

**London, KY Finance Workshop for Small Water Systems  
Cumberland Valley Area Development District, London, KY  
June 11, 2013**

RECEIVED

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PUBLIC SERVICE  
COMMISSION

**Section 1: Filing Requirements**

1. The name and address of the applicant:
  - a. Francine Stefan, Program Coordinator
  - b. Environmental Finance Center, UNC School of Government, Campus Box 3330,  
Knapp-Sanders Building, Chapel Hill, NC 27599-3330
  
2. The name and sponsor of the program and the subject matter covered by the program
  - a. London, KY Financial Management and Planning Workshop for Small Water Systems  
(serving 10,000 or fewer individuals)
  - b. Environmental Finance Center Network
  
3. A summary of the content of the program in detail sufficient to describe how the program will enhance the management, operation, and maintenance of water treatment and distribution systems;
  - a. Please see agenda attached.
  
4. The number of credit hours requested for the program;
  - a. 5.25 credit hours
  
5. The name and relevant qualifications and credentials of each instructor presenting the program;
  - a. Shadi Eskaf will be the instructor for this workshop. Please find his resume attached.
  
6. A copy of written materials given to water commissioners attending the program
  - a. Please find materials attached.
  
7. If the program has been certified by an organization that provides training to persons associated with the water industry, the name of the certifying organization and a statement that the certification remains valid.
  - a. The Energy and Environment Cabinet, Department for Environmental Protection will meet in May to review the application for 6.0 CEUs for water and wastewater operators. (Under review as of 4/30/2013).

**Section 2: Subject Matter**

1. Financing principles;
2. Rate design.

**Kentucky Finance Workshop for Small Water Systems**  
**Cumberland Valley Area Development District**  
**June 11, 2013**

**AGENDA**

- |          |  |
|----------|--|
| 9:00 AM  | - Introductions  |
| 9:30 AM  | - Water System Finance 101                             |
| 10:00 AM | - Assess Financial Condition: Where Are You Now?       |
| 10:30 AM | - Break  |
| 10:45 AM | - Capital Planning: Where Your System Is Going.        |
| 11:45 AM | - Lunch  |
| 12:45 PM | - Rate Design & Pricing: How You Get There Financially |
| 2:30 PM  | - Break  |
| 2:45 PM  | - Support from Your Board & Customers                  |
| 3:15 PM  | - Affordability of Service                             |
| 3:45 PM  | - Beyond Rates   |
| 4:45 PM  | - Wrap-up  |

# SHADI ESKAF

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School of Government • CB# 3330 • UNC • Chapel Hill, North Carolina • 27599-3330  
Phone: (919) 962-2785 • Fax: (919) 843-2528 • E-mail: eskaf@sog.unc.edu

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## EDUCATION

2003                      Master of Science in Environmental Engineering                      Chapel Hill, NC  
                                 University of North Carolina at Chapel Hill

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## RELEVANT PROFESSIONAL EXPERIENCE

**Senior Project Director, Project Director, Research Associate  
Environmental Finance Center at the School of Government**                      2004-Present

University of North Carolina, Chapel Hill

- Principal Investigator for projects focused on water and wastewater utility management
- Extensive experience in water and wastewater utility pricing, financial benchmarking, regionalization, innovative data analysis and communication strategies for utilities
- Projects benefit government officials, utility managers and technical assistance providers
- Manage all aspects of projects: proposal writing, budgeting, collaborating with partners, developing methods, data analysis, publishing, presenting to various audiences
- Provide direct assistance to federal, state and local government officials
- Conducted trainings for professional audiences at 3 international conferences, 5 national conferences and over 30 other statewide and regional professional venues
- Published more than 25 reports, journal articles and reference guides on environmental finance, including two peer-reviewed articles in JAWWA
- Volunteer on state and national task forces and professional association committees
- Hire, train and supervise data analysts and students
- Created visualization tools presenting over 120,000 data elements in an interactive display used by managers, councils and citizens: [www.efc.unc.edu/RatesDashboards](http://www.efc.unc.edu/RatesDashboards)
- Devised a novel data mining method to extract customer-level data from billing records
- Conducted surveys of utility rates (over 490 utilities participating) and financial practices and policies (over 50% response rate)

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## PROFESSIONAL ASSOCIATION MEMBERSHIPS

American Water Works Association                      2006 – present  
International Water Association                      2008 – present

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## NATIONAL AND STATE TASK FORCES AND COMMITTEE MEMBERSHIPS

NC AWWA-WEA Finance and Management Committee                      2010 – present  
US EPA Water System Managerial Capacity and Asset Management                      2010-2011  
NC Task Force on Infrastructure Needs Data Analysis                      2010

