have to replace over the next few years.
- .8 The DISTRICT shall provide the Project with appropriate security personnel and/or devices to protect against any losses resulting from the theft, damage, or unauthorized use of property owned by the DISTRICT and shall accept liability for such losses, except to the extent such losses are directly caused by the negligent acts or omissions of VEOLIA WATER.
- .9 The DISTRICT warrants that during the interim period between the initial Project inspection by VEOLIA WATER and when VEOLIA WATER commences full operations and maintenance, the plants, facilities and equipment have been operated only in the normal course of business, all scheduled and proper maintenance have been performed, and there are no issues known to the DISTRICT regarding the condition of the Project and Facility composing the Project and/or any equipment used by the Project.
- .10 Intentionally Left Blank .
- .11 The parties anticipate that the Project, as of the Commencement Date, will not be required to comply with the Accidental Release Prevention Program as set forth in the applicable sections of the Federal Clean Air Act ("RMP"). Following the Commencement Date, in the event it is later determined that the Project must comply with RMP, the DISTRICT shall be responsible for all Costs associated with bringing the Project into RMP compliance.
- .12 DISTRICT shall perform Environmental Reviews when the utility system is modified per local, State and Federal regulations .
- .13 DISTRICT shall be responsible for accomplishing all required upgrades and renewals and replacements to maintain and operate the utility system in a safe, reliable condition.
- .14 DISTRICT shall be responsible for providing VEOLIA WATER with copies of digital GIS Mapping data and information for use in operation and maintenance activities. VEOLIA agrees to purchase any licenses or software required to utilize and access said information provided by the DISTRICT.
- .15 Intentionally Left Blank.

6. **Fees and Compensation:**

- .1 VEOLIA WATER's compensation under this Agreement through June 30, 2009 is \$157,972 per month or \$1,895,664 for a twelve month period termed the Annual Fee. The Maintenance and Repair Limit included in the Annual Fee is \$16,100 a month and \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$11,564 per month and \$138,768 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 a month or \$15,000 for twelve months. Both parties agree the start date could fluctuate, if so, the monthly compensation will be prorated.
- .2 Agreement Year: Agreement Year, for the purposes of this Agreement shall mean an increment of twelve calendar months commencing July 1, 2008.
- .3 VEOLIA WATER has based its Annual Fee on offering employment to a maximum of 16 (sixteen) existing personnel in addition to a VEOLIA WATER Project Manager. An effort will be made to hire those qualified CITY workers for the positions available from the existing staff at the Wastewater System identified on the list of displaced or adversely affected workers provided to the DISTRICT as part of the Utility Transfer Agreement with the CITY. VEOLIA WATER shall pay the employees their current wage identified in the Utility Transfer Agreement and a similar benefit package. It is also agreed by the DISTRICT and VEOLIA WATER that VEOLIA WATER may offer a buyout option or may lease employees from the CITY. Should for any reason the DISTRICT require VEOLIA WATER to hire more than 16 personnel, VEOLIA WATER shall be entitled to request and negotiate additional compensation and adjusted Annual Fee.
- .4 The Annual Fee for services under this Agreement is based upon the following wastewater treatment influent characteristics:
 - .1 Flow = 2.0795 million gallons per day
 - .2 CBOD5 = 209 mg/l
 - .3 TSS = 241 mg/l
 - .4 Ammonia Nitrogen = 23 mg/l

The above influent characteristics are the actual twelve (12) months' average for the period ended October, 2007. Any change of five percent (5%) or more in any of these characteristics, based upon a twelve (12) month moving average, will constitute a Change in Scope.
- .5 VEOLIA WATER's expenses for hauling by truck and disposing of Waste are based on paying \$179 a pull and \$23.57 a ton for eligible Outerloop Landfill facility which is approximately 31 road miles from the Project. Any change in

Costs shall give rise to a Change in Scope and the additional costs shall be added to the Annual Fee.

- .6 VEOLIA WATER shall provide natural gas and electricity required to operate the Project and have based its costs on current rates. Any decrease or increase in rates or other related charges (including taxes) imposed upon VEOLIA WATER by a utility provided or taxing authority – excluding taxes based on VEOLIA WATER's net income shall be considered a change in scope of service. VEOLIA WATER has not budgeted for water or sewer service which the DISTRICT will provide for use in operating and maintaining the system...
- .7 The Performance Start Date is February 1, 2008. VEOLIA WATER shall not be able to bill or recover any amounts, expenses or costs prior to the Performance Start Date and all prior costs may only be recovered or included in the above agreed Annual Fee amount.
- .8 If actual Maintenance and Repair expenditures are less than the Maintenance and Repair Limit for any Agreement year, VEOLIA WATER will rebate the entire difference to the DISTRICT in accordance with Section 7.2. If actual Maintenance and Repair expenditures exceed the Maintenance and Repair Limit, the DISTRICT will pay the excess to VEOLIA WATER in accordance with Section 7.2. VEOLIA WATER will notify the DISTRICT when actual Maintenance and Repair expenditures equal eighty percent (80%) of Maintenance and Repair Limit.
- .9 If actual Electrical expenditures are less than the Electrical Limit for any Agreement year, VEOLIA WATER will rebate the entire difference to the DISTRICT in accordance with Section 7.2. If actual Electrical expenditures exceed the Electrical Limit, the DISTRICT will pay the excess to VEOLIA WATER in accordance with Section 7.2. VEOLIA WATER will notify the DISTRICT when actual Electrical expenditures equal eighty percent (80%) of Electrical Limit.
- .10 If actual Odor Control Chemical expenditures are less than the Odor Control Chemical Limit for any Agreement year, VEOLIA WATER will rebate the entire difference to the DISTRICT in accordance with Section 7.2. If actual Odor Control Chemical expenditures exceed the Odor Control Chemical, the DISTRICT will pay the excess to VEOLIA WATER in accordance with Section 7.2. VEOLIA WATER will notify the DISTRICT when actual Odor Control Chemical expenditures equal eighty percent (80%) of Odor Control Chemical Limit.
- .11 Any increases in the Annual Fee shall be negotiated each year after the first seventeen (17) months at least four (4) months prior to the anniversary of this Agreement's Commencement Date. Should the DISTRICT and VEOLIA WATER fail to agree, the increase in the Annual Fee will be determined by the

application of the procedures in APPENDIX E. The Maintenance and Repair Limit shall increase or decrease by a percentage equal to the change in the Annual Fee.

- .12 In addition to the Annual Fee, the DISTRICT shall reimburse VEOLIA WATER for documented costs associated with severance or employee buyouts related to the transition of CITY staff which could include wage, taxes and benefits estimated to be one year of salary for a maximum of three employees. These costs would be paid within ninety days of the start of the contract. For estimating purposes only, the cost is proposed to be \$168,000 in wages.
 - .13 Intentionally left blank.
 - .14 The cost of temporary connections will be charged against the Maintenance and Repair Limit.
- 7 **Method of Payment:** The DISTRICT agrees to pay VEOLIA WATER for services rendered pursuant to this Agreement the sums set forth and in the manner set forth in this Agreement and computed as follows:
- .1 VEOLIA WATER shall invoice the DISTRICT monthly an amount equivalent to One-twelfth (1/12) of the Annual Fee for the current year which shall be due and payable with thirty (30) days after the DISTRICT has received an invoice. VEOLIA WATER shall provide an invoice for services rendered and compensation due on or before the thirtieth (30) day of each month and no more than once for each thirty day period.
 - .2 The DISTRICT agrees to pay VEOLIA WATER for services rendered pursuant to this Agreement. Payment shall be made within thirty (30) days after receiving an invoice.
 - .3 Any monies payable pursuant to Section 6.9 will be paid within sixty (60) calendar days after the end of each Agreement Year.
 - .4 All other compensation to VEOLIA WATER is due upon receipt of VEOLIA WATER's invoice and payable within thirty (30) days after presenting an invoice to the DISTRICT.
 - .5 The DISTRICT reserves the right to make payment to VEOLIA WATER electronically or by ACH bank transfer (wire) method into an account as designated by VEOLIA WATER and any added costs for said payment method shall be paid or absorbed by each party whose own bank or bank account sending or receiving payment assesses said fee(s).
 - .6 Intentionally Left Blank.

