



Kenvirons, Inc.

452 Versailles Road • Frankfort, KY 40601 • Phone: (502) 695-4357 • Fax: (502) 695-4363

Civil & Environmental Engineering and Laboratory Services

March 19, 2015

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

RECEIVED
MAR 19 2015
PUBLIC SERVICE
COMMISSION

RE: Black Mountain Utility District
Harlan Co., KY
Alternative Rate Adjustment Application

Dear Mr. Derouen:

Attached for the Commission's consideration are the original and five copies of an Alternative Rate Adjustment Application. Also included with the application is a copy of Black Mountain Utility District's 2013 PSC Annual Report and Balance Sheets for calendar years 2013 and 2014 which may assist the Commission staff with its review.

The District is requesting a rate it feels will allow it to properly operate but does not fully cover depreciation. The requested rate is the highest the District feels its customers can realistically pay given the current economic conditions in Harlan County.

The Commission's prompt consideration of this application would be greatly appreciated by the District as it is in dire need of additional revenue to continue to properly operate the system.

Sincerely,

Kenneth D. Taylor, PE
Vice President

C: Office of Rate Intervention

Enclosures

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

RECEIVED

**APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

MAR 19 2015

For Small Utilities Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

**PUBLIC SERVICE
COMMISSION**

Black Mountain Utility District

(Name of Utility)

609 Four Mile Road

(Business Mailing Address - Number and Street, or P.O. Box)

Baxter, Kentucky 40806

(Business Mailing Address - City, State, and Zip)

606-573-1277

(Telephone Number)

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

Ray Metcalfe, Operations Mgr.

(Name)

609 Four Mile Road

(Address - Number and Street or P.O. Box)

Baxter, Kentucky 40806

(Address - City, State, Zip)

606-573-1277

(Telephone Number)

BMUD@harlanonline.net

(Email Address)

(For each statement below, the Applicant should check either "YES" or "NO".)

- | | YES | NO |
|---|-------------------------------------|--------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|---|-------------------------------------|-------------------------------------|
| 4. a. Applicant is a corporation. A certified copy of its articles of incorporation and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Applicant is a limited liability company. A certified copy of its articles of organization and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Applicant is a limited partnership. A certified copy of its limited partnership agreement and all amendments thereto are attached to this application or were filed with the Public Service Commission in Case No. _____. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| d. Applicant is a sole proprietorship or partnership. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| e. Applicant is a water district organized pursuant to KRS Chapter 74. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| f. Applicant is a water association organized pursuant to KRS Chapter 273. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. a. Applicant has 20 or fewer customers or is a sewer utility and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. (Attach a copy of customer notice.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| b. Applicant has more than 20 customers, is not a sewer utility, and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. (Attach a copy of customer notice.) | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Applicant has more than 20 customers, is not a sewer utility, and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. (Attach a copy of customer notice.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." (Attach completed "Reasons for Application" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | | YES | NO |
|--------|--|-------------------------------------|--------------------------|
| 8. | Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." (Attach completed "Current and Proposed Rates" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. | Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, <u>2013</u> . | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. | Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." (Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. | Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ <u>548,784</u> and total revenues from service rates of \$ <u>2,207,528</u> . The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. (Attach a completed "Revenue Requirement Calculation" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. | As of the date of the filing of this application , Applicant had <u>3441</u> customers. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. | A billing analysis of Applicant's current and proposed rates is attached to this application. (Attach a completed "Billing Analysis" Attachment.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14. | Applicant's depreciation schedule of utility plant in service is attached. (Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.) | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15. a. | Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. | Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution). | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. | Applicant has attached an amortization schedule for each outstanding evidence of indebtedness. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | YES | NO |
|--|-------------------------------------|-------------------------------------|
| 16. a. Applicant is not required to file state and federal tax returns. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant is required to file state and federal tax returns. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| c. Applicant's most recent state and federal tax returns are attached to this Application. (Attach a copy of returns.) | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Approximately <u>0.00</u> (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires complete such form. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed *Steve Sargent*
 Officer of the Company/Authorized Representative
 Title Chairman
 Date March 10, 2015

COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Before me appeared Steve Sargent, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.

Amy Hall
 Notary Public
 My commission expires: 02-25-19 ID# 527638

LIST OF ATTACHMENTS
(Indicate all documents submitted by checking box)

- Applicant's Articles of Incorporation, Articles of Organization, or Limited Partnership Agreement.
- All amendments to Applicant's Articles of Incorporation, Articles of Organization, or Limited Partnership Agreement.
- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- "Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- "Billing Analysis" Attachment
- Depreciation Schedule
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return
- Statement of Disclosure of Related Party Transactions - ARF Form 3

Customer Notice of Proposed Rate Adjustment

**PUBLIC NOTICE
BLACK MOUNTAIN UTILITY DISTRICT
WATER RATE INCREASE**

Notice is hereby given that the Black Mountain Utility District will file on or about March 17, 2015 an application with the Kentucky Public Service Commission for a rate increase to cover its increased costs. A person may examine this application at the offices of the Black Mountain Utility District located at 609 Four Mile Road, Baxter, Kentucky 40806. A person may also examine this application at the Kentucky Public Service Commission offices located at 211 Sower Boulevard, Frankfort, KY 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Commission's Web site at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through the commission's Web site or by mail to Public Service Commission, Post Office Box 625, Frankfort, KY 40602. The rates contained herein are the rates proposed by Black Mountain Utility District but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of this notice, the commission may take final action on the application.

MONTHLY WATER RATES

	Old Rate	New Rate	Increase Per 1,000 Gallons
<u>Water Rate A</u> (Coxton/Kitts, Dayhoit, Sukey Ridge, Wallins, Coidiron, Putney and Rosspoint Areas)			
First 2,000 Gallons (Minimum Bill)	\$21.38	\$24.90	\$1.76 or 16.5%
Over 2,000 Gallons per 1,000 Gallons	7.69	9.21	1.52 or 19.8%
Wholesale Rate per 1,000 Gallons	4.37	5.37	1.00 or 22.9%
Leak Adjustment Rate per 1,000 Gallons	4.37	4.37	0.00 or 0.0%
<u>Water Rate D</u> (Ages, Closplint-Louellen and Kenvir Areas)			
First 2,000 Gallons (Minimum Bill)	\$18.13	\$24.90	\$3.385 or 37.3%
Over 2,000 Gallons per 1,000 Gallons	6.07	9.21	3.14 or 51.7%
Leak Adjustment Rate per 1,000 Gallons	4.37	4.37	0.00 or 0.0%
<u>Former Green Hills Water District Customers</u>			
First 2,000 Gallons (Minimum Bill)	\$23.90	\$24.90	\$0.50 or 4.2%
2,000 Gallons to 8,000 Gallons per 1,000 Gallons	9.21	9.21	0.00 or 0.0%
Over 8,000 Gallons per 1,000 Gallons	7.65	9.21	1.56 or 20.4%
Wholesale Rate per 1,000 Gallons	3.75	5.37	1.62 or 43.2%
Leak Adjustment Rate per 1,000 Gallons	3.75	4.37	0.62 or 16.5%
<u>Average Monthly Bill for 4,200 Gallons</u>			
Water Rate A	\$38.30	\$45.16	\$6.86 or 17.9%
Water Rate D	31.48	45.16	13.68 or 43.5%
Former Green Hills Water District	43.85	45.16	1.31 or 3.0%

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The above notice was published in the Harlan Daily Enterprise on Tuesday March 17, 2015 and is scheduled to run again on Tuesday March 25, 2015 and Tuesday March 31, 2015.

Reasons for Application

REASONS FOR APPLICATION

(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)

The Black Mountain Utility District (BMUD) is requesting a rate increase for the following reasons:

1. BMUD has not raised its rates to cover inflation for the past several years.
2. Merger with the Green Hills Water District has resulted in increases in costs and non revenue water.
3. High non revenue water (loss) which BMUD is currently working hard to reduce.
4. This rate increase will also cover a wholesale rate increase imposed on BMUD by the Pineville Utility Commission on August 1, 2014.

Current and Proposed Rates

CURRENT AND PROPOSED RATES
(List Applicant's Current and Proposed Rates)

MONTHLY WATER RATES			
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Per 1,000 Gallons			
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Statement of Adjusted Operations

SCHEDULE OF ADJUSTED OPERATIONS - WATER UTILITY

TYE 12/31/20 13

	Test Year	Adjustment	Ref.	Pro Forma
<u>Operating Revenues</u>				
Sales of Water				
Unmetered Water Sales	0.00			0.00
Metered Water Sales	1,444,084.00			1,444,084.00
Bulk Loading Stations	0.00			0.00
Fire Protection Revenue	0.00			0.00
Sales for Resale	7,448.00			7,448.00
Total Sales of Water	1,451,532.00	0.00		1,451,532.00
Other Water Revenues				
Forfeited Discounts	0.00			0.00
Miscellaneous Service Revenues	0.00			0.00
Rents from Water Property	0.00			0.00
Other Water Revenues	88,696.00			88,696.00
Total Other Water Revenues	88,696.00	0.00		88,696.00
Total Operating Revenues	1,540,228.00	0.00		1,540,228.00
<u>Operating Expenses</u>				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	323,234.00			323,234.00
Salaries and Wages - Officers	0.00			0.00
Employee Pensions and Benefits	78,339.00			78,339.00
Purchased Water	711,605.00	50,976.00		762,581.00
Purchased Power	90,000.00			90,000.00
Fuel for Power Production	0.00			0.00
Chemicals	1,253.00			1,253.00
Materials and Supplies	64,552.00			64,552.00
Contractual Services	15,094.00			15,094.00
Water Testing	9,482.00			9,482.00
Rents	0.00			0.00
Transportation Expenses	50,768.00			50,768.00
Insurance	30,680.00			30,680.00
Regulatory Commission Expenses	2,735.00			2,735.00
Bad Debt Expense	28,119.00			28,119.00

Miscellaneous Expenses	115,010.00		115,010.00
Total Operation and Maintenance Expenses	1,520,871.00	50,976.00	1,571,847.00
Depreciation Expense	577,460.00		577,460.00
Amortization Expense	868.00		868.00
Taxes Other Than Income	1,295.00		1,295.00
Income Tax Expense	0.00		0.00
Total Operating Expenses	2,100,494.00	50,976.00	2,151,470.00
Utility Operating Income	-560,266.00	-50,976.00	-611,242.00

References

A. Purchased Water

Harlan Municipal Water Works Rate Increase September 19, 2013.

	Old Rate	New Rate	Difference
First 2,000 Gallons (minimum)	\$13.08	\$14.75	\$1.67
2,000 - 8,000/1,000	3.95	4.45	0.50
10,000 - 25,000/1,000	3.62	4.08	0.46
25,000 - 100,000/1,000	3.18	3.58	0.40
>100,000/1,000	2.83	3.19	0.36

Cost Difference January - September: Usage then all four master meters exceed 100,000 each month.

4 meters x 9 months x \$1.67	=	\$60.12
4 meters x 9 months x 8,000 x \$0.50/1,000	=	144.00
4 meters x 9 months x 15,000 x \$0.46/1,000	=	248.40
4 meters x 9 months x 75,000 x \$0.36/1,000	=	1,080.00
108,618,900 x \$0.36/1,000	=	39,102.80
		\$40,635.32

Pineville Utility Commission Rate Increase July 1, 2013

(Usage January 1 - June 30) (\$2.77 - \$2.59) =
(20,049,000) (\$0.18/1,000) = \$3,608.82

Pineville Utility Commission Rate Increase August 1, 2014

(2013 Usage) (\$2.96 - \$2.77) =
(35,429,000) (\$0.19/1,000) = \$6,731.51

Total Adjustment = \$50,975.65

Revenue Requirements Calculation

REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD

(This method is used commonly by non-profits that have long-term debts outstanding.)

Pro forma Operating Expenses	\$2,151,470.00
Plus: Average Annual Debt Principal and Interest Payments*	131,601.00
Debt Coverage Requirement**	<u>13,160.00</u>
Total Revenue Requirement	2,296,231.00
Less: Other Operating Revenue	-88,696.00
Non-operating Revenue	
Interest Income	<u>-7.00</u>
Revenue Required from Rates	2,207,528.00
Less: Revenue from Sales at Present Rates	<u>-1,658,744.00</u>
Required Revenue Increase	<u>\$548,784.00</u>

Required Revenue Increase stated as a Percentage of Revenue at Present Rates 33.08%

* This should be a 3 year average calculated using the debt principal and interest payments for the three years following the test year.

** This amount is calculated by multiplying the average annual debt principal and interest payments by the debt service requirement of the utility's lending agency.

Billing Analysis

**Revenue from Present/Proposed Rates
Test Period from 01-01-13 to 12-31-13**

**USAGE TABLE
(Usage by Rate Increment)**

Class: Evarts Area

	Bills	Gallons	First 2,000	Over 2,000	Total
Minimum Bills (<2,000)	1,853	2,159,495	2,159,495		2,159,495
Over 2,000	3,713	21,834,895	7,426,000	14,408,895	21,834,895
Totals	5,566	23,994,390	9,585,495	14,408,895	23,994,390

**REVENUE TABLE
Revenue by Rate Increment**

	Bills	Gallons	Rates	Revenue
Minimum Bills (2,000)	5,566	9,585,495	\$18.13 minimum bill	\$100,912
Over 2,000		14,408,895	\$6.07/1,000 gallons	87,462
Totals	5,566	23,994,390		\$188,374

Class: Harlan MWW

	Bills	Gallons	First 2,000	Over 2,000	Total
Minimum Bills (<2,000)	8,446	9,881,663	9,881,663		9,881,663
Over 2,000	16,918	99,914,598	33,836,000	66,078,598	99,914,598
Totals	25,364	109,796,261	43,717,663	66,078,598	109,796,261

	Bills	Gallons	Rates	Revenue
Minimum Bills (<2,000)	25,364	43,717,663	\$21.38 minimum bill	\$542,282
Over 2,000		66,078,598	\$7.69/1,000 gallons	508,144
Totals	25,364	109,796,261		\$1,050,426

Class: Green Hills

	Bills	Gallons	First 2,000	Next 6,000	Over 8,000	Total
Minimum Bills (<2,000)	2,939	3,436,055	3,436,055			3,436,055
2,000-8,000	5,322	23,823,312	10,644,000	13,179,312		23,823,312
Over 8,000	565	10,919,018	1,130,000	3,390,000	6,399,018	10,919,018
Totals	8,826	38,178,385	15,210,055	16,569,313	6,399,018	38,178,385

	Bills	Gallons	Rates	Revenue
Minimum Bills (<2,000)	8,826	15,210,055	\$23.90 minimum bill	\$210,941
Next 6,000		16,569,313	\$9.21/1,000 gallons	152,603
		6,399,018	\$7.65/1,000 gallons	48,952
Totals	8,826	38,178,385		\$412,496

Class: Proposed Combined Rate

	Bills	Gallons	First 2,000	Over 2,000	Total
Minimum Bills (<2,000)	13,238	15,477,213	15,477,213		15,477,213
Over 2,000	26,518	156,491,823	53,036,000	103,455,823	156,491,823
Totals	39,756	171,969,036	68,513,213	103,455,823	171,969,036

	Bills	Gallons	Rates	Revenue
Minimum Bills (2,000)	39,756	68,513,213	\$24.90 minimum bill	\$989,924
Over 2,000		103,455,823	\$9.21/1,000 gallons	952,828
Totals	39,756	171,969,036		\$1,942,752

SUMMARY

REVENUE FROM PRESENT AND PROPOSED RATES

TEST YEAR 2013

PRESENT RATES

Evarts Service Area	\$188,374
Harlan Water Works Service Area	1,050,426
Green Hills Service Area	412,496
Wholesale to Hyden-Leslie Water District 2,291,692 gallons @ \$3.25/1,000 gallons	7,448
Total Revenue	<u>\$1,658,744</u>

