

CITY OF GREENSBURG, KENTUCKY

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**PUBLIC SERVICE
COMMISSION**

Index of documents requested in Appendix B

Appendix to an Order of the Ky. Public Service Commission

in Case No. 2009-00428 Dated Dec. 11, 2009

Item 1: Witnesses to be called are as follows:

1. Willis Jackson, Bell Engineering
2. Nancy J. Stearman, CPA; Consultant; Self- employed
3. Gordon Price, Water Dept. Manager, City of Greensburg
4. Eddie Wright, Sewer Dept. Manager, City of Greensburg
5. Roger Skaggs, City Maintenance Manager, City of Greensburg
6. George C. Cheatham, Mayor, City of Greensburg
7. Ronnie Grant, Bell Engineering
8. Kelly Gillespie, Bell Engineering
9. Bob Pickerell, Bell Engineering

Item 2: See attached.

Item 3: The test period is the fiscal year ended 06/30/09. It was chosen because it is the most recently audited fiscal year.

Item 4: See Attached.

Item 5: See attached.

Item 6: The 2009 Forms W2 have been enclosed to document each employee's annual wages. We have annotated each Form W2 to show the percentage of work hours spent performing duties for each City division.

Item 7: For the employees allocated to Water Operations, enclosed is a spreadsheet for the fiscal year ended 06/30/09 showing each employee's payroll and payroll overhead charges.

A separate spreadsheet is enclosed showing the portion of each employee's total payroll and payroll overhead charges that were allocated to Water Operations for the fiscal year ended 06/30/09.



The allocations are based on the tasks performed for each department and the time spent performing the assigned tasks.

Item 8:

- a) Enclosed is a P&L report that shows costs allocated between water operations and sewer operations. Also enclosed is a report showing the vendor and amount for each of the allocated costs.
- b) Each invoice was analyzed and the costs were allocated as expenses were incurred by the departments.

Item 9: See attached.

Item 10: See attached.

Item 11: See attached.

Item 12:

- a) Included in attached "Wholesale Rate Study" prepared by Bell Engineering
- b) City
- c) Residential
- d) See attached item 17

Item 13:

- a) 1.44 million gallons
- b) Up to 15 million gallons a month can be purchased by Green-Taylor Water District, under the current contract
- c) Unknown- Nothing that the City is aware of.

Item 14:

- a) Green-Taylor Water District
- b) Three
- c) Green-Taylor Water District

Item 15: Included in attached "Wholesale Rate Study" prepared by Bell Engineering

Item 16: None

Item 17: See attached

Item 18: Included in rate study

Item 19: There is no unmetered water.

Items 20 through 22: See attached "Wholesale Rate Study" prepared by Bell Engineering

**Annual Financial Report
The City of Greensburg, Kentucky
As of June 30, 2006,
And for the Fiscal Year then Ended**

**Comprehensive Annual Financial Report
The City of Greensburg, Kentucky
As of June 30, 2006,
And for the Fiscal Year Then Ended**

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**Comprehensive Annual Financial Report
The City of Greensburg, Kentucky
As of June 30, 2006,
And for the Fiscal Year Then Ended**

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October 1, 2006
City Council and Citizens of Greensburg
Greensburg, Kentucky

The Annual Financial Report

The Annual Financial Report (AFR) of the City of Greensburg, Kentucky, for the fiscal year ended June 30, 2006, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the city. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The AFR is presented in two sections: introductory and financial. The introductory section includes this transmittal letter and a list of principal officials. The financial section includes, under the new Governmental Accounting Standards Board Statement No. 34 as amended, Management's Discussion and Analysis, the Report of Independent Accountant, the basic government-wide financial statements, and the required supplementary information.

The City of Greensburg is located in Green County, Kentucky. The City is a home rule municipal corporation organized on December 4, 1794, under the laws of the Commonwealth of Kentucky, and as such, operates under its own charter. The City government consists of a mayor and six (6) city council members. The mayor serves a four (4) year term. Council members serve a two (2) year term. The mayor and the city council members are elected on an at-large basis.

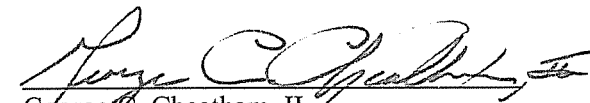
For financial reporting purposes, the City includes in this report all funds, agencies, boards and other commissions that are controlled by the City or dependent on the City legislative branch. "Controlled by" or "dependent on" is determined on the basis of the budget adoption, taxing authority, outstanding debts secured by revenues or general taxing authority of the City, and the City's obligation to fund any deficits that may occur.

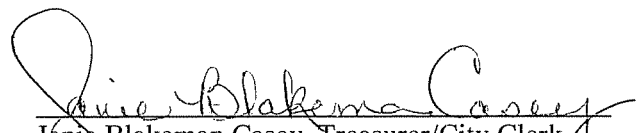
The City provides a full range of municipal services. These services include fire and police protection, recreation programs, and a water and sewer system.

Robert C. Ryan, Certified Public Accountant, audited the financial statements and the related notes of the City of Greensburg, Kentucky. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government Auditing Standards as accepted in the United States of America, and included a review of accounting controls (as required by state law).

We wish to acknowledge the employees of the City of Greensburg who are the City's most valuable asset. These individuals serve productively throughout City operations. They continuously provide quality services to the citizens of Greensburg, Kentucky.

Respectively submitted:


George C. Cheatham, II


Jamie Blakeman Casey, Treasurer/City Clerk

**City of Greensburg, Kentucky
Governmental Directory**

City Clerk's Office

110 West Court Street

Greensburg, KY 42743

Telephone: 270/932-4298/ 270/932-7778 (facsimile)

City Council meetings held 1st Monday of each month at 6:00 PM (CST)

City of Greensburg Officials

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Mayor	George C. Cheatham, II	December 31, 2006
Council Member	Mitch Collins	December 31, 2006
Council Member	Jerry Cowherd	December 31, 2006
Council Member	Brenda Patterson	December 31, 2006
Council Member	Carolyn Paxton	December 31, 2006
Council Member	Steve Stone	December 31, 2006
Council Member	Bill Taylor	December 31, 2006
City Clerk/Treasurer	Janie Blakeman Casey	
Fire Chief	Bill Lile	
Police Chief	John Brady	
Maintenance Supervisor	Roger Skaggs	
911 Co Coordinator	Ron Jones	
Chief Operator, Water Plant	Gordon Price	
Chief Operator, Waste Water Plant	Eddie Wright	

**Financial Audit
As of June 30, 2006
And for the Year Then Ended
Management Discussion and Analysis
By
Mayor
George “Lisle” Cheatham, II**

The 2006 Fiscal Year was a transition year for the City of Greensburg both financially as well as from an overall community development perspective. Our on going investment into the economic and physical infrastructure of the city has created new opportunities and challenges alike.

From a financial prospective, the City of Greensburg was able to make several strides forward, both overall as well as in several individual categories. Once again, Greensburg was very fortunate to be awarded several grants for various projects including water and waste water improvements, road projects, the Green River Paddle Trail, the final phase of “Streetscape”, hazard mitigation and public safety as well as for the Micro-Enterprise Park. In all these projects create an additional \$850,000 in capital improvements for the City of Greensburg. Most of these funds are not reflected in this audit report. However, for the 2006 Fiscal Year the City of Greensburg expended over \$1.1 million dollars in grant proceeds for various projects.

For a city the size of Greensburg to continue to grow and improve, it is vital that we continue to cultivate a steady stream of grant revenue. As state and federal sources grow thinner it will become more and more difficult to attract these sources of revenue if Greensburg does not continue to be aggressive in applying for funding wherever possible.

However, with growth comes growing pains and the City is experiencing some of those issues. Our financial and utility software is terribly inadequate and out of date and will have to be replaced in the new fiscal year. We will continue to also face other operational and fiscal growth pains going forward as well – from the stand point of planning and zoning issues, funding shortfalls with 911 and of course the continued escalation in retirement and health care cost for employees. All the more reason why it is imperative the City makes every effort to grow our local economy and thus our tax base.

In reviewing the City’s financial condition it is always best to break the discussion into two parts – the General Fund and Operation and Maintenance (Water and Sewer). The General Fund takes in all aspects of City Government such as Administration, Police, Fire, Public Works, the Renaissance Main Street Program and Community and Economic Development Departments.

General Fund

Over the course of the 2006 fiscal year, the City was able to maintain a healthy reserve of cash and investments on hand of \$498,257. This figure does not take into account receivables due from un-reimbursed grant funds, road funds and 911 expenses.

The general fund revenue saw an increase of approximately 16% or \$181,988 excluding grant revenue verses the 2005 revenue numbers. This increase was attributable to a 6% increase in overall tax revenue, a 30% increase in franchise fee revenue and a 149% increase in rental income – mainly due to the Green River Paddle Trail and Micro-Enterprise Park.

There have been several reasons for this growth. Outside of the natural growth in tax revenue from one year to the next, the City conducted an “Occupational and Net Profits Tax Amnesty” program in conjunction with an independent audit of the tax collection process which generated over \$40,000 in back tax revenue. This and other efforts to make efficient use of grant resources for maintenance and capital projects, which otherwise would have been paid for from city resources, have been responsible for the continued strength in the City’s financial condition in the General Fund.

Operation and Maintenance (Water and Wastewater Department)

As for the Operation and Maintenance Fund (Water and Wastewater Departments), the work over the past few years to identify and repair problems in our aging system and to cut down on water loss that just a few years ago had been running over 30%, are continuing to pay dividends. With average monthly water loss now averaging below 12%, we are beginning to realize an estimated savings to the system of nearly \$70,000 per year. The 2005 fiscal year saw the water and sewer gross revenue decline by approximately \$19,460.00; however the 2006 fiscal year saw revenue increase by \$44,842.

This allowed the Water and Sewer Department to pay off its debt to the Current Expense Fund for rent owed for the past five years and add to its cash and savings on hand. Net cash on hand rose by \$46,134. This continues our financial turn around of the Water and Sewer departments, which had been seeing losses of over \$85,000 per year before depreciation just a few short years ago. These funds will be desperately needed to match state and federal grant funding earmarked to repair our aging water and sewer lines as well as make improvements to our Water and Wastewater plants.

Non-Financial Highlights

Our continued focus on overall community development as an economic development strategy has continued to prove successful as we have seen nearly \$1.5 million in

community development projects begun and/or completed over the last fiscal year. We have worked hard over the past several years to fund and build a “Livable Community” that can be sold to new business and industry, tourist as well as new residents. It is now time that we as a community focus on selling that product. To that end, the Greensburg City Council has voted to fund both an economic development marketing program to generate outside business interest in our community and the selection of an Economic Development Director to coordinate those efforts with our local focus on promoting small business development, tourism and continuing our work with the Renaissance on Main program. It is very important that we all understand this will not be a quick process. The program will take both time and commitment, so we must set reasonable goals and expectations and maintain a long term view in order to gage our results.

The past year has also seen the continued resurgence in our downtown with several new businesses and as well as continued private investment. At last count we had only a half dozen vacant store fronts in the downtown area. A marked improvement from six years ago when the Renaissance program was first put into effect and there were over two dozen vacant establishments. We must continue to maintain and support this program going forward.

The Heartland Micro-Enterprise Park has continued to show positive results with eight local businesses currently housed at the facility and new enquiries all most on a daily basis. We were fortunate to receive nearly \$200,000 in grant funding from GOLD and the local Industrial Foundation to make needed repairs and to remodel the facility. This project got underway in 2006 and will continue through the 2007 fiscal year.

Finally, 2006 saw the Green River Paddle Trail and Cabins go into full operation. During the first year of full operation we have seen over 600 canoeists and an occupancy rate of over 24% in cabin rentals – this far exceeded the 10% occupancy rate we had set as our first year goal. For calendar year 2006 the Green River Paddle Trail and Cabins generated over \$29,000 in gross revenue and turned a profit in just its second year of operations.

Future Events

The 2007 fiscal year will see several old projects come to an end and several new projects begin. The final phase of “Streetscape” will begin in late spring or early summer 2007 which will complete the Streetscape projects began four years ago. Also, the Greensburg Hwy 61 / East Connector project will begin construction, which will open new property for development along Industrial Drive and Carlisle Avenue. Other projects not directly related to the City will begin construction in 2007 as well. These projects will directly impact the City as well however – the new Green County Justice Center located along W. Court St. and the Green County Primary School which will be constructed on the site of the “Old Greensburg Elementary School”.

All of these projects will continue to push the City's resources to supply adequate infrastructure as well as regulatory enforcement required to manage these new growth issues. By the end of the 2007 Fiscal Year, the City should be in a position to adopt its new "Five Year Comprehensive Plan" and the planning zoning changes recommended there in. It will be very important that the City manage these issues well from the start or we will create larger issues and problems for the community later on down the road.

In order to do this we must make the needed changes with the City's Financial and Utility software in 2007 and more importantly provide and require the needed training to allow our employees to make the best use of the technology we currently have as well as new technology on the horizon.

In closing let me simply say, I believe both the financial future and the overall future for Greensburg is bright, provided we continue to plan and manage our assets in a conservative manner and focus on our opportunities and our strengths. However, given the fiscal constraints facing both the federal, state and local governments over the long term, the City of Greensburg only has a narrow window of time – possibly less than five years – to put itself in a position of growth and long term financial stability before the longer term fiscal demands on our resources force us to make serious changes in how we operate city government.

As always, the City of Greensburg looks forward to working towards the brightest future possible for our residents and our community!

Sincerely,



George "Lisle" Cheatham, II
Mayor
City of Greensburg

City of Greensburg, Kentucky
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Then Ended June 30, 2006

Financial Ratios, Years Ended June 30,	2006	2005	2004	2003	2002
Working Capital (Current assets-current liabilities)					
Entity Wide Summary	\$437,327	\$587,751	\$1,219,137	\$1,428,700	\$485,458
Governmental	\$338,073	\$489,464	\$803,362	\$684,093	\$413,953
Special revenue	(\$1,269)	\$98,287	\$107,667	\$74,853	\$65,429
Business-type	\$100,523	\$726,391	\$714,792	\$822,896	\$33,647
Current Ratio (Current assets / current liabilities)	2006	2005	2004	2003	2002
Entity Wide Summary	1.98	3.71	6.89	7.33	1.37
Governmental	2.79	3.26	4.82	13.52	8.33
Special revenue	0.7	100.00	100.00	100.00	100.00
Business-type	1.4	4.79	3.43	5.94	1.19
Days Cash and Investment in Reserve (Represents the number of days normal operations could continue with no revenue collections)	Days	Days	Days	Days	Days
Entity Wide Summary	190	304.00	269	388	159
Governmental	125	323.00	171	322	217
Business-type	289	288.00	408	467	99
Liabilities to Net Assets (Indicates the extent of borrowing)	2006	2005	2004	2003	2002
Entity Wide Summary	1.53	1.90	1.56	13.35	1.98
Governmental	6.54	25.50	10.00	9.30	1.12
Business-type	0.38	0.53	0.54	0.63	2.44
General Fund, fiscal years ended June 30,	2006	2005	2004	2003	2002
Revenues					
Taxes	847,909	\$799,566	\$750,131	\$823,687	\$735,895
Licenses and permits	4,925	\$4,110	\$6,832	\$7,661	\$5,500
Intergovernmental Revenue	60,023	\$59,188	\$72,009	\$56,319	\$64,708
Franchise Fees	146,611	\$112,726	\$99,684	\$110,462	\$107,792
Grants	867,984	\$55,040	\$366,881	\$16,495	\$80,023
Rents	57,917	\$23,252	\$18,965	\$17,040	\$16,993
Interest Income	8,950	\$6,939	\$8,860	\$10,141	\$10,747
Other Income	168,062	\$106,628	\$33,988	\$9,715	\$80,023
Totals revenues	<u>2,162,381</u>	<u>\$1,167,449</u>	<u>\$1,357,350</u>	<u>\$1,051,520</u>	<u>\$1,101,681</u>

City of Greensburg, Kentucky
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Then Ended June 30, 2006

Expenditures

Current Expense Fund					
General government	\$638,865	\$393,982	\$348,787	\$254,794	\$200,201
Public safety, Police	\$382,606	\$320,955	\$303,632	\$271,102	\$279,513
Public Safety, Fire	\$42,678	\$29,854	\$17,520	\$19,472	\$58,052
City Maintenance	\$216,307	\$144,412	\$168,269	\$145,614	\$136,793
Capital expenditures	\$3,461	\$207,323	\$788,425	\$19,134	\$105,843
Totals expenditures	<u>\$1,283,917</u>	<u>\$1,096,526</u>	<u>\$1,626,633</u>	<u>\$710,116</u>	<u>\$780,402</u>

General Fund, fiscal years ended June 30,

	2006	2005	2004	2003	2002
Revenues					
Taxes	39.21%	68.49%	55.26%	78.33%	66.80%
Licenses and permits	0.23%	0.35%	0.50%	0.73%	0.50%
Intergovernmental Revenue	2.78%	5.07%	5.31%	5.36%	5.87%
Franchise Fees	6.78%	9.66%	7.34%	10.50%	9.78%
Grants	40.14%	4.71%	27.03%	1.57%	7.26%
Rents	2.68%	1.99%	1.40%	1.62%	1.54%
Interest Income	0.41%	0.59%	0.65%	0.96%	0.98%
Other Income	7.77%	9.13%	2.50%	0.92%	7.26%
Totals revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Expenditures					
Current Expense Fund					
General government	49.76%	35.93%	21.44%	35.88%	25.65%
Public safety, Police	29.80%	29.27%	18.67%	38.18%	35.82%
Public Safety, Fire	3.32%	2.72%	1.08%	2.74%	7.44%
City Maintenance	16.85%	13.17%	10.34%	20.51%	17.53%
Capital expenditures	0.27%	18.91%	48.47%	2.69%	13.56%
Totals expenditures	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

City of Greensburg, Kentucky
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Then Ended June 30, 2006

Business-type (Sewer) Fund, fiscal years ended June 30,	2006	2005	2004	2003	2002
Revenues					
Water service	\$600,209	\$565,162	\$563,065	\$556,816	\$545,288
Sewer service	\$266,313	\$256,124	\$255,015	\$260,713	\$263,153
Interest Income	\$19,907	\$14,752	\$18,866	\$26,621	\$32,049
Other service	\$15,139	\$20,688	\$27,527	\$12,580	\$42,581
Totals revenues	<u>\$901,568</u>	<u>\$856,726</u>	<u>\$864,473</u>	<u>\$856,730</u>	<u>\$883,071</u>
General Fund, fiscal years ended June 30,		2005	2004	2003	2002
Revenues					
Water service	66.57%	65.97%	65.13%	64.99%	61.75%
Sewer service	29.54%	29.90%	29.50%	30.43%	29.80%
Interest Income	2.21%	1.72%	2.18%	3.11%	3.63%
Other service	1.68%	2.41%	3.18%	1.47%	4.82%
Totals revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Expenditures					
Personnel Cost	\$393,471	\$412,649	\$394,109	\$344,137	\$342,926
Occupancy Expenses	\$73,973	\$87,196	\$113,713	\$69,303	\$61,056
Chemical and Testing Expenses	\$83,239	\$69,182	\$79,629	\$64,171	\$62,126
Maintenance and Repairs Expenses	\$77,520	\$69,422	\$51,960	\$61,674	\$91,964
Interest Expenses	\$94,666	\$126,582	\$112,318	\$113,059	\$115,115
Other Expenses	\$134,340	\$68,598	\$54,770	\$67,084	\$48,492
Depreciation and Amortization	\$366,894	\$293,550	\$276,810	\$264,872	\$255,650
Totals expenditures	<u>\$1,224,103</u>	<u>\$1,127,179</u>	<u>\$1,083,309</u>	<u>\$984,300</u>	<u>\$977,329</u>

City of Greensburg, Kentucky
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Then Ended June 30, 2006

General Fund, fiscal years ended June 30,	2006	2005	2004	2003	2002
Expenditures					
Personnel Cost	32.14%	36.61%	36.38%	34.96%	35.09%
Occupational Expenses	6.04%	7.74%	10.50%	7.04%	6.25%
Chemical and Testing Expenses	6.80%	6.14%	7.35%	6.52%	6.36%
Maintenance and Repairs Expenses	6.33%	6.16%	4.80%	6.27%	9.41%
Interest Expenses	7.73%	11.23%	10.37%	11.49%	11.78%
Other Expenses	10.97%	6.09%	5.06%	6.82%	4.96%
Depreciation and Amortization	<u>29.99%</u>	<u>26.04%</u>	<u>25.55%</u>	<u>26.91%</u>	<u>26.16%</u>
Totals expenditures	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>

RCR

Robert C. Ryan
Certified Public Accountant
Post Office Box 991292, Louisville, KY 40269
502/239-5171 ~ Facsimile 502/239-5171
E mail bobryan_cpa@bellsouth.net

Report of Independent Accountant

To the Mayor and City Council Members
City of Greensburg, Kentucky

I have audited the accompanying financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the City of Greensburg, Kentucky, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic government-wide financial statements are the responsibility of the management of the City of Greensburg, Kentucky. My responsibility is to express an opinion on the basic government-wide financial statements based upon my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic government-wide financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic government-wide financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-types activities and the aggregate remaining fund information of the City of Greensburg, Kentucky, as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally applied in the United States of America.

My audit was conducted in accordance with Government Auditing Standards. I have also issued reports dated July 30, 2006, on my consideration of the City of Greensburg's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The accompanying management's discussion and analysis and budgetary comparison information on pages 3 through 11 and pages 33 through 36 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board I have applied certain limited procedures, which consist principally of inquiries of management regarding the methods

Member:
American Institute of Certified Public Accountants ~ Kentucky and Tennessee Societies of Certified Public Accountants
Licensed to practice as a Certified Public Accountant in Indiana, Kentucky and Tennessee

December 14, 2006

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of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Greensburg's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the City of Greensburg, Kentucky. The schedules of general government activities, municipal street activities, and business-type (Water and Sewer Service) activities have been subjected to the auditing procedures applied in the audit of the basic government-wide financial statements and, in my opinion, are fairly presented in all material respects in relation to the basic government-wide financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Robert C. Ryan". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert C. Ryan, CPA
December 14, 2006

City of Greensburg, Kentucky
Statement of Net Assets
As of June 30, 2006

	Governmental	Primary Government Business- Type	Totals
Assets	Activities	Activities	
Cash and Cash Equivalents, Note A 7	\$290,624	\$345,578	\$636,202
Investments, Notes A 7, A 8	\$207,633	\$403,139	\$610,772
Receivables, net of allowance for doubtful tax collections, Notes B & C	\$239,434	\$8,691	\$248,125
Capital Assets, Notes, A 9, A 10, D & E			
General Government	\$3,487,174		\$3,487,174
Water and Sewer System		\$7,165,392	\$7,165,392
Accumulated Depreciation	(\$47,946)	(\$4,562,569)	(\$4,610,515)
Due from Funds	\$35,214	\$25,567	\$60,781
Other Long Term Assets	\$47,889		\$47,889
Total Assets	<u>\$4,260,022</u>	<u>\$3,385,798</u>	<u>\$7,645,820</u>
Liabilities			
Accounts Payable	\$47,107	\$82,390	\$129,497
Accrued Expenses	\$39,552	\$1,494	\$41,046
Customer Deposits		\$81,625	\$81,625
Unamortized Bond Discount		(\$9,385)	(\$9,385)
Unamortized Loss on Extinguishment of Debt, Note L		(\$36,857)	(\$36,857)
Unamortized Gain on Loan Restructure Note D		\$131,360	\$131,360
Bonds and Notes Payable			
Due Within One Year, Notes D, E	\$106,595	\$88,237	\$194,832
Due in More Than One Year, Notes D, E	\$276,444	\$1,967,616	\$2,244,060
Due to Funds	\$51,634	\$149,490	\$201,124
Other Long Term Liabilities	\$43,884		\$43,884
Total Liabilities	<u>\$565,216</u>	<u>\$2,455,970</u>	<u>\$3,021,186</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt, Notes D & E	\$3,056,189	\$546,970	\$3,603,159
Restricted for:			
Restricted for Debt Service Note D & E	\$383,039	\$2,055,853	\$2,438,892
Customers' Deposits		\$81,625	\$81,625
Restricted Cash Funds, Note A 7	\$45,069	\$55,490	\$100,559
Road Fund, Note A 7	\$2,943		\$2,943
Unrestricted	\$207,566	(\$1,810,110)	(\$1,602,544)
Total Net Assets, Note A 10	<u>\$3,694,806</u>	<u>\$929,828</u>	<u>\$4,624,634</u>

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

City of Greensburg, Kentucky
Statement of Activities
For the year ended June 30, 2006

Functions/Programs Governmental Activities	Net (Expense) Revenue and Changes in Net Assets				Totals
	Program Revenues Charges for Services	Operating Grants	Primary Governmental Activities	Business-type Activities	
General Government	Expenses (\$1,313,252)	\$892,993	(\$420,259)		(\$420,259)
Municipal Streets	(\$81,592)	\$41,068	(\$40,524)		(\$40,524)
Total Governmental Activities	\$0	\$934,061	(\$460,783)	\$0	(\$460,783)
Business-Type Activities					
Water and Sewer Services	(\$1,224,103)	\$220,236	\$0	(\$137,345)	(\$137,345)
General Revenues					
Property Taxes, Note C			\$160,465		\$160,465
Occupational/Net Profits Taxes			\$396,307		\$396,307
Fees, Licenses and Permits			\$442,673		\$442,673
Intergovernmental Revenue			\$18,955		\$18,955
Rent Income			\$57,917	\$15,139	\$57,917
Other Income			\$107,952		\$123,091
Unrestricted Interest Income			\$8,950		\$8,950
Restricted Interest Income			\$719	\$19,904	\$20,623
Transfers			\$9,628	(\$13,370)	(\$3,742)
Total General Revenues			\$1,203,566	\$21,673	\$1,225,239
Net Change, Governmental and Business-type Activities			\$742,783	(\$115,672)	\$627,111
Net Assets, Beginning			\$2,952,023	\$1,045,500	\$3,997,523
Adjustment to Net Assets, Beginning Note M					\$0
Adjusted Net Assets, Beginning			\$2,952,023	\$1,045,500	\$3,997,523
Net Assets, Ending			\$3,694,806	\$929,828	\$4,624,634

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

City of Greensburg, Kentucky
Combined Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2006

	Water and Sewer Utility
Cash Flow from Operating Activities:	
Cash Received from Customers	\$880,105
Cash Payments made to Suppliers for Goods and Services	
Cash Payments made to Employees and Professional Contractors for Services	(\$222,141)
	<u>(\$429,995)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$227,969</u>
Cash Flows from Capital and Related Financing Activities:	
Increase in Long Term Debt, Notes D & E	\$100,000
Decrease in Long Term Debt, Notes D & E	(\$39,797)
Bond Interest Expense	(\$94,666)
Increase in Due to Funds	\$18,823
Purchase of Equipment, Notes A 9, A 10	(\$516,977)
PRIDE and Other Grant Revenues	\$220,236
	<u>\$220,236</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(\$412,381)</u>
Cash Flows from Investing Activities	
Decrease in Restricted Investments, Note A 8	\$204,260
Interest Income	\$19,904
Other Income	\$6,382
	<u>\$6,382</u>
Net Cash Provided (Used) by Investing Activities	<u>\$230,546</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$46,134
Cash and Cash Equivalents June 30, 2005	<u>\$299,444</u>
Cash and Cash Equivalents June 30, 2006	<u><u>\$345,578</u></u>

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

City of Greensburg, Kentucky
 Combined Balance Sheets
 For The Year Ended June 30, 2006

Governmental Funds

	<u>General Government Activities</u>	<u>Municipal Streets Activities</u>	<u>Totals</u>
Assets			
Cash and Cash Equivalents			
Cash	\$242,612		\$242,612
Cash, Restricted	\$45,069	\$2,943	\$48,012
Receivables, Net	\$239,434		\$239,434
Total Assets	<u>\$527,115</u>	<u>\$2,943</u>	<u>\$530,058</u>
Liabilities			
Accounts payable	\$47,107		\$47,107
Accrued Expenses	\$35,340	\$4,212	\$39,552
Current Portion of Debt	\$106,595		\$106,595
Total Liabilities	<u>\$189,042</u>	<u>\$4,212</u>	<u>\$193,254</u>
Fund Equity			
Fund Balance, restricted	\$338,073		\$338,073
Fund Balance, Unrestricted		(\$1,269)	(\$1,269)
	<u>\$338,073</u>	<u>(\$1,269)</u>	<u>\$336,804</u>
Total Liabilities and Fund Equity	<u>\$527,115</u>	<u>\$2,943</u>	<u>\$530,058</u>

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

City of Greensburg, Kentucky
Reconciliation of the Balance
Sheet of Governmental Funds
to the Statement of Net Assets
As of June 30, 2006

Total Fund Balance - Total Governmental Funds	\$336,804
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Amounts reported for *Governmental Activities* in the Statement
of Net Assets are different because:

Investments of \$207,633 are considered long-term and are not financial resources, and therefore, are not reported in the funds. See Note A 8 Investments for details.	\$207,633
--	-----------

Capital assets of \$3,439,228 (net) are not financial resources, and therefore, are not reported in the funds. See Note A 8, Property (Capital Assets), Infrastructure, and Depreciation for details.	\$3,439,228
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Internal Due To/Due From Funds Accounts are not financial resources the current period, and therefore, are not reported in the funds.	(\$16,420)
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Long-term assets of \$47,889 are not financial resources, and therefore, are not reported in the funds.	\$47,889
---	----------

Long-term portion of debt is not due in the current period and are not reported in the funds. See Note D General Long-term Debt for details.	(\$276,444)
--	-------------

Long-term liabilities of \$43,884 are not due in the current period and are not reported in the funds.	(\$43,884)
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Net Assets of Government Activities	\$3,694,806
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The accompanying notes are an integral part of the financial statements.

City of Greensburg, Kentucky
 Combined Statements of Revenues, Expenditures
 And Changes in Fund Balances
 Governmental Fund
 Year Ended June 30, 2006

	<u>General</u>	<u>Special</u> <u>Revenues</u>	<u>Totals</u>
Revenues	\$1,165,314		\$1,165,314
Intergovernmental Revenues	\$18,955		\$18,955
Grant Revenues	\$892,993	\$41,068	\$934,061
Interest Income	\$8,950	\$719	\$9,669
	<u>\$2,086,212</u>	<u>\$41,787</u>	<u>\$2,127,999</u>
Expenditures			
General Government	(\$1,272,554)		(\$1,272,554)
Municipal Streets		(\$81,592)	(\$81,592)
Debt Service			
Principal	(\$32,706)		(\$32,706)
Interest	(\$40,698)		(\$40,698)
	<u>(\$1,345,958)</u>	<u>(\$81,592)</u>	<u>(\$1,427,550)</u>
Excess of Revenues and Grants Over (Under) Expenditures	<u>\$740,254</u>	<u>(\$39,805)</u>	<u>\$700,449</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	\$9,628		\$9,628
Increase in Long Term Debt	\$300,000		\$300,000
Capital Expenditures	(\$1,489,116)		(\$1,489,116)
Net Other Financing Sources (Uses)	<u>(\$1,179,488)</u>	<u>\$0</u>	<u>(\$1,179,488)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(\$439,234)	(\$39,805)	(\$479,039)
Fund Balances, July 1, 2005	<u>\$2,756,141</u>	<u>\$102,292</u>	<u>\$2,858,433</u>
Fund Balances, June 30, 2006	<u>\$2,316,907</u>	<u>\$62,487</u>	<u>\$2,379,394</u>

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

City of Greensburg, Kentucky
Reconciliation of the Statement of
Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds
to the Statement of Activities
As of June 30, 2006

Net change in fund balance- total governmental funds (\$479,039)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlays reported in the current fiscal year ended June 30, 2005 \$1,489,116

The proceeds of debt issuance provide current financial resources to governmental funds, but the issuing debt increases long-term liabilities in the statement of net assets. (\$300,000)

The proceeds of debt issuance provide current financial resources to governmental funds, but the issuing debt increases long-term liabilities in the statement of net assets. Repayment of the debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets. This is the amount by which debt principal was reduced. Also see Note D, General Long-Term Debt for additional detail \$32,706

Change of net assets of governmental activities \$742,783

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

City of Greensburg, Kentucky
Statement of Net Assets - Proprietary Fund
As of June 30, 2006

Assets	
Cash and Cash Equivalents, Note A 7	\$345,578
Investments, Notes A 7, A 8	\$403,139
Receivables, net of allowance for doubtful tax collections, Notes B & C	\$8,691
Capital Assets, Notes, A 9, A 10, D & E	
Water and Sewer System	\$7,165,392
Accumulated Depreciation	(\$4,562,569)
Due from Funds	\$25,567
Total Assets	<u><u>\$3,385,798</u></u>
Liabilities	
Accounts Payable	\$82,390
Accrued Expenses	\$1,494
Customer Deposits	\$81,625
Unamortized Bond Discount	(\$9,385)
Unamortized Loss on Extinguishment of Debt, Note L	(\$36,857)
Unamortized Gain on Loan Restructure Note D	\$131,360
Bonds and Notes Payable	
Due Within One Year, Notes D, E	\$88,237
Due in More Than One Year, Notes D, E	\$1,967,616
Due to Funds	\$149,490
Total Liabilities	<u><u>\$2,455,970</u></u>
Net Assets	
Invested in Capital Assets, Net of Related Debt, Notes D & E	\$546,970
Restricted for:	
Restricted for Debt Service Note D & E	\$2,055,853
Customers' Deposits	\$81,625
Restricted Cash Funds, Note A 7	\$55,490
Road Fund, Note A 7	
Unrestricted	<u><u>(\$1,810,110)</u></u>
Total Net Assets, Note A 10	<u><u>\$929,828</u></u>

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

City of Greensburg, Kentucky
Statement of Revenues, Expenditures and Changes in
Retained Earnings - Proprietary Fund
For The Year Ended June 30, 2006

Water and Sewer Revenue	
Sewer Service Revenue	\$266,313
Water Service Revenue	\$600,209
	<u>\$866,522</u>
Operating Expenditures	<u>(\$1,129,437)</u>
Operating Income Loss	<u>(\$262,915)</u>
Non - Operating Income (Expenses)	
Bond Interest Expense	(\$94,666)
PRIDE Grant Revenues	\$220,236
Gain on Loan Restructuring	\$8,757
Interest Income	\$19,904
Other Income	\$6,382
	<u>\$160,613</u>
Net Income (Loss)	<u>(\$102,302)</u>
Retained earnings, July 1, 2005	<u>\$1,045,474</u>
Retained Earnings, June 30, 2006	<u><u>\$943,172</u></u>

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

City of Greensburg, Kentucky
Notes to Financial Statements
As of June 30, 2006, and
For the Fiscal Year Then Ended

Note A. Summary of Significant Accounting Policies

A 1. Summary of Significant Accounting Policies

The City of Greensburg, Kentucky, was established December 4, 1794. The city operates under a Mayor-Council form of government. The City's major operations include fire and police protection, parks and recreation, and general administrative services. In addition, the City operates a water and sewer system.

The citizens of Greensburg elect a mayor-at-large and six city council members. The accompanying financial statements present the City's primary government unit over which the City exercises significant influence.

The City's financial statements are presented in accordance with generally accepted accounting principles (GAAP) as accepted in the United States of America. The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local government through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City is discussed below.

In June 1999, the Government Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financials Statements-and Management's Discussion and Analysis-for State and Local Governments*. Certain of the significant changes on the Statement include the following:

The financial statements will include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and operations.

Financial statements prepared using the full accrual accounting for all of the City's activities, including infrastructure (streets, bridges etc.)

A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The City elected to implement the general provision of Statement No. 34 in the year ended June 30, 2003.

City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2006

A 3. Basis of Presentation

On July 1, 2003 the City adopted the provisions of Government Accounting Standards Board Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*" Statement No. 34 established new financial reporting requirements for all state and local governments and consist of the following:

Management's Discussion and Analysis (The City of Greensburg has elected not to include the Management's Discussion and Analysis in its financial statements presentation as of June 30, 2006 and for the year then ended.)

Basic Financial Statements
Government – wide financial statements
Fund financial statements

Notes to the Financial Statements

Government - wide Financial Statements

The government – wide financial statements include a statement of net assets and the statement of activities. These statements display information about the City as a whole. The statements distinguish between governmental and business – activities of the City. These financial statements include the financial activities of the City except for fiduciary activities. Governmental activities normally are supported by taxes and intergovernmental revenues and are reported separately from business – type activities, which rely on fees and charges for support. The government – wide statement of activities reflects the cost of government by function for governmental activities and business – type activities. Program revenues include charges paid by recipient for the goods or services offered by the program and grants or contributions that are restricted to the program. Revenues which are not classified as program revenues are presented as general revenues of the City.

Fund Financial Statements

Fund financial statements report detailed information about the City. The accounts of the City are organized on the basis of funds each of which is considered to be a separate fiscal and accounting entity. Each fund is accounted for by providing a separate set of self – balancing accounts that is comprised of assets, liabilities, reserves, fund equity, revenues and expenditures or expenses.

Governmental Funds are those which most governmental functions are financed. The governmental fund measurement focus is on determination of financial position and budgetary control over revenues and expenditures. Proprietary Fund Types are used to account for operations that are financed and operated in a manner similar to business enterprises – where the intent of the governing body is that cost for providing services is to be financed or recovered primarily through user charges.

The following are the funds used by the City of Greensburg, Kentucky:

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2006**

Governmental Fund

General Fund – The General Operating Fund of the City is used to account for all financial resources except those require to be accounted for in another fund. Most of the essential governmental services such as police and fire protection, community services and general administration are reported in this Fund.

Other Nonmajor Funds – The other Nonmajor Funds are used to account for financial resources required to be accounted for outside of the General Fund, such as recreation and municipal road aid.

Proprietary Fund

Proprietary funds are used to account for ongoing organizations and activities of the City, which are similar to those found in private business enterprises. The measurement focus is upon determination of net income, financial position and changes in cash flows.

Proprietary funds are established to account for the acquisition, operations and maintenances of the City's facilities and services which are entirely or predominately self-supported by user charges or where the City has decided that periodic determination of revenues earned, expenses incurred and net income is appropriated for capital maintenance, public policy, management control, accountability or other purposes. The accounts are maintained on the accrual basis of accounting. The City applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements and opinions conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. The City's enterprise operations include the following:

Utilities Fund – The Utilities Fund is used to account for the water and sewer services provided to residents of the City and areas surrounding the City, the operations of which are financed by user charges.

A 4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government – wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. The government – wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government – wide statements and the statements of individual funds.

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2006**

Fund Financial Statements

The financial transactions of the City are recorded in individual funds. Their focus is on individual funds rather than reporting funds by type. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and are available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities in the current period. Expenditures, other than interest on long – term debt, are recorded when the liability is incurred.

Proprietary funds are accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Permits, fines and forfeitures and other miscellaneous revenues (except for investment earnings) are recorded as revenues when received because they are generally not measurable until actually received. Investment earnings are recorded when earned since they are measurable and available in all funds.

A 5. Component Units

There are no governmental component units incorporated in the basic government-wide financial statements. A *component unit* is a legally separate entity that is included in the primary government's financial reporting entity using the criteria of Government Standards Accounting Board Statement No. 14.

A 6. Budgeting

The City follows the procedures established pursuant to Section 91A.030 of the Kentucky Revised Statutes in establishing the budgetary data reflected in the financial statements. Budgets for all government activities and business-type activities are adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts, as amended, in the financial statements are as adopted by ordinances of the City.

A 7. Cash and Cash Equivalents

The City maintains and controls seven (7) cash accounts of the primary government. The cash accounts are as follows:

Cash in bank, operating, interest bearing	\$202,374
Cash in bank, payroll, and interest bearing	40,238
Cash in bank, Renaissance, restricted (3)	45,069
Cash in bank, Road Fund, restricted, interest bearing (2)	<u>2,943</u>
	<u>\$290,624</u>

City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2006

The City maintains and controls seven (7) cash accounts of the business-type activity. The cash accounts are as follows:

Cash in bank, restricted, interest bearing (2)	\$55,190
Cash in bank, non restricted, interest-bearing (5)	<u>290,088</u>
	<u>\$345,578</u>

The City reporting entity considers highly liquid investments (including restricted assets) with an original maturity of three (3) months or less to be cash equivalents.

At June 30, 2006, the carrying value of all City of Greensburg's deposits and investments was \$1,774,779. The Federal Deposit Insurance Corporation (FDIC) insures the first \$100,000 of the total of deposits at financial institutions. Total funds deposited in excess of the \$100,000 insured by FDIC are covered by securities pledge for the City of Greensburg. Pledged securities are as follows:

<u>Security</u>	<u>Original Face</u>	<u>Book Value</u>	<u>Market Value</u>
<u>Community Trust Bank</u>			
GNMA Pool No. 545157	\$301,951	NA	\$307,912
<u>Greensburg Deposit Bank</u>			
Federal Home Loan Bank	\$900,000	\$898,413	\$874,688
<u>PBI Bank</u>			
Municipal Utility Bonds (2)	\$515,000	\$518,161	\$527,241

A 8. Investments

Kentucky Revised Statutes (KRS) authorizes municipalities to invest in obligation of the United States of America and its agencies, obligations of the Commonwealth of Kentucky and its agencies, shares in savings and loan associations insured by federal agencies, deposits in national or state chartered banks insured by federal agencies and larger amounts in such institutions providing such banks pledge security obligations of the United States of America government or its agencies.

Investments consist of the following:

<u>Description</u>	<u>General Government</u>	<u>Business-Type</u>
	<u>Value</u>	<u>Value</u>
Certificate of Deposit	\$114,700	\$1,844
Certificate of Deposit	58,629	19,376
Certificate of Deposit	3,000	96,919
Certificate of Deposit	3,477	6,715
Certificate of Deposit	2,097	93,140
Certificate of Deposit		7,900
Certificate of Deposit		64,613
Certificate of Deposit		61,325

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2006**

A 8. Investments (continued)

Certificate of Deposit		41,170
Certificate of Deposit		3,560
Savings Accounts (2)	<u>25,730</u>	<u>6,577</u>
	<u>\$207,633</u>	<u>\$403,139</u>

The interest rates on the certificates of deposits range from 1.25% to 3.85%.

A 9. Property (Capital Assets), Infrastructure and Depreciation

Capital asset activity for the year ended June 30, 2006 is as follows:

<u>Capital Asset Class</u>	<u>June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 03, 2006</u>
<u>Government Activities</u>				
Buildings	\$163,328	\$614,542	\$ 0	\$777,870
Equipment	24,450	19,569	0	44,019
Furniture	519	27,605	0	28,124
Heartland Building	900,000	0	0	900,000
Land, River Project	25,650	0	0	25,650
Office Equipment	16,213	0	0	16,213
Paddle Trail	46,248	0	0	46,248
River Project	37,689	0	0	37,689
Software	13,182	0	0	13,182
Town Square	512,317	0	0	512,317
Vehicles	131,500	22,565	0	154,065
Walkbridge/Depot	124,962	0	0	124,962
Streetscape	0	559,913	0	559,913
Connector Road	0	<u>161,150</u>	<u>0</u>	<u>161,150</u>
	<u>\$1,996,058</u>	<u>\$1,489,116</u>	<u>\$ 0</u>	<u>\$3,485,174</u>
Accumulated Depreciation	<u>(\$2,500)</u>	<u>(\$45,446)</u>	<u>\$ 0</u>	<u>(\$47,946)</u>
Net Government Capital Assets	<u>\$1,663,558</u>	<u>\$1,459,116</u>	<u>\$ 0</u>	<u>\$3,437,228</u>
<u>Enterprise Capital Assets</u>				
Land	\$25,450	\$ 0	\$ 0	\$25,450
Equipment	273,579	0	0	273,579
Buildings	71,731	0	0	71,731
Sewer System	3,875,561	241,398	0	4,116,959
Vehicle	79,031	14,000	0	93,031
Water System	<u>2,323,063</u>	<u>261,579</u>	<u>0</u>	<u>2,584,642</u>
	6,648,415	516,977	0	7,165,392

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2006**

A 9. Property (Capital Assets), Infrastructure and Depreciation

Accumulated Depreciation	(4,200,811)	(361,758)	_____ 0	(4,562,569)
Net Enterprise Capital Assets	\$2,447,604	\$155,219)	\$_____ 0	\$2,602,823

The following methods and estimated service lives are being used to calculate depreciation:

<u>Asset</u>	<u>Estimated Life</u>	<u>Depreciation Method</u>
<u>Business-type Activity</u> Water and Sewer System	7-30 year life	Straight-line

The City elected to implement the general provisions of GASB Statement No. 34 in the year ended June 30, 2003.

All government entities are required to capitalize newly acquired or constructed infrastructure assets beginning with the GASB Statement No. 34 implementation date. Not all government entities are required to capitalize retroactively. Government entities with a fiscal year ending June 30, with less than \$10 million in GAAP-based revenues in their first year ended June 30, 1999, can elect not to capitalize retroactively.

The City elected not to retroactively capitalize the cost of approximately eighteen (18) miles of municipal streets. The municipal streets were constructed prior to fiscal year ended June 30, 1980, and systematic repairs and maintenance have maintained them. The City will continue its policy of expensing the cost of repairs and maintenance to its municipal streets.

Tangible and intangible property (capital assets) having a cost \$500.00 and more and having an initial useful life that extends beyond a single reporting period are classified as capital assets.

A 10. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2006**

Note B. Receivables

As of June 30, 2006, the Receivables due the City consist of the following:

	Governmental <u>Activities</u>	Business- Type <u>Activities</u>
Taxes assessed on property	\$17,473	
911 Reimbursement of Expenses	47,809	
Insurance Premium Taxes, 2 nd Quarter 2006	24,481	
KLEFPF	2,007	
Franchise Fees	4,345	
USDA Rural Development	86,235	
Criminal Justice Grant	10,000	
Conservation Grant	5,000	
CEG Grant	42,084	
Customer receivables		\$8,691
Less Provision for uncollectible accounts	<u>-0-</u>	<u>-0-</u>
Net Receivables	<u>\$239,434</u>	<u>\$8,691</u>

Note C. Property Taxes Receivable, Property Tax Calendar and Provision for Uncollectible Real Property Taxes

Property tax (real property) rolls are prepared by the Green County Property Tax Assessors office and given to the Greensburg City Clerk for preparation of the tax bills to be mailed to city real property owners. Real property owned as of January 1, is assessed. Tax bills are mailed October 1, and become delinquent January 1, of the next year. Major tax payments are received October through December. The City Clerk of Greensburg collects real property taxes. Vehicle taxes are collected by the Clerk of Green County and remitted to Greensburg. Vehicle taxes are due and collected in the birth month of the licensee.

Note D. General Long Term Debt

The following is a summary of long-term debt outstanding for then years ended June 30, 2005, and 2006:

<u>Revenue Bonds-Water And Sewer Fund</u>	<u>June 30, 2005</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2006</u>
\$1,852,000, 1992 Serial bonds maturing January 1, 2031, interest @ 5.00%	\$1,579,000	\$ 0	(\$31,000)	\$1,548,000
\$641,341, 1993 F Kentucky Infrastructure Authority (KIA) Revenue Bonds, maturing through January 1, 2016, Interest @ 5.6%	<u>400,000</u>	<u>0</u>	<u>0</u>	<u>400,000</u>
	<u>\$1,979,000</u>	<u>\$ 0</u>	<u>(\$31,000)</u>	<u>\$1,948,000</u>

City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2006

Note D. General Long Term Debt (continued)

Notes Payable

\$50,000 November 1, 1996, \$5,023 due annually, due November 1, 2007, interest @ 3% APR	\$14,208	\$ 0	(\$4,596)	\$9,612
\$48,925, Due July 11, 2006, interest @ 4.25%, secured by personal property	33,239	0	(16,207)	17,032
\$104,120, Due December 12, 2006, interest @ 3.8 %, Secured by personal property	84,944	0	(20,006)	64,938
\$300,000, Kentucky League of Cities Long-term Lease Agreement, Due July 15, 2020, 3.88% fixed, secured by personal property	0	300,000	0	300,000
\$100,000, Kentucky League of Cities Long-term Lease Agreement, due April 1, 2026, Variable interest rate, secured by City revenues	<u>0</u>	<u>100,000</u>	<u>(690)</u>	<u>99,310</u>
	<u>\$132,391</u>	<u>\$400,00</u>	<u>(\$41,499)</u>	<u>\$490,892</u>

The annual requirements to amortize the long-term debt outstanding as June 30, 2006 are as follows:

<u>Year Ended June 30</u>	<u>1992 Serial Bonds</u>	<u>1993F Revenue Bond</u>	<u>Note 1</u>	<u>Note 2</u>	<u>Note 3</u>	<u>Note 4</u>	<u>Note 5</u>
2007	32,000	40,549	4,736	<u>\$17,032</u>	<u>\$64,938</u>	\$28,432	\$7,145
2008	34,000	40,806	<u>4,876</u>			27,749	7,145
2009	36,000	41,014				27,041	7,145
2010	37,000	41,153				26,342	7,145
2011	40,000	41,236				30,422	7,145
2012-2016	228,000	<u>195,242</u>				138,153	35,725
2017-2021	291,000					<u>21,861</u>	<u>27,860</u>
2022 and subsequent years	<u>850,000</u>						
Totals	<u>\$1,548,000</u>	<u>\$400,000</u>	<u>\$9,612</u>	<u>\$17,032</u>	<u>\$64,938</u>	<u>\$300,000</u>	<u>\$99,310</u>

City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2006

Note D. General Long Term Debt (continued)

During the year ended June 30 2005 Kentucky Infrastructure Authority (KIA) restructured its loan with the City of Greensburg. KIA applied the amount it held as Debt Service Reserve, \$162,809, less a premium of \$11,272, to the principal of the loan as of July 29, 2004. This restructuring reduced the principal due July 29, 2004 of \$551,537, to a principal of \$400,000.

The City of Greensburg has elected to recognize the restructuring as a gain on loan restructuring and amortize the gain over the remaining life of the restructured loan, ten and one-half (10 ½ years).

Note E. Compliance with Bond Ordinance

The City of Greensburg Water and Sewer Revenue Bonds of 1992 ordinance requires the City to create and maintain separate funds or accounts for the Sewer Fund.

- **Depreciation** - This account is to receive from the remaining revenues of the system \$916 each month.
- **Bond and Interest Sinking** - This account is to receive, monthly, one sixth (1/6) of the next interest installment and one-twelfth (1/12) of the next annual principal payment.
- **Operation and Maintenance** - This account is to accrue a balance equal to the anticipated requirements for a two-month period.

Note F. Risk Management

The City of Greensburg is exposed to various risk of loss to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters. In addition to its general liability insurance, the City also carries commercial risk insurance for all risk of loss such as worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three (3) years.

Note G. Related Parties Transactions

In a governmental entity related parties include members of the governing body (city commissioners, etc.), board members, administrative officials (mayor, city clerk, etc.) immediate family members of the preceding individuals and affiliated governmental units that are not included in the financial statements as part of the reporting entity such as water and sewer systems. There are no related party transactions to be disclosed.

Note H. Economic Dependency

The City is not economically dependent on one or more major taxpayers or suppliers.

City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2006

Note I. Pension Plan

The City of Greensburg is a participating employer of the County Employees' Retirement System (CERS), which is a multi-employer defined benefit plan that covers substantially all regular full-time employees of each county, school board, municipal and other local agencies electing to participate. Upon election to participate in the CERS, each employee has the option to participate, however, all subsequent employees must participate and the employer is required to continue participation.

Employees who retire at age 65 and have 48 or more months of credit service or have 27 years of credited service regardless of age are entitled to a retirement benefit, payable monthly for life, equal to 2% of the average annual salary of the members' highest earnings years multiplied by the number of year of service credit. Members retiring at less than 55 years of age with 25 to 27 years of service credit or 65 years of age with less than 48 months of service credit are entitled to reduced benefits. Members' retirement benefits become fully vested when they complete sixty months of service, twelve of which are current service. At a minimum, terminated employees are refunded their contributions with credited interest at 3% compounded annually through June 30, 1981 thereafter through June 30, 1986, and 4% thereafter.

Employer contribution rates are intended to fund the System' normal cost on a current basis plus one percent (1%) of unfunded past service cost per annum plus interest at the actuarial assumed rate. The Board of Trustees of Kentucky Retirement Systems determines such contribution rates each biennium.

The amount shown below as " pension benefit obligation" is a standardize disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help the users assess the System's funding status on a going-concern basis, and assess progress made in the public employee retirement system (PERS). The measure is independent of the actuarial funding method used to determine contributions to the System.

All required contributions were paid at year-end or within thirty (30) days thereafter. During the year ended June 30, 2006 the City paid \$64,138 into CERS for the benefit of eligible City employees.

The funds status as of the latest valuation date (June 30, 2005) is as follows:

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Actuarial Accrued Values	\$7,180,774,025	\$6,577,289,608
Actuarial Value of Plan Assets	\$6,511,561,710	\$6,645,463,572
Unfunded Liability on Actuarial Value of Assets	\$669,212,315	(\$68,173,964)
Funded Ratio on Actuarial Value of Assets	90.68%	101.04%
Market Value of Plan Assets	\$6,304,845,716	\$5,918,347,429
Unfunded Liability on Market Value of Assets	\$875,928,309	\$685,942,179
Funded Ratio of Market Value of Plan Assets	87.80%	89.89%

The complete audited financial statements, comprehensive annual financial report and actuarial valuations of the Kentucky Retirement System can be found on line at www.kyrte.com.

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2006**

Note J. Rent Expense

Effective June 5, 1989, by action of the City Council of Greensburg, Kentucky, the Greensburg Water and Sewer System rents its office facilities from the City of Greensburg at the rate of \$12,000 per year.

Note K. Ownership

The Greensburg Water and Sewer System is a business-type activity of the City of Greensburg.

Note L. Defeased Debt

On August 20, 1993 The Kentucky Infrastructure Authority (KIA) issued Series 1993 F revenue bonds of \$17,805,000 par value to advance refund revenue bonds Series 1989 C with a par value of \$15,220,000. The Series 1993 F revenue bonds were issued at par less \$385,063 in discounts. After paying issuance cost of \$254,618, the net proceeds were \$17,210,319. The advance refunding met the requirements of an in-substance debt defeasance and the refunded revenue bonds were removed as a liability from the City's balance sheet. In the City of Greensburg's portion of the advance refunding, bonds with a par value of \$641,341 were issued less \$13,835 in bond discounts and \$9,148 issuance cost.

As a result of the advance refunding, the City realized a loss on extinguishment of \$90,284. The loss is being amortized over the life of the Series 1993 F revenue bonds. A loss of \$4,904 is recognized for financial reporting in the current year ended June 30, 2006.

City of Greensburg, Kentucky
Budgetary Comparison Schedule, General Government Activity
Budget and Actual (Non GAAP Budgetary Basis)
Year Ended June 30, 2006

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Fund Balance June 30, 2005	<u>\$696,241</u>	<u>\$669,241</u>	<u>\$726,050</u>	
Revenues				
Occupational Taxes	\$325,000	\$325,000	\$369,307	\$44,307
Property and Vehicle Taxes	\$163,000	\$163,000	\$160,465	(\$2,535)
Insurance Premium Tax	\$350,000	\$350,000	\$291,137	(\$58,863)
Grants	\$2,249,900	\$2,249,900	\$867,984	(\$1,381,916)
Loan Proceeds	\$300,000	\$300,000	\$300,000	\$0
Franchise Fees	\$85,000	\$85,000	\$146,611	\$61,611
Inter-governmental Revenues	\$35,400	\$35,400	\$43,965	\$8,565
Other Revenues	\$16,360	\$16,360	\$101,288	\$84,928
Rent	\$81,540	\$81,540	\$57,917	(\$23,623)
Licenses and Permits	\$8,400	\$8,400	\$4,925	(\$3,475)
Donations Received	\$6,000	\$6,000	\$32,555	\$26,555
Downtown Sponsorships	\$6,500	\$6,500	\$8,490	\$1,990
Interest Income	\$12,000	\$12,000	\$8,950	(\$3,050)
Total Revenues	<u>\$3,639,100</u>	<u>\$3,639,100</u>	<u>\$2,393,594</u>	<u>(\$1,245,506)</u>
Total Resources Available	<u>\$4,335,341</u>	<u>\$4,308,341</u>	<u>\$3,119,644</u>	<u>(\$1,188,697)</u>
Appropriations				
General Government	\$497,885	\$497,885	\$562,391	(\$64,506)
Public Safety, Police	\$370,814	\$370,814	\$382,606	(\$11,792)
Public Safety, Fire	\$41,900	\$41,900	\$42,678	(\$778)
City maintenance	\$239,407	\$239,407	\$216,307	\$23,100
Heartland Regional Micro Park	\$45,200	\$45,200	\$54,334	(\$9,134)
Paddle Trail	\$20,000	\$20,000	\$22,140	(\$2,140)
Grant Expenses	\$2,391,150	\$2,391,150	\$3,461	\$2,387,689
Total Appropriations	<u>\$3,606,356</u>	<u>\$3,606,356</u>	<u>\$1,283,917</u>	<u>\$2,322,439</u>
Excess of Resources over (Under Appropriations	<u>\$728,985</u>	<u>\$701,985</u>	<u>\$1,835,727</u>	<u>\$1,133,742</u>
Fund Balance June 30, 2006	<u>\$728,985</u>	<u>\$701,985</u>	<u>\$1,835,727</u>	

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

City of Greensburg, Kentucky
 Budgetary Comparison Schedule, Water and Sewer Activity
 Budget and Actual (Non GAAP Budgetary Basis)
 Year Ended June 30, 2006

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Fund Balance June 30, 2005	\$624,684	\$624,684	\$326,381	
Revenues				
Charges for Services, Water	\$591,628	\$591,628	\$600,209	\$8,581
Chargers for Service, Sewer	\$280,191	\$280,191	\$266,313	(\$13,878)
Other Revenues	\$6,500	\$6,500	\$6,382	(\$118)
Loan Proceeds	\$200,000	\$200,000	\$100,000	(\$100,000)
Interest Income	\$12,000	\$12,000	\$19,904	\$7,904
Grant Revenues	\$1,274,800	\$1,274,800	\$220,236	(\$1,054,564)
Total Revenues	\$2,365,119	\$2,365,119	\$1,213,044	(\$1,152,075)
Total Resources Available	\$2,989,803	\$2,989,803	\$1,539,425	(\$1,450,378)
Appropriations				
Grant Expenses	\$1,474,800	\$1,474,800	\$0	\$1,474,800
Debt Retirement, Water	\$41,907	\$41,907	\$39,797	\$2,110
Debt, Retirement, Sewer	\$109,400	\$109,400	\$94,666	\$14,734
Water Operations	\$579,276	\$579,276	\$523,068	\$56,208
Sewer Operations	\$281,462	\$281,462	\$330,519	(\$49,057)
Total Appropriations	\$2,486,845	\$2,486,845	\$988,050	\$23,995
Excess of Resources over (Under Appropriations	\$502,958	\$502,958	\$551,375	
Fund Balance June 30, 2006	\$502,958	\$502,958	\$551,375	

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

City of Greensburg, Kentucky
 Budgetary Comparison Schedule, LEGA
 Budget and Actual (Non GAAP Budgetary Basis)
 Year Ended June 30, 2006

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Fund Balance June 30, 2005	<u>\$11,666</u>	<u>\$11,666</u>	<u>\$11,202</u>	
Revenues				
Intergovernmental Revenues	\$1,600	\$1,600	\$1,586	(\$14)
Interest Income	<u>\$100</u>	<u>\$100</u>	<u>\$154</u>	<u>\$54</u>
Total Revenues	<u>\$1,700</u>	<u>\$1,700</u>	<u>\$1,740</u>	<u>\$40</u>
Total Resources Available	<u>\$13,366</u>	<u>\$13,366</u>	<u>\$12,942</u>	<u>(\$424)</u>
Appropriations				
Economic Development	<u>\$13,366</u>	<u>\$13,366</u>	<u>\$10,000</u>	<u>\$3,366</u>
Total Appropriations	<u>\$13,366</u>	<u>\$13,366</u>	<u>\$10,000</u>	<u>\$3,366</u>
Excess of Resources over (Under Appropriations	<u>\$0</u>	<u>\$0</u>	<u>\$2,942</u>	<u>\$2,942</u>
Fund Balance June 30, 2006	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$2,942</u></u>	

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

City of Greensburg, Kentucky
Budgetary Comparison Schedule, Municipal Streets Activity
Budget and Actual (Non GAAP Budgetary Basis)
Year Ended June 30, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund Balance June 30, 2005	<u>\$81,000</u>	<u>\$81,000</u>	<u>\$62,085</u>	
Revenues				
Municipal Aid	\$71,154	\$71,154	\$41,068	(\$30,086)
Interest Income	<u>\$420</u>	<u>\$420</u>	<u>\$719</u>	<u>\$299</u>
Total Revenues	<u>\$71,574</u>	<u>\$71,574</u>	<u>\$41,787</u>	<u>(\$29,787)</u>
Total Resources Available	<u>\$152,574</u>	<u>\$152,574</u>	<u>\$103,872</u>	<u>(\$48,702)</u>
Appropriations				
Street repairs	<u>\$152,574</u>	<u>\$152,574</u>	<u>\$81,592</u>	<u>\$70,982</u>
Total Appropriations	<u>\$152,574</u>	<u>\$152,574</u>	<u>\$81,592</u>	<u>\$70,982</u>
Excess of Resources Over (Under)				
Appropriations	<u>\$0</u>	<u>\$0</u>	<u>\$22,280</u>	<u>\$22,280</u>
Fund Balance June 30, 2006	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$22,280</u></u>	

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



Robert C. Ryan
Certified Public Accountant
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E mail bobryan_cpa@bellsouth.net

Report of Independent Accountant

To the Mayor and City Council Members
City of Greensburg, Kentucky

My audit was performed for the purpose of forming an opinion on the basic government-wide financial statements taken as a whole. The supplemental schedules of the City of Greensburg, Kentucky as of June 30, 2006, and for the fiscal year then ended are presented for the purpose of additional analysis and are not a required part of the basic government-wide financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic government-wide financial statements and in my opinion, are fairly stated in all material respects in relation to the basic government-wide financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Robert C. Ryan".

Robert C. Ryan
Certified Public Accountant

December 14, 2006

City of Greensburg, Kentucky
Schedule of General Government Activities
Year Ended June 30, 2006

Expenditures	General Government Activities	Special Revenue Activity	Totals
Salaries	\$475,314		\$475,314
Mayor and Council Expenses	\$6,449		\$6,449
Advertising, Legal Notices	\$7,709		\$7,709
Chamber Bucks Expenses	\$7,610		\$7,610
Community Development Expenses	\$28,827		\$28,827
Computer Expenses	\$3,818		\$3,818
Debt Service Expense	\$40,698		\$40,698
Dues and Subscriptions	\$1,196		\$1,196
Economic Development Expenses	\$5,137		\$5,137
Equipment Parts Expenses	\$1,239		\$1,239
Fees	\$3,909		\$3,909
Firemen's Fees	\$8,180		\$8,180
Fuel Expense	\$19,348		\$19,348
Grant Expenses	\$51,121		\$51,121
Heartland RMEP Expenses	\$54,334		\$54,334
Insurance, General	\$82,397		\$82,397
Intergovernmental Agreement Expense	\$35,000		\$35,000
Miscellaneous Expenses	\$13,999		\$13,999
Office Supplies	\$12,656		\$12,656
Paddle Trail Expenses	\$22,140		\$22,140
Park Allocation Expenses	\$1,035		\$1,035
Personnel Benefits Expenses	\$144,533		\$144,533
Professional Fees	\$37,126		\$37,126
Planning and Zoning Expenses	\$23,756		\$23,756
Postage Expense	\$2,804		\$2,804
Repairs and Maintenance Expenses	\$67,072	\$81,592	\$148,664
River Project Expenses	\$12,678		\$12,678
Supplies Purchased	\$10,711		\$10,711
Telephone Expenses	\$8,138		\$8,138
Travel and Training Expenses	\$6,567		\$6,567
Uniform Expenses	\$4,572		\$4,572
Utility Expenses	\$66,783		\$66,783
Website Expenses	\$950		\$950
Depreciation	\$45,446		\$45,446
Total Expenditures	\$1,313,252	\$81,592	\$1,394,844

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

City of Greensburg, Kentucky
 Schedule of General Government Activities
 Year Ended June 30, 2006

	General Government Activities	Municipal Streets Activity	Totals
Revenues			
Property Tax Revenue	\$140,216		\$140,216
Vehicle Tax Revenue	\$20,249		\$20,249
Insurance Premium Tax	\$291,137		\$291,137
License Fees, Other	\$4,925		\$4,925
Franchise Fees	\$146,611		\$146,611
Grant Revenue	\$867,984		\$867,984
Donated Revenue	\$41,045		\$41,045
Intergovernmental Revenue	\$18,955	\$41,068	\$60,023
Interest Income	\$8,950	\$719	\$9,669
Miscellaneous Revenues	\$66,907		\$66,907
Occupational Taxes	\$396,307		\$396,307
KLEFPF Grant	\$25,009		\$25,009
Rent Income	\$57,917		\$57,917
Transfers	\$34,382		\$34,382
Total Revenues	\$2,120,594	\$41,787	\$2,162,381
Net Revenues and Grant Revenue Over Expenditures and Transfers	\$807,342	(\$39,805)	\$767,537

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

City of Greensburg, Kentucky
Schedule of Sewer and Water Service Activities
Year Ended June 30, 2006

Operating Expenditures	Sewer and Water Service Activities
Salaries	\$292,047
Advertising Expenses	\$1,213
Chemicals Purchased	\$64,001
Contract Expenses	\$36,524
Debt Service	\$1,947
Fees Paid	\$2,043
Fuel Expenses	\$8,523
Insurance, General Expense	\$8,407
Interest Expense	\$94,666
Loss on Extinguishment of Debt	\$4,094
Miscellaneous Expenses	\$7,264
Personnel Benefits Expenses	\$101,424
Postage Expense	\$4,143
Professional Fees Paid	\$1,711
Repairs and Maintenance Expenses	\$77,520
Rent and Storage Expenses	\$12,000
Sludge Removal Expenses	\$6,732
Supplies Expenses	\$15,089
Testing Expenses	\$19,238
Training Expenses	\$1,015
Uniform Expenses	\$2,087
Utility Expenses	\$73,973
Waterline Relocation Expenses	\$4,010
Water Purchase Expense	\$12,961
Water Tank Maintenance	\$8,671
Amortization Expense	\$1,042
Depreciation Expense	\$361,758
Total Operating Expenditures	<u>\$1,224,103</u>

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

City of Greensburg, Kentucky
Schedule of Sewer and Water Service Activities
Year Ended June 30, 2006

	Sewer and Water Service Activities
Revenues	
Sewer Service Revenue	\$266,313
Water Service Revenue	\$600,209
Gain on Loan Restructuring	\$8,757
Interest Income	\$19,904
Other Income	<u>\$6,382</u>
Total Revenues	<u>\$901,565</u>
Grant	
PRIDE Grant	<u>\$220,236</u>
Total Revenues and Grant	<u>\$1,121,801</u>
Net Expenditures over Revenues	<u><u>(\$102,302)</u></u>

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



Robert C. Ryan
Certified Public Accountant
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December 14, 2006

Auditor's Report on Internal Control Over Financial Statements and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

Fiscal Year ended June 30, 2006

To the Mayor and City Council
The City of Greensburg, Kentucky

City Council Members:

I have audited the financial statements of the City of Greensburg, Kentucky as of June 30, 2006 and for the year then ended, and have issued my report thereon dated December 14, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

In planning and performing my audit of the basic government-wide financial statements of the City of Greensburg, Kentucky for the fiscal year ended June 30, 2006, I considered its internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the basic government-wide financial statements and not to provide assurance on the internal control over financial reporting. My consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the basic government-wide financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

I did not observe any material weakness involving internal control over financial reporting and its operation.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Greensburg, Kentucky's financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have

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December 14, 2006
Page 2

a direct and material effect on the determination of the financial statement amount. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

This report is intended solely for the City of Greensburg, Kentucky, management and others within the administration of the City, and the Kentucky Department for Local Government and is not intended to be and should not be used by anyone other than these specified parties.

Robert C. Ryan

A handwritten signature in black ink that reads "Robert C. Ryan". The signature is written in a cursive style with a long, sweeping tail on the final letter.



