

Case No. 2006-00467

RECEIVED

JAN 08 2007

PUBLIC SERVICE
COMMISSION

EHXIBIT LIST

JACKSON COUNTY WATER ASSOCIATION

1. Notice of Intent
2. Current Tariff
3. Comparison of Current and Proposed Rates
4. Revised Tariff
5. Notice
6. Income and Expenses
7. Debt Expense
8. Monthly Expense Reports
9. Audit Report
10. Annual Report
11. Test Year Billing Analysis
12. Allocation of Retail Expenses and Rates
13. Allocation of Wholesale Expenses and Rates

RECEIVED

JAN 08 2007

COMMONWEALTH OF KENTUCKY

PUBLIC SERVICE
COMMISSION

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF THE JACKSON COUNTY
WATER ASSOCIATION FOR APPROVAL OF A
PROPOSED INCREASE IN RATES

)
)
) CASE NO. 2006-467
)

STATEMENT AND NOTICE

Jackson County Water Association ("Jackson County"), hereby petitions the Commission for approval of a proposed increase in its water rates and charges. In support of its application, Jackson County respectfully states as follows:

1. Jackson County is a non-profit water corporation doing business in Kentucky. Jackson County operates a water distribution system in Jackson and Rockcastle counties. Its Manager is John Powell, whose mailing address is Box 232, Tyner, Kentucky, 40486.

2. Jackson County is engaged in the distribution and sale of water. It currently provides water service to approximately 4,274 customers. Jackson County also sells water at a wholesale rate to the city of Beattyville, city of McKee and the Rockcastle County Water Association.

3. The Articles of Incorporation were filed in Case No. 93-120. Jackson County requests that it not be required to refile these Articles.

4. The proposed increase in rates and charges is necessary for Jackson County to meet its operating expenses, to maintain financial viability, to cover its debt service, and to continue to provide adequate service.

5. For the purpose of justifying the reasonableness of the proposed increase, Jackson County has utilized a historical test period consisting of the twelve (12) consecutive calendar months ending December 31, 2005.

6. Jackson County gave notice of its intent to file an application in accordance with 807 KAR 5:001, Section 10(2). A copy of this letter is attached as Exhibit 1.

7. Jackson County's annual reports, including the annual report for 2005, are on file with the Public Service Commission as required by 807 KAR 5:006, Section 3(1), and are filed a part of this application for the convenience of the Commission.

8. A copy of Jackson County's current rates and charges are shown in Exhibit 2. A comparison of current and proposed rates are shown in Exhibit 3.

9. Jackson County hereby gives notice to the Public Service Commission of the adjustment of its rates to those rates set forth in Exhibit No. 4. This exhibit shows a comparison between the current and proposed rates. The proposed rates will become effective upon Commission approval. Test year revenue is currently \$1,595,318. The proposed rates will increase total revenue to \$1,746,657 an increase of \$150,339 or 9 percent

10. Jackson County has complied with 807 KAR 5:011, Section 9,(2) and 807 KAR 5:001, Section 10,(3) and (4) by mailing to each customer a copy of the Notice identified as Exhibit 5. The customer notice will be sent no later than seven (7) days after the date the application is filed with the Public Service Commission.

11. Jackson County requests that this application be expedited as quickly as possible. Jackson County is aware that expenses may have increased after December 31, 2005, but does not wish to make adjustments to reflect these increases in this

application. The District does not desire to increase its rates above the proposed rates and it is apparent the proposed rates will not allow the District to earn excessive revenues. For these reasons, the District requests this application be processed as quickly as possible.

12. A copy of this filing has been mailed to the Utility Intervention and Rate Division of the Attorney General's office of the Commonwealth of Kentucky.

13. As required by 807 KAR 5:001, Section 10, (4), (f), Jackson County will post a copy of its Customer Notice at its place of business on the same day the application is filed with the Public Service Commission, and it will remain posted until the Public Service Commission has determined Jackson County's rates.

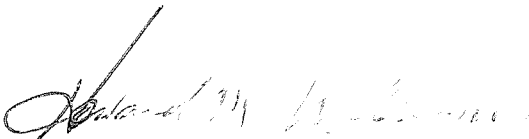
14. The list of the documents filed in support of Jackson County's application for approval of the proposed adjustment of rates or the explanation for their absence is contained in the Filing Requirement Index.

15. Jackson County respectfully requests, that due to budget constraints and number of employees, if the Commission requires additional information in order to process this case in a timely manner, that it provide the District with Staff assistance in meeting the filing requirements and providing justification for the proposed increase in water rates.

WHEREFORE, the Applicant, Jackson County Water District requests that the Public Service Commission of Kentucky grant to the Applicant its proposal to increase its rates and charges as set forth in this Petition.

Dated at Tyner, Kentucky this 1-5-07.

JACKSON COUNTY WATER ASSOCIATION

By 
Chairman

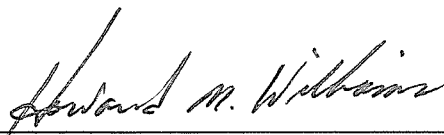
COMMONWEALTH OF KENTUCKY

)
)SS

COUNTY OF Jackson


The undersigned, being duly sworn, deposes and states he is the Chairman of the Jackson County Water Association, Applicant, in the above proceedings; that he has read the foregoing Application and has noted the contents thereof; that the same is true of his own knowledge, except as to matters which are there in stated on information or belief, and as to those matters, he believes same to be true.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this 1-5-07.


Chairman
Jackson County Water Association

Subscribed and sworn to before me by Howard Williams, Chairman of the Jackson County Water Association, on this 1-5-07, 2006.

My Commission Expires 6 30, 2007


Notary Public
In and for said County and State

Filing Requirement Index Historical Test Period Rate Case

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 8(1)	Full name and P. O. address of applicant and reference to the particular provision of law requiring PSC approval.	Application – Page No. 1.
807 KAR 5:001 Section 8(2)	The original and 10 copies of application plus copy for anyone named as interested party.	The correct number of applications have been filed.
807 KAR 5:001 Section 10(1)(b)(1)	Reason adjustment is required.	Application – Page No. 1.
807 KAR 5:001 Section 10(1)(b)(2)	Statement that utility's annual reports, including the most recent calendar year, are filed with PSC. 807 KAR 5:006, Section 3(1)	Application – Page No. 2.
807 KAR 5:001 Section 10(1)(b)(3) & (5)	If utility is incorporated, certified copy of articles of incorporation and amendments or out of state documents of similar import. If they have already been filed with PSC refer to the style and case number of the prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	Article of Incorporation are filed in Case No. 93-120.
807 KAR 5:001 Section 10(1)(b)(4) & (5)	If applicant is limited partnership, certified copy of limited partnership agreement. If agreement filed with PSC refer to style and case number of prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	N/A – Jackson County is not a limited partnership.
807 KAR 5:001 Section 10(1)(b)(6)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	N/A – Jackson County has never used an assumed name.
807 KAR 5:001 Section 10(1)(b)(7)	Proposed tariff in form complying with 807 KAR 5:011 effective not less than 30 days from date application filed.	Exhibit No. 4.
807 KAR 5:001 Section 10(1)(b)(8)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff.	Exhibit No. 3.
807 KAR 5:001	Statement that notice given, see subsections (3) and (4) of	Application – Page No. 2.

**Filing Requirement Index
Historical Test Period Rate Case**

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

**Filing Requirement Index
Historical Test Period Rate Case**

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (6)(i)	Reconciliation of rate base and capital used to determine revenue requirements.	N/A – Revenue Requirement reflects Debt Service.
807 KAR 5:001 Section 10 (6)(j):	Current chart of accounts if more detailed than the Uniform System of Accounts.	Not applicable
807 KAR 5:001 Section 10 (6)(k)	Independent auditor's annual opinion report, with any written communication from auditor, which indicates existence of material weakness in internal controls.	The 2005 Audit Report is attached as Exhibit 9.
807 KAR 5:001 Section 10 (6)(l):	The most recent FERC or FCC audit reports.	N/A – Jackson County is a Water Association
807 KAR 5:001 Section 10 (6)m	The most recent FERC Form 1 (electric), FERC Form 2 (gas), or Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone).	N/A – Jackson County is a Water Association.
807 KAR 5:001 Section 10 (6)(n)	Summary of latest depreciation study with schedules by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall provide schedule identifying current and test period depreciation rates used by major plant accounts. If filed in another PSC case refer to that case's number and style.	Exhibit No. 9 – Annual Report.. There are no other studies of depreciation available to Jackson County.
807 KAR 5:00 Section 10 (6)(o)	List of all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with the filing. Include each software, program, or model; what each was used for; its supplier; brief description and specifications for the computer hardware and the operating system required to run the program.	Excel Word
807 KAR 5:001 Section 10 (6)(p)	Prospectuses of most recent stock or bond offerings.	N/A – Jackson County is a Water Association
807 KAR 5:001 Section 10 (6)(q)	Annual report to shareholders, or members, and statistical supplements covering 2 years prior to application filing	N/A – Jackson County is a Water Association

**Filing Requirement Index
Historical Test Period Rate Case**

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (6)(r)	date. Monthly managerial reports providing financial results for 12 months in test period.	Exhibit 8.
807 KAR 5:001 Section 10 (6)(s)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued within past 2 years, and Form 10-Qs issued during the past 6 quarters updated as current information becomes available.	N/A – Jackson County is a Water Association
807 KAR 5:001 Section 10 (6)(t)	If utility had any amounts charged or allocated to it by affiliate or general or home office, or paid any monies to affiliate or general or home office during test period or during previous 3 calendar years, file: 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each charge allocation or payment; 2. Explanation of how allocator for the test period was determined; and 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during test period was reasonable;	N/A – There are no affiliate allocations.

**Filing Requirement Index
Historical Test Period Rate Case**

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (6)(u)	If gas, electric or water utility, whose annual gross revenues exceed \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from a single time period.	Revenue does not exceed \$5,000,000. Cost of service study shown at Exhibit 12 and 13.
807 KAR 5:001 Section 10 (6)(v)	<p>Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file:</p> <ol style="list-style-type: none"> 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies to support pricing of all services that generate annual revenue greater than \$1,000,000, except local exchange access: <ol style="list-style-type: none"> (a) Based on current and reliable data from a single time period; and (b) Using generally recognized fully allocated, embedded, or incremental cost principles. 	N/A – Jackson County is a Water Association
807 KAR 5:001 Section 10 (7)(a)	Detailed income statement and balance sheet reflecting impact of all proposed adjustments	Exhibit No. 6, pro forma adjustments and Exh. 9 – Annual Report
807 KAR 5:001 Section 10 (7)(b)	Most recent capital construction budget containing at least period of time as proposed for any pro forma adjustment for plant additions.	NA – Jackson County is not proposing any pro forma adjustment for plant additions.

**Filing Requirement Index
Historical Test Period Rate Case**

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (7)(c)	<p>For each proposed pro forma adjustment reflecting plant additions the following information:</p> <ol style="list-style-type: none"> 1. Starting date of the construction of each major component of plant; 2. Proposed in-service date; 3. Total estimated cost of construction at completion; 4. Amount contained in construction work in progress at end of test period; 5. Complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement; 6. Original cost, cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions; 7. Explanation of any differences in amounts contained in the capital construction budget and amounts of capital construction cost contained in the pro forma adjustment period; and 8. Impact on depreciation expense of all proposed pro 	<p>NA – Jackson County is not proposing any pro forma adjustment for plant additions.</p>

**Filing Requirement Index
Historical Test Period Rate Case**

Filing Requirements	Filing Requirement Description	Location or Absence Reason
807 KAR 5:001 Section 10 (7)(e)	<p>forma adjustments for plant additions and retirements; Number of customers to be added to the test period – end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.</p>	<p>Jackson County does not have a current ongoing project wherein it expects to add a significant number of new customers.</p>

Jackson County Water Association
P.O. Box 232
Tyner, Kentucky 40486

November 6, 2006

RECEIVED

JAN 08 2007

PUBLIC SERVICE
COMMISSION

Hon. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, Kentucky 40602

RE: Jackson County Water Association
Notice of Intent to File a Rate Application

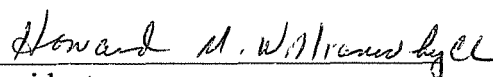
Dear Ms. O'Donnell:

The Jackson County Water Association hereby gives notice, pursuant to 807 KAR 5:001, Section 10(2), that it intends to file an application for an adjustment of its rates on or about December 15, 2006.

The application will be based on a twelve (12) month historical test period which ended June 30, 2005.

A copy of this letter has been mailed to the Utility Intervention and Rate Division of the Office of the Attorney General.

Yours truly,
Howard M. Williams



President
Jackson County Water Association

Cc: Attorney General, Utility Intervention and Rate Division

FOR Jackson County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Jackson County Water Association
(Name of Utility)

RATES AND CHARGES

5/8 x 3/4 Inch Meter

First 2,000 gallons	\$14.48 Minimum bill
Next 18,000 gallons	5.96 per 1,000 gallons
Next 30,000 gallons	5.07 per 1,000 gallons
Over 50,000 gallons	4.17 per 1,000 gallons

1 Inch Meter

First 5,000 gallons	\$32.37 Minimum bill
Next 15,000 gallons	5.96 per 1,000 gallons
Next 30,000 gallons	5.07 per 1,000 gallons
Over 50,000 gallons	4.17 per 1,000 gallons

1 1/2 Inch Meter

First 10,000 gallons	\$62.20 Minimum bill
Next 10,000 gallons	5.96 per 1,000 gallons
Next 30,000 gallons	5.07 per 1,000 gallons
Over 50,000 gallons	4.17 per 1,000 gallons

2 Inch Meter

First 20,000 gallons	\$121.85 Minimum bill
Next 30,000 gallons	5.07 per 1,000 gallons
Over 50,000 gallons	4.17 per 1,000 gallons

3 Inch Meter

First 30,000 gallons	\$172.54 Minimum bill
Next 20,000 gallons	5.07 per 1,000 gallons
Over 50,000 gallons	4.17 per 1,000 gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____

ISSUED BY Harold M. Williams
Month / Date / Year
(Signature of Officer)

TITLE President

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 23 2003

PURSUANT TO 807 KAR 5.011
SECTION 9 (1)

BY Charles L. Brown
EXECUTIVE DIRECTOR

FOR Jackson County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Jackson County Water Association
(Name of Utility)

RATES AND CHARGES

4 Inch Meter

First 40,000 gallons
Next 10,000 gallons
Over 50,000 gallons

\$223.23 Minimum bill
5.07 per 1,000 gallons
4.17 per 1,000 gallons

Bulk User Rates

Rockcastle County Water Association
City of Beattyville
City of McKee

\$2.18 per 1,000 gallons
1.98 per 1,000 gallons
1.78 per 1,000 gallons

Truck Sales

Sand Gap

\$2.00 per 1,000 gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____

ISSUED BY David M. Williams
Month / Date / Year
(Signature of Officer)

TITLE President

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

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 23 2003

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY Charles H. Brown
EXECUTIVE DIRECTOR

FOR Jackson County
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Jackson County Water Association
(Name of Utility)

COMPARISON OF CURRENT AND PROPOSED RATES

	Current	Proposed
<u>5/8 x 3/4 Inch Meter</u>		
First 2,000 Gallons	\$14.88 Minimum Bill	\$16.50 Minimum Bill
Next 18,000 Gallons	5.96 Per 1,000 Gallons	6.68 Per 1,000 Gallons
Next 30,000 Gallons	5.07 Per 1,000 Gallons	5.75 Per 1,000 Gallons
Over 50,000 Gallons	4.17 Per 1,000 Gallons	4.75 Per 1,000 Gallons
<u>1 Inch Meter</u>		
First 5,000 Gallons	\$32.37 Minimum Bill	\$36.54 Minimum Bill
Next 15,000 Gallons	5.96 Per 1,000 Gallons	6.68 Per 1,000 Gallons
Next 30,000 Gallons	5.07 Per 1,000 Gallons	5.75 Per 1,000 Gallons
Over 50,000 Gallons	4.17 Per 1,000 Gallons	4.75 Per 1,000 Gallons
<u>1 1/2 Inch Meter</u>		
First 10,000 Gallons	\$62.60 Minimum Bill	\$69.94 Minimum Bill
Next 10,000 Gallons	5.96 Per 1,000 Gallons	6.68 Per 1,000 Gallons
Next 30,000 Gallons	5.07 Per 1,000 Gallons	5.75 Per 1,000 Gallons
Over 50,000 Gallons	4.17 Per 1,000 Gallons	4.75 Per 1,000 Gallons
<u>2 Inch Meter</u>		
First 20,000 Gallons	\$121.85 Minimum Bill	\$136.74 Minimum Bill
Next 30,000 Gallons	5.07 Per 1,000 Gallons	5.75 Per 1,000 Gallons
Over 50,000 Gallons	4.17 Per 1,000 Gallons	4.75 Per 1,000 Gallons

Date of Issue _____

Date Effective _____

Issued By _____

Title _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

FOR Jackson County
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Jackson County Water Association
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

COMPARISON OF CURRENT AND PROPOSED RATES

	Current	Proposed
<u>3 Inch Meter</u>		
First 30,000 Gallons	\$172.54 Minimum Bill	\$194.24 Minimum Bill
Next 20,000 Gallons	5.07 Per 1,000 Gallons	5.75 Per 1,000 Gallons
Over 50,000 Gallons	4.17 Per 1,000 Gallons	4.75 Per 1,000 Gallons
<u>4 Inch Meter</u>		
First 40,000 Gallons	\$223.23 Minimum Bill	\$251.74 Minimum Bill
Next 10,000 Gallons	5.07 Per 1,000 Gallons	5.75 Per 1,000 Gallons
Over 50,000 Gallons	4.17 Per 1,000 Gallons	4.75 Per 1,000 Gallons
Rockcastle County Water Assn.	\$2.18 Per 1,000 Gallons	\$2.77 Per 1,000 Gallons
City of Beattyville	1.98 Per 1,000 Gallons	2.68 Per 1,000 Gallons
City of McKee	1.78 Per 1,000 Gallons	2.52 Per 1,000 Gallons
<u>Truck Sales</u>		
Sand Gap	\$2.00 Per 1,000 Gallons	2.25 Per 1,000 Gallons

Date of Issue _____

Date Effective _____

Issued By _____

Title _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

FOR Jackson County
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Jackson County Water Association
(Name of Utility)

RATES AND CHARGES

5/8 x 3/4 Inch Meter

First 2,000 Gallons	\$16.50 Minimum Bill
Next 18,000 Gallons	6.68 Per 1,000 Gallons
Next 30,000 Gallons	5.75 Per 1,000 Gallons
Over 50,000 Gallons	4.75 Per 1,000 Gallons

1 Inch Meter

First 5,000 Gallons	\$36.54 Minimum Bill
Next 15,000 Gallons	6.68 Per 1,000 Gallons
Next 30,000 Gallons	5.75 Per 1,000 Gallons
Over 50,000 Gallons	4.75 Per 1,000 Gallons

1 1/2 Inch Meter

First 10,000 Gallons	\$69.94 Minimum Bill
Next 10,000 Gallons	6.68 Per 1,000 Gallons
Next 30,000 Gallons	5.75 Per 1,000 Gallons
Over 50,000 Gallons	4.75 Per 1,000 Gallons

2 Inch Meter

First 20,000 Gallons	\$136.74 Minimum Bill
Next 30,000 Gallons	5.75 Per 1,000 Gallons
Over 50,000 Gallons	4.75 Per 1,000 Gallons

Date of Issue _____

Date Effective _____

Issued By Harold M. Wellman

Title President

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

FOR Jackson County
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Jackson County Water Association
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

3 Inch Meter

First 30,000 Gallons	\$194.24 Minimum Bill
Next 20,000 Gallons	5.75 Per 1,000 Gallons
Over 50,000 Gallons	4.75 Per 1,000 Gallons

4 Inch Meter

First 40,000 Gallons	\$251.74 Minimum Bill
Next 10,000 Gallons	5.75 Per 1,000 Gallons
Over 50,000 Gallons	4.75 Per 1,000 Gallons

Rockcastle County Water Assn. \$2.77 Per 1,000 Gallons

City of Beattyville 2.68 Per 1,000 Gallons

City of McKee 2.52 Per 1,000 Gallons

Truck Sales

Sand Gap 2.25 Per 1,000 Gallons

Date of Issue _____

Date Effective _____

Issued By Edward M. Williams

Title President

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

NOTICE

Jackson County Water Association has filed an application with the Public Service Commission to increase its rates for water service, within 30 days from filing its application as follows:

	Current Rates	Proposed Rates
First 2,000	\$14.48	\$16.50
Next 18,000	5.96	6.68
Next 30,000	5.07	5.75
Over 50,000	4.17	4.75
Bulk Sales	2.00	2.25
Rockcastle Water Assn.	2.18	2.77
City of Beattyville	1.98	2.68
City of McKee	1.78	2.52

Minimum	Current	Proposed	Increase	Percentage
5/8	14.48	16.50	2.02	13.9
1 Inch	32.37	36.54	4.14	12.8
1 ½	62.60	69.94	7.34	11.7
2	121.85	136.74	14.89	12.2
3	172.54	194.24	21.70	12.5
4	223.23	251.74	28.51	12.7

Based on the rates proposed by Jackson County, customers connected to a 5/8 inch meter using 5,000 gallons will pay \$36.54 an increase of \$4.17 or 12.8

The rates contained in this notice are the rates proposed by Jackson County Water Association. However, the Public Service Commission may order rates to be charged that are different than the rates proposed in this notice.

Any corporation, association, body politic or person may request leave to intervene, by motion within thirty (30) days after notice of the proposed change is given. A motion to intervene shall be made in writing and submitted to the Executive Director, Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from the Association's in office at P.O. Box 232, Tyner, Kentucky 40486 or by contacting the Association at 606-287-7000. Upon request from an intervenor, the Association shall furnish to the intervenor a copy of the application and supporting documents.

JACKSON COUNTY WATER ASSOCIATION	
INCOME AND EXPENSES	
YEAR ENDED DECEMBER 31, 2005	
Operating Income	Test Year
Water Sales	\$ 1,546,016
Interest Income	48,774
Other Income	528
Total Income	\$ 1,595,318
Operating Expenses	
Salaries and Wages	
Supply	\$ 48,869
Treatment	48,868
Transmission and Distribution	178,627
Customer Accounts	80,247
Administrative and General	51,306
Employee Pensions and Benefits	
Supply	14,697
Treatment	14,697
Transmission and Distribution	53,721
Customer Accounts	24,131
Administrative and General	15,433
Purchased Power	121,755
Chemicals	50,063
Materials and Supplies	
Supply	16,477
Treatment	16,477
Transmission and Distribution	32,955
Administrative and General	33,504
Accounting	13,400
Legal	560
Transportation Expense	33,552
Bad Debt	35,352
Insurance - Workers Comp.	
Supply	977
Treatment	1,066
Transmission and Distribution	3,909
Customer Accounts	1,777
Administrative and General	1,155

Miscellaneous	
Supply	12,630
Treatment	18,424
Transmission and Distribution	20,919
Customer Accounts	38,570
Administrative and General	12,547
Depreciation	
Supply	143,957
Treatment	5,424
Transmission and Distribution	233,831
Customer Accounts	14,871
Administrative and General	9,273
Debt Service	
Supply and Treatment	146,967
Transmission and Distribution	230,490
Customer Accounts	14,857
Administrative and General	9,236
Total Expenses	\$ 1,805,570
Income	1,595,318
Increase Required	\$ 210,252
Percentage	0.13

End 2005

4-2005

Interest Rate 5.000%

Loan Length (years) 5

Number of Annual Payments 1

Loan Amount \$90,580.00

Annual Loan Payments \$20,921.70

Monthly Loan Payment \$20,921.70

Interest over term of Loan \$14,028.49

0+1

Payment N	Beginning Bal	Loan Payment	Principal Payment	Interest Payment	Interest Payment	Cumulative Principal	Cumulative Interest	Ending Balance
TOTAL		\$103,612.22		\$89,583.73	\$14,028.49			
1	\$90,580.00	\$20,921.70	\$16,392.70	\$4,529.00	\$4,529.00	\$16,392.70	\$4,529.00	\$74,187.30
2	\$74,187.30	\$20,921.70	\$17,212.33	\$3,709.37	\$3,709.37	\$33,605.03	\$8,238.37	\$56,974.97
3	\$56,974.97	\$20,921.70	\$18,072.95	\$2,848.75	\$2,848.75	\$51,677.98	\$11,087.12	\$38,902.02
4	\$38,902.02	\$20,921.70	\$18,976.60	\$1,945.10	\$1,945.10	\$70,654.58	\$13,032.22	\$19,925.42
5	\$19,925.42	\$19,925.42	\$18,929.15	\$996.27	\$996.27	\$89,583.73	\$14,028.49	\$996.27
6	\$996.27	\$0.00	\$0.00	\$0.00	\$0.00	\$89,583.73	\$14,028.49	\$996.27
7	\$996.27	\$0.00	\$0.00	\$0.00	\$0.00	\$89,583.73	\$14,028.49	\$996.27
8	\$996.27	\$0.00	\$0.00	\$0.00	\$0.00	\$89,583.73	\$14,028.49	\$996.27
9	\$996.27	\$0.00	\$0.00	\$0.00	\$0.00	\$89,583.73	\$14,028.49	\$996.27
10	\$996.27	\$0.00	\$0.00	\$0.00	\$0.00	\$89,583.73	\$14,028.49	\$996.27

All Notes Payment

= \$401,550.00

9-2017

Interest Rate 5.000%
 Loan Length (years) 12
 Number of Annual Payments 1
 Loan Amount \$283,092.00
 Annual Loan Payments \$31,939.97
 Monthly Loan Payment \$31,939.97
 Interest over term of Loan \$100,187.65

Payment N	Beginning Balau	Loan Payment	Principal Paymen	Interest Payment	Cumulative Principa	Cumulative Interest	Ending Balance
TOTAL		\$381,758.70	\$281,571.05	\$100,187.65			
1	\$283,092.00	\$31,939.97	\$17,785.37	\$14,154.60	\$17,785.37	\$14,154.60	\$265,306.63
2	\$265,306.63	\$31,939.97	\$18,674.64	\$13,265.33	\$36,460.01	\$27,419.93	\$246,631.99
3	\$246,631.99	\$31,939.97	\$19,608.37	\$12,331.60	\$56,068.38	\$39,751.53	\$227,023.62
4	\$227,023.62	\$31,939.97	\$20,588.79	\$11,351.18	\$76,657.17	\$51,102.71	\$206,434.83
5	\$206,434.83	\$31,939.97	\$21,618.23	\$10,321.74	\$98,275.40	\$61,424.45	\$184,816.60
6	\$184,816.60	\$31,939.97	\$22,699.14	\$9,240.83	\$120,974.54	\$70,665.28	\$162,117.46
7	\$162,117.46	\$31,939.97	\$23,834.10	\$8,105.87	\$144,808.64	\$78,771.15	\$138,283.36
8	\$138,283.36	\$31,939.97	\$25,025.80	\$6,914.17	\$169,834.44	\$85,685.32	\$113,257.56
9	\$113,257.56	\$31,939.97	\$26,277.09	\$5,662.88	\$196,111.53	\$91,348.20	\$86,980.47
10	\$86,980.47	\$31,939.97	\$27,590.95	\$4,349.02	\$223,702.48	\$95,697.22	\$59,389.52

2-20 4

Interest Rate 5.000%
 Loan Length (years) 19
 Number of Annual Payments 1
 Loan Amount \$106,824.00

Annual Loan Payments \$8,839.15
 Monthly Loan Payment \$8,839.15
 Interest over term of Loan \$61,119.91