CITY OF WOODBINE, GEORGIA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
DECEMBER 31, 2010

Enterprise Funds  
Water and Sewer

ASSETS

Current assets

Cash	\$	284,130	- (7)
Receivables, net		41,870	
Total current assets		326,000	- (5)

Capital assets

Land and improvements		10,229	
Distribution and collection systems		5,732,845	(9)
Buildings		503,398	
Less accumulated depreciation		(2,514,933)	- (8)
Total capital assets		3,731,539	

Total Assets \$ 4,057,539

LIABILITIES

Current liabilities

Accounts payable	\$	9,311	
Customer deposits		44,229	
Bonds payable current		54,850	
Total current liabilities		108,390	- (6)

Noncurrent liabilities

Bonds, notes and loans payable		828,452	
Total noncurrent liabilities		828,452	
Total Liabilities		936,842	

NET ASSETS

Invested in capital assets, net of related debt		2,848,237	
Restricted for debt services		176,424	
Unrestricted		96,036	
Total net assets		3,120,697	

Total Liabilities and Net Assets \$ 4,057,539

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

CITY OF WOODBINE, GEORGIA  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2010

		<u>Enterprise Funds</u> <u>Water and Sewer</u>
OPERATING REVENUES		
Charges for services	\$ 444,231	
Grants	0	
Total operating revenues	<u>444,231</u>	- ①
OPERATING EXPENSES		
Personnel services	178,885	
Contractual services	63,898	
Other supplies and expense	126,202	
Depreciation	<u>142,463</u>	- ③
Total operating expenses	<u>511,448</u>	- ②
Operating income (loss)	<u>(67,217)</u>	
NONOPERATING REVENUES (EXPENSES)		
Interest	1,928	
Interest expense	<u>( 35,128)</u>	
Total Nonoperating revenues (expenses)	<u>( 33,200)</u>	
Income (loss) before contributions and transfers	(100,417)	
CONTRIBUTIONS AND TRANSFERS		
Transfers in	0	
Transfers out	<u>(60,000)</u>	
Net contributions and transfers	<u>(60,000)</u>	
Change in net assets	<u>(160,417)</u>	
Total net assets - beginning	3,281,114 ✓	
Total net assets - ending	<u><u>\$ 3,120,697 ✓</u></u>	

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

CITY OF WOODBINE, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2010

Page 1 of 2

	<u>Enterprise Funds</u>
	<u>Water and Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 437,947
Payments to suppliers	(187,296)
Payments to employees	(178,885)
Net cash provided by operating activities	71,766
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in (out)	(60,000)
Net cash (used) by noncapital financing activities	(60,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Loan proceeds	0
Purchases of capital assets	( 39,841)
Principal paid on capital debt	( 49,655)
Interest paid on capital debt	( 35,128)
Net cash (used) by capital and related financing activities	(124,624)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest	1,928
Net cash provided by investing activities	1,928
Net (decrease) in cash and equivalents	(110,930)
Balances - beginning of the year	395,060 ✓
Balances - end of the year	\$ 284,130 ✓
Displayed as:	
Cash	107,706
Restricted cash	176,424
Cash balance end of year	\$ 284,130

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

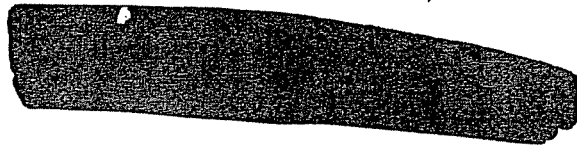
Att Georgia Rates Services  
JACKSONVILLE WATER 2710000

DEAR Sir,

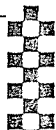
We charge a flat rate of \$15.00 monthly

P.O. - BOX 133

JACKSONVILLE GA 31544



We ARE A Small town we do NOT have Sewage



Commercial/Institutional		
	First offense	\$ 500.00
	Second and subsequent offense	\$1,500.00
Industrial		
	First offense	\$ 500.00
	Second and subsequent offense	\$1,500.00

**Town of Mount Pleasant  
Utilities (Continued)**

**Water Fees**

Water Meter Size	0 to 2,000 Gallons	Gallons Over 2,000
<b>Inside Town</b>		
5/8" or 3/4"	\$21.00	\$3.40/1000
1"	\$39.80	\$3.40/1000
1 1/2"	\$112.40	\$3.40/1000
2" and up	\$218.00	\$3.40/1000
<b>Outside Town</b>		
5/8" or 3/4"	\$36.75	\$5.95/1000
1"	\$69.65	\$5.95/1000
1 1/2"	\$196.70	\$5.95/1000
2" and up	\$381.50	\$5.95/ 1000

Municipal And WSACC Water Plant Volume Charges: Excluded

**Fire Service Availability Fee:**

• Fee is due for all facilities with a dedicated fire service line regardless of whether the line is used by the owner. No fire service line can be used for regular consumption. Customers with regular consumption may be required to convert the fire service to a domestic service. Consumption that is used in the event of a fire is not charged. Fire Service Availability Fee is based on line size and does not distinguish between customers inside or outside of the town.

