

**GRAYSON COUNTY WATER DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONCLUDED)  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD  
PROGRAMS AUDIT**

**NONCOMPLIANCE**

None

**SIGNIFICANT DEFICIENCIES**

None

**GRAYSON COUNTY WATER DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

**FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENT AUDIT**

**SIGNIFICANT DEFICIENCIES**

Reference Number	Finding	Questioned Costs
06-1	<p><i>Condition:</i> Accounting personnel responsible for the accounting and reporting function lacks the professional training and professional experience to apply generally accepted accounting principles in preparing the District's financial statements.</p> <p><i>Criteria:</i> Deficiencies in the design of controls include the above mentioned condition.</p> <p><i>Effect:</i> The District's controls are deficient due to accounting personnel responsible for the accounting and reporting function lacking the professional training and professional experience to apply generally accepted accounting principles in preparing the District's financial statements.</p> <p><i>Cause:</i> The District has chosen not to have the expertise to properly prepare their financial statements and disclosures.</p> <p><i>Recommendation:</i> The District should consider obtaining the professional training and expertise to apply generally accepted accounting principles in preparing the District's financial statements.</p> <p><i>Response:</i> The District is considering obtaining the professional training and expertise to apply generally accepted accounting principles in preparing the District's financial statements.</p>	None

(CONTINUED)

GRAYSON COUNTY WATER DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONCLUDED)  
FOR THE YEAR ENDED DECEMBER 31, 2006

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD  
PROGRAMS AUDIT

NONCOMPLIANCE

None

(CONCLUDED)

**EXHIBIT 7**

**MONTHLY EXPENSES**

Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Y-T-D
182359.33	173893	177219.07	200622.2	224296.47	203410.57	218988.09	202908.17	187201.22	181141.74	2309615.65
7416.11	6156.17	5732.45	7248.87	8079.3	6268.21	7625.89	6748.59	6762.88	6077.98	81922.77
34733.58	34821.8	33240.11	38874.07	42243.21	38950	46704.06	47114.4	42634.81	37525.39	460829.05
<u>\$ 224,509</u>	<u>\$ 214,871</u>	<u>\$ 216,192</u>	<u>\$ 246,745</u>	<u>\$274,619</u>	<u>\$248,629</u>	<u>\$273,318</u>	<u>\$256,771</u>	<u>\$236,599</u>	<u>\$224,745</u>	<u>\$2,852,367</u>
18451290	17311085	17892570	21621738	24866670	21944789	24148198	21634062	19381530	18304330	241377152
4097300	3401200	3167100	4004900	4463700	3463100	4213200	3728500	3736400	3358000	45261200
4681710	4749080	4469490	5413460	5995100	5420560	6884213	6900890	5820420	5107250	63935253
<u>27,230,300</u>	<u>25,461,365</u>	<u>25,529,160</u>	<u>31,040,098</u>	<u>35,325,470</u>	<u>30,828,449</u>	<u>35,245,611</u>	<u>32,263,452</u>	<u>28,938,350</u>	<u>26,769,580</u>	<u>350,573,605</u>
32036608	29787508	29203012	35432424	41143092	35466480	41851008	38055551	34601113	33349924	412564392
\$ 40,815	\$ 37,949	\$ 37,205	\$ 45,141	\$ 52,416	\$ 45,184	\$ 53,318	\$ 48,483	\$ 44,082	\$ 42,488	\$ 530,540
2690000	2140000	2010000	2235000	2580000	1885000	2550000	2530000	2540000	2595000	28410000
2,116,308	2,186,143	1,663,852	2,157,326	3,237,622	2,753,031	4,055,397	3,262,099	3,122,763	3,985,344	33,580,787
\$2,696	\$2,785	\$2,120	\$2,748	\$4,125	\$3,507	\$5,167	\$4,156	\$3,978	\$5,077	\$43,141
7	9	26	22	19	14	15	16	6	3	147
5780	5802	5793	5810	5786	5803	5849	5840	5875	5850	5812
282	282	308	335	335	334	332	335	337	334	314
<u>6,062</u>	<u>6,084</u>	<u>6,101</u>	<u>6,145</u>	<u>6,121</u>	<u>6,137</u>	<u>6,181</u>	<u>6,175</u>	<u>6,212</u>	<u>6,184</u>	<u>6,126</u>
3,192	2,984	3,089	3,721	4,298	3,782	4,129	3,704	3,299	3,129	3,460
<u>16,602</u>	<u>16,841</u>	<u>14,511</u>	<u>16,160</u>	<u>17,896</u>	<u>16,229</u>	<u>20,736</u>	<u>20,600</u>	<u>17,271</u>	<u>15,291</u>	<u>202,805</u>

\$31.55	\$29.97	\$30.59	\$34.53	\$38.77	\$35.05	\$37.44	\$34.74	\$31.86	\$30.96	\$33.11
\$123.17	\$123.48	\$107.92	\$116.04	\$126.10	\$116.62	\$140.67	\$140.64	\$126.51	\$112.35	\$122.05
\$37.04	\$35.32	\$35.44	\$40.15	\$44.87	\$40.51	\$44.22	\$41.58	\$38.09	\$36.34	\$38.79
08993.93	245186.6	244828.07	268165.67	284865.6	270180.77	276411.33	279577.05	237017.02	239103.77	2996873.51
222096.75	172269.9	222041.79	245717.93	226371.64	135.82	228078.2	224092.28	219913.9	218021.47	2292133.3
<u>\$13,103</u>	<u>\$72,917</u>	<u>\$22,786</u>	<u>\$22,448</u>	<u>\$58,494</u>	<u>\$270,045</u>	<u>\$48,333</u>	<u>\$55,485</u>	<u>\$17,103</u>	<u>\$21,082</u>	<u>\$704,740</u>
390.7	390.7	390.7	390.7	390.7	390.7	390.7	390.7	390.7	390.7	390.7
30.4969	30.5482	30.6964	30.8218	30.9301	31.0099	31.0954	31.1866	31.2208	31.2379	30.457
8.16 \$	6.77 \$	8.70 \$	7.92 \$	6.41 \$	0.00 \$	6.47 \$	6.95 \$	7.60 \$	8.14 \$	6.54
(\$15,515)	\$30,316	\$28,636	\$21,421	\$10,247	\$21,552	\$3,093	\$22,806	\$418	\$14,359	\$144,506
30.5	30.5	30.5	30.7	30.8	30.9	31.0	31.1	31.2	31.2	31.2

*Grayson County Water District*

Monthly Financial Information

**March  
2007**

SAMPLE

**Grayson County Water District**

Monthly Statistics 2007

Revenue - 2007

	Jan	Feb	Mar	Y-T-D
Residential	\$ 175,675	\$ 181,901	\$ 182,359	\$ 539,935
Resale	\$ 7,240	\$ 6,566	\$ 7,416	\$ 21,222
Commercial	\$ 30,421	\$ 33,567	\$ 34,734	\$ 98,721
<b>Total</b>	<b>\$ 213,336</b>	<b>\$ 222,033</b>	<b>\$ 224,509</b>	<b>\$659,879</b>

Water Sold - Gallons

Residential	17,477,700	18,343,190	18,451,290	54,272,180
Resale	4,000,100	3,627,700	4,097,300	11,725,100
Commercial	<u>3,953,780</u>	<u>4,539,300</u>	<u>4,681,710</u>	<u>13,174,790</u>
<b>Total</b>	<b><u>25,431,580</u></b>	<b><u>26,510,190</u></b>	<b><u>27,230,300</u></b>	<b><u>79,172,070</u></b>

Water Purchased / Produced

Gallons	29,893,864.00	31,743,808.00	32,036,608.00	93,674,280.00
Cost	\$ 43,017	\$ 40,442	\$ 40,815	\$ 124,274

GCWD Use & Accounted

Gallons	2,285,000	2,370,000	2,690,000	7,345,000
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Water Lost

Gallons	2,177,284	2,863,618	2,116,308	7,157,210
Cost	\$3,133	\$3,648	\$2,696	\$9,478

Meter Apps.

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Avg Customer Billed

Residential	5,777	5,779	5,780	5,779
Commercial	<u>278</u>	<u>276</u>	<u>282</u>	<u>279</u>
<b>Total</b>	<b><u>6,055</u></b>	<b><u>6,055</u></b>	<b><u>6,062</u></b>	<b><u>6,057</u></b>

Avg Gallons Used

Residential	3,025	3,174	3,192	3,131
Commercial	<u>14,222</u>	<u>16,447</u>	<u>16,602</u>	<u>47,271</u>
<b>Total</b>	<b><u>4,200</u></b>	<b><u>4,378</u></b>	<b><u>4,492</u></b>	<b><u>4,357</u></b>

Avg Revenue Per Customer

Residential	\$30.41	\$31.48	\$31.55	\$31.15
Commercial	<u>\$109.43</u>	<u>\$121.62</u>	<u>\$123.17</u>	<u>\$118.07</u>
<b>Average</b>	<b><u>\$35.23</u></b>	<b><u>\$36.67</u></b>	<b><u>\$37.04</u></b>	<b><u>\$36.31</u></b>

Financial Statement Information

Total Revenue	\$219,810	\$223,427	\$208,412	\$651,649
Expenses	<u>\$184,573</u>	<u>\$189,510</u>	<u>\$214,714</u>	<u>\$588,797</u>
Net Income	<u>\$35,237</u>	<u>\$33,917</u>	<u>(\$6,302)</u>	<u>\$62,852</u>
Distb line	390.7	390.7	390.7	390.7
Svc Line	30.4	30.5	30.5	30.5

Cost Per Thousand

Gallon Sold	\$ 7.26	\$ 7.15	\$ 7.89	\$ 7.44
	\$6,473	\$1,394	(\$16,097)	(\$8,230)
	30.4	30.4	30.5	30.5



# Grayson County Water District

## Statement of Income

Actual - Budget

March 2007

STATEMENT OF INCOME	March Actual	March Budget	Variance Over (Under)	Y-T-D Actual	Y-T-D Budget	Y-T-D Variance Over (Under)
<b>OPERATING INCOME</b>						
Metered Sales	\$ 196,346	\$ 201,718	\$ (5,372)	\$ 615,460	\$ 595,403	\$ 20,057
Forfeited Discounts	\$ 4,283	\$ 4,577	\$ (294)	\$ 12,627	\$ 12,468	\$ 160
Misc. Revenue	\$ 7,783	\$ 14,936	\$ (7,154)	\$ 19,062	\$ 33,253	\$ (14,191)
Other Water Revenue	\$ -	\$ 1,500	\$ (1,500)	\$ 4,500	\$ 4,500	\$ -
Total Operating Income	<u>\$ 208,412</u>	<u>\$ 222,731</u>	<u>\$ (14,319)</u>	<u>\$ 651,649</u>	<u>\$ 645,624</u>	<u>\$ 6,025</u>
<b>OPERATING EXPENSES</b>						
Purchased Water	\$ 21,906	\$ 17,894	\$ 4,012	\$ 70,083	\$ 61,544	\$ 8,540
Supply & Pumping	\$ 6,506	\$ 4,557	\$ 1,949	\$ 18,871	\$ 14,888	\$ 3,982
Water Treatment	\$ 21,396	\$ 25,793	\$ (4,397)	\$ 77,713	\$ 78,205	\$ (492)
Gen. Distribution	\$ 26,969	\$ 13,242	\$ 13,727	\$ 68,578	\$ 43,280	\$ 25,298
Maintenance	\$ 12,698	\$ 14,128	\$ (1,430)	\$ 38,138	\$ 46,442	\$ (8,304)
Customer Accounts	\$ 24,816	\$ 15,060	\$ 9,757	\$ 81,607	\$ 47,805	\$ 33,802
Admin. & General	\$ 24,589	\$ 17,215	\$ 7,374	\$ 61,109	\$ 62,812	\$ (1,703)
Depreciation	\$ 44,515	\$ 46,266	\$ (1,752)	\$ 133,544	\$ 140,741	\$ (7,197)
Total Operating Expense	<u>\$ 183,395</u>	<u>\$ 154,155</u>	<u>\$ 29,241</u>	<u>\$ 549,643</u>	<u>\$ 495,716</u>	<u>\$ 53,926</u>
<b>Net Operating Income</b>	<u>\$ 25,017</u>	<u>\$ 68,576</u>	<u>\$ (43,560)</u>	<u>\$ 102,006</u>	<u>\$ 149,908</u>	<u>\$ (47,901)</u>
<b>NONOPERATING INCOME</b>						
Interest Income	\$ 1,192	\$ 545	\$ 647	\$ 7,216	\$ 2,434	\$ 4,782
Miscellaneous Rev/Exp.	\$ -	\$ -	\$ -	\$ 85,800	\$ -	\$ 85,800
Interest Exp. On Bonds	\$ (32,511)	\$ (23,627)	\$ (8,884)	\$ (132,171)	\$ (85,798)	\$ (46,373)
Miscellaneous Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>NET INCOME (LOSS)</b>	<u>\$ (6,302)</u>	<u>\$ 45,494</u>	<u>\$ (51,796)</u>	<u>\$ 62,852</u>	<u>\$ 66,544</u>	<u>\$ (3,692)</u>