Payment N	Beginning Balance	Loan Payment	Principal Payment	Interest Payment	Interest Payment	Cumulative Principal	Cumulative Interest	Ending Balance
TOTAL		\$167,523.00	\$106,403.09	\$61,119.91				
1	\$106,824.00	\$8,839.15	\$3,497.95	\$5,341.20	\$3,497.95	\$5,341.20	\$5,341.20	\$103,326.05
2	\$103,326.05	\$8,839.15	\$3,672.85	\$5,166.30	\$5,166.30	\$7,170.80	\$10,507.50	\$99,653.20
3	\$99,653.20	\$8,839.15	\$3,856.49	\$4,982.66	\$4,982.66	\$11,027.29	\$15,490.16	\$95,796.71
4	\$95,796.71	\$8,839.15	\$4,049.31	\$4,789.84	\$4,789.84	\$15,076.60	\$20,280.00	\$91,747.40
5	\$91,747.40	\$8,839.15	\$4,251.78	\$4,587.37	\$4,587.37	\$19,328.38	\$24,867.37	\$87,495.62
6	\$87,495.62	\$8,839.15	\$4,464.37	\$4,374.78	\$4,374.78	\$23,792.75	\$29,242.15	\$83,031.25
7	\$83,031.25	\$8,839.15	\$4,687.59	\$4,151.56	\$4,151.56	\$28,480.34	\$33,393.71	\$78,343.66
8	\$78,343.66	\$8,839.15	\$4,921.97	\$3,917.18	\$3,917.18	\$33,402.31	\$37,310.89	\$73,421.69
9	\$73,421.69	\$8,839.15	\$5,168.07	\$3,671.08	\$3,671.08	\$38,570.38	\$40,981.97	\$68,253.62
10	\$68,253.62	\$8,839.15	\$5,426.47	\$3,412.68	\$3,412.68	\$43,996.85	\$44,394.65	\$62,827.15

4-20 4

Interest Rate 5.000%
 Loan Length (years) 19
 Number of Annual Payments 1
 Loan Amount \$64,372.00

Annual Loan Payments \$5,326.46
 Monthly Loan Payment \$5,326.46
 Interest over term of Loan \$36,830.77

Payment N	Beginning Balai	Loan Payment	Principal Paymen	Interest Payment	Cumulative Principa	Cumulative Interest	Ending Balance
TOTAL		\$100,949.13	\$64,118.36	\$36,830.77			
1	\$64,372.00	\$5,326.46	\$2,107.86	\$3,218.60	\$2,107.86	\$3,218.60	\$62,264.14
2	\$62,264.14	\$5,326.46	\$2,213.25	\$3,113.21	\$4,321.11	\$6,331.81	\$60,050.89
3	\$60,050.89	\$5,326.46	\$2,323.92	\$3,002.54	\$6,645.03	\$9,334.35	\$57,726.97
4	\$57,726.97	\$5,326.46	\$2,440.11	\$2,886.35	\$9,085.14	\$12,220.70	\$55,286.86
5	\$55,286.86	\$5,326.46	\$2,562.12	\$2,764.34	\$11,647.26	\$14,985.04	\$52,724.74
6	\$52,724.74	\$5,326.46	\$2,690.22	\$2,636.24	\$14,337.48	\$17,621.28	\$50,034.52
7	\$50,034.52	\$5,326.46	\$2,824.73	\$2,501.73	\$17,162.21	\$20,123.01	\$47,209.79
8	\$47,209.79	\$5,326.46	\$2,965.97	\$2,360.49	\$20,128.18	\$22,483.50	\$44,243.82
9	\$44,243.82	\$5,326.46	\$3,114.27	\$2,212.19	\$23,242.45	\$24,695.69	\$41,129.55
10	\$41,129.55	\$5,326.46	\$3,269.98	\$2,056.48	\$26,512.43	\$26,752.17	\$37,859.57

1-2030

Interest Rate 5.000%
Loan Length (years) 25
Number of Annual Payments 1
Loan Amount \$1,007,387.00

Annual Loan Payments \$71,476.58
Monthly Loan Payment \$71,476.58
Interest over term of Loan \$779,527.60

Payment N	Beginning Balance	Loan Payment	Principal Payment	Interest Payment	Cumulative Principal	Cumulative Interest	Ending Balance
TOTAL		\$1,783,510.95	\$1,003,983.35	\$779,527.60			
1	\$1,007,387.00	\$71,476.58	\$21,107.23	\$50,369.35	\$21,107.23	\$50,369.35	\$986,279.77
2	\$986,279.77	\$71,476.58	\$22,162.59	\$49,313.99	\$43,269.82	\$99,683.34	\$964,117.18
3	\$964,117.18	\$71,476.58	\$23,270.72	\$48,205.86	\$66,540.54	\$147,889.20	\$940,846.46
4	\$940,846.46	\$71,476.58	\$24,434.26	\$47,042.32	\$90,974.80	\$194,931.52	\$916,412.20
5	\$916,412.20	\$71,476.58	\$25,655.97	\$45,820.61	\$116,630.77	\$240,752.13	\$890,756.23
6	\$890,756.23	\$71,476.58	\$26,938.77	\$44,537.81	\$143,569.54	\$285,289.94	\$863,817.46
7	\$863,817.46	\$71,476.58	\$28,285.71	\$43,190.87	\$171,855.25	\$328,480.81	\$835,531.75
8	\$835,531.75	\$71,476.58	\$29,699.99	\$41,776.59	\$201,555.24	\$370,257.40	\$805,831.76
9	\$805,831.76	\$71,476.58	\$31,184.99	\$40,291.59	\$232,740.23	\$410,548.99	\$774,646.77
10	\$774,646.77	\$71,476.58	\$32,744.24	\$38,732.34	\$265,484.47	\$449,281.33	\$741,902.53

7-2023

Interest Rate 4.500%
 Loan Length (years) 30
 Number of Annual Payments 1
 Loan Amount \$907,782.00

Annual Loan Payments \$55,730.14
 Monthly Loan Payment \$55,730.14
 Interest over term of Loan \$764,122.12

Payment N	Beginning Balance	Loan Payment	Principal Payment	Interest Payment	Cumulative Principal	Cumulative Interest	Ending Balance
TOTAL		\$1,669,504.26	\$905,382.14	\$764,122.12			
1	\$907,782.00	\$55,730.14	\$14,879.95	\$40,850.19	\$14,879.95	\$40,850.19	\$892,902.05
2	\$892,902.05	\$55,730.14	\$15,549.55	\$40,180.59	\$30,429.50	\$81,030.78	\$877,352.50
3	\$877,352.50	\$55,730.14	\$16,249.28	\$39,480.86	\$46,678.78	\$120,511.64	\$861,103.22
4	\$861,103.22	\$55,730.14	\$16,980.49	\$38,749.65	\$63,659.27	\$159,261.29	\$844,122.73
5	\$844,122.73	\$55,730.14	\$17,744.62	\$37,985.52	\$81,403.89	\$197,246.81	\$826,378.11
6	\$826,378.11	\$55,730.14	\$18,543.12	\$37,187.02	\$99,947.01	\$234,433.83	\$807,834.99
7	\$807,834.99	\$55,730.14	\$19,377.56	\$36,352.58	\$119,324.57	\$270,786.41	\$788,457.43
8	\$788,457.43	\$55,730.14	\$20,249.56	\$35,480.58	\$139,574.13	\$306,266.99	\$768,207.87
9	\$768,207.87	\$55,730.14	\$21,160.79	\$34,569.35	\$160,734.92	\$340,836.34	\$747,047.08
10	\$747,047.08	\$55,730.14	\$22,113.02	\$33,617.12	\$182,847.94	\$374,453.46	\$724,934.06

6-2015

KIA

Interest Rate 2.450%
 Loan Length (years) 10
 Number of Annual Payments 1
 Loan Amount \$960,265.00

Annual Loan Payments \$109,435.41
 Monthly Loan Payment \$109,435.41
 Interest over term of Loan \$134,089.04

Payment N	Beginning Balai	Loan Payment	Principal Paymen	Interest Payment	Cumulative Principa	Cumulative Interest	Ending Balance
TOTAL		\$1,091,736.99	\$957,647.95	\$134,089.04			
1	\$960,265.00	\$109,435.41	\$85,908.92	\$23,526.49	\$85,908.92	\$23,526.49	\$874,356.08
2	\$874,356.08	\$109,435.41	\$88,013.69	\$21,421.72	\$173,922.61	\$44,948.21	\$786,342.39
3	\$786,342.39	\$109,435.41	\$90,170.02	\$19,265.39	\$264,092.63	\$64,213.60	\$696,172.37
4	\$696,172.37	\$109,435.41	\$92,379.19	\$17,056.22	\$356,471.82	\$81,269.82	\$603,793.18
5	\$603,793.18	\$109,435.41	\$94,642.48	\$14,792.93	\$451,114.30	\$96,062.75	\$509,150.70
6	\$509,150.70	\$109,435.41	\$96,961.22	\$12,474.19	\$548,075.52	\$108,536.94	\$412,189.48
7	\$412,189.48	\$109,435.41	\$99,336.77	\$10,098.64	\$647,412.29	\$118,635.58	\$312,852.71
8	\$312,852.71	\$109,435.41	\$101,770.52	\$7,664.89	\$749,182.81	\$126,300.47	\$211,082.19
9	\$211,082.19	\$109,435.41	\$104,263.89	\$5,171.52	\$853,446.70	\$131,471.99	\$106,818.30
10	\$106,818.30	\$106,818.30	\$104,201.25	\$2,617.05	\$957,647.95	\$134,089.04	\$2,617.05

6-2045

Interest Rate 4.500%
 Loan Length (years) 40
 Number of Annual Payments 1
 Loan Amount \$1,800,734.00

Annual Loan Payments \$97,857.55
 Monthly Loan Payment \$97,857.55
 Interest over term of Loan \$2,113,568.08

Payment N	Beginning Balance	Loan Payment	Principal Payment	Interest Payment	Cumulative Principal	Cumulative Interest	Ending Balance
TOTAL	\$3,910,088.12	\$1,796,520.04	\$2,113,568.08				
1	\$1,800,734.00	\$97,857.55	\$16,824.52	\$81,033.03	\$16,824.52	\$81,033.03	\$1,783,909.48
2	\$1,783,909.48	\$97,857.55	\$17,581.62	\$80,275.93	\$34,406.14	\$161,308.96	\$1,766,327.86
3	\$1,766,327.86	\$97,857.55	\$18,372.80	\$79,484.75	\$52,778.94	\$240,793.71	\$1,747,955.06
4	\$1,747,955.06	\$97,857.55	\$19,199.57	\$78,657.98	\$71,978.51	\$319,451.69	\$1,728,755.49
5	\$1,728,755.49	\$97,857.55	\$20,063.55	\$77,794.00	\$92,042.06	\$397,245.69	\$1,708,691.94
6	\$1,708,691.94	\$97,857.55	\$20,966.41	\$76,891.14	\$113,008.47	\$474,136.83	\$1,687,725.53
7	\$1,687,725.53	\$97,857.55	\$21,909.90	\$75,947.65	\$134,918.37	\$550,084.48	\$1,665,815.63
8	\$1,665,815.63	\$97,857.55	\$22,895.85	\$74,961.70	\$157,814.22	\$625,046.18	\$1,642,919.78
9	\$1,642,919.78	\$97,857.55	\$23,926.16	\$73,931.39	\$181,740.38	\$698,977.57	\$1,618,993.62
10	\$1,618,993.62	\$97,857.55	\$25,002.84	\$72,854.71	\$206,743.22	\$771,832.28	\$1,593,990.78

JANUARY EXPENSE REPORT
February 14, 2005

CASH DISBURSEMENTS:

SALARIES	\$	30,300.43
CHEMICALS	\$	4,227.00
GENERAL SUPPLIES	\$	18,889.02
REPAIRS & MAINTENANCE	\$	125.00
UTILITIES	\$	11,100.13
TELEPHONE/FAX	\$	763.01
TRANSPORTATION	\$	2,252.86
INSURANCE	\$	8,353.57
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	2,775.77
DIRECTORS' FEES	\$	1,000.00
RETURNED CHECKS	\$	241.45
TAXES & LICENSES	\$	10,181.41
OTHER EXPENSES	\$	24,247.84
INTEREST ON BANK NOTE	\$	0.00
SUB-TOTAL:	\$	114,457.49
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	16,420.00
TOTAL:	\$	130,877.49

CASH RECEIPTS:

WATER REVENUE	\$	123,668.58
MEMBERSHIPS	\$	400.00
DEPOSITS	\$	1,500.00
RE-CONNECTION FEES	\$	2,700.00
SUPPLIES SOLD	\$	398.92
INTEREST INCOME	\$	1,938.49
RETURNED CHECKS	\$	465.58
OTHER INCOME	\$	6,290.82
CASH COUNT/OVERAGE	\$	15.97
TOTAL:	\$	137,378.36

MONTHLY TOTALS:

YEARLY TOTALS:

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">+</td> <td style="width: 10%;">\$</td> <td style="width: 80%;">137,378.36</td> </tr> <tr> <td>-</td> <td>\$</td> <td>130,877.49</td> </tr> <tr> <td colspan="3" style="border-top: 1px solid black; padding-top: 5px;"> <td style="width: 10%;">+</td> <td style="width: 10%;">\$</td> <td style="width: 80%;">6,500.87</td> </td></tr> </table>	+	\$	137,378.36	-	\$	130,877.49	<td style="width: 10%;">+</td> <td style="width: 10%;">\$</td> <td style="width: 80%;">6,500.87</td>			+	\$	6,500.87	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">+</td> <td style="width: 10%;">\$</td> <td style="width: 80%;">6,500.87</td> </tr> <tr> <td colspan="3" style="border-top: 1px solid black; padding-top: 5px;"> <td style="width: 10%;">+</td> <td style="width: 10%;">\$</td> <td style="width: 80%;">6,500.87</td> </td></tr> </table>	+	\$	6,500.87	<td style="width: 10%;">+</td> <td style="width: 10%;">\$</td> <td style="width: 80%;">6,500.87</td>			+	\$	6,500.87
+	\$	137,378.36																				
-	\$	130,877.49																				
<td style="width: 10%;">+</td> <td style="width: 10%;">\$</td> <td style="width: 80%;">6,500.87</td>			+	\$	6,500.87																	
+	\$	6,500.87																				
<td style="width: 10%;">+</td> <td style="width: 10%;">\$</td> <td style="width: 80%;">6,500.87</td>			+	\$	6,500.87																	

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	26,583.86
GENERAL REVENUE	\$	1,235,928.08
DEBT SERVICE	\$	4,965.62
WATER SERVICE	\$	18,369.31
PLANT/LINE EXPANSION	\$	32,526.95
CONSTRUCTION #2	\$	425.69
C.D. O & M	\$	113,535.76
C.D. O & M (New)	\$	108,125.66
C.D. RESERVE	\$	39,262.01

JANUARY EXPENSE REPORT (February 14, 2005) – Page 2

C.D. GENERAL REVENUE	\$	287,566.31
C.D. GENERAL REVENUE # 2	\$	143,016.13
RESERVE 122-477-8	\$	88,191.27
R & M RESERVE 267-170-5	\$	76,363.99
C.D. – R & M RESERVE	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$	14,000.00
C.D. – RESERVE ACCOUNT	\$	120,000.00
C.D. – GENERAL REVENUE	\$	50,000.00
GRAND TOTAL:	\$	2,393,860.64

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	53.53	Arch Wireless – Pager Services for January 2005
\$	40.00	Roberts & Son “Trash” – Garbage Pick-up for January 2005
\$	2,433.74	Primerica - Retirement Ded./Matching
\$	2,000.00	Deposit Refunds
\$	35.20	Deposit Refund Interest Paid to Customers
\$	525.50	Aramark – Uniform Rental Service for December 2004
\$	1,102.30	McCoy & McCoy – Water Analysis
\$	670.88	City of McKee – 376,900 Gallons of Water Purchased
\$	55.00	Gray Hawk Landing – December 2004 Storage Rental Fee
\$	8.00	Jackson County Bank – Return Check Service Charges
\$	39.99	Dish Network – Cable Services – 01/03-02/02/05
\$	12.50	John H. Powell – Reimbursement For Meal Expenses While Attending a Meeting
\$	2,000.00	Wood Creek Water District – Grinder Station
\$	70.00	McKee Medical Center – Employee Drug Testing
\$	1,349.98	Choice Visa – Office Equipment
\$	225.00	Ky. Rural Water Assn. – 1 st Quarter 2005 Training Course Fees For J. Cates, T. Farmer, G. McQueen, J. Powell, K. Isaacs, D. Hundley, and S. Creech
\$	117.45	Annville Snack Sales – Miscellaneous Supplies
\$	479.71	Tax Strategies – 1 st Quarter 401 K Plan Charges
\$	348.00	Werner-Todd Pump Co. -- Turbidity Pumps For Plant
\$	73.25	Wal-Mart – Kitchen Equipment For Office
\$	3,108.30	Kenvirons, Inc. – Engineering Services For Jackson Co. Lake Project 08/21/04-10/29/04 – Project # 2001189 – Invoice # 20041151
		* REIMBURSED FROM JACKSON CO. EMPOWERMENT ZONE FOR THIS INVOICE
\$	400.00	William Kerby – Membership Refund For New Service Not Set
\$	681.73	Lowe’s – Materials For Office Cabinets/Miscellaneous Equipment
\$	7,335.51	Payback Payments
\$	20.27	Lynda Gail Ingram – Refund For Acct. # 99-0082-92-Linda Ingram (Wrongfully Charged)

• **CASH RECEIPTS (Other)**

\$	55.10	Return Check Service Charges
\$	1,988.16	Rockcastle County Water – Water Purchased
\$	958.32	City of Beattyville – Water Purchased
\$	23.94	Taxes Paid By Customers For Supplies Sold
\$	157.00	Water Salesman
\$	3,108.30	Jackson Co. Empowerment Zone – Reimbursement For Kenvirons, Inc. Jackson Co. Lake Project – Engineering Services 08/21/04-10/29/04 Project # 2001189 – Invoice # 20041151

FEBRUARY EXPENSE REPORT
March 14, 2005

CASH DISBURSEMENTS:

SALARIES	\$	29,954.42
CHEMICALS	\$	7,559.10
GENERAL SUPPLIES	\$	4,382.60
REPAIRS & MAINTENANCE	\$	235.00
UTILITIES	\$	11,156.05
TELEPHONE/FAX	\$	1,046.92
TRANSPORTATION	\$	4,014.47
INSURANCE	\$	8,350.57
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	4,725.06
DIRECTORS' FEES	\$	900.00
RETURNED CHECKS	\$	312.36
TAXES & LICENSES	\$	9,296.01
OTHER EXPENSES	\$	8,734.62
INTEREST ON BANK NOTE	\$	0.00
		SUB-TOTAL:
	\$	90,667.18
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	16,420.00
	\$	TOTAL:
	\$	107,087.18

CASH RECEIPTS:

WATER REVENUE	\$	120,663.65
MEMBERSHIPS	\$	2,800.00
DEPOSITS	\$	1,700.00
RE-CONNECTION FEES	\$	2,414.56
SUPPLIES SOLD	\$	837.00
INTEREST INCOME	\$	1,777.86
RETURNED CHECKS	\$	226.64
OTHER INCOME	\$	5,367.18
CASH COUNT/SHORTAGE	\$	20.26
		TOTAL:
	\$	135,766.63

	MONTHLY TOTALS:		YEARLY TOTALS:
+	\$ 135,766.63	+	\$ 6,500.87
-	\$ 107,087.18	+	\$ 28,679.45
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+	\$ 28,679.45	+	\$ 35,180.32

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	36,694.07
GENERAL REVENUE	\$	1,263,030.54
DEBT SERVICE	\$	4,975.25
WATER SERVICE	\$	18,417.14
PLANT/LINE EXPANSION	\$	32,588.06
CONSTRUCTION #2	\$	920.69
C.D. O & M	\$	113,535.76
C.D. O & M (New)	\$	108,125.66
C.D. RESERVE	\$	39,262.01

FEBRUARY EXPENSE REPORT (March 14, 2005) – Page 2

C.D. GENERAL REVENUE	\$	290,248.16
C.D. GENERAL REVENUE # 2	\$	143,016.13
RESERVE 122-477-8	\$	89,253.27
R & M RESERVE 267-170-5	\$	76,363.99
C.D. – R & M RESERVE	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$	14,000.00
C.D. – RESERVE ACCOUNT	\$	120,000.00
C.D. – GENERAL REVENUE	\$	50,000.00
GRAND TOTAL:	\$	2,435,430.73

• CASH DISBURSEMENTS (Other Expenses)

\$	1,062.00	Reserve Account – Transfer of Funds
\$	53.53	Arch Wireless – Pager Services for February 2005
\$	40.00	Roberts & Son “Trash” – Garbage Pick-up for February 2005
\$	2,006.53	Primerica - Retirement Ded./Matching
\$	1,576.08	Deposit Refunds
\$	27.28	Deposit Refund Interest Paid to Customers
\$	539.64	Aramark – Uniform Rental Service for January 2005
\$	631.30	McCoy & McCoy – Water Analysis
\$	778.04	City of McKee – 437,000 Gallons of Water Purchased
\$	55.00	Gray Hawk Landing – January 2005 Storage Rental Fee
\$	14.00	Jackson County Bank – Return Check Service Charges
\$	39.99	Dish Network – Cable Services – 02/03-03/02/05
\$	70.00	McKee Medical Center – Employee Drug Testing
\$	17.86	John Powell – Reimb. For Meal Expenses While Attending a Meeting
\$	500.00	Construction Account #2 – Transfer of Funds
\$	45.00	Jackson County Sun – Newspaper Advertisement
\$	109.00	Cumberland Valley Office Supplies – Filing Cabinet For New Water Treatment Plant
\$	1,000.00	Akemon Realty Escrow – Deposit on Venable Property
\$	36.40	Felix Taylor Services – Materials For Filing Cabinets at New Water Treatment Plant
\$	118.97	Lowe’s – Materials For New Water Treatment Plant
\$	4.00	Kentucky State Treasurer – Filing Fee For Annual Report
\$	10.00	Jackson County Bank – Stop Payment Fee on Ck # 7657 Written to William Secrist – Lost in Mail

• CASH RECEIPTS (Other)

\$	54.90	Return Check Service Charges
\$	2,175.64	Rockcastle County Water – Water Purchased
\$	1,035.54	City of Beattyville – Water Purchased
\$	50.22	Taxes Paid By Customers For Supplies Sold
\$	2,000.00	Wood Creek Water District-Reimb. For Valve
\$	50.88	Voided Ck # 7657 Written to William Secrist-Replaced With Ck # 8116-Lost in Mail

MARCH EXPENSE REPORT
April 11, 2005

CASH DISBURSEMENTS:

SALARIES	\$	30,348.86
CHEMICALS	\$	4,811.00
GENERAL SUPPLIES	\$	9,598.78
REPAIRS & MAINTENANCE	\$	234.00
UTILITIES	\$	9,829.20
TELEPHONE/FAX	\$	991.78
TRANSPORTATION	\$	2,121.44
INSURANCE	\$	8,353.57
PROFESSIONAL FEES	\$	560.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	1,397.01
DIRECTORS' FEES	\$	700.00
RETURNED CHECKS	\$	1,095.50
TAXES & LICENSES	\$	9,481.20
OTHER EXPENSES	\$	110,549.88
INTEREST ON BANK NOTE	\$	0.00
SUB-TOTAL:	\$	190,072.22
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	16,420.00
TOTAL:	\$	206,492.22

CASH RECEIPTS:

WATER REVENUE	\$	116,605.36
MEMBERSHIPS	\$	2,400.00
DEPOSITS	\$	2,250.00
RE-CONNECTION FEES	\$	2,462.01
SUPPLIES SOLD	\$	895.92
INTEREST INCOME	\$	2,296.73
RETURNED CHECKS	\$	818.71
OTHER INCOME	\$	2,957.56
CASH COUNT/SHORTAGE-OVERAGE	\$	0.00
TOTAL:	\$	130,686.29

MONTHLY TOTALS:	YEARLY TOTALS:
+ \$ 130,686.29	+ \$ 35,180.32
- \$ 206,492.22	- \$ 75,805.93
- \$ 75,805.93	- \$ 40,625.61

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	48,255.90
GENERAL REVENUE	\$	1,183,329.91
DEBT SERVICE	\$	4,988.75
WATER SERVICE	\$	19,170.79
PLANT/LINE EXPANSION	\$	16,137.04
CONSTRUCTION #2	\$	920.69
C.D. O & M	\$	113,535.76
C.D. O & M (New)	\$	108,125.66
C.D. RESERVE	\$	39,262.01

MARCH EXPENSE REPORT (April 11, 2005) – Page 2

C.D. GENERAL REVENUE	\$	290,248.16
C.D. GENERAL REVENUE # 2	\$	144,328.16
RESERVE 122-477-8	\$	90,535.17
R & M RESERVE 267-170-5	\$	76,552.29
C.D. – R & M RESERVE	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$	14,000.00
C.D. – RESERVE ACCOUNT	\$	120,000.00
C.D. – GENERAL REVENUE	\$	50,000.00
GRAND TOTAL:	\$	2,354,390.29

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	50.00	Cox, Fish & Amburgey – Deed For Venable Property
\$	39.36	PDQ Door Manufacturers – Material – Cabinet Doors
\$	98,000.00	Dennis & Ruth Venable – Property Purchased
\$	111.00	Jackson Co. Court Clerk – Recording of Venable Property Deed
\$	53.53	Arch Wireless – Pager Services for March 2005
\$	330.71	Office Depot – Miscellaneous Office Equipment/Sales Taxes Paid
\$	40.00	Roberts & Son “Trash” – Garbage Pick-up for March 2005
\$	1,996.17	Primerica - Retirement Ded./Matching
\$	1,500.00	Deposit Refunds
\$	26.54	Deposit Refund Interest Paid to Customers
\$	611.68	Aramark – Uniform Rental Service for February 2005
\$	1,018.55	McCoy & McCoy – Water Analysis
\$	277.45	City of McKee – 155,870 Gallons of Water Purchased
\$	55.00	Gray Hawk Landing – February 2005 Storage Rental Fee
\$	22.00	Jackson County Bank – Return Check Service Charges
\$	42.99	Dish Network – Cable Services – 03/03-04/02/05
\$	70.00	McKee Medical Center – Employee Drug Testing
\$	586.67	John Powell – Reimb. For Meal Expenses While Employees Attended School/Materials/Cabinets For New Water Treatment Plant
\$	368.00	Berea Top Shop – Counter Top For New Water Treatment Plant
\$	2,414.60	Central Ky. Communications – Materials For Morrill Pump Station/Radios For Trucks
\$	153.92	USA BlueBook – Pump Wall Mount Kit
\$	93.00	Annville Snack Sales – Miscellaneous Supplies
\$	110.85	Eyewitness Alarm Systems – 1 st Quarter Security/Fire Monitoring/Reports
\$	106.80	Jackson County Sun – Newspaper Advertisements
\$	54.06	Jackson Energy Propane – Annual Tank Rental
\$	60.00	Tax Strategies – Preparation of Tax Forms
\$	1,295.00	Computer Resources Corp. – Meter Reading Device

• **CASH RECEIPTS (Other)**

\$	88.00	Return Check Service Charges
\$	1,920.58	Rockcastle County Water – Water Purchased
\$	891.00	City of Beattyville – Water Purchased
\$	53.76	Taxes Paid By Customers For Supplies Sold
\$	4.22	Jennifer Gabbard – Reimbursement For Supplies

APRIL EXPENSE REPORT
May 9, 2005

CASH DISBURSEMENTS:

SALARIES	\$	31,718.47
CHEMICALS	\$	3,426.50
GENERAL SUPPLIES	\$	5,785.06
REPAIRS & MAINTENANCE	\$	95.00
UTILITIES	\$	8,699.76
TELEPHONE/FAX	\$	982.61
TRANSPORTATION	\$	1,458.80
INSURANCE	\$	8,347.57
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	2,315.23
DIRECTORS' FEES	\$	900.00
RETURNED CHECKS	\$	184.24
TAXES & LICENSES	\$	11,298.72
OTHER EXPENSES	\$	17,877.46
INTEREST ON BANK NOTE	\$	0.00
SUB-TOTAL:	\$	93,089.42
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	16,420.00
TOTAL:	\$	109,509.42

CASH RECEIPTS:

WATER REVENUE	\$	116,338.21
MEMBERSHIPS	\$	1,200.00
DEPOSITS	\$	1,850.00
RE-CONNECTION FEES	\$	2,628.00
SUPPLIES SOLD	\$	0.00
INTEREST INCOME	\$	1,785.55
RETURNED CHECKS	\$	213.48
OTHER INCOME	\$	3,346.22
CASH COUNT/OVERAGE	\$	28.56
TOTAL:	\$	127,390.02