2" line	\$50 per month
4" line	\$100 per month
6" line	\$150 per month
8" line	\$200 per month
10" line	\$250 per month
12" line	\$300 per month

**Water Tap Installation Fee**

3/4" meter	\$1,500
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**CITY OF STOCKBRIDGE  
 WATER AND SEWER RATE SCHEDULE  
 EFFECTIVE JANUARY 1, 2012 BILLING DATE  
 (Refer to Ordinance 6.04.040-B)**

WATER AND SEWER RATE SCHEDULE

Residents and Commercial Users on City of Stockbridge Water and Sewer

Monthly Minimum Base Charge\*

<u>Meter Size</u>	<u>Water</u>	<u>Sewer</u>
3/4 Most Residential	\$ 6.00	\$ 6.00
1	\$ 7.00	\$ 7.00
1.5	\$ 37.00	\$ 12.00
2	\$ 100.00	\$ 12.00
3	\$ 175.00	\$ 12.00
4	\$ 225.00	\$ 12.00
6	\$ 300.00	\$ 12.00
8	\$ 400.00	\$ 12.00
10	\$ 700.00	\$ 12.00

Gallons of Water Metered

Residential

0 through 4,000 gallons	\$ 4.56 Per Thousand	\$ 4.56 Per Thousand
4,001 through 9,000 gallons	\$ 6.99 Per Thousand	\$ 6.99 Per Thousand
9,001 gallons and up	\$ 9.42 Per Thousand	\$ 9.42 Per Thousand

Commercial, Apartments and Mobile Home Parks

0 through 10,000	\$ 5.78 Per Thousand	\$ 5.78 Per Thousand
10,000 and up	\$ 6.95 Per Thousand	\$ 6.95 Per Thousand

Irrigation

Per thousand gallons \$ 9.26

Hydrant Meter

Per thousand gallons \$ 9.26

\*Total Amount Billed Includes Monthly Minimum Base Charge Plus Usage.

City of Union Point  
EXHIBIT A

WATER/SEWER RATES  
Per Thousand Gallons  
Current

WATER

IN TOWN - 1/23/2006		
STEP	RATE	CONSUMPTION
READY TO SERVE	\$21.00	
STEP 1	3.98	300,000
STEP 2	3.84	999,999,999

IRRIGATION - IN TOWN - 01/23/2006		
STEP	RATE	CONSUMPTION
READY TO SERVE	\$26.25	
STEP 1	4.98	300,000
STEP 2	4.80	999,999,999

OUT OF TOWN - 01/23/2006		
STEP	RATE	CONSUMPTION
READY TO SERVE	\$21.00	
STEP 1	3.98	300,000
STEP 2	3.84	999,999,999

IRRIGATION - OUT OF TOWN - 01/23/2006		
STEP	RATE	CONSUMPTION
READY TO SERVE	\$26.25	
STEP 1	4.98	300,000
STEP 2	4.80	999,999,999

Highway 77 - 03/11/2008		
STEP	RATE	CONSUMPTION
READY TO SERVE	\$21.00	
STEP 1	6.53	300,000
STEP 2	6.53	999,999,999

11/11/11

# Town of Newport

DDB  
1-10-13

## Water/ Sewer Rates- Inside City Limits

### 2012/2013 5%

fixed 1000	Per 1000 gal.	water	Per 1000 gal.	sewer	combined
	rate	11.66	rate	13.10	24.76
2000	2.43	14.09	3.67	16.77	30.86
3000	4.85	18.94	7.41	24.18	43.12
4000	5.65	24.59	7.72	31.90	56.49
5000	5.78	30.37	8.06	39.96	70.33
6000	6.04	36.40	8.21	48.18	84.58
7000	6.23	42.63	8.40	56.58	99.20
8000	6.43	49.06	8.61	65.19	114.24
9000	6.63	55.68	8.79	73.97	129.65
10000	6.63	62.31	8.79	82.76	145.07
11000	6.63	68.93	8.79	91.55	160.48
12000	6.63	75.56	8.79	100.34	175.90
13000	6.63	82.18	8.79	109.13	191.31
14000	6.63	88.81	8.79	117.92	206.72
15000	6.63	95.43	8.79	126.71	222.14
15001-99999999	6.51	102.27	8.99	135.69	237.96

