

20000 Black Mountain Utility District 01/01/2008 - 12/31/2008

Contacts (Ref Page: 6)



Person to send correspondence: CHAIRMAN LEE ROBERT 609 FOUR MILE ROAD BAXTER, KY 40806

Person who prepared this report: ACCOUNTANT GUYN CHARLES H. P.O. BOX 1566 HARLAN, KY 40831

Officers and Managers

CHAIRMAN LEE ROBERT 11528 S. HWY 119, COLBIRON, KY 40819 \$0.00

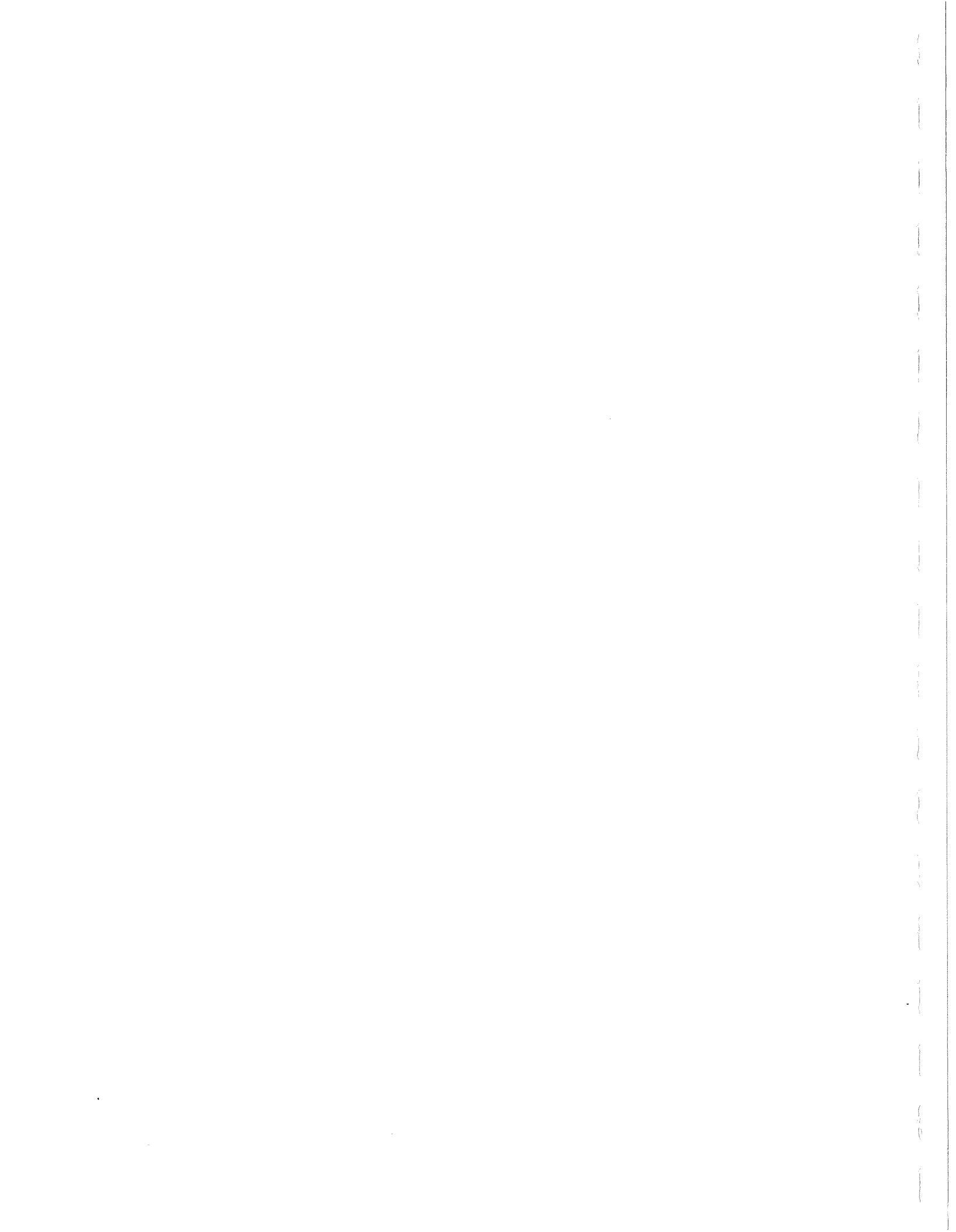
BOARD MEMBER JOHNSON GINA 8161 HWY 522, TOTZ, KY 40870 \$0.00

BOARD MEMBER COX RAYMOND 115 TOM STREET, WALLINS, KY 40879 \$0.00

BOARD MEMBER PERKINS JOHNNY 21 STANTON ROAD, HOLMES MILL, KY 40843 \$0.00

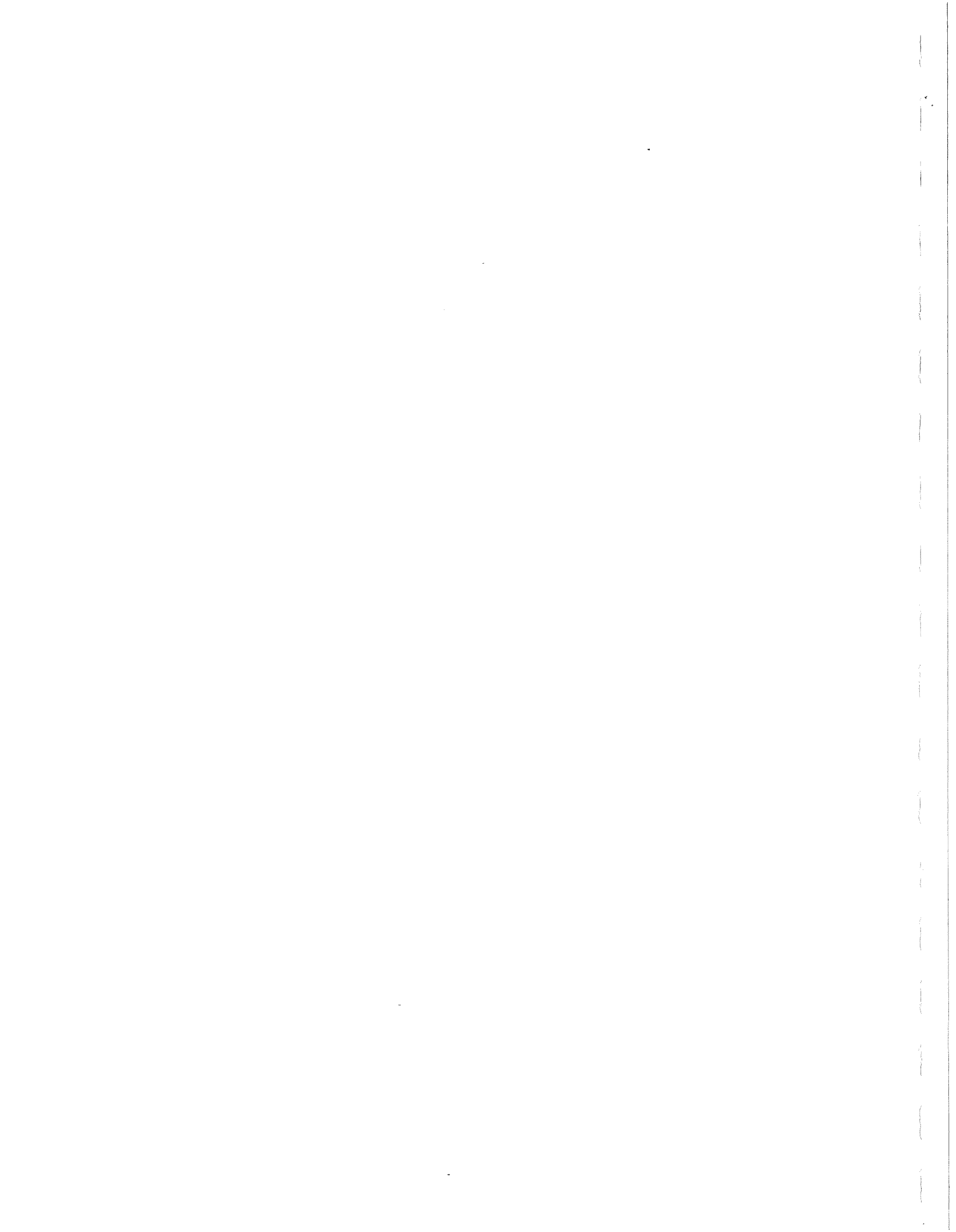
BOARD MEMBER SMITH STANLEY HOLMES MILL, KY 40843 \$0.00

OPERATIONS MANAGER HALL EARL 609 FOUR MILE RD., BAXTER, KY 40806 \$0.00



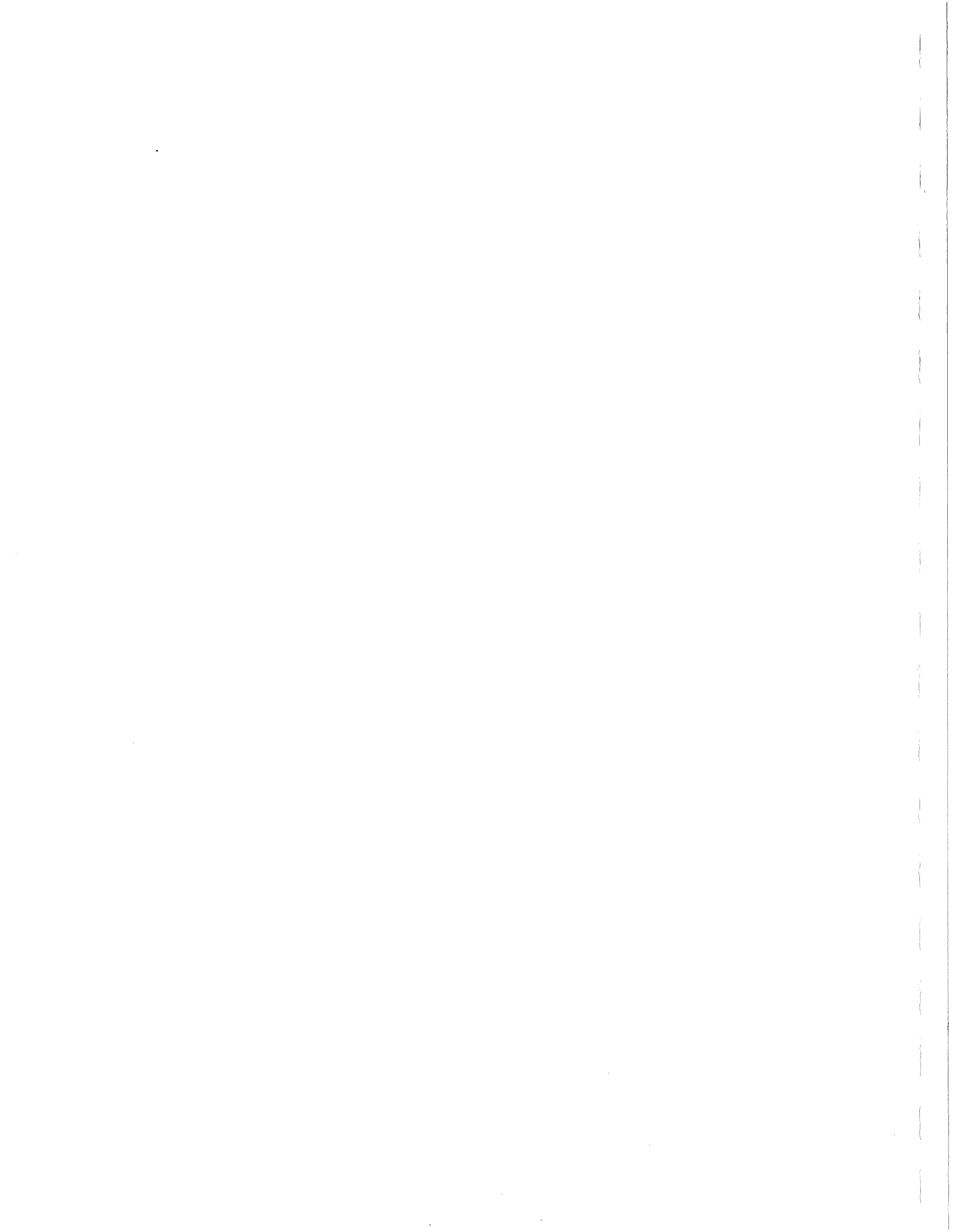
20000 Black Mountain Utility District 01/01/2008 - 12/31/2008
 Balance Sheet - Assets and Other Debits (Ref Page: 7)

UTILITY PLANT		
Utility Plant (101-106)	\$11,870,268.00	\$12,160,041.00
Less: Accumulated Depreciation and Amortization (108-110)	\$2,347,566.00	\$2,650,488.00
Net Plant	\$9,522,702.00	\$9,509,553.00
Utility Plant Acquisition Adjustments (Net) (114-115)		
Other Utility Plant Adjustments (116)		
Total Net Utility Plant	\$9,522,702.00	\$9,509,553.00
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)	\$168,412.00	\$243,649.00
Special Deposits (132)	\$31,021.00	\$36,803.00
Other Special Deposits (133)		
Working Funds (134)		
Temporary Cash Investments (135)		
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	\$118,451.00	\$130,296.00
Accounts Receivable from Associated Companies (145)		
Notes Receivable from Associated Companies (146)		
Materials and Supplies (151-153)		