- .7 **Interest on Unpaid Amounts:** The DISTRICT shall pay interest at an annual rate equal to the prime rate as shown in the Wall Street Journal, said rate of interest not to exceed any limitation provided by law, on payments not paid and received within thirty (30) calendar days of the due date, such interest being calculated from the due date of the payment. In the event the charges hereunder might exceed any limitation provided by law, such charges shall be reduced to the highest rate or amount within such limitation. This provision does not apply to payments made in accordance with the preceding paragraph.

8. Insurance Requirements:

- .1 Each party shall obtain and maintain insurance coverage of a type and in the amounts described in this section. Each party shall provide the other party with satisfactory proof of insurance.
- .2 Insurance required shall be with companies qualified to do business in the Commonwealth of Kentucky with a general policyholder's financial rating of not less than "A as set forth in the most current edition of "A.M. Best".
- .3 No such policies shall be cancelable or subject to material reduction in coverage limits or other modification except after thirty (30) days prior written notice to the Owner. VEOLIA WATER shall not do nor permit to be done anything which shall invalidate the insurance policies referred to in this section. If any insurance policy referred to in this Agreement are cancelled or terminated for any reason and are not replaced with an insurance policy of the type and coverage specified herein, the DISTRICT, at its own discretion, may terminate this Agreement pursuant to Section 3 of this Agreement.
- .4 VEOLIA WATER will provide at least thirty (30) days' notice of the cancellation of any policy it is required to maintain under this Agreement. VEOLIA WATER may self-insure reasonable deductible amounts under the policies it is required to maintain to the extent permitted by law. Each party shall include the other party as an additional insured on the coverages, excluding workers' compensation, employer's liability and professional liability, required to be maintained hereby.
- .5 VEOLIA WATER will be required to provide various type of insurance, and coverage limits as listed in the following table:

Type of Coverage	Coverage	Annual Aggregate	Other Requirements
Commercial General Liability	\$2,000,000 per occurrence	\$4,000,000	Claims which may arise from all operations including completed operations
Business Automobile Liability	\$2,000,000 combined single limit		

Type of Coverage	Coverage	Annual Aggregate	Other Requirements
Fire Legal Liability	\$500,000 any one fire	\$1,000,000	
Workers' Compensation	Statutory		
Employer's Liability Each Accident –	\$1,000,000	NA	Shall be plan acceptable and licensed for use in the Commonwealth of Kentucky
Employer's Liability Disease – Each Employee	\$1,000,000	NA	Shall be plan acceptable and licensed for use in the Commonwealth of Kentucky
Employer's Liability Disease – Policy Limit	\$1,000,000	NA	Shall be plan acceptable and licensed for use in the Commonwealth of Kentucky
Contractor's Pollution Liability	\$5,000,000 Each Claim	\$5,000,000	Shall include errors and omissions coverage

- .6 VEOLIA WATER shall maintain during the term of this Agreement at least the insurance coverage shown above, and shall require their insurance carrier to submit certificate(s) of insurance to DISTRICT evidencing the maintenance of at least the above insurance coverage. All such insurance coverage and submission of certificate(s) evidencing same shall be maintained throughout the course of the work and Owner shall be noticed in the event of changes to same. All policies shall be written through a company duly authorized by the Commonwealth of Kentucky licensed to transact that class of insurance in the Commonwealth of Kentucky.
- .7 VEOLIA WATER shall maintain Commercial General Liability insurance, insuring VEOLIA WATER's negligence, in an amount not less than \$2,000,000 each occurrence and \$4,000,000 aggregate for bodily injury and/or property damage. The DISTRICT will be included as an additional insured on VEOLIA WATER's Commercial General Liability policy but solely with respects to claims arising out of the negligence of VEOLIA WATER.
- .8 VEOLIA WATER shall maintain Business Automobile Liability insurance, insuring owned, non-owned and hire automobiles in an amount not less than \$2,000,000 combined single limit. The DISTRICT will be included as an additional insured on VEOLIA WATER's Business Automobile Liability policy but solely with respects to claims arising out of the negligence of VEOLIA WATER.
- .9 The DISTRICT agrees to also maintain insurance coverage equivalent to:

- .1 Statutory workers' compensation for all of the DISTRICT's employees associated with the Project as required by the Commonwealth of Kentucky.
- .2 Property damage insurance for all property, including vehicles owned by the DISTRICT and operated by VEOLIA WATER under this Agreement. Any property, including vehicles, not properly or fully insured shall be the financial responsibility of the DISTRICT.

9. Indemnity and Liability:

- .1 VEOLIA WATER agrees to indemnify and save the DISTRICT harmless from and against all third party claims, demands, liability, damages, suits, actions or causes of action of every kind and nature, which may be brought or asserted against the DISTRICT to the extent caused by the negligent acts, errors or omissions of VEOLIA WATER or their consultants or subcontractors in the performance of this Agreement.
- .2 DISTRICT agrees to indemnify and hold VEOLIA WATER harmless from and against all third party claims, demands, liability, damages, suits, actions or causes of action of every kind and nature which may be brought or asserted against VEOLIA WATER to the extent caused by the negligent acts, errors or omissions of the DISTRICT or its consultants or subcontractors in the performance of this Agreement.
- .3 Neither party nor their affiliated companies, nor the officers, agents and employees or DISTRICT's of any of the foregoing, shall be liable to the other in any action or claim for consequential or special damages, loss of profits, loss of opportunity, loss of product or loss of use. Any protection against liability for losses or damages afforded any individual or entity by these terms shall apply whether the action in which recovery of damages is sought is based on contract, tort (including sole, concurrent or other negligence and strict liability of any protected individual or entity), and statute or otherwise. To the extent permitted by law, any statutory remedies which are inconsistent with these terms are waived.
- .4 The DISTRICT shall be liable for those fines or civil penalties imposed by any regulatory or enforcement agencies on the DISTRICT and/or VEOLIA WATER that are not a result of VEOLIA WATER's negligence, willful misconduct and or omissions, or are otherwise directly related to the ownership of the Project and shall indemnify and hold VEOLIA WATER harmless from the payment of any such fines and/or penalties.
- .5 To the fullest extent permitted by law and notwithstanding any other provision of this Agreement, VEOLIA WATER's liability for performance or non-

performance of any obligation arising under the Agreement (whether arising under breach of contract, tort, strict liability, or any other theory of law or equity) including, but not limited to its indemnity obligations specified in Section 9.1 of this Agreement, shall be limited to a cumulative aggregate over the full initial term and any extended term(s) of this Agreement of an amount not to exceed \$8,000,000. The above limit does not apply to or include proceeds or recoveries from the insurance policies provided by VIOLA WATER under this Agreement.

- .6 To the fullest extent permitted by law and notwithstanding any other provision of this Agreement, DISTRICT's liability for performance or non-performance of any obligation arising under this Agreement (whether arising under breach of contract, tort, strict liability, or any other theory of law or equity) including, but not limited to its indemnity obligations specified in Section 9.1 of this Agreement, shall be limited to a cumulative aggregate over the full initial term and any extended term(s) of this Agreement of an amount to exceed \$5,000,000. The above limit does not apply to or include proceeds or recoveries from the insurance policies provided by the DISTRICT under this Agreement.