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Accrual Basis

Grayson County Water District  
Statement of Income  
March 2007

	<u>Mar 07</u>	<u>Jan - Mar 07</u>
Ordinary Income/Expense		
Income		
OPERATING REVENUE	208,412.06	651,648.99
Total Income	<u>208,412.06</u>	<u>651,648.99</u>
Gross Profit	208,412.06	651,648.99
Expense		
1 · OPERATING EXPENSES-SUP. & PU...	28,411.79	88,953.96
2 · WATER TREATMENT OP.EXPENSES	21,396.09	77,713.18
3 · DISTRIBUTION OP.EXPENSES	26,969.33	68,577.79
4 · MAINTENANCE OP.EXPENSES	12,698.36	38,137.59
5 · CUSTOMER OP.EXPENSES	24,816.35	81,607.08
6 · G&A OP.EXPENSES	24,588.81	61,108.97
7.403 · Monthly Depreciation Expense	44,514.66	133,543.98
Total Expense	<u>183,395.39</u>	<u>549,642.55</u>
Net Ordinary Income	25,016.67	102,006.44
Other Income/Expense		
Other Income		
OTHER INCOME	1,191.88	7,216.37
400 · GRANT REVENUE RECEIVED	0.00	85,800.00
Total Other Income	<u>1,191.88</u>	<u>93,016.37</u>
Other Expense		
OTHER EXPENSE	<u>32,510.71</u>	<u>132,170.87</u>
Total Other Expense	<u>32,510.71</u>	<u>132,170.87</u>
Net Other Income	<u>(31,318.83)</u>	<u>(39,154.50)</u>
Net Income	<u>(6,302.16)</u>	<u>62,851.94</u>

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Accrual Basis

**Grayson County Water District**  
**Statement of Income**  
**March 2007**

	Mar 07	Jan - Mar 07
Ordinary Income/Expense		
Income		
<b>OPERATING REVENUE</b>		
<b>METERED SALES</b>		
461.1 · Residential	156,684.24	502,763.25
461.2 · Commercial	31,625.40	88,833.56
461.3 · Agriculture	620.23	2,640.30
461.4 · Resale	7,416.11	21,222.43
<b>Total METERED SALES</b>	196,345.98	615,459.54
470.0 · Forfeited Discounts	4,283.45	12,627.30
471.0 · Miscellaneous Service Revenue	7,782.63	19,062.15
474.1 · Other Water Revenues	0.00	4,500.00
<b>Total OPERATING REVENUE</b>	208,412.06	651,648.99
<b>Total Income</b>	208,412.06	651,648.99
<b>Gross Profit</b>	208,412.06	651,648.99
Expense		
<b>1 · OPERATING EXPENSES-SUP. &amp; PUMP</b>		
1003 · Purchase Water	21,905.81	70,713.46
601.1 · S&P-Payroll	2,368.36	7,994.22
604.1 · S&P-Payroll Benefits	996.98	2,078.79
615.1 · Purchase Power	1,615.49	4,811.10
620.1 · S&P Supplies	377.65	377.65
650.1 · S&P-Transportation	385.20	753.78
656.1 · Insurance Vehicle	98.21	286.73
657.1 · Insurance-General Liability	169.14	493.62
659.1 · Insurance-Other	494.95	1,444.61
<b>Total 1 · OPERATING EXPENSES-SUP. &amp; PUMP</b>	28,411.79	88,953.96
<b>2 · WATER TREATMENT OP. EXPENSES</b>		
601.3 · WTP-Payroll	5,170.68	13,711.98
604.3 · WTP-Payroll Benefits	2,176.63	6,382.20
615.3 · WTP-Purchase Power	4,403.97	13,578.11
618.3 · Water Treatment Chemicals	5,522.77	27,167.92
620.3 · WTP-Supplies	1,632.70	3,871.71
620.37 · WTP-Postage	71.89	217.43
635.302 · WTP Operations-Outside Maint.	360.00	2,214.20
635.306 · WTP - Service Agreement	172.26	515.28
635.307 · Lab Test	584.20	3,205.75
635.313 · WTP-Alarms	14.95	44.85
642.3 · Rental Equipment-WTP	0.00	0.00
650.3 · WTP-Transportation	0.00	253.07
656.3 · Insurance-Vehicle	98.21	286.73
657.3 · Insurance-General Liability	169.14	493.62
659.3 · Insurance-Other	494.95	1,444.61
675.3 · WTP-Telephone	91.84	276.27
675.32 · MACHINERY/EQUIPMENT PARTS	0.00	3,389.40
675.335 · WTP-Safety Supplies	431.90	660.05
<b>Total 2 · WATER TREATMENT OP. EXPENSES</b>	21,396.09	77,713.18

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Accrual Basis

**Grayson County Water District**  
**Statement of Income**  
**March 2007**

	Mar 07	Jan - Mar 07
<b>3 · DISTRIBUTION OP. EXPENSES</b>		
601.5 · T&D-Payroll General	8,684.03	25,270.43
601.51 · T&D-Payroll Tank	789.46	2,297.32
601.52 · T&D-Payroll Master Meter	3,157.83	9,189.25
604.5 · T&D-General Payroll Benefits	3,655.59	11,663.97
604.51 · T&D-Tanks Payroll Benefits	332.33	1,060.36
604.52 · T&D-M. Meter Payroll Benefits	1,329.31	4,241.45
615.51 · Tank-Purchase Power	501.51	1,109.18
615.52 · Master Meter-Purchase Power	142.38	466.42
620.5 · General Supplies	2,660.88	1,056.94
635.507 · Lab Test	372.65	2,481.45
650.5 · T&D-General Transportation	4,323.13	6,237.68
650.512 · T&D-Tanks Transportation	154.07	301.50
656.5 · Insurance Vehicle	98.20	286.70
657.5 · Insurance-General Liability	169.13	493.61
659.5 · Insurance-Other	494.96	1,444.62
675.502 · T&D-General Cell Phone	103.87	211.31
675.508 · T&D- General Expendable Tools	0.00	765.60
<b>Total 3 · DISTRIBUTION OP. EXPENSES</b>	<b>26,969.33</b>	<b>68,577.79</b>
<b>4 · MAINTENANCE OP. EXPENSES</b>		
601.6 · T&D-Payroll General Maintenance	7,894.57	22,973.11
604.6 · T&D-Mnt.General Payroll Benefit	3,323.26	10,603.61
635.602 · T&D-General Maintenance	0.00	3,015.90
635.612 · T&D-Outside Maintenance	867.23	867.23
650.6 · T&D-TRANSPORTATION	613.30	677.74
<b>Total 4 · MAINTENANCE OP. EXPENSES</b>	<b>12,698.36</b>	<b>38,137.59</b>
<b>5 · CUSTOMER OP. EXPENSES</b>		
601.7 · CS-Payroll	9,473.48	27,567.73
604.7 · CS-Payroll Benefits	3,987.92	12,724.33
620.7 · CS-Materials & Supplies	2,519.73	8,955.07
620.77 · CS-Postage	10.50	55.34
634.7 · CONTRACTUAL SERVICES-MGEMT FEES	6,098.35	18,325.39
635.702 · CS-Maintenance	200.00	406.00
635.71 · CS-LEGAL/CONSULTANTS	0.00	7,149.00
642.7 · Rental Equipment	0.00	225.00
650.7 · CS-Transportation	2,449.29	5,034.34
670.7 · BAD DEBT EXPENSE	77.08	1,164.88
<b>Total 5 · CUSTOMER OP. EXPENSES</b>	<b>24,816.35</b>	<b>81,607.08</b>
<b>6 · G&amp;A OP. EXPENSES</b>		
601.8 · G&A-Payroll	7,105.11	20,675.80
604.8 · G&A-Payroll Benefits	2,990.94	9,543.25
610.81 · WHSE-Purchase Water	22.32	59.70
615.813 · G&A-Warehouse	399.83	1,191.46
620.8 · G&A-Office Supplies	373.46	1,002.13
620.81 · G&A-Wrhs Supplies	117.24	189.47
620.87 · G&A Postage and Delivery	0.00	435.28
633.8 · Legal/Consultants	7,525.00	8,485.00
635.806 · G&A-Service Agreement	70.18	213.50
635.812 · WHSE-Alarms	14.95	44.85
641.8 · G&A-Rental	917.50	2,752.50
642.8 · Rental Equipment	928.88	2,786.61
650.8 · G&A-Transportation	0.00	33.03
656.8 · Insurance-Vehicle	98.20	286.70
657.8 · Insurance-General Liability	169.13	493.61
659.8 · Insurance-Other	494.96	1,444.62
660.8 · G&A-Advertising	0.00	76.50
675.8 · G&A-Commissioner's Fee	2,500.00	7,500.00
675.806 · G&A-Telephone	265.46	987.91
675.807 · G&A-Other	162.50	392.90
675.816 · WHSE-Telephone	47.00	139.33

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 Accrual Basis

**Grayson County Water District**  
**Statement of Income**  
 March 2007

	Mar 07	Jan - Mar 07
675.832 · G&A-Travel & Ent		
Meals	252.23	523.01
Travel	0.00	968.30
<b>Total 675.832 · G&amp;A-Travel &amp; Ent</b>	<b>252.23</b>	<b>1,491.31</b>
675.833 · G&A-Training	0.00	37.38
675.834 · Membership Dues	0.00	220.00
675.835 · Safety Supplies	133.92	626.13
<b>Total 6 · G&amp;A OP.EXPENSES</b>	<b>24,588.81</b>	<b>61,108.97</b>
7.403 · Monthly Depreciation Expense	44,514.66	133,543.98
<b>Total Expense</b>	<b>183,395.39</b>	<b>549,642.55</b>
<b>Net Ordinary Income</b>	<b>25,016.67</b>	<b>102,006.44</b>
<b>Other Income/Expense</b>		
<b>Other Income</b>		
<b>OTHER INCOME</b>		
419.0 · Interest Income	585.65	5,537.45
419.1 · Interest Income (FAIR)	606.23	1,678.92
<b>Total OTHER INCOME</b>	<b>1,191.88</b>	<b>7,216.37</b>
<b>400 · GRANT REVENUE RECEIVED</b>		
401.3 · RD Grant	0.00	85,800.00
<b>Total 400 · GRANT REVENUE RECEIVED</b>	<b>0.00</b>	<b>85,800.00</b>
<b>Total Other Income</b>	<b>1,191.88</b>	<b>93,016.37</b>
<b>Other Expense</b>		
<b>OTHER EXPENSE</b>		
427.0 · Interest Long Term Debt	32,510.71	132,170.87
<b>Total OTHER EXPENSE</b>	<b>32,510.71</b>	<b>132,170.87</b>
<b>Total Other Expense</b>	<b>32,510.71</b>	<b>132,170.87</b>
<b>Net Other Income</b>	<b>(31,318.83)</b>	<b>(39,154.50)</b>
<b>Net Income</b>	<b>(6,302.16)</b>	<b>62,851.94</b>

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04/13/07

Accrual Basis

**Grayson County Water District**  
**Balance Sheet**  
As of March 31, 2007

	Mar 31, 07
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
CASH/NONRESTRICTED	103,800.48
DEPRECIATION FUNDS	406,578.45
SPECIAL PROJECTS	9,773.87
Total Checking/Savings	520,152.80
Accounts Receivable	
Customer Accounts Receivable	3,045.24
Total Accounts Receivable	3,045.24
Other Current Assets	
ACCOUNTS RECEIVABLE	225,228.02
Less Fair Acct Alloc. for P&I	(254,716.58)
RESTRICTED CASH	335,999.77
1120 · Inventory Asset	131,190.00
135 · Temporary Cash Investments	154,691.03
162 · Prepaid Insurance	9,147.53
Total Other Current Assets	601,539.77
Total Current Assets	1,124,737.81
Fixed Assets	
UTILITY PLANT, AT COST	26,159,700.32
0346 · Communication Equipment	7,463.04
110 · Provision for Accumulated Dep.	(4,995,720.08)
Total Fixed Assets	21,171,443.28
Other Assets	
144 · Note Receivable - Lfield City	88,008.79
Total Other Assets	88,008.79
<b>TOTAL ASSETS</b>	<b>22,384,189.88</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
231 · *Accounts Payable	161,418.63
Total Accounts Payable	161,418.63
Other Current Liabilities	
Account Payable Adjs-Addl payab	73,289.57
223 · KRW-Interim Financing-Project15	66,902.50
235 · Consumer Deposits	78,811.58
237 · Accrued Interest	69,811.70
241 · Tax Collections Payable	89.14
252 · Advances for Construction	322,150.56
271 · Contribution in Aid of Const.	4,238,938.45
Total Other Current Liabilities	4,849,993.50
Total Current Liabilities	5,011,412.13
Long Term Liabilities	
LDB-BACKHOE LOAN	41,640.88
221 · Record Bonds	12,056,237.16
Total Long Term Liabilities	12,097,878.04
Total Liabilities	17,109,290.17

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Accrual Basis

**Grayson County Water District**  
**Balance Sheet**  
As of March 31, 2007

	<u>Mar 31, 07</u>
Equity	
1110 - Retained Earnings	5,212,047.77
Net Income	62,851.94
Total Equity	<u>5,274,899.71</u>
TOTAL LIABILITIES & EQUITY	<u><u>22,384,189.88</u></u>

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 04/13/07  
 Accrual Basis

Grayson County Water District  
**Balance Sheet**  
 As of March 31, 2007

Mar 31, 07

**ASSETS**

Current Assets

Checking/Savings

CASH/NONRESTRICTED

0001 · Revenue Account	98,406.84
0002 · Depreciation Account	181.72
0003 · O&M Account	5,111.92
2000 · Petty Cash	100.00

Total CASH/NONRESTRICTED 103,800.48

DEPRECIATION FUNDS

BANK OF CLARKSON	2,523.61
KIA Reserve Account	149,338.26
0010 · Fair Account	254,716.58

