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June 25, 2010

RECEIVED

JUN 25 2010

PUBLIC SERVICE  
COMMISSION

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

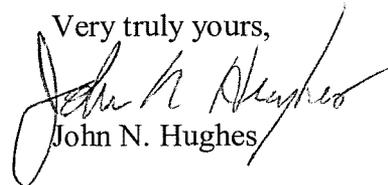
Re: Case No. 2010-00200

Dear Mr. Derouen:

Whitley County Water District submits a copy of the 2009 Annual Report and a letter from the general contractor extending the bids on this project to July 31, 2010. The District requests a deviation pursuant to 807 KAR 5:001(14) from the requirement of 807 KAR 5:001(6). The financial information in the December 31, 2009 Annual Report is representative of the District's current operations. There have been no changes to the operations of the District that would have a material effect on the financial condition of the District.

If additional information is needed, please contact me.

Very truly yours,



John N. Hughes

Attorney for Whitley County  
Water District



**Kenvirons, Inc.**

452 Versailles Road • Frankfort, KY 40601 • Phone: (502) 695-4357 • Fax: (502) 695-4363  
Civil & Environmental Engineering and Laboratory Services

June 25, 2010

Mr. Tim Akins, President  
Akins Excavating Company, Inc.  
182 Busy Lane  
Corbin, Kentucky 40701

RE: Whitley County Water District No. 1  
Water System Rehabilitation Project

Dear Mr. Akins:

As you are aware the Whitley County Water District has still been unable to award the above referenced project and your previously agreed to extension of your bid will expire on July 1, 2010. Therefore, we are requesting that you agree to extend the acceptance period to July 31, 2010.

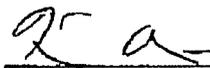
Should you have any questions, please contact me.

Sincerely,



Kenneth D. Taylor, P.E.  
Associate

Akins Excavating Company, Inc. hereby agrees to extend the Bid Acceptance period on the above referenced project until July 31, 2010.



Tim Akins, President

6-25-10

Date

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Title Page

|                              | Name of Respondent               | Address          | City         | State | Zip   |
|------------------------------|----------------------------------|------------------|--------------|-------|-------|
| Water Districts/Associations |                                  |                  |              |       |       |
| Annual Report of             |                                  |                  |              |       |       |
| Respondent                   | WHITLEY COUNTY<br>WATER DISTRICT | 19 S HIGHWAY 25W | WILLIAMSBURG | KY    | 40965 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Principal Payment and Interest Information

| Year | Amount of Principal Payment During Calendar Year                       | Amount      | Yes/No | PSC Case No. |
|------|------------------------------------------------------------------------|-------------|--------|--------------|
|      |                                                                        | \$53,297.00 |        |              |
|      | Is Principal Current?                                                  |             | Y      |              |
|      | Is Interest Current?                                                   |             | Y      |              |
|      | Has all long-term debt been approved by the Public Service Commission? |             | Y      |              |

Services Performed by Independent CPA

Yes/No

AUDIT

Are your financial statements examined by a Certified Public

Accountant?

Enter Y for Yes or N for No

Y

If yes, which service is performed?

Enter an X on each appropriate line

Audit

A

Compilation

Review

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Additional Requested Information

| Name                                                             | Electronic Info        |
|------------------------------------------------------------------|------------------------|
| Name of Utility and Web Address<br>WHITLEY COUNTY WATER DISTRICT |                        |
| Contact Name and Email Address<br>WHITLEY COUNTY WATER DISTRICT  | BJOHNSTON2009@LIVE.COM |

Additional Information Required

| Case Num | Date | Explain |
|----------|------|---------|
|----------|------|---------|

Major Water Projects

Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service Commission.

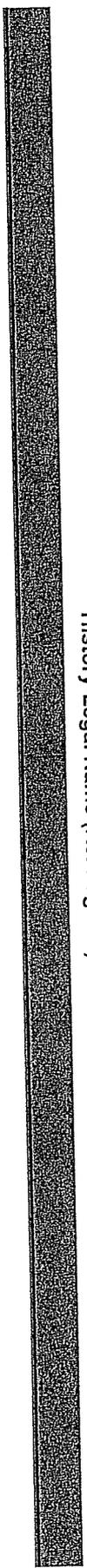
For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and will increase your current utility plant by at least 20 percent.

**Brief Project Description:** (improvement, replacement, building construction, expansion, or expansion, provide the estimated number of new customers.)

**Projected Costs and Funding Sources/Amounts:**

**Approval Status:** (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

**Location:** (community, area or nearby roads)



1. Exact name of utility making this report.

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

WHITLEY COUNTY WATER DISTRICT

History-Location (Ref Page: 4)

| name | Address | city | State | zip | Phone |
|------|---------|------|-------|-----|-------|
|------|---------|------|-------|-----|-------|

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

principal office in KY

Give name, title, address and TELEPHONE NUMBER of the officer

to whom correspondence concerning this report should be addressed.

Location where books are located

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

History-Date Organized (Ref Page: 4)

Date of Organization

1961

DATE

History-Laws of Organization (Ref Page: 4)

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

Date and Authority for each consolidation and each merger

(45)

History-Departments (Ref Page: 4)

State whether respondent is a water district or association

Name all operating departments other than water

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

History - Counties (Ref Page: 5)

Knox, Whitley

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

History - Number of Employees (Ref Page: 5)

| Number of Full-time employees |    |
|-------------------------------|----|
| Number of Part-time employees |    |
|                               | 13 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Contacts (Ref Page: 6)

|                                  | Title           | Last Name | First Name | Bus. Add.                                         | Salary      | Term/Expires |
|----------------------------------|-----------------|-----------|------------|---------------------------------------------------|-------------|--------------|
| Person to send correspondence:   | ACCOUNTANT      | JOHNSTON  | JEREMIAH   | P O BOX 413,<br>MIDDLESBORO, KY<br>40965          |             |              |
| Person who prepared this report: | ACCOUNTANT      | JOHNSTON  | JEREMIAH   | P O BOX 413,<br>MIDDLESBORO, KY<br>40965          |             |              |
| <b>Officers and Managers</b>     |                 |           |            |                                                   |             |              |
|                                  | GENERAL MANAGER | WEST      | ANGELA     | 19 S HIGHWAY 25W,<br>WILLIAMSBURG, KY<br>40769    | \$22,722.29 |              |
|                                  | CHAIRPERSON     | ESTES     | WALTER     | 37 EAST CHURCH ST,<br>WILLIAMSBURG, KY<br>40769   | \$3,500.00  | 12/31/2011   |
|                                  | SECRETARY       | BIRD      | PEGGY      | P O BOX 2104,<br>WILLIAMSBURG, KY<br>40769        | \$3,500.00  | 12/31/2010   |
|                                  | TREASURER       | MEADORS   | ANDY       | 3609 RYANS CREEK RD,<br>WILLIAMSBURG, KY<br>40769 | \$3,799.44  | 12/31/2012   |

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

|                                                                                                | Previous Year   | Current Year    |
|------------------------------------------------------------------------------------------------|-----------------|-----------------|
| <b>UTILITY PLANT</b>                                                                           |                 |                 |
| Utility Plant (101-106)                                                                        | \$14,935,113.00 | \$16,494,025.00 |
| Less: Accumulated Depreciation and Amortization (108-110)                                      | \$1,925,822.00  | \$2,050,527.00  |
| Net Plant                                                                                      | \$13,009,291.00 | \$14,443,498.00 |
| Utility Plant Acquisition Adjustments (Net) (114-115)                                          |                 |                 |
| Other Utility Plant Adjustments (116)                                                          |                 |                 |
| Total Net Utility Plant                                                                        | \$13,009,291.00 | \$14,443,498.00 |
| <b>OTHER PROPERTY AND INVESTMENTS</b>                                                          |                 |                 |
| Nonutility Property (121)                                                                      | \$9,665.00      | \$9,665.00      |
| Less: Accumulated Depreciation and Amortization (122)                                          | \$1,984.00      | \$2,256.00      |
| Net Nonutility Property                                                                        | \$7,681.00      | \$7,407.00      |
| Investment in Associated Companies (123)                                                       |                 |                 |
| Utility and Other Investments (124-125)                                                        | \$1,199,778.00  | \$845,529.00    |
| Sinking Funds (126)                                                                            |                 |                 |
| Other Special Funds (127)                                                                      |                 |                 |
| Total Other Property and Investments                                                           | \$1,207,459.00  | \$853,936.00    |
| <b>CURRENT AND ACCRUED ASSETS</b>                                                              |                 |                 |
| Cash (131)                                                                                     | \$217,602.00    | \$60,388.00     |
| Special Deposits (132)                                                                         | \$159,083.00    | \$171,513.00    |
| Other Special Deposits (133)                                                                   |                 |                 |
| Working Funds (134)                                                                            |                 |                 |
| Temporary Cash Investments (135)                                                               |                 |                 |
| Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144) | \$253,018.00    | \$85,663.00     |
| Accounts Receivable from Associated Companies (145)                                            |                 |                 |
| Notes Receivable from Associated Companies (146)                                               |                 |                 |
| Materials and Supplies (151-153)                                                               |                 |                 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