10. **Annual Performance Bond Provided by VEOLIA WATER:**

- .1 VEOLIA WATER agrees to provide an annual Performance Bond or other surety instrument acceptable to the DISTRICT, in an amount equal to the Annual Fee. Evidence of said bond for the second and subsequent years, in form acceptable to the DISTRICT, shall be provided to the DISTRICT no later than the end of the eleventh month of each year. The conditions, specific obligation and use of said bond shall comply with the following:
 - .1 That VEOLIA WATER shall carry out its duties and obligations under the terms of this Agreement, to the extent that the DISTRICT is not required to obtain a replacement contractor to take the place of VEOLIA WATER, and that VEOLIA WATER does not operate or cause the DISTRICT to be fined, sued or otherwise found in default of their Contract with the Government. Said replacement of VEOLIA WATER can only be after the DISTRICT and VEOLIA WATER have attempted to resolve the dispute in accordance with terms of this Agreement.
 - .2 The DISTRICT may not use the bond in the event that VEOLIA WATER requests to be released from this Agreement, and the DISTRICT agrees to provide said release, and that VEOLIA WATER provides all assistance, cooperation and payment of additional costs or advertising as needed to obtain a replacement contractor who is able to take over and carry out all terms of this Agreement.
 - .3 The bond shall be for the current Contract Year, but may include an automatic extension clause as long as the amount of the bond equals the Annual Fee.

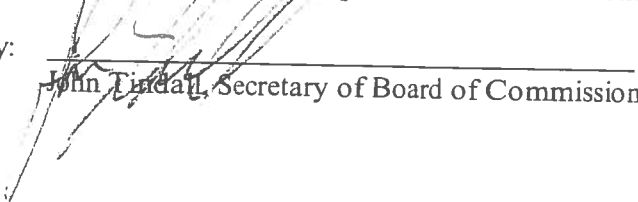
- .4 The surety shall appear in the Treasury Department's most current list (Circular 570 as amended) and be authorized to transact business in the Commonwealth of Kentucky.
- .2 Any fee or premium to purchase required bond shall be paid directly by VEOLIA WATER, however, cost of same may be recovered in the Annual Fee.

WITNESSETH:

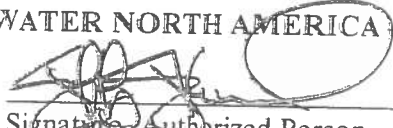
Both parties indicate their approval of this Agreement by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this Agreement have been and will be taken.

HARDIN COUNTY WATER DISTRICT No. 1

By: 
William J. Rissel, Chairperson of Board of Commissioners

By: 
John Lindall, Secretary of Board of Commissioners

VEOLIA WATER NORTH AMERICA - SOUTH, LLC

By: 
Signature, Authorized Person

By: JEFFREY J KOWAL, PRESIDENT
Printed Name, Title, Authorized Person

NOTARY STATEMENTS:

On this 8th day of February, 2008, the above named person(s) personally appeared before me, and did provide evidence that they officially represent HARDIN COUNTY WATER DISTRICT No. 1, and that the instrument was signed on behalf of the organizations which they represent.

Aaron B. Ples
Notary Public, Commonwealth of Kentucky

Aaron B. Ples
Printed Name

Oct 30, 2008
Date Commission Expires

On this 14 day of February, 2008, the above named person(s) personally appeared before me, and did provide evidence that they officially represent VEOLIA WATER NORTH AMERICA - SOUTH, LLC, and that the instrument was signed on behalf of the organizations which they represent.

Catherine E. Dennis
Notary Public, State of ~~Texas~~ Georgia

Catherine E. Dennis
Printed Name

Date Commission Expires

*Notary Public, Hardin County, Georgia
My Commission Expires 10/30/2008*

APPENDIX A

DEFINITIONS

1. "Adequate Nutrients" means plant influent nitrogen, phosphorus and iron contents proportional to BOD5 in the ratio of five (5) parts nitrogen, one (1) part phosphorus, and one-half (0.5) part iron for each one hundred (100) parts BOD5.
2. "Annual Fee" means a predetermined, fixed sum for VEOLIA WATER's services. The Annual Fee includes Cost and profit.
3. "Biologically Toxic Substances" means any substance or combination of substances contained in the plant influent in sufficiently high concentration so as to interfere with the biological processes necessary for the removal of the organic and chemical constituents of the wastewater required to meet the discharge requirements of DISTRICT's Certificate of Approval. Biologically toxic substances include, but are not limited to, hazardous wastes, hazardous substances, heavy metals, phenols, cyanides, pesticides and herbicides.
4. "Capital Expenditures" means any expenditures for (1) the purchase of new equipment or facility items that cost more than Two Thousand Five Hundred Dollars (\$2,500); or (2) major repairs which significantly extend equipment or facility service life and cost more than Two Thousand Five Hundred Dollars (\$2,500) or (3) expenditures that are planned, non-routine and budgeted by the DISTRICT.
5. "Change in Law" means (a) the enactment, adoption, promulgation, modification or repeal after the Contract Date of any federal, State, or local law, ordinance, code, rule, regulation or other similar legislation or the repeal, modification or change in interpretation after the Contract Date, of any federal, State, or local law, ordinance, code, rule, regulation, official permit, license or approval by any regulatory or judicial entity having jurisdiction with respect to the design, construction, operation, maintenance, or management of the Facility, or (b) the imposition, after the Contract Date, of any material conditions on the issuance, modification or renewal of any official permit, license or approval necessary for the operation and maintenance of the Facility, which, in either case, modifies the Company's obligations of Facility performance or decreases or increases the cost of the Company's operation or maintenance of the Facility.
6. "Commencement Date" or "Performance Start Date" means March 15, 2008, or the ultimate date upon which final state agency approval is obtained by the parties.
7. "Contract Date" means the first date written on page 1 of this Agreement.
8. "Cost" means all Direct Cost and indirect cost determined on an accrual basis in accordance with generally accepted accounting principles.

9. "Direct Cost" means the actual cost incurred for the direct benefit of the Project including, but not limited to, expenditures for project management and labor, employee benefits, chemicals, lab supplies, repairs, repair parts, maintenance parts, safety supplies, gasoline, oil, equipment rental, legal and professional services, quality assurance, travel, office supplies, other supplies, uniforms, telephone, postage, utilities, tools, memberships and training supplies.
10. "Facility" or "Facilities" means the wastewater and storm water utility systems that are the subject of the prime contract between the DISTRICT and the Government.
11. "Government" means the United States Government.
12. "Maintenance" means those routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or by VEOLIA WATER to maximize the service life of the equipment, sewer, vehicles and facilities.
13. "Maintenance and Repair Limit" means the total Maintenance and Repair expenditures that VEOLIA WATER has included in the Annual Fee. Such expenditures exclude any labor costs for VEOLIA WATER's staff assigned to the Project. VEOLIA WATER's specialized maintenance personnel, not assigned at the Project, who provide such specialized services such as, but not limited to, vibration, thermo graphic and electrical analyses, instrumentation maintenance and repair will be charged to the Maintenance and Repair Limit.
14. "Project" means all equipment, vehicles, grounds, rights of way, sewers and facilities described in APPENDIX B and, where appropriate, the management, operations and maintenance of such.
15. "Repairs" means those non-routine/non-repetitive activities required for operational continuity, safety and performance generally due to failure or to avert a failure of the equipment, sewer, vehicles or facilities or some component thereof.
16. "Unforeseen Circumstances" shall mean any event or condition which has an effect on the rights or obligations of the parties under this Agreement , or upon the Project, which is beyond the reasonable control of the party relying thereon and either impacts the costs of performing hereunder or constitutes a justification for a delay in or non-performance of action required by this Agreement , including but not limited to (I) an act of God, landslide, lightning, earthquake, tornado, fire, explosion, flood, failure to possess sufficient property rights, acts of the public enemy, war, blockade, sabotage, insurrection, riot or civil disturbance, (ii) preliminary or final order of any local, province, administrative agency or governmental body of competent jurisdiction, (iii) any change in law, regulation, rule, requirement, interpretation or statute adopted, promulgated, issued or otherwise specifically modified or changed by any local, province or governmental body, (iv) labor disputes, strikes, work slowdowns or work stoppages, but excluding labor disputes, strikes, work slowdowns or work stoppages by employees of VEOLIA WATER; (v) loss of or inability to obtain service from a utility necessary to furnish power for the operation and

