

WOOD CREEK WATER DISTRICT

APPLICATION FOR THE APPROVAL OF THE
PROPOSED INCREASE IN RATES FOR WATER SERVICE

(Original)

RECEIVED

AUG 10 2011

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF THE WOOD CREEK
WATER DISTRICT FOR THE APPROVAL OF THE
PROPOSED INCREASE IN RATES FOR WATER
SERVICE

)
) CASE NO.
) 2011-00209
)

STATEMENT AND NOTICE

The Wood Creek Water District ("Wood Creek"), by counsel, pursuant to KRS 278.020, KRS 278.180, KRS 278.190, and KRS 278.300, petitions the Commission for the approval of the proposed increase in the rates and charges. In support of its application, Wood Creek respectfully states as follows:

1. Wood Creek is a non-profit water district organized under KRS Chapter 74 and has no separate articles of incorporation or by-laws. Wood Creek's principal office and mailing address is Wood Creek Water District, 1670 Hal Rogers Parkway, P.O. Box 726, London, Kentucky 40743.

2. Wood Creek is engaged in the distribution and sale of water and also operates a wastewater division. Wood Creek provides retail water service to approximately 4,836 residential customers, and 351 commercial customers, in Laurel County, Kentucky.¹ Wood Creek also provides wholesale water service to the city of Livingston, West Laurel Water Association, and East Laurel Water District.²

¹ Annual Report of Wood Creek Water District to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2010 at 27.

² Id. at 30.

3. The proposed increase in the rates and charges is necessary for Wood Creek to meet continuing demand for adequate service. It has been approximately five years since Wood Creek last requested and received a general increase in its base water rates.³ An increase in its rates is essential for Wood Creek to maintain a reasonable level of service, to meet the expanding needs of its service area, and to cover its debt service requirements.

4. As authorized by KRS 278.192(1), and for the purpose of justifying the reasonableness of the proposed general increase in rates, Wood Creek has utilized an historical test period consisting of the twelve (12) consecutive calendar months ending December 31, 2008. To show that its operating revenues and expenses have not dramatically changed since 2008, a comparison of the income statements for the calendar years 2008, 2009, and 2010 is attached as Exhibit 12.

5. Wood Creek's annual reports, including the annual report for 2010, are on file with the Public Service Commission as required by 807 KAR 5:006, Section 3(1).

6. Wood Creek hereby gives notice to the Public Service Commission of the adjustment of its rates to those rates set forth in Exhibit No. 1 in the filing requirements. The proposed rates will result in annual operating revenues from water sales of \$4,810,329, which is an increase in of \$989,657 or an increase of approximately 25.9 percent over normalized revenues from water sales of \$3,820,672. The proposed increase is across the board increase and will be equally allocated to all customer classes.

³ Case No. 2005-00453, The Application of Wood Creek Water District for A Certificate of Public Convenience and Necessity to Construct, Finance and Increase Rates Pursuant to KRS 278.023 (Ky. PSC Nov. 30, 2005).

7. The proposed tariffs (Exhibit No. 1) are shown in comparative form on the same sheets, side by side, and those comparative sheets are identified as Exhibit No. 2 in the filing requirements.

8. Wood Creek has complied with 807 KAR 5:011, Section 9, (2) and 807 KAR 5:001, Section 10, (3) and (4), by delivering to newspapers of general circulation in its service area a copy of the Notice identified as Exhibit No. 10 in the filing requirements, for publishing once a week for three consecutive weeks in a prominent manner, the first of said publications has been made within (7) days of the date the Application is filed with the Commission.

9. As required by 807 KAR 5:001, Section 10, (4), (f), Wood Creek will post a copy of its Customer Notice (Exhibit No. 10) at its place of business on the date the Application is filed with the Commission, and it will remain posted until the Public Service Commission has determined Wood Creek's rates.

10. The lists of the documents filed in support of Wood Creek's application for approval of the proposed adjustment of rates or the explanations for their absence is contained in the Filing Requirement Index.

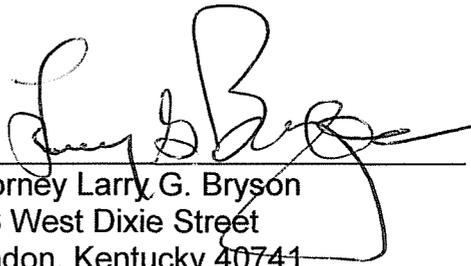
11. 807 KAR 5:011, Section 10(6)(b) requires that Wood Creek Water District submit the prepared testimony of each witness that it proposes to use to support its application. As the Staff of the Public Service Commission prepared Wood Creek Water District's application and is best able to provide any testimony or explanation regarding the application, Wood Creek Water District requests a deviation from the requirements of 807 KAR 5:011, Section 10(6)(b).

WHEREFORE, the Applicant, Wood Creek Water District requests the Public Service Commission of Kentucky grant a deviation from 807 KAR 5:011, Section 10(6)(b), accept this application for filing purposes, and approve the proposed rates.

Dated at London, Kentucky this August 8, 2011.

Respectfully submitted,
WOOD CREEK WATER DISTRICT

By



Attorney Larry G. Bryson
318 West Dixie Street
London, Kentucky 40741
606-878-7123

Filing Requirement Index Historical Test Period Rate Case

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|--|--|--|
| 807 KAR 5:001 Section 8(1) | Full name and P. O. address of applicant and reference to the particular provision of law requiring PSC approval. | Application at 1. |
| 807 KAR 5:001 Section 8(2) | The original and 10 copies of application plus copy for anyone named as interested party. | The correct number of applications has been filed. |
| 807 KAR 5:001 Section 10(1)(b)(1) | Reason adjustment is required. | Application at 2. |
| 807 KAR 5:001 Section 10(1)(b)(2) | Statement that utility's annual reports, including the most recent calendar year, are filed with PSC. 807 KAR 5:006, Section 3(1) | Application at 2. |
| 807 KAR 5:001 Section 10(1)(b)(3) & (5) | If utility is incorporated, certified copy of articles of incorporation and amendments or out of state documents of similar import. If they have already been filed with PSC refer to the style and case number of the prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed. | N/A – Wood Creek is not a corporation. |
| 807 KAR 5:001 Section 10(1)(b)(4) & (5) | If applicant is limited partnership, certified copy of limited partnership agreement. If agreement filed with PSC refer to style and case number of prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed. | N/A – Wood Creek is not a limited partnership. |
| 807 KAR 5:001 Section 10(1)(b)(6) | Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary. | N/A – Wood Creek has never used an assumed name. |
| 807 KAR 5:001 Section 10(1)(b)(7) | Proposed tariff in form complying with 807 KAR 5:011 effective not less than 30 days from date application filed. | Exhibit 1. |
| 807 KAR 5:001 Section 10(1)(b)(8) | Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by underscoring and striking over deletions in current tariff. | Exhibit 2. |

Filing Requirement Index Historical Test Period Rate Case

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|--|---|---|
| 807 KAR 5:001 Section 10(1)(b)(9) | Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy. | Application at 2. Customer Notice Exhibit 9. |
| 807 KAR 5:001 Section 10(2) | If gross annual revenues exceed \$1,000,000, written notice of intent filed at least 4 weeks prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period. | Exhibit 13 is a copy of the written Commission notification. |
| 807 KAR 5:001 Section 10 (6)(a) | Complete description and quantified explanation for proposed adjustments with support for changes in price or activity levels, and other factors affecting the adjustment. | Exhibit 4. |
| 807 KAR 5:001 Section 10 (6)(b) & (c) | If gross annual revenues exceed \$1,000,000, prepared testimony of each witness who will support the application. If less than \$1,000,000, prepared testimony of each witness who will support application or statement that utility does not plan to submit prepared testimony. | Commission Staff assisted with Wood Creek in preparing its application. Deviation from requirement requested. |
| 807 KAR 5:001 Section 10 (6)(d) | Estimate of effect that new rate(s) will have on revenues including, at minimum, total revenues resulting from increase or decrease and percentage of increase or decrease. | Application at 2. |
| 807 KAR 5:001 Section 10 (6)(e) | If electric, gas, water or sewer utility effect upon the average bill for each customer classification to which change will apply. | Exhibit 7. |
| 807 KAR 5:001 Section 10 (6)(f) | If local exchange company, effect upon the average bill for 807 each customer class for change in basic local service. | N/A – Wood Creek is not a local exchange company. |
| 807 KAR 5:001 Section 10 (6)(g) | Analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class. | Exhibit 5. |