20000 Black Mountain Utility District 01/01/2008 - 12/31/2008
 Balance Sheet - Assets and Other Debits (Ref Page: 7)

Stores Expense (161)		
Prepayments (162)	\$10,159.00	\$11,641.00
Accrued Interest and Dividends Receivable (171)		
Rents Receivable (172)		
Accrued Utility Revenues (173)		
Misc. Current and Accrued Assets (174)	\$5,500.00	\$5,000.00
Total Current and Accrued Assets	\$333,543.00	\$427,289.00
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	\$9,856,245.00	\$9,936,842.00
TOTAL ASSETS AND OTHER DEBITS		



20000 Black Mountain Utility District 01/01/2008 - 12/31/2008
 Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

EQUITY CAPITAL		
Appropriated/Retained Earnings (214)		
Retained Earnings From Income before contributions (215.1)	(\$2,222,073.00)	(\$2,362,557.00)
Donated Capital (215.2)	\$10,165,256.00	\$10,451,977.00
Total Equity Capital	\$7,941,183.00	\$8,089,420.00
LONG-TERM DEBT		
Bonds (221)	\$1,516,800.00	\$1,485,000.00
Required Bonds (222)		
Advances from Associated Companies (223)		
Other Long-Term Debt (224)	\$286,225.00	\$264,780.00
Total Long Term Debt	\$1,803,025.00	\$1,749,780.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)	\$44,193.00	\$44,581.00
Notes Payable (232)		
Accounts Payable to Associated Co. (233)	\$7,296.00	\$87.00
Notes Payable to Associated Co (234)		
Customer Deposits (235)	\$29,476.00	\$35,360.00
Accrued Taxes (236)	\$4,310.00	\$1,156.00
Accrued Interest (237)	\$629.00	\$603.00
Matured Long-Term Debt (239)		
Matured Interest (240)		
Tax Collections Payable (241)	\$6,802.00	\$7,819.00
Misc. Current and Accrued Liabilities (242)	\$19,331.00	\$8,036.00
Total Current and Accrued Liabilities	\$112,037.00	\$97,642.00
DEFERRED CREDITS		
Unamortized Premium on Debt (251)		
Advances for Construction (252)		



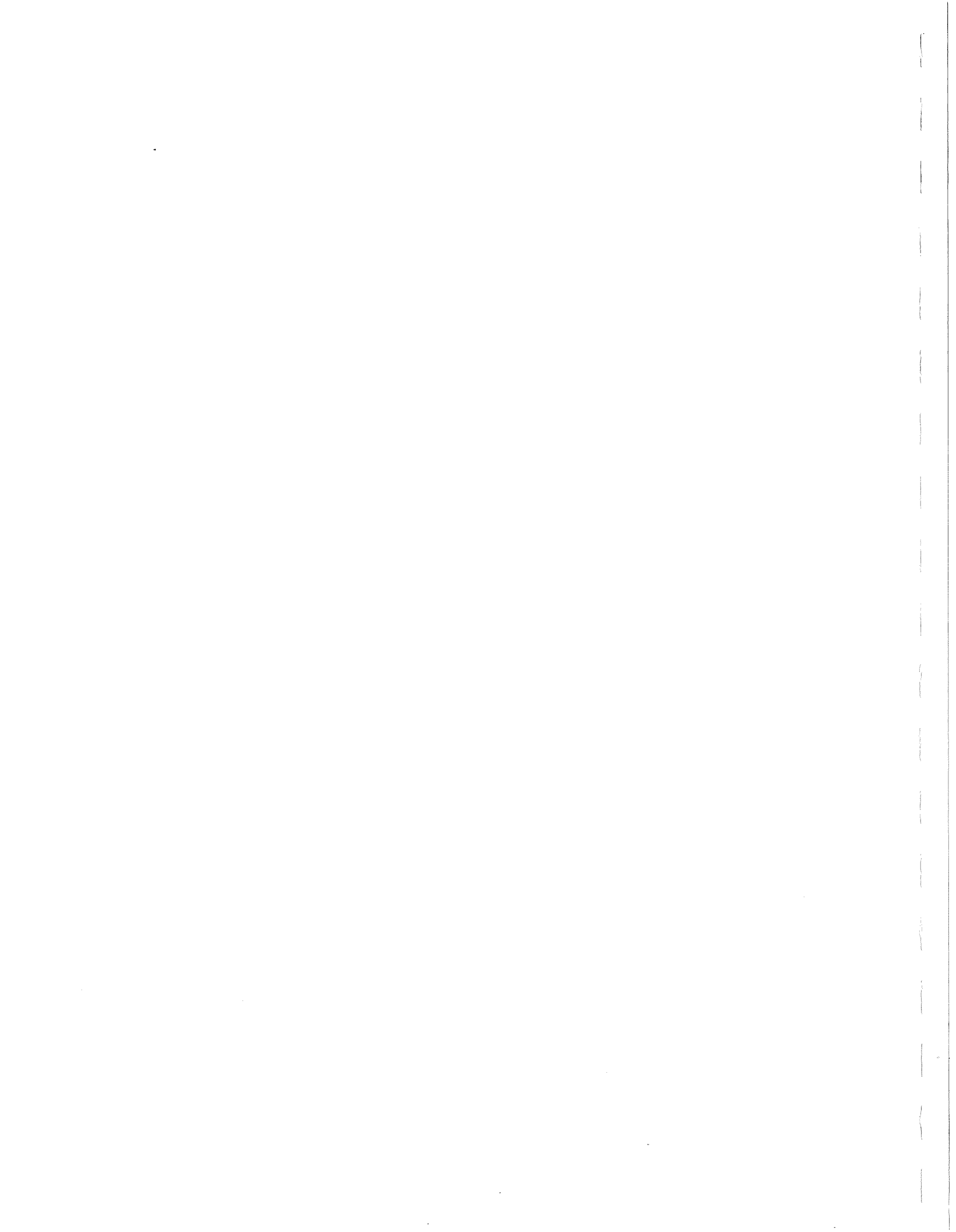
20000 Black Mountain Utility District 01/01/2008 - 12/31/2008
 Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

Other Deferred Credits (253)	
Total Deferred Credits	
OPERATING RESERVES	
Accumulated Provision For:	
Property Insurance (261)	
Injuries and Damages (262)	
Pensions and Benefits (263)	
Miscellaneous Operating Reserves (265)	
Total Operating Reserves	\$9,856,245.00
Total Equity Capital and Liabilities	\$9,986,842.00