MONTHLY TOTALS:	YEARLY TOTALS:
+ \$ 127,390.02	- \$ 40,625.61
- \$ 109,509.42	+ \$ 17,880.60
+ \$ 17,880.60	- \$ 22,745.01

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	55,922.17
GENERAL REVENUE	\$	1,202,091.09
DEBT SERVICE	\$	5,001.01
WATER SERVICE	\$	19,778.00
PLANT/LINE EXPANSION	\$	16,137.04
CONSTRUCTION #2	\$	920.69
C.D. O & M	\$	113,535.76
C.D. O & M (New)	\$	108,125.66
C.D. RESERVE	\$	39,555.67

APRIL EXPENSE REPORT (May 9, 2005) – Page 2

C.D. GENERAL REVENUE	\$	290,248.16
C.D. GENERAL REVENUE # 2	\$	144,328.16
RESERVE 122-477-8	\$	91,597.17
R & M RESERVE 267-170-5	\$	76,552.29
C.D. – R & M RESERVE	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$	14,000.00
C.D. – RESERVE ACCOUNT	\$	120,000.00
C.D. – GENERAL REVENUE	\$	50,000.00
GRAND TOTAL:	\$	2,382,792.87

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	53.53	Arch Wireless – Pager Services for April 2005
\$	40.00	Roberts & Son “Trash” – Garbage Pick-up for April 2005
\$	2,055.59	Primerica - Retirement Ded./Matching
\$	1,250.00	Deposit Refunds
\$	21.85	Deposit Refund Interest Paid to Customers
\$	715.65	Aramark – Uniform Rental Service for March 2005
\$	1,563.05	McCoy & McCoy – Water Analysis
\$	276.97	City of McKee – 155,600 Gallons of Water Purchased
\$	2,884.20	Lexington Trophy Shop – Corporate Bronze Plaque
\$	8.00	Jackson County Bank – Return Check Service Charges
\$	42.99	Dish Network – Cable Services – 04/03-05/02/05
\$	1,414.42	Choice Visa – Computer For Water Treatment Plant/ Miscellaneous Expense
\$	4,431.61	Cumberland Valley Office – Office Furniture/Equipment
\$	90.50	Custom Stamps & Engravings -- Engraved Labels For Water Treatment Plant
\$	450.00	Computer Resources Corp. – 2 nd Qtr. Maintenance
\$	55.00	Gray Hawk Landing – 03/05 Storage Rental Fee
\$	7.60	Jackson Co. Sun – Newspaper Advertisement
\$	520.61	Tax Strategies – 2 nd Qtr. 401 K Plan Charges/Tax Form Preparation/ Finance Charge
\$	550.61	Lowe’s – Misc. Equipment /Materials For Water Treatment Plant/ Sales Tax Paid
\$	260.00	American Red Cross – CPR Recertification Course Fees
\$	84.25	Annville Snack Sales – Miscellaneous Supplies
\$	39.03	John Powell – Reimb. For Misc. Office Equipment/Materials For Water Treatment Plant/Sales Tax Paid

• **CASH RECEIPTS (Other)**

\$	44.00	Return Check Service Charges
\$	2,003.42	Rockcastle County Water – Water Purchased
\$	1,063.26	City of Beattyville – Water Purchased
\$	160.00	Water Salesman
\$	66.44	John Powell – Reimb. For Misc. Expense-(Choice Visa)
\$	4.55	Dorothy Montgomery – Reimb. For Supplies
\$	4.55	Wilma Bingham – Reimb. For Supplies

MAY EXPENSE REPORT

June 20, 2005

CASH DISBURSEMENTS:

SALARIES	\$	41,560.48		
CHEMICALS	\$	1,221.50		
GENERAL SUPPLIES	\$	2,949.96		
REPAIRS & MAINTENANCE	\$	22,825.00		
UTILITIES	\$	10,133.34		
TELEPHONE/FAX	\$	1,313.80		
TRANSPORTATION	\$	1,832.87		
INSURANCE	\$	9,735.28		
PROFESSIONAL FEES	\$	0.00		
OFFICE SUPPLIES (INC. POSTAGE)	\$	3,120.76		
DIRECTORS' FEES	\$	900.00		
RETURNED CHECKS	\$	226.07		
TAXES & LICENSES	\$	12,304.22		
OTHER EXPENSES	\$	77,137.40		
INTEREST ON BANK NOTE	\$	0.00		
		SUB-TOTAL:	\$	185,260.68
		TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	16,420.00
		TOTAL:	\$	201,680.68

CASH RECEIPTS:

WATER REVENUE	\$	117,701.53		
MEMBERSHIPS	\$	2,400.00		
DEPOSITS	\$	2,300.00		
RE-CONNECTION FEES	\$	2,592.00		
SUPPLIES SOLD	\$	58.10		
INTEREST INCOME	\$	6,120.54		
RETURNED CHECKS	\$	471.08		
OTHER INCOME	\$	4,032.82		
CASH COUNT/OVERAGE	\$	35.10		
		TOTAL:	\$	135,711.17

MONTHLY TOTALS:

YEARLY TOTALS:

+	\$	135,711.17	-	\$	22,745.01
-	\$	201,680.68	-	\$	65,969.51
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-	\$	65,969.51	-	\$	88,714.52

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	74,548.26
GENERAL REVENUE-(Corrected Amt. Due to Incorrect Daily Transaction)	\$	1,127,749.48
DEBT SERVICE	\$	5,014.00
WATER SERVICE	\$	20,319.40
PLANT/LINE EXPANSION	\$	63,386.25
CONSTRUCTION #2	\$	920.69
C.D. O & M	\$	113,369.92
C.D. O & M (New)	\$	108,125.66
C.D. RESERVE	\$	39,555.67

MAY EXPENSE REPORT (June 20, 2005) – Page 2

C.D. GENERAL REVENUE	\$	290,248.16
C.D. GENERAL REVENUE # 2	\$	144,328.16
RESERVE 122-477-8	\$	92,659.17
R & M RESERVE 267-170-5	\$	76,552.29
C.D. – R & M RESERVE	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$	14,000.00
C.D. – RESERVE ACCOUNT	\$	120,000.00
C.D. – GENERAL REVENUE	\$	50,000.00
GRAND TOTAL:	\$	2,375,777.11

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	53.53	Arch Wireless – Pager Services for May 2005
\$	40.00	Roberts & Son “Trash” – Garbage Pick-up for May 2005
\$	2,112.62	Primerica - Retirement Ded./Matching
\$	1,760.92	Deposit Refunds
\$	30.80	Deposit Refund Interest Paid to Customers
\$	619.82	Aramark – Uniform Rental Service for April 2005
\$	940.50	McCoy & McCoy – Water Analysis
\$	298.68	City of McKee – 167,800 Gallons of Water Purchased
\$	8.00	Jackson County Bank – Return Check Service Charges
\$	42.99	Dish Network – Cable Services – 05/03-06/02/05
\$	55.00	Gray Hawk Landing – 04/05 Storage Rental Fee
\$	52.50	Jackson Co. Sun – Newspaper Advertisement
\$	69.00	Annville Snack Sales – Miscellaneous Supplies
\$	334.43	Jenny Wiley State Resort Park – Room Chgs./Taxes/ Meal Expenses While Employees Attended School
\$	155.77	Allen Co. – Stone For Water Treatment Plant
\$	139.50	Custom Stamps & Engravings – Engraved Labels For W.T.P.
\$	299.90	Zee Medical – Medical Cabinets
\$	3,275.00	Sullivan Environmental – Chemical Scale
\$	125.00	Hach – Loaner Fee/Cert. of Inst. Performance
\$	186.40	Sandlin’s Discount – Cable Service Installation at W.T.P.
\$	155.40	Sentinel Office Supplies – 04/04/05-04/04/06 Copier Contract
\$	24.29	Sammy Creech – Reimb. For Meal Expenses While Attending School
\$	2.80	Wal Mart – Sales Taxes Paid
\$	10.00	Kentucky Secretary of State – Filing Fee For Financing Statements
\$	634.50	Payback Payments
\$	58,006.41	Kentucky Infrastructure Authority – Loan Payment/Int./Service Fee
\$	5,800.64	R & M Reserve Account – Transfer of Funds
\$	16.00	Jackson Co. High Yearbook – Yearbook Ad.
\$	685.00	The Computer Place – Servicing Computers – (Office)
\$	140.00	Tyner Post Office – Annual Box Fee

• **CASH RECEIPTS (Other)**

\$	99.00	Return Check Service Charges
\$	2,208.34	Rockcastle County Water – Water Purchased
\$	1,069.20	City of Beattyville – Water Purchased
\$	43.80	Sammy Creech – Reimb. For Supplies
\$	3.49	Taxes Paid By Customers For Supplies Purchased
\$	608.99	Jackson County E.Z. Comm. – Reimb. For Kenviron #20050346

JUNE EXPENSE REPORT
July 11, 2005

CASH DISBURSEMENTS:

SALARIES	\$	33,000.31
CHEMICALS	\$	524.00
GENERAL SUPPLIES	\$	9,195.21
REPAIRS & MAINTENANCE	\$	1,188.24
UTILITIES	\$	11,010.14
TELEPHONE/FAX	\$	1,060.69
TRANSPORTATION	\$	3,793.08
INSURANCE	\$	45,030.49
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	1,789.64
DIRECTORS' FEES	\$	0.00
RETURNED CHECKS	\$	760.33
TAXES & LICENSES	\$	13,244.48
OTHER EXPENSES	\$	92,253.34
INTEREST ON BANK NOTE	\$	0.00
SUB-TOTAL:	\$	212,849.95
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	16,420.00
TOTAL:	\$	229,269.95

CASH RECEIPTS:

WATER REVENUE	\$	117,470.17
MEMBERSHIPS	\$	4,000.00
DEPOSITS	\$	2,400.00
RE-CONNECTION FEES	\$	2,916.00
SUPPLIES SOLD	\$	102.08
INTEREST INCOME	\$	2,193.24
RETURNED CHECKS	\$	311.63
OTHER INCOME	\$	3,193.47
CASH COUNT - (OVERAGE/SHORTAGE)	\$	0.00
TOTAL:	\$	132,586.59

MONTHLY TOTALS:	YEARLY TOTALS:
+ \$ 132,586.59	- \$ 88,714.52
- \$ 229,269.95	- \$ 96,683.36
- \$ 96,683.36	- \$ 185,397.88

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	15,356.31
GENERAL REVENUE	\$	1,100,058.23
DEBT SERVICE	\$	5,026.53
WATER SERVICE	\$	19,804.72
PLANT/LINE EXPANSION	\$	22,103.20
CONSTRUCTION #2	\$	920.69
C.D. O & M	\$	113,369.92
C.D. O & M (New)	\$	110,135.23
C.D. RESERVE	\$	39,555.67

JUNE EXPENSE REPORT (July 11, 2005) – Page 2

C.D. GENERAL REVENUE	\$	290,248.16
C.D. GENERAL REVENUE # 2	\$	144,328.16
RESERVE 122-477-8	\$	93,951.95
R & M RESERVE 267-170-5	\$	82,549.51
C.D. – R & M RESERVE	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$	14,000.00
C.D. – RESERVE ACCOUNT	\$	120,000.00
C.D. – GENERAL REVENUE	\$	50,000.00
GRAND TOTAL:	\$	2,256,408.28

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	56.73	Arch Wireless – Pager Services for June 2005
\$	40.00	Roberts & Son “Trash” – Garbage Pick-up for June 2005
\$	2,733.35	Primerica - Retirement Ded./Matching
\$	2,850.00	Deposit Refunds
\$	49.72	Deposit Refund Interest Paid to Customers
\$	886.78	Aramark – Uniform Rental Service for May 2005
\$	900.80	McCoy & McCoy – Water Analysis
\$	280.74	City of McKee – 157,720 Gallons of Water Purchased
\$	24.00	Jackson County Bank – Return Check Service Charges
\$	20.00	Jackson County Bank – Annual Safe Deposit Box Rental Fee
\$	42.99	Dish Network – Cable Services – 06/03-07/02/05
\$	55.00	Gray Hawk Landing – 05/05 Storage Rental Fee
\$	59.00	Annville Snack Sales – Miscellaneous Supplies
\$	2,870.00	Sullivan Environmental – Chemical Scale
\$	76.56	Wal Mart – Landscaping Plants For W.T.P.
\$	11.60	Wal Mart – Sales Taxes Paid
\$	31.08	Lowe’s – Sales Taxes Paid
\$	4,991.49	Payback Payments
\$	9.00	Jackson Co. Public Library – Laminate Photos
\$	570.00	Worley’s Nurseries – Landscaping Trees/Plants For W.T.P.
\$	518.00	Lowe’s – Landscaping Plants For W.T.P.
\$	267.20	B & C Landscaping Rock – Landscaping Rock For W.T.P.
\$	72.49	John Powell – Reimb. For Meal Expenses While Attending Meetings
\$	71,620.68	Rural Development – Note Payable
\$	149.85	Eyewitness Alarm Systems – 2 nd Qtr. Monitoring/Reports
\$	62.22	Tax Strategies – 2004 Balance of 401 K Plan Charges Due
\$	104.04	Cumberland Valley Office – Furnishings For W.T.P.
\$	198.78	D & W Electric – Water Heater For Office
\$	796.00	Door Authority of Lexington – Garage Door Device For W.T.P.
\$	843.00	Gabbard Signs – JCWA Water Treatment Plant Sign
\$.24	Keith Isaacs – Reimb. For Sales Tax on Supplies Purchased

• **CASH RECEIPTS (Other)**

\$	66.00	Return Check Service Charges
\$	2,016.50	Rockcastle County Water – Water Purchased
\$	1,104.84	City of Beattyville – Water Purchased
\$	6.13	Taxes Paid By Customers For Supplies Purchased

JULY EXPENSE REPORT
August 8, 2005

CASH DISBURSEMENTS:

SALARIES	\$	32,489.37
CHEMICALS	\$	4,228.96
GENERAL SUPPLIES	\$	6,326.70
REPAIRS & MAINTENANCE	\$	45.00
UTILITIES	\$	9,070.21
TELEPHONE/FAX	\$	1,426.09
TRANSPORTATION	\$	2,283.29
INSURANCE	\$	8,727.15
PROFESSIONAL FEES	\$	8,000.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	4,717.73
DIRECTORS' FEES	\$	1,100.00
RETURNED CHECKS	\$	277.30
TAXES & LICENSES	\$	10,670.51
OTHER EXPENSES	\$	10,173.55
SUB-TOTAL:	\$	99,535.86
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	24,801.00
TOTAL:	\$	124,336.86

CASH RECEIPTS:

WATER REVENUE	\$	132,383.85
MEMBERSHIPS	\$	1,600.00
DEPOSITS	\$	1,850.00
RE-CONNECTION FEES	\$	2,268.00
SUPPLIES SOLD	\$	0.00
INTEREST INCOME	\$	1,633.10
RETURNED CHECKS	\$	337.91
OTHER INCOME	\$	3,883.88
CASH COUNT - (OVERAGE/SHORTAGE)	\$	0.00
TOTAL:	\$	143,956.74

MONTHLY TOTALS:

YEARLY TOTALS:

+	\$	143,956.74	-	\$	185,397.88
-	\$	124,336.86	+	\$	19,619.88
		+			-
	\$	19,619.88		\$	165,778.00

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	17,220.74
GENERAL REVENUE	\$	1,126,952.12
DEBT SERVICE	\$	5,039.44
WATER SERVICE	\$	20,362.74
PLANT/LINE EXPANSION	\$	22,103.20
CONSTRUCTION #2	\$	920.69
C.D. O & M	\$	113,369.92
C.D. O & M (New)	\$	110,135.23
C.D. RESERVE	\$	39,555.67

JULY EXPENSE REPORT (August 8, 2005) – Page 2

C.D. GENERAL REVENUE	\$	290,248.16
C.D. GENERAL REVENUE # 2	\$	144,328.16
RESERVE 122-477-8	\$	95,013.95
R & M RESERVE 267-170-5	\$	82,549.51
C.D. – R & M RESERVE	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$	14,000.00
C.D. – RESERVE ACCOUNT	\$	120,000.00
C.D. – GENERAL REVENUE	\$	50,000.00
GRAND TOTAL:	\$	2,286,799.53

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	56.85	Arch Wireless – Pager Services for July 2005
\$	40.00	Roberts & Son “Trash” – Garbage Pick-up for July 2005
\$	2,394.79	Primerica - Retirement Ded./Matching
\$	1,300.00	Deposit Refunds
\$	21.85	Deposit Refund Interest Paid to Customers
\$	670.90	Aramark – Uniform Rental Service for June 2005
\$	2,124.80	McCoy & McCoy – Water Analysis
\$	564.08	City of McKee – 316,900 Gallons of Water Purchased
\$	12.00	Jackson County Bank – Return Check Service Charges
\$	42.99	Dish Network – Cable Services – 07/03-08/02/05
\$	55.00	Gray Hawk Landing – 06/05 Storage Rental Fee
\$	46.50	Annvilke Snack Sales – Miscellaneous Supplies
\$	1.00	Jackson Co. Public Library – Laminate Photos
\$	250.00	Cordell Bingham – Mowing Dam
\$	50.85	Cumberland Valley Office – Furnishing For Water Treatment Plant
\$	450.00	Computer Resources – 3 rd Qtr. Maintenance
\$	420.95	Tax Strategies – 3 rd Qtr. 401 K Plan Chgs./Finance Chg.
\$	608.99	Kenvirons, Inc. – Jackson County Lake Project – Engineering 10/30/04-11/26/04 – Proj. # 2001189 – Inv. # 20050346

(PREVIOUSLY REIMBURSED FROM JACKSON COUNTY E.Z. FOR THIS INVOICE)

• **CASH RECEIPTS (Other)**

\$	88.00	Return Check Service Charges
\$	2,502.64	Rockcastle County Water – Water Purchased
\$	1,263.24	City of Beattyville – Water Purchased
\$	30.00	Philip Chrisman – Reimbursement For Tools

AUGUST EXPENSE REPORT
September 12, 2005

CASH DISBURSEMENTS:

SALARIES	\$	40,126.01
CHEMICALS	\$	3,823.18
GENERAL SUPPLIES	\$	5,695.94
REPAIRS & MAINTENANCE	\$	0.00
UTILITIES	\$	10,706.04
TELEPHONE/FAX	\$	1,210.14
TRANSPORTATION	\$	4,780.76
INSURANCE	\$	10,935.94
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	1,867.65
DIRECTORS' FEES	\$	1,300.00
RETURNED CHECKS	\$	514.90
TAXES & LICENSES	\$	12,090.83
OTHER EXPENSES .	\$	18,101.18
SUB-TOTAL:	\$	111,152.57
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	24,801.00
TOTAL:	\$	135,953.57

CASH RECEIPTS:

WATER REVENUE	\$	148,906.56
MEMBERSHIPS	\$	7,200.00
DEPOSITS	\$	3,900.00
RE-CONNECTION FEES	\$	3,562.75
SUPPLIES SOLD	\$	0.00
INTEREST INCOME	\$	1,921.20
RETURNED CHECKS	\$	846.81
OTHER INCOME	\$	6,271.59
CASH COUNT - (OVERAGE/SHORTAGE)	\$	0.00
TOTAL:	\$	172,608.91

MONTHLY TOTALS:

YEARLY TOTALS:

+	\$	172,608.91	-	\$	165,778.00
-	\$	135,953.57	+	\$	36,655.34
		-----			-----
+	\$	36,655.34	-	\$	129,122.66

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	22,582.25
GENERAL REVENUE	\$	1,170,153.50
DEBT SERVICE	\$	5,054.53
WATER SERVICE	\$	20,849.59
PLANT/LINE EXPANSION	\$	22,103.20
CONSTRUCTION #2	\$	920.69
C.D. O & M	\$	113,369.92
C.D. O & M (New)	\$	110,135.23
C.D. RESERVE	\$	39,555.67

AUGUST EXPENSE REPORT (September 12, 2005) – Page 2

C.D. GENERAL REVENUE	\$	292,910.89
C.D. GENERAL REVENUE # 2	\$	144,328.16
RESERVE 122-477-8	\$	96,075.95
R & M RESERVE 267-170-5	\$	82,549.51
C.D. – R & M RESERVE	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$	14,000.00
C.D. – RESERVE ACCOUNT	\$	120,000.00
C.D. – GENERAL REVENUE	\$	50,000.00
GRAND TOTAL:	\$	2,339,589.09

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	56.85	Arch Wireless – Pager Services for August 2005
\$	40.00	Roberts & Son “Trash” – Garbage Pick-up for August 2005
\$	2,436.21	Primerica - Retirement Ded./Matching
\$	3432.03	Deposit Refunds/Dep. Refunds Applied to Delinquent Gone Accts.
\$	17.01	Deposit Refund Interest Paid to Customers
\$	614.92	Aramark – Uniform Rental Service for July 2005
\$	2,489.30	McCoy & McCoy – Water Analysis
\$	597.90	City of McKee – 335,900 Gallons of Water Purchased
\$	8.00	Jackson County Bank – Return Check Service Charges
\$	42.99	Dish Network – Cable Services – 08/03-09/02/05
\$	55.00	Gray Hawk Landing – 07/05 Storage Rental Fee
\$	86.50	Annvile Snack Sales – Miscellaneous Supplies
\$	0.50	Cumberland Valley Office – Late Charge
\$	91.60	Keith Isaacs – Reimb. For Room Charges While on Business Trip
\$	523.70	Division of Child Support – George D. McQueen Garnishment
\$	29.00	McKee Medical – Drug Screening Charges
\$	50.18	Overpayment to Customers For Gone Accounts
\$	5,162.00	Construction on Maintenance Garage
\$	36.00	Johnny Hubbard – Service Charge Refund
\$	1,250.00	Lakes Trailer Sales – Utility Trailer
\$	19.49	John Powell – Reimb. For Meal Expenses/Tip

• **CASH RECEIPTS (Other)**

\$	77.00	Return Check Service Charges
\$	2,552.78	Rockcastle County Water – Water Purchased
\$	1,209.78	City of Beattyville – Water Purchased
\$	50.00	Forester Smith – Relocation of Meter
\$	2,382.03	Deposit Refunds Applied to Delinquent Gone Accounts

SEPTEMBER EXPENSE REPORT
October 10, 2005

CASH DISBURSEMENTS:

SALARIES	\$	31,091.66
CHEMICALS	\$	7,824.87
GENERAL SUPPLIES	\$	10,186.74
REPAIRS & MAINTENANCE	\$	0.00
UTILITIES	\$	11,217.74
TELEPHONE/FAX	\$	1,043.83
TRANSPORTATION	\$	5,250.72
INSURANCE	\$	154.05
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	1,528.25
DIRECTORS' FEES	\$	1,500.00
RETURNED CHECKS	\$	402.80
TAXES & LICENSES	\$	10,375.59
OTHER EXPENSES	\$	20,034.22
SUB-TOTAL:	\$	100,610.47
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	24,801.00
TOTAL:	\$	125,411.47

CASH RECEIPTS:

WATER REVENUE	\$	136,130.92
MEMBERSHIPS	\$	7,600.00
DEPOSITS	\$	2,400.00
RE-CONNECTION FEES	\$	1,908.00
SUPPLIES SOLD	\$	117.94
INTEREST INCOME	\$	2,252.47
RETURNED CHECKS	\$	89.73
OTHER INCOME	\$	3,730.90
CASH COUNT - (OVERAGE/SHORTAGE)	\$	0.00
TOTAL:	\$	154,229.96

MONTHLY TOTALS:	YEARLY TOTALS:
+ \$ 154,229.96	- \$ 129,122.66
- \$ 125,411.47	+ \$ 28,818.49
+ \$ 28,818.49	- \$ 100,304.17

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	82,427.16
GENERAL REVENUE	\$	1,134,622.97
DEBT SERVICE	\$	5,077.24
WATER SERVICE	\$	23,282.39
PLANT/LINE EXPANSION	\$	22,103.20
CONSTRUCTION #2	\$	920.69
C.D. O & M	\$	113,369.92
C.D. O & M (New)	\$	110,135.23
C.D. RESERVE	\$	39,555.67

SEPTEMBER EXPENSE REPORT (October 10, 2005) – Page 2

C.D. GENERAL REVENUE	\$	292,910.89
C.D. GENERAL REVENUE # 2	\$	144,328.16
RESERVE 122-477-8	\$	97,379.91
R & M RESERVE 267-170-5	\$	82,757.58
C.D. – R & M RESERVE	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$	14,000.00
C.D. – RESERVE ACCOUNT	\$	120,000.00
C.D. – GENERAL REVENUE	\$	50,000.00
GRAND TOTAL:	\$	2,336,371.01

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1062.00	Reserve Account --Transfer of funds
\$	56.85	Arch Wireless – Pager Services for September 2005
\$	40.00	Roberts & Son “Trash” – Garbage Pick-up for September 2005
\$	433.43	City of McKee – 243,500 Gallons of Water Purchased
\$	16.00	Jackson County Bank – Return Check Service Charges
\$	55.00	Gray Hawk Landing – 08/05 Storage Rental
\$	418.96	Division of Child Support – George D. McQueen Garnishment
\$	4,074.25	Construction on Maintenance Garage
\$	98.00	John Powell – Reimb. For Meal Expenses/Tip
\$	84.63	Keith Isaacs-- Reimb for trip
\$	287.00	Pine Mountain State Park (school)
\$	1,140.00	Gabbard’s Signs—Setting trusses
\$	175.25	Janell Concrete
\$	10.00	Kentucky State Treasurer Filing Fee
\$	220.10	Appalachian Wireless
\$		

• **CASH RECEIPTS (Other)**

\$	77.00	Return Check Service Charges
\$	2175.64	Rockcastle County Water – Water Purchased
\$	1035.54	City of Beattyville – Water Purchased

OCTOBER EXPENSE REPORT
November 14, 2005

CASH DISBURSEMENTS:

SALARIES	\$	34,931.66
CHEMICALS	\$	5,237.12
GENERAL SUPPLIES	\$	11,810.05
REPAIRS & MAINTENANCE	\$	77.73
UTILITIES	\$	9,365.55
TELEPHONE/FAX	\$	981.54
TRANSPORTATION	\$	2,971.26
INSURANCE	\$	12,057.27
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	1,633.07
DIRECTORS' FEES	\$	700.00
RETURNED CHECKS	\$	1,332.64
TAXES & LICENSES	\$	9,274.12
OTHER EXPENSES	\$	141,969.57
SUB-TOTAL:	\$	232,341.58
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	24,801.00
TOTAL:	\$	257,142.58

CASH RECEIPTS:

WATER REVENUE	\$	170,066.07
MEMBERSHIPS	\$	4,200.00
DEPOSITS	\$	2,700.00
RE-CONNECTION FEES	\$	2,682.41
SUPPLIES SOLD	\$	98.60
INTEREST INCOME	\$	1,889.47
RETURNED CHECKS	\$	1,044.33
OTHER INCOME	\$	5,939.15
CASH COUNT/OVERAGE	\$	22.81
TOTAL:	\$	188,642.84

MONTHLY TOTALS:

YEARLY TOTALS:

+ \$ 188,642.84

- \$ 100,304.17

- \$ 257,142.58

+ \$ 68,499.74

- \$ 68,499.74

+ \$ 31,804.43

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	33,539.20
GENERAL REVENUE	\$	1,167,404.22
DEBT SERVICE	\$	5,107.36
WATER SERVICE	\$	22,694.86
PLANT/LINE EXPANSION	\$	22,103.20
CONSTRUCTION #2	\$	53,453.01
C.D. O & M	\$	112,532.86
C.D. O & M (New)	\$	108,125.66
C.D. RESERVE		

OCTOBER EXPENSE REPORT (November 14, 2005) – Page 2

C.D. GENERAL REVENUE	\$ 287,566.31
C.D. GENERAL REVENUE # 2	\$ 143,016.13
RESERVE 122-477-8	\$ 85,850.94
R & M RESERVE 267-170-5	\$ 70,381.43
C.D. – R & M RESERVE	\$ 35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$ 14,000.00
C.D. – RESERVE ACCOUNT	\$ 120,000.00
C.D. – GENERAL REVENUE	\$ 50,000.00
GRAND TOTAL:	\$ 2,330,775.18

• **CASH DISBURSEMENTS (Other Expenses)**

\$ 43.97	Ky Unemployment Tax
\$ 1062.00	Transfer of Funds
\$ 1,109.00	Oliver Pipe & Equipment
\$ 6,160.87	Central Ky Concrete
\$ 6,683.75	Gray Hawk Do It Best
\$ 2,000.00	Virgil Creech-Painting, Material
\$ 301.97	Lowe's- Supplies for new Maint. Garage
\$ 9,242.91	East Ky Metals-New Maint. Garage
\$ 1,025.00	2006 KRWA Voting Membership & Dues
\$ 374.00	Randall Powell- Construction on Maint. Garage
\$ 306.00	Keith Powell- Construction on Maint. Garage
\$ 207.00	Mark Hisel- Construction on Maint. Garage
\$ 230.00	Jeff King- Construction on Maint Garage
\$ 1406.52	Ky Employer Income Tax With held
\$ 4,951.08	Customers -Pay Back on Line
\$ 1,062.00	Reserve Account – Transfer of Funds
\$ 56.85	Arch Wireless – Pager Services for November 2004
\$ 45.00	Roberts & Son "Trash" – Garbage Pick-up
\$ 3,524.29	Deposit Refunds
\$ 56.32	Deposit Refund Interest Paid to Customers
\$ 697.36	Aramark – Rental Services for October 2005
\$ 1,021.85	McCoy & McCoy – Water Analysis
\$ 493.77	City of McKee – 277,400 Gallons of Water Purchased
\$ 55.00	Gray Hawk Landing – October 2005 Storage Rental Fee
\$ 51.40	Annville Snack Sales – Misc. Supplies
\$ 14.00	Jackson County Bank – Return Check Service Charges
\$ 39.99	Dish Network – Cable Services
\$ 5.50	Jackson County Sun Advertisement.