Filing Requirement Index Historical Test Period Rate Case

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|-------------------------------------|---|--|
| 807 KAR 5:001 Section 10 (6)(h) | Summary of determination of revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules. | Wood Creek's revenue requirement is based on debt service coverage. Exhibit 6. |
| 807 KAR 5:001 Section 10 (6)(i) | Reconciliation of rate base and capital used to determine revenue requirements. | N/A – Revenue Requirement reflects Debt Service. |
| 807 KAR 5:001 Section 10 (6)(j): | Current chart of accounts if more detailed than the Uniform System of Accounts. | N/A – A more detailed system is not used. |
| 807 KAR 5:001 Section 10 (6)(k) | Independent auditor's annual opinion report, with any written communication from auditor, which indicates existence of material weakness in internal controls. | Exhibit 11. Copy of Audit for calendar year 2010. |
| 807 KAR 5:001 Section 10 (6)(l): | The most recent FERC or FCC audit reports. | N/A – Wood Creek is not required to file FERC or FCC audit reports. |
| 807 KAR 5:001 Section 10 (6)m | The most recent FERC Form 1 (electric), FERC Form 2 (gas), or Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone). | N/A – Wood Creek is not an electric or telephone utility. |
| 807 KAR 5:001 Section 10 (6)(n) | Summary of latest depreciation study with schedules by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall provide schedule identifying current and test period depreciation rates used by major plant accounts. If filed in another PSC case refer to that case's number and style. | Exhibit 8. |
| 807 KAR 5:00 Section 10 (6)(o) | List of all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with the filing. Include each software, program, or model; what each was used for; its supplier; brief description and specifications for the computer hardware and the operating system required to run the program. | Excel Word |

Filing Requirement Index Historical Test Period Rate Case

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|------------------------------------|--|--|
| 807 KAR 5:001 Section 10 (6)(p) | Prospectuses of most recent stock or bond offerings. | N/A – Wood Creek has not issued stock. Its bond offerings are made directly to Rural Development. |
| 807 KAR 5:001 Section 10 (6)(q) | Annual report to shareholders, or members, and statistical supplements covering 2 years prior to application filing date. | N/A – Wood Creek is a Water District and has no shareholders or members. |
| 807 KAR 5:001 Section 10 (6)(r) | Monthly managerial reports providing financial results for 12 months in test period. | Exhibit 9. |
| 807 KAR 5:001 Section 10 (6)(s) | SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued within past 2 years, and Form 10-Qs issued during the past 6 quarters updated as current information becomes available. | N/A – Wood Creek is not required to file any reports with the SEC. |
| 807 KAR 5:001 Section 10 (6)(t) | <p>If utility had any amounts charged or allocated to it by affiliate or general or home office, or paid any monies to affiliate or general or home office during test period or during previous 3 calendar years, file:</p> <ol style="list-style-type: none"> 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each charge allocation or payment; 2. Explanation of how allocator for the test period was determined; and 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during test period was reasonable; | N/A – There were no amounts charged or allocated to Wood Creek from an affiliate or general or home office. Wood Creek allocates expenses to its sewer division and to the other water utilities that are operated from the same office, East Laurel Water District and West Laurel Water Association. |

Filing Requirement Index Historical Test Period Rate Case

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|------------------------------------|---|--|
| 807 KAR 5:001 Section 10 (6)(u) | If gas, electric or water utility, whose annual gross revenues exceed \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from a single time period. | N/A – Wood Creek’s gross annual revenues do not exceed \$5,000,000. An across the board increase is being proposed. |
| 807 KAR 5:001 Section 10 (6)(v) | Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file: <ol style="list-style-type: none"> 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies to support pricing of all services that generate annual revenue greater than \$1,000,000, except local exchange access: <ol style="list-style-type: none"> (a) Based on current and reliable data from a single time period; and (b) Using generally recognized fully allocated, embedded, or incremental cost principles. | N/A – Wood Creek is not a local exchange carrier. |
| 807 KAR 5:001 Section 10 (7)(a) | Detailed income statement and balance sheet reflecting impact of all proposed adjustments | Exhibit 3. A balance sheet is not included because there are no pro forma adjustments that directly impact that financial statement. |
| 807 KAR 5:001 Section 10 (7)(b) | Most recent capital construction budget containing at least period of time as proposed for any pro forma adjustment for plant additions. | N/A – Construction of Wood Creek’s proposed plant addition have been completed. |

**Filing Requirement Index
Historical Test Period Rate Case**

**Filing
Requirements**

**Filing Requirement
Description**

**Location or
Absence Reason**

| | | |
|--|---|--|
| <p>807 KAR 5:001 Section 10 (7)(c)</p> | <p>For each proposed pro forma adjustment reflecting plant additions the following information:</p> <ol style="list-style-type: none">1. Starting date of the construction of each major component of plant;2. Proposed in-service date;3. Total estimated cost of construction at completion;4. Amount contained in construction work in progress at end of test period;5. Complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement;6. Original cost, cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions;7. Explanation of any differences in amounts contained in the capital construction budget and amounts of capital construction cost contained in the pro forma adjustment period; and8. Impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements; | <p>N/A – There are no pro forma adjustments that relate to future plant additions.</p> |
|--|---|--|

**Filing Requirement Index
Historical Test Period Rate Case**

| Filing Requirements | Filing Requirement Description | Location or Absence Reason |
|------------------------------------|---|--|
| 807 KAR 5:001 Section 10 (7)(e) | Number of customers to be added to the test period – end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers. | NA – There are no projected new customers that have been added to the Wood Creek’s system. |

Exhibit Index

| <u>Exhibit Title</u> | <u>Exhibit Number</u> |
|---|------------------------------|
| Proposed Tariff | 1 |
| Comparison – Proposed & Current Tariffs | 2 |
| Pro Forma Financial Statements | 3 |
| Pro Forma Adjustment Descriptions | 4 |
| Billing Analysis | 5 |
| Revenue Requirement Determination | 6 |
| Impact on Average Bill by Customer Classification | 7 |
| Analysis of Depreciation | 8 |
| Monthly Managerial Reports | 9 |
| Customer Notification | 10 |
| 2010 Audited Financial Statements | 11 |
| Income Statement Comparison | 12 |
| Written Notification of Intent | 13 |

EXHIBIT NO. 1
PROPOSED TARIFF

FOR Laurel County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

_____ SHEET NO. _____

Wood Creek Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

CONTENTS

5/8 Inch x 3/4 Inch Meter:

| | | | |
|-------|---------------|----------|-------------------|
| First | 2,000 gallons | \$ 20.69 | Minimum bill |
| Next | 1,500 gallons | 6.58 | per 1,000 gallons |
| Next | 1,500 gallons | 5.87 | per 1,000 gallons |
| Next | 2,500 gallons | 4.94 | per 1,000 gallons |
| Over | 7,500 gallons | 3.90 | per 1,000 gallons |

1 Inch Meter:

| | | | |
|-------|---------------|----------|-------------------|
| First | 5,000 gallons | \$ 39.36 | Minimum bill |
| Next | 2,500 gallons | 4.94 | per 1,000 gallons |
| Over | 7,500 gallons | 3.90 | per 1,000 gallons |

1 1/2 Inch Meter:

| | | | |
|-------|----------------|----------|-------------------|
| First | 10,000 gallons | \$ 61.42 | Minimum bill |
| Over | 10,000 gallons | 3.90 | per 1,000 gallons |

2 Inch Meter:

| | | | |
|-------|----------------|-----------|-------------------|
| First | 20,000 gallons | \$ 100.32 | Minimum bill |
| Over | 20,000 gallons | 3.90 | per 1,000 gallons |

3 Inch Meter:

| | | | |
|-------|----------------|-----------|-------------------|
| First | 30,000 gallons | \$ 139.22 | Minimum bill |
| Over | 30,000 gallons | 3.90 | per 1,000 gallons |

6 Inch Meter:

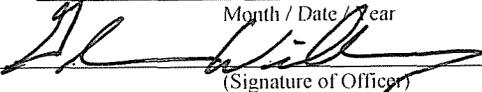
| | | | |
|-------|-----------------|-----------|-------------------|
| First | 10,000 gallons | \$ 411.55 | Minimum bill |
| Over | 100,000 gallons | 3.90 | per 1,000 gallons |