20000 Black Mountain Utility District 01/01/2008 - 12/31/2008
 Comparative Operating Statement (Ref Page: 11)

UTILITY OPERATING INCOME	
Operating Revenues (400)	\$1,061,067.00
Operating Expenses (401)	\$914,850.00
Depreciation Expenses (403)	\$302,922.00
Amortization of Utility Plant Acquisition Adjustment (406)	
Amortization Expense (407)	
Taxes Other Than Income (408.10-408.13)	
Utility Operating Expenses	\$1,219,879.00
Utility Operating Income	(\$58,822.00)
Income From Utility Plant Leased to Others (413)	
Gains (Losses) from Disposition of Utility Property (414)	
Total Utility Operating Income	(\$58,822.00)
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)	\$865.00
Allowance for funds Used During Constructions (420)	
Nonutility Income (421)	\$53,474.00
Miscellaneous Nonutility Expenses (426)	
Total Other Income and Deductions	\$54,452.00
TAXES APPLICABLE TO OTHER INCOME	
Taxes Other Than Income (408.20)	
Total Taxes Applic. to Other Income	
INTEREST EXPENSE	
Interest Expense (427)	\$87,052.00
Amortization of Debt Discount and Exp. (428)	



20000 Black Mountain Utility District 01/01/2008 - 12/31/2008
 Comparative Operating Statement (Ref Page: 11)



Amortization of Premium on Debt (429)

Total Interest Expense \$87,052.00 \$80,968.00

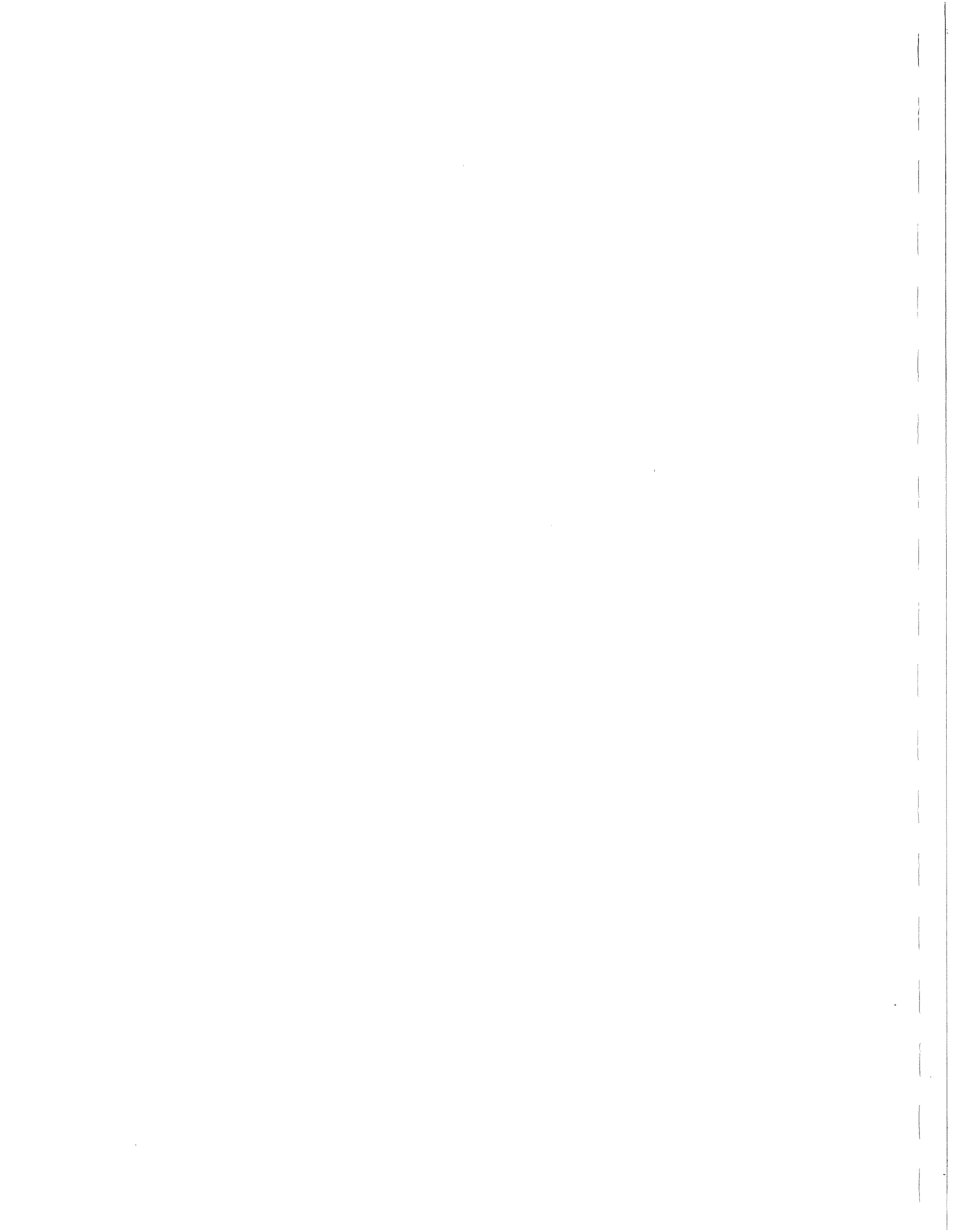
EXTRAORDINARY ITEMS

Extraordinary Income (433)

Extraordinary Deductions (434)

Total Extraordinary Items (\$191,422.00) (\$140,485.00)

NET INCOME BEFORE CONTRIBUTIONS



20000 Black Mountain Utility District 01/01/2008 - 12/31/2008
 Statement of Retained Earnings 2002 (Ref Page: 12)

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	(\$2,222,072.00)
Balance transferred from Net Income Before Contributions (435)	(\$140,485.00)
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	(\$2,362,557.00)