• **CASH RECEIPTS (Other)**

\$ 88.00	Return Check Service Charges
\$ 2,317.34	Rockcastle County Water – Water Purchased
\$ 1,100.88	City of Beattyville – Water Purchased
\$ 373.03	Peoples Rural Telephone – Capital Credits
\$ 1,800.00	David W. Smith/Property of Joann Smith Case # 03-CR-00023

NOVEMBER EXPENSE REPORT
December 12, 2005

CASH DISBURSEMENTS:

SALARIES	\$	30,125.42
CHEMICALS	\$	4,871.92
GENERAL SUPPLIES	\$	133.95
REPAIRS & MAINTENANCE	\$	1,806.61
UTILITIES	\$	9,871.92
TELEPHONE/FAX	\$	1,176.53
TRANSPORTATION	\$	2,283.77
INSURANCE	\$	7,302.52
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	2,245.33
DIRECTORS' FEES	\$	1,200.00
RETURNED CHECKS	\$	202.67
TAXES & LICENSES	\$	9,607.93
OTHER EXPENSES	\$	49,601.59
SUB-TOTAL:	\$	120,430.16
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	24,801.00
TOTAL:	\$	145,231.16

CASH RECEIPTS:

WATER REVENUE	\$	122,877.26
MEMBERSHIPS	\$	4,800.00
DEPOSITS	\$	2,300.00
RE-CONNECTION FEES	\$	1,332.00
SUPPLIES SOLD	\$	21.71
INTEREST INCOME	\$	1,856.77
RETURNED CHECKS	\$	264.55
OTHER INCOME	\$	9,050.29
CASH COUNT/OVERAGE	\$	3.51
TOTAL:	\$	142,506.09

MONTHLY TOTALS:	YEARLY TOTALS:
+ \$ 142,506.09	- \$ 100,304.17
- \$ 145,231.16	+ \$ 2,725.07
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- \$ 2,725.07	+ \$ 97,579.10

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	55,633.89
GENERAL REVENUE	\$	1,170,571.80
DEBT SERVICE	\$	5,130.14
WATER SERVICE	\$	23,553.76
PLANT/LINE EXPANSION	\$	263,363.20
CONSTRUCTION #2	\$	53,453.01
C.D. O & M	\$	114,512.94
C.D. O & M (New)	\$	111,515.69
C.D. RESERVE		

NOVEMBER EXPENSE REPORT (December 12, 2005) – Page 2

C.D. GENERAL REVENUE	\$	287,566.31
C.D. GENERAL REVENUE # 2	\$	143,016.13
RESERVE 122-477-8	\$	85,850.94
R & M RESERVE 267-170-5	\$	70,381.43
C.D. – R & M RESERVE	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$	14,000.00
C.D. – RESERVE ACCOUNT	\$	120,000.00
C.D. – GENERAL REVENUE	\$	50,000.00
GRAND TOTAL:	\$	2,603,549.24

• **CASH DISBURSEMENTS (Other Expenses)**

\$	608.23	Ky Sales & Use Tax
\$	1062.00	Transfer of Funds
\$	82.62	Flower & Gift Gallery/D. Grebe Service
\$	70.00	McKee Medical Clinic/Employee Drug Testing
\$	149.85	Eyewitness Alarm System
\$	400.00	Virgil Creech-Insulation & Material/New Maint. Garage
\$	263.00	Randall Powell- Construction on Maint. Garage
\$	272.00	Keith Powell- Construction on Maint. Garage
\$	184.00	Mark Hisel- Construction on Maint. Garage
\$	1,658.00	Carpenter's Trucking/gravel
\$	1,701.22	Ky Employer Income Tax With held
\$	17,269.47	C & G Fencing/JCWA Property
\$	1,062.00	Reserve Account -- Transfer of Funds
\$	56.77	Arch Wireless – Pager Services for November 2004
\$	45.00	Roberts & Son "Trash" – Garbage Pick-up
\$	1,577.28	Deposit Refunds
\$	27.28	Deposit Refund Interest Paid to Customers
\$	697.36	Aramark – Rental Services for November 2005
\$	1,021.85	McCoy & McCoy – Water Analysis
\$	595.95	City of McKee – 334,800 Gallons of Water Purchased
\$	55.00	Gray Hawk Landing – November 2005 Storage Rental Fee
\$	51.40	Annville Snack Sales – Misc. Supplies
\$	10.00	Jackson County Bank – Return Check Service Charges
\$	42.99	Dish Network – Cable Services
\$	2,845.20	Primerica Shareholders-Ded. & Matching
\$	853.00	Brumett Realty/Tent-Canopy-table-Chairs for Dedication
\$	1,400.00	Opal's Restaurant/Catering Dinner for Dedication

• **CASH RECEIPTS (Other)**

\$	66.00	Return Check Service Charges
\$	2,539.70	Rockcastle County Water – Water Purchased
\$	1,217.70	City of Beattyville – Water Purchased
\$	1,282.50	Smith Contracting/Fence Around Sedlin Basin
\$	160.00	Fill Ups Gas & Grocery/ Relocating Meter
\$	110.00	Water Salesman
\$	21.71	Supplies Sold
\$	1.31	Tax on Supplies Sold
\$	3,633.08	Jennifer Gabbard Distrubtion Checks (Primerica-Retirement Refund)

DECEMBER EXPENSE REPORT
January 9, 2006

CASH DISBURSEMENTS:

SALARIES	\$	39,817.82
CHEMICALS	\$	6,535.19
GENERAL SUPPLIES	\$	1,335.37
REPAIRS & MAINTENANCE	\$	155.14
UTILITIES	\$	9,148.95
TELEPHONE/FAX	\$	1,255.38
TRANSPORTATION	\$	1,762.03
INSURANCE	\$	9,738.81
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	2,488.90
DIRECTORS' FEES	\$	900.00
RETURNED CHECKS	\$	251.54
TAXES & LICENSES	\$	12,835.42
OTHER EXPENSES	\$	51,247.70
SUB-TOTAL:	\$	137,472.25
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	24,801.00
TOTAL:	\$	162,273.25

CASH RECEIPTS:

WATER REVENUE	\$	115,186.84
MEMBERSHIPS	\$	5,200.00
DEPOSITS	\$	2,050.00
RE-CONNECTION FEES	\$	1,080.00
SUPPLIES SOLD	\$	29.05
INTEREST INCOME	\$	1,799.28
RETURNED CHECKS	\$	543.38
OTHER INCOME	\$	3,168.96
CASH COUNT/OVERAGE	\$	2.98
TOTAL:	\$	129,060.49

MONTHLY TOTALS:	YEARLY TOTALS:
+ \$ 129,060.49	- \$ 100,304.17
- \$ 162,273.25	- \$ 33,212.76
- \$ 33,212.76	- \$ 133,516.93

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	4,749.11
GENERAL REVENUE	\$	1,151,181.75
DEBT SERVICE	\$	5,149.39
WATER SERVICE	\$	20,703.75
PLANT/LINE EXPANSION	\$	491.77
CONSTRUCTION #2	\$	53,453.01
C.D. O & M	\$	114,512.94
C.D. O & M (New)	\$	111,515.69
C.D. RESERVE		

DECEMBER EXPENSE REPORT (January 9, 2006) – Page 2

C.D. GENERAL REVENUE	\$	287,566.31
C.D. GENERAL REVENUE # 2	\$	143,016.13
RESERVE 122-477-8	\$	99,754.31
R & M RESERVE 267-170-5	\$	82,966.17
C.D. – R & M RESERVE	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$	14,000.00
C.D. – RESERVE ACCOUNT	\$	120,000.00
C.D. – GENERAL REVENUE	\$	50,000.00
GRAND TOTAL:	\$	2,294,060.33

• **CASH DISBURSEMENTS (Other Expenses)**

\$	594.73	Ky Sales & Use Tax
\$	1,370.19	Ky Employer Income Tax With held
\$	21,130.03	C & G Fencing/JCWA Property
\$	1,062.00	Reserve Account – Transfer of Funds
\$	56.77	Arch Wireless – Pager Services for November 2005
\$	45.00	Roberts & Son “Trash” – Garbage Pick-up
\$	4,566.96	Deposit Refund
\$	786.33	Aramark – Rental Services for December 2005
\$	443.50	McCoy & McCoy – Water Analysis
\$	409.58	City of McKee – Water Purchased
\$	63.25	Annville Snack Sales – Misc. Supplies
\$	10.00	Jackson County Bank – Return Check Service Charges
\$	42.99	Dish Network – Cable Services
\$	2,845.20	Primerica Shareholders-Ded. & Matching
\$	2,494.68	East Ky Metal (Supplies for Maint. Garage)
\$	3,750.00	JCWA Employees Christmas Bonus
\$	57,962.30	KIA Payment

• **CASH RECEIPTS (Other)**

\$	55.00	Return Check Service Charges
\$	1,720.02	Rockcastle County Water – Water Purchased
\$	956.34	City of Beattyville – Water Purchased
\$	432.00	Water Salesman
\$	29.05	Supplies Sold
\$	1.74	Tax on Supplies Sold

SEPTEMBER EXPENSE REPORT
October 9, 2006

CASH DISBURSEMENTS:

SALARIES	\$ 32,990.47
CHEMICALS	\$ 3,908.05
GENERAL SUPPLIES	\$ 27.12
REPAIRS & MAINTENANCE	\$ 0.00
UTILITIES	\$ 10,675.43
TELEPHONE/FAX	\$ 759.30
TRANSPORTATION	\$ 2,534.70
INSURANCE	\$ 9,858.29
PROFESSIONAL FEES	\$ 0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$ 1,142.14
DIRECTORS' FEES	\$ 900.00
RETURNED CHECKS	\$ 1,061.57
TAXES & LICENSES	\$ 10,223.95
OTHER EXPENSES	\$ 20,516.99
SUB-TOTAL:	\$ 94,598.01
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$ 24,801.00
TOTAL:	\$ 119,399.01

CASH RECEIPTS:

WATER REVENUE	\$ 139,282.76
MEMBERSHIPS	\$ 800.00
DEPOSITS	\$ 1,900.00
RE-CONNECTION FEES	\$ 2,664.42
SUPPLIES SOLD	\$ 121.45
TAX ON SUPPLIES SOLD	\$ 5.10
INTEREST INCOME	\$ 1,678.60
RETURNED CHECKS	\$ 466.38
OTHER INCOME	\$ 3,478.70
CASH COUNT/OVERAGE	\$.86
CASH COUNT/SHORT	\$ -11.88
SUB TOTAL:	\$ 150,386.39
REIMBURSEMENT FOR WATER LINE PROJECT	\$ 37,525.76
TOTAL:	\$ 187,912.15

MONTHLY TOTALS:	YEARLY TOTALS:
+ \$ 187,912.15	+ \$ 268,734.64
- \$ 119,399.01	+ \$ 68,513.14
+ \$ 68,513.14	+ \$ 337,247.78

SEPTEMBER EXPENSE REPORT (October 9, 2006) – Page 2

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE #2671684	\$	133,081.48
GENERAL REVENUE #2671676	\$	731,884.62
DEBT SERVICE #2671625	\$	5,330.55
WATER SERVICE #2671641	\$	22,244.05
PLANT/LINE EXPANSION #2671721	\$	512.36
CONSTRUCTION #2 #3070688	\$	500.00
C.D. O & M #706494 (Closed 6/5/06 to open GR#5 CD)	\$	0.00
C.D. O & M (New) #1411456 (Closed 6/5/06 to open GR# 5 CD)	\$	0.00
C.D. GENERAL REVENUE #17180 (Closed 8/15/06)	\$	0.00
C.D. GENERAL REVENUE # 2 #17211 (Closed 8/18/06)	\$	0.00
RESERVE 122-477-8 (O & M Rev. Fund)	\$	30,925.82
R & M RESERVE 267-170-5 OPEN BACK UP 5/9/06	\$	2,371.22
C.D. – R & M RESERVE #17708	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT #0017710	\$	14,000.00
C.D. – RESERVE ACCOUNT #17711	\$	120,000.00
C.D. – GENERAL REVENUE #17712	\$	50,000.00
C.D. – GENERAL REVENUE #4 (New) # 22111	\$	718,441.51
C.D. – GENERAL REVENUE #5 (New) # 22143	\$	417,312.28
C.D. – GENERAL REVENUE # 22194 (NEW)	\$	500,000.00
GRAND TOTAL:	\$	2,781,603.89

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	356.92	Appalachian Wireless
\$	59.61	Arch Wireless – Pager Services
\$	45.00	Roberts & Son “Trash” – Garbage Pick-up
\$	2,370.00	Motors, Controls & Technology – Pumps
\$	215.32	Cumberland Valley Office Supplies
\$	1,424.64	Deposit Refund
\$	414.17	Aramark – Rental Services
\$	2,121.78	McCoy & McCoy – Water Analysis
\$	51.49	Dish Network – Cable Services
\$	2,321.88	Primerica Shareholders-Ded. & Matching
\$	28.00	Jackson County Bank—Return Check Service Charges
\$	200.00	Gray Hawk Tool & Die – Welding # on tags, spacers
\$	71.45	Gray Hawk Bldg. Supply – Supplies
\$	1,312.91	Rawlings & Goins – Motor Starters & Phase Monitors/Pump Stations
\$	488.24	Grainger – Dehumidifier
\$	767.66	USA Blue Book – Drum Pump Motor & End
\$	50.00	Ron Madden – Bush Hog & Tractor Use
\$	63.72	City of McKee
\$	9.35	Verizon Directories
\$	48.00	Jackson County Sun – Accepting Bids Ad
\$	140.33	Zee Medical Supplies
\$	201.00	KACO Workers Comp Fund -- Audit # 04825

SEPTEMBER EXPENSE REPORT (October 9, 2006) Page 3

\$	100.69	D & W Electric & Plumbing – Supplies
\$	349.76	George McQueen Garnishment
\$	213.55	Hach Company – Supplies
\$	236.23	Don Molden Pipe & Supply – Adapters & Bushings & Etc.
\$	709.20	Woods Creek Water District – 10” PVC Pipe
\$	4,951.10	Refunded Customers / Pay Back Lines
\$	7.99	Keith Isaacs – Reimb. for Supplies
\$	125.00	Sunlite Cleaning Service – Cleaning & Buffing Floors

• **CASH RECEIPTS (Other)**

\$	88.00	Return Check Service Charges
\$	2,319.52	Rockcastle County Water – Water Purchased
\$	1,071.18	City of Beattyville – Water Purchased

AUGUST EXPENSE REPORT
September 11, 2006

CASH DISBURSEMENTS:

SALARIES	\$	32,577.47
CHEMICALS	\$	3,932.13
GENERAL SUPPLIES	\$	50.00
REPAIRS & MAINTENANCE	\$	92.81
UTILITIES	\$	10,963.97
TELEPHONE/FAX	\$	860.86
TRANSPORTATION	\$	2,270.65
INSURANCE	\$	11,417.33
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	1,375.56
DIRECTORS' FEES	\$	800.00
RETURNED CHECKS	\$	426.70
TAXES & LICENSES	\$	10,094.13
OTHER EXPENSES	\$	13,340.62
SUB-TOTAL:	\$	88,202.23
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	24,801.00
TOTAL:	\$	113,003.23

CASH RECEIPTS:

WATER REVENUE	\$	125,832.93
MEMBERSHIPS	\$	3,200.00
DEPOSITS	\$	2,850.00
RE-CONNECTION FEES	\$	3,168.00
SUPPLIES SOLD	\$	79.95
TAX ON SUPPLIES SOLD	\$	1.31
INTEREST INCOME	\$	1,717.64
RETURNED CHECKS	\$	411.11
OTHER INCOME	\$	3,863.34
CASH COUNT/OVERAGE	\$	14.74
CASH COUNT/SHORT	\$	-21.34
TOTAL:	\$	141,117.68

MONTHLY TOTALS:	YEARLY TOTALS:
+ \$ 141,117.68	+ \$ 240,620.19
- \$ 113,003.23	+ \$ 28,114.45
+ \$ 28,114.45	+ \$ 268,734.64

AUGUST EXPENSE REPORT (September 11, 2006) – Page 2

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE #2671684	\$	114,427.89
GENERAL REVENUE #2671676	\$	1,009,250.14
DEBT SERVICE #2671625	\$	5,313.97
WATER SERVICE #2671641	\$	21,652.97
PLANT/LINE EXPANSION #2671721	\$	507.36
CONSTRUCTION #2 #3070688	\$	12,853.71
C.D. O & M #706494 (Closed 6/5/06 to open GR#5 CD)	\$	0.00
C.D. O & M (New) #1411456 (Closed 6/5/06 to open GR# 5 CD)	\$	0.00
C.D. GENERAL REVENUE #17180 (Closed 8/15/06)	\$	0.00
C.D. GENERAL REVENUE # 2 #17211	\$	147,913.56
RESERVE 122-477-8 (O & M Rev. Fund)	\$	27,590.67
R & M RESERVE 267-170-5 OPEN BACK UP 5/9/06	\$	2,365.26
C.D. – R & M RESERVE #17708	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT #0017710	\$	14,000.00
C.D. – RESERVE ACCOUNT #17711	\$	120,000.00
C.D. – GENERAL REVENUE #17712	\$	50,000.00
C.D. – GENERAL REVENUE #4 (New) # 22111	\$	715,403.49
C.D. – GENERAL REVENUE #5 (New) #	\$	415,459.79
GRAND TOTAL:	\$	2,691,738.81

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	356.92	Appalachian Wireless
\$	2,100.00	Industrial, Floors & Linings – Sealing Sedlin Basin
\$	59.61	Arch Wireless – Pager Services
\$	45.00	Roberts & Son “Trash” – Garbage Pick-up
\$	184.24	Motors, Controls & Technology -- Supplies
\$	149.85	Eyewitness Alarms – Qtr. Monitoring
\$	405.10	Cumberland Valley Office Supplies
\$	360.00	Hacker’s Electrical –Electrical Controls
\$	56.00	White House Clinic – G. McQueen (Arm Injury)
\$	2.79	Gray Hawk Food Mart -- Supplies
\$	105.13	Kwik –Set Fasteners
\$	756.90	American Van Equipment
\$	1,069.13	Deposit Refund
\$	9.00	Peoples Hardware & Farm Supply
\$	424.85	Aramark – Rental Services
\$	887.65	McCoy & McCoy – Water Analysis
\$	51.49	Dish Network – Cable Services
\$	2,855.71	Primerica Shareholders-Ded. & Matching
\$	20.00	Jackson County Bank—Return Check Service Charges
\$	36.00	James Couch – Refunded Service Charge
\$	10.00	Rose’s Tires – Plugged Tire
\$	100.00	Gray Hawk Tool & Die – Welding, Drilling Valve Plates
\$	54.21	Gray Hawk Bldg. Supply – Supplies
\$	330.00	Business Machines – Maintenance on Typewriters

AUGUST EXPENSE REPORT (September 11, 2006) Page 3

\$	98.11	Ormsby Hardware -- Supplies
\$	34.91	McKee IGA
\$	67.47	Save-A lot
\$	130.17	D & W – Supplies
\$	349.76	George McQueen Garnishment
\$	61.97	Sears
\$	36.00	April Huff – Refunded Service Charge
\$	280.10	Carpenters Trucking Company – Gravel
\$	25.17	Consolidated Electrical Dist. – Wire stripper
\$	52.23	Kenny’s Farm Store – Supplies
\$	319.98	Enterprise Rent A Car – Van for Company Trip
\$	300.00	JCWA Cash Drawer—Replenish Cash Used For Company Trip
\$	70.00	McKee Medical Clinic – (2) Employees Drug Testing
\$	23.17	Elizabeth Carpenter – Refunded Customer

• **CASH RECEIPTS (Other)**

\$	110.00	Return Check Service Charges
\$	2,332.60	Rockcastle County Water – Water Purchased
\$	1,382.04	City of Beattyville – Water Purchased
\$	68.70	City of McKee

JULY EXPENSE REPORT
August 14, 2006

CASH DISBURSEMENTS:

SALARIES	\$	40,525.01
CHEMICALS	\$	3,505.50
GENERAL SUPPLIES	\$	69.00
REPAIRS & MAINTENANCE	\$	281.29
UTILITIES	\$	9,737.76
TELEPHONE/FAX	\$	1,146.34
TRANSPORTATION	\$	2,269.64
INSURANCE	\$	10,325.43
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	1,115.45
DIRECTORS' FEES	\$	900.00
RETURNED CHECKS	\$	688.50
TAXES & LICENSES	\$	13,743.29
OTHER EXPENSES	\$	21,335.05
SUB-TOTAL:	\$	105,642.26
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	24,801.00
TOTAL:	\$	130,443.26

CASH RECEIPTS:

WATER REVENUE	\$	140,263.08
MEMBERSHIPS	\$	3,000.00
DEPOSITS	\$	1,800.00
RE-CONNECTION FEES	\$	2,052.00
SUPPLIES SOLD	\$	0.00
TAX ON SUPPLIES SOLD	\$	0.00
INTEREST INCOME	\$	1,313.91
RETURNED CHECKS	\$	796.11
OTHER INCOME	\$	3,966.74
CASH COUNT/OVERAGE	\$	20.89
CASH COUNT/SHORT	\$	-20.88
SUB TOTAL:	\$	153,191.85
REIMBURSEMENT FOR FENCE	\$	37,120.00
TOTAL:	\$	190,311.85

MONTHLY TOTALS:	YEARLY TOTALS:
+ \$ 190,311.85	+ \$ 180,751.60
- \$ 130,443.26	+ \$ 59,868.59
+ \$ 59,868.59	+ \$ 240,620.19

JULY EXPENSE REPORT (August 14, 2006) – Page 2

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE #2671684	\$	90,912.16
GENERAL REVENUE #2671676	\$	684,086.75
DEBT SERVICE #2671625	\$	5,294.13
WATER SERVICE #2671641	\$	19,331.88
PLANT/LINE EXPANSION #2671721	\$	507.36
CONSTRUCTION #2 #3070688	\$	12,853.71
C.D. O & M #706494 (Closed 6/5/06 to open GR#5 CD)	\$	0.00
C.D. O & M (New) #1411456 (Closed 6/5/06 to open GR# 5 CD)	\$	0.00
C.D. GENERAL REVENUE #17180	\$	297,488.32
C.D. GENERAL REVENUE # 2 #17211	\$	147,913.56
RESERVE 122-477-8 (O & M Rev. Fund)	\$	27,590.67
R & M RESERVE 267-170-5 OPEN BACK UP 5/9/06	\$	2,365.26
C.D. – R & M RESERVE #17708	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT #0017710	\$	14,000.00
C.D. – RESERVE ACCOUNT #17711	\$	120,000.00
C.D. – GENERAL REVENUE #17712	\$	50,000.00
C.D. – GENERAL REVENUE #4 (New) # 22111	\$	712,378.32
C.D. – GENERAL REVENUE #5 (New) #	\$	413,615.52
GRAND TOTAL:	\$	2,633,337.64

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	12.79	Sears – Supplies
\$	250.00	Cordell Bingham – Mowing Dam
\$	59.61	Arch Wireless – Pager Services
\$	45.00	Roberts & Son “Trash” – Garbage Pick-up
\$	2,632.45	Ky State Treasurer – PSC Assessment Liability
\$	2,434.00	Ky Printing – Printing & Postage of Notices
\$	817.50	Central Ky Comm. – Replace Corrupt Pump Program
\$	199.08	Cumberland Valley Office Supplies
\$	31.04	Holt Equipment – Supplies
\$	50.95	Zee Medical Equipment
\$	72.08	Flower & Gift Gallery – D. Montgomery
\$	214.50	Central Ky Mixed Concrete
\$	253.39	Kwik-Set Fasteners
\$	408.59	The H.T. Hackney Co. -- Supplies
\$	1,514.96	Deposit Refund
\$	12.50	Peoples Hardware & Farm – Straw & Grass Seed
\$	65.00	David’s Electrical – Air Conditioner Repair
\$	3,167.98	Water Works
\$	531.40	Aramark – Rental Services
\$	1,231.50	McCoy & McCoy – Water Analysis
\$	51.49	Dish Network – Cable Services
\$	2,845.20	Primerica Shareholders-Ded. & Matching
\$	18.00	Jackson County Bank—Return Check Service Charges
\$	2.90	Verizon Directory

JULY EXPENSE REPORT (August 14, 2006) Page 3

\$	354.43	Gray Hawk Bldg. Supply-Supplies
\$	2,246.00	Lawless Welding – Weirs for Sedlin Basin
\$	6.50	Jackson County Sun
\$	58.95	Trail Blazers
\$	34.77	Office Depot
\$	69.20	McKee IGA
\$	46.99	Save-A lot
\$	52.16	D & W – Supplies
\$	437.20	George McQueen Garnishment
\$	44.94	John Powell – Reimb. for Lunches & Supplies

• **CASH RECEIPTS (Other)**

\$	121.00	Return Check Service Charges
\$	2,273.74	Rockcastle County Water – Water Purchased
\$	1,310.76	City of Beattyville – Water Purchased
\$	45.57	City of McKee
\$	37,120.00	Reimbursement for Fence
\$	173.59	D & H Contracting—Reimb. for Invoice Paid
\$	42.08	Keith Isaacs -- Gravels

JUNE EXPENSE REPORT
July 10, 2006

CASH DISBURSEMENTS:

SALARIES	\$	33,358.05
CHEMICALS	\$	4,649.97
GENERAL SUPPLIES	\$	74.50
REPAIRS & MAINTENANCE	\$	696.43
UTILITIES	\$	9,825.84
TELEPHONE/FAX	\$	1,161.10
TRANSPORTATION	\$	2,584.37
INSURANCE	\$	39,870.92
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	1,704.45
DIRECTORS' FEES	\$	800.00
RETURNED CHECKS	\$	464.94
TAXES & LICENSES	\$	10,201.02
OTHER EXPENSES	\$	74,626.74
SUB-TOTAL:	\$	180,018.33
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	24,801.00
TOTAL:	\$	204,819.33

CASH RECEIPTS:

WATER REVENUE	\$	137,898.98
MEMBERSHIPS	\$	2,800.00
DEPOSITS	\$	1,850.00
RE-CONNECTION FEES	\$	2,016.00
SUPPLIES SOLD	\$	0.00
TAX ON SUPPLIES SOLD	\$	0.00
INTEREST INCOME	\$	1,051.92
RETURNED CHECKS	\$	494.28
OTHER INCOME	\$	3,832.75
CASH COUNT/OVERAGE	\$	0.00
CASH COUNT/SHORT	\$	-31.03
SUB TOTAL:	\$	149,912.90
REIMBURSEMENT FOR MAINTENANCE GARAGE	\$	203,354.41
TOTAL:	\$	353,267.31

MONTHLY TOTALS:	YEARLY TOTALS:
+ \$ 353,267.31	+ \$ 148,447.98
- \$ 204,819.33	+ \$ 32,303.62
+ \$ 148,447.98	+ \$ 180,751.60

JUNE EXPENSE REPORT (July 10, 2006) – Page 2

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE #2671684	\$	41,022.10
GENERAL REVENUE #2671676	\$	665,617.26
DEBT SERVICE #2671625	\$	5,266.18
WATER SERVICE #2671641	\$	19,060.56
PLANT/LINE EXPANSION #2671721	\$	507.36
CONSTRUCTION #2 #3070688	\$	1,333.71
C.D. O & M #706494 (Closed 6/5/06 to open GR#5 CD)	\$	0.00
C.D. O & M (New) #1411456 (Closed 6/5/06 to open GR# 5 CD)	\$	0.00
C.D. GENERAL REVENUE #17180	\$	297,488.32
C.D. GENERAL REVENUE # 2 #17211	\$	147,913.56
RESERVE 122-477-8 (O & M Rev. Fund)	\$	27,590.67
R & M RESERVE 267-170-5 OPEN BACK UP 5/9/06	\$	2,365.26
C.D. – R & M RESERVE #17708	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT #0017710	\$	14,000.00
C.D. – RESERVE ACCOUNT #17711	\$	120,000.00
C.D. – GENERAL REVENUE #17712	\$	50,000.00
C.D. – GENERAL REVENUE #4 (New) # 22111	\$	709,462.72
C.D. – GENERAL REVENUE #5 (New) #	\$	411,838.41
GRAND TOTAL:	\$	2,548,466.11

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	19.95	R & J Hardware -- Supplies
\$	368.09	Tax Strategies America – Annual Base Fee
\$	59.61	Arch Wireless – Pager Services
\$	45.00	Roberts & Son “Trash” – Garbage Pick-up
\$	1,933.44	Deposit Refund
\$	452.76	Aramark – Rental Services
\$	968.60	McCoy & McCoy – Water Analysis
\$	51.49	Dish Network – Cable Services
\$	2,845.20	Primerica Shareholders-Ded. & Matching
\$	18.00	Jackson County Bank—Return Check Service Charges
\$	15.15	Verizon Directory
\$	658.93	Gray Hawk Bldg. Supply-Supplies
\$	120.94	Jackson County Farm Service -- Supplies
\$	169.61	D & W – Supplies
\$	349.76	George McQueen Garnishment
\$	6,068.60	Water Works Supply
\$	450.00	Computer Resources – Qtr. Maintenance
\$	38,000.00	Construction #2 – Transfer of Funds
\$	11,725.00	Hacker Electrical Work
\$	136.00	Keith Powell – Construction Work
\$	22.82	Kathy Amis – Refunded Credit on Gone Acct
\$	561.05	Lee Wayne Corp. – Caps
\$	158.88	Holt Equipment – Supplies
\$	607.00	Kenny’s Farm Store
\$	4,991.49	Customer’s Refunded on Pay Back Line
\$	818.93	Trail Blazer – Cargo Cover

JUNE EXPENSE REPORT (July 10, 2006) Page 3

\$	32.75	Cook Brothers
\$	540.21	Don Molden Pipe & Supplies
\$	35.00	Jackson County Sun – Graduation Ad
\$	173.59	Mansfield Excavating Machinery
\$	219.28	Kraftbilt
\$	423.00	Kentucky Steel & Utility
\$	20.00	Jackson Propane Plus – Price Protection Program
\$	89.80	Berea Animal Hospital -- Rosies shots
\$	228.68	John Powell – Reimbursement for supplies & lunches
\$	42.08	The Allen Company
\$	125.00	Sunlite Cleaning Service – Wax, Buff Floors
\$	19.05	Bluegrass Hardware

• **CASH RECEIPTS (Other)**

\$	88.00	Return Check Service Charges
\$	2,387.10	Rockcastle County Water – Water Purchased
\$	1,304.82	City of Beattyville – Water Purchased
\$	48.95	City of McKee
\$	203,354.41	Reimbursement for Maintenance Garage

MAY EXPENSE REPORT
June 12, 2006

CASH DISBURSEMENTS:

SALARIES	\$	40,931.52
CHEMICALS	\$	1,358.91
GENERAL SUPPLIES	\$	69.50
REPAIRS & MAINTENANCE	\$	509.03
UTILITIES	\$	13,553.27
TELEPHONE/FAX	\$	1,169.42
TRANSPORTATION	\$	2,363.47
INSURANCE	\$	8,733.74
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	1,131.54
DIRECTORS' FEES	\$	900.00
RETURNED CHECKS	\$	509.06
TAXES & LICENSES	\$	12,390.50
OTHER EXPENSES	\$	117,181.58
SUB-TOTAL:	\$	200,801.54
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	24,801.00
TOTAL:	\$	225,602.54

CASH RECEIPTS:

WATER REVENUE	\$	111,116.41
MEMBERSHIPS	\$	4,800.00
DEPOSITS	\$	2,500.00
RE-CONNECTION FEES	\$	2,196.00
SUPPLIES SOLD	\$	310.20
TAX ON SUPPLIES SOLD	\$	16.91
INTEREST INCOME	\$	1,398.61
RETURNED CHECKS	\$	205.49
OTHER INCOME	\$	4,970.99
CASH COUNT/OVERAGE	\$	20.00
CASH COUNT/SHORT	\$	0.00
SUB TOTAL:	\$	127,534.61
REIMBURSEMENT FOR LAND PURCHASED	\$	217,390.00
TOTAL:	\$	344,924.61

MONTHLY TOTALS:	YEARLY TOTALS:
+ \$ 344,924.61	+ \$ 119,322.07
- \$ 225,602.54	- \$ 87,018.45
+ \$ 119,322.07	+ \$ 32,303.62

MAY EXPENSE REPORT (June 12, 2006) – Page 2

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE #2671684	\$	32,821.62
GENERAL REVENUE #2671676	\$	720,248.70
DEBT SERVICE #2671625	\$	5,239.92
WATER SERVICE #2671641	\$	19,155.92
PLANT/LINE EXPANSION #2671721	\$	501.77
CONSTRUCTION #2 #3070688	\$	12,548.55
C.D. O & M #706494	\$	115,932.59
C.D. O & M (New) #1411456	\$	111,515.69
C.D. GENERAL REVENUE #17180	\$	297,488.32
C.D. GENERAL REVENUE # 2 #17211	\$	147,913.56
RESERVE 122-477-8 (O & M Rev. Fund)	\$	25,317.99
R & M RESERVE 267-170-5 OPEN BACK UP 5/9/06	\$	2,335.52
C.D. – R & M RESERVE #17708	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT #0017710	\$	14,000.00
C.D. – RESERVE ACCOUNT #17711	\$	120,000.00
C.D. – GENERAL REVENUE #17712	\$	50,000.00
C.D. – GENERAL REVENUE #4 (New) # 22111	\$	706,462.67
GRAND TOTAL:	\$	2,416,482.82

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	243.96	Office Depot – Supplies
\$	210.85	United States Postal Service -- Envelopes
\$	59.61	Arch Wireless – Pager Services
\$	45.00	Roberts & Son “Trash” – Garbage Pick-up
\$	1,577.28	Deposit Refund
\$	538.10	Aramark – Rental Services
\$	1,512.80	McCoy & McCoy – Water Analysis
\$	58.86	Dish Network – Cable Services
\$	2,845.20	Primerica Shareholders-Ded. & Matching
\$	16.00	Jackson County Bank—Return Check Service Charges
\$	24.50	Verizon Directory
\$	97.90	John Powell—Reimb. For meals & Supplies
\$	104.14	Zee Medical—Supplies
\$	2,335.52	Open R & M Reserve Account
\$	10.00	Internal Revenue Service – UCC Financial Statement Fee
\$	219.75	Eyewitness Alarm System – Qtr. Monitoring/Signs
\$	93.35	Gray Hawk Bldg. Supply-Supplies
\$	246.80	Hach
\$	57,917.65	K.I.A. Loan Payment
\$	110.93	Jackson County Farm Service -- Supplies
\$	486.52	Parsley General Tires
\$	28.88	D & W – Supplies
\$	437.20	George McQueen Garnishment
\$	212.96	Cumberland Valley Office Supplies
\$	867.23	Water Works Supply
\$	12.14	Marcum True Value
\$	306.43	Sentinel Office Supplies

MAY EXPENSE REPORT (June 13, 2006) Page 3

\$	280.00	Daniel Boone Chapter -- Employees CPR Training
\$	533.81	Carpenter's Trucking – Gravel
\$	1,082.09	McLaughlin Group
\$	148.00	United States Postal Service – P.O. Box Rental
\$	7,000.00	Christian, Sturgeon & Associates –Audit Report
\$	494.40	Lee Wayne Corp. – Caps
\$	837.50	Dallas Benge Concrete
\$	1,360.00	Central Ky Concrete
\$	233.69	Ben Meadows – Paint & Flags
\$	8.50	Peoples Hardware Supply
\$	7.55	McKee S & T
\$	33,124.60	Commonwealth Ford – F-150 Truck
\$	250.58	Holt Equipment – Oil line
\$	139.30	Kenny's Farm Store

• **CASH RECEIPTS (Other)**

\$	33.00	Return Check Service Charges
\$	1,988.16	Rockcastle County Water – Water Purchased
\$	1,015.74	City of Beattyville – Water Purchased
\$	42.89	City of McKee
\$	1,711.20	D & H Contracting – ARC Water Line Extensions
\$	180.00	Water Salesman
\$	217,390.00	Reimbursement for Land Purchased

APRIL EXPENSE REPORT
May 8, 2006

CASH DISBURSEMENTS:

SALARIES	\$	31,215.99
CHEMICALS	\$	6,567.79
GENERAL SUPPLIES	\$	32.00
REPAIRS & MAINTENANCE	\$	417.46
UTILITIES	\$	15,834.74
TELEPHONE/FAX	\$	1,219.50
TRANSPORTATION	\$	2,219.87
INSURANCE	\$	8,467.86
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	1,102.63
DIRECTORS' FEES	\$	800.00
RETURNED CHECKS	\$	57.38
TAXES & LICENSES	\$	12,472.37
OTHER EXPENSES	\$	91,275.93
SUB-TOTAL:	\$	171,683.52
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	24,801.00
TOTAL:	\$	196,484.52

CASH RECEIPTS:

WATER REVENUE	\$	121,721.23
MEMBERSHIPS	\$	3,200.00
DEPOSITS	\$	2,150.00
RE-CONNECTION FEES	\$	2,664.00
SUPPLIES SOLD	\$	5.50
TAX ON SUPPLIES SOLD	\$	0.00
INTEREST INCOME	\$	1,236.99
RETURNED CHECKS	\$	100.38
OTHER INCOME	\$	3,124.78
CASH COUNT/OVERAGE	\$	0.00
CASH COUNT/SHORT	\$	0.00
TOTAL:	\$	134,202.88

MONTHLY TOTALS:	YEARLY TOTALS:
+ \$ 134,202.88	- \$ 24,736.81
- \$ 196,484.52	- \$ 62,281.64
- \$ 62,281.64	- \$ 87,018.45

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE #2671684	\$	158,645.41
GENERAL REVENUE #2671676	\$	448,165.14
DEBT SERVICE #2671625	\$	5,220.99
WATER SERVICE #2671641	\$	18,194.83
PLANT/LINE EXPANSION #2671721	\$	501.77
CONSTRUCTION #2 #3070688	\$	568.55
C.D. O & M #706494	\$	114,512.94
C.D. O & M (New) #1411456	\$	111,515.69

APRIL EXPENSE REPORT (May 8, 2006) – Page 2

C.D. GENERAL REVENUE #17180	\$ 297,488.32
C.D. GENERAL REVENUE # 2 #17211	\$ 147,913.56
RESERVE 122-477-8 (O & M Rev. Fund)	\$ 25,317.99
R & M RESERVE 267-170-5 CLOSED 4/13/06	\$ 000.00
C.D. – R & M RESERVE #17708	\$ 35,000.00
C.D. – SPECIAL RDA ACCOUNT #0017710	\$ 14,000.00
C.D. – RESERVE ACCOUNT #17711	\$ 120,000.00
C.D. – GENERAL REVENUE #17712	\$ 50,000.00
C.D. – New # 22111	\$ 703,571.28

GRAND TOTAL: \$ 2,250,616.47

• **CASH DISBURSEMENTS (Other Expenses)**

•

\$ 1,062.00	Reserve Account – Transfer of Funds
\$ 229.00	Randall Powell—Constr. On Maint. Garage
\$ 170.00	Keith Powell—Constr. On Maint. Garage
\$ 59.57	Arch Wireless – Pager Services
\$ 45.00	Roberts & Son “Trash” – Garbage Pick-up
\$ 2,785.20	Deposit Refund
\$ 767.99	Aramark – Rental Services
\$ 1,668.91	McCoy & McCoy – Water Analysis
\$ 46.34	Dish Network – Cable Services
\$ 2,845.20	Primerica Shareholders-Ded. & Matching
\$ 4.00	Jackson County Bank—Return Check Service Charges
\$ 21.60	Verizon Directory
\$ 24.85	John Powell—Reimb. For meals & Supplies
\$ 43.25	Zee Medical—Supplies
\$ 14.00	Jackson Co. Clerk Office/Record
\$ 56.50	Jackson County Sun Office (Lake Denial Ad)
\$ 70.66	Dollar General Store
\$ 1,376.63	Gray Hawk Bldg. Supply-Supplies
\$ 39.46	Alltel--Directory
\$ 41.19	Keith Isaacs-Reimb. Welding & Plant Supplies
\$ 69,995.00	Hacker Electrical Work—Electical work in new Maint. Garage
\$ 291.50	Lawless Welding—Valve Weld
\$ 987.99	D & W – Supplies
\$ 349.76	George McQueen Garnishment
\$ 768.42	Cumberland Valley Office Supplies
\$ 27.00	Annville Snack Sales
\$ 16.94	Marcum True Value
\$ 223.44	The Lexington-Herald Leader
\$ 181.00	R.J. Hardware – Supplies
\$ 286.50	Carpenter’s Trucking – Gravel
\$ 163.01	Glen Roark Construction
\$ 538.17	Computer Resources Co. – Supplies
\$ 529.94	The H.T. Hackney Co – Supplies
\$ 550.03	Lee Wayne Corp. – Caps
\$ 42.63	Ben Meadows Co.
\$ 390.00	Eyewitness Alarm Systems
\$ 3,208.42	Motors, Control, Technology – Pump Repair
\$ 476.22	Tax Strategies of America – Annual Base
\$ 2.00	Recie Link, Jr. – Refund Credit on Gone Acct.
\$ 350.00	JCWA Plant Operators License Renewals

APRIL EXPENSE REPORT (May 8, 2006) – Page 3

\$	70.00	McKee Medical Clinic – (2) Employees Drug Testing
\$	400.00	Better Business Bureau
\$	56.61	Wal-Mart -- Supplies

• **CASH RECEIPTS (Other)**

\$	22.00	Return Check Service Charges
\$	1,999.06	Rockcastle County Water – Water Purchased
\$	1,102.86	City of Beattyville – Water Purchased
\$.86	Wilma Bingham – Personal Phone Calls

MARCH EXPENSE REPORT
April 10, 2006

CASH DISBURSEMENTS:

SALARIES		\$ 29,821.78
CHEMICALS		\$ 10,744.45
GENERAL SUPPLIES		\$ 384.76
REPAIRS & MAINTENANCE		\$ 762.08
UTILITIES		\$ 17,593.73
TELEPHONE/FAX		\$ 1,197.03
TRANSPORTATION		\$ 1,830.85
INSURANCE		\$ 8,467.86
PROFESSIONAL FEES		\$ 0.00
OFFICE SUPPLIES (INC. POSTAGE)		\$ 1,304.15
DIRECTORS' FEES		\$ 1,000.00
RETURNED CHECKS		\$ 703.74
TAXES & LICENSES		\$ 9,600.99
OTHER EXPENSES		\$ 28,700.73
	SUB-TOTAL:	\$ 112,112.15
TRANSFERRED TO DEBT SERVICE ACCOUNT		\$ 24,801.00
	TOTAL:	\$ 136,913.15

CASH RECEIPTS:

WATER REVENUE		\$ 107,509.39
MEMBERSHIPS		\$ 2,000.00
DEPOSITS		\$ 2,000.00
RE-CONNECTION FEES		\$ 2,224.01
SUPPLIES SOLD		\$ 91.63
TAX ON SUPPLIES SOLD		\$ 5.49
INTEREST INCOME		\$ 1,818.35
RETURNED CHECKS		\$ 735.62
OTHER INCOME		\$ 2,960.44
CASH COUNT/OVERAGE		\$ 6.90
CASH COUNT/SHORT		\$ - 38.64
	TOTAL:	\$ 119,313.19

MONTHLY TOTALS:

YEARLY TOTALS:

+	\$	119,313.19	-	\$	7,136.85
-	\$	136,913.15	-	\$	17,599.96
-	\$	17,599.96	-	\$	24,736.81

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$ 117,366.34
GENERAL REVENUE	\$ 1,057,380.39
DEBT SERVICE	\$ 5,201.60
WATER SERVICE	\$ 18,756.54
PLANT/LINE EXPANSION	\$ 501.77
CONSTRUCTION #2	\$ 556.04
C.D. O & M 0006494	\$ 114,512.94
C.D. O & M (New) #1411456	\$ 111,515.69

MARCH EXPENSE REPORT (April 10, 2006) – Page 2

C.D. GENERAL REVENUE #17180	\$	297,488.32
C.D. GENERAL REVENUE # 2 #17211	\$	145,674.17
RESERVE 122-477-8 (O & M Rev. Fund)	\$	104,255.99
R & M RESERVE 267-170-5	\$	83,170.74
C.D. – R & M RESERVE #17708	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT #0017710	\$	14,000.00
C.D. – RESERVE ACCOUNT #17711	\$	120,000.00
C.D. – GENERAL REVENUE #17712	\$	50,000.00
GRAND TOTAL:	\$	2,275,380.53

• **CASH DISBURSEMENTS (Other Expenses)**

•		
•		
\$	1,062.00	Reserve Account – Transfer of Funds
\$	460.00	Dallas Benge Concrete (Maint. Garage)
\$	586.00	Randall Powell—Constr. On Maint. Garage
\$	238.00	Keith Powell—Constr. On Maint. Garage
\$	1,350.00	Virgil Creech—Painting Maint. Garage
\$	56.77	Arch Wireless – Pager Services
\$	45.00	Roberts & Son “Trash” – Garbage Pick-up
\$	3,592.21	Deposit Refund
\$	849.51	Aramark – Rental Services
\$	1,252.80	McCoy & McCoy – Water Analysis
\$	459.60	City Of McKee –Water Purchased
\$	46.34	Dish Network – Cable Services
\$	2,845.20	Primerica Shareholders-Ded. & Matching
\$	40.72	Gene McQueen-Billing Error-Meter Error
\$	14.00	Jackson County Bank—Return Check Service Charges
\$	9.35	Verizon Directory
\$	122.28	John Powell—Reimb. For meals & Safety Deposit Book @ Bank
\$	54.06	Jackson Energy Plus-Tank Rental
\$	111.61	Zee Medical—Supplies
\$	84.00	Jackson Co. Clerk Office/Record Easement
\$	12.00	Jackson Co. Transfer /300 pd of trash
\$	105.90	Jackson Co. Farm Supply (Paint for Maint. Garage)
\$	150.00	Jim Brumett—Brumett Realty (Market Analysis)
\$	126.00	Jackson County Sun Office (Lake Denial Ad)
\$	10.00	Choice Visa (Cass Certification)
\$	208.46	Kraftbilt
\$	325.00	Jerry Fish w/ Cox & Fish Attorney at Law
\$	50.00	Ky Steel & Utility Supply (Meter Gaskets)
\$	8.67	Marcum True Value
\$	30.19	Kwik Set Fastners (Maint. Garage)
\$	475.00	Sunlite Cleaning Service (Office & Plant)
\$	4,350.00	Owen’s (Utility Bed for Truck)
\$	72.00	McKee Medical Clinic—Tim Farmer CDL Physical
\$	107.77	Don Molden Pipe (Meter Stops)
\$	2,470.00	Water Works Supplies
\$	216.77	Keith Isaacs--Reimb. For school & Supplies for Treatment Plant
\$	2,607.37	Gray Hawk Bldg. Supply-Supplies-(Maint. Garage)
\$	3,000.00	Christian, Sturgeon & Associates

MARCH EXPENSE REPORT (April 10, 2006) – Page 3

\$	85.92	Continental Hydrodyne System
\$	105.52	D & W – Supplies for Maint. Garage
\$	86.00	Refund to Jay & Dora Thompson
\$	392.00	Sandlin Discount—Dish, Antenna, Cable
\$	5.40	Darrell Hundley—Reimb. For school meal
\$	72.00	McKee Medical Clinic-Darrell Hundley CDL Physical
\$	349.76	George McQueen Garnishment

• **CASH RECEIPTS (Other)**

\$	99.00	Return Check Service Charges
\$	1,881.34	Rockcastle County Water – Water Purchased
\$	980.10	City of Beattyville – Water Purchased

FEBRUARY EXPENSE REPORT
March 13, 2006

CASH DISBURSEMENTS:

SALARIES	\$	30,021.67
CHEMICALS	\$	1,432.00
GENERAL SUPPLIES	\$	166.50
REPAIRS & MAINTENANCE	\$	2,144.16
UTILITIES	\$	17,274.42
TELEPHONE/FAX	\$	1,162.90
TRANSPORTATION	\$	2,046.25
INSURANCE	\$	8,467.86
PROFESSIONAL FEES	\$	0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$	2,547.21
DIRECTORS' FEES	\$	600.00
RETURNED CHECKS	\$	195.18
TAXES & LICENSES	\$	9,136.09
OTHER EXPENSES	\$	28,432.07
SUB-TOTAL:	\$	103,626.31
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$	24,801.00
TOTAL:	\$	128,427.31

CASH RECEIPTS:

WATER REVENUE	\$	108,757.54
MEMBERSHIPS	\$	2,800.00
DEPOSITS	\$	1,650.00
RE-CONNECTION FEES	\$	2,520.00
SUPPLIES SOLD	\$	52.13
TAX ON SUPPLIES SOLD	\$	3.10
INTEREST INCOME	\$	1,613.16
RETURNED CHECKS	\$	594.77
OTHER INCOME	\$	3,357.66
CASH COUNT/SHORT	\$	8.63
TOTAL:	\$	121,356.99

MONTHLY TOTALS:

YEARLY TOTALS:

+ \$ 121,356.99

- \$ 66.53

- \$ 128,427.31

- \$ 7,070.32

- \$ 7,070.32

- \$ 7,136.85

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$	57,004.57
GENERAL REVENUE	\$	1,120,068.38
DEBT SERVICE	\$	5,184.40
WATER SERVICE	\$	20,358.47
PLANT/LINE EXPANSION	\$	501.77
CONSTRUCTION #2	\$	556.04
C.D. O & M 0006494	\$	114,512.94
C.D. O & M (New)	\$	111,515.69

FEBRUARY EXPENSE REPORT (March 13, 2006) – Page 2

C.D. GENERAL REVENUE #17180	\$	297,488.32
C.D. GENERAL REVENUE # 2 #17211	\$	145,674.17
RESERVE 122-477-8	\$	100,816.31
R & M RESERVE 267-170-5	\$	82,966.17
C.D. – R & M RESERVE #17708	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT #0017710	\$	14,000.00
C.D. – RESERVE ACCOUNT #17711	\$	120,000.00
C.D. – GENERAL REVENUE #17712	\$	50,000.00
GRAND TOTAL:	\$	2,275,647.23

• **CASH DISBURSEMENTS (Other Expenses)**

\$	1,062.00	Reserve Account – Transfer of Funds
\$	176.86	USDA Forest Service - Permit
\$	595.00	Randall Powell—Constr. On Maint. Garage
\$	705.00	Keith Powell—Constr. On Maint. Garage
\$	754.12	Lowes—Maint. Garage
\$	56.77	Arch Wireless – Pager Services
\$	45.00	Roberts & Son “Trash” – Garbage Pick-up
\$	2,187.84	Deposit Refund
\$	776.72	Aramark – Rental Services
\$	1,817.80	McCoy & McCoy – Water Analysis
\$	725.17	City Of McKee –Water Purchased
\$	42.99	Dish Network – Cable Services
\$	2,845.20	Primerica Shareholders-Ded. & Matching
\$	12.00	Custom Stamps - Employees Only Sign
\$	8.00	Jackson County Bank—Return Check Service Charges
\$	1.50	Verizon Directory
\$	58.77	John Powell—Reimbursement for Frankfort Trip
\$	770.00	Happy The Glass Man—Windows for Maint. Garage
\$	25.60	Zee Medical—Supplies
\$	50.00	Keith Isaacs-Reimb. For CDL Renewal
\$	238.96	Lab Safety Supplies
\$	1,522.00	Computer Resources—Past Due Notices
\$	4.00	R & J Hardware
\$	89.04	Glen Roark Construction
\$	26.97	Rite-Aid--Batteries
\$	120.82	Refund on Gone Accts with Credit
\$	21.20	Allegra Print & Image-Blue print
\$	149.85	Eyewitness Alarm System
\$	4.00	Kentucky State Treasurer
\$	149.95	Kwik Set Fastners—Maint. Garage Supplies
\$	90.58	USA Bluebook
\$	413.90	Feldman Lumber Company—Maint. Garage
\$	70.00	McKee Medical Clinic—Employee Drug Testing
\$	144.67	Don Molden Pipe
\$	316.59	Water Works Supplies
\$	3,360.00	Goddard Concrete Products, Inc.
\$	43.03	Ormsby Hardware
\$	15.48	Zee Medical Supply
\$	57.47	Gall's
\$	2,890.88	Gray Hawk Bldg. Supply-Supplies-(Maint. Garage
\$	2,200.00	Christian, Sturgeon & Associates

FEBRUARY EXPENSE REPORT (March 13, 2006) – Page 3

\$	73.70	D & W – Supplies for Maint. Garage
\$	164.32	Jenny Wiley SRP—Room for School
\$	20.00	Plant & Line Expansion Acct./Wiring Deposit Error
\$	6.36	Tim Farmer—Reimb. For water plant supplies
\$	783.50	Surplus Sales – Tile for Maint. Garage
\$	279.06	Jackson Energy Propane Plus
\$	12.00	John Powell – reimb. For Tile Spacers
\$	1,756.80	Roger Hays—Finishing Drywall (Maint. Garage)
\$	124.70	Kentucky Dam Village SRP -- Room for School
\$	349.76	George McQueen Garnishment
\$	178.60	Hach—Supplies

• **CASH RECEIPTS (Other)**

\$	77.00	Return Check Service Charges
\$	2,156.02	Rockcastle County Water – Water Purchased
\$	1,124.64	City of Beattyville – Water Purchased

JANUARY EXPENSE REPORT
February 13, 2006

CASH DISBURSEMENTS:

SALARIES	\$ 30,193.18
CHEMICALS	\$ 672.00
GENERAL SUPPLIES	\$ 394.67
REPAIRS & MAINTENANCE	\$ 228.96
UTILITIES	\$ 12,040.69
TELEPHONE/FAX	\$ 1,235.67
TRANSPORTATION	\$ 2,646.23
INSURANCE	\$ 8,467.86
PROFESSIONAL FEES	\$ 0.00
OFFICE SUPPLIES (INC. POSTAGE)	\$ 1,137.97
DIRECTORS' FEES	\$ 1,000.00
RETURNED CHECKS	\$ 637.41
TAXES & LICENSES	\$ 11,862.63
OTHER EXPENSES	\$ 47,184.44
SUB-TOTAL:	\$ 117,701.71
TRANSFERRED TO DEBT SERVICE ACCOUNT	\$ 24,801.00
TOTAL:	\$ 142,502.71