PROPOSED RATES

Combined Service Areas	\$1,942,752
Wholesale to Hyden-Leslie Water District 2,291,692 gallons @ \$5.37/1,000 gallons	12,306
Total Revenue	<u>\$1,955,058</u>

Depreciation Schedule

**BLACK MOUNTAIN UTILITY
WATER DISTRICT
ASSET LISTING
DEPRECIATION SCHEDULE**

PG 1 OF 3

ASSET TYPE	DEPR. LIFE	TOTAL ASSET COST	ACCUM DEPR			ACCUM DEPR			ACCUM DEPR	
			12/31/2008	12/31/2009	12/31/2010	12/31/2010	12/31/2011	12/31/2012	12/31/2013	
LAND	0	3,000.00								
OFFICE BLDG. 2000		15,512.00								
LAND RIGHTS 2006		5,600.00								
land rights 2012		2,500.00								
TOTAL LAND		26,612.00								
ORGANIZATIONAL COST	40 YRS	1,597.00	970.08	39.93	39.93	1,049.94	40.00	40.00	40.00	1,169.94
FRANCHISE FEES	40 YRS	840.00	511.21	21.20	21.20	553.61	21.00	21.00	21.00	616.61
WELLS & SPRINGS	25 YRS	10,507.71	10,507.71			10,507.71	-	-	-	10,507.71
PUMPING EQUIPMENT	25 YRS	18,793.00	17,951.93	751.72	89.35	18,793.00	-	-	-	18,793.00
1997 ADDITION		133,035.35	63,496.97	5,231.42	5,231.42	73,959.81	5,231.00	5,231.00	5,231.00	89,652.81
2001 ADDITION		2,817.56	563.55	112.71	112.71	788.97	113.00	113.00	113.00	1,127.97
2004 ADDITION		148,456.02	23,752.96	5,938.24	5,938.24	35,629.44	5,938.00	5,938.00	5,938.00	53,443.44
2006 AGES ADDITION		79,396.61	7,939.66	3,175.86	3,175.86	14,291.38	3,176.00	3,176.00	3,176.00	23,819.38
TOTAL PUMPING EQ.		382,498.54	113,705.07	15,209.95	14,547.58	143,462.60	14,458.00	14,458.00	14,458.00	186,836.60
WATER TREATMENT EQ.	50 YRS	135,806.00	66,370.15	2,712.02	2,712.02	71,794.19	2,712.00	2,712.00	2,712.00	79,930.19
	25 YRS	6,172.10	2,962.56	246.88	246.88	3,456.32	244.00	244.00	244.00	4,188.32
TOTAL WATER TREAT.		141,978.10	69,332.71	2,958.90	2,958.90	75,250.51	2,956.00	2,956.00	2,956.00	84,118.51
DIST. RES. & STANDPIPES	50 YRS	41,730.00								
DIST. RES. & STANDPIPES	25 YRS	174,528.73	83,773.80	6,981.15	6,981.15	97,736.10	6,981.00	6,981.00	6,981.00	118,679.10
DIST. RES. & STANDPIPES	25 YRS	2,015.29	967.32	80.61	80.61	1,128.54	81.00	81.00	81.00	1,371.54
DIST. RES. & STANDPIPES	25 YRS	2,089.77	1,003.08	83.59	83.59	1,170.26	84.00	84.00	84.00	1,422.26
1997 ADDITIONS	25 YRS	125,061.39	49,822.94	5,002.46	5,002.46	59,827.86	5,002.00	5,002.00	5,002.00	74,833.86
2000 ADDITIONS	25 YRS	155,066.39	31,013.30	6,202.66	6,202.66	43,418.62	6,203.00	6,203.00	6,203.00	62,027.62
2004 PUTNEY	25 YRS	227,960.00	41,032.80	9,118.40	9,118.40	59,269.60	9,118.00	9,118.00	9,118.00	86,623.60
2006 AGES ADDITION	25 YRS	89,375.93	8,937.58	3,575.03	3,575.03	16,087.64	3,575.00	3,575.00	3,575.00	26,812.64
TOTAL RES. STND		817,827.50	258,280.82	31,043.90	31,043.90	320,368.62	31,044.00	31,044.00	31,044.00	413,500.62
TRANS & DIST MAINS	50 YRS	2,792,868.09	955,635.97	55,857.37	55,857.37	1,067,350.71	55,857.00	55,857.00	55,857.00	1,234,921.71
1997 ADDITIONS		519,867.68	124,768.20	10,397.35	10,397.35	145,562.90	10,397.00	10,397.00	10,397.00	176,763.90
1999 ADDITIONS		819,030.71	155,615.89	16,380.62	16,380.62	188,377.13	16,381.00	16,381.00	16,381.00	237,520.13
2000 ADDITIONS		469,845.33	84,573.00	9,397.00	9,397.00	103,367.00	9,397.00	9,397.00	9,397.00	131,558.00
2003 ADDITIONS		464,690.72	51,115.71	9,293.82	9,293.82	69,703.35	9,294.00	9,294.00	9,294.00	97,585.35
2004 ADDITIONS		1,763,959.22	158,756.36	35,279.19	35,279.19	229,314.74	35,279.00	35,279.00	35,279.00	335,151.74
2005 ADDITION		71,256.50	5,740.52	1,425.13	1,425.13	8,590.78	1,425.00	1,425.00	1,425.00	12,865.78
2006 PUTNEY ADDITION		238,535.00	11,926.75	4,770.70	4,770.70	21,468.15	4,771.00	4,771.00	4,771.00	35,781.15
2006 AGES ADDITION		1,150,535.28	57,526.76	23,010.70	23,010.70	103,548.16	23,011.00	23,011.00	23,011.00	172,581.16
2008 MOLUS PROJECT		654,250.29	6,542.50	13,085.01	13,085.01	32,712.52	13,085.00	13,085.00	13,085.00	71,967.52
TOTAL TRANS DIST		8,944,838.82	1,612,201.66	178,896.89	178,896.89	1,969,995.44	178,897.00	178,897.00	178,897.00	2,506,686.44

**BLACK MOUNTAIN UTILITY
WATER DISTRICT
ASSET LISTING
DEPRECIATION SCHEDULE**

PG 2 OF 3

ASSET TYPE	DEPR. LIFE	TOTAL ASSET COST	ACCUM	DEPR	DEPR	ACCUM	DEPR	DEPR	DEPR	ACCUM
			DEPR	DEPR	DEPR	DEPR	DEPR	DEPR	DEPR	DEPR
			12/31/2008	12/31/2009	12/31/2010	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2013
METERS 1-1-11	25 YRS	415,347.58	-	-	-	-	16,614.00	16,614.00	16,614.00	49,842.00
METER 1-11-11		164,514.99					6,581.00	6,581.00	6,581.00	19,743.00
TOTAL METERS		579,862.57	-	-	-	-	23,195.00	23,195.00	23,195.00	69,585.00
OTHER MISC EQ.	25 YRS	17,462.00	14,569.59	698.48	698.48	15,966.55	698.00	698.00	99.45	17,462.00
LEAK DETECTOR	5 YRS	2,280.50	2,280.50	-	-	2,280.50	-	-	-	2,280.50
HOLE RAM	5 YRS	3,304.88	3,304.88	-	-	3,304.88	-	-	-	3,304.88
DRILL MACHINE	5 YRS	900.00	900.00	-	-	900.00	-	-	-	900.00
TELEMETRY	5 YRS	5,448.08	5,448.08	-	-	5,448.08	-	-	-	5,448.08
TOTAL OTHER EQ.		29,395.46	26,503.05	698.48	698.48	27,900.01	698.00	698.00	99.45	29,395.46
OFFICE FURN & EQ.	5 YRS	9,020.50	9,020.50	-	-	9,020.50	-	-	-	9,020.50
1997 ADDITIONS		8,610.00	8,610.00	-	-	8,610.00	-	-	-	8,610.00
1999 ADDITIONS		1,153.57	1,153.57	-	-	1,153.57	-	-	-	1,153.57
2002 ADDITIONS		700.00	700.00	-	-	700.00	-	-	-	700.00
2003 ADDITIONS		5,085.00	5,085.00	-	-	5,085.00	-	-	-	5,085.00
PRINTER 2005		1,595.00	957.00	319.00	319.00	1,595.00	-	-	-	1,595.00
2008 COMPUTERS		4,016.00	401.60	803.20	803.20	2,008.00	803.00	803.00	402.00	4,016.00
COMPUTERS 2010		6,547.20	-		1,309.44	1,309.44	1,309.00	1,309.00	1,309.00	5,236.44
COPIER, 2010		3,177.98	-		635.60	635.60	636.00	636.00	636.00	2,543.60
2011 COMPUTERS		10,944.20				-	730.00	2,188.00	2,188.00	5,106.00
2011 BILLING SOFTWARE		3,211.00				-	214.00	642.00	642.00	1,498.00
TOTAL OFFICE EQUIP		54,060.45	25,927.67	1,122.20	3,067.24	30,117.11	3,692.00	5,578.00	5,177.00	44,564.11
TRANSPORTATION EQ										
F250 TRUCK	5 YRS	21,726.00	9,414.60	4,345.20	4,345.20	18,105.00	3,621.00	-	-	21,726.00
F-150 4X4	5 YRS	15,938.00	6,906.48	3,187.60	3,187.60	13,281.68	2,656.32	-	-	15,938.00
F-150 4X2		13,817.00	5,964.70	2,763.40	2,763.40	11,491.50	2,325.50	-	-	13,817.00
F-150 4X2	5 YRS	13,137.00	5,715.38	2,627.40	2,627.40	10,970.18	2,166.82	-	-	13,137.00
FORD RANGER 1/07		8,850.00	3,540.00	1,770.00	1,770.00	7,080.00	1,770.00	-	-	8,850.00
JURST TRAILER 1/13/11	7 YRS	2,645.00	-	-	-	-	378.00	378.00	378.00	1,134.00
used ford dump trk	5 yrs	5,500.00						1,100.00	1,100.00	2,200.00
TOTAL TRKS		81,613.00	31,541.16	14,693.60	14,693.60	60,928.36	12,917.64	1,478.00	1,478.00	76,802.00

**BLACK MOUNTAIN UTILITY
WATER DISTRICT
ASSET LISTING
DEPRECIATION SCHEDULE**

PG 3 OF 3

ASSET TYPE	DEPR. LIFE	TOTAL ASSET COST	ACCUM DEPR			ACCUM DEPR			ACCUM DEPR	
			12/31/2008	12/31/2009	12/31/2010	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2013
BACKHOE 1997	10 YRS	38,887.00		-	-	38,887.00	-	-	-	38,887.00
J.D. AIR COMPRESSOR	10YRS	2,213.58	2,117.32	96.26	-	2,213.58	-	-	-	2,213.58
2003 ADDITIONS	10 YRS	1,135.48	567.75	113.55	113.55	794.85	113.55	114.00	113.08	1,135.48
CAT TRACKHOE	10 YRS	40,937.36				-	-	4,094.00	4,094.00	8,188.00
TOTAL EQUIP.		83,173.42	41,572.07	209.81	113.55	41,895.43	113.55	4,208.00	4,207.08	50,424.06
BUILDING 8/1/00	37.5 YRS	100,000.00	22,667.70	2,667.67	2,667.67	28,003.04	2,668.00	2,668.00	2,668.00	36,007.04
BLDG REP. 12/07	10	10,159.03	1,015.90	1,015.90	1,015.90	3,047.70	1,016.00	1,016.00	1,016.00	6,095.70
BLDG REP. 06/08	10	3,450.00	172.50	345.00	345.00	862.50	345.00	345.00	345.00	1,897.50
OFFICE REDO 2010	37.5	32,743.55	-		873.16	873.16	1,309.75	1,310.00	1,310.00	4,802.91
ROOF NEW-2010	37.5	8,415.39				-	224.41	224.00	224.00	672.41
HEAT PUMPS 2011	10	5,300.00				-	285.00	530.00	530.00	1,345.00
heat pump 12/13	10	2,600.00							22.00	22.00
TOTALS		162,667.97	23,856.10	4,028.57	4,901.73	32,786.40	5,848.16	6,093.00	6,115.00	50,842.56
WALLINS SYSTEM	25 YRS	294,556.41	23,564.50	11,782.25	11,782.25	47,129.00	11,782.25	12,186.00	12,186.00	83,283.25

HOLMES MILL PROJ

HOLMES MILL LINES	50 YRS	1,140,222.70				-	11,402.00	22,804.00	22,804.00	57,010.00
HOLMES MILL PUMP STATIC	25 YRS	206,518.00				-	4,130.00	8,260.00	8,260.00	20,650.00
HOLMES MILL TANKS	25 YRS	361,593.94				-	7,232.00	14,464.00	14,464.00	36,160.00
		1,708,334.64					22,764.00	45,528.00	45,528.00	113,820.00

WALLINS II

WALLINS LINES	50 YRS	830,477.35					8,305.00	16,070.00	16,070.00	40,445.00
WALLINS PUMP STATIONS	25 YRS	55,000.00					1,100.00	2,200.00	2,200.00	5,500.00
WALLINS TANKS	25 YRS	395,923.08					7,918.00	15,836.00	15,836.00	39,590.00
		1,281,400.43					17,323.00	34,106.00	34,106.00	85,535.00

bldg. security system	7 yrs	2,400.46						172.00	343.00	515.00
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**BLACK MOUNTAIN UTILITY
WATER DISTRICT
ASSET LISTING
DEPRECIATION SCHEDULE**

PG 4 OF 4

ASSET TYPE	DEPR. LIFE	TOTAL ASSET COST	ACCUM DEPR			ACCUM DEPR			ACCUM DEPR	
			12/31/2008	12/31/2009	12/31/2010	12/31/2010	12/31/2011	12/31/2012	12/31/2013	12/31/2013
GREEN HILLS ASSETS										
STRUCTURES	15 YRS	89,220.00				-		2,974.00	5,948.00	8,922.00
PUMPING EQUIP	15 YRS	158,552.00				-		5,285.00	10,570.00	15,855.00
DIST RES. & STANDPIPES	20 YRS	239,657.00				-		5,991.00	11,983.00	17,974.00
VEHICLES	3 YRS	3,712.38				-		619.00	1,237.00	1,856.00
TRANS & DIST MAINS	25 YRS	2,105,166.00				-		42,103.00	84,207.00	126,310.00
		2,596,307.38				-		56,972.00	113,945.00	170,917.00

PINE MTN. PROJECT

PUMP STATIONS	25 YRS	531,300.00						-	21,252.00	21,252.00
STORAGE TANK	25 YRS	448,360.00						-	17,934.00	17,934.00
METERS & INST.	25 YRS	55,323.74						-	2,213.00	2,213.00
DIST LINES	50 YRS	1,999,619.50						-	39,992.00	39,992.00
		3,034,603.24						-	81,391.00	81,391.00

MOLUS PROJ.