Robert C. Ryan
Certified Public Accountant
Post Office Box 991292, Louisville, KY 40269
502/239-5171 ~ Facsimile 502/239-5171
E mail bobryan_cpa@bellsouth.net

December 14, 2006

Accountant's Report
Local Government Economic Assistance Program
City of Greensburg, Kentucky
For the Fiscal Year Ended June 30, 2006

To the Mayor and City Council
The City of Greensburg, Kentucky

Kentucky Revised Statutes (KRS) 42.455 defines the priority expenditures for funds received from the Local Government Economic Assistance Program (LGEAP). LGEAP is a system of grants to local governments to improve the environment for new industry and improve the quality of life for the residents.

Grants obtained under this program shall be used for priority expenditures. One hundred percent (100%) of all monies in the fund shall be spent on priority categories limited to those described in section KRS 42.455 (2). In no event shall grants obtained under this program be used for expenses related to administration of government.

The City has established a system to track the receipt and disbursement of LGEAP in order to be in compliant with KRS 42.455.

This report is intended solely for the City of Greensburg, Kentucky, management and others within the administration of the City, and the Kentucky Department for Local Government and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Robert C. Ryan'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert C. Ryan
Certified Public Accountant



Robert C. Ryan
Certified Public Accountant
Post Office Box 991292, Louisville, KY 40269
502/491-9300 ~ Facsimile 502/491-9300
E mail bobrvan_cpa@bellsouth.net

December 14, 2006

To the Mayor and City Council Members
The City of Greensburg, Kentucky

I have audited the financial statements of the City of Greensburg, Kentucky, for the year ended June 30, 2006, and have issued my report dated December 14, 2006. Professional standards require that I provide you with the following information related to my audit.

My Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in my engagement letter dated January 4, 2006, my responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because I did not perform a detailed examination of all transactions, there is a risk that material misstatements may occur and not be detected by me.

As part of my audit, I considered the internal controls of the City of Greensburg, Kentucky. Such considerations were solely for the purpose of determining my audit procedures and do not provide any assurance concerning such internal controls.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City of Greensburg, Kentucky, are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. I noted no transactions entered into by the City during the year that were both significant and unusual, and that, under professional standards, I am required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that reflect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Management has estimated the provision for uncollectible real property taxes to be \$0.00.

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Depreciation of capital assets is calculated on the basis of class of assets. To estimate the useful life of its capital assets, the City of Greensburg, Kentucky, used internal information and general guidelines obtained from professional or industrial information. In estimating useful life, the City considers the capital assets' present condition and how long it can meet service demands.

Audit Adjustments

The significant audit adjustments that were made in preparation of the City's financial statements as of June 30, 2006, and for the year then ended were submitted to the City Commission for review and approval.

Disagreements with Management

For purposed of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. I am pleased to report that there were no difficulties or disagreements with management encountered while performing the audit of the City of Greensburg, Kentucky, financial statements as of June 30, 2006, and for the year then ended.

Consultation with Other Independent Auditors

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those financial statements, professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other independent accountants.

Issues Discussed Prior to Retention as Independent Auditor

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as an auditor. Prior to being retained as the auditor of the City of Greensburg, Kentucky, there were no discussions of the application of accounting principles and auditing standards in the normal course of our professional relationship.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management of the City of Greensburg, Kentucky, while performing my audit.

Recommendations

1. I recommend that that the City purchase accounting software that is suited to accounting for the financial transactions of a municipal government. City accounting personnel should be properly trained in using the accounting software.

(I understand the prior to the issuance of the financial statements and the auditor's report the City has contacted several sellers of governmental accounting software and that a purchase decision is going to be made before June 30, 2007.)

This information is intended solely for the use of the City of Greensburg, Kentucky, and the City Council and is not intended to be and should not be used by anyone other then these specified parities.

If there are any questions concerning this letter, I will be available to discuss them with the City Council as a whole at its convenience.

Yours truly,

A handwritten signature in black ink, appearing to read "Robert C. Ryan". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Robert C. Ryan
Certified Public Accountant

2

Annual Financial Report
The City of Greensburg, Kentucky
As of June 30, 2007,
And for the Fiscal Year then Ended

**Comprehensive Annual Financial Report
The City of Greensburg, Kentucky
As of June 30, 2007,
And for the Fiscal Year Then Ended**

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Comprehensive Annual Financial Report
The City of Greensburg, Kentucky
As of June 30, 2007,
And for the Fiscal Year Then Ended

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October 1, 2007
City Council and Citizens of Greensburg
Greensburg, Kentucky

The Annual Financial Report

The Annual Financial Report (AFR) of the City of Greensburg, Kentucky, for the fiscal year ended June 30, 2007, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the city. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The AFR is presented in two sections: introductory and financial. The introductory section includes this transmittal letter and a list of principal officials. The financial section includes, under the new Governmental Accounting Standards Board Statement No. 34 as amended, Management's Discussion and Analysis, the Report of Independent Accountant, the basic government-wide financial statements, and the required supplementary information.

The City of Greensburg is located in Green County, Kentucky. The City is a home rule municipal corporation organized on December 4, 1794, under the laws of the Commonwealth of Kentucky, and as such, operates under its own charter. The City government consists of a mayor and six (6) city council members. The mayor serves a four (4) year term. Council members serve a two (2) year term. The mayor and the city council members are elected on an at-large basis.

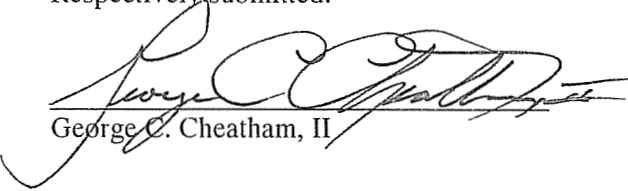
For financial reporting purposes, the City includes in this report all funds, agencies, boards and other commissions that are controlled by the City or dependent on the City legislative branch. "Controlled by" or "dependent on" is determined on the basis of the budget adoption, taxing authority, outstanding debts secured by revenues or general taxing authority of the City, and the City's obligation to fund any deficits that may occur.

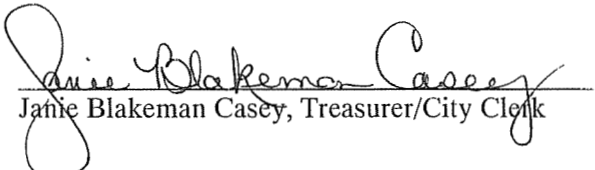
The City provides a full range of municipal services. These services include fire and police protection, recreation programs, and a water and sewer system.

Robert C. Ryan, Certified Public Accountant, audited the financial statements and the related notes of the City of Greensburg, Kentucky. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government Auditing Standards as accepted in the United States of America, and included a review of accounting controls (as required by state law).

We wish to acknowledge the employees of the City of Greensburg who are the City's most valuable asset. These individuals serve productively throughout City operations. They continuously provide quality services to the citizens of Greensburg, Kentucky.

Respectively submitted:


George C. Cheatham, II


Jamie Blakeman Casey, Treasurer/City Clerk

**City of Greensburg, Kentucky
Governmental Directory**

City Clerk's Office
110 West Court Street
Greensburg, KY 42743

Telephone: 270/932-4298/ 270/932-7778 (facsimile)

City Council meetings held 1st Monday of each month at 6:00 PM (CST)

City of Greensburg Officials

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Mayor	George "Lisle" Cheatham, II	December 31, 2010
Council Member	Jerry Cowherd	December 31, 2008
Council Member	Brenda Patterson	December 31, 2008
Council Member	William O. "Bill" Moore	December 31, 2008
Council Member	Sandi Moran	December 31, 2008
Council Member	Steve Stone	December 31, 2008
Council Member	Bill Taylor	December 31, 2008
City Clerk/Treasurer	Janie Blakeman Casey	
Fire Chief	Bill Lile	
Police Chief	John Brady	
Public Works Director	Roger Skaggs	
911 Co Coordinator	Ron Jones	
Chief Operator, Water Plant	Gordon Price	
Chief Operator, Waste Water Plant	Eddie Wright	

**Financial Audit
As of June 30, 2007
And the Year then Ended**

**Management Discussion and Analysis
By
Mayor George "Lisle" Cheatham, II**

The books are closed and the numbers are in for the 2007 fiscal year. As Cities and Counties close out their audits and verify where they stand, local governments are seeing how well they did when projecting their budgets and sticking to them.

As for the fiscal 2007 year, I am happy to report that the City of Greensburg had another strong year. However, it is always helpful in understanding the budget and the audit when you have some historical background as a reference. So, as you review each section of this report I will attempt to supply a reference to some of the past data and how that has changed or fluctuated over the past several years.

Once again, the City was able to make significant investment in our infrastructure during the year. For the Fiscal 2007 Year the City of Greensburg expended over \$850,000 grant revenue for Current Expense, Municipal Aid; as well as, Operation and Maintenance. To continue the growth and revitalization of the community it is imperative that the City continue to aggressively seek additional outside funding from both private and public sources. As we move into the Fiscal 2008 Year, the City has accumulated over \$1.2 million in additional grant awards for utility improvements, economic development, and downtown revitalization. The future of Greensburg and Green County is directly tied to our ability to keep this momentum going.

However, from a financial aspect the window of opportunity to move this community forward is limited. There are black clouds on the horizon and they are not of the City's making. Just as we have been adversely impacted economically over the past decade by policy decisions made at the federal level with NAFTA, GATT and more recently the CAFTA, the City of Greensburg and local governments all across this great Commonwealth are being squeezed by poor policy decisions made at the State level. Based on the State's own projections, the City of Greensburg has about a three to five year window of time before our ability to financially support our economic and revitalization efforts will have to be severally curtailed.

The problem of course is the monstrous deficit that has been created by the state legislature in the County Employee Retirement System. The first question I'm sure that pops into your head is, "If it is the County Employee Retirement System, how did the state legislature create the problem?" Well the answer is quite simple. The legislature has no problem spending money especially when they don't have to come up with the

funds to pay for it. The legislature over the past several years has continued to increase benefits, especially health care benefits in a way that is not only mandated upon local governments but legally and contractually guaranteed to the employees. Just between 2005 and 2006 alone the deficit in the (CERS) system has exploded by \$1.6 billion dollars to nearly \$3.7 billion.

So what does that mean to Greensburg, you may ask. Just to give you an idea of what the cost increase to the City has been over time I will first point out that the City has the same number of full-time employees today as it had four years ago. In 2003, the required contribution rate for all full-time employees was 6.34%. That meant in 2003, the City of Greensburg made contributions of \$43,725 to the employees retirement fund. For Fiscal Year 2007, that required contribution rate had increased to 13.19% which meant, after taking into account the modest cost of living adjustments given of 3% or less over the past four years, the City of Greensburg paid into CERS \$132,965 last year alone.

If that's not bad enough, the projected contribution rate is expected to grow to over \$259,000 in just the next 10 years. These are not one time costs. The 2008 Fiscal Year will experience over \$60,000 in additional cost due to increases in retirement contributions, higher health care cost, and cost of living adjustments alone. To add a little perspective to this number, each year the City elects to take the 4% increase in property tax revenue the City generates approximately \$5,400 in additional revenue – a far cry from the \$60,000 needed to off set the annual labor cost increase.

As I stated above, the CERS crisis is the single largest threat to the long-term financial viability of the City barring a significant increase to the Occupational and Net Profits Tax. So what is the solution? There is no one answer, it is going to take several small changes in the system both from a legislative stand point to change how benefits are paid to future employees and how those benefits are paid for by both the employer and employee as well as how the City chooses to manage its employment and benefit practices. The one unknown that can make the biggest difference for the City of Greensburg financially not to mention the citizens of our community will be the success or failure of our efforts in economic development. And as we can see from the world around us that becomes a bigger challenge everyday.

Fiscal 2007

As always, when reviewing the financial condition of the City, it is best to break the discussion into at least two parts – the General Fund or as sometimes called the Current Expense Fund (CEF) and the Water and Sewer Fund also referred to as Operation and Maintenance (O&M). The General Fund takes in all aspects of City Government such as Administration, Police, Fire, Public Works, the Renaissance Main Street Program and Community and Economic Development Departments. And O&M strictly deals with the operation and maintenance of the Water and Waste Water Departments.

General Fund

The City has worked to maintain a solid reserve fund of over \$415,000 in cash and savings within both the General Fund and the Municipal Aid Fund, but the City also carries over \$278,000 in accounts receivable into the new fiscal year, up from \$239,434 in the last fiscal year. These are mostly funds due to be reimbursed from grant expenditures and unreimbursed 911 expenses.

Total CEF and Municipal Aid revenue saw a decline of \$66,700 from the 2006 Fiscal year. This was mainly due to two issues. In 2006, the City conducted an occupational and net profits tax amnesty program that generated over \$50,000 in one-time revenue from businesses that had not been current with their tax payments. It is important to note, however, that for Fiscal 2007 Occupational and Net Profit Tax revenue, while down from the 2006 figure of 396,307 to \$388,562, it is still a significant increase from the 2005 Fiscal year number of \$299,667. This is without question a direct result of increased compliance brought about by the City's "Tax Amnesty and Audit" program implemented in the previous year. The second was due to a decline of 21.96% or \$32,201 in franchise fees. Half of this decline is due to timing of franchise fee payments and deposits but the other half is due to changes made by the State of Kentucky in the telecommunication tax reforms. The hold harmless provision in the reforms did not adequately fund the old harmless fund and has impacted all local governments across the state. The current estimate is that the state hold harmless account is under funded by an estimated 16%. Both KLC and KACO are working to correct this problem in the upcoming legislative session.

Total CEF and Municipal Aid revenue for fiscal 2007 was \$2,095,681 compared to \$2,162,381 in the previous year. For historical reference it is worth noting that total revenue generated has increased from just over \$1 million in 2003, \$1.35 million in 2004, and \$1.16 million in 2005. Again, this shows the financial impact of aggressively pursuing grant funding has on the budget and operations of city government. Bottom line revenues exceeded expenditures within CEF and Municipal Aid by \$99,367.

Water and Wastewater Department (O&M)

O&M saw revenue growth of 3.73% from \$901,568 to \$935,175 for Fiscal 2007. It also saw expenses grow by 3.32% from \$857,209 to \$885,669 after adjusting for depreciation. With depreciation and grant funding taken into consideration O&M saw a loss of (\$90,174) down from the 2006 Fiscal year loss of (\$102,302). Again to add prospective, this is by far the best overall performance for O&M in several years. The 2003 fiscal year loss was in excess of (\$127,000).

The improved performance is attributable to three main factors. The first is the rate increase implemented in the fall of 2005, the first in nine years. Secondly, are the efforts made over the past four years by the Public Works Department and our engineering firm to cut the City's water loss rate from over 30% per month to below 12% per month on average? And last, the structural changes within City government that shifted several thousand dollars in labor cost to other departments.

In order to continue the needed upgrades to the City's utility infrastructure, revenue issues will have to be addressed in the new fiscal year. The tap fees must be realigned taking into account today's cost. The meter deposit currently being applied should be changed to a meter fee in order to implement a regular meter replacement program. And as noted above, when increases in revenue and day to day costs mirror one another, no revenue is available to address infrastructure improvements to either the water or sewer systems.

Conclusion to Financial Highlights

The City of Greensburg once again turned in a solid financial performance for the fiscal year of 2007. The total net assets of the City of Greensburg increased by \$281,722. to \$4,906,356. – this continues the strong overall net asset growth the City has experienced over the past four years. During this time frame Net Assets have increased by over \$1.7 million dollars – from \$2,892,924 at the end of fiscal 2003 to the current \$4,906,356 at the end of fiscal 2007. This performance will not be repeated considering today's economic and funding environment. Most importantly, due to the effects of retirement, health care and other labor cost pressures, the City of Greensburg like most local governments across the state will be under increasing financial constraints that ultimately are unsustainable without legislative relief, increased economic growth, tax increases and/or dramatic cuts in services and programs.

Non-Financial Highlights

Our continued focus on overall community development as an economic development strategy has continued to prove successful as we have seen nearly \$1.0 million in community development projects begun and/or completed over the last fiscal year. We have worked hard over the past several years to fund and build a "Livable Community" that can be sold to new business and industry, tourists as well as new residents. It is now time that we as a community focus on selling that product. To that end the City has hired a professional Economic & Community Development Director who began work at the start of the 2008 Fiscal Year. It should be noted that the process of economic development is by its very nature a slow process and will have to be given time to work over the long term. So we must set realistic goals to in order to evaluate the programs effectiveness.

The past year has also seen the continued resurgence in our downtown with several new businesses, as well as continued private investment. The City's Renaissance Committee sponsored the city's first fully locally funded façade grant program from proceeds raised through memorial paver sales in the downtown district. The Renaissance Committee made \$16,000 available to downtown businesses and property owners to fix and do needed repairs to the outside of their buildings. Eight grants were awarded in the amount of \$2,000 in the form of a 50-50 grant. We must continue to maintain and support this program going forward.

The Heartland Micro-Enterprise Park has continued to show positive results with ten local businesses currently housed at the facility and new inquiries almost on a daily basis. We were fortunate to receive nearly \$200,000 in grant funding from GOLD and the local Industrial Foundation to make needed repairs and to remodel the facility. This project got underway in 2006 and will continue through the 2008 fiscal year.

Finally, 2007 saw the Green River Paddle Trail and Cabins complete its second year of operations. During the second year of full operation we have seen over 900 paid canoeists – over a 300 person increase from the first year. The second year also saw a continued occupancy rate of over 24% in cabin rentals. During Fiscal 2007 the Green River Paddle Trail and Cabins generated \$31,766 in gross revenue and turned a profit in just its second year of operations.

Future Events

The 2008 fiscal year will see several old projects come to an end and several new projects begin. The final phase of “Streetscape” will begin in late 2007. This will complete the Streetscape projects begun four years ago. Also, the Greensburg Hwy 61 / East Connector project will be completed by late 2007, which will open new property for development along Industrial Drive and Carlisle Avenue.

Other projects not directly related to the City will begin construction in late 2007 and early 2008 as well. These projects will directly impact the City as well however – the new Green County Justice Center located along W. Court St. and the Green County Primary School which will be constructed on the site of the “Old Greensburg Elementary School”.

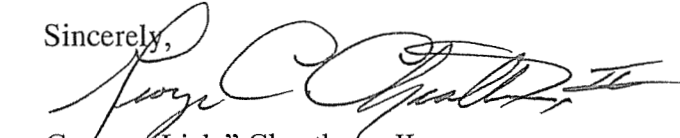
All of these projects will continue to push the City’s resources to supply adequate infrastructure as well as regulatory enforcement required to manage these new growth issues. By the mid 2008 Fiscal Year, the City should be in a position to adopt its new “Five Year Comprehensive Plan” and the planning zoning changes recommended. It will be very important that the City manage these issues well from the start or we will create larger issues and problems for the community later on down the road.

In order to do this, we must make the needed changes with the City’s financial and utility software in late 2007 and more importantly provide and require the needed training to allow our employees to make the best use of the technology we currently have as well as new technology on the horizon.

In closing let me simply say, I believe both the financial future and the overall future for Greensburg is bright, provided we continue to plan and manage our assets in a conservative manner and focus on our opportunities and our strengths. However, given the fiscal constraints facing both the federal, state and local governments over the long term, the City of Greensburg only has a narrow window of time – possibly less than five years – to put itself in a position of growth and long term financial stability before the longer term fiscal demands on our resources force us to make serious changes in how we operate city government.

As always, the City of Greensburg looks forward to working toward the brightest future possible for our residents and our community!

Sincerely,

A handwritten signature in black ink, appearing to read "George 'Lisle' Cheatham, II". The signature is fluid and cursive, with a large initial "G" and "C".

George "Lisle" Cheatham, II
Mayor
City of Greensburg

City of Greensburg, Kentucky
 Management's Discussion and Analysis (Unaudited)
 For the Fiscal Year Then Ended June 30, 2007

	2007	2006	2005	2004	2003	2002
Financial Ratios, Years Ended June 30,						
Working Capital (Current assets-current liabilities)						
Entity Wide Summary	\$961,340	\$437,327	\$587,751	\$1,219,137	\$1,428,700	\$485,458
Governmental	\$363,847	\$338,073	\$489,464	\$803,362	\$684,093	\$413,953
Special revenue	\$43,063	(\$1,269)	\$98,287	\$107,667	\$74,853	\$65,429
Business-type	\$338,116	\$100,523	\$726,391	\$714,792	\$822,896	\$33,647
Current Ratio (Current assets / current liabilities)						
Entity Wide Summary	2.66	1.98	3.71	6.89	7.33	1.37
Governmental	2.72	2.79	3.26	4.82	13.52	8.33
Special revenue	1.00	0.7	100.00	100.00	100.00	100.00
Business-type	1.92	1.4	4.79	3.43	5.94	1.19

Days Cash and Investment in Reserve (Represents the number of days normal operations could continue with no revenue collections)

	Days	Days	Days	Days	Days	Days
Entity Wide Summary	144	190	304.00	269	388	159
Governmental	79	125	323.00	171	322	217
Business-type	288	289	288.00	408	467	99

Liabilities to Net Assets (Indicates the extent of borrowing)

	2006	2005	2004	2003	2002
Entity Wide Summary	1.14	1.90	1.56	13.35	1.98
Governmental	7.24	25.50	10.00	9.30	1.12
Business-type	0.3	0.53	0.54	0.63	2.44

City of Greensburg, Kentucky
 Management's Discussion and Analysis (Unaudited)
 For the Fiscal Year Then Ended June 30, 2007

General Fund, fiscal years ended June 30,

	2007	2006	2005	2004	2003	2002
Revenues						
Taxes	\$926,022	\$847,909	\$799,566	\$750,131	\$823,687	\$735,895
Licenses and permits	\$5,405	\$4,925	\$4,110	\$6,832	\$7,661	\$5,500
Intergovernmental Revenue	\$126,729	\$60,023	\$59,188	\$72,009	\$56,319	\$64,708
Franchise Fees	\$114,410	\$146,611	\$112,726	\$99,684	\$110,462	\$107,792
Grants	\$719,436	\$867,984	\$55,040	\$366,881	\$16,495	\$80,023
Rents	\$46,436	\$57,917	\$23,252	\$18,965	\$17,040	\$16,993
Interest Income	\$10,071	\$8,950	\$6,939	\$8,860	\$10,141	\$10,747
Other Income	\$147,172	\$168,062	\$106,628	\$33,988	\$9,715	\$80,023
Totals revenues	<u>\$2,095,681</u>	<u>\$2,162,381</u>	<u>\$1,167,449</u>	<u>\$1,357,350</u>	<u>\$1,051,520</u>	<u>\$1,101,681</u>

General Fund, fiscal years ended June 30,

	2007	2006	2005	2004	2003	2002
Expenditures						
Current Expense Fund	\$552,180	\$638,865	\$393,982	\$348,787	\$254,794	\$200,201
General government	\$429,842	\$382,606	\$320,955	\$303,632	\$271,102	\$279,513
Public safety, Police	\$35,401	\$42,678	\$29,854	\$17,520	\$19,472	\$58,052
Public Safety, Fire	\$253,661	\$216,307	\$144,412	\$168,269	\$145,614	\$136,793
City Maintenance	\$340,052	\$3,461	\$207,323	\$788,425	\$19,134	\$105,843
Capital expenditures						
Totals expenditures	<u>\$1,611,136</u>	<u>\$1,283,917</u>	<u>\$1,096,526</u>	<u>\$1,626,633</u>	<u>\$710,116</u>	<u>\$780,402</u>

City of Greensburg, Kentucky
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Then Ended June 30, 2007

	2007	2006	2005	2004	2003	2002
General Fund, fiscal years ended June 30,						
Revenues						
Taxes	44.19%	39.21%	68.49%	55.26%	78.33%	66.80%
Licenses and permits	0.26%	0.23%	0.35%	0.50%	0.73%	0.50%
Intergovernmental Revenue	6.05%	2.78%	5.07%	5.31%	5.36%	5.87%
Franchise Fees	5.46%	6.78%	9.66%	7.34%	10.50%	9.78%
Grants	34.33%	40.14%	4.71%	27.03%	1.57%	7.26%
Rents	2.22%	2.68%	1.99%	1.40%	1.62%	1.54%
Interest Income	0.48%	0.41%	0.59%	0.65%	0.96%	0.98%
Other Income	7.01%	7.77%	9.13%	2.50%	0.92%	7.26%
Totals revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Expenditures						
Current Expense Fund						
General government	34.27%	49.76%	35.93%	21.44%	35.88%	25.65%
Public safety, Police	26.68%	29.80%	29.27%	18.67%	38.18%	35.82%
Public Safety, Fire	2.20%	3.32%	2.72%	1.08%	2.74%	7.44%
City Maintenance	15.74%	16.85%	13.17%	10.34%	20.51%	17.53%
Capital expenditures	21.11%	0.27%	18.91%	48.47%	2.69%	13.56%
Totals expenditures	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

City of Greensburg, Kentucky
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Then Ended June 30, 2007

Business-type (Sewer) Fund, fiscal years ended June 30,	2007	2006	2005	2004	2003	2002
Revenues						
Water service	\$625,116	\$600,209	\$565,162	\$563,065	\$556,816	\$545,288
Sewer service	\$265,898	\$266,313	\$256,124	\$255,015	\$260,713	\$263,153
Interest Income	\$19,548	\$19,907	\$14,752	\$18,866	\$26,621	\$32,049
Other service	\$15,856	\$15,139	\$20,688	\$27,527	\$12,580	\$42,581
Totals revenues	<u>\$926,418</u>	<u>\$901,568</u>	<u>\$856,726</u>	<u>\$864,473</u>	<u>\$856,730</u>	<u>\$883,071</u>
General Fund, fiscal years ended June 30,	2007	2006	2005	2004	2003	2002
Revenues						
Water service	67.48%	66.57%	65.97%	65.13%	64.99%	61.75%
Sewer service	28.70%	29.54%	29.90%	29.50%	30.43%	29.80%
Interest Income	2.11%	2.21%	1.72%	2.18%	3.11%	3.63%
Other service	1.71%	1.68%	2.41%	3.18%	1.47%	4.82%
Totals revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Expenditures						
Personnel Cost	\$371,209	\$393,471	\$412,649	\$394,109	\$344,137	\$342,926
Occupancy Expenses	\$88,094	\$73,973	\$87,196	\$113,713	\$69,303	\$61,056
Chemical and Testing Expenses	\$93,211	\$83,239	\$69,182	\$79,629	\$64,171	\$62,126
Maintenance and Repairs Expenses	\$64,353	\$77,520	\$69,422	\$51,960	\$61,674	\$91,964
Interest Expenses	\$105,934	\$94,666	\$126,582	\$112,318	\$113,059	\$115,115
Other Expenses	\$156,690	\$134,340	\$68,598	\$54,770	\$67,084	\$48,492
Depreciation and Amortization	\$260,481	\$366,894	\$293,550	\$276,810	\$264,872	\$255,650
Totals expenditures	<u>\$1,139,972</u>	<u>\$1,224,103</u>	<u>\$1,127,179</u>	<u>\$1,083,309</u>	<u>\$984,300</u>	<u>\$977,329</u>

City of Greensburg, Kentucky
 Management's Discussion and Analysis (Unaudited)
 For the Fiscal Year Then Ended June 30, 2007

	2007	2006	2005	2004	2003	2002
General Fund, fiscal years ended June 30,						
Expenditures						
Personnel Cost	32.56%	32.14%	36.61%	36.38%	34.96%	35.09%
Occupational Expenses	7.73%	6.04%	7.74%	10.50%	7.04%	6.25%
Chemical and Testing Expenses	8.18%	6.80%	6.14%	7.35%	6.52%	6.36%
Maintenance and Repairs Expenses	5.65%	6.33%	6.16%	4.80%	6.27%	9.41%
Interest Expenses	9.29%	7.73%	11.23%	10.37%	11.49%	11.78%
Other Expenses	13.75%	10.97%	6.09%	5.06%	6.82%	4.96%
Depreciation and Amortization	22.84%	29.99%	26.04%	25.55%	26.91%	26.16%
Totals expenditures	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>



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Report of Independent Accountant

To the Mayor and City Council Members
City of Greensburg, Kentucky

I have audited the accompanying financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the City of Greensburg, Kentucky, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic government-wide financial statements are the responsibility of the management of the City of Greensburg, Kentucky. My responsibility is to express an opinion on the basic government-wide financial statements based upon my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic government-wide financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic government-wide financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-types activities and the aggregate remaining fund information of the City of Greensburg, Kentucky, as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally applied in the United States of America.

My audit was conducted in accordance with Government Auditing Standards. I have also issued reports dated July 30, 2007, on my consideration of the City of Greensburg's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The accompanying management's discussion and analysis and budgetary comparison information on pages 3 through 13 and pages 37 through 40 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board I have applied certain limited procedures, which consist principally of inquiries of management regarding the methods

November 19, 2007

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of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Greensburg's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the City of Greensburg, Kentucky. The schedules of general government activities, municipal street activities, and business-type (Water and Sewer Service) activities have been subjected to the auditing procedures applied in the audit of the basic government-wide financial statements and, in my opinion, are fairly presented in all material respects in relation to the basic government-wide financial statements taken as a whole.

Robert C. Ryan

Robert C. Ryan

City of Greensburg, Kentucky
Statement of Net Assets
As of June 30, 2007

Assets	Governmental Activities	Primary Government Business- Type Activities	Totals
Cash and Cash Equivalents, Note A 7	\$199,818	\$275,159	\$474,977
Investments, Notes A 7, A 8	\$215,314	\$419,912	\$635,226
Receivables, net of allowance for doubtful tax collections, Notes B & C	\$418,035	\$11,467	\$429,502
Capital Assets, Notes, A 9, A 10, D & E			
General Government	\$3,741,454		\$3,741,454
Water and Sewer System		\$7,282,842	\$7,282,842
Accumulated Depreciation	(\$115,082)	(\$4,816,872)	(\$4,931,954)
Other Receivable		\$113,871	\$113,871
Due from Funds	\$112,675	\$282,505	\$395,180
Other Long Term Assets	\$44,518	\$28,213	\$72,731
Total Assets	<u>\$4,616,732</u>	<u>\$3,597,097</u>	<u>\$8,213,829</u>
Liabilities			
Bank Over Draft		\$90,495	\$90,495
Accounts Payable	\$30,020	\$144,269	\$174,289
Accrued Expenses	\$31,769	\$1,395	\$33,164
Customer Deposits		\$84,701	\$84,701
Unamortized Bond Discount		(\$7,301)	(\$7,301)
Unamortized Loss on Extinguishment of Debt, Note L.		(\$32,763)	(\$32,763)
Unamortized Gain on Loan Restructure Note D		\$122,603	\$122,603
Bonds and Notes Payable			
Due Within One Year, Notes D, E	\$149,154	\$46,562	\$195,716
Due in More Than One Year, Notes D, E	\$257,269	\$1,959,867	\$2,217,136
Due to Funds	\$47,565	\$347,615	\$395,180
Other Long Term Liabilities	\$44,518		\$44,518
Total Liabilities	<u>\$560,295</u>	<u>\$2,757,443</u>	<u>\$3,317,738</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt, Notes D & E	\$3,219,967	\$459,541	\$3,679,508
Restricted for:			
Restricted for Debt Service Note D & E	\$406,405	\$2,006,429	\$2,412,834
Customers' Deposits		\$84,701	\$84,701
Restricted Cash Funds, Note A 7	\$39,046	\$251,078	\$290,124
Road Fund, Note A 7	\$43,063		\$43,063
Unrestricted	\$347,956	(\$1,962,095)	(\$1,614,139)
Total Net Assets, Note A 10	<u>\$4,056,437</u>	<u>\$839,654</u>	<u>\$4,896,091</u>

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

City of Greensburg, Kentucky
Statement of Activities
For the year ended June 30, 2007

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants	Primary Governmental Activities	Business-type Activities	Totals	
Governmental Activities						
General Government	\$46,773	\$719,436	(\$1,158,419)		\$23,567	(\$1,158,419)
Municipal Streets	(\$72,827)	\$96,394	\$23,567			\$23,567
Total Governmental Activities	\$46,773	\$815,830	(\$1,134,852)	\$0	\$0	(\$1,134,852)
Business-Type Activities						
Water and Sewer Services	\$935,175	\$113,871	\$0	(\$90,926)		(\$90,926)
General Revenues						
Property Taxes, Note C			\$184,163			\$184,163
Occupational/Net Profits Taxes			\$388,562			\$388,562
Fees, Licenses and Permits			\$441,346			\$441,346
Intergovernmental Revenue			\$72,147			\$72,147
Rent Income			\$46,436			\$46,436
Other Income			\$56,746			\$56,746
Unrestricted interest Income			\$9,657			\$9,657
Restricted Interest Income			\$414			\$414
Transfers			\$34,748	\$752		\$35,500
Total General Revenues			\$1,234,219	\$752		\$1,234,971
Net Change, Governmental and Business-type Activities			\$99,367	(\$90,174)		\$9,193
Net Assets, Beginning			\$3,694,806	\$929,828		\$4,624,634
Adjustment to Net Assets, Beginning Note M			\$262,264			\$262,264
Adjusted Net Assets, Beginning			\$3,957,070	\$929,828		\$4,886,898
Net Assets, Ending			\$4,056,437	\$839,654		\$4,896,091

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

City of Greensburg, Kentucky
Combined Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2007

	Water and Sewer Utility
Cash Flow from Operating Activities:	
Cash Received from Customers	\$888,238
Cash Payments made to Suppliers for Goods and Services	(\$445,840)
Cash Payments made to Employees and Professional Contractors for Services	<u>(\$377,382)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$65,016</u>
Cash Flows from Capital and Related Financing Activities:	
Increase in Long Term Debt, Notes D & E	\$72,000
Decrease in Long Term Debt, Notes D & E	(\$61,326)
Bond Interest Expense	(\$105,934)
Purchase of Equipment, Notes A 9, A 10	(\$117,450)
PRIDE and Other Grant Revenues	<u>\$113,871</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(\$170,839)</u>
Cash Flows from Investing Activities	
Interest Income	\$19,548
Other Income	<u>\$15,856</u>
Net Cash Provided (Used) by Investing Activities	<u>\$35,404</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(\$70,419)
Cash and Cash Equivalents June 30, 2006	<u>\$345,578</u>
Cash and Cash Equivalents June 30, 2007	<u><u>\$275,159</u></u>

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

City of Greensburg, Kentucky
 Combined Balance Sheets
 As of June 30, 2006

Governmental Funds

	<u>General Government Activities</u>	<u>Municipal Streets Activities</u>	<u>Totals</u>
Assets			
Cash and Cash Equivalents			
Cash	\$156,755		\$156,755
Cash, Restricted		\$43,063	\$43,063
Receivables, Net	<u>\$418,035</u>		<u>\$418,035</u>
Total Assets	<u><u>\$574,790</u></u>	<u><u>\$43,063</u></u>	<u><u>\$617,853</u></u>
Liabilities			
Accounts payable	\$30,020		\$30,020
Accrued Expenses	\$31,769		\$31,769
Current Portion of Debt	<u>\$149,154</u>		<u>\$149,154</u>
Total Liabilities	<u><u>\$210,943</u></u>	<u><u>\$0</u></u>	<u><u>\$210,943</u></u>
Fund Equity			
Fund Balance, restricted		\$43,063	\$43,063
Fund Balance, Unrestricted	<u>\$363,847</u>		<u>\$363,847</u>
	<u><u>\$363,847</u></u>	<u><u>\$43,063</u></u>	<u><u>\$406,910</u></u>
Total Liabilities and Fund Equity	<u><u>\$574,790</u></u>	<u><u>\$43,063</u></u>	<u><u>\$617,853</u></u>

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

**City of Greensburg, Kentucky
 Reconciliation of the Balance
 Sheet of Governmental Funds
 to the Statement of Net Assets
 As of June 30, 2007**

Total Fund Balance - Total Governmental Funds \$406,910

**Amounts reported for *Governmental Activities* in the Statement
 of Net Assets are different because:**

Investments of \$215,314 are considered long-term and are not financial resources, and therefore, are not reported in the funds. See Note A 8 Investments for details. \$215,314

Capital assets of \$3,626,372 (net) are not financial resources, and therefore, are not reported in the funds. See Note A 8, Property (Capital Assets), Infrastructure, and Depreciation for details. \$3,626,372

Internal Due To/Due From Funds Accounts are not financial resources the current period, and therefore, are not reported in the funds. \$65,110

Long-term assets of \$44,518 are not financial resources, and therefore, are not reported in the funds. \$44,518

Long-term portion of debt is not due in the current period and are not reported in the funds. See Note D General Long-term Debt for details. (\$257,269)

Long-term liabilities of \$44,518 are not due in the current period and are not reported in the funds. (\$44,518)

Net Assets of Government Activities \$4,056,437

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

City of Greensburg, Kentucky
Combined Statements of Revenues, Expenditures
And Changes in Fund Balances
Governmental Fund
Year Ended June 30, 2007

	<u>General</u>	<u>Special</u> <u>Revenues</u>	<u>Totals</u>
Revenues	\$1,164,026		\$1,164,026
Intergovernmental Revenues	\$72,147	\$96,394	\$168,541
Grant Revenues	\$719,436		\$719,436
Interest Income	\$9,657	\$414	\$10,071
	<u>\$1,965,266</u>	<u>\$96,808</u>	<u>\$2,062,074</u>
Expenditures			
General Government	(\$1,883,742)		(\$1,883,742)
Municipal Streets		(\$38,079)	(\$38,079)
Debt Service			
Principal	(\$57,177)		(\$57,177)
Interest	(\$40,886)		(\$40,886)
	<u>(\$1,981,805)</u>	<u>(\$38,079)</u>	<u>(\$2,019,884)</u>
Excess of Revenues and Grants Over (Under) Expenditures	<u>(\$16,539)</u>	<u>\$58,729</u>	<u>\$42,190</u>
Other Financing Sources (Uses)			
Transfers from Other Funds	\$34,748	(\$34,748)	\$0
Increase in Long Term Debt	\$72,000		\$72,000
Capital Expenditures	(\$340,052)		(\$340,052)
Net Other Financing Sources (Uses)	<u>(\$233,304)</u>	<u>(\$34,748)</u>	<u>(\$268,052)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(\$249,843)	\$23,981	(\$225,862)
Fund Balances, July 1, 2006	<u>\$2,316,907</u>	<u>\$62,487</u>	<u>\$2,379,394</u>
Fund Balances, June 30, 2007	<u>\$2,067,064</u>	<u>\$86,468</u>	<u>\$2,153,532</u>

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

City of Greensburg, Kentucky
Reconciliation of the Statement of
Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds
to the Statement of Activities
As of June 30, 2007

Net change in fund balance- total governmental funds (\$225,862)

Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlays reported in the current fiscal year ended June 30, 2005 \$340,052

The proceeds of debt issuance provide current financial resources to governmental funds, but the issuing debt increases long-term liabilities in the statement of net assets. (\$72,000)

The proceeds of debt issuance provide current financial resources to governmental funds, but the issuing debt increases long-term liabilities in the statement of net assets. Repayment of the debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets. This is the amount by which debt principal was reduced. Also see Note D, General Long-Term Debt for additional detail \$57,177

Change of net assets of governmental activities \$99,367

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

City of Greensburg, Kentucky
Statement of Net Assets - Proprietary Fund
As of June 30, 2007

Assets	
Cash and Cash Equivalents, Note A 7	\$275,159
Investments, Notes A 7, A 8	\$419,912
Receivables, net of allowance for doubtful tax collections, Notes B & C	\$11,467
Capital Assets, Notes, A 9, A 10, D & E	
Water and Sewer System	\$7,282,842
Accumulated Depreciation	(\$4,816,872)
Other Receivable	\$113,871
Other Long Term Asset	\$28,213
Due from Funds	\$282,505
Total Assets	<u><u>\$3,597,097</u></u>
Liabilities	
Bank Overdraft	\$90,495
Accounts Payable	\$144,269
Accrued Expenses	\$1,395
Customer Deposits	\$84,701
Unamortized Bond Discount	(\$7,301)
Unamortized Loss on Extinguishment of Debt, Note L	(\$32,763)
Unamortized Gain on Loan Restructure Note D	\$122,603
Bonds and Notes Payable	
Due Within One Year, Notes D, E	\$46,562
Due in More Than One Year, Notes D, E	\$1,959,867
Due to Funds	\$347,615
Total Liabilities	<u><u>\$2,757,443</u></u>
Net Assets	
Invested in Capital Assets, Net of Related Debt, Notes D & E	\$459,541
Restricted for:	
Restricted for Debt Service Note D & E	\$2,006,429
Customers' Deposits	\$84,701
Restricted Cash Funds, Note A 7	\$251,078
Unrestricted	<u><u>(\$1,962,095)</u></u>
Total Net Assets, Note A 10	<u><u>\$839,654</u></u>

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

City of Greensburg, Kentucky
Statement of Revenues, Expenditures and Changes in
Retained Earnings - Proprietary Fund
For The Year Ended June 30, 2007

Water and Sewer Revenue	
Sewer Service Revenue	\$265,898
Water Service Revenue	\$625,116
	<u>\$891,014</u>
Operating Expenditures	<u>(\$1,034,038)</u>
Operating Income Loss	<u>(\$143,024)</u>
Non - Operating Income (Expenses)	
Bond Interest Expense	(\$105,934)
PRIDE Grant Revenues	\$113,871
Gain on Loan Restructuring	\$8,757
Interest Income	\$19,548
Other Income	\$15,856
	<u>\$52,098</u>
Total Non - Operating Income (Expenses)	<u>\$52,098</u>
Net Income (Loss)	<u>(\$90,926)</u>
Retained earnings, July 1, 2006	<u>\$943,172</u>
Retained Earnings, June 30, 2007	<u><u>\$852,246</u></u>

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

City of Greensburg, Kentucky
Notes to Financial Statements
As of June 30, 2007, and
For the Fiscal Year Then Ended

Note A. Summary of Significant Accounting Policies

A 1. Summary of Significant Accounting Policies

The City of Greensburg, Kentucky, was established December 4, 1794. The city operates under a Mayor-Council form of government. The City's major operations include fire and police protection, parks and recreation, and general administrative services. In addition, the City operates a water and sewer system.

The citizens of Greensburg elect a mayor-at-large and six city council members. The accompanying financial statements present the City's primary government unit over which the City exercises significant influence.

The City's financial statements are presented in accordance with generally accepted accounting principles (GAAP) as accepted in the United States of America. The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local government through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City is discussed below.

In June 1999, the Government Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financials Statements-and Management's Discussion and Analysis-for State and Local Governments*. Certain of the significant changes on the Statement include the following:

The financial statements will include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and operations.

Financial statements prepared using the full accrual accounting for all of the City's activities, including infrastructure (streets, bridges etc.)

A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The City elected to implement the general provision of Statement No. 34 in the year ended June 30, 2003.

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2007**

A 3. Basis of Presentation

On July 1, 2003 the City adopted the provisions of Government Accounting Standards Board Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*" Statement No. 34 established new financial reporting requirements for all state and local governments and consist of the following:

Management's Discussion and Analysis (The City of Greensburg has elected not to include the Management's Discussion and Analysis in its financial statements presentation as of June 30, 2007 and for the year then ended.)

Basic Financial Statements
 Government – wide financial statements
 Fund financial statements

Notes to the Financial Statements

Government - wide Financial Statements

The government – wide financial statements include a statement of net assets and the statement of activities. These statements display information about the City as a whole. The statements distinguish between governmental and business – activities of the City. These financial statements include the financial activities of the City except for fiduciary activities. Governmental activities normally are supported by taxes and intergovernmental revenues and are reported separately from business – type activities, which rely on fees and charges for support. The government – wide statement of activities reflects the cost of government by function for governmental activities and business – type activities. Program revenues include charges paid by recipient for the goods or services offered by the program and grants or contributions that are restricted to the program. Revenues which are not classified as program revenues are presented as general revenues of the City.

Fund Financial Statements

Fund financial statements report detailed information about the City. The accounts of the City are organized on the basis of funds each of which is considered to be a separate fiscal and accounting entity. Each fund is accounted for by providing a separate set of self – balancing accounts that is comprised of assets, liabilities, reserves, fund equity, revenues and expenditures or expenses.

Governmental Funds are those which most governmental functions are financed. The governmental fund measurement focus is on determination of financial position and budgetary control over revenues and expenditures. Proprietary Fund Types are used to account for operations that are financed and operated in a manner similar to business enterprises – where the intent of the governing body is that cost for providing services is to be financed or recovered primarily through user charges.

The following are the funds used by the City of Greensburg, Kentucky:

City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

Governmental Fund

General Fund – The General Operating Fund of the City is used to account for all financial resources except those require to be accounted for in another fund. Most of the essential governmental services such as police and fire protection, community services and general administration are reported in this Fund.

Other Nonmajor Funds – The other Nonmajor Funds are used to account for financial resources required to be accounted for outside of the General Fund, such as recreation and municipal road aid.

Proprietary Fund

Proprietary funds are used to account for ongoing organizations and activities of the City, which are similar to those found in private business enterprises. The measurement focus is upon determination of net income, financial position and changes in cash flows.

Proprietary funds are established to account for the acquisition, operations and maintenances of the City's facilities and services which are entirely or predominately self-supported by user charges or where the City has decided that periodic determination of revenues earned, expenses incurred and net income is appropriated for capital maintenance, public policy, management control, accountability or other purposes. The accounts are maintained on the accrual basis of accounting. The City applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements and opinions conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. The City's enterprise operations include the following:

Utilities Fund – The Utilities Fund is used to account for the water and sewer services provided to residents of the City and areas surrounding the City, the operations of which are financed by user charges.

A 4. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government – wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. The government – wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government – wide statements and the statements of individual funds.

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2007**

Fund Financial Statements

The financial transactions of the City are recorded in individual funds. Their focus is on individual funds rather than reporting funds by type. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and are available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities in the current period. Expenditures, other than interest on long – term debt, are recorded when the liability is incurred.

Proprietary funds are accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Permits, fines and forfeitures and other miscellaneous revenues (except for investment earnings) are recorded as revenues when received because they are generally not measurable until actually received. Investment earnings are recorded when earned since they are measurable and available in all funds.

A 5. Component Units

There are no governmental component units incorporated in the basic government-wide financial statements. A *component unit* is a legally separate entity that is included in the primary government's financial reporting entity using the criteria of Government Standards Accounting Board Statement No. 14.

A 6. Budgeting

The City follows the procedures established pursuant to Section 91A.030 of the Kentucky Revised Statutes in establishing the budgetary data reflected in the financial statements. Budgets for all government activities and business-type activities are adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts, as amended, in the financial statements are as adopted by ordinances of the City.

A 7. Cash and Cash Equivalents

The City maintains and controls eight (8) cash accounts of the primary government. The cash accounts are as follows:

Cash in bank, operating, interest bearing	\$37,159
Cash in bank, payroll, and interest bearing	80,450
Cash in bank, Renaissance, restricted (4)	39,146
Cash in bank, Road Fund, restricted, interest bearing (2)	<u>43,063</u>
	<u>\$199,818</u>

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2007**

The City maintains and controls seven (7) cash accounts of the business-type activity. The cash accounts are as follows:

Cash in bank, restricted, interest bearing (2)	\$52,294
Cash in bank, non restricted, interest-bearing (3)	<u>222,865</u>
	<u>\$275,159</u>

The City reporting entity considers highly liquid investments (including restricted assets) with an original maturity of three (3) months or less to be cash equivalents.

At June 30, 2007, the carrying value of all City of Greensburg's deposits and investments was \$1,774,779. The Federal Deposit Insurance Corporation (FDIC) insures the first \$100,000 of the total of deposits at financial institutions. Total funds deposited in excess of the \$100,000 insured by FDIC are covered by securities pledge for the City of Greensburg. Pledged securities are as follows:

<u>Security</u>	<u>Original Face</u>	<u>Book Value</u>	<u>Market Value</u>
<u>Community Trust Bank</u>			
GNMA Pool No. 545157	\$237,044	NA	\$239,294
<u>Greensburg Deposit Bank</u>			
Federal Home Loan Bank	\$900,000	\$898,715	\$899,343
<u>PBI Bank</u>			
Municipal Utility Bonds (2)	\$555,000	\$455,607	\$452,813

A 8. Investments

Kentucky Revised Statutes (KRS) authorizes municipalities to invest in obligation of the United States of America and its agencies, obligations of the Commonwealth of Kentucky and its agencies, shares in savings and loan associations insured by federal agencies, deposits in national or state chartered banks insured by federal agencies and larger amounts in such institutions providing such banks pledge security obligations of the United States of America government or its agencies.

Investments consist of the following:

<u>Description</u>	<u>General Government</u>	<u>Business-Type</u>
	<u>Value</u>	<u>Value</u>
Certificate of Deposit	\$119,653	\$1,891
Certificate of Deposit	60,960	20,140
Certificate of Deposit	3,000	100,736
Certificate of Deposit	3,635	6,715
Certificate of Deposit	2,169	97,140
Certificate of Deposit		7,900
Certificate of Deposit		67,157
Certificate of Deposit		64,714

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2007**

A 8. Investments (continued)

Certificate of Deposit		42,875
Certificate of Deposit		3,560
Savings Accounts (2)	<u>25,897</u>	<u>7,084</u>
	<u>\$215,314</u>	<u>\$419,912</u>

The interest rates on the certificates of deposits range from 1.25% to 3.85%.

A 9. Property (Capital Assets), Infrastructure and Depreciation

Capital asset activity for the year ended June 30, 2007 is as follows:

<u>Capital Asset Class</u>	<u>June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 03, 2007</u>
<u>Government Activities</u>				
Buildings	\$777,870	\$105,574	\$ 0	\$883,444
Equipment	44,019	7,038	0	51,057
Furniture	28,124	0	0	28,124
Heartland Building	900,000	69,214	0	969,214
Land, River Project	25,650	0	0	25,650
Office Equipment	16,213	0	0	16,213
Paddle Trail	46,248	85,772	0	132,020
River Project	37,689	0	0	37,689
Software	13,182	6,000	0	19,182
Town Square	512,317	0	0	512,317
Vehicles	154,065	53,088	0	207,153
Walkbridge/Depot	124,962	0	0	124,962
Streetscape	559,913	13,366	0	573,279
Connector Road	<u>161,150</u>	<u>0</u>	<u>0</u>	<u>161,150</u>
	<u>\$3,401,402</u>	<u>\$340,052</u>	<u>\$ 0</u>	<u>\$3,741,454</u>
Accumulated Depreciation	<u>(\$47,946)</u>	<u>(\$67,136)</u>	<u>\$ 0</u>	<u>(\$115,082)</u>
Net Government Capital Assets	<u>\$3,353,456</u>	<u>\$272,916</u>	<u>\$ 0</u>	<u>\$3,626,372</u>
<u>Enterprise Capital Assets</u>				
Land	\$25,450	\$ 0	\$ 0	\$25,450
Equipment	273,579	111,450	0	385,029
Buildings	71,731	6,000	0	77,731
Sewer System	4,116,959	0	0	4,116,959
Vehicle	93,031	0	0	93,031
Water System	<u>2,584,642</u>	<u>0</u>	<u>0</u>	<u>2,584,642</u>
	<u>7,165,392</u>	<u>117,450</u>	<u>0</u>	<u>7,282,842</u>

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2007**

A 9. Property (Capital Assets), Infrastructure and Depreciation

Accumulated Depreciation	(4,562,569)	(254,303)	0	(4,816,872)
Net Enterprise Capital Assets	\$2,602,823	(\$136,853)	\$ 0	\$2,465,970

The following methods and estimated service lives are being used to calculate depreciation:

<u>Asset</u>	<u>Estimated Life</u>	<u>Depreciation Method</u>
<u>Business-type Activity</u>		
Water and Sewer System	7-30 year life	Straight-line

The City elected to implement the general provisions of GASB Statement No. 34 in the year ended June 30, 2003.

All government entities are required to capitalize newly acquired or constructed infrastructure assets beginning with the GASB Statement No. 34 implementation date. Not all government entities are required to capitalize retroactively. Government entities with a fiscal year ending June 30, with less than \$10 million in GAAP-based revenues in their first year ended June 30, 1999, can elect not to capitalize retroactively.

The City elected not to retroactively capitalize the cost of approximately eighteen (18) miles of municipal streets. The municipal streets were constructed prior to fiscal year ended June 30, 1980, and systematic repairs and maintenance have maintained them. The City will continue its policy of expensing the cost of repairs and maintenance to its municipal streets.

Tangible and intangible property (capital assets) having a cost \$500.00 and more and having an initial useful life that extends beyond a single reporting period are classified as capital assets.

A 10. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2007**

Note B. Receivables

As of June 30, 2007, the Receivables due the City consist of the following:

	<u>Governmental Activities</u>	<u>Business - Type Activities</u>
Taxes assessed on property	\$16,199	
911 Reimbursement of Expenses	75,953	
Insurance Premium Taxes, 2 nd Quarter 2007	50,021	
Franchise Fees	1,482	
Conservation Grant	5,000	
Fire Truck Grant	76,780	
Green County Fire Department	24,000	
Micro – Enterprise Grant	90,000	
Other Receivables	78,600	
Customer receivables		\$11,468
Less Provision for uncollectible accounts	<u>-0-</u>	<u>-0-</u>
Net Receivables	<u>\$418,035</u>	<u>\$11,468</u>

Note C. Property Taxes Receivable, Property Tax Calendar and Provision for Uncollectible Real Property Taxes

Property tax (real property) rolls are prepared by the Green County Property Tax Assessors office and given to the Greensburg City Clerk for preparation of the tax bills to be mailed to city real property owners. Real property owned as of January 1, is assessed. Tax bills are mailed October 1, and become delinquent January 1, of the next year. Major tax payments are received October through December. The City Clerk of Greensburg collects real property taxes. Vehicle taxes are collected by the Clerk of Green County and remitted to Greensburg. Vehicle taxes are due and collected in the birth month of the licensee.

Note D. General Long Term Debt

The following is a summary of long-term debt outstanding for then years ended June 30, 2005, and 2007:

<u>Revenue Bonds-Water And Sewer Fund</u>	<u>June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2007</u>
\$1,852,000, 1992 Serial bonds maturing January 1, 2031, interest @ 5.00%	\$1,548,000	\$ 0	(\$32,000)	\$1,516,000
\$641,341, 1993 F Kentucky Infrastructure Authority (KIA) Revenue Bonds, maturing through January 1, 2016, Interest @ 5.6%	<u>400,000</u>	<u>0</u>	<u>(5,417)</u>	<u>394,583</u>
	<u>\$1,948,000</u>	<u>\$ 0</u>	<u>(\$37,417)</u>	<u>\$1,910,583</u>

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2007**

Note D. General Long Term Debt (continued)

Notes Payable

(1) \$50,000 November 1, 1996, \$5,023 due annually, due November 1, 2007, interest @ 3% APR	\$9,612	\$ 0	(\$4,735)	\$4,877
\$48,925, Due July 11, 2007, interest @ 4,25%, secured by personal property	17,032	0	(17,032)	0
(2) \$104,120, Due December 12, 2007, interest @ 3.8 %, Secured by personal property	64,938	0	(20,410)	44,528
(3) \$300,000, Kentucky League of Cities Long-term Lease Agreement, Due July 15, 2020, 3.88% fixed, secured by personal property	300,000	0	(15,000)	285,000
(4) \$100,000, Kentucky League of Cities Long-term Lease Agreement, due April 1, 2026, Variable interest rate, secured by City revenues	99,310	0	(3,446)	95,864
(5) \$72,000, October 23, 2006, 1 annual payment of \$72,000, due June 30, 2007, 4.16% annual interest, Secured by personal property.	<u>0</u>	<u>72,000</u>	<u>0</u>	<u>72,000</u>
	<u>\$490,892</u>	<u>\$72,000</u>	<u>(\$60,623)</u>	<u>\$502,269</u>

City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

The annual requirements to amortize the long-term debt outstanding as June 30, 2007 are as follows:

<u>Year Ended June 30</u>	<u>1992 Serial Bonds</u>	<u>1993F Revenue Bond</u>	<u>Note 1</u>	<u>Note 2</u>	<u>Note 3</u>	<u>Note 4</u>	<u>Note 5</u>
2008	\$34,000	\$5,417	<u>\$4,877</u>	<u>\$44,528</u>	\$27,749	\$7,145	<u>\$72,000</u>
2009	36,000	5,000			27,041	7,145	
2010	37,000	5,000			26,342	7,145	
2011	40,000	5,000			30,422	7,145	
2012	41,000	5,000			29,502	7,145	
2013-2017	240,000	25,000			133,392	35,726	
2018-2022	305,000	25,000			<u>107,659</u>	35,726	
2023-2027	391,000	25,000				<u>27,389</u>	
2028-2031	<u>392,000</u>	<u>294,166</u>					
Totals	<u>\$1,516,000</u>	<u>\$394,583</u>	<u>\$4,877</u>	<u>\$44,528</u>	\$382,107	\$134,566	<u>\$72,000</u>
Interest and Fees					<u>(97,107)</u>	<u>(38,702)</u>	
					<u>\$285,000</u>	<u>\$95,864</u>	

The City of Greensburg has elected to recognize the restructuring as a gain on loan restructuring and amortize the gain over the remaining life of the restructured loan, ten and one-half (10 ½ years).

Note E. Compliance with Bond Ordinance

The City of Greensburg Water and Sewer Revenue Bonds of 1992 ordinance requires the City to create and maintain separate funds or accounts for the Sewer Fund.

- **Depreciation** - This account is to receive from the remaining revenues of the system \$916 each month.
- **Bond and Interest Sinking** - This account is to receive, monthly, one sixth (1/6) of the next interest installment and one-twelfth (1/12) of the next annual principal payment.
- **Operation and Maintenance** - This account is to accrue a balance equal to the anticipated requirements for a two-month period.

Note F. Risk Management

The City of Greensburg is exposed to various risk of loss to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters. In addition to its general liability insurance, the City also carries commercial risk insurance for all risk of loss such as worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three (3) years.

City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2007

Note G. Related Parties Transactions

In a governmental entity related parties include members of the governing body (city commissioners, etc.), board members, administrative officials (mayor, city clerk, etc.) immediate family members of the preceding individuals and affiliated governmental units that are not included in the financial statements as part of the reporting entity such as water and sewer systems. There are no related party transactions to be disclosed.

Note H. Economic Dependency

The City is not economically dependent on one or more major taxpayers or suppliers.

Note I. Pension Plan

The City of Greensburg is a participating employer of the County Employees' Retirement System (CERS), which is a multi-employer defined benefit plan that covers substantially all regular full-time employees of each county, school board, municipal and other local agencies electing to participate. Upon election to participate in the CERS, each employee has the option to participate, however, all subsequent employees must participate and the employer is required to continue participation.

Employees who retire at age 65 and have 48 or more months of credit service or have 27 years of credited service regardless of age are entitled to a retirement benefit, payable monthly for life, equal to 2% of the average annual salary of the members' highest earnings years multiplied by the number of year of service credit. Members retiring at less than 55 years of age with 25 to 27 years of service credit or 65 years of age with less than 48 months of service credit are entitled to reduced benefits. Members' retirement benefits become fully vested when they complete sixty months of service, twelve of which are current service. At a minimum, terminated employees are refunded their contributions with credited interest at 3% compounded annually through June 30, 1981 thereafter through June 30, 1986, and 4% thereafter.

Employer contribution rates are intended to fund the System' normal cost on a current basis plus one percent (1%) of unfunded past service cost per annum plus interest at the actuarial assumed rate. The Board of Trustees of Kentucky Retirement Systems determines such contribution rates each biennium.

The amount shown below as "pension benefit obligation" is a standardize disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to help the users assess the System's funding status on a going-concern basis, and assess progress made in the public employee retirement system (PERS). The measure is independent of the actuarial funding method used to determine contributions to the System.

All required contributions were paid at year-end or within thirty (30) days thereafter. During the year ended June 30, 2007 the City paid \$91,019 into CERS for the benefit of eligible City employees.

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2007**

The funds status as of the latest valuation date (June 30, 2006) is as follows:

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Actuarial Accrued Values	\$9,503,482,150	\$8,018,058,096
Actuarial Value of Plan Assets	\$5,822,070,515	\$5,983,974,408
Unfunded Liability on Actuarial Value of Assets	\$3,681,411,635	\$2,034,094,688
Funded Ratio on Actuarial Value of Assets	61.26%	74.63%
Market Value of Plan Assets	\$5,877,162,291	\$5,760,939,594
Unfunded Liability on Market Value of Assets	\$3,626,319,859	\$2,257,129,502
Funded Ratio of Market Value of Plan Assets	61.84%	71.85%

The complete audited financial statements, comprehensive annual financial report and actuarial valuations of the Kentucky Retirement System can be found on line at www.kyrte.com.

Note J. Rent Expense

Effective June 5, 1989, by action of the City Council of Greensburg, Kentucky, the Greensburg Water and Sewer System rents its office facilities from the City of Greensburg at the rate of \$12,000 per year.

Note K. Ownership

The Greensburg Water and Sewer System is a business-type activity of the City of Greensburg.

Note L. Defeased Debt

On August 20, 1993 The Kentucky Infrastructure Authority (KIA) issued Series 1993 F revenue bonds of \$17,805,000 par value to advance refund revenue bonds Series 1989 C with a par value of \$15,220,000. The Series 1993 F revenue bonds were issued at par less \$385,063 in discounts. After paying issuance cost of \$254,618, the net proceeds were \$17,210,319. The advance refunding met the requirements of an in-substance debt defeasance and the refunded revenue bonds were removed as a liability from the City's balance sheet. In the City of Greensburg's portion of the advance refunding, bonds with a par value of \$641,341 were issued less \$13,835 in bond discounts and \$9,148 issuance cost.

As a result of the advance refunding, the City realized a loss on extinguishment of \$90,284. The loss is being amortized over the life of the Series 1993 F revenue bonds. A loss of \$4,904 is recognized for financial reporting in the current year ended June 30, 2007.

Note M. Prior Period Adjustments

Due from Operation and Maintenance Fund (Payroll)	\$10,383
Due from Operation and Maintenance Fund (Payroll)	(829)
Due from Operation and Maintenance Fund (Water System)	130,789
Accounts Receivable Micro-Enterprise Grant	90,000
Other corrections	<u>31,921</u>
	<u>\$262,264</u>

City of Greensburg, Kentucky
 Budgetary Comparison Schedule, General Government Activity
 Budget and Actual (Non GAAP Budgetary Basis)
 Year Ended June 30, 2007

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Fund Balance June 30, 2006	\$623,453	\$623,453	\$338,073	(\$285,380)
Revenues				
Occupational Taxes	\$335,000	\$335,000	\$388,562	\$53,562
Property and Vehicle Taxes	\$169,600	\$169,600	\$184,163	\$14,563
Insurance Premium Tax	\$290,000	\$290,000	\$321,531	\$31,531
Grants	\$981,856	\$981,856	\$719,436	(\$262,420)
Loan Proceeds	\$0	\$0	\$0	\$0
Franchise Fees	\$85,000	\$85,000	\$114,410	\$29,410
Inter-governmental Revenues	\$39,870	\$39,870	\$63,174	\$23,304
Other Revenues	\$61,245	\$61,245	\$112,024	\$50,779
Rent	\$60,740	\$60,740	\$46,436	(\$14,304)
Licenses and Permits	\$8,400	\$8,400	\$5,405	(\$2,995)
Paddle Trail Revenue	\$0	\$0	\$31,766	\$31,766
Downtown Sponsorships	\$6,500	\$6,500	\$2,350	(\$4,150)
Interest Income	\$12,000	\$12,000	\$9,616	(\$2,384)
Total Revenues	<u>\$2,050,211</u>	<u>\$2,050,211</u>	<u>\$1,998,873</u>	<u>(\$51,338)</u>
Total Resources Available	<u>\$2,673,664</u>	<u>\$2,673,664</u>	<u>\$2,336,946</u>	<u>(\$336,718)</u>
Appropriations				
General Government	\$461,309	\$461,309	\$552,180	(\$90,871)
Public Safety, Police	\$369,848	\$369,848	\$429,842	(\$59,994)
Public Safety, Fire	\$37,971	\$37,971	\$35,401	\$2,570
City maintenance	\$179,708	\$179,708	\$253,661	(\$73,953)
Heartland Regional Micro Park	\$54,923	\$54,923	\$55,562	(\$639)
Paddle Trail	\$20,681	\$20,681	\$40,846	(\$20,165)
Grant Expenses	\$898,256	\$898,256	\$557,035	\$341,221
Total Appropriations	<u>\$2,022,696</u>	<u>\$2,022,696</u>	<u>\$1,924,527</u>	<u>\$98,169</u>
Excess of Resources over (Under Appropriations	<u>\$650,968</u>	<u>\$650,968</u>	<u>\$412,419</u>	<u>(\$238,549)</u>
Fund Balance June 30, 2007	<u>\$650,968</u>	<u>\$650,968</u>	<u>\$412,419</u>	

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

City of Greensburg, Kentucky
 Budgetary Comparison Schedule, Water and Sewer Activity
 Budget and Actual (Non GAAP Budgetary Basis)
 Year Ended June 30, 2006

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Fund Balance June 30, 2006	\$489,594	\$489,594	\$503,662	\$14,068
Revenues				
Charges for Services, Water	\$610,000	\$610,000	\$625,116	\$15,116
Chargers for Service, Sewer	\$282,000	\$282,000	\$265,898	(\$16,102)
Other Revenues	\$10,200	\$10,200	\$15,856	\$5,656
Loan Proceeds	\$350,000	\$350,000	\$72,000	(\$278,000)
Interest Income	\$12,000	\$12,000	\$19,548	\$7,548
Grant Revenues	\$2,005,000	\$2,005,000	\$0	(\$2,005,000)
Total Revenues	\$3,269,200	\$3,269,200	\$998,418	(\$2,270,782)
Total Resources Available	\$3,758,794	\$3,758,794	\$1,502,080	(\$2,256,714)
Appropriations				
Grant Expenses	\$2,355,000	\$2,355,000	\$113,871	\$2,241,129
Debt Retirement, Water	\$45,000	\$45,000	\$40,549	\$4,451
Debt, Retirement, Sewer	\$109,400	\$109,400	\$109,400	\$0
Water Operations	\$488,062	\$488,062	\$411,191	\$76,871
Sewer Operations	\$291,667	\$291,667	\$238,418	\$53,249
Total Appropriations	\$3,289,129	\$3,289,129	\$799,558	\$134,571
Excess of Resources over (Under Appropriations	\$469,665	\$469,665	\$702,522	
Fund Balance June 30, 2007	\$469,665	\$469,665	\$702,522	

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

City of Greensburg, Kentucky
Budgetary Comparison Schedule, LEGA
Budget and Actual (Non GAAP Budgetary Basis)
Year Ended June 30, 2007

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Fund Balance June 30, 2006	\$14,800	\$14,800	\$2,942	(\$11,858)
Revenues				
Intergovernmental Revenues	\$3,600	\$3,600	\$4,405	\$805
Interest Income	\$110	\$110	\$110	\$0
Total Revenues	\$3,710	\$3,710	\$4,515	\$805
Total Resources Available	\$18,510	\$18,510	\$7,457	(\$11,053)
Appropriations				
Economic Development	\$18,510	\$18,510	\$24,081	(\$5,571)
Total Appropriations	\$18,510	\$18,510	\$20,481	(\$1,971)
Excess of Resources over (Under Appropriations	\$0	\$0	(\$13,024)	(\$13,024)
Fund Balance June 30, 2007	\$0	\$0	(\$13,024)	

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

City of Greensburg, Kentucky
 Budgetary Comparison Schedule, Municipal Streets Activity
 Budget and Actual (Non GAAP Budgetary Basis)
 Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Fund Balance June 30, 2006	<u>\$81,000</u>	<u>\$81,000</u>	<u>\$45,515</u>	<u>(\$35,485)</u>
Revenues				
Municipal Aid	\$71,115	\$71,115	\$36,989	(\$34,126)
Interest Income	<u>\$520</u>	<u>\$520</u>	<u>\$304</u>	<u>(\$216)</u>
Total Revenues	<u>\$71,635</u>	<u>\$71,635</u>	<u>\$37,293</u>	<u>(\$34,342)</u>
Total Resources Available	<u>\$152,635</u>	<u>\$152,635</u>	<u>\$82,808</u>	<u>(\$69,827)</u>
Appropriations				
Street repairs	<u>\$122,115</u>	<u>\$122,115</u>	<u>\$38,079</u>	<u>\$84,036</u>
Total Appropriations	<u>\$122,115</u>	<u>\$122,115</u>	<u>\$38,079</u>	<u>\$84,036</u>
Excess of Resources Over (Under)				
Appropriations	<u>\$30,520</u>	<u>\$30,520</u>	<u>\$44,729</u>	<u>\$14,209</u>
Fund Balance June 30, 2007	<u>\$30,520</u>	<u>\$30,520</u>	<u>\$44,729</u>	

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



Robert C. Ryan
Certified Public Accountant
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Report of Independent Accountant

To the Mayor and City Council Members
City of Greensburg, Kentucky

My audit was performed for the purpose of forming an opinion on the basic government-wide financial statements taken as a whole. The supplemental schedules of the City of Greensburg, Kentucky as of June 30, 2007, and for the fiscal year then ended are presented for the purpose of additional analysis and are not a required part of the basic government-wide financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audit of the basic government-wide financial statements and in my opinion, are fairly stated in all material respects in relation to the basic government-wide financial statements taken as a whole.