|                                                    | Previous Year   | Current Year    |
|----------------------------------------------------|-----------------|-----------------|
| Stores Expense (161)                               |                 |                 |
| Prepayments (162)                                  | (33,538.00)     | \$141,941.00    |
| Accrued Interest and Dividends Receivable (171)    |                 |                 |
| Rent Receivable (172)                              |                 |                 |
| Accrued Utility Revenues (173)                     |                 |                 |
| Misc. Current and Accrued Assets (174)             |                 |                 |
| Total Current and Accrued Assets                   | \$626,165.00    | \$459,525.00    |
| DEFERRED DEBITS                                    |                 |                 |
| Unamortized Debt Discount and Expense (181)        |                 |                 |
| Extraordinary Property Losses (182)                |                 |                 |
| Preliminary Survey and Investigation Charges (183) |                 |                 |
| Clearing Accounts (184)                            |                 |                 |
| Temporary Facilities (185)                         |                 |                 |
| Misc. Deferred Debits (186)                        |                 |                 |
| Research and Development Expenditure (187)         |                 |                 |
| Total Deferred Debits                              |                 |                 |
| TOTAL ASSETS AND OTHER DEBITS                      | \$14,842,915.00 | \$15,755,959.00 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

|                                                            | Previous Year   | Current Year   |
|------------------------------------------------------------|-----------------|----------------|
| <b>EQUITY CAPITAL</b>                                      |                 |                |
| Appropriated Retained Earnings (214)                       | \$1,189,222.00  | \$1,925,557.00 |
| Retained Earnings From Income before contributions (215.1) |                 |                |
| Dorated Capital (215.2)                                    | \$9,215,271.00  | \$0.00         |
| Total Equity Capital                                       | \$10,404,493.00 | \$1,925,557.00 |
| <b>LONG-TERM DEBT</b>                                      |                 |                |
| Bonds (221)                                                | \$3,586,300.00  | \$3,533,000.00 |
| Required Bonds (222)                                       |                 |                |
| Advances from Associated Companies (223)                   |                 |                |
| Other Long-Term Debt (224)                                 | \$3,586,300.00  | \$3,533,000.00 |
| Total Long Term Debt                                       | \$3,586,300.00  | \$3,533,000.00 |
| <b>CURRENT AND ACCRUED LIABILITIES</b>                     |                 |                |
| Accounts Payable (231)                                     | \$606,658.00    | \$117,815.00   |
| Notes Payable (232)                                        |                 |                |
| Accounts Payable to Associated Co. (233)                   | \$0.00          |                |
| Notes Payable to Associated Co. (234)                      |                 |                |
| Customer Deposits (235)                                    | \$21,694.00     | \$171,513.00   |
| Accrued Taxes (236)                                        | \$12,768.00     | \$8,074.00     |
| Accrued Interest (237)                                     | \$21,012.00     |                |
| Matured Long-Term Debt (239)                               |                 |                |
| Matured Interest (240)                                     |                 |                |
| Tax Collections Payable (241)                              |                 |                |
| Misc. Current and Accrued Liabilities (242)                | \$852,122.00    | \$297,402.00   |
| Total Current and Accrued Liabilities                      | \$852,122.00    | \$297,402.00   |
| <b>DEFERRED CREDITS</b>                                    |                 |                |
| Unamortized Premium on Debt (251)                          |                 |                |
| Advances for Construction (252)                            |                 |                |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

|                                        | Previous Year   | Current Year    |
|----------------------------------------|-----------------|-----------------|
| Other Deferred Credits (253)           |                 |                 |
| Total Deferred Credits                 |                 |                 |
| <b>OPERATING RESERVES</b>              |                 |                 |
| Accumulated Provision For              |                 |                 |
| Property Insurance (261)               |                 |                 |
| Injuries and Damages (262)             |                 |                 |
| Pensions and Benefits (263)            |                 |                 |
| Miscellaneous Operating Reserves (265) |                 |                 |
| Total Operating Reserves               |                 |                 |
| Total Equity Capital and Liabilities   | \$14,842,915.00 | \$15,755,959.00 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Comparative Operating Statement (Ref Page: 11)

|                                                                      | Previous Year  | Current Year   |
|----------------------------------------------------------------------|----------------|----------------|
| <b>UTILITY OPERATING INCOME</b>                                      |                |                |
| Operating Revenues (400)                                             | \$1,487,199.00 | \$1,676,477.00 |
| Operating Expenses (401)                                             | \$1,048,661.00 | \$1,297,174.00 |
| Depreciation Expenses (403)                                          | \$124,704.00   | \$124,704.00   |
| Amortization of Utility Plant Acquisition Adjustment (406)           |                |                |
| Amortization Expense (407)                                           |                |                |
| Taxes Other Than Income (408, 10-408, 13)                            | \$17,021.00    | \$26,906.00    |
| Utility Operating Expenses                                           | \$1,190,366.00 | \$1,448,784.00 |
| Utility Operating Income                                             | \$296,813.00   | \$227,693.00   |
| Income From Utility Plant Leased to Others (413)                     |                |                |
| Gains (Losses) from Disposition of Utility Property (414)            |                |                |
| Total Utility Operating Income                                       | \$296,813.00   | \$227,693.00   |
| <b>OTHER INCOME AND DEDUCTIONS</b>                                   |                |                |
| Revenues From Merchandising, Jobbing and Contract Work (415)         |                |                |
| Costs and Expenses of Merchandising, Jobbing and Contract Work (416) |                |                |
| Interest and Dividend Income (419)                                   | \$8,518.00     | \$2,573.00     |
| Allowance for funds Used During Constructions (420)                  |                |                |
| Nonutility Income (421)                                              | \$1,045,336.00 | \$1,307,234.00 |
| Miscellaneous Nonutility Expenses (426)                              |                |                |
| Total Other Income and Deductions                                    | \$1,053,856.00 | \$1,309,807.00 |
| <b>TAXES APPLICABLE TO OTHER INCOME</b>                              |                |                |
| Taxes Other Than Income (408, 20)                                    |                |                |
| Total Taxes Applc. to Other Income                                   |                |                |
| <b>INTEREST EXPENSE</b>                                              |                |                |
| Interest Expense (427)                                               | \$161,447.00   | \$159,095.00   |
| Amortization of Debt Discount and Exp. (428)                         |                |                |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Comparative Operating Statement (Ref Page: 11)

|                                       | Previous Year  | Current Year   |
|---------------------------------------|----------------|----------------|
| Amortization of Premium on Debt (429) |                |                |
| Total Interest Expense                | \$1,611,447.00 | \$1,591,095.00 |
| <b>EXTRAORDINARY ITEMS</b>            |                |                |
| Extraordinary Income (433)            |                | \$142,659.00   |
| Extraordinary Deductions (434)        |                | \$142,659.00   |
| Total Extraordinary Items             |                | \$0.00         |
| NET INCOME BEFORE CONTRIBUTIONS       | \$1,189,222.00 | \$1,521,064.00 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Statement of Retained Earnings 2002 (Ref Page: 12)