CASH RECEIPTS:

WATER REVENUE	\$ 127,123.98
MEMBERSHIPS	\$ 1,200.00
DEPOSITS	\$ 1,350.00
RE-CONNECTION FEES	\$ 1,512.00
SUPPLIES SOLD	\$ 0.00
INTEREST INCOME	\$ 1,848.80
RETURNED CHECKS	\$ 362.85
OTHER INCOME	\$ 9,032.51
CASH COUNT/SHORT	\$ 6.04
TOTAL:	\$ 142,436.18

MONTHLY TOTALS:

YEARLY TOTALS:

+ \$ 142,436.18

- \$ 66.53

- \$ 142,502.71

- \$

- \$ 66.53

- \$ 66.53

BALANCE IN EACH ACCOUNT AT THE END OF MONTH:

OPERATION & MAINTENANCE	\$ 146,694.81
GENERAL REVENUE	\$ 1,010,706.14
DEBT SERVICE	\$ 5,167.97
WATER SERVICE	\$ 20,916.41
PLANT/LINE EXPANSION	\$ 486.77
CONSTRUCTION #2	\$ 31,389.96
C.D. O & M	\$ 114,512.94
C.D. O & M (New)	\$ 111,515.69
C.D. RESERVE	

JANUARY EXPENSE REPORT (February 13, 2006) – Page 2

C.D. GENERAL REVENUE	\$	297,488.32
C.D. GENERAL REVENUE # 2	\$	143,016.13
RESERVE 122-477-8	\$	100,816.31
R & M RESERVE 267-170-5	\$	82,966.17
C.D. – R & M RESERVE	\$	35,000.00
C.D. – SPECIAL RDA ACCOUNT	\$	14,000.00
C.D. – RESERVE ACCOUNT	\$	120,000.00
C.D. – GENERAL REVENUE	\$	50,000.00
GRAND TOTAL:	\$	2,284,677.62

• **CASH DISBURSEMENTS (Other Expenses)**

\$	390.00	C & G Fencing
\$	1,062.00	Reserve Account – Transfer of Funds
\$	34.97	Arch Wireless – Pager Services
\$	45.00	Roberts & Son “Trash” – Garbage Pick-up
\$	1,322.88	Deposit Refund
\$	565.35	Aramark – Rental Services
\$	1,626.30	McCoy & McCoy – Water Analysis
\$	751.87	City Of McKee –Water Purchased
\$	42.99	Dish Network – Cable Services
\$	2,845.20	Primerica Shareholders-Ded. & Matching
\$	634.33	East Ky Metal (Supplies for Maint. Garage)
\$	20.00	Jackson County Bank—Return Check Service Charges
\$	49.56	ACCXX Communications
\$	2.90	Verizon Directory
\$	81.86	John Powell—Reimbursement for Supplies
\$	52.50	Sandlin Discount
\$	25.60	Zee Medical—Supplies
\$	518.00	Randall Powell—Constr. On Maint. Garage
\$	368.00	Mark Hisel—Constr. On Maint. Garage
\$	305.00	Jeff King—Constr. On Maint. Garage
\$	7,335.31	Pay Back Line on Salt Rock
\$	73.04	Keith Isaacs—Reimbursed for Co. Trip/Meters
\$	4,636.00	MGR Inc.—Brick Layer—(Maint. Garage)
\$	24.00	Jackson County Sun
\$	1,935.92	Computer Resources
\$	476.21	Tax Strategies
\$	5,158.08	Charlsie K. Collins—Distr. Check—Primerica
\$	1,475.03	Clay Building Supply—Blow In Insulation (Maint. Garage)
\$	625.00	Virgil Creech—Installing Insulation (Maint. Garage)
\$	589.84	Jonathan Madden—Reimb. For Payroll Error
\$	230.93	Gray Hawk Bldg. Supply-Supplies-(Maint. Garage)
\$	79.50	Corum Flower—Margaret Wilson Service
\$	4,200.00	Southeast Ky Doors (Maint. Garage)
\$	321.20	Employee Reimb. For computer Tax Error
\$	86.00	Vienna Hurst—Refund Customer Deposit & Service Charge
\$	1,071.00	P & P Guttering—Gutters (Maint. Garage)
\$	1,756.80	Tim Hays—Hanging Drywall (Maint. Garage)
\$	185.42	Rosemary Rose CK# 18469 Damage in Mail Replaced CK# 18503
\$	1,404.03	Eugene Cox CK# 18479 Damage in Mail Replaced CK# 18527
\$	401.66	George McQueen Garnishment—Child Support
\$	800.00	Clay McKnight—Golf Cart
\$	433.62	Cumberland Valley Office Supply

JANUARY EXPENSE REPORT (February 13, 2006) -- Page 3

• **CASH RECEIPTS (Other)**

\$	44.00	Return Check Service Charges
\$	2,160.38	Rockcastle County Water – Water Purchased
\$	1,096.92	City of Beattyville – Water Purchased
\$	5,731.21	Charlsie Collins-Distr. Check-Primerica

JACKSON COUNTY WATER
ASSOCIATION, INCORPORATED

REPORT ON AUDIT OF FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

YEARS ENDED DECEMBER 31, 2005 AND 2004

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED
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YEARS ENDED DECEMBER 31, 2005 AND 2004

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS	17

CHRISTIAN, STURGEON & ASSOCIATES, PSC

CERTIFIED PUBLIC ACCOUNTANTS

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WAYNE D. STURGEON, CPA
ROBERT C. ABNER, CPA
DONNIE W. COX, CPA

INDEPENDENT AUDITOR'S REPORT

Commissioners
Jackson County Water Association, Incorporated
Tyner, Kentucky

We have audited the accompanying balance sheets of Jackson County Water Association, Incorporated (a nonprofit organization) as of December 31, 2005 and 2004, and the related statements of revenues and expenses, changes in fund equity, and cash flows for the years then ended. These financial statements are the responsibility of the Association'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*, 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 Jackson County Water Association, Incorporated as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2006 on our consideration of Jackson County Water Association, Incorporated's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic financial statements of Jackson County Water Association, Incorporated taken as a whole. The accompanying schedule of expenditures of federal awards contained on page 12 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Christian, Sturgeon & Associates, PSC

February 28, 2006



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	<u>2005</u>	<u>2004</u>
<u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES (payable from current assets):		
Accounts payable	\$ 77,475	\$ 543,838
Accrued expenses	24,773	20,246
Customer deposits	<u>16,956</u>	<u>16,335</u>
 TOTAL CURRENT LIABILITIES	 119,204	 580,419
CURRENT LIABILITIES (payable from restricted assets):		
Current maturities on long-term debt (Note D)	190,376	165,444
Accrued interest	<u>15,625</u>	<u>54,320</u>
	206,001	219,764
LONG-TERM DEBT (Note D):		
Notes payable, less amount due within one year included in current liabilities	5,030,660	5,232,786
FUND EQUITY	10,110,774	8,603,069
	 <u>\$ 15,466,639</u>	 <u>\$ 14,636,038</u>

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED
STATEMENTS OF REVENUES AND EXPENSES
YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
REVENUES:		
Water sales	\$ 1,529,561	\$ 1,513,781
Other operating income	<u>72,663</u>	<u>45,859</u>
	1,602,224	1,559,640
OPERATING EXPENSES:		
Source of supply and pumping	201,465	179,763
Water treatment	240,018	163,182
Transmission and distribution	495,624	541,244
General and administrative	<u>505,008</u>	<u>354,724</u>
	<u>1,442,115</u>	<u>1,238,913</u>
OPERATING INCOME (after depreciation of \$407,355 (2005) and \$313,533 (2004))	160,109	320,727
OTHER DEDUCTIONS (INCOME):		
Interest expense	209,951	151,395
Interest income	(48,774)	(43,144)
Miscellaneous nonoperating income	<u>(528)</u>	<u>(24,733)</u>
	<u>160,649</u>	<u>83,518</u>
EXCESS OF (DEFICIT) REVENUES OVER EXPENSES	<u>\$ (540)</u>	<u>\$ 237,209</u>

See notes to financial statements.

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED
STATEMENTS OF CHANGES IN FUND EQUITY
YEARS ENDED DECEMBER 31, 2005 AND 2004

	December 31, 2005				December 31, 2004					
	Contributed Capital		Retained Earnings		Contributed Capital		Retained Earnings			
	Grants-in-Aid	Customer Memberships and Fees	Reserve for Debt Service	Deficit	Total	Grants-in-Aid	Customer Memberships and Fees	Reserve for Debt Service	Deficit	Total
BALANCE, beginning of year	\$ 7,236,128	\$ 1,205,361	\$ 274,314	\$ (112,734)	\$ 8,603,069	\$ 5,235,060	\$ 1,162,161	\$ 268,770	\$ (344,399)	\$ 6,321,592
Customer memberships and fees		43,400			43,400					43,200
Grants-in-aid	1,464,845				1,464,845	2,001,068				2,001,068
Excess of revenues over expenses				(540)	(540)				237,209	237,209
Increase (decrease) in reserve for debt service			15,624	(15,624)				5,544	(5,544)	
BALANCE, end of year	<u>\$ 8,700,973</u>	<u>\$ 1,248,761</u>	<u>\$ 289,938</u>	<u>\$ (128,898)</u>	<u>\$ 10,110,774</u>	<u>\$ 7,236,128</u>	<u>\$ 1,205,361</u>	<u>\$ 274,314</u>	<u>\$ (112,734)</u>	<u>\$ 8,603,069</u>

See notes to financial statements.

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ (540)	\$ 237,209
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	407,355	313,533
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	4,363	(9,575)
(Increase) decrease in interest receivable	(3,445)	1,359
(Increase) in unbilled receivables	(1,952)	(5,741)
(Increase) in inventory	(4,894)	(8,627)
(Increase) in prepaid expenses	(2,565)	(1,515)
(Decrease) increase in accounts payable	(466,363)	132,696
Increase (decrease) in accrued expenses	4,527	(3,959)
(Decrease) increase in accrued interest payable	<u>(38,694)</u>	<u>23,739</u>
Net cash (used in) provided by operating activities	(102,208)	679,119
INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	<u>(1,277,832)</u>	<u>(3,450,055)</u>
Net cash (used in) investing activities	(1,277,832)	(3,450,055)
FINANCING ACTIVITIES:		
Increase in customer deposits	621	2,015
Decrease in restricted assets	125,420	55,187
Proceeds from customer memberships	43,400	43,200
Grant proceeds	1,464,845	2,001,068
Proceeds from long-term debt		872,000
Principal payments on debt	<u>(177,194)</u>	<u>(160,539)</u>
Net cash provided by (used in) financing activities	<u>1,457,092</u>	<u>2,812,931</u>
NET INCREASE (DECREASE) IN CASH	77,052	41,995
CASH, beginning of year	<u>673,154</u>	<u>631,159</u>
CASH, end of year	<u>\$ 750,206</u>	<u>\$ 673,154</u>

See notes to financial statements.

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

A. Summary of Significant Accounting Policies

- (1) Nature of Operations – The Jackson County Water Association, Incorporated (the Association), a nonprofit corporation, is a rural water utility system whose purpose is to establish, develop and operate a water supply and distribution system for its members and customers in Jackson and Rockcastle Counties, Kentucky. The Association’s primary source of revenue is from water sales to its members and customers, including public bodies and local businesses in its service area.
- (2) Incorporation and Income Tax Status – The Association was incorporated October 23, 1970 as a nonprofit corporation formed under the provisions of Chapter 273 of the Kentucky Revised Statutes. The Association is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code.
- (3) Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- (4) Inventory – Inventory, consisting primarily of water treatment chemicals, pipe and replacement parts for the water distribution system, is stated at cost on the first-in, first-out basis.
- (5) Property, Plant and Equipment – Properties and equipment are recorded at cost. Depreciation is provided by the straight-line method over the estimated useful life of the depreciable property. The range of useful lives of assets is as follows:

<u>Asset Classification</u>	<u>Range of Lives</u>
Water purification	20 - 40 years
Transmission mains and accessories	40 years
Buildings	40 years
Equipment and vehicles	5 - 10 years

- (6) Cash and Cash Equivalents – Cash and cash equivalents consist of cash in bank and certificates of deposit. Cash and cash equivalents for purposes of the statement of cash flows exclude restricted cash and cash equivalents.
- (7) Presentation and Format of Financial Statements – Not-for-profit organizations ordinarily present their financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 requires reporting amounts for a not-for-profit organization’s total assets, liabilities, and net assets in a statement of financial position; reporting the change in an organization’s net assets in a statement of activities; and reporting the change in its cash and cash equivalents in a statement of cash flows. SFAS No. 117 also requires net assets be displayed in three classes – permanently restricted, temporarily restricted, and unrestricted.

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)

A. Summary of Significant Accounting Policies – (Continued)

(7) Presentation and Format of Financial Statements – Continued

The Association's financial position, results of operations and cash flows are presented, along with relevant disclosures, in a format ordinarily used by entities similar to the Association in their organization and purpose. While this format differs in some respects from the guidance of SFAS No. 117, management believes the presentation used enhances the relevance, understandability, and comparability of financial statements to those issued by similar organizations. The Association's financial statements provide the basic information required by SFAS No. 117, focus on the entity as a whole, and meet the common needs of external users of the Association's financial statements.

B. Restricted Assets

Loan resolution security agreements of the Association provided for incurring indebtedness in the principal amount of \$5,181,233 for the purpose of providing for a water source, treatment facilities, and distribution system for the members of the Association. The resolutions provided that upon commencement of revenue producing activities, the gross revenues and other income, if any, be set aside in a Revenue Fund Account. These monies are to be (1) transferred to a Debt Service Account in monthly payments equal to one-twelfth of the annual installment, (2) transferred to an Operation and Maintenance Account in sufficient amount to pay the reasonable and necessary current expenses of operating and maintaining the facilities for the current month, (3) transferred to a Reserve Account in equal installments until there is accumulated in the account a balance of \$253,358, after which no further deposits need to be made except to replace withdrawals. In the event that accumulations in the Reserve Account exceed the requirements set forth in (1), (2), and (3) above, such excess may be used by the Association to make payments on the loan.

As of December 31, 2005 and 2004, the Association had deposited to the Debt Service and Reserve Accounts amounts totaling \$383,884 and \$362,709, respectively. Required accumulations under the loan resolution security agreements totaled \$289,938 and \$274,314 at December 31, 2005 and 2004, respectively.

The Initial Operation Reserve Account was established for the purpose of assuring continued operation of the system during the first five to ten years of operation in accordance with Public Service Commission and Farmers Home Administration requirements.

The Plant and Line Expansion Account was established to deposit proceeds and disburse funds for the expansion of the existing water plant in accordance with the requirements of the United States Department of Agriculture-Rural Development. These funds are being used to extend the life and increase the production capacity of the existing water plant.

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)

B. Restricted Assets – (Continued)

At December 31, 2005 and 2004, restricted assets included the following:

	<u>2005</u>	<u>2004</u>
Initial Operation Reserve Account:		
Certificate of deposit	\$ (9,330)	\$ 112,533
Accrued interest receivable	<u>267</u>	<u>153</u>
	(9,063)	112,686
Reserve Account:		
Cash	100,816	87,129
Certificates of deposit	159,952	159,262
Accrued interest receivable	<u>855</u>	<u>768</u>
	261,623	247,159
Debt Service Account - Cash	5,149	4,954
Revenue Account - Cash	1,163,586	1,196,886
Plant and Line Expansion Account - Cash	26,082	17,718
R & M Savings:		
Cash	82,966	76,364
Certificate of deposit	35,000	35,000
Accrued interest receivable	<u>187</u>	<u>183</u>
	<u>118,153</u>	<u>111,547</u>
	<u>\$ 1,565,530</u>	<u>\$ 1,690,950</u>

C. Retirement Plan

The Association has a retirement plan which covers employees age eighteen or older who have completed twelve months of service. The plan allows participants to make contributions by salary reduction, pursuant to Section 401(k) of the Internal Revenue Code. The Association makes contributions to the plan on the basis of up to 4% of the participant's compensation. Plan expenses incurred by the Association during 2005 and 2004 were \$14,888 and \$12,593, respectively.

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004

D. Long-Term Debt

Long-term debt as of December 31, 2005, and 2004 consists of the following:

	<u>2005</u>	<u>2004</u>
5% note payable to the United States Department of Agriculture-Rural Development due in monthly installments, including interest, through April 2010	\$ 90,580	\$ 108,799
5% note payable to the United States Department of Agriculture-Rural Development due in annual installments, including interest, through September 2017	283,092	300,376
5% note payable to the United States Department of Agriculture-Rural Development due in annual installments, including interest, through February 2024	106,824	110,227
5% note payable to the United States Department of Agriculture-Rural Development due in annual installments, including interest, through April 2024	64,372	66,402
5% note payable to the United States Department of Agriculture-Rural Development due in annual installments, including interest, through January 2030	1,007,387	1,027,905
4.5% note payable to the United States Department of Agriculture-Rural Development due in annual installments, including interest, through July 2035	907,782	921,547
2.45% note payable to the Kentucky Infrastructure Authority due in semi-annual installments, including interest, through June 2015	960,265	1,049,019
4.5% note payable to the United States Department of Agriculture-Rural Development due in annual installments, including interest, through June 2045	<u>1,800,734</u>	<u>1,813,955</u>
	5,221,036	5,398,230
Less current maturities	<u>190,376</u>	<u>165,444</u>
	<u>\$ 5,030,660</u>	<u>\$ 5,232,786</u>

(Continued next page)

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)

D. Long-Term Debt – (Continued)

Real estate mortgages on the property of the Association are pledged as collateral on the long-term debt. In addition, revenues from the operations of the Association are pledged as collateral on the long-term debt, as described in Note B.

The aggregate annual principal repayments on long-term debt are summarized as follows:

<u>Year Ended</u> <u>December 31</u>	
2006	\$ 190,376
2007	197,509
2008	204,938
2009	212,681
2010	204,933
Later years	<u>4,210,599</u>
	<u>\$ 5,221,036</u>

E. Building Under Construction

The Association is in the process of constructing a maintenance building. Total expenditures of the project, including construction and engineering costs, are expected to total approximately \$200,000. Costs incurred to December 31, 2005 were approximately \$60,000. The source of funding for the project consists of local funds. The Association expects the project to be completed in July 2006.

F. Concentration of Credit Risk

The Association has funds on deposit in a financial institution in excess of federal depository insurance.

G. Supplemental Disclosure of Cash Flow Information

Cash paid for interest for the years ended December 31, 2005 and 2004 was \$265,330 and \$194,816, respectively.

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2005 AND 2004
(Continued)

H. Risk Management

The Association is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the Association carries commercial insurance. There have been no significant reductions in coverage for the year and settlements have not exceeded coverage in the past three years.

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2005

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Direct Program:			
Water and Waste Disposal Systems for Rural Communities	10.760	N/A	\$ 1,828,130
<u>U.S. Department of Commerce</u>			
Economic Adjustment Assistance Water Treatment Plant Expansion	11.307	N/A	65,311
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grants / State's Program Administered through Small Cities Program - Jackson County, Kentucky Fiscal Court	14.228	N/A	321,817
<u>Appalachian Regional Commission</u>			
Direct Program:			
Appalachian Supplements to Federal Grants-in-Aid	23.002	N/A	<u>566,780</u>
Total expenditures of federal awards			<u>\$ 2,782,038</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A – Basis of Presentation

The above schedule of expenditures of federal awards includes grant expenditures and the federal loan activity of Jackson County Water Association, Incorporated and is presented on the accrual basis of accounting.

Note B – Water and Waste Disposal Systems for Rural Communities

Noncash assistance is reported in the schedule at the amount of the loan balances outstanding at December 31, 2005 for the uncompleted construction project to which the loans apply.

CHRISTIAN, STURGEON & ASSOCIATES, PSC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Commissioners
Jackson County Water Association, Incorporated
Tyner, Kentucky

We have audited the financial statements of Jackson County Water Association, Incorporated (a nonprofit organization), as of and for the year ended December 31, 2005, and have issued our report thereon dated February 28, 2006. 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 Jackson County Water Association, Incorporated's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether Jackson County Water Association, Incorporated's financial statements are free of material misstatements, 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 that are required to be reported under *Government Auditing Standards*.



Commissioners
Jackson County Water Association, Incorporated

This report is intended solely for the information and use of the commissioners, management, others within the organization, Public Service Commission and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Christian, Sturgeon & Associates, PSC

February 28, 2006

CHRISTIAN, STURGEON & ASSOCIATES, PSC

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Commissioners
Jackson County Water Association, Incorporated
Tyner, Kentucky

We have audited the compliance of Jackson County Water Association, Incorporated (a nonprofit organization), with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that are applicable to each of its major federal programs for the year ended December 31, 2005. Jackson County Water Association, Incorporated's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Jackson County Water Association, Incorporated's management. Our responsibility is to express an opinion on Jackson County Water Association, Incorporated's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jackson County Water Association, Incorporated's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Jackson County Water Association, Incorporated's compliance with those requirements.

In our opinion, Jackson County Water Association, Incorporated complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of Jackson County Water Association, Incorporated is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Jackson County Water Association, Incorporated's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.



Commissioners
Jackson County Water Associates, Incorporated

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the commissioners, management, others within the organization, Public Service Commission, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Christian, Sturgeon & Associates, PSC

February 28, 2006

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2005

I. Summary of Auditor's Results

- (1) The auditor's report expresses an unqualified opinion on the financial statements of the Jackson County Water Association, Incorporated.
- (2) No instances of noncompliance material to the financial statements of Jackson County Water Association, Incorporated were disclosed during the audit.
- (3) The auditor's report on compliance for the major federal award program for Jackson County Water Association, Incorporated expresses an unqualified opinion on all major federal programs.
- (4) The audit did not disclose any audit findings which are required to be disclosed under Sec. 510(a) of OMB Circular A-133.
- (5) The programs tested as a major program included:
 - Water and Waste Disposal Systems for Rural Communities (CFDA 10.760)
 - Appalachian Supplements to Federal Grants-in-Aid (CFDA 23.002)
- (6) The threshold for distinguishing Type A and Type B programs was \$300,000.
- (7) Jackson County Water Association, Incorporated was determined not to be a low-risk auditee.

II. Findings Relating to the Financial Statements Which are Required to be Reported in Accordance with GAGAS

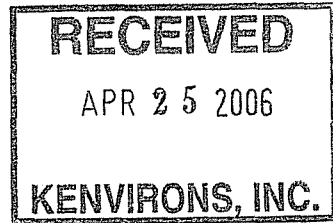
None noted in current year.

III. Findings and Questioned Costs for Federal Awards

None noted in current year.

IV. Status of Prior Year Findings

There were no findings noted in the prior period.



JACKSON COUNTY WATER
ASSOCIATION, INCORPORATED

PUBLIC SERVICE COMMISSION REPORT

YEAR ENDED DECEMBER 31, 2005

Confirmation Receipt

**Water Districts & Associations
Class A&B**

**34500 Jackson County Water
Association, Inc.**

**FROM 01/01/2005 TO
12/31/2005**

Utility has marked all schedules as complete.

3/29/2006 1:11:56 PM

Title Page

Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
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Water

Districts/Associations

Annual Report of

Respondent

JACKSON COUNTY
WATER ASSOCIATION,
INCORPORATED
PO BOX 232

TYNER

KY

40486

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Principal Payment and Interest Information

Amount	Yes/No	PSC Case No.
Amount of Principal Payment During Calendar Year		
\$177,194.00		
Is Principal Current?	Y	
Is Interest Current?	Y	
Has all long-term debt been approved by the Public Service Commission?	Y	

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Services Performed by Independent CPA

	Yes/No	A/C/R
--	--------	-------

Are your financial statements examined by a Certified Public Accountant?

Enter Y for Yes or N for No Y

If yes, which service is performed?

Enter an X on each appropriate line

Audit

Compilation

Review

X

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Additional Requested Information

Name	Electronic Info
JACKSON COUNTY WATER ASSOCIATION, INCORPORATED	
Name of Utility and Web Address	
Contact Name and Email Address	

JOHN POWELL

jcwa@prtcnet.org

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Additional Information Required

Case Num	Date	Explain
----------	------	---------

Major Water Projects



Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service commission.

For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and will increase your current utility plant by at least 20 percent.

Brief Project Description: (improvement, replacement, building construction, expansion. If expansion, provide the estimated number of new customers):

Projected Costs and Funding Sources/Amounts:

Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

Location: (community, area or nearby roads)

History-Legal Name (Ref Page: 4)

[REDACTED]

1. Exact name of utility making this report.

(Use the words "The", "Company" or "Incorporated" only when part of the corporate name.)