**FEE SCHEDULE - WATER**

**FY 2012-2013**

There is hereby established, for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following fees for services as indicated:

**Water Department**

Rate Schedule

**WATER RATES**

\$10 minimum (up to 1000 gallons)

\$6.00/1000 gallons for usage over 1000 gallons/month

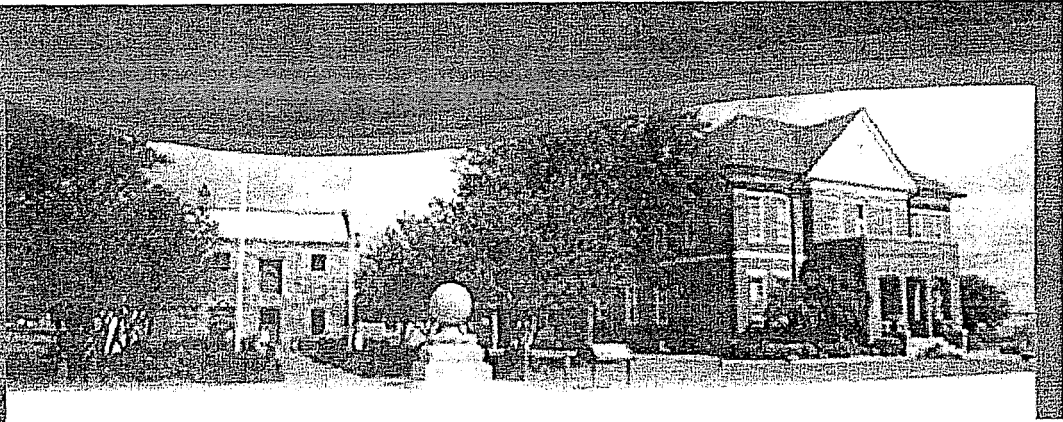
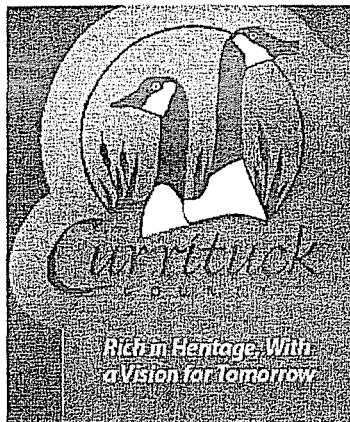
<b>GALLONS</b>	<b>NEW</b>	<b>GALLONS</b>	<b>NEW</b>
-	\$10.00	11,000	\$70.00
1,000	10.00	12,000	76.00
2,000	16.00	13,000	82.00
3,000	22.00	14,000	88.00
4,000	28.00	15,000	94.00
5,000	34.00	16,000	100.00
6,000	40.00	17,000	106.00
7,000	46.00	18,000	112.00
8,000	52.00	19,000	118.00
9,000	58.00	20,000	124.00
10,000	64.00	Over 20,000	\$6/1000 gal

<u>Tap-on Fees</u>	<b>Size Meter</b>	<b>Cost of Tap</b>
	¾"	\$1,500.00
	1"	\$2,500.00
	2"	\$3,000.00
	Late Payment	10% of bill
	Renter's Deposit	\$75.00
	Reconnection Fee	\$25.00
	Water Meter Test	\$100.00

Seasonal Water Conservation Rates

\$8/1000 gallons for usage more than 8000 gallons per month from May 1 through October 31





## Mainland Water Rate and Fee Schedule

Search the Site

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- [Home](#)
- [Government ↓](#)
- [Departments ↓](#)
- [Water ↓](#)
- [Mainland Water Department ↓](#)
- [Rate and Fee Schedule](#)
- [Facilities and Staff](#)
- [How to Apply for Service](#)
- [Frequently Asked Questions](#)
- [Citizens ↓](#)
- [Business ↓](#)
- [Leisure ↓](#)
- [OnLine Services ↓](#)
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### WATER CONSUMPTION CHARGES Effective July 1, 2011

Consumption/Month (in gallons)*	Residential	Commercial**
0 - 2000	Base Rate (\$20.00)	Base Rate (\$20.00)
Up to 5,000	\$4.50/1,000 gallons	\$4.50/1,000 gallons
Up to 10,000	\$5.50/1,000 gallons	\$5.50/1,000 gallons
Up to 15,000	\$6.50/1,000 gallons	\$6.50/1,000 gallons
Up to 20,000	\$7.50/1,000 gallons	\$7.50/1,000 gallons
All over 20,000	\$8.50/1,000 gallons	\$8.50/1,000 gallons

Local Government/Board of Education same as commercial rates  
 Fire Service (sprinkler systems) same as commercial rates

\*Consumption over 2,000 gallons is billed retroactive to the first gallon used.