Total DEPRECIATION FUNDS 406,578.45

SPECIAL PROJECTS

Project 15	8,283.87
Project 16	1,490.00

Total SPECIAL PROJECTS 9,773.87

Total Checking/Savings 520,152.80

Accounts Receivable

Customer Accounts Receivable	3,045.24
------------------------------	----------

Total Accounts Receivable 3,045.24

Other Current Assets

ACCOUNTS RECEIVABLE

Account Receivable Customer	89,944.23
Accounts Receivable WRECC Revenue	23,353.56
Unbilled Revenue YE Adj	(39.98)
142.1 · Others Accounts Receivable	111,953.99
143 · Uncollected Accounts	(77.08)
143.1 · Provision for Uncollectable	68,571.19
	(68,477.89)

Total ACCOUNTS RECEIVABLE 225,228.02

Less Fair Acct Alloc. for P&I (254,716.58)

RESTRICTED CASH

Corp Trust Administrator

SERIES 2001D ADMIN	13,523.32
SERIES 2004B ADMIN	67,759.87

Total Corp Trust Administrator 81,283.19

126 · Sinking Funds

Depr Funds Fair Acct-Set Aside	179,348.03
Record Bond 1995	8,499.99
Record Bond 1997	5,749.98
Record Bond 1999	3,249.99
Record Bond 2002	1,624.98
Record Interest 1995	12,817.65
Record Interest 1997	14,973.99
Record Interest 1999	10,473.99
Record Interest 2002	5,827.98
Record Interest 2005	12,150.00

Total 126 · Sinking Funds 254,716.58

Total RESTRICTED CASH 335,999.77

1120 · Inventory Asset 131,190.00

135 · Temporary Cash Investments

Cecilian Bank-CD-KIA	103,828.67
Wilson & Muir CD	50,862.36

Total 135 · Temporary Cash Investments 154,691.03



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Accrual Basis

**Grayson County Water District**  
**Balance Sheet**  
As of March 31, 2007

	Mar 31, 07
162 · Prepaid Insurance	9,147.53
<b>Total Other Current Assets</b>	<b>601,539.77</b>
<b>Total Current Assets</b>	<b>1,124,737.81</b>
<b>Fixed Assets</b>	
<b>UTILITY PLANT, AT COST</b>	
0032 · Land and Land Rights	46,535.55
0033 · Land & Land Rights-WTP	130,600.00
0112 · Electric Pumping Equipment	349,872.35
0304 · Distribution Reservoirs	919,867.54
0314 · Transmission & Distribution	14,194,897.83
0324 · SCADA System	275,671.19
0334 · Services	
334 · Meters and Meter Installations	105,767.90
0334 · Services - Other	812,706.55
<b>Total 0334 · Services</b>	<b>918,474.45</b>
0335 · GPS Mapping System	26,145.93
0344 · Meters in service	251,034.03
0345 · Meter Installation	1,326,270.35
0354 · Hydrants	67,955.29
0392 · Other Pumping Equipment	5,740.00
0405 · Office Furniture and Equipment	39,840.39
0415 · Transportation Equipment	271,313.56
0435 · Tools & Shop Equipment	
<b>METER BENCH</b>	12,725.00
0435 · Tools & Shop Equipment - Other	47,766.61
<b>Total 0435 · Tools &amp; Shop Equipment</b>	<b>60,491.61</b>
0475 · Miscellaneous Equipment	186,152.46
0481 · Water Treatment Plant	4,237,165.91
0482 · Garage/Small Buildings	30,402.93
1034 · Land & Land Rights-Transport.	12,300.35
105 · Construction WIP-Work Order	
Construction WIP-Ohio Cty Wtr	3,568.00
Construction WIP - Project 15	2,440,002.40
Construction WIP - Project 16	14,656.25
<b>NEW WAREHOUSE/MNT BUILDING</b>	
NEW BUILDING CONTRACT LABOR	11,675.00
NEW WAREHOUSE/MNT BUILDING - Other	332,887.00
<b>Total NEW WAREHOUSE/MNT BUILDING</b>	<b>344,562.00</b>
<b>Total 105 · Construction WIP-Work Order</b>	<b>2,802,788.65</b>
465 · Communication Equipment	496.00
485 · TRUCK MAP COMPUTER	5,683.95
<b>Total UTILITY PLANT, AT COST</b>	<b>26,159,700.32</b>
0346 · Communication Equipment	7,463.04
110 · Provision for Accumlated Dep.	(4,995,720.08)
<b>Total Fixed Assets</b>	<b>21,171,443.28</b>
<b>Other Assets</b>	
144 · Note Receivable - Lfield City	88,008.79
<b>Total Other Assets</b>	<b>88,008.79</b>
<b>TOTAL ASSETS</b>	<b>22,384,189.88</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
231 · *Accounts Payable	161,418.63
<b>Total Accounts Payable</b>	<b>161,418.63</b>

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 04/13/07  
 Accrual Basis

**Grayson County Water District**  
**Balance Sheet**  
 As of March 31, 2007

	Mar 31, 07
<b>Other Current Liabilities</b>	
Account Payable Adjs-Addl payab	73,289.57
223 · KRW-Interim Financing-Project15	66,902.50
235 · Consumer Deposits	78,811.58
237 · Accrued Interest	
KIA Interest	15,994.96
2370 · Interest accrued RD	33,668.34
2371 · Accrued Interest-KRW-RD Interim	19,946.94
2375 · Accrued Interest-Consumer Dep.	201.46
<b>Total 237 · Accrued Interest</b>	<b>69,811.70</b>
241 · Tax Collections Payable	
0004 · Kentucky Sales Tax	89.14
<b>Total 241 · Tax Collections Payable</b>	<b>89.14</b>
252 · Advances for Construction	
Arnold Small Extension	4,097.85
Beaver Creek Land Store	2,197.82
Breezy Hill Subdivision	1,785.70
Brentwood Apts.-Clayton Watkins	2,706.72
Carmel Clemons Extension	1,189.50
Customer Advances-Proj. 11	84,375.00
Escue-Frank & Tubb	4,263.07
Evelyn Arnett Farm Extension	14,550.00
Falling Rock Subdivision	16,406.06
Fraim Subdivision	1,970.27
Glenn David & Goff Sub	7,040.00
Green Farm Development	2,966.08
Harten Willis Farm	4,822.19
Hickory Flats Road	818.83
Highland Oaks Subdivision	6,258.14
James L. Clemons Extension	2,579.78
John Kiper Sub/Maple Leaf Estat	5,922.78
Langley Estates	1,667.38
Lilac Road-RC Constant	7,572.54
Lindon Kessinger-Oak Leaf	2,207.69
Logsdon Cemetery Road Extension	1,755.00
Lyndell Stanton Extension	5,063.06
Maxwell Gibson	492.22
Meadow View Estates	3,399.60
Mike Darst-Bill Davis Rd	2,676.68
Millwood WM Cramer Lumber	5,940.82
Moon & Vincent	192.04
Peter Cave Shores	54,063.52
Ralph Johnson Est.	484.39
Roy Lee Extension	497.69
Sherman Darnell Subdivison	3,926.69
Sherwood Forrest	7,094.95
Smith Subdivision	927.31
Spruce Cove	2,982.49
Sugar Branch Subdivision	3,006.00
TANA LANE EXTENSION	1,777.85
Timberland Subdivision	8,027.45
US 62 Mobile Home Court	2,264.48
Watkins & Lashley - Petty Rd	6,799.38
Whispering Pines	11,690.13
Will's Landing	271.65
Will's Landing 2	2,127.65
252 · Advances for Construction - Other	21,292.11
<b>Total 252 · Advances for Construction</b>	<b>322,150.56</b>

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Accrual Basis

Grayson County Water District  
Balance Sheet  
As of March 31, 2007

	Mar 31, 07
271 · Contribution in Aid of Const.	
2710 · Customer Contributions	1,441,753.60
2711 · Grant Contribution	385,100.00
2712 · Millwood Contribution	14,504.91
2713 · Project 5 Contribution	274,000.00
2714 · Grayson Co Fiscal Court Contrib	94,929.00
2715 · RD Grant Project 10	800,000.00
2716 · State Contribution	529,963.26
2717 · Grants Proj.11 Contribution	45,960.00
2718 · Project 12 Contribution	107,478.50
2719 · Project 13 Contribution	2,575.00
2720 · Misc. New Construction	579,201.63
2722 · NEW BUILDING - BOND	2,127.50
271 · Contribution in Aid of Const. - Other	(38,654.95)
Total 271 · Contribution in Aid of Const.	4,238,938.45
Total Other Current Liabilities	4,849,993.50
Total Current Liabilities	5,011,412.13
Long Term Liabilities	
LDB-BACKHOE LOAN	41,640.88
221 · Record Bonds	
1995 Series	1,709,000.00
1997 Series	1,331,000.00
1999 Series	931,000.00
2001D Series	231,000.00
2002 Series	548,500.00
2004 KIA	3,253,163.45
2004B Series	2,779,000.00
2005 Series	1,350,000.00
Issuance Costs - 2004 B Series	(76,426.29)
Total 221 · Record Bonds	12,056,237.16
Total Long Term Liabilities	12,097,878.04
Total Liabilities	17,109,290.17
Equity	
1110 · Retained Earnings	5,212,047.77
Net Income	62,851.94
Total Equity	5,274,899.71
TOTAL LIABILITIES & EQUITY	22,384,189.88

# Grayson County Water District

## Bad Debt Report for April Board Meeting

Bad Debt Write off for accounts with disconnect dates thru 12/31/06 \$446.69

Uncollectible accounts collected by GCWD Employees \$366.37

Uncollectible accounts collected by Online Collections \$75.33

March-07

SOURCE	BEGIN CYCLE DATE	READ CYCLE DATE	BEGIN METER READ	END METER READ	PRODUCED PURCHASED	SOLD	LOSS / (GAIN)	% LOSS BEFORE ACCOUNTED USE	WATER FOR OWN USE	UNACCOUNTED FOR WATER LOSS	THIS MONTH % AFTER ACCOUNTED USE
SALT RIVER ROAD	1/17/2007	2/19/2007	45,013	56,202	4,143,000	4,589,870	(446,870)	-10.8%	128,500	(671,870)	-13.8%
ROCK CREEK	2/28/2007	3/12/2007	3,074	3,711	697,000	666,610	31,190	4.5%	600,000	(18,810)	2.7%
CLARKSON	1/18/2007	2/19/2007	29,908	32,315	1,694,000	988,840	705,360	41.6%	400,000	305,360	18.0%
BIG CIFTY	1/18/2007	2/21/2007	34,243	38,956	4,130,000	3,171,990	958,010	23.2%	275,000	683,010	15.5%
HWY 224	2/19/2007	3/12/2007	54,052	54,635	583,000	497,840	85,160	14.6%	583,000	35,160	6.0%
PETER CAVE SHORES	2/8/2007	3/8/2007	38,230	38,488	11,247,000	9,914,150	1,332,850	11.9%	900,000	432,850	3.8%
LLAC ROAD	2/8/2007	3/8/2007	2,004	2,412	25,800	65,660	(39,860)	-15.5%	5,000	(44,860)	-173.9%
HWY 259 NORTH	2/19/2007	3/9/2007	11,707	12,963	40,800	57,950	(17,150)	-42.0%	0	(17,150)	-42.0%
HWY 259 SOUTH	2/12/2007	3/12/2007	52,380	59,370	1,256,000	978,240	276,760	22.0%	225,000	51,760	4.1%
WATER PLANT	2/12/2007	3/12/2007	524,373,984	642,781,504	13,288,600	1,032,840	(333,840)	-47.8%	60,000	(383,840)	-54.9%
ROCK QUARRY	1/16/2007	2/14/2007	148,837	155,699	5,548,000	3,004,840	2,543,168	45.8%	600,000	1,943,168	35.0%
HWY 187	1/16/2007	2/16/2007	408,318	466,109	282,900	978,310	(695,410)	-245.8%	5,000	(700,410)	-247.6%
RABBIT FLAT	1/16/2007	2/16/2007	70,467	73,630	2,416,100	1,590,500	825,600	34.2%	325,000	500,600	20.7%
RAY PRIDDY ROAD	1/26/2007	2/26/2007	261,941	266,188	3,163,000	1,844,440	1,318,560	41.7%	225,000	1,093,560	34.8%
MOUNTAIN VIEW	2/5/2007	3/5/2007	88,337	101,434	4,248,000	4,129,630	118,370	2.8%	75,000	43,370	1.0%
POST TOUSEY	2/8/2007	3/5/2007	86,784	87,484	1,410,000	2,071,570	(661,570)	-46.9%	55,000	(716,570)	-50.8%
HWY 62 WEST			0	0	1,700,000	1,561,160	138,840	8.2%	225,000	(86,180)	-5.1%
HWY 54			0	0	0	0	0	0	0	0	0
Total Produced Water					18,768,008	15,180,450	3,587,558	19.1%	1,510,000	2,077,558	11.1%
Grand Totals					32,036,608	27,230,290	4,806,318	15.0%	2,690,000	2,116,318	6.6%