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

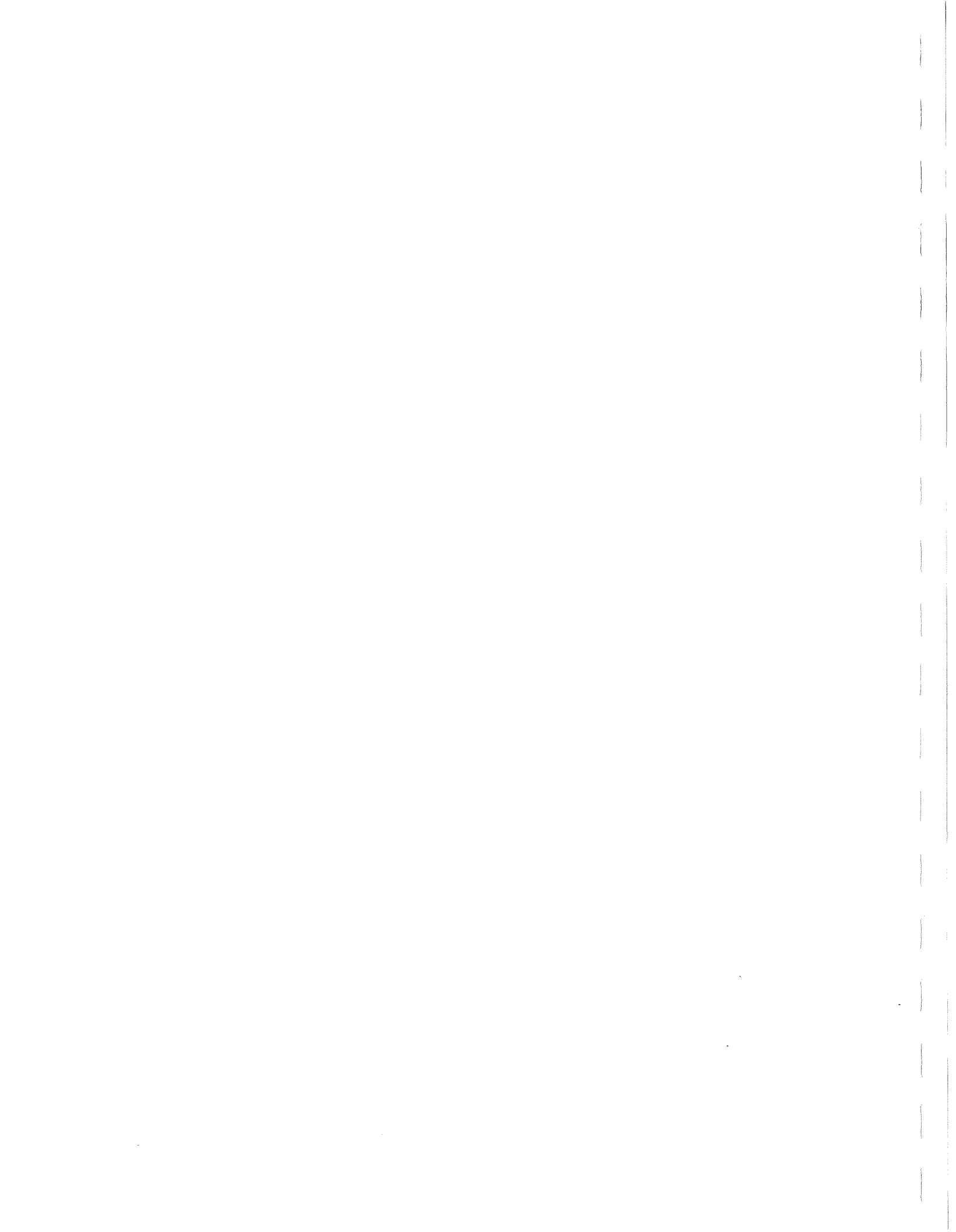
	Capital	Retained Earnings	Other	Total
Donated Capital (215.2)				
Balance Beginning of the Year	\$148,965.00	\$5,685,239.00	\$4,329,052.00	\$10,163,256.00
Credits				
Proceeds from capital contributions (432)	\$1,100.00	\$287,621.00	\$0.00	\$288,721.00
Other Credits (explain)				
Debits (explain - requires Commission Approval)				
Balance End of Year	\$150,065.00	\$5,972,860.00	\$4,329,052.00	\$10,451,977.00



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

Utility Plant in Service (101)	\$12,160,040.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased of Sold (104)	
Construction Work in Progress (105)	
Completed Construction Not Classified (106)	
Total Utility Plant	\$12,160,040.00



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

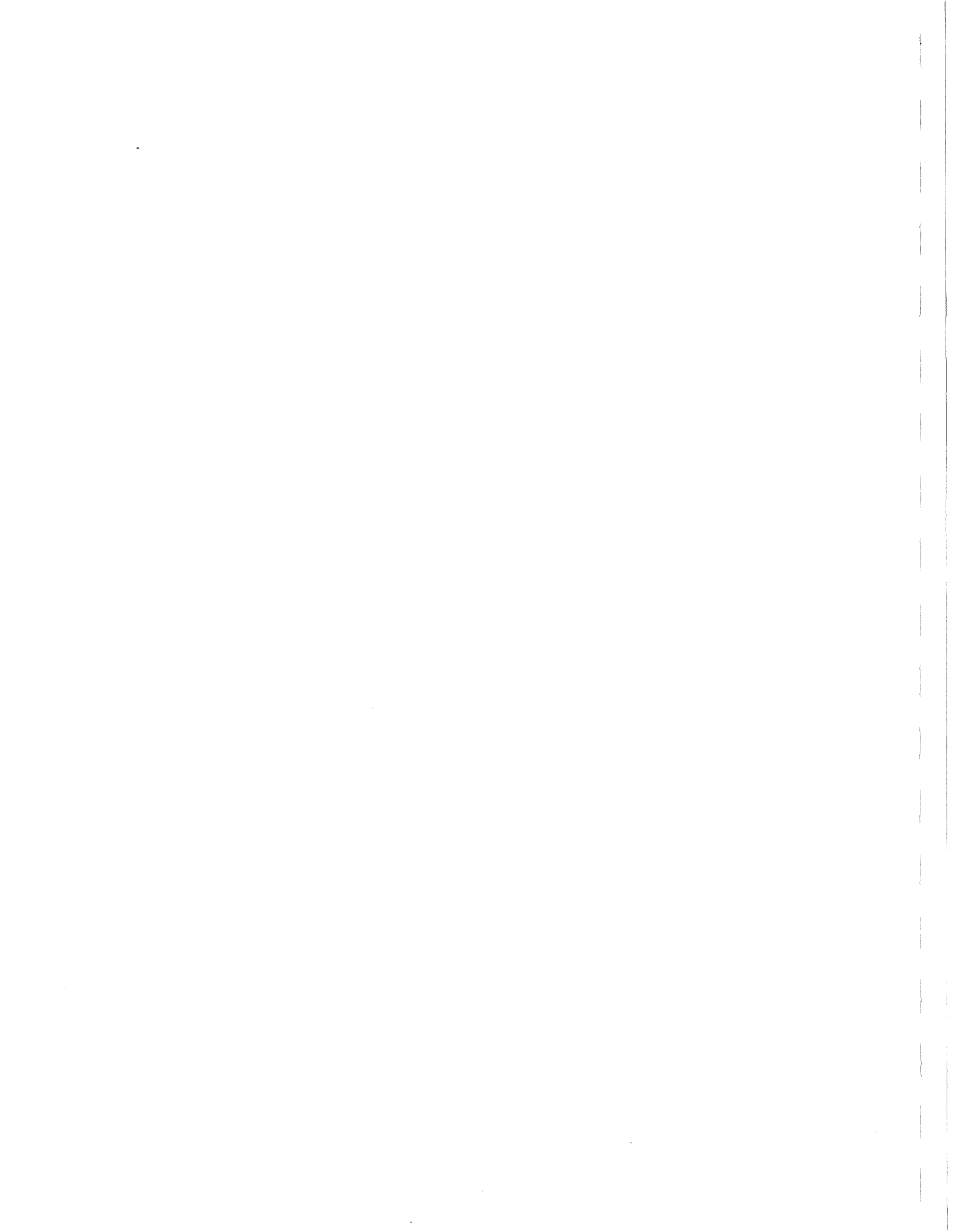
	\$2,347,566.00
Balance First of Year	
Credit during year	\$302,922.00
Accruals Charged to Account 108.1	
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Accounts (specify)	
(specify)	
Salvage Value Recovered on Plant Retired	
Other Credits	
(specify)	\$302,922.00
Total Credits	
Debits during year	
Book Cost of Plant Retired	
Cost of Removal	
Other Debits	
(specify)	
Total Debits	
Balance at End of Year	\$2,650,488.00