maintenance of the Project, (vi) for the benefit of the DISTRICT only, delays or additional costs caused by the negligent acts or omissions of VEOLIA WATER or its subcontractors, (vii) for the benefit of VEOLIA WATER only, delays or additional costs caused by the negligent acts or omissions of DISTRICT or its other subcontractors, and (viii) the presence of hazardous wastes or hazardous substances at the Project or in the plant influent that is not caused by the negligence or willful misconduct of VEOLIA WATER.

17. Utility Transfer Agreement shall mean the agreement between the CITY of Radcliff and the DISTRICT transferring the Radcliff sewer system to the DISTRICT.

APPENDIX B

DESCRIPTION OF PROJECT

VEOLIA WATER agrees to provide the services necessary for the management, operation and maintenance of the following:

1. All equipment and facilities now existing within the present property boundaries of or being used to operate the DISTRICT's Wastewater Treatment Plant that services the CITY of Radcliff. The Wastewater Treatment Plant consists of the following:
 1. Preliminary Treatment
 2. Three Equalization Basins – Two Lined and One Unlined
 3. Mechanical Bar Screens
 4. Vortex Grit Removal System
 5. Influent Lift Station
 6. Septage Receiving Station
 7. Three Extended Aeration Oxidation Ditches
 8. Three Secondary Clarifiers
 9. Sludge pumping including return activated sludge pumps and waste activated sludge pumps
 10. Two Ultraviolet Disinfection Chambers
 11. Two Aerobic Digesters and three 150 hp Blowers
 12. Sludge Dewatering Facility with one (1) Belt Press
 13. Non potable water system
2. Intentionally Left Blank
3. The Emergency Generator at the plant.
4. All equipment and facilities now existing within the present property boundaries of pumping stations. Pumping stations consist of the following:

1. CITY Hall	27. Classic Cars
2. Conroe Drive	28. Swope's
3. Safari Trail	29. Audubon
4. Sherwood	30. Drug Store
5. Spring Street East	31. Hensley's
6. Watkins	32. Indiana Trail
7. Crocus Drive	33. Paradise No. 1
8. Skylark Drive	34. A. Arnold and Son
9. Woodcreek	35. Emmaus Circle
10. Apple Wood	36. Hillcrest
11. Cypress Drive	37. Industrial Park
12. Redmar Boulevard	38. John Hardin
13. Doc's	39. Peyton Place

- | | |
|-----------------------------|--------------------------|
| 14. Elm Road | 40. Cement |
| 15. Paradise No. 2 | 41. North Logsdon |
| 16. Byerly Boulevard | 42. Stovall |
| 17. Church Methodist | 43. Battle Training Road |
| 18. Deerhaven | 44. Oak Drive (Heards) |
| 19. Globe | 45. Highway 313 |
| 20. Kindergarten (Woodland) | 46. Boone Trace |
| 21. Logan | 47. Brown Street |
| 22. Maple Forest | 48. Seminole |
| 23. Marvin's | 49. Christopher Court |
| 24. Master Street | 50. Quiggins |
| 25. Red Hawk Drive | 51. Greenview Lane |
| 26. Wendover Court | 52. Lincoln Trail |

5. All equipment, grounds and facilities now existing within the present easement for the sewer lines. Sewer lines consists of the following;

Diameter	Lineal Feet
2 inch	783
6 inch	763
8 inch	42,568
10 inch	3,224
12 inch	9
Unknown	586,039

Manholes = 2,485 as of 4/10/06

APPENDIX C

NPDES PERMIT AND PROJECT CHARACTERISTICS FOR WASTEWATER TREATMENT

1. VEOLIA WATER will operate so that effluent will meet the requirement of NPDES permit No. KY0022390 (issued on March 1, 2003) a full and complete copy of which is adopted by reference herein as of the date hereof. VEOLIA WATER shall be responsible for meeting the effluent quality requirements of the Permit unless one or more of the following occurs:
 - a. The Project influent does not contain Adequate Nutrients to support operation of Project biological processes and/or contains Biologically Toxic Substances which cannot be removed by the existing process and facilities,
 - b. Dischargers into the DISTRICT's sewer system violate any or all regulations as stated in the DISTRICT's Industrial Water and Sewer Permit or as required by law,
 - c. The flow or influent BOD5 and/or suspended solids exceeds the Project design parameters which are 4 million gallons of flow per day, 3,471 pounds of BOD5 per day, 4,021 pounds of suspended solids and a daily peaking factor of 3 times flow,
 - d. If the Project is inoperable or can operate only at a reduced capacity on account of construction activities, fire, flood, adverse weather conditions, labor disputes or other causes beyond VEOLIA WATER's control.
 - e. In the event any one of the Project influent characteristics, suspended solids, BOD5 or flow, exceeds the design parameters stated above, VEOLIA WATER shall return the plant effluent to the characteristics required by NPDES in accordance with the following schedule after Project influent characteristics return to within design parameters;

Characteristics Exceeding	Recovery Period
---------------------------	-----------------

<u>Design Parameters By</u>	<u>Maximum</u>
10% or Less	5 days
Above 10% Less than 20%	10 days
20% and Above	30 days

- f. Notwithstanding the above schedule, if the failure to meet effluent quality limitations is caused by the presence of Biologically Toxic Substances or the lack of Adequate Nutrients in the influent, then VEOLIA WATER will have a thirty (30) day recovery period after the influent is free from said substances or contains Adequate Nutrients.
2. VEOLIA WATER shall not be responsible for fines or legal action as a result of discharge violations within the period and any subsequent recovery period that (1) influent exceeds design parameters; or (2) does not contain Adequate Nutrients; or (3) contains Biologically Toxic Substances; or (4) is inoperable unless rendered inoperable due to the negligence or willful misconduct or omissions of VEOLIA WATER.

APPENDIX D

INDUSTRIAL WASTE DISCHARGERS AND MONITORING PROGRAM

There is currently no Industrial Waste Discharges and Monitoring Program other than normal inspection provided for in the Wastewater Ordinance adopted by the DISTRICT in whole from the CITY of Radcliff Utility Transfer Document.

APPENDIX E

ANNUAL FEE ADJUSTMENT FORMULA

Any increase in the Annual Fee shall be negotiated each year after the first seventeen months at least four (4) months prior to the anniversary of this Agreement's Commencement Date. Should the DISTRICT and VEOLIA WATER fail to agree, the Annual Fee will be determined by the application of the formula set forth below. The Maintenance and Repair Limit shall increase or decrease by a percentage equal to the change in the Annual Fee. VEOLIA WATER's cost for providing Health Care benefits coverage (Health, Dental Vision and Accidental Death and Dismemberment) for its Project employees will be based on documented budgetary increases plus overhead and profit of 15%.