**EXHIBIT 8**  
**COST OF SERVICE STUDY**

NA

**EXHIBIT 9**  
**PROPOSED RATES**

# Proposed Water Rates w/ 7 % increase

Based on customer count 2007

**RATE FACTOR 1.07 USAGE FACTOR 1.00**

Residential		Non-Residential 3/4" meter			Increase
Monthly Usage	Average Monthly Usage	No. of Bills	Usage (1000-Gal.)	Annual Income	
From	To				
0	1,500	468	10,992.64	384,248.30	\$1.07
1,500	10,000	3,916	176,258.55	1,577,151.22	minimum per Thousand Gallons.
10,000	50,000	13,164	53,657.37	424,091.06	per Thousand Gallons.
50,000	150,000	53,785	7,852.57	55,867.63	per Thousand Gallons.
150,000	999,999	144,754	2,750.32	17,945.36	per Thousand Gallons.
<b>TOTALS</b>		<b>72754</b>	<b>251,511.45</b>	<b>2,459,303.57</b>	

Annual Residential Water Sales	\$2,298,414.55
Increased Annual Residential Water Sales	\$2,459,303.57
<b>Total Increase</b>	<b>\$160,889.02</b>
<b>Avg. Bill</b>	<b>\$31.59</b>
<b>Incr. Avg. Bill</b>	<b>\$2.21</b>

Non-Residential 3/4" meter		Non-Residential 3/4" meter			Increase
Monthly Usage	Average Monthly Usage	No. of Bills	Usage (1000-Gal.)	Annual Income	
From	To				
0	3,000	350	0.35	27.96	\$1.83
3,000	10,000	3,077	33.85	314.13	minimum per Thousand Gallons.
10,000	50,000	0	0.00	0.00	per Thousand Gallons.
50,000	150,000	0	0.00	0.00	per Thousand Gallons.
150,000	999,999	0	0.00	0.00	per Thousand Gallons.
<b>TOTALS</b>		<b>12</b>	<b>34.20</b>	<b>342.08</b>	

Annual Non Residential 3/4" Water Sales	\$319.71
Increased Annual Residential Water Sales	\$342.08
<b>Total Increase</b>	<b>\$22.37</b>
<b>Avg. Bill</b>	<b>\$26.64</b>
<b>Incr. Avg. Bill</b>	<b>\$1.87</b>



# Proposed Water Rate w/ 7% increase

Based on customer count 2007

**Non-Residential 1.0" meter**  
**RATE FACTOR 1.07 USAGE FACTOR 1.00 INCREASE \$2.84**

Monthly Usage		Average Monthly Usage	No. of Bills	Usage (1000-Gal.)	Annual Income	Increase
From	To					
0	5,000	543	46	24.96	1,997.84	\$2.84
5,000	10,000	4,476	131	586.30	5,158.03	
10,000	50,000	19,308	165	3,185.78	24,196.93	
50,000	150,000	59,858	30	1,795.74	12,596.89	
150,000	500,000	181,470	31	5,625.56	35,368.79	
<b>TOTALS</b>			403	11,218.34	79,318.47	

Annual Non Residential 1.0 "Water Sales	\$74,129.41
Increased Annual Residential Water Sales	\$79,318.47
<b>Total Increase</b>	<b>\$5,189.06</b>
<b>Avg. Bill</b>	<b>\$183.94</b>
<b>Incr. Avg. Bill</b>	<b>\$12.88</b>

**Non-Residential 1.5" meter**

Monthly Usage		Average Monthly	No. of Bills	Usage (1000-Gal.)	Annual Income	Increase
From	To					
0	10,000	3,600	1	3.60	82.11	\$5.37
10,000	50,000	24,081	16	385.30	2,875.93	
50,000	150,000	48,550	2	97.10	701.13	
150,000	500,000	304,881	16	4,878.10	28,818.89	
500,000	999,999	693,575	8	5,548.60	31,045.54	
<b>TOTALS</b>			43	10,912.70	63,523.60	

Annual Non Residential 1.5 "Water Sales	\$59,367.85
Increased Annual Residential Water Sales	\$63,523.60
<b>Total Increase</b>	<b>\$4,155.75</b>
<b>Avg. Bill</b>	<b>\$1,380.65</b>
<b>Incr. Avg. Bi</b>	<b>\$96.64</b>

# Proposed Water Rate w/ 7 % increase

Based on customer count 2007

## RATE FACTOR Multiplier USAGE FACTOR Multiplier

Non-Residential 2.0" meter *				Increase	
First 16,000 Gal. at		\$12.17	minimum	\$8.09	
Next 34,000 Gal. at		\$10.95	per Thousand Gallons.		
Next 100,000 Gal. at		\$6.13	per Thousand Gallons.		
All Over 150,000 Gal. at		\$5.35	per Thousand Gallons.		
Monthly Usage		Average Monthly Usage	No. of Bills	Usage (1000-Gal.)	Annual Income
From	To				
0	16,000	1,879	61	114.60	7,546.52
16,000	50,000	23,163	41	949.70	7,108.65
50,000	150,000	57,718	17	981.20	6,915.15
150,000	500,000	236,563	46	10,881.90	66,041.19
500,000	999,999	525,100	1	525.10	2,979.35
<b>TOTALS</b>			166	13,452.50	90,590.86

Annual Non Residential 2.0 "Water Sales	\$84,664.35
Increased Annual Residential Water Sales	\$90,590.86
<b>Total Increase</b>	<b>\$5,926.51</b>
<b>Avg. Bill</b>	<b>\$510.03</b>
<b>Incr. Avg. Bill</b>	<b>\$35.70</b>

## Non-Residential 3.0" meter

First 30,000 Gal. at		\$20.78	minimum	Increase	
Next 20,000 Gal. at		\$16.95	per Thousand Gallons.	\$14.44	
Next 100,000 Gal. at		\$6.13	per Thousand Gallons.		
All Over 150,000 Gal. at		\$5.35	per Thousand Gallons.		
Monthly Usage		Average Monthly	No. of Bills	Usage (1000-Gal.)	Annual Income
From	To				
0	30,000	10,983	12	131.80	2,649.41
30,000	50,000	0	0	0.00	0.00
50,000	150,000	0	0	0.00	0.00
150,000	500,000	0	0	0.00	0.00
500,000	999,999	1,320,917	12	15,851.00	86,843.64
<b>TOTALS</b>			24	15,982.80	89,493.05

Annual Non Residential 3.0 "Water Sales	\$83,638.36
Increased Annual Residential Water Sales	\$89,493.05
<b>Total Increase</b>	<b>\$5,854.69</b>
<b>Avg. Bill</b>	<b>\$3,484.93</b>
<b>Incr. Avg. Bi</b>	<b>\$243.95</b>

### Proposed Water Rate w/ 7 % increase

Based on customer count 2007

#### RATE FACTOR Multiplier USAGE FACTOR Multiplier

Non-Residential 4.0" meter				Increase
First 50,000 Gal. at		\$3.39/100	minimum	\$23.52
Next 100,000 Gal. at		\$0.73/100	per Thousand Gallons.	
All Over 150,000 Gal. at		\$5.33/100	per Thousand Gallons.	
		\$5.33/100	per Thousand Gallons.	
		\$5.33/100	per Thousand Gallons.	
Monthly Usage	Average Monthly Usage	No. of Bills	Usage (1000-Gal.)	Annual Income
From	To			
0	50,000	9	245.00	3,235.10
50,000	150,000	11	737.00	5,100.53
150,000	500,000	4	540.00	3,569.26
500,000	999,999	0	0.00	0.00
		0	0.00	0.00
<b>TOTALS</b>		24	1,522.00	11,904.89

Annual Non Residential 4.0 "Water Sales	\$11,126.07
Increased Annual Residential Water Sales	\$11,904.89
Total Increase	
Avg. Bill	\$463.59
Incr. Avg. Bill	\$32.45

Non-Residential 6.0" meter				Increase
First 100,000 Gal. at		\$6.66/100	minimum	\$43.57
Next 50,000 Gal. at		\$1.73/100	per Thousand Gallons.	
All Over 150,000 Gal. at		\$5.33/100	per Thousand Gallons.	
		\$5.33/100	per Thousand Gallons.	
		\$5.33/100	per Thousand Gallons.	
Monthly Usage	Average Monthly Usage	No. of Bills	Usage (1000-	Annual Income
From	To			
0	100,000	21	352.00	13,986.23
100,000	150,000	3	387.00	2,531.44
150,000	500,000	0	0.00	0.00
500,000	999,999	0	0.00	0.00
		0	0.00	0.00
<b>TOTALS</b>		24	739.00	16,517.67

Annual Non Residential 6.0 "Water Sales	\$15,437.07
Increased Annual Residential Water Sales	\$16,517.66
Total Increase	
Avg. Bill	\$643.21
Incr. Avg. Bill	\$45.03

**No Change in Wholesale Rate Requested**

For the period, January 1, 2007 to December 31, 2007

**RATE FACTOR Multiplier    USAGE FACTOR Multiplier**

Wholesale					Increase
First 50,000 Gal. at		\$1.81	per Thousand Gallo		\$0.00
Next 100,000 Gal. at		\$1.81	per Thousand Gallons.		
All Over 150,000 Gal. at		\$1.81	per Thousand Gallons.		
		\$1.81	per Thousand Gallons.		
		\$1.81	per Thousand Gallons.		
Monthly Usage		Average	No. of Bills	Usage (1000-Gal.)	Annual Income
From	To	Monthly Usage			
0	50,000	0	0	0.00	0.00
50,000	150,000	0	0	0.00	0.00
150,000	500,000	0	0	0.00	0.00
500,000	999,999	1,257,256	36	45,261.20	81,922.77
		0	0	0.00	0.00
<b>TOTALS</b>			36	45,261.20	81,922.77

Annual Non Residential 4.0 "Water Sales	\$81,922.77
Increased Annual Residential Water Sales	\$81,922.77
<b>Total Increase</b>	<b>\$0.00</b>
<b>Avg. Bill</b>	<b>\$2,275.63</b>
<b>incr. Avg. Bill</b>	<b>\$0.00</b>

<b>Total Water Purchased and/or Produced (Gallons)</b>	<b>50,239,932</b>
--	-------------------

### Grayson County Water District Rate Analysis\*

% Rate Increase	Predicted Annual Revenue	Predicted Increase in Annual
0 (current rate)	\$2,627,097	N/A
1	\$2,653,368	\$26,271
2	\$2,679,639	\$52,542
3	\$2,705,910	\$78,813
4	\$2,732,181	\$105,084
5	\$2,758,452	\$131,355
6	\$2,784,723	\$157,626
7	\$2,810,994	\$183,897
8	\$2,837,265	\$210,168
9	\$2,863,536	\$236,439
10	\$2,889,807	\$262,710

Percent Increase								
2%	3%	4%	5%	6%	7%	8%	9%	10%
\$15.59	\$15.74	\$15.89	\$16.04	\$16.20	\$16.35	\$16.50	\$16.66	\$16.81
\$32.22	\$32.54	\$32.85	\$33.17	\$33.49	\$33.80	\$34.12	\$34.43	\$34.75
\$0.31	\$0.46	\$0.61	\$0.76	\$0.92	\$1.07	\$1.22	\$1.38	\$1.53
\$0.63	\$0.95	\$1.26	\$1.58	\$1.90	\$2.21	\$2.53	\$2.84	\$3.16

Percent Increase								
2%	3%	4%	5%	6%	7%	8%	9%	10%
\$26.65	\$26.91	\$27.18	\$27.44	\$27.70	\$27.96	\$28.22	\$28.48	\$28.74
\$27.17	\$27.44	\$27.71	\$27.97	\$28.24	\$28.50	\$28.77	\$29.04	\$29.30
\$0.52	\$0.78	\$1.05	\$1.31	\$1.57	\$1.83	\$2.09	\$2.35	\$2.61
\$0.53	\$0.80	\$1.07	\$1.33	\$1.60	\$1.86	\$2.13	\$2.40	\$2.66

Percent Increase								
2%	3%	4%	5%	6%	7%	8%	9%	10%
\$41.40	\$41.81	\$42.21	\$42.62	\$43.03	\$43.43	\$43.84	\$44.24	\$44.65
\$87.62	\$189.46	\$191.30	\$193.14	\$194.98	\$196.82	\$198.66	\$200.49	\$202.33
\$0.81	\$1.22	\$1.62	\$2.03	\$2.44	\$2.84	\$3.25	\$3.65	\$4.06
\$3.68	\$5.52	\$7.36	\$9.20	\$11.04	\$12.88	\$14.72	\$16.55	\$18.39

Percent Increase

	2%	3%	4%	5%	6%	7%	8%	9%	10%
\$15.59	\$15.74	\$15.89	\$16.04	\$16.20	\$16.35	\$16.50	\$16.66	\$16.81	\$16.81
\$32.22	\$32.54	\$32.85	\$33.17	\$33.49	\$33.80	\$34.12	\$34.43	\$34.75	\$34.75
\$0.31	\$0.46	\$0.61	\$0.76	\$0.92	\$1.07	\$1.22	\$1.38	\$1.53	\$1.53
\$0.63	\$0.95	\$1.26	\$1.58	\$1.90	\$2.21	\$2.53	\$2.84	\$3.16	\$3.16

Percent Increase

	2%	3%	4%	5%	6%	7%	8%	9%	10%
26.65	\$26.91	\$27.18	\$27.44	\$27.70	\$27.96	\$28.22	\$28.48	\$28.74	\$28.74
27.17	\$27.44	\$27.71	\$27.97	\$28.24	\$28.50	\$28.77	\$29.04	\$29.30	\$29.30
\$0.52	\$0.78	\$1.05	\$1.31	\$1.57	\$1.83	\$2.09	\$2.35	\$2.61	\$2.61
\$0.53	\$0.80	\$1.07	\$1.33	\$1.60	\$1.86	\$2.13	\$2.40	\$2.66	\$2.66