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Water Utility Plant Accounts (Ref Page: 14)

	Capital (31)	Depreciation (32)	Reserve (33)	Current (34)	Plant (35)	Supply (36)	Water (37)	Water (38)	Water (39)	Water (40)	Water (41)	Water (42)
Organization (301)	\$1,597.00	\$0.00	\$0.00	\$1,597.00	\$1,597.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Franchises (302)	\$940.00	\$0.00	\$0.00	\$840.00	\$840.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Land and Land Rights (303)	\$24,112.00	\$0.00	\$0.00	\$24,112.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$24,112.00
Structures and Improvements (304)	\$110,278.00	\$3,450.00	\$0.00	\$113,728.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$113,728.00
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	\$0.00	\$0.00	\$10,508.00
Infiltration Galleries and Tunnels (308)												
Supply Mains (309)												
Power Generation Equipment (310)												
Pumping Equipment (311)	\$382,499.00	\$0.00	\$0.00	\$382,499.00	\$0.00	\$382,499.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Water Treatment Equipment (320)	\$141,978.00	\$0.00	\$0.00	\$141,978.00	\$0.00	\$0.00	\$0.00	\$141,978.00	\$0.00	\$0.00	\$0.00	\$0.00
Distribution Reservoirs and Standpipes (330)	\$817,828.00	\$0.00	\$0.00	\$817,828.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$817,828.00	\$0.00	\$0.00
Transmission and Distribution Mains (331)	\$8,585,146.00	\$654,250.00	\$0.00	\$9,239,396.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,239,396.00	\$0.00	\$0.00



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Water Utility Plant Accounts (Ref Page: 14)

	Account (a)	Equipment (b)	Construction (c)	Intangible Plant (d)	Supply & Pump (e)	Water Treatment (f)	Trains and Distr (g)	General Plant (h)
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Services (333)								
Meters and Meter Installations (334)	\$1,214,656.00	\$37,620.00	\$0.00	\$1,252,276.00	\$0.00	\$0.00	\$1,252,276.00	\$0.00
Hydrants (335)								
Backflow Prevention Devices (336)								
Other Plant and Misc. Equipment (339)	\$29,395.00	\$0.00	\$0.00	\$29,395.00	\$0.00	\$0.00	\$0.00	\$29,395.00
Office Furniture and Equip. (340)	\$26,164.00	\$4,016.00	\$0.00	\$30,180.00	\$0.00	\$0.00	\$0.00	\$30,180.00
Transportation Equipment (341)	\$73,468.00	\$0.00	\$0.00	\$73,468.00	\$0.00	\$0.00	\$0.00	\$73,468.00
Stores Equipment (342)								
Tools, Shop and Garage Equip (343)								
Laboratory Equipment (344)								
Power Operated Equipment (345)	\$42,236.00	\$0.00	\$0.00	\$42,236.00	\$0.00	\$0.00	\$0.00	\$42,236.00
Communication Equipment (346)								
Miscellaneous Equipment (347)								
Other Tangible Plant (348)								
Total Water Plant	\$11,460,705.00	\$699,336.00	\$0.00	\$12,160,041.00	\$2,437.00	\$382,499.00	\$141,978.00	\$11,309,500.00
								\$323,627.00



20000 Black Mountain Utility District 01/01/2008 - 12/31/2008

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

	Balance, Beg. Yr.	Depreciation Expense	Other Credits	Other Debits	Balance, End Yr.
Organization (301)	\$930.00	\$40.00	\$0.00	\$0.00	\$970.00
Franchises (302)	\$489.00	\$22.00	\$0.00	\$0.00	\$511.00
Land and Land Rights (303)					
Structures and Improvements (304)	\$20,001.00	\$3,856.00	\$0.00	\$0.00	\$23,857.00
Collecting and Impounding Reservoirs (305)					
Lake, River and Other Intakes (306)					
Wells and Springs (307)	\$10,507.00	\$0.00	\$0.00	\$0.00	\$10,507.00
Infiltration Galleries and Tunnels (308)					
Supply Mains (309)					
Power Generating Equipment (310)					
Pumping Equipment (311)	\$98,495.00	\$15,210.00	\$0.00	\$0.00	\$113,705.00
Water Treatment Equipment (320)	\$66,374.00	\$2,959.00	\$0.00	\$0.00	\$69,333.00
Distributions Reservoirs and Standpipes (330)	\$227,237.00	\$31,043.00	\$0.00	\$0.00	\$258,280.00
Transmission and Distribution Mains (331)	\$1,451,629.00	\$184,137.00	\$0.00	\$0.00	\$1,635,766.00
Services (333)					
Meters and Meter Installations (334)	\$363,873.00	\$48,142.00	\$0.00	\$0.00	\$412,015.00
Hydrants (335)					
Backflow Prevention Devices (336)					