DIST LINES	50 YRS	164,958.01						-	3,299.00	3,299.00
PUMPING EQUIP	15 YRS	7,847.16						-	523.00	523.00
METERS	25 YRS	10,615.50						-	425.00	425.00
		183,420.67						-	4,247.00	4,247.00

TELEMETRY	15 YRS	270,401.73						-	18,027.00	18,027.00
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Outstanding Debt Instruments

**(i.e., Bond Resolutions, Mortgages, Promissory Notes,
Amortization Schedules)**

KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAYMENT SCHEDULE
 LOAN #F209-10
 BLACK MOUNTAIN UTILITY DISTRICT
 SUBJECT TO CHANGE WITH ADDITIONAL DRAWS

Original Loan Amount \$ 500,000.00
 Principal Forgiven \$ (270,500.00)
\$ 229,500.00

1.00% Rate
 \$6,068.19 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
12/01/11	\$4,970.69	\$956.25	1.0000%	\$5,926.94	\$274.38	\$0.00	\$6,201.32	\$219,500.00		
06/01/12	\$4,995.54	\$1,072.65	1.0000%	\$6,068.19	\$268.16	\$0.00	\$6,336.35	\$214,529.31	\$12,500.00	\$12,500.00
12/01/12	\$5,020.52	\$1,047.67	1.0000%	\$6,068.19	\$261.92	\$0.00	\$6,330.11	\$209,533.77	\$0.00	\$12,500.00
06/01/13	\$5,045.62	\$1,022.57	1.0000%	\$6,068.19	\$255.64	\$0.00	\$6,323.83	\$204,513.25	\$12,500.00	\$25,000.00
12/01/13	\$5,070.85	\$997.34	1.0000%	\$6,068.19	\$249.33	\$0.00	\$6,317.52	\$199,467.63	\$0.00	\$25,000.00
06/01/14	\$5,096.21	\$971.98	1.0000%	\$6,068.19	\$243.00	\$0.00	\$6,311.19	\$194,396.78	\$12,500.00	\$37,500.00
12/01/14	\$5,121.69	\$946.50	1.0000%	\$6,068.19	\$236.63	\$0.00	\$6,304.82	\$189,300.57	\$0.00	\$37,500.00
06/01/15	\$5,147.30	\$920.89	1.0000%	\$6,068.19	\$230.22	\$0.00	\$6,298.41	\$184,178.88	\$12,500.00	\$50,000.00
12/01/15	\$5,173.03	\$895.16	1.0000%	\$6,068.19	\$223.79	\$0.00	\$6,291.98	\$179,031.58	\$0.00	\$50,000.00
06/01/16	\$5,198.90	\$869.29	1.0000%	\$6,068.19	\$217.32	\$0.00	\$6,285.51	\$173,858.55	\$12,500.00	\$62,500.00
12/01/16	\$5,224.89	\$843.30	1.0000%	\$6,068.19	\$210.82	\$0.00	\$6,279.01	\$168,659.65	\$0.00	\$62,500.00
06/01/17	\$5,251.02	\$817.17	1.0000%	\$6,068.19	\$204.29	\$0.00	\$6,272.48	\$163,434.76	\$12,500.00	\$75,000.00
12/01/17	\$5,277.27	\$790.92	1.0000%	\$6,068.19	\$197.73	\$0.00	\$6,265.92	\$158,183.74	\$0.00	\$75,000.00
06/01/18	\$5,303.66	\$764.53	1.0000%	\$6,068.19	\$191.13	\$0.00	\$6,259.32	\$152,906.47	\$12,500.00	\$87,500.00
12/01/18	\$5,330.18	\$738.01	1.0000%	\$6,068.19	\$184.50	\$0.00	\$6,252.69	\$147,602.81	\$0.00	\$87,500.00
06/01/19	\$5,356.83	\$711.36	1.0000%	\$6,068.19	\$177.84	\$0.00	\$6,246.03	\$142,272.63	\$12,500.00	\$100,000.00
12/01/19	\$5,383.61	\$684.58	1.0000%	\$6,068.19	\$171.14	\$0.00	\$6,239.33	\$136,915.80	\$0.00	\$100,000.00
06/01/20	\$5,410.53	\$657.66	1.0000%	\$6,068.19	\$164.42	\$0.00	\$6,232.61	\$131,532.19	\$12,500.00	\$112,500.00
12/01/20	\$5,437.58	\$630.61	1.0000%	\$6,068.19	\$157.65	\$0.00	\$6,225.84	\$126,121.66	\$0.00	\$112,500.00
06/01/21	\$5,464.77	\$603.42	1.0000%	\$6,068.19	\$150.86	\$0.00	\$6,219.05	\$120,684.08	\$12,500.00	\$125,000.00
12/01/21	\$5,492.09	\$576.10	1.0000%	\$6,068.19	\$144.02	\$0.00	\$6,212.21	\$115,219.31	\$0.00	\$125,000.00
06/01/22	\$5,519.55	\$548.64	1.0000%	\$6,068.19	\$137.16	\$0.00	\$6,205.35	\$109,727.22	\$0.00	\$125,000.00
12/01/22	\$5,547.15	\$521.04	1.0000%	\$6,068.19	\$130.26	\$0.00	\$6,198.45	\$104,207.67	\$0.00	\$125,000.00
06/01/23	\$5,574.89	\$493.30	1.0000%	\$6,068.19	\$123.33	\$0.00	\$6,191.52	\$98,660.52	\$0.00	\$125,000.00
12/01/23	\$5,602.76	\$465.43	1.0000%	\$6,068.19	\$116.36	\$0.00	\$6,184.55	\$93,085.63	\$0.00	\$125,000.00
06/01/24	\$5,630.78	\$437.41	1.0000%	\$6,068.19	\$109.35	\$0.00	\$6,177.54	\$87,482.87	\$0.00	\$125,000.00
12/01/24	\$5,658.93	\$409.26	1.0000%	\$6,068.19	\$102.32	\$0.00	\$6,170.51	\$81,852.09	\$0.00	\$125,000.00
06/01/25	\$5,687.22	\$380.97	1.0000%	\$6,068.19	\$95.24	\$0.00	\$6,163.43	\$76,193.16	\$0.00	\$125,000.00
12/01/25	\$5,715.66	\$352.53	1.0000%	\$6,068.19	\$88.13	\$0.00	\$6,156.32	\$70,505.94	\$0.00	\$125,000.00
06/01/26	\$5,744.24	\$323.95	1.0000%	\$6,068.19	\$80.99	\$0.00	\$6,149.18	\$64,790.28	\$0.00	\$125,000.00
12/01/26	\$5,772.96	\$295.23	1.0000%	\$6,068.19	\$73.81	\$0.00	\$6,142.00	\$59,046.04	\$0.00	\$125,000.00
06/01/27	\$5,801.82	\$266.37	1.0000%	\$6,068.19	\$66.59	\$0.00	\$6,134.78	\$53,273.08	\$0.00	\$125,000.00
12/01/27	\$5,830.83	\$237.36	1.0000%	\$6,068.19	\$59.34	\$0.00	\$6,127.53	\$47,471.26	\$0.00	\$125,000.00
06/01/28	\$5,859.99	\$208.20	1.0000%	\$6,068.19	\$52.05	\$0.00	\$6,120.24	\$41,640.43	\$0.00	\$125,000.00
12/01/28	\$5,889.29	\$178.90	1.0000%	\$6,068.19	\$44.73	\$0.00	\$6,112.92	\$35,780.44	\$0.00	\$125,000.00
06/01/29	\$5,918.73	\$149.46	1.0000%	\$6,068.19	\$37.36	\$0.00	\$6,105.55	\$29,891.15	\$0.00	\$125,000.00
12/01/29	\$5,948.33	\$119.86	1.0000%	\$6,068.19	\$29.97	\$0.00	\$6,098.16	\$23,972.42	\$0.00	\$125,000.00
06/01/30	\$5,978.07	\$90.12	1.0000%	\$6,068.19	\$22.53	\$0.00	\$6,090.72	\$18,024.09	\$0.00	\$125,000.00
12/01/30	\$6,007.96	\$60.23	1.0000%	\$6,068.19	\$15.06	\$0.00	\$6,083.25	\$12,046.02	\$0.00	\$125,000.00
06/01/31	\$6,038.06	\$30.13	1.0000%	\$6,068.19	\$7.55	\$0.00	\$6,075.74	\$6,038.06	\$0.00	\$125,000.00
Totals	\$219,500.00	\$23,086.35		\$242,586.35	\$5,806.92	\$0.00	\$248,393.27		\$125,000.00	

KENTUCKY INFRASTRUCTURE AUTHORITY
ISSUE
FUND C LOAN #C04-01
Black Mountain Utility District

3.0000% Rate \$8,356.78 P & I Calculation
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Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance
								\$250,000.00
12/01/06	\$4,606.78	\$15,318.49	3.0000%	\$19,925.27	\$250.00	\$0.00	\$20,175.27	\$245,393.22
06/01/07	\$4,675.88	\$3,680.90	3.0000%	\$8,356.78	\$245.39	\$0.00	\$8,602.17	\$240,717.35
12/01/07	\$4,746.02	\$3,610.76	3.0000%	\$8,356.78	\$240.72	\$0.00	\$8,597.49	\$235,971.33
06/01/08	\$4,817.21	\$3,539.57	3.0000%	\$8,356.78	\$235.97	\$0.00	\$8,592.75	\$231,154.13
12/01/08	\$4,889.46	\$3,467.31	3.0000%	\$8,356.78	\$231.15	\$0.00	\$8,587.93	\$226,264.66
06/01/09	\$4,962.81	\$3,393.97	3.0000%	\$8,356.78	\$226.26	\$0.00	\$8,583.04	\$221,301.86
12/01/09	\$5,037.25	\$3,319.53	3.0000%	\$8,356.78	\$221.30	\$0.00	\$8,578.08	\$216,264.61
06/01/10	\$5,112.81	\$3,243.97	3.0000%	\$8,356.78	\$216.26	\$0.00	\$8,573.04	\$211,151.80
12/01/10	\$5,189.50	\$3,167.28	3.0000%	\$8,356.78	\$211.15	\$0.00	\$8,567.93	\$205,962.31
06/01/11	\$5,267.34	\$3,089.43	3.0000%	\$8,356.78	\$205.96	\$0.00	\$8,562.74	\$200,694.96
12/01/11	\$5,346.35	\$3,010.42	3.0000%	\$8,356.78	\$200.69	\$0.00	\$8,557.47	\$195,348.61
06/01/12	\$5,426.55	\$2,930.23	3.0000%	\$8,356.78	\$195.35	\$0.00	\$8,552.12	\$189,922.07
12/01/12	\$5,507.94	\$2,848.83	3.0000%	\$8,356.78	\$189.92	\$0.00	\$8,546.70	\$184,414.12
06/01/13	\$5,590.56	\$2,766.21	3.0000%	\$8,356.78	\$184.41	\$0.00	\$8,541.19	\$178,823.56
12/01/13	\$5,674.42	\$2,682.35	3.0000%	\$8,356.78	\$178.82	\$0.00	\$8,535.60	\$173,149.14
06/01/14	\$5,759.54	\$2,597.24	3.0000%	\$8,356.78	\$173.15	\$0.00	\$8,529.92	\$167,389.60
12/01/14	\$5,845.93	\$2,510.84	3.0000%	\$8,356.78	\$167.39	\$0.00	\$8,524.17	\$161,543.67
06/01/15	\$5,933.62	\$2,423.16	3.0000%	\$8,356.78	\$161.54	\$0.00	\$8,518.32	\$155,610.05
12/01/15	\$6,022.62	\$2,334.15	3.0000%	\$8,356.78	\$155.61	\$0.00	\$8,512.39	\$149,587.42
06/01/16	\$6,112.96	\$2,243.81	3.0000%	\$8,356.78	\$149.59	\$0.00	\$8,506.36	\$143,474.46
12/01/16	\$6,204.66	\$2,152.12	3.0000%	\$8,356.78	\$143.47	\$0.00	\$8,500.25	\$137,269.80
06/01/17	\$6,297.73	\$2,059.05	3.0000%	\$8,356.78	\$137.27	\$0.00	\$8,494.05	\$130,972.07
12/01/17	\$6,392.19	\$1,964.58	3.0000%	\$8,356.78	\$130.97	\$0.00	\$8,487.75	\$124,579.88
06/01/18	\$6,488.08	\$1,868.70	3.0000%	\$8,356.78	\$124.58	\$0.00	\$8,481.36	\$118,091.80
12/01/18	\$6,585.40	\$1,771.38	3.0000%	\$8,356.78	\$118.09	\$0.00	\$8,474.87	\$111,506.40
06/01/19	\$6,684.18	\$1,672.60	3.0000%	\$8,356.78	\$111.51	\$0.00	\$8,468.28	\$104,822.22
12/01/19	\$6,784.44	\$1,572.33	3.0000%	\$8,356.78	\$104.82	\$0.00	\$8,461.60	\$98,037.78
06/01/20	\$6,886.21	\$1,470.57	3.0000%	\$8,356.78	\$98.04	\$0.00	\$8,454.81	\$91,151.57
12/01/20	\$6,989.50	\$1,367.27	3.0000%	\$8,356.78	\$91.15	\$0.00	\$8,447.93	\$84,162.07
06/01/21	\$7,094.34	\$1,262.43	3.0000%	\$8,356.78	\$84.16	\$0.00	\$8,440.94	\$77,067.73
12/01/21	\$7,200.76	\$1,156.02	3.0000%	\$8,356.78	\$77.07	\$0.00	\$8,433.84	\$69,866.97
06/01/22	\$7,308.77	\$1,048.00	3.0000%	\$8,356.78	\$69.87	\$0.00	\$8,426.64	\$62,558.19
12/01/22	\$7,418.40	\$938.37	3.0000%	\$8,356.78	\$62.56	\$0.00	\$8,419.33	\$55,139.79
06/01/23	\$7,529.68	\$827.10	3.0000%	\$8,356.78	\$55.14	\$0.00	\$8,411.92	\$47,610.11
12/01/23	\$7,642.62	\$714.15	3.0000%	\$8,356.78	\$47.61	\$0.00	\$8,404.39	\$39,967.49
06/01/24	\$7,757.26	\$599.51	3.0000%	\$8,356.78	\$39.97	\$0.00	\$8,396.74	\$32,210.23
12/01/24	\$7,873.62	\$483.15	3.0000%	\$8,356.78	\$32.21	\$0.00	\$8,388.99	\$24,336.60
06/01/25	\$7,991.73	\$365.05	3.0000%	\$8,356.78	\$24.34	\$0.00	\$8,381.11	\$16,344.88
12/01/25	\$8,111.60	\$245.17	3.0000%	\$8,356.78	\$16.34	\$0.00	\$8,373.12	\$8,233.28
06/01/26	\$8,233.28	\$123.50	3.0000%	\$8,356.78	\$8.23	\$0.00	\$8,365.01	(\$0.00)
Totals	\$250,000.00	\$95,839.51		\$345,839.51	\$5,618.07	\$0.00	\$351,457.57	

NUMBER
R-1

DOLLARS
\$150,000

UNITED STATES OF AMERICA - COMMONWEALTH OF KENTUCKY - HARLAN COUNTY

BLACK MOUNTAIN UTILITY DISTRICT

WATER AND SEWER REVENUE BONDS OF 1988

ANNUAL INTEREST RATE: 5%

KNOW ALL MEN BY THESE PRESENTS That the Black Mountain Utility District (the "District"), acting by and through its Board of Commissioners a public body corporate organized and existing under Chapter 74 of the Kentucky Revised Statutes, in Harlan County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, FARMERS HOME ADMINISTRATION, Suite 200, Lexington, Kentucky 40503-5477, the registered owner hereof, or to its registered assigns, solely from the special fund hereinafter identified, the sum of

ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000)

on the first day of January, in years and installments as follows:

Year	Principal	Year	Principal
1995	\$1,000	2021	\$5,000
1996	1,500	2022	5,000
1997	1,500	2023	5,500
1998	1,500	2024	5,500
1999	1,500	2025	6,000
2000	2,000	2026	6,500
2001	2,000	2027	6,500
2002	2,000	2028	7,000
2003	2,000	2029	7,500
2004	2,000	2030	7,500
2005	2,500	2031	8,000
2006	2,500	2032	8,500
2007	2,500		

charges, in lawful money of the United States of America, at the address of the registered owner, the registration book of the District.

This Bond is issued by the District pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, including Chapter 74 and Sections 58.010 through 58.140 of the Kentucky Revised Statutes (the "KRS"), and a duly adopted Bond Resolution of the District (the "Bond Resolution"), to which Bond Resolution reference is made for a description of the nature and extent of the security thereby created, its rights and conditions, and the registered owner of this Bond, and the rights, obligations, and duties of the District for the purpose of having the system, which systems have been combined and consolidated in the Bond Resolution into a single system, consolidated, revenue-producing public project or system (the "System").

FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF

This Bond is exempt from taxation in the Commonwealth of Kentucky.

It is hereby certified, recited, and declared that all acts, conditions, and things required to be performed, precedent to and in the issuance of this Bond, do exist, have happened, and have been fully performed, in time, form, and manner as required by law and that the face amount of this Bond, together with all other amounts due to the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, said Black Mountain Utility District, in the Commonwealth of Kentucky, its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto attested by its Secretary, on the date of this Bond, which is March 25, 1993.

Attest:

BLACK MOUNTAIN UTILITY DISTRICT
Harlan County, Kentucky

Secretary

By _____
Chairman

MIDWEST BANK NOTE COMPANY PLYMOUTH, MICH

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EXHIBIT A-1

Schedule of Principal Payments

98,000

<u>Payment Due</u> <u>January 1,</u>	<u>Principal</u> <u>Payment</u>	<u>Payment Due</u> <u>January 1,</u>	<u>Principal</u> <u>Payment</u>
1997	1,000	2017	2,400
1998	1,100	2018	2,600
1999	1,100	2019	2,700
2000	1,200	2020	2,800
2001	1,200	2021	2,900
2002	1,300	2022	3,100
2003	1,300	2023	3,200
2004	1,400	2024	3,300
2005	1,400	2025	3,500
2006	1,500	2026	3,600
2007	1,600	2027	3,800
2008	1,600	2028	4,000
2009	1,800	2029	4,200
2010	1,800	2030	4,300
2011	1,900	2031	4,600
2012	2,000	2032	4,800
2013	2,000	2033	5,000
2014	2,200	2034	5,200
2015	2,200		
2016	2,400		

EXHIBIT A-2

Schedule of Principal Payments

356,000

<u>Payment Due</u> <u>January 1,</u>	<u>Principal</u> <u>Payment</u>	<u>Payment Due</u> <u>January 1,</u>	<u>Principal</u> <u>Payment</u>
1997	3,500	2017	8,500
1998	3,500	2018	9,500
1999	3,500	2019	9,500
2000	4,000	2020	10,000
2001	4,000	2021	10,500
2002	4,000	2022	11,000
2003	4,500	2023	12,000
2004	4,500	2024	12,000
2005	5,000	2025	13,000
2006	5,000	2026	13,500
2007	5,500	2027	14,500
2008	5,500	2028	15,000
2009	6,000	2029	15,500
2010	6,000	2030	16,500
2011	6,500	2031	17,500
2012	7,000	2032	18,500
2013	7,000	2033	19,500
2014	7,500	2034	20,500
2015	8,000		
2016	8,500		

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
COUNTY OF HARLAN

REGISTERED

BLACK MOUNTAIN UTILITY DISTRICT

REGISTERED

WATER AND SEWER REVENUE BONDS, SERIES 1995A

INTEREST RATE: 4.5%

NUMBER
AR-1

PRINCIPAL AMOUNT
\$225,000

KNOW ALL MEN BY THESE PRESENTS, That the Black Mountain Utility District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Harlan County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-5477 the registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$225,000)

on the first day of January, in years and installments as follows:

Year	Principal	Year	Principal	Year	Principal
1998	\$2,000	2011	\$4,000	2024	\$ 7,500
1999	2,000	2012	4,000	2025	8,000
2000	2,500	2013	4,500	2026	8,000
2001	2,500	2014	4,500	2027	9,000
2002	2,500	2015	5,000	2028	9,000
2003	2,500	2016	5,000	2029	9,500
2004	3,000	2017	5,500	2030	9,500
2005	3,000	2018	5,500	2031	10,000
2006	3,000	2019	6,000	2032	10,500
2007	3,500	2020	6,000	2033	11,000
2008	3,500	2021	6,500	2034	12,000
2009	3,500	2022	7,000	2035	13,000
2010	4,000	2023	7,000		

Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Series 1995A Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing combined and consolidated waterworks and sewer system of the District (said existing combined and consolidated waterworks and sewer system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Series 1995A Bond is issued on a parity as to security and source of payment with the Series 1995B Bonds and with certain outstanding Black Mountain Utility District Water and Sewer Revenue Bonds of 1988, dated March 25, 1993 (the "Bonds of 1988"), authorized by a Resolution enacted by the Commission of the District on January 17, 1989 (the "1988 Bond Resolution"); and the outstanding Black Mountain Utility District Water and Sewer Revenue Bonds, Series 1994, dated December 15, 1994 (the "Bonds of 1994"), authorized by a Resolution enacted by the Commission of the District on September 13, 1994 (the "1994 Bond Resolution") [hereinafter the Bonds of 1988 and the Bonds of 1994 shall be collectively referred to as the "Prior Bonds", and the 1988 Bond Resolution and the 1994 Bond Resolution shall be collectively referred to as the "Prior Bond Resolution"]. Accordingly, this Series 1995A Bond, together with the Prior Bonds, the Series 1995B Bonds and any bonds ranking on a parity herewith, is payable from and secured on a first lien basis by a pledge of the gross revenues to be derived from the operation of the System.

[FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF]

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 1995A Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Series 1995A Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said Black Mountain Utility District, by its Board of Commissioners, has caused this Series 1995A Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date

BLACK MOUNTAIN UTILITY DISTRICT
Harlan County, Kentucky

By: _____
Chairman

Attest: _____
Secretary

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
COUNTY OF HARLAN

REGISTERED

BLACK MOUNTAIN UTILITY DISTRICT

REGISTERED

WATER AND SEWER REVENUE BONDS, SERIES 1995B

INTEREST RATE: 4.5%

NUMBER
BR-1

PRINCIPAL AMOUNT
\$207,000

KNOW ALL MEN BY THESE PRESENTS: That the Black Mountain Utility District (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Harlan County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 771 Corporate Drive, Suite 200, Lexington, Kentucky 40503-5477, the registered owner hereof, or to its registered assigns, solely from the proceeds hereinafter identified, the sum of

TWO HUNDRED SEVEN THOUSAND DOLLARS (\$207,000)

on the first day of January, in years and installments as follows:

Year	Principal	Year	Principal	Year	Principal
1998	\$2,000	2011	\$4,000	2024	\$ 7,000
1999	2,500	2012	4,000	2025	7,000
2000	2,500	2013	4,000	2026	7,500
2001	2,500	2014	4,500	2027	7,500
2002	2,500	2015	4,500	2028	8,000
2003	2,500	2016	5,000	2029	8,500
2004	3,000	2017	5,000	2030	9,000
2005	3,000	2018	5,000	2031	9,000
2006	3,000	2019	5,500	2032	9,500
2007	3,000	2020	5,500	2033	10,000
2008	3,500	2021	6,000	2034	10,500
2009	3,500	2022	6,000	2035	11,000
2010	3,500	2023	6,500		

Resolution reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Series 1995B Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing combined and consolidated waterworks and sewer system of the District (said existing combined and consolidated waterworks and sewer system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Series 1995B Bond is issued on a parity as to security and source of payment with the Series 1995A Bonds and with certain outstanding Black Mountain Utility District Water and Sewer Revenue Bonds of 1988, dated March 25, 1993 (the "Bonds of 1988"), authorized by a Resolution enacted by the Commission of the District on January 17, 1989 (the "1988 Bond Resolution"); and the outstanding Black Mountain Utility District Water and Sewer Revenue Bonds, Series 1994, dated December 15, 1994 (the "Bonds of 1994"), authorized by an Resolution enacted by the Commission of the District on September 13, 1994 (the "1994 Bond Resolution") [hereinafter the Bonds of 1988 and the Bonds of 1994 shall be collectively referred to as the "Prior Bonds", and the 1988 Bond Resolution and the 1994 Bond Resolution shall be collectively referred to as the "Prior Bond Resolution"]. Accordingly, this Series 1995B Bond, together with the Prior Bonds, the Series 1995A Bonds and any bonds ranking on a parity herewith, is payable from and secured on a first lien basis by a pledge of the gross revenues to be derived from the operation of the System.

[FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF]

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 1995B Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Series 1995B Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said Black Mountain Utility District, by its Board of Commissioners, has caused this Series 1995B Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Series 1995B Bond, which is

BLACK MOUNTAIN UTILITY DISTRICT
Harlan County, Kentucky

By: _____
Chairman

Attest: _____
Secretary

EXHIBIT A

472,000

Schedule of Principal Payments

<u>Payment Due</u> <u>January 1,</u>	<u>Principal</u> <u>Payment</u>	<u>Payment Due</u> <u>January 1,</u>	<u>Principal</u> <u>Payment</u>
2001	5,000	2020	11,000
2002	5,000	2021	12,000
2003	5,000	2022	12,000
2004	6,000	2023	13,000
2005	6,000	2024	13,000
2006	6,000	2025	14,000
2007	6,000	2026	15,000
2008	7,000	2027	15,000
2009	7,000	2028	16,000
2010	7,000	2029	17,000
2011	8,000	2030	17,000
2012	8,000	2031	19,000
2013	8,000	2032	19,000
2014	9,000	2033	20,000
2015	9,000	2034	21,000
2016	10,000	2035	22,000
2017	10,000	2036	23,000
2018	10,000	2037	24,000
2019	11,000	2038	26,000

Statement of Disclosure of Related Party Transactions-

ARF Form 3

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Black Mountain Utility District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

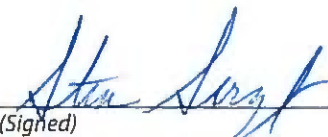
Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

Steve Sergent

(Print Name)



(Signed)

Chairman

(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by Steve Sargent
(Name)

this 10 day of March, 2015.

Kim Hall ID# 527638
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Black Mountain Utility District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.

Raymond Cox
(Print Name)

Raymond Cox
(Signed)

Board Member
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by Raymond Cox
(Name)

this 10 day of March, 20 15.

Ling Hall ID 527638
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Black Mountain Utility District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

Robert Lee

(Print Name)



(Signed)

Treasurer

(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by Robert Lee
(Name)

this 10 day of March, 2015.

Ricky Hall ID 527638
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

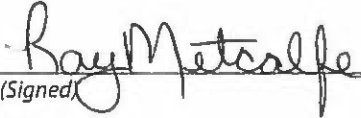
I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Black Mountain Utility District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

Ray Metcalfe
(Print Name)


(Signed)

Operations Manager
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by Ray Metcalfe
(Name)

this 10 day of march, 2015.

Shirley Hall 527638
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Black Mountain Utility District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.

Ralph Turner
(Print Name)


(Signed)

Board Member
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by Ralph Turner
(Name)

this 10 day of march, 2015.

Kim Hall 527638
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Black Mountain Utility District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

James Hughes
(Print Name)


(Signed)

Board Member
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Harlan

Subscribed and sworn to before me by James Hughes
(Name)

this 10 day of March, 2015.

Kim Hall ID 527638
NOTARY PUBLIC
State-at-Large

BLACK MOUNTAIN UTILITY DISTRICT
Balance Sheet
 As of December 31, 2013

K

	Dec 31, 13
ASSETS	
Current Assets	
Checking/Savings	
BB&T-NEW CUSTOMER DEPOSITS	57,235.27
BB&T-REVENUE ACCOUNT	7,230.31
BOH-BOND & INTEREST ACCOUNT	6,605.37
BOH-OPERATION & MAINT. FUND	16,676.73
Total Checking/Savings	87,747.68
Accounts Receivable	
ACCTS RECEIVABLE-WATER	192,898.76
Total Accounts Receivable	192,898.76
Other Current Assets	
DUE FROM SEWER FUND	1,340.00
PREPAID INSURANCE	16,884.06
Total Other Current Assets	18,224.06
Total Current Assets	298,870.50
Fixed Assets	
BUILDING	
BUIDLING-ACCUM DEPR	-50,842.56
BUILDING - Other	162,667.97
Total BUILDING	111,825.41
DIST.RES. & STANDPIPES	
DIST. RES. & STANPIPE-ACC. DEPR	-413,500.62
DIST.RES. & STANDPIPES - Other	817,827.50
Total DIST.RES. & STANDPIPES	404,326.88
FRANCHISE FEES	
FRANCHISE FEES-ACCUM DEPR	-616.61
FRANCHISE FEES - Other	840.00
Total FRANCHISE FEES	223.39
GREEN HILLS WATER	
ACCUM DEPR-GH	-170,917.00
GH-PUMPING EQUIP	158,552.00
GH-RES. & STANDPIPES	239,657.00
GH-STRUCTURES	89,220.00
GH-TRANS. & MAINS	2,105,166.00
GH-VEHICLE	3,712.38
LAND & LAND RIGHTS	2,500.00
Total GREEN HILLS WATER	2,427,890.38
HOLMES MILL PROJECT	
ACCUM DEPR-HOLMES MILL	-113,820.00
HOLMES MILL--LINES	1,140,222.70
HOLMES MILL--PUMP ST.	206,518.00
HOMES MILLS-TANKS	361,593.94
Total HOLMES MILL PROJECT	1,594,514.64
LAND & LAND RIGHTS	
METERS & INSTALLATION	26,612.00
METERS & INSTALL.-ACCUM DEPR	-69,585.00
METERS & INSTALLATION - Other	579,862.57
Total METERS & INSTALLATION	510,277.57
MOLUS PROJECT	
MOLUS-ACCUM DEPR	-4,247.00
MOLUS-METERS	10,615.50
MOLUS-WATERLINES	164,958.01
NOLUS-PUMPING EQ.	7,847.16
Total MOLUS PROJECT	179,173.67

BLACK MOUNTAIN UTILITY DISTRICT
Balance Sheet
 As of December 31, 2013

	<u>Dec 31, 13</u>
OFFICE EQUIP.	
OFFICE EQ. - ACCUM DEPR	-44,564.11
OFFICE EQUIP. - Other	54,060.45
Total OFFICE EQUIP.	<u>9,496.34</u>
OFFICE SECURITY SYSTEM	
ACCUM DEPR-SECURITY SYSTEM	-515.00
OFFICE SECURITY SYSTEM - Other	2,400.46
Total OFFICE SECURITY SYSTEM	<u>1,885.46</u>
ORGANIZATIONAL COSTS	
ORG. COST-ACCUM DEPR	-1,169.94
ORGANIZATIONAL COSTS - Other	1,597.00
Total ORGANIZATIONAL COSTS	<u>427.06</u>
OTHER PLANT EQUIPMENT	
OTHER PLANT EQ-ACCUM DEPR	-29,395.46
OTHER PLANT EQUIPMENT - Other	29,395.46
Total OTHER PLANT EQUIPMENT	<u>0.00</u>
PINE MTN. PROJECT	
ACCUM DEPR-PINE MTN	-81,391.00
DIST. LINES-PINE MTN	1,999,619.50
METERS & INSTALLATION-PINE MTN	55,323.74
PUMP STATIONS-PINE MTN	531,300.00
STORAGE TANK-PINE MTN	448,360.00
Total PINE MTN. PROJECT	<u>2,953,212.24</u>
POWER EQUIP.	
POWER EQ.-ACCUM DEPR	-50,424.06
POWER EQUIP. - Other	83,172.42
Total POWER EQUIP.	<u>32,748.36</u>
PUMPING EQUIPMENT	
PUMPING EQ-ACCUM DEPR	-186,836.60
PUMPING EQUIPMENT - Other	382,498.54
Total PUMPING EQUIPMENT	<u>195,661.94</u>
TELEMETRY	
ACCUM DEPR-TELEMETRY	-18,027.00
TELEMETRY - Other	270,401.73
Total TELEMETRY	<u>252,374.73</u>
TRANS & DIST. MAINS	
TRANS & DIST MAINS-ACCUM DEPR	-2,506,686.44
TRANS & DIST. MAINS - Other	8,944,838.82
Total TRANS & DIST. MAINS	<u>6,438,152.38</u>
VEHICLES	
VEHICLES-ACCUM DEPR	-76,802.00
VEHICLES - Other	81,613.00
Total VEHICLES	<u>4,811.00</u>
WALLINS II PROJECT	
ACCUM DEPR-WALLINS II	-85,535.00
WALLINS II-LINES	830,477.35
WALLINS II-PUMP STATIONS	55,000.00
WALLINS II-TANKS	395,923.08
Total WALLINS II PROJECT	<u>1,195,865.43</u>
WALLINS WATER SYSTEM	
WALLINS-ACCUM DEPR.	-83,283.25
WALLINS WATER SYSTEM - Other	294,556.41
Total WALLINS WATER SYSTEM	<u>211,273.16</u>
WATER TRATMENT EQUIP.	