Commercial master meter accounts are charged at the above rates per unit served. Hotels and motels: Four rooms equal one commercial master meter billing unit.

### IMPACT FEES\* Effective July 1,2011

Meter Size	Impact Fee
3/4 inch	\$5,000
1 inch	\$5,500
2 inch	\$6,000
3 inch	\$6,500
4 inch	\$7,000
6 inch	\$7,500
6 inch fire service	\$6,000
1 inch for centers of worship	\$3,000

\*All installation costs for labor, materials and equipment shall be paid by the owner, developer or purchaser, except for centers of worship, where the impact fee includes labor, materials and equipment. Additional fees for centers of worship will only be charged for larger size meters, labor, materials and equipment above 1 inch.

Renter deposit	\$150
Hig-risk deposit (owner or renter)	\$200*
Fire hydrant meter	\$1,000

\* or three months' billing of previous usage, whichever is greater.

LAKE EGYPT WATER DISTRICT ORDINANCE # 080712-1

WHEREAS, Effective measures must be taken to conserve water supplies during drought conditions.

BE IT ORDAINED AND ENACTED BY THE BOARD OF TRUSTEES OF THE LAKE EGYPT WATER DISTRICT, STATE OF ILLINOIS, AS FOLLOWS:

1. That all non wholesale water customers using water service for the Lake Egypt Water District shall be charged, except as hereinafter stated, rates established as follows:

From 0 to 2,000 gallons per month	\$25.00 (minimum)
For all over 2,000 gallons per month	\$ 6.00 per 1,000 gallons

2. That the following wholesale water customers using water service for the Lake Egypt Water District shall be charged, except as hereinafter stated, at rate of \$4.03 per 1,000 gallons:

Lick Creek Water District  
Devils Kitchen Water District  
Village of Creal Springs  
Village of Goreville  
Burnside Water District

3. That the above rates charged for non wholesale water customers shall be increased for any consumption above 2,000 as follows when the water level at the Lake of Egypt spillway, at any time during a billing cycle, falls below the levels specified:

- a. 24 inches below spillway rates shall increase \$1.00  
Per thousand gallons
- b. 30 inches below spillway rates shall increase \$2.00  
Per thousand gallons
- c. 36 inches below spillway rates shall increase \$3.00  
Per thousand gallons
- d. 40 inches below spillway rates shall increase \$5.00  
Per thousand gallons
- e. 48 inches below spillway rates shall increase \$10.00  
Per thousand gallons

**COPY**

8

Board shall make the determination by accepting the recommendation of the Committee for modifying or amending any recommendation, as the Village Board shall determine is in the best interest of the health, safety and general welfare of the residents of the Village of Richmond.

(Ordinance 2001-29)

**SECTION 3.27 ANNUAL INCREASE OF RATES AND FEES**

The following fees: Water and Sewer Service, Building Permit Fees, School Impact Fees, Fire Prevention and Life Safety Donations and Municipal Impact Fees as set forth by Village ordinance are subject to an annual increase to be applied by the Village Treasurer by May 1 of each year using the following prescribed formula:

The above rates and Fees will be increased by the amount of the percentage increase of the Consumer Price Index (hereinafter defined) for the previous calendar year. Consumer Price Index ("CPI") means the U.S. City Averages for all Urban Consumers, All Items, (1982-1984=100) of the United States Bureau of Labor Statistics. The CPI for any calendar year shall be determined by averaging the monthly indices for that year. If the Bureau of Labor Statistics substantially revises the manner in which the CPI is determined, an adjustment shall be made in the revised index which would produce results equivalent, as nearly as possible, to those which would be obtained if the CPI had not been so revised. If the 1982-1984 average shall no longer be used as an index of 100, such change shall constitute a substantial revision. If the CPI becomes unavailable to the public because publication is discontinued or otherwise, the Village shall substitute therefore a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or, if no such index is available, then a comparable index published by a major bank, other financial institution, university or recognized financial publication.