Wholesale User Rates:

| | | |
|-------------------------------|---------|-------------------|
| East Laurel Water District | \$ 2.92 | per 1,000 gallons |
| West Laurel Water Association | \$ 2.92 | per 1,000 gallons |
| City Of Livingston | \$ 2.92 | per 1,000 gallons |

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE _____
Month / Date / Year

ISSUED BY 
(Signature of Officer)

TITLE _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED _____

EXHIBIT NO. 2

**COMPARISON –
PROPOSED & CURRENT
TARRIFFS**

The comparison of the present and proposed tariff revisions of the Wood Creek Water District is as follows:

RATE SCHEDULE COMPARISON

| | | <u>EXISTING RATES</u> | | <u>PROPOSED RATES</u> | |
|-----------------------------------|-----------------|-----------------------|-------------------|-----------------------|-------------------|
| <u>5/8 Inch x 3/4 Inch Meter:</u> | | | | | |
| First | 2,000 gallons | \$ 16.43 | Minimum bill | \$ 20.69 | Minimum bill |
| Next | 1,500 gallons | 5.23 | per 1,000 gallons | 6.58 | per 1,000 gallons |
| Next | 1,500 gallons | 4.66 | per 1,000 gallons | 5.87 | per 1,000 gallons |
| Next | 2,500 gallons | 3.92 | per 1,000 gallons | 4.94 | per 1,000 gallons |
| Over | 7,500 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| <u>1 Inch Meter:</u> | | | | | |
| First | 5,000 gallons | \$ 31.26 | Minimum bill | \$ 39.36 | Minimum bill |
| Next | 2,500 gallons | 3.92 | per 1,000 gallons | 4.94 | per 1,000 gallons |
| Over | 7,500 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| <u>1 1/2 Inch Meter:</u> | | | | | |
| First | 10,000 gallons | \$ 48.78 | Minimum bill | \$ 61.42 | Minimum bill |
| Over | 10,000 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| <u>2 Inch Meter:</u> | | | | | |
| First | 20,000 gallons | \$ 79.68 | Minimum bill | \$ 100.32 | Minimum bill |
| Over | 20,000 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| <u>3 Inch Meter:</u> | | | | | |
| First | 30,000 gallons | \$ 110.58 | Minimum bill | \$ 139.22 | Minimum bill |
| Over | 30,000 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| <u>6 Inch Meter:</u> | | | | | |
| First | 100,000 gallons | \$ 326.88 | Minimum bill | \$ 411.55 | Minimum bill |
| Over | 100,000 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| <u>Wholesale User Rates:</u> | | | | | |
| East Laurel Water District | | \$ 2.32 | per 1,000 gallons | \$ 2.92 | per 1,000 gallons |
| West Laurel Water Association | | \$ 2.32 | per 1,000 gallons | \$ 2.92 | per 1,000 gallons |
| City Of Livingston | | \$ 2.32 | per 1,000 gallons | \$ 2.92 | per 1,000 gallons |

EXHIBIT NO. 3

**PRO FORMA
FINANCIAL STATEMENTS**

| | Test-Period Operations | Pro Forma Adjustments | Adj. Ref | Pro Forma Operations |
|--|---------------------------|--------------------------|-------------|-------------------------|
| Operating Revenues: | | | | |
| Revenues - Sales of Water | \$ 3,822,025 | \$ (1,353) | (a) | \$ 3,820,672 |
| Other Operating Revenues: | | | | |
| Miscellaneous Service Revenues | 87,645 | 0 | | 87,645 |
| Total Operating Revenues | \$ 3,909,670 | \$ (1,353) | | \$ 3,908,317 |
| Operating Expenses: | | | | |
| Operation & Maintenance: | | | | |
| Salaries & Wages - Employees | \$ 1,349,525 | \$ (545,144) | (b) | \$ 804,381 |
| Salaries & Wages - Officers | 0 | 6,750 | (c) | 6,750 |
| Employee Pension & Benefits | 0 | 405,172 | (d) | 405,172 |
| Purchased Power | 376,969 | 0 | | 376,969 |
| Chemicals | 300,513 | 0 | | 300,513 |
| Materials & Supplies | 552,517 | (154,747) | (e) | 397,770 |
| Contractual Services - Accounting | 12,000 | 0 | | 12,000 |
| Contractual Services - Legal | 4,050 | 0 | | 4,050 |
| Contractual Services - Water Testing | 10,678 | 0 | | 10,678 |
| Transportation | 103,566 | 0 | | 103,566 |
| Insurance - Vehicle | 22,991 | (12,291) | (f) | 10,700 |
| Insurance - Gen. Liability | 25,039 | (3,233) | (g) | 21,806 |
| Insurance - Worker's Compensation | 41,650 | (20,388) | (h) | 21,262 |
| Insurance - Other | 23,515 | 11,390 | (i) | 34,905 |
| Bad Debt | 17,838 | 0 | | 17,838 |
| Miscellaneous | 46,804 | 0 | | 46,804 |
| Total Operation & Maintenance | \$ 2,887,655 | \$ (312,491) | | \$ 2,575,164 |
| Depreciation | 757,539 | 180,968 | (j) | 938,507 |
| Taxes Other Than Income: | | | | |
| Public Service Com. Assessment | 6,752 | 0 | | 6,752 |
| Payroll Taxes | 0 | 64,708 | (k) | 64,708 |
| Other Taxes and Licenses | 886 | 0 | | 886 |
| Utility Operating Expenses | \$ 3,652,832 | \$ (66,815) | | \$ 3,586,017 |
| Net Utility Operating Income | \$ 256,838 | \$ 65,462 | | \$ 322,300 |
| Other Income & Deductions: | | | | |
| Merchandising Revenues | 1,772,280 | 0 | | 1,772,280 |
| Merchandising Expenses | (1,763,623) | 0 | | (1,763,623) |
| Interest Income | 51,222 | 0 | | 51,222 |
| Total Other Income & Deductions | \$ 59,879 | \$ 0 | | \$ 59,879 |
| Net Income Available for Debt Service | \$ 316,717 | \$ 65,462 | | \$ 382,179 |

EXHIBIT 4

**PRO FORMA
ADJUSTMENT DESCRIPTIONS**

Utility: Wood Creek Water District
Title: Index of Pro Forma Adjustments - Income Statement

| <u>Adj. Ref.</u> | <u>Adjustment Description</u> |
|------------------|--|
| (a) | Revenue from Water Sales: This adjustment reflects the results of Commission Staff's billing analysis and the current tariffed rate. |
| (b) | Salaries & Wages - Employees: This adjustment reflects the test period actual hours and the pay rates that became effective in 2008 and 2009. Capitalized wages were eliminated and 52 percent of the total wages are allocated to other operations. |
| (c) | Salaries & Wages - Officers: This adjustment reflects the annual salary paid to the District's Commissioners. |
| (d) | Employee Pensions & Benefits: This adjustment reflects the current retirement contribution rate and the employee insurance premiums. Capitalized pensions & benefits were eliminated and 52 percent of the total has been allocated to other operations. |
| (e) | Materials & Supplies: This adjustment removes capital and nonrecurring expenditures that were incorrectly expenses and allocates 50 percent of the billing expenses to the sewer division. |
| (f) | Insurance - Vehicle: This adjustment reflects the current premium for vehicle insurance adjusted to remove a capitalized amount and allocated 52 percent of the premium to other operations. |
| (g) | Insurance – General Liability: This adjustment reflects the current premiums for general liability insurance. |
| (h) | Insurance - Workers Compensation: This adjustment reflects the current premiums for workers compensation insurance. Capitalized premiums were eliminated and 52 percent of the total premiums are allocated to other operations. |
| (i) | Insurance – Other: This adjustment reflect allocating 86 percent of the commercial property insurance to the water division based upon the ratio of UPIS. |
| (j) | Depreciation: This adjustment: (1) includes a full year depreciation on test-period plant additions; and (2) depreciation for the capital items removed from test-period operations. |
| (k) | Payroll Taxes: This adjustment computes payroll taxes using the normalized payroll. |

Utility: Wood Creek Water District
Adjustment: (a) Revenue from Water Sales

| | <u>Customers</u> | <u>Gallons</u> | <u>Amount</u> |
|--|------------------|----------------|-------------------|
| Normalized Revenue from Water Sales - Existing | 5,182 | 1,151,060,087 | \$ 3,820,672 |
| Less: Reported Revenue from Water Sales | | | <u>3,822,025</u> |
| Pro Forma Adjustment | | | <u>\$ (1,353)</u> |