| Description                                                          | Total           |
|----------------------------------------------------------------------|-----------------|
| Appropriated Retained earnings (214)                                 |                 |
| (state balance and purpose of each appropriated amount at year end:) |                 |
| Total Appropriated Retained Earnings                                 |                 |
| Retained Earnings From Income Before Contributions (215.1)           |                 |
| Balance beginning of year                                            | \$10,404,493.00 |
| Balance transferred from Net Income Before Contributions (435)       | \$1,521,064.00  |
| Changes to account:                                                  |                 |
| Appropriations of Retained Earnings (436)                            |                 |
| Adjustments to Retained Earnings (439)                               |                 |
| (requires Commission approval prior to use):                         |                 |
| Credits                                                              |                 |
| Debits                                                               |                 |
| Balance End of Year                                                  | \$11,925,557.00 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

| Description                                     | Appropriates | Grants | Other  | Total  |
|-------------------------------------------------|--------------|--------|--------|--------|
| Donated Capital (215.2)                         |              |        |        |        |
| Balance Beginning of the Year                   | \$0.00       | \$0.00 | \$0.00 | \$0.00 |
| Credits                                         |              |        |        |        |
| Proceeds from capital contributions (432)       | \$0.00       | \$0.00 | \$0.00 | \$0.00 |
| Other Credits (explain)                         |              |        |        |        |
| Debits (explain - requires Commission Approval) |              |        |        |        |
| Balance End of Year                             | \$0.00       | \$0.00 | \$0.00 | \$0.00 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

| TOTAL                                       |                 |
|---------------------------------------------|-----------------|
| Utility Plant in Service (101)              | \$16,494,025.00 |
| Utility Plant Leased to Others (102)        |                 |
| Property Held for Future Use (103)          |                 |
| Utility Plant Purchased or Sold (104)       | \$0.00          |
| Construction Work in Progress (105)         |                 |
| Completed Construction Not Classified (106) |                 |
| Total Utility Plant                         | \$16,494,025.00 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

| Description                                  | Total          |
|----------------------------------------------|----------------|
| Balance First of Year                        | \$1,925,822.00 |
| Credit during year                           |                |
| Accruals Charged to Account 108.1            | \$124,704.00   |
| Accruals Charged to Account 108.2            | \$0.00         |
| Accruals Charged to Account 108.3            | \$0.00         |
| Accruals Charged to Other Accounts (specify) |                |
| (specify)                                    |                |
| Salvage Value Recovered on Plant Retired     |                |
| Other Credits                                |                |
| (specify)                                    |                |
| Total Credits                                | \$124,704.00   |
| Debits during year                           |                |
| Book Cost of Plant Retired                   |                |
| Cost of Removal                              |                |
| Other Debits                                 |                |
| (specify)                                    |                |
| Total Debits                                 |                |
| Balance at End of Year                       | \$2,050,527.00 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Water Utility Plant Accounts (Ref Page: 14)

|                                              | Pre-2009 (c)   | Additions (d)  | Retirements (e) | Current Yr (f) | Intangible Plant (g) | Storage Pump | Water Treatment | Trans. and Dist. | General Plant |
|----------------------------------------------|----------------|----------------|-----------------|----------------|----------------------|--------------|-----------------|------------------|---------------|
| Organization (301)                           |                |                |                 |                |                      |              |                 |                  |               |
| Franchises (302)                             |                |                |                 |                |                      |              |                 |                  |               |
| Land and Land Rights (303)                   | \$14,013.00    | \$0.00         | \$0.00          | \$14,013.00    | \$0.00               | \$0.00       | \$0.00          | \$0.00           | \$0.00        |
| Structures and Improvements (304)            | \$46,320.00    | \$0.00         | \$0.00          | \$46,320.00    | \$0.00               | \$0.00       | \$0.00          | \$0.00           | \$0.00        |
| Collecting and Impounding Reservoirs (305)   | \$7,216.00     | \$0.00         | \$0.00          | \$7,216.00     | \$0.00               | \$0.00       | \$0.00          | \$0.00           | \$0.00        |
| Lakes, Rivers and Other Intakes (306)        |                |                |                 |                |                      |              |                 |                  |               |
| Wells and Springs (307)                      | \$81,298.00    | \$0.00         | \$0.00          | \$81,298.00    | \$0.00               | \$0.00       | \$0.00          | \$0.00           | \$0.00        |
| Infiltration Galleries and Tunnels (308)     | \$1,448,559.00 | \$0.00         | \$0.00          | \$1,448,559.00 | \$0.00               | \$0.00       | \$0.00          | \$0.00           | \$0.00        |
| Supply Mains (309)                           |                |                |                 |                |                      |              |                 |                  |               |
| Power Generation Equipment (310)             |                |                |                 |                |                      |              |                 |                  |               |
| Pumping Equipment (311)                      | \$64,212.00    | \$0.00         | \$0.00          | \$64,212.00    | \$0.00               | \$0.00       | \$0.00          | \$0.00           | \$0.00        |
| Water Treatment Equipment (320)              | \$3,548.00     | \$0.00         | \$0.00          | \$3,548.00     | \$0.00               | \$0.00       | \$0.00          | \$0.00           | \$0.00        |
| Distribution Reservoirs and Standpipes (330) | \$176,323.00   | \$0.00         | \$0.00          | \$176,323.00   | \$0.00               | \$0.00       | \$0.00          | \$0.00           | \$0.00        |
| Transmission and Distribution Mains (331)    | \$1,991,767.00 | \$1,558,912.00 | \$0.00          | \$3,550,679.00 | \$0.00               | \$0.00       | \$0.00          | \$0.00           | \$0.00        |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Water Utility Plant Accounts (Ref Page: 14)

|                                       | Prev Year (G)   | Additions (d)  | Retirement (e) | Current Year (f) | Intangible Plant (g) | Supply - Pump | Water Treatment | Trans. and Dist. | General Plant |
|---------------------------------------|-----------------|----------------|----------------|------------------|----------------------|---------------|-----------------|------------------|---------------|
| Services (333)                        | \$695,558.00    | \$0.00         | \$0.00         | \$695,558.00     | \$0.00               | \$0.00        | \$0.00          | \$0.00           | \$0.00        |
| Meters and Meter Installations (334)  | \$138,807.00    | \$0.00         | \$0.00         | \$138,807.00     | \$0.00               | \$0.00        | \$0.00          | \$0.00           | \$0.00        |
| Hydrants (335)                        |                 |                |                |                  |                      |               |                 |                  |               |
| Backflow Prevention Devices (336)     |                 |                |                |                  |                      |               |                 |                  |               |
| Other Plant and Misc. Equipment (339) |                 |                |                |                  |                      |               |                 |                  |               |
| Office Furniture and Equip. (340)     | \$72,944.00     | \$0.00         | \$0.00         | \$72,944.00      | \$0.00               | \$0.00        | \$0.00          | \$0.00           | \$0.00        |
| Transportation Equipment (341)        | \$121,734.00    | \$0.00         | \$0.00         | \$121,734.00     | \$0.00               | \$0.00        | \$0.00          | \$0.00           | \$0.00        |
| Stores Equipment (342)                |                 |                |                |                  |                      |               |                 |                  |               |
| Tools, Shop and Garage Equip (343)    | \$14,034.00     | \$0.00         | \$0.00         | \$14,034.00      | \$0.00               | \$0.00        | \$0.00          | \$0.00           | \$0.00        |
| Laboratory Equipment (344)            | \$567.00        | \$0.00         | \$0.00         | \$567.00         | \$0.00               | \$0.00        | \$0.00          | \$0.00           | \$0.00        |
| Power Operated Equipment (345)        | \$54,784.00     | \$0.00         | \$0.00         | \$54,784.00      | \$0.00               | \$0.00        | \$0.00          | \$0.00           | \$0.00        |
| Communication Equipment (346)         | \$2,869.00      | \$0.00         | \$0.00         | \$2,869.00       | \$0.00               | \$0.00        | \$0.00          | \$0.00           | \$0.00        |
| Miscellaneous Equipment (347)         | \$560.00        | \$0.00         | \$0.00         | \$560.00         | \$0.00               | \$0.00        | \$0.00          | \$0.00           | \$0.00        |
| Other Tangible Plant (348)            |                 |                |                |                  |                      |               |                 |                  |               |
| Total Water Plant                     | \$14,935,113.00 | \$1,558,912.00 | \$0.00         | \$16,494,025.00  | \$0.00               | \$0.00        | \$0.00          | \$0.00           | \$0.00        |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