Formula = $AAF = [(Afo \text{ minus } Ho) \text{ times } C \text{ divided by } Co] \text{ plus } (H \text{ times } 1.15)$

where:

- Afo = Annual Fee specified in the Section entitled "Fees and Compensation" before any annual modification.
- AAF = Adjusted Annual Fee.
- Co = Consumer Price Index for All Urban Consumers (U.S. CITY Average) as published by the U.S. Department of Labor, Bureau of Labor Statistics in the CPI Detailed Report for the month three (3) months prior to VEOLIA WATER beginning service under this Agreement .
- C = Consumer Price Index for All Urban Consumers (U.S. CITY Average) as published by the U.S. Department of Labor, Bureau of Labor Statistics in the CPI Detailed Report for the month three (3) months prior to the beginning of the period for which an adjusted base fee is being calculated.
- Ho = VEOLIA WATER's budgetary health care costs for providing its Project employees medical, dental, vision and accidental death and dismemberment benefits coverage in the amount of \$148,086 included in the Annual Fee specified in the Section entitled "Fees and Compensation" before any annual modification.
- H = VEOLIA WATER's documented budgetary health care costs for its Project employees medical, dental, vision and accidental death and dismemberment benefits coverage three (3) months prior to the beginning of the period for which an adjusted base fee is being calculated, however, in no event shall H be less than Ho.

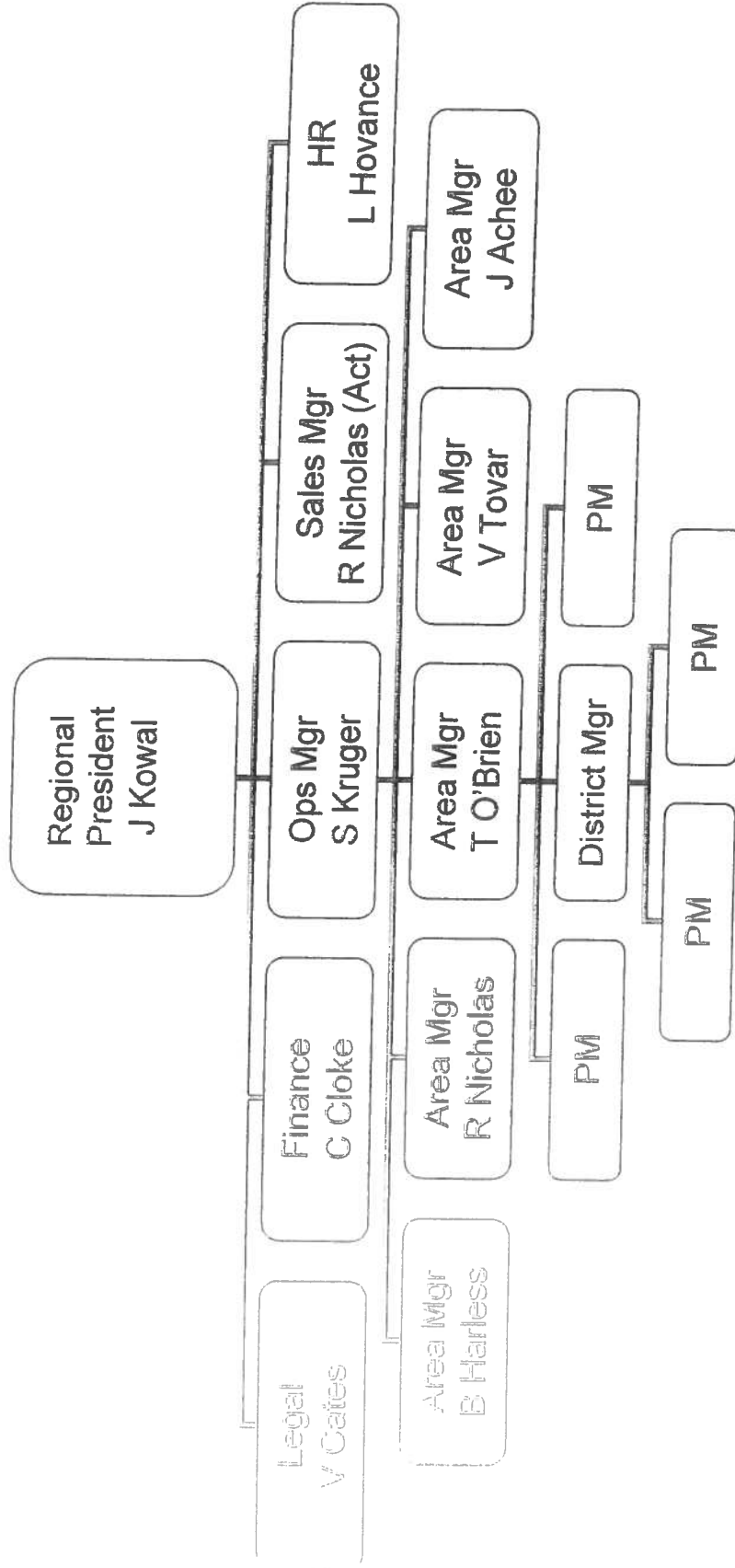
APPENDIX F

SCHEDULE OF AMORTIZED EXPENDITURES

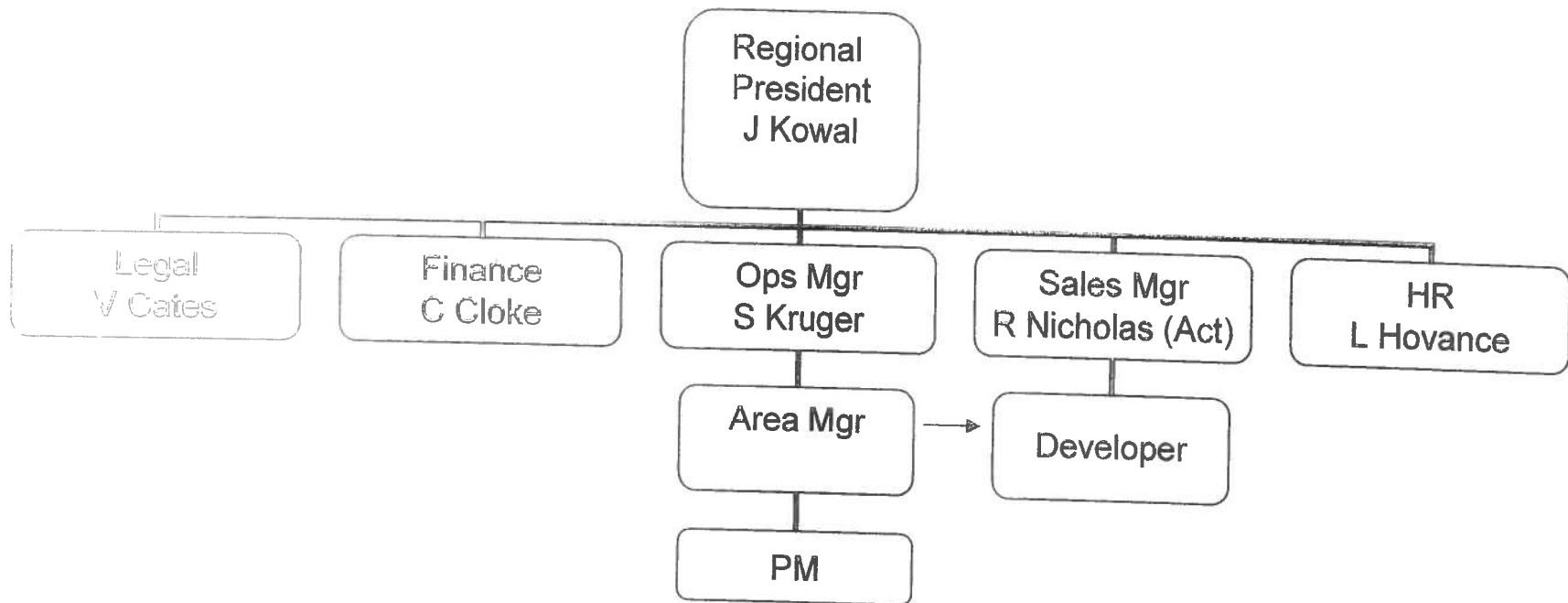
The parties mutually agree that for all purposes, the beginning principal shall be \$115,000 which represents \$40,000 and \$75,000 of development costs. The interest rate applied shall be calculated at the same rate as provided for in the Amendment for approved and late payments to VEOLIA WATER.