Percent Increase

	2%	3%	4%	5%	6%	7%	8%	9%	10%
41.40	\$41.81	\$42.21	\$42.62	\$43.03	\$43.43	\$43.84	\$44.24	\$44.65	\$44.65
87.62	\$189.46	\$191.30	\$193.14	\$194.98	\$196.82	\$198.66	\$200.49	\$202.33	\$202.33
0.81	\$1.22	\$1.62	\$2.03	\$2.44	\$2.84	\$3.25	\$3.65	\$4.06	\$4.06
3.68	\$5.52	\$7.36	\$9.20	\$11.04	\$12.88	\$14.72	\$16.55	\$18.39	\$18.39

Percent Increase

2%	3%	4%	5%	6%	7%	8%	9%	10%
\$78.27	\$79.04	\$79.81	\$80.58	\$81.34	\$82.11	\$82.88	\$83.65	\$84.41
1,408.26	\$1,422.07	\$1,435.88	\$1,449.68	\$1,463.49	\$1,477.30	\$1,491.10	\$1,504.91	\$1,518.72
\$1.53	\$2.30	\$3.07	\$3.84	\$4.60	\$5.37	\$6.14	\$6.91	\$7.67
\$27.61	\$41.42	\$55.23	\$69.03	\$82.84	\$96.65	\$110.45	\$124.26	\$138.07

Percent Increase

2%	3%	4%	5%	6%	7%	8%	9%	10%
117.93	\$119.09	\$120.24	\$121.40	\$122.56	\$123.71	\$124.87	\$126.03	\$127.18
520.23	\$525.33	\$530.43	\$535.53	\$540.63	\$545.73	\$550.83	\$555.93	\$561.03
\$2.31	\$3.47	\$4.62	\$5.78	\$6.94	\$8.09	\$9.25	\$10.41	\$11.56
\$10.20	\$15.30	\$20.40	\$25.50	\$30.60	\$35.70	\$40.80	\$45.90	\$51.00

Percent Increase

2%	3%	4%	5%	6%	7%	8%	9%	10%
210.47	\$212.53	\$214.59	\$216.66	\$218.72	\$220.78	\$222.85	\$224.91	\$226.97
554.63	\$3,589.48	\$3,624.33	\$3,659.18	\$3,694.03	\$3,728.88	\$3,763.72	\$3,798.57	\$3,833.42
\$4.13	\$6.19	\$8.25	\$10.32	\$12.38	\$14.44	\$16.51	\$18.57	\$20.63
69.70	\$104.55	\$139.40	\$174.25	\$209.10	\$243.95	\$278.79	\$313.64	\$348.49



Percent Increase

%	3%	4%	5%	6%	7%	8%	9%	10%
2.66	\$346.02	\$349.38	\$352.74	\$356.10	\$359.46	\$362.82	\$366.17	\$369.53
2.86	\$477.50	\$482.13	\$486.77	\$491.41	\$496.04	\$500.68	\$505.31	\$509.95
3.72	\$10.08	\$13.44	\$16.80	\$20.16	\$23.52	\$26.88	\$30.23	\$33.59
4.27	\$13.91	\$18.54	\$23.18	\$27.82	\$32.45	\$37.09	\$41.72	\$46.36

Percent Increase

%	3%	4%	5%	6%	7%	8%	9%	10%
4.89	\$641.11	\$647.34	\$653.56	\$659.79	\$666.01	\$672.24	\$678.46	\$684.68
6.07	\$662.51	\$668.94	\$675.37	\$681.80	\$688.23	\$694.67	\$701.10	\$707.53
1.45	\$18.67	\$24.90	\$31.12	\$37.35	\$43.57	\$49.80	\$56.02	\$62.24
1.86	\$19.30	\$25.73	\$32.16	\$38.59	\$45.02	\$51.46	\$57.89	\$64.32

**EXHIBIT 10**

**2007 ANNUAL REPORT**

KENTUCKY PUBLIC SERVICE COMMISSION
REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY
BUSINESS FOR THE YEAR ENDING DECEMBER 31, 20<sup>07</sup>

GRAYSON COUNTY WATER DISTRICT, PO BOX 217, LEITCHFIELD, KY 42755

(Utility Reporting)

(Address)

FEDN # (Federal Employer Identification Number)

Table with 11 columns containing the number 61-1038814

(DO NOT INCLUDE TAXES COLLECTED)

- (1) Gross Revenues of Electric Utility...\$
(2) Gross Revenues of Gas Utility...\$
(3) Gross Revenues of Water Utility...\$ 3,008,732
(4) Gross Revenues of Sewer Utility...\$
(5) Other Operating Revenues...\$
\*\*\* TOTAL GROSS REVENUES...\$ 3,008,732

OATH

State of.....)
) ss.
County of.....)

KEVIN SHAW being duly sworn, states that he/she is
(Officer)
MANAGER of the GRAYSON COUNTY WATER DISTRICT that the above
(Official Title) (Utility Reporting)
report of gross revenues is in exact accordance with GRAYSON COUNTY WATER DISTRICT, and that such
(Utility Reporting)
books accurately show the gross revenues of GRAYSON COUNTY WATER DISTRICT, derived from
(Utility Reporting)
Intra-Kentucky business for the calendar year ending December 31, 20<sup>07</sup>.

(Officer) (Title)
This the \_\_\_\_\_ day of MARCH, 20 08
GRAYSON
(Notary Public) (County) (Commission Expires)

NOTE: ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS REVENUES SHOWN IN THE

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Title Page

Water  
Districts/Associations

Annual Report of

Respondent

GRAYSON COUNTY  
WATER DISTRICT

PO BOX 217

LEITCHFIELD

KY

42755

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Principal Payment and Interest Information



Amount of Principal Payment During Calendar Year	\$1,760,100.00
Is Principal Current?	Y
Is Interest Current?	Y
Has all long-term debt been approved by the Public Service Commission?	Y

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Services Performed by Independent CPA



Are your financial statements examined by a Certified Public Accountant?

Enter Y for Yes or N for No

Y

If yes, which service is performed?

Enter an X on each appropriate line

Audit

X

Compilation

Review

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Additional Requested Information

Name of Utility and Web Address

GRAYSON COUNTY WATER DISTRICT

gcwd@wrecc.com

Contact Name and Email Address

KEVIN SHAW, MANAGER

kevins@wrecc.com

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Additional Information Required





22000 Grayson County Water District 01/01/2007 - 12/31/2007

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.)

GRAYSON COUNTY WATER DISTRICT

22000 Grayson County Water District 01/01/2007 - 12/31/2007

History-Location (Ref Page: 4)

Give the

location, including street and number, and TELEPHONE NUMBER of the principal office in KY.

principal office in KY

GRAYSON COUNTY PO BOX 217

113 S LEE STREET LEITCHFIELD

KY

42755

2702592917

WATER DISTRICT

Give name, title, address and

TELEPHONE

NUMBER of the officer

to whom

correspondence concerning this report should be addressed.

KEVIN SHAW,

SYSTEM

COORDINATOR

PO BOX 217

113 S LEE STREET

LEITCHFIELD

KY

42755

2702592917

Location where books

are located

PO BOX 217

113 S LEE STREET

LEITCHFIELD

KY

42755

2702592917

JEANETTA

CHILDRESS,

BOOKKEEPER

22000 Grayson County Water District 01/01/2007 - 12/31/2007

History-Date Organized (Ref Page: 4)



Date of Organization

07/01/1974

22000 Grayson County Water District 01/01/2007 - 12/31/2007

History-Laws of Organization (Ref Page: 4)



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

Date and Authority for each consolidation and each merger.

N/A

22000 Grayson County Water District 01/01/2007 - 12/31/2007

History-Departments (Ref Page: 4)



State whether respondent is a water district or association

WATER DISTRICT

Name all operating departments other than water

NONE

22000 Grayson County Water District 01/01/2007 - 12/31/2007

History - Counties (Ref Page: 5)

Grayson

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Contacts (Ref Page: 6)

Person to send  
correspondence:

MANAGER SHAW KEVIN PO BOX 217,  
LEITCHFIELD KY 42755

Person who prepared this  
report

CPA VANMETER KAREN PO BOX 4069  
LEITCHFIELD KY 42755

Officers and Managers

CHAIRMAN

TOMES JOHN 1119 READY \$6,000.00 11/21/2010  
WINDYVILLE ROAD,  
CANEYVILLE KY 42721

VICE CHAIRMAN

JOHNSON KIRBY 520 PINE RIDGE ROAD, \$6,000.00 02/15/2011  
LEITCHFIELD KY 42754

SECRETARY

SHARP MEADE 1650 LONE OAK ROAD \$6,000.00 02/15/2011  
CLARKSON KY 42726

TREASURER

CAIN NANCY 3580 MILLERSTOWN RD, \$6,000.00 10/18/2009  
CLARKSON KY 42726

COMMISSIONER

PURCELL MALCOLM 3374 SINKS ROAD \$6,000.00 12/15/2010  
CANEYVILLE KY 42721

GENERAL MANAGER

SHAW KEVIN 36 WATER SITE COURT, \$74,166.09 01/01/9999  
FALLS OF ROUGH KY  
40119

ATTORNEY

GOFF TOM PO BOX 4100 \$0.00 01/01/9999  
LEITCHFIELD KY 42755

22000 Grayson County Water District 01/01/2007 - 12/31/2007  
 Balance Sheet - Assets and Other Debits (Ref Page: 7)

<b>UTILITY PLANT</b>		
Utility Plant (101-106)	\$26,057,385.00	\$26,692,310.00
Less: Accumulated Depreciation and Amortization (108-110)		
Net Plant	\$4,862,176.00	\$5,394,265.00
Utility Plant Acquisition Adjustments (Net) (114-115)	\$21,195,209.00	\$21,208,045.00
Other Utility Plant Adjustments (116)		
Total Net Utility Plant		
<b>OTHER PROPERTY AND INVESTMENTS</b>		
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)	\$343,749.00	\$536,242.00
Other Special Funds (127)	\$405,637.00	\$513,291.00
Total Other Property and Investments	\$749,386.00	\$1,049,533.00
<b>CURRENT AND ACCRUED ASSETS</b>		
Cash (131)	\$26,637.00	\$25,236.00
Special Deposits (132)		
Other Special Deposits (133)		
Working Funds (134)		
Temporary Cash Investments (135)		
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	\$203,273.00	\$217,308.00
Accounts Receivable from Associated Companies (145)		

Notes Receivable from Associated Companies (146)



22000 Grayson County Water District 01/01/2007 - 12/31/2007

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

Stores Expense (161)		
Prepayments (162)	\$17,552.00	\$17,073.00
Accrued Interest and Dividends Receivable (171)		
Rent's Receivable (172)		
Accrued Utility Revenues (173)	\$111,954.00	\$145,329.00
Misc. Current and Accrued Assets (174)		
Total Current and Accrued Assets	\$475,505.00	\$560,097.00
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)		
Extraordinary Property Losses (182)		
Preliminary Survey and Investigation Charges (183)		
Cleaning Accounts (184)		
Temporary Facilities (185)		
Misc. Deferred Debits (186)		
Research and Development Expenditure (187)		
Total Deferred Debits	\$22,420,080.00	\$22,837,675.00
TOTAL ASSETS AND OTHER DEBITS		

22000 Grayson County Water District 01/01/2007 - 12/31/2007  
 Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

<b>EQUITY CAPITAL</b>	
Appropriated Retained Earnings (214)	\$3,040,039.00
Retained Earnings From Income before contributions (215.1)	\$2,713,759.00
Donated Capital (215.2)	\$7,991,614.00
Total Equity Capital	\$10,131,653.00
<b>LONG TERM DEBT</b>	
Bonds (221)	\$5,321,000.00
Reacquired Bonds (222)	
Advances from Associated Companies (223)	
Other Long Term Debt (224)	\$6,667,270.00
Total Long Term Debt	\$11,988,270.00
<b>CURRENT AND ACCRUED LIABILITIES</b>	
Accounts Payable (231)	\$168,776.00
Notes Payable (232)	
Accounts Payable to Associated Co. (233)	
Notes Payable to Associated Co (234)	
Customer Deposits (235)	\$51,034.00
Accrued Taxes (236)	
Accrued Interest (237)	\$70,643.00
Matured Long-Term Debt (239)	
Matured Interest (240)	
Tax Collections Payable (241)	
Misc. Current and Accrued Liabilities (242)	\$7,833.00
Total Current and Accrued Liabilities	\$24,896.00
<b>DEFERRED CREDITS</b>	

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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

Other Deferred Credits (253)		
Total Deferred Credits	\$278,099.00	\$27,456.00
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (261)		
Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
Total Operating Reserves	\$22,420,080.00	\$0.00
Total Equity Capital and Liabilities	\$22,837,678.00	\$22,837,678.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007  
 Comparative Operating Statement (Ref Page: 11)

UTILITY OPERATING INCOME

Operating Revenues (400)	\$2,644,256.00	\$3,068,732.00
Operating Expenses (401)	\$1,548,080.00	\$1,755,151.00
Depreciation Expenses (403)	\$534,176.00	\$532,088.00
Amortization of Utility Plant Acquisition Adjustment (406)	\$3,821.00	\$3,821.00
Amortization Expense (407)		
Taxes Other Than Income (408.10-408.13)	\$3,888.00	\$4,511.00
Utility Operating Expenses	\$2,089,955.00	\$2,295,571.00
Utility Operating Income	\$554,291.00	\$713,161.00
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)		
Total Utility Operating Income	\$554,291.00	\$713,161.00