|                                               | Balance Beg. Yr (6) | Chg. Deprec (8) | Other Cr. (9) | Organization Ret (1) | Trans. Station Ret (2) | Other Charges (3) | Balance End Yr (7) |
|-----------------------------------------------|---------------------|-----------------|---------------|----------------------|------------------------|-------------------|--------------------|
| Organization (301)                            |                     |                 |               |                      |                        |                   |                    |
| Franchises (302)                              |                     |                 |               |                      |                        |                   |                    |
| Land and Land Rights (303)                    |                     |                 |               |                      |                        |                   |                    |
| Structures and Improvements (304)             | \$18,627.00         | \$2,268.00      | \$0.00        | \$0.00               | \$0.00                 | \$0.00            | \$20,895.00        |
| Collecting and Impounding Reservoirs (305)    | \$28,813.00         | \$0.00          | \$0.00        | \$0.00               | \$0.00                 | \$0.00            | \$28,813.00        |
| Lake, River and Other Intakes (306)           |                     |                 |               |                      |                        |                   |                    |
| Wells and Springs (307)                       | \$89,854.00         | \$4,646.00      | \$0.00        | \$0.00               | \$0.00                 | \$0.00            | \$94,500.00        |
| Infiltration Galleries and Tunnels (308)      |                     |                 |               |                      |                        |                   |                    |
| Supply Mains (309)                            | \$615,156.00        | \$24,169.00     | \$0.00        | \$0.00               | \$0.00                 | \$0.00            | \$639,325.00       |
| Power Generating Equipment (310)              |                     |                 |               |                      |                        |                   |                    |
| Pumping Equipment (311)                       | \$25,669.00         | \$2,600.00      | \$0.00        | \$0.00               | \$0.00                 | \$0.00            | \$28,269.00        |
| Water Treatment Equipment (320)               | \$1,277.00          | \$0.00          | \$0.00        | \$0.00               | \$0.00                 | \$0.00            | \$1,277.00         |
| Distributions Reservoirs and Standpipes (330) | \$30,683.00         | \$5,526.00      | \$0.00        | \$0.00               | \$0.00                 | \$0.00            | \$36,209.00        |
| Transmission and Distribution Mains (331)     | \$370,549.00        | \$41,909.00     | \$0.00        | \$0.00               | \$0.00                 | \$0.00            | \$412,458.00       |
| Services (333)                                | \$424,657.00        | \$30,245.00     | \$0.00        | \$0.00               | \$0.00                 | \$0.00            | \$454,902.00       |
| Meters and Meter Installations (334)          | \$139,406.00        | \$2,476.00      | \$0.00        | \$0.00               | \$0.00                 | \$0.00            | \$141,884.00       |
| Hydrants (335)                                |                     |                 |               |                      |                        |                   |                    |
| Backflow Prevention Devices (336)             |                     |                 |               |                      |                        |                   |                    |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

|                                               | Balance Beg. Yr (f) | (g) (Should be 0) | Other credits (g) | Charge plant (Ref) | Other charges (g) | Balance End Yr (f) |
|-----------------------------------------------|---------------------|-------------------|-------------------|--------------------|-------------------|--------------------|
| Other Plant and Miscellaneous Equipment (339) |                     |                   |                   |                    |                   |                    |
| Office Furniture and Equip (340)              | \$48,375.00         | \$4,365.00        | \$0.00            | \$0.00             | \$0.00            | \$52,740.00        |
| Transportation Equipment (341)                | \$59,150.00         | \$0.00            | \$0.00            | \$0.00             | \$0.00            | \$59,150.00        |
| Stores Equipment (342)                        |                     |                   |                   |                    |                   |                    |
| Tools, Shop and Garage Equip (343)            | \$9,561.00          | \$1,202.00        | \$0.00            | \$0.00             | \$0.00            | \$10,763.00        |
| Laboratory Equipment (344)                    | \$453.00            | \$75.00           | \$0.00            | \$1.00             | \$0.00            | \$529.00           |
| Power Operated Equipment (345)                | \$60,896.00         | \$4,871.00        | \$0.00            | \$0.00             | \$0.00            | \$65,767.00        |
| Communication Equipment (346)                 | \$2,006.00          | \$350.00          | \$0.00            | \$0.00             | \$0.00            | \$2,356.00         |
| Miscellaneous Equipment (347)                 |                     |                   |                   |                    |                   |                    |
| Other Tangible Plant (348)                    | \$690.00            | \$0.00            | \$0.00            | \$0.00             | \$0.00            | \$690.00           |
| Totals                                        | \$1,925,822.00      | \$124,704.00      | \$0.00            | \$1.00             | \$0.00            | \$2,050,527.00     |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

|                                   | Debit | Credit | Total          |
|-----------------------------------|-------|--------|----------------|
| Balance First of Year             |       |        | \$1,925,822.00 |
| Credit during Year                |       |        |                |
| Accruals Charged to Account 110.1 |       |        | \$124,704.00   |
| Accruals Charged to Account 110.2 |       |        |                |
| Other Credits                     |       |        |                |
| (specify)                         |       |        |                |
| Total Credits                     |       |        | \$124,704.00   |
| Debits during Year                |       |        |                |
| Book Cost of Plant Retired        |       |        |                |
| Other Debits                      |       |        |                |
| (specify)                         |       |        |                |
| Total Debits                      |       |        |                |
| Balance end of Year               |       |        | \$2,050,527.00 |

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

|                                     | Total |
|-------------------------------------|-------|
| Acquisition Adjustments (114)       |       |
| (Specify)                           |       |
| Total Plant Acquisition Adjustments |       |
| Accumulated Amortization (115)      |       |
| (Specify)                           |       |
| Total Accumulated Amortization      |       |
| Net Acquisition Adjustments         |       |

Description (A)

Face of Par Value (B)

(C) = End of Cost

Investment in Associated Companies (123)

Total Investment in Associated Companies

Utility Investments (124)

Total Utility Investments

Other Investments (125)

FORCHT BANK

\$0.00

\$74,575.00

CAPITAL IMPROVEMENTS

\$0.00

\$287,724.00

DEPRECIATION FUND

\$0.00

\$153,481.00

1994 BOND FUND

\$0.00

\$260,296.00

COAL SEVER FUND

\$0.00

\$62,586.00

FORCHT DEPRECIATION FUND

\$0.00

\$6,867.00

Total Other Investments

\$845,529.00

Sinking Funds (126)

Total Sinking Funds

Other Special Funds (127)

Total Other Special Funds

| Description                                            | Total       |
|--------------------------------------------------------|-------------|
| <b>Accounts and Notes Receivable</b>                   |             |
| Customer Accounts Receivable (141)                     | \$85,683.00 |
| Other Accounts Receivable (142)                        |             |
| <b>Total Other Accounts Receivable</b>                 |             |
| Notes Receivable (144)                                 |             |
| <b>Total Notes Receivable</b>                          |             |
| <b>Total Accounts and Notes Receivable</b>             |             |
| Accumulated Provision for Uncollectible Accounts (143) |             |
| Balance First of Year                                  |             |
| Add:                                                   |             |
| Provision for uncollectibles for current year          |             |
| Collections of account previously written off          |             |
| Other                                                  |             |
| Other (specify):                                       |             |
| <b>Total Additions</b>                                 |             |
| Deduct accounts written off during year                |             |
| Other                                                  |             |
| Other (specify):                                       |             |
| <b>Total Deductions</b>                                |             |
| Balance end of Year                                    | \$85,683.00 |
| <b>Total Accounts and Notes Receivable - Net</b>       |             |



32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

| Description       | Total        |
|-------------------|--------------|
| Prepaid Insurance | \$5,588.00   |
| Prepaid Rents     |              |
| Prepaid Interest  |              |
| Prepaid Taxes     |              |
| Other Prepayments |              |
| (Specify)         | \$2,000.00   |
| (Specify)         | \$134,353.00 |
| Total Prepayments | \$141,941.00 |

Total

Miscellaneous Deferred Debts (186)

Deferred Rate Case Expense (186-1)

Other Deferred Debts (186-2)

Regulatory/Assets (186-3)

Total Miscellaneous Deferred Debts

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

| Description                                 | Amount Written Off during Year | Year Ended Balance |
|---------------------------------------------|--------------------------------|--------------------|
| Unamortized Debt Discount and Expense (181) |                                |                    |
| Total Unamortized Debt Discount and Expense |                                |                    |
| Unamortized Premium on Debt (251)           |                                |                    |
| Total Unamortized Premium on Debt           |                                |                    |