Beginning of Month No.	Balance
15	\$95,172
27	\$79,310
39	\$63,448
51	\$47,586
63	\$31,724
75	\$15,862
87	\$0

Operations Organization Structure



Sales Situation Organization Structure



AMENDMENT

This amendment modifies the Operations Maintenance and Management of Wastewater Utility System, at Radcliff, Kentucky, agreement ("Agreement") between the Hardin County Water District No. 1 ("DISTRICT") and Veolia Water North America - South, LLC, ("VEOLIA") which Agreement was executed February 8, 2008. The Agreement provided for additional amendments under Section 1.19. This amendment changes and replaces certain sections of the Agreement, however all other sections and terms of the agreement not modified herein, shall remain in place and unchanged. This Amendment is made and entered into this 1st day of June, 2009. The following sections numbered in the Agreement are modified or added as follows;

- A. **Section 6.1 Fees and Compensation:** This section is deleted in its entirety and replaced with the following:

VEOLIA WATER's compensation under this Agreement through June 30, 2009 is \$157,972 per month or \$1,895,664 for a twelve month period termed the Annual Fee. The Maintenance and Repair Limit included in the Annual Fee is \$16,100 a month and \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$15,897 per month and \$190,768 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 a month or \$15,000 for twelve months. Both parties agree the start date could fluctuate, if so, the monthly compensation will be prorated.

- B. **Section 6.2 Agreement Year:** This section is deleted in its entirety and replaced with the following:

- .2.a Agreement Year, for the purposes of this Agreement shall mean an increment of twelve calendar months commencing January 1, 2009.
- .2.b. The amendment which changed the Agreement Year in Section 6.2 requires recalculating the fees for the partial year July to December 2008 and re calculation of the 2009 year to date. The parties agree that a final adjustment of the 2008 fiscal year invoice from VEOLIA WATER is due in thirty (30) days and the monthly reporting will be corrected in May 2009. The District agrees to reimburse the amount due in accordance with the terms of the Agreement.
- .2.c. The change in the Agreement year will change the date that the contract is to be renegotiated each year. The Agreement allows VEOLIA WATER to adjust its fee in July 2009. A modest change will be negotiated for the remainder of 2009 and a change in the fee negotiated again for the 2010 fiscal year and subsequent years thereafter, in accordance with the terms of the agreement.

- C. All other sections, requirements and provisions set forth in the original Agreement shall remain in affect and shall apply to and be binding to the additional work and sections of this amendment.

WITNESSETH;

Both parties indicate their approval of this amendment by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this amendment have been and will be taken.

HARDIN COUNTY WATER DISTRICT No. 1;

By: James Bruce
James Bruce, General Manager

VEOLIA WATER NORTH AMERICA - SOUTH, LLC

By: [Signature]
Signature, Authorized Person

By: Jeffrey S. Howal, President
Printed Name, Title, Authorized Person

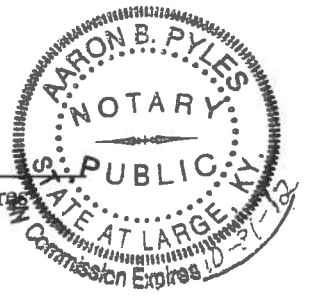
NOTARY STATEMENTS:

On this 7th day of July, 2009, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

Aaron B. Pyles
Notary Public, Commonwealth of Kentucky

Aaron B. Pyles
Printed Name

1D-30-12
Date Commission Expires



On this 1 day of June, 2009, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

[Signature]
Notary Public, State of FLORIDA

Alicia M. [Signature]
Printed Name

3/21/2011
Date Commission Expires



HARDIN COUNTY WATER DISTRICT NO 1

By: James Bruce
James Bruce, General Manager

VEOLIA WATER NORTH AMERICA - SOUTH, LLC

By: Steven J. Kruger
Signature Authorized Person
Steven J. Kruger
V.P. Operations

Printed Name and Title of Authorized Person

NOTARY STATEMENTS

On this 7 day of March, 2011, the above named person (s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

By: Stephanie R. Brown
Notary Public Commonwealth of Kentucky

Stephanie R. Brown 5-22-2012
Printed Name Date Commission Expires



On this th day of March, 2011, the above named person (s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

By: Erica D. Canada
Notary Public State of Florida

ERICA D CANADA 6/8/2013
Printed Name Date Commission Expires



AMENDMENT 2

This amendment (2) modifies the Operations Maintenance and Management of Wastewater Utility System, at Radcliff, Kentucky, agreement ("Agreement") between the Hardin County Water District No. 1 ("DISTRICT") and Veolia Water North America - South, LLC, ("VEOLIA") which Agreement was executed February 8, 2008. The Agreement provided for additional amendments under Section 1.19. This Amendment 2 changes and replaces certain sections of the Agreement, however all other sections and terms of the agreement not modified herein, shall remain in place and unchanged. This Amendment 2 is made and entered into this 1st day of January, 2010 and also modifies an Amendment to the original agreement, which Amendment was executed June 1, 2009. The following sections numbered in the Agreement are modified or added as follows;

- A. **Section 6.1 Fees and Compensation:** This section, as revised and amended with an initial amendment dated June 1, 2009, is deleted in its entirety and replaced with the following:

VEOLIA WATER's compensation under this Agreement is changed, beginning with January 2010 billing, to \$162,462 per month or \$1,949,545 for a twelve month period termed the Annual Fee. The Maintenance and Repair Limit included in the Annual Fee is \$16,100 a month and \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$15,897 per month and \$190,764 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 a month or \$15,000 for twelve months.

- C. All other sections, requirements and provisions set forth in the original Agreement shall remain in affect and shall apply to and be binding to the additional work and sections of this amendment.

WITNESSETH;

Both parties indicate their approval of this amendment by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this amendment have been and will be taken.

HARDIN COUNTY WATER DISTRICT No. 1;

By:


James Bruce, General Manager

VEOLIA WATER NORTH AMERICA - SOUTH, LLC

By:


Signature, Authorized Person

By:


Printed Name, Title, Authorized Person

NOTARY STATEMENTS:

On this 22 day of February, 2010, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

Aaron B. Pyles
Notary Public, Commonwealth of Kentucky

Aaron B. Pyles
Printed Name

10-30-12
Date Commission Expires

On this _____ day of _____, 2010, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

Notary Public, State of _____

Printed Name

Date Commission Expires

AMENDMENT 3

This amendment (3) modifies the Operations Maintenance and Management of Wastewater Utility System, at Radcliff, Kentucky, agreement ("Agreement") between the Hardin County Water District No. 1 ("DISTRICT") and Veolia Water North America - South, LLC, ("VEOLIA") which Agreement was executed February 8, 2008. The Agreement provided for additional amendments under Section 1.18. This Amendment 3 changes and replaces certain sections of the Agreement, as amended, however all other sections and terms of the Agreement not modified herein, shall remain in place and unchanged. This Amendment 3 is made and entered into this 7 day of MARCH, 2011 and any fee changes shall become effective January 1, 2011. The following sections numbered in the Agreement are modified or added as follows;

- A. Section 6 Fees and Compensation: This section, as revised and amended with previous Amendment 2 dated January 1, 2010, is deleted in its entirety and replaced with the following:

VEOLIA WATER's compensation under this Agreement is changed, beginning with the January 2011 billing, to \$166,606.91 per month or \$1,999,282.92 for a twelve month period termed the Annual Fee. The Maintenance and Repair Limit included in the Annual Fee is \$16,100 a month and \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$15,897 a month and \$190,764 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 a month or \$15,000 for twelve months¹.