JACKSON COUNTY WATER ASSOCIATION, INCORPORATED

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

History-Location (Ref Page: 4)

	name	Address	city	state	zip	Phone
Give the location, including street and number, and TELEPHONE NUMBER of the principal office in KY.	JACKSON COUNTY WATER ASSOCIATION, INCORPORATED	HWY 421	TYNER	KY	40486	6062877000
Give name, title, address and TELEPHONE NUMBER of the officer to whom correspondence concerning this report should be addressed.	HOWARD WILLIAMS	9190 HWY 30 WEST	ANNVILLE	KY	40402	6063645262
Location where books are located	JACKSON COUNTY WATER ASSOCIATION, INCORPORATED	HWY 421	TYNER	KY		6062877000

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

History-Date Organized (Ref Page: 4)

	Date
--	------

10/23/1970

Date of Organization

History-Laws of Organization (Ref Page: 4)

List

If a consolidated or merger company, name all contingent and all merged companies. Give reference N/A
to charters or general laws governing each, and all amendments of same

Date and Authority for each consolidation and each merger. N/A

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

History-Departments (Ref Page: 4)

List

State whether respondent is a water district or association

ASSOCIATION

Name all operating departments other than water

NONE

Contacts (Ref Page: 6)

	Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires
Person to send correspondence:	MANAGER	POWELL	JOHN	P O BOX 232, TYNER, KY 40486		
Person who prepared this report	CPA	ABNER	ROBERT	P O BOX 901, LONDON, KY 40743		
Officers and Managers	CHAIRPERSON	WILLIAMS	HOWARD	9190 HWY 30, ANNVILLE, KY 40402	\$1,200.00	2009
	TREASURER	BOGGS	RICKY JOE	1094 US HWY 421, SOUTH MCKEE, KY 40447	\$1,200.00	2009
	SECRETARY	TURNER	EMMITT	PO BOX 29, SAND GAP, KY 40481	\$1,200.00	2007
	COMMISSIONER	COX	DALLAS	P O BOX 1010, MCKEE, KY 40447	\$1,200.00	2007
	COMMISSIONER	MOORE	KENNETH	758 SR 290, MCKEE, KY 40447	\$1,200.00	2006
	COMMISSIONER	LAKES	WARREN	114 UPPER DRY FORK RIDGE RD, MCKEE, KY 40447	\$1,200.00	2006
	COMMISSIONER	PURCELL	GEORGE	234 LOWER ATKINSTOWN RD, MCKEE, KY 40447	\$1,200.00	2007
	GENERAL MANAGER	POWELL	JOHN	P O BOX 383, SAND GAP, KY 40481	\$49,953.28	
	OFFICE MANAGER	BINGHAM	WILMA	5015 SR 1071, TYNER, KY 40486	\$27,830.40	

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
UTILITY PLANT		
Utility Plant (101-106)	\$16,198,388.00	\$17,476,220.00
Less: Accumulated Depreciation and Amortization (108-110)	\$4,209,737.00	\$4,617,093.00
Net Plant	\$11,988,651.00	\$12,859,127.00
Utility Plant Acquisition Adjustments (Net) (114-115)	\$0.00	
Other Utility Plant Adjustments (116)	\$0.00	
Total Net Utility Plant	\$11,988,651.00	
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)	\$0.00	
Less: Accumulated Depreciation and Amortization (122)	\$0.00	
Net Nonutility Property	\$0.00	
Investment in Associated Companies (123)	\$0.00	
Utility and Other Investments (124-125)	\$0.00	
Sinking Funds (126)	\$0.00	
Other Special Funds (127)	\$1,690,950.00	\$1,689,374.00
Total Other Property and Investments	\$1,690,950.00	\$1,689,374.00
CURRENT AND ACCRUED ASSETS		
Cash (131)	\$50,569.00	(\$8,593.00)
Special Deposits (132)	\$0.00	
Other Special Deposits (133)	\$32,875.00	\$34,854.00
Working Funds (134)	\$0.00	\$0.00
Temporary Cash Investments (135)	\$569,711.00	\$600,101.00
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	\$133,194.00	\$128,832.00
Accounts Receivable from Associated Companies (145)	\$0.00	
Notes Receivable from Associated Companies (146)	\$0.00	
Materials and Supplies (151-153)	\$76,154.00	\$81,048.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
Stores Expense (161)	\$0.00	\$0.00
Prepayments (162)	\$10,722.00	\$13,287.00
Accrued Interest and Dividends Receivable (171)	\$1,910.00	\$5,355.00
Rents Receivable (172)	\$0.00	
Accrued Utility Revenues (173)	\$61,302.00	\$63,254.00
Misc. Current and Accrued Assets (174)	\$0.00	
Total Current and Accrued Assets	\$956,437.00	\$918,138.00
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)	\$0.00	
Extraordinary Property Losses (182)	\$0.00	
Preliminary Survey and Investigation Charges (183)	\$0.00	
Clearing Accounts (184)	\$0.00	
Temporary Facilities (185)	\$0.00	
Misc. Deferred Debits (186)	\$0.00	
Research and Development Expenditure (187)	\$0.00	
Total Deferred Debits	\$0.00	
TOTAL ASSETS AND OTHER DEBITS	\$14,636,038.00	\$15,466,639.00

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
EQUITY CAPITAL		
Appropriated Retained Earnings (214)		\$161,040.00
Retained Earnings From Income before contributions (215.1)	\$161,580.00	
Donated Capital (215.2)	\$8,441,489.00	\$9,949,734.00
Total Equity Capital	\$8,603,069.00	\$10,110,774.00
LONG-TERM DEBT		
Bonds (221)		
Reacquired Bonds (222)		
Advances from Associated Companies (223)		
Other Long-Term Debt (224)	\$5,398,230.00	\$5,221,036.00
Total Long Term Debt	\$5,398,230.00	\$5,221,036.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)	\$543,838.00	\$77,475.00
Notes Payable (232)		
Accounts Payable to Associated Co. (233)		
Notes Payable to Associated Co (234)		
Customer Deposits (235)	\$16,335.00	\$16,956.00
Accrued Taxes (236)		\$637.00
Accrued Interest (237)	\$54,320.00	\$15,625.00
Matured Long-Term Debt (239)		
Matured Interest (240)		
Tax Collections Payable (241)		
Misc. Current and Accrued Liabilities (242)	\$20,246.00	\$24,136.00
Total Current and Accrued Liabilities	\$634,799.00	\$134,829.00
DEFERRED CREDITS		
Unamortized Premium on Debt (251)		
Advances for Construction (252)		

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
Other Deferred Credits (253)		
Total Deferred Credits		
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (261)		
Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
Total Operating Reserves	\$14,636,038.00	\$15,466,639.00
Total Equity Capital and Liabilities		

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
UTILITY OPERATING INCOME		
Operating Revenues (400)	\$1,559,640.00	\$1,602,224.00
Operating Expenses (401)	\$887,485.00	\$996,674.00
Depreciation Expenses (403)	\$313,533.00	\$407,355.00
Amortization of Utility Plant Acquisition Adjustment (406)		
Amortization Expense (407)	\$37,895.00	\$38,086.00
Taxes Other Than Income (408.10-408.13)	\$1,238,913.00	\$1,442,115.00
Utility Operating Expenses	\$320,727.00	\$160,109.00
Utility Operating Income		
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)		
Total Utility Operating Income	\$320,727.00	\$160,109.00
OTHER INCOME AND DEDUCTIONS		
Revenues From Merchandising, Jobbing and contract work (415)		
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)	\$43,144.00	\$48,774.00
Interest and Dividend Income (419)	\$24,733.00	\$528.00
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)	\$67,877.00	\$49,302.00
Miscellaneous Nonutility Expenses (426)		
Total Other Income and Deductions		
TAXES APPLICABLE TO OTHER INCOME		
Taxes Other Than Income (408.20)		
Total Taxes Applic. to Other Income	\$151,395.00	\$209,951.00
INTEREST EXPENSE		
Interest Expense (427)		
Amortization of Debt Discount and Exp. (428)		

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
Amortization of Premium on Debt (429)		
Total Interest Expense	\$151,395.00	\$209,951.00
EXTRAORDINARY ITEMS		
Extraordinary Income (433)		
Extraordinary Deductions (434)		
Total Extraordinary Items	\$237,209.00	(\$540.00)
NET INCOME BEFORE CONTRIBUTIONS		

Statement of Retained Earnings 2002 (Ref Page: 12)

Description	Total
Appropriated Retained earnings (214)	
(state balance and purpose of each appropriated amount at year end.)	
Total Appropriated Retained Earnings	
Retained Earnings From Income Before Contributions (215.1)	
Balance beginning of year	\$161,580.00
Balance transferred from Net Income Before Contributions (435)	(\$540.00)
Changes to account:	
Appropriations of Retained Earnings (436)	
Adjustments to Retained Earnings (439)	
(requires Commission approval prior to use):	
Credits	
Debits	
Balance End of Year	\$161,040.00

Statement of Retained Earnings (cont. 215.2) (Ref Page: 12)

Description	Tapping Fees	Grants	Other	Total
Donated Capital (215.2)				
Balance Beginning of the Year	\$180,830.00	\$7,236,128.00	\$1,024,531.00	\$8,441,489.00
Credits				
Proceeds from capital contributions (432)	\$0.00	\$1,464,845.00	\$0.00	\$1,464,845.00
Other Credits (explain)	\$0.00	\$0.00	\$43,400.00	\$43,400.00
MEMBERSHIP FEES				
Debits (explain - requires Commission Approval)				
Balance End of Year	\$180,830.00	\$8,700,973.00	\$1,067,931.00	\$9,949,734.00

Net Utility Plant (Accts. 101-106) (Ref Page: 13)

	Total
Utility Plant in Service (101)	\$17,416,061.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased of Sold (104)	\$60,159.00
Construction Work in Progress (105)	
Completed Construction Not Classified (106)	
Total Utility Plant	\$17,476,220.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Accumulated Depreciation (Acct. 108) (Ref Page: 13)

Description	Total
Balance First of Year	\$4,209,737.00
Credit during year	
Accruals Charged to Account 108.1	
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Accounts (specify) (specify)	\$407,355.00
Salvage Value Recovered on Plant Retired	
Other Credits	
(specify)	
Total Credits	\$407,355.00
Debits during year:	
Book Cost of Plant Retired	
Cost of Removal	
Other Debits	
(specify)	
Total Debits	
Balance at End of Year	\$4,617,092.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr(f)	Intangible Plant(g)	Supply & Pump	Water Treatmt.	Trans. and Distr.	General Plant
Organization (301)									
Franchises (302)									
Land and Land Rights (303)	\$189,958.00	\$99,161.00	\$0.00	\$289,119.00	\$0.00	\$84,419.00	\$157,530.00	\$47,170.00	\$0.00
Structures and Improvements (304)	\$1,950,199.00	\$5,485,501.00	\$0.00	\$7,435,700.00	\$0.00	\$144,731.00	\$6,592,566.00	\$633,033.00	\$65,370.00
Collecting and Impounding Reservoirs (305)	\$106,696.00	\$0.00	\$0.00	\$106,696.00	\$0.00	\$106,696.00	\$0.00	\$0.00	\$0.00
Lakes, Rivers and Other Intakes (306)									
Wells and Springs (307)									
Infiltration Galleries and Tunnels (308)									
Supply Mains (309)									
Power Generation Equipment (310)	\$92,647.00	\$477.00	\$0.00	\$93,124.00	\$0.00	\$93,124.00	\$0.00	\$0.00	\$0.00
Pumping Equipment (311)	\$25,612.00	\$0.00	\$0.00	\$25,612.00	\$0.00	\$0.00	\$25,612.00	\$0.00	\$0.00
Water Treatment Equipment (320)	\$829,519.00	\$574.00	\$0.00	\$830,093.00	\$0.00	\$0.00	\$0.00	\$830,093.00	\$0.00
Distribution Reservoirs and Standpipes (330)									
Transmission and Distribution Mains (331)	\$7,119,767.00	\$419,653.00	\$0.00	\$7,539,420.00	\$0.00	\$0.00	\$0.00	\$7,539,420.00	\$0.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr (f)	Intngble. Plant (g)	Supply & Pump	Water Treatmnt.	Trans. and Distr.	General Plant
Services (333)	\$957.00	\$0.00	\$0.00	\$957.00	\$0.00	\$0.00	\$0.00	\$957.00	\$0.00
Meters and Meter Installations (334)	\$591,093.00	\$1,294.00	\$0.00	\$592,387.00	\$0.00	\$0.00	\$0.00	\$592,387.00	\$0.00
Hydrants (335)	\$1,724.00	\$0.00	\$0.00	\$1,724.00	\$0.00	\$0.00	\$0.00	\$1,724.00	\$0.00
Backflow Prevention Devices (336)									
Other Plant and Misc. Equipment (339)									
Office Furniture and Equip. (340)	\$78,265.00	\$6,543.00	\$0.00	\$84,808.00	\$0.00	\$0.00	\$0.00	\$0.00	\$84,808.00
Transportation Equipment (341)	\$260,028.00	\$1,250.00	\$0.00	\$261,278.00	\$0.00	\$0.00	\$0.00	\$0.00	\$261,278.00
Stores Equipment (342)									
Tools, Shop and Garage Equip (343)									
Laboratory Equipment (344)		\$6,145.00	\$0.00	\$6,145.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,145.00
Power Operated Equipment (345)	\$98,065.00	\$0.00	\$0.00	\$98,065.00	\$0.00	\$0.00	\$0.00	\$0.00	\$98,065.00
Communication Equipment (346)		\$2,286.00	\$0.00	\$2,286.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,286.00
Miscellaneous Equipment (347)	\$48,096.00	\$551.00	\$0.00	\$48,647.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48,646.00
Other Tangible Plant (348)	\$4,805,762.00	\$0.00	\$4,805,762.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$60,159.00
Total Water Plant	\$16,198,388.00	\$6,023,435.00	\$4,805,762.00	\$17,416,061.00	\$0.00	\$428,970.00	\$6,775,708.00	\$9,644,784.00	\$626,757.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr (g)	Cr-Chg Dep Exp (d)	Other Credits (e)	Charges-Plant Ret (f)	Other Charges (g)	Balance End Yr (h)
Organization (301)						
Franchises (302)						
Land and Land Rights (303)						
Structures and Improvements (304)	\$1,011,939.00	\$140,830.00	\$0.00	\$0.00	\$0.00	\$1,152,769.00
Collecting and Impounding Reservoirs (305)	\$78,438.00	\$3,127.00	\$0.00	\$0.00	\$0.00	\$81,565.00
Lake, River and Other Intakes (306)						
Wells and Springs (307)						
Infiltration Galleries and Tunnels (308)						
Supply Mains (309)						
Power Generating Equipment (310)						
Pumping Equipment (311)	\$58,992.00	\$3,038.00	\$0.00	\$0.00	\$0.00	\$62,030.00
Water Treatment Equipment (320)	\$21,342.00	\$499.00	\$0.00	\$0.00	\$0.00	\$21,841.00
Distributions Reservoirs and Standpipes (330)	\$300,831.00	\$23,950.00	\$0.00	\$0.00	\$0.00	\$324,781.00
Transmission and Distribution Mains (331)	\$2,134,929.00	\$179,743.00	\$0.00	\$0.00	\$0.00	\$2,314,672.00
Services (333)	\$749.00	\$24.00	\$0.00	\$0.00	\$0.00	\$773.00
Meters and Meter Installations (334)	\$258,883.00	\$14,804.00	\$0.00	\$0.00	\$0.00	\$273,687.00
Hydrants (335)	\$1,348.00	\$43.00	\$0.00	\$0.00	\$0.00	\$1,391.00
Backflow Prevention Devices (336)						

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr (c)	Cr-Chg Dep Exptd	Other Credits (e)	Charges-Plant Ref(f)	Other Charges (g)	Balance End Yr (h)
Other Plant and Miscellaneous Equipment (339)	\$59,311.00	\$7,265.00	\$0.00	\$0.00	\$0.00	\$66,576.00
Office Furniture and Equip. (340)	\$149,171.00	\$30,138.00	\$0.00	\$0.00	\$0.00	\$179,309.00
Transportation Equipment (341)						
Stores Equipment (342)						
Tools, Shop and Garage Equip (343)						
Laboratory Equipment (344)		\$362.00	\$0.00	\$0.00	\$0.00	\$362.00
Power Operated Equipment (345)	\$92,805.00	\$1,525.00	\$0.00	\$0.00	\$0.00	\$94,330.00
Communication Equipment (346)		\$272.00	\$0.00	\$0.00	\$0.00	\$272.00
Miscellaneous Equipment (347)		\$1,736.00	\$0.00	\$0.00	\$0.00	\$42,735.00
Other Tangible Plant (348)	\$40,999.00					
Totals	\$4,209,737.00	\$407,356.00	\$0.00	\$0.00	\$0.00	\$4,617,093.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Accumulated Amortization (Acct. 110) (Ref Page: 16)

Description	Total
Balance First of Year	
Credit during year	
Accruals Charged to Account 110.1	
Accruals Charged to Account 110.2	
Other Credits	
(specify)	
Total Credits	
Debits during year:	
Book Cost of Plant Retired	
Other Debits	
(specify)	
Total Debits	
Balance end of Year	

	Description	Total
Acquisition Adjustments (114)	(specify)	
Total Plant Acquisition Adjustments		
Accumulated Amortization (115)	(specify)	
Total Accumulated Amortization		
Net Acquisition Adjustments		\$0.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Investments and Special Funds (Ref Page: 17)

Description (a)	Face or Par Value (b)	Year End Book Cost
Investment in Associated Companies (123)		
Total Investment in Associated Companies	\$0.00	
Utility Investments (124)		
Total Utility Investments	\$0.00	
Other Investments (125)		
Total Other Investments	\$0.00	
Sinking Funds (126)		
Total Sinking Funds	\$0.00	
Other Special Funds (127)		
Cash, CD's, Accrued Interest Restricted Funds	\$0.00	\$1,689,374.00
Total Other Special Funds	\$0.00	\$1,689,374.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005
 Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Description	Total
Accounts and Notes Receivable	
Customer Accounts Receivable (141)	\$135,895.00
Other Accounts Receivable (142)	
Total Other Accounts Receivable	
Notes Receivable (144)	
Total Notes Receivable	
Total Accounts and Notes Receivable	
Accumulated Provision for Uncollectible Accounts (143)	
Balance First of Year	\$6,494.00
Add:	
Provision for uncollectibles for current year	\$35,921.00
Collections of accountst previously written off	
Other	
(specify)	
Total Additions	
Deduct accounts written off during year:	
Other	
(specify)	
Total Deductions	\$35,352.00
Balance end of Year	\$7,063.00
Total Accounts and Notes Receivable - Net	\$128,832.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Materials and Supplies (151-153) (Ref Page: 19)

	Total
Plant Materials and Supplies (151)	\$81,048.00
Merchandise (152)	
Other Materials and Supplies (153)	
Total Materials and Supplies	\$81,048.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Prepayments (Acct. 162) (Ref Page: 19)

Description	Total
Prepaid Insurance	\$13,287.00
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments	
(Specify)	
Total Prepayments	\$13,287.00

Miscellaneous Deferred Debits (Acct. 186) (Ref Page: 20)

	Total
--	-------

Miscellaneous Deferred Debits (186)

Deferred Rate Case Expense (186.1)

Other Deferred Debits (186.2)

Regulatory Assets (186.3)

Total Miscellaneous Deferred Debits

\$0.00

Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 and 251) (Ref Page: 20)

Description	Amt Written Off during year	Year End Balance
Unamortized Debt Discount and Expense (181)		
Total Unamortized Debt Discount and Expense		
Unamortized Premium on Debt (251)		
Total Unamortized Premium on Debt		

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Extraordinary Property Losses (Acct. 182) (Ref Page: 21)

Description	Total
-------------	-------

Extraordinary Property Losses (182)

(Specify)

Total Extraordinary Property Losses

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Advances for Construction (Acct. 252) (Ref Page: 21)

	Total
--	-------

Balance First of Year

Add credits during year

Deduct charges during year

Balance end of year

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Long Term Debt (Ref Page: 22)

Description of Obligation (a)	Issue Date (b)	Mature Date (c)	Interest Expense for Year Rate (d)	Interest Expense for Year Amount(e)	Principal per Balance Sheet Date (f)
Note payable to U.S. Department of Agriculture	4/2010		5.0000	\$4,963.00	\$90,580.00
Note payable to U.S. Department of Agriculture	9/2017		5.0000	\$14,568.00	\$283,092.00
Note payable to U.S. Department of Agriculture	2/2024		5.0000	\$5,423.00	\$106,824.00
Note payable to U.S. Department of Agriculture	4/2024		5.0000	\$3,267.00	\$64,372.00
Note payable to U.S. Department of Agriculture	1/2030		5.0000	\$50,863.00	\$1,007,387.00
Note payable to U.S. Department of Agriculture	7/2035		4.5000	\$41,148.00	\$907,782.00
Note payable to Kentucky Infrastructure Authority	6/2015		2.4500	\$24,979.00	\$960,265.00
N/P USDA	6/2045		4.5000	\$36,881.00	\$1,121,108.00
N/P USDA	6/2045		4.5000	\$27,630.00	\$679,626.00
Total			0.0000	\$209,722.00	\$5,221,036.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Bonds - Account 221 (Ref Page: 23)

Par Value of Actual Issue (1)	Cash Realized on Actual Issue (2)	Par Val of Amt. Held by or for Respondent (3)	Actually Outstanding at Close of Year (4)	Interest During Year Accrued (5)	Interest During Year Actually Paid (6)
----------------------------------	--------------------------------------	--	--	-------------------------------------	---

Total

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Schedule of Bond Maturities (Ref Page: 23)

Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Principal Amt (10)	Amounts Paid (11)	Remaining Bonds Outstanding (12)

0

Total

(The total of Column 12 must agree with the total of col 4)

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Notes Payable (Accts 232 and 234) (Ref Page: 24)

Description	Nominal Date of Issue	Date of Maturity	Int. Rate	Int. Payment	Principal Amt Per Bal Sheet
Account 232 - Notes Payable					0
Total Account 232					0
Account 234 - Notes Payable to Associated Companies					0
Total Account 234					0

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Accounts Payable to Associated Companies (Acct. 233) (Ref Page: 24)

Description	Total
-------------	-------

Show Payable to Each Associated Company Separately

(Specify)

Total

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Taxes Accrued (Acct. 236) (Ref Page: 25)

	Total
Balance First of Year	\$0.00
Accruals Charged:	
Utility regulatory assessment fees (408.10)	
Property taxes (408.11)	\$33,535.00
Payroll taxes (employer's portion) (408.12)	\$4,551.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total taxes accrued	\$38,086.00
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	
Property taxes (408.11)	\$32,998.00
Payroll taxes (employer's portion) (408.12)	\$4,551.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total Taxes Paid	\$37,449.00
Balance end of year	\$637.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Accrued Interest (Account 237) 2002 (Ref Page: 25)

Description of Debt (a)	Balance Beg of Year (b)	Interest Accrued (c)	Interest Paid (d)	Balance End of Year (e)
Long Term Debt:				
	54320.0000	\$209,722.00	\$248,417.00	\$15,625.00
Notes Payable:				
Customer Deposits:		\$229.00	\$229.00	\$0.00
Other				
Total Acct. No 237	54320.0000	\$209,951.00	\$248,646.00	\$15,625.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Miscellaneous Current and Accrued Liabilities (Acct. 242) (Ref Page: 26)

Description	Balance End Year
Accrual for Compensated Absences	\$16,371.00
Other accrued expense	\$7,765.00
Total Miscellaneous Current and Accrued Liabilities	\$24,136.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Regulatory Commission Expense(Acct 666 and 667) (Ref Page: 26)

Description of Case (Docket No.) (a)	Total Incurred During Year (b)	Am't Transferred to Acct 186.1 (c)	Expensed During Year (d)	Expensed During Year Amount (e)

Total

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Water Operating Revenue (Ref Page: 27)

	Beginning Year Customers		Year End Customers		Amount
Operating Revenues					
Unmetered Water Revenue (460)					
Metered Water Revenue (461)					
Sales to Residential Customers (461.1)	4,013		4,057		\$1,437,830.00
Sales to Commercial Customers (461.2)	214		240		\$126,265.00
Sales to Industrial Customers (461.3)	9		9		\$23,606.00
Sales to Public Authorities (461.4)	3		3		\$521.00
Sales to Multiple Family Dwellings (461.5)	2		2		\$12,122.00
Sales through Bulk Loading Stations (461.6)	1		1		\$1,880.00
Total Metered Sales					
Fire Protection Revenue (462)					
Public Fire Protection (462.1)					
Private Fire Protection (462.2)					
Total Fire Protection Revenue					
Other Sales to Public Authorities (464)					
Sales to Irrigation Customers (465)					
Sales for Resale (466)					
Interdepartmental Sales (467)					
Total Sales of Water	4,242		4,312		\$0.00
Other Water Revenues					
Guaranteed Revenues (469)					
Forfeited Discounts (470)					
Miscellaneous Service Revenues (471)					
Rents from Water Property (472)					
Interdepartments Rents (473)					
Other Water Revenues (474)					
Total Other Water Revenues					

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Water Operating Revenue (Ref Page: 27)

Beginning Year Customers	Year End Customers	Amount
--------------------------	--------------------	--------

Total Water Operating Revenues

\$1,602,224.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (g)	Supply and Exp-Op (d)	Supply and Exp-Maint (e)	Water Treatmnt Exp-Op (f)	Water Treatmnt Exp-Maint (g)	Trans and Dist Exp-Op (h)	Trans and Dist Exp-Maint (i)	Customer Accts Exp (j)	Admin and Gen Exp
Water Resource Conservation Expense (668)									
Bad Debt (670)	\$35,352.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,352.00	\$0.00
Miscellaneous Expenses (675)	\$103,100.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$103,100.00
Total	\$996,674.00	\$187,665.00	\$0.00	\$115,735.00	\$0.00	\$246,764.00	\$0.00	\$115,599.00	\$330,911.00

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Pumping and Water Statistics - part one (Ref Page: 29)

	Water Purchased For Resale (Omit 000 s) (b)	Water Pumped from Wells (Omit 000 s) (c)	Total Water Pumped and Purchased (Omit 000 s) (d)	Water Sold To Customers (Omit 000 s) (e)
January	437	26,326	26,763	19,163
February	188	22,562	22,750	17,780
March	155	24,402	24,557	17,590
April	168	24,259	24,427	18,127
May	158	27,990	28,148	17,333
June	317	29,733	30,050	20,733
July	336	28,295	28,631	24,198
August	244	28,354	28,598	19,252
September	335	26,669	27,004	21,666
October	277	27,300	27,577	20,274
November	230	24,846	25,076	19,232
December	422	26,006	26,428	17,335
Total for the year	3,267	316,742	320,009	232,683

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Pumping and Water Statistics - part two (Ref Page: 29)

	Gallons	Date
Maximum Gallons pumped by all methods in any one day (Omit 000' s)	1,274,033	04/27/2005
Minimum Gallons pumped by all methods in any one day (Omit 000' s)	567,000	04/13/2005

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Pumping and Water Statistics - part three (Ref Page: 29)

List

If water is purchased indicate the following:

Vendor

CITY OF MCKEE

Point of Delivery

KY 89 SOUTH

If water is sold to other water utilities for redistribution,

list names of such utilities below:

CITY OF BEATTYVILLE

EASTERN ROCKCASTLE CO WATER ASSOC.

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Sales For Resale (466) (Ref Page: 30)

Company	Gallons (omit 000's)	Avg. Rate Per 1000 Gallons (Cents)	Amount
City of Beatyville	6,563	\$1.98	\$12,995.00
City of McKee	3,189	\$1.78	\$5,677.00
Rockcastle Co. Water	12,031	\$2.18	\$26,228.00
Total	21,783		\$44,900.00

Water Statistics (Ref Page: 30)

	Gallons (000's)	Percent
1. Water Produced, Purchased and Distributed		
2. Water Produced	316,742	
3. Water Purchased	3,267	
4. Total Produced and Purchased	320,009	
6. Water Sales:		
7. Residential	184,352	
8. Commercial	25,708	
9. Industrial		
10. Bulk Loading Stations	840	
11. Resale	21,783	
12. Other Sales		
13. Total Water Sales	232,683	
15. Other Water Used		
16. Utility/water treatment plant	25,133	
17. Wastewater plant		
18. System flushing	6,786	
19. Fire department	480	
20. Other	10,370	
21. Total Other Water Used	42,769	
23. Water Loss:		
24. Tank Overflows	335	
25. Line Breaks	3,253	
26. Line Leaks		
27. Other	40,969	
28. Total Line Loss	44,557	

Note: Line 13 + Line 21 + Line 28 must equal Line 4

32. Water Loss Percentage

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Water Statistics (Ref Page: 30)

Gallons (Omit 000's)	Percent
----------------------	---------

13.9237

33. Line 28 divided by Line 4

Give the following information

62-6 inch, 22-4 inch

none

IMPOUNDED STREAM

GRAVITY

1 EACH-ELEVATED TANK 75,000 GALLONS, OVERFLOW ELEVATION 1,490 M.S.L. GROUND ELEVATION 1,365 M.S.L. 1 EACH-ELEVATED TANK 50,000 GALLONS, OVERFLOW ELEVATION 1,600 M.S.L. GROUND ELEVATION 1,525 M.S.L., 1 EACH-ELEVATED TANK 25,000 GALLONS, OVERFLOW 1,710 M.S.L. GROUND ELEVATION 1,610 M.S.L. 1 EACH-ELEVATED TANK 150,000 GALLONS, OVERFLOW ELEVATION 1,490, M.S.L. GROUND ELEVATION 1,362. 1 EACH-STAND PIPE 110,000 GALLONS, OVERFLOW ELEVATION 1,314 M.S.L. GROUND ELEVATION 1,218 M.S.L. 1-EACH STAND PIPE 88,000 GALLONS, GROUND ELEVATION 1,350 M.S.L., 1 EACH ELEVATED TANK 150,000 OVERFLOW ELEVATION 1,600 M.S.L. GROUND ELEVATION 1,522 M.S.L. 1 EACH STAND PIPE 210,000 GALLONS OVERFLOW ELEVATION 1,490 M.S.L. GROUND ELEVATION 1,397 M.S.L. 1 EACH-ELEVATED TANK 50,000 GALLONS OVERFLOW ELEVATION 1,670 M.S.L. GROUND ELEVATION 1,580 M.S.L.

A. 12" PVC-2 MILES B. 10" PVC 6.9 MILES, C. 8" CIP 1.1 MILES, D. 8" PVC 3.2 MILES, E. 6" PVC 81.6 MILES, G. 4" CIP 3.3 MILES, H. 4" PVC 106 MILES, I. 3" PVC 66.2 MILES

RAPID SAND FILTERS, GRAVITY: 3 FILTERS 1575 GPM

2 CLOROTEX BLEACH GENERATED SYSTEMS

PUMP STATION: 2 EACH-25 HP ELECTRIC HIGH SERVICE- 100 GPM (SAND GAP) 2 EACH-5 HP ELECTRIC HIGH SERVICE -40 GPM (MORRILL) 1 EACH 7.5 HP ELECTRIC HIGH SERVICE 80 GPM (AZBILL ROAD) 1 EACH-7.5 HP ELECTRIC HIGH SERVICE - 80 GPM (TURKEY FOOT) 2 EACH 30 HP ELECTRIC HIGH SERVICE - 300 GPM (BIRCH LICK), 2 EACH 3 HP ELECTRIC HIGH SERVICE - 80 GPM (PINE GROVE), 2 EACH 5 HP ELECTRIC HIGH SERVICE 55 GPM (KIRBY KNOB) 2 EACH -7.5 HP ELECTRIC HIGH SERVICE-150 GPM (MILDRED ROAD)

1,609,274 KWH

NO RETIREMENTS. ADDITIONS CONSIST OF NEW WATER PLANT WITH A TOTAL COST OF \$5,447,000, COMPLETED APRIL 2005.