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

| Description                         | Total |
|-------------------------------------|-------|
| Extraordinary Property Losses (182) |       |
| (Specify)                           |       |
| Total Extraordinary Property Losses |       |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

Total

Balance First of Year

Add credits during year

Deduct charges during year

Balance end of year

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Long Term Debt (Ref Page: 22)

| Description of obligation<br>(a) | Issue Date (b) | Mature Date (c) | Interest Payments per Year (or Basis Rate) (d) | Expense of Year Amount (e) | Principal per Balance Sheet Date (f) |
|----------------------------------|----------------|-----------------|------------------------------------------------|----------------------------|--------------------------------------|
| Total                            |                |                 | 0                                              | 0                          |                                      |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Bonds - Account 221 (Ref Page: 23)

|       | Fair Value of Actual Issue (1) | Cash Realization of Issue (2) | Fair Value of Actual Issue (3) | Fair Value of Amt Held by Other Respondent (3) | Agually Outstanding at Close of Year (4) | Interest During Year Assumed (5) | Interest During Year Actually Paid (6) |
|-------|--------------------------------|-------------------------------|--------------------------------|------------------------------------------------|------------------------------------------|----------------------------------|----------------------------------------|
|       | \$0.00                         | \$0.00                        | \$0.00                         | \$0.00                                         | \$613,500.00                             | \$0.00                           | \$0.00                                 |
|       | \$0.00                         | \$0.00                        | \$0.00                         | \$0.00                                         | \$531,000.00                             | \$0.00                           | \$0.00                                 |
|       | \$0.00                         | \$0.00                        | \$0.00                         | \$0.00                                         | \$345,000.00                             | \$0.00                           | \$0.00                                 |
|       | \$0.00                         | \$0.00                        | \$0.00                         | \$0.00                                         | \$1,755,000.00                           | \$0.00                           | \$0.00                                 |
|       | \$0.00                         | \$0.00                        | \$0.00                         | \$0.00                                         | \$288,500.00                             | \$0.00                           | \$0.00                                 |
| Total | \$0.00                         | \$0.00                        | \$0.00                         | \$0.00                                         | \$3,533,000.00                           | \$0.00                           | \$0.00                                 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Schedule of Bond Maturities (Ref Page: 23)

| Bond Number (7) | Maturity Date (8) | Interest Rate (9) | Principal Amt (10) | Amount Paid (11) | Remaining Bonds Outstanding (12) |
|-----------------|-------------------|-------------------|--------------------|------------------|----------------------------------|
| R1 SERIES       | 2033              | 4.5000            | \$626,500.00       | \$13,000.00      | \$613,500.00                     |
| R2 SERIES       | 2038              | 4.5000            | \$540,000.00       | \$9,000.00       | \$531,000.00                     |
| R3 SERIES       | 2037              | 4.5000            | \$350,000.00       | \$5,000.00       | \$345,000.00                     |
| R4 SERIES       | 2043              | 4.5000            | \$1,777,997.00     | \$22,997.00      | \$1,755,000.00                   |
| R4 SERIES       | 2033              | 4.5000            | \$291,800.00       | \$3,300.00       | \$288,500.00                     |
| Total           |                   |                   | \$3,566,297.00     | \$63,297.00      | \$3,503,000.00                   |

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

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

| Description                                         | Nominal Date of Issue | Date of Maturity | Int Rate | Int Payment | Principal Amount Bal Sheet |
|-----------------------------------------------------|-----------------------|------------------|----------|-------------|----------------------------|
| Account 232 - Notes Payable                         |                       |                  |          | 0           |                            |
| Total Account 232                                   |                       |                  |          | 0           |                            |
| Account 234 - Notes Payable to Associated Companies |                       |                  |          | 0           |                            |
| Total Account 234                                   |                       |                  |          | 0           |                            |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

Description

Total

Show Payable to Each Associated Company Separately

(Specify)

Total

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009  
 Taxes Accrued (Acct. 236) (Ref Page: 25)

\$12,768.00

Balance First of Year

Accruals Charged

Utility regulatory assessment fees (408.10)

Property taxes (408.11)

Payroll taxes (employer's portion) (408.12)

Other taxes and licenses (408.13)

Taxes other than income, other income and deductions (408.20)

Total taxes accrued

\$26,906.00

Taxes paid during year

Utility regulatory assessment fees (408.10)

Property taxes (408.11)

Payroll taxes (employer's portion) (408.12)

Other taxes and licenses (408.13)

Taxes other than income, other income and deductions (408.20)

Total Taxes Paid

\$4,694.00

Balance end of year

\$8,074.00

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Accrued Interest (Account 237) 2002 (Ref Page: 25)

|                           | Description of Debt (A)   | Balance Begon Year (B) | Interest Accrued (C) | Interest Paid (D)   | Balance End of Year (E) |
|---------------------------|---------------------------|------------------------|----------------------|---------------------|-------------------------|
| <b>Long Term Debt:</b>    |                           |                        |                      |                     |                         |
|                           |                           | 21012.0000             | \$159,095.00         | \$159,095.00        | \$0.00                  |
| <b>Notes Payable:</b>     |                           |                        |                      |                     |                         |
|                           |                           | 0.0000                 | \$0.00               | \$0.00              | \$0.00                  |
| <b>Customer Deposits:</b> |                           |                        |                      |                     |                         |
| <b>Other</b>              |                           |                        |                      |                     |                         |
|                           |                           | 0.0000                 | \$0.00               | \$0.00              | \$0.00                  |
|                           | <b>Total Acct. No 237</b> | <b>21012.0000</b>      | <b>\$159,095.00</b>  | <b>\$159,095.00</b> | <b>\$0.00</b>           |

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

Description

Balance Forward

Total Miscellaneous Current and Accrued Liabilities

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

| Description of case (Booked<br>No) (a) | Total Incurred During Year<br>(b) | Amt. Transferred to Acct<br>(866)(c) | Expens. during Year/ Acct<br>(d) | Expensed Billing Year<br>(Amount)(e) |
|----------------------------------------|-----------------------------------|--------------------------------------|----------------------------------|--------------------------------------|
| Total                                  |                                   |                                      |                                  |                                      |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Water Operating Revenue (Ref Page: 27)

Beginning Balances

End Balances

Amount

| Operating Revenues                          |   |       |                |
|---------------------------------------------|---|-------|----------------|
| Unmetered Water Revenue (460)               |   |       |                |
| Metered Water Revenue (461)                 |   |       |                |
| Sales to Residential Customers (461.1)      | 0 | 3,186 | \$1,564,084.00 |
| Sales to Commercial Customers (461.2)       | 0 | 15    | \$84,438.00    |
| Sales to Industrial Customers (461.3)       |   |       |                |
| Sales to Public Authorities (461.4)         | 0 | 119   | \$15,896.00    |
| Sales to Multiple Family Dwellings (461.5)  |   |       |                |
| Sales through Bulk Loading Stations (461.6) |   |       |                |
| Total Metered Sales                         | 0 | 3,320 | \$1,664,415.00 |
| Fire Protection Revenue (462)               |   |       |                |
| Public Fire Protection (462.1)              |   |       |                |
| Private Fire Protection (462.2)             |   |       |                |
| Total Fire Protection Revenue               |   |       |                |
| Other Sales to Public Authorities (464)     |   |       |                |
| Sales to Irrigation Customers (465)         |   |       |                |
| Sales for Resale (466)                      |   |       |                |
| Interdepartmental Sales (467)               |   |       |                |
| Total Sales of Water                        | 0 | 3,320 | \$1,664,415.00 |
| Other Water Revenues                        |   |       |                |
| Guaranteed Revenues (469)                   |   |       |                |
| Forfeited Discounts (470)                   |   |       |                |
| Miscellaneous Service Revenues (471)        |   |       |                |
| Rents from Water Property (472)             |   |       |                |
| Interdepartments Rents (473)                |   |       |                |
| Other Water Revenues (474)                  |   |       |                |
| Total Other Water Revenues                  |   |       |                |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Water Operating Revenue (Ref Page: 27)