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)	\$17,161.00	\$33,383.00
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)	\$10,265.00	\$19,314.00
Miscellaneous Nonutility Expenses (426)		
Total Other Income and Deductions	\$27,429.00	\$52,697.00

TAXES APPLICABLE TO OTHER INCOME

Taxes Other Than Income (408.20)		
Total Taxes Applicable to Other Income		

INTEREST EXPENSE

Interest Expense (427)	\$300,270.00	\$430,579.00
------------------------	--------------	--------------

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Comparative Operating Statement (Ref Page: 11)

Amortization of Premium on Debt (429)

Total Interest Expense

\$390,279.00

\$339,578.00

EXTRAORDINARY ITEMS

Extraordinary Income (433)

Extraordinary Deductions (434)

Total Extraordinary Items

NET INCOME BEFORE CONTRIBUTIONS

\$191,441.00

\$326,280.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Statement of Retained Earnings 2002 (Ref Page: 12)

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

\$2,718,759.00

Balance transferred from Net Income Before Contributions (435)

\$326,280.00

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

\$6,040,039.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007  
 Statement of Retained Earnings (cont. 215.2) (Ref Page: 12)

Donated Capital (215.2)			
Balance Beginning of the Year	\$0.00	\$6,705,017.00	\$6,705,017.00
Credits			
Proceeds from capital contributions (432)	\$0.00	\$386,597.00	\$386,597.00
Other Credits (explain)			
Debits (explain - requires Commission Approval)			
Balance End of Year	\$0.00	\$7,091,614.00	\$7,091,614.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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

Utility Plant in Service (101)	\$25,955,536.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased of Sold (104)	\$646,774.00
Construction Work in Progress (105)	
Completed Construction Not Classified (106)	
Total Utility Plant	\$26,602,310.00



22000 Grayson County Water District 01/01/2007 - 12/31/2007  
 Accumulated Depreciation ( Acct. 108) (Ref Page: 13)

Balance First of Year

\$4,862,176.00

Credit during year

Accruals Charged to Account 108.1

Accruals Charged to Account 108.2

Accruals Charged to Account 108.3

Accruals Charged to Other Accounts (specify)

Salvage Value Recovered on Plant Retired

Other Credits

(specify)

Total Credits

\$532,089.00

Debits during year:

Book Cost of Plant Retired

Cost of Removal

Other Debits

(specify)

Total Debits

\$0.00

Balance at End of Year

\$5,394,265.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Water Utility Plant Accounts (Ref Page: 14)

Organization (301)										
Franchises (302)										
Land and Land Rights (303)	\$189,436.00	\$42,199.00	\$0.00	\$231,635.00	\$0.00	\$0.00	\$172,799.00	\$51,650.00	\$7,186.00	
Structures and Improvements (304)	\$30,403.00	\$0.00	\$0.00	\$30,403.00	\$0.00	\$0.00	\$30,403.00	\$0.00	\$0.00	
Collecting and Impounding Reservoirs (305)										
Lakes, Rivers and Other Intakes (306)										
Wells and Springs (307)										
Infiltration Galleries and Tunnels (308)										
Supply Mains (309)										
Power Generation Equipment (310)	\$349,872.00	\$6,811.00	\$0.00	\$356,683.00	\$0.00	\$356,683.00	\$0.00	\$0.00	\$0.00	
Pumping Equipment (311)	\$4,237,166.00	\$3,946.00	\$0.00	\$4,241,112.00	\$0.00	\$4,241,112.00	\$0.00	\$0.00	\$0.00	
Water Treatment Equipment (320)	\$919,868.00	\$2,445,414.00	\$0.00	\$3,365,282.00	\$0.00	\$3,365,282.00	\$0.00	\$3,365,282.00	\$0.00	
Distribution Reservoirs and Standpipes (330)	\$14,194,898.00	\$2,900.00	\$0.00	\$14,197,798.00	\$0.00	\$14,197,798.00	\$0.00	\$14,197,798.00	\$0.00	

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Water Utility Plant Accounts (Ref Page: 14)

Services (333)	\$806,657.00	\$188,042.00	\$0.00	\$994,699.00	\$0.00	\$0.00	\$0.00	\$994,699.00	\$0.00
Meters and Meter Installations (334)	\$1,679,772.00	\$0.00	\$102,468.00	\$1,577,304.00	\$0.00	\$0.00	\$0.00	\$1,577,304.00	\$0.00
Hydrants (335)	\$67,955.00	\$0.00	\$0.00	\$67,955.00	\$0.00	\$0.00	\$0.00	\$67,955.00	\$0.00
Backflow Prevention Devices (336)									
Other Plant and Misc. Equipment (339)	\$307,557.00	\$0.00	\$5,665.00	\$301,892.00	\$0.00	\$0.00	\$0.00	\$301,892.00	\$0.00
Office Furniture and Equip. (340)	\$39,840.00	\$72.00	\$0.00	\$39,912.00	\$0.00	\$0.00	\$0.00	\$39,912.00	\$0.00
Transportation Equipment (341)	\$254,764.00	\$31,735.00	\$0.00	\$286,499.00	\$0.00	\$0.00	\$0.00	\$286,499.00	\$0.00
Stores Equipment (342)									
Tools, Shop and Garage Equip (343)	\$59,561.00	\$931.00	\$0.00	\$60,492.00	\$0.00	\$0.00	\$0.00	\$60,492.00	\$0.00
Laboratory Equipment (344)									
Power Operated Equipment (345)									
Communication Equipment (346)	\$7,959.00	\$0.00	\$0.00	\$7,959.00	\$0.00	\$0.00	\$0.00	\$7,959.00	\$0.00
Miscellaneous Equipment (347)	\$154,312.00	\$41,599.00	\$0.00	\$195,911.00	\$0.00	\$0.00	\$0.00	\$195,911.00	\$0.00
Other Tangible Plant (348)									
Total Water Plant	\$23,300,020.00	\$2,763,640.00	\$108,133.00	\$25,955,536.00	\$0.00	\$4,444,314.00	\$356,883.00	\$20,556,580.00	\$597,959.00



22000 Grayson County Water District 01/01/2007 - 12/31/2007

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

Other Plant and Miscellaneous Equipment (339)	\$26,609.00	\$6,245.00	\$0.00	\$0.00	\$0.00	\$0.00	\$32,854.00
Office Furniture and Equip. (340)	\$5,340.00	\$826.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,166.00
Transportation Equipment (341)	\$24,535.00	\$5,926.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30,461.00
Stores Equipment (342)							
Tools, Shop and Garage Equip (343)	\$6,025.00	\$1,251.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,276.00
Laboratory Equipment (344)							
Power Operated Equipment (345)							
Communication Equipment (346)	\$681.00	\$155.00	\$0.00	\$0.00	\$0.00	\$0.00	\$846.00
Miscellaneous Equipment (347)	\$9,823.00	\$4,052.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,875.00
Other Tangible Plant (348)	\$3,505.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,505.00
Totals	\$4,862,176.00	\$532,089.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,394,265.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007  
Accumulated Amortization ( Acct. 110) (Ref Page: 16)

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

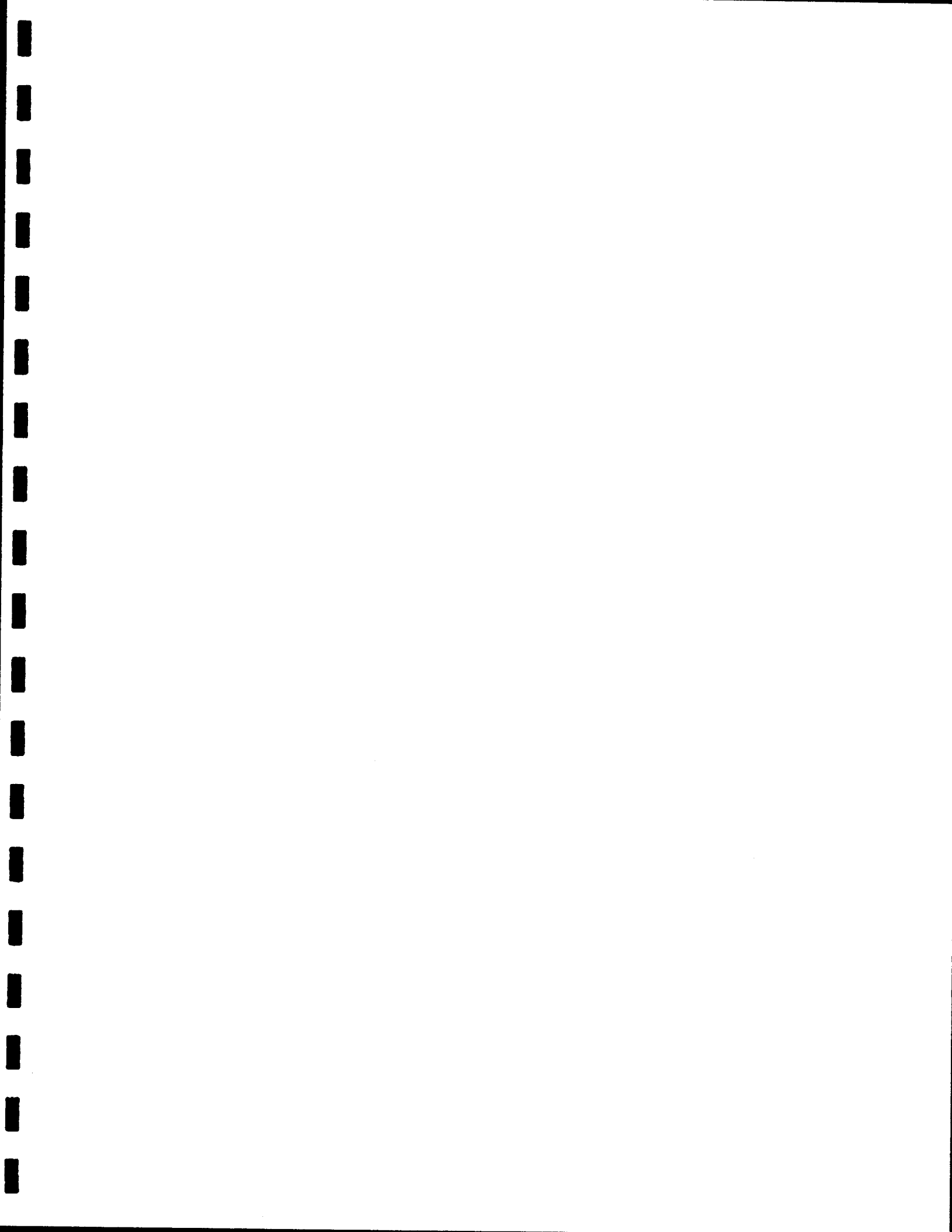
Other Debits

(specify)

Total Debits

Balance end of Year

\$0.00



22000 Grayson County Water District 01/01/2007 - 12/31/2007

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



Acquisition Adjustments (114)

(specify)

Total Plant Acquisition Adjustments

Accumulated Amortization (115)

(specify)

Total Accumulated Amortization

Net Acquisition Adjustments

\$0.00



22000 Grayson County Water District 01/01/2007 - 12/31/2007

Investments and Special Funds (Ref Page: 17)

Investment in Associated Companies (123)

Total Investment in Associated Companies

Utility Investments (124)

Total Utility Investments

Other Investments (125)

Total Other Investments

Sinking Funds (126)

SINKING FUND - BOND & INTEREST

Total Sinking Funds

Other Special Funds (127)

DEPRECIATION FUNDS

SPECIAL PROJECTS

Total Other Special Funds

\$0.00	\$536,242.00
\$0.00	\$536,242.00
\$0.00	\$511,601.00
\$0.00	\$1,490.00
\$0.00	\$513,291.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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

Accounts and Notes Receivable	
Customer Accounts Receivable (141)	\$163,834.00
Other Accounts Receivable (142)	
Total Other Accounts Receivable	\$43,475.00
Notes Receivable (144)	
ACCOUNTS RECEIVABLE - WRECC	\$43,475.00
Total Notes Receivable	\$83,266.00
Total Accounts and Notes Receivable	\$83,266.00
Accumulated Provision for Uncollectible Accounts (143)	\$290,575.00
Balance First of Year	
Add:	\$68,074.00
Provision for uncollectibles for current year	
Collections of account previously written off	\$5,193.00
Other	
(specify)	
Total Additions	\$5,193.00
Deduct accounts written off during year:	
Other	
(specify)	
Total Deductions	\$0.00
Balance end of Year	\$78,267.00
Total Accounts and Notes Receivable - Net	\$217,308.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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

Plant Materials and Supplies (151)

\$175,151.00

Merchandise (152)

Other Materials and Supplies (153)

Total Materials and Supplies

\$175,151.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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

Prepaid Insurance

\$17,073.00

Prepaid Rents

Prepaid Interest

Prepaid Taxes

Other Prepayments

(Specify)

Total Prepayments

\$17,073.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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

Miscellaneous Deferred Debits (186)

Deferred Rate Case Expense (186.1)

Other Deferred Debits (186.2)

Regulatory Assets (186.3)

Total Miscellaneous Deferred Debits

\$0.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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

Unamortized Debt Discount and Expense (181)

Total Unamortized Debt Discount and Expense

Unamortized Premium on Debt (251)

BOND ISSUE COST

Total Unamortized Premium on Debt

(\$72,605.00)

(\$3,821.00)

(\$3,821.00)

(\$72,605.00)

