

PUBLIC SERVICE COMMISSION
ANNUAL REPORT BRANCH
MAY 4 2012
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FINANCIAL STATEMENTS
CUNNINGHAM WATER DISTRICT
Cunningham, Kentucky
December 31, 2011

HAMMONDS ACCOUNTING AND TAX SERVICE
Box 662
Cunningham, Kentucky 42035

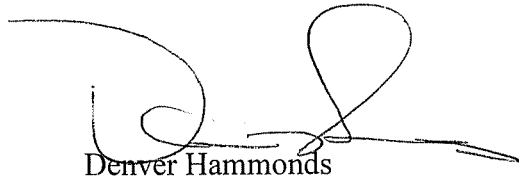
Phone 270-642-2797

April 30, 2012

Commissioners
Cunningham Water District
Cunningham, Kentucky 42035

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

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



Denver Hammonds

Cunningham Water District
Balance Sheet
December 31, 2011

Assets

Utility Plant:

Water Plant - in service - Note B	\$447,181.87
Less accumulated depreciation	<u>236,803.86</u>
	210,378.01

Funds and Investments:

Certificates of deposit	115,538.60
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Current Assets:

Cash - revenue fund	<u>7,069.44</u>
	<u>\$332,986.05</u>

Liabilities

Capitalization:

Accumulated net revenue	(\$14,255.95)
Federal grant-in-aid of construction	
Economic Development Administration	90,340.00
State grant-in-aid	220,000.00
Customer grant-in-aid of construction	<u>36,902.00</u>
	332,986.05

Current Liability - Note A

Notes Payable	<u>0.00</u>
	<u>\$332,986.05</u>

See notes to financial statements

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

Operating Revenues:

Water sales revenues	\$35,243.82
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Operating Expenses:

Water testing		\$3,824.60
Insurance		2,539.09
Legal and accounting		1,200.00
Office supplies and postage expense		1,778.05
Advertising		0.00
Utilities		2,693.93
Materials & Supplies	a/c 620	3,107.05
Chemicals		749.00
Rent		1,200.00
Depreciation		17,099.66
Contractual Services	a/c 630	27,616.70
Dues		0.00
Public Service Commission Assessment		296.47
Miscellaneous		<u>0.00</u>
		<u>62,104.55</u>

Net Operating Revenue	(\$26,860.73)
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Other Revenues:

Interest income - revenue account		\$16.54
Interest income - certificates of deposit		<u>4,078.89</u>
		<u>4,095.43</u>
		(22,765.30)

Interest Expenses:

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

Net Revenues	(22,765.30)
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Accumulated Net Revenues at January 1	<u>8,509.35</u>
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Accumulated Net Revenues at December 31	<u><u>(\$14,255.95)</u></u>
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See notes to financial statements

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

Cash Flows From Operating Activities:

Net revenues (Loss)	(\$22,765.30)
Adjustments to reconcile net revenues (loss) to net cash used by operating activities:	
Depreciation	17,099.66
	<hr/>
Net Cash Used by Operating Activities	(5,665.64)

Cash Flows From Investing Activities:

Plant Improvements	1,375.00
Increase in certificates of deposit	<u>4,078.89</u>
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Net Cash Used by Investing Activities	5,453.89

Cash Flows From Financing Activities:

State grant-in-aid	0.00
Increase in customer grant-in-aid of construction	<u>0.00</u>
	<hr/>
Net Cash Provided (Used) by Financing Activities	0.00

Net Increase (decrease) in Cash (11,119.53)

Cash at beginning of year 18,188.97

Cash at End of Year \$7,069.44

See notes to financial statements

Cunningham Water District
Notes To Financial Statements
December 31, 2011

Note A - Method of Accounting

The financial statements of the Cunningham Water District are prepared primarily using the cash basis of accounting. Revenue is not recorded until received. Interest payable when applicable, as of the balance sheet date, has been recorded as a liability. All other items are accounted for on a strictly cash basis.

Note B - Accounting Policies

Utility Plant

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

Note C - Notes Payable

There are no outstanding notes payable as of December 31, 2011

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