WITNESSETH;

Both parties indicate their approval of this amendment by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this amendment have been and will be taken.

1. The amount shown above is a yearly estimate. A review will be made by the District Manager and the District Manager will be notified of any changes.

HARDIN COUNTY WATER DISTRICT NO. 1

By: [Signature]
James Bruce, General Manager

VEOLIA WATER NORTH AMERICA SOUTH, LLC

By: [Signature]
Signature Authorized Person
Steven J. Kruger
V.P. Operations

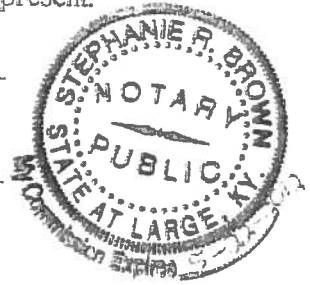
Printed Name and Title of Authorized Person

NOTARY STATEMENTS

On this 7 day of March, 2011, the above named person (s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

By: [Signature]
Notary Public Commonwealth of Kentucky

Stephanie R Brown 5-23-2013
Printed Name Date Commission Expires



On this 7th day of March, 2011, the above named person (s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

By: [Signature]
Notary Public State of Florida

Stephanie R Brown 6/3/2013
Printed Name Date Commission Expires

AMENDMENT 4

THIS AMENDMENT (4) modifies the Agreement for the Operations Maintenance and Management of Wastewater Utility System, at Radcliff, Kentucky, ("Agreement") between the Hardin County Water District No. 1 ("DISTRICT") and Veolia Water North America - South, LLC, ("VEOLIA") which Agreement was executed February 8, 2008, and has been amended three (3) times previously. The Agreement provided for additional amendments under Section 4; however, all other sections and terms of the Agreement not modified herein shall remain in place and unchanged, unless changed by this Amendment.

This Amendment changes and replaces certain sections of the Agreement, as amended, however all other sections and terms of the Agreement not modified herein, shall remain in place and unchanged. This Amendment 4 is made and entered into this 1st day of MARCH, 2012 and any fee changes shall become effective January 1, 2012. The following sections numbered in the Agreement are modified or added as follows;

The following sections numbered in the Agreement are modified, added or changed:

- A. Section 6.1 Fees and Compensation: This paragraph is added at the end of the section:

VEOLIA's compensation under this Agreement beginning January 1st 2012 through December 31st 2012 is \$168,049.91 per month or \$ 2,016,598.92 for a twelve month period (the Annual Fee). The Maintenance and Repair Limit included in the Annual Fee is \$ 16,100 a month or \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$ 15,987 a month or \$190,764 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 a month or \$15,000 for twelve months.

- B. The Agreement is hereby amended to insert a new Section 4.30 under Article IV describing the General Duties of VEOLIA which reads as follows:

4.30 Notwithstanding anything to the contrary contained herein, in connection with the purchase of Consumables and Fixtures as defined below in connection with the operation of the Facilities) in connection with the operation, management, maintenance and improvement of the DISTRICT's Facilities, the following shall control:

- a. Authority: VEOLIA is, and has been at all times during the term of the Agreement, the agent of the DISTRICT for purposes of purchasing Fixtures and Consumables for the sole ownership, use and benefit of the DISTRICT as applicable, in the operation, management, maintenance and improvement of the Facilities. VEOLIA WATER is authorized and directed to purchase, as agent for the DISTRICT, such Fixtures and

Consumables as may be necessary or helpful in the operation of the Facilities. The existence of the above agency relationship shall be disclosed to vendors, suppliers and other providers of such Fixtures and Consumables to the extent required effectuating the purposes of this agency. VEOLIA is entitled to enter into contracts with such vendors, suppliers and providers as agent for the DISTRICT as applicable.

- b. Direction, Supervision, Control: The DISTRICT shall have the right and authority to approve proposed purchases of Fixtures and/or Consumables in advance. VEOLIA shall periodically report to the DISTRICT, as may be reasonably requested or required under the Agreement, regarding the Fixtures and Consumables purchased under the above authority. Fixtures and Consumables shall only be purchased and used for the sole ownership, use and benefit of the DISTRICT, as applicable, in the operation, management, maintenance and improvement of the Facilities.
- c. Title: Notwithstanding anything to the contrary contained herein, all right title and interest in and to the purchased Fixtures and Consumables shall be held by and pass directly to the DISTRICT, as applicable; provided, however, that VEOLIA WATER may hold title as nominee of the DISTRICT when determined to be expedient by the Parties but this arrangement shall in no event change or affect the ownership of the Fixtures and Consumables by the DISTRICT, as applicable.
- d. Payment: VEOLIA is authorized and directed to pay for such Fixtures and Consumables as agent for the DISTRICT under the terms of the Agreement and to seek reimbursement from the DISTRICT for such payments as provided in the Agreement. All such payments by VEOLIA shall be considered payments by the DISTRICT as applicable, to purchase such Fixtures and Consumables.
- e. Taxes: The Parties intend that all purchases of Fixtures and Consumables that VEOLIA WATER makes as agent for the DISTRICT under the Agreement shall be exempt from Kentucky sales and use tax to the greatest extent allowed by law. VEOLIA WATER is authorized and directed to use the DISTRICT's sales and use tax exemption certificate(s) in connection with the purchases of Fixtures and Consumables for the DISTRICT, as applicable, and VEOLIA may present such sales and use tax exemption certificate(s) to vendors, suppliers and other providers of such Fixtures and Consumables in connection with such purchases. In the event that sales or use taxes are determined to be due and payable on the purchase of any Fixtures or Consumables at the time of purchase or subsequently assessed or determined to be due at a later date, whether during a sales and use tax audit or otherwise, the DISTRICT agrees to reimburse VEOLIA for all sales and use taxes paid by VEOLIA, by the due date of the monthly invoice following the determination that taxes were due, and the DISTRICT further agrees to indemnify, defend and hold VEOLIA harmless from and against any

and all claims, demands, liability, damages, suits, actions, causes of action, losses and expenses of every kind and nature, including but not limited to attorney's fees, fines, penalties, interest, expenses, costs other amounts, which arise out of, result from or are related to (i) VEOLIA's purchase of Fixtures and Consumables for the DISTRICT under the above agency and/or (ii) sales and use taxes or other amounts that may be assessed against the Fixtures and Consumables.

- f. Fixtures and Consumables: For the purposes of this Section 4.30, the term "Fixtures" shall include equipment, machinery, spare parts and other improvements which are integrated in or become fixtures of the Facilities. The term "Consumables" shall include electricity, chemicals and other items that are used in connection with the operation of the Facilities

(END OF AMENDMENT 4 ADDITIONS / CHANGES)

WITNESSETH;

Both parties indicate their approval of this amendment by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this amendment have been and will be taken.