Robert C. Ryan

Robert C. Ryan
Certified Public Accountant

November 19, 2007

City of Greensburg, Kentucky
 Schedule of General Government Activities
 Year Ended June 30, 2007

Expenditures	General Government <u>Activities</u>	Special Revenue <u>Activity</u>	<u>Totals</u>
Salaries	\$509,886		\$509,886
Payroll Taxes	\$44,519		\$44,519
Mayor and Council Expenses	\$16,042		\$16,042
Advertising, Legal Notices	\$8,361		\$8,361
Code Enforcement Ordinances	\$1,039		\$1,039
Contractual Services	\$35,426		\$35,426
Community Development Expenses	\$24,801		\$24,801
Computer Expenses	\$3,163		\$3,163
Debt Service Expense	\$40,886		\$40,886
Dues and Subscriptions	\$2,083		\$2,083
Economic Development Expenses	\$2,457		\$2,457
Fees	\$13,413		\$13,413
Firemen's Fees	\$6,720		\$6,720
Fuel Expense	\$2,752		\$2,752
Grant Expenses	\$562,146		\$562,146
Heartland RMEP Expenses	\$11,036		\$11,036
Insurance, General	\$68,849		\$68,849
Intergovernmental Agreement Expense	\$17,500		\$17,500
Leadership Green Membership	\$333		\$333
Marketing and Maintenance	\$26,714		\$26,714
Miscellaneous Expenses	\$1,000		\$1,000
Office Supplies	\$19,649		\$19,649
Park Allocation Expenses	\$1,205		\$1,205
Personnel Benefits Expenses	\$64,006		\$64,006
Professional Fees	\$24,159		\$24,159
Postage Expense	\$2,006		\$2,006
Repairs and Maintenance Expenses	\$115,855	\$38,079	\$153,934
Retirement Expense	\$55,871		\$55,871
Supplies Purchased	\$26,821		\$26,821
Telephone Expenses	\$7,837		\$7,837
Transfers Out		\$34,748	\$34,748
Travel and Training Expenses	\$6,140		\$6,140
Uniform Expenses	\$16,095		\$16,095
Utility Expenses	\$115,882		\$115,882
Website Expenses	\$2,840		\$2,840
Depreciation	\$67,136		\$67,136
Total Expenditures	<u>\$1,924,628</u>	<u>\$72,827</u>	<u>\$1,997,455</u>

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

City of Greensburg, Kentucky
Schedule of General Government Activities
Year Ended June 30, 2007

	General Government <u>Activities</u>	Municipal Streets <u>Activity</u>	<u>Totals</u>
Revenues			
Property Tax Revenue	\$160,895		\$160,895
Vehicle Tax Revenue	\$23,268		\$23,268
Insurance Premium Tax	\$321,531		\$321,531
License Fees, Other	\$5,405		\$5,405
Franchise Fees	\$114,410		\$114,410
Grant Revenue	\$719,436		\$719,436
Donated Revenue	\$2,350		\$2,350
Intergovernmental Revenue	\$30,335	\$96,394	\$126,729
Interest Income	\$9,657	\$414	\$10,071
Law Enforcement Revenue	\$15,007		\$15,007
Miscellaneous Revenues	\$39,511		\$39,511
Occupational Taxes	\$388,562		\$388,562
Paddle Trail Revenue	\$31,766		\$31,766
Pavers - Benches - Light pole Revenue	\$14,885		\$14,885
KLEFPF Grant	\$24,562		\$24,562
Rent Income	\$46,436		\$46,436
State Aid - Fire Department	\$8,250		\$8,250
State Fair Sponsorship Income	\$9,000		\$9,000
Transfers	\$34,748		\$34,748
	<hr/>	<hr/>	<hr/>
Total Revenues	\$2,000,014	\$96,808	\$2,096,822
	<hr/>	<hr/>	<hr/>
Net Revenues and Grant Revenue Over Expenditures and Transfers	\$75,386	\$23,981	\$99,367
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

City of Greensburg, Kentucky
 Schedule of Sewer and Water Service Activities
 Year Ended June 30, 2007

Operating Expenditures	Sewer and Water Service Activities
Salaries	\$272,620
Payroll Taxes	\$19,652
Advertising Expenses	\$285
Chemicals Purchased	\$77,992
Computer Expenses	\$7,008
Fees Paid	\$1,810
Grant Expenses	\$27,741
Insurance, General Expense	\$16,979
Insurance, Other	\$13,757
Interest Expense	\$105,934
Loss on Extinguishment of Debt	\$4,094
Miscellaneous Expenses	\$14,022
Personnel Benefits Expenses	\$43,789
Postage Expense	\$3,890
Professional Fees Paid	\$6,173
Repairs and Maintenance Expenses	\$64,353
Rent and Storage Expenses	\$13,084
Retirement Expense	\$35,148
Sludge Removal Expenses	\$6,154
Supplies Expenses	\$26,864
Testing Expenses	\$15,219
Travel and Training Expense	\$1,927
Uniform Expenses	\$2,734
Utility Expenses	\$88,094
Water Purchase Expense	\$14,262
Amortization Expense	\$2,084
Depreciation Expense	\$254,303
Total Operating Expenditures	<u>\$1,139,972</u>

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

City of Greensburg, Kentucky
Schedule of Sewer and Water Service Activities
Year Ended June 30, 2007

Revenues	Sewer and Water Service Activities
Sewer Service Revenue	\$265,898
Water Service Revenue	\$625,116
Gain on Loan Restructuring	\$8,757
Interest Income	\$19,548
Other Income	<u>\$15,856</u>
Total Revenues	<u>\$935,175</u>
Grant	
PRIDE Grant	<u>\$113,871</u>
Total Revenues and Grant	<u>\$1,049,046</u>
Net Expenditures over Revenues	<u><u>(\$90,926)</u></u>

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



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November 19, 2007

Auditor's Report on Internal Control Over Financial Statements and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

Fiscal Year ended June 30, 2007

To the Mayor and City Council
The City of Greensburg, Kentucky

City Council Members:

I have audited the financial statements of the City of Greensburg, Kentucky as of June 30, 2007 and for the year then ended, and have issued my report thereon dated November 19, 2007. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America.

Internal Control over Financial Reporting

In planning and performing my audit of the basic government-wide financial statements of the City of Greensburg, Kentucky for the fiscal year ended June 30, 2007, I considered its internal control in order to determine my auditing procedures for the purpose of expressing my opinion on the basic government-wide financial statements and not to provide assurance on the internal control over financial reporting. My consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the basic government-wide financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

I did not observe any material weakness involving internal control over financial reporting and its operation.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Greensburg, Kentucky's financial statements are free of material misstatements, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have

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November 19, 2007
Page 2

a direct and material effect on the determination of the financial statement amount. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion.

This report is intended solely for the City of Greensburg, Kentucky, management and others within the administration of the City, and the Kentucky Department for Local Government and is not intended to be and should not be used by anyone other than these specified parties.

Robert C. Ryan
Robert C. Ryan



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November 19, 2007

Accountant's Report
Local Government Economic Assistance Program
City of Greensburg, Kentucky
For the Fiscal Year Ended June 30, 2007

To the Mayor and City Council
The City of Greensburg, Kentucky

Kentucky Revised Statutes (KRS) 42.455 defines the priority expenditures for funds received from the Local Government Economic Assistance Program (LGEAP). LGEAP is a system of grants to local governments to improve the environment for new industry and improve the quality of life for the residents.

Grants obtained under this program shall be used for priority expenditures. One hundred percent (100%) of all monies in the fund shall be spent on priority categories limited to those described in section KRS 42.455 (2). In no event shall grants obtained under this program be used for expenses related to administration of government.

The City has established a system to track the receipt and disbursement of LGEAP in order to be in compliant with KRS 42.455.

This report is intended solely for the City of Greensburg, Kentucky, management and others within the administration of the City, and the Kentucky Department for Local Government and is not intended to be and should not be used by anyone other than these specified parties.

Robert C. Ryan
Robert C. Ryan



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November 19, 2007

Mayor and Council Members
City of Greensburg, Kentucky
110 West Court Street
Greensburg, KY 42743

In planning and performing my audit of the financial statements of the City of Greensburg, Kentucky as of June 30, 2007 and for the year then ended in accordance with auditing standards generally accepted in the United States of America, I considered the City's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, I do not express an opinion on the effectiveness of the City's internal control.

My consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, I identified certain deficiencies in internal control that I consider to be significant deficiencies and other deficiencies that I consider to be a material weakness.

Definitions Related to Internal Control Deficiencies

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned function, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principals such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

Identified Deficiencies in Internal Control

I did not find any significant deficiencies in internal control:

Page 2
November 19, 2007

Deficiency that constitutes a material weakness

I did not find any deficiencies that would constitute a material weakness in the accounting system of the City of Greensburg.

These comments are made as a result of new requirements placed upon auditors of financial statements by the Statement of Auditing Standards No. 112, effective December 15, 2006. This SAS applies to all entities in the private and public sector (local government included) that have financial statements prepared by certified public accountants.

This communication is intended solely for the information and use of the Mayor, Council Members and others within the government and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Robert C Ryan

Robert C. Ryan



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November 19, 2007

To the Mayor and City Council Members
The City of Greensburg, Kentucky

I have audited the financial statements of the City of Greensburg, Kentucky, for the year ended June 30, 2007, and have issued my report dated November 19, 2007. Professional standards require that I provide you with the following information related to my audit.

My Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in my engagement letter dated January 4, 2007, my responsibility, as described by professional standards, is to plan and perform my audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because I did not perform a detailed examination of all transactions, there is a risk that material misstatements may occur and not be detected by me.

As part of my audit, I considered the internal controls of the City of Greensburg, Kentucky. Such considerations were solely for the purpose of determining my audit procedures and do not provide any assurance concerning such internal controls.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of my engagement letter, I will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City of Greensburg, Kentucky, are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. I noted no transactions entered into by the City during the year that were both significant and unusual, and that, under professional standards, I am required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that reflect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Management has estimated the provision for uncollectible real property taxes to be \$0.00.

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Depreciation of capital assets is calculated on the basis of class of assets. To estimate the useful life of its capital assets, the City of Greensburg, Kentucky, used internal information and general guidelines obtained from professional or industrial information. In estimating useful life, the City considers the capital assets' present condition and how long it can meet service demands.

Audit Adjustments

The significant audit adjustments that were made in preparation of the City's financial statements as of June 30, 2007, and for the year then ended were submitted to the City Commission for review and approval.

Disagreements with Management

For purposed of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to my satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. I am pleased to report that there were no difficulties or disagreements with management encountered while performing the audit of the City of Greensburg, Kentucky, financial statements as of June 30, 2007, and for the year then ended.

Consultation with Other Independent Auditors

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those financial statements, professional standards require the consulting accountant to check with me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other independent accountants.

Issues Discussed Prior to Retention as Independent Auditor

I generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as an auditor. Prior to being retained as the auditor of the City of Greensburg, Kentucky, there were no discussions of the application of accounting principles and auditing standards in the normal course of our professional relationship.

Difficulties Encountered in Performing the Audit

I encountered no significant difficulties in dealing with management of the City of Greensburg, Kentucky, while performing my audit.

Page 3
November 19, 2007

Recommendations

There are no material recommendations to be made at this time.

This information is intended solely for the use of the City of Greensburg, Kentucky, and the City Council and is not intended to be and should not be used by anyone other than these specified parties.

If there are any questions concerning this letter, I will be available to discuss them with the City Council as a whole at its convenience.

Yours truly,

Robert C. Ryan

Robert C. Ryan
Certified Public Accountant

2

**Annual Financial Report
The City of Greensburg, Kentucky
As of June 30, 2008,
And for the Fiscal Year Then Ended
With Auditor's Report**

**Comprehensive Annual Financial Report
The City of Greensburg, Kentucky
As of June 30, 2008,
And for the Fiscal Year Then Ended**

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**Comprehensive Annual Financial Report
The City of Greensburg, Kentucky
As of June 30, 2008,
And for the Fiscal Year Then Ended**

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November 17, 2008
City Council and Citizens of Greensburg
Greensburg, Kentucky

The Annual Financial Report

The Annual Financial Report (AFR) of the City of Greensburg, Kentucky, for the fiscal year ended June 30, 2008, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rest with the City's management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the city. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The AFR is presented in two sections: introductory and financial. The introductory section includes this transmittal letter and a list of principal officials. The financial section includes, under the new Governmental Accounting Standards Board Statement No. 34 as amended, Management's Discussion and Analysis, the Report of Independent Accountant, the basic government-wide financial statements, and the required supplementary information.

The City of Greensburg is located in Green County, Kentucky. The City is a home rule municipal corporation organized on December 4, 1794, under the laws of the Commonwealth of Kentucky, and as such, operates under its own charter. The City government consists of a mayor and six (6) city council members. The mayor serves a four (4) year term. Council members serve a two (2) year term. The mayor and the city council members are elected on an at-large basis.

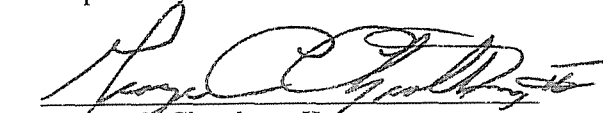
For financial reporting purposes, the City includes in this report all funds, agencies, boards and other commissions that are controlled by the City or dependent on the City legislative branch. "Controlled by" or "dependent on" is determined on the basis of the budget adoption, taxing authority, outstanding debts secured by revenues or general taxing authority of the City, and the City's obligation to fund any deficits that may occur.

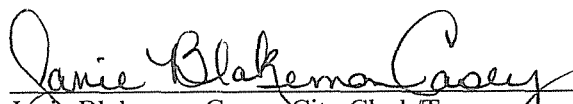
The City provides a full range of municipal services. These services include fire and police protection, recreation programs, and a water and sewer system.

Robert C. Ryan, Certified Public Accountant, audited the financial statements and the related notes of the City of Greensburg, Kentucky. As stated in the auditor's report, the audit was conducted in accordance with Generally Accepted Government Auditing Standards as accepted in the United States of America, and included a review of accounting controls (as required by state law).

We wish to acknowledge the employees of the City of Greensburg who are the City's most valuable asset. These individuals serve productively throughout City operations. They continuously provide quality services to the citizens of Greensburg, Kentucky.

Respectively submitted:


George E. Cheatham, II


Jamie Blakeman Casey, City Clerk/Treasurer

**City of Greensburg, Kentucky
Governmental Directory**

City Clerk's Office
110 West Court Street
Greensburg, KY 42743

Telephone: 270/932-4298/ 270/932-7778 (facsimile)

City Council meetings held 1st Monday of each month at 6:00 PM (CST)

City of Greensburg Officials

<u>Title</u>	<u>Name</u>	<u>Term Expires</u>
Mayor	George "Lisle" Cheatham, II	December 31, 2010
Council Member	Jerry Cowherd	December 31, 2008
Council Member	Brenda Patterson	December 31, 2008
Council Member	William O. "Bill" Moore	December 31, 2008
Council Member	Sandi Moran	December 31, 2008
Council Member	Steve Stone	December 31, 2008
Council Member	Bill Taylor	December 31, 2008
City Clerk/Treasurer	Janie Blakeman Casey	
Fire Chief	Bill Lile	
Police Chief	John Brady	
Public Works Director	Roger Skaggs	
911 Co Coordinator	Ron Jones	
Chief Operator, Water Plant	Gordon Price	
Chief Operator, Waste Water Plant	Eddie Wright	

**Financial Audit
As of the Year Ended
June 30, 2008
Management Discussion and Analysis
By
Mayor George "Lisle" Cheatham, II**

Once again, we have reached that point in time where we must review the past year's financial results and use that opportunity to look to the past to guide our future actions. As for the 2008 Fiscal Year, I am once again happy to report the City had a solid financial performance. However, as discussed on many occasions the window of financial prosperity is shrinking.

Before I touch on that, a review of the previous year's financial record is in order. I hope to use this section of the audit to highlight some of our positive achievements as well as point out areas we hope to improve not to mention areas in which I see future concerns.

The fiscal 2008 year had its challenges in that we did not expend nearly as much in grant funding as we have in the past several years. Expended grant funding was only \$250,195, an amount nearly a half a million dollars below the average for the past few years. I attribute this to two issues. First is just simply the timing of some of our projects and the second is a direct result of haven taken nearly 10 months to fill our Community and Economic Development position. That caused us to reduce the number of grant applications that we had under consideration at the various funding agencies. However, I am happy to report that number will be significantly higher in the next fiscal year and expenditures will perhaps exceed \$2 million. As we have stated here before, the future of Greensburg and Green County is directly tied to our ability to keep this momentum going.

However, from a financial aspect the window of opportunity to move this community forward is limited. There are black clouds on the horizon and they are not of the City's making. Just as we have been adversely impacted economically over the past decade by policy decisions made at the federal level with NAFTA, GATT and more recently CAFTA, the City of Greensburg and local governments all across this great Commonwealth are being squeezed by poor policy decisions being made at the State level.

The problem of course is the monstrous deficit that has been created by the state legislature in the County Employee Retirement System. The first question I'm sure that pops into your head is, "If it is the County Employee Retirement System, how did the state legislature create the problem?" Well the answer is quite simple. The legislature has no problem spending money especially when they don't have to come up with the funds to pay for it. The legislature over the past several years has continued to increase benefits, especially health care benefits, in a way that is not only mandated upon local governments but also legally and contractually guaranteed to the employees. Just

between 2005 and 2006 alone, the deficit in the (CERS) system has exploded by \$1.6 billion dollars to nearly \$3.7 billion. Moreover, as of this writing the estimated investment losses during the 2008 calendar year have added over \$ 1.5 billion more to that. What impact does that have to a community the size of Greensburg? Based on the new mandated contribution rate the City must make on behalf of its employees, the City must find an additional \$40,000 above last year's \$130,000 contribution level. To put that number in prospective just five short years ago that number was less than \$50,000.

As I stated on many occasions, the CERS crisis is the single largest threat to the long-term financial viability of the City. Barring a significant increase to the Occupational and Net Profits Tax, the only option that can make difference in solving this problem will be the success or failure of our economic development efforts, thus the continued importance of our commitment to those efforts and the support and cooperation of all our community partners as well as the public at large.

Fiscal 2007

As always, when reviewing the financial condition of the City, it is best to break the discussion into at least two parts – the General Fund or as sometimes called the Current Expense Fund (CEF) and the Water and Sewer Fund also referred to as Operation and Maintenance (O&M). The General Fund takes in all aspects of City Government such as Administration, Police, Fire, Public Works, the Renaissance Main Street Program and Community and Economic Development Departments. The final section of the audit strictly deals with the operation and maintenance of the Water and Waste Water Departments (O&M).

General Fund

The City still maintains a solid reserve of cash on hand of over \$351,000 this amount is down by nearly \$64,000 from last year. However, this is mainly due to the timing of tax payments for the 2nd quarter and other grant reimbursements. The City's accounts receivable grow by over \$78,000 or nearly that same number to \$356,191.

Largely our tax revenue numbers are holding steady. Given the current economic conditions, that should be seen as a positive. Going forward, the one area of concern the City will be looking to improve is our ability to bring our corporate entities into compliance with our new State mandated Occupational and Net Profit Tax ordinance. I would hope to see increased revenue of \$30,000 or more from those efforts in the new fiscal year.

The biggest positive number I would like to draw your attention to on the CEF side of the City's operations is the increase of over \$221,000 in the value of the City's capital assets before depreciation expense. I think this number gives the best picture of the true health and direction of the City's financial direction.

Water and Wastewater Department (O&M)

The 2008 Fiscal year saw total O&M revenue of \$978,115 and total expenses of \$981,755 – a difference of just \$3,640. However, we had over \$50,000 of unexpected repair expenses within in the system during the year. Overall, I would consider it a very positive year for the O&M Department given its history. The planned waterline renovation work in the 2009 fiscal year and planned improvements to the Wastewater system should put the system on very solid ground going forward. Any future rate increases should be driven by inflation related to labor, benefits, chemicals and utilities cost.

The improved performance is attributable to three main factors. The first is the rate increase implemented in the fall of 2005, the first since 1996. Secondly, are the efforts made over the past five years by the Public Works Department and our engineering firm to cut the City's water loss rate from over 30% per month to below 12% per month? Last, the structural changes within City government that shifted several thousand dollars in labor cost to other departments.

Other changes made over the past year that should prove beneficial to the system are the changes made to the tap fee structure – by just simply bringing them up to the cost of providing the tap - and the elimination of the meter deposit for future customers in favor of a connection fee charge. These two changes should add an additional fifteen to twenty thousand dollars for system improvements per year.

Conclusion to Financial Highlights

The City of Greensburg once again turned in a solid financial performance for the fiscal year of 2008. The City continued its recent history of growing the over all net asset value of the community. This has accrued mainly due to increased flow of grant proceeds as well as donated assets to the community. Over the past five years, the City of Greensburg has seen its net asset value grow from just under three million dollars to nearly \$5 million today. However, this past year can be best summed up as a break-even year where total revenues just met expenditures.

Non-Financial Highlights

Our continued focus on overall community development as an economic strategy has continued to prove successful. Currently, the City has accumulated over \$2.5 million in committed grant and loan funds for community projects such as Streetscape, a new Fire and Ambulance facility, water system renovations and several smaller projects. This will help to continue our efforts at building a “Livable Community” that can be sold to new business and industry, tourists as well as new residents.

We are continuing to see the benefits of this strategy as we see more and more investment into our downtown, with several new businesses opening, increased redevelopment efforts and a continued demand for commercial space. The completion of the new road through the Industrial Park has opened up new developable property and created increased interest in the community as well.

It should be noted that the process of economic development is by its very nature a slow process and will have to be given time to work over the long term. The current economic recession will likely play a significant role in this process as well, but we cannot let that be an excuse to through our hands up and do nothing. We must use this time to put ourselves in the best possible position when the economy picks back up.

The Heartland Micro-Enterprise Park has continued to show positive results with eleven local businesses currently housed at the facility. The Micro-Park was the main reason for the City's over \$70,000 in rental income realized in the 2008 fiscal year.

The Green River Paddle Trail and Cabins completed its third year of operations. During the third year of full operation, we have seen nearly 1200 paid canoeists – over a 200-person increase from previous year. The third year also saw a continued occupancy rate of over 24% in cabin rentals. During Fiscal 2008 the Green River Paddle Trail and Cabins generated \$28,742 in gross revenue.

Future Events

The City currently has several projects underway. The final phase of Streetscape will be completed by the end of the 2009 fiscal year along with the \$2 million waterline renovation project. Nevertheless, the City is continuing to work on several other future projects as well. The renovation of the Cantrell Building next door to City Hall, will house a new downtown restaurant and be the future home of a Community and Arts Center.

Other potential projects being explored are expansion of the Green River Paddle Trail facilities to include public bathrooms and an open air pavilion, a Post-Secondary Educational facility to allow for online class work and to provide for streaming live video instruction as well. This project is in conjunction with several area partners including Elizabethtown Community and Technical College, Lindsey Wilson College, the Green County Adult Education Center and the Green County Board of Education among others.

One other project being pursued is the development of Community Housing Foreclosure and Rehabilitation program that should provide funding to purchase or rehab foreclosed, abandoned and sub-standard residential housing in the community. The City is currently collaborating with the University of Louisville and the City Solution Center in developing this program.

All of these projects will depend on various funding sources as well as building strong partnerships with other public and private agencies. However, each is very important in building the type of community infrastructure we need to attract quality industrial prospects and providing opportunity for our residents.

All of these projects will continue to push the City's resources to supply adequate infrastructure as well as regulatory enforcement required to manage these new growth issues. By the mid 2009 Fiscal Year, the City should be in a position to adopt its new "Five Year Comprehensive Plan" and the planning and zoning changes recommended. It will be very important that the City manage these issues well from the start or we will create larger issues and problems for the community later on down the road.

Conclusion

As of this writing, the current conditions surrounding the world, the nation and the State's economy are the worst we have seen in several generations. To what degree that will affect the City of Greensburg is yet to be understood. At the very minimum, it will slow any growth in the City's various revenue streams – Occupational taxes, Property Taxes, Insurance Premium Taxes and Franchise Fees. The City will also have to contend with the growing demand for increased services by our residents, the business community, not to mention the ever-increasing unfunded mandates passed down by both the Federal and State governments.

However, I believe both the financial future and the overall future for Greensburg is bright, provided we continue to plan and manage our assets in a conservative manner and focus on our opportunities and our strengths. Given the economic conditions described above, Greensburg may only have a narrow window of time to make significant progress in creating the self-sustaining economic opportunity for our residents we all want. Therefore, it is more important than ever the community come together and work with a common vision and purpose. We can be either our own worst enemy or our own best friend; it is up to each of us.

As always, the City of Greensburg looks forward to working toward the brightest future possible for our residents and our community!

Sincerely,

George "Lisle" Cheatham, II
Mayor
City of Greensburg

City of Greensburg, Kentucky
 Management's Discussion and Analysis (Unaudited)
 For the Fiscal Year Then Ended June 30, 2008

**Financial Ratios, Years Ended June 30,
 Working Capital (Current assets-current liabilities)**

	2008	2007	2006	2005	2004	2003	2002
Entity Wide Summary	\$808,382	\$961,340	\$437,327	\$587,751	\$1,219,137	\$1,428,700	\$485,458
Governmental	\$406,746	\$363,847	\$338,073	\$489,464	\$803,362	\$684,093	\$413,953
Special Revenue	\$53,140	\$43,063	(\$1,269)	\$98,287	\$107,667	\$74,853	\$65,429
Business-type	\$348,456	\$338,116	\$100,523	\$726,391	\$714,792	\$822,896	\$33,647

Current Ratio (Current assets / current liabilities)

	2008	2007	2006	2005	2004	2003	2002
Entity Wide Summary	2.54	2.66	1.98	3.71	6.89	7.33	1.37
Governmental	2.65	2.72	2.79	3.26	4.82	13.52	8.33
Special Revenue	1.00	1.00	0.7	100.00	100.00	100.00	100.00
Business-type	2.08	1.92	1.4	4.79	3.43	5.94	1.19

**Days Cash and Investment in Reserve (Represents
 the number of days normal operations could continue
 with no revenue collections)**

	2008	2007	2006	2005	2004	2003	2002
Entity Wide Summary	153	144	190	304.00	269	388	159
Governmental	89	79	125	323.00	171	322	217
Business-type	245	288	289	288.00	408	467	99

**Liabilities to Net Assets (Indicates the extent of
 borrowing)**

	2008	2007	2006	2005	2004	2003	2002
Entity Wide Summary	1.64	1.14	1.53	1.90	1.56	13.35	1.98
Governmental	7.45	7.24	6.54	25.50	10.00	9.30	1.12
Business-type	0.25	0.3	0.38	0.53	0.54	0.63	2.44

City of Greensburg, Kentucky
 Management's Discussion and Analysis (Unaudited)
 For the Fiscal Year Then Ended June 30, 2008

General Fund, Fiscal Year Ended June 30,

	2008	2007	2006	2005	2004	2003	2002
Revenues							
Taxes	\$806,882	\$926,022	\$847,909	\$799,566	\$750,131	\$823,687	\$735,895
Licenses and Permits	\$8,014	\$5,405	\$4,925	\$4,110	\$6,832	\$7,661	\$5,500
Intergovernmental Revenue	\$2,294	\$126,729	\$60,023	\$59,188	\$72,009	\$56,319	\$64,708
Franchise Fees	\$111,854	\$114,410	\$146,611	\$112,726	\$99,684	\$110,462	\$107,792
Grants	\$212,202	\$719,436	\$867,984	\$55,040	\$366,881	\$16,495	\$80,023
Rents	\$71,758	\$46,436	\$57,917	\$23,252	\$18,965	\$17,040	\$16,993
Interest Income	\$9,923	\$10,071	\$8,950	\$6,939	\$8,860	\$10,141	\$10,747
Other Income	\$467,633	\$147,172	\$168,062	\$106,628	\$33,988	\$9,715	\$80,023
Totals Revenues	<u>\$1,690,560</u>	<u>\$2,095,681</u>	<u>\$2,162,381</u>	<u>\$1,167,449</u>	<u>\$1,357,350</u>	<u>\$1,051,520</u>	<u>\$1,101,681</u>

General Fund, Fiscal Year Ended June 30,

	2008	2007	2006	2005	2004	2003	2002
Expenditures							
Current Expense Fund							
General Government	\$604,917	\$552,180	\$638,865	\$393,982	\$348,787	\$254,794	\$200,201
Public Safety, Police	\$432,370	\$429,842	\$382,606	\$320,955	\$303,632	\$271,102	\$279,513
Public Safety, Fire	\$23,468	\$35,401	\$42,678	\$29,854	\$17,520	\$19,472	\$58,052
City Maintenance	\$209,988	\$253,661	\$216,307	\$144,412	\$168,269	\$145,614	\$136,793
Capital Expenditures	\$114,407	\$340,052	\$3,461	\$207,323	\$788,425	\$19,134	\$105,843
Totals Expenditures	<u>\$1,385,150</u>	<u>\$1,611,136</u>	<u>\$1,283,917</u>	<u>\$1,096,526</u>	<u>\$1,626,633</u>	<u>\$710,116</u>	<u>\$780,402</u>

City of Greensburg, Kentucky
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Then Ended June 30, 2008

	2008	2007	2006	2005	2004	2003	2002
General Fund, Fiscal Year Ended June 30,							
Revenues							
Taxes	47.73%	44.19%	39.21%	68.49%	55.26%	78.33%	66.80%
Licenses and Permits	0.47%	0.26%	0.23%	0.35%	0.50%	0.73%	0.50%
Intergovernmental Revenue	0.14%	6.05%	2.78%	5.07%	5.31%	5.36%	5.87%
Franchise Fees	6.62%	5.46%	6.78%	9.66%	7.34%	10.50%	9.78%
Grants	12.55%	34.33%	40.14%	4.71%	27.03%	1.57%	7.26%
Rents	4.24%	2.22%	2.68%	1.99%	1.40%	1.62%	1.54%
Interest Income	0.59%	0.48%	0.41%	0.59%	0.65%	0.96%	0.98%
Other Income	7.01%	7.01%	7.77%	9.13%	2.50%	0.92%	7.26%
Totals Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
General Fund, Fiscal Year Ended June 30,							
Expenditures							
Current Expense Fund	43.67%	34.27%	49.76%	35.93%	21.44%	35.88%	25.65%
General Government	31.21%	26.68%	29.80%	29.27%	18.67%	38.18%	35.82%
Public Safety, Police	1.69%	2.20%	3.32%	2.72%	1.08%	2.74%	7.44%
Public Safety, Fire	15.16%	15.74%	16.85%	13.17%	10.34%	20.51%	17.53%
City Maintenance	8.26%	21.11%	0.27%	18.91%	48.47%	2.69%	13.56%
Capital Expenditures							
Totals Expenditures	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

City of Greensburg, Kentucky
 Management's Discussion and Analysis (Unaudited)
 For the Fiscal Year Then Ended June 30, 2008

Business-type (Sewer) Fund, Fiscal Years Ended June 30,	2008	2007	2006	2005	2004	2003	2002
Revenues							
Water Service	\$655,813	\$625,116	\$600,209	\$565,162	\$563,065	\$556,816	\$545,288
Sewer Service	\$269,788	\$265,898	\$266,313	\$256,124	\$255,015	\$260,713	\$263,153
Interest Income	\$19,470	\$19,548	\$19,907	\$14,752	\$18,866	\$26,621	\$32,049
Other Service	\$24,616	\$15,856	\$15,139	\$20,688	\$27,527	\$12,580	\$42,581
Totals Revenues	<u>\$969,687</u>	<u>\$926,418</u>	<u>\$901,568</u>	<u>\$856,726</u>	<u>\$864,473</u>	<u>\$856,730</u>	<u>\$883,071</u>
Business-type (Sewer) Fund, Fiscal Years Ended June 30,	2008	2007	2006	2005	2004	2003	2002
Revenues							
Water Service	67.63%	67.48%	66.57%	65.97%	65.13%	64.99%	61.75%
Sewer Service	27.82%	28.70%	29.54%	29.90%	29.50%	30.43%	29.80%
Interest Income	2.01%	2.11%	2.21%	1.72%	2.18%	3.11%	3.63%
Other Service	2.54%	1.71%	1.68%	2.41%	3.18%	1.47%	4.82%
Totals Revenues	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
Expenditures							
Personnel Cost	\$380,331	\$371,209	\$393,471	\$412,649	\$394,109	\$344,137	\$342,926
Occupancy Expenses	\$86,235	\$88,094	\$73,973	\$87,196	\$113,713	\$69,303	\$61,056
Chemical and Testing Expenses	\$90,499	\$93,211	\$83,239	\$69,182	\$79,629	\$64,171	\$62,126
Maintenance and Repairs Expenses	\$53,340	\$64,353	\$77,520	\$69,422	\$51,960	\$61,674	\$91,964
Interest Expenses	\$94,491	\$105,934	\$94,666	\$126,582	\$112,318	\$113,059	\$115,115
Other Expenses	\$280,952	\$156,690	\$134,340	\$68,598	\$54,770	\$67,084	\$48,492
Depreciation and Amortization	\$256,236	\$260,481	\$366,894	\$293,550	\$276,810	\$264,872	\$255,650
Totals Expenditures	<u>\$1,242,084</u>	<u>\$1,139,972</u>	<u>\$1,224,103</u>	<u>\$1,127,179</u>	<u>\$1,083,309</u>	<u>\$984,300</u>	<u>\$977,329</u>

City of Greensburg, Kentucky
 Management's Discussion and Analysis (Unaudited)
 For the Fiscal Year Then Ended June 30, 2008

Business-type (Sewer) Fund, Fiscal Years Ended June 30,	2008	2007	2006	2005	2004	2003	2002
Expenditures							
Personnel Cost	30.62%	32.56%	32.14%	36.61%	36.38%	34.96%	35.09%
Occupational Expenses	6.94%	7.73%	6.04%	7.74%	10.50%	7.04%	6.25%
Chemical and Testing Expenses	7.29%	8.18%	6.80%	6.14%	7.35%	6.52%	6.36%
Maintenance and Repairs Expenses	4.29%	5.65%	6.33%	6.16%	4.80%	6.27%	9.41%
Interest Expenses	7.61%	9.29%	7.73%	11.23%	10.37%	11.49%	11.78%
Other Expenses	22.62%	13.75%	10.97%	6.09%	5.06%	6.82%	4.96%
Depreciation and Amortization	22.84%	22.84%	29.99%	26.04%	25.55%	26.91%	26.16%
Totals Expenditures	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

RCR

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Report of Independent Accountant

To the Mayor and City Council Members
City of Greensburg, Kentucky

I have audited the accompanying financial statements of the governmental activities, the business-type activities and the aggregate remaining fund information of the City of Greensburg, Kentucky, as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic government-wide financial statements are the responsibility of the management of the City of Greensburg, Kentucky. My responsibility is to express an opinion on the basic government-wide financial statements based upon my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic government-wide financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic government-wide financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-types activities and the aggregate remaining fund information of the City of Greensburg, Kentucky, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally applied in the United States of America.

My audit was conducted in accordance with Government Auditing Standards. I have also issued reports dated November 17, 2008 on my consideration of the City of Greensburg's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants. These reports are an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The accompanying management's discussion and analysis and budgetary comparison information on pages 3 through 12 and pages 37 through 40 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consist principally of inquiries of management regarding the methods

Member:

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Licensed to practice as a Certified Public Accountant in Indiana, Kentucky and Tennessee

of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Greensburg's basic financial statements. The accompanying supplementary information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the City of Greensburg, Kentucky. The schedules of general government activities, municipal street activities and business-type (Water and Sewer Service) activities have been subjected to the auditing procedures applied in the audit of the basic government-wide financial statements and, in my opinion, are fairly presented in all material respects in relation to the basic government-wide financial statements taken as a whole.

Robert C. Ryan
Robert C. Ryan

City of Greensburg, Kentucky
Statement of Net Assets
As of June 30, 2008

Assets	Governmental Activities	Primary Government Business- Type Activities	Totals
Cash and Cash Equivalents, Note A 6	\$157,398	\$239,614	\$397,012
Investments, Notes A 6, A 7	\$193,723	\$423,081	\$616,804
Receivables, net of allowance for doubtful tax collections, Notes B & C	\$356,191	\$9,419	\$365,610
Capital Assets, Notes, A 8, A 9, D & E			
General Government	\$4,095,860		\$4,095,860
Water and Sewer System		\$7,326,034	\$7,326,034
Accumulated Depreciation	(\$198,700)	(\$5,072,066)	(\$5,270,766)
Compensated Absences	\$18,370	\$10,789	\$29,159
Due from Funds	\$207,176	\$22,195	\$229,371
Other Long Term Assets	\$22,051	\$27,147	\$49,198
Total Assets	<u>\$4,852,069</u>	<u>\$2,986,213</u>	<u>\$7,838,282</u>
Liabilities			
Bank Over Draft	\$25,605	\$28,707	\$54,312
Accounts Payable	\$47,159	\$45,050	\$92,209
Accrued Expenses	\$64,655	\$1,627	\$66,282
Customer Deposits		\$91,015	\$91,015
Unamortized Bond Discount		(\$6,259)	(\$6,259)
Unamortized Loss on Extinguishment of Debt, Note L		(\$28,669)	(\$28,669)
Unamortized Gain on Loan Restructure Note D		\$113,845	\$113,845
Bonds and Notes Payable			
Due Within One Year, Notes D, E	\$110,007	\$157,259	\$267,266
Due in More Than One Year, Notes D, E	\$242,959	\$1,806,620	\$2,049,579
Compensated Absences	\$18,370	\$10,789	\$29,159
Due to Funds	\$47,565	\$181,806	\$229,371
Other Long Term Liabilities	\$18,046		\$18,046
Total Liabilities	<u>\$574,366</u>	<u>\$2,401,790</u>	<u>\$2,976,156</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt, Notes D & E	\$3,544,194	\$290,089	\$3,834,283
Restricted for:			
Restricted for Debt Service Note D & E	\$352,966	\$1,963,879	\$2,316,845
Customers' Deposits		\$91,015	\$91,015
Restricted Cash Funds, Note A 7		\$248,788	\$248,788
Road Fund, Note A 7	\$53,140		\$53,140
Unrestricted	\$327,403	(\$2,009,348)	(\$1,681,945)
Total Net Assets	<u>\$4,277,703</u>	<u>\$584,423</u>	<u>\$4,862,126</u>

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

City of Greensburg, Kentucky
Statement of Activities
For the Year Ended June 30, 2008

Net (Expense) Revenue and
Changes in Net Assets

	Program Revenues Charges for	Operating Grants	Primary Governmental Activities	Government Business-type Activities	Totals
Functions/Programs					
Governmental Activities					
General Government	\$56,610	\$241,767	(\$1,185,017)		\$13,320
Special Revenue Activity	\$51,597				
Total Governmental Activities	<u>\$108,207</u>	<u>\$241,767</u>	<u>(\$1,171,697)</u>	<u>\$0</u>	<u>(\$1,171,697)</u>
Business-Type Activities					
Water and Sewer Services	\$958,975	\$8,428	\$0	(\$274,681)	(\$274,681)
General Revenues					
Property Taxes, Note C	\$169,451				\$169,451
Occupational/Net Profits Taxes	\$387,778				\$387,778
Fees, Licenses and Permits	\$369,431				\$369,431
Intergovernmental Revenue	\$2,294				\$2,294
Rent Income	\$71,758				\$71,758
Donation Income	\$275,250				\$275,250
Other Income	\$103,056				\$103,056
Unrestricted Interest Income	\$9,425			\$19,470	\$9,425
Restricted Interest Income	\$498			(\$20)	\$19,968
Transfers	\$4,022			\$19,450	\$4,002
Total General Revenues	<u>\$1,392,963</u>			<u>\$19,450</u>	<u>\$1,412,413</u>
Net Change, Governmental and Business-type Activities	\$221,266		(\$255,231)		(\$33,965)
Net Assets, Beginning	\$4,056,437			\$839,654	\$4,896,091
Net Assets, Ending	<u>\$4,277,703</u>			<u>\$584,423</u>	<u>\$4,862,126</u>

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

City of Greensburg, Kentucky
Combined Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2008

	Water and Sewer Utility
Cash Flow from Operating Activities:	
Cash Received from Customers	\$944,150
Cash Payments made to Suppliers for Goods and Services	(\$279,228)
Cash Payments made to Employees and Professional Contractors for Services	(\$529,484)
	<hr/>
Net Cash Provided (Used) by Operating Activities	\$135,438
	<hr/>
Cash Flows from Capital and Related Financing Activities:	
Increase in Long Term Debt, Notes D & E	
Decrease in Long Term Debt, Notes D & E	(\$42,568)
Bond Interest Expense	(\$94,461)
Purchase of Equipment, Notes A 9, A 10	(\$78,725)
Grant Revenues	\$8,428
	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	(\$207,326)
	<hr/>
Cash Flows from Investing Activities	
Interest Income	\$19,470
Other Income	\$16,873
	<hr/>
Net Cash Provided (Used) by Investing Activities	\$36,343
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	(\$35,545)
	<hr/>
Cash and Cash Equivalents June 30, 2007	\$275,159
	<hr/>
Cash and Cash Equivalents June 30, 2008	\$239,614
	<hr/> <hr/>

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

City of Greensburg, Kentucky
 Combined Balance Sheets
 As of June 30, 2008

Governmental Funds

	<u>General Government Activities</u>	<u>Municipal Streets Activities</u>	<u>Totals</u>
Assets			
Cash and Cash Equivalents			
Cash	\$297,981		\$297,981
Cash, Restricted		\$53,140	\$53,140
Receivables, Net	<u>\$356,191</u>		<u>\$356,191</u>
Total Assets	<u><u>\$654,172</u></u>	<u><u>\$53,140</u></u>	<u><u>\$707,312</u></u>
Liabilities			
Bank Overdraft	\$25,605		\$25,605
Accounts Payable	\$47,159		\$47,159
Accrued Expenses	\$64,655		\$64,655
Current Portion of Debt	<u>\$110,007</u>		<u>\$110,007</u>
Total Liabilities	<u><u>\$247,426</u></u>	<u><u>\$0</u></u>	<u><u>\$247,426</u></u>
Fund Equity			
Fund Balance, Restricted		\$53,140	\$53,140
Fund Balance, Unrestricted	<u>\$406,746</u>		<u>\$406,746</u>
	<u>\$406,746</u>	<u>\$53,140</u>	<u>\$459,886</u>
Total Liabilities and Fund Equity	<u><u>\$654,172</u></u>	<u><u>\$53,140</u></u>	<u><u>\$707,312</u></u>

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

City of Greensburg, Kentucky
Reconciliation of the Balance
Sheet of Governmental Funds
To the Statement of Net Assets
As of June 30, 2008

Total Fund Balance - Total Governmental Funds \$459,886

Amounts reported for *Governmental Activities* in the Statement
of Net Assets are different because:

Capital assets of \$3,897,160 (net) are not financial resources, and
 therefore, are not reported in the funds. See Note A 8,
 Property (Capital Assets), Infrastructure, and
 Depreciation for details. \$3,897,160

Internal Due To/Due From Funds Accounts are not financial
 resources the current period, and therefore, are not reported
 in the funds. \$207,176

Long-term assets of \$22,051 are not financial resources,
 and therefore, are not reported in the funds. \$22,051

Long-term portion of debt is not due in the current period and
 and are not reported in the funds. See Note D General
 Long-term Debt for details. (\$242,959)

Long-term liabilities of \$65,611 are not due in
 the current period and are not reported in the funds. (\$65,611)

Net Assets of Government Activities \$4,277,703

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

City of Greensburg, Kentucky
 Combined Statements of Revenues, Expenditures
 And Changes in Fund Balances
 Governmental Fund
 Year Ended June 30, 2008

	<u>General</u>	<u>Special</u> <u>Revenues</u>	<u>Totals</u>
Revenues	\$1,187,899		\$1,187,899
Intergovernmental Revenues	\$2,294	\$51,597	\$53,891
Grant Revenues	\$212,202		\$212,202
Interest Income	\$9,425	\$498	\$9,923
	<hr/>	<hr/>	<hr/>
Total Revenues and Grants	\$1,411,820	\$52,095	\$1,463,915
	<hr/>	<hr/>	<hr/>
Expenditures			
General Government	(\$1,366,220)		(\$1,366,220)
Municipal Streets		(\$38,277)	(\$38,277)
Debt Service			
Principal	(\$36,562)		(\$36,562)
Interest	(\$33,556)		(\$33,556)
	<hr/>	<hr/>	<hr/>
Total Expenditures	(\$1,436,338)	(\$38,277)	(\$1,474,615)
	<hr/>	<hr/>	<hr/>
Excess of Revenues and Grants Over (Under) Expenditures	(\$24,518)	\$13,818	(\$10,700)
	<hr/>	<hr/>	<hr/>
Other Financing Sources (Uses)			
Transfers from Other Funds	\$3,740	(\$3,740)	\$0
Increase in Long Term Debt	\$60,000		\$60,000
Capital Expenditures	(\$114,407)		(\$114,407)
Net Other Financing Sources (Uses)	(\$50,667)	(\$3,740)	(\$54,407)
	<hr/>	<hr/>	<hr/>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(\$75,185)	\$10,078	(\$65,107)
	<hr/>	<hr/>	<hr/>
Fund Balances, July 1, 2007	\$2,067,064	\$86,468	\$2,153,532
	<hr/>	<hr/>	<hr/>
Fund Balances, June 30, 2008	\$1,991,879	\$96,546	\$2,088,425
	<hr/>	<hr/>	<hr/>

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

City of Greensburg, Kentucky
Reconciliation of the Statement of
Revenues, Expenditures, and Changes
In Fund Balances of Governmental Funds
To the Statement of Activities
As of June 30, 2008

Net change in fund balance- total governmental funds	(\$65,107)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlays reported in the current fiscal year ended June 30, 2005.	\$114,407
The proceeds of debt issuance provide current financial resources to governmental funds, but the issuing debt increases long-term liabilities in the statement of net assets.	(\$60,000)
Amortization and depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The effect of recording the current year's amortization and depreciation is to decrease net assets.	(\$83,618)
The fair market value of real estate contributed is not recognized as revenue in governmental funds since it does not provide current financial resources to governmental funds.	\$275,000
Transfers	\$4,022
The proceeds of debt issuance provide current financial resources to governmental funds, but the issuing debt increases long-term liabilities in the statement of net assets. Repayment of the debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net assets. This is the amount by which debt principal was reduced. Also see Note D, General Long-Term Debt for additional detail.	<u>\$36,562</u>
Change of net assets of governmental activities	<u><u>\$221,266</u></u>
The accompanying notes are an integral part of the financial statements.	

City of Greensburg, Kentucky
Statement of Net Assets - Proprietary Fund
As of June 30, 2008

Assets	
Cash and Cash Equivalents, Note A 7	\$239,614
Investments, Notes A 7, A 8	\$423,081
Receivables, net of allowance for doubtful tax collections, Notes B & C	\$9,419
Capital Assets, Notes, A 9, A 10, D & E	
Water and Sewer System	\$7,326,034
Accumulated Depreciation	(\$5,072,066)
Compensated Absences	\$10,789
Due from Funds	\$22,195
Other Long Term Assets	\$27,147
Total Assets	<u><u>\$2,986,213</u></u>
Liabilities	
Bank Overdraft	\$28,707
Accounts Payable	\$45,050
Accrued Expenses	\$1,627
Customer Deposits	\$91,015
Unamortized Bond Discount	(\$6,259)
Unamortized Loss on Extinguishment of Debt, Note L	(\$28,669)
Unamortized Gain on Loan Restructure Note D	\$113,845
Bonds and Notes Payable	
Due Within One Year, Notes D, E	\$157,259
Due in More Than One Year, Notes D, E	\$1,806,620
Compensated Absences	\$10,789
Due to Funds	\$181,806
Total Liabilities	<u><u>\$2,401,790</u></u>
Net Assets	
Invested in Capital Assets, Net of Related Debt, Notes D & E	\$290,089
Restricted for:	
Restricted for Debt Service Note D & E	\$1,963,879
Customers' Deposits	\$91,015
Restricted Cash Funds, Note A 7	\$248,788
Unrestricted	<u><u>(\$2,009,348)</u></u>
Total Net Assets	<u><u>\$584,423</u></u>

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

City of Greensburg, Kentucky
Statement of Revenues, Expenditures and Changes in
Retained Earnings - Proprietary Fund
For The Year Ended June 30, 2008

Water and Sewer Revenue	
Sewer Service Revenue	\$269,788
Water Service Revenue	\$655,816
	<u>\$925,604</u>
Operating Expenditures	<u>(\$1,147,623)</u>
Operating Income Loss	<u>(\$222,019)</u>
Non - Operating Income (Expenses)	
Bond Interest Expense	(\$94,461)
Grant Revenues	\$8,428
Gain on Loan Restructuring	\$8,758
Health Insurance Reimbursement	\$7,740
Interest Income	\$19,470
Other Income	\$16,873
	<u>\$33,192</u>
Total Non - Operating Income (Expenses)	<u>(\$33,192)</u>
Net Income (Loss)	<u>(\$255,211)</u>
Retained Earnings, July 1, 2007	<u>\$852,246</u>
Retained Earnings, June 30, 2008	<u><u>\$597,035</u></u>

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

City of Greensburg, Kentucky
Notes to Financial Statements
As of June 30, 2008, and
For the Fiscal Year Then Ended

Note A. Summary of Significant Accounting Policies

A 1 Summary of Significant Accounting Policies

The City of Greensburg, Kentucky, was established December 4, 1794. The city operates under a Mayor-Council form of government. The City's major operations include fire and police protection, parks and recreation, and general administrative services. In addition, the City operates a water and sewer system.

The citizens of Greensburg elect a mayor-at-large and six city council members. The accompanying financial statements present the City's primary government unit over which the City exercises significant influence.

The City's financial statements are presented in accordance with generally accepted accounting principles (GAAP) as accepted in the United States of America. The Government Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local government through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Government Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financials Statements and Management's Discussion and Analysis for State and Local Governments*. Certain of the significant changes on the Statement include the following:

The financial statements will include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and operations,

Financial statements prepared using the full accrual accounting for all of the City's activities, including infrastructure (streets, bridges etc.), and

A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The City elected to implement the general provision of Statement No. 34 in the year ended June 30, 2003.

City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2008

A 2 Basis of Presentation

On July 1, 2003 the City adopted the provisions of Government Accounting Standards Board Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*" Statement No. 34 established new financial reporting requirements for all state and local governments and consists of the following:

Management's Discussion and Analysis

Basic Financial Statements

Government – wide financial statements

Fund financial statements

Notes to the Financial Statements

Government - wide Financial Statements

The government – wide financial statements include a statement of net assets and the statement of activities. These statements display information about the City as a whole. The statements distinguish between governmental and business – activities of the City. These financial statements include the financial activities of the City except for fiduciary activities. Governmental activities normally are supported by taxes and intergovernmental revenues and are reported separately from business – type activities, which rely on fees and charges for support. The government – wide statement of activities reflects the cost of government by function for governmental activities and business – type activities. Program revenues include charges paid by recipient for the goods or services offered by the program and grants or contributions that are restricted to the program. Revenues which are not classified as program revenues are presented as general revenues of the City.

Fund Financial Statements

Fund financial statements report detailed information about the City. The accounts of the City are organized on the basis of funds, each of which is considered to be a separate fiscal and accounting entity. Each fund is accounted for by providing a separate set of self – balancing accounts that is comprised of assets, liabilities, reserves, fund equity, revenues and expenditures or expenses.

Governmental Funds are those by which most governmental functions are financed. The governmental fund measurement focus is on determination of financial position and budgetary control over revenues and expenditures. Proprietary Fund Types are used to account for operations that are financed and operated in a manner similar to business enterprises – where the intent of the governing body is that cost for providing services is to be financed or recovered primarily through user charges.

The following are the funds used by the City of Greensburg, Kentucky:

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2008**

Governmental Fund

General Fund – The General Operating Fund of the City is used to account for all financial resources except those required to be accounted for in another fund. Most of the essential governmental services such as police and fire protection, community services and general administration are reported in this Fund.

Other Nonmajor Funds – The other Nonmajor Funds are used to account for financial resources required to be accounted for outside of the General Fund, such as recreation and municipal road aid.

Proprietary Fund

Proprietary funds are used to account for ongoing organizations and activities of the City, which are similar to those found in private business enterprises. The measurement focus is upon determination of net income, financial position and changes in cash flows.

Proprietary funds are established to account for the acquisition, operations and maintenances of the City's facilities and services which are entirely or predominately self-supported by user charges, or where the City has decided that periodic determination of revenues earned, expenses incurred and net income is appropriated for capital maintenance, public policy, management control, accountability or other purposes. The accounts are maintained on the accrual basis of accounting. The City applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements and opinions conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails. The City's enterprise operations include the following:

Utilities Fund – The Utilities Fund is used to account for the water and sewer services provided to residents of the City and areas surrounding the City, the operations of which are financed by user charges.

A 3 Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Government – wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about the City as a whole. The government – wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government – wide statements and the statements of individual funds.

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2008**

Fund Financial Statements

The financial transactions of the City are recorded in individual funds. Their focus is on individual funds rather than reporting funds by type. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

All governmental funds are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and are available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities in the current period. Expenditures, other than interest on long-term debt, are recorded when the liability is incurred.

Proprietary funds are accounted for using the accrual basis of accounting. The revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Permits, fines and forfeitures and other miscellaneous revenues (except for investment earnings) are recorded as revenues when received because they are generally not measurable until actually received. Investment earnings are recorded when earned since they are measurable and available in all funds.

A 4 Component Units

There are no governmental component units incorporated in the basic government-wide financial statements. A *component unit* is a legally separate entity that is included in the primary government's financial reporting entity using the criteria of Government Standards Accounting Board Statement No. 14.

A 5 Budgeting

The City follows the procedures established pursuant to Section 91A.030 of the Kentucky Revised Statutes in establishing the budgetary data reflected in the financial statements. Budgets for all government activities and business-type activities are adopted on a basis consistent with generally accepted accounting principles.

Budgeted amounts, as amended, in the financial statements are as adopted by ordinances of the City.

A 6 Cash and Cash Equivalents

The City maintains and controls eleven (11) cash accounts of the primary government. The cash accounts are as follows:

Cash in bank, operating, interest bearing (overdraft)	(\$25,605)
Cash in bank, payroll, and interest bearing	18,496
Cash in bank, Renaissance, restricted (7)	85,762
Cash in bank, Road Fund, restricted, interest bearing (2)	<u>53,140</u>
	<u>\$131,793</u>

City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2008

A 6 Cash and Cash Equivalents (continued)

The City maintains and controls eight (8) cash accounts of the business-type activity. The cash accounts are as follows:

Cash in bank, restricted, interest bearing (4)	\$147,179
Cash in bank, non restricted, interest-bearing (4)	<u>63,728</u>
	<u>\$210,907</u>

The City reporting entity considers highly liquid investments (including restricted assets) with an original maturity of three (3) months or less to be cash equivalents.

The carrying value of all City of Greensburg's deposits and investments is \$1,013,816. At June 30, 2008, the Federal Deposit Insurance Corporation (FDIC) insured the first \$100,000 of the total of deposits at financial intuitions. Total funds deposited in excess of the \$100,000 insured by FDIC are covered by securities pledged for the City of Greensburg. Pledged securities are as follows:

<u>Security</u>	<u>Original Face</u>	<u>Book Value</u>	<u>Market Value</u>
<u>Community Trust Bank</u>			
GNMA Pool No. 545157	\$295,000	NA	\$295,024
GNMA Pool No. 403878	\$2,527	NA	\$2,614
GNMA Pool No. 338113	\$2,528	NA	\$2,771

The securities are in the name of Community Trust Bank and are being held by Marshall & Isley Bank of Milwaukee, Wisconsin.

<u>Forcht Bank (formerly Greensburg Deposit Bank)</u>			
Federal Home Loan Bank	\$300,000	\$300,000	\$303,657
PHLMC Notes Callable	\$300,000	\$299,433	\$311,145
PHLMC Notes Callable	\$300,000	\$300,000	\$302,625
PHLMC Notes Callable	\$300,000	\$300,000	\$306,375

The securities are in the name of Forcht Bank and are being held by JPMorgan Chase Bank, NA.

<u>PBI Bank</u>			
Bells, TX Independent School District Bonds	\$315,000	\$315,164	\$316,236

The security is in the name of PBI Bank, Inc. and is being held by National City Bank.

As of June 30, 2008, the deposits of the City of Greensburg, Kentucky were properly collateralized by the financial intuitions holding the funds of the City.

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2008**

A 6 Cash and Cash Equivalents (continued)

The Emergency Stabilization Act of 2008, passed October 3, 2008, raised the amount in banks and saving accounts that the Federal Deposit Insurance Corporation (FDIC) insures from \$100,000 to \$250,000. The Emergency Stabilization Act of 2008 is temporary and will expire December 31, 2009 unless made permanent by Congress. FDIC insurance coverage will revert to \$100,000.

A 7 Investments

Kentucky Revised Statutes (KRS) authorizes municipalities to invest in obligation of the United States of America and its agencies, obligations of the Commonwealth of Kentucky and its agencies, shares in savings and loan associations insured by federal agencies, deposits in national or state chartered banks insured by federal agencies and larger amounts in such institutions providing such banks pledge security obligations of the United States of America government or its agencies.

Investments consist of the following:

<u>Description</u>	<u>General Government</u> <u>Value</u>	<u>Business-Type</u> <u>Value</u>
Certificate of Deposit	\$63,669	\$101,324
Certificate of Deposit	60,499	21,031
Certificate of Deposit	60,499	7,900
Certificate of Deposit	3,807	105,798
Certificate of Deposit	2,249	1,969
Certificate of Deposit	3,000	3,559
Certificate of Deposit		66,312
Certificate of Deposit		70,532
Certificate of Deposit		44,656
	<u>\$193,723</u>	<u>\$423,081</u>

The interest rates on the certificates of deposits range from 2.23% to 4.25%.

A 8 Property (Capital Assets), Infrastructure and Depreciation

Capital asset activity for the year ended June 30, 2008 is as follows:

<u>Capital Asset Class</u>	<u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 03, 2008</u>
<u>Government Activities</u>				
Land	\$ 0	\$80,000	\$ 0	\$80,000
Buildings	883,444	240,000	\$ 0	1,123,444
Equipment	51,057	23,992	0	75,049
Furniture	28,124	0	0	28,124
Heartland Building	969,214	0	0	969,214
Land, River Project	25,650	0	0	25,650
Office Equipment	16,213	0	0	16,213
Paddle Trail	132,020	0	0	132,020

City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2008

A 8 Property (Capital Assets), Infrastructure and Depreciation (continued)

River Project	37,689	0	0	37,689
Software	19,182	5,703	0	24,885
Town Square	512,317	0	0	512,317
Vehicles	207,153	0	0	207,153
Walkbridge/Depot	124,962	0	0	124,962
Streetscape	573,279	4,711	0	577,990
Connector Road	<u>161,150</u>	<u>0</u>	<u>0</u>	<u>161,150</u>
	<u>\$3,741,454</u>	<u>\$354,406</u>	<u>\$ 0</u>	<u>\$4,095,860</u>
Accumulated Depreciation	<u>(\$115,082)</u>	<u>(\$83,618)</u>	<u>\$ 0</u>	<u>(\$198,700)</u>
Net Government Capital Assets	<u>\$3,626,372</u>	<u>\$270,788</u>	<u>\$ 0</u>	<u>\$3,897,160</u>
<u>Enterprise Capital Assets</u>				
Land	\$25,450	\$ 0	\$ 0	\$25,450
Equipment	385,029	0	(35,532)	349,497
Buildings	77,730	0	0	77,730
Sewer System	4,116,959	0	0	4,116,959
Vehicle	93,031	0	0	93,031
Water System	<u>2,584,642</u>	<u>78,725</u>	<u>0</u>	<u>2,663,367</u>
	7,282,841	78,725	(35,532)	7,326,034
Accumulated Depreciation	<u>(4,816,872)</u>	<u>(255,194)</u>	<u>0</u>	<u>(5,072,066)</u>
Net Enterprise Capital Assets	<u>\$2,465,969</u>	<u>(\$176,469)</u>	<u>(\$35,532)</u>	<u>\$2,253,968</u>

The following methods and estimated service lives are being used to calculate depreciation:

<u>Asset</u>	<u>Estimated Life</u>	<u>Depreciation Method</u>
<u>Business-type Activity</u>		
Water and Sewer System	7-30 year life	Straight-line

The City elected to implement the general provisions of GASB Statement No. 34 in the year ended June 30, 2003.

All government entities are required to capitalize newly acquired or constructed infrastructure assets beginning with the GASB Statement No. 34 implementation date. Not all government entities are required to capitalize retroactively. Government entities with a fiscal year ending June 30, with less than \$10 million in GAAP-based revenues in their first year ended June 30, 1999, can elect not to capitalize retroactively.

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2008**

A 8 Property (Capital Assets), Infrastructure and Depreciation (continued)

The City elected not to retroactively capitalize the cost of approximately eighteen (18) miles of municipal streets. The municipal streets were constructed prior to fiscal year ended June 30, 1980, and systematic repairs and maintenance have maintained them. The City will continue its policy of expensing the cost of repairs and maintenance to its municipal streets.

Tangible and intangible property (capital assets) having a cost \$500.00 and more and having an initial useful life that extends beyond a single reporting period are classified as capital assets.

A 9 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note B Receivables

As of June 30, 2008, the Receivables due the City consist of the following:

	Governmental <u>Activities</u>	Business - Type <u>Activities</u>
Taxes Assessed on Property	\$9,001	
911 Reimbursement of Expenses	47,020	
Insurance Premium Taxes, 2 nd Quarter 2008	96,766	
Franchise Fees	3,397	
Occupational Tax, 2 nd Quarter 2008	51,136	
Utility Relocation Grant	7,948	
Green County Fire Department	24,000	
Micro – Enterprise Grant	92,451	
Other Receivables	24,472	
Customer Receivables		\$9,419
Less Provision for Uncollectible Accounts	<u>-0-</u>	<u>-0-</u>
Net Receivables	<u>\$356,191</u>	<u>\$9,419</u>

Note C Property Taxes Receivable, Property Tax Calendar and Provision for Uncollectible Real Property Taxes

Property tax (real property) rolls are prepared by the Green County Property Tax Assessor’s office and given to the Greensburg City Clerk for preparation of the tax bills to be mailed to city real property owners. Real property owned as of January 1, is assessed. Tax bills are mailed October 1, and become delinquent January 1 of the next year. Major tax payments are received October through December. The City Clerk of Greensburg collects real property taxes. Vehicle taxes are collected by the Clerk of Green County and remitted to Greensburg. Vehicle taxes are due and collected in the birth month of the licensee.

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2008**

Note C Property Taxes Receivable, Property Tax Calendar and Provision for Uncollectible Real Property Taxes (continued)

The due date collection periods for all taxes, exclusive of vehicle taxes are as follows:

<u>Description</u>	<u>Date Per KRS 134.020</u>
• Due date for payment	Upon receipt
• 5% discount applies	To November 30
• Face value payment period	To December 31
• Past due date, 10% penalty	January 1
• Interest charges	.5% per month effective January 1

Note D General Long-Term Debt

The following is a summary of long-term debt outstanding for the years ended June 30, 2005, and 2008:

<u>Revenue Bonds-Water And Sewer Fund</u>	<u>June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2008</u>
<i>Sewer</i> \$1,852,000, 1992 Serial bonds maturing January 1, 2031, interest @ 5.00%	\$1,516,000	\$ 0	(\$34,000)	\$1,482,000
<i>Water</i> \$641,341, 1993 F Kentucky Infrastructure Authority (KIA) Revenue Bonds, maturing through January 1, 2016, interest @ 5.6%	<u>394,583</u>	<u>0</u>	<u>(5,000)</u>	<u>389,583</u>
	<u>\$1,910,583</u>	<u>\$ 0</u>	<u>(\$39,000)</u>	<u>\$1,871,583</u>

Notes Payable

<i>Fire</i> (1) \$50,000 November 1, 1996, \$5,023 due annually, due November 1, 2008, interest @ 3% APR	\$4,877	\$ 0	(\$4,877)	\$ 0
<i>Vol</i> (2) \$60,000, due June 30, 2008, interest @ 5.25%, secured by certificate of deposit	0	60,000	0	60,000
<i>Equip</i> (3) \$104,120, due December 12, 2008, interest @ 3.8 %, secured by personal property	44,528	0	(21,562)	22,966

**City of Greensburg, Kentucky
Notes to Financial Statements
Fiscal Year Ended June 30, 2008**

Note D General Long Term-Debt (continued)

(4) \$300,000, Kentucky League of Cities Long-term Lease Agreement, due July 15, 2020, 3.88% fixed, secured by personal property	285,000	0	(15,000)	270,000
(5) \$100,000, Kentucky League of Cities Long-term Lease Agreement, due April 1, 2026, variable interest rate, secured by City revenues	95,864	0	(3,568)	92,296
(6) \$72,000, October 23, 2007, 1 annual payment of \$72,000, due June 30, 2008, 4.16% annual interest, secured by personal property.	<u>72,000</u>	<u>0</u>	<u>(72,000)</u>	<u>0</u>
	<u>\$502,269</u>	<u>\$60,000</u>	<u>(\$117,007)</u>	<u>\$445,262</u>

The annual requirements to amortize the long-term debt outstanding as of June 30, 2008 are as follows:

<u>Year Ended June 30</u>	<u>1992 Serial Bonds</u>	<u>1993F Revenue Bond</u>	<u>Note 2</u>	<u>Note 3</u>	<u>Note 4</u>	<u>Note 5</u>
2009	\$36,000	\$5,000	\$60,000	\$22,966	\$27,041	\$7,145
2010	37,000	5,000			26,342	7,145
2011	40,000	5,000			30,422	7,145
2012	41,000	5,000			29,502	7,145
2013	44,000	5,000			28,563	7,145
2014-2018	251,000	25,000			<u>128,130</u>	35,726
2019-2023	321,000	25,000				<u>20,845</u>
2024-2018	411,000	25,000				
2019-2031	<u>301,000</u>	<u>289,583</u>				
Totals	\$1,482,000	\$389,583	\$60,000	\$22,966	\$270,000	\$92,296
Current Portion	<u>(110,100)</u>	<u>(40,014)</u>	<u>(60,000)</u>	<u>(22,966)</u>	<u>(27,041)</u>	<u>(7,145)</u>
Long Term Portion	<u>\$1,371,900</u>	<u>\$349,569</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$242,959</u>	<u>\$85,151</u>

The City of Greensburg has elected to recognize the restructuring as a gain on loan restructuring and amortize the gain over the remaining life of the restructured loan, ten and one-half (10 ½ years).

Note E Compliance with Bond Ordinance

The City of Greensburg Water and Sewer Revenue Bonds of 1992 ordinance requires the City to create and maintain separate funds or accounts for the Sewer Fund.

- **Depreciation** - This account is to receive from the remaining revenues of the system \$916 each month. The City is in compliance with the ordinance.
- **Bond and Interest Sinking** - This account is to receive, monthly, one sixth (1/6) of the next interest installment and one-twelfth (1/12) of the next annual principal payment. The City is in compliance with the ordinance.
- **Operation and Maintenance** - This account is to accrue a balance equal to the anticipated requirements for a two-month period. The City is in compliance with the ordinance.

Note F Risk Management

The City of Greensburg is exposed to various risk of loss to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters. In addition to its general liability insurance, the City also carries commercial risk insurance for all risk of loss such as worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three (3) years.

Note G Related Parties Transactions

In a governmental entity, related parties include members of the governing body (city commissioners, etc.), board members, administrative officials (mayor, city clerk, etc.) immediate family members of the preceding individuals and affiliated governmental units that are not included in the financial statements as part of the reporting entity such as water and sewer systems. There are no related party transactions to be disclosed.