BLACK MOUNTAIN UTILITY DISTRICT
Balance Sheet
 As of December 31, 2013

	<u>Dec 31, 13</u>
WATER TREATMENT EQ-ACCUM DEPR	-84,118.51
WATER TRATMENT EQUIP. - Other	141,978.10
Total WATER TRATMENT EQUIP.	57,859.59
WELLS & SPRINGS	
WELLS & SPRINGS-ACCUM DEPR	-10,507.71
WELLS & SPRINGS - Other	10,507.71
Total WELLS & SPRINGS	0.00
Total Fixed Assets	16,608,611.63
TOTAL ASSETS	16,907,482.13
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
ACCOUNTS PAYABLE	82,773.70
Total Accounts Payable	82,773.70
Other Current Liabilities	
CUSTOMER DEPOSITS	60,841.73
DUE TO CITY OF HARLAN SEWER	8,635.83
DUE TO HARLAN COUNTY FISCAL CT.	50,979.48
DUE TO SEWER FROM REVENUE	54.22
INTEREST PAYABLE	
INT. PAY.- KIA	546.84
Total INTEREST PAYABLE	546.84
PAYROLL TAX PAYABLES	
FEDERAL W/H PAYABLE	20.00
FICA/MED PAYABLE	41.60
KY UNEMPLOYMENT PAYABLE	81.79
KY W/H PAYABLE	1,536.00
Total PAYROLL TAX PAYABLES	1,679.39
TAXES PAYABLE	
HARLAN COUNTY SCH TAX PAYABLE	3,342.56
KY SALES TAX PAYABLE	302.75
Total TAXES PAYABLE	3,645.31
Total Other Current Liabilities	126,382.80
Total Current Liabilities	209,156.50
Long Term Liabilities	
LONG TERM NOTES PAYABLE	
LONG TERM BONDS PAYABLE	1,093,100.00
NOTE PAYABLE-KIA	173,149.12
NP-CAT FINANCE	911.32
NP-KIA 2010	223,958.34
RUD BONDS-WALLINS	210,000.00
Total LONG TERM NOTES PAYABLE	1,701,118.78
Total Long Term Liabilities	1,701,118.78
Total Liabilities	1,910,275.28
Equity	
CONTRIBUTIONS - IN - AID	
CONT-IN-AID-COUNTY	2,977,684.74
CONT-IN-AID-KIA 2011	250,000.00
CONT-IN-AID/COAL SEV. TAX	8,567,721.21
CONT-IN-AID/RUD GRANTS	1,262,400.00
CONT.- IN-AID/ PSC AUDIT	3,322,839.29
CONT.-IN-AID-CDBG FUNDS	750,000.00

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03/06/14
Accrual Basis

BLACK MOUNTAIN UTILITY DISTRICT
Balance Sheet
As of December 31, 2013

	<u>Dec 31, 13</u>
CONY-IN-AID--ARC FUNDS	350,000.00
CUST-TAP-FEES	191,768.17
GREEN HILLS WATER DIST	<u>2,185,791.57</u>
Total CONTRIBUTIONS - IN - AID	19,858,204.98
Opening Bal Equity	-637,249.14
Retained Earnings	-3,595,043.72
Net Income	<u>-628,705.27</u>
Total Equity	<u>14,997,206.85</u>
TOTAL LIABILITIES & EQUITY	<u><u>16,907,482.13</u></u>

BLACK MOUNTAIN UTILITY DISTRICT
Profit & Loss Prev Year Comparison
 January through December 2013

	Jan - Dec 13	Jan - Dec 12	\$ Change	% Change
Ordinary Income/Expense				
Income				
WATER SALES				
WATER ADJUSTMENTS	-37,032.73	-45,763.12	8,730.39	19.1%
WATER SALES-COMM	76,278.46	85,467.30	-9,188.84	-10.8%
WATER SALES-GOVT.	28,267.33	81,906.75	-53,639.42	-65.5%
WATER SALES-RESALE	7,448.34	5,272.48	2,175.86	41.3%
WATER SALES-RESIDENTIAL	1,376,572.15	1,293,248.74	83,323.41	6.4%
Total WATER SALES	1,451,533.55	1,420,132.15	31,401.40	2.2%
Total Income	1,451,533.55	1,420,132.15	31,401.40	2.2%
Expense				
ADVERTISING	2,275.50	1,106.80	1,168.70	105.6%
BAD DEBTS	28,119.01	0.00	28,119.01	100.0%
BANK SERVICE CHARGES	7,679.67	3.12	7,676.55	246,043.3%
BUILDING & GROUNDS MAINT.	190.00	330.22	-140.22	-42.5%
COMPUTER SUPPORT	0.00	7,197.95	-7,197.95	-100.0%
DEPRECIATION EXP-GH	0.00	56,972.00	-56,972.00	-100.0%
Depreciation Expense	577,460.53	360,658.00	216,802.53	60.1%
Dues and Subscriptions	2,556.64	1,413.14	1,143.50	80.9%
EASEMENTS	1,200.00	2,400.00	-1,200.00	-50.0%
EMPLOYEE UNIFORMS	7,218.60	6,910.37	308.23	4.5%
Insurance				
EMPLOYEE INSURANCE	78,339.16	71,463.08	6,876.08	9.6%
OTHER INSURANCE	344.65	282.19	62.46	22.1%
PROPERTY & LIABILITY INS.	19,004.75	15,450.40	3,554.35	23.0%
WORKER'S COMP. INS.	11,330.58	11,564.88	-234.30	-2.0%
Total Insurance	109,019.14	98,760.55	10,258.59	10.4%
INTEREST				
CUSTOMER DEPOSIT INTEREST	139.48	111.91	27.57	24.6%
INT. EXP-CAT FINANCIAL	326.80	631.04	-304.24	-48.2%
INT. EXP-KIA-2010	2,514.29	2,731.67	-217.38	-8.0%
KIA INTEREST EXPENSE	5,782.08	6,167.07	-384.99	-6.2%
LONG TERM BOND INTEREST	61,841.00	65,913.24	-4,072.24	-6.2%
Total INTEREST	70,603.65	75,554.93	-4,951.28	-6.6%
LATE FEES	488.04	72.66	415.38	571.7%
Licenses and Permits	1,965.00	584.50	1,380.50	236.2%
Payroll Expenses	26,110.17	25,938.11	172.06	0.7%
PAYROLL TAX EXPENSE	0.00	1,275.27	-1,275.27	-100.0%
Postage and Delivery	16,463.48	15,760.00	703.48	4.5%
Professional Fees				
Accounting	15,000.00	16,132.00	-1,132.00	-7.0%
Consulting	94.00	632.65	-538.65	-85.1%
Total Professional Fees	15,094.00	16,764.65	-1,670.65	-10.0%
PROMTIONAL EXPENSE	726.45	1,233.77	-507.32	-41.1%
PSC FILING EXPENSE	2,734.63	2,688.51	46.12	1.7%
PURCHASED WATER	711,605.32	652,059.33	59,545.99	9.1%
Repairs				
Computer Repairs	4,576.79	0.00	4,576.79	100.0%
Equipment Repairs	28,655.89	23,092.94	5,562.95	24.1%
VEH. MAINT	7,751.30	12,082.47	-4,331.17	-35.9%
WATERLINE REPAIRS	100.00	20,775.00	-20,675.00	-99.5%
Total Repairs	41,083.98	55,950.41	-14,866.43	-26.6%
SALARIES & WAGES				
SALARIES-MAINTENANCE	213,469.10	232,903.43	-19,434.33	-8.3%
SALARIES-MANAGER	43,693.75	42,040.40	1,653.35	3.9%
SALARIES-OFFICE	66,071.58	64,599.13	1,472.45	2.3%
Total SALARIES & WAGES	323,234.43	339,542.96	-16,308.53	-4.8%
SECURITY MONITORING	371.43	691.91	-320.48	-46.3%
Supplies				
Office	12,020.34	12,856.99	-836.65	-6.5%
Office Cleaning Supp.	734.16	846.39	-112.23	-13.3%
OPERATING SUPPLIES	51,797.45	69,032.37	-17,234.92	-25.0%
PURIFICATION SUPPLIES	1,253.20	914.80	338.40	37.0%
Total Supplies	65,805.15	83,650.55	-17,845.40	-21.3%
Telephone	10,242.69	8,760.92	1,481.77	16.9%
TRAINING & TRAVEL EXPENSE	777.70	634.43	143.27	22.6%
Utilities				
ELECTRIC	90,000.48	72,717.50	17,282.98	23.8%
OTHER UTILITIES	2,453.43	4,483.21	-2,029.78	-45.3%

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03/06/14

Accrual Basis

BLACK MOUNTAIN UTILITY DISTRICT
Profit & Loss Prev Year Comparison
January through December 2013

	Jan - Dec 13	Jan - Dec 12	\$ Change	% Change
WATER	957.17	857.18	99.99	11.7%
Total Utilities	93,411.08	78,057.89	15,353.19	19.7%
VEHICLE FUEL & MAINT.	43,016.43	46,121.41	-3,104.98	-6.7%
WATER ANALYSIS	9,481.88	8,187.33	1,294.55	15.8%
Total Expense	2,168,934.60	1,949,281.69	219,652.91	11.3%
Net Ordinary Income	-717,401.05	-529,149.54	-188,251.51	-35.6%
Other Income/Expense				
Other Income				
COLLECTION FEE-SEWER	1,660.23	2,225.38	-565.15	-25.4%
COLLECTION FEES	45,684.23	45,820.49	-236.26	-0.5%
COSUMER FEES	3,049.69	2,781.40	268.29	9.7%
INT INCOME-OTHER	7.08	59.77	-52.69	-88.2%
LATE CHARGE FEES	47,478.55	40,961.12	6,517.43	15.9%
OTHER INCOME	50,767.91	22,809.76	27,958.15	122.6%
Total Other Income	148,647.69	114,757.92	33,889.77	29.5%
Other Expense				
GREEN HILLS WATER DISTRICT				
ELECTRIC	0.00	0.00	0.00	0.0%
EQUIP REP & MAINT	0.00	0.00	0.00	0.0%
GH-PAYROLL EXP	0.00	0.00	0.00	0.0%
INS.-GREEN HILLS	0.00	0.00	0.00	0.0%
OFF. EQ. MAINT	0.00	0.00	0.00	0.0%
SUPP-OPERATING	0.00	0.00	0.00	0.0%
TELEPHONE	0.00	0.00	0.00	0.0%
TRUCK PAYMENT	0.00	0.00	0.00	0.0%
UTILITIES	0.00	0.00	0.00	0.0%
VEH FUEL	0.00	0.00	0.00	0.0%
WATER ANALYSIS	0.00	0.00	0.00	0.0%
WATER PURCHASES	0.00	0.00	0.00	0.0%
Total GREEN HILLS WATER DISTRICT	0.00	0.00	0.00	0.0%
OTHER EXPENSE	59,951.91	0.00	59,951.91	100.0%
Total Other Expense	59,951.91	0.00	59,951.91	100.0%
Net Other Income	88,695.78	114,757.92	-26,062.14	-22.7%
Net Income	-628,705.27	-414,391.62	-214,313.65	-51.7%

BLACK MOUNTAIN UTILITY DISTRICT

Balance Sheet

As of December 31, 2014

	<u>Dec 31, 14</u>
ASSETS	
Current Assets	
Checking/Savings	
BB&T-NEW CUSTOMER DEPOSITS	46,259.23
BB&T-REVENUE ACCOUNT	54,284.16
BOH-BOND & INTEREST ACCOUNT	38,713.68
BOH-OPERATION & MAINT. FUND	6,615.90
Total Checking/Savings	<u>145,872.97</u>
Accounts Receivable	
ACCTS RECEIVABLE-WATER	181,965.09
Allow. for Doubtful Accounts	-30,000.00
Unbilled Accts Receivable	64,000.00
Total Accounts Receivable	<u>215,965.09</u>
Other Current Assets	
DUE FROM SEWER FUND	1,340.00
PREPAID INSURANCE	16,960.92
Total Other Current Assets	<u>18,300.92</u>
Total Current Assets	380,138.98
Fixed Assets	
BUILDING	
BUILDING-ACCUM DEPR	-57,195.56
BUILDING - Other	162,667.97
Total BUILDING	<u>105,472.41</u>
DIST.RES. & STANDPIPES	
DIST. RES. & STANPIPE-ACC. DEPR	-444,544.62
DIST.RES. & STANDPIPES - Other	817,827.50
Total DIST.RES. & STANDPIPES	<u>373,282.88</u>
FRANCHISE FEES	
FRANCHISE FEES-ACCUM DEPR	-637.61
FRANCHISE FEES - Other	840.00
Total FRANCHISE FEES	<u>202.39</u>
GREEN HILLS WATER	
ACCUM DEPR-GH	-284,862.00
GH-PUMPING EQUIP	158,552.00
GH-RES. & STANDPIPES	239,657.00
GH-STRUCTURES	89,220.00
GH-TRANS. & MAINS	2,105,166.00
GH-VEHICLE	3,712.38
LAND & LAND RIGHTS	2,500.00
Total GREEN HILLS WATER	<u>2,313,945.38</u>
HOLMES MILL PROJECT	
ACCUM DEPR-HOLMES MILL	-159,348.00
HOLMES MILL--LINES	1,140,222.70
HOLMES MILL--PUMP ST.	206,518.00
HOMES MILLS-TANKS	361,593.94
Total HOLMES MILL PROJECT	<u>1,548,986.64</u>
LAND & LAND RIGHTS	26,612.00
METERS & INSTALLATION	
METERS & INSTALL.-ACCUM DEPR	-92,780.00
METERS & INSTALLATION - Other	579,862.57
Total METERS & INSTALLATION	<u>487,082.57</u>
MOLUS PROJECT	
MOLUS-ACCUM DEPR	-8,589.00
MOLUS-METERS	10,615.50
MOLUS-WATERLINES	169,721.57
MOLUS-PUMPING EQ.	7,847.16