Utility: Wood Creek Water District
 Adjustment: (b) Wages & Salaries - Employees

| Employee Position | Current Pay Rate | Date Effective | 2008 Hours Worked | | Pro Forma |
|---|---------------------|-------------------|-------------------|--------|--------------|
| | | | Reg. | O-Time | |
| Plant Operator | \$ 18.52 | 04/14/08 | 2,087 | 184 | \$ 43,763 |
| Chief Plant Operator | \$ 25.75 | 04/14/08 | 2,128 | 40 | 56,341 |
| Foreman over Meter Readers Maintenance | \$ 21.62 | 05/11/09 | 2,083 | 86 | 47,823 |
| Maintenance | \$ 23.14 | 04/14/08 | 2,162 | 41 | 51,452 |
| Superintendant | \$ 31.01 | 04/14/08 | 2,082 | 0 | 64,563 |
| Asst. Superintendant, Maint. Dir. | \$ 26.86 | 04/14/08 | 2,082 | 0 | 55,923 |
| Plant Operator | \$ 12.96 | 05/11/09 | 1,917 | 118 | 27,138 |
| Maintenance | \$ 13.27 | 05/11/09 | 1,873 | 7 | 24,994 |
| Foreman at Boat Dock | \$ 17.78 | 04/14/08 | 2,202 | 0 | 39,152 |
| Maintenance Foreman | \$ 20.45 | 05/11/09 | 2,168 | 78 | 46,729 |
| Plant Operator | \$ 17.02 | 04/14/08 | 2,145 | 170 | 40,848 |
| Plant Operator | \$ 19.30 | 04/14/08 | 2,107 | 140 | 44,718 |
| Maintenance / Warehouse | \$ 17.43 | 04/14/08 | 2,082 | 10 | 36,550 |
| Maintenance | \$ 19.93 | 04/14/08 | 2,121 | 18 | 42,810 |
| Office Manager | \$ 26.68 | 04/14/08 | 2,081 | 0 | 55,521 |
| Customer Service & Accounting | \$ 18.62 | 04/14/08 | 2,081 | 0 | 38,748 |
| Customer Service | \$ 9.86 | 04/14/08 | 2,081 | 0 | 20,519 |
| Customer Service | \$ 17.40 | 04/14/08 | 2,083 | 0 | 36,244 |
| Customer Service | \$ 12.31 | 04/14/08 | 2,081 | 0 | 25,617 |
| Customer Service | \$ 14.17 | 04/14/08 | 2,081 | 0 | 29,488 |
| Customer Service | \$ 15.08 | 04/14/08 | 2,081 | 0 | 31,381 |
| Asst. Office Mgr. & CPA | \$ 26.73 | 04/14/08 | 2,081 | 0 | 55,625 |
| Maintenance | \$ 15.74 | 04/14/08 | 2,082 | 250 | 38,674 |
| Customer Service | \$ 10.65 | 04/14/08 | 2,136 | 0 | 22,748 |
| Meter Reader | \$ 16.13 | 08/06/09 | 2,122 | 114 | 36,986 |
| Engineering & Project Coord. | \$ 19.83 | 04/14/08 | 2,082 | 24 | 42,000 |
| Meter Reader | \$ 11.95 | 04/14/08 | 2,140 | 274 | 30,484 |
| Maintenance | \$ 17.01 | 08/14/09 | 2,076 | 46 | 36,487 |
| Maintenance & Meter Testing | \$ 17.00 | 05/11/09 | 2,173 | 102 | 39,542 |
| Maintenance | \$ 15.22 | 04/14/08 | 2,122 | 29 | 32,959 |
| Plant Operator | \$ 15.65 | 04/14/08 | 2,067 | 118 | 35,119 |
| Maintenance Foreman | \$ 23.45 | 08/06/09 | 2,207 | 206 | 59,000 |
| Maintenance | \$ 12.78 | 04/14/08 | 2,061 | 134 | 28,909 |
| Maintenance | \$ 14.46 | 04/14/08 | 2,018 | 6 | 29,310 |
| Maintenance & GPS Mapping | \$ 16.35 | 05/11/09 | 2,082 | 114 | 36,837 |
| Valve Maintenance | \$ 16.27 | 07/08/09 | 2,171 | 102 | 37,811 |
| Maintenance | \$ 18.20 | 04/14/08 | 2,104 | 115 | 41,433 |
| Meter Reader | \$ 11.14 | 05/11/09 | 2,082 | 27 | 23,644 |
| Meter Reader | \$ 11.41 | 05/11/09 | 2,098 | 41 | 24,640 |
| Laboratory | \$ 18.72 | 04/14/08 | 2,096 | 0 | 39,237 |
| Plant Operator | \$ 11.44 | 04/14/08 | 2,081 | 104 | 25,592 |
| Meter Reader | \$ 13.99 | 05/11/09 | 2,122 | 17 | 30,044 |
| Meter Reader | \$ 10.41 | 04/14/08 | 2,082 | 18 | 21,955 |
| Maintenance | \$ 14.82 | 05/11/09 | 2,088 | 199 | 35,368 |
| Meter Reader | \$ 9.84 | 05/11/09 | 2,084 | 45 | 21,171 |
| Maintenance | \$ 8.00 | 04/14/08 | 644 | 7 | 5,236 |
| Maintenance | \$ 8.00 | 05/22/08 | 492 | 8 | 4,032 |
| Boat Dock Operations | \$ 8.00 | 04/14/08 | 257 | 0 | 2,056 |

| Employee Position | CURRENT Pay Rate | DATE Effective | 2008 HOURS WORKED | | PRO Forma |
|--------------------------------------|---------------------|-------------------|-------------------|--------|---------------------|
| | | | Reg. | O-Time | |
| Boat Dock Operations | \$ 8.00 | 04/14/08 | 1,145 | 0 | 9,160 |
| Boat Dock Operations | \$ 8.00 | 04/14/08 | 1,098 | 0 | 8,784 |
| Boat Dock Operations | \$ 8.00 | 04/14/08 | 1,080 | 0 | 8,640 |
| Boat Dock Operations | \$ 8.00 | 04/14/08 | 544 | 0 | 4,352 |
| Boat Dock Operations | \$ 8.00 | 04/14/08 | 26 | 0 | 208 |
| TOTALS | | | | | <u>\$ 1,728,365</u> |
| TOTAL PRO FORMA PAYROLL | | | | | \$ 1,728,365 |
| LESS: CAPITALIZED WAGES | | | | | (19,012) |
| ALLOCATED PAYROLL - OTHER OPERATIONS | | | | | - (904,972) |
| PRO FORMA SALARIES & WAGES | | | | | <u>\$ 804,381</u> |
| LESS: TEST-PERIOD SALARIES & WAGES | | | | | - 1,349,525 |
| PRO FORMA ADJUSTMENT | | | | | <u>\$ (545,144)</u> |

Utility: Wood Creek Water District
 Workpaper: (c) Salaries & Wages - Commissioner Fees

| Employee Position | Date Hired | Monthly Fee | Pro Forma Salaries & Wages | | |
|----------------------------------|------------|-------------|----------------------------|-------------|-----------------|
| | | | Regular | Overtime | Totals |
| Chairman | | \$ 300.00 | \$ 2,250 | \$ 0 | \$ 2,250 |
| Treasurer | | \$ 300.00 | 2,250 | 0 | 2,250 |
| Secretary | | \$ 300.00 | 2,250 | 0 | 2,250 |
| Pro Forma Payroll Totals | | | <u>\$ 6,750</u> | <u>\$ 0</u> | <u>\$ 6,750</u> |
| Pro Forma Commissioner Fees | | | | | \$ 6,750 |
| Less: Reported Commissioner Fees | | | | | <u>0</u> |
| Pro Forma Adjustment | | | | | <u>\$ 6,750</u> |

Utility:
 Workpaper:

Wood Creek Water District
 (d) Employee Pension and Benefits

| Employee Position | Monthly Employee Health Insurance Benefits | | | | | Totals |
|-----------------------------------|--|---------------|---------------|----------------|-------------|-----------|
| | Premium | Emp. Contrib. | Employer Cost | Annual Expense | CERS 16.16% | |
| Plant Operator | \$ 1,029 | \$ 108 | \$ 1,137 | \$ 13,644 | \$ 7,072 | \$ 20,716 |
| Chief Plant Operator | 0 | 0 | 0 | 0 | 9,105 | 9,105 |
| Foreman over Meter Readers | 0 | 108 | 108 | 1,296 | 7,728 | 9,024 |
| Maintenance | 0 | 108 | 108 | 1,296 | 8,315 | 9,611 |
| Superintendent | 1,029 | 164 | 1,193 | 14,321 | 10,433 | 24,754 |
| Asst. Superintendent, Maint. Dir. | 1,569 | 108 | 1,677 | 20,124 | 9,037 | 29,161 |
| Plant Operator | 1,569 | 108 | 1,677 | 20,124 | 4,386 | 24,510 |
| Maintenance | 1,569 | 108 | 1,677 | 20,124 | 4,039 | 24,163 |
| Foreman at Boat Dock | 0 | 108 | 108 | 1,296 | 6,327 | 7,623 |
| Maintenance Foreman | 1,029 | 108 | 1,137 | 13,644 | 7,551 | 21,195 |
| Plant Operator | 1,029 | 108 | 1,137 | 13,644 | 6,601 | 20,245 |
| Plant Operator | 1,029 | 108 | 1,137 | 13,644 | 7,226 | 20,870 |
| Maintenance / Warehouse | 1,029 | 108 | 1,137 | 13,644 | 5,906 | 19,550 |
| Maintenance | 1,029 | 108 | 1,137 | 13,644 | 6,918 | 20,562 |
| Office Manager | 0 | 164 | 164 | 1,973 | 8,972 | 10,945 |
| Customer Service & Accounting | 1,569 | 108 | 1,677 | 20,124 | 6,262 | 26,386 |
| Customer Service | 490 | 108 | 598 | 7,176 | 3,316 | 10,492 |
| Customer Service | 1,029 | 108 | 1,137 | 13,644 | 5,857 | 19,501 |
| Customer Service | 490 | 108 | 598 | 7,176 | 4,140 | 11,316 |
| Customer Service | 490 | 108 | 598 | 7,176 | 4,765 | 11,941 |
| Customer Service | 1,029 | 108 | 1,137 | 13,644 | 5,071 | 18,715 |
| Asst. Office Mgr. & CPA | 1,569 | 108 | 1,677 | 20,124 | 8,989 | 29,113 |
| Maintenance | 1,569 | 108 | 1,677 | 20,124 | 6,250 | 26,374 |
| Customer Service | 490 | 108 | 598 | 7,176 | 3,676 | 10,852 |
| Meter Reader | 1,029 | 108 | 1,137 | 13,644 | 5,977 | 19,621 |
| Engineering & Project Coord. | 1,569 | 108 | 1,677 | 20,124 | 6,787 | 26,911 |
| Meter Reader | 490 | 108 | 598 | 7,176 | 4,926 | 12,102 |
| Maintenance | 1,569 | 108 | 1,677 | 20,124 | 5,896 | 26,020 |
| Maintenance & Meter Testing | 1,569 | 108 | 1,677 | 20,124 | 6,390 | 26,514 |
| Maintenance | 1,029 | 108 | 1,137 | 13,644 | 5,326 | 18,970 |
| Plant Operator | 1,569 | 108 | 1,677 | 20,124 | 5,675 | 25,799 |
| Maintenance Foreman | 1,029 | 108 | 1,137 | 13,644 | 9,534 | 23,178 |
| Maintenance | 1,569 | 108 | 1,677 | 20,124 | 4,672 | 24,796 |
| Maintenance | 1,569 | 108 | 1,677 | 20,124 | 4,736 | 24,860 |
| Maintenance & GPS Mapping | 490 | 108 | 598 | 7,176 | 5,953 | 13,129 |
| Valve Maintenance | 490 | 108 | 598 | 7,176 | 6,110 | 13,286 |
| Maintenance | 1,029 | 108 | 1,137 | 13,644 | 6,696 | 20,340 |
| Meter Reader | 1,029 | 108 | 1,137 | 13,644 | 3,821 | 17,465 |
| Meter Reader | 1,569 | 108 | 1,677 | 20,124 | 3,982 | 24,106 |
| Laboratory | 1,569 | 108 | 1,677 | 20,124 | 6,341 | 26,465 |
| Plant Operator | 490 | 108 | 598 | 7,176 | 4,136 | 11,312 |
| Meter Reader | 1,029 | 108 | 1,137 | 13,644 | 4,855 | 18,499 |
| Meter Reader | 1,569 | 108 | 1,677 | 20,124 | 3,548 | 23,672 |
| Maintenance | 1,029 | 108 | 1,137 | 13,644 | 5,715 | 19,359 |
| Meter Reader | 490 | 108 | 598 | 7,176 | 3,421 | 10,597 |
| Maintenance | 0 | 0 | 0 | 0 | 846 | 846 |
| Maintenance | 0 | 0 | 0 | 0 | 652 | 652 |

| Employee Position | Monthly Employee Health Insurance Benefits | | | | | Totals |
|--|--|-----------------|------------------|-------------------|------------------|------------------|
| | Premium | Emp. Contrib. | Employer Cost | Annual Expense | CERS 16.16% | |
| Boat Dock Operations | 0 | 0 | 0 | 0 | 332 | 332 |
| Boat Dock Operations | 0 | 0 | 0 | 0 | 1,480 | 1,480 |
| Boat Dock Operations | 0 | 0 | 0 | 0 | 1,419 | 1,419 |
| Boat Dock Operations | 0 | 0 | 0 | 0 | 1,396 | 1,396 |
| Boat Dock Operations | 0 | 0 | 0 | 0 | 703 | 703 |
| Boat Dock Operations | 0 | 0 | 0 | 0 | 34 | 34 |
| TOTALS | \$ 44,409 | \$ 4,865 | \$ 49,274 | \$ 591,286 | \$279,301 | \$870,587 |
| Total Pro Forma Payroll | | | | | | \$870,587 |
| Less: Capitalized Emp. Pensions & Benefits | | | | | | (9,576) |
| Allocated Payroll - Other Operations | | | | | | (455,839) |
| Pro Forma Salaries & Wages | | | | | | <u>\$405,172</u> |

Utility: Wood Creek Water District
 Adjustment: (e) Materials & Supplies

| Date | Vendor | Description | Amount |
|--|--------------------------------|--|--------------|
| 02/29/08 | Southern Sales Company | 6 - 6" valves for Treatment Plant | \$ (12,120) |
| 03/31/08 | Delaney & Associates | Rotor for Treatment Plant | (1,055) |
| 04/30/08 | USA bluebook | Re-work Chemical Feed at Treatment Plant | (1,487) |
| 04/30/08 | Charter Machine Company | Sludge Press | (2,977) |
| 06/30/08 | Hinkle Contracting | Lay Block at Treatment Plant | (1,110) |
| 06/30/08 | Baily Excavating | Work on Sludge Pond at Treatment Plant | (3,645) |
| 07/31/08 | USA bluebook | Polymer System at Treatment Plant | (6,130) |
| 09/30/08 | Dezurik Water Controls | Valve for Treatment Plant | (1,875) |
| 05/31/08 | Amburgey Alarm Sales & Service | Security System at Tanks | (2,818) |
| 07/31/08 | Kentucky Steel & Utility | Aluminum Hatches | (1,172) |
| 02/29/08 | Bundy Maytag | Appliances at Treatment Plant | (1,287) |
| 04/30/08 | Tri County Industrial Supply | 2 Pressure Washers | (2,088) |
| 04/30/08 | Cornerstone Controls | Controls at Treatment Plant | (1,941) |
| 04/30/08 | Windstream | New Telephone at Treatment Plant | (9,060) |
| 05/31/08 | Fisher Scientific | Lab Materials | (19,223) |
| 05/31/08 | Fisher Scientific | Lab Materials | (202) |
| 05/31/08 | Fisher Scientific | Lab Materials | (6,426) |
| 05/31/08 | Fisher Scientific | Lab Materials | (3,228) |
| 05/31/08 | MasterCard | Replacement Blower at Treatment Plant | (2,361) |
| 07/31/08 | Delaney & Associates | Pump & Motor | (2,148) |
| 07/31/08 | Jones Excavating | Channel Liner at Treatment Plant | (1,029) |
| 07/31/08 | Fisher Scientific | Lab Materials | (2,678) |
| 01/31/08 | Stauffer Pump & Supply | Replace Pump at Pump Station | (1,394) |
| 04/30/08 | Anthony Smith | Settlement Payment - Damages in Accident | (1,725) |
| 04/30/08 | Dixie Truss | Trusses to repair Damaged Building | (3,367) |
| 04/30/08 | Stauffer Pump & Supply | Replace Pump at Pump Station | (1,704) |
| 05/31/08 | MasterCard | Pressure Washer | (3,953) |
| 06/30/08 | Price Backhoe Service | 65 Foot 12" Bore | (5,460) |
| 6/30/085 | Master Stripers, LLC | Repair and Paint Building | (14,550) |
| 06/30/08 | Rush's Steel Fab. Shop | 4 Pisces of 12" Pipe | (6,050) |
| 07/31/08 | Smiths Gutters & Siding | Repair Gutters at Warehouse | (3,420) |
| 08/30/08 | Stauffer Pump & Supply | Valve for Water Tank | (4,551) |
| 09/30/08 | Ferguson Waterworks | Materials for Meter Testing Bench | (3,520) |
| Capital Expenditures | | | \$ (135,754) |
| Customer Billing Expense | | \$ 37,985 | |
| Multiplied by: Sewer Allocation Factor | | 50.000% | |
| Allocation of Billing Expenses | | | (18,993) |
| Pro Forma Adjustment | | | \$ (154,747) |