Year	CPI
2001	2.8%
2002	1.8%

(Ordinance 2002-10)

In addition , the Water Service fees found in Section 5.03(a) and Sewer Service fees provided for in Section 5.03(c) of this Code shall each be increased to achieve a total of 6.0 (six) percent effective May 1, 2008 (Ord 2008-14)

**CITY OF HELEN, GEORGIA**

Statement of Net Assets

Proprietary Fund

June 30, 2011

	Water and Sewer Enterprise Fund	
<b>Assets</b>		
Current Assets:		
Cash - operating	\$ 568,061	- (7)
Accounts Receivable (Net)	66,346	
Prepaid Insurance	5,856	} (5)
Total Current Assets	<u>640,263</u>	
Noncurrent Assets:		
Restricted cash	177,208	
Capital assets		
Land	209,556	
Buildings	22,982	
Improvements other than buildings	5,873,709	} (9)
Machinery and equipment	896,073	
Construction in progress	1,454,079	
Less: Accumulated depreciation	(2,883,225)	- (8)
Deferred Charge	30,833	
Total noncurrent assets	<u>5,781,215</u>	
Total Assets	<u>6,421,478</u>	
<b>Liabilities</b>		
Current Liabilities:		
Accounts Payable	21,090	
Accrued Expenses	2,767	
Due to Other Funds	8,176	
Customer Deposits	62,625	
Deferred Subsidy Revenue	460,005	
Current Portion of Long Term Debt	343,811	
Total Current Liabilities	<u>898,474</u>	- (6)
Noncurrent Liabilities:		
Compensated Absenses	15,695	
Revenue Bonds (Net of current portion)	233,357	
Notes Payable (Net of current portion)	640,873	
Total Noncurrent Liabilities	<u>889,925</u>	
Total Liabilities	<u>1,788,399</u>	
<b>Fund Net assets</b>		
Invested in capital assets, net of related debt	4,355,133	
Restricted for debt service	114,583	
Unrestricted	163,363	
Total fund net assets	<u>\$ 4,633,079</u>	

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



**CITY OF HELEN, GEORGIA**  
Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Fund  
For the Year Ended June 30, 2011

	Water and Sewer Enterprise Fund
<b>Operating Revenue</b>	
Charges for Service	\$ 695,787
Connection Fees	10,134
Miscellaneous Income	<u>4,051</u>
Total Operating Revenue	709,972 — (1)
<b>Operating expenses</b>	
Personal services	
Compensation	163,339
Employment Taxes	11,220
Benefits	<u>34,599</u>
Total Personal Services	209,158
Other operating expenses	
Purchased Water	8,922
Supplies	32,076
Repairs and Maintenance	63,788
Utilities	118,895
Miscellaneous	11,788
Depreciation	212,251 — (3)
Insurance	10,369
Engineering, Lab Fees and Training	<u>4,086</u>
Total other operating expenses	<u>462,175</u>
Total Operating Expenses	671,333 — (2)
Operating Income (loss)	38,639
<b>Nonoperating revenues(expenses)</b>	
Interest Income	3,196
Interest Expense	<u>(40,571)</u>
Total NonOperating Revenues (Expenses)	(37,375)
Transfer In	716,475
Transfer Out	<u>(1,000)</u>
Change in Fund Net Assets	716,739
Fund Net Assets - Beginning	<u>3,916,340</u>
Fund Net Assets - Ending	<u>\$ 4,633,079</u>

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

**CITY OF HELEN, GEORGIA**  
Statement of Cash Flows  
Proprietary Fund  
For The Year Ended June 30, 2011

	<u>Water and Sewer</u>
<b>Cash flows from operating activities:</b>	
Receipts from customers	\$ 719,117
Payments to suppliers	(229,572)
Payments to employees	<u>(203,757)</u>
Net cash provided by operating activities	285,788
<b>Cash flows from noncapital financing activities:</b>	
Advances from Other funds	6,078
Transfers from other funds	716,475
Transfer to other funds	<u>(1,000)</u>
Net cash provided by noncapital financing activities	721,553
<b>Cash flows from capital and related financing activities:</b>	
Proceeds from debt	77,335
Deferred Subsidy Revenue	180,447
Purchase of capital assets	(976,191)
Debt payments, principal and interest and deferred charge	<u>(190,633)</u> - (4)
Net cash provided (used) by capital and related financing activities	(909,042)
<b>Cash flows from investing activities:</b>	
Interest on investments	<u>3,196</u>
Net cash provided by investing activities	<u>3,196</u>
Net increase in cash and cash equivalents	101,495
Cash and cash equivalents - beginning of year	<u>643,774</u>
Cash and cash equivalents - end of year	<u><u>\$ 745,269</u></u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>	
Operating income (loss)	\$ 38,639
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	212,251
Changes in assets and liabilities:	
Receivables and accrued revenue	145,132
Accounts payable	(116,616)
Prepaid expenses	(2,823)
Customer deposits	<u>9,205</u>
Net cash provided by operating activities	<u><u>\$ 285,788</u></u>