| Beginning Balances/Debits      | Year-End Credits | Amount         |
|--------------------------------|------------------|----------------|
| Total Water Operating Revenues |                  | \$1,676,477.00 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Water Utility Expense Accounts (Ref Page: 28)

|                                                                        | Office/Gen'l | Supply and Equip (61) | Supply and Equip (62) | Water Treatment Equip (63) | Water Distribution Equip (64) | Water Treatment Exp (65) | Water Distribution Exp (66) | Trans and Equip (67) | Trans and Equip (68) | Customer Accs Est (69) | Administrative Exp |
|------------------------------------------------------------------------|--------------|-----------------------|-----------------------|----------------------------|-------------------------------|--------------------------|-----------------------------|----------------------|----------------------|------------------------|--------------------|
| Salaries and Wages-Employees (601)                                     | \$191,281.00 | \$191,281.00          | \$0.00                | \$0.00                     | \$0.00                        | \$0.00                   | \$0.00                      | \$0.00               | \$0.00               | \$0.00                 | \$0.00             |
| Salaries and Wages-Officers, Directors and Majority Stockholders (603) | \$10,999.00  | \$10,999.00           | \$0.00                | \$0.00                     | \$0.00                        | \$0.00                   | \$0.00                      | \$0.00               | \$0.00               | \$0.00                 | \$0.00             |
| Employee Pensions and Benefits (604)                                   | \$59,009.00  | \$59,009.00           | \$0.00                | \$0.00                     | \$0.00                        | \$0.00                   | \$0.00                      | \$0.00               | \$0.00               | \$0.00                 | \$0.00             |
| Purchased Water (610)                                                  | \$714,187.00 | \$714,187.00          | \$0.00                | \$0.00                     | \$0.00                        | \$0.00                   | \$0.00                      | \$0.00               | \$0.00               | \$0.00                 | \$0.00             |
| Purchased Power (615)                                                  | \$4,681.00   | \$4,681.00            | \$0.00                | \$0.00                     | \$0.00                        | \$0.00                   | \$0.00                      | \$0.00               | \$0.00               | \$0.00                 | \$0.00             |
| Fuel for Power Production (616)                                        | \$706.00     | \$706.00              | \$0.00                | \$0.00                     | \$0.00                        | \$0.00                   | \$0.00                      | \$0.00               | \$0.00               | \$0.00                 | \$0.00             |
| Chemicals (618)                                                        | \$56,077.00  | \$56,077.00           | \$0.00                | \$0.00                     | \$0.00                        | \$0.00                   | \$0.00                      | \$0.00               | \$0.00               | \$0.00                 | \$0.00             |
| Materials and Supplies (620)                                           | \$13,644.00  | \$13,644.00           | \$0.00                | \$0.00                     | \$0.00                        | \$0.00                   | \$0.00                      | \$0.00               | \$0.00               | \$0.00                 | \$0.00             |
| Contractual Services - Eng. (631)                                      | \$16,200.00  | \$16,200.00           | \$0.00                | \$0.00                     | \$0.00                        | \$0.00                   | \$0.00                      | \$0.00               | \$0.00               | \$0.00                 | \$0.00             |
| Contractual Services - Acct. (632)                                     | \$0.00       | \$0.00                | \$0.00                | \$0.00                     | \$0.00                        | \$0.00                   | \$0.00                      | \$0.00               | \$0.00               | \$0.00                 | \$0.00             |
| Contractual Services - Legal (633)                                     | \$0.00       | \$0.00                | \$0.00                | \$0.00                     | \$0.00                        | \$0.00                   | \$0.00                      | \$0.00               | \$0.00               | \$0.00                 | \$0.00             |
| Contractual Services - Management Fees (634)                           | \$0.00       | \$0.00                | \$0.00                | \$0.00                     | \$0.00                        | \$0.00                   | \$0.00                      | \$0.00               | \$0.00               | \$0.00                 | \$0.00             |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Water Utility Expense Accounts (Ref Page: 28)

|                    | Contractual | Supply and  | Supply and | Water Treatment | Water Treatment | Pumps and Dis | Pumps and Dis | Customer Acct | Maintenance |
|--------------------|-------------|-------------|------------|-----------------|-----------------|---------------|---------------|---------------|-------------|
|                    | Exp (635)   | Exp (636)   | Exp (637)  | Exp (638)       | Exp (639)       | Exp (640)     | Exp (641)     | Exp (642)     | Exp (643)   |
| Contractual        | \$24,871.00 | \$24,871.00 | \$0.00     | \$0.00          | \$0.00          | \$0.00        | \$0.00        | \$0.00        | \$0.00      |
| Services - Other   |             |             |            |                 |                 |               |               |               |             |
| (636)              |             |             |            |                 |                 |               |               |               |             |
| Rental of Bld/Real |             |             |            |                 |                 |               |               |               |             |
| Property (641)     |             |             |            |                 |                 |               |               |               |             |
| Rental of          | \$18,234.00 | \$18,234.00 | \$0.00     | \$0.00          | \$0.00          | \$0.00        | \$0.00        | \$0.00        | \$0.00      |
| Equipment (642)    |             |             |            |                 |                 |               |               |               |             |
| Transportation     | \$31,689.00 | \$31,689.00 | \$0.00     | \$0.00          | \$0.00          | \$0.00        | \$0.00        | \$0.00        | \$0.00      |
| Expenses (650)     |             |             |            |                 |                 |               |               |               |             |
| Insurance -        | \$3,955.00  | \$3,955.00  | \$0.00     | \$0.00          | \$0.00          | \$0.00        | \$0.00        | \$0.00        | \$0.00      |
| Vehicle (656)      |             |             |            |                 |                 |               |               |               |             |
| Insurance -        | \$18,587.00 | \$18,587.00 | \$0.00     | \$0.00          | \$0.00          | \$0.00        | \$0.00        | \$0.00        | \$0.00      |
| General Liability  |             |             |            |                 |                 |               |               |               |             |
| (657)              |             |             |            |                 |                 |               |               |               |             |
| Insurance -        | \$2,799.00  | \$2,799.00  | \$0.00     | \$0.00          | \$0.00          | \$0.00        | \$0.00        | \$0.00        | \$0.00      |
| Workers            |             |             |            |                 |                 |               |               |               |             |
| Compensation       |             |             |            |                 |                 |               |               |               |             |
| (658)              |             |             |            |                 |                 |               |               |               |             |
| Insurance - Other  | \$3,955.00  | \$3,955.00  | \$0.00     | \$0.00          | \$0.00          | \$0.00        | \$0.00        | \$0.00        | \$0.00      |
| (659)              |             |             |            |                 |                 |               |               |               |             |
| Advertising        | \$319.00    | \$319.00    | \$0.00     | \$0.00          | \$0.00          | \$0.00        | \$0.00        | \$0.00        | \$0.00      |
| Expenses (660)     |             |             |            |                 |                 |               |               |               |             |
| Regulatory         |             |             |            |                 |                 |               |               |               |             |
| Commission Exp.    |             |             |            |                 |                 |               |               |               |             |
| - Amortization     |             |             |            |                 |                 |               |               |               |             |
| of Rate Case (666) |             |             |            |                 |                 |               |               |               |             |
| -Other (667)       |             |             |            |                 |                 |               |               |               |             |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Water Utility Expense Accounts (Ref Page: 28)

|                | Current Year (6) | Supplies and<br>Exp (6) | Supplies and<br>Exp (6) | Water Treatment<br>Equip (6) | Water Treatment<br>Equip (6) | Trans and Dis<br>Exp (6) |
|----------------|------------------|-------------------------|-------------------------|------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Water Resource |                  |                         |                         |                              |                              |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| Conservation   |                  |                         |                         |                              |                              |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| Expense (668)  |                  |                         |                         |                              |                              |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| Bad Debt (670) |                  |                         |                         |                              |                              |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| Miscellaneous  | \$125,981.00     | \$125,981.00            | \$0.00                  | \$0.00                       | \$0.00                       | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   |
| Expenses (675) |                  |                         |                         |                              |                              |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |                          |
| Total          | \$1,297,174.00   | \$1,297,174.00          | \$0.00                  | \$0.00                       | \$0.00                       | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   | \$0.00                   |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