Utility: Wood Creek Water District
Adjustment: (f) Insurance - Vehicle

| Insurance | Policy Period | | Premium |
|--------------------------------------|---------------|----------|--------------------|
| | From | To | |
| Premium | 07/01/09 | 07/01/10 | \$ 22,991 |
| Less: Capitalized Vehicle | | | (253) |
| Allocated Vehicle - Other Operations | | | (12,038) |
| Pro Forma Insurance - Vehicle | | | \$ 10,700 |
| Less: Reported Insurance - Vehicle | | | 22,991 |
| Pro Forma Adjustment | | | <u>\$ (12,291)</u> |

Utility: Wood Creek Water District
Adjustment: (g) Insurance - General Liability

| Insurance | Policy Period | | Premium |
|----------------------------------|---------------|----|-------------------|
| | From | To | |
| Invoice Total | | | \$ 23,839 |
| Less: Reported Insurance - Other | | | 27,072 |
| Pro Forma Adjustment | | | <u>\$ (3,233)</u> |

Utility: Wood Creek Water District
 Adjustment: (h) Insurance - Workers Compensation

| Insurance | Policy Period | | Premium |
|--|---------------|----------|-------------|
| | From | To | |
| Premium | 07/01/09 | 07/01/10 | \$ 45,687 |
| Less: Capitalized Workers' Comp. | | | (503) |
| Allocated Workers Comp. - Other Operations | | | (23,922) |
| Pro Forma Workers' Comp. | | | \$ 21,262 |
| Less: Reported Workers' Comp Ins. | | | 41,650 |
| Pro Forma Adjustment | | | \$ (20,388) |

Utility: Wood Creek Water District
 Adjustment: (i) Insurance - Other

| Insurance | Policy Period | | Premium |
|---|---------------|----|---------------|
| | From | To | |
| Commercial Property | | | \$ 40,537 |
| Water Division - Allocation Percentage | | | 86.106% |
| Water Division - Commercial Property Premium | | | \$ 34,905 |
| Less: Reported Insurance - Other | | | 23,515 |
| Pro Forma Adjustment | | | \$ 11,390 |
| Water Division - Net Utility Plant In Service | | | \$ 29,867,676 |
| Sewer Division - Net Utility Plant In Service | | | 4,819,284 |
| Total - Net Utility Plant In Service | | | \$ 34,686,960 |
| Water Division - Net Utility Plant In Service | | | \$ 29,867,676 |
| Total - Net Utility Plant In Service | | | ÷ 34,686,960 |
| Water Division - Allocation Percentage | | | 86.106% |

Utility: Wood Creek Water District
 Adjustment: (j) Depreciation

| | Test Period | Original | Pro Forma Depreciation | | |
|--|-------------|--------------|------------------------|------------|------------|
| | Dep Exp | Cost | Life | Expense | Adjustment |
| (1) Normalized Depreciation (Full Year): | | | | | |
| New Water Treatment Plant | \$ 61,459 | \$ 6,145,882 | 50 | \$ 122,918 | \$ 61,459 |
| Cabinets at Plant | \$ 185 | \$ 8,900 | 40 | \$ 223 | 38 |
| 3 Ton HP/Duct PTS/Lab | \$ 93 | \$ 4,480 | 40 | \$ 112 | 19 |
| Plant & Office Shelving | \$ 29 | \$ 1,400 | 40 | \$ 35 | 6 |
| Warehouse Heat Pump | \$ 37 | \$ 2,000 | 40 | \$ 50 | 13 |
| Roof Storage Building | \$ 47 | \$ 2,800 | 40 | \$ 70 | 23 |
| Road to sludge Dump | \$ 0 | \$ 7,036 | 20 | \$ 352 | 352 |
| Top Soil Bin | \$ 0 | \$ 23,279 | 40 | \$ 582 | 582 |
| Water Treatment Equip | \$ 77,370 | \$ 6,189,620 | 40 | \$ 154,741 | 77,371 |
| Transmission & Distribution Mains | \$ 18,098 | \$ 1,809,866 | 50 | \$ 36,197 | 18,099 |
| Services | \$ 1,511 | \$ 60,436 | 20 | \$ 3,022 | 1,511 |
| Meters | \$ 527 | \$ 21,073 | 20 | \$ 1,054 | 527 |
| Hydrants | \$ 159 | \$ 6,350 | 20 | \$ 318 | 159 |
| Chairs | \$ 398 | \$ 5,308 | 10 | \$ 531 | 133 |
| Office Copier | \$ 101 | \$ 3,039 | 10 | \$ 304 | 203 |
| 2008 Dodge Ram Pickup | \$ 4,910 | \$ 26,186 | 4 | \$ 6,547 | 1,637 |
| 2008 Dodge Ram Pickup | \$ 4,910 | \$ 26,186 | 4 | \$ 6,547 | 1,637 |
| Dump Truck | \$ 0 | \$ 56,880 | 10 | \$ 5,688 | 5,688 |
| Warehouse Alarm | \$ 380 | \$ 4,557 | 10 | \$ 456 | 76 |
| LCD Monitor | \$ 45 | \$ 273 | 5 | \$ 55 | 10 |
| Overbuilt Trailer | \$ 1,061 | \$ 25,457 | 10 | \$ 2,546 | 1,485 |
| | | | | | 171,028 |

(2) Depreciation - Capital Items Expensed in 2008:

| | | | |
|--|-----------|----|--------|
| 6 - 6" valves for Treatment Plant | \$ 12,120 | 27 | \$ 449 |
| Rotor for Treatment Plant | \$ 1,055 | 27 | 39 |
| Re-work Chemical Feed at Treatment Plant | \$ 1,487 | 27 | 55 |
| Sludge Press | \$ 2,977 | 27 | 110 |
| Lay Block at Treatment Plant | \$ 1,110 | 37 | 30 |
| Work on Sludge Pond at Treatment Plant | \$ 3,645 | 5 | 729 |
| Polymer System at Treatment Plant | \$ 6,130 | 27 | 227 |
| Valve for Treatment Plant | \$ 1,875 | 27 | 69 |
| Security System at Tanks | \$ 2,818 | 12 | 235 |
| Aluminum Hatches | \$ 1,172 | 37 | 32 |
| Appliances at Treatment Plant | \$ 1,287 | 5 | 257 |
| 2 Pressure Washers | \$ 2,088 | 5 | 418 |
| Controls at Treatment Plant | \$ 1,941 | 27 | 72 |
| New Telephone at Treatment Plant | \$ 9,060 | 5 | 1,812 |
| Lab Materials | \$ 19,223 | 17 | 1,131 |
| Lab Materials | \$ 202 | 17 | 12 |
| Lab Materials | \$ 6,426 | 17 | 378 |
| Lab Materials | \$ 3,228 | 17 | 190 |
| Replacement Blower at Treatment Plant | \$ 2,361 | 27 | 87 |
| Pump & Motor | \$ 2,148 | 27 | 80 |
| Channel Liner at Treatment Plant | \$ 1,029 | 27 | 38 |
| Lab Materials | \$ 2,678 | 17 | 158 |
| Replace Pump at Pump Station | \$ 1,394 | 20 | 70 |
| Settlement Payment - Damages in Accident | \$ 1,725 | 5 | 345 |

| | Original Cost | Life | Pro Forma Depreciation | |
|------------------------------------|------------------|------|------------------------|--------------------------|
| | | | Expense | Adjustment |
| Trusses to repair Damaged Building | \$ 3,367 | 37 | 91 | |
| Replace Pump at Pump Station | \$ 1,704 | 20 | 85 | |
| Pressure Washer | \$ 3,953 | 5 | 791 | |
| 65 Foot 12" Bore | \$ 5,460 | 27 | 202 | |
| Repair and Paint Building | \$ 14,550 | 27 | 539 | |
| 4 Pieces of 12" Pipe | \$ 6,050 | 50 | 121 | |
| Repair Gutters at Warehouse | \$ 3,420 | 5 | 684 | |
| Valve for Water Tank | \$ 4,551 | 27 | 169 | |
| Materials for Meter Testing Bench | \$ 3,520 | 15 | 235 | |
| | | | | <u>9,940</u> |
| Pro Forma Adjustment | | | | <u>\$ <u>180,968</u></u> |