Note H Economic Dependency

The City is not economically dependent on one or more major taxpayers or suppliers.

Note I Pension Plan

The City of Greensburg is a participating employer of the County Employees' Retirement System (CERS), which is a multi-employer defined benefit plan that covers substantially all regular full-time employees of each county, school board, municipal and other local agencies electing to participate. Upon election to participate in the CERS, each employee has the option to participate, however, all subsequent employees must participate and the employer is required to continue participation.

5a(12)

BOND ORDINANCE
CITY OF GREENSBURG, KENTUCKY
WATER AND SEWER REVENUE BONDS OF 1987
IN THE AMOUNT OF
\$739,000

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BOND ORDINANCE

ORDINANCE OF THE CITY OF GREENSBURG, GREEN COUNTY, KENTUCKY, AUTHORIZING THE CONSTRUCTION OF EXTENSIONS, ADDITIONS, AND IMPROVEMENTS TO THE WATERWORKS PORTION OF THE COMBINED AND CONSOLIDATED WATERWORKS AND SEWER SYSTEM OF SAID CITY; AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SALE OF SEVEN HUNDRED THIRTY-NINE THOUSAND DOLLARS (\$739,000) PRINCIPAL AMOUNT OF CITY OF GREENSBURG WATER AND SEWER REVENUE BONDS OF 1987, FOR THE PURPOSE OF FINANCING THE COST, NOT OTHERWISE PROVIDED, OF THE AFORESAID CONSTRUCTION; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH SAID BONDS OF 1987 MAY BE ISSUED AND OUTSTANDING; PROVIDING FOR SAID BONDS OF 1987 TO BE ISSUED AS SECOND LIEN BONDS SUBJECT TO THE VESTED RIGHTS AND PRIORITIES IN FAVOR OF CERTAIN OUTSTANDING REVENUE BONDS OF 1963; PROVIDING FOR THE RIGHTS OF THE OWNERS OF SAID BONDS OF 1987 AND THE ENFORCEMENT THEREOF; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF SAID BONDS OF 1987.

WHEREAS, the City of Greensburg, a fifth class city of Green County, Kentucky, owns and operates the existing combined and consolidated municipal waterworks and sewer system (the "System") serving the City, pursuant to Sections 82.082 and 58.010 through 58.140 of the Kentucky Revised Statutes (the "Act"), and in that connection the City presently has outstanding \$93,000 of Bonds (\$86,000 after January 1, 1988), designated as City of Greensburg Waterworks and Sewerage System Revenue Bonds, Series 1963, dated January 1, 1963 (the "Prior Bonds"), scheduled to mature serially on January 1 in each of the respective years, 1988 through 1995, inclusive, and

WHEREAS, the Prior Bonds, by their terms, are payable from and secured by a first pledge of the revenues derived from the operation of the System, and

WHEREAS, it is the desire and intent of this City Council at this time to enact this Ordinance pursuant to the provisions of said Statutes, to authorize and provide for the issuance of revenue bonds (the "Current Bonds") in the principal amount of \$739,000, for the purpose of financing the cost (not otherwise provided) of a construction project consisting of extensions, additions, and improvements to the waterworks portion of said System, in accordance with plans and specifications prepared by Mayes, Sudderth & Etheredge, Inc., 624 Wellington Way, Lexington, Kentucky 40503, now on file in the office of the City Clerk of the City, and to prescribe the covenants of the City, the rights of bondowners, and the details of the issuance and sale of the proposed Current Bonds, and that such proposed Current Bonds be issued as second lien bonds, subject to the vested rights and priorities in favor of the owners of the outstanding Prior Bonds, under and pursuant to the provisions of the Act,

WHEREAS, the proceeds of the proposed Current Bonds will be supplemented by a Federal (CDBG) grant in the amount of approximately \$189,200, an ADF grant in the amount of approximately \$96,100, and the amount of at least \$100,700 provided directly by the City, to provide the total cost of such construction,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF GREENSBURG, KENTUCKY,
AS FOLLOWS:

ARTICLE 1.

DEFINITIONS; PURPOSE; CONSTRUCTION PROJECT; COMBINED AND CONSOLIDATED SYSTEM; AUTHORIZATION OF BONDS; TO BE ISSUED AS SECOND LIEN BONDS.

Section 101. Definitions.

As used in this Ordinance, unless the context indicates or requires otherwise:

"ACT" refers to Sections 82.082 and 58.010 through 58.140 of the Kentucky Revised Statutes.

"ALL BONDS" refers to all of the outstanding Bonds of 1963, the Current Bonds, and any additional Bonds ranking on a parity with the Current Bonds.

"BEGINNING MONTH" means the month following the month in which the Current Bonds are issued, sold, and delivered to the purchaser thereof.

"BOND," "OWNER," and "PERSON" shall include the plural as well as the singular number unless the context shall otherwise indicate.

"BONDOWNER" means and contemplates, unless the context otherwise indicates, the registered owner(s) of the Current Bonds at the time issued and outstanding hereunder, or any of them.

"BONDS OF 1961" refers to \$550,000 of City of Greensburg Water and Sewer Revenue Bonds - Series of January 1, 1961, dated January 1, 1961, which have matured and no longer constitute a lien or charge against the revenues of the System.

"BONDS OF 1963" or "PRIOR BONDS" refers to the outstanding Bonds of the original authorized issue of \$197,000 of bonds designated as "City of Greensburg Waterworks and Sewerage System Revenue Bonds - Series 1963," dated January 1, 1963.

"BOND ORDINANCE OF 1961" or "1961 BOND ORDINANCE" refers to the Ordinance of the Governing Body of the City enacted on February 27, 1961, authorizing the Bonds of 1961, certain provisions of which 1961 Bond Ordinance were ratified and confirmed in the 1963 Bond Ordinance.

"BOND ORDINANCE OF 1963", "1963 BOND ORDINANCE", or "PRIOR BOND ORDINANCE" refers to the Ordinance of the Governing Body of the City enacted on August 25, 1964, as amended by Amended Bond Ordinance, enacted on October 6, 1964, authorizing the Bonds of 1963.

"CITY" refers to the City of Greensburg, in Green County, Kentucky.

"CONSTRUCTION PROJECT" or "WATERWORKS CONSTRUCTION PROJECT" or "PROJECT" refers to the construction of extensions, additions, and improvements to the waterworks portion of the existing combined and consolidated waterworks and sewer System of the City, which Construction Project is being financed by the Current Bonds (supplemented by other funds).

"CURRENT BONDS" refers to the \$739,000 of Bonds authorized herein, bearing the designation "City of Greensburg Water and Sewer Revenue Bonds of 1987," to be dated as of the date of issuance thereof.

"CURRENT BOND ORDINANCE" refers to this Ordinance, authorizing the Current Bonds.

"CURRENT RESERVE FUND" refers to the City of Greensburg Water and Sewer Reserve Fund of 1987, created in Section 401B of this Current Bond Ordinance.

"CURRENT SINKING FUND" refers to the City of Greensburg Water and Sewer Revenue Bond and Interest Sinking Fund of 1987, created in Section 401B of this Current Bond Ordinance.

"DEPRECIATION FUND" refers to the "City of Greensburg Water and Sewer Depreciation Fund," created in the 1961 Bond Ordinance, and ratified and confirmed in Section 10C of the 1963 Bond Ordinance.

"ENGINEER" or "ENGINEERS" refer to the Engineers or any one of them who prepared the plans and specifications for the Construction Project and who will supervise the construction thereof and/or will furnish full time resident inspection of construction of the Construction Project, and shall be deemed to refer to Mayes, Sudderth & Etheredge, Inc., Consulting Engineers, 624 Wellington Way, Lexington, Kentucky 40503, or a member of said firm, or their successor or successors.

"FIRST LIEN DEPOSITORY" refers to the bank which has served and shall continue to serve as the depository of all of the various funds created or confirmed in the Prior Bond Ordinance, which Funds will be continued pursuant to this Current Bond Ordinance, which bank is the Greensburg Deposit Bank, Greensburg, Kentucky.

"FmHA" means the Farmers Home Administration of the Department of Agriculture of the United States Government.

"FULLY REGISTERED BOND" refers to a single or series of negotiable (subject to registration requirements as to transferability, as herein prescribed) Bond(s), payable to the registered owner, of the form set out in this Ordinance under the title "(FORM OF FULLY REGISTERED BOND)".

"GOVERNMENT" means the United States Government, or any agency thereof, including the FmHA.

"GOVERNING BODY" refers to the City Council of the City of Greensburg, Kentucky, or such other body as shall be the governing body of said City under the laws of Kentucky at any given time.

"INDEPENDENT CONSULTING ENGINEER" or "CONSULTING ENGINEER" refers to an Independent Consulting Engineer or firm of Engineers of recognized excellent reputation in the field of waterworks and sewer system engineering, and such definition includes the Engineers named above.

"ORIGINAL PURCHASER" means the agency, person, firm, or firms to whom the Current Bonds are awarded at the public sale, or their successor(s), and such definition shall refer to the FmHA if it is the original purchaser of the Current Bonds at said public sale.

"OUTSTANDING BONDS" refers to the outstanding Prior Bonds and/or Current Bonds, and any outstanding Parity Bonds, and does not refer to, nor include, any bonds for the payment of the principal and interest of which sufficient funds will have been deposited and earmarked for payment of bonds, provided all outstanding bonds of any series held by the FmHA shall be deemed to constitute Outstanding Bonds until paid regardless of the deposit of funds to pay for same.

"PARITY BONDS" means bonds which may be issued in the future, in addition to the \$739,000 of Current Bonds herein specifically authorized, which bonds issued in the future will, pursuant to the provisions of this Current Bond Ordinance, rank on a basis of parity with said outstanding Current Bonds, as to priority, security, and source of payment, and does not refer to bonds which might be issued so as to rank inferior to the security and source of payment of the Current Bonds.

"PRIOR BOND ORDINANCE" refers to the 1963 Ordinance.

"PRIOR BONDS" refers to the Bonds of 1963.

"PRIOR SINKING FUND" refers to the City of Greensburg "Water and Sewer Bond and Interest Redemption Fund of 1961," created in the 1961 Bond Ordinance, and ratified and confirmed in Section 10B of the Prior Bond Ordinance.

"PRIOR SINKING FUND RESERVE" refers to the "City of Greensburg Water and Sewer Debt Reserve Fund," created as the debt service reserve portion of the Prior Sinking Fund ratified and confirmed in Section 10B of the Prior Bond Ordinance.

"PROJECT FUNDS" refers to the spendable portion of the Bond proceeds, together with the proceeds of the DHUD (CDBG) grant and the proceeds of the ADF grant, plus the sum of \$100,700 provided directly by the City.

"REVENUE FUND" refers to the "City of Greensburg Water and Sewer Revenue Fund of 1961," created in Section 10 of the Prior Bond Ordinance.

"SECOND LIEN DEPOSITORY" refers to the bank which shall serve as the depository of the Construction Account and the Current Sinking Fund (including the Current Sinking Fund Reserve) created in this Current Bond Ordinance, which bank is The Peoples Bank & Trust Company, Greensburg, Kentucky.

"STATUTES" refers to the Act.

"SYSTEM" or "WATERWORKS AND SEWER SYSTEM" refers to the existing combined and consolidated waterworks and sewer System of the City, together with all extensions, additions, and improvements to said System.

"U. S. OBLIGATIONS" means bonds or notes which are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

Section 102. Reaffirmation of Previous Action of City in Combining and Consolidating the Municipal Waterworks and Sewer Systems as a Single Revenue-Producing Public Project or System; Authority; Purpose.

The previous action of the Governing Body taken in the Prior Bond Ordinance, in reaffirming that the municipal waterworks and sewer System shall be operated as a single, combined and consolidated, revenue-producing public project or System, is hereby ratified and confirmed.

The Current Bonds shall be issued in accordance with the provisions of the Act, for the purpose of financing the cost (not otherwise provided) of the "Construction Project", as defined above and as set out in the plans and specifications prepared by the Engineers; and so long as any of the Prior Bonds, the Current Bonds, or any Parity Bonds remain outstanding, said combined and consolidated water and sewer System shall be owned, controlled, operated, and maintained on a combined and consolidated basis for the security and source of payment of the Prior Bonds, the Current Bonds, and any future Parity Bonds; with full acknowledgement, however, of the priority of the Prior Bonds.

Section 103. Construction Award Approved; Work Authorized.

The Governing Body hereby authorizes, approves, ratifies, and confirms its previous action in awarding the contracts for the construction of the Construction Project to the lowest and best bidders and further approves the action of the Governing Body in entering into formal contracts with said bidders, subject to the necessary approvals being obtained. Authority is hereby given for undertaking the construction of the Construction Project according to the plans and specifications heretofore prepared by the Engineers for the City, after all necessary approvals have been obtained.

Section 104. Declaration of Period of Usefulness.

The Governing Body hereby declares that the period of usefulness of the System is more than forty (40) years from the date of completion of the proposed Construction Project.

Section 105. Authorization of Bonds.

It has been heretofore determined that the total cost of the Construction Project, including preliminary expenses, land and rights-of-way, engineering expense, capitalized interest during construction, legal and administrative costs, publication costs, and all incidental expenses, will be

not exceeding \$1,125,000. Therefore, it is hereby determined to be necessary in order for the City to finance the cost of the Construction Project that the City issue a total of \$739,000 of Current Bonds, based on the following calculation:

TOTAL COST OF CONSTRUCTION PROJECT		\$1,125,000
LESS:		
ADF GRANT	\$ 96,100	
DHUD (CDBG) GRANT	189,200	
CONTRIBUTION OF CITY	<u>100,700</u>	
TOTAL NON-BOND FUNDS		<u>386,000</u>
BALANCE TO BE FINANCED BY CURRENT BONDS		\$ 739,000

Accordingly, for the purpose of financing the cost (not otherwise provided) of the Construction Project, under the provisions of the Act, there are hereby authorized to be issued and sold Seven Hundred Thirty-Nine Thousand Dollars (\$739,000) principal amount of City of Greensburg Water and Sewer Revenue Bonds of 1987 (the "Current Bonds").

The Current Bonds shall be dated as of the date of delivery to the purchaser thereof, shall bear interest from such date at such interest rate as may be fixed by supplemental resolution as a result of the advertised sale and competitive bidding for such Bonds, as hereinafter provided, and shall be issued and delivered as a single or series of bonds in the form of "Fully Registered Bond," as prescribed in Section 205 hereof.

Interest on the Current Bonds shall be payable semiannually on January 1 and July 1 of each year, provided that the first interest payment period will cover interest only from the date of delivery of the Bonds to the ensuing January 1 or July 1, as the case may be. Principal of the Bonds shall be payable on January 1 of each of the respective years until maturity, as set out in Section 201 hereof.

Section 106. Recognition and Confirmation of Prior Liens, Pledges, and Security of Prior Bonds.

The City hereby expressly recognizes and acknowledges that the City has previously created for the benefit and protection of the owners of the Prior Bonds, a certain lien and pledge and certain security rights relating to the System, all as set forth in the Prior Bonds and in the Prior Bond Ordinance.

Section 107. Current Bonds Payable on a Second Lien Basis Out of Gross Revenues.

All of said Current Bonds, and any additional Parity Bonds that may be issued under the conditions and restrictions hereinafter set forth, shall be

payable solely out of the gross revenues of the System, after providing only for the principal and interest requirements of the Prior Bonds, and shall be a valid claim of the owners thereof against the Current Sinking Fund created for the benefit of such owners, subject to the priority of the Prior Bonds.

Section 108. Lien on Contracts.

In addition to the revenue pledge securing the Current Bonds, a secondary lien is hereby created and granted in favor of the Current Bonds on all contracts and on all other rights of the City pertaining to the System, enforceable by assignment to any Receiver or other operator proceeding by authority of any court,, subject to the priority of the lien securing the Prior Bonds.

ARTICLE 2.

THE CURRENT BONDS; REGISTERED BONDS; PRINCIPAL
INSTALLMENTS; EXECUTION; PREPAYMENT; AND BOND FORM.

Section 201. Principal Installments.

The principal installments of the Current Bonds shall be as follows:

<u>Payment Due</u> <u>January 1</u>	<u>Principal</u> <u>Installments</u>
1990	\$ 5,000
1991	6,000
1992	6,000
1993	6,000
1994	7,000
1995	7,000
1996	8,000
1997	8,000
1998	9,000
1999	9,000
2000	10,000
2001	10,000
2002	11,000
2003	12,000
2004	12,000
2005	13,000
2006	14,000
2007	15,000
2008	16,000
2009	17,000
2010	18,000
2011	19,000
2012	20,000
2013	21,000
2014	22,000
2015	23,000
2016	24,000
2017	26,000
2018	27,000
2019	29,000
2020	31,000
2021	33,000
2022	35,000
2023	37,000
2024	40,000
2025	42,000
2026	44,000
2027	47,000

Section 202. Issuance of Bond(s).

The purchaser of the Current Bonds at the public sale shall take delivery of such Bonds in the form of a single (or a series) of Fully Registered Bond(s), as prescribed in Section 205 below, amounting in the aggregate to the principal amount of the Current Bonds, maturing as to principal in installments as set out above. Such Fully Registered Bond(s) shall be numbered R-1 and consecutively thereafter, R-2, etc., shall be of type composition, shall be on paper of sufficient weight and strength to prevent deterioration until the last day of maturity of any installment of principal as stated therein, and shall conform in size to standard practice. Such Fully Registered Bond(s) shall, upon appropriate execution on behalf of the City as prescribed, constitute a part of the (or the entire) bond issue herein authorized, shall be negotiable (subject to registration requirements as to transferability), without interest coupons, registered as to principal and interest, payable as directed by the registered owner, and shall be in substantially the form hereinafter set forth.

Section 203. Place of Payment and Manner of Execution.

Both principal of and interest on the Current Bonds shall be payable at the place and in the manner set out in the form of such Fully Registered Bond prescribed in Section 205 below. The Bonds shall be executed on behalf of the City by being signed manually by the Mayor, with the Corporate Seal of the City affixed thereto and attested by the manual signature of the City Clerk.

If either of the officers whose signatures appear on the Current Bonds ceases to be such officer before delivery of said Bonds, such signatures shall nevertheless be valid for all purposes the same as if such officers had remained in office until delivery, as provided in KRS 58.040, 106.070 and 61.390.

Section 204. Provisions as to Prepayment.

Except when all of the Bonds are owned by the Government, installments of principal falling due prior to January 1, 2000, shall not be subject to prepayment. Installments of principal falling due on and after January 1, 2000, shall be subject to prepayment by the City on any interest payment date falling on and after January 1, 1999, upon terms of par plus accrued interest, without any prepayment penalty.

So long as all of the Current Bonds are owned by the Government, all or any of the Bonds, or installments in a multiple of \$1,000, may be prepaid at any time in inverse chronological order of the installments due, at face amount plus accrued interest without any prepayment premium.

Section 205. Bond Form.

The Current Bonds shall be in substantially the following form, with appropriate insertions, omissions, and variations consistent with or as provided or permitted in this Ordinance:

(FORM OF FULLY REGISTERED BOND)

BOND NUMBER R-1

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
COUNTY OF GREEN
CITY OF GREENSBURG
WATER AND SEWER REVENUE BOND OF 1987

No. R-1 ANNUAL INTEREST RATE: \$739,000

KNOW ALL MEN BY THESE PRESENTS:

That the City of Greensburg, acting by and through its City Council, a municipal corporation constituting a public body corporate, in Green County, Kentucky, for value received, hereby promises to pay to

the registered owner hereof, or to its registered assignee, solely from the special fund hereinafter identified, the sum of

SEVEN HUNDRED THIRTY-NINE THOUSAND DOLLARS (\$739,000),

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

Year Principal Year Principal Year Principal

(Here the printer of the Bond will print the maturities of the Bond purchased by the individual purchaser (registered owner)).

without deduction for exchange or collection charges; and in like manner, solely from said special fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the Annual Interest Rate specified above, semiannually on the first days of January and July in each year hereafter until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the registered owner shown on the registration book of the City.

This Bond* is issued by the City under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Sections 82.082 and 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, as amended, and pursuant to a duly enacted Bond Ordinance of the City

* If more than one Fully Registered Bond is issued, all references to "this Bond" will be changed to "these Bonds".

authorizing same (the "Current Bond Ordinance"), to which Current Bond Ordinance reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations, and duties of said City, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions, and improvements to the waterworks portion of the existing combined and consolidated waterworks and sewer system (the "System") of the City.

This Bond is issued subject to the vested rights and priorities in favor of the owners of certain outstanding City of Greensburg Waterworks and Sewerage Revenue Bonds, Series 1963 dated January 1, 1963 (the "Prior Bonds"), authorized by ordinance enacted by the City Council of the City on August 25, 1964, as amended by Amended Bond Ordinance enacted by said City Council on October 6, 1964 (jointly, the "Prior Bond Ordinance"). Accordingly, this Bond, together with any bonds ranking on a parity herewith, is payable from and secured by a pledge of the gross revenues to be derived from the operation of the System, after providing for the requirements of the Prior Bonds and the requirements of the Prior Bond Ordinance, a fixed portion of which gross revenues is required by the Current Bond Ordinance to be set aside as a special fund for that purpose and identified as the "City of Greensburg Water and Sewer Revenue Bond and Interest Sinking Fund.

The City has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with this Bond, to finance future extensions, additions, and/or improvements to the System, provided the necessary showings as to the earnings coverage required by the Current Bond Ordinance are in existence and properly certified.

This Bond shall be registered as to principal and interest in the name of the owner hereof, after which it shall be transferable only upon presentation to the City Clerk of the City as the Bond Registrar, with a written assignment duly acknowledged by the registered owner or his duly authorized attorney, which assignment shall be noted upon this Bond and upon the book of the City kept for that purpose.

This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations and is payable solely out of the revenues of the System. As provided in the Current Bond Ordinance, the City covenants that so long as any of the Prior Bonds and/or this Bond are outstanding, the municipal waterworks system and the municipal sewer system, which have been heretofore combined and consolidated into a single, revenue-producing public project or System, will be continuously owned and operated by the City as a combined and consolidated revenue-producing undertaking within the meaning of the aforesaid Statutes, for the security and source of payment of the Prior Bonds and of this Bond, and that the City will fix, and if necessary adjust, from time to time, such rates for the services and facilities of the System, and will collect and account for the revenues therefrom sufficient to pay promptly the interest on and principal of the Prior Bonds, this Bond, and all other bonds ranking on a parity therewith as may be outstanding from time to time, to pay the cost of operation and maintenance of the System, and to provide for the depreciation thereof.

The City, at its option, shall have the right to prepay, on any interest payment date on and after January 1, 1999, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Thousand Dollars (\$1,000), as the City may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by registered mail to the registered owner of this Bond or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

So long as the registered owner of this Bond is the United States Government, or any agency thereof, the entire principal amount of this Bond, or installments in multiples of \$1,000, may be prepaid at any time in inverse chronological order of the installments due.

Upon default in the payment of any principal or interest payment on this Bond, or upon failure by the City to comply with any other provision of this Bond or with the provisions of the Current Bond Ordinance, the registered owner may, at his option, institute all rights and remedies provided by law or by said Ordinance.

This Bond is exempt from taxation (except inheritance taxes) in the Commonwealth of Kentucky.

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

IN WITNESS WHEREOF, said City of Greensburg, by its City Council, has caused this Bond to be executed by its Mayor, its corporate seal to be hereunto affixed, and attested by its City Clerk, on the date of this Bond, which is

CITY OF GREENSBURG
Green County, Kentucky

By _____
Mayor

Attest:

City Clerk

(Seal of City)

PROVISION FOR REGISTRATION

This Bond shall be registered on the registration book of the City kept for that purpose by the City Clerk, as Bond Registrar, upon presentation hereof to said City Clerk, who shall make notation of such registration in the registration blank, and this Bond may thereafter be transferred only upon written transfer acknowledged by the registered owner or his attorney, such transfer to be made on said book and endorsed hereon.

(FORM OF REGISTRATION)

Date of Registration	Name of Registered Owner	Signature of City Clerk of the City of Greensburg, Kentucky, Bond Registrar
:	:	:
:	:	:
:	:	:
:	:	:

(FORM OF ASSIGNMENT)

For value received, this Bond is hereby assigned, without recourse, and subject to all of its terms and conditions, unto _____, this _____ day of _____, _____.

By _____

ARTICLE 3.

CONSTRUCTION ACCOUNT; INTERIM FINANCING; APPLICATION OF PROCEEDS; AND FEDERAL ARBITRAGE LIMITATIONS.

Section 301. The Construction Account; Fidelity Bond of Treasurer; Covenants Applicable if FmHA Purchases the Current Bonds; Application of Proceeds of Current Bonds.

The City Treasurer (and/or such other City official as may be authorized by the Governing Body) shall be the custodian of all funds belonging to and associated with the System, and such funds shall be deposited in the First Lien Depository or the Second Lien Depository as hereinafter set out, which banks are members of the Federal Deposit Insurance Corporation. All moneys in the Construction Account (hereinafter designated) in excess of the amount insured by the FDIC, shall be secured by the Second Lien Depository in accordance with U. S. Treasury Department Circular No. 176.

The City Treasurer and/or other authorized City officials shall execute a Fidelity Bond(s) in the amount of not less than \$250,000 (in addition to the fidelity bond required in connection with disbursements from the Construction Account), which Fidelity Bond(s) shall be effective and secured by a surety company approved by the Farmers Home Administration of the United States Department of Agriculture so long as it is the owner of any of the Current Bonds; the FmHA and the City shall be named co-obligees in such surety bond(s), and the amount thereof shall not be reduced without the written consent of the FmHA; provided that whenever sums in the various accounts referred to herein (other than the Construction Account) shall exceed \$250,000, the Fidelity Bond(s) shall be increased accordingly as requested by and with the approval of the FmHA. In like manner, the officials of the City entrusted with the receipt and disbursement of Project Funds shall be covered by a separate Fidelity Bond (the "Construction Account Fidelity Bond") with the FmHA and the City named as co-obligees in the maximum amount anticipated to be on deposit in the Construction Account at any one time as determined by the Mayor, with the approval of the FmHA. The City will segregate and earmark its various funds, consistent with this Ordinance, in such manner as to enable the City to obtain the lowest possible surety premium rate on such Fidelity Bond(s).

A. Covenants Applicable if FmHA Purchases the Bonds.

It is acknowledged that all covenants herein with reference to the necessity for approval of the FmHA, the necessity of observing FmHA procedure, and the necessity of using FmHA forms, shall apply only if the FmHA is the purchaser of the Current Bonds and only so long as the FmHA owns the Current Bonds thereafter. In the event that the FmHA shall not be the purchaser of the Current Bonds, or, after purchasing same, shall sell or transfer the Current Bonds to a non-governmental owner, all covenants herein with reference to the necessity for approval of the FmHA, the necessity of observing FmHA procedure, and the necessity of using FmHA forms, shall be inapplicable.

B. Application of Proceeds of Bonds.

The proceeds of said \$739,000 of Current Bonds shall be applied as follows:

(1) Immediate Repayment of Interim Financing.

There shall immediately be paid to the Bank(s) entitled thereto an amount sufficient to pay the interest on and principal of any temporary loans (if any) borrowed by the City in anticipation of the sale and delivery of the Current Bonds, and/or of the receipt of grant proceeds, or the interest on and principal of such temporary loans may be paid simultaneously with the delivery of such Bonds (to the extent of part or all of the proceeds of the Bonds, as may be required by said Bank(s)), in which event the amount to be so deposited into the Construction Account shall be reduced by such amount so paid. Also, at the time of delivery of the Bonds, there shall be paid all amounts then due and payable in connection with the Construction Project and in connection with the issuance of the Bonds.

(2) Balance to be Deposited in Construction Account; Proceeds of Grants to be Deposited in Construction Account.

If and to the extent that the proceeds of the Current Bonds shall be in excess of the amount necessary to pay the interest on and principal of the aforesaid temporary loans and the Project costs then due, such excess amount shall immediately be deposited in the "City of Greensburg Construction Account-Water System" (the "Construction Account"), hereby created, which shall be established at the Second Lien Depository. There shall also be deposited in such Construction Account the proceeds of said (CDBG and ADF) grants as and when received (or said grant proceeds may be applied to the extent necessary to liquidate or reduce any interim financing owed by the City at the time of receipt of the grant proceeds); and simultaneously with or prior to the delivery of the Bonds, there shall be deposited in such Construction Account the contribution of the City in the minimum amount of \$100,700 (less any amounts thereof used for authorized purposes), to supplement the proceeds of the Bonds and grants, in order to assure completion of the Construction Project.

(3) Procedure for Withdrawal of Funds from Construction Account.

(a) Prior to the expenditure by the City of any funds from the Construction Account derived from the proceeds of the Bonds, the City must obtain written approval from the FmHA as to such expenditures. The proceeds of said Account shall be withdrawn only on checks signed by the City Treasurer (or by such other official of the City as may be authorized by the Governing Body, provided such City Treasurer or such other official shall execute an appropriate Fidelity Bond in an amount equal to not less than the maximum amount anticipated to be on deposit in said Construction

Account at any one time, as determined by the Mayor, with the approval of the FmHA, apart from the Fidelity Bond required by Section 301 of this Ordinance), in payment for services and/or materials supplied in connection with the construction of the Project, as evidenced by (1) a certification of the Engineers designated herein, and (2) written approval of the Mayor (or by such other official of the City as may be authorized by the Governing Body).

(b) Prior to the expenditure by the City of any funds from the Construction Account derived from interim financing or from multiple advances from the FmHA, the City must obtain approved invoices and/or Partial Payment Estimates bearing the written approval of the Contractor, the Engineer, and the Mayor, and which invoices and/or Partial Payment Estimates must have been reviewed and approved for payment by the designated FmHA official.

(c) Written approval of the Engineers shall not be required for matters not under the jurisdiction of the Engineers, such as legal fees, land acquisition, and related items. Executed certifications (authorizing payment) shall be retained by the City Treasurer and need not be furnished to the Depository Bank, which shall be authorized to honor checks signed by the City Treasurer.

During construction, the City shall disburse Project funds in a manner consistent with FmHA Instruction 1942.17(p)(5) of Appendix "A" to FmHA Instruction 1942-A. Form FmHA 424-18, "Partial Payment Estimate" or similar form approved by FmHA, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to FmHA for review and acceptance. Prior to disbursement of funds by the City, the Governing Body shall review and approve each payment estimate. All bills and vouchers must be approved by the FmHA prior to payment by the City. Form SF-271, "Outlay Report and Request for Reimbursement for Construction Programs," shall be prepared and submitted to FmHA to account for funds expended in the last 30 day period.

After the Current Bonds are delivered, the City shall prepare and submit Form SF-272, "Report of Federal Cash Transactions," to report the status of federal cash received during each prior monthly period. Form FmHA 440-11, "Estimate of Funds Needed for 30 Day Period Commencing _____," will be prepared by the City and submitted to FmHA in order that a periodic Advance of Federal Cash may be requested. Form FmHA 440-11 and SF-272 will be submitted to FmHA simultaneously.

Periodic Audits of the City's Construction Account records shall be made by FmHA as determined by it to be necessary.

(4) Transfer of Capitalized Interest to Current Sinking Fund.

At or after the time the Bonds have been delivered, there shall be transferred from the Construction Account an amount sufficient to provide for capitalized interest, initially estimated at \$40,000, during the construction of the Construction Project, less whatever amount shall

have been theretofore applied to pay interest on interim financing of the Project, as approved by the Engineers and by the FmHA. If and to the extent then needed to pay interest during the remaining period of construction of the Construction Project, such amount so transferred from the Construction Account shall be deposited in the Current Sinking Fund created in this Current Bond Ordinance.

(5) Investment of Funds in Construction Account.

Pending disbursement of amounts on deposit in the Construction Account, all of such funds, or such portion of such amounts on deposit in said Construction Account as is designated by the Governing Body, shall be invested for the benefit of such Construction Account in Certificates of Time Deposit, savings accounts, or U. S. Obligations which may be converted readily into cash, having a maturity date prior to the date when the sums invested will be needed for costs of the Construction Project, as certified by the Engineers, and/or by the FmHA), provided that to the extent that any amounts on deposit in the Depository Bank shall cause the total deposits of the City in said Bank to exceed the amount insured by the FDIC, such excess amount shall be continuously secured by a valid pledge of U. S. Obligations, having an equivalent market value (exclusive of accrued interest), in conformity with KRS 66.480. Investments in Certificates of Time Deposit may be made only if a separate FmHA Form 402-4 Agreement is executed, if the FmHA has purchased any of the Bonds. Any such investments will be a part of the Construction Account, and income from such investments will be credited to the Construction Account. All such investments shall be subject to the limitations set out in Section 303 hereof.

(6) Statements of Contractors, Engineers, and Attorneys as to Payment Required Prior to Delivery of Current Bonds, if Current Bonds Purchased by FmHA.

Prior to the delivery of the Current Bonds, if the FmHA is the purchaser of the Bonds, the City will be required to provide the FmHA with statements from the Contractors, Engineers, and Attorneys that they have been paid to date in accordance with their contracts or other agreements and, in the case of any Contractor, that he has paid his suppliers and sub-contractors. Any exceptions must be authorized under FmHA Instructions 1942-A, Subsection 1942.17(n)(2).

(7) Disposition of Balance in Construction Account After Completion of Project.

When the Construction Project has been completed and all construction costs have been paid in full, as certified by the Engineers for the City, and/or by the FmHA, any balance then remaining in the Construction Account may, with the consent of the State Director of the FmHA, be applied to the cost of constructing additional extensions, additions, and/or improvements to the System, and/or such balance (subject to legal requirements as to possible refund of any allocated portion of the balance derived from grant proceeds) shall be transferred to the

Current Sinking Fund, whereupon said Construction Account shall be closed. If such additional construction is to be undertaken by the contractor previously engaged in the construction of the Project, such additional work may be authorized by a change order. Such balance so transferred shall be used by the City immediately to prepay installments due on the Current Bond(s), provided further that any balance insufficient to prepay at least \$1,000 of the principal payment falling due in any year on the Current Bond(s), will be transferred to the Current Prior Depreciation Reserve Fund hereinafter created.

Section 302. Interim Financing Authorization.

(a) Commercial Interim Financing.

The City shall use commercial interim financing for the Project during construction for the portion of cost of the Project financed by the Current Bonds, if available at reasonable rates and terms.

The borrowing of up to the aggregate sum of \$739,000 from The Peoples Bank & Trust Company, Greensburg, Kentucky (either alone or through its correspondent bank), and/or from any other financial institutions (collectively and individually referred to as the "Lenders"), is hereby authorized; and the Mayor of the City, William F. Taylor, or his successor (or such other official of the City as may be designated by the Governing Body of the City), is hereby authorized to execute in the name and on behalf of the City (1) a single note (the "Note") in the amount of the interim loan with provision for advances against the amount of such Note, or (2) any number of Notes ("Notes"), in such form as may be prescribed by the Lenders, including Revenue Bond Anticipation Notes pursuant to KRS 58.150. Each advance or Note shall evidence a loan of cash funds by the Lenders to the City for services and/or materials supplied in connection with the Construction Project as evidenced by (i) a certification of the Engineers designated herein, (ii) written approval of the Mayor or such other official of the City as may be authorized by the Governing Body, and (iii) written approval of the FmHA; provided, however, that written approval of the Engineers shall not be required for matters not under the jurisdiction of the Engineers, such as legal fees, land acquisition, and related items.

Interim financing shall be disbursed as follows:

(A) At the request of the City, the Lenders are and shall be authorized to disburse the proceeds of any such Note or Notes by cashier's checks directly to the parties entitled thereto based on the certification specified herein; or

(B) At the request of the City, the Lenders are and shall be authorized to deposit the proceeds of such Note or Notes in the Construction Account, in which event amounts of the City on deposit therein shall, until expended, to the extent that same shall exceed the amount insured by the FDIC, be fully secured by a pledge of U. S. Obligations; and a Fidelity Bond in an amount equal to not less than the maximum amount deposited in such Account must be furnished by the proper official of the City, as provided in Section 301 hereof.

(C) The proceeds of such Note or Notes deposited in the Construction Account shall be disbursed only on checks signed by the City Treasurer (or such other City official as may be designated by the Governing Body), as provided in Section 301B(3) hereof, and subject to all of the provisions of such Section.

The authority hereby granted to the Mayor includes the execution of renewal Notes in evidence of the renewal and extension of Notes becoming due, provided (i) the aggregate of the principal amount of all such Notes outstanding and payable to the Lenders shall not exceed \$739,000, and (ii) each Note which is renewed or superseded is simultaneously cancelled by the Lenders and transmitted to the City Treasurer. The rate of interest applicable to each Note and to each renewal Note shall not exceed a reasonable rate, which rate is subject to the approval of the FmHA.

Authority is hereby given for said total authorized interim financing of \$739,000 to be the maximum indebtedness which the City may owe to said Lenders at any given time; provided, however, that the City may reduce the amount owed by the City to said Lenders from time to time as and when funds are available to the City, whether derived from the proceeds of the Federal grants, the proceeds of the sale of the Current Bonds, or otherwise, and may reborrow from said Lenders additional amounts in anticipation of the further receipt by the City of additional proceeds from said grants or Bonds, in order thus to enable the City to save interest costs by applying the proceeds of the Bonds, grants, and/or other funds as received and which are not immediately needed for the payment of costs of the Construction Project, toward the liquidation and/or reduction of said interim financing loans until such time as additional interim financing loans are needed to provide additional funds for costs of the Construction Project as required by the City, subject to the limitation that the total amount owed to said Lenders at any given time shall not be in excess of \$739,000.

The City hereby covenants and agrees with said Lenders that upon the issuance and delivery of the Current Bonds and/or receipt of said grants, the City will apply the proceeds thereof, to whatever extent may be necessary, in payment of the principal amount of all such Note or Notes of the City then held by said Lenders, together with interest thereon to the date of such payment; and the first proceeds of said Bonds and grants are hereby pledged therefor, and such pledge shall constitute a first and prior pledge against such proceeds. The City further pledges the proceeds of the gross revenues of the System to the payment of said interim financing, subject to the priority of the Prior Bonds.

Although the proceeds of the Current Bonds and grants are pledged to the repayment of said interim financing, it is recognized that the proceeds of the FmHA grant may be applied to the extent required at the time of receipt of the proceeds of the FmHA grants, to the payment of costs of the Construction Project due and owing by the City at the time of receipt of such proceeds, rather than to the repayment of portions of the interim financing at that time. If and to the extent that the proceeds of the FmHA grant are in excess of any costs of the Construction Project due and owing at the time of receipt thereof, such proceeds may be applied, in the same manner as hereinabove indicated, to

the reduction of the amount of the interim financing, after which, such interim financing may again be increased as theretofore. In any event, the proceeds of said grant and of any other grants earmarked for the Construction Project, are pledged, together with the proceeds of the Current Bonds (plus the aforesaid secondary pledge of the revenues of the System, such pledge ranking on a parity with the Prior Bonds), to the repayment of such interim financing.

(b) Interim Financing from Source Other than a Bank or FmHA.

In the event that the City is able to obtain interim financing at a reasonable rate and on reasonable terms from any source ("Alternate Lender"), other than a Bank or the FmHA, including any State or Federal Agency, the provisions of subsection (a) above shall apply in all respects to such interim financing, with the reference to Banks in said subsection (a) being deemed to refer to the Alternate Lender. In addition, the Mayor and the City Clerk of the City are hereby authorized to execute any additional documents required by the Alternate Lender and approved by Bond Counsel, without any further action of this City Council.

(c) Possible Sale of Notes.

It is understood that the foregoing constitutes an alternative method of obtaining interim financing, and does not preclude the authorization, public advertisement, and sale of Bond Anticipation Notes, Grant Anticipation Notes, and/or Bond and Grant Anticipation Notes, to the most favorable bidder on the open market, by concurrent or subsequent proceedings of the Governing Body of the City.

(d) Possible Multiple Advances by FmHA if Current Bonds Shall be Purchased by FmHA.

In the event the Current Bonds are purchased by the FmHA, and in the event the City is unable to obtain a commitment for commercial interim financing for the Project during construction from any Bank at reasonable rates and terms, the Mayor is authorized to request multiple advances ("Multiple Advances") of loan funds from the FmHA.

If the FmHA agrees to make Multiple Advances to the City pending the delivery of the Bonds, the Mayor is hereby authorized to execute in the name and on behalf of the City any number of Bond Anticipation Notes (not to exceed \$739,000 in principal amount), each Note evidencing an advance of funds by the FmHA to the City, such Note or Notes to be in the form prescribed by the FmHA.

Each request for an advance from the FmHA shall be accompanied by (1) a certification of the Engineers designated herein, and (2) written approval of the Mayor or by such other official of the City as may be authorized by the Governing Body; provided, however, that written approval of the Engineers shall not be required for matters not under the jurisdiction of the Engineers, such as legal fees, land acquisition, and related items. The City will also furnish to the FmHA, prior to the receipt of each such advance, whatever additional documentation shall be requested by the FmHA, including a Supplemental Title Opinion (updated) of Local Counsel and a Supplemental Preliminary Legal Opinion (updated) of Bond Counsel.

The proceeds of any Multiple Advances made by the FmHA shall either be (1) disbursed directly to the parties entitled thereto for services and/or materials supplied in connection with the Project, or (2) deposited into the Construction Account and disbursed in accordance with the provisions of Section 301B(3) hereof, in which event amounts of the City on deposit in such Account shall, until expended, to the extent that same shall exceed the amount insured by the FDIC, be fully secured by a pledge of the U. S. Obligations (without the use of a Deposit Agreement of the FmHA, unless requested by the FmHA); and a Fidelity Bond in an amount equal to not less than the maximum amount deposited in such Account must be furnished by the proper official of the City, as provided in Section 301 hereof.

The first proceeds of the Bonds are hereby pledged to the repayment of such Multiple Advances, and such pledge shall constitute a first and prior pledge against such proceeds. The City further pledges the proceeds of the revenues of the System to the repayment of said Multiple Advances.

Section 303. Limitations on Investments of Funds.

The City covenants and certifies, in compliance with Federal arbitrage regulations, as follows:

(a) The City certifies, on the basis of known facts and circumstances in existence on the date of adoption of this Current Bond Ordinance, that it is not expected that the proceeds of the Current Bonds or the revenues of the System will be used in a manner which would cause such Bonds to be arbitrage bonds. The City covenants to the purchasers and/or owners of the Current Bonds that (1) the City will make no use of the proceeds of said Bonds, which, if such use had been reasonably expected on the date of issuance of such Bonds, would have caused such Bonds to be arbitrage bonds, and (2) that the City will comply with (i) all of the requirements of Section 148 of the Internal Revenue Code of 1986 (the "Code"), (ii) all of the requirements of the applicable Income Tax Regulations thereunder, to whatever extent is necessary to assure that the Current Bonds shall not be treated as arbitrage bonds, and (iii) all other provisions of the Code necessary to assure the continued excludability of interest on the Bonds from gross income for Federal income tax purposes subject to certain exceptions mentioned in Section 1001 hereof.

(b) The City certifies, based on information furnished by the Engineers, on known facts, and on reasonable expectations at this time, as follows:

(1) that the City has entered into contracts with the Engineers in connection with the construction of the Project financed by the Current Bonds, and the fees to be paid to such Engineers will exceed at least (i) the sum of \$100,000, or (ii) an amount equal to 2-1/2% of the total cost of the Project;

(2) that work on the Project has commenced or will commence within six months from the date of issuance of the Current Bonds or from the date of the first interim financing loan made under this Ordinance, whichever occurs first;

(3) that the construction of the Project will proceed thereafter to completion with due diligence on the part of the City;

(4) that at least 95% of the spendable proceeds of the Current Bonds will be expended on the costs of the Project within less than three years from the date of issuance of the Bonds or from the alternate date referred to in (b)(2) above;

(5) that it is anticipated that amounts on deposit in the Current Sinking Fund will be used within thirteen (13) months from the date of deposit for the payment of debt service on the Outstanding Bonds; and except for an amount equal to not more than the greater of (a) one-twelfth (1/12) of debt service requirements of the Outstanding Bonds for the then ensuing year, or (b) one year's earnings on the Current Sinking Fund, the Current Sinking Fund will annually be depleted through such application, for current debt service requirements of the Current Bonds;

(6) that it is not anticipated that amounts will be accumulated in any reserve fund anticipated to be used for debt service on the Outstanding Bonds in excess of an amount reasonably required to sell the Bonds; however, in no event shall such amount exceed the lesser of (i) the maximum annual debt service, (ii) 1.25 times the average annual debt service for principal and interest on the Bonds, or (iii) 10% of the face amount (par) of the original authorized issue, and it is not anticipated that an amount in excess of 10% of the proceeds (or any amount of the proceeds) from the sale of the Bonds will be deposited in any such reserve fund.

(7) that it is not reasonably anticipated that amounts accumulated in the Prior Depreciation Fund and/or the Current Depreciation Reserve Fund will be used for payment of debt service on any Outstanding Bonds, even though such Fund(s) will be so available if necessary to prevent a default in the payment of principal and interest on such bonds;

(8) that the original proceeds of the issue will not exceed by more than five percent (5%) (or by any percent) the amount required (after deducting the available proceeds of said FmHA grant and said connection charges and any other funds provided by the City) of the costs of the Construction Project; and therefore there has not been and will not be any overissuance of the Current Bonds; and

(9) that the City has not been advised of any listing or contemplated listing by the Internal Revenue Service determining that such certification with respect to its obligations may not be relied on.

(c) The City covenants that neither the proceeds of the Current Bonds, nor "Non-Exempt Revenues" of the System, as defined herein, will be invested in investments which will produce a net adjusted yield in excess of the net interest cost (effective yield) of the Bonds, if such investment would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code, as amended, and the applicable regulations thereunder;

provided, however, that such proceeds and/or revenues may be invested to whatever extent and whenever such Code and/or applicable Regulations permit same to be invested without causing the Current Bonds to be treated as "arbitrage bonds".

"Non-Exempt Revenues" within the meaning of the foregoing shall be deemed to refer to revenues of the System deposited in any of the funds earmarked for or reasonably expected to be used for the payment of debt service on the Outstanding Bonds, in excess of "Exempt Revenues", which Exempt Revenues are:

(1) amounts deposited in the Current Sinking Fund for the purpose of paying debt service on any Outstanding Bonds within 13 months from the date of deposit;

(2) amounts deposited in any reserve earmarked for or anticipated to be used for debt service on Outstanding Bonds, to the extent that such deposits do not cause the total amount of such reserves, deposits, and other excess Non-Exempt Revenues to exceed the limitation referred to in (b)(6) above for which adequate provision will have been made to comply with such limitation; and

(3) amounts deposited in a Depreciation Fund, Reserve for Replacements, Operation and Maintenance Fund, or any other fund (however designated) reasonably expected to be used for extensions, additions, improvements, repairs, or replacements to the System, and not reasonably expected to be used to pay debt service (even if pledged to be used to pay debt service in the event of the unexpected inadequacy of other funds pledged for that purpose) of Outstanding Bonds.

If, and to the extent that any Non-Exempt Revenues are on deposit and are available for investment, such funds shall be subject to the investment limitation referred to in Section 303 above.

Accordingly it is anticipated that there will be no limitation on the permissible yield on investments made from the proceeds of the Current Bonds or from the revenues of the System.

Prior to or at the time of delivery of the Current Bonds, the Mayor and/or the City Treasurer, who are hereby jointly and severally charged with the responsibility for issuing the Current Bonds, are authorized to execute the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts (apart from legal conclusions) concerning such anticipated construction, expenditures, and investments, including the execution of necessary and/or desirable certifications of the type contemplated by the Code and any Regulations applicable thereto, in order to assure that interest on the Current Bonds will be exempt from all Federal income taxes and that such Bonds will not be treated as arbitrage bonds.

ARTICLE 4.

OPERATION OF SYSTEM; FLOW OF FUNDS; CURRENT BONDS SUBJECT TO PRIORITY OF PRIOR BONDS; MONTHLY PAYMENTS OF PRINCIPAL AND INTEREST IF REQUESTED BY FmHA; ALL BONDS SECURED BY PLEDGE OF GROSS REVENUES OF SYSTEM, SUBJECT TO PRIORITIES.

Section 401. Operation of System to Continue as Heretofore; Provisions of Prior Bond Ordinance Incorporated Herein; Creation of New Funds; Second Lien; Monthly Payments of Principal and Interest if Requested by FmHA So Long as FmHA Holds or Insures the Current Bonds.

All proceedings preliminary to and in connection with the issuance of the outstanding Prior Bonds of the City, including provisions made for the receipt, custody, and application of the proceeds of said Bonds; for the operation of the System on a combined and consolidated revenue-producing basis; for the segregation, allocation, and custody of the revenues derived from the operation of the System; for the enforcement and payment of said Prior Bonds; and all other covenants for the benefit of the bondowners set out in the Prior Bond Ordinance, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of All Bonds, and (subject to the priority of the Prior Bonds) of the Current Bonds herein authorized, the same as if such provisions and proceedings were repeated in full herein; provided, further, that, after the issuance of the Current Bonds, the income and revenues of the System shall be collected, segregated, accounted for, and distributed as follows:

A separate and special fund or account of the City, distinct and apart from all other funds and accounts, was heretofore ratified and confirmed by the Prior Bond Ordinance, which fund has been and is designated and identified as the "Water and Sewer Revenue Fund of 1961" (the "Revenue Fund"), in the custody of the City Treasurer, which fund has been deposited with and shall continue to be maintained and deposited with the First Lien Depository, so long as any of the Prior Bonds, the Current Bonds, or any Parity Bonds are outstanding. The City covenants and agrees that it will continue to deposit therein, promptly as received from time to time, all cash income and revenues of the System. The moneys in the Revenue Fund from time to time shall continue to be used, disbursed, and applied by the City only for the purpose and in the manner and order of priorities specified in the Prior Bond Ordinance, as hereinafter modified, all as permitted by the applicable statutes, and in accordance with previous contractual commitments, as follows:

A. Prior Sinking Fund.

A separate and special fund or account of the City designated "Water and Sewer Revenue Bond and Interest Redemption Fund" (the "Prior Sinking Fund") was ratified and confirmed by the Prior Bond Ordinance, and the same (including the Debt Service Reserve therein, hereinafter referred to as the "Prior Reserve Fund") shall continue to be maintained as provided in the Prior Bond Ordinance;

and the City covenants and agrees that it will continue to deposit therein from the Revenue Fund whatever amounts are required by the terms of the Prior Bond Ordinance to be so deposited; and such sums shall be held and applied by the City in the manner required by the Prior Bond Ordinance and by this Current Bond Ordinance.

The Prior Sinking Fund (including the Debt Service Reserve portion thereof) shall continue to be maintained at the First Lien Depository so long as any of the Current Bonds and/or of the Prior Bonds are outstanding.

B. Current Sinking Fund.

At or after the time that the Current Bonds have been delivered, there shall be transferred from the Construction Account an amount sufficient (currently estimated at \$40,000) to provide for capitalized interest during the construction of the Project, as approved by the Engineers and by the FmHA, if and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project. Such amount so transferred from the Construction Account shall be deposited in the "City of Greensburg Water and Sewer Bond and Interest Sinking Fund," hereby created (the "Current Sinking Fund"), which Current Sinking Fund shall be deposited and maintained at the Second Lien Depository.

After the transfers required in the preceding Subsection A to be made in each month have been paid from the Revenue Fund, and after the expiration of the month in which interest on the Current Bonds is last payable out of the sum set aside into the Current Sinking Fund as capitalized interest, there shall next be transferred in each month from the Revenue Fund and deposited into the Current Sinking Fund on or before the 20th day of each month, for payment of interest on and principal of the Current Bonds, a sum equal to the total of the following:

- (1) An amount equal to one-sixth (or such larger amount as is necessary) of the next succeeding six-month interest installment to become due on the Current Bonds then outstanding, plus
- (2) Beginning in January, 1989, which is twelve months prior to the first scheduled maturity of the Current Bonds on January 1, 1990, a sum equal to one-twelfth (or such larger amount as is necessary) of the principal of any Current Bonds maturing on the next succeeding January 1.

After all of the transfers required to be made in Subsection A above, and in the foregoing provisions of this Subsection B, have been made, there shall next be transferred from the Revenue Fund to the Current Sinking Fund, to be held as a reserve therein (the "Current Reserve Fund"), the sum of \$421.00 each month until there is accumulated in such Current Reserve Fund the sum of \$50,250, after which no further deposits need be made into such Fund except to replace withdrawals.

If the City for any reason shall fail to make any monthly deposits as required, then an amount equal to the deficiency shall be set apart and deposited into the Current Sinking Fund and/or the Current Reserve Fund out of the first available revenues in the ensuing month or months, which amount shall be in addition to the monthly deposit(s) otherwise required during such succeeding month or months. Whenever there shall accumulate in the Current Sinking Fund and/or in the Current Reserve Fund amounts in excess of the requirements during the next twelve months for paying the principal of and interest on outstanding Current Bonds as same fall due, and if at such time the City is in compliance with all provisions of the Prior Bond Ordinance, such excess amount may be used for redemption of such Current Bonds prior to maturity, as set forth in Section 205 hereof.

The City Treasurer shall keep appropriate records as to payment of principal and interest installments on the Bonds.

All funds in the Current Sinking Fund and in the Current Reserve Fund shall be deposited in the Second Lien Depository, or such portion of said amounts on deposit in said respective Funds as is designated by the Governing Body of the City, shall be invested for the benefit of such respective Funds in Certificates of Time Deposit, savings accounts, or U. S. Obligations which may be converted readily into cash, having a maturity date prior to the date when the sums invested will be needed for meeting interest and/or principal payments, to mature or be called, provided that to the extent that any amounts on deposit in said Bank shall cause the total deposits of the City in said Bank to exceed the amount insured by the FDIC, such excess amount shall be continuously secured by a valid pledge of U. S. Obligations, having an equivalent market value, in conformity with KRS 66.480. Investments in Certificates of Time Deposit may be made only if a separate FmHA Form 402-4 Agreement is executed, if the FmHA has purchased any of the Bonds. Any such investments will be a part of the respective Funds from which the proceeds invested are derived, and income from such investments will be credited to such respective Funds.

C. City to Make Principal and Interest Payments on Current Bonds on a Monthly Basis so Long as FmHA Owns or Insures all of the Current Bonds.

So long as all of the Current Bonds are owned or insured by the FmHA, the City shall, if requested by the FmHA, make payments of amounts equal to the total of (1) and (2) of Section 401B above, being the total of the monthly principal and interest requirements on the Current Bonds, in monthly payments to the FmHA or to the insured owner of the Current Bonds, out of the Current Sinking Fund; provided further that at the option of any other owner of all of the Current Bonds, such payments shall similarly be made in monthly payments to such owner.

D. Depreciation Fund.

A separate and special fund or account of the City was created in Section 10C of the Prior Bond Ordinance, which fund was designated "Depreciation Fund", which Fund is hereby ratified, confirmed, and ordered to be

continued so long as any of the Prior Bonds, the Current Bonds, and any parity bonds are outstanding. The Prior Bond Ordinance required and it is hereby required (subject to the modifications set out herein) that 5% of the balance of the income and revenues of the System remaining after the transfers required in Section 401A (herein amended to include Sections 401A and 401B) above are made in each month, but in no event less than \$400.00, shall be set aside into said Depreciation Fund until the amount in the Depreciation Fund shall aggregate \$48,000.

In addition to the above deposits from the Revenue Fund, there shall also be deposited in the Depreciation Fund, as received, the proceeds from the sale of any equipment of the System no longer usable or needed, any tapping and connection charges, fees or charges collected from potential customers, and the proceeds of any property damage insurance (except public liability) not immediately used to replace the damaged or destroyed property.

Moneys in the Depreciation Fund shall be available and may be withdrawn and used by the City, upon appropriate certification to the Depository Bank, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals, or replacements to the System, not included in the Annual Budget of Current Expenses, and the cost of construction of extensions, additions, and improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service.

Funds in the Depreciation Fund may be invested in U. S. Obligations, as defined herein, as shall be determined by the Governing Body, and all such investments, as well as the income therefrom, shall be carried to the credit of the Depreciation Fund.

E. Maintenance and Operation Fund.

A special and separate Fund of the City was ratified and confirmed by the Prior Bond Ordinance, distinct and apart from all other Funds and accounts of the City, designated and identified as the "Water and Sewer Maintenance and Operation Fund (the "Maintenance and Operation Fund"), and the same is hereby ratified and ordered to be continued for the benefit of the System and of all bonds payable from the income and revenues of the System. So long as any Prior Bonds, Current Bonds, or any parity bonds, remain outstanding and unpaid, there shall continue to be deposited monthly into the Operation and Maintenance Fund, from moneys remaining in the Revenue Fund, after making the transfers required by Sections 401A, B, and D, above (which are cumulative), sufficient funds to meet the Current Expenses of operating, maintaining, repairing, and insuring the System, pursuant to the Annual Budget, for which provision is hereinafter made.

F. Excess Funds.

Subject to the provisions for the disposition of the income and revenues of the System in Sections A, B, D, and E of this Section, which provisions are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, any excess funds remaining in the Revenue Fund within sixty days after the end of each fiscal year, shall be used as follows:

(1) to retire or redeem outstanding Prior Bonds in inverse numerical and maturity order, at not exceeding the maximum call price; or

(2) to pay principal and interest requirements of any outstanding Current Bonds, or any parity Bonds, or any part thereof.

ARTICLE 5.

COVENANTS OF CITY TO BONDOWNERS.

So long as any of the Current Bonds are outstanding and unpaid, the City covenants as follows:

Section 501. Rates and Charges.

The rates and charges for all services and facilities rendered by the System shall be reasonable and just, taking into account and consideration the cost and value of the System (including all extensions, additions, and improvements thereto), the cost of maintaining, repairing, and operating same, and the amounts necessary for the payment of principal of and interest on All Bonds outstanding against the System, and there shall be charged such rates and charges as shall be adequate to meet the requirements of this and ARTICLE 4 hereof.

The City covenants that it will not reduce the rates and charges for the services rendered by the System without first filing with the City Clerk a certification of an Independent Consulting Engineer, as defined herein, that the annual net revenues (defined as gross revenues less current expenses) of the then existing System for the fiscal year preceding the year in which such reduction is proposed, as such annual net revenues are adjusted, after taking into account the projected reduction in "annual net revenues" anticipated to result from any such proposed rate decrease, are equal to not less than 120% of the average annual debt service requirements for principal and interest on All Bonds, calculated in the manner specified in Section 603 hereof.

Section 502. Books and Accounts.

If and to the extent not now fully required by the Prior Bond Ordinance, the City shall install and maintain proper records and accounts relating to the operation of the System and its financial affairs; and the owners of any of the Prior Bonds or of the Current Bonds, or their authorized representatives, shall have the right at all reasonable times to inspect the facilities of the System and all records, accounts, and data relating thereto. An annual audit on a fiscal year basis shall be made of the books and accounts pertinent to the System by a Certified Public Accountant licensed in Kentucky. No later than sixty days after the close of each fiscal year, copies of such audit reports certified by such Accountant shall be promptly mailed to the Government without request, so long as the Government is the owner of any of the Current Bonds, and to any bondowner that may have made a written request for same. Monthly operating reports shall be furnished to the FmHA and to any bondowner requesting same, during the first two years of operation after completion of the Construction Project, and whenever and so long as the City is delinquent in any of the covenants set out herein. Quarterly operating reports shall be furnished to such parties at all other times.

Section 503. System to Continue to be Operated on Calendar Year Basis.

While any of the Prior Bonds, the Current Bonds, and any Parity Bonds are outstanding and unpaid and to the extent not now prohibited by law, the System shall continue to be operated and maintained on a calendar year basis, commencing on January 1 and ending on December 31 of each year, which period shall also constitute the fiscal year (the "Fiscal Year") and budget year for the operation and maintenance of the System. Not later than 60 days after the beginning of each Fiscal Year, beginning immediately after the issuance of the Current Bonds, the City and its Governing Body agree to cause to be prepared a detailed statement of income and expenditures for the past year, a current financial statement and a "Proposed Annual Budget of Current Expenses" of the System for the then Fiscal Year, itemized on the basis of monthly requirements. A copy of said "Proposed Annual Budget of Current Expenses" shall be mailed to any bondowner who may request in writing a copy of such Budget, and to the Government without request if the Government is the owner of any of the Current Bonds.

Current Expenses shall include all reasonable and necessary expenses of operating, repairing, maintaining, and insuring the System, but shall exclude depreciation and payments into the Sinking Funds, the Reserve Funds and the Depreciation Fund. The City covenants that the Current Expenses incurred in any year will not exceed the reasonable and necessary amounts therefor and that the City will not expend any amount or incur any obligation for operation or maintenance and repair in excess of the amounts provided for Current Expenses in the Annual Budget, except upon resolution or order by the Governing Body of the City that such expenses are necessary to operate and maintain the System. At the same time and in like manner, the City shall prepare an estimate of gross revenues to be derived from the operation of the System for said Fiscal Year, and, to the extent that said gross revenues are insufficient (a) to pay debt service requirements on all Outstanding Bonds during the ensuing Fiscal Year, (b) to accumulate and maintain all required reserves enumerated herein, and (c) to pay Current Expenses, the City shall revise the rates and charges sufficiently to provide the required funds.

If the owners of at least 50% in principal amount of the outstanding Prior Bonds and Current Bonds, or the Government so long as it is the owner of any of said bonds, so request, the Governing Body shall hold an open hearing not later than thirty days before the beginning of the ensuing Fiscal Year, at which time any bondowner may appear by agent or attorney and may file written objections to such proposed budget. Notice of the time and place of such hearing shall be mailed at least 15 days prior to the hearing to each registered bondowner and to the Government.

The City and its Governing Body covenant that annually within four months after the beginning of each Fiscal Year, the annual budget of current expenses for the then current fiscal year will be adopted substantially in accordance with the preliminary or proposed annual budget, and that no expenditures for operation and maintenance expenses of the System in excess of the budgeted amount shall be made during such Fiscal Year unless directed by said City by a specific ordinance, resolution, or order duly adopted.

Section 504. General Covenants.

The City through its Governing Body hereby covenants and agrees with the owners of the Current Bonds that:

- (1) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky;
- (2) It will make and collect reasonable and sufficient rates and charges for services and facilities rendered by the System;
- (3) It will segregate the revenues and income from the System and make application thereof consistent with and as provided by this Ordinance;
- (4) Unless the written request of the owners of a majority in amount of the outstanding Current Bonds plus all of the outstanding Prior Bonds, has been obtained, the City agrees not to sell, lease, mortgage, or in any manner dispose of any integral part of the System, including any and all appurtenances thereto and extensions, additions, and/or improvements that may be made thereto, until all of the Prior Bonds and all of the Current Bonds shall have been paid or provided for in full as provided herein; subject to the provisions of Section 606 hereof;
- (5) It will maintain in good condition and continuously operate the System and appurtenances thereto and will charge such rates and charges for the services rendered thereby so that the gross income and revenues of the System will be sufficient at all times to pay the interest on and principal of the Prior Bonds, the Current Bonds, and any additional Parity Bonds, as same become due, to pay the cost of operating and maintaining the System, and to provide for an adequate depreciation account;
- (6) It will carry and maintain insurance on properties of the System subject to loss or damage in amounts and against hazards substantially in accordance with the practices of other districts, cities, or corporations which own and maintain water and sewer systems under similar conditions; and so long as the Government is the owner of any of the Current Bonds, the Government will be listed as co-beneficiary on any such policy; and the City shall further comply with the insurance requirements of Section 506 hereof (involving insurance on motors, tanks, and structures);
- (7) It will, pursuant to KRS 96.934 and other applicable legal provisions, cause rates and charges for sewer services provided by the System to be billed simultaneously with rates and charges for water service furnished to sewer customers by the

System, and will provide that water service will be discontinued to any premises where there is a failure to pay any part of the aggregate charges so billed, including such penalties and fees for disconnection and/or reconnection as may be prescribed from time to time.

Section 505. Other Covenants Applicable So Long as FmHA Owns Any Bonds; Loan Resolution.

So long as the FmHA shall own any of the Current Bonds, the City shall comply with such FmHA regulations, requirements, and requests as shall be made by the FmHA, including the furnishing of operating and other financial statements, in such form and substance and for such periods as may be requested by the FmHA, the carrying of insurance of such types and in such amounts as the FmHA may specify, with insurance carriers acceptable to the FmHA, and compliance with all of the terms and conditions of the Loan Resolution (FmHA Form 442-47) executed by the City, which is hereby authorized, approved, ratified, and affirmed.

Section 506. Insurance of Motors, Tanks, and Structures.

If and to the extent not now fully required by the Prior Bond Ordinance, the City shall (a) immediately after the adoption of this Ordinance, and (b) at the time of final acceptance of the Construction Project from the contractor(s), insure all electric motors, elevated water storage tanks, sewage treatment facilities, lift stations, pumping stations, and major structures of the System, in an amount recommended by the City's Engineers and approved by the FmHA, so long as the FmHA is the owner of any of the Current Bonds, for the hazards usually covered in such area, and shall similarly insure same in an amount recommended by the City's Engineers, without the necessity of approval by the FmHA if and whenever the City has bonds outstanding against the System and none of such bonds are owned by the FmHA.

ARTICLE 6.

INFERIOR BONDS AND PARITY BONDS

Section 601. Inferior Bonds.

Except as provided below in this Section, the City shall not, so long as any of the Current Bonds (and any bonds ranking on a parity) are outstanding, issue any additional bonds payable from the revenues of the System unless the security and/or pledge of the revenues and statutory mortgage lien to secure such additional bonds is/are made inferior and subordinate in all respects to the security of the Current Bonds and any Parity Bonds.

The City expressly reserves the right at any time or times to issue its bonds or other obligations payable from the revenues of the System and not ranking on a basis of equality with the Current Bonds, without any proof of previous earnings or net revenues, provided that the consent of the FmHA must be obtained prior to the issuance of any inferior bonds so long as the FmHA holds or owns any of the Current Bonds, or any Parity Bonds, and provided further that (after the initial completion of the Construction Project) such inferior bonds may be issued only for the purpose of providing for future extensions, additions, and/or improvements to the System, and only in express recognition of the priorities, liens, and rights created and existing for the security, source of payment, and protection of the Prior Bonds, the Current Bonds, and any additional Parity Bonds; provided further, that nothing in this Section is intended to restrict or shall be construed as a restriction upon, the ordinary refunding of any of the Prior Bonds, the Current Bonds, and any other Parity Bonds.

Section 602. Parity Bonds to Complete the Construction Project.

The City hereby certifies, covenants, and agrees that in the event that the cost of completion of the construction of the Project, as hereinbefore described, shall exceed the moneys available to the City from any and all sources, the City shall have the right, if necessary, to provide for such excess, and only such excess, through the issuance of Parity Bonds, provided the City has obtained a certification from the Engineers to the effect that it is necessary to issue the desired amount of additional Parity Bonds in order to enable the City to pay the cost (not otherwise provided) of the completion of the Construction Project, and provided the City has either complied with the provisions of Section 603 below, or has obtained the (a) consent of the FmHA if it is the purchaser of the Current Bonds, or (b) the consent of the owners of at least three-fourths (3/4) in principal amount of the Current Bonds outstanding if the Current Bonds have been issued, sold, and delivered and are held by owners other than the FmHA.

Section 603. Parity Bonds to Finance Future Extensions, Additions, and/or Improvements; Conditions or Showings Required.

The City further reserves the right to add new waterworks and/or sewer and/or related auxilliary facilities and/or to finance future extensions,

additions, and/or improvements to the System by the issuance of one or more additional series of bonds to be secured by a parity lien on and ratably payable on a parity with the Current Bonds, from the revenues of the System, and also secured by a parity statutory mortgage lien on the System, subject to the priority of the Prior Bonds, provided:

(a) The facility or facilities to be constructed from the proceeds of the additional Parity Bonds is or are made a part of the System and its or their revenues are pledged as additional security for the additional Parity Bonds and for the outstanding Current Bonds.

(b) The City is in compliance with all covenants and undertakings in connection with all of the bonds then outstanding and payable from the revenues of the System or any part thereof.

(c) The annual net revenues (defined as gross revenues less essential operation and maintenance expenses) of the then existing System for the fiscal year preceding the year in which such Parity Bonds are to be issued, adjusted as hereinafter provided, shall be certified by an independent Certified Public Accountant to equal at least one hundred twenty percent (120%) of the average annual debt service requirements for principal of and interest on all outstanding bonds payable from the revenues of the System, including such requirements of the Prior Bonds, the Current Bonds, any Parity Bonds then outstanding, plus the anticipated requirements of any Parity Bonds then proposed to be issued. The calculation of average annual debt service requirements of principal and interest on the additional bonds to be issued shall, regardless of whether such additional bonds are to be serial or term bonds, be determined on the basis of the principal of and interest on such Parity Bonds being payable in approximately equal annual installments.