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

**CITY OF HELEN, GEORGIA**  
Notes to Financial Statements  
June 30, 2011

**NOTE 8. DEFERRED REVENUE:**

Deferred revenue in the governmental fund financial statements:

Fines and Forfeitures	\$94,335	Imposed nonexchange transaction which is received beyond the City's period of availability.
Tax revenues	<u>8,123</u>	Taxes earned in the current year but received beyond the City's period of availability.
Total	<u>\$102,458</u>	

Deferred revenue in the proprietary fund financial statements:

GEFA Subsidy	<u>\$460,005</u>	Funds received, but not earned until completion of sewer plant rehabilitation project.
Total	<u>\$460,005</u>	

**NOTE 9. COMPENSATED ABSENCES [Primary government]**

Governmental Accounting Standards Board Statement 16, effective for fiscal years beginning after June 15, 1993, requires that such benefits be accrued when: (1) the employer's obligation to employees' right to receive compensation for future benefits is attributable to employees' service already rendered; (2) the obligation relates to rights that vest or accumulate; (3) payment of the compensation is probable; and (4) the amount can be reasonably estimated. Accrued Vacation and Personal Leave in the amount of \$169,208 is included in the Statement of Net Assets, under noncurrent liabilities in due in more than one year, in the amount of \$153,513 and \$15,695 for the Governmental activities and Business-type activities respectively.

**NOTE 10. RISK MANAGEMENT [Primary government]**

The City purchases Workers Compensation Insurance through the Georgia Municipal Association Worker's Compensation Self Insurance Fund. The City's policy year starts on January 1<sup>st</sup> and ends on December 31<sup>st</sup> of each year. The premium for the policy year of 2011 was \$51,617. The City also purchases General Liability Insurance through the Georgia Interlocal Management Agency. The City's policy year starts May 1<sup>st</sup> and ends on April 30<sup>th</sup> of each year. The premium for the year ending April 30, 2010 was \$48,234.

As part of these risk pools, the Government is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The Government is also to allow the pool's agents and attorneys to represent the Government in investigation, settlement discussions and all levels of litigation arising out of any claim made against the Government within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker's compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

With respect to other types of risk including torts, theft or destruction of assets, errors of omissions, and acts of God, the City has purchased sufficient insurance and, therefore, transferred risk of loss. There have been no settlements in the previous three years in excess of insurance.

## Financial Reporting for Water Systems

### Section 1: Utility Information

Utility Name	_____		
PWS #	_____		
Address	_____ _____		
Telephone Number	_____	Fax Number	_____
E-Mail Address	_____		
Contact Person	_____	Title	_____
Accounting Basis	_____ Cash	_____ Accrual	_____ Unknown

### Section 2: Customer Information

Number of Connections at		
Beginning of Fiscal year 20__	End of Fiscal Year 20__	Total

### Section 3: Water Production and Consumption

A. What is the total amount of water produced/pumped/purchased?		gal
B. What is the total amount of water sold/billed?		gal
C. How much water is unaccounted for?		gal
What is the total percent of water unaccounted for? (Divide Row C by Row A, then multiply by 100)		%
Comments: _____		

### Section 4: Ratios

Operating Ratio: (current income divided by current expenses)	
Coverage Ratio: (current income divided by debt service)	

Financial Reporting for Water Systems

**Section 5: Current Budget**

Fiscal Year Ending: \_\_\_\_\_

<b>Operating Revenues</b>	
User Charges (Water Sales)	
Hook-up Fees	
Disconnect/Reconnect Fees	
Bulk Water Fees	
Surcharges	
<b>Other Revenues</b>	
Interest Earned on Deposits	
Other (describe)	
<b>Total Revenues</b>	

<b>Operations Expenses:</b>	
Salaries and Wages (Operators)	
Rent	
Contract Labor	
Purchased Water	
Chemicals for Treatment	
Utilities (Plant)	
Repairs/Maintenance/Supplies	
Vehicle Expenses	
Equipment Lease	
Permits/Fees	
Operator Training	
Payroll Taxes	
Misc. (describe)	
Depreciation	
<b>Administrative Expenses</b>	
Salaries and Wages (Office, Billing, etc.)	
Rent	
Contract Labor	
Offices Supplies	
Utilities (office)	
Professional Services (Accounting, Legal, Engineering, etc.)	
Insurance and bonding	
Debt repayment	
Debt reserves	
Repair and Replacement Reserves	
Depreciation and Amortization	
Payroll Taxes	
Federal and Other Taxes	
Misc. (describe)	
<b>Total Expenses</b>	
<b>Surplus (Deficit)</b>	