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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



Extraordinary Property Losses (182)

(Specify)

Total Extraordinary Property Losses

\$0.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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

Balance First of Year	\$354,525.00
Add credits during Year	
Deduct charges during year	\$4,464.00
Balance end of year	\$350,061.00



22000 Grayson County Water District 01/01/2007 - 12/31/2007

Long Term Debt (Ref Page: 22)

RURAL DEVELOPMENT LOAN	2002	1-2043	4.2500	\$23,312.00	\$548,500.00
KENTUCKY INFRASTRUCTURE LOAN	6-2001	7-2055	1.6000	\$63,926.00	\$3,076,015.00
KENTUCKY RURAL WATER LOAN	2002	1-2013	4.3000	\$9,626.00	\$231,000.00
KENTUCKY RURAL WATER LOAN	2004	1-2027	2.2800	\$107,999.00	\$2,779,000.00
KENTUCKY RURAL WATER LOAN-INTERIM	2005	2-2007	0.0000	\$25,972.00	\$0.00
LEITCHFIELD DEPOSIT BANK	2005	4-2010	4.1000	\$1,637.00	\$32,755.00
<b>Total</b>			0.0000	\$232,472.00	\$6,667,270.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Bonds - Account 221 (Ref Page: 23)

\$1,857,000.00	\$1,857,000.00	\$0.00	\$1,709,000.00	\$76,906.00	\$38,453.00
\$1,433,000.00	\$1,433,000.00	\$0.00	\$1,331,000.00	\$59,696.00	\$29,978.00
\$990,000.00	\$990,000.00	\$0.00	\$931,000.00	\$41,893.00	\$20,948.00
\$1,350,000.00	\$1,350,000.00	\$0.00	\$1,350,000.00	\$27,844.00	\$0.00
\$5,630,000.00	\$5,630,000.00	\$0.00	\$5,321,000.00	\$206,539.00	\$89,379.00
<b>Total</b>					

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Schedule of Bond Maturities (Ref Page: 23)

1995	1-2034	4.5000	\$1,998,000.00	\$289,000.00	\$1,709,000.00
1997	1-2036	4.5000	\$1,500,000.00	\$169,000.00	\$1,331,000.00
2000	1-2039	4.5000	\$1,000,000.00	\$69,000.00	\$931,000.00
2005	1-2045	4.1250	\$1,350,000.00	\$50.00	\$1,350,000.00
Total			\$5,848,000.00	\$527,000.00	\$5,321,000.00

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

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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



Account 232 - Notes

Payable

0

Total Account 232

\$0.00

Account 234 - Notes

Payable to Associated

Companies

0

Total Account 234

\$0.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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



Show Payable to Each Associated Company Separately

(Specify)

Total

\$0.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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

Balance First of Year	
Accruals Charged:	
Utility regulatory assessment fees (408.10)	\$4,511.00
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total taxes accrued	\$4,511.00
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	\$4,511.00
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total Taxes Paid	\$4,511.00
Balance end of year	\$0.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007  
 Accrued Interest (Account 237) 2002 (Ref Page: 25)

Long Term Debt:

BONDS		\$206,599.00	\$19,346.00	\$17,193.00
KENTUCKY INFRASTRUCTURE AUTHORITY	4880.0000	\$83,926.00	\$84,192.00	\$4,614.00
KENTUCKY RURAL WATER 2001D	5731.0000	\$9,626.00	\$10,238.00	\$5,119.00
RURAL DEVELOPMENT LOAN 2002		\$23,312.00	\$11,655.00	\$1,655.00
KENTUCKY RURAL WATER 2004B	56164.0000	\$107,999.00	\$109,442.00	\$54,721.00
LEITCHFIELD DEPOSIT BANK		\$1,637.00	\$1,637.00	\$0.00
KENTUCKY RURAL WATER LOAN - INTERIM		\$25,972.00	\$25,972.00	\$0.00

Customer Deposits:

Other	3868.0000	\$567.00	\$3,828.00	\$607.00
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Total Acct. No 237

	70643.0000	\$439,578.00	\$316,311.00	\$199,910.00
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22000 Grayson County Water District 01/01/2007 - 12/31/2007

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



\$856.00

KENTUCKY SALES TAX PAYABLE

\$6,206.00

GRAYSON COUNTY TAX PAYABLE

\$7,062.00

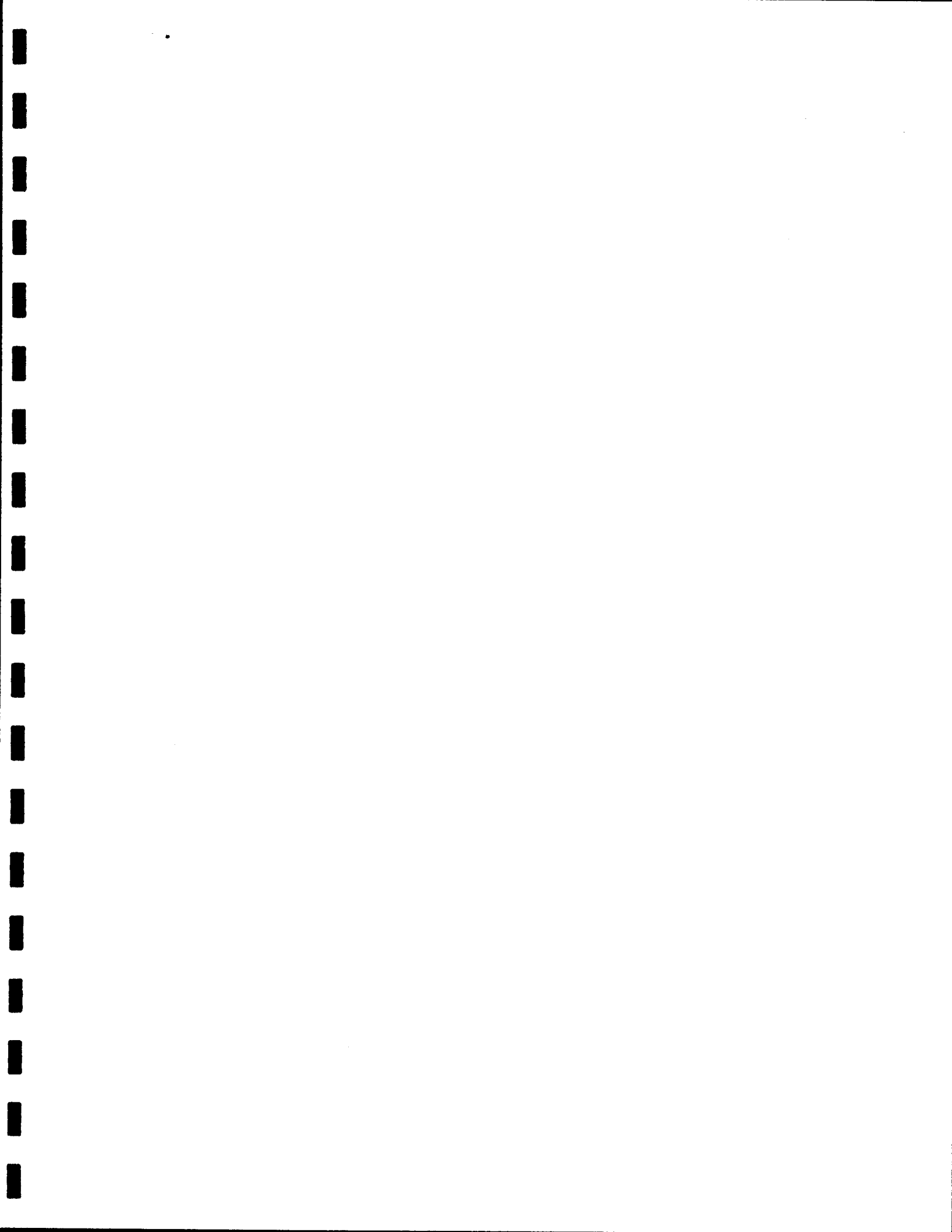
Total Miscellaneous Current and Accrued Liabilities



22000 Grayson County Water District 01/01/2007 - 12/31/2007

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





22000 Grayson County Water District 01/01/2007 - 12/31/2007

Water Operating Revenue (Ref Page: 27)

Operating Revenues			
Unmetered Water Revenue (460)			
Metered Water Revenue (461)			
Sales to Residential Customers (461.1)	5,813	5,850	\$2,457,111.00
Sales to Commercial Customers (461.2)	273	331	\$386,777.00
Sales to Industrial Customers (461.3)			
Sales to Public Authorities (461.4)			
Sales to Multiple Family Dwellings (461.5)			
Sales through Bulk Loading Stations (461.6)			
Total Metered Sales	6,086	6,181	\$2,743,888.00
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)	3	3	\$83,592.00
Interdepartmental Sales (467)			
Total Sales of Water	6,089	6,184	\$2,827,480.00
Other Water Revenues			
Guaranteed Revenues (469)			
Forfeited Discounts (470)			
Miscellaneous Service Revenues (471)			
Rents from Water Property (472)			
Interdepartments Rents (473)			
			\$51,943.00
			\$129,309.00





22000 Grayson County Water District 01/01/2007 - 12/31/2007

Water Utility Expense Accounts (Ref Page: 28)



Water Resource									
Conservation									
Expense (668)									
Bad Debt (670)	\$6,041.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,041.00	\$6,041.00
Miscellaneous	\$61,241.00	\$0.00	\$0.00	\$2,558.00	\$0.00	\$0.00	\$799.00	\$23,238.00	\$28,713.00
Expenses (675)									
Total	\$1,755,151.00	\$390,629.00	\$0.00	\$306,097.00	\$0.00	\$317,334.00	\$145,929.00	\$650,400.00	\$2,433,752.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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

January	13,605	19,606	33,211	25,431
February	14,292	19,529	33,821	26,510
March	13,337	19,498	32,835	27,230
April	13,221	17,829	31,050	25,461
May	15,623	22,167	37,790	25,529
June	15,814	24,339	40,153	31,040
July	15,013	22,853	37,866	35,325
August	15,974	25,584	41,558	30,828
September	14,033	22,250	36,283	35,245
October	15,095	21,210	36,305	32,263
November	13,684	20,038	33,722	28,938
December	14,106	19,866	33,972	26,739
Total for the year	173,797	254,769	428,566	350,569

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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



Maximum Gallons pumped by all methods in any one day (Omit 000's) 1,663

06/17/2007

Minimum Gallons pumped by all methods in any one day (Omit 000's) 856

07/07/2007



22000 Grayson County Water District 01/01/2007 - 12/31/2007  
Pumping and Water Statistics - part three (Ref Page: 29)



If water is purchased indicate the following:

Vendor LEITCHFIELD WATER SEWER & GAS

Point of Delivery

EIGHT (8) METERING POINTS

If water is sold to other water utilities for redistribution,

list names of such utilities below:

CITY OF CANEYVILLE KENTUCKY

22000 Grayson County Water District 01/01/2007 - 12/31/2007

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



CITY OF CANEYVILLE, KENTUCKY

45,261

\$1.81

\$83,592.00

Total

45,261

\$1.81

\$83,592.00

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Water Statistics (Ref Page: 30)



1. Water Produced, Purchased and Distributed

2. Water Produced	254,769
3. Water Purchased	173,797
4. Total Produced and Purchased	428,566
6. Water Sales:	
7. Residential	241,373
8. Commercial	63,935
9. Industrial	
10. Bulk Loading Stations	
11. Resale	45,261
12. Other Sales	
13. Total Water Sales	350,569
15. Other Water Used	
16. Utility/water treatment plant	3,650
17. Wastewater plant	
18. System flushing	23,010
19. Fire department	
20. Other	1,750
21. Total Other Water Used	28,410
23. Water Loss:	
24. Tank Overflows	3,750
25. Line Breaks	14,500
26. Line Leaks	15,330
27. Other	
28. Total Line Loss	33,580

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Water Statistics (Ref Page: 30)



33. Line 28 divided by Line 4

7.8354

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Plant Statistics (Ref Page: 31)