(d) The "annual net revenues" referred to above may be adjusted for the purpose of the foregoing computations to reflect:

- (1) any revision in the schedule of rates or charges being imposed at the time of the issuance of any such additional Parity Bonds, and
- (2) any increase in the "annual net revenues" to be realized from the proposed extensions, additions, and/or improvements being financed (in whole or in part) by such additional Parity Bonds; provided all such adjustments shall be based upon and included in a certification of an Independent Consulting Engineer, as defined herein.

(e) Compliance with Section 603(a) through (d) shall not be necessary for the issuance of Parity Bonds if the City has obtained (a) the written consent of the FmHA for the issuance of such Parity Bonds, if the FmHA is the owner of all of the Current Bonds at the time of issuance of such Parity Bonds; or (b) the written consent of the owners of three-fourths in principal amount of the then outstanding Current Bonds and

any other Parity Bonds, together with the written consent of the FmHA if it is the owner of any Current Bonds and any Parity Bonds. Provided that if the City obtains the written consent of the owners of all Current Bonds and of all Parity Bonds outstanding against the System, no other prerequisite need be complied with by the City in order to issue Parity Bonds.

(f) Reference is made to Section 607 hereof as to the necessity of obtaining the written consent of the FmHA for the issuance of future bonds encumbering the System while the FmHA holds any bonds payable from the revenues of the System.

Section 604. Covenants to be Complied With at Time of Issuance of Parity Bonds.

The City hereby covenants and agrees that in the event any additional Parity Bonds are issued, the City shall:

(a) Adjust the monthly amount to be deposited into the Current Sinking Fund on the same basis as that prescribed in the provisions establishing such Fund, to reflect the average annual debt service requirements of the additional Parity Bonds;

(b) Adjust the minimum annual amount to be deposited monthly into the Current Reserve Fund on the same basis as that prescribed in the provisions establishing such Fund, taking into account the future debt service requirements of all second lien bonds which will then be outstanding against the System; and

(c) Make such additional Parity Bonds payable as to principal on January 1 of each year in which principal falls due, and payable as to interest on January 1 and July 1 of each year until the final maturity of such Parity Bonds.

Section 605. Prepayment Provisions (Conditions) Applicable to Parity Bonds.

If, in connection with any subsequently issued series of bonds secured by a parity lien on the revenues of the System, it is provided that excess revenues in the Revenue Fund shall be used to prepay bonds in advance of scheduled maturity, or if the City at its option undertakes to prepay outstanding bonds in advance of scheduled maturity, it is agreed and understood that no such prepayment will be effected without the approval of the FmHA.

Section 606. City Not to Issue Any Additional Bonds Ranking on a Parity With Prior Bonds or Ranking Superior to Current Bonds.

So long as the FmHA shall own any of the Current Bonds, and so long as any of the Current Bonds are outstanding, the City covenants not to issue any bonds ranking on a parity with the outstanding Prior Bonds, or to issue any other bonds ranking superior in security to the security of the Current Bonds.

Section 607. City Shall Not Issue Any Future Bonds or Obligations Against the System Without The Written Consent of The FmHA, So Long As FmHA Owns Any Bonds Against the System.

Notwithstanding any other provisions of this Ordinance, the City agrees that so long as the FmHA owns any bonds outstanding against and/or payable from the revenues of the System, the City will not issue any future Bonds, Notes, or other obligations against, secured by, or payable from the revenues of the System without the written consent of the FmHA.

Section 608. Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities; Conditions.

The City covenants and agrees that so long as any of the Prior Bonds and/or Current Bonds are outstanding, the City will not sell or otherwise dispose of any of the facilities of the System, or any part thereof, and, except as provided above, the City will not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of the Prior Bonds or the Current Bonds. Notwithstanding the foregoing, the City may at any time permanently abandon the use of, or sell at fair market value, any part of the facilities of the System, provided that:

- (a) The City is in compliance with all covenants and undertakings in connection with all of the bonds then outstanding and payable from the revenues of the System, and the required Reserve(s), for such respective bonds has (have) been fully established;
- (b) It will, in the event of any such sale, apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing prepayment of bonds in advance of maturity, or (2) replacement of the facility so disposed of by another facility, the revenues of which shall be incorporated into the System, as hereinbefore provided;
- (c) It certifies, in good faith, prior to the abandonment of use, that the facility or facilities to be abandoned are no longer economically feasible of producing net revenues;
- (d) It certifies, in good faith, that the estimated net revenues of the remaining facilities of the System for the then next succeeding fiscal year, plus the estimated net revenues of the facility or facilities, if any, then scheduled to be added to the System, comply with the earnings requirements hereinbefore provided in the provisions and conditions governing the issuance of additional Parity Bonds; and
- (e) Notwithstanding any other provisions hereof, so long as any of the Current Bonds are held by the Government, the City shall not dispose of its title to the System or to any part thereof, without first obtaining the written consent of the Government.

ARTICLE 7.

DEFAULT; CONSEQUENCES.

Section 701. Events of Default.

The following items shall constitute an "event of default" on the part of the City:

- (a) The failure to pay principal of the Current Bonds or the Prior Bonds when due and payable, either at maturity or by proceedings for redemption.
- (b) The failure to pay any installments of interest on the Current Bonds or the Prior Bonds when the same shall become due and payable or within 30 days thereafter.
- (c) The default by the City in the due or punctual performance of any of the covenants, conditions, agreements, and provisions contained in the Current Bonds, the Prior Bonds, or in this Ordinance.
- (d) The failure to promptly repair, replace, or reconstruct facilities of the System that have been damaged and/or destroyed.
- (e) The entering of any order or decree with the consent or the acquiescence of the City, appointing a Receiver of all or any part of the System or any revenues thereof; or if such order or decree shall have been entered without the acquiescence or consent of the City, its failure to have the order vacated, discharged, or stayed on appeal within 60 days after entry.

Section 702. Consequences of Act of Default.

Any owner of the Current Bonds may enforce and compel the performance of all duties and obligations of the City set forth herein. Upon the occurrence of an event of default, then upon the filing of a suit by any owner of said Bonds, any court having jurisdiction of the action may appoint a Receiver to administer the System on behalf of the City with power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal of and interest on the Prior Bonds and the Current Bonds, and to provide and apply the income and revenues of the System in conformity with this Ordinance and with the laws of the Commonwealth of Kentucky.

The City hereby agrees to transfer to any bona fide Receiver or other subsequent operator of the System, pursuant to any valid court order in a proceeding brought to enforce collection or payment of the City's obligations, all contracts and other rights of the City pertaining to the System, conditionally, for such time only as such Receiver or operator shall operate by

authority of the Court. Upon the occurrence of an event of default, the owner of any of the Bonds may by injunction require the Governing Body of the City to raise the rates a reasonable amount, consistent with the requirements of this Ordinance.

ARTICLE 8.

CONTRACTUAL PROVISIONS; GRANT APPROVAL; AND MISCELLANEOUS PROVISIONS.

Section 801. This Ordinance Contractual With Bondowners.

The provisions of this Ordinance constitute a contract between the City and its Governing Body and the owners of the Current Bonds as may be outstanding from time to time; and after the issuance of any of said Bonds, no change, alteration, or variation of any kind, of the provisions of this Ordinance shall be made in any manner which will affect an owner's rights except as herein provided or except with the written consent of all bondowners until such time as all of the Current Bonds and the interest thereon have been paid in full or fully provided for; provided that the Governing Body of the City may enact any Ordinance for any purpose not inconsistent with the terms of this Ordinance and which shall not impair the security of the owners of the Current Bonds, and/or for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective or inconsistent provisions contained herein or in any ordinance or other proceedings pertaining hereto; and provided further, that the owners of seventy-five percent (75%) in principal amount of the Current Bonds at any time outstanding shall have the right to consent to, and approve the adoption of ordinances, resolutions, or other proceedings, modifying or amending any of the terms or provisions contained in this Ordinance, subject to the conditions that (a) this Ordinance shall not be so modified in any manner that may adversely affect the rights of the owners of any of the Prior Bonds, nor in any manner that may adversely affect the rights of any certain owners of the Current Bonds without similarly affecting the rights of all owners of such Current Bonds (and any Parity Bonds) then outstanding, or to reduce the percentage of the number of owners whose consent is required to effect a further modification; and (b) no such change may be effected without the consent of the Government, so long as the Government owns any of the Outstanding Prior Bonds and/or Current Bonds.

Section 802. All Current Bonds are Equal.

The Current Bonds authorized herein shall not be entitled to priority one over the other in the application of the income and revenues of the System, or with respect to the security for their payment, regardless of the time or times of their issuance, it being the intention that there shall be no priority among any of the Current Bonds regardless of the fact that they may be actually issued and delivered at different times.

Section 803. City Obligated to Refund Current Bonds Owned by Government Whenever Same is Feasible; Defeasement Prohibited.

So long as the Government is the owner of any of the Current Bonds, if it appears to the Government that the City is able to refund such Bonds in whole or in part, by obtaining a loan for such purposes from responsible cooperative or private credit sources, or to sell bonds of the City in the open market, at reasonable rates and terms, for loans or bond issues for similar

purposes and periods of time, the City will, upon request of the Government, obtain such loan and/or issue such bonds in sufficient amount to repay the Government, and will take all such action as may be required in connection with such loan.

Also, so long as the Government is the owner of any of the Current Bonds, the City shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of the Current Bonds, without immediately prepaying all of the then outstanding Current Bonds.

Section 804. Ordinance Requiring Sewer Connections is Contractual.

It is hereby represented that the City has heretofore enacted a Sewer Connection Ordinance requiring that all sources of flowable sewage within the City limits be connected to the municipal sewer system if connection is available, or as soon as the same may be made available; declaring that all unconnected sources of flowable sewage, where sewers are or may hereafter be made available, shall constitute a public nuisance which shall be abated; and establishing penalties and effective dates; and it is hereby covenanted that no changes shall be made in the requirements specified in said Sewer Connection Ordinance so long as any of the Prior Bonds, the Current Bonds, or any Parity Bonds, are outstanding.

Section 805. Authorization of the Use of City Streets in the Construction and Maintenance of the Construction Project.

The use of all City streets, highways, alleys, and public ways for the construction and maintenance of the Construction Project, is hereby authorized, without the necessity of further permits, licenses, or other certifications from the City.

Section 806. Approval and Acceptance of CDBG Grant Agreement.

As set out in Section 105 hereof, the Department of Housing and Urban Development (the "DHUD") has agreed to make a CDBG grant to the City in the amount of \$189,200 to supplement the proceeds of the Current Bonds in order to provide the total cost of the Construction Project, and in that connection the DHUD has requested the City to approve, accept, and execute a certain Grant Agreement setting out the terms and conditions upon which said grant will be made. Said Grant Agreement is hereby approved and accepted, and the Mayor and the City Clerk are authorized to approve, accept, and execute said Grant Agreement on behalf of the City, to approve, accept, and execute any and all other grants offered to the City in connection with the Construction Project, and to execute any and all Grant Agreements and any other documents as may be requested by such agency in connection with grant(s) which have been and/or which may hereafter be approved for such Project, and/or as may be requested by any other agency which approves a grant to the City, with reference thereto.

Any steps or actions previously taken by the Mayor and City Clerk in connection with the acceptance and/or approval of said grant and/or the execution of such Grant Agreement are hereby authorized, approved, ratified, and confirmed.

Section 807. Approval and Acceptance of ADF Grant Agreement.

As set out in Section 105 hereof, the Lake Cumberland Area Development District has agreed to make a grant to the City in the amount of approximately \$96,100 to supplement the proceeds of the Current Bonds in order to provide the total cost of the Construction Project, and in that connection the Area Development District has requested the City to approve, accept, and execute a certain Grant Agreement setting out the terms and conditions upon which said grant will be made. Said Grant Agreement is hereby approved and accepted, and the Mayor and the City Clerk are authorized to execute said Grant Agreement on behalf of the City.

Any steps or actions previously taken by the Mayor and City Clerk in connection with the acceptance and/or approval of said grant and/or the execution of such Grant Agreement are hereby authorized, approved, ratified, and confirmed.

Section 808. Authorization of Acceptance of Any Other Grants.

The Mayor and City Clerk are also authorized on behalf of the City to approve, accept, and execute any and all other grants offered to the City in connection with the Construction Project and to execute any and all Grant Agreements and any other documents as may be requested by such agency in connection with grant(s) which have been and/or which may hereafter be approved for such project and/or as may be requested by any other agency which has approved a grant to the City, with reference thereto.

Section 809. Authorization of Condemnation to Acquire Easements and/or Sites.

In the event that (a) any necessary deeds of easement to allow water line construction over the property of any property owner, or (b) any necessary deed to the necessary site of any water facility of the Project shall not be obtained through negotiations within 10 days after the date of enactment of this Ordinance and in the event that (1) such water lines cannot be located within the rights-of-way of the State and/or County road involved, and/or (2) such water facilities cannot be located on a site already owned by the City, Local Counsel employed by the City is hereby authorized and directed to file condemnation actions to obtain such necessary easements, rights-of-way, and/or sites forthwith, without further authorization or direction from this Governing Body of the City. Local Counsel is further directed to follow the same condemnation procedure in the event that it becomes necessary, through change orders, line extensions, and/or errors in the location of property lines and/or property owners, to obtain additional easements, rights-of-way, and/or sites for completion of the Project and whenever the necessary deed of easement and/or deed to site is not obtained by negotiation at least 20 days prior to the date on which construction is contemplated in or on the respective easement, right-of-way, and/or site.

The City further approves the payment from the funds available therefor (proceeds of Bonds, grants, and/or other funds) allocated to the costs of the Project to pay any judgment, award, or compromise, determined by Local

Counsel with the acquiescence of the City Governing Body and the Mayor, toward the costs of such easements, rights-of-way, and/or sites, provided, in each instance, that the payment of such funds to satisfy any judgment, award, or compromise, must first be approved by the FmHA; and it is hereby determined that if and to whatever extent the funds available from the proceeds of the Bonds, grants, and/or other supplemental funds, shall be inadequate to pay any judgment, award, or compromise amount for such easements, rights-of-way, and/or sites, or if the City is unable to obtain the approval of the FmHA for any such payments, the City shall make such additional amount available from the General Fund of the City and/or any other available City resources.

Section 810. Authorization, Ratification, and Confirmation of Approval and Execution of Various Documents Including Legal Services Agreements of Bond Counsel and Local Counsel; Agreement for Engineering Services; Letter of Intent to Meet Conditions of Letter of Conditions of FmHA; and Loan Resolution.

The City Council of the City hereby authorizes, approves, ratifies, and confirms the previous action of the officers of the City in approving and executing various documents related to the financing of the Project, including the following:

- (a) Legal Services Agreement with the firm of Rubin & Hays as Bond Counsel.
- (b) Legal Services Agreement with Sam W. Moore II, as Local Counsel.
- (c) Letter of Intent to Meet Conditions of FmHA Letter of Conditions (FmHA Form 442-46).
- (d) Loan Resolution (FmHA Form 442-47).
- (e) Agreement for Engineering Services with Mayes, Sudderth & Etheredge, Inc.

ARTICLE 9.

SALE OF CURRENT BONDS.

Section 901. Sale of Current Bonds.

The Bonds shall be offered publicly for sale upon the basis of sealed, competitive bids at such time as the Commission shall designate.

A suggested form of "Notice of Bond Sale", a suggested form of "Official Notice of Sale of Bonds", and a suggested form of "Bid Form", having been prepared in advance by Rubin & Hays, Municipal Bond Attorneys, Louisville, Kentucky, and a suggested form of Statement of Essential Facts having been prepared in advance by Mayes, Sudderth & Etheredge, Inc., Consulting Engineers, Lexington, Kentucky, and all of such documents having been found to be in satisfactory form, the same are hereby approved, and a copy of each is hereby ordered to be filed in the records of the City Clerk with the Minutes of the meeting at which this Ordinance is adopted. The Notice of Bond Sale shall be signed by the City Clerk and may be used for the purpose of publishing notice of the sale of the Bonds. Copies of such documents shall be furnished to any interested parties who may request same.

In the event that there is no bid or that all bids are rejected, the City may readvertise the sale pursuant to this Ordinance.

Section 902. Possible Adjustment in Date of Current Bonds, Maturities, Prepayment Provision, and Other Dates, With Consent of Purchaser if Delivery is Delayed.

In the event that delivery of the Current Bonds authorized herein is delayed for any reason until after January 1, 1988 (or January 1, 1989), the name of the Bonds may, pursuant to Resolution adopted by the Governing Body of the City, with the written consent of the purchaser of the Bonds, be changed to "City of Greensburg Water and Sewer Revenue Bonds of 1988" (or "Bonds of 1989"), with maturities, the applicable prepayment date, and all other dates being adjusted accordingly.

ARTICLE 10.

CONCLUDING PROVISIONS

Section 1001. Covenant of City to Take All Necessary Action To Assure Compliance with Internal Revenue Code.

In order to assure the purchaser (and any subsequent owner) of the Bonds that such Bonds shall continue to be legal and that interest thereon will continue to be excludable from gross income for Federal income tax purposes and exempt from Kentucky income taxation, in addition to the covenants contained in Section 303 hereof, the City covenants to and with the owners of the Bonds as follows:

(a) The City will take all actions necessary to comply with the provisions of the Code; the City will take no actions which will violate any of the provisions of the Code, or would cause the Bonds to become "private activity Bonds" within the meaning of the Code; none of the proceeds of the Bonds will be used for any purpose which would cause the interest on the Bonds to become includable in gross income for purposes of Federal income taxation.

(b) The City hereby certifies that it does not reasonably anticipate that the total principal amount of qualified tax-exempt obligations which the City, or any subordinate entity of the City, will issue during the calendar year ending December 31, 1987, will exceed \$10,000,000, and therefore the City hereby designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

(c) The City hereby certified that neither the City nor any subordinate entity reasonably expects to issue more than \$5,000,000 of tax-exempt bonds (other than private activity bonds) during the calendar year in which the Bonds are being issued and that 95% or more of the net proceeds of the Bonds are to be used for governmental activities of the City.

(d) The City certifies that these Bonds are not private activity Bonds within the meaning of the Code, and the City has been advised by Bond Counsel, and therefore believes that interest on the Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals.

(e) Although the City has certified that neither the City, nor any subordinate entity of the City, reasonably expects to issue bonds or other obligations as a local bond within the meaning of Section 103(a) of the Code in a principal amount in excess of \$5,000,000 during the calendar year ending December 31, 1987, and that therefore, the Funds created herein are not subject to the "rebate requirements" on excess earnings in favor of the United States of America imposed by Section 148(f) of the Code, the City covenants and agrees that in the event it is subsequently determined by the City, upon the advice of recognized Bond Counsel, that the Construction Fund, or any other Fund established hereunder, is subject to said rebate requirements and does in fact generate earnings from "non-purpose investments" in excess of the amount which said investments would have earned at a rate equal to the "yield" on the Bonds,

plus any income attributable to such excess, there shall be established a separate and special Fund with the Depository Bank or the Construction Account Depository, or both, if applicable, which Fund(s) shall be designated the "Excess Earnings and Rebate Fund", which shall be utilized for the collection and payment of any excess generated from investments and the remittance thereof to the United States on or before the anniversary of the fifth year from the date of the Bonds, and once every five years thereafter until the final retirement of the Bonds; the last installment, to the extent required, to be made no later than sixty days following the date on which funds sufficient for the complete retirement of the Bonds are deposited with the Depository Bank. The City further covenants to file any and all reports, if any, as may be required to be filed with the United States Government, with regard to the liability or non-liability of the City as to any such rebate requirements and to maintain records in regard thereto for the period of time required by applicable Treasury Regulations.

(f) The City acknowledges that it has been advised that the excludability of interest on the Bonds from gross income for the purpose of Federal income taxation is subject to a number of exceptions, such as (1) the fact that such interest will be included by corporations when making the adjustment for book income in calculating the alternative minimum taxable income of corporations, (2) interest on the Bonds must be taken into account in the computation of certain other taxes that may be imposed on corporations, including, without limitation, the environmental tax, the branch profits tax on foreign corporations, the effect on certain S Corporations with excess passive income, and other tax consequences to certain insurance companies, and (3) certain other exceptions deemed unnecessary to list in this Ordinance.

Section 1002. Severability Clause.

If any section, paragraph, clause, or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 1003. All Provisions in Conflict Repealed.

All motions, ordinances, and orders, or parts thereof, in conflict with the provisions of this Ordinance, are to the extent of such conflict hereby repealed. It is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds of the City payable or secured in any manner by all or any part of the income and revenues of said System or any part thereof, and which have not been heretofore issued and delivered, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered. If part hereof is invalid, the remainder shall continue in effect. The City covenants to repeat any required procedure previously taken invalidly.

Section 1004. Effective Immediately Upon Enactment of This Ordinance and Publication of a Certified Summary Thereof.

This Ordinance shall take effect and be effective immediately upon its enactment and upon publication of a certified summary hereof, as provided by law.

Given first reading on October 12, 1987.

Given second reading and enacted on October 23, 1987.

Mayor

(Seal of City)

Attest:

City Clerk

CERTIFICATION

I, WILMA B. DeSPAIN, hereby certify that I am the duly qualified and acting City Clerk of the City of Greensburg, Kentucky, that the foregoing Ordinance is a true copy of an Ordinance given first reading by the City Council of the City on October 12, 1987, and given second reading and duly enacted by the City Council of said City, signed by the Mayor of said City and attested under Seal by me as City Clerk, at a properly convened meeting of said City Council held on October 23, 1987, as shown by the official records of said City in my custody and under my control, that a certified summary of said Ordinance has been ordered to be published as required by law, and that said Ordinance appears as a matter of public record in said official records.

I further certify that said meetings were duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820, and 61.825, that a quorum was present at each of said meetings, that said Ordinance has not been modified, amended, revoked, or repealed, and that same is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature as City Clerk and the official Seal of said City this _____ day of October, 1987.

(Seal of City)

City Clerk

5a(2/2)

KENTUCKY INFRASTRUCTURE AUTHORITY
ASSISTANCE AGREEMENT
(FmHa LOAN ACQUISITION PROGRAM)

PRINCIPAL AMOUNT OF LOAN: \$ 542,486.45
PROJECT NUMBER: C89-20
SERIES FINANCING:
BORROWER: City of Greensburg
BORROWER'S ADDRESS: 105 W. Hodgenville Avenue
Greensburg, KY 42743
DATE OF ASSISTANCE AGREEMENT: April 11, 1989
TERMINATION DATE:

FmHA PROJECT NO. Case No.: 20-44-616001832
Fund Code Loan No.: 91-01

ASSISTANCE AGREEMENT

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KENTUCKY INFRASTRUCTURE AUTHORITY
ASSISTANCE AGREEMENT

This ASSISTANCE AGREEMENT, made and entered into as of this 1st day of April, 1989, by and between the KENTUCKY INFRASTRUCTURE AUTHORITY (hereinafter sometimes referred to as the "Authority"), a body corporate and politic, duly organized and existing pursuant to Chapter 224A of the Kentucky Revised Statutes, as amended, and the _____, Kentucky, a duly organized and existing corporate and politic pursuant to Section _____ of the Kentucky Revised Statutes (hereinafter sometimes referred to as the "Governmental Agency");

W I T N E S S E T H:

WHEREAS, the Kentucky Infrastructure Authority has been duly created by the authorized legislative body of the Commonwealth of Kentucky, to-wit: The General Assembly of the Commonwealth of Kentucky, by the enactment of Chapter 329 of the Acts of such General Assembly, 1972 Regular Session, Chapter 336 of the Acts of such General Assembly, 1974 Regular Session, Chapter 216 of the Acts of such General Assembly, 1984 Regular Session, and Chapter 124 of the Acts of such General Assembly, 1988 Regular Session, all the same being now codified as Chapter 224A of the Kentucky Revised Statutes, as amended, (the "Enabling Legislation"), as a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth of Kentucky, charged with the duty to engage in a program of financing assistance to Governmental Agencies within the Commonwealth of Kentucky in respect of the acquisition of infrastructure facilities; and the provisions of the Enabling Legislation expressly provides that Cities of all classes may enter into Assistance Agreements with the Authority to provide funding for public facilities as more fully described in Exhibit A hereto; and

WHEREAS, it is the duty of the Authority to implement and carry forward the public policy of the Commonwealth of Kentucky to preserve, protect, upgrade, conserve, develop, utilize and manage the resources of the Commonwealth of Kentucky (the "Commonwealth" or "State") for the protection and preservation of the health, safety, convenience and welfare, and for the health and welfare of the populace of the Commonwealth, and in that respect to assist and cooperate with Governmental Agencies in achieving such purposes; and

WHEREAS, the Governmental Agency has determined, pursuant to the provisions of applicable Sections of the Kentucky Revised Statutes to acquire and finance a public facilities project pursuant to the Act (the "Project"), in order to provide improved public service facilities to better serve the growing needs of said Governmental Agency, and said Project to be acquired by the Governmental Agency qualifies for financing by the Authority and constitutes a "Project" (sometimes known as "Eligible Project") or "Infrastructure Facility" within the meaning of the Enabling Legislation and as set forth in the General Trust Indenture by and between the Authority and the Trustee ("General Trust Indenture") dated as of April 1, 1989; and the Governmental Agency has completed all preliminary procedures in respect of the Project pursuant to the Act, and an Assistance Agreement pursuant to the Enabling Legislation and the General Trust Indenture may now be consummated between the parties; and

WHEREAS, the Governmental Agency desires to enter into an Assistance Agreement with the Authority for the purpose of securing from the Authority a Loan in an amount equal to the costs of acquisition of the Project (as the term "acquisition" is defined in the General Trust Indenture), in order to secure to the Governmental Agency the advantages of the credit of the Authority and its ability to finance such costs of acquisition for the Governmental Agency; and

WHEREAS, the Authority is willing to cooperate with the Governmental Agency in making available to the Governmental Agency a Loan pursuant to the Enabling Legislation equal to the costs of acquisition of said Project by the Governmental Agency as described in Exhibit A attached hereto and impose sufficient rentals or service charges for the use of said public facilities ("service charges"), repay to the Authority said Loan and interest thereon as hereinafter specifically provided; and

WHEREAS, the Authority and the Governmental Agency have determined to enter into this Assistance Agreement, pursuant to the terms of the Enabling Legislation and the Act, to set forth their respective duties, rights, covenants and obligations with respect to the financing and acquisition of the Project and the repayment of the Loan and interest thereon by the Governmental Agency;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER, AS FOLLOWS:

ARTICLE I
DEFINITIONS

Section 1.1 Except where the context clearly indicates otherwise, the words and phrases initially capitalized in this Assistance Agreement shall have the meanings ascribed in the Enabling Legislation and General Trust Indenture. Said Enabling Legislation, being Chapter 224A of the Kentucky Revised Statutes, as amended, which Enabling Legislation is incorporated in this Assistance Agreement by reference, the same as if set forth herein verbatim; provided, however, that singular may include plural and plural may include singular.

Section 1.2 "EPA" means and refers to the Environmental Protection Agency of the United States of America, which EPA has been vested with the powers, duties and obligations formerly reposed in the Federal Water Quality Administration of the United States Department of the Interior and shall include any lawful successor thereto or designee thereof.

Section 1.3. "Appropriate state and/or federal coordinating agency" or "participating state or federal agency" shall mean any cabinet, department, division or agency of the Commonwealth of Kentucky or any agency of the United States of America granted the responsibility for the administration, supervision, regulation or auditing of any grant or loan program utilized with respect to a Project or the enforcement of any state or federal laws with respect to a Project.

ARTICLE II
AGREEMENT OF KENTUCKY INFRASTRUCTURE AUTHORITY
TO MAKE LOAN TO GOVERNMENTAL AGENCY

Section 2.1 The Kentucky Infrastructure Authority hereby unqualifiedly covenants and agrees that it will make and deliver to the Governmental Agency, or on account of the Project of the Governmental Agency, pursuant to the rules, regulations and procedures of the Authority, a Loan pursuant to the Enabling Legislation, such Loan to be equal to the amounts set forth in Exhibit B hereto. Said Loan shall be made to the Governmental Agency by the Authority only from the proceeds of the Authority's Bonds which are to be issued in accordance with the Enabling Legislation and the General Trust Indenture, which Bonds are to be paid from Authority revenues, including the service charge of the Governmental Agency identified in Exhibit B hereto. Such Loan shall be payable to or upon the order of the Governmental Agency at such time or times, or payable on account of the Project of the Governmental Agency at such time

or times as may be required by the acquisition schedule of the Project, the monetary requirements thereof, and the rules, regulations and procedures of the Authority. The amount of said Loan and the repayment schedule thereof is set forth in Exhibit B hereto, and it is agreed that Authority Bonds shall be issued in an amount adequate to provide said Loan to the Governmental Agency. The amount of the Loan described in Exhibit B hereto contains provision for the funding of the debt service reserve fund of the Authority. In the event the Loan shall not be adequate to pay the costs of acquisition of the Project based upon final cost data, the parties hereto shall, at the option of the Governmental Agency, enter into such supplemental Assistance Agreement as shall be required to assure proper funding of the entire cost of acquisition of the Project of the Governmental Agency.

Section 2.2 The entire Loan in the principal amount finally made, plus the sums hereinafter mentioned, shall be repaid to the Kentucky Infrastructure Authority by the Governmental Agency pursuant to the procedures hereinafter set forth in this Assistance Agreement, from the income and revenues derived by the Governmental Agency from the operation and use of, and Service Charges and levies imposed to pay the costs of, the Project. It is hereby covenanted and agreed by the Governmental Agency that a schedule of rates, rentals, charges or surcharges, for the use by the public served by the Governmental Agency of the Project (or payment therefor) as described in Exhibit B to this Assistance Agreement has been, or shall be promptly adopted, placed in full force and effect, and collected and enforced, and the required proportions thereof remitted to the Authority by the Governmental Agency, such schedule of rates, rentals, charges or surcharges, the proportion and amounts thereof due to be remitted to the Authority and the times of such remittals to be in strict accordance with the provisions of Exhibit B to this Assistance Agreement and incorporated herein.

ARTICLE III
IDENTIFICATION OF THE PROJECT; OWNERSHIP
OF THE PROJECT; RIGHTS OF ACCESS THERETO;
GOVERNMENTAL AGENCY FINANCING

Section 3.1 The Project to be undertaken by the Governmental Agency shall generally consist of the acquisition of the facilities described in Exhibit A by the Governmental Agency in respect of the Project. The cost of the Project, not including allowances for debt service reserve funding, is estimated to aggregate \$ 765,000 plus \$864,000.

Section 3.2 The Governmental Agency agrees that the Authority and its duly authorized agents and any other cabinet or agency of the Commonwealth and its duly authorized agents shall have the right at all reasonable times, and subject to prior notice to the Governmental Agency, to enter upon the Project sites and Project facilities and to examine and inspect the same. The Governmental Agency further agrees that the Authority and its duly authorized agents shall have such rights of access to the Project sites and Project facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority in respect of the Project pursuant to KRS 224A.180, as amended, in the event of failure or default of the Governmental Agency in the performance of its duties, obligations and covenants pursuant hereto.

Section 3.3. All real estate and interest in real estate, and all personal property constituting the Project and the Project site or sites heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency so long as this Assistance Agreement is in effect.

Section 3.4 In the event of Governmental Agency is required to locally finance by direct appropriation any portion of the costs of Acquisition of the Project, the Authority, prior to disbursement of any part of the Loan, shall be furnished such reasonable proofs as it may require of the ability of the Governmental Agency to finance such costs of Acquisition of the Project not paid by the Loan and any other moneys, including federal grants, if any, received on account of the Project.

ARTICLE IV
ACQUISITION OF SITES OF ELIGIBLE PROJECT;
ACQUISITION OF PROJECT FACILITIES AND
PAYMENT OF COSTS THEREOF

Section 4.1 Subject to the terms, conditions and provisions of this Assistance Agreement, the Governmental Agency shall do all things necessary to acquire all proposed and necessary sites, easements and rights-of-way necessarily required in respect of the Project and to acquire the Project in accordance with the agreement by and between the Governmental Agency and the Farmers Home Administration..

Section 4.2 In connection with the acquisition of the Project, the Governmental Agency covenants and agrees that it will comply with its agreement with the Farmers Home Administration for the retirement of its loan with respect to such public financing.

Section 4.3 The Governmental Agency shall keep complete and accurate records of the cost of acquiring the Project. The Governmental Agency shall permit the Authority, acting by and through its Executive Director or his duly authorized representatives, and any of his duly authorized representatives, or appropriate state and/or federal coordinating agency or cabinet, if appropriate state and/or federal coordinating agency or cabinet financial assistance is involved in the acquisition of the Project to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority (or appropriate state and/or federal coordinating agency or cabinet) such documents and information as such public bodies may reasonably require in connection with the administration of federal and state loans.

ARTICLE V
CERTAIN COVENANTS OF THE GOVERNMENTAL AGENCY;
PAYMENTS TO BE MADE BY GOVERNMENTAL AGENCY TO THE AUTHORITY

Section 5.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Assistance Agreement, pursuant to which a Loan is to be made by the Authority to the Governmental Agency as specified in the Enabling Legislation and General Trust Indenture. The Governmental Agency hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately impose service charges, or surcharges upon all persons, firms and entities to whom sanitary sewer services are provided by the acquisition of the Project, such service charges or surcharges, to be as set forth in Exhibit B hereto, and to be pledged to and remitted to the Authority in the proportions, at the times and for the duration specified in said Exhibit B. If so required, such service charges shall be in addition to all other rates, rentals and service charges of a similar nature of the Governmental Agency now or hereafter authorized by law, and now or hereafter being levied and collected by the Governmental Agency and shall be levied and collected solely for the purpose of repaying to the Authority all sums received from the Authority as representing a Loan in respect of the Project.

Section 5.2 The obligation of the Governmental Agency to repay to the Authority the amount of the Loan from the service charges, surcharges or improvement benefit assessments which are stipulated in Exhibit B hereto shall not be revocable, and in the event that services supplied by the Project shall cease, or be suspended for any reason, the

Governmental Agency shall continue to be obligated to repay the Loan from the service charges, surcharges or improvement benefit assessments stipulated in Exhibit B hereto. In the event the Governmental Agency defaults in the payment of any of said service charges, surcharges or improvement benefit assessments to the Authority, the amount of such default shall bear interest at the Applicable Interest Rate, or ten percent (10%) per annum, whichever is the greater, from the date of the default until the date of the payment thereof.

Section 5.3 In the event, for any reason, the schedule of service charges or surcharges as set forth in Exhibit B hereto shall prove to be insufficient to provide to the Authority the minimum sums set forth in Article V, Section 5.4, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and state, immediately adjust and increase such schedule of service charges or surcharges so as to provide funds sufficient to pay to the Authority the minimum sums set forth in Article VI, Section 6.4.

Section 5.4 The service charges or surcharges herein covenanted to be imposed by the Governmental Agency shall be fixed at such rate or rates (and it is represented that the schedule set forth in Exhibit B hereto so qualifies), as shall be at least adequate to repay to the Authority over a period of not to exceed thirty (30) years on a level debt service basis not less than the sum of the following:

(i) The aggregate principal amount of the Loan made by the Authority to the Governmental Agency, including that proportional portion of the overhead costs (including Debt Service Reserve) of the issue of Bonds by the Authority as shall represent the amount of the Governmental Agency Loan relative to the totality of all Loans included in said issue of Bonds; and

(ii) Interest on the aggregate balance of the principal amount of the loan from time to time remaining unpaid, computed at the Applicable Interest Rate, plus an amount not to exceed one-tenth of one percent (1/10 of 1%). Such service charges, surcharges or improvement benefit assessments imposed by the Governmental Agency shall be paid by the users of the Project not less frequently than biannually, and shall, in the appropriate amounts as set forth in Exhibit B be remitted to the Authority by the Governmental Agency with a report showing collections and any delinquencies, such report to be made on or before the twentieth (20th) day of the month following the payment of such service charges or surcharges by users of the Project.

Section 5.5 The Governmental Agency hereby irrevocably covenants and agrees with the Authority:

(A). That, as aforesaid, it will at all times impose, prescribed, charge and collected such service charges as set forth in Exhibit B hereto for the services of the Project as shall result in net revenues to the Governmental Agency at least adequate to provide for the payments to the Authority required by this Assistance Agreement.

(B). That it will furnish to the Authority not less than annually reports of the operations and income and revenues of the Project, and will permit authorized agents of the Authority to inspect all records, accounts and data of the Project at all reasonable times.

(C). That it will collect, account for and promptly remit to the Authority those specific revenues, funds, income and proceeds derived from service charges, surcharges and improvement benefit assessments incident to the Assistance Agreement.

ARTICLE VI
MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 6.1 The Governmental Agency agrees that during the entire term of this Assistance Agreement, it will keep the Project, including all appurtenances thereto, and the equipment and machinery therein, in good and sound repair and good operating condition at its own cost so that the completed Project will continue to provide the services for which such Project is designed.

Section 6.2 The Governmental Agency shall have the privilege of making additions, modifications and improvements to the sites of the Project, and to the Project itself from time to time provided that said additions, modifications and improvements do not impair the operation or objectives of the Project. The cost of such additions, modifications and improvements shall be paid by the Governmental Agency, and the same shall be the property of the Governmental Agency and shall be included under the terms of this Assistance Agreement as part of the site of the Project, or the Project, as the case may be. Nothing herein contained shall be construed as precluding the Authority and the Governmental Agency from entering into one or more supplementary Assistance Agreements providing for Loans in respect of additional Projects undertaken by the Governmental Agency.

Section 6.3 The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards, if any, established by the appropriate state and/or federal coordinating agency (if EPA financial assistance is received in respect of the Project). The Governmental Agency agrees that qualified operating personnel properly certified by the Commonwealth of Kentucky will be retained to operate the Project during the entire terms of this Assistance Agreement.

Section 6.4 The Governmental Agency agrees that it will permit the Authority, the appropriate state and/or federal coordinating agency (if EPA financial assistance is received in respect of the Project) and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project, and commencement of operations thereof.

Section 6.5 The Governmental Agency agrees to insure the Project facilities in such amount as like properties are similarly insure by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.

Section 6.6 Any insurance policy issued pursuant to Section 6.5 hereof, shall be so written or endorsed as to make losses, if any, payable to the Governmental Agency, and to the Authority, as their interests may appear.

Section 6.7 The Governmental Agency agrees that it will carry public liability insurance with reference to the Project with one or more reputable insurance companies duly qualified to do business in the Commonwealth in minimum amounts of Five Hundred Thousand Dollars (\$500,000) for the death of, or personal injury of, one (1) person, and One Million Dollars (\$1,000,000) for personal injury or death for each occurrence in connection with the Project; and Five Hundred Thousand Dollars (\$500,000) for property damage for any occurrence in connection with the Project facilities. The Authority shall be made an additional insured under such policy or policies.

Section 6.8 Throughout the entire term of this Assistance Agreement, the Governmental Agency shall maintain workers' compensation coverage, or cause the same to be maintained.

Section 6.9 If, prior to the completion of the term of this Assistance Agreement, the Project shall be damaged or partially or totally destroyed by fire, windstorm or other casualty, there shall be no abatement or reduction in the amount payable by the Governmental Agency pursuant to the terms of this Assistance Agreement, and the Governmental Agency will (1) promptly repair, rebuild or restore the Project damaged or destroyed; and (2) apply for such purpose so much as may be necessary of any net proceeds or insurance resulting from claims for such losses, as well as any additional moneys of the Governmental Agency necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Governmental Agency, and shall be promptly applied as herein provided.

Section 6.10 In the event that title to, or the temporary use of, the Project, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental authority, there shall be no abatement or reduction in the minimum amounts payable by the Governmental Agency to the Authority pursuant to the terms of this Assistance Agreement, and any and all net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Governmental Agency in a separate condemnation award account and shall be applied by the Governmental Agency in either or both of the following ways, as shall be determined by the Governmental Agency in its sound discretion:

(A). The restoration of the improvements located on the Project sites to substantially the same condition as prior to the exercise of said power of eminent domain; or

(B). The acquisition of additional property, if necessary, and the acquisition of additional facilities by construction or otherwise, equivalent to the Project facilities, which property and facilities shall be deemed to be a part of the Project sites and a part of the Project facilities and to be substituted for Project facilities so taken by eminent domain, without the payment of any amount other than herein provided, to the same extent as if such property and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section 6.10, shall be paid to the Governmental Agency upon delivery to the Authority of a certificate signed by the Chief Executive Officer of the Governmental Agency to the effect that the Governmental Agency has complied with either subparagraph (A)

or (B), or both, of this Section 6.10, and written approval of such certificate by the Executive Director of the Authority. In no event will the Governmental Agency voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Authority.

ARTICLE VII
MISCELLANEOUS PROVISIONS

Section 7.1 Any approval of the Authority required by this Assistance Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth (30th) day following the submission of any matter requiring approval to the Executive Director of the Authority, unless disapproved in writing prior to such thirtieth (30th) day. Any provision of this Assistance Agreement requiring the approval of the Authority or the satisfaction or the evidence of satisfaction of the Authority shall be interpreted as requiring action by the Executive Director of the Authority granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 7.2 This Agreement is made subject to, and conditioned upon, the approval of this Assistance Agreement by the appropriate state and/or federal coordinating agency to the extent required by law.

Section 7.3 This Assistance Agreement shall become effective as of the date first set forth hereinabove and shall continue to full force and effect until the final day of the twentieth (20th) year following the date of commencement of transferral of the receipt of service charges or surcharges by the Governmental Agency to the Authority as herein set forth, or until the day the obligations of the Governmental Agency pursuant to the provisions of this Assistance Agreement have been fully satisfied.

Section 7.4 This Assistance Agreement shall be binding upon, and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, nor assignable by either of the parties without the written consent of the other party.

IN WITNESS WHEREOF, the parties hereto have caused this Assistance Agreement to be executed by their respective duly authorized officers as of the day and year first above written.

KENTUCKY INFRASTRUCTURE
AUTHORITY

ATTEST:

Donald Moore
Secretary

BY James O. Pansz
Executive Director

GOVERNMENTAL AGENCY

BY William F. Taylor
Title Mayor

(Seal)

ATTEST:

William B. DeSpain
Title City Clerk

APPROVED pursuant to KRS 224A.100:

BY [Signature]
Title _____

EXAMINED:

John C. Marchant
Attorney, Department of Finance

EXHIBIT A

TO ASSISTANCE AGREEMENT BETWEEN THE CITY OF GREENSBURG,
KENTUCKY, AND THE KENTUCKY INFRASTRUCTURE AUTHORITY

Total Loan to be Repaid by
Governmental Agency to
Kentucky Infrastructure Authority \$542,486.45

Interest Payable on Unpaid
Principal Balance on Each
January 1 and July 1

Principal Payable on Each January 1

REPAYMENT SCHEDULE

\$739,000 CITY OF GREENSBURG [K07]

PMT NUM	DATE	SCHEDULED PRINCIPAL	RATE	SCHEDULED INTEREST	PAYMENT	OUTSTANDING BALANCE
	05-01-89					542,486.45
1	01-01-90	13,470.18	7.150	28,479.89	41,950.07	529,016.27
		13,470.18		28,479.89	41,950.07	
2	07-01-90			20,878.36	20,878.36	529,016.27
3	01-01-91	943.28	7.200	20,878.36	21,821.64	528,072.99
		943.28		41,756.72	42,700.00	
4	07-01-91			20,844.40	20,844.40	528,072.99
5	01-01-92		7.250	20,844.40	20,844.40	528,072.99
		0.00		41,688.80	41,688.80	
6	07-01-92			20,844.40	20,844.40	528,072.99
7	01-01-93		7.300	20,844.40	20,844.40	528,072.99
		0.00		41,688.80	41,688.80	
8	07-01-93			20,844.40	20,844.40	528,072.99
9	01-01-94	1,111.20	7.350	20,844.40	21,955.60	526,961.79
		1,111.20		41,688.80	42,800.00	
10	07-01-94			20,803.56	20,803.56	526,961.79
11	01-01-95	842.87	7.350	20,803.56	21,646.43	526,118.92
		842.87		41,607.12	42,449.99	
12	07-01-95			20,772.59	20,772.59	526,118.92
13	01-01-96	1,554.82	7.400	20,772.59	22,327.41	524,564.10
		1,554.82		41,545.18	43,100.00	
14	07-01-96			20,715.06	20,715.06	524,564.10
15	01-01-97	1,269.88	7.400	20,715.06	21,984.94	523,294.22
		1,269.88		41,430.12	42,700.00	
16	07-01-97			20,668.07	20,668.07	523,294.22
17	01-01-98	1,963.85	7.450	20,668.07	22,631.92	521,330.37
		1,963.85		41,336.14	43,299.99	
18	07-01-98			20,594.92	20,594.92	521,330.37
19	01-01-99	1,660.16	7.450	20,594.92	22,255.08	519,670.21
		1,660.16		41,189.84	42,850.00	

\$739,000 CITY OF GREENSBURG [K07]

PMT NUM	DATE	SCHEDULED PRINCIPAL	RATE	SCHEDULED INTEREST	PAYMENT	OUTSTANDING BALANCE
20	07-01-99			20,533.08	20,533.08	519,670.21
21	01-01-00	2,333.84	7.500	20,533.08	22,866.92	517,336.37
		2,333.84		41,066.16	43,400.00	
22	07-01-00			20,445.56	20,445.56	517,336.37
23	01-01-01	2,008.88	7.550	20,445.56	22,454.44	515,327.49
		2,008.88		40,891.12	42,900.00	
24	07-01-01			20,369.73	20,369.73	515,327.49
25	01-01-02	2,660.55	7.600	20,369.73	23,030.28	512,666.94
		2,660.55		40,739.46	43,400.01	
26	07-01-02			20,268.63	20,268.63	512,666.94
27	01-01-03	3,312.75	7.850	20,268.63	23,581.38	509,354.19
		3,312.75		40,537.26	43,850.01	
28	07-01-03			20,138.60	20,138.60	509,354.19
29	01-01-04	2,972.80	7.850	20,138.60	23,111.40	506,381.39
		2,972.80		40,277.20	43,250.00	
30	07-01-04			20,021.92	20,021.92	506,381.39
31	01-01-05	3,606.17	7.850	20,021.92	23,628.09	502,775.22
		3,606.17		40,043.84	43,650.01	
32	07-01-05			19,880.38	19,880.38	502,775.22
33	01-01-06	4,239.25	7.850	19,880.38	24,119.63	498,535.97
		4,239.25		39,760.76	44,000.01	
34	07-01-06			19,713.98	19,713.98	498,535.97
35	01-01-07	4,872.03	7.850	19,713.98	24,586.01	493,663.94
		4,872.03		39,427.96	44,299.99	
36	07-01-07			19,522.76	19,522.76	493,663.94
37	01-01-08	5,504.48	7.850	19,522.76	25,027.24	488,159.46
		5,504.48		39,045.52	44,550.00	
38	07-01-08			19,306.71	19,306.71	488,159.46
39	01-01-09	6,136.59	7.910	19,306.71	25,443.30	482,022.87
		6,136.59		38,613.42	44,750.01	

\$739,000 CITY OF GREENSBURG [K07]

PMT NUM	DATE	SCHEDULED PRINCIPAL	RATE	SCHEDULED INTEREST	PAYMENT	OUTSTANDING BALANCE
40	07-01-09			19,064.00	19,064.00	482,022.87
41	01-01-10	6,771.99	7.910	19,064.00	25,835.99	475,250.88
		6,771.99		38,128.00	44,899.99	
42	07-01-10			18,796.17	18,796.17	475,250.88
43	01-01-11	7,407.65	7.910	18,796.17	26,203.82	467,843.23
		7,407.65		37,592.34	44,999.99	
44	07-01-11			18,503.20	18,503.20	467,843.23
45	01-01-12	8,043.60	7.910	18,503.20	26,546.80	459,799.63
		8,043.60		37,006.40	45,050.00	
46	07-01-12			18,185.08	18,185.08	459,799.63
47	01-01-13	8,679.85	7.910	18,185.08	26,864.93	451,119.78
		8,679.85		36,370.16	45,050.01	
48	07-01-13			17,841.79	17,841.79	451,119.78
49	01-01-14	9,316.43	7.910	17,841.79	27,158.22	441,803.35
		9,316.43		35,683.58	45,000.01	
50	07-01-14			17,473.32	17,473.32	441,803.35
51	01-01-15	9,953.35	7.910	17,473.32	27,426.67	431,850.00
		9,953.35		34,946.64	44,899.99	
52	07-01-15			17,079.67	17,079.67	431,850.00
53	01-01-16	431,850.00	7.910	17,079.67	448,929.67	0.00
		431,850.00		34,159.34	466,009.34	
TOTAL		542,486.45		1,056,700.57	1,599,187.02	

ACCRUED INTEREST FROM 05-09-89 949.35
 AVERAGE INTEREST RATE 7.903%
 BOND YEARS 13,370.723
 AVERAGE LIFE 24.647 YRS.

It is understood and agreed by the parties to this Assistance Agreement that this Exhibit A is an integral part of the Assistance Agreement between the City of Greensburg, Kentucky and the Kentucky Infrastructure Authority.

IN WITNESS WHEREOF, the parties have caused this Exhibit A to Assistance Agreement to be executed by their respective duly authorized officers as of the date of said Assistance Agreement.

KENTUCKY INFRASTRUCTURE AUTHORITY

By

James D. Rouse
Executive Director

* * *

CITY OF GREENSBURG, KENTUCKY

By

William F. Taylor
Mayor

(SEAL)

ATTEST:

Wihna B. DeSain
City Clerk

DESCRIPTION OF FINANCED FACILITIES

1. new equipment and facilities at the water treatment plant changing the discharge service pumping capacity from 500 gallons per minute to 1,000 gallons per minute;
2. new pumps at the water source intake doubling the pumping capacity for water intake;
3. a new 200,00 gallon water storage tank;
4. many new main water lines and "loop" lines within the City of Greensburg.

Kentucky Infrastructure Authority
 FmHA Community Program
 Discount Purchase Program
 Savings Analysis For:

\$739,000 CITY OF GREENSBURG [K07]

I. Current Loan

A. Maturity	01/01/2027
B. Principal Outstanding	739,000
C. Interest Rate	5.000%
D. Total Remaining Debt Service	1,699,050.00
E. Average Annual Debt Service	44,613.80
F. Discount Factor (Tax-Exempt)	0.63536
G. Prepayment Price	469,531.04
H. Accrued Interest	12,316.67

II. Kentucky Infrastructure Loan

A. New Principal Amount	547,000.00
1. Prepayment Price	469,531.04
2. Accrued	12,316.67
3. Reserve Fund	54,700.00
4. Discount & Expenses	10,452.29
B. New Final Maturity	07/01/2017
C. Average Interest Rate	8.06577%
D. Total Debt Service	1,247,477.13
E. Average Annual Debt Service	44,288.59
F. Total Debt Service Savings	451,572.87

III. Comparative Analysis: Old Debt Versus New Debt

A. Principal Amount	
1. Reduction of Principal	192,000.00
2. Percentase Reduction	25.98106%
B. Total Debt Service	
1. Reduction in Amount	451,572.87
2. Percentase Reduction	26.57796%

Re: First Supplemental Assistance Agreement between the Kentucky Infrastructure Authority ("KIA") and City of Greensburg, Kentucky (the "Governmental Agency") relating to Kentucky Infrastructure Authority Governmental Agencies Program Revenue Refunding Bonds, 1993 Series F

GENERAL CLOSING CERTIFICATE OF GOVERNMENTAL AGENCY

In connection with the issuance and delivery this day of the above-captioned bonds (the "Bonds"), a portion of the proceeds of which are to be used to refinance a loan to the undersigned Governmental Agency (the "Governmental Agency"), the Governmental Agency through its undersigned duly authorized officer hereby certifies, represents, warrants and covenants as follows:

1. No event of default exists under the Assistance Agreement entered into between the Kentucky Infrastructure Authority ("KIA") and the Governmental Agency (the "Assistance Agreement") and the representations and warranties set forth in the Assistance Agreement are true and correct as of the date hereof.

2. The Governmental Agency has examined and is familiar with proceedings of the governing body of the Governmental Agency approving the First Supplemental Assistance Agreement referred to above (which amends the Assistance Agreement) and authorizing its negotiation, execution and delivery and such proceedings were duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such proceedings are in full force and effect and have not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

3. The Governmental Agency is a duly organized and validly existing political subdivision of the Commonwealth of Kentucky with full power to own its properties, conduct its affairs, enter into the First Supplemental Assistance Agreement and consummate the transactions contemplated thereby.

4. The negotiation, execution and delivery of the First Supplemental Assistance Agreement by the Governmental Agency and the consummation of the transactions contemplated thereby by the Governmental Agency have been duly authorized by all requisite action of the governing body of the Governmental Agency.

5. The First Supplemental Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent

that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

6. There is no controversy or litigation of any nature pending, or to the knowledge of the Governmental Agency after diligent inquiry, threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under the First Supplemental Assistance Agreement, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of the First Supplemental Assistance Agreement, or in any way contesting or affecting the validity of the First Supplemental Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of the First Supplemental Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with the First Supplemental Assistance Agreement.

7. The authorization and delivery of the First Supplemental Assistance Agreement and the consummation of the transactions contemplated thereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

8. All actions taken by the Governmental Agency in connection with the First Supplemental Assistance Agreement have been in full compliance with the provisions of the Kentucky Open Meetings Law, KRS 61.805 to 61.850.

9. The Governmental Agency has all licenses, permits and other governmental approvals required to own, occupy, operate and maintain the Project and to enter into the First Supplemental Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Governmental Agency Project, and has full right, power and authority to perform the acts and things as provided for in the First Supplemental Assistance Agreement.

10. The individuals named below are the duly elected or appointed qualified and acting incumbents in the office of the Governmental Agency indicated after their respective names and the signatures subscribed above their names are their genuine signatures.

11. During this calendar year, the Governmental Agency does not expect to issue, or have issued on its behalf, tax-exempt obligations (including its refinanced loan with the Authority) having an aggregate face amount in excess of \$5,000,000.

WITNESS our signatures, this 8th day of September, 1993.

GOVERNMENTAL AGENCY:

City of Greensburg, Kentucky

By: Bill Edwards
Name: Bill Edwards
Title: Mayor

ATTEST:

By: Wilma DeSpain
Name: Wilma DeSpain
Title: City Clerk

RESOLUTION _____

RESOLUTION OF THE CITY COUNCIL OF CITY OF GREENSBURG, KENTUCKY APPROVING AND AUTHORIZING A FIRST SUPPLEMENTAL ASSISTANCE AGREEMENT BETWEEN THE CITY OF GREENSBURG, KENTUCKY AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the City Council, ("governing authority") of the CITY OF GREENSBURG, KENTUCKY ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Governmental Agency's Water System (the "Project") and

WHEREAS, the Governmental Agency made an application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to permanently finance the costs of the Project; and

WHEREAS, in order to obtain such monies, the Authority sold it revenue bonds (the "1989 C Bonds") and loaned the proceeds thereof to the Governmental Agency pursuant to an Assistance Agreement dated as of April 11, 1989 between the Governmental Agency and the Authority; and

WHEREAS, the conditions of the municipal bond market are much more favorable than at the time the Authority sold the 1989 C Bonds to finance such loan, and as a result thereof the Authority proposes to issue refunding bonds which will refinance such loan; and

WHEREAS, in connection with the refinancing of the loan it is necessary and desirable that the Governmental Agency enter into a First Supplemental Assistance Agreement with the Authority to revise the repayment schedule contained in the Assistance Agreement to reflect the lower costs of the financing; and

NOW, THEREFORE, BE IT RESOLVED by the governing authority of the CITY OF GREENSBURG, KENTUCKY as follows:

SECTION 1. That the governing authority hereby approves and authorizes the First Supplemental Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of amending the repayment schedule with respect to the loan for the Project.

SECTION 2. That any officer of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on Sept. 7, 1993.

Ben Edwards
Presiding Officer

Attest:

William DeSpain


Title: Clerk-Treas.

1993
Sept 7

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting City Clerk of the CITY OF GREENSBURG, KENTUCKY; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said City at a meeting duly held on 9-7, 1993; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 7th day of Sept., 1993.


Recording Officer

September 8, 1993

Kentucky Infrastructure Authority
075 Capitol Annex
Frankfort, Kentucky

RE: First Supplemental Assistance Agreement by and between
Kentucky Infrastructure Authority and City of Greensburg
dated as of September 1, 1993

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to City of Greensburg (hereinafter "Governmental Agency"). I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the Assistance Agreement between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency pursuant to which a project of the Governmental Agency was originally financed and the First Supplemental Assistance Agreement which is being authorized, executed and delivered to amend the Assistance Agreement.

I have reviewed the form of First Supplemental Assistance Agreement by and between the Authority and the Governmental Agency and the resolution or ordinance of the governing authority authorizing the execution and delivery of said First Supplemental Assistance Agreement.

Based upon my review I am of the opinion that:

1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

2) The First Supplemental Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

3) The Governmental Agency has all necessary power and authority to enter into, perform and consummate all transactions

contemplated by the First Supplemental Assistance Agreement.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the First Supplemental Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the First Supplemental Assistance Agreement.

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the First Supplemental Assistance Agreement or the application of any monies or security therefor, (iv) the validity or enforceability of the Service Charges or (v) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the First Supplemental Assistance Agreement.

7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the First Supplemental Assistance Agreement has or have been repealed, rescinded, or revoked.

8) All proceedings and actions of the Governmental Agency with respect to which the First Supplemental Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

Bin Edman

KENTUCKY INFRASTRUCTURE AUTHORITY

FIRST SUPPLEMENTAL ASSISTANCE AGREEMENT

FUND C

PROJECT NUMBER: 20-44-616001832
BORROWER: CITY OF GREENSBURG
BORROWER'S ADDRESS: 105 West Hodgenville Ave.
Greensburg, Kentucky 42743
DATE OF ASSISTANCE AGREEMENT: April 11, 1989
DATE OF FIRST SUPPLEMENTAL
ASSISTANCE AGREEMENT: September 1, 1993

FIRST SUPPLEMENTAL ASSISTANCE AGREEMENT

This First Supplemental Assistance Agreement made and entered into as of the date set forth on the cover page hereof (the "First Supplemental Agreement") by and between the Kentucky Infrastructure Authority, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky (the "Authority") and the governmental agency identified on the cover of this First Supplemental Agreement (the "Governmental Agency"):

W I T N E S S E T H:

WHEREAS, the Authority and the Governmental Agency have heretofore entered into an Assistance Agreement dated as of the date set forth on the cover page hereof (the "Assistance Agreement") for the purpose of providing financial assistance to the Governmental Agency in connection with the acquisition and construction of the Project, as defined in the Assistance Agreement; and

WHEREAS, the Authority and the Governmental Agency desire to amend certain provisions of the Assistance Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN AND IN THE ASSISTANCE AGREEMENT, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE PARTIES HERETO COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS:

ARTICLE I

RELATION TO ASSISTANCE AGREEMENT

This First Supplemental Agreement is supplemental to the Assistance Agreement and shall be read and construed with the Assistance Agreement as though it were part of the same instrument. The provisions of the Assistance Agreement are hereby ratified and affirmed except as amended hereby. All capitalized terms used herein shall have the same meanings as provided in the Assistance Agreement, as amended by this First Supplemental Agreement.

ARTICLE II

AMENDMENT TO ASSISTANCE AGREEMENT

Section 1.1. Exhibit A attached to the Assistance Agreement is hereby amended by replacing said Exhibit A in its entirety with the Exhibit A attached hereto.

ARTICLE III

EFFECT OF FIRST SUPPLEMENTAL AGREEMENT

Section 2.1. From and after the time of taking effect of this First Supplemental Agreement, the Assistance Agreement shall be, and be deemed to be, modified and amended in accordance herewith, and the respective rights, duties and obligations under the Assistance Agreement of the Authority and the Governmental Agency thereunder shall be determined, exercised and enforced thereunder subject in all respects to the provisions of this First Supplemental Agreement, and all provisions hereof shall be deemed to be part of the terms and conditions of the Assistance Agreement for any and all purposes.

ARTICLE IV

EFFECTIVE DATE; MISCELLANEOUS PROVISIONS

Section 3.1. Time of taking effect. This First Supplemental Agreement shall be effective as of the day and year written on the cover page hereof.

Section 3.2. Invalidity of any provision. In case any one or more of the provisions contained herein shall be adjudicated by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby.

Section 3.3. Execution in counterparts. This First Supplemental Agreement may be simultaneously executed and delivered in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Agreement to be executed by their respective duly authorized officers as of the day and year stated on the cover page hereof.