BLACK MOUNTAIN UTILITY DISTRICT
Balance Sheet
 As of December 31, 2014

	<u>Dec 31, 14</u>
Total MOLUS PROJECT	179,595.23
OFFICE EQUIP.	
OFFICE EQ. - ACCUM DEPR	-49,524.25
OFFICE EQUIP. - Other	55,448.45
Total OFFICE EQUIP.	5,924.20
OFFICE SECURITY SYSTEM	
ACCUM DEPR-SECURITY SYSTEM	-858.00
OFFICE SECURITY SYSTEM - Other	2,400.46
Total OFFICE SECURITY SYSTEM	1,542.46
ORGANIZATIONAL COSTS	
ORG. COST-ACCUM DEPR	-1,209.94
ORGANIZATIONAL COSTS - Other	1,597.00
Total ORGANIZATIONAL COSTS	387.06
OTHER PLANT EQUIPMENT	
OTHER PLANT EQ-ACCUM DEPR	-29,395.46
OTHER PLANT EQUIPMENT - Other	29,395.46
Total OTHER PLANT EQUIPMENT	0.00
PINE MTN. PROJECT	
ACCUM DEPR-PINE MTN	-162,782.00
DIST. LINES-PINE MTN	1,999,619.50
METERS & INSTALLATION-PINE MTN	55,323.74
PUMP STATIONS-PINE MTN	531,300.00
STORAGE TANK-PINE MTN	448,360.00
Total PINE MTN. PROJECT	2,871,821.24
POWER EQUIP.	
POWER EQ.-ACCUM DEPR	-54,518.08
POWER EQUIP. - Other	83,172.42
Total POWER EQUIP.	28,654.36
PUMPING EQUIPMENT	
PUMPING EQ-ACCUM DEPR	-201,294.60
PUMPING EQUIPMENT - Other	382,498.54
Total PUMPING EQUIPMENT	181,203.94
TELEMETRY	
ACCUM DEPR-TELEMETRY	-36,054.00
TELEMETRY - Other	270,401.73
Total TELEMETRY	234,347.73
TRANS & DIST. MAINS	
TRANS & DIST MAINS-ACCUM DEPR	-2,685,583.44
TRANS & DIST. MAINS - Other	8,944,838.82
Total TRANS & DIST. MAINS	6,259,255.38
VEHICLES	
VEHICLES-ACCUM DEPR	-78,280.00
VEHICLES - Other	81,613.00
Total VEHICLES	3,333.00
WALLINS II PROJECT	
ACCUM DEPR-WALLINS II	-119,641.00
WALLINS II--LINES	830,477.35
WALLINS II--PUMP STATIONS	55,000.00
WALLINS II--TANKS	395,923.08
Total WALLINS II PROJECT	1,161,759.43
WALLINS WATER SYSTEM	
WALLINS-ACCUM DEPR.	-95,469.25
WALLINS WATER SYSTEM - Other	294,556.41

BLACK MOUNTAIN UTILITY DISTRICT
Balance Sheet
 As of December 31, 2014

	<u>Dec 31, 14</u>
Total WALLINS WATER SYSTEM	199,087.16
WATER TREATMENT EQUIP.	
WATER TREATMENT EQ-ACCUM DEPR	-87,074.51
WATER TREATMENT EQUIP. - Other	141,978.10
Total WATER TRATMENT EQUIP.	54,903.59
WELLS & SPRINGS	
WELLS & SPRINGS-ACCUM DEPR	-10,507.71
WELLS & SPRINGS - Other	10,507.71
Total WELLS & SPRINGS	0.00
Total Fixed Assets	16,037,399.05
TOTAL ASSETS	16,417,538.03
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
ACCOUNTS PAYABLE	105,100.99
Total Accounts Payable	105,100.99
Other Current Liabilities	
Accrued Payroll	2,475.00
CUSTOMER DEPOSITS	66,403.52
DUE TO CITY OF HARLAN SEWER	16,774.86
DUE TO HARLAN COUNTY FISCAL CT.	103,930.58
DUE TO SEWER FROM REVENUE	126.63
INTEREST PAYABLE	
INT. PAY.- KIA	606.81
INT. PAY.-RUD	29,984.75
Total INTEREST PAYABLE	30,591.56
PAYROLL TAX PAYABLES	
KY UNEMPLOYMENT PAYABLE	50.95
KY W/H PAYABLE	1,530.40
Total PAYROLL TAX PAYABLES	1,581.35
TAXES PAYABLE	
HARLAN COUNTY SCH TAX PAYABLE	3,428.94
KY SALES TAX PAYABLE	331.57
Total TAXES PAYABLE	3,760.51
Unbilled Water Purchases	31,500.00
Total Other Current Liabilities	257,144.01
Total Current Liabilities	362,245.00
Long Term Liabilities	
LONG TERM NOTES PAYABLE	
LONG TERM BONDS PAYABLE	1,093,100.00
NOTE PAYBALE-KIA	161,543.65
NP-KIA 2010	192,764.15
RUD BONDS-WALLINS	210,000.00
Total LONG TERM NOTES PAYABLE	1,657,407.80
Total Long Term Liabilities	1,657,407.80
Total Liabilities	2,019,652.80
Equity	
CONTRIBUTIONS - IN - AID	
CONT-IN-AID-COUNTY	39,234.74
CONT-IN-AID-KIA 2011	250,000.00
CONT-IN-AID-Other	7,728,165.88

BLACK MOUNTAIN UTILITY DISTRICT
Balance Sheet
As of December 31, 2014

	<u>Dec 31, 14</u>
CONT-IN-AID/RUD GRANTS	1,262,400.00
CONT.- IN-AID/ PSC AUDIT	3,322,839.29
CONT.-IN-AID--CDBG FUNDS	750,000.00
CONY-IN-AID--ARC FUNDS	350,000.00
CUST-TAP-FEES	191,418.17
Grants-Coal Sev.	936,805.00
Grants-County	2,555,300.00
GREEN HILLS WATER DIST	<u>2,185,791.57</u>
Total CONTRIBUTIONS - IN - AID	19,571,954.65
Opening Bal Equity	-637,249.14
Retained Earnings	-3,820,073.99
Net Income	<u>-716,746.29</u>
Total Equity	<u>14,397,885.23</u>
TOTAL LIABILITIES & EQUITY	<u>16,417,538.03</u>

BLACK MOUNTAIN UTILITY DISTRICT
Profit & Loss Prev Year Comparison
 January through December 2014

	Jan - Dec 14	Jan - Dec 13	\$ Change	% Change
Ordinary Income/Expense				
Income				
WATER SALES				
WATER ADJUSTMENTS	-137,945.59	-37,032.73	-100,912.86	-272.5%
WATER SALES-COMM	61,805.31	76,278.46	-14,473.15	-19.0%
WATER SALES-GOVT.	29,411.71	28,267.33	1,144.38	4.1%
WATER SALES-RESALE	0.00	7,448.34	-7,448.34	-100.0%
WATER SALES-RESIDENTIAL	1,520,843.79	1,376,572.15	144,271.64	10.5%
Total WATER SALES	1,474,115.22	1,451,533.55	22,581.67	1.6%
Total Income	1,474,115.22	1,451,533.55	22,581.67	1.6%
Expense				
ADVERTISING	-932.20	2,275.50	-3,207.70	-141.0%
BAD DEBTS	11,989.50	28,119.01	-16,129.51	-57.4%
BANK SERVICE CHARGES	8,988.44	7,679.67	1,308.77	17.0%
BUILDING & GROUNDS MAINT.	0.00	190.00	-190.00	-100.0%
Depreciation Expense	577,364.14	577,460.53	-96.39	0.0%
Dues and Subscriptions	2,059.18	2,556.64	-497.46	-19.5%
EASEMENTS	1,200.00	1,200.00	0.00	0.0%
EMPLOYEE UNIFORMS	7,522.29	7,218.60	303.69	4.2%
Insurance				
EMPLOYEE INSURANCE	57,810.95	78,339.16	-20,528.21	-26.2%
OTHER INSURANCE	370.10	344.65	25.45	7.4%
PROPERTY & LIABILITY INS.	20,560.25	19,004.75	1,575.50	8.3%
WORKER'S COMP. INS.	13,464.65	11,330.58	2,134.07	18.8%
Total Insurance	92,225.95	109,019.14	-16,793.19	-15.4%
INTEREST				
CUSTOMER DEPOSIT INTEREST	111.61	139.48	-27.87	-20.0%
INT. EXP-CAT FINANCIAL	0.00	326.80	-326.80	-100.0%
INT. EXP-KIA-2010	2,586.65	2,514.29	72.36	2.9%
KIA INTEREST EXPENSE	5,401.85	5,782.08	-380.23	-6.6%
LONG TERM BOND INTEREST	59,969.50	61,841.00	-1,871.50	-3.0%
Total INTEREST	68,069.61	70,603.65	-2,534.04	-3.6%
LATE FEES	1,997.50	488.04	1,509.46	309.3%
Licenses and Permits	0.00	1,965.00	-1,965.00	-100.0%
Payroll Expenses	25,611.34	26,110.17	-498.83	-1.9%
Postage and Delivery	16,587.03	16,463.48	123.55	0.8%
Professional Fees				
Accounting	15,300.00	15,000.00	300.00	2.0%
AUDIT EXPENSE	14,150.00	0.00	14,150.00	100.0%
Consulting	2,550.00	94.00	2,456.00	2,612.8%
Total Professional Fees	32,000.00	15,094.00	16,906.00	112.0%
PROMOTIONAL EXPENSE	962.28	726.45	235.83	32.5%
PSC FILING EXPENSE	2,835.12	2,734.63	100.49	3.7%
PURCHASED WATER	811,943.17	713,605.32	98,337.85	13.8%
Repairs				
Building Repairs	1,695.12	0.00	1,695.12	100.0%
Computer Repairs	848.59	4,576.79	-3,728.20	-81.5%
Equipment Repairs	30,775.95	28,655.89	2,120.06	7.4%
VEH. MAINT	11,014.04	7,751.30	3,262.74	42.1%
WATERLINE REPAIRS	13,674.90	100.00	13,574.90	13,574.9%
Total Repairs	58,008.60	41,083.98	16,924.62	41.2%
SALARIES & WAGES				
SALARIES-MAINTENANCE	208,147.49	207,776.10	371.39	0.2%
SALARIES-MANAGER	43,726.76	43,693.75	33.01	0.1%
SALARIES-OFFICE	62,434.24	66,071.58	-3,637.34	-5.5%
Total SALARIES & WAGES	314,308.49	317,541.43	-3,232.94	-1.0%
SECURITY MONITORING	638.76	371.43	267.33	72.0%
Supplies				
Office	13,542.42	12,020.34	1,522.08	12.7%
Office Cleaning Supp.	479.48	734.16	-254.68	-34.7%
OPERATING SUPPLIES	61,588.45	51,797.45	9,791.00	18.9%
PURIFICATION SUPPLIES	0.00	1,253.20	-1,253.20	-100.0%
Total Supplies	75,610.35	65,805.15	9,805.20	14.9%
Telephone	11,641.55	10,242.69	1,398.86	13.7%
TRAINING & TRAVEL EXPENSE	839.97	777.70	62.27	8.0%
Utilities				
ELECTRIC	109,090.54	90,000.48	19,090.06	21.2%
OTHER UTILITIES	4,809.79	2,453.43	2,356.36	96.0%
WATER	826.26	957.17	-130.91	-13.7%

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Accrual Basis

BLACK MOUNTAIN UTILITY DISTRICT
Profit & Loss Prev Year Comparison
 January through December 2014

	Jan - Dec 14	Jan - Dec 13	\$ Change	% Change
Total Utilities	114,726.59	93,411.08	21,315.51	22.8%
VEHICLE FUEL & MAINT.	42,301.80	43,016.43	-714.63	-1.7%
WATER ANALYSIS	15,745.00	9,481.88	6,263.12	66.1%
Total Expense	2,294,244.46	2,165,241.60	129,002.86	6.0%
Net Ordinary Income	-820,129.24	-713,708.05	-106,421.19	-14.9%
Other income/Expense				
Other Income				
COLLECTION FEE-SEWER	1,549.72	1,660.23	-110.51	-6.7%
COLLECTION FEES	44,463.86	45,684.23	-1,220.37	-2.7%
COSUMER FEES	5,384.97	3,049.69	2,335.28	76.6%
INT INCOME-OTHER	5.46	7.08	-1.62	-22.9%
LATE CHARGE FEES	50,785.62	47,478.55	3,307.07	7.0%
OTHER INCOME	203,837.17	50,767.91	153,069.26	301.5%
Total Other Income	306,026.80	148,647.69	157,379.11	105.9%
Other Expense				
GREEN HILLS WATER DISTRICT				
ELECTRIC	0.00	0.00	0.00	0.0%
GH-PAYROLL EXP	0.00	0.00	0.00	0.0%
UTILITIES	0.00	0.00	0.00	0.0%
Total GREEN HILLS WATER DISTRICT	0.00	0.00	0.00	0.0%
OTHER EXPENSE	202,643.85	59,951.91	142,691.94	238.0%
Total Other Expense	202,643.85	59,951.91	142,691.94	238.0%
Net Other Income	103,382.95	88,695.78	14,687.17	16.6%
Net income	-716,746.29	-625,012.27	-91,734.02	-14.7%

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Title Page

	Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
Water Districts/Associations Annual Report of Respondent	BLACK MOUNTAIN UTILITY DISTRICT	609 FOUR MILE ROAD		BAXTER	KY	40806

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Principal Payment and Interest Information

Amount	Yes/No	PSC Case No.
Amount of Principal Payment During Calendar Year	\$455,845.00	
Is Principal Current?	Y	
Is Interest Current?	Y	
Has all long-term debt been approved by the Public Service Commission?	Y	

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Services Performed by Independent CPA

	Yes/No	A/C/R	Audit Date
Are your financial statements examined by a Certified Public Accountant?			
Enter Y for Yes or N for No	N		
If yes, which service is performed?			
Enter an X on each appropriate line			
Audit	N		
Compilation	N		
Review	N		
Date of Audit			
Please enclose a copy of the accountant's report with annual report.			

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Additional Requested Information

Name of Utility and Web Address	Name	Electronic Info
Contact Name and Email Address	BLACK MOUNTAIN UTILITY DISTRICT Ray Metcalf, operation Manager Charles H. Guyn, Accountant	bmud@harlanonline.net bmud@harlanonline.net CGUYN@HARLANONLINE.NET

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Additional Information Required

Case Num

Date

Explain

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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 utilityplant by at least 20 percent.

Brief Project Description: (improvement, replacement, building construction, expansion. If expansion, provide the estimated number of new customers):	n/a
Projected Costs and Funding Sources/Amounts:	n/a
Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)	n/a
Location: (community, area or nearby roads)	n/a

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

History-Legal Name (Ref Page: 4)

1. Exact name of utility making this report.

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

BLACK MOUNTAIN UTILITY DISTRICT

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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.	Black Mountain Utility District	609 Four Mile Road		Baxter	KY	40806	6065731277
Give name, title, address and TELEPHONE NUMBER of the officer to whom correspondence concerning this report should be addressed.	Ray Metcalf, Operations Manager	609 Four Mile Road	609 Four Mile Road	Baxter	KY	40806	6065731277
Location where books are located	Charles H. guyn, Accountant	P.O. Box 1566		HARLAN	Ke	40831	
Name of the Headquartered County	Harlan						

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

History-Date Organized (Ref Page: 4)

Date of Organization	Date
1983	

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

History-Laws of Organization (Ref Page: 4)

List

If a consolidated or merger company, name all contingent and all merged companies. Give reference to charters or general laws governing each, and all amendments of same	Green Hills Waster District merged into Black Mountain Utility District with PSC approval in the 4th Quarter of 2012.
Date and Authority for each consolidation and each merger.	4th Quarter 2012

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

History-Departments (Ref Page: 4)

List

State whether respondent is a water district or association

Water District

Name all operating departments other than water

Sewer district

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

History - Counties (Ref Page: 5)

Harlan

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

History - Number of Employees (Ref Page: 5)

	Count
Number of Full-time employees	7
Number of Part-time employees	1

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Operational Boundaries and Service Area

Describe

Describe Operational boundaries and Service Area

All water lines, pump stations and storage facilities are located within the confines of Harlan County Kentucky. Service area encompasses the North side of Pine Mountain from the Bell County Line to Leslie County Line. From the Harlan City Limits on US HWY 421 north toward Putney. On KY 38 at Harlan City Limits to Verda Kentucky also Eastern City limits of Everts to Virginia Line. Going South on US HWY 119 from the junction of US 119 and US421 to Bell County Line.