<p>Number of fire hydrants, by size</p>	<p>5 1/4"-157, 4 1/2"-5</p>
<p>Number of private fire hydrants, by size</p>	<p>NONE</p>
<p>If produced whether water supply is river, impounded streams, well, springs, artificial lake, or collector well</p>	<p>LAKE</p>
<p>If produced whether supply is by gravity, pumping or a combination</p>	<p>PUMPING</p>
<p>Type, capacity, and elevation of reservoirs at overflow and ground level</p>	<p>ELEVATED: BIG CLIFTY, CAPACITY: 150,000 GALLONS, OVERFLOW: 960 FEET, GROUND LEVEL: 799 FEET/ELEVATED TANK: CLARKSON, CAPACITY: 200,000 GALLONS, OVERFLOW: 870 FEET, GROUND LEVEL: 742.2 FEET/GROUND STORAGE: BLACK ROCK, CAPACITY: 200,000 GALLONS, OVERFLOW: 870 FEET, GROUND LEVEL: 742.2 FEET/GROUND STORAGE: DUFF, CAPACITY: 500,000 GALLONS, OVERFLOW: 931 FEET, GROUND LEVEL: 891.5 FEET/GROUND STORAGE: HWY 185, CAPACITY: 100,000 GALLONS, OVERFLOW: 933 FEET, GROUND LEVEL: 895 FEET/STANDPIPE: SHREWSBURY, CAPACITY: 116,000 GALLONS, OVERFLOW: 930 FEET, GROUND LEVEL: 860 FEET/GROUND STORAGE: LONE HILL TANK, CAPACITY: 500,000 GALLONS, OVERFLOW: 902.5 FEET, GROUND LEVEL: 813.5 FEET/ELEVATED TANK: DETENTION CENTER, CAPACITY: 500,000 GALLONS, OVERFLOW: 930 FEET, GROUND LEVEL: 793 FEET/ELEVATED TANK: CONKLIN SCHOOL, CAPACITY: 100,000 GALLONS, OVERFLOW: 905 FEET, GROUND LEVEL: 792.5 FEET.</p>
<p>Miles of main by size and kind</p>	<p>10" PVC 16,795 FT, 12" DIP 37,459 FT, 4" PVC 1,678,949 FT, 4" DIP 4,002 FT, 6" PVC 795,220 FT, 6" DIP 2,059 FT, 8" PVC 142,193 FT, 8" DIP 475 FT, 16" PVC 16,694 FT, 2" PVC 2,813 FT, 3" PVC 4,820 FT</p>
<p>Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min.</p>	<p>GRAVITY - TWO (2) UNITS, 16 GPM/SQ FT</p>
<p>Type of disinfectant, number of units and capacity in pounds per 24 hours</p>	<p>GAS CHLORINE FOUR (4) UNITS/200 LB/DAY</p>
<p>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</p>	<p>N/A</p>
<p>Quantity of fuel used: coal in lbs., gas in cu.ft., oil in gals., and electric in KWH</p>	<p>N/A</p>
<p>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</p>	<p>N/A</p>
<p>Capacity of clear well</p>	<p>300,000 GALLONS</p>
<p>Peak month, in gallons of water sold</p>	<p>JULY</p>
<p>Peak day, in gallons of water sold</p>	<p>15</p>

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Plant Statistics - Part B (Ref Page: 31)



Choose one to indicate the type of Water Supply

Combination

22000 Grayson County Water District 01/01/2007 - 12/31/2007

Plant Statistics - Part C (Ref Page: 31)



Choose one to indicate the type of Water Supply Method

Combination

22000 Grayson County Water District 01/01/2007 - 12/31/2007

CheckList (2002)

Item	Value 1	Value 2	Agree	Explain
NOTE: Any mention of page numbers or Line items refers to the annual report published and distributed for the 2002 report period.				
Identifications pages (ref 4-6) have been completed.				
Balance Sheet - Assets and Other Debits (ref. pg 7)				
Utility Plant (Accts 101-106) agrees with Sched:	26602310.00	26602310.00	OK	
Net Utility Plants Accts 101-106 (ref pg 13) Line: Total Utility Plant				
Accts 108-110 Acc. Depreciation and Amort. agrees with Sched: Analysis of Acc. Dep. and Amort. (ref pg 15) Line: Total 301-348 Col h	5394265.00	5394265.00	OK	
Accts 114-115 Utility Plant Acquisition Adjustments agrees with Sched: Utility Plant Acquisition Adjustments (ref pg 16) Line: Net Acquisition Adjustments (114-115)	0	0	OK	
Accts 123 Investment in Assoc. Companies agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total Investment in Associated Companies	0	0	OK	
Accts 124-125 Utility Investments agrees with Sched: Investments and Spec. Funds (ref pg 17) Sum of Lines: 124 Total Utility Investments and 125 Total Other Investments	0	0	OK	
Accts 126 Sinking Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: 126 Total Sinking Funds	536242.00	536242.00	OK	
Accts 127 Other Special Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total 127 Other Special Funds	513291.00	513291.00	OK	
Accts 141-144 Accounts and Notes Receivable agrees with Sched: Accts and Notes Receivable (ref pg 18) Line: Net Balance 141-144	217308.00	217308.00	OK	
Accts 151-153 Material and Supplies agrees with	175151.00	175151.00	OK	



22000 Grayson County Water District 01/01/2007 - 12/31/2007

CheckList (2002)

Item	Value 1	Value 2	Agree	Explain
Accts 162 Prepayments agrees with Sched: Prepayments (ref pg 19) Line: Total 162	17073.00	17073.00	OK	
Accts 181 Unamortized Debt Discount and Expense agrees with Sched: Unamortized Debt Discount and Exp. (ref pg 20) Line: Total 181	0	0	OK	
Accts 182 Extraordinary Prop. losses agrees with Sched: Extraordinary Property Losses (ref pg 21) Line: Total 182	0	0	OK	
Accts 186 Misc. Deferred Debits agrees with Sched: Misc. Deferred Debits (ref pg 20) Line: Total 186	0	0	OK	
Balance Sheet - Equity Capital and Liabilities (ref. pg 9)	0	0	OK	
Accts 214 Appropriated Retained Earnings agrees with Sched: Statement of Retained Earnings (ref pg 12) Line: Total Appropriated Retained Earnings 214	3040039.00	3040039.00	OK	
Accts 215.1 Retained Earnings from Income before Contributions with Sched: Statement of Retained Earnings (ref pg 12) Line: Balance End of Year 215.1	7091614.00	7091614.00	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	5321000.00	5321000.00	OK	
Accts 221 Bonds agrees with Sched: Account 221 (ref pg 23) Line: Total Outstanding Bonds Col 4	5321000.00	5321000.00	OK	
Accts 221 Bonds agrees with Sched: Schedule of Bond Maturities (ref pg 23) Line: Total Remaining Bonds (Col 12)	6667270.00	6667270.00	OK	
Accts 224 Other Long Term Debt agrees with Sched: Long Term Debt (ref pg 22) Line: Total Acct 224 col f	0	0	OK	
Accts 232 Notes Payable agrees with Sched:				

22000 Grayson County Water District 01/01/2007 - 12/31/2007

CheckList (2002)

Item	Value 1	Value 2	Agree	Explain
Accts 233 Accounts Payable to Associated Co. agrees with Sched: Accounts Payable to Assoc. Companies (Accts 233) (ref pg 24) Line: Total Acct 233	0	0	OK	
Accts 234 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 234	0	0	OK	
Accts 236 Taxes Accrued Balance First of Year agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Beginning Balance	0	0	OK	
Accts 236 Taxes Accrued agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Ending Balance	0	0	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	70643.00	70643.00	OK	
Accts 237 Accrued Interest agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance End of Year -Col e	193910.00	193910.00	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	7062.00	7062.00	OK	
Accts 251 Unamortized Premium on Debt agrees with Sched: Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 - 251) (ref pg 20) Line: Total 251	-72605.00	-72605.00	OK	
Accts 252 Advances for Construction agrees with Sched: Advances for Construction (Accts 252) (ref pg 21) Line: Total 252	350061.00	350061.00	OK	
Total Equity Capital and Liabilities agrees with Balance Sheet - Assets and Other Debits: Total Assets and	22837675.00	22837675.00	OK	

22000 Grayson County Water District 01/01/2007 - 12/31/2007

CheckList (2002)

Item	Value 1	Value 2	Agree	Explain
Accts 400 Operating Revenues agrees with Sched: Water Operating Revenue (Accts 400) (ref pg 27) Line: Total Water Operating Revenues - Col e	3008732.00	3008732.00	OK	
Accts 401 Operating Expenses agrees with Sched: Water Utility Expense Accounts (ref pg 28) Line: Total Accts (601-675) - Col c	1755151.00	1755151.00	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	4511.00	4511.00	OK	
Sum of Accts 408.1 and 408.2 agrees with Sched: Taxes Accrued (Acct 236) (ref pg 25) Line: Total taxes Accrued	4511.00	4511.00	OK	
Accts 427 Interest Expense agrees with Sched: Accrued Interest (Acct 237) (ref pg 25) Line: Total Acct No 237 Col c - Interest Accrued	439578.00	439578.00	OK	
Net Income agrees with Sched: Retained Earnings (Acct 237) (ref pg 12) Line: Balance Transferred from Income (Acct 435)	326280.00	326280.00	OK	
Miscellaneous				
Schedule Net Utility Plant Accts 101 - 106 (ref pg 13) Utility Plant (101) agrees with Sched: Water Utility Plant Accounts (ref pg 14) Line: Total Water Plant Col f - Current Year	25955536.00	25955536.00	OK	
The analysis of water utility plant accounts Cols c through k has been completed (Ref pg 14)				
The analysis of accumulated depreciation and amortization by primary account has been completed. (Ref pg 14)				
Sched: Misc. Deferred Debits (Acct 186) Deferred Rate Case (Acct 186.1) agrees with Sched: Amort. of Rate Case (Acct 665 and 667) (ref pg 26) Line: Total Col c - Amt Transferred to 186.1	0	0	OK	

22000 Grayson County Water District 01/01/2007 - 12/31/2007

CheckList (2002)

Item	Value 1	Value 2	Agree	Explain
Schedule of Bond Maturities has been completed (ref pg 23)				
Taxes collected (example: school tax, sales tax, franchise tax ) have been excluded from Operating Revenue ( Ref pg 29)				
The analysis of water operating revenue Cols c,d and e have been completed. (Ref pg 28)				
The analysis of water utility expense accounts Cols c through k have been completed. (Ref pg 28)				
Schedule of Pumping and Purchased Water Statistics has been completed ( Ref pg 29)				
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Total (d) agrees with Sched Water Statistics (ref pg 30) Line 4. Total Produced and Purchased Col Gallons	428566	428566	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	350569	350569	OK	
Sched Sales for Resale (ref pg 30) 466 Total Gal agrees with Sched Water Statistics (ref pg 30) Total Water Sales	45261	45261	OK	

Oath Page Has been Completed

22000 Grayson County Water District 01/01/2007 - 12/31/2007

CheckList (2002)

Item	Value 1	Value 2	Agree	Explain
Schedule of Bond Maturities has been completed (ref pg 23)				
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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	350569	350569	OK	
Sched Sales for Resale (ref pg 30) 466 Total Gal agrees with Sched Water Statistics (ref pg 30) Total Water Sales	45261	45261	OK	

Oath Page Has been Completed

22000 Grayson County Water District 01/01/2007 - 12/31/2007

CheckList (2002)

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Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Total (c) agrees with Sched Water Statistics (ref pg 30) Line 4. Total Produced and Purchased Col Gallons	428566	428566	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	350569	350569	OK	
Sched Sales for Resale (ref pg 30) 466 Total Gal agrees with Sched Water Statistics (ref pg 30) Total Water Sales	45261	45261	OK	
Oath Page Has been Completed				

OATH

Commonwealth of KENTUCKY )  
County of GRAYSON ) ss:

KEVIN SHAW makes oath and says  
(Name of Officer)

that he/she is MANAGER of  
(Official title of officer)

GRAYSON COUNTY WATER DISTRICT  
(Exact legal title or name of respondent)

that it is her/his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

JANUARY 1, 20 07, to and including DECEMBER 31, 20 07

\_\_\_\_\_  
(Signature of Officer)

subscribed and sworn to before me, a KEVIN W. SHAW, in and for  
the State and County named in the above this \_\_\_\_\_ day of MARCH, 20 08

(Apply Seal Here)

My Commission expires \_\_\_\_\_

\_\_\_\_\_  
(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]

KENTUCKY PUBLIC SERVICE COMMISSION
REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY
BUSINESS FOR THE YEAR ENDING DECEMBER 31, 20 07

GRAYSON COUNTY WATER DISTRICT, PO BOX 217, LEITCHFIELD, KY 42755

(Utility Reporting)

(Address)

FEIN # (Federal Employer Identification Number)

6 1 - 1 0 3 8 8 1 4

(DO NOT INCLUDE TAXES COLLECTED)

- (1) Gross Revenues of Electric Utility.....\$
(2) Gross Revenues of Gas Utility.....\$
(3) Gross Revenues of Water Utility.....\$ 3,008,732
(4) Gross Revenues of Sewer Utility.....\$
(5) Other Operating Revenues.....\$
\*\*\* TOTAL GROSS REVENUES.....\$ 3,008,732

OATH

State of.....)
County of.....) ss.

KEVIN SHAW being duly sworn, states that he/she is
(Officer)

MANAGER of the GRAYSON COUNTY WATER DISTRICT that the above
( Official Title) (Utility Reporting)

report of gross revenues is in exact accordance with GRAYSON COUNTY WATER DISTRICT, and that such
(Utility Reporting)

books accurately show the gross revenues of: GRAYSON COUNTY WATER DISTRICT, derived from
(Utility Reporting)

Intra-Kentucky business for the calendar year ending December 31, 20 07

Kevin Shaw MANAGER
(Officer) (Title)

This the 24th day of MARCH, 20 08

Paula Clark GRAYSON Sept. 4, 2009
(Notary Public) (County) (Commission Expires)

NOTE: ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS REVENUES SHOWN IN THE
ANNUAL REPORT AND THE AMOUNT APPEARING ON THIS STATEMENT MUST BE
RECONCILED ON THE REVERSE OF THIS REPORT.



OATH

Commonwealth of KENTUCKY )  
County of GRAYSON ) ss:

KEVIN SHAW makes oath and says  
(Name of Officer)

that he/she is MANAGER of  
(Official title of officer)

GRAYSON COUNTY WATER DISTRICT  
(Exact legal title or name of respondent)

that it is her/his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

JANUARY 1, 20 07, to and including DECEMBER 31, 20 07

Kevin Shaw  
(Signature of Officer)

subscribed and sworn to before me, a KEVIN W. SHAW, in and for  
the State and County named in the above this 24<sup>th</sup> day of MARCH, 20 08

(Apply Seal Here)

My Commission expires Paula Clark Sept. 4, 2009

Paula Clark  
(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]