KENTUCKY INFRASTRUCTURE
AUTHORITY

By: *Garth E. Hyatt*
Title: Executive Director

Attest:

Marilyn Eaton-Thomas
Title: Secretary/Treasurer

GOVERNMENTAL AGENCY:

CITY OF GREENSBURG

By: *Bic Edmunds*
Title: Mayor

Attest:

W. DeSpain
Title: Clerk-Treas.

Approved:

[Signature]
Secretary/Finance and
Administration Cabinet of the
Commonwealth of Kentucky

EXAMINED:

Red Shaffer + Williams
Legal Counsel to the
Kentucky Infrastructure
Authority

EXHIBIT A

TO ASSISTANCE AGREEMENT BETWEEN
CITY OF GREENSBURG ;
("GOVERNMENTAL AGENCY") AND
KENTUCKY INFRASTRUCTURE AUTHORITY

Total Loan to be Repaid by
Governmental Agency to
Kentucky Infrastructure Authority \$641,341.05

Principal payable on each January 1

Interest payable on each January 1
and July 1

COMMONWEALTH OF KENTUCKY
 THE KENTUCKY INFRASTRUCTURE AUTHORITY
 Advance Refunding of Series 1989C

Net Refunding Debt Service, City of Greenburg

Date	Principal	Interest	Service Fee 0.100%	Reserve Principal	Reserve Interest	Total Debt Service	Annual Debt Service
09/08/93							
07/01/93		0.00	0.00				
01/01/94	3,842.59	16,647.83	320.67			0.00	
07/01/94		16,594.99	318.75			16,913.74	
01/01/95	6,502.22	16,484.45	315.50			20,811.09	20,811.09
07/01/95		16,464.45	315.50			16,799.95	
01/01/96	7,370.82	16,346.25	311.81			23,415.96	40,329.70
07/01/96		16,346.25	311.81			16,799.95	
01/01/97	7,231.61	16,201.62	308.20			24,170.77	40,970.73
07/01/97		16,201.62	308.20			16,658.06	
01/01/98	8,031.09	16,036.98	304.18			23,889.58	40,547.74
07/01/98		16,036.98	304.18			16,509.82	
01/01/99	7,978.03	15,867.45	300.19			24,540.91	41,050.73
07/01/99		15,867.45	300.19			16,341.16	
01/01/00	8,881.23	15,672.06	295.75			24,319.20	40,660.36
07/01/00		15,672.06	295.75			16,167.64	
01/01/01	8,895.17	15,471.92	291.30			25,048.87	41,216.51
07/01/01		15,471.92	291.30			15,967.81	
01/01/02	9,730.44	15,248.12	286.44			24,862.99	40,830.80
07/01/02		15,248.12	286.44			15,763.22	
01/01/03	10,677.77	14,997.19	281.10			25,493.66	41,256.89
07/01/03		14,997.19	281.10			15,534.56	
01/01/04	10,663.37	14,741.27	275.77			26,212.32	41,746.88
07/01/04		14,741.27	275.77			15,278.29	
01/01/05	11,420.19	14,461.48	270.06			25,941.66	41,219.95
07/01/05		14,461.48	270.06			15,017.04	
01/01/06	12,443.47	14,150.39	263.84			26,437.23	41,454.27
07/01/06		14,150.39	263.84			14,731.53	
01/01/07	13,314.64	13,810.87	257.18			27,175.01	41,906.54
07/01/07		13,810.87	257.18			14,414.23	
01/01/08	14,303.62	13,438.97	250.03			27,728.86	42,143.09
07/01/08		13,438.97	250.03			14,068.05	
01/01/09	15,313.13	13,027.43	242.37			28,371.66	42,439.71
07/01/09		13,027.43	242.37			13,689.00	
01/01/10	16,318.50	12,588.87	234.21			29,002.13	42,691.13
07/01/10		12,588.87	234.21			13,269.80	
01/01/11	17,318.79	12,123.43	225.55			29,588.31	42,858.11
07/01/11		12,123.43	225.55			12,823.04	
01/01/12	18,223.29	11,633.68	216.44			30,141.87	42,964.96
07/01/12		11,633.68	216.44			12,348.98	
01/01/13	19,162.45	11,118.69	206.86			30,572.28	42,921.26
07/01/13		11,118.69	206.86			11,850.12	
01/01/14	20,086.29	10,578.87	196.82			31,012.56	42,862.68
07/01/14		10,578.87	196.82			11,325.55	
01/01/15	20,520.76	10,027.37	186.56			31,411.83	42,737.38
07/01/15		10,027.37	186.56			10,775.68	
01/01/16	373,111.36	0.00	0.00	-357,740.58		31,296.44	42,072.13
07/01/16		0.00	0.00			10,213.97	
01/01/17	0.00	0.00	0.00			25,584.91	35,798.84
07/01/17		0.00	0.00			0.00	
01/01/18	0.00	0.00	0.00			0.00	0.00
07/01/18		0.00	0.00			0.00	
01/01/19		0.00	0.00			0.00	0.00
07/01/19		0.00	0.00			0.00	
01/01/20		0.00	0.00			0.00	0.00
07/01/20		0.00	0.00			0.00	
01/01/21		0.00	0.00			0.00	0.00
07/01/21		0.00	0.00			0.00	0.00
Total	641,341.05	637,892.52	11,998.47	-357,740.58	0.00	933,491.46	933,491.46

5b

Water Bond

Kentucky Infrastructure Authority

MONTHLY PAYMENT SCHEDULE

Greensburg, City of
C89-20

Loan Amount 400,000.00

Payment Date	Principal	Coupon	Interest	Debt Service	Service Fee	Surplus Fund	Net Total Payment	Principal Balance Remaining
9/1/2004	0.00	0.000%	1,605.12	1,605.12	80.00	0.00	1,685.12	400,000.00
10/1/2004	0.00	0.000%	1,605.12	1,605.12	80.00	0.00	1,685.12	400,000.00
11/1/2004	0.00	0.000%	1,605.12	1,605.12	80.00	0.00	1,685.12	400,000.00
12/1/2004	0.00	0.000%	1,605.12	1,605.12	80.00	0.00	1,685.12	400,000.00
1/1/2005	0.00	0.000%	1,605.12	1,605.12	80.00	0.00	1,685.12	400,000.00
2/1/2005	0.00	0.000%	1,605.12	1,605.12	80.00	0.00	1,685.12	400,000.00
3/1/2005	0.00	0.000%	1,605.12	1,605.12	80.00	0.00	1,685.12	400,000.00
4/1/2005	0.00	0.000%	1,605.12	1,605.12	80.00	0.00	1,685.12	400,000.00
5/1/2005	0.00	0.000%	1,605.12	1,605.12	80.00	0.00	1,685.12	400,000.00
6/1/2005	0.00	0.000%	1,605.12	1,605.12	80.00	0.00	1,685.12	400,000.00
7/1/2005	0.00	0.000%	1,330.21	1,330.21	66.67	0.00	1,396.88	400,000.00
8/1/2005	0.00	0.000%	1,330.21	1,330.21	66.67	0.00	1,396.88	400,000.00
9/1/2005	0.00	0.000%	1,330.21	1,330.21	66.67	0.00	1,396.88	400,000.00
10/1/2005	0.00	0.000%	1,330.21	1,330.21	66.67	0.00	1,396.88	400,000.00
11/1/2005	0.00	0.000%	1,330.21	1,330.21	66.67	0.00	1,396.88	400,000.00
12/1/2005	0.00	0.000%	1,330.21	1,330.21	66.67	0.00	1,396.88	400,000.00
1/1/2006	0.00	0.000%	1,330.21	1,330.21	66.67	0.00	1,396.88	400,000.00
2/1/2006	0.00	0.000%	1,330.21	1,330.21	66.67	0.00	1,396.88	400,000.00
3/1/2006	0.00	0.000%	1,330.21	1,330.21	66.67	0.00	1,396.88	400,000.00
4/1/2006	0.00	0.000%	1,330.21	1,330.21	66.67	0.00	1,396.88	400,000.00
5/1/2006	0.00	0.000%	1,330.21	1,330.21	66.67	0.00	1,396.88	400,000.00
6/1/2006	0.00	0.000%	1,330.21	1,330.21	66.67	0.00	1,396.88	400,000.00
7/1/2006	416.67	2.500%	1,330.21	1,746.88	66.67	0.00	1,813.54	399,583.33
8/1/2006	416.67	2.500%	1,330.21	1,746.88	66.67	0.00	1,813.54	399,166.67
9/1/2006	416.67	2.500%	1,330.21	1,746.88	66.67	0.00	1,813.54	398,750.00
10/1/2006	416.67	2.500%	1,330.21	1,746.88	66.67	0.00	1,813.54	398,333.33
11/1/2006	416.67	2.500%	1,330.21	1,746.88	66.67	0.00	1,813.54	397,916.67
12/1/2006	416.67	2.500%	1,330.21	1,746.88	66.67	0.00	1,813.54	397,500.00
1/1/2007	416.67	2.500%	1,330.21	1,746.88	66.67	0.00	1,813.54	397,083.33
2/1/2007	416.67	2.500%	1,330.21	1,746.88	66.67	0.00	1,813.54	396,666.67
3/1/2007	416.67	2.500%	1,330.21	1,746.88	66.67	0.00	1,813.54	396,250.00
4/1/2007	416.67	2.500%	1,330.21	1,746.88	66.67	0.00	1,813.54	395,833.33
5/1/2007	416.67	2.500%	1,330.21	1,746.88	66.67	0.00	1,813.54	395,416.67
6/1/2007	416.67	2.500%	1,330.21	1,746.88	66.67	0.00	1,813.54	395,000.00
7/1/2007	416.67	3.000%	1,319.79	1,736.46	65.83	0.00	1,802.29	394,583.33
8/1/2007	416.67	3.000%	1,319.79	1,736.46	65.83	0.00	1,802.29	394,166.67
9/1/2007	416.67	3.000%	1,319.79	1,736.46	65.83	0.00	1,802.29	393,750.00
10/1/2007	416.67	3.000%	1,319.79	1,736.46	65.83	0.00	1,802.29	393,333.33
11/1/2007	416.67	3.000%	1,319.79	1,736.46	65.83	0.00	1,802.29	392,916.67
12/1/2007	416.67	3.000%	1,319.79	1,736.46	65.83	0.00	1,802.29	392,500.00
1/1/2008	416.67	3.000%	1,319.79	1,736.46	65.83	0.00	1,802.29	392,083.33
2/1/2008	416.67	3.000%	1,319.79	1,736.46	65.83	0.00	1,802.29	391,666.67
3/1/2008	416.67	3.000%	1,319.79	1,736.46	65.83	0.00	1,802.29	391,250.00
4/1/2008	416.67	3.000%	1,319.79	1,736.46	65.83	0.00	1,802.29	390,833.33
5/1/2008	416.67	3.000%	1,319.79	1,736.46	65.83	0.00	1,802.29	390,416.67
6/1/2008	416.67	3.000%	1,319.79	1,736.46	65.83	0.00	1,802.29	390,000.00
7/1/2008	416.67	3.000%	1,307.29	1,723.96	65.00	0.00	1,788.96	389,583.33
8/1/2008	416.67	3.000%	1,307.29	1,723.96	65.00	0.00	1,788.96	389,166.67
9/1/2008	416.67	3.000%	1,307.29	1,723.96	65.00	0.00	1,788.96	388,750.00
10/1/2008	416.67	3.000%	1,307.29	1,723.96	65.00	0.00	1,788.96	388,333.33
11/1/2008	416.67	3.000%	1,307.29	1,723.96	65.00	0.00	1,788.96	387,916.67
12/1/2008	416.67	3.000%	1,307.29	1,723.96	65.00	0.00	1,788.96	387,500.00
1/1/2009	416.67	3.000%	1,307.29	1,723.96	65.00	0.00	1,788.96	387,083.33
2/1/2009	416.67	3.000%	1,307.29	1,723.96	65.00	0.00	1,788.96	386,666.67

Kentucky Infrastructure Authority

MONTHLY PAYMENT SCHEDULE

Greensburg, City of
C89-20

Payment Date	Principal	Coupon	Interest	Debt Service	Service Fee	Loan Amount		Principal Balance Remaining
						Surplus Fund	Net Total Payment	
3/1/2009	416.67	3.000%	1,307.29	1,723.96	65.00	0.00	1,788.96	386,250.00
4/1/2009	416.67	3.000%	1,307.29	1,723.96	65.00	0.00	1,788.96	385,833.33
5/1/2009	416.67	3.000%	1,307.29	1,723.96	65.00	0.00	1,788.96	385,416.67
6/1/2009	416.67	3.000%	1,307.29	1,723.96	65.00	0.00	1,788.96	385,000.00
7/1/2009	416.67	3.500%	1,294.79	1,711.46	64.17	0.00	1,775.63	384,583.33
8/1/2009	416.67	3.500%	1,294.79	1,711.46	64.17	0.00	1,775.63	384,166.67
9/1/2009	416.67	3.500%	1,294.79	1,711.46	64.17	0.00	1,775.63	383,750.00
10/1/2009	416.67	3.500%	1,294.79	1,711.46	64.17	0.00	1,775.63	383,333.33
11/1/2009	416.67	3.500%	1,294.79	1,711.46	64.17	0.00	1,775.63	382,916.67
12/1/2009	416.67	3.500%	1,294.79	1,711.46	64.17	0.00	1,775.63	382,500.00
1/1/2010	416.67	3.500%	1,294.79	1,711.46	64.17	0.00	1,775.63	382,083.33
2/1/2010	416.67	3.500%	1,294.79	1,711.46	64.17	0.00	1,775.63	381,666.67
3/1/2010	416.67	3.500%	1,294.79	1,711.46	64.17	0.00	1,775.63	381,250.00
4/1/2010	416.67	3.500%	1,294.79	1,711.46	64.17	0.00	1,775.63	380,833.33
5/1/2010	416.67	3.500%	1,294.79	1,711.46	64.17	0.00	1,775.63	380,416.67
6/1/2010	416.67	3.500%	1,294.79	1,711.46	64.17	0.00	1,775.63	380,000.00
7/1/2010	416.67	3.750%	1,280.21	1,696.88	63.33	0.00	1,760.21	379,583.33
8/1/2010	416.67	3.750%	1,280.21	1,696.88	63.33	0.00	1,760.21	379,166.67
9/1/2010	416.67	3.750%	1,280.21	1,696.88	63.33	0.00	1,760.21	378,750.00
10/1/2010	416.67	3.750%	1,280.21	1,696.88	63.33	0.00	1,760.21	378,333.33
11/1/2010	416.67	3.750%	1,280.21	1,696.88	63.33	0.00	1,760.21	377,916.67
12/1/2010	416.67	3.750%	1,280.21	1,696.88	63.33	0.00	1,760.21	377,500.00
1/1/2011	416.67	3.750%	1,280.21	1,696.88	63.33	0.00	1,760.21	377,083.33
2/1/2011	416.67	3.750%	1,280.21	1,696.88	63.33	0.00	1,760.21	376,666.67
3/1/2011	416.67	3.750%	1,280.21	1,696.88	63.33	0.00	1,760.21	376,250.00
4/1/2011	416.67	3.750%	1,280.21	1,696.88	63.33	0.00	1,760.21	375,833.33
5/1/2011	416.67	3.750%	1,280.21	1,696.88	63.33	0.00	1,760.21	375,416.67
6/1/2011	416.67	3.750%	1,280.21	1,696.88	63.33	0.00	1,760.21	375,000.00
7/1/2011	416.67	5.000%	1,264.58	1,681.25	62.50	0.00	1,743.75	374,583.33
8/1/2011	416.67	5.000%	1,264.58	1,681.25	62.50	0.00	1,743.75	374,166.67
9/1/2011	416.67	5.000%	1,264.58	1,681.25	62.50	0.00	1,743.75	373,750.00
10/1/2011	416.67	5.000%	1,264.58	1,681.25	62.50	0.00	1,743.75	373,333.33
11/1/2011	416.67	5.000%	1,264.58	1,681.25	62.50	0.00	1,743.75	372,916.67
12/1/2011	416.67	5.000%	1,264.58	1,681.25	62.50	0.00	1,743.75	372,500.00
1/1/2012	416.67	5.000%	1,264.58	1,681.25	62.50	0.00	1,743.75	372,083.33
2/1/2012	416.67	5.000%	1,264.58	1,681.25	62.50	0.00	1,743.75	371,666.67
3/1/2012	416.67	5.000%	1,264.58	1,681.25	62.50	0.00	1,743.75	371,250.00
4/1/2012	416.67	5.000%	1,264.58	1,681.25	62.50	0.00	1,743.75	370,833.33
5/1/2012	416.67	5.000%	1,264.58	1,681.25	62.50	0.00	1,743.75	370,416.67
6/1/2012	416.67	5.000%	1,264.58	1,681.25	62.50	0.00	1,743.75	370,000.00
7/1/2012	416.67	5.250%	1,243.75	1,660.42	61.67	0.00	1,722.08	369,583.33
8/1/2012	416.67	5.250%	1,243.75	1,660.42	61.67	0.00	1,722.08	369,166.67
9/1/2012	416.67	5.250%	1,243.75	1,660.42	61.67	0.00	1,722.08	368,750.00
10/1/2012	416.67	5.250%	1,243.75	1,660.42	61.67	0.00	1,722.08	368,333.33
11/1/2012	416.67	5.250%	1,243.75	1,660.42	61.67	0.00	1,722.08	367,916.67
12/1/2012	416.67	5.250%	1,243.75	1,660.42	61.67	0.00	1,722.08	367,500.00
1/1/2013	416.67	5.250%	1,243.75	1,660.42	61.67	0.00	1,722.08	367,083.33
2/1/2013	416.67	5.250%	1,243.75	1,660.42	61.67	0.00	1,722.08	366,666.67
3/1/2013	416.67	5.250%	1,243.75	1,660.42	61.67	0.00	1,722.08	366,250.00
4/1/2013	416.67	5.250%	1,243.75	1,660.42	61.67	0.00	1,722.08	365,833.33
5/1/2013	416.67	5.250%	1,243.75	1,660.42	61.67	0.00	1,722.08	365,416.67
6/1/2013	416.67	5.250%	1,243.75	1,660.42	61.67	0.00	1,722.08	365,000.00
7/1/2013	416.67	5.250%	1,221.88	1,638.54	60.83	0.00	1,699.38	364,583.33
8/1/2013	416.67	5.250%	1,221.88	1,638.54	60.83	0.00	1,699.38	364,166.67

Kentucky Infrastructure Authority

MONTHLY PAYMENT SCHEDULE

Greensburg, City of

C89-20

Loan Amount

400,000.00

Payment Date	Principal	Coupon	Interest	Debt Service	Service Fee	Surplus Fund	Net Total Payment	Principal Balance Remaining
9/1/2013	416.67	5.250%	1,221.88	1,638.54	60.83	0.00	1,699.38	363,750.00
10/1/2013	416.67	5.250%	1,221.88	1,638.54	60.83	0.00	1,699.38	363,333.33
11/1/2013	416.67	5.250%	1,221.88	1,638.54	60.83	0.00	1,699.38	362,916.67
12/1/2013	416.67	5.250%	1,221.88	1,638.54	60.83	0.00	1,699.38	362,500.00
1/1/2014	416.67	5.250%	1,221.88	1,638.54	60.83	0.00	1,699.38	362,083.33
2/1/2014	416.67	5.250%	1,221.88	1,638.54	60.83	0.00	1,699.38	361,666.67
3/1/2014	416.67	5.250%	1,221.88	1,638.54	60.83	0.00	1,699.38	361,250.00
4/1/2014	416.67	5.250%	1,221.88	1,638.54	60.83	0.00	1,699.38	360,833.33
5/1/2014	416.67	5.250%	1,221.88	1,638.54	60.83	0.00	1,699.38	360,416.67
6/1/2014	416.67	5.250%	1,221.88	1,638.54	60.83	0.00	1,699.38	360,000.00
7/1/2014	30,000.00	4.000%	1,200.00	31,200.00	60.00	0.00	31,260.00	330,000.00
8/1/2014	30,000.00	4.000%	1,200.00	31,200.00	60.00	0.00	31,260.00	300,000.00
9/1/2014	30,000.00	4.000%	1,200.00	31,200.00	60.00	0.00	31,260.00	270,000.00
10/1/2014	30,000.00	4.000%	1,200.00	31,200.00	60.00	0.00	31,260.00	240,000.00
11/1/2014	30,000.00	4.000%	1,200.00	31,200.00	60.00	0.00	31,260.00	210,000.00
12/1/2014	30,000.00	4.000%	1,200.00	31,200.00	60.00	0.00	31,260.00	180,000.00
1/1/2015	30,000.00	4.000%	1,200.00	31,200.00	60.00	0.00	31,260.00	150,000.00
2/1/2015	30,000.00	4.000%	1,200.00	31,200.00	60.00	0.00	31,260.00	120,000.00
3/1/2015	30,000.00	4.000%	1,200.00	31,200.00	60.00	0.00	31,260.00	90,000.00
4/1/2015	30,000.00	4.000%	1,200.00	31,200.00	60.00	0.00	31,260.00	60,000.00
5/1/2015	30,000.00	4.000%	1,200.00	31,200.00	60.00	0.00	31,260.00	30,000.00
6/1/2015	30,000.00	4.000%	1,200.00	31,200.00	60.00	0.00	31,260.00	0.00
TOTAL	400,000.00		169,563.68	569,563.68	8,440.00	0.00	578,003.68	

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DESCRIPTION OF FINANCED FACILITIES

1. new equipment and facilities at the water treatment plant changing the discharge service pumping capacity from 500 gallons per minute to 1,000 gallons per minute;
2. new pumps at the water source intake doubling the pumping capacity for water intake;
3. a new 200,00 gallon water storage tank;
4. many new main water lines and "loop" lines within the City of Greensburg.

07/01/08 - 06/30/09

70'2'

Employee Name	Title	Wage/Sal./Benef.	% of Cost	Water Syst.
		Totals	to Wtr Syst	Sal./Wages
Gordon Price	Water Plant Chief Operator Class IV	53,612.47	100%	53,612.47
Bill Bonta	Water Plant Operator Class IV	49,463.90	100%	49,463.90
Joe Creason	Water Plant Operator Class IV	49,455.42	100%	49,455.42
Larry Price	Part time Water Pumper	15,835.31	100%	15,835.31
Subtotal Treatment		168,367.10		168,367.10
Roger Skaggs	Distribution Supervisor, Class II Distribution	54,563.04	60%	32,737.82
Brad Coffey	Class II Distribution	38,480.41	60%	23,088.25
Daniel Bradshaw	Laborer	39,000.20	60%	23,400.12
Craig Judd	Laborer	32,389.65	60%	19,433.79
Rudy Mitchell	Laborer	35,595.62	40%	14,238.25
Quinn Lowe	Laborer	31,189.09	40%	12,475.64
Edward Price	Laborer	30,782.41	40%	12,312.96
Subtotal Distribution		262,000.42		137,686.83
Subtotal System		430,367.5		306,053.9
Janie Casey	City Clerk	63,694.33	30%	19,108.30
Kim Henderson	Deputy Clerk	37,960.00	25%	9,490.00
Lisa Fields	Water and Sewer Clerk	33,808.97	40%	13,523.59
System Total		565,830.82		348,175.82

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<u>EMPLOYEE NAME</u>	<u>07/01/08 to 06/30/09 Total</u>	<u>GROSS</u>	<u>FICA</u>	<u>MC</u>	<u>BENEFITS</u>
Bill Bonta	\$ 49,463.90	\$ 35,661.63	\$ 2,060.23	\$ 481.87	\$ 11,260.17
Daniel Bradshaw	\$ 39,000.20	\$ 25,671.65	\$ 1,465.84	\$ 342.79	\$ 11,519.92
Danny Bush	\$ 42,861.59	\$ 29,134.60	\$ 1,565.00	\$ 365.97	\$ 11,796.02
Janie Blakeman Casey	\$ 63,694.33	\$ 46,827.80	\$ 2,674.04	\$ 625.40	\$ 13,567.09
Brad Coffey	\$ 38,480.41	\$ 26,497.24	\$ 1,522.79	\$ 356.17	\$ 10,104.21
Joe Creason	\$ 49,455.42	\$ 35,518.97	\$ 1,966.53	\$ 459.90	\$ 11,510.02
Lisa Fields	\$ 33,808.97	\$ 22,501.25	\$ 1,317.02	\$ 308.02	\$ 9,682.68
Kim Henderson	\$ 37,960.00	\$ 26,097.69	\$ 1,529.03	\$ 357.59	\$ 9,975.69
Craig Judd	\$ 32,389.65	\$ 21,447.26	\$ 1,256.51	\$ 293.88	\$ 9,392.00
Quinn Lowe	\$ 31,189.09	\$ 20,532.17	\$ 1,209.80	\$ 282.95	\$ 9,164.17
Rudy Mitchell	\$ 35,595.62	\$ 24,138.75	\$ 1,413.53	\$ 330.56	\$ 9,712.78
Edward Price	\$ 30,782.41	\$ 20,109.94	\$ 1,184.92	\$ 277.12	\$ 9,210.43
Gordon Price	\$ 53,612.47	\$ 38,845.79	\$ 2,280.08	\$ 533.26	\$ 11,953.34
Larry Price	\$ 15,835.31	\$ 14,710.00	\$ 912.02	\$ 213.29	\$ -
Roger Skaggs	\$ 54,563.04	\$ 39,813.41	\$ 2,289.39	\$ 535.38	\$ 11,924.86
Eddie Wright	\$ 55,348.18	\$ 40,373.20	\$ 2,370.04	\$ 554.28	\$ 12,050.66
	<u>\$ 664,040.59</u>	<u>\$ 467,881.35</u>	<u>\$ 27,016.77</u>	<u>\$ 6,318.43</u>	<u>\$ 162,824.04</u>

O&M Fund
FINAL AUDIT PROFIT & LOSS

8(12)

July 2008 through June 2009

	<u>Water Dept.</u>	<u>Sewer Dept.</u>	<u>TOTAL</u>
Income			
Fees- Sewer		295,020.29	295,020.29
Fees- Water	682,398.31		682,398.31
Gain from Bond Restructuring	8,757.33		8,757.33
Grant Income			
CDBG	481,521.00		481,521.00
Rural Devmnt-water	311,166.67		311,166.67
State IEDF	12,075.00		12,075.00
Total Grant Income	<u>804,762.67</u>		<u>804,762.67</u>
Health Insurance Reimbursement	1,690.50	1,690.50	3,381.00
Insurance Proceeds	17,251.74		17,251.74
Interest Income- Water	7,926.97		7,926.97
Interest Income-Sewer		7,446.35	7,446.35
Other Income-Sewer		14,520.44	14,520.44
Other Income-Water	14,858.37		14,858.37
Water Meter Connection Income	11,948.93		11,948.93
Total Income	<u>1,549,594.82</u>	<u>318,677.58</u>	<u>1,868,272.40</u>
Expense			
Advertising	990.47	343.66	1,334.13
Amortization		1,042.00	1,042.00
Auditing & Accounting	1,592.80	1,592.80	3,185.60
Bank Service	1,131.36	721.50	1,852.86
Chemicals	66,297.56	15,571.46	81,869.02
Computer/Software	1,619.12	1,582.02	3,201.14
Contractual Services	5,429.63	4,612.63	10,042.26
Debt Service			
Interfund	1,013.88		1,013.88
KLC - Water Lines	912.54		912.54
Sewer Bond		73,050.00	73,050.00
Water Bond	15,674.98		15,674.98
Debt Service - Other	89.34	89.34	178.68
Total Debt Service	<u>17,690.74</u>	<u>73,139.34</u>	<u>90,830.08</u>
Depreciation	128,460.00	142,424.00	270,884.00
Dues & Subs	115.83	165.83	281.66
Equipment Rental	5,831.10		5,831.10
Equipment/Parts	986.00	241.58	1,227.58
Extinguishment Loss.	4,094.00		4,094.00
Fees	4,508.93	1,377.08	5,886.01
Grants			
Water Grant (State budget)			
Downtown Water Project			
Water Grant (State budget) - Other			
Total Water Grant (State budget)	<u> </u>	<u> </u>	<u> </u>
Total Grants			
Insurance	17,770.63	16,200.17	33,970.80

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02/04/10
Cash Basis

O&M Fund
FINAL AUDIT PROFIT & LOSS
July 2008 through June 2009

	<u>Water Dept.</u>	<u>Sewer Dept.</u>	<u>TOTAL</u>
Licenses		29.00	29.00
Other - Various	2,668.14	1,397.32	4,065.46
Personnel - Wages	246,362.72	77,790.13	324,152.85
Personnel Benefits	83,624.13	24,748.59	108,372.72
Personnel HSA Contribution	5,215.00	1,739.00	6,954.00
Personnel Taxes- FICA/MC	18,586.62	5,012.27	23,598.89
Postage	4,249.57	1,223.08	5,472.65
Rent	9,000.00	3,000.00	12,000.00
Repair & maintenance Equipment	17,041.95	506.64	17,548.59
Repair & maintenance gas/oil	264.07	256.30	520.37
Repairs & Maintenance	35,559.60	13,204.35	48,763.95
Sludge disposal		8,822.02	8,822.02
Supplies	7,332.17	4,640.52	11,972.69
Testing	11,597.89	4,942.92	16,540.81
Training and Travel	4,982.72	4,522.69	9,505.41
Uniforms Allowance	877.30	651.52	1,528.82
Utilities			
Website monthly hosting fee	77.39	77.39	154.78
Utilities - Other	67,406.74	46,691.96	114,098.70
Total Utilities	67,484.13	46,769.35	114,253.48
Water purchased	11,399.23		11,399.23
Total Expense	<u>782,763.41</u>	<u>458,269.77</u>	<u>1,241,033.18</u>
Net Income	<u>766,831.41</u>	<u>(139,592.19)</u>	<u>627,239.22</u>

O&M Fund
Costs Allocated by Department

July 2008 through June 2009

8(2/2)

Date	Num	Name	Class	Debit	Credit	Balance
Fees- Sewer						
12/31/2008		Utility Billing AJE	Income-Sewer dept.		21,101.00	21,101.00
8/31/2008		Utility Billing AJE	Income-Sewer dept.		24,823.04	45,924.04
9/30/2008		Utility Billing AJE	Income-Sewer dept.		25,114.25	71,038.29
11/30/2008		Utility Billing AJE	Income-Sewer dept.		23,557.91	94,596.20
10/31/2008		Utility Billing AJE	Income-Sewer dept.		23,592.08	118,188.28
1/31/2009		Utility Billing AJE	Income-Sewer dept.		23,117.40	141,305.68
1/31/2009		Utility Billing AJE	Income-Sewer dept.		85.00	141,390.68
2/28/2009		Utility Billing AJE	Income-Sewer dept.		20.00	141,410.68
2/28/2009		Utility Billing AJE	Income-Sewer dept.		22,782.12	164,192.80
3/31/2009		Utility Billing AJE	Income-Sewer dept.		21,564.12	185,756.92
3/31/2009		Utility Billing AJE	Income-Sewer dept.		40.00	185,796.92
4/30/2009		Utility Billing AJE	Income-Sewer dept.		80.00	185,876.92
4/30/2009		Utility Billing AJE	Income-Sewer dept.		20,279.70	206,156.62
7/31/2008		Utility Billing AJE	Income-Sewer dept.		24,286.50	230,443.12
7/31/2008		Utility Billing AJE	Income-Sewer dept.		60.00	230,503.12
5/31/2009		Utility Billing AJE	Income-Sewer dept.		22,747.15	253,250.27
5/31/2009		Utility Billing AJE	Income-Sewer dept.		60.00	253,310.27
6/30/2009		Utility Billing AJE	Income-Sewer dept.		80.00	253,390.27
6/30/2009		Utility Billing AJE	Income-Sewer dept.		24,738.10	278,128.37
6/30/2009		Book AJE 10	Income-Sewer dept.		1,035.01	279,163.38
6/30/2009		Book AJE 12	Income-Sewer dept.		15,856.91	295,020.29
Total Fees- Sewer					295,020.29	295,020.29
Fees- Water						
5/31/2009		Utility Billing AJE				
12/31/2008		Utility Billing AJE	Income-Water dept.			
12/31/2008		Utility Billing AJE	Income-Water dept.		346.74	346.74
12/31/2008		Utility Billing AJE	Income-Water dept.			346.74
12/31/2008		Utility Billing AJE	Income-Water dept.		38.12	384.86
12/31/2008		Utility Billing AJE	Income-Water dept.		52,296.56	52,681.42
8/31/2008		Utility Billing AJE	Income-Water dept.		57,390.85	110,072.27
8/31/2008		Utility Billing AJE	Income-Water dept.		25.63	110,097.90
8/31/2008		Utility Billing AJE	Income-Water dept.		80.00	110,177.90
8/31/2008		Utility Billing AJE	Income-Water dept.		656.36	110,834.26
9/30/2008		Utility Billing AJE	Income-Water dept.		867.17	111,701.43
9/30/2008		Utility Billing AJE	Income-Water dept.		40.00	111,741.43
9/30/2008		Utility Billing AJE	Income-Water dept.		14.11	111,755.54
9/30/2008		Utility Billing AJE	Income-Water dept.		60,596.99	172,352.53
11/30/2008		Utility Billing AJE	Income-Water dept.		56,575.23	228,927.76
11/30/2008		Utility Billing AJE	Income-Water dept.		96.33	229,024.09
11/30/2008		Utility Billing AJE	Income-Water dept.			229,024.09
11/30/2008		Utility Billing AJE	Income-Water dept.		377.77	229,401.86
11/30/2008		Utility Billing AJE	Income-Water dept.			229,401.86
10/31/2008		Utility Billing AJE	Income-Water dept.		55,822.47	285,224.33
10/31/2008		Utility Billing AJE	Income-Water dept.		72.49	285,296.82
10/31/2008		Utility Billing AJE	Income-Water dept.		40.00	285,336.82
10/31/2008		Utility Billing AJE	Income-Water dept.		419.19	285,756.01
10/31/2008		Utility Billing AJE	Income-Water dept.			285,756.01
1/31/2009		Utility Billing AJE	Income-Water dept.		57,598.90	343,354.91
1/31/2009		Utility Billing AJE	Income-Water dept.		3.94	343,358.85
1/31/2009		Utility Billing AJE	Income-Water dept.		85.00	343,443.85
1/31/2009		Utility Billing AJE	Income-Water dept.		1,080.35	344,524.20
2/28/2009		Utility Billing AJE	Income-Water dept.		473.33	344,997.53
2/28/2009		Utility Billing AJE	Income-Water dept.		20.00	345,017.53
2/28/2009		Utility Billing AJE	Income-Water dept.		1.97	345,019.50
2/28/2009		Utility Billing AJE	Income-Water dept.		55,757.88	400,777.38
2/28/2009		Utility Billing AJE	Income-Water dept.		500.00	401,277.38
3/31/2009		Utility Billing AJE	Income-Water dept.		54,916.11	456,193.49
3/31/2009		Utility Billing AJE	Income-Water dept.		40.00	456,233.49
3/31/2009		Utility Billing AJE	Income-Water dept.		490.81	456,724.30
4/30/2009		Utility Billing AJE	Income-Water dept.		2,076.26	458,800.56
4/30/2009		Utility Billing AJE	Income-Water dept.		80.00	458,880.56
4/30/2009		Utility Billing AJE	Income-Water dept.		38,802.02	497,682.58
4/30/2009		Utility Billing AJE	Income-Water dept.		13.14	497,695.72
7/31/2008		Utility Billing AJE	Income-Water dept.		9.90	497,705.62

O&M Fund
Costs Allocated by Department

July 2008 through June 2009

Date	Num	Name	Class	Debit	Credit	Balance
7/31/2008		Utility Billing AJE	Income-Water dept.		59,557.45	557,263.07
7/31/2008		Utility Billing AJE	Income-Water dept.		60.00	557,323.07
7/31/2008		Utility Billing AJE	Income-Water dept.		612.89	557,935.96
5/31/2009		Utility Billing AJE	Income-Water dept.		50,745.72	608,681.68
5/31/2009		Utility Billing AJE	Income-Water dept.		60.00	608,741.68
5/31/2009		Utility Billing AJE	Income-Water dept.		352.71	609,094.39
7/10/2008	Debit...	Greensburg Water & S...	Income-Water dept.	42.45		609,051.94
7/16/2008	Debit...	Greensburg Water & S...	Income-Water dept.	29.12		609,022.82
9/19/2008	ACH	Greensburg Water & S...	Income-Water dept.	77.65		608,945.17
9/16/2008	ACH	Greensburg Water & S...	Income-Water dept.	54.04		608,891.13
10/22/2008	ACH	Greensburg Water & S...	Income-Water dept.	54.59		608,836.54
4/15/2009	ach	Greensburg Water & S...	Income-Water dept.	31.51		608,805.03
4/15/2009	ach	Greensburg Water & S...	Income-Water dept.	31.51		608,773.52
5/4/2009	ach	Greensburg Water & S...	Income-Water dept.	35.42		608,738.10
3/13/2009	ACH		Income-Water dept.	52.67		608,685.43
6/30/2009		Utility Billing AJE	Income-Water dept.		308.16	608,993.59
6/30/2009		Utility Billing AJE	Income-Water dept.		80.00	609,073.59
6/30/2009		Utility Billing AJE	Income-Water dept.		55,829.26	664,902.85
6/30/2009		Utility Billing AJE	Income-Water dept.		149.92	665,052.77
6/30/2009		Meter Tap	Income-Water dept.		500.00	665,552.77
6/12/2009	EFT	G-burg Water & Sewer	Income-Water dept.	46.40		665,506.37
6/30/2009		Book AJE 10	Income-Water dept.		1,035.02	666,541.39
6/30/2009		Book AJE 12	Income-Water dept.		15,856.92	682,398.31
Total Fees- Water				455.36	682,853.67	682,398.31
Gain from Bond Restructuring						
6/30/2009		Book AJE 11	Income-Water dept.		8,757.33	8,757.33
Total Gain from Bond Restructuring					8,757.33	8,757.33
Grant Income						
CDBG						
6/30/2009		Book AJE 24	Income-Water dept.		481,521.00	481,521.00
Total CDBG					481,521.00	481,521.00
Rural Devmnt-water						
6/30/2009		Book AJE 24	Income-Water dept.		311,166.67	311,166.67
Total Rural Devmnt-water					311,166.67	311,166.67
State IEDF						
6/30/2009		Book AJE 24	Income-Water dept.		12,075.00	12,075.00
Total State IEDF					12,075.00	12,075.00
Total Grant Income					804,762.67	804,762.67
Health Insurance Reimbursement						
3/12/2009		Deposit	Income-Sewer dept.		1,690.50	1,690.50
3/12/2009		Deposit	Income-Water dept.		1,690.50	3,381.00
Total Health Insurance Reimbursement					3,381.00	3,381.00
Insurance Proceeds						
6/30/2009		Book AJe 29	Income-Water dept.		17,251.74	17,251.74
Total Insurance Proceeds					17,251.74	17,251.74

O&M Fund
Costs Allocated by Department

July 2008 through June 2009

Date	Num	Name	Class	Debit	Credit	Balance
Interest Income- Water						
1/22/2009		Interest income			29.19	29.19
2/22/2009		Interest income			29.18	58.37
3/22/2009		Interest income			26.36	84.73
3/31/2009		Interest income			10.77	95.50
10/22/2008		Interest income			28.25	123.75
11/22/2008		Interest income			29.18	152.93
12/22/2008		Interest income			28.25	181.18
12/31/2008		Interest income			11.74	192.92
7/31/2008		Interest income			5.56	198.48
8/31/2008		Interest income			3.31	201.79
9/30/2008		Interest income			2.04	203.83
10/31/2008		Interest income			2.10	205.93
12/31/2008		Interest income			1.81	207.74
1/31/2009		Interest income			0.31	208.05
2/28/2009		Interest income			0.28	208.33
3/31/2009		Interest income			0.31	208.64
1/31/2009		Interest income			1.95	210.59
6/30/2009		Book AJE 27		210.59		
12/31/2008		Utility Billing AJE	Income-Sewer dept.		18.03	18.03
9/30/2008		Utility Billing AJE	Income-Sewer dept.		12.71	30.74
11/30/2008		Utility Billing AJE	Income-Sewer dept.		12.43	43.17
10/31/2008		Utility Billing AJE	Income-Sewer dept.		12.89	56.06
1/31/2009		Utility Billing AJE	Income-Sewer dept.		10.63	66.69
2/28/2009		Utility Billing AJE	Income-Sewer dept.			66.69
3/31/2009		Utility Billing AJE	Income-Sewer dept.			66.69
4/30/2009		Utility Billing AJE	Income-Sewer dept.			66.69
7/31/2008		Utility Billing AJE	Income-Sewer dept.		19.59	86.28
5/31/2009		Utility Billing AJE	Income-Sewer dept.			86.28
11/30/2008			Income-Sewer dept.		8.24	94.52
6/30/2009		Utility Billing AJE	Income-Sewer dept.		4.49	99.01
6/30/2009		Interest income	Income-Sewer dept.		0.11	99.12
6/30/2009		Interest income	Income-Sewer dept.		0.02	99.14
7/31/2008		Interest income	Income-Sewer dept.		6.13	105.27
9/30/2008		Interest income	Income-Sewer dept.		7.23	112.50
10/31/2008		Interest income	Income-Sewer dept.		10.51	123.01
11/30/2008		Interest income	Income-Sewer dept.		7.14	130.15
6/30/2009		Book AJE 27	Income-Sewer dept.	130.15		
12/31/2008		Utility Billing AJE	Income-Water dept.		18.04	18.04
8/31/2008		Utility Billing AJE	Income-Water dept.		15.40	33.44
9/30/2008		Utility Billing AJE	Income-Water dept.		12.70	46.14
7/31/2008		Deposit	Income-Water dept.		8.47	54.61
8/31/2008		Deposit	Income-Water dept.		9.73	64.34
9/30/2008		Deposit	Income-Water dept.		11.59	75.93
8/31/2008		Deposit	Income-Water dept.		9.08	85.01
11/30/2008		Utility Billing AJE	Income-Water dept.		12.43	97.44
10/31/2008		Utility Billing AJE	Income-Water dept.		12.89	110.33
1/31/2009		Utility Billing AJE	Income-Water dept.		10.63	120.96
2/28/2009		Utility Billing AJE	Income-Water dept.			120.96
3/31/2009		Utility Billing AJE	Income-Water dept.			120.96
9/30/2008		Interest income	Income-Water dept.		5.55	126.51
12/31/2008		Interest income	Income-Water dept.		4.81	131.32
3/31/2009		Interest income	Income-Water dept.		4.31	135.63
4/30/2009		Utility Billing AJE	Income-Water dept.			135.63
12/31/2008		Interest income	Income-Water dept.		5.11	140.74
2/28/2009		Deposit	Income-Water dept.		0.61	141.35
3/31/2009		Deposit	Income-Water dept.		3.56	144.91
4/30/2009		Deposit	Income-Water dept.		0.84	145.75
7/31/2008		Utility Billing AJE	Income-Water dept.		19.59	165.34
5/31/2009		Utility Billing AJE	Income-Water dept.			165.34
7/31/2008			Income-Water dept.		9.20	174.54
8/31/2008			Income-Water dept.			174.54
9/30/2008			Income-Water dept.		8.84	183.38
10/31/2008			Income-Water dept.		9.43	192.81
12/31/2008			Income-Water dept.		7.70	200.51
1/31/2009			Income-Water dept.		2.87	203.38

O&M Fund
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Date	Num	Name	Class	Debit	Credit	Balance
2/28/2009			Income-Water dept.		2.52	205.90
3/31/2009			Income-Water dept.		2.64	208.54
4/30/2009			Income-Water dept.		2.55	211.09
5/31/2009			Income-Water dept.		2.64	213.73
7/31/2008			Income-Water dept.		19.17	232.90
8/31/2008			Income-Water dept.		15.40	248.30
9/30/2008			Income-Water dept.		12.70	261.00
10/31/2008			Income-Water dept.		12.89	273.89
11/30/2008			Income-Water dept.		12.43	286.32
12/10/2008			Income-Water dept.		18.03	304.35
12/10/2008			Income-Water dept.		10.63	314.98
2/28/2009			Income-Water dept.		9.86	324.84
3/31/2009			Income-Water dept.		7.42	332.26
4/30/2009			Income-Water dept.		4.84	337.10
5/31/2009			Income-Water dept.		4.99	342.09
10/30/2008			Income-Water dept.		14.94	357.03
11/30/2008			Income-Water dept.		17.21	374.24
12/31/2008			Income-Water dept.		19.05	393.29
1/31/2009			Income-Water dept.		2.30	395.59
2/28/2009			Income-Water dept.		2.89	398.48
3/31/2009			Income-Water dept.		4.90	403.38
4/30/2009			Income-Water dept.		6.16	409.54
5/31/2009			Income-Water dept.		6.94	416.48
9/30/2008			Income-Water dept.		50.00	466.48
11/30/2008			Income-Water dept.		2.04	468.52
4/30/2009			Income-Water dept.		0.30	468.82
5/31/2009			Income-Water dept.		0.31	469.13
6/30/2009		Utility Billing AJE	Income-Water dept.		4.48	473.61
6/30/2009		Interest income	Income-Water dept.		2.65	476.26
6/30/2009		Interest income	Income-Water dept.		3.36	479.62
4/22/2009		Interest income	Income-Water dept.		14.60	494.22
5/22/2009		Interest income	Income-Water dept.		14.13	508.35
6/22/2009		Interest income	Income-Water dept.		14.59	522.94
6/30/2009		Interest income	Income-Water dept.		0.11	523.05
6/30/2009		Interest income	Income-Water dept.		4.52	527.57
6/30/2009		Interest income	Income-Water dept.		1.42	528.99
6/30/2009		Interest income	Income-Water dept.		4.48	533.47
5/31/2009		Interest income	Income-Water dept.		0.17	533.64
6/30/2009		Interest income	Income-Water dept.		0.03	533.67
7/31/2008		Interest income	Income-Water dept.		6.13	539.80
8/31/2008		Interest income	Income-Water dept.		5.89	545.69
9/30/2008		Interest income	Income-Water dept.		7.23	552.92
10/31/2008		Interest income	Income-Water dept.		10.46	563.38
11/30/2008		Interest income	Income-Water dept.		7.14	570.52
6/30/2009		Book AJE 1	Income-Water dept.		344.87	915.39
6/30/2009		Book AJE 2	Income-Water dept.		1,129.73	2,045.12
6/30/2009		Book AJE 3	Income-Water dept.		527.79	2,572.91
6/30/2009		Book AJE 4	Income-Water dept.		1,649.11	4,222.02
6/30/2009		Book AJE 5	Income-Water dept.		2,177.84	6,399.86
6/30/2009		Book AJE 6	Income-Water dept.		40.28	6,440.14
6/30/2009		Book AJE 9	Income-Water dept.		1,146.09	7,586.23
6/30/2009		Book AJE 27	Income-Water dept.		210.59	7,796.82
6/30/2009		Book AJE 27	Income-Water dept.		130.15	7,926.97
Total Interest Income- Water				340.74	8,267.71	7,926.97

O&M Fund
Costs Allocated by Department
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Date	Num	Name	Class	Debit	Credit	Balance
Interest Income-Sewer						
8/31/2008		Utility Billing AJE	Income-Sewer dept.		15.40	15.40
7/31/2008		Deposit	Income-Sewer dept.		8.47	23.87
8/31/2008		Deposit	Income-Sewer dept.		9.73	33.60
9/30/2008		Deposit	Income-Sewer dept.		11.59	45.19
8/31/2008		Deposit	Income-Sewer dept.		9.08	54.27
9/30/2008		Interest income	Income-Sewer dept.		5.41	59.68
12/31/2008		Interest income	Income-Sewer dept.		4.81	64.49
3/31/2009		Interest income	Income-Sewer dept.		4.32	68.81
12/31/2008		Interest income	Income-Sewer dept.		5.10	73.91
7/31/2008			Income-Sewer dept.		9.20	83.11
8/31/2008			Income-Sewer dept.			83.11
9/30/2008			Income-Sewer dept.		8.84	91.95
10/31/2008			Income-Sewer dept.		9.43	101.38
11/30/2008			Income-Sewer dept.		8.24	109.62
12/31/2008			Income-Sewer dept.		7.70	117.32
1/31/2009			Income-Sewer dept.		2.86	120.18
2/28/2009			Income-Sewer dept.		2.51	122.69
3/31/2009			Income-Sewer dept.		2.64	125.33
4/30/2009			Income-Sewer dept.		2.56	127.89
5/31/2009			Income-Sewer dept.		2.64	130.53
7/31/2008			Income-Sewer dept.		20.00	150.53
8/31/2008			Income-Sewer dept.		15.40	165.93
9/30/2008			Income-Sewer dept.		12.71	178.64
10/31/2008			Income-Sewer dept.		12.89	191.53
11/30/2008			Income-Sewer dept.		12.43	203.96
12/10/2008			Income-Sewer dept.		18.04	222.00
12/10/2008			Income-Sewer dept.		10.62	232.62
2/28/2009			Income-Sewer dept.		9.86	242.48
3/31/2009			Income-Sewer dept.		7.42	249.90
4/30/2009			Income-Sewer dept.		4.85	254.75
5/31/2009			Income-Sewer dept.		5.00	259.75
10/30/2008			Income-Sewer dept.		14.94	274.69
11/30/2008			Income-Sewer dept.		17.21	291.90
1/31/2009			Income-Sewer dept.		2.31	294.21
2/28/2009			Income-Sewer dept.		2.90	297.11
3/31/2009			Income-Sewer dept.		4.91	302.02
4/30/2009			Income-Sewer dept.		6.17	308.19
5/31/2009			Income-Sewer dept.		6.94	315.13
9/30/2008			Income-Sewer dept.		49.76	364.89
6/30/2009		Interest income	Income-Sewer dept.		2.64	367.53
6/30/2009		Interest income	Income-Sewer dept.		3.35	370.88
4/22/2009		Interest income	Income-Sewer dept.		14.59	385.47
5/22/2009		Interest income	Income-Sewer dept.		14.12	399.59
6/22/2009		Interest income	Income-Sewer dept.		14.59	414.18
6/30/2009		Interest income	Income-Sewer dept.		4.51	418.69
6/30/2009		Interest income	Income-Sewer dept.		1.41	420.10
6/30/2009		Interest income	Income-Sewer dept.		4.49	424.59
5/31/2009		Interest income	Income-Sewer dept.		0.16	424.75
8/31/2008		Interest income	Income-Sewer dept.		5.89	430.64
6/30/2009		Book AJE 1	Income-Sewer dept.		344.86	775.50
6/30/2009		Book AJE 2	Income-Sewer dept.		1,129.74	1,905.24
6/30/2009		Book AJE 3	Income-Sewer dept.		527.79	2,433.03
6/30/2009		Book AJE 4	Income-Sewer dept.		1,649.11	4,082.14
6/30/2009		Book AJE 5	Income-Sewer dept.		2,177.85	6,259.99
6/30/2009		Book AJE 6	Income-Sewer dept.		40.28	6,300.27
6/30/2009		Book AJE 9	Income-Sewer dept.		1,146.08	7,446.35
Total Interest Income-Sewer					7,446.35	7,446.35

O&M Fund
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Date	Num	Name	Class	Debit	Credit	Balance
Other Income-Sewer						
12/31/2008		Utility Billing AJE	Income-Sewer dept.		237.57	237.57
8/31/2008		Utility Billing AJE	Income-Sewer dept.		573.06	810.63
9/30/2008		Utility Billing AJE	Income-Sewer dept.		418.01	1,228.64
11/12/2008		Deposit	Income-Sewer dept.		101.47	1,330.11
11/20/2008		Deposit	Income-Sewer dept.		45.75	1,375.86
11/30/2008		Utility Billing AJE	Income-Sewer dept.		509.37	1,885.23
10/31/2008		Utility Billing AJE	Income-Sewer dept.		241.38	2,126.61
1/31/2009		Utility Billing AJE	Income-Sewer dept.		607.76	2,734.37
3/31/2009		Utility Billing AJE	Income-Sewer dept.		310.03	3,044.40
4/16/2009		Deposit	Income-Sewer dept.		71.88	3,116.28
4/30/2009		Utility Billing AJE	Income-Sewer dept.		37.50	3,153.78
7/31/2008		Utility Billing AJE	Income-Sewer dept.		593.46	3,747.24
5/31/2009		Utility Billing AJE	Income-Sewer dept.		25.00	3,772.24
6/17/2009		Deposit	Income-Sewer dept.		6,500.00	10,272.24
8/20/2008		Deposit	Income-Sewer dept.		2,097.71	12,369.95
12/31/2008			Income-Sewer dept.		19.06	12,389.01
6/30/2009		Utility Billing AJE	Income-Sewer dept.		12.50	12,401.51
6/30/2009		Book AJE 27	Income-Sewer dept.		2,118.93	14,520.44
12/31/2008		Utility Billing AJE	Income-Water dept.		25.00	14,545.44
12/31/2008		Utility Billing AJE	Income-Water dept.		237.57	14,783.01
8/31/2008		Utility Billing AJE	Income-Water dept.		573.06	15,356.07
9/30/2008		Utility Billing AJE	Income-Water dept.		25.00	15,381.07
11/30/2008		Utility Billing AJE	Income-Water dept.		509.38	15,890.45
11/30/2008		Utility Billing AJE	Income-Water dept.		50.00	15,940.45
10/31/2008		Utility Billing AJE	Income-Water dept.			15,940.45
1/31/2009		Utility Billing AJE	Income-Water dept.		607.76	16,548.21
1/31/2009		Utility Billing AJE	Income-Water dept.		50.00	16,598.21
2/28/2009		Utility Billing AJE	Income-Water dept.			16,598.21
2/28/2009		Utility Billing AJE	Income-Water dept.		676.08	17,274.29
4/30/2009		Utility Billing AJE	Income-Water dept.		488.03	17,762.32
5/31/2009		Utility Billing AJE	Income-Water dept.		528.07	18,290.39
6/30/2009		Utility Billing AJE	Income-Water dept.		426.77	18,717.16
6/30/2009		Book AJE 27	Income-Water dept.	4,196.72		14,520.44
Total Other Income-Sewer				4,196.72	18,717.16	14,520.44
Other Income-Water						
2/28/2009		Utility Billing AJE	Income-Sewer dept.		676.07	676.07
4/30/2009		Utility Billing AJE	Income-Sewer dept.		488.03	1,164.10
5/31/2009		Utility Billing AJE	Income-Sewer dept.		528.06	1,692.16
6/30/2009		Utility Billing AJE	Income-Sewer dept.		426.77	2,118.93
6/30/2009		Book AJE 27	Income-Sewer dept.	2,118.93		
8/20/2008		Deposit	Income-Water dept.		2,097.70	2,097.70
9/30/2008		Utility Billing AJE	Income-Water dept.		418.01	2,515.71
11/20/2008		Deposit	Income-Water dept.		45.75	2,561.46
10/31/2008		Utility Billing AJE	Income-Water dept.		241.38	2,802.84
3/31/2009		Utility Billing AJE	Income-Water dept.		310.03	3,112.87
4/16/2009		Deposit	Income-Water dept.		71.89	3,184.76
4/30/2009		Utility Billing AJE	Income-Water dept.		37.50	3,222.26
1/23/2009		Water & Sewer Operati...	Income-Water dept.		40.91	3,263.17
7/31/2008		Utility Billing AJE	Income-Water dept.		593.47	3,856.64
5/31/2009		Utility Billing AJE	Income-Water dept.		25.00	3,881.64
6/17/2009		Deposit	Income-Water dept.		6,500.00	10,381.64
6/30/2009		Utility Billing AJE	Income-Water dept.		12.50	10,394.14
6/29/2009		Deposit	Income-Water dept.		267.51	10,661.65
6/30/2009		Book AJE 27	Income-Water dept.		4,196.72	14,858.37
Total Other Income-Water				2,118.93	16,977.30	14,858.37

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Date	Num	Name	Class	Debit	Credit	Balance
Water Meter Connection Income						
11/3/2008		Deposit	Income-Sewer dept.		524.53	524.53
12/19/2008		Deposit	Income-Sewer dept.		437.44	961.97
1/31/2009		Utility Billing AJE	Income-Sewer dept.		200.00	1,161.97
2/28/2009		Utility Billing AJE	Income-Sewer dept.		350.00	1,511.97
3/31/2009		Utility Billing AJE	Income-Sewer dept.		240.00	1,751.97
4/30/2009		Utility Billing AJE	Income-Sewer dept.		490.00	2,241.97
5/31/2009		Utility Billing AJE	Income-Sewer dept.		400.00	2,641.97
6/30/2009		Utility Billing AJE	Income-Sewer dept.		462.50	3,104.47
12/31/2008		Utility Billing AJE	Income-Water dept.		300.00	3,404.47
8/31/2008		Utility Billing AJE	Income-Water dept.		1,200.00	4,604.47
9/30/2008		Utility Billing AJE	Income-Water dept.		1,500.00	6,104.47
11/3/2008		Deposit	Income-Water dept.		524.52	6,628.99
12/19/2008		Deposit	Income-Water dept.		437.44	7,066.43
11/30/2008		Utility Billing AJE	Income-Water dept.		1,020.00	8,086.43
10/31/2008		Utility Billing AJE	Income-Water dept.		720.00	8,806.43
1/31/2009		Utility Billing AJE	Income-Water dept.		200.00	9,006.43
2/28/2009		Utility Billing AJE	Income-Water dept.		350.00	9,356.43
3/31/2009		Utility Billing AJE	Income-Water dept.		240.00	9,596.43
4/30/2009		Utility Billing AJE	Income-Water dept.		490.00	10,086.43
7/31/2008		Utility Billing AJE	Income-Water dept.		1,000.00	11,086.43
5/31/2009		Utility Billing AJE	Income-Water dept.		400.00	11,486.43
6/30/2009		Utility Billing AJE	Income-Water dept.		462.50	11,948.93
Total Water Meter Connection Income					11,948.93	11,948.93
Advertising						
10/15/2008	18265	Revolving Fund	710 Water Dept.	500.59		(500.59)
2/13/2009	18365	Greensburg Record He...	710 Water Dept.	489.88		(990.47)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	343.66		(1,334.13)
Total Advertising				1,334.13		(1,334.13)
Amortization						
6/30/2009		Book AJE 16	720 Sewer Dept.	1,042.00		(1,042.00)
Total Amortization				1,042.00		(1,042.00)
Auditing & Accounting						
1/14/2009	18352	Revolving Fund	710 Water Dept.	1,592.80		(1,592.80)
1/14/2009	18352	Revolving Fund	720 Sewer Dept.	1,592.80		(3,185.60)
Total Auditing & Accounting				3,185.60		(3,185.60)
Bank Service						
2/26/2009		Bank Service Charge	710 Water Dept.	3.75		(3.75)
3/31/2009		Bank Service Charge	710 Water Dept.	3.75		(7.50)
1/31/2009		Bank Service Charge	710 Water Dept.	3.75		(11.25)
3/31/2009		NSF	710 Water Dept.	125.00		(136.25)
4/30/2009		Bank Service Charge	710 Water Dept.	25.00		(161.25)
10/31/2008	ACH	Greensburg Water & S...	710 Water Dept.	88.00		(249.25)
12/12/2008	ACH	Greensburg Water & S...	710 Water Dept.	13.25		(262.50)
1/14/2009	ACH	Greensburg Water & S...	710 Water Dept.	42.96		(305.46)
2/13/2009	ACH	Greensburg Water & S...	710 Water Dept.	44.20		(349.66)
3/4/2009	ACH	Greensburg Water & S...	710 Water Dept.	138.95		(488.61)
5/4/2009	ach	Greensburg Water & S...	710 Water Dept.	75.00		(563.61)
5/31/2009	ACH	Bank Service Charge	710 Water Dept.	7.50		(571.11)
5/31/2009		NSF	710 Water Dept.	212.50		(783.61)
5/31/2009		Bank Service Charge	710 Water Dept.	3.75		(787.36)
6/30/2009		NSF	710 Water Dept.	237.50		(1,024.86)
6/30/2009		Bank Service Charge	710 Water Dept.	3.75		(1,028.61)
4/30/2009		Bank Service Charge	710 Water Dept.	3.75		(1,032.36)
9/30/2008		NSF	710 Water Dept.	66.00		(1,098.36)
8/4/2008	EFT	Bank Service Charge	710 Water Dept.	11.00		(1,109.36)
8/5/2008	EFT	Bank Service Charge	710 Water Dept.	11.00		(1,120.36)
8/7/2008	EFT	Bank Service Charge	710 Water Dept.	11.00		(1,131.36)
2/26/2009		Bank Service Charge	720 Sewer Dept.	3.75		(1,135.11)
3/31/2009		Bank Service Charge	720 Sewer Dept.	3.75		(1,138.86)
1/31/2009		Bank Service Charge	720 Sewer Dept.	3.75		(1,142.61)
3/31/2009		NSF	720 Sewer Dept.	125.00		(1,267.61)

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Date	Num	Name	Class	Debit	Credit	Balance
4/30/2009		Bank Service Charge	720 Sewer Dept.	25.00		(1,292.61)
5/31/2009		NSF	720 Sewer Dept.	212.50		(1,505.11)
5/31/2009		Bank Service Charge	720 Sewer Dept.	3.75		(1,508.86)
6/30/2009		NSF	720 Sewer Dept.	237.50		(1,746.36)
6/30/2009		Bank Service Charge	720 Sewer Dept.	3.75		(1,750.11)
4/30/2009		Bank Service Charge	720 Sewer Dept.	3.75		(1,753.86)
9/30/2008		NSF	720 Sewer Dept.	66.00		(1,819.86)
8/4/2008	EFT	Bank Service Charge	720 Sewer Dept.	11.00		(1,830.86)
8/5/2008	EFT	Bank Service Charge	720 Sewer Dept.	11.00		(1,841.86)
8/7/2008	EFT	Bank Service Charge	720 Sewer Dept.	11.00		(1,852.86)
Total Bank Service				1,852.86		(1,852.86)
Chemicals						
7/18/2008	18216	Continental Hydrodyne...	710 Water Dept.	168.42		(168.42)
8/27/2008	18229	Chemical Resources, I...	710 Water Dept.	2,890.28		(3,058.70)
8/27/2008	18238	Industrial Chemicals, I...	710 Water Dept.	2,265.77		(5,324.47)
9/5/2008	18244	LabtronX, Inc.	710 Water Dept.	175.17		(5,499.64)
9/5/2008	18245	Continental Hydrodyne...	710 Water Dept.	168.45		(5,668.09)
9/5/2008	18247	Chemical Resources, I...	710 Water Dept.	1,025.15		(6,693.24)
10/21/2008	18277	Water Solutions Unlimi...	710 Water Dept.	1,343.00		(8,036.24)
10/23/2008	18279	LabtronX, Inc.	710 Water Dept.	590.12		(8,626.36)
10/23/2008	18281	Industrial Chemicals, I...	710 Water Dept.	2,180.00		(10,806.36)
10/23/2008	18283	Chemical Resources, I...	710 Water Dept.	1,177.79		(11,984.15)
11/11/2008	18293	Chemical Resources, I...	710 Water Dept.	2,575.44		(14,559.59)
11/19/2008	18309	Continental Hydrodyne...	710 Water Dept.	169.01		(14,728.60)
12/10/2008	18322	Revolving Fund	710 Water Dept.	49.18		(14,777.78)
12/15/2008	18321	Water Solutions Unlimi...	710 Water Dept.	1,448.00		(16,225.78)
12/15/2008		Industrial Chemicals, I...	710 Water Dept.	2,234.62		(18,460.40)
12/15/2008		Chemical Resources, I...	710 Water Dept.	1,225.15		(19,685.55)
12/29/2008		Chemical Resources, I...	710 Water Dept.	928.65		(20,614.20)
12/29/2008		LabtronX, Inc.	710 Water Dept.	585.00		(21,199.20)
3/2/2009	18383	Chemical Resources, I...	710 Water Dept.	2,624.58		(23,823.78)
3/2/2009	18384	LabtronX, Inc.	710 Water Dept.	2,180.75		(26,004.53)
3/2/2009	18391	Nich-Chem	710 Water Dept.	9,595.80		(35,600.33)
3/2/2009	18389	Continental Hydrodyne...	710 Water Dept.	169.01		(35,769.34)
4/9/2009	18424	Chemical Resources, I...	710 Water Dept.	2,327.80		(38,097.14)
4/9/2009	18421	Southeastern Laborato...	710 Water Dept.	1,369.00		(39,466.14)
4/30/2009	18451	Water Solutions Unlimi...	710 Water Dept.	1,260.00		(40,726.14)
4/30/2009	18453	Chemical Resources, I...	710 Water Dept.	1,465.44		(42,191.58)
6/8/2009	18472	Continental Hydrodyne...	710 Water Dept.	169.01		(42,360.59)
6/8/2009	18468	Chemical Resources, I...	710 Water Dept.	827.08		(43,187.67)
6/8/2009	18464	LabtronX, Inc.	710 Water Dept.	236.63		(43,424.30)
6/24/2009	18549	Industrial Chemicals, I...	710 Water Dept.	2,231.00		(45,655.30)
6/30/2009		Book AJE 14	710 Water Dept.	14,341.15		(59,996.45)
6/30/2009		Book AJE 14	710 Water Dept.	6,301.11		(66,297.56)
8/7/2008	18220	Rogers Chemical Reso...	720 Sewer Dept.	79.02		(66,376.58)
8/27/2008	18229	Chemical Resources, I...	720 Sewer Dept.	1,031.00		(67,407.58)
8/27/2008	18237	Cardinal Chemical Co.,...	720 Sewer Dept.	2,295.25		(69,702.83)
10/23/2008	18283	Chemical Resources, I...	720 Sewer Dept.	666.50		(70,369.33)
11/11/2008	18293	Chemical Resources, I...	720 Sewer Dept.	913.00		(71,282.33)
11/11/2008	18295	Cardinal Chemical Co.,...	720 Sewer Dept.	1,639.00		(72,921.33)
12/10/2008	18322	Revolving Fund	720 Sewer Dept.	137.54		(73,058.87)
12/15/2008		Cardinal Chemical Co.,...	720 Sewer Dept.	337.00		(73,395.87)
12/23/2008	18342	Revolving Fund	720 Sewer Dept.	144.62		(73,540.49)
12/29/2008		Chemical Resources, I...	720 Sewer Dept.	739.00		(74,279.49)
12/29/2008		LabtronX, Inc.	720 Sewer Dept.	475.00		(74,754.49)
3/2/2009	18383	Chemical Resources, I...	720 Sewer Dept.	1,055.00		(75,809.49)
3/23/2009	18407	Rogers Chemical Reso...	720 Sewer Dept.	135.15		(75,944.64)
4/30/2009	18452	Eagle Paper Inc.	720 Sewer Dept.	3,344.31		(79,288.95)
4/30/2009	18453	Chemical Resources, I...	720 Sewer Dept.	1,753.00		(81,041.95)
6/8/2009	18468	Chemical Resources, I...	720 Sewer Dept.	827.07		(81,869.02)
Total Chemicals				81,869.02		(81,869.02)

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Date	Num	Name	Class	Debit	Credit	Balance
Computer/Software						
10/15/2008	18265	Revolving Fund	710 Water Dept.	1,261.40		(1,261.40)
12/23/2008	18342	Revolving Fund	710 Water Dept.	268.62		(1,530.02)
3/25/2009	18400	Revolving Fund	710 Water Dept.	89.10		(1,619.12)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	1,224.30		(2,843.42)
12/23/2008	18342	Revolving Fund	720 Sewer Dept.	268.62		(3,112.04)
3/25/2009	18400	Revolving Fund	720 Sewer Dept.	89.10		(3,201.14)
Total Computer/Software				3,201.14		(3,201.14)
Contractual Services						
8/27/2008	18234	Law Office of Douglas ...	710 Water Dept.	802.50		(802.50)
9/5/2008	18246	Bertram, Cox, & Miller, ...	710 Water Dept.	487.50		(1,290.00)
9/25/2008	18255	Revolving Fund	710 Water Dept.	338.81		(1,628.81)
11/11/2008	18298	Bertram, Cox, & Miller, ...	710 Water Dept.	237.50		(1,866.31)
11/18/2008	18302	Revolving Fund	710 Water Dept.	221.11		(2,087.42)
11/18/2008	18302	Revolving Fund	710 Water Dept.	32.77		(2,120.19)
11/18/2008	18303	Revolving Fund	710 Water Dept.	720.00		(2,840.19)
11/24/2008	18312	Revolving Fund	710 Water Dept.	221.11		(3,061.30)
11/24/2008	18312	Revolving Fund	710 Water Dept.	26.33		(3,087.63)
12/10/2008	18322	Revolving Fund	710 Water Dept.	1,050.00		(4,137.63)
3/2/2009	18380	Mattingly Mediation, Inc.	710 Water Dept.	284.00		(4,421.63)
3/2/2009	18385	Bertram, Cox, & Miller, ...	710 Water Dept.	175.00		(4,596.63)
4/9/2009	18422	H&R Jetting & Camera ...	710 Water Dept.	225.00		(4,821.63)
4/30/2009	18445	Bertram, Cox, & Miller, ...	710 Water Dept.	508.00		(5,329.63)
6/8/2009	18467	Bertram, Cox, & Miller, ...	710 Water Dept.	100.00		(5,429.63)
9/25/2008	18255	Revolving Fund	720 Sewer Dept.	316.31		(5,745.94)
11/18/2008	18302	Revolving Fund	720 Sewer Dept.	221.11		(5,967.05)
11/18/2008	18302	Revolving Fund	720 Sewer Dept.	32.77		(5,999.82)
11/18/2008	18303	Revolving Fund	720 Sewer Dept.	720.00		(6,719.82)
11/24/2008	18312	Revolving Fund	720 Sewer Dept.	221.11		(6,940.93)
11/24/2008	18312	Revolving Fund	720 Sewer Dept.	26.33		(6,967.26)
12/10/2008	18322	Revolving Fund	720 Sewer Dept.	1,050.00		(8,017.26)
2/27/2009	18377	H&R Jetting & Camera ...	720 Sewer Dept.	1,200.00		(9,217.26)
4/16/2009	18438	H&R Jetting & Camera ...	720 Sewer Dept.	600.00		(9,817.26)
4/16/2009	18438	H&R Jetting & Camera ...	720 Sewer Dept.	225.00		(10,042.26)
Total Contractual Services				10,042.26		(10,042.26)
Debt Service						
Interfund						
6/30/2009		Book AJE 30	710 Water Dept.	1,013.88		(1,013.88)
Total Interfund				1,013.88		(1,013.88)
KLC - Water Lines						
8/14/2008	18221	US Bank Trustee	710 Water Dept.	1,034.75		(1,034.75)
10/21/2008	18271	US Bank Trustee	710 Water Dept.	524.93		(1,559.68)
11/11/2008	18296	US Bank Trustee	710 Water Dept.	717.17		(2,276.85)
12/15/2008		US Bank Trustee	710 Water Dept.	484.46		(2,761.31)
1/27/2009	18358	US Bank Trustee	710 Water Dept.	460.51		(3,221.82)
2/3/2009	18368	US Bank Trustee	710 Water Dept.	427.98		(3,649.80)
3/12/2009	18398	US Bank Trustee	710 Water Dept.	439.83		(4,089.63)
3/30/2009	18411	US Bank Trustee	710 Water Dept.	422.92		(4,512.55)
4/30/2009	18447	US Bank Trustee	710 Water Dept.	427.17		(4,939.72)
10/15/2008	18269	US Bank Trustee	710 Water Dept.	337.49		(5,277.21)
10/15/2008	18269	US Bank Trustee	710 Water Dept.	337.49		(5,614.70)
6/30/2009		Book AJE 17	710 Water Dept.	414.88		(6,029.58)
6/30/2009		Book AJE 18	710 Water Dept.		5,117.04	(912.54)
Total KLC - Water Lines				6,029.58	5,117.04	(912.54)
Sewer Bond						
7/1/2008	ACH	RDEV TREAS 310 FED...	720 Sewer Dept.	37,050.00		(37,050.00)
1/2/2009		RDEV TREAS 310 FED...	720 Sewer Dept.	73,050.00		(110,100.00)
6/30/2009		Book AJE 19	720 Sewer Dept.		37,050.00	(73,050.00)
Total Sewer Bond				110,100.00	37,050.00	(73,050.00)

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Date	Num	Name	Class	Debit	Credit	Balance
Water Bond						
7/5/2008	390	Kentucky Infrastructur...	710 Water Dept.	145.93		(145.93)
12/15/2008	392	Kentucky Infrastructur...	710 Water Dept.	17,089.03		(17,234.96)
5/14/2009	393	Kentucky Infrastructur...	710 Water Dept.	2,500.00		(19,734.96)
5/14/2009	393	Kentucky Infrastructur...	710 Water Dept.	7,843.74		(27,578.70)
5/14/2009	393	Kentucky Infrastructur...	710 Water Dept.	390.00		(27,968.70)
5/14/2009	393	Kentucky Infrastructur...	710 Water Dept.	9,773.10		(37,741.80)
6/30/2009		Book AJE 19	710 Water Dept.		22,066.82	(15,674.98)
Total Water Bond				37,741.80	22,066.82	(15,674.98)
Debt Service - Other						
6/30/2009		Book AJE 8	710 Water Dept.	89.34		(89.34)
6/30/2009		Book AJE 8	720 Sewer Dept.	89.34		(178.68)
Total Debt Service - Other				178.68		(178.68)
Total Debt Service				155,063.94	64,233.86	(90,830.08)
Depreciation						
6/30/2009		Book AJE 26	710 Water Dept.	128,460.00		(128,460.00)
6/30/2009		Book AJE 26	720 Sewer Dept.	142,424.00		(270,884.00)
Total Depreciation				270,884.00		(270,884.00)
Dues & Subs						
1/29/2009	18369	Revolving Fund	710 Water Dept.	115.83		(115.83)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	115.83		(231.66)
6/30/2009		Book AJE 14	720 Sewer Dept.	50.00		(281.66)
Total Dues & Subs				281.66		(281.66)
Equipment Rental						
12/10/2008	18289	Hunt Tractor	710 Water Dept.	5,831.10		(5,831.10)
Total Equipment Rental				5,831.10		(5,831.10)
Equipment/Parts						
9/8/2008	18251	Campbellsville Water &...	710 Water Dept.	300.00		(300.00)
9/8/2008	18251	Campbellsville Water &...	710 Water Dept.	300.00		(600.00)
12/29/2008		Construction Site Servi...	710 Water Dept.	386.00		(986.00)
11/11/2008	1291	Chesley Associates, Inc.	720 Sewer Dept.	3,500.00		(4,486.00)
4/9/2009	18425	Northern Tool & Equip...	720 Sewer Dept.	241.58		(4,727.58)
6/30/2009		Book AJE 23	720 Sewer Dept.		3,500.00	(1,227.58)
Total Equipment/Parts				4,727.58	3,500.00	(1,227.58)
Extinguishment Loss.						
6/30/2009		Book AJE 15	710 Water Dept.	4,094.00		(4,094.00)
Total Extinguishment Loss.				4,094.00		(4,094.00)
Fees						
10/15/2008	18265	Revolving Fund	710 Water Dept.	36.16		(36.16)
2/3/2009	18366	Ky. State Treasurer	710 Water Dept.	60.00		(96.16)
5/14/2009	18461	Ky. State Treasurer	710 Water Dept.	114.00		(210.16)
4/6/2009	18415	Ky. State Treasurer	710 Water Dept.	118.00		(328.16)
6/30/2009		Book AJE 18	710 Water Dept.	1,401.29		(1,729.45)
6/30/2009		Book AJE 19	710 Water Dept.	779.17		(2,508.62)
6/30/2009		Book AJE 24	710 Water Dept.	2,000.31		(4,508.93)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	35.08		(4,544.01)
2/3/2009	18366	Ky. State Treasurer	720 Sewer Dept.	60.00		(4,604.01)
5/14/2009	18461	Ky. State Treasurer	720 Sewer Dept.	114.00		(4,718.01)
4/6/2009	18415	Ky. State Treasurer	720 Sewer Dept.	118.00		(4,836.01)
6/30/2009		Book AJE 19	720 Sewer Dept.	1,050.00		(5,886.01)
Total Fees				5,886.01		(5,886.01)