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

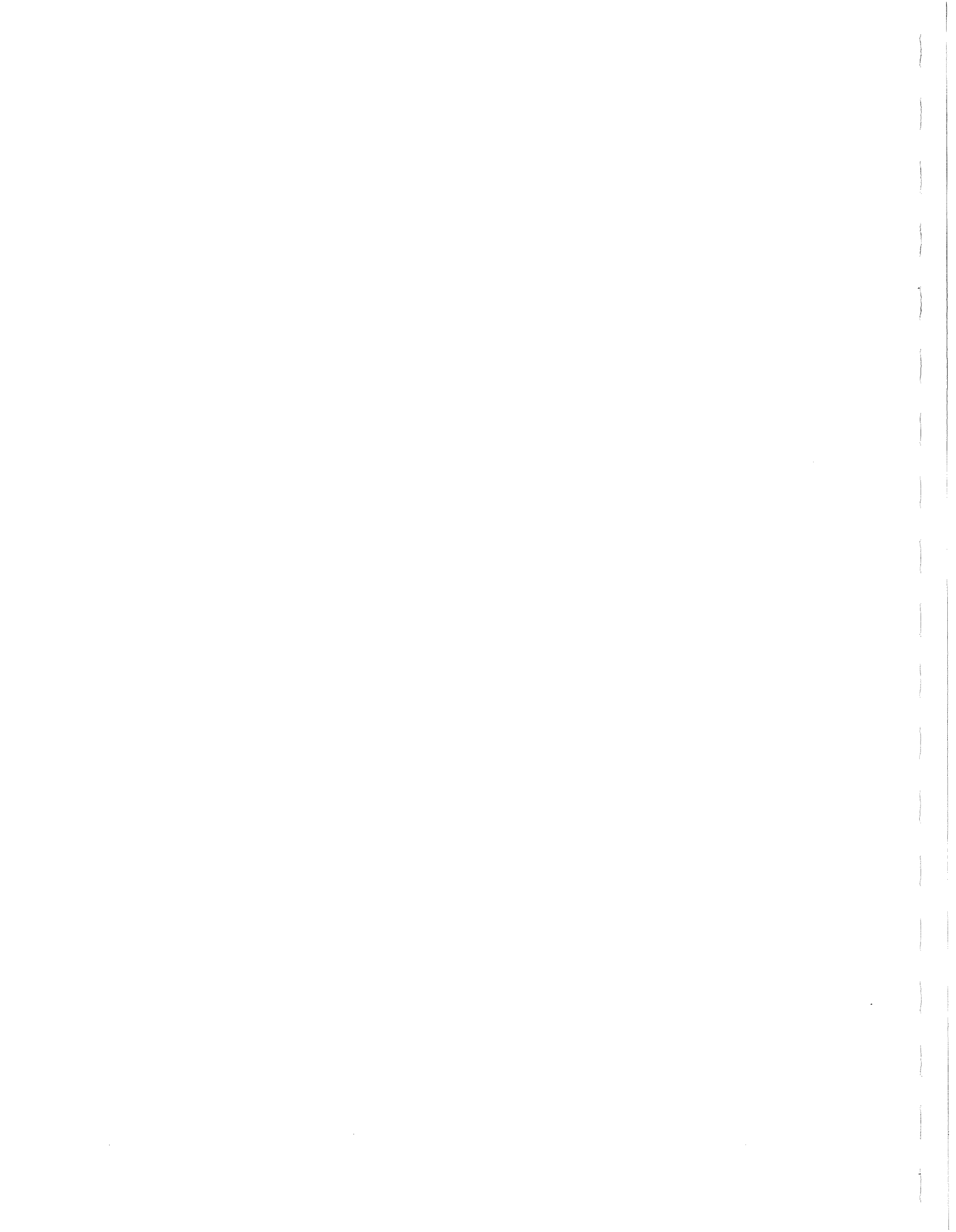
	Plant and Equipment (340)	Other Plant and Equipment (339)	Office Furniture and Equipment (340)	Transportation Equipment (341)	Stores Equipment (342)	Tools, Shop and Garage Equip (343)	Laboratory Equipment (344)	Power Operated Equipment (345)	Communication Equipment (346)	Miscellaneous Equipment (347)	Other Tangible Plant (348)	Totals
Other Plant and Miscellaneous Equipment (339)		\$25,804.00										\$26,502.00
Office Furniture and Equip (340)	\$24,190.00		\$1,738.00									\$26,928.00
Transportation Equipment (341)				\$16,848.00								\$31,542.00
Stores Equipment (342)												
Tools, Shop and Garage Equip (343)												
Laboratory Equipment (344)												
Power Operated Equipment (345)								\$41,189.00				\$41,572.00
Communication Equipment (346)												
Miscellaneous Equipment (347)												
Other Tangible Plant (348)												
Totals		\$25,804.00	\$1,738.00	\$16,848.00				\$41,189.00				\$2,347,566.00



2000 Black Mountain Utility District 01/01/2008 - 12/31/2008
 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	\$0.00
Balance end of Year	



2000 Black Mountain Utility District 01/01/2008 - 12/31/2008

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

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Acquisition Adjustments (114)

(specify)

\$0.00

Total Plant Acquisition Adjustments

Accumulated Amortization (115)

(specify)