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Contacts (Ref Page: 6)

	Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires
Person to send correspondence:	Chairman	Sargent	Steve	609 four Mile Road, Baxter, KY 40806		
Person who prepared this report	Accountant	Guyn	CHARLES	P.O. Box 1566; Harlan, KY 40831		
Managers (List Board Members on the following Contact Page)						
	Operation Manager	Metcalf	Ray	609 four Mile Road, Baxter, Ky 40806	\$43,694.00	n/a
	Board Member	Cox	Raymond	609 Four Mile Road, Baxter, KY 40806	\$0.00	12/31/2016
	Board Mmber	Lee	Robert	609 Four Mile Road, Baxter, KY 40806	\$0.00	12/31/2018
	Board Member	Turner	Ralph	609 four Mile Road, Baxter, KY 40806	\$0.00	12/31/2014
	Board Member	Cook	Ronnie	609 Four Mile Road, Baxter, KY 40806	\$0.00	12/31/2015

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Contacts - Board Members (Ref Page: 6)

Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires	Term	County of
Officers and Board Members							
Chairman	Sargent	Steve	609 four mile road, baxter, ky 40806	\$0.00	12/31/2017	2nd	Harlan
Treasurer	Lee	Robert	609 four mile road, baxter, ky 40806	\$0.00	12/31/2018	3rd	Harlan
Board Member	Cox	Raymond	609 four Mile Road, Baxter, Ky 40806	\$0.00	12/31/2016	2nd	Harlan
Board Member	Turner	Ralph	609 Four Mile Road, Baxter, KY 40806	\$0.00	12/31/2014	1st	Harlan
Board Member	Cook	Ronnie	609 Four Mile Road, Baxter, KY 40806	\$0.00	12/31/2015	1st	Harlan

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Board Meetings (Water Districts REQUIRED)

Meeting Date	2nd Tuesday of Each Month
Meeting Time	4:00 PM
Designated Meeting of Board Location	609 Four Mile Road

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Adopted Ethics Ordinance (Water Districts REQUIRED)

Ethics Code Originator

Name

Identify the county ethics codes that KRS 65 A.070 requires Water District to adapt. Select county from the drop down list. Then provide the name of the county.

If the water district has adopted a more stringent ethics code than the county ethics code; select other from the drop down list. Then provide the name of the entity originating the ethics code.

county

harlan

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Government Entities (Water Districts REQUIRED)

Oversight Government Entity

Name

List each Government Entity with Oversight Duties (Federal, State, Local)

KY Public Service Commission
Division of Water

Ky Public Service Comm.
Division of Water

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Previous Year	Current Year
UTILITY PLANT		
Utility Plant (101-106)	\$17,201,942.00	\$20,691,396.00
Less: Accumulated Depreciation and Amortization (108-110)	\$3,505,325.00	\$4,082,785.00
Net Plant	\$13,696,617.00	\$16,608,611.00
Utility Plant Acquisition Adjustments (Net) (114-115)		
Other Utility Plant Adjustments (116)		
Total Net Utility Plant	\$13,696,617.00	\$16,608,611.00
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)		
Less: Accumulated Depreciation and Amortization (122)		
Net Nonutility Property		
Investment in Associated Companies (123)		
Utility and Other Investments (124-125)		
Sinking Funds (126)		
Other Special Funds (127)		
Total Other Property and Investments		
CURRENT AND ACCRUED ASSETS		
Cash (131)	\$131,623.00	\$23,907.00
Special Deposits (132)	\$91,633.00	\$63,841.00
Other Special Deposits (133)		
Working Funds (134)		
Temporary Cash Investments (135)		
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	\$177,556.00	\$192,899.00
Accounts Receivable from Associated Companies (145)	\$1,340.00	\$1,340.00
Notes Receivable from Associated Companies (146)		
Materials and Supplies (151-153)		
Stores Expense (161)		
Prepayments (162)	\$14,990.00	\$16,884.00
Accrued Interest and Dividends Receivable (171)		
Rents Receivable (172)		
Accrued Utility Revenues (173)		

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Previous Year	Current Year
Misc. Current and Accrued Assets (174)	\$9,600.00	\$0.00
Total Current and Accrued Assets	\$426,742.00	\$298,871.00
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)		
Extraordinary Property Losses (182)		
Preliminary Survey and Investigation Charges (183)		
Clearing Accounts (184)		
Temporary Facilities (185)		
Misc. Deferred Debits (186)		
Research and Development Expenditure (187)		
Total Deferred Debits		
TOTAL ASSETS AND OTHER DEBITS	\$14,123,359.00	\$16,907,482.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Previous Year	Current Year
EQUITY CAPITAL		
Appropriated Retained Earnings (214)		
Retained Earnings From Income before contributions (215.1)	(\$4,232,293.00)	(\$4,860,998.00)
Donated Capital (215.2)	\$15,982,950.00	\$19,878,705.00
Total Equity Capital	\$11,750,657.00	\$15,017,707.00
LONG-TERM DEBT		
Bonds (221)	\$1,726,450.00	\$1,303,100.00
Reaquired Bonds (222)		
Advances from Associated Companies (223)		
Other Long-Term Debt (224)	\$430,514.00	\$377,519.00
Total Long Term Debt	\$2,156,964.00	\$1,680,619.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)	\$95,292.00	\$82,774.00
Notes Payable (232)		
Accounts Payable to Associated Co. (233)	\$74.00	\$54.00
Notes Payable to Associated Co (234)		
Customer Deposits (235)	\$57,802.00	\$60,842.00
Accrued Taxes (236)	\$1,295.00	\$1,679.00
Accrued Interest (237)	\$705.00	\$547.00
Matured Long-Term Debt (239)		
Matured Interest (240)		
Tax Collections Payable (241)	\$3,781.00	\$3,645.00
Misc. Current and Accrued Liabilities (242)	\$56,789.00	\$59,615.00
Total Current and Accrued Liabilities	\$215,738.00	\$209,156.00
DEFERRED CREDITS		
Unamortized Premium on Debt (251)		
Advances for Construction (252)		
Other Deferred Credits (253)		
Total Deferred Credits		
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (261)		

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Previous Year	Current Year
Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
Total Operating Reserves		
Total Equity Capital and Liabilities	\$14,123,359.00	\$16,907,482.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
UTILITY OPERATING INCOME		
Operating Revenues (400)	\$1,420,132.00	\$1,451,536.00
Operating Expenses (401)	\$1,449,513.00	\$1,518,136.00
Depreciation Expenses (403)	\$417,630.00	\$577,460.00
Amortization of Utility Plant Acquisition Adjustment (406)		
Amortization Expense (407)		
Taxes Other Than Income (408.10-408.13)	\$2,689.00	\$2,735.00
Utility Operating Expenses	\$1,869,832.00	\$2,098,331.00
Utility Operating Income	(\$449,700.00)	(\$646,795.00)
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)		
Total Utility Operating Income	(\$449,700.00)	(\$646,795.00)
OTHER INCOME AND DEDUCTIONS		
Revenues From Merchandising, Jobbing and contract work (415)		
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)		
Interest and Dividend Income (419)	\$60.00	\$7.00
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)	\$110,803.00	\$88,689.00
Miscellaneous Nonutility Expenses (426)		
Total Other Income and Deductions	\$110,863.00	\$88,696.00
TAXES APPLICABLE TO OTHER INCOME		
Taxes Other Than Income (408.20)		
Total Taxes Applic. to Other Income		
INTEREST EXPENSE		
Interest Expense (427)	\$75,556.00	\$70,604.00
Amortization of Debt Discount and Exp. (428)		
Amortization of Premium on Debt (429)		
Total Interest Expense	\$75,556.00	\$70,604.00
EXTRAORDINARY ITEMS		
Extraordinary Income (433)		
Extraordinary Deductions (434)		

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
Total Extraordinary Items		
NET INCOME BEFORE CONTRIBUTIONS	(\$414,393.00)	(\$628,703.00)

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Statement of Retained Earnings (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	(\$4,232,293.00)
Balance transferred from Net Income Before Contributions (435)	(\$628,705.00)
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	(\$4,860,998.00)

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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	\$191,868.00	\$6,467,608.00	\$9,323,474.00	\$15,982,950.00
Credits				
Proceeds from capital contributions (432)	(\$100.00)	\$20,500.00	\$3,875,355.00	\$3,895,755.00
Other Credits (explain)				
Debits (explain - requires Commission Approval)				
Balance End of Year	\$191,768.00	\$6,488,108.00	\$13,198,829.00	\$19,878,705.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Total
Utility Plant in Service (101)	\$20,691,395.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased or Sold (104)	
Construction Work in Progress (105)	
Completed Construction Not Classified (106)	
Total Utility Plant	\$20,691,395.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

Description	Total
Balance First of Year	\$3,505,325.00
Credit during year	
Accruals Charged to Account 108.1	\$577,461.00
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Accounts (specify)	
(specify)	
Salvage Value Recovered on Plant Retired	
Other Credits	
(specify)	
Total Credits	\$577,461.00
Debits during year:	
Book Cost of Plant Retired	
Cost of Removal	
Other Debits	
(specify)	
Total Debits	
Balance at End of Year	\$4,082,786.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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
Organization (301)	\$1,597.00	\$0.00	\$0.00	\$1,597.00	\$1,597.00	\$0.00	\$0.00	\$0.00	\$0.00
Franchises (302)	\$840.00	\$0.00	\$0.00	\$840.00	\$840.00	\$0.00	\$0.00	\$0.00	\$0.00
Land and Land Rights (303)	\$29,112.00	\$0.00	\$0.00	\$29,112.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,112.00
Structures and Improvements (304)	\$160,068.00	\$2,600.00	\$0.00	\$162,668.00	\$0.00	\$0.00	\$0.00	\$0.00	\$162,668.00
Collecting and Impounding Reservoirs (305)									
Lakes, Rivers and Other intakes (306)									
Wells and Springs (307)	\$10,508.00	\$0.00	\$0.00	\$10,508.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Infiltration Galleries and Tunnels (308)									
Supply Mains (309)									
Power Generation Equipment (310)									
Pumping Equipment (311)	\$802,569.00	\$539,147.00	\$0.00	\$1,341,716.00	\$0.00	\$1,341,716.00	\$0.00	\$0.00	\$0.00
Water Treatment Equipment (320)	\$141,978.00	\$0.00	\$0.00	\$141,978.00	\$0.00	\$0.00	\$141,978.00	\$0.00	\$0.00
Distribution Reservoirs and Standpipes (330)	\$1,904,221.00	\$448,360.00	\$0.00	\$2,352,581.00	\$0.00	\$0.00	\$0.00	\$2,352,581.00	\$0.00
Transmission and Distribution Mains (331)	\$13,316,833.00	\$2,164,577.00	\$0.00	\$15,479,838.00	\$0.00	\$0.00	\$0.00	\$15,479,838.00	\$0.00
Services (333)									
Meters and Meter Installations (334)	\$579,863.00	\$65,939.00	\$0.00	\$645,802.00	\$0.00	\$0.00	\$0.00	\$645,802.00	\$0.00
Hydrants (335)									
Backflow Prevention Devices (336)									

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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
Other Plant and Misc. Equipment (339)	\$29,395.00	\$0.00	\$0.00	\$29,395.00	\$0.00	\$0.00	\$0.00	\$0.00	\$29,395.00
Office Furniture and Equip. (340)	\$56,461.00	\$0.00	\$0.00	\$56,461.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56,461.00
Transportation Equipment (341)	\$85,325.00	\$0.00	\$0.00	\$85,325.00	\$0.00	\$0.00	\$0.00	\$0.00	\$85,325.00
Stores Equipment (342)									
Tools, Shop and Garage Equip (343)									
Laboratory Equipment (344)									
Power Operated Equipment (345)	\$83,172.00	\$0.00	\$0.00	\$83,172.00	\$0.00	\$0.00	\$0.00	\$0.00	\$83,172.00
Communication Equipment (346)		\$270,402.00	\$0.00	\$270,402.00	\$0.00	\$270,402.00	\$0.00	\$0.00	\$0.00
Miscellaneous Equipment (347)									
Other Tangible Plant (348)									
Total Water Plant	\$17,201,942.00	\$3,491,025.00	\$0.00	\$20,691,395.00	\$2,437.00	\$1,612,118.00	\$141,978.00	\$18,478,221.00	\$446,133.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Balance Beg	Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Organization (301)		\$1,130.00	\$40.00	\$0.00	\$0.00	\$0.00	\$1,170.00
Franchises (302)		\$596.00	\$21.00	\$0.00	\$0.00	\$0.00	\$617.00
Land and Land Rights (303)							
Structures and Improvements (304)		\$44,728.00	\$6,114.00	\$0.00	\$0.00	\$0.00	\$50,842.00
Collecting and Impounding Reservoirs (305)							
Lake, River and Other Intakes (306)							
Wells and Springs (307)		\$10,507.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,507.00
Infiltration Galleries and Tunnells (308)							
Supply Mains (309)							
Power Generating Equipment (310)							
Pumping Equipment (311)		\$178,896.00	\$71,720.00	\$0.00	\$0.00	\$0.00	\$250,616.00
Water Treatment Equipment (320)		\$81,162.00	\$2,956.00	\$0.00	\$0.00	\$0.00	\$84,118.00
Distributions Reservoirs and Standpipes (330)		\$436,872.00	\$97,212.00	\$0.00	\$0.00	\$0.00	\$534,081.00
Transmission and Distribution Mains (331)		\$2,499,571.00	\$357,455.00	\$0.00	\$0.00	\$0.00	\$2,857,026.00
Services (333)							
Meters and Meter Installations (334)		\$46,390.00	\$25,833.00	\$0.00	\$0.00	\$0.00	\$72,223.00
Hydrants (335)							
Backflow Prevention Devices (336)							
Other Plant and Miscellaneous Equipment (339)		\$29,296.00	\$99.00	\$0.00	\$0.00	\$0.00	\$29,395.00
Office Furniture and Equip. (340)		\$39,559.00	\$5,520.00	\$0.00	\$0.00	\$0.00	\$45,079.00
Transportation Equipment (341)		\$75,943.00	\$2,715.00	\$0.00	\$0.00	\$0.00	\$78,658.00
Stores Equipment (342)							

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Balance Beg Yr(c)	Cr-Chg Dep Exp(d)	Other Credits (e)	Charges-Plant Ret(f)	Other Charges (g)	Balance End Yr (h)
Tools, Shop and Garage Equip (343)						
Laboratory Equipment (344)						
Power Operated Equipment (345)	\$60,675.00	(\$10,251.00)	\$0.00	\$0.00	\$0.00	\$50,424.00
Communication Equipment (346)		\$18,027.00	\$0.00	\$0.00	\$0.00	\$18,027.00
Miscellaneous Equipment (347)						
Other Tangible Plant (348)						
Totals	\$3,505,325.00	\$577,461.00	\$0.00	\$0.00	\$0.00	\$4,082,783.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

Description	Total
Balance First of Year	\$0.00
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	\$0.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Utility Plant Acquisition Adjustments (Accts. 114-115) (Ref Page: 16)

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

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Description	Total
Accounts and Notes Receivable	
Customer Accounts Receivable (141)	\$192,899.00
Other Accounts Receivable (142)	
Total Other Accounts Receivable	\$0.00
Notes Receivable (144)	
Total Notes Receivable	
Total Accounts and Notes Receivable	\$192,899.00
Accumulated Provision for Uncollectible Accounts (143)	
Balance First of Year	
Add:	
Provision for uncollectibles for current year	
Collections of accountst previously written off	
Other	
(specify)	
Total Additions	
Deduct accounts written off during year:	
Other	
(specify)	
Total Deductions	
Balance end of Year	
Total Accounts and Notes Receivable - Net	\$192,899.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Investments and Special Funds (Ref Page: 17)

Description (a)	Face or Par Value (b)	Year End Book Cost
Investment in Associated Companies (123)	\$0.00	\$0.00
Total Investment in Associated Companies		
Utility Investments (124)	\$0.00	\$0.00
Total Utility Investments		
Other Investments (125)		
Total Other Investments		
Sinking Funds (126)		
Total Sinking Funds		
Other Special Funds (127)		
Total Other Special Funds	\$0.00	\$0.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Total
Plant Materials and Supplies (151)	\$0.00
Merchandise (152)	\$0.00
Other Materials and Supplies (153)	\$0.00
Total Materials and Supplies	\$0.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