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Date	Num	Name	Class	Debit	Credit	Balance
Grants						
Water Grant (State budget)						
Downtown Water Project						
8/8/2008	1290	Top Line Contracting	710 Water Dept.	8,000.00		(8,000.00)
10/15/2008	18272	Nally & Haydon Surfaci...	710 Water Dept.	2,083.71		(10,083.71)
8/8/2008	391	Top Line Contracting	710 Water Dept.	9,316.32		(19,400.03)
4/9/2009	18426	Concrete Coring & Cutt...	710 Water Dept.	250.00		(19,650.03)
4/30/2009	18448	Campbellsville Water &...	710 Water Dept.	240.50		(19,890.53)
5/12/2009	18460	Kentucky Infrastructur...	710 Water Dept.	1,000.00		(20,890.53)
6/8/2009	18467	Bertram, Cox, & Miller, ...	710 Water Dept.	1,997.07		(22,887.60)
6/8/2009	18465	Campbellsville Water &...	710 Water Dept.	259.00		(23,146.60)
6/30/2009		Book AJE 25	710 Water Dept.		23,146.60	
Total Downtown Water Project				23,146.60	23,146.60	
Water Grant (State budget) - Other						
11/18/2008	18303	Revolving Fund	710 Water Dept.	7,829.50		(7,829.50)
6/30/2009		Book AJE 25	710 Water Dept.		7,829.50	
Total Water Grant (State budget) - Other				7,829.50	7,829.50	
Total Water Grant (State budget)				30,976.10	30,976.10	
Total Grants				30,976.10	30,976.10	
Insurance						
9/25/2008	18256	Revolving Fund	710 Water Dept.	1,477.09		(1,477.09)
9/25/2008	18255	Revolving Fund	710 Water Dept.	240.90		(1,717.99)
10/28/2008	18286	Revolving Fund	710 Water Dept.	1,477.09		(3,195.08)
11/18/2008	18302	Revolving Fund	710 Water Dept.	1,477.09		(4,672.17)
12/23/2008	18342	Revolving Fund	710 Water Dept.	176.20		(4,848.37)
12/23/2008	18342	Revolving Fund	710 Water Dept.	22.33		(4,870.70)
1/29/2009	18369	Revolving Fund	710 Water Dept.	198.53		(5,069.23)
1/29/2009	18369	Revolving Fund	710 Water Dept.	22.33		(5,091.56)
1/29/2009	18369	Revolving Fund	710 Water Dept.	7,770.34		(12,861.90)
12/15/2008	18318	KLCIS	710 Water Dept.	220.26		(13,082.16)
3/17/2009	18399	Revolving Fund	710 Water Dept.	94.48		(13,176.64)
3/17/2009	18399	Revolving Fund	710 Water Dept.	145.10		(13,321.74)
3/17/2009	18399	Revolving Fund	710 Water Dept.	1,485.90		(14,807.64)
3/25/2009	18400	Revolving Fund	710 Water Dept.	1,485.90		(16,293.54)
4/10/2009	18436	KLCIS	710 Water Dept.	1,477.09		(17,770.63)
9/25/2008	18256	Revolving Fund	720 Sewer Dept.	1,485.90		(19,256.53)
9/25/2008	18255	Revolving Fund	720 Sewer Dept.	240.90		(19,497.43)
10/28/2008	18286	Revolving Fund	720 Sewer Dept.	1,485.90		(20,983.33)
11/18/2008	18302	Revolving Fund	720 Sewer Dept.	1,485.90		(22,469.23)
12/23/2008	18342	Revolving Fund	720 Sewer Dept.	176.20		(22,645.43)
12/23/2008	18342	Revolving Fund	720 Sewer Dept.	22.33		(22,667.76)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	6,182.00		(28,849.76)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	198.53		(29,048.29)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	22.33		(29,070.62)
12/15/2008	18318	KLCIS	720 Sewer Dept.	220.25		(29,290.87)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	94.48		(29,385.35)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	145.37		(29,530.72)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	1,477.09		(31,007.81)
3/25/2009	18400	Revolving Fund	720 Sewer Dept.	1,477.09		(32,484.90)
4/10/2009	18436	KLCIS	720 Sewer Dept.	1,485.90		(33,970.80)
Total Insurance				33,970.80		(33,970.80)
Licenses						
10/1/2008	18268	Ky. State Treasurer	710 Water Dept.			
12/2/2008	18314	Ky. State Treasurer	720 Sewer Dept.	10.00		(10.00)
12/10/2008	18324	Green Co. Clerk	720 Sewer Dept.	19.00		(29.00)
Total Licenses				29.00		(29.00)

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Date	Num	Name	Class	Debit	Credit	Balance
Other - Various						
10/9/2008	18259	Revolving Fund	710 Water Dept.	834.36		(834.36)
9/25/2008	18255	Revolving Fund	710 Water Dept.	817.82		(1,652.18)
12/10/2008	18322	Revolving Fund	710 Water Dept.	125.00		(1,777.18)
12/22/2008	18341	Central Farmers Supply	710 Water Dept.	28.44		(1,805.62)
1/20/2009	18354	Tommie Mills	710 Water Dept.	40.91		(1,846.53)
8/13/2008			710 Water Dept.	59.11		(1,905.64)
7/16/2008	chk		710 Water Dept.	300.00		(2,205.64)
12/5/2008		NSF	710 Water Dept.	12.50		(2,218.14)
12/26/2008		NSF	710 Water Dept.	12.50		(2,230.64)
12/26/2008		NSF	710 Water Dept.	12.50		(2,243.14)
12/26/2008		NSF	710 Water Dept.	12.50		(2,255.64)
12/26/2008		NSF	710 Water Dept.	12.50		(2,268.14)
12/26/2008		NSF	710 Water Dept.	12.50		(2,280.64)
12/29/2008		NSF	710 Water Dept.	12.50		(2,293.14)
12/29/2008		NSF	710 Water Dept.	12.50		(2,305.64)
12/30/2008		NSF	710 Water Dept.	12.50		(2,318.14)
12/30/2008		NSF	710 Water Dept.	12.50		(2,330.64)
1/26/2009		NSF	710 Water Dept.	12.50		(2,343.14)
2/2/2009		NSF	710 Water Dept.	12.50		(2,355.64)
2/5/2009		NSF	710 Water Dept.	12.50		(2,368.14)
2/5/2009		NSF	710 Water Dept.	12.50		(2,380.64)
2/6/2009		NSF	710 Water Dept.	12.50		(2,393.14)
2/10/2009		NSF	710 Water Dept.	12.50		(2,405.64)
2/16/2009		NSF	710 Water Dept.	12.50		(2,418.14)
2/17/2009		NSF	710 Water Dept.	12.50		(2,430.64)
2/17/2009		NSF	710 Water Dept.	12.50		(2,443.14)
2/17/2009		NSF	710 Water Dept.	12.50		(2,455.64)
2/17/2009		NSF	710 Water Dept.	12.50		(2,468.14)
2/19/2009		NSF	710 Water Dept.	12.50		(2,480.64)
2/25/2009		NSF	710 Water Dept.	12.50		(2,493.14)
2/26/2009		NSF	710 Water Dept.	12.50		(2,505.64)
1/5/2009		NSF	710 Water Dept.	12.50		(2,518.14)
1/5/2009		NSF	710 Water Dept.	12.50		(2,530.64)
1/5/2009		NSF	710 Water Dept.	12.50		(2,543.14)
1/5/2009		NSF	710 Water Dept.	12.50		(2,555.64)
1/5/2009		NSF	710 Water Dept.	12.50		(2,568.14)
1/6/2009		NSF	710 Water Dept.	12.50		(2,580.64)
1/6/2009		NSF	710 Water Dept.	12.50		(2,593.14)
1/6/2009		NSF	710 Water Dept.	12.50		(2,605.64)
1/19/2009		NSF	710 Water Dept.	12.50		(2,618.14)
1/20/2009		NSF	710 Water Dept.	12.50		(2,630.64)
1/23/2009		NSF	710 Water Dept.	12.50		(2,643.14)
1/26/2009		NSF	710 Water Dept.	12.50		(2,655.64)
1/26/2009		NSF	710 Water Dept.	12.50		(2,668.14)
10/9/2008	18259	Revolving Fund	720 Sewer Dept.	809.82		(3,477.96)
12/10/2008	18322	Revolving Fund	720 Sewer Dept.	125.00		(3,602.96)
12/5/2008		NSF	720 Sewer Dept.	12.50		(3,615.46)
12/26/2008		NSF	720 Sewer Dept.	12.50		(3,627.96)
12/26/2008		NSF	720 Sewer Dept.	12.50		(3,640.46)
12/26/2008		NSF	720 Sewer Dept.	12.50		(3,652.96)
12/26/2008		NSF	720 Sewer Dept.	12.50		(3,665.46)
12/26/2008		NSF	720 Sewer Dept.	12.50		(3,677.96)
12/29/2008		NSF	720 Sewer Dept.	12.50		(3,690.46)
12/29/2008		NSF	720 Sewer Dept.	12.50		(3,702.96)
12/30/2008		NSF	720 Sewer Dept.	12.50		(3,715.46)
12/30/2008		NSF	720 Sewer Dept.	12.50		(3,727.96)
1/26/2009		NSF	720 Sewer Dept.	12.50		(3,740.46)
2/2/2009		NSF	720 Sewer Dept.	12.50		(3,752.96)
2/5/2009		NSF	720 Sewer Dept.	12.50		(3,765.46)
2/5/2009		NSF	720 Sewer Dept.	12.50		(3,777.96)
2/6/2009		NSF	720 Sewer Dept.	12.50		(3,790.46)
2/10/2009		NSF	720 Sewer Dept.	12.50		(3,802.96)
2/16/2009		NSF	720 Sewer Dept.	12.50		(3,815.46)
2/17/2009		NSF	720 Sewer Dept.	12.50		(3,827.96)
2/17/2009		NSF	720 Sewer Dept.	12.50		(3,840.46)

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Date	Num	Name	Class	Debit	Credit	Balance
2/17/2009		NSF	720 Sewer Dept.	12.50		(3,852.96)
2/17/2009		NSF	720 Sewer Dept.	12.50		(3,865.46)
2/19/2009		NSF	720 Sewer Dept.	12.50		(3,877.96)
2/25/2009		NSF	720 Sewer Dept.	12.50		(3,890.46)
2/26/2009		NSF	720 Sewer Dept.	12.50		(3,902.96)
1/5/2009		NSF	720 Sewer Dept.	12.50		(3,915.46)
1/5/2009		NSF	720 Sewer Dept.	12.50		(3,927.96)
1/5/2009		NSF	720 Sewer Dept.	12.50		(3,940.46)
1/5/2009		NSF	720 Sewer Dept.	12.50		(3,952.96)
1/5/2009		NSF	720 Sewer Dept.	12.50		(3,965.46)
1/6/2009		NSF	720 Sewer Dept.	12.50		(3,977.96)
1/6/2009		NSF	720 Sewer Dept.	12.50		(3,990.46)
1/6/2009		NSF	720 Sewer Dept.	12.50		(4,002.96)
1/19/2009		NSF	720 Sewer Dept.	12.50		(4,015.46)
1/20/2009		NSF	720 Sewer Dept.	12.50		(4,027.96)
1/23/2009		NSF	720 Sewer Dept.	12.50		(4,040.46)
1/26/2009		NSF	720 Sewer Dept.	12.50		(4,052.96)
1/26/2009		NSF	720 Sewer Dept.	12.50		(4,065.46)
Total Other - Various				4,065.46		(4,065.46)
Personnel - Wages						
7/31/2008		AJE for payroll	710 Water Dept.	16,253.96		(16,253.96)
8/31/2008		AJE for payroll	710 Water Dept.	16,679.83		(32,933.79)
9/30/2008		AJE for payroll	710 Water Dept.	24,196.02		(57,129.81)
11/30/2008		AJE for payroll	710 Water Dept.	16,743.34		(73,873.15)
12/31/2008		AJE for payroll	710 Water Dept.	16,607.95		(90,481.10)
1/31/2009		AJE for payroll	710 Water Dept.	16,247.45		(106,728.55)
2/28/2009		AJE for payroll	710 Water Dept.	20,673.96		(127,402.51)
3/31/2009		AJE for payroll	710 Water Dept.	25,559.08		(152,961.59)
4/30/2009		AJE for payroll	710 Water Dept.	16,198.10		(169,159.69)
5/31/2009		AJE for payroll	710 Water Dept.	15,368.09		(184,527.78)
6/29/2009		AJE for payroll	710 Water Dept.	16,402.36		(200,930.14)
10/31/2008		AJE for payroll	710 Water Dept.	15,394.77		(216,324.91)
6/30/2009		Book AJE 21 Payroll Ac...	710 Water Dept.	6,663.22		(222,988.13)
6/30/2009		Book AJE 22	710 Water Dept.		6,625.86	(216,362.27)
6/30/2009		AE 0002 HKB	710 Water Dept.	30,000.45		(246,362.72)
7/31/2008		AJE for payroll	720 Sewer Dept.	11,765.49		(258,128.21)
8/31/2008		AJE for payroll	720 Sewer Dept.	12,246.36		(270,374.57)
9/30/2008		AJE for payroll	720 Sewer Dept.	17,746.96		(288,121.53)
11/30/2008		AJE for payroll	720 Sewer Dept.	11,988.35		(300,109.88)
12/31/2008		AJE for payroll	720 Sewer Dept.	5,460.70		(305,570.58)
1/31/2009		AJE for payroll	720 Sewer Dept.	5,647.11		(311,217.69)
2/28/2009		AJE for payroll	720 Sewer Dept.	5,540.80		(316,758.49)
3/31/2009		AJE for payroll	720 Sewer Dept.	8,072.29		(324,830.78)
4/30/2009		AJE for payroll	720 Sewer Dept.	5,498.37		(330,329.15)
5/31/2009		AJE for payroll	720 Sewer Dept.	5,298.21		(335,627.36)
6/29/2009		AJE for payroll	720 Sewer Dept.	5,854.41		(341,481.77)
10/31/2008		AJE for payroll	720 Sewer Dept.	11,746.42		(353,228.19)
6/30/2009		Book AJE 21 Payroll Ac...	720 Sewer Dept.	2,260.61		(355,488.80)
6/30/2009		Book AJE 22	720 Sewer Dept.		1,335.50	(354,153.30)
6/30/2009		AE 0002 HKB	720 Sewer Dept.		30,000.45	(324,152.85)
Total Personnel - Wages				362,114.66	37,961.81	(324,152.85)

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Personnel Benefits						
7/31/2008		AJE for payroll	710 Water Dept.	5,741.69		(5,741.69)
8/31/2008		AJE for payroll	710 Water Dept.	5,084.11		(10,825.80)
9/30/2008		AJE for payroll	710 Water Dept.	7,670.29		(18,496.09)
11/30/2008		AJE for payroll	710 Water Dept.	5,129.29		(23,625.38)
12/31/2008		AJE for payroll	710 Water Dept.	5,148.96		(28,774.34)
1/31/2009		AJE for payroll	710 Water Dept.	5,449.94		(34,224.28)
2/28/2009		AJE for payroll	710 Water Dept.	5,869.08		(40,093.36)
3/31/2009		AJE for payroll	710 Water Dept.	8,125.56		(48,218.92)
4/30/2009		AJE for payroll	710 Water Dept.	5,330.67		(53,549.59)
5/31/2009		AJE for payroll	710 Water Dept.	5,307.56		(58,857.15)
6/29/2009		AJE for payroll	710 Water Dept.	5,354.55		(64,211.70)
10/31/2008		AJE for payroll	710 Water Dept.	4,982.77		(69,194.47)
6/30/2009		Book AJE 21 Payroll Ac...	710 Water Dept.	2,686.95		(71,881.42)
6/30/2009		Book AJE 22	710 Water Dept.		1,685.24	(70,196.18)
6/30/2009		AE 0002 HKB	710 Water Dept.	13,427.95		(83,624.13)
7/31/2008		AJE for payroll	720 Sewer Dept.	4,303.95		(87,928.08)
8/31/2008		AJE for payroll	720 Sewer Dept.	4,287.47		(92,215.55)
9/30/2008		AJE for payroll	720 Sewer Dept.	6,493.31		(98,708.86)
11/30/2008		AJE for payroll	720 Sewer Dept.	4,307.32		(103,016.18)
12/31/2008		AJE for payroll	720 Sewer Dept.	1,824.93		(104,841.11)
1/31/2009		AJE for payroll	720 Sewer Dept.	1,921.77		(106,762.88)
2/28/2009		AJE for payroll	720 Sewer Dept.	1,886.41		(108,649.29)
3/31/2009		AJE for payroll	720 Sewer Dept.	2,798.97		(111,448.26)
4/30/2009		AJE for payroll	720 Sewer Dept.	1,880.96		(113,329.22)
5/31/2009		AJE for payroll	720 Sewer Dept.	1,855.29		(115,184.51)
6/29/2009		AJE for payroll	720 Sewer Dept.	1,926.63		(117,111.14)
10/31/2008		AJE for payroll	720 Sewer Dept.	4,252.04		(121,363.18)
6/30/2009		Book AJE 21 Payroll Ac...	720 Sewer Dept.	901.89		(122,265.07)
6/30/2009		Book AJE 22	720 Sewer Dept.		464.40	(121,800.67)
6/30/2009		AE 0002 HKB	720 Sewer Dept.		13,427.95	(108,372.72)
Total Personnel Benefits				123,950.31	15,577.59	(108,372.72)
Personnel HSA Contribution						
1/22/2009	18355	Revolving Fund	710 Water Dept.	5,215.00		(5,215.00)
1/22/2009	18355	Revolving Fund	720 Sewer Dept.	1,739.00		(6,954.00)
Total Personnel HSA Contribution				6,954.00		(6,954.00)
Personnel Taxes- FICA/MC						
7/31/2008		AJE for payroll	710 Water Dept.	1,160.15		(1,160.15)
8/31/2008		AJE for payroll	710 Water Dept.	1,195.20		(2,355.35)
9/30/2008		AJE for payroll	710 Water Dept.	1,728.13		(4,083.48)
11/30/2008		AJE for payroll	710 Water Dept.	1,196.44		(5,279.92)
12/31/2008		AJE for payroll	710 Water Dept.	1,182.98		(6,462.90)
1/31/2009		AJE for payroll	710 Water Dept.	1,151.64		(7,614.54)
2/28/2009		AJE for payroll	710 Water Dept.	1,481.94		(9,096.48)
3/31/2009		AJE for payroll	710 Water Dept.	1,825.83		(10,922.31)
4/30/2009		AJE for payroll	710 Water Dept.	1,155.40		(12,077.71)
5/31/2009		AJE for payroll	710 Water Dept.	1,095.06		(13,172.77)
6/29/2009		AJE for payroll	710 Water Dept.	1,170.37		(14,343.14)
10/31/2008		AJE for payroll	710 Water Dept.	1,098.42		(15,441.56)
6/30/2009		Book AJE 21 Payroll Ac...	710 Water Dept.	473.30		(15,914.86)
6/30/2009		AE 0002 HKB	710 Water Dept.	2,671.76		(18,586.62)
7/31/2008		AJE for payroll	720 Sewer Dept.	828.36		(19,414.98)
8/31/2008		AJE for payroll	720 Sewer Dept.	867.75		(20,282.73)
9/30/2008		AJE for payroll	720 Sewer Dept.	1,255.89		(21,538.62)
11/30/2008		AJE for payroll	720 Sewer Dept.	848.24		(22,386.86)
12/31/2008		AJE for payroll	720 Sewer Dept.	381.86		(22,768.72)
1/31/2009		AJE for payroll	720 Sewer Dept.	395.64		(23,164.36)
2/28/2009		AJE for payroll	720 Sewer Dept.	387.96		(23,552.32)
3/31/2009		AJE for payroll	720 Sewer Dept.	564.78		(24,117.10)
4/30/2009		AJE for payroll	720 Sewer Dept.	384.87		(24,501.97)
5/31/2009		AJE for payroll	720 Sewer Dept.	370.33		(24,872.30)
6/29/2009		AJE for payroll	720 Sewer Dept.	410.75		(25,283.05)
10/31/2008		AJE for payroll	720 Sewer Dept.	830.67		(26,113.72)

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6/30/2009		Book AJE 21 Payroll Ac...	720 Sewer Dept.	156.93		(26,270.65)
6/30/2009		AE 0002 HKB	720 Sewer Dept.		2,671.76	(23,598.89)
Total Personnel Taxes- FICA/MC				26,270.65	2,671.76	(23,598.89)
Postage						
7/31/2008	18217	U.S. Postal Service FY...	710 Water Dept.	104.10		(104.10)
8/27/2008	18223	U.S. Postal Service FY...	710 Water Dept.	104.20		(208.30)
9/3/2008	18239	Greensburg Water & S...	710 Water Dept.	36.28		(244.58)
10/15/2008	18265	Revolving Fund	710 Water Dept.	34.00		(278.58)
10/30/2008	18291	U.S. Postal Service FY...	710 Water Dept.	110.28		(388.86)
12/10/2008	18322	Revolving Fund	710 Water Dept.	141.43		(530.29)
3/25/2009	18400	Revolving Fund	710 Water Dept.	66.00		(596.29)
3/31/2009	18405	US Post Office FYE 08	710 Water Dept.	208.77		(805.06)
11/28/2008	18313	US Post Office FYE 08	710 Water Dept.	116.78		(921.84)
12/30/2008	18345	US Post Office FYE 08	710 Water Dept.	111.41		(1,033.25)
2/3/2009	18370	US Post Office FYE 08	710 Water Dept.	253.98		(1,287.23)
2/26/2009	18376	US Post Office FYE 08	710 Water Dept.	105.38		(1,392.61)
2/26/2009	18376	US Post Office FYE 08	710 Water Dept.	105.37		(1,497.98)
6/8/2009	18476	US Post Office FYE 08	710 Water Dept.	92.50		(1,590.48)
9/30/2008	18258	US Post Office FYE 08	710 Water Dept.	109.63		(1,700.11)
6/30/2009		Book AJE 14	710 Water Dept.	1,274.73		(2,974.84)
6/30/2009		Book AJE 14	710 Water Dept.	1,274.73		(4,249.57)
7/31/2008	18217	U.S. Postal Service FY...	720 Sewer Dept.	104.10		(4,353.67)
8/27/2008	18223	U.S. Postal Service FY...	720 Sewer Dept.	104.19		(4,457.86)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	33.00		(4,490.86)
10/30/2008	18291	U.S. Postal Service FY...	720 Sewer Dept.	110.27		(4,601.13)
12/10/2008	18322	Revolving Fund	720 Sewer Dept.	137.28		(4,738.41)
2/18/2009	18372	Revolving Fund	720 Sewer Dept.	237.94		(4,976.35)
3/25/2009	18400	Revolving Fund	720 Sewer Dept.	66.00		(5,042.35)
11/28/2008	18313	US Post Office FYE 08	720 Sewer Dept.	116.77		(5,159.12)
12/30/2008	18345	US Post Office FYE 08	720 Sewer Dept.	111.40		(5,270.52)
6/8/2009	18476	US Post Office FYE 08	720 Sewer Dept.	92.50		(5,363.02)
9/30/2008	18258	US Post Office FYE 08	720 Sewer Dept.	109.63		(5,472.65)
Total Postage				5,472.65		(5,472.65)
Rent						
7/16/2008	18212	Current Expense Fund				
6/30/2009		Book AJE 20	710 Water Dept.	9,000.00		(9,000.00)
6/30/2009		Book AJE 20	720 Sewer Dept.	3,000.00		(12,000.00)
Total Rent				12,000.00		(12,000.00)
Repair & maintenance Equipment						
1/27/2009	18357	Inspection, Testing & ...	710 Water Dept.	474.88		(474.88)
1/29/2009	18369	Revolving Fund	710 Water Dept.	128.86		(603.74)
3/2/2009	18386	Reynolds, Inc.	710 Water Dept.	15,707.00		(16,310.74)
3/2/2009	18395	Chase Body Shop	710 Water Dept.	91.69		(16,402.43)
3/17/2009	18399	Revolving Fund	710 Water Dept.	182.90		(16,585.33)
3/25/2009	18400	Revolving Fund	710 Water Dept.	26.38		(16,611.71)
3/31/2009	18413	Green River Automotiv...	710 Water Dept.	47.26		(16,658.97)
4/21/2009	18439	Revolving Fund	710 Water Dept.	65.72		(16,724.69)
4/9/2009	18433	Compton's Plumbing Co	710 Water Dept.	115.00		(16,839.69)
4/9/2009	18420	Yates Service	710 Water Dept.	80.00		(16,919.69)
4/30/2009	18443	Revolving Fund	710 Water Dept.	70.07		(16,989.76)
4/30/2009	18443	Revolving Fund	710 Water Dept.	52.19		(17,041.95)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	50.00		(17,091.95)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	23.29		(17,115.24)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	39.77		(17,155.01)
3/2/2009	18395	Chase Body Shop	720 Sewer Dept.	91.68		(17,246.69)
3/2/2009	18396	Construction Site Servi...	720 Sewer Dept.	139.84		(17,386.53)
3/31/2009	18413	Green River Automotiv...	720 Sewer Dept.	45.87		(17,432.40)
4/21/2009	18439	Revolving Fund	720 Sewer Dept.	65.72		(17,498.12)
4/30/2009	18443	Revolving Fund	720 Sewer Dept.	50.47		(17,548.59)
Total Repair & maintenance Equipment				17,548.59		(17,548.59)

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Date	Num	Name	Class	Debit	Credit	Balance
Repair & maintenance gas/oil						
3/17/2009	18399	Revolving Fund	710 Water Dept.	264.07		(264.07)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	256.30		(520.37)
Total Repair & maintenance gas/oil				520.37		(520.37)
Repairs & Maintenance						
8/27/2008	19241	Revolving Fund	710 Water Dept.	48.15		(48.15)
8/27/2008	18235	E-town Electric Service	710 Water Dept.	337.50		(385.65)
10/9/2008	18259	Revolving Fund	710 Water Dept.	195.79		(581.44)
10/9/2008	18259	Revolving Fund	710 Water Dept.	41.66		(623.10)
9/25/2008	18255	Revolving Fund	710 Water Dept.	937.44		(1,560.54)
10/15/2008	18273	Construction Site Servi...	710 Water Dept.	7,890.90		(9,451.44)
10/15/2008	18273	Construction Site Servi...	710 Water Dept.	249.00		(9,700.44)
10/15/2008	18264	Nally & Haydon Surfaci...	710 Water Dept.	1,615.24		(11,315.68)
10/15/2008	18264	Nally & Haydon Surfaci...	710 Water Dept.	72.70		(11,388.38)
10/23/2008	18282	Chlorination Co., Inc.	710 Water Dept.	899.40		(12,287.78)
10/15/2008	18265	Revolving Fund	710 Water Dept.	33.26		(12,321.04)
10/15/2008	18265	Revolving Fund	710 Water Dept.	172.30		(12,493.34)
10/15/2008	18265	Revolving Fund	710 Water Dept.	10.86		(12,504.20)
10/15/2008	18265	Revolving Fund	710 Water Dept.	59.70		(12,563.90)
10/15/2008	18265	Revolving Fund	710 Water Dept.	22.76		(12,586.66)
10/28/2008	18286	Revolving Fund	710 Water Dept.	512.20		(13,098.86)
10/30/2008	18292	Green River Automotive	710 Water Dept.	500.00		(13,598.86)
11/18/2008	18302	Revolving Fund	710 Water Dept.	500.32		(14,099.18)
11/19/2008	18305	Construction Site Servi...	710 Water Dept.	1,175.02		(15,274.20)
11/19/2008	18310	Green River Automotive	710 Water Dept.	33.00		(15,307.20)
11/24/2008	18312	Revolving Fund	710 Water Dept.	26.25		(15,333.45)
11/24/2008	18312	Revolving Fund	710 Water Dept.	3.29		(15,336.74)
12/15/2008		E-town Electric Service	710 Water Dept.	604.19		(15,940.93)
12/15/2008		E I C Systems, Inc.	710 Water Dept.	392.62		(16,333.55)
12/15/2008		Airgas	710 Water Dept.	31.62		(16,365.17)
12/15/2008		Neptune Chemicals Pu...	710 Water Dept.	860.10		(17,225.27)
12/29/2008		Central Parts Warehouse	710 Water Dept.	304.69		(17,529.96)
12/29/2008		Reynolds, Inc.	710 Water Dept.	6,828.00		(24,357.96)
12/29/2008		E-town Electric Service	710 Water Dept.	430.42		(24,788.38)
3/2/2009	18379	Huntington National Ba...	710 Water Dept.	1,017.09		(25,805.47)
3/2/2009	18388	Chlorination Co., Inc.	710 Water Dept.	1,078.12		(26,883.59)
3/2/2009	18396	Construction Site Servi...	710 Water Dept.	2,214.99		(29,098.58)
3/25/2009	18400	Revolving Fund	710 Water Dept.	47.35		(29,145.93)
4/9/2009	18431	Chlorination Co., Inc.	710 Water Dept.	3,296.96		(32,442.89)
4/9/2009	18430	IMI	710 Water Dept.	267.51		(32,710.40)
4/9/2009	18427	Neptune Chemicals Pu...	710 Water Dept.	2,525.62		(35,236.02)
4/29/2009	18442	E-town Electric Service	710 Water Dept.	3,406.72		(38,642.74)
4/30/2009	18443	Revolving Fund	710 Water Dept.	128.39		(38,771.13)
4/30/2009	18443	Revolving Fund	710 Water Dept.	97.28		(38,868.41)
4/30/2009	18446	Construction Site Servi...	710 Water Dept.	1,781.00		(40,649.41)
6/9/2009	18477	Construction Site Servi...	710 Water Dept.	1,927.91		(42,577.32)
6/30/2009	18547	Chad Compton	710 Water Dept.	840.00		(43,417.32)
4/21/2009	18440	Construction Site Servi...	710 Water Dept.	1,772.24		(45,189.56)
6/30/2009		Book AJE 13	710 Water Dept.		8,000.00	(37,189.56)
6/30/2009		Book AJE 14	710 Water Dept.	1,667.00		(38,856.56)
6/30/2009		Book AJE 23	710 Water Dept.		3,296.96	(35,559.60)
8/27/2008	18228	Dixie Farm Store, Inc.	720 Sewer Dept.	60.10		(35,619.70)
9/5/2008	18249	USA BlueBook	720 Sewer Dept.	354.80		(35,974.50)
10/9/2008	18259	Revolving Fund	720 Sewer Dept.	40.43		(36,014.93)
9/25/2008	18255	Revolving Fund	720 Sewer Dept.	909.88		(36,924.81)
10/3/2008	18260	Keltner Construction	720 Sewer Dept.	75.00		(36,999.81)
10/15/2008	18274	E-town Electric Service	720 Sewer Dept.	388.14		(37,387.95)
10/21/2008	18270	Mallard Crane Service	720 Sewer Dept.	320.00		(37,707.95)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	50.00		(37,757.95)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	724.83		(38,482.78)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	10.56		(38,493.34)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	73.28		(38,566.62)
10/28/2008	18286	Revolving Fund	720 Sewer Dept.	497.13		(39,063.75)
11/11/2008	18294	S&K Equipment Co.	720 Sewer Dept.	1,460.03		(40,523.78)
11/17/2008	18301	Northern Safety Co., Inc.	720 Sewer Dept.	101.47		(40,625.25)

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Date	Num	Name	Class	Debit	Credit	Balance
11/18/2008	18302	Revolving Fund	720 Sewer Dept.	25.00		(40,650.25)
11/18/2008	18302	Revolving Fund	720 Sewer Dept.	485.61		(41,135.86)
11/19/2008	18304	Jeffries Hardware	720 Sewer Dept.	230.73		(41,366.59)
11/19/2008	18306	Shofner Pest Control	720 Sewer Dept.	25.00		(41,391.59)
11/24/2008	18312	Revolving Fund	720 Sewer Dept.	25.00		(41,416.59)
11/24/2008	18312	Revolving Fund	720 Sewer Dept.	26.25		(41,442.84)
11/24/2008	18312	Revolving Fund	720 Sewer Dept.	69.45		(41,512.29)
11/24/2008	18312	Revolving Fund	720 Sewer Dept.	28.90		(41,541.19)
12/15/2008		Yates Service	720 Sewer Dept.	80.00		(41,621.19)
2/9/2009	18359	Keltner Construction	720 Sewer Dept.	142.91		(41,764.10)
2/11/2009	18361	CNA Surety	720 Sewer Dept.	101.50		(41,865.60)
3/2/2009	18387	SimplexGrinnell LP	720 Sewer Dept.	112.20		(41,977.80)
3/2/2009	18392	E-town Electric Service	720 Sewer Dept.	5,807.96		(47,785.76)
3/12/2009	18397	Shofner Pest Control	720 Sewer Dept.	25.00		(47,810.76)
3/25/2009	18400	Revolving Fund	720 Sewer Dept.	47.35		(47,858.11)
4/9/2009	18429	S&K Equipment Co.	720 Sewer Dept.	1,815.00		(49,673.11)
5/12/2009	18459	E-town Electric Service	720 Sewer Dept.	2,668.88		(52,341.99)
4/30/2009	18443	Revolving Fund	720 Sewer Dept.	52.64		(52,394.63)
4/30/2009	18443	Revolving Fund	720 Sewer Dept.	97.28		(52,491.91)
4/30/2009	18450	Shofner Pest Control	720 Sewer Dept.	25.00		(52,516.91)
5/1/2009	18456	All- Safe Industries	720 Sewer Dept.	85.00		(52,601.91)
6/8/2009	18466	Don Molden Pipe & Su...	720 Sewer Dept.	1,745.00		(54,346.91)
6/9/2009	18477	Construction Site Servi...	720 Sewer Dept.	225.00		(54,571.91)
6/30/2009		Book AJE 23	720 Sewer Dept.		5,807.96	(48,763.95)
Total Repairs & Maintenance				65,868.87	17,104.92	(48,763.95)
Sludge disposal						
8/27/2008	19241	Revolving Fund	720 Sewer Dept.	6,289.19		(6,289.19)
9/8/2008	18253	Waste Connections	720 Sewer Dept.	526.89		(6,816.08)
11/11/2008	18299	Waste Connections	720 Sewer Dept.	907.45		(7,723.53)
12/15/2008		Waste Connections	720 Sewer Dept.	217.44		(7,940.97)
6/8/2009	18463	Waste Connections	720 Sewer Dept.	881.05		(8,822.02)
Total Sludge disposal				8,822.02		(8,822.02)
Supplies						
8/27/2008	19241	Revolving Fund	710 Water Dept.	82.00		(82.00)
8/27/2008	18236	USA BlueBook	710 Water Dept.	51.17		(133.17)
9/8/2008	18250	Ditchwitch of Kentucky	710 Water Dept.	63.57		(196.74)
10/21/2008	18275	USA BlueBook	710 Water Dept.	354.80		(551.54)
10/15/2008	18265	Revolving Fund	710 Water Dept.	45.96		(597.50)
10/15/2008	18265	Revolving Fund	710 Water Dept.	14.00		(611.50)
10/15/2008	18265	Revolving Fund	710 Water Dept.	253.43		(864.93)
10/15/2008	18265	Revolving Fund	710 Water Dept.	39.05		(903.98)
10/15/2008	18265	Revolving Fund	710 Water Dept.	98.00		(1,001.98)
10/15/2008	18265	Revolving Fund	710 Water Dept.	394.40		(1,396.38)
10/15/2008	18265	Revolving Fund	710 Water Dept.	68.00		(1,464.38)
10/15/2008	18265	Revolving Fund	710 Water Dept.	33.26		(1,497.64)
11/18/2008	18302	Revolving Fund	710 Water Dept.	169.44		(1,667.08)
11/18/2008	18302	Revolving Fund	710 Water Dept.	3.29		(1,670.37)
11/19/2008	18307	USA BlueBook	710 Water Dept.	273.96		(1,944.33)
11/24/2008	18312	Revolving Fund	710 Water Dept.	39.50		(1,983.83)
12/15/2008		USA BlueBook	710 Water Dept.	53.39		(2,037.22)
12/15/2008		P.C.Clark Supply, Inc.	710 Water Dept.	52.85		(2,090.07)
1/29/2009	18369	Revolving Fund	710 Water Dept.	34.16		(2,124.23)
1/29/2009	18369	Revolving Fund	710 Water Dept.	40.05		(2,164.28)
2/18/2009	18372	Revolving Fund	710 Water Dept.	148.19		(2,312.47)
2/18/2009	18372	Revolving Fund	710 Water Dept.	241.68		(2,554.15)
2/18/2009	18372	Revolving Fund	710 Water Dept.	65.31		(2,619.46)
3/2/2009	18390	USA BlueBook	710 Water Dept.	939.84		(3,559.30)
3/17/2009	18399	Revolving Fund	710 Water Dept.	62.67		(3,621.97)
3/17/2009	18399	Revolving Fund	710 Water Dept.	147.40		(3,769.37)
3/17/2009	18399	Revolving Fund	710 Water Dept.	77.22		(3,846.59)
3/17/2009	18399	Revolving Fund	710 Water Dept.	15.29		(3,861.88)
3/25/2009	18400	Revolving Fund	710 Water Dept.	14.36		(3,876.24)
3/30/2009	18404	Signs, Unlimited	710 Water Dept.	107.10		(3,983.34)
3/30/2009	18403	Quill	710 Water Dept.	793.15		(4,776.49)

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Date	Num	Name	Class	Debit	Credit	Balance
3/31/2009	18412	Family Dollar Stores	710 Water Dept.	37.25		(4,813.74)
3/31/2009	18414	United Systems & Soft...	710 Water Dept.	253.71		(5,067.45)
4/9/2009	18434	Construction Site Servi...	710 Water Dept.	218.82		(5,286.27)
4/30/2009	18443	Revolving Fund	710 Water Dept.	11.25		(5,297.52)
6/30/2009		Book AJE 14	710 Water Dept.	20.13		(5,317.65)
6/30/2009		Book AJE 14	710 Water Dept.	2,014.52		(7,332.17)
8/27/2008	19241	Revolving Fund	720 Sewer Dept.	9.74		(7,341.91)
8/27/2008	18236	USA BlueBook	720 Sewer Dept.	163.73		(7,505.64)
9/5/2008	18248	Northern Tool & Equip...	720 Sewer Dept.	83.38		(7,589.02)
10/21/2008	18276	Northern Tool & Equip...	720 Sewer Dept.	101.47		(7,690.49)
10/23/2008	18284	USA BlueBook	720 Sewer Dept.	335.24		(8,025.73)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	253.42		(8,279.15)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	39.05		(8,318.20)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	98.00		(8,416.20)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	382.80		(8,799.00)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	66.00		(8,865.00)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	57.93		(8,922.93)
11/11/2008	18297	USA BlueBook	720 Sewer Dept.	111.92		(9,034.85)
11/18/2008	18302	Revolving Fund	720 Sewer Dept.	169.44		(9,204.29)
11/18/2008	18302	Revolving Fund	720 Sewer Dept.	28.90		(9,233.19)
11/24/2008	18312	Revolving Fund	720 Sewer Dept.	103.24		(9,336.43)
11/24/2008	18312	Revolving Fund	720 Sewer Dept.	149.40		(9,485.83)
12/23/2008	18342	Revolving Fund	720 Sewer Dept.	231.46		(9,717.29)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	11.87		(9,729.16)
2/18/2009	18372	Revolving Fund	720 Sewer Dept.	49.51		(9,778.67)
2/18/2009	18372	Revolving Fund	720 Sewer Dept.	271.53		(10,050.20)
2/18/2009	18372	Revolving Fund	720 Sewer Dept.	63.45		(10,113.65)
2/18/2009	18372	Revolving Fund	720 Sewer Dept.	6.67		(10,120.32)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	62.67		(10,182.99)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	147.40		(10,330.39)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	119.17		(10,449.56)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	14.83		(10,464.39)
3/25/2009	18400	Revolving Fund	720 Sewer Dept.	11.87		(10,476.26)
3/30/2009	18404	Signs, Unlimited	720 Sewer Dept.	103.95		(10,580.21)
3/30/2009	18403	Quill	720 Sewer Dept.	793.15		(11,373.36)
3/31/2009	18414	United Systems & Soft...	720 Sewer Dept.	253.71		(11,627.07)
4/9/2009	18432	USA BlueBook	720 Sewer Dept.	291.07		(11,918.14)
4/30/2009	18443	Revolving Fund	720 Sewer Dept.	26.59		(11,944.73)
4/30/2009	18449	People's Jewelry & Pawn	720 Sewer Dept.	27.96		(11,972.69)
Total Supplies				11,972.69		(11,972.69)
Testing						
8/14/2008	18231	McCoy & McCoy Labor...	710 Water Dept.	1,665.87		(1,665.87)
8/27/2008	18226	McCoy & McCoy Labor...	710 Water Dept.	63.92		(1,729.79)
8/27/2008	18227	Campbellsville Water &...	710 Water Dept.	111.00		(1,840.79)
9/5/2008	18243	McCoy & McCoy Labor...	710 Water Dept.	63.00		(1,903.79)
10/21/2008	18267	McCoy & McCoy Labor...	710 Water Dept.	387.20		(2,290.99)
10/23/2008	18278	McCoy & McCoy Labor...	710 Water Dept.	818.92		(3,109.91)
10/23/2008	18280	Campbellsville Water &...	710 Water Dept.	37.00		(3,146.91)
11/11/2008	18300	McCoy & McCoy Labor...	710 Water Dept.	293.28		(3,440.19)
11/19/2008	18308	McCoy & McCoy Labor...	710 Water Dept.	35.00		(3,475.19)
12/15/2008		McCoy & McCoy Labor...	710 Water Dept.	158.28		(3,633.47)
12/15/2008		Campbellsville Water &...	710 Water Dept.	37.00		(3,670.47)
12/29/2008	250.72	McCoy & McCoy Labor...	710 Water Dept.	63.92		(3,734.39)
3/2/2009	18381	McCoy & McCoy Labor...	710 Water Dept.	1,285.60		(5,019.99)
3/2/2009	18382	Campbellsville Water &...	710 Water Dept.	647.50		(5,667.49)
3/2/2009	18394	Campbellsville Water &...	710 Water Dept.	74.00		(5,741.49)
4/15/2009	18437	McCoy & McCoy Labor...	710 Water Dept.			(5,741.49)
4/9/2009	18418	McCoy & McCoy Labor...	710 Water Dept.	1,375.31		(7,116.80)
4/9/2009	18428	Campbellsville Water &...	710 Water Dept.	481.00		(7,597.80)
4/30/2009	18444	McCoy & McCoy Labor...	710 Water Dept.	1,187.25		(8,785.05)
5/21/2009	18455	McCoy & McCoy Labor...	710 Water Dept.	2,297.64		(11,082.69)
5/22/2009	18475	McCoy & McCoy Labor...	710 Water Dept.	50.00		(11,132.69)
6/8/2009	18470	McCoy & McCoy Labor...	710 Water Dept.	280.20		(11,412.89)
6/8/2009	18465	Campbellsville Water &...	710 Water Dept.	185.00		(11,597.89)
8/14/2008	18231	McCoy & McCoy Labor...	720 Sewer Dept.	536.00		(12,133.89)

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8/27/2008	18226	McCoy & McCoy Labor...	720 Sewer Dept.	93.40		(12,227.29)
9/5/2008	18243	McCoy & McCoy Labor...	720 Sewer Dept.	186.80		(12,414.09)
9/8/2008	18252	McCoy & McCoy Labor...	720 Sewer Dept.	93.40		(12,507.49)
10/21/2008	18267	McCoy & McCoy Labor...	720 Sewer Dept.	574.32		(13,081.81)
10/23/2008	18278	McCoy & McCoy Labor...	720 Sewer Dept.	93.40		(13,175.21)
11/11/2008	18300	McCoy & McCoy Labor...	720 Sewer Dept.	186.80		(13,362.01)
11/19/2008	18308	McCoy & McCoy Labor...	720 Sewer Dept.	186.80		(13,548.81)
12/15/2008		McCoy & McCoy Labor...	720 Sewer Dept.	280.20		(13,829.01)
12/29/2008	250.72	McCoy & McCoy Labor...	720 Sewer Dept.	186.80		(14,015.81)
3/2/2009	18381	McCoy & McCoy Labor...	720 Sewer Dept.	897.20		(14,913.01)
4/15/2009	18437	McCoy & McCoy Labor...	720 Sewer Dept.			(14,913.01)
4/9/2009	18418	McCoy & McCoy Labor...	720 Sewer Dept.	710.40		(15,623.41)
4/30/2009	18444	McCoy & McCoy Labor...	720 Sewer Dept.	280.20		(15,903.61)
5/21/2009	18455	McCoy & McCoy Labor...	720 Sewer Dept.	186.80		(16,090.41)
6/8/2009	18470	McCoy & McCoy Labor...	720 Sewer Dept.	357.00		(16,447.41)
6/8/2009	18469	McCoy & McCoy Labor...	720 Sewer Dept.	93.40		(16,540.81)
Total Testing				16,540.81		(16,540.81)
Training and Travel						
7/22/2008	18215	Ky. State Treasurer	710 Water Dept.			
8/27/2008	19241	Revolving Fund	710 Water Dept.	90.64		(90.64)
8/27/2008	19241	Revolving Fund	710 Water Dept.	144.50		(235.14)
9/25/2008	18255	Revolving Fund	710 Water Dept.	6.00		(241.14)
10/9/2008	18262	Bill Bonta	710 Water Dept.	80.07		(321.21)
10/9/2008	18262	Bill Bonta	710 Water Dept.	140.77		(461.98)
10/15/2008	18265	Revolving Fund	710 Water Dept.	639.46		(1,101.44)
10/15/2008	18265	Revolving Fund	710 Water Dept.	59.24		(1,160.68)
10/28/2008	18286	Revolving Fund	710 Water Dept.	26.93		(1,187.61)
11/18/2008	18303	Revolving Fund	710 Water Dept.	83.14		(1,270.75)
11/24/2008	18312	Revolving Fund	710 Water Dept.	1,429.92		(2,700.67)
12/15/2008		United Systems & Soft...	710 Water Dept.	204.38		(2,905.05)
12/23/2008	18342	Revolving Fund	710 Water Dept.	35.60		(2,940.65)
12/23/2008	18342	Revolving Fund	710 Water Dept.	7.80		(2,948.45)
1/29/2009	18369	Revolving Fund	710 Water Dept.	1,429.92		(4,378.37)
2/18/2009	18372	Revolving Fund	710 Water Dept.	100.38		(4,478.75)
2/18/2009	18372	Revolving Fund	710 Water Dept.	12.00		(4,490.75)
2/18/2009	18372	Revolving Fund	710 Water Dept.	29.87		(4,520.62)
2/19/2009	18373	Gordon Price	710 Water Dept.	10.32		(4,530.94)
3/17/2009	18399	Revolving Fund	710 Water Dept.	57.80		(4,588.74)
3/17/2009	18399	Revolving Fund	710 Water Dept.	16.56		(4,605.30)
3/25/2009	18400	Revolving Fund	710 Water Dept.	140.98		(4,746.28)
4/30/2009	18443	Revolving Fund	710 Water Dept.	215.80		(4,962.08)
2/13/2009	18362	Joe Creason	710 Water Dept.	20.64		(4,982.72)
8/27/2008	19241	Revolving Fund	720 Sewer Dept.	87.96		(5,070.68)
8/27/2008	19241	Revolving Fund	720 Sewer Dept.	144.50		(5,215.18)
9/25/2008	18255	Revolving Fund	720 Sewer Dept.	6.00		(5,221.18)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	620.66		(5,841.84)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	59.24		(5,901.08)
10/28/2008	18286	Revolving Fund	720 Sewer Dept.	26.93		(5,928.01)
11/18/2008	18303	Revolving Fund	720 Sewer Dept.	83.14		(6,011.15)
11/24/2008	18312	Revolving Fund	720 Sewer Dept.	1,180.52		(7,191.67)
12/15/2008		United Systems & Soft...	720 Sewer Dept.	204.37		(7,396.04)
12/23/2008	18342	Revolving Fund	720 Sewer Dept.	35.60		(7,431.64)
12/23/2008	18342	Revolving Fund	720 Sewer Dept.	7.80		(7,439.44)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	1,180.52		(8,619.96)
2/12/2009	18364	Eddie Wright	720 Sewer Dept.	20.64		(8,640.60)
2/18/2009	18372	Revolving Fund	720 Sewer Dept.	100.38		(8,740.98)
2/18/2009	18372	Revolving Fund	720 Sewer Dept.	12.00		(8,752.98)
2/18/2009	18372	Revolving Fund	720 Sewer Dept.	29.86		(8,782.84)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	56.10		(8,838.94)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	16.56		(8,855.50)
3/25/2009	18400	Revolving Fund	720 Sewer Dept.	140.98		(8,996.48)
4/30/2009	18443	Revolving Fund	720 Sewer Dept.	215.80		(9,212.28)
6/5/2009	18473	Danny Bush	720 Sewer Dept.	293.13		(9,505.41)
Total Training and Travel				9,505.41		(9,505.41)

O&M Fund
Costs Allocated by Department

July 2008 through June 2009

Date	Num	Name	Class	Debit	Credit	Balance
Uniforms Allowance						
1/29/2009	18369	Revolving Fund	710 Water Dept.	615.86		(615.86)
3/30/2009	18401	Wear-Guard	710 Water Dept.	191.59		(807.45)
5/11/2009	18458	Edward Price	710 Water Dept.	37.25		(844.70)
6/30/2009		Book AJE 14	710 Water Dept.	32.60		(877.30)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	396.07		(1,273.37)
3/30/2009	18401	Wear-Guard	720 Sewer Dept.	185.95		(1,459.32)
5/11/2009	18458	Edward Price	720 Sewer Dept.	37.00		(1,496.32)
6/30/2009		Book AJE 14	720 Sewer Dept.	32.50		(1,528.82)
Total Uniforms Allowance				1,528.82		(1,528.82)
Utilities						
Website monthly hosting fee						
12/23/2008	18342	Revolving Fund	710 Water Dept.	3.32		(3.32)
2/18/2009	18372	Revolving Fund	710 Water Dept.	6.64		(9.96)
3/17/2009	18399	Revolving Fund	710 Water Dept.	21.25		(31.21)
3/17/2009	18399	Revolving Fund	710 Water Dept.	46.18		(77.39)
12/23/2008	18342	Revolving Fund	720 Sewer Dept.	3.32		(80.71)
2/18/2009	18372	Revolving Fund	720 Sewer Dept.	6.64		(87.35)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	21.25		(108.60)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	46.18		(154.78)
Total Website monthly hosting fee				154.78		(154.78)
Utilities - Other						
8/27/2008	19241	Revolving Fund	710 Water Dept.	10.00		(10.00)
9/4/2008	18240	Revolving Fund	710 Water Dept.	4,363.64		(4,373.64)
9/4/2008	18240	Revolving Fund	710 Water Dept.	63.02		(4,436.66)
10/9/2008	18259	Revolving Fund	710 Water Dept.	60.14		(4,496.80)
10/9/2008	18259	Revolving Fund	710 Water Dept.	51.91		(4,548.71)
9/25/2008	18255	Revolving Fund	710 Water Dept.	47.47		(4,596.18)
9/25/2008	18255	Revolving Fund	710 Water Dept.	117.26		(4,713.44)
10/15/2008	18265	Revolving Fund	710 Water Dept.	13.20		(4,726.64)
10/15/2008	18265	Revolving Fund	710 Water Dept.	51.85		(4,778.49)
10/28/2008	18286	Revolving Fund	710 Water Dept.	6.80		(4,785.29)
10/28/2008	18286	Revolving Fund	710 Water Dept.	69.18		(4,854.47)
10/29/2008	18287	Revolving Fund	710 Water Dept.	4,575.56		(9,430.03)
10/29/2008	18287	Revolving Fund	710 Water Dept.	143.17		(9,573.20)
10/29/2008	18287	Revolving Fund	710 Water Dept.	72.29		(9,645.49)
10/29/2008	18287	Revolving Fund	710 Water Dept.	98.19		(9,743.68)
11/18/2008	18302	Revolving Fund	710 Water Dept.	4,121.65		(13,865.33)
11/18/2008	18302	Revolving Fund	710 Water Dept.	51.91		(13,917.24)
11/18/2008	18303	Revolving Fund	710 Water Dept.	40.00		(13,957.24)
11/18/2008	18303	Revolving Fund	710 Water Dept.	6.60		(13,963.84)
11/24/2008	18312	Revolving Fund	710 Water Dept.	51.91		(14,015.75)
11/24/2008	18312	Revolving Fund	710 Water Dept.	4,121.65		(18,137.40)
12/10/2008	18322	Revolving Fund	710 Water Dept.	114.45		(18,251.85)
12/23/2008	18342	Revolving Fund	710 Water Dept.	10.00		(18,261.85)
1/14/2009	18352	Revolving Fund	710 Water Dept.	4,597.40		(22,859.25)
1/29/2009	18369	Revolving Fund	710 Water Dept.	52.04		(22,911.29)
1/29/2009	18369	Revolving Fund	710 Water Dept.	169.80		(23,081.09)
1/29/2009	18369	Revolving Fund	710 Water Dept.	74.85		(23,155.94)
2/18/2009	18372	Revolving Fund	710 Water Dept.	155.73		(23,311.67)
2/18/2009	18372	Revolving Fund	710 Water Dept.	75.76		(23,387.43)
2/23/2009	18374	KU.	710 Water Dept.	4,657.35		(28,044.78)
3/17/2009	18399	Revolving Fund	710 Water Dept.	33.81		(28,078.59)
3/17/2009	18399	Revolving Fund	710 Water Dept.	402.03		(28,480.62)
3/17/2009	18399	Revolving Fund	710 Water Dept.	15.00		(28,495.62)
3/17/2009	18399	Revolving Fund	710 Water Dept.	40.51		(28,536.13)
3/17/2009	18399	Revolving Fund	710 Water Dept.	345.67		(28,881.80)
3/17/2009	18399	Revolving Fund	710 Water Dept.	143.66		(29,025.46)
3/25/2009	18400	Revolving Fund	710 Water Dept.	402.03		(29,427.49)
3/30/2009	18409	KU.	710 Water Dept.	5,049.66		(34,477.15)
3/30/2009	18410	Kentucky Utilities	710 Water Dept.	50.93		(34,528.08)
4/21/2009	18439	Revolving Fund	710 Water Dept.	167.63		(34,695.71)
4/21/2009	18439	Revolving Fund	710 Water Dept.	75.79		(34,771.50)
4/21/2009	18439	Revolving Fund	710 Water Dept.	35.69		(34,807.19)

O&M Fund
Costs Allocated by Department

July 2008 through June 2009

Date	Num	Name	Class	Debit	Credit	Balance
4/30/2009	18443	Revolving Fund	710 Water Dept.	5,360.09		(40,167.28)
4/30/2009	18443	Revolving Fund	710 Water Dept.	6.36		(40,173.64)
4/30/2009	18443	Revolving Fund	710 Water Dept.	35.69		(40,209.33)
4/30/2009	18443	Revolving Fund	710 Water Dept.	19.80		(40,229.13)
4/8/2009	18416	Lisa Fields	710 Water Dept.	50.00		(40,279.13)
6/30/2009		Book AJE 28	710 Water Dept.	27,127.61		(67,406.74)
8/27/2008	19241	Revolving Fund	720 Sewer Dept.	10.00		(67,416.74)
9/4/2008	18240	Revolving Fund	720 Sewer Dept.	2,098.34		(69,515.08)
9/4/2008	18240	Revolving Fund	720 Sewer Dept.	72.94		(69,588.02)
9/4/2008	18240	Revolving Fund	720 Sewer Dept.	33.97		(69,621.99)
9/4/2008	18240	Revolving Fund	720 Sewer Dept.	195.63		(69,817.62)
10/9/2008	18259	Revolving Fund	720 Sewer Dept.	33.42		(69,851.04)
10/9/2008	18259	Revolving Fund	720 Sewer Dept.	60.74		(69,911.78)
9/25/2008	18255	Revolving Fund	720 Sewer Dept.	56.44		(69,968.22)
9/25/2008	18255	Revolving Fund	720 Sewer Dept.	39.09		(70,007.31)
9/25/2008	18255	Revolving Fund	720 Sewer Dept.	50.53		(70,057.84)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	33.97		(70,091.81)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	13.20		(70,105.01)
10/15/2008	18265	Revolving Fund	720 Sewer Dept.	62.85		(70,167.86)
10/28/2008	18286	Revolving Fund	720 Sewer Dept.	6.60		(70,174.46)
10/28/2008	18286	Revolving Fund	720 Sewer Dept.	42.71		(70,217.17)
10/29/2008	18287	Revolving Fund	720 Sewer Dept.	2,154.19		(72,371.36)
10/29/2008	18287	Revolving Fund	720 Sewer Dept.	87.90		(72,459.26)
10/29/2008	18287	Revolving Fund	720 Sewer Dept.	66.13		(72,525.39)
10/29/2008	18287	Revolving Fund	720 Sewer Dept.	76.91		(72,602.30)
11/18/2008	18302	Revolving Fund	720 Sewer Dept.	2,222.85		(74,825.15)
11/18/2008	18302	Revolving Fund	720 Sewer Dept.	33.29		(74,858.44)
11/18/2008	18302	Revolving Fund	720 Sewer Dept.	33.97		(74,892.41)
11/18/2008	18302	Revolving Fund	720 Sewer Dept.	33.09		(74,925.50)
11/18/2008	18303	Revolving Fund	720 Sewer Dept.	40.00		(74,965.50)
11/18/2008	18303	Revolving Fund	720 Sewer Dept.	6.60		(74,972.10)
11/18/2008	18303	Revolving Fund	720 Sewer Dept.	157.27		(75,129.37)
11/18/2008	18303	Revolving Fund	720 Sewer Dept.	106.68		(75,236.05)
11/24/2008	18312	Revolving Fund	720 Sewer Dept.	33.29		(75,269.34)
11/24/2008	18312	Revolving Fund	720 Sewer Dept.	2,222.85		(77,492.19)
11/24/2008	18312	Revolving Fund	720 Sewer Dept.	33.09		(77,525.28)
12/10/2008	18322	Revolving Fund	720 Sewer Dept.	167.00		(77,692.28)
12/23/2008	18342	Revolving Fund	720 Sewer Dept.	10.00		(77,702.28)
1/14/2009	18352	Revolving Fund	720 Sewer Dept.	72.94		(77,775.22)
1/14/2009	18352	Revolving Fund	720 Sewer Dept.	803.06		(78,578.28)
1/14/2009	18352	Revolving Fund	720 Sewer Dept.	409.39		(78,987.67)
1/14/2009	18352	Revolving Fund	720 Sewer Dept.	2,083.58		(81,071.25)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	68.51		(81,139.76)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	117.22		(81,256.98)
1/29/2009	18369	Revolving Fund	720 Sewer Dept.	47.90		(81,304.88)
2/18/2009	18372	Revolving Fund	720 Sewer Dept.	101.79		(81,406.67)
2/18/2009	18372	Revolving Fund	720 Sewer Dept.	48.78		(81,455.45)
2/23/2009	18374	KU.	720 Sewer Dept.	2,500.17		(83,955.62)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	66.86		(84,022.48)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	252.91		(84,275.39)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	15.00		(84,290.39)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	75.11		(84,365.50)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	332.62		(84,698.12)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	33.97		(84,732.09)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	91.78		(84,823.87)
3/17/2009	18399	Revolving Fund	720 Sewer Dept.	760.93		(85,584.80)
3/25/2009	18400	Revolving Fund	720 Sewer Dept.	252.91		(85,837.71)
3/30/2009	18409	KU.	720 Sewer Dept.	2,320.26		(88,157.97)
3/30/2009	18402	Atmos	720 Sewer Dept.	563.27		(88,721.24)
4/21/2009	18439	Revolving Fund	720 Sewer Dept.	390.26		(89,111.50)
4/21/2009	18439	Revolving Fund	720 Sewer Dept.	114.62		(89,226.12)
4/21/2009	18439	Revolving Fund	720 Sewer Dept.	48.39		(89,274.51)
4/21/2009	18439	Revolving Fund	720 Sewer Dept.	38.97		(89,313.48)
4/21/2009	18439	Revolving Fund	720 Sewer Dept.	79.96		(89,393.44)
4/30/2009	18443	Revolving Fund	720 Sewer Dept.	2,642.77		(92,036.21)
4/30/2009	18443	Revolving Fund	720 Sewer Dept.	150.22		(92,186.43)

O&M Fund
Costs Allocated by Department

July 2008 through June 2009

Date	Num	Name	Class	Debit	Credit	Balance
4/30/2009	18443	Revolving Fund	720 Sewer Dept.	79.96		(92,266.39)
4/30/2009	18443	Revolving Fund	720 Sewer Dept.	19.80		(92,286.19)
4/8/2009	18416	Lisa Fields	720 Sewer Dept.	50.00		(92,336.19)
4/30/2009	18443	Revolving Fund	720 Sewer Dept.	79.20		(92,415.39)
6/30/2009		Book AJE 28	720 Sewer Dept.	21,683.31		(114,098.70)
Total Utilities - Other				114,098.70		(114,098.70)
Total Utilities				114,253.48		(114,253.48)
Water purchased						
9/5/2008	18241	Green-Taylor Water Dis...	710 Water Dept.	1,184.23		(1,184.23)
10/21/2008	18266	Green-Taylor Water Dis...	710 Water Dept.	1,071.55		(2,255.78)
11/3/2008	18290	Green-Taylor Water Dis...	710 Water Dept.	1,088.28		(3,344.06)
12/15/2008		Green-Taylor Water Dis...	710 Water Dept.	75.73		(3,419.79)
12/19/2008	18338	Green-Taylor Water Dis...	710 Water Dept.	884.81		(4,304.60)
1/22/2009	18360	Green-Taylor Water Dis...	710 Water Dept.	1,114.20		(5,418.80)
3/2/2009	18393	Green-Taylor Water Dis...	710 Water Dept.	1,059.80		(6,478.60)
4/8/2009	18419	Green-Taylor Water Dis...	710 Water Dept.	727.66		(7,206.26)
5/21/2009	18454	Green-Taylor Water Dis...	710 Water Dept.	1,000.02		(8,206.28)
2/3/2009	18367	Green-Taylor Water Dis...	710 Water Dept.	985.39		(9,191.67)
6/8/2009	18471	Green-Taylor Water Dis...	710 Water Dept.	1,148.29		(10,339.96)
8/6/2008	18219	Green-Taylor Water Dis...	710 Water Dept.	1,059.27		(11,399.23)
Total Water purchased				11,399.23		(11,399.23)
TOTAL				1,420,170.97	2,047,410.19	627,239.22



Column1	DEPRECIATION Description	ASSET GL	ACQ VALUE	DEPR METHOD	DEPR DATE	EST LIFE	PERIOD	Prior Accum.	TOTAL	NET BOOK
Water	Vehicles		\$ 26,000.00	SL	6/30/2006		5 \$ 5,600.00	\$ 16,800.00	\$ 22,400.00	\$ 5,600.00
Water	Vehicles 100% AD @063008		\$ 65,030.00	SL	Various		5 \$ -	\$ 65,030.00	\$ 65,030.00	\$ -
Water	Buildings, Main, Security		\$ 71,731.00	SL	Various		10 \$ 600.00	\$ 71,731.00	\$ 71,731.00	\$ -
Water	Water plant roof		\$ 6,000.00	SL	6/30/2007		25 \$ -	\$ 1,200.00	\$ 1,800.00	\$ 4,200.00
Water	Land		\$ 25,450.00	SL	Various		20 \$ -	\$ -	\$ -	\$ 25,450.00
Water	Water equipment		\$ 1,866.00	SL	6/30/2003		7 \$ 267.00	\$ 1,599.00	\$ 1,866.00	\$ -
Water	Telemetry equipment		\$ 100,000.00	SL	6/30/2007		7 \$ 14,286.00	\$ 28,571.00	\$ 42,857.00	\$ 57,143.00
Water	Backhoe		\$ 24,450.00	SL	6/30/2003		7 \$ 3,493.00	\$ 20,957.00	\$ 24,450.00	\$ -
Water	Computer		\$ 12,921.00	SL	6/30/2008		7 \$ 1,845.00	\$ 2,584.00	\$ 4,429.00	\$ 8,492.00
Water	Equipment 100% AD 063008		\$ 235,669.00	SL	6/30/1980		7 \$ -	\$ 235,669.00	\$ 235,669.00	\$ -
Water	Water equipment		\$ 3,297.00	SL	12/31/2008		7 \$ 471.00	\$ -	\$ 471.00	\$ 2,826.00
Water	Water Lines etc.		\$ 16,498.00	SL	6/30/1989		20 \$ 413.00	\$ 16,086.00	\$ 16,499.00	\$ (1.00)
Water	Water Lines etc.		\$ 13,950.00	SL	6/30/1992		25 \$ 558.00	\$ 9,207.00	\$ 9,765.00	\$ 4,185.00
Water	Water Lines etc.		\$ 26,782.00	SL	6/30/2001		25 \$ 1,071.00	\$ 6,570.00	\$ 9,641.00	\$ 17,141.00
Water	Water Lines etc.		\$ 119,762.00	SL	6/30/2004		25 \$ 4,790.00	\$ 23,952.00	\$ 28,742.00	\$ 91,020.00
Water	Water Lines etc.		\$ 130,789.00	SL	6/30/2006		25 \$ 5,232.00	\$ 15,694.00	\$ 20,926.00	\$ 109,863.00
Water	Water Lines etc.		\$ 78,725.00	SL	6/30/2008		25 \$ 3,149.00	\$ 3,149.00	\$ 6,298.00	\$ 72,427.00
Water	Water Lines etc.		\$ 15,712.00	SL	6/30/1997		25 \$ 628.00	\$ 7,541.00	\$ 8,169.00	\$ 7,543.00
Water	Water System		\$ 7,000.00	SL	6/30/1986		25 \$ 280.00	\$ 5,600.00	\$ 5,880.00	\$ 1,120.00
Water	Water System		\$ 1,110,839.00	SL	6/30/1989		25 \$ 44,434.00	\$ 873,986.00	\$ 918,420.00	\$ 192,419.00
Water	Water System		\$ 118,915.00	SL	6/30/1991		25 \$ 4,757.00	\$ 83,293.00	\$ 88,050.00	\$ 30,865.00
Water	Water System		\$ 5,995.00	SL	6/30/1992		25 \$ 236.00	\$ 3,891.00	\$ 4,127.00	\$ 1,766.00
Water	Water Project-Northgate		\$ 45,036.00	SL	6/30/1994		15 \$ 3,002.00	\$ 41,021.00	\$ 44,023.00	\$ 1,013.00
Water	Water Plant 100% A/D 063008		\$ 282,013.00	SL	Various		\$ -	\$ 282,013.00	\$ -	\$ -
Water	Water Lines etc. 100% A/D 063008		\$ 357,324.00	SL	Various		\$ -	\$ 357,324.00	\$ -	\$ -
Water	Tanks 100% A/D 063008		\$ 284,127.00	SL	Various		\$ -	\$ 284,127.00	\$ -	\$ -
Water	Brooks Tank		\$ 12,075.00	SL	12/31/2008		25 \$ 483.00	\$ -	\$ 483.00	\$ 11,592.00
Water	Dwntwn Water Project RD		\$ 311,167.00	SL	12/31/2008		25 \$ 12,446.00	\$ -	\$ 12,446.00	\$ 298,721.00
Water	Dwntwn Water Project CDBG		\$ 479,521.00	SL	12/31/2008		25 \$ 19,180.00	\$ -	\$ 19,180.00	\$ 460,341.00
Water	Dwntwn Water Project KY		\$ 30,976.00	SL	12/31/2008		25 \$ 1,239.00	\$ -	\$ 1,239.00	\$ 29,737.00
TOTAL WATER			\$ 4,021,540.00	SL			\$ 128,460.00	\$ 2,459,615.00	\$ 2,588,075.00	\$ 1,433,465.00
Sewer	Sewer Project		\$ 2,748,944.00	SL	6/30/1994		25 \$ 109,958.00	\$ 1,607,244.00	\$ 1,717,202.00	\$ 1,031,742.00
Sewer	Sewer Lines		\$ 2,947.00	SL	6/30/1984		25 \$ 57.00	\$ 2,890.00	\$ 2,947.00	\$ -
Sewer	Sewer Lines		\$ 9,894.00	SL	6/30/1985		25 \$ 386.00	\$ 9,303.00	\$ 9,689.00	\$ 195.00
Sewer	Sewer Lines		\$ 18,539.00	SL	6/30/1992		25 \$ 746.00	\$ 12,303.00	\$ 13,049.00	\$ 5,590.00
Sewer	Sewer Lines		\$ 1,995.00	SL	6/30/2001		25 \$ 80.00	\$ 638.00	\$ 718.00	\$ 1,277.00
Sewer	Sewer Plant Imprvrnmts		\$ 3,939.00	SL	6/30/1991		20 \$ 197.00	\$ 3,333.00	\$ 3,530.00	\$ 409.00
Sewer	Sewer Plant Imprvrnmts		\$ 34,241.00	SL	6/30/1996		25 \$ 1,370.00	\$ 22,256.00	\$ 23,626.00	\$ 10,615.00
Sewer	Old sewer Plant		\$ 149,010.00	SL	6/30/1961		50 \$ 2,980.00	\$ 117,821.00	\$ 120,801.00	\$ 28,209.00
Sewer	Sewer Plant Imprvrnmts		\$ 15,669.00	SL	6/30/1988		20 \$ 402.00	\$ 15,567.00	\$ 15,969.00	\$ -
Sewer	Sewer Plant Imprvrnmts		\$ 6,592.00	SL	6/30/1989		20 \$ 329.00	\$ 6,088.00	\$ 6,417.00	\$ 165.00
Sewer	Sewer Plant Imprvrnmts		\$ 3,939.00	SL	6/30/1991		20 \$ 197.00	\$ 3,333.00	\$ 3,530.00	\$ 409.00
Sewer	Sewer Plant Imprvrnmts		\$ 171,735.00	SL	6/30/2002		20 \$ 8,587.00	\$ 60,107.00	\$ 68,694.00	\$ 103,041.00
Sewer	Wetwells		\$ 10,225.00	SL	6/30/2003		20 \$ 511.00	\$ 3,058.00	\$ 3,579.00	\$ 6,646.00
Sewer	Sewer Lines		\$ 241,398.00	SL	6/30/2006		20 \$ 12,070.00	\$ 36,210.00	\$ 48,280.00	\$ 193,118.00
Sewer	Sewer Lines		\$ 3,515.00	SL	6/30/1996		20 \$ 176.00	\$ 2,285.00	\$ 2,461.00	\$ 1,054.00
Sewer	Sewer 100% at 063008		\$ 693,987.00	SL	6/30/1980		\$ -	\$ 693,987.00	\$ 693,987.00	\$ -
Sewer	Sewer equipment		\$ 905.00	SL	6/30/2003		7 \$ 129.00	\$ 776.00	\$ 905.00	\$ -
Sewer	Sewer equipment		\$ 1,314.00	SL	6/30/2003		7 \$ 186.00	\$ 1,126.00	\$ 1,314.00	\$ -
Sewer	Sewer equipment		\$ 9,402.00	SL	6/30/2004		7 \$ 1,343.00	\$ 6,716.00	\$ 8,059.00	\$ 1,343.00
Sewer	Sewer equipment		\$ 12,950.00	SL	6/30/2005		7 \$ 1,850.00	\$ 7,400.00	\$ 9,250.00	\$ 3,700.00
Sewer	Sewer equipment		\$ 5,808.00	SL	12/31/2008		7 \$ 207.00	\$ -	\$ 207.00	\$ 5,601.00
Sewer	Sewer equipment		\$ 13,673.00	SL	12/31/2008		7 \$ 488.00	\$ -	\$ 488.00	\$ 13,185.00
Sewer	Sewer Lawn Mower		\$ 4,548.00	SL	12/31/2008		7 \$ 163.00	\$ -	\$ 163.00	\$ 4,385.00
TOTAL SEWER			\$ 4,165,559.00	SL			\$ 142,424.00	\$ 2,612,451.00	\$ 2,754,875.00	\$ 1,410,684.00



10.

