



FINANCIAL STATEMENTS  
SEDALIA WATER DISTRICT  
Sedalia, Kentucky  
December 31, 2011

HAMMONDS ACCOUNTING AND TAX SERVICE  
Box 662  
Cunningham, Kentucky 42035

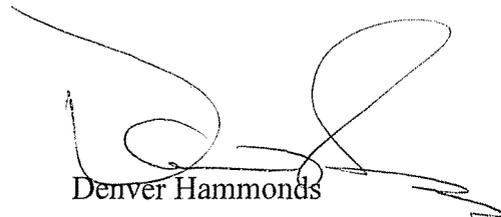
Phone 270-642-2797

April 27, 2012

Commissioners  
Sedalia Water District  
Sedalia, Kentucky 42079

We have compiled the accompanying balance sheets of the Sedalia Water District as of December 31, 2011 and the related statements of net revenues and accumulated net revenues and cash flows for the year then ended, in accordance with generally accepted accounting practices.

A compilation is limited in the form of financial statements information that is the representation of management. We have not audited the financial statements and accordingly cannot express an opinion or other form of assurance on them.



Denver Hammonds

Sedalia Water District  
Balance Sheet  
December 31, 2011

Assets

Utility Plant:

Water Plant - in service - Note A	\$287,942.00
Less accumulated depreciation	<u>242,206.00</u>
	45,736.00

Funds and Investments:

Certificates of deposit	0.00
-------------------------	------

Current Assets:

Cash	1,043.00
	<u>46,779.00</u>

Liabilities and Equity

Long Term Debt

Bonds Payable	<u>\$0.00</u>
Total long term debt	<u>0.00</u>

Current Liabilities

Accounts payable	
Note payable	<u>3,344.00</u>
Total current liabilities	<u>3,344.00</u>

Other Liabilities

Customer meter deposits	<u>1,000.00</u>
-------------------------	-----------------

Equity

Accumulated net revenue	(111,895.00)
State grant=in-aid	119,776.00
Contribution in aid to Construction	<u>34,554.00</u>
Total equity	<u>42,435.00</u>

Total Liabilities and Equity	<u>\$46,779.00</u>
------------------------------	--------------------

See notes to financial statements

Sedalia Water District  
Statement of Net Revenues and Accumulated Net Revenues  
Year Ended December 31, 2011

Operating Revenues:

Water sales revenues	\$35,795.00
----------------------	-------------

Operating Expenses:

Meter reading and billing expenses		\$9,250.00
Water testing		3,716.00
Insurance		2,917.00
Legal and accounting		950.00
Office supplies and postage expense		2,017.00
Utilities		4,130.00
Materials & Supplies	a/c 620	2,163.00
Chemicals		3,208.00
Depreciation		16,550.00
Contractual Services	a/c 630	8,619.00
Dues		400.00
Public Service Comission Assessment		0.00
Miscellaneous		<u>50.00</u>
		<u>53,970.00</u>

Net Operating Revenue	(\$18,175.00)
-----------------------	---------------

Other Revenues:

Interest income - revenue account		
Interest income - certificates of deposit		<u>0.00</u>
		(18,175.00)

Interest Expenses:

Long term debt		\$0.00
Other		<u>0.00</u>
		<u>0.00</u>

Net Revenues	(18,175.00)
--------------	-------------

Accumulated Net Revenues at January 1	<u>(93,720.00)</u>
--	--------------------

Accumulated Net Revenues at December 31	<u>(\$111,895.00)</u>
--	-----------------------

See notes to financial statements

Sedalia Water District  
Statement of Cash Flows  
Revenue Fund  
Year Ended December 31, 2011

Cash Flows From Operating Activities:

Net revenues (Loss)	(\$18,175.00)
Adjustments to reconcile net revenues (loss) to net cash used by operating activities:	
Depreciation	16,550.00
Accounts receivable (increase) decrease	
Customer meter deposits increase (decrease)	
Accounts payable increase (decrease)	
	(1,625.00)
Net Cash Used by Operating Activities	(1,625.00)

Cash Flows From Investing Activities:

Plant Improvements	0.00
Increase in certificates of deposit	0.00
Net Cash Used by Investing Activities	0.00

Cash Flows From Financing Activities:

State grant-in-aid	0.00
Increase in customer grant-in-aid of construction	0.00
Net Cash Provided (Used) by Financing Activities	0.00

Net Increase (decrease) in Cash (1,625.00)

Cash at beginning of year 2,668.00

Cash at End of Year \$1,043.00

See notes to financial statements

Sedalia Water District  
Notes To Financial Statements  
December 31, 2011

Note A - Significant Accounting Policies

The following items comprise the significant accounting policies which the District follows in preparing and presenting its financial statements.

Utility Plant

Utility plant is stated at original cost. Maintenance and expense costs are charged against income. Depreciation of utility plant is provided by the straight-line method over the useful life of the plant.

Customer Meter Deposits

Customer meter deposits are amounts deposited with the District by rental customers as security for the payment of bills. When the customer vacates, the deposit is applied to the final bill, and the remaining balance, if any, is refunded to the customer.

Note B- Short-Term Note Payable

The Sedalia Water District and Graves County Fiscal Court entered into this agreement. This instrument consists of one principal payment of \$3,344.00, bearing zero interest, payable on demand.

Note C Long-Term Debt

There is no long term debt outstanding as of December 31, 2011