Description	Total
Prepaid Insurance	\$16,884.00
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments	
(Specify)	
Total Prepayments	\$16,884.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Total
Miscellaneous Deferred Debits (186)	\$0.00
Deferred Rate Case Expense (186.1)	\$0.00
Other Deferred Debits (186.2)	\$0.00
Regulatory Assets (186.3)	\$0.00
Total Miscellaneous Deferred Debits	\$0.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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)	\$0.00	\$0.00
Total Unamortized Debt Discount and Expense	\$0.00	\$0.00
Unamortized Premium on Debt (251)	\$0.00	\$0.00
Total Unamortized Premium on Debt	\$0.00	\$0.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

Description	Total
Extraordinary Property Losses (182)	
(Specify)	\$0.00
Total Extraordinary Property Losses	\$0.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Total
Balance First of Year	\$0.00
Add credits during year	\$0.00
Deduct charges during year	\$0.00
Balance end of year	\$0.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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)
KIA NOTE	11/24/04	11/24/24	3.0000	\$5,782.00	\$173,149.00
KIA NOTE	4/10/10	9/20/21	1.0000	\$2,519.00	\$203,458.00
CAT FINANCIAL	12/30/11	1/1/14	4.1000	\$327.00	\$911.00
Total			0.0000	\$8,628.00	\$377,518.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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)
\$150,000.00	\$150,000.00	\$0.00	\$104,000.00	\$5,375.00	\$5,375.00
\$356,000.00	\$356,000.00	\$0.00	\$263,500.00	\$12,195.00	\$12,195.00
\$98,000.00	\$98,000.00	\$0.00	\$70,600.00	\$3,276.00	\$3,276.00
\$225,000.00	\$225,000.00	\$0.00	\$170,500.00	\$7,875.00	\$7,875.00
\$207,000.00	\$207,000.00	\$0.00	\$153,500.00	\$7,110.00	\$7,110.00
\$472,000.00	\$472,000.00	\$0.00	\$379,000.00	\$17,460.00	\$17,460.00
\$217,000.00	\$0.00	\$0.00	\$162,000.00	\$8,550.00	\$8,550.00
Total \$1,725,000.00	\$1,508,000.00	\$0.00	\$1,303,100.00	\$61,841.00	\$61,841.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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)
93R1	2032	5.0000	\$150,000.00	\$46,000.00	\$104,000.00
94A	2034	4.5000	\$356,000.00	\$92,500.00	\$263,500.00
94B	2034	4.5000	\$98,000.00	\$27,400.00	\$70,600.00
95A	2035	4.5000	\$225,000.00	\$54,500.00	\$170,500.00
95B	2035	4.5000	\$207,000.00	\$53,500.00	\$153,500.00
98	2038	4.5000	\$472,000.00	\$93,000.00	\$379,000.00
WALLINS	2038	4.5000	\$217,000.00	\$55,000.00	\$162,000.00
Total			\$1,725,000.00	\$421,900.00	\$1,303,100.00

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

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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			0.0000	\$0.00	\$0.00
			0.0000	\$0.00	\$0.00
Total Account 232					
Account 234 - Notes Payable to Associated Companies			0		
Total Account 234				\$0.00	\$0.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Description	Total
Show Payable to Each Associated Company Separately		
(Specify)	BLACK MOUNTAIN SEWER	\$54.00
Total		\$54.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Total
Balance First of Year	\$1,295.00
Accruals Charged:	
Utility regulatory assessment fees (408.10)	\$2,735.00
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	\$1,679.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total taxes accrued	\$4,414.00
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	\$2,735.00
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	\$1,295.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total Taxes Paid	\$4,030.00
Balance end of year	\$1,679.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

Accrued Interest (Account 237) (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:				
	705.0000	\$70,137.00	\$70,295.00	\$547.00
Notes Payable:				
	0.0000	\$0.00	\$0.00	\$0.00
Customer Deposits:				
	0.0000	\$139.00	\$139.00	\$0.00
Other				
	0.0000	\$327.00	\$327.00	\$0.00
Total Acct. No 237	705.0000	\$70,603.00	\$70,761.00	\$547.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

	Description	Balance End Year
	CITY OF HARLAN SEWER	\$8,636.00
	HARLAN CO. FISCAL COURT GARBAGE	\$50,979.00
Total Miscellaneous Current and Accrued Liabilities		\$59,615.00

20000 Black Mountain Utility District 01/01/2013 - 12/31/2013

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

Description of Case (Docket No.) (a)	Total Incurred During Year (b)	Amt Transferred to Acct 186.1 (c)	Expensed During Year (d)	Acct	Expensed During Year Amount (e)
N/A	\$0.00	\$0.00			\$0.00
Total					

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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)	3,320	3,357	\$1,339,539.00
Sales to Commercial Customers (461.2)	64	56	\$76,278.00
Sales to Industrial Customers (461.3)	14	15	\$28,267.00
Sales to Public Authorities (461.4)			
Sales to Multiple Family Dwellings (461.5)			
Sales through Bulk Loading Stations (461.6)			
Total Metered Sales	3,398	3,428	\$1,444,084.00
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)	1	1	\$7,448.00
Interdepartmental Sales (467)			
Total Sales of Water	0	0	\$1,451,532.00
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			
Total Water Operating Revenues			\$1,451,532.00

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Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	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.
Salaries and Wages-Employees (601)	\$323,234.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$213,469.00	\$66,071.00	\$43,694.00
Salaries and Wages-Officers, Directors and Majority Stockholders (603)									
Employee Pensions and Benefits (604)	\$78,339.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$57,339.00	\$14,000.00	\$7,000.00
Purchased Water (610)	\$711,605.00	\$711,605.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Purchased Power (615)	\$90,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$82,800.00	\$0.00	\$0.00	\$7,200.00
Fuel for Power Production (616)									
Chemicals (618)	\$1,253.00	\$0.00	\$0.00	\$1,253.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Materials and Supplies (620)	\$64,552.00	\$0.00	\$0.00	\$0.00	\$0.00	\$51,798.00	\$0.00	\$0.00	\$12,754.00
Contractual Services - Eng. (631)									
Contractual Services -Acct. (632)	\$15,094.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,094.00
Contractual Services - Legal (633)									
Contractual Services - Management Fees (634)									
Contractual Serves - Water Testing (635)	\$9,482.00	\$9,482.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Contractual Services - Other (636)									
Rental of Bld./Real Property (641)									

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Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	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.
Rental of Equipment (642)									
Transportation Expenses (650)	\$50,768.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$50,768.00	\$0.00	\$0.00
Insurance - Vehicle (656)									
Insurance - General Liability (657)									
Insurance - Worker's Compensation (658)	\$11,331.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,831.00	\$0.00	\$500.00
Insurance - Other (659)	\$19,349.00	\$0.00	\$0.00	\$0.00	\$0.00	\$19,349.00	\$0.00	\$0.00	\$0.00
Advertising Expenses (660)	\$3,002.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,002.00	\$0.00
Regulatory Commission Exp.									
- Amortization of Rate Case (666)									
-Other (667)									
Water Resource Conservation Expense (668)									
Bad Debt (670)	\$28,119.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,119.00	\$0.00
Miscellaneous Expenses (675)	\$112,008.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54,503.00	\$21,749.00	\$35,756.00
Total	\$1,518,136.00	\$721,087.00	\$0.00	\$1,253.00	\$0.00	\$153,947.00	\$386,910.00	\$132,941.00	\$121,988.00

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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	21,472,200	0	21,472,200	14,236,330
February	25,186,000	0	25,186,000	17,623,710
March	17,443,900	0	17,443,900	12,536,924
April	18,200,600	0	18,200,600	18,958,650
May	21,477,500	0	21,477,500	20,200,850
June	21,523,900	0	21,523,900	13,407,180
July	19,682,400	0	19,682,400	12,909,727
August	19,897,200	0	19,897,200	15,270,310
September	22,902,300	0	22,902,300	12,569,470
October	19,010,000	0	19,010,000	11,655,057
November	19,956,800	0	19,956,800	11,790,230
December	20,424,400	0	20,424,400	13,102,290
Total for the year	247,177,200	0	247,177,200	174,260,728

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

Gallons

Date

Maximum Gallons pumped by all methods in any one day (Omit
000's)

Minimum Gallons pumped by all methods in any one day (Omit
000's)

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

List

If water is purchased indicate the following:

Vendor:	harlan municipal water works; city of evarts waterworks; pineville utility commission
Point of Delivery	harlan, ky; evarts, ky; pineville ky

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

Entity Receiving Water

Maximum Daily

Maximum Monthly

If water is sold to other water utilities for redistribution, identify all entities with whom the utility has a water sales contract and the maximum quantity the utility is under contract

to provide daily and monthly. If unlimited then list "unlimited" otherwise list in thousands of gallons.

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

Company	Gallons (Omit 000's)	Avg. Rate Per 1000 Gallons (Cents)	Amount
---------	----------------------	------------------------------------	--------

Total

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Water Statistics (Ref Page: 30)

Gallons (Omit 000's)

Percent

	Gallons (Omit 000's)	Percent
1. Water Produced, Purchased and Distributed		
2. Water Produced		
3. Water Purchased	247,177,200	
4. Total Produced and Purchased	247,177,200	
6. Water Sales:		
7. Residential	167,290,299	
8. Commercial	871,304	
9. Industrial	6,099,125	
10. Bulk Loading Stations		
11. Resale		
12. Other Sales		
13. Total Water Sales	174,260,278	
15. Other Water Used		
16. Utility/water treatment plant		
17. Wastewater plant		
18. System flushing	18,000,000	
19. Fire department	1,000,000	
20. Other		
21. Total Other Water Used	19,000,000	
23. Water Loss:		
24. Tank Overflows	6,000,000	
25. Line Breaks	12,000,000	
26. Line Leaks	35,916,472	
27. Other		
28. Total Line Loss	59,916,472	
Note: Line 13 + Line 21 + Line 28 must equal Line 4		
32. Water Loss Percentage		
33. Line 28 divided by Line 4.		24.2400

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Plant Statistics (Ref Page: 31)

Give the following information

Number of fire hydrants, by size	N/A
Number of private fire hydrants, by size	N/A
If produced whether water supply is river, impounded streams, well, springs, artificial lake, or collector well	N/A
If produced whether supply is by gravity, pumping or a combination	N/A
Type, capacity, and elevation of reservoirs at overflow and ground level	N/A
Miles of main by size and kind	UNKNOWN
Types of fillers: gravity or pressure, number of units and total rated in capacity in gal. per min.	UNKNOWN
Type of disinfectant, number of units and capacity in pounds per 24 hours	N/A
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	UNKNOWN
Quantity of fuel used: coal in lbs., gas in cu.ft., oil in gals., and electric in KWH	ELECTRIC
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	NONE
Capacity of clear well	N/A
Peak month, in gallons of water sold	MAY
Peak day, in gallons of water sold	UNKNOWN

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Plant Statistics - Part B (Ref Page: 31)

Type

Choose one to indicate the type of Water Supply

Well

Plant Statistics - Part C (Ref Page: 31)

Type

Choose one to indicate the type of Water Supply Method

Pumping

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CheckList

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: Net Utility Plants Accts 101-106 (ref pg 13) Line: Total Utility Plant	20691396.00	20691395.00	NO	rounding
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	4082785.00	4082783.00	NO	rounding
Accts 114-115 Utility Plant Acquisition Adjustments agrees with Sched: Utility Plant Aquisition Adjustments (ref pg 16) Line: Net Acquisition Adjustments (114-115)	0	0.0000	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	0	0.0000	OK	
Accts 141-144 Accounts and Notes Receivable agrees with Sched: Accts and Notes Receivable (ref pg 18) Line: Net Balance141-144	192899.00	192899.00	OK	
Accts 151-153 Material and Supplies agrees with Sched: Material and Supplies (ref pg 19) Line: Total 151-153	0	0.0000	OK	

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CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 162 Prepayments agrees with Sched: Prepayments (ref pg 19) Line: Total 162	16884.00	16884.00	OK	
Accts 181 Unamortized Debt Discount and Expense agrees with Sched: Unamortized Debt Discount and Exp. (ref pg 20) Line: Total 181	0	0.0000	OK	
Accts 182 Extraordinary Prop. losses agrees with Sched: Extraordinary Property Losses (ref pg 21) Line: Total 182	0	0.0000	OK	
Accts 186 Misc. Deferred Debits agrees with Sched: Misc. Deferred Debits (ref pg 20) Line: Total 186	0	0.0000	OK	
Balance Sheet - Equity Capitol and Liabilities (ref. pg 9)				
Accts 214 Appropriated Retained Earnings agrees with Sched: Statement of Retained Earnings (ref pg 12) Line: Total Appropriated Retained Earnings 214	0	0	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	-4860998.00	-4860998.00	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	19878705.00	19878705.00	OK	
Accts 221 Bonds agrees with Sched: Account 221 (ref pg 23) Line: Total Outstanding Bonds Col 4	1303100.00	1303100.00	OK	
Accts 221 Bonds agrees with Sched: Schedule of Bond Maturities (ref pg 23) Line: Total Remaining Bonds (Col 12)	1303100.00	1303100.00	OK	
Accts 224 Other Long Term Debt agrees with Sched: Long Term Debt (ref pg 22) Line: Total Acct 224 col f	377519.00	377518.00	NO	ROUNDING
Accts 232 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 232	0	0	OK	

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CheckList

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	54.00	54.00	OK	
Accts 234 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 234	0	0.0000	OK	
Accts 236 Taxes Accrued Balance First of Year agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Beginning Balance	1295.00	1295.00	OK	
Accts 236 Taxes Accrued agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Ending Balance	1679.00	1679.00	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	705.00	705.00	OK	
Accts 237 Accrued Interest agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance End of Year -Col e	547.00	547.00	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	59615.00	59615.00	OK	
Accts 251 Unamortized Premium on Debt agrees with Sched: Unamort Debt Discount and Expense and Premium on Debt (Accts 181 - 251) (ref pg 20) Line: Total 251	0	0.0000	OK	
Accts 252 Advances for Contruction agrees with Sched: Advances for Contstruction (Accts 252) (ref pg 21) Line: Total 252	0	0.0000	OK	
Total Equity Capital and Liabilities agrees with Balance Sheet - Assets and Other Debits: Total Assets and Other Debits Comparitive Operating Statement (ref pg 10)	16907482.00	16907482.00	OK	

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CheckList

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	1451536.00	1451532.00	NO	rounding
Accts 401 Operating Expenses agrees with Sched: Water Utility Expense Accounts (ref pg 28) Line: Total Accts (601-675) - Col c	1518136.00	1518136.00	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	2735.00	4414.00	NO	
Sum of Accts 408.1 and 408.2 agrees with Sched: Taxes Accrued (Acct 236) (ref pg 25) Line: Total taxes Accrued	2735.00	4414.00	NO	
Accts 427 Interest Expense agrees with Sched: Accrued Interest (Acct 237) (ref pg 25) Line: Total Acct No 237 Col c - Interest Accrued	70604.00	70603.00	NO	ROUNDING
Net Income agrees with Sched: Retained Earnings (Acct 237) (ref pg 12) Line: Balance Transferred from Income (Acct 435)	-628703.00	-628705.00	NO	
Miscellaenous				
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	20691395.00	20691395.00	OK	
The analysis of water utility plant accounts Cols c though 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	0.0000	0	OK	
Schedule of Long Term Debt has been completed (ref pg 22)				

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CheckList

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 opertating 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	247177200	247177200	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	174260728	174260278	NO	
Sched Sales for Resale (ref pg 30) 466 Total Gal agrees with Sched Water Statistics (ref pg 30) Total Water Sales		0	0	OK
Oath Page Has been Completed				

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Upload supporting documents

Document

Description

Supports