|                    | Water Purchased for Resale (Gall. (000) (b)) | Water Pumped from Wells (Gall. (000) (c)) | Total Water Pumped and Purchased (Gall. (000) (d)) | Water Sold to Customers (Gall. (000) (e)) |
|--------------------|----------------------------------------------|-------------------------------------------|----------------------------------------------------|-------------------------------------------|
| January            | 0                                            | 0                                         | 23,860                                             | 15,193                                    |
| February           | 0                                            | 0                                         | 21,807                                             | 13,934                                    |
| March              | 0                                            | 0                                         | 23,479                                             | 11,769                                    |
| April              | 0                                            | 0                                         | 20,798                                             | 11,775                                    |
| May                | 0                                            | 0                                         | 18,727                                             | 12,554                                    |
| June               | 0                                            | 0                                         | 19,558                                             | 14,845                                    |
| July               | 0                                            | 0                                         | 20,465                                             | 13,652                                    |
| August             | 0                                            | 0                                         | 19,142                                             | 12,231                                    |
| September          | 0                                            | 0                                         | 21,220                                             | 13,579                                    |
| October            | 0                                            | 0                                         | 23,202                                             | 14,581                                    |
| November           | 0                                            | 0                                         | 21,785                                             | 15,269                                    |
| December           | 0                                            | 0                                         | 25,326                                             | 10,161                                    |
| Total for the year | 0                                            | 0                                         | 259,369                                            | 159,543                                   |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

|                                                                   | Gallons | Date       |
|-------------------------------------------------------------------|---------|------------|
| Maximum Gallons pumped by all methods in any one day (Omit 000's) | 464,000 | 06/10/2009 |
| Minimum Gallons pumped by all methods in any one day (Omit 000's) | 121,000 | 09/01/2009 |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

If water is purchased indicate the following:

| Vendor                                                | Point of Delivery |
|-------------------------------------------------------|-------------------|
| CITY OF WILLIAMSBURG, CITY OF CORBIN, JELICO ELECTRIC | VARIOUS           |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

If water is sold to other water utilities for redistribution, identify all entities with whom the utility has a water sales contract and the maximum quantity the utility is under contract to provide daily and monthly. If unlimited then list "unlimited" otherwise list in thousands of gallons.

| Entity Receiving Water | Maximum Daily | Maximum Monthly |
|------------------------|---------------|-----------------|
|------------------------|---------------|-----------------|

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

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

| Company | Gallon (Ortl) (00 S) | VA Rate Per (00) Gallons (00 S) | Amount |
|---------|----------------------|---------------------------------|--------|
| Total   |                      |                                 |        |

Gallons (One Thousand)

Percent

|                                                     |         |
|-----------------------------------------------------|---------|
| 1. Water Produced, Purchased and Distributed        |         |
| 2. Water Produced                                   |         |
| 3. Water Purchased                                  | 259,369 |
| 4. Total Produced and Purchased                     | 259,369 |
| 6. Water Sales:                                     |         |
| 7. Residential                                      | 142,114 |
| 8. Commercial                                       | 15,083  |
| 9. Industrial                                       |         |
| 10. Bulk Loading Stations                           |         |
| 11. Resale                                          |         |
| 12. Other Sales                                     | 2,346   |
| 13. Total Water Sales                               | 159,543 |
| 15. Other Water Used                                |         |
| 16. Utility/water treatment plant                   |         |
| 17. Wastewater plant                                |         |
| 18. System flushing                                 |         |
| 19. Fire department                                 |         |
| 20. Other                                           |         |
| 21. Total Other Water Used                          |         |
| 23. Water Loss:                                     |         |
| 24. Tank Overflows                                  |         |
| 25. Line Breaks                                     | 77,846  |
| 26. Line Leaks                                      |         |
| 27. Other                                           | 77,846  |
| 28. Total Line Loss                                 | 77,846  |
| Note: Line 13 + Line 21 + Line 28 must equal Line 4 |         |
| 32. Water Loss Percentage                           |         |

Water Statistics (Ref Page: 30)

| Station (0mils000s) | Percent |
|---------------------|---------|
|---------------------|---------|

33. Line 28 divided by Line 4

30.0136

Give the following information

Number of fire hydrants, by size 7 SIX FOOT

Number of private fire hydrants, by size 7 SIX FOOT

If produced whether water supply is river, impounded streams, well, springs, artificial lake, or collector well PURCHASED

If produced, whether supply is by gravity, pumping or a combination COMBINATION  
 Type, capacity, and elevation of reservoirs at overflow and ground level 3 STAND PIPES, 188000 GROUND LEVEL 1165 FT OVERFLOW, 144000 GROUND LEVEL 1286 FT OVERFLOW, 105000 GROUND LEVEL 1367 FT OVERFLOW, 1 ELEVATED 200000 1290 FR OVERFLOW.

Miles of main by size and kind ESTIMATED 265 MILES OF 1", 2", 3", 4", 6" AND 8" LINES

Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min. NONE

Type of disinfectant, number of units and capacity in pounds per 24 hours NONE

Station Equipment. List each pump giving type and capacity, HP of driving unit and character of driving unit (steam/electric/nt. combustion) also whether pump is high/low duty CORN CREEK 7 1/2 HP PUMPS HIGH DUTY WOODBINE 10 HP 2PUMPS

Quantity of fuel used: coal in lbs., gas in cu. ft., oil in gals. and electric in KWH ELECTRIC 45213 KWH

Give description and total cost of any sizable additions or retirements to plant and service outside the normal system of growth for the period covered by this report NONE

Capacity of clear well NONE

Peak month, in gallons of water sold SEPTEMBER 2006-12,621,000 GALLONS

Peak day, in gallons of water sold JUNE 10, 2009 464,000



Choose one to indicate the type of Water Supply

Purchase

Plant Statistics - Part C (Ref Page: 31)



Choose one to indicate the type of Water Supply Method

Combination

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

Checklist (2002)

| Item                                                                                                                                                                     | Value 1     | Value 2     | Agree | Explain |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------|---------|
| NOTE: Any mention of page numbers or Line items refers to the annual report published and distributed for the 2002 report period.                                        |             |             |       |         |
| Identifications pages (ref 4-6) have been completed.                                                                                                                     |             |             |       |         |
| Balance Sheet - Assets and Other Debts (ref. pg 7)                                                                                                                       |             |             |       |         |
| Utility Plant (Accts 101-106) agrees with Sched:                                                                                                                         | 16494025.00 | 16494025.00 |       | OK      |
| Net Utility Plants Accts 101-106 (ref pg 13) Line: Total Utility Plant                                                                                                   |             |             |       |         |
| Accts 108-110 Acc. Depreciation and Amort. agrees with Sched: Analysis of Acc. Dep. and Amort. (ref pg 15) Line: Total 301-348 Col h                                     | 2050527.00  | 2050527.00  |       | OK      |
| Accts 114-115 Utility Plant Acquisition Adjustments agrees with Sched: Utility Plant Acquisition Adjustments (ref pg 16) Line: Net Acquisition Adjustments (114-115)     | 0           | 0           |       | OK      |
| Accts 123 Investment in Assoc. Companies agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total Investment in Associated Companies                       | 0           | 0           |       | OK      |
| Accts 124-125 Utility Investments agrees with Sched: Investments and Spec. Funds (ref pg 17) Sum of Lines: 124 Total Utility Investments and 125 Total Other Investments | 845529.00   | 845529.00   |       | OK      |
| Accts 126 Sinking Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: 126 Total Sinking Funds                                                         | 0           | 0           |       | OK      |
| Accts 127 Other Special Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total 127 Other Special Funds                                             | 0           | 0           |       | OK      |
| Accts 141-144 Accounts and Notes Receivable agrees with Sched: Accts and Notes Receivable (ref pg 18) Line: Net Balance 141-144                                          | 85683.00    | 85683.00    |       | OK      |
| Accts 151-153 Material and Supplies agrees with Sched: Material and Supplies (ref pg 19) Line: Total 151-153                                                             | 0           | 0           |       | OK      |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