198,000 GALLONS

JULY 2005 24,198,000 GALLONS

APRIL 27, 2005 2,274,035 GALLONS

Number of fire hydrants, by size

Number of private fire hydrants, by size

If produced whether water supply is river, impounded streams, well, springs, artificial lake, or collector well

If produced whether supply is by gravity, pumping or a combination

Type, capacity, and elevation of reservoirs at overflow and ground level

Miles of main by size and kind

Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min.

Type of disinfectant, number of units and capacity in pounds per 24 hours

Station Equipment. List each pump, giving type and capacity, HP of driving unit and character of driving unit (steam/electric/int. combustion) also whether pump is high/ low duty

Quantity of fuel used: coal in lbs., gas in cu.ft., oil in gals., and electric in KWH

Give description and total cost of any sizable additions or retirements to plant and service outside the normal system of growth for the period covered by this report

Capacity of clear well

Peak month, in gallons of water sold

Peak day, in gallons of water sold

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Plant Statistics - Part B (Ref Page: 31)

Type

Choose one to indicate the type of Water Supply

Impounded Stream

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

Plant Statistics - Part C (Ref Page: 31)

Type

Choose one to indicate the type of Water Supply Method

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

CheckList (2002)

Item	Value 1	Value 2	Agree	Explain
Accts 162 Prepayments agrees with Sched: Prepayments (ref pg 19) Line: Total 162	13287.00	13287.00	OK	
Accts 181 Unamortized Debt Discount and Expense agrees with Sched: Unamortized Debt Discount and Exp. (ref pg 20) Line: Total 181	0	0	OK	
Accts 182 Extraordinary Prop. losses agrees with Sched: Extraordinary Property Losses (ref pg 21) Line: Total 182	0	0	OK	
Accts 186 Misc. Deferred Debits agrees with Sched: Misc. Deferred Debits (ref pg 20) Line: Total 186	0	0	OK	
Balance Sheet - Equity Capitol and Liabilities (ref. pg 9)	0	0	OK	
Accts 214 Appropriated Retained Earnings agrees with Sched: Statement of Retained Earnings (ref pg 12) Line: Total Appropriated Retained Earnings 214	161040.00	161040.00	OK	
Accts 215.1 Retained Earnings from Income before Contributions with Sched: Statement of Retained Earnings (ref pg 12) Line: Balance End of Year 215.1	9949734.00	9949734.00	OK	
Accts 215.2 Donated Capital with Sched: Statement of Retained Earnings (cont. 215.2) (ref pg 12) Line: Balance End of Year 215.2	0	0	OK	
Accts 221 Bonds agrees with Sched: Account 221 (ref pg 23) Line: Total Outstanding Bonds Col 4	0	0	OK	
Accts 221 Bonds agrees with Sched: Schedule of Bond Maturities (ref pg 23) Line: Total Remaining Bonds (Col 12)	0	0	OK	
Accts 224 Other Long Term Debt agrees with Sched: Long Term Debt (ref pg 22) Line: Total Acct 224 col f	5221036.00	5221036.00	OK	
Accts 232 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 232	0	0	OK	

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

CheckList (2002)

Item	Value 1	Value 2	Agree	Explain
NOTE: Any mention of page numbers or Line items refers to the annual report published and distributed for the 2002 report period.				
Identifications pages (ref 4-6) have been completed.				
Balance Sheet - Assets and Other Debts (ref. pg 7)				
Utility Plant (Accts 101-106) agrees with Sched:	17476220.00	17476220.00	OK	
Net Utility Plants Accts 101-106 (ref pg 13) Line: Total Utility Plant				
Accts 108-110 Acc. Depreciation and Amort. agrees with Sched: Analysis of Acc. Dep. and Amort. (ref pg 15) Line: Total 301-348 Col h	4617093.00	4617093.00	OK	
Accts 114-115 Utility Plant Acquisition Adjustments agrees with Sched: Utility Plant Acquisition Adjustments (ref pg 16) Line: Net Acquisition Adjustments (114-115)	0	0	OK	
Accts 123 Investment in Assoc. Companies agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total Investment in Associated Companies	0	0	OK	
Accts 124-125 Utility Investments agrees with Sched: Investments and Spec. Funds (ref pg 17) Sum of Lines: 124 Total Utility Investments and 125 Total Other Investments	0	0	OK	
Accts 126 Sinking Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: 126 Total Sinking Funds	0	0	OK	
Accts 127 Other Special Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total 127 Other Special Funds	1689374.00	1689374.00	OK	
Accts 141-144 Accounts and Notes Receivable agrees with Sched: Accts and Notes Receivable (ref pg 18) Line: Net Balance 141-144	128832.00	128832.00	OK	
Accts 151-153 Material and Supplies agrees with Sched: Material and Supplies (ref pg 19) Line: Total 151-153	81048.00	81048.00	OK	

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

CheckList (2002)

Item	Value 1	Value 2	Agree	Explain
Accts 233 Accounts Payable to Associated Co. agrees with Sched: Accounts Payable to Assoc. Companies (Accts 233) (ref pg 24) Line: Total Acct 233	0	0	OK	
Accts 234 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 234	0	0	OK	
Accts 236 Taxes Accrued Balance First of Year agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Beginning Balance	637.00	637.00	OK	
Accts 236 Taxes Accrued agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Ending Balance	54320.00	54320.00	OK	
Accts 237 Accrued Interest Balance from Prev Year agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance Beginning of Year -Col b	15625.00	15625.00	OK	
Accts 242 Misc. Current and Accrued Liabilities agrees with Sched: Misc current and Accrued Liabilities (Accts 242) (ref pg 26) Line: Total Miscellaneous and Current Accrued Liabilities	24136.00	24136.00	OK	
Accts 251 Unamortized Premium on Debt agrees with Sched: Unamorted Debt Discount and Expense and Premium on Debt (Accts 181 - 251) (ref pg 20) Line: Total 251	0	0	OK	
Accts 252 Advances for Contruction agrees with Sched: Advances for Conftstruction (Accts 252) (ref pg 21) Line: Total 252	0	0	OK	
Total Equity Capital and Liabilities agrees with Balance Sheet - Assets and Other Debits: Total Assets and Other Debits	15466639.00	15466639.00	OK	
Comparitive Operating Statement (ref pg 10)				

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

CheckList (2002)

Item	Value 1	Value 2	Agree	Explain
Accts 400 Operating Revenues agrees with Sched: Water Operating Revenue (Accts 400) (ref pg 27) Line: Total Water Operating Revenues - Col e	1602224.00	1602224.00	OK	
Accts 401 Operating Expenses agrees with Sched: Water Utility Expense Accounts (ref pg 28) Line: Total Accts (601-675) - Col c	996674.00	996674.00	OK	
Accts 408.1 Taxes Other than Income agrees with Schedule Taxes Accrued (Acct 236) (ref pg 26) Sum of Accts 408.10 - 408.13	38086.00	38086.00	OK	
Sum of Accts 408.1 and 408.2 agrees with Sched: Taxes Accrued (Acct 236) (ref pg 25) Line: Total taxes Accrued	38086.00	38086.00	OK	
Accts 427 Interest Expense agrees with Sched: Accrued Interest (Acct 237) (ref pg 25) Line: Total Acct No 237 Col c - Interest Accrued	209951.00	209951.00	OK	
Net Income agrees with Sched: Retained Earnings (Acct 237) (ref pg 12) Line: Balance Transferred from Income (Acct 435)	-540.00	-540.00	OK	
Miscellaneous				
Schedule Net Utility Plant Accts 101 - 106 (ref pg 13) Utility Plant (101) agrees with Sched: Water Utility Plant Accounts (ref pg 14) Line: Total Water Plant Col f - Current Year	17416061.00	17416061.00	OK	
The analysis of water utility plant accounts Cols c through k has been completed (Ref pg 14)				
The analysis of accumulated depreciation and amortization by primary account has been completed. (Ref pg 14)				
Sched: Misc. Deferred Debits (Acct 186) Deferred Rate Case (Acct 186.1) agrees with Sched: Amort. of Rate Case (Acct 665 and 667) (ref pg 26) Line: Total Col c - Amt Transferred to 186.1	0	0	OK	
Schedule of Long Term Debt has been completed (ref pg 22)				

34500 Jackson County Water Association, Inc. 01/01/2005 - 12/31/2005

CheckList (2002)

Item	Value 1	Value 2	Agree	Explain
Schedule of Bond Maturities has been completed (ref pg 23)				
Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from Operating Revenue (Ref pg 29)				
The analysis of water operating revenue Cols c,d and e have been completed. (Ref pg 28)				
The analysis of water utility expense accounts Cols c through k have been completed. (Ref pg 28)				
Schedule of Pumping and Purchased Water Statistics has been completed (Ref pg 29)				
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Total (d) agrees with Sched Water Statistics (ref pg 30) Line 4. Total Produced and Purchased Col Gallons	320009	320009	OK	
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Water Sold(e) agrees with Sched Water Statistics (ref pg 30) Line Total Water Sales Col Gallons	232683	232683	OK	
Sched Sales for Resale (ref pg 30) 466 Total Gal agrees with Sched Water Statistics (ref pg 30) Total Water Sales	21783	21783	OK	

Oath Page Has been Completed

JACKSON COUNTY WATER ASSOCIATION	
TEST YEAR REVENUE SUMMARY	
Sales	
5/8	\$ 1,431,151
1	5,783
1.5	13,398
2	37,129
3	2,887
4	8,887
Beattyville	12,995
McKee	5,677
Rockcastle County	26,228
Bulk Sales	1,880
Total Sales	\$ 1,546,016
Interest Income	\$ 48,774
Other Income	528
Total Income	\$ 1,595,318
Per Audit Report	1,602,224
Difference	\$ (6,906)
Percentage	(0.0043)

JACKSON COUNTY WATER ASSOCIATION

TEST YEAR BILLING ANALYSIS

5/8 x 3/4 INCH CONNECTIONS

	Bills	Total	2,000	18,000	30,000	50,000
First 2,000	16,055	14,231.3	14,231			
Next 18,000	34,543	168,567.2	69,086.0	99,481.2		
Next 30,000	309	8,409.5	618.0	5,562.0	2,229.5	
Over 50,000	37	13,006.9	74.0	666.0	1,110.0	11,156.9
Total	50,944	204,214.9	84,009.3	105,709.20	3,339.5	11,156.9

REVENUE TABLE

	Bills	Gallons	Rate	Revenue		
First 2,000	50,944	84,009.3	\$14.48	\$737,669		
Next 18,000		105,709.2	5.96	630,027		
Next 30,000		3,339.5	5.07	16,931		
Over 50,000		11,156.9	4.17	46,524		
Total	50,944	204,214.9		\$1,431,151		

JACKSON COUNTY WATER ASSOCIATION						
TEST YEAR BILLING ANALYSIS						
1 INCH CONNECTIONS						
	Bills	Total	5,000	15,000	30,000	50,000
First 5,000	17	17.3	17.3			
Next 15,000	141	1,169.0	705.0	464.0		
Next 30,000	18	507.0	90.0	270.0	147.0	
Over 50,000	2	143.2	10.0	30.0	60.0	43.2
Total	178	1,836.5	822.3	764.0	207.0	43.2
REVENUE TABLE						
	Bills	Gallons	Rate	Revenue		
First 5,000	178	822.3	\$32.37	\$5,762		
Next 15,000		764.0	5.96	4,553		
Next 30,000		207.0	5.07	1,049		
Over 50,000		43.2	4.17	180		
Total	178	1,836.5		\$ 5,783		

JACKSON COUNTY WATER ASSOCIATION

TEST YEAR BILLING ANALYSIS

1 1/2 INCH CONNECTIONS

	Bills	Total	10,000	10,000	30,000	50,000
First 10,000	10	14.3	14.3			
Next 10,000	11	111.4	110.0	1.4		
Next 30,000	23	854.4	230.0	230.0	394.4	
Over 50,000	21	2,386.7	210.0	210.0	630.0	1,336.70
Total	65	3,366.8	564.3	441.4	1,024.4	1336.7

REVENUE TABLE

	Bills	Gallons	Rate	Revenue		
First 10,000	65	564.3	\$62.60	\$4,069.00		
Next 10,000		441.4	5.96	2,631		
Next 30,000		1,024.4	5.07	5,194		
Over 50,000		1,336.7	4.17	5,574		
Total	65	3,366.8		\$ 13,398		

JACKSON COUNTY WATER ASSOCIATION					
TEST YEAR BILLING ANALYSIS					
2 INCH CONNECTIONS					
	Bills	Total	20,000	30,000	50,000
First 20,000	25	157.8	157.8		
Next 30,000	17	655.5	340.0	315.5	
Over 50,000	43	6,618.1	860.0	1,290.0	4,468.1
Total	85	7,431.4	1,357.8	1,605.5	4,468.1
REVENUE TABLE					
	Bills	Gallons	Rate	Revenue	
First 20,000	85	1,357.8	\$ 121.85	\$ 10,357	
Next 30,000		1,605.5	5.07	8,140	
Over 50,000		4,468.1	4.17	18,632	
Total	85	7,431.4		\$ 37,129	

JACKSON COUNTY WATER ASSOCIATION					
TEST YEAR BILLING ANALYSIS					
3 INCH CONNECTIONS					
	Bills	Total	30,000	20,000	50,000
First 30,000	7	1.0	1.0		
Next 20,000	0	-	-	-	
Over 50,000	3	355.6	90.0	60.0	205.6
Total	10	356.6	91.0	60.0	205.6
REVENUE TABLE					
	Bills	Gallons	Rate	Revenue	
First 30,000	10	91.0	\$ 172.54	\$ 1,725	
Next 20,000		60.0	5.07	304	
Over 50,000		205.6	4.17	857	
Total	10	356.6		\$ 2,887	

JACKSON COUNTY WATER ASSOCIATION

TEST YEAR BILLING ANALYSIS

4 INCH CONNECTIONS

	Bills	Total	40,000	10,000	50,000
First 30,000	0	-	-		
Next 20,000	1	39.0	20.0	19.0	
Over 50,000	11	1,882.0	440.0	110.0	1,332.0
Total	12	1,921.0	460.0	129.0	1,332.0

REVENUE TABLE

	Bills	Gallons	Rate	Revenue
First 30,000	12	460.0	\$ 223.23	\$ 2,679
Next 20,000		129.0	5.07	654
Over 50,000		1,332.0	4.17	5,554
Total	12	1,921.0		\$ 8,887

JACKSON COUNTY WATER ASSOCIATION

ALLOCATION OF EXPENSES TO RETAIL CUSTOMERS

Operating Expenses	Total	Commodity	Demand	Customer
Salaries and Wages				
Supply	\$ 45,008		\$ 45,008	
Treatment	45,007		45,007	
Transmission and Distribution	176,894		176,894	
Customer Accounts	80,247			80,247
Employee Pensions and Benefits				
Supply	13,536		13,536	
Treatment	13,536		13,536	
Transmission and Distribution	53,200		53,200	
Customer Accounts	24,131			24,131
Purchased Power	112,136	112,136		
Chemicals	46,108	46,108		
Materials and Supplies				
Supply	15,175		15,175	
Treatment	15,175		15,175	
Transmission and Distribution	32,635		32,635	
Bad Debt	35,352			35,352
Insurance - Workers Comp.				
Supply	900		900	
Treatment	982		982	
Transmission and Distribution	3,869		3,869	
Customer Accounts	1,777			1,777
Miscellaneous				
Supply	11,632		11,632	
Treatment	16,968		16,968	
Transmission and Distribution	20,716		20,716	
Customer Accounts	38,570			38,570
Depreciation				
Supply and Treatment	133,044		133,044	
Treatment	204,726		204,726	
Other	56,169		56,169	
Debt Service				
Supply and Treatment	135,357		135,357	
Transmission and Distribution	228,139		228,139	
Customer Accounts	14,857			14,857
Subtotal	\$ 1,575,847	\$ 158,244	\$ 1,222,669	\$ 194,934
Percentage - Less Commodity			0.8298	0.1702
Administrative and General	123,298		102,313	20,985
Accounting	13,400		11,119	2,281
Legal	560		465	95
Transportation	33,552		27,841	5,711
Total Expenses	\$ 1,746,657	\$ 158,244	\$ 1,364,407	\$ 224,005
Less Other Revenue	49,302			49,302
Revenue Required From Rates	\$ 1,697,355	\$ 158,244	\$ 1,364,407	\$ 174,703

JACKSON COUNTY WATER ASSOCIATION	
PROPOSED REVENUE SUMMARY	
Sales	
5/8	\$ 1,618,911
1	6,499
1.5	15,188
2	42,078
3	3,264
4	10,032
Beattyville	17,573
McKee	8,051
Rockcastle County	33,289
Bulk Sales	1,880
Total Sales	\$ 1,756,765
Interest Income	
	\$ 48,774
Other Income	
	528
Total Income	
	\$ 1,806,067
Current Income	
	1,595,318
Increase	
	210,749
Percentage	
	13%

JACKSON COUNTY WATER ASSOCIATION

CALCULATION OF RETAIL RATES

	Total	2,000	18,000	30,000	50,000
Actual Water Sales	219,125.9	87,304.7	106,914.2	6,364.5	18,542.5
Percentage		0.3984	0.4879	0.0290	0.0846
Increased for Demand	339,652.7	152,783.2	160,371.3	7,955.6	18,542.5
Percentage		0.4498	0.4722	0.0234	0.0546
Commodity	\$ 158,244	\$ 63,048	\$ 77,209	\$ 4,596	\$ 13,391
Demand	1,364,407	613,740	644,222	31,958	74,486
Customer	174,703	174,703			
Total	\$ 1,697,354	\$ 851,491	\$ 721,431	\$ 36,554	\$ 87,877
Bills - 51,294					
Rates		\$ 16.60	\$ 6.75	\$ 5.74	\$ 4.74
Proposed		16.50	6.68	5.75	4.75
Current Rates		14.48	5.96	5.07	4.17
Increase		\$ 2.02	\$ 0.72	\$ 0.68	\$ 0.58
Percentage		14%	12%	13%	14%

JACKSON COUNTY WATER ASSOCIATION

PROPOSED RATES

5/8 x 3/4 INCH CONNECTIONS

	Bills	Total	2,000	18,000	30,000	50,000
First 2,000	16,055	14,231.3	14,231			
Next 18,000	34,543	168,567.2	69,086.0	99,481.2		
Next 30,000	309	8,409.5	618.0	5,562.0	2,229.5	
Over 50,000	37	13,006.9	74.0	666.0	1,110.0	11,156.9
Total	50,944	204,214.9	84,009.3	105,709.20	3,339.5	11,156.9

REVENUE TABLE

	Bills	Gallons	Rate	Revenue		
First 2,000	50,944	84,009.3	\$16.50	\$840,576		
Next 18,000		105,709.2	6.68	706,137		
Next 30,000		3,339.5	5.75	19,202		
Over 50,000		11,156.9	4.75	52,995		
Total	50,944	204,214.9		\$1,618,911		

JACKSON COUNTY WATER ASSOCIATION						
PROPOSED RATES						
1 INCH CONNECTIONS						
	Bills	Total	5,000	15,000	30,000	50,000
First 5,000	17	17.3	17.3			
Next 15,000	141	1,169.0	705.0	464.0		
Next 30,000	18	507.0	90.0	270.0	147.0	
Over 50,000	2	143.2	10.0	30.0	60.0	43.2
Total	178	1,836.5	822.3	764.0	207.0	43.2
REVENUE TABLE						
	Bills	Gallons	Rate	Revenue		
First 5,000	178	822.3	\$36.54	\$6,504		
Next 15,000		764.0	6.68	5,104		
Next 30,000		207.0	5.75	1,190		
Over 50,000		43.2	4.75	205		
Total	178	1,836.5		\$ 6,499		

JACKSON COUNTY WATER ASSOCIATION						
PROPOSED RATES						
1 1/2 INCH CONNECTIONS						
	Bills	Total	10,000	10,000	30,000	50,000
First 10,000	10	14.3	14.3			
Next 10,000	11	111.4	110.0	1.4		
Next 30,000	23	854.4	230.0	230.0	394.4	
Over 50,000	21	2,386.7	210.0	210.0	630.0	1,336.70
Total	65	3,366.8	564.3	441.4	1,024.4	1336.7
REVENUE TABLE						
	Bills	Gallons	Rate	Revenue		
First 10,000	65	564.3	\$69.94	\$4,546		
Next 10,000		441.4	6.68	2,949		
Next 30,000		1,024.4	5.75	5,890		
Over 50,000		1,336.7	4.75	6,349		
Total	65	3,366.8		\$ 15,188		

JACKSON COUNTY WATER ASSOCIATION

PROPOSED RATES

2 INCH CONNECTIONS

	Bills	Total	20,000	30,000	50,000
First 20,000	25	157.8	157.8		
Next 30,000	17	655.5	340.0	315.5	
Over 50,000	43	6,618.1	860.0	1,290.0	4,468.1
Total	85	7,431.4	1,357.8	1,605.5	4,468.1

REVENUE TABLE

	Bills	Gallons	Rate	Revenue
First 20,000	85	1,357.8	\$ 136.74	\$ 11,623
Next 30,000		1,605.5	5.75	9,232
Over 50,000		4,468.1	4.75	21,223
Total	85	7,431.4		\$ 42,078

JACKSON COUNTY WATER ASSOCIATION

PROPOSED RATES

3 INCH CONNECTIONS

	Bills	Total	30,000	20,000	50,000
First 30,000	7	1.0	1.0		
Next 20,000	0	-	-	-	
Over 50,000	3	355.6	90.0	60.0	205.6
Total	10	356.6	91.0	60.0	205.6

REVENUE TABLE

	Bills	Gallons	Rate	Revenue
First 30,000	10	91.0	\$ 194.24	\$ 1,942
Next 20,000		60.0	5.75	345
Over 50,000		205.6	4.75	977
Total	10	356.6		\$ 3,264

JACKSON COUNTY WATER ASSOCIATION					
PROPOSED RATES					
4 INCH CONNECTIONS					
	Bills	Total	40,000	10,000	50,000
First 40,000	0	-	-		
Next 10,000	1	49.0	40.0	9.0	
Over 50,000	11	1,882.0	440.0	110.0	1,332.0
Total	12	1,931.0	480.0	119.0	1,332.0
REVENUE TABLE					
	Bills	Gallons	Rate	Revenue	
First 40,000	12	480.0	\$ 251.74	\$ 3,021	
Next 10,000		119.0	5.75	684	
Over 50,000		1,332.0	4.75	6,327	
Total	12	1,931.0		\$ 10,032	

JACKSON COUNTY WATER ASSOCIATION

SCHEDULE OF WATER USAGE

	Gallons	Percentage
Pumped and Purchased	320,009.0	
Retail and Bulk Sales	219,127.2	
Rockcastle Co. Water Assn.	12,031.0	
City of Beattyville	6,563.0	
City of McKee	3,189.0	
Total Sold	240,910.2	
Plant Use, Flushing and Other	42,769.0	13%
Loss	36,329.8	11%
Total Water Sold and Used	320,009.0	
Sales do not match billing analysis due to different meter reading dates.		

JACKSON COUNTY WATER ASSOCIATION

WHOLESALE ALLOCATION FACTORS

	Formula		Multiplier	Factor
Plant Use Percentage	0.1336			
Line Loss Percentage	0.1135			
Total Plant Use and Line Loss	0.2472			
Jackson Co. Water Production Multiplier	$1 / 1 - .2729$		1.3753	
Wholesale Inch Mile Ratio				
City of McKee	$58.8 / 1,238.5$		0.0475	
Rockcastle Water Association	$164.4 / 1,238.5$		0.1327	
City of Beattyville	$113.8 / 1,238.5$		0.0919	
Wholesale Share of Line Loss				
City of McKee	$.0475 \times .1392 + .1336$		0.1390	
Rockcastle Water Association	$.1327 \times .1392 + .1336$		0.1336	
City of Beattyville	$.0919 \times .1392 + .1336$		0.1441	
Production Multiplier				
City of McKee	$1 / 1 - .1403$		1.1632	
Rockcastle Water Association	$1 / 1 - .1336$		1.1542	
City of Beattyville	$1 / 1 - .1464$		1.1715	
Production Allocation Factor				
City of McKee	3,189.0		1.1632	
	240,910.2	x	1.3753	0.0116
Rockcastle Water Association	12,031.0		1.1542	
	240,910.2	x	1.3753	0.0434
City of Beattyville	6,563.0		1.1715	
	240,910.2	x	1.3753	0.0240
Transmission Factor				
City of McKee	$3,189.0 / 232,683.0$	x	0.0475	0.0006
Rockcastle Water Association	$12,031.0 / 232,683.0$	x	0.1327	0.0066
City of Beattyville	$6,563.0 / 232,683.0$	x	0.0919	0.0025

JACKSON COUNTY WATER ASSOCIATION

DEPRECIATION SUMMARY

	Total	McKee Factors	McKee Expenses	Rockcastle Factors	Rockcastle Expenses	Beattyville Factors	Beattyville Expenses	Jackson Retail
Structures and Improvements	\$ 140,830	0.0116	\$ 1,634	0.0434	\$ 6,112	0.0240	\$ 3,380	\$ 129,704
Reservoirs	3,127	0.0116	36	0.0434	136	0.0240	75	2,880
Pumping Equipment	3,038	0.0006	2	0.0066	20	0.0025	8	3,009
Treatment Equipment	499	0.0116	6	0.0434	22	0.0240	12	460
Reservoirs and Standpipes	23,950	0.0006	14	0.0066	158	0.0025	60	23,718
Transmission and Distribution Mains	179,743	0.0006	108	0.0066	1,186	0.0025	449	177,999
Services	24							24
Meters and Meter Installations	14,804							14,804
Hydrants	43							43
Office Furniture and Equipment	7,265							7,265
Transportation Equipment	30,138							30,138
Other Equipment	3,895							3,895
Total	\$ 407,356		\$ 1,800		\$ 7,634		\$ 3,984	\$ 393,939

Operating Expenses	Total	Mckee Factors	Mckee Expenses	Rockcastle Factors	Rockcastle Expenses	Beattyville Factors	Beattyville Expenses	Jackson Retail
Miscellaneous			-		-		-	-
Supply	12,630	0.0116	147	0.0434	548	0.0240	303	11,632
Treatment	18,424	0.0116	214	0.0434	800	0.0240	442	16,968
Transmission and Distribution	20,919	0.0006	13	0.0066	138	0.0025	52	20,716
Customer Accounts	38,570	-	-	-	-	-	-	38,570
Administrative and General	12,547	-	-	-	-	-	-	12,547
Depreciation			-		-		-	-
Supply and Treatment	144,456	0.0116	1,676	0.0434	6,269	0.0240	3,467	133,044
Transmission and Distribution	206,731	0.0006	124	0.0066	1,364	0.0025	517	204,726
Other	56,169	-	-	-	-	-	-	56,169
Debt Service			-		-		-	-
Supply and Treatment	146,967	0.0116	1,705	0.0434	6,378	0.0240	3,527	135,357
Transmission and Distribution	230,490	0.0006	138	0.0066	1,521	0.0025	576	228,254
Customer Accounts	14,857	-	-	-	-	-	-	14,857
Administrative and General	9,236	-	-	-	-	-	-	9,236
Total Expenses	\$ 1,805,570		\$ 8,051		\$ 33,289		\$ 17,573	\$ 1,746,657
Wholesale Rates			\$ 2.52		\$ 2.77		\$ 2.68	
Current			1.78		2.18		1.98	
Difference			\$ 0.74		\$ 0.59		\$ 0.70	
Percentage			42%		27%		35%	