HARDIN COUNTY WATER DISTRICT No. 1;

By: James Bruce
James Bruce, General Manager

VEOLIA WATER NORTH AMERICA - SOUTH, LLC

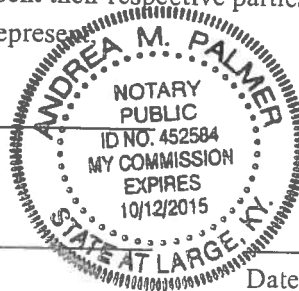
By: Steven J. Kruger
Signature, Authorized Person

By: Steven J. Kruger Steven J. Kruger
Printed Name, Title, Authorized Person V.P. Operations

NOTARY STATEMENTS:

On this 2nd day of March, 2012, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

Andrea M. Palmer
Notary Public, Commonwealth of Kentucky

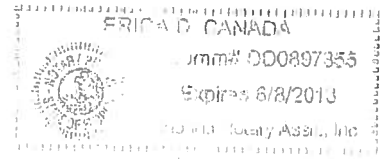


Andrea M. Palmer
Printed Name

10/12/2015
Date Commission Expires

On this 1st day of March, 2012, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent;

Erica D. Canada
Notary Public, State of Florida



Erica D. Canada
Printed Name

6/8/2013
Date Commission Expires

AMENDMENT 5

THIS AMENDMENT (5) modifies the Agreement for the Operations Maintenance and Management of Wastewater Utility System, at Radcliff, Kentucky, ("Agreement") between the Hardin County Water District No. 1 ("DISTRICT") and Veolia Water North America – South, LLC, ("VEOLIA") which Agreement was executed February 8, 2008, and has been amended four (4) times previously. The Agreement provided for additional amendments under Section 4; however, all other sections and terms of the Agreement not modified herein shall remain in place and unchanged, unless changed by this Amendment.

This Amendment changes and replaces certain sections of the Agreement, as amended, however all other sections and terms of the Agreement not modified herein, shall remain in place and unchanged. This Amendment 5 is made and entered into this 6th day of November, 2012 and any fee changes shall become effective January 1, 2013. The following sections numbered in the Agreement are modified or added as follows;

The following sections numbered in the Agreement are modified, added or changed:

A. Section 6.1 Fees and Compensation: This paragraph is hereby amended to read as follows:

VEOLIA'S compensation under this Agreement beginning January 1, 2013 through December 31, 2013 is \$171,410.91 per month or \$2,056,930.90 for a twelve month period (the Annual Fee). The Maintenance and Repair Limit included in the Annual Fee is \$16,100 per month or \$193,200 for twelve months. The Electrical Limit included in the Annual Fee is \$15,897 per month or \$190,764 for twelve months. The Odor Control Limit included in the Annual Fee is \$1,250 per month or \$15,000 for twelve months.

(END OF AMENDMENT 5 ADDITIONS/CHANGES)

WITNESSETH;

Both parties indicate their approval of this amendment by their signatures below, and each party warrants that all corporate or governmental actions necessary to bind the parties to the terms of this amendment have been and will be taken.

HARDIN COUNTY WATER DISTRICT No. 1;

By: *James Bruce*
James Bruce, General Manager

VEOLIA WATER NORTH AMERICA - SOUTH, LLC;

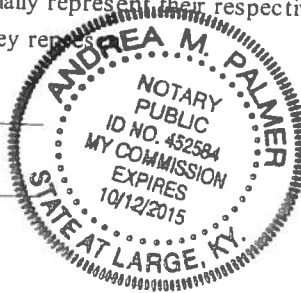
By: *Ken Offelion*
Signature, Authorized Person

By: *Kevin L. Newman, President*
Printed Name, Title, Authorize Person

NOTARY STATEMENTS:

On this 23rd day of October, 2012, the above named person, James Bruce, personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

Andrea M. Palmer
Notary Public, Commonwealth of Kentucky
Andrea M. Palmer
Printed Name

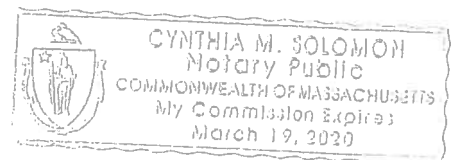


10/12/2015
Date Commission Expires

On this 6th day of November, 2012, the above named person(s) personally appeared before me, and did provide evidence that they officially represent their respective parties, and that the instrument was signed on behalf of the organizations which they represent.

Cynthia M. Solomon
Notary Public, State of Massachusetts
Cynthia M. Solomon
Printed Name

3/19/2020
Date Commission Expires





**PUBLIC NOTICE
PROPOSED INCREASE IN SEWER RATES**

HARDIN COUNTY WATER DISTRICT No. 1
1400 Rogersville Rd
Radcliff, KY 40160
Phone: 270-351-3222 – www.HCWD.com

Notice is hereby given that the Hardin County Water District No. 1 (District) by approval of its Board of Commissioners has filed an Application with the Kentucky Public Service Commission (PSC) seeking approval to increase rates in order to produce sewer revenues sufficient for proper operation, maintenance and capital improvements of the Radcliff sewer system. This Public Notice is provided in conformance with KRS 278.185, and provides the following probable financial impacts to the rate structure and different types of sewer customers based on varying billed water amounts.

ITEM NO.	FEE/CHARGE	CURRENT BILL	PROPOSED BILL	PROBABLE DOLLAR & PERCENT CHANGE IMPACT	ESTIMATED ACCOUNTS AFFECTED
1	Minimum Bill Charge Charged on the first 2,000 gallons of billed water use	\$17.11	\$19.88	+ \$2.77 +16%	Affects all sewer accounts
2	Volume Charge (per kgal) 2,000 to 15,000 gallons of billed water use	\$5.58	\$6.48	+ \$0.90 +16%	Affects approximately 61% of all sewer accounts
3	Volume Charge (per kgal) 15,000 and above of billed water use	\$4.47	\$5.84	+ \$1.37 +31%	Affects approximately 2% of all sewer accounts
4	Wholesale Sewage Treatment Rate (per kgal)	N/A (No rate currently exists)	\$3.04	NA	Currently have no wholesale customers
Impacts to Typical Bill Sizes (Below) (The amounts below are estimates of size of bills and do not represent a unique customer class or specific rate for different classes)					
5	Small sewer bill – 1,500 gallons	\$17.11	\$19.88	+ \$2.77 +16%	Affects approximately 16% of all sewer accounts
6	Medium sewer bill – 4,400 gallons (Average Bill)	\$30.50	\$35.43	+ \$4.93 +16%	Affects approximately 11% of all sewer accounts
7	Large sewer bill – 50,000 gallons	\$246.10	\$308.40	+ \$62.30 +25%	Affects approximately <1% of all sewer accounts

The proposed rates by the District have been included in an application filed with the Kentucky Public Service Commission (PSC) to be filed on or before June 25, 2013 which application has been assigned Case No. 2013-00050 by the PSC. The rates and charges contained in this Notice are those proposed by the District. However, the PSC may order rates to be charged that differ from the rates proposed. Such action by the PSC may result in rates other than those included in the Notice.

Notice of Right to Intervene: District customers are advised that any corporation, association, body politic or person may by motion within thirty (30) days after delivery of this notice request leave to intervene. Motions to intervene shall be submitted in writing to the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, KY. 40602; ATTN: Mr. Jeff Dereoun, Executive Director, and set forth the grounds for the request including the status and interest of the party. Written comments may be submitted by mail to the PSC or through their website at: psc.info@ky.gov and should include the case number. Interested persons may examine the application and other related documents at the District office (address above) or on the District website at: www.HCWD.com and documents can also be viewed at the PSC specific case website address at;

<http://psc.ky.gov/Home/Library?type=Cases&folder=2013%20cases/2013-00050>.

For any questions or additional information contact Mr. Jim Bruce, General Manager.