Utility: Wood Creek Water District
 Adjustment: (k) Payroll Taxes

| Employee Position | Pro Forma Payroll | St. Unemp. | Fed. Unemp | FICA | Total Payroll Taxes |
|-----------------------------------|----------------------|------------|------------|----------|------------------------|
| Plant Operator | \$ 43,763 | \$ 56 | \$ 80 | \$ 3,348 | \$ 3,484 |
| Chief Plant Operator | 56,341 | 56 | 80 | 4,310 | 4,446 |
| Foreman over Meter Readers | 47,823 | 56 | 80 | 3,658 | 3,794 |
| Maintenance | 51,452 | 56 | 80 | 3,936 | 4,072 |
| Superintendant | 64,563 | 56 | 80 | 4,939 | 5,075 |
| Asst. Superintendant, Maint. Dir. | 55,923 | 56 | 80 | 4,278 | 4,414 |
| Plant Operator | 27,138 | 56 | 80 | 2,076 | 2,212 |
| Maintenance | 24,994 | 56 | 80 | 1,912 | 2,048 |
| Foreman at Boat Dock | 39,152 | 56 | 80 | 2,995 | 3,131 |
| Maintenance Foreman | 46,729 | 56 | 80 | 3,575 | 3,711 |
| Plant Operator | 40,848 | 56 | 80 | 3,125 | 3,261 |
| Plant Operator | 44,718 | 56 | 80 | 3,421 | 3,557 |
| Maintenance / Warehouse | 36,550 | 56 | 80 | 2,796 | 2,932 |
| Maintenance | 42,810 | 56 | 80 | 3,275 | 3,411 |
| Office Manager | 55,521 | 56 | 80 | 4,247 | 4,383 |
| Customer Service & Accounting | 38,748 | 56 | 80 | 2,964 | 3,100 |
| Customer Service | 20,519 | 56 | 80 | 1,570 | 1,706 |
| Customer Service | 36,244 | 56 | 80 | 2,773 | 2,909 |
| Customer Service | 25,617 | 56 | 80 | 1,960 | 2,096 |
| Customer Service | 29,488 | 56 | 80 | 2,256 | 2,392 |
| Customer Service | 31,381 | 56 | 80 | 2,401 | 2,537 |
| Asst. Office Mgr. & CPA | 55,625 | 56 | 80 | 4,255 | 4,391 |
| Maintenance | 38,674 | 56 | 80 | 2,959 | 3,095 |
| Customer Service | 22,748 | 56 | 80 | 1,740 | 1,876 |
| Meter Reader | 36,986 | 56 | 80 | 2,829 | 2,965 |
| Engineering & Project Coord. | 42,000 | 56 | 80 | 3,213 | 3,349 |
| Meter Reader | 30,484 | 56 | 80 | 2,332 | 2,468 |
| Maintenance | 36,487 | 56 | 80 | 2,791 | 2,927 |
| Maintenance & Meter Testing | 39,542 | 56 | 80 | 3,025 | 3,161 |
| Maintenance | 32,959 | 56 | 80 | 2,521 | 2,657 |
| Plant Operator | 35,119 | 56 | 80 | 2,687 | 2,823 |
| Maintenance Foreman | 59,000 | 56 | 80 | 4,514 | 4,650 |
| Maintenance | 28,909 | 56 | 80 | 2,212 | 2,348 |
| Maintenance | 29,310 | 56 | 80 | 2,242 | 2,378 |
| Maintenance & GPS Mapping | 36,837 | 56 | 80 | 2,818 | 2,954 |
| Valve Maintenance | 37,811 | 56 | 80 | 2,893 | 3,029 |
| Maintenance | 41,433 | 56 | 80 | 3,170 | 3,306 |
| Meter Reader | 23,644 | 56 | 80 | 1,809 | 1,945 |
| Meter Reader | 24,640 | 56 | 80 | 1,885 | 2,021 |
| Laboratory | 39,237 | 56 | 80 | 3,002 | 3,138 |
| Plant Operator | 25,592 | 56 | 80 | 1,958 | 2,094 |
| Meter Reader | 30,044 | 56 | 80 | 2,298 | 2,434 |
| Meter Reader | 21,955 | 56 | 80 | 1,680 | 1,816 |
| Maintenance | 35,368 | 56 | 80 | 2,706 | 2,842 |
| Meter Reader | 21,171 | 56 | 80 | 1,620 | 1,756 |
| Maintenance | 5,236 | 42 | 52 | 401 | 495 |
| Maintenance | 4,032 | 32 | 40 | 308 | 380 |
| Boat Dock Operations | 2,056 | 16 | 21 | 157 | 194 |

| <u>Employee Position</u> | <u>Pro Forma Payroll</u> | <u>St. Unemp.</u> | <u>Fed. Unemp</u> | <u>FICA</u> | <u>Total Payroll Taxes</u> |
|--------------------------|------------------------------|-------------------|-------------------|-------------------|--------------------------------|
| Boat Dock Operations | 9,160 | 56 | 80 | 701 | 837 |
| Boat Dock Operations | 8,784 | 56 | 80 | 672 | 808 |
| Boat Dock Operations | 8,640 | 56 | 80 | 661 | 797 |
| Boat Dock Operations | 4,352 | 35 | 44 | 333 | 412 |
| Boat Dock Operations | 208 | 2 | 2 | 16 | 20 |
| Pro Forma Totals | <u>\$ 1,728,365</u> | <u>\$ 2,815</u> | <u>\$ 3,999</u> | <u>\$ 132,223</u> | <u>\$ 139,037</u> |

| | |
|--------------------------------------|------------------|
| TOTAL PRO FORMA PAYROLL | \$ 139,037 |
| LESS: CAPITALIZED WAGES | (1,529) |
| ALLOCATED PAYROLL - OTHER OPERATIONS | (72,800) |
| PRO FORMA PAYROLL TAXES | <u>\$ 64,708</u> |

EXHIBIT 5
BILLING ANALYSIS

| | | Bills | Gallons | First 2,000 | Next 1,500 | Next 1,500 | Next 2,500 | Over 7,500 | Totals |
|----------|-------|---------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|--------------------|
| 5/8 Inch | | | | | | | | | |
| First | 2,000 | 16,010 | 14,150,432 | 14,150,432 | | | | | 14,150,432 |
| Next | 1,500 | 13,561 | 37,374,540 | 27,122,000 | 10,252,540 | | | | 37,374,540 |
| Next | 1,500 | 12,790 | 54,654,053 | 25,580,000 | 19,185,000 | 9,889,053 | | | 54,654,053 |
| Next | 2,500 | 8,968 | 54,134,142 | 17,936,000 | 13,452,000 | 13,452,000 | 9,294,142 | | 54,134,142 |
| Over | 7,500 | 9,205 | 110,438,320 | 18,410,000 | 13,807,500 | 13,807,500 | 23,012,500 | 41,400,820 | 110,438,320 |
| | | <u>60,534</u> | <u>270,751,487</u> | <u>103,198,432</u> | <u>56,697,040</u> | <u>37,148,553</u> | <u>32,306,642</u> | <u>41,400,820</u> | <u>270,751,487</u> |