O&M Fund Trial Balance #6

As of June 30, 2009

	Jun 30, 09	
	Debit	Credit
Cash-PB-CDBG		
Cash-Sewer, PB		
CD-FF-A		
CD-FF-B		
CD-PB-B		
CD-PB#0301736		
CD# 21712-GDB		
Csh- FF- Water Meter		
Restricted Bond&Debt Bank Accts:CD-#0301209	3,560.02	
Restricted Bond&Debt Bank Accts:CD-GDB-22980	69,610.49	
Restricted Depreciatn BankAccts:Cash-Dep.2-GDB	1,464.58	
Restricted Depreciatn BankAccts:Depr-CD-21741		
Restricted Depreciatn BankAccts:Savings-CTB-W&S Debt Reserve	3,515.07	
Restricted Depreciatn BankAccts:Savings-Water Meter Fund	4,516.99	
Restricted Meter Dpt Bank Accts:Cash-Meter	13,756.72	
Restricted Meter Dpt Bank Accts:CD-GDB#5390	45,711.39	
Savings-FF#2024		
Unrestricted Bank Accts:Cash-Int&Bond-GDB	64,009.03	
Unrestricted Bank Accts:Cash-MAIN O&M1001396		23,237.02
Unrestricted Bank Accts:Cash-Pride Grant		
Unrestricted Bank Accts:Cash-Rev., GDB 100 143 4	2.06	
Unrestricted Bank Accts:Cash-W&S, GDB833	71,909.56	
Unrestricted Bank Accts:CD-CB-6763	103,583.65	
Unrestricted Bank Accts:CD-CTB-481968	21,720.24	
Unrestricted Bank Accts:CD-CTB-675	7,900.00	
Unrestricted Bank Accts:CD-FF#8128		
Unrestricted Bank Accts:CD-GDB-21743	110,153.34	
Unrestricted Bank Accts:CD-GDB#20-4142	2,049.47	
AR-Utility AJE		9,817.83
Other AR		
Accumulated Depr		
Accumulated Depreciation		5,342,950.02
Buildings	77,730.57	
Equipment.	426,823.01	
Land	25,450.00	
Sewer System.	4,116,958.89	
Vehicles.	93,030.96	
Water System.	3,447,105.36	
AR	11,489.37	
AR- KY 2006 Water System Impmt		
AR-FMHA		
CIP		
Interfund Receivables:DUE-Fm-B&I		
Interfund Receivables:DUE-Fm-CEF		5,472.10
Interfund Receivables:DUE-Fm-CEF (Note Payments)	52,306.02	
Interfund Receivables:DUE-Fm-CEF(Ins. Proceeds)	17,251.74	
Interfund Receivables:DUE-Fm-Depr		
Interfund Receivables:DUE-Fm-LGEA		
Interfund Receivables:DUE-Fm-MA		
Interfund Receivables:DUE-Fm-Other		
Interfund Receivables:Due From CEF (Gbg Overpayment)	898.97	
Interfund Receivables:Due From CEF (Loan Proceeds)	24,462.50	
Invstmt- KLC		
Note Rec		
Other Assets		
Personnel Compensated Absences	10,788.58	
Sewer System		
Vehicles		
Water Bond Sinking Fund	43,434.40	
Water System		
Accounts Payable		
Accounts Payable.		1,013.88
AP		64,473.24
Benefits Pay		
Bond's Payable		
Bond Discount		

O&M Fund
Trial Balance #6
As of June 30, 2009

	Jun 30, 09	
	Debit	Credit
Contr Capital		
Due-to-CEF (Equipmt)		
DUE-To-CEF (Gbg. prmts)		
DUE-To-Depr		
DUE-To-LGEA		
DUE-To-MA		
Note Pay		
Note Payable -GDB		
NP-KLC		
NP-Unknown		
Other Liability		
PR Tax Payable		
Ret Earning		
Salary Pay		
Sales Tax-Pay		806.37
School Tax-Pay		1,044.84
Customer Meter Deposits.		53,220.00
INTERFUND PAYABLES:DUE-To-B&I		
INTERFUND PAYABLES:Due-to-CEF (Rent)		15,000.00
INTERFUND PAYABLES:DUE-To-CEF (Deposit correction)		1,759.17
INTERFUND PAYABLES:Due-to-CEF (Garbage)	33,161.55	
INTERFUND PAYABLES:Due-to-CEF (GL Reclases)		9,069.95
INTERFUND PAYABLES:Due-to-CEF (Other)	1,204.99	
INTERFUND PAYABLES:DUE-To-CEF (Payroll)	16,262.01	
INTERFUND PAYABLES:Due to CEF		162,975.07
INTERFUND PAYABLES:Due to CEF (Check Errors)	24,977.75	
INTERFUND PAYABLES:Due to CEF (Equipment)		155,239.42
INTERFUND PAYABLES:Due to CEF (Other)	131,725.34	
INTERFUND PAYABLES:Due to CEF (Revolving Fund)		15,535.29
Note Payable, KLC Waterlines		88,580.37
Payable from Restricted Assets:Bond Discount	5,216.93	
Payable from Restricted Assets:Bonds Payable- Sewer		1,446,000.00
Payable from Restricted Assets:Bonds Payable- Water		384,583.33
Payable from Restricted Assets:Extinguishment Loss	24,575.40	
Payable from Restricted Assets:Gain on Bond Restructuring		105,087.90
Personnel Comp Absence Payable		10,788.58
Contributed Capital		1,428,519.00
MONTHLY ADJUSTMENTS		
Opening Bal Equity		283,545.41
Retained Earnings	1,127,641.06	
Fees- Sewer		295,020.29
Fees- Water		682,398.31
Gain from Bond Restructuring		8,757.33
Grant Income:CDBG		481,521.00
Grant Income:Rural Devmnt-water		311,166.67
Grant Income:State IEDF		12,075.00
Health Insurance Reimbursement		3,381.00
Insurance Proceeds		17,251.74
Interest Income- Water		7,926.97
Interest Income-Sewer		7,446.35
Other Income-Sewer		14,520.44
Other Income-Water		14,858.37
Water Meter Connection Income		11,948.93
Advertising	1,334.13	
Amortization	1,042.00	
Auditing & Accounting	3,185.60	
Bank Service	1,852.86	
Chemicals	81,869.02	
Computer/Software	3,201.14	
Contractual Services	10,042.26	
Debt Service	178.68	
Debt Service:Interfund	1,013.88	
Debt Service:KLC - Water Lines	912.54	
Debt Service:Sewer Bond	73,050.00	
Debt Service:Water Bond	15,674.98	
Depreciation	270,884.00	

O&M Fund
Trial Balance #6

As of June 30, 2009

	Jun 30, 09	
	Debit	Credit
Dues & Subs	281.66	
Equipment Rental	5,831.10	
Equipment/Parts	1,227.58	
Extinguishment Loss.	4,094.00	
Fees	5,886.01	
Grants:Water Grant (State budget)		
Grants:Water Grant (State budget):Downtown Water Project		
Insurance	33,970.80	
Licenses	29.00	
Other - Various	4,065.46	
Personnel - Wages	324,152.85	
Personnel Benefits	108,372.72	
Personnel HSA Contribution	6,954.00	
Personnel Taxes- FICA/MC	23,598.89	
Postage	5,472.65	
Rent	12,000.00	
Repair & maintenance Equipment	17,548.59	
Repair & maintenance gas/oil	520.37	
Repairs & Maintenance	48,763.95	
Sludge disposal	8,822.02	
Supplies	11,972.69	
Testing	16,540.81	
Training and Travel	9,505.41	
Uniforms Allowance	1,528.82	
Utilities	114,098.70	
Utilities:Website monthly hosting fee	154.78	
Water purchased	11,399.23	
TOTAL	11,476,991.19	11,476,991.19



Click here to send this report as an electronic file attachment to your message. You must manually insert the Excel workbook as an attachment into the message.

CITY UNIFORM FINANCIAL INFORMATION REPORT - ENTERPRISE FUNDS

FISCAL YEAR 2003 - 2004

Return to:	Governor's Office for Local Development 1024 Capital Center Drive, Suite 340 Frankfort, KY 40601	City name	City of Greensburg
	Or email to Glenn.Oldham@ky.gov	Address	105 West Hodgenville Avenue
		City, State, Zip	Greensburg, KY 42743
		County	Green
		City classification	Fifth

Note: Data supplied by your city in this report will be used by State and Federal Agencies and public interest groups in Kentucky. By filing this report, you will not receive local government Finance Reporting forms F-21 and F-22 from the U S Bureau of the Census.

SEND ONE ORIGINAL AND TWO COPIES OF THE COMPLETED FORM TO THE GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT BY MAY 1, 2005. PLEASE BE SURE TO ENTER YOUR CITY NAME, ADDRESS, ZIP CODE AND CLASSIFICATION IN THE UPPER RIGHT HAND BOXES ON ALL COPIES OF THIS FORM.

THIS FILE MAY ALSO BE TRANSMITTED VIA EMAIL TO Glenn.Oldham@ky.gov OR BY MAILING A DISK TO THE ADDRESS ABOVE.

PART I - DATA SUPPLIED BY

Name of individual who completed form:	Area code	Phone	Extension
Robert C. Ryan, CPA	502	266-7010	
Title:	Date		
Certified Public Accountant	8-Nov-04		

PART II CERTIFICATION

Name of official responsible for this information:	Area Code	Phone	Extension
Wilma De Spain	270	932-4298	
Title:	Date		
City Clerk/Treasurer			

Remarks:

Empty space for remarks.

CITY UNIFORM FINANCIAL INFORMATION REPORT -ENTERPRISE FUNDS FISCAL YEAR 2003-2004 GENERAL INSTRUCTIONS

All information should be provided on a basis consistent with generally accepted accounting principles for the fiscal year July 1, 2003 through June 30, 2004.

Use blank columns for individual funds. Report separately each fund that accounts for revenues that are at least 5 percent of the city's total revenues of enterprise funds. (Major funds)

ROUND TO THE NEAREST DOLLAR. DO NOT SHOW CENTS FOR REVENUES OR EXPENDITURES.

Combine all funds with fund revenues that total less than 5% of enterprise revenues and include in the nonmajor column.

Tax rates should be reported as decimal amounts. For instance a rate of 22 and 7/10 cents per \$100 assessed value should be reported as .227

Combine all items that are not entered in specific categories provided and enter this total in the "Other" line item. Amounts classified as "Other" should not exceed 5% of the corresponding category total.

Report only new debt or lease agreements. DO NOT COMPLETE THESE SECTIONS AGAIN IF THEY WERE REPORTED LAST YEAR AND THERE WERE NO CHANGES IN THE DEBT OR LEASE AGREEMENTS.

THE ACTUAL TAX RATE LEVIED, COLUMN (d), PART III MUST BE COMPLETED EVEN IF THERE WAS NO CHANGE IN THE TAX RATE FROM THE PRIOR YEAR. NO SIGNATURE IS REQUIRED ON ELECTRONIC SUBMISSIONS.

Information in this report should match financial information in the city's annual audited financial statements prepared in accordance with KRS 91A.020.

Please be sure to reconcile subtotals, totals and fund balance schedules to the city's annual financial statements.

Transfers to and from all enterprise funds should equal net transfers from governmental funds. Any other amount in total net transfers indicates that funds have been omitted from this report or that transfers have not been properly recorded.

KRS 92.280 requires all cities to impose a property tax. Part III itemizes details of the property tax assessments and must be completed by all cities.

If you have any questions regarding this file, please contact Glenn Oldham at Glenn.Oldham@ky.gov or by phone at 800-346-5606.

DO NOT ENTER INFORMATION IN THE SHADED BOXES.
--

PART III - ENTERPRISE FUNDS					
Revenue Source (a)	Water (b)	Sewer (c)	(d)	(e)	Nonmajor funds (See instructions) (f)
1. Operating Revenues					
a. Charges for services	563065	255015			
b. Connection fees					
c. Penalties & interest					
d. Other	11622	15903			
e. Total Operating Revenues	A91 574687	A80 270918	A-- 0	A-- 0	A-- 0
2. Operating Expenses					
a. Personnel & fringe benefits					
(1) Salaries & wages	221805	68567			
(2) Fringe benefits	68540	23966			
b. Contractual services	371	371			
c. Materials & supplies	68712	43020			
d. Other costs	120864	74913			
e. Depreciation	121500	154268			
f. Total Operating Expenses	E91 601792	E80 365105	E-- 0	E-- 0	E-- 0
3. Operating Income (loss) (Line 1e minus 2f)	(27,105)	(94,187)	0	0	0
4. Nonoperating Revenues (Expenses)					
a. Federal grants					
b. State grants					
c. Investment income	U20 9535	U20 9331	U20	U20	U20
d. Gain (loss) on sale of fixed assets					
e. Interest expense	I91 -31218	I89 -81100	I--	I--	I--
f. Bond issuance costs	E23	E23	E23	E23	E23
g. Other	-4094				
h. Total Nonoperating Revenues (Expenses)	-25777	-71769	0	0	0
5. Income (loss) before transfers (line 3 plus line 4h)	(52,882)	-165956	0	0	0
6. Operating Transfers					
a. Transfers in					
b. Transfers out					
c. Net transfers	0	0	0	0	0
7. Net income (Line 5 plus line 6c)	(52,882)	-165956	0	0	0
8. Depreciation charged to contributed capital					
9. Net increase (decrease) to retained earnings (Line 7 minus line 8)	(52,882)	-165956	0	0	0
10. Retained earnings, July 1, 2003	420807	-341048			
11. Retained earnings, June 30, 2004 (Line 9 plus line 10)	367,925	-507004	0	0	0

PART III - ENTERPRISE FUNDS					
Revenue Source (a)	Water (b)	Sewer (c)	(d)	(e)	Nonmajor funds (See instructions) (f)
12. Less Restricted Retained Earnings:					
a. Depreciation reserves					
b. Maintenance & operating reserves					
c. Debt services reserves					
d. Capital projects reserves					
e. Construction reserves					
f. Total Restricted Retained Earnings	0	0	0	0	0
13. Unrestricted Retained Earnings (Line 11 minus line 12f)	367,925	(507,004)	0	0	0

PART IV - ENTERPRISE FUNDS CASH FLOW					
Revenue Source (a)	Water (b)	Sewer (c)	Consolidated (d)	(e)	Nonmajor funds (See instructions) (f)
1. Net cash provided from operating activities			74863		
2. Cash flows from capital financing activities:					
a. Bond proceeds (net of issuance costs)			24462		
b. Payment of bond/note principal			-38663		
c. Payment of bond/note interest					
d. Proceeds from sale of fixed assets					
e. Acquisition of equipment	G91	G80	G-	G-	G-
			-129164		
f. Acquisition of real property	G91	G80	G-	G-	G-
g. Capital contributions	F91	F80	F-	F-	F-
h. Other			-16850		
i. Net cash flows from capital financing	0	0	(160,215)	0	0
3. Cash flows from noncapital financing:					
a. Operating transfers in					
b. Operating transfers out					
c. Federal grants					
d. State grants					
e. Other					
f. Net cash flows from noncapital financing	0	0	0	0	0

PART IV - ENTERPRISE FUNDS CASH FLOW					
Revenue Source	Water	Sewer			Nonmajor funds (See instructions)
4. Cash Flows from Investing Activities:					
a. Purchase of investments					
b. Proceeds from sale/maturities of investments					
c. Investment income					
d. Net cash flows from investing activities	0	0	0	0	0
5. Net Increase (Decrease) in cash balances (Line 1 plus line 2i plus line 3f plus line 4d)	0	0	(85,352)	0	0
6. Cash balances, July 1, 2003			325898		
7. Cash balances, June 30, 2004 (Line 5 plus line 6)	0	0	240546	0	0
Cash balances in Part IV should match cash balances in Part V					
Remarks:					

PART V - ENTERPRISE FUND CASH & INVESTMENTS

Describe (a)	Unrestricted Balances (b)	Operating Reserves (c)	Debt Service Reserves (d)	Depreciation Reserves (e)	Capital Project Reserves (f)	Construction Funds (g)
A. Water Funds						
1. Cash, checking accounts and savings	114764	28172	45741	67141		
2. Certificates of deposit	92066	67048	332449	153444		
3. U S Government obligations						
4. Bankers acceptances						
5. Commercial paper						
6. Commonwealth of Ky bonds						
7. Local government bonds						
8. Mutual funds						
9. Repurchase agreements						
10. Ky League of Cities investment pool						
11. Other local government investment pools						
12. Total Water Fund Cash & Investments	W61 206,830	W61 95,220	W01 378,190	220,585	W31 0	W31 0
B. Sewer Funds						
1. Cash, checking accounts and savings						
2. Certificates of deposit						
3. U S Government obligations						
4. Bankers acceptances						
5. Commercial paper						
6. Commonwealth of Ky bonds						
7. Local government bonds						
8. Mutual funds						
9. Repurchase agreements						
10. Ky League of Cities investment pool						
11. Other local government investment pools						
12. Total Sewer Fund Cash & Investments	W61 0	W61 0	W01 0	0	W31 0	W31 0
C. Funds (Specify)						
1. Cash, checking accounts and savings						
2. Certificates of deposit						
3. U S Government obligations						
4. Bankers acceptances						
5. Commercial paper						
6. Commonwealth of Ky bonds						
7. Local government bonds						
8. Mutual funds						
9. Repurchase agreements						
10. Ky League of Cities investment pool						
11. Other local government investment pools						
12. Total Fund Cash & Investments	W61 0	W61 0	W01 0	0	W31 0	W31 0

PART V - ENTERPRISE FUND CASH & INVESTMENTS

Describe (a)	Unrestricted Balances (b)	Operating Reserves (c)	Debt Service Reserves (d)	Depreciation Reserves (e)	Capital Project Reserves (f)	Construction Funds (g)
D. Funds (Specify)						
1. Cash, checking accounts and savings						
2. Certificates of deposit						
3. U S Government obligations						
4. Bankers acceptances						
5. Commercial paper						
6. Commonwealth of Ky bonds						
7. Local government bonds						
8. Mutual funds						
9. Repurchase agreements						
10. Ky League of Cities investment pool						
11. Other local government investment pools						
	W61	W61	W01		W31	W31
12. Total Fund Cash & Investments	0	0	0	0	0	0
E. NonMajor Funds						
1. Cash, checking accounts and savings						
2. Certificates of deposit						
3. U S Government obligations						
4. Bankers acceptances						
5. Commercial paper						
6. Commonwealth of Ky bonds						
7. Local government bonds						
8. Mutual funds						
9. Repurchase agreements						
10. Ky League of Cities investment pool						
11. Other local government investment pools						
	W61	W61	W01		W31	W31
12. Total Non Major Fund Cash & Investments	0	0	0	0	0	0

Remarks:

PART VI - NEW INDEBTEDNESS

1. Bond issue title		6. Original issue principal		2493341
2. Year of issue		7. Average interest rate		5.3
3. Bond proceeds intended use		8. Bond rating		
		a. S & P		
4. Bond type (check appropriate box) General obligation----- Public property corp----- Utility revenue----- Other (describe)-----		b. Moody's		
		9. Source of debt service		
5. Call Provisions		10. Fund responsible for debt service		
No-----				
Yes (specify interval)-----				
Debt service requirements		Principal	Interest	Total Payments
11. Paid in FY 2003-2004		38663	111794	150457
FUTURE PAYMENTS				
12. FY 2004-2005		40420	109882	150302
13. FY 2005-2006		43443	107872	151315
14. FY 2006-2007		45315	105700	151015
15. FY 2007-2008		48304	103421	151725
16. FY 2008-2009		51313	100978	152291
Cumulative years				
17. FY 2009-2013		215026	381046	596072
18. FY 2014-2018		602045	265621	867666
19. FY 2019-2023		253687	134397	388084
20. FY 2024-2028		339687	47797	387484
21. FY 2029-2043		340687	30000	370687
22. Total Amount Outstanding (sum of future payments)		1979927	1386714	3366641
				Amount - omit cents
Report the total expenditures for salaries and wages from all funds-----				290372

Amount - omit cents
 Z00
 290372

Remarks:

PART VII - NEW CAPITAL LEASE AGREEMENTS OVER \$50,000			
1. Item leased			
2. Date of initial lease			
3. Length of lease - Years			
4. Original lease principal			
5. Average interest rate %			
6. Fund responsible for lease payments			
7. Source of revenue for lease payments			
8. Identity of lessor			
Lease Payment Requirements	Principal	Interest	Total Payments
9. Paid in FY 2003-2004			0
FUTURE PAYMENTS			
10. FY 2004-2005			0
11. FY 2005-2006			0
12. FY 2006-2007			0
13. FY 2007-2008			0
14. FY 2008-2009			0
Cumulative years			
15. FY 2009-2013			0
16. FY 2014-2018			0
17. FY 2019-2023			0
18. FY 2024-2028			0
19. FY 2029-2043			0
20. Total Amount Outstanding (sum of future payments)	0	0	0
Remarks:			



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**CITY UNIFORM FINANCIAL INFORMATION REPORT - ENTERPRISE FUNDS
FISCAL YEAR 2004 - 2005**

Return to: Governor's Office for Local Development 1024 Capital Center Drive, Suite 340 Frankfort, KY 40601 Or email to Glenn.Oldham@ky.gov	City name	City of Greensburg
	Address	105 West Hodgenville Avenue
	City, State, Zip	Greensburg, KY 42743
	County	Green
	City classification	Sixth

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THIS FILE MAY ALSO BE TRANSMITTED VIA EMAIL TO Glenn.Oldham@ky.gov OR BY MAILING A DISK TO THE ADDRESS ABOVE.

PART I - DATA SUPPLIED BY

Name of individual who completed form:	Area code	Phone	Extension
Robert C. Ryan	502	491-9300	
Title: Certified Public Accountant	Date	9-Dec-05	

PART II CERTIFICATION

Name of official responsible for this information:	Area Code	Phone	Extension
Jayne Blakeman Casey	270	932-4298	
Title: City Clerk	Date	9-Dec-05	

Remarks:

Statistics from Water Utility Reports

	Retail Customer B	Retail Commercial	Residential	(F) Total Retail Sales	(C) Wholesale and Tax Exempt	TOTAL
Jul-06	3,087,600	700	3,157,290	6,245,590	15,988,000	22,233,590
Aug-06	2,478,600	900	3,663,100	6,142,600	19,144,000	25,286,600
Sep-06	2,266,400	700	2,951,000	5,218,100	17,471,500	22,689,600
Oct-06	2,456,300	800	3,359,000	5,816,100	17,123,200	22,939,300
Nov-06	2,308,700	900	3,666,710	5,976,310	15,156,000	21,132,310
Dec-06	2,122,900	800	2,535,500	4,659,200	13,843,700	18,502,900
Jan-07	3,494,300	1,100	3,467,000	6,962,400	17,861,600	24,824,000
Feb-07	3,860,900	800	3,088,729	6,950,429	16,414,500	23,364,929
Mar-07	3,245,300	800	2,561,900	5,808,000	17,758,000	23,566,000
Apr-07	2,080,300	700	2,989,900	5,070,900	15,377,700	20,448,600
May-07	2,374,600	700	3,100,300	5,475,600	16,277,000	21,752,600
Jun-07	2,615,000	1,300	3,715,222	6,331,522	21,564,500	27,896,022
Jul-07	2,858,600	800	3,408,978	6,268,378	20,363,800	26,632,178
Aug-07	2,594,300	500	3,975,800	6,570,600	18,055,600	24,626,200
Sep-07	2,754,800	1,100	3,511,300	6,267,200	19,306,500	25,573,700
Oct-07	2,639,700	900	3,256,570	5,897,170	17,914,400	23,811,570
Nov-07	1,543,900	900	2,657,580	4,202,380	16,532,200	20,734,580
Dec-07	3,712,800	1,200	3,578,486	7,292,486	16,930,100	24,222,586
Jan-08	3,136,300	900	3,559,830	6,697,030	15,346,200	22,043,230
Feb-08	2,444,900	1,000	3,401,050	5,846,950	18,342,100	24,189,050
Mar-08	2,127,100	1,800	3,331,210	5,460,110	16,563,600	22,023,710
Apr-08	2,721,400	1,100	3,391,100	6,113,600	16,725,500	22,839,100
May-08	3,068,400	1,800	4,348,340	7,418,540	16,725,400	24,143,940
Jun-08	2,319,720	1,100	3,789,433	6,110,253	20,001,000	26,111,253
Jul-08	2,843,866	2,900	5,440,190	8,286,956	18,664,300	26,951,256
Aug-08	3,019,532	3,000	4,758,348	7,780,880	20,473,632	28,254,512
Sep-08	2,705,722	500	5,661,842	8,368,064	19,005,622	27,373,686
Oct-08	3,062,251	500	3,947,116	7,009,867	18,911,684	25,921,551
Nov-08	2,601,700	600	3,495,209	6,097,509	18,364,800	24,462,309
Dec-08	2,723,400	600	4,306,694	7,030,694	19,808,200	26,838,894
Jan-09	2,453,200	800	3,571,629	6,025,629	19,032,000	25,057,629
Feb-09	2,564,700	2,500	3,368,450	5,935,650	20,253,800	26,189,450
Mar-09	2,376,033	1,000	2,846,914	5,223,947	13,945,000	19,168,947
Apr-09	2,429,133	1,000	3,481,134	5,911,267	17,374,400	23,285,667
May-09	2,771,400	900	3,807,173	6,579,473	18,146,000	24,725,473
Jun-09	2,410,000	700	3,616,979	6,027,679	17,977,600	24,005,279
Total	96,273,757	38,300	128,767,006	225,079,063	638,743,138	863,822,201

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**WHOLESALE RATE STUDY
GREENSBURG MUNICIPAL WATER SYSTEM
February 2010**

SUMMARY: The results of this study show that the estimated cost for the City of Greensburg to provide water service to wholesale customers is \$2.43 per 1,000 gallons of treated water.

GENERAL:

The City of Greensburg has requested that Bell Engineering prepare a study which determines a fair and appropriate wholesale water rate to apply to its customer base. In this instance there is only one wholesale customer, Green Taylor Water District.

Much of the information provided in this report was provided by Nancy J Stearman, CPA, a local independent accountant contracted by the City on an as needed basis. Her familiarity with City records and procedures expedited the delivery of this report.

To provide this analysis we have reviewed the techniques used by the Public Service Commission, public information offered by KRWA, and reports developed by other professionals in this field. It is our conclusion that the best approach for a study of this nature in Kentucky is to use the "Inch Diameter Mile" method of allocating costs. This involves allocating costs to functional components of the water system, determining allocation factors which are used to separate costs between retail and wholesale customers and applying them.

The elements of costs or revenue requirements are as follows:

- Operations and maintenance expenses
- Depreciation expense
- Debt service plus coverage

The allocation process used in this report is as follows:

- Separate each of the cost elements shown above into the classifications of **treatment, distribution and customer costs**. Costs shared by the City and Wholesale customer(s) are those placed in the treatment and distribution classification. Costs not shared were classified as retail customer costs and do not apply to the wholesale customer. Some costs which should have been capitalized are eliminated from the calculation.
- Determine allocation factors which can be applied to treatment and distribution costs to separate City costs from Wholesale Customer costs. Generally this involves tabulating the length and size of lines that serve City customers and

brings water to the Wholesale customer master meters. Also it is necessary to consider water losses both at the plant and in the distribution lines. Treatment costs and distribution costs are allocated with different factors.

- The results are costs attributed to the wholesale customer which can be divided by total metered use to arrive at a cost per 1,000.

OPERATING EXPENSES:

From Table 1 on the following page, operating costs for the water system were separated into the designated classifications. Below is a summary excluding depreciation expense, debt service, and extinguishment loss.

Total FY 2009	Treatment	Distribution	Cust.Costs
\$652,888.91	\$401,422.57	\$192,653.58	\$58,812.76

To separate these costs it was necessary to analyze each line item of operating expenses and determine the best approach to separate these costs between treatment, distribution, customer costs and those not applicable. In some instances, the line item is itself explanatory such as chemical costs or electrical costs attributable to the plant or intake. In most instances however, it was necessary to devise a basis for allocating costs such as determining where individuals work and how much they are paid. The water system manager and various other personnel were interviewed to determine how they used their workday, what equipment was used and how the system worked.

Salaries and benefits are allocated on this basis as well maintenance costs. Health care costs were based on the number of individuals working in treatment, distribution or customer costs. Vehicle costs were allocated based on where they were used. In some instances it was necessary to use an overall ratio based on the other allocations.

Worksheets showing the how allocation percentages were arrived at are show in the attached Appendix A.

TABLE 1
ALLOCATION OF OPERATING EXPENSES
GREENSBURG WATER UTILITIES
 Fiscal Year Ended 6/30/2009

EXPENSE ITEM:	YTD Expenses		Known Adjustments	Adjusted Total Expenses	Allocation Schedule	Allocated Amounts	Intake and Treatment		Trans. & Distribution		Customer Costs		Capitalized or Not Applicable
	4,249.57	17,690.74					Amount	%	Transmission & Distribution	%	Customer Costs	%	
Postage	4,249.57	4,249.57		4,249.57	Cust. Exp.	4,249.57	0.00%	0.00	0.00%	4,249.57	100%	17,690.74	
Debt Service	17,690.74	17,690.74		17,690.74	N/A Here							4,094.00	
Extinguishment Loss	4,094.00	4,094.00		4,094.00	N/A Here							128,460.00	
Depreciation	128,460.00	128,460.00		128,460.00	N/A Here								
Insurance	17,770.63	17,770.63		17,770.63	Depreciation	17,770.63	6.28%	16,144.62	90.85%	510.02	2.87%	0.00	
Utilities - Electric	52,531.54	58,965.54	6,434.00	58,965.54	Electric	58,965.54	95.23%	2,812.66	4.77%	0.00	0.00%	0.00	
Advertising	990.47	990.47		990.47	Identified	990.47	0.00%	990.47	100.00%	0.00	0.00%	0.00	
Chemicals	66,297.56	78,231.56	11,934.00	78,231.56	Identified	78,231.56	100.00%	0.00	0.00%	0.00	0.00%	0.00	
Contractual Services	5,429.63	5,429.63		5,429.63	Identified	5,429.63	50.00%	2,714.82	50.00%	0.00	0.00%	0.00	
Dues and Subscriptions	115.83	115.83		115.83	Identified	115.83	100.00%	0.00	0.00%	0.00	0.00%	0.00	
Equipment Rental	5,831.10	5,831.10		5,831.10	Identified	5,831.10	0.00%	5,831.10	100.00%	0.00	0.00%	0.00	
Repairs & Maint.	35,559.60	41,559.60	6,000.00	41,559.60	Identified	41,559.60	48.20%	21,527.87	51.80%	0.00	0.00%	0.00	
Repairs and Maint. Equip	17,041.95	17,041.95		17,041.95	Identified	17,041.95	93.00%	1,192.94	7.00%	0.00	0.00%	0.00	
Testing	11,597.89	11,597.89		11,597.89	Identified	11,597.89	100.00%	0.00	0.00%	0.00	0.00%	11934.11	
Utilities - Other	11,934.11	11,934.11		11,934.11	Identified							11399.23	
Water Purchases	11,399.23	11,399.23		11,399.23	Identified								
Website Hosting Fee	77.39	77.39		77.39	Identified	77.39	0.00%	0.00	0.00%	77.39	100.00%		
Fees	4,508.93	4,508.93		4,508.93	No of Empl.	4,508.93	49.59%	1,582.08	35.09%	690.84	15.32%		
Training and Travel	4,982.72	4,982.72		4,982.72	No of Empl.	4,982.72	49.59%	1,748.32	35.09%	763.43	15.32%		
Personnel HSA Contrib.	5,215.00	5,215.00		5,215.00	No. of Empl.	5,215.00	49.59%	1,829.82	35.09%	799.02	15.32%		
Uniforms Allocation	877.30	877.30		877.30	No. of Empl.	877.30	49.59%	307.82	35.09%	134.42	15.32%		
Auditing & Acct.	1,592.80	4,612.80	3,020.00	4,612.80	Overall Ratio	4,612.34	61.51%	1,364.47	29.58%	410.54	8.90%		
Bank Service Fees	1,131.36	1,131.36		1,131.36	Overall Ratio	1,131.25	61.51%	334.66	29.58%	100.69	8.90%		
Computer and Software	1,619.12	1,619.12		1,619.12	Overall Ratio	1,618.96	61.51%	478.94	29.58%	144.10	8.90%		
Misc - Various	2,668.14	2,668.14		2,668.14	Overall Ratio	2,667.87	61.51%	789.24	29.58%	237.46	8.90%		
Rent	9,000.00	9,000.00		9,000.00	Overall Ratio	8,999.10	61.51%	2,662.20	29.58%	801.00	8.90%		
Supplies	7,332.17	7,332.17		7,332.17	Overall Ratio	7,331.44	61.51%	2,168.86	29.58%	652.56	8.90%		
Utilities - Telephone	2,941.09	2,941.09		2,941.09	Telephone	2,941.09	55.11%	353.81	12.03%	966.44	32.86%		
Equipment Parts	986.00	986.00		986.00	Vehicles/Equip	986.00	14.29%	704.29	71.43%	140.86	14.29%		
Repairs & Maint. - Gas/Oil	264.07	264.07		264.07	Vehicles/Equip	264.07	14.29%	188.62	71.43%	37.72	14.29%		
Personnel - Wages	246,362.72	253,753.72	7,391.00	253,753.72	Wages/Sal.	253,753.72	52.03%	88,267.47	34.78%	33,446.72	13.18%		
Personnel Benefits	83,624.13	91,986.13	8,362.00	91,986.13	Wages/Sal.	91,986.13	52.03%	31,997.10	34.78%	12,124.49	13.18%		
Personnel FICA/MC	18,586.62	19,151.62	565.00	19,151.62	Wages/Sal.	19,151.62	52.03%	6,661.83	34.78%	2,524.33	13.18%		
TOTAL EXPENSES	782,763.41	826,469.41	43,706.00	826,469.41		652,888.69	61.48%	192,654.00	29.51%	58,811.62	9.01%	173,578.08	

Known Adjustments - refers to costs that have increased since the end of the test period either by rate for service or commodity or an increase in use. The increase in auditing/accounting is for the wholesale rate study (\$15,100) amortized over 5 years. The increase in repairs and maintenance is for out of pocket tank work amortized over 5 years.

DEPRECIATION EXPENSE:

A summary of depreciation expense and its separation into designed classifications is provided below.

Table 2							
<u>Depreciation Expense – Fiscal Year Ended 6/30/2009</u>							
<u>Greensburg Water Utility</u>							
Item	Depr Expense	Less Grant Assets Depr.	Net Depr Expense		Treatment	Distrib.	Cust. Costs
Lines	\$101,898	-42,616	\$59,282		0	\$59,282	
Improv.	600	0	600		600	0	
Office Equip	1,845		1,845	1	959	646	240
Telemetry	14,286	-10,715	3,571	1	1,857	1,250	464
Equipment	738		738	2		581	157
Vehicles	9093	0	9093	3	1,299	6,495	1299
Totals	\$128,460	53,331	\$75,129		\$4,716	\$68,253	\$2,160
Percentages					6.28%	90.85%	2.87%

Notes:

1. Allocated based on wages/salaries percentages (52% Trt, 35% Dist., 13% Cust.)
2. Allocated based on wages/salaries less treatment (78.66% Dist., 21.34% Cust.)
3. Allocated based on vehicle use percentages (14.29% Trt, 71% Dist., 14.29% Cust.)

Based on conversations with personnel at the Kentucky PSC, depreciation expenses for grant funded assets are not allowed for municipalities when determining a wholesale rate for water districts or associations. As such, a portion of depreciation expense has been removed.

The percentages shown above were used to allocate property insurance (Table 1) and to allocate debt service for facilities prior to the new downtown water system improvements (Table 3).

DEBT SERVICE:

Debt service pertaining to the water system consists of a KIA loan for construction of water lines in 1989, a Kentucky League of City Lease for water line replacements in 2006, an interfund debt for funds owed to the City, and a Rural Development loan for downtown water improvements. The RD loan has not been officially closed but should do so shortly. Typically an RD loan will charge an annual interest for the first two years and amortize the total loan over the remaining 38 years of its life. Only interest expense for one year has been included in the table below.

<p align="center">Table 3 Debt Service Greensburg Water Utility Fiscal Year Ended 6/30/2009</p>							
Type	Prin	Sinking Fund	Int & Fees	Total	Treatment	Distrib.	Cust. Costs
KIA Loan	\$5,000	\$16,287	16,454	37,741			
KLC Lease	\$3,716		2314	6,030			
Interfund			1,014	1,014			
Other	<u>0</u>	<u>0</u>	89	89			
Subtotal				\$44,874	\$2,818	\$40,768	1,288
					6.28%	90.85%	2.87%
RD Loan	0	0	18,563	18,563	0	18,563	<u>0</u>
Total				\$63,437	\$2,818	\$59,331	\$1,288
Coverage@ 20%				12,688	564	11,866	258
Total w/ Coverage				\$76,125	\$3,382	\$71,197	\$1,546

Debt service for loans prior to the current improvements were separated between cost classifications based on depreciation percentages.

Debt service for the RD loan, \$450,000 at an interest rate of 4.125%, pertains strictly to distribution system improvements.

Coverage of principal and interest was computed based on 20% which is typical of Rural Development loans. Although the older debt probably had a lower coverage requirement, Rural Development requires that the borrower cover all debt service and set rates based on coverage not less than its standard.

SLUDGE COSTS:

Sludge produced by the water treatment plant cannot be hauled away without further treatment. Instead it is transported via piping to the WWTP where it is treated in the same fashion as all other wastewater and then hauled away as dried sludge. This process is at a substantial cost to the wastewater treatment system and should not be borne by sewer customers.

In an effort to breakout the wastewater system cost to treat sludge produced by the water treatment plant, Bell Engineering was contracted, in 2005, to calculate these costs. Those calculations were included as an Appendix A to a general Utility Rate Study dated July 2005.

For purposes of this report, we have updated those calculations for current operating costs, flows and pounds of sludge hauled away. Rather than go over the details of the study here, we have attached it as Appendix B. The results show a sludge cost related to water treatment of \$ 57,610.

ALLOCATION FACTORS:

This portion of the study deals with the development of factors to allocate treatment and distribution costs to either the City (retail) customers or Wholesale customers. The “Inch Diameter Mile” method calls for an analysis of total water produced and its uses and an analysis of distribution piping to get the water to the Wholesale customer’s master meters.

Following are production and sales statistics for the Greensburg Water System, Table 4 along with a tabulation of lines in the system and used jointly, Table 5

Table 4 ANNUAL WATER PRODUCTION, SALES AND LOSS GREENSBURG WATER UTILITY		
Sales to Retail	80,277,615	20.58%
Sales to Wholesale/Tax Exempt	221,957,038	56.91%
Plant Use	19,733,040	5.06%
Water Loss	36,966,577	9.48%
Other	31,413,501	8.05%
Less: Water Purchased	(301,200)	-0.08%
Total Produced	390,046,571	100.00%

Table 5 Tabulation of Lines in System and Used Jointly Greensburg Water Utility						
Total Lines				Jointly Used Lines		
Size (Inch)	Length in Feet	Length in Miles	Inch Dia. Miles	Jointly Used Feet	Length in Miles	Inch Dia. Miles
8	37485	7.1	56.8	34195	6.48	51.84
6	63655	12.06	72.36	56124	10.63	63.78
4	10113	1.92	7.68	2004	0.38	1.52
3	5477	1.04	3.12	0	0	0
2	7467	1.41	2.82	5068	0.96	1.92
1	407	0.08	0.08	0	0	0
Totals	124604	23.61	142.86	97391	18.45	119.06
Ratio of Jointly Used Inch Miles						0.8334

The tabulation of line lengths and sizes provided in Table 5 on the previous page was based on mapping provided by KIA and the Council of Area Development Districts. Included with this report is a map of all lines in the Greensburg water system. The map displays in color where the lines are located, their size and which lines are not involved with serving the wholesale customer of Green Taylor Water District.

From this information, the following allocation factors are determined.

Table 6				
Wholesale Allocation Factors				
Greensburg Water Utility				
Fiscal Year Ended 6/30/2009				
Plant Use Percentage			5.06%	0.0506
Line Loss and Other Use Percentage			9.48%	0.0948
Plant Use and Line Loss			14.54%	0.1454
Greensburg Production Multiplier			$1/(1-.1454)$	1.1701
Wholesale Inch Mile Ratio				0.8334
Wholesale Share of Line Loss			$.0948 \times .8334$	0.0790
Joint Share of Plant Use and Line Loss			$.0790 + .0506$	0.1296
Wholesale Production Multiplier			$1/(1-.1296)$	1.1489
Production Allocation Factor	221,957,038	X	<u>1.1489</u>	0.7211
	302,234,653		1.1701	
Transmission Factor	221,957,038	X	0.8334	0.612
	302,234,653			

The Production Allocation Factor, shown in bold, may be applied to expenses classified as treatment to determine the portion of joint costs that apply only to the wholesale customer. Similarly, the Transmission Factor may be applied to transmission / distribution costs to determine the amount of costs incurred to get treated water from the water treatment plant to the wholesale customer.

RATE FOR WHOLESALE CUSTOMERS:

Based on the information previously developed, a rate for providing treated water to Green Taylor Water District is determined in the following table.

Table 6 Computed Wholesale Water Rate Greensburg Water Utility Fiscal Year Ended 6/30/2009				
<u>Revenue Requirements</u>	<u>Total</u>	<u>Intake/ Plant</u>	<u>Transmission/ Distribution</u>	<u>Customer Costs</u>
Operating Expenses	\$ 652,889	\$ 401,423	\$ 192,654	\$ 58,812
Water Sludge Treatment @ WWTP	\$ 57,610	\$ 57,610		
Depreciation	\$ 75,129	\$ 4,716	\$ 68,253	\$ 2,160
Debt Service (Current)	\$ 76,125	\$ 3,382	\$ 71,197	\$ 1,546
Totals	\$ 861,753	\$ 467,131	\$ 332,104	\$ 62,518
<u>Wholesale Rate</u>				
Wholesale Allocation Factors		0.7211	0.6123	
Revenue Requirements Wholesale Customers		\$ 336,848	\$ 203,347	
Wholesale Consumption (1000 Gallons) Rate to Wholesale Customers		221,957	221,957	
	\$2.43	\$1.517	\$0.916	

The total computed wholesale water rate is \$2.43.

APPENDIX - A

Breakdown of 2008/2009 Wages and Salaries

Greensburg Water Department

Greensburg, Kentucky

Title	Wage/Sal./Benef.		% of Cost	Water Syst.		Intake/Raw Water and Treatment		Transmission and Distribution		Tanks and Booster Pumps		Meter Reading/Repair Billing, etc	
	Totals	to Wtr Syst		Sal./Wages	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Water Plant Chief Operator Class IV	53,612.47	53,612.47	100%	100%	53,612.47								
Water Plant Operator Class IV	49,463.90	49,463.90	100%	100%	49,463.90								
Water Plant Operator Class IV	49,455.42	49,455.42	100%	100%	49,455.42								
Part time Water Pumper	15,835.31	15,835.31	100%	100%	15,835.31								
Subtotal Treatment	168,367.10	168,367.10		100%	168,367.10								
Distribution Supervisor, Class II Distribution	54,563.04	32,737.82	60%					90%	29,464			10%	3,274
Class II Distribution	38,480.41	23,088.25	60%					90%	20,779			10%	2,309
Laborer	39,000.20	23,400.12	60%					90%	21,060			10%	2,340
Laborer	32,389.65	19,433.79	60%					90%	17,490			10%	1,943
Laborer	35,595.62	14,238.25	40%					50%	7,119			50%	7,119
Laborer	31,189.09	12,475.64	40%					50%	6,238			50%	6,238
Laborer	30,782.41	12,312.96	40%					50%	6,156			50%	6,156
Subtotal Distribution	262,000.42	137,686.83						78.66%	108,307.41			21.34%	29,379.42
Subtotal System	430,367.5	306,053.9		55.01%	168,367			35.39%	108,307			9.60%	29,379
City Clerk	63,694.33	19,108.30	30%					50.00%	9,554				0
Deputy Clerk	37,960.00	9,490.00	25%					20.00%	1,898				5,694
Water and Sewer Clerk	33,808.97	13,523.59	40%					10.00%	1,352				10,819
System Total	565,830.82	348,175.82		52.03%	181,171.61			34.78%	121,111.91			13.18%	45,892.29

APPENDIX - A

Allocation of Employees by Number

Greensburg Water Department

Greensburg, Kentucky

Title	Water Syst.		Intake/Raw Water and Treatment		Transmission/Tanks and Distribution		Meter Reading/Repair Billing	
	Totals	% to Wtr Syst Employees	Percent	Amount	Percent	Amount	Percent	Amount
Water Plant Chief Operator Class IV	1.00	100%	100%	1.00				
Water Plant Operator Class IV	1.00	100%	100%	1.00				
Water Plant Operator Class IV	1.00	100%	100%	1.00				
Part time Water Pumper	1.00	100%	100%	1.00				
Subtotal Treatment	4.00		100%	4.00				
Distribution Supervisor, Class II Distribution	1.00	60%	90%		90%	0.54	10%	0.06
Class II Distribution	1.00	60%	90%		90%	0.54	10%	0.06
Laborer	1.00	60%	90%		90%	0.54	10%	0.06
Laborer	1.00	60%	90%		90%	0.54	10%	0.06
Laborer	1.00	40%	50%		50%	0.20	50%	0.20
Laborer	1.00	40%	50%		50%	0.20	50%	0.20
Laborer	1.00	40%	50%		50%	0.20	50%	0.20
Subtotal Distribution	7.00		76.67%		76.67%	2.76	23.33%	0.84
Subtotal System	11.00			4.00		2.76	11.05%	0.84
City Clerk	1.00	30%	50.00%	0.15	50.00%	0.15		0.00
Deputy Clerk	1.00	25%	20.00%	0.05	20.00%	0.05	60.00%	0.15
Water and Sewer Clerk	1.00	40%	10.00%	0.04	10.00%	0.04	80.00%	0.32
System Total	14.00		49.59%	4.24	35.09%	3.00	15.32%	1.31

Appendix - A
Allocation of Vehicles and Equipment
Greensburg Water Utility
Greensburg, Kentucky

		Plant/		
Description	Number	Treatment	Distribution	Customer
Backhoe #2	1		1	
Chevy Pickup	1	1		
Roger Pickup #1	1		1	
Dumptruck	1		1	
Flatbed Truck	1		1	
Kabota Tractor	1		1	
Roger Pickup #2	1			1
TOTAL	7	1	5	1
RATIO	1.00	0.1429	0.7143	0.1429

Appendix - A
Allocation of Electrical Costs
Greensburg Water Utility
Greensburg, Kentucky

<u>Date</u>	<u>Check No.</u>	<u>Vendor</u>	<u>Amount</u>	<u>Treatment</u>	<u>Distribution</u>
7/30/2008	1374	KU	4,084.20	4,084.20	
7/30/2008	1373	RECC	139.60		139.60
9/4/2008	18240	KU	4,363.64	4,363.64	
9/4/2008	18240	RECC	63.02		63.02
9/25/2008	18255	RECC	117.26		117.26
9/30/2008	1418	KU	4,140.12	4,140.12	
9/30/2008	1417	RECC	111.98		111.98
10/23/2008	1443	KU	-		
10/28/2008	1443	RECC	76.91		76.91
10/29/2008	18287	KU	4,575.56	4,575.56	
10/29/2008	18287	RECC	98.19		98.19
11/18/2008	18302	KU	4,121.65	4,121.65	
12/10/2008	18322	RECC	114.45		114.45
1/14/2009	18352	KU	4,597.40	4,597.40	
1/30/2009	1513	KU	-		
1/30/2009	1513	RECC	427.76		427.76
2/23/2009	18374	KU	4,657.35	4,581.08	76.27
3/17/2009	18399	RECC	402.03		402.03
3/17/2009	18399	RECC	345.67		345.67
3/25/2009	18400	RECC	402.03		402.03
3/30/2009	18409	KU	5,049.66	4,976.80	72.86
3/30/2009	18410	KU	50.93		50.93
4/30/2009	18443	KU	5,360.09	5,360.09	
4/30/2009	18443	RECC	6.36		6.36
1/23/2009	1502	KU	5,003.20	5,003.20	
5/26/2009	1588	KU	4,222.48	4,222.48	
TOTAL			<u>52,531.54</u>	<u>50,026.22</u>	<u>2,505.32</u>
RATIO			100.00%	95.23%	4.77%

Appendix - A
Allocation of Telephone Costs
Greensburg Water Utility
Greensburg, Kentucky

Telephone Utilities Expense

<u>Date</u>	<u>Check No.</u>	<u>Vendor</u>	<u>Amount</u>	<u>Treatment</u>	<u>Distribution</u>
8/27/2008	19241	Bluegrass Cellular	10.00		
9/25/2008	18255	Bluegrass Cellular	47.47	13.04	4.44
10/9/2008	18259	Bluegrass Cellular	60.14	26.08	6.55
10/9/2008	18259	Bluegrass Cellular	51.91	13.04	
10/15/2008	18265	Bluegrass Cellular	13.20		
10/15/2008	18265	Bluegrass Cellular	51.85	13.04	
10/28/2008	18286	Bluegrass Cellular	6.80		
10/28/2008	18286	Bluegrass Cellular	69.18	26.08	4.44
11/18/2008	18302	Bluegrass Cellular	51.91	13.04	
11/18/2008	18303	Bluegrass Cellular	40.00		
11/18/2008	18303	Bluegrass Cellular	6.60		
11/24/2008	18312	Bluegrass Cellular	51.91	13.04	
12/23/2008	18342	Bluegrass Cellular	10.00		
1/29/2008	18369	Bluegrass Cellular	52.04	13.13	
1/29/2009	18369	Bluegrass Cellular	74.85	26.27	11.03
2/28/2009	18372	Bluegrass Cellular	75.76	26.26	9.01
3/17/2009	18399	Bluegrass Cellular	33.81	13.92	4.65
3/17/2009	18399	Bluegrass Cellular	15.00		
3/17/2009	18399	Bluegrass Cellular	40.51	13.33	8.92
4/8/2009	18416	Bluegrass Cellular	50.00		
4/21/2009	18439	Bluegrass Cellular	75.79	26.67	6.65
4/21/2009	18439	Bluegrass Cellular	35.69	13.13	13.64
4/30/2009	18443	Bluegrass Cellular	35.69	13.13	13.64
4/30/2009	18443	Bluegrass Cellular	19.80		
8/11/2008	1387	Alltel/Windstream	65.78	65.78	
11/3/2008	1447	Alltel/Windstream	157.27	157.27	
5/1/2009	1573	Alltel/Windstream	158.60	158.60	
6/23/2009	1590	Alltel/Windstream	140.71	140.71	
7/30/2008	1375	Bluegrass cellular	71.11		26.08
7/31/2008	1376	Bluegrass cellular	47.52	13.04	4.49
10/2/2008	1422	Bluegrass cellular	60.14	26.08	12.70
12/30/2008	1490	Bluegrass cellular	52.96	17.07	
12/30/2008	1491	Bluegrass cellular	74.00	22.75	13.13
3/17/2009	1547	Bluegrass cellular	75.75	23.87	13.76
5/1/2009	1575	Bluegrass cellular	100.98	23.73	13.13
5/18/2009	1599	Bluegrass cellular	52.04	13.13	8.92
6/23/2009	1589	Bluegrass cellular	52.04	13.13	8.92
10/29/2008	18287	Alltel/Windstream	143.17	143.17	
10/29/2008	18287	Alltel/Windstream	72.29	72.29	
1/29/2009	18369	Bluegrass cellular	169.80		169.80
2/18/2009	18372	Alltel/Windstream	155.73	155.73	
3/17/2009	18399	Alltel/Windstream	143.66	143.66	
3/17/2009	18439	Alltel/Windstream	167.63	167.63	
TOTAL			<u>2,941.09</u>	<u>1,620.84</u>	<u>353.90</u>
RATIO			<u>100.00%</u>	<u>55.11%</u>	<u>12.03%</u>

APPENDIX B

WATER TREATMENT PLANT SLUDGE COST ALLOCATION

(Based on WWTP Costs to Treat WTP Sludge)

Fiscal Year Ended 6/30/2009

Sludge generated from the water treatment process is a combination of the water turbidity (caused by suspended matter) and the residuals of the water treatment chemicals. The sludge is produced when the WTP filters and sedimentation basins are cleaned. Water treatment plant (WTP) sludge volumes have been calculated based on the reduction in turbidity by the filtration and sedimentation process and on the chemicals fed to remove the turbidity. Turbidity values and resulting sludge volumes are based on data in the WTP monthly operating reports (MORs). Backwash water amounts are also taken from the MORs. The sludge produced by the wastewater from the other sewer system customers was calculated based on published data per capita. These calculations indicate that 64.2% of the sludge produced at the wastewater treatment plant (WWTP) is from the water plant sludge. Using the wastewater treatment plant effluent flow records, 11.7% of the flow comes from the water treatment plant.

The sludge and waste water from the WTP is discharged into holding tanks and then pumped as necessary to the Greensburg sanitary sewer system. The sludge is conveyed through one additional lift station prior to delivery to the Greensburg WWTP. Upon entering the WWTP, the WTP waste is treated the same as other sewerage from the City of Greensburg.

The WWTP is an oxidation ditch process with clarifiers, a belt filter press for processing sludge, and pump stations associated with the various processes.

Exhibits 1 through 3, attached, provide the computations which identify sewer system costs associated with processing WTP sludge.

Exhibit 1 identifies certain operations and capital costs which are readily associated with treatment and disposal of wastewater sludge. There may also be other costs that could be linked to sludge processing that were not considered at this time.

Exhibit 1 is divided into three main columns of information which shows total wastewater treatment system costs, costs incurred to treat all wastewater sludge and costs to treat WTP sludge. Computations and references are provided in this exhibit which shows the source and explanation of information. After total operations sludge costs were identified, WTP sludge costs were computed based on percentages of WTP sludge contribution; 64.2% of total sludge by dry weight, and 11.7% by water volume.

Total sewer system operations and maintenance costs identified by this analysis for processing of WTP sludge totaled \$26,260 based costs for the twelve months ended 6/30/2009.

A portion of debt service was also identified by Exhibit 1 as necessary for the processing of WTP sludge. Based on the current amortization of wastewater treatment system bonds plus coverage, and the percentage allocation determined by Exhibit 3 – Appendix A, \$31,350 of debt service should be allocated to WTP sludge processing.

O&M cost plus debt service related to processing of WTP sludge totals \$57,610.

Exhibit 3 shows the allocation of capital costs at the wastewater treatment plant associated with the production of sludge. The total of these sludge related costs is \$405,682 and is designated as “A”. These numbers are taken from a pay estimate by the contractor on the project. Of this amount, \$249,500 is for equipment and the rest is for tankage. In the pay estimate, \$212,000 is detailed for other equipment. The sludge equipment is 54% of the total equipment. The motor control centers and control and instrumentation equipment are assumed to be the same percentage as for the other equipment, so 54% of these items are assumed to be related to sludge. This number, \$43,791, is designated as “B”.

For the building itself, by area 41% of the building is the sludge room. Therefore, 41% of the control building cost is allocated for sludge. This was \$97,806, and is designated as “C”. The total percent of the wastewater treatment plant used for sludge then is the cost for sludge tankage and equipment plus the proportional amount of the building, the motor control center, and the controls and instrumentation. This is 27.54%.

There were three contracts in the wastewater project. The wastewater plant (\$1,987,000 and designated as “D”) is 83.2% (designated as G) of the total construction of the three contracts (designated as E).

EXHIBIT 1 - APPENDIX B

**WTP SLUDGE COSTS TO WASTEWATER SYSTEM
MUNICIPAL WATER AND SEWER SYSTEM
GREENSBURG, KENTUCKY**

	Total O&M	Total Sludge & Pumping			WTP Sludge		
		Computation	Amount	Reference	Computation	Amount	Reference
Operating Expenses: (Unaudited)							
Advertising	344.00						
Amortization	1042.00						
Auditing/Accounting	1593.00						
Bank Service Charges	722.00						
Chemicals	15571.00	From Invoice	\$3,625	2	(64.20%*E4)	\$2,537	1
Computer Software	1582.00						
Contractual Services (Office)	4613.00						
Department Supplies							
Dues and Subs	166.00						
Service Fees	242.00						
Equipment Parts	1377.00						
Insurance	16200.00						
Licenses	29.00						
Other	1397.00						
Office Supplies							
Uniforms							
Postage	1223.00						
Professional Fees							
R&M	13967.00						
Rental	3000.00						
Sludge removal	8822.00	100.00%	8,822		(64.2%*E18)	5,664	1
Supplies	4640.00						
Testing	4943.00						
Training	4522.00						
Uniforms	652.00						
Utilities	46769.00						
Tanks/Pumpstations		Invoices	2,397	4	Invoices	758	4
WWTP Sludge Press & Pumping			235	5	(64.2%*E23)	151	1
Wastewater Pumping Component		Balance	44,137		(11.7%*E24)	5,164	1
Personnel	77790.00						
Personnel Benefits	26488.00						
Personnel FICA/MC	5012.00						
Subtotal Personnel	104,278.00						
WWTP Sludge Press & Pumping		40 Hours	944	7	(64.2%*E28)	606	1
Wastewater Pumping Component		Balance	97,265	7	(11.7%*E29)	11,380	1
Water Purchased	0		0				
Total Operating Expenses	\$242,706		\$157,425			\$26,260	

EXHIBIT 1 - APPENDIX B

**WTP SLUDGE COSTS TO WASTEWATER SYSTEM
MUNICIPAL WATER AND SEWER SYSTEM
GREENSBURG, KENTUCKY**

EXHIBIT 1 - CONTINUED

		Total Sludge & Pumping			WTP Sludge			
		Computation	Amount	Ref.	Computation	Amount	Reference	
1	Debt Service Requirements: (Before Water System Improvements 2003/04)							
2								
3	a. Annual Principal & Interest:							
4	Revenue Bonds	\$110,100						
5								
6	b. Coverage and Fees:							
7	Coverage of Revenue Bonds (20%)	\$22,020						
8								
9	Total Debt Service Requirement							
10	WWTP Sludge Pumping		22.91%	\$30,269	8, Exh 3	(64.2%*E41)	19,433	1
11	Wastewater Pumping		Balance	\$101,851		(11.7%*E42)	11,917	1
12	Debt Service Totals	\$132,120		\$132,120			\$31,350	
13								
14	Total Operating Costs and Debt Service	\$374,826		\$289,545			\$57,610	

References:

- Exhibit 2, Appendix A identifies 64.2% of dry sludge being attributed to WTP & 11.7% of wastewater attributed to WTP.
- Flocculant Chemicals - 2 - 55gallon barrels per year @\$32.95 per gallon = \$ 3,624.50
-
- Pumps and Sludge tanks @ 201 E. Col. Ave receive only WTP Sludge, total cost for FY 2004 = \$379.14
Pumps and sludge tank at 219 S. First St (Lonzo PS), receive Sludge from 201 E. Col. Ave tank and receive normal wastewater from sewer lines. Total cost Lonzo PS for FY 2004 = \$2,017.76. Utilities for pumping through pump stations is (2017.76+379.14) = \$2396.90 total and (379.14*2) = \$758.28 for WTP Sludge
- Utility cost for pumping sludge in WWTP and running the sludge press is estimated at \$235 based on a 7.5 Hp pump motor and a 3 Hp press motor; ie (.745 kw. X 10.5 Hp. X 500hr. X \$.06) = \$234.68. The proportion of WWTP utility cost allocated to WTP Sludge is \$235 * 64.7% = \$164.28
- The water component of WTP sludge constitutes 11.7% of all wastewater flow through the WWTP; Exh 2 - Appendix A
- WWTP wages for 2 employees is \$98,209.77 including benefits and payroll taxes for fiscal year ended 6/30/2009.
Total annual operating time for the sludge press is 40 hours. Personnel cost for operating the sludge press is \$98,209.77/(2080*2)*40 = \$944.
Treatment and pumping is the balance of personnel expense at the plant; 98209.77-944 = \$97,265
- Capital costs for sludge handling was determined to be 22.91% of the 1992 WWTP improvements; Exh 4, Appendix A.

EXHIBIT 2 - APPENDIX B

**WASTEWATER AND SLUDGE VOLUMES
MUNICIPAL WATER AND SEWER SYSTEM
GREENSBURG, KENTUCKY**

(BASED ON DATA FOR FISCAL YEAR ENDED 6/30/2004)

MONTH	<u>WWTP WASTEWATER</u>			<u>WATER FROM WTP SLUDGE</u>	
	Per Day	Million Gallons		Per Month	Per Year
July-08	0.31	9.61			
August-08	0.24	7.44			
September-08	0.19	5.70			
October-08	0.28	8.68			
November-08	0.35	10.50			
December-08	0.64	19.84			
January-09	0.80	24.80			
February-09	0.62	17.36			
March-09	0.66	20.46			
April-09	0.78	23.40			
May-09	0.73	22.63			
June-09	0.48	14.40			
Total	6.08				
Avg	0.51	15.40	184,820,000	Ratio (21533/184820)	11.70%
DRY SLUDGE:					
	<u>Total WWTP Sludge</u>			<u>WTP Sludge</u>	
Assume		0.14 lbs./day/customer			
# Sewer Cust.		969			
Lbs/Day	135.66				
Lbs/Year	49,515.90				
WTP Sludge		88,764 lbs/yr			
Total Sludge	138,280.00 lbs/yr			Ratio: 88,764/138,280	64.20%
Conclusion: Sludge from WTP constitutes 64.20% of dry sludge and 11.7% of wastewater flows to WWTP					

**EXHIBIT 3- APPENDIX B
ALLOCATION OF CAPITAL COSTS.
1992 WASTEWATER TREATMENT PLANT IMPROVEMENTS
GEEENSBURG, KENTUCKY**

DESCRIPTION OF ITEM	<u>TOTAL</u>	<u>SLUDGE EQUIPMENT</u>
1. RETURN & WASTE SLUDGE PUMP STATION		
a. Equipment	\$ 39,000	\$ 39,000
b. Tankage	27,734	
2. DEWATERING PUMP STATION		
a. Equipment	9,000	9,000
b. Tankage	29,104	
3. FILTRATE PUMP STATION		
a. Equipment	6,500	6,500
b. Tankage	9,344	
4. SLUDGE HOLDING FACILITIES		
a. Aeration System (Blowers, Piping and Diffusers)	30,000	30,000
b. Waste Sludge Pumps	20,000	20,000
c. Plant Service Water Pumps	1,500	1,500
d. Tankage	90,000	
5. SLUDGE METERING EQUIPMENT		
	6,500	6,500
6. SLUDGE DEWATERING		
a. Sludge Press	110,000	110,000
b. Polymer Feeder	12,000	12,000
c. Air Compressor	15,000	15,000
TOTALS - Facilities	<div style="border: 1px solid black; display: inline-block; padding: 2px;">A</div> \$ 405,682	\$ 249,500
Other equipment:		
a. Oxidation Ditches Equipment		\$ 120,000
b. Circular Clarifiers Equipment		60,000
c. Plant Influent Pump Station		32,000
Total Other Equipment		<u>\$ 212,000</u>
Total Equipment		\$ 461,500
Percentage the sludge equipment is of total equipment	54%	
Using the same percentage, B is the amount of motor control centers and controls and instrumentation attributable to sludge.	<div style="border: 1px solid black; display: inline-block; padding: 2px;">B</div> \$ 43,791	

**EXHIBIT 3- APPENDIX B
 ALLOCATION OF CAPITAL COSTS.
 1992 WASTEWATER TREATMENT PLANT IMPROVEMENTS
 GEEENSBURG, KENTUCKY**

EXHIBIT 2 - CONTINUED

Apportion the control building to sludge (Based on Sqare Feet of Use)

Building	(62'X54'X10") =	3,410 Sq Ft			
Press Room	(43'9" X 31'9") =	1,408 Sq Ft			
Proportion:	(1408/3410) =		41%		
Control Building		\$ 238,550	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr><td style="text-align: center;">C</td></tr> <tr><td style="text-align: center;">\$ 97,806</td></tr> </table>	C	\$ 97,806
C					
\$ 97,806					
Wastewater plant % of construction			83.20%		
Contract 1 Sewer lines		\$ 76,558			
Contract 2 Wastewater plant		D			
Contract 3 I and I reduction		\$ 1,987,000			
		\$ 324,775			
		E			
Total Project Construction		\$ 2,388,333			
Percent of WWTP used for sludge (Construction)		(A+B+C)/D	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr><td style="text-align: center;">F</td></tr> <tr><td style="text-align: center;">27.54%</td></tr> </table>	F	27.54%
F					
27.54%					
Percent of Project Related to WWTP		(D/E)	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr><td style="text-align: center;">G</td></tr> <tr><td style="text-align: center;">83.20%</td></tr> </table>	G	83.20%
G					
83.20%					
Percent of Project Related to Sludge		(F*G)	<table border="1" style="display: inline-table; vertical-align: middle;"> <tr><td style="text-align: center;">H</td></tr> <tr><td style="text-align: center;">22.91%</td></tr> </table>	H	22.91%
H					
22.91%					