CheckList (2002)

| Item                                                                                                                                                  | Value 1     | Value 2     | Agree | Explain |
|-------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------|---------|
| Accts 162 Prepayments agrees with Sched: Prepayments (ref pg 19) Line: Total 162                                                                      | 141941.00   | 141941.00   | OK    |         |
| Accts 181 Unamortized Debt Discount and Expense agrees with Sched: Unamortized Debt Discount and Exp. (ref pg 20) Line: Total 181                     | 0           | 0           | OK    |         |
| Accts 182 Extraordinary Prop. losses agrees with Sched: Extraordinary Property Losses (ref pg 21) Line: Total 182                                     | 0           | 0           | OK    |         |
| Accts 186 Misc. Deferred Debts agrees with Sched: Misc. Deferred Debts (ref pg 20) Line: Total 186                                                    | 0           | 0           | OK    |         |
| Balance Sheet - Equity Capitol and Liabilities (ref. pg 9)                                                                                            |             |             |       |         |
| Accts 214 Appropriated Retained Earnings agrees with Sched: Statement of Retained Earnings (ref pg 12) Line: Total Appropriated Retained Earnings 214 | 0           | 0           | OK    |         |
| Accts 215.1 Retained Earnings from Income before Contributions with Sched: Statement of Retained Earnings (ref pg 12) Line: Balance End of Year 215.1 | 11925557.00 | 11925557.00 | OK    |         |
| Accts 215.2 Donated Capital with Sched: Statement of Retained Earnings (cont. 215.2) (ref pg 12) Line: Balance End of Year 215.2                      | 0.0000      | 0.0000      | OK    |         |
| Accts 221 Bonds agrees with Sched: Account 221 (ref pg 23) Line: Total Outstanding Bonds Col 4                                                        | 3533000.00  | 3533000.00  | OK    |         |
| Accts 221 Bonds agrees with Sched: Schedule of Bond Maturities (ref pg 23) line: Total Remaining Bonds (Col 12)                                       | 3533000.00  | 3533000.00  | OK    |         |
| Accts 224 Other Long Term Debt agrees with Sched: Long Term Debt (ref pg 22) Line: Total Acct 224 col f                                               | 0           | 0           | OK    |         |
| Accts 232 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 232                                         | 0           | 0           | OK    |         |

CheckList (2002)

| Item                                                                                                                                                                                      | Value 1     | Value 2     | Agree | Explain |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------|-------|---------|
| Accts 233 Accounts Payable to Associated Co. agrees with Sched: Accounts Payable to Assoc. Companies (Accts 233) (ref pg 24) Line: Total Acct 233                                         | 0           | 0           | OK    |         |
| Accts 234 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 234                                                                             | 0           | 0           | OK    |         |
| Accts 236 Taxes Accrued Balance First of Year agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Beginning Balance                                                            | 12768.00    | 12768.00    | OK    |         |
| Accts 236 Taxes Accrued agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Ending Balance                                                                                     | 8074.00     | 8074.00     | OK    |         |
| Accts 237 Accrued Interest Balance from Prev Year agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance Beginning of Year -Col b                            | 21012.00    | 21012.00    | OK    |         |
| Accts 237 Accrued Interest agrees with Sched: Acrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance End of Year -Col e                                                          | 0           | 0.0000      | OK    |         |
| Accts 242 Misc. Current and Accrued Liabilities agrees with Sched: Misc current and Accrued Liabilities (Accts 242) (ref pg 26) Line: Total Miscellaneous and Current Accrued Liabilities | 0           | 0           | OK    |         |
| Accts 251 Unamortized Premium on Debt agrees with Sched: Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 - 251) (ref pg 20) Line: Total 251                          | 0           | 0           | OK    |         |
| Accts 252 Advances for Construction agrees with Sched: Advances for Construction (Accts 252) (ref pg 21) Line: Total 252                                                                  | 0           | 0           | OK    |         |
| Total Equity Capital and Liabilities agrees with Balance Sheet - Assets and Other Debits: Total Assets and Other Debits                                                                   | 15755959.00 | 15755959.00 | OK    |         |
| Comparative Operating Statement (ref pg 10)                                                                                                                                               |             |             |       |         |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

CheckList (2002)

| Item                                                     | Value 1     | Value 2     | Agree | Explain |
|----------------------------------------------------------|-------------|-------------|-------|---------|
| Accts 400 Operating Revenues agrees with Sched:          | 1676477.00  | 1676477.00  | OK    |         |
| Water Operating Revenue (Accts 400) (ref pg 27)          |             |             |       |         |
| Line: Total Water Operating Revenues - Col e             |             |             |       |         |
| Accts 401 Operating Expenses agrees with Sched:          | 1297174.00  | 1297174.00  | OK    |         |
| Water Utility Expense Accounts (ref pg 28) Line:         |             |             |       |         |
| Total Accts (601-675) - Col c                            | 26906.00    | 26906.00    | OK    |         |
| Accts 408.1 Taxes Other than Income agrees with          |             |             |       |         |
| Schedule Taxes Accrued (Acct 236) (ref pg 26) Sum of     |             |             |       |         |
| Accts 408.10 - 408.13                                    | 26906.00    | 26906.00    | OK    |         |
| Sum of Accts 408.1 and 408.2 agrees with Sched:          |             |             |       |         |
| Taxes Accrued (Acct 236) (ref pg 25) Line: Total         | 26906.00    | 26906.00    | OK    |         |
| taxes Accrued                                            |             |             |       |         |
| Accts 427 Interest Expense agrees with Sched:            | 159095.00   | 159095.00   | OK    |         |
| Accrued Interest (Acct 237) (ref pg 25) Line: Total      |             |             |       |         |
| Acct No 237 Col c - Interest Accrued                     |             |             |       |         |
| Net Income agrees with Sched: Retained Earnings          | 1521064.00  | 1521064.00  | OK    |         |
| (Acct 237) (ref pg 12) Line: Balance Transferred from    |             |             |       |         |
| Income (Acct 435)                                        |             |             |       |         |
| Miscellaneous                                            |             |             |       |         |
| Schedule Net Utility Plant Accts 101 - 106 (ref pg       | 16494025.00 | 16494025.00 | OK    |         |
| 13) Utility Plant (101) agrees with Sched: Water Utility |             |             |       |         |
| Plant Accounts (ref pg 14) Line: Total Water Plant Col   |             |             |       |         |
| f - Current Year                                         |             |             |       |         |
| The analysis of water utility plant accounts Cols c      |             |             |       |         |
| through k has been completed (Ref pg 14)                 |             |             |       |         |
| The analysis of accumulated depreciation and             |             |             |       |         |
| amortization by primary account has been completed.      |             |             |       |         |
| (Ref pg 14)                                              | 0           | 0           | OK    |         |
| Sched: Misc. Deferred Debits (Acct 186) Deferred         |             |             |       |         |
| Rate Case (Acct 186.1) agrees with Sched: Amort. of      |             |             |       |         |
| Rate Case (Acct 665 and 667) (ref pg 26) Line: Total     |             |             |       |         |
| Col c - Amt Transferred to 186.1                         |             |             |       |         |
| Schedule of Long Term Debt has been completed (ref       |             |             |       |         |
| pg 22)                                                   |             |             |       |         |

32900 Whitley County Water District #1 01/01/2009 - 12/31/2009

CheckList (2002)

| Item                                                                                                                                                                                              | Value 1 | Value 2 | Agree | Explain |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|-------|---------|
| Schedule of Bond Maturities has been completed (ref pg 23)                                                                                                                                        |         |         |       |         |
| Taxes collected (example: school tax, sales tax, franchise tax ) have been excluded from Operating Revenue ( Ref pg 29)                                                                           |         |         |       |         |
| The analysis of water operating revenue Cols c,d and e have been completed. (Ref pg 28)                                                                                                           |         |         |       |         |
| The analysis of water utility expense accounts Cols c through k have been completed. (Ref pg 28)                                                                                                  |         |         |       |         |
| Schedule of Pumping and Purchased Water Statistics has been completed ( Ref pg 29)                                                                                                                |         |         |       |         |
| Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Total (d) agrees with Sched Water Statistics (ref pg 30) Line 4. Total Produced and Purchased Col Gallons | 259369  | 259369  |       | OK      |
| Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Water Sold(e) agrees with Sched Water Statistics (ref pg 30) Line Total Water Sales Col Gallons           | 159543  | 159543  |       | OK      |
| Sched Sales for Resale (ref pg 30) 466 Total Gal agrees with Sched Water Statistics (ref pg 30) Total Water Sales                                                                                 | 0       | 0       |       | OK      |
| Oath Page Has been Completed                                                                                                                                                                      |         |         |       |         |