Financial Reporting for Water Systems

**Section 6: Revenue and Expenses**      Fiscal Year Ending: \_\_\_\_\_ (Most current completed year)

<u>Operating Revenues</u>	<u>Budget</u>	<u>Actual</u>
User Charges (Water Sales)		
Hook-up Fees		
Disconnect/Reconnect Fees		
Bulk Water Fees		
Surcharges		
<b>Other Revenues</b>		
Interest Earned on Deposits		
Other (describe)		
<b>Total Revenues</b>		

<b>Operations Expenses:</b>		
Salaries and Wages (Operators)		
Rent		
Contract Labor		
Purchased Water		
Chemicals for Treatment		
Utilities (Plant)		
Repairs/Maintenance/Supplies		
Vehicle Expenses		
Equipment Lease		
Permits/Fees		
Operator Training		
Payroll Taxes		
Misc. (describe)		
<b>Administrative Expenses</b>		
Salaries and Wages (Office, Billing, etc.)		
Rent		
Contract Labor		
Offices Supplies		
Utilities (office)		
Professional Services (Accounting, Legal, Engineering, etc.)		
Insurance and bonding		
Debt repayment		
Debt reserves		
Repair and Replacement Reserves		
Depreciation and Amortization		
Payroll Taxes		
Federal and Other Taxes		
Misc. (describe)		
<b>Total Expenses</b>		
<b>Surplus (Deficit)</b>		

## Financial Reporting for Water Systems

### Section 7: Reserves

<b>Account Balances at the start of the current year</b>	
Operating Reserce	
Debt Reserve	
Repair and Replacements Reserve	
Capital Improvements Reserve	
Emergency Reserve	
Other Reserves	

<b>Debt Reserve</b>	
Purpose:	
Balance at beginning of fiscal year	
Deposits to fund during fiscal year	
Withdrawals from fund during fiscal year	
Balance at end of fiscal year	

<b>Repair and Replacement Reserve</b>	
Purpose:	
Balance at beginning of fiscal year	
Deposits to fund during fiscal year	
Withdrawals from fund during fiscal year	
Balance at end of fiscal year	

<b>Capital Improvements Reserve</b>	
Purpose:	
Balance at beginning of fiscal year	
Deposits to fund during fiscal year	
Withdrawals from fund during fiscal year	
Balance at end of fiscal year	

<b>Other Reserves</b>	
Purpose:	
Balance at beginning of fiscal year	
Deposits to fund during fiscal year	
Withdrawals from fund during fiscal year	
Balance at end of fiscal year	

Financial Reporting for Water Systems

**Section 8: Rate Chart**

Usage Class	Monthly Median (or Actual Average) use <i>in thousands</i>	Average Number of Customers in this usage class	Monthly Minimum Charge for this usage class	Usage Allowance <i>in thousands</i> (Amount included in minimum charge)	Unit Charge per 1000 Gallons Within This Class
-------------	--	---	---	---	--

**Residential Customers**

Under 1,000	0.5				
1,000-1,999	1.5				
2,000-2,999	2.5				
3,000-3,999	3.5				
4,000-4,999	4.5				
5,000-5,999	5.5				
6,000-6,999	6.5				
7,000-7,999	7.5				
8,000-8,999	8.5				
9,000-9,999	9.5				
10,000-14,999	12.5				
15,000-19,999	17.5				
20,000-29,999	25.0				
30,000-39,999	35.0				
40,000-49,999	45.0				

**Commercial Customers**

Under 1,000	0.5				
1,000-1,999	1.5				
2,000-2,999	2.5				
3,000-3,999	3.5				
4,000-4,999	4.5				
5,000-5,999	5.5				
6,000-6,999	6.5				
7,000-7,999	7.5				
8,000-8,999	8.5				
9,000-9,999	9.5				
10,000-14,999	12.5				
15,000-19,999	17.5				
20,000-29,999	25.0				
30,000-39,999	35.0				
40,000-49,999	45.0				

**Wholesale Customers**

15,000-19,999	17.5				
20,000-29,999	25.0				
30,000-39,999	35.0				
40,000-49,999	45.0				
50,000 or more	76.6				



**Financial Reporting for Water Systems**

**Section 9: Accounts Receivable**

	<i>Current</i>	<i>30 days</i>	<i>60 days</i>	<i>90 days</i>	<i>Over 90 Days</i>
<b>Beginning of Fiscal Year</b>					
<b>End of Fiscal Year</b>					

**Section 10: Debt Summary**

<b>Lender</b>	<b>Date of Loan</b>	<b>Original Amount</b>	<b>Interest Rate</b>	<b>Term</b>	<b>Current Balance</b>

**Section 11: Signatures**

\_\_\_\_\_  
Board President

\_\_\_\_\_  
Financial Officer