Total Accumulated Amortization

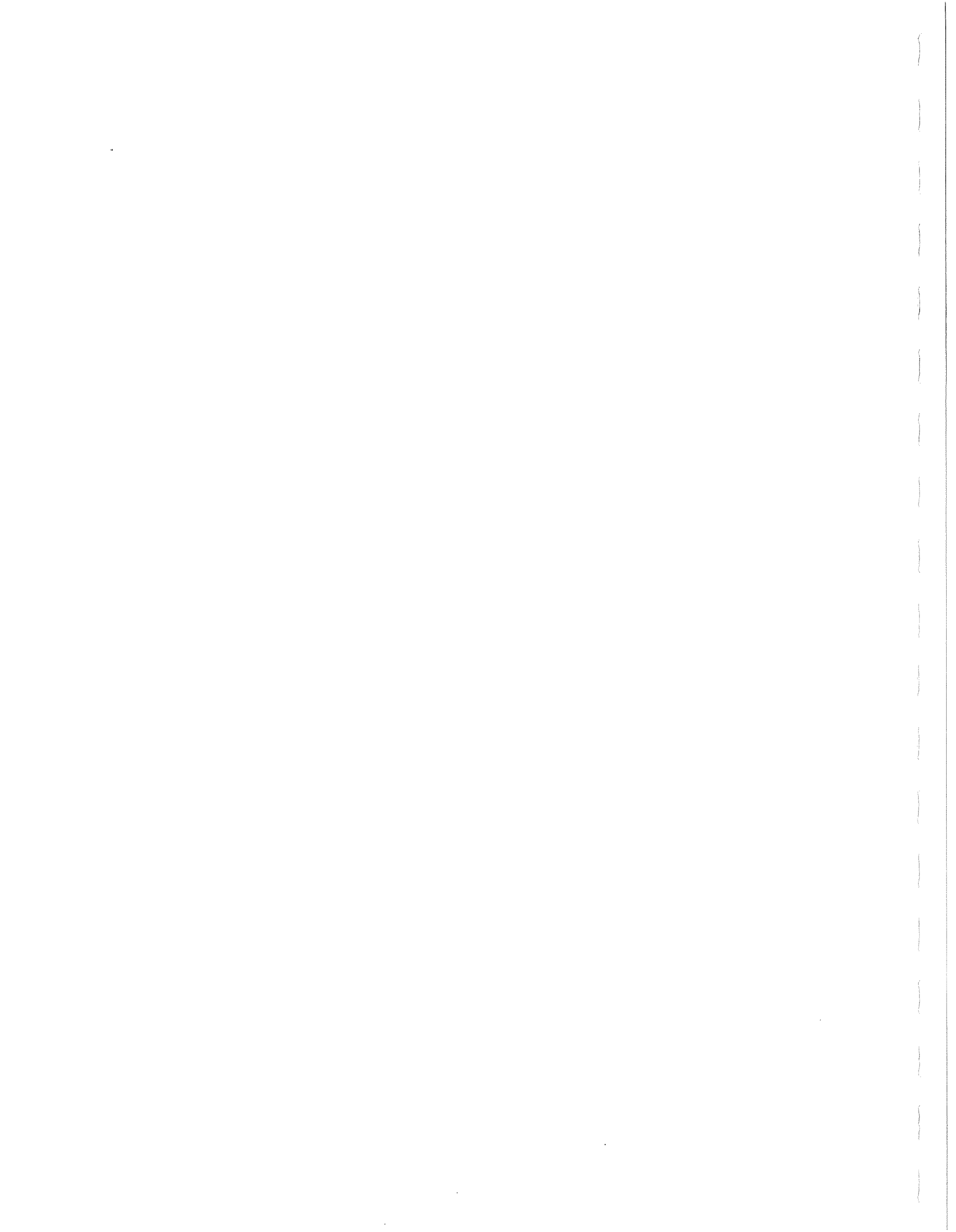
Net Acquisition Adjustments

\$0.00



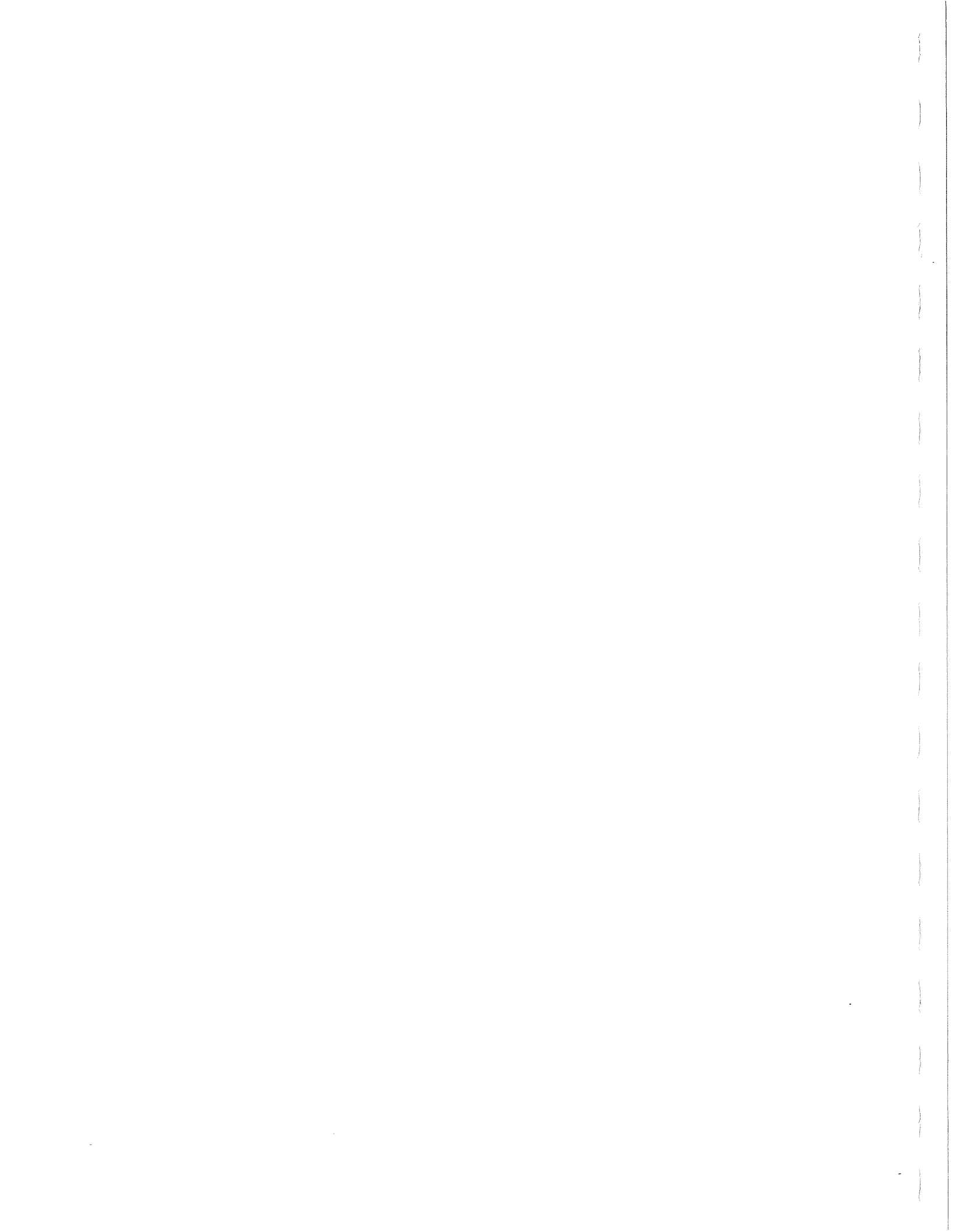
20000 Black Mountain Utility District 01/01/2008 - 12/31/2008
Investments and Special Funds (Ref Page: 17)

Investment in Associated Companies (123)	\$0.00	\$0.00
Total Investment in Associated Companies		\$0.00
Utility Investments (124)		
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 01/01/2008 - 12/31/2008
 Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Accounts and Notes Receivable	
Customer Accounts Receivable (141)	\$130,296.00
Other Accounts Receivable (142)	
Total Other Accounts Receivable	\$0.00
Notes Receivable (144)	
Total Notes Receivable	\$130,296.00
Total Accounts and Notes Receivable	
Accumulated Provision for Uncollectible Accounts (143)	
Balance First of Year	
Add:	
Provision for uncollectibles for current year	
Collections of accounts 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	\$130,296.00



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

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



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

	\$10,941.00
Prepaid Insurance	
Prepaid Rents	\$600.00
Prepaid Interest	
Prepaid Taxes	
Other Prepayments	
(Specify)	
Total Prepayments	\$11,541.00

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



Miscellaneous Deferred Debits (186)

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