| | | Bills | Gallons | First 5,000 | Next 2,500 | Over 7,500 | | | Totals |
|--------|-------|------------|-------------------|------------------|----------------|------------------|----------|----------|-------------------|
| 1 Inch | | | | | | | | | |
| First | 5,000 | 4 | 4,000 | 4,000 | | | | | 4,000 |
| Next | 2,500 | 0 | 0 | 0 | 0 | | | | 0 |
| Over | 7,500 | 345 | 10,134,000 | 1,725,000 | 862,500 | 7,546,500 | | | 10,134,000 |
| | | <u>349</u> | <u>10,138,000</u> | <u>1,729,000</u> | <u>862,500</u> | <u>7,546,500</u> | <u>0</u> | <u>0</u> | <u>10,138,000</u> |

| | | Bills | Gallons | First 10,000 | Over 10,000 | | | | Totals |
|----------|--------|-----------|------------------|-----------------|------------------|----------|----------|----------|------------------|
| 1.5 Inch | | | | | | | | | |
| First | 10,000 | 0 | 0 | 0 | | | | | 0 |
| Over | 10,000 | 12 | 1,162,700 | 120,000 | 1,042,700 | | | | 1,162,700 |
| | | <u>12</u> | <u>1,162,700</u> | <u>120,000</u> | <u>1,042,700</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,162,700</u> |

| | | Bills | Gallons | First 20,000 | Over 20,000 | | | | Totals |
|--------|--------|------------|-------------------|------------------|-------------------|----------|----------|----------|-------------------|
| 2 Inch | | | | | | | | | |
| First | 20,000 | 116 | 2,132,600 | 2,132,600 | | | | | 2,132,600 |
| Over | 20,000 | 286 | 21,220,100 | 5,720,000 | 15,500,100 | | | | 21,220,100 |
| | | <u>402</u> | <u>23,352,700</u> | <u>7,852,600</u> | <u>15,500,100</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>23,352,700</u> |

| 3 Inch | | Bills | Gallons | First 30,000 | Over 30,000 | | | | Totals |
|--------|---------|-------|------------|------------------|-----------------|---|---|---|------------|
| First | 30,000 | 14 | 39,900 | 39,900 | | | | | 39,900 |
| Over | 30,000 | 22 | 1,356,300 | 660,000 | 696,300 | | | | 1,356,300 |
| | | 36 | 1,396,200 | 699,900 | 696,300 | 0 | 0 | 0 | 1,396,200 |
| 6 Inch | | Bills | Gallons | First 100,000 | Over 100,000 | | | | Totals |
| First | 100,000 | 4 | 4,000 | 4,000 | | | | | 4,000 |
| Over | 100,000 | 35 | 17,919,000 | 3,500,000 | 14,419,000 | | | | 17,919,000 |
| | | 39 | 17,923,000 | 3,504,000 | 14,419,000 | 0 | 0 | 0 | 17,923,000 |

| Meter Size | Bills | Gallons | Revenue | Average Usage |
|--------------------|---------------|----------------------|------------------------|---------------|
| 5/8 Inch | 60,534 | 270,751,487 | \$ 1,718,781.97 | 4,473 |
| 1 Inch | 349 | 10,138,000 | 37,609.43 | 29,049 |
| 1.5 Inch | 12 | 1,162,700 | 3,807.30 | 96,892 |
| 2 Inch | 402 | 23,352,700 | 79,926.67 | 58,091 |
| 3 Inch | 36 | 1,396,200 | 6,132.45 | 38,783 |
| 6 Inch | 39 | 17,923,000 | 57,303.03 | 459,564 |
| West Laurel | 12 | 399,171,000 | 926,076.72 | 33,264,250 |
| East Laurel | 12 | 409,925,000 | 951,026.00 | 34,160,417 |
| City of Livingston | 12 | 17,245,000 | 40,008.40 | 1,437,083 |
| | <u>61,408</u> | <u>1,151,065,087</u> | <u>\$ 3,820,671.97</u> | |

| | | Bills | Gallons | Rates | Revenues |
|----------|-------|---------------|--------------------|----------|------------------------|
| 5/8 Inch | | | | | |
| First | 2,000 | 60,534 | 103,198,432 | \$ 16.43 | \$ 994,573.62 |
| Next | 1,500 | | 56,697,040 | \$ 5.23 | 296,525.52 |
| Next | 1,500 | | 37,148,553 | \$ 4.66 | 173,112.26 |
| Next | 2,500 | | 32,306,642 | \$ 3.92 | 126,642.04 |
| Over | 7,500 | | 41,400,820 | \$ 3.09 | 127,928.53 |
| | | <u>60,534</u> | <u>270,751,487</u> | | <u>\$ 1,718,781.97</u> |

| | | Bills | Gallons | Rates | Revenues |
|--------|-------|------------|-------------------|----------|---------------------|
| 1 Inch | | | | | |
| First | 5,000 | 349 | 1,729,000 | \$ 31.26 | \$ 10,909.74 |
| Next | 2,500 | | 862,500 | \$ 3.92 | 3,381.00 |
| Over | 7,500 | | 7,546,500 | \$ 3.09 | 23,318.69 |
| | | <u>349</u> | <u>10,138,000</u> | | <u>\$ 37,609.43</u> |

| | | Bills | Gallons | Rates | Revenues |
|----------|--------|-----------|------------------|----------|--------------------|
| 1.5 Inch | | | | | |
| First | 10,000 | 12 | 120,000 | \$ 48.78 | \$ 585.36 |
| Over | 10,000 | | 1,042,700 | \$ 3.09 | 3,221.94 |
| | | <u>12</u> | <u>1,162,700</u> | | <u>\$ 3,807.30</u> |

| | | Bills | Gallons | Rates | Revenues |
|--------|--------|------------|-------------------|----------|---------------------|
| 2 Inch | | | | | |
| First | 20,000 | 402 | 7,852,600 | \$ 79.68 | \$ 32,031.36 |
| Over | 20,000 | | 15,500,100 | \$ 3.09 | 47,895.31 |
| | | <u>402</u> | <u>23,352,700</u> | | <u>\$ 79,926.67</u> |

| | | Bills | Gallons | Rates | Revenues |
|--------|--------|-----------|------------------|-----------|--------------------|
| 3 Inch | | | | | |
| First | 30,000 | 36 | 699,900 | \$ 110.58 | \$ 3,980.88 |
| Over | 30,000 | | 696,300 | \$ 3.09 | 2,151.57 |
| | | <u>36</u> | <u>1,396,200</u> | | <u>\$ 6,132.45</u> |

| | | <u>Bills</u> | <u>Gallons</u> | <u>Rates</u> | <u>Revenues</u> |
|--------------------|---------|--------------|-------------------|--------------|---------------------|
| 6 Inch | | | | | |
| First | 100,000 | 39 | 3,504,000 | \$ 326.88 | \$ 12,748.32 |
| Over | 100,000 | | 14,419,000 | \$ 3.09 | 44,554.71 |
| | | <u>39</u> | <u>17,923,000</u> | | <u>\$ 57,303.03</u> |
| | | | | <u>Rates</u> | <u>Revenues</u> |
| West Laurel | | | 399,171,000 | \$ 2.32 | \$ 926,076.72 |
| East Laurel | | | 409,925,000 | \$ 2.32 | \$ 951,026.00 |
| City of Livingston | | | 17,245,000 | \$ 2.32 | \$ 40,008.40 |

| Meter Size | Bills | Gallons | Revenue |
|--------------------|---------------|----------------------|------------------------|
| 5/8 Inch | 60,534 | 270,751,487 | \$ 2,164,635.00 |
| 1 Inch | 349 | 10,138,000 | 47,428.74 |
| 1.5 Inch | 12 | 1,162,700 | 4,803.57 |
| 2 Inch | 402 | 23,352,700 | 100,779.03 |
| 3 Inch | 36 | 1,396,200 | 7,727.49 |
| 6 Inch | 39 | 17,923,000 | 72,284.55 |
| West Laurel | 12 | 399,171,000 | 1,165,579.32 |
| East Laurel | 12 | 409,925,000 | 1,196,981.00 |
| City of Livingston | 12 | 17,245,000 | 50,355.40 |
| | <u>61,408</u> | <u>1,151,065,087</u> | <u>\$ 4,810,574.10</u> |

| | | Bills | Gallons | Rates | Revenues |
|----------|-------|---------------|--------------------|----------|------------------------|
| 5/8 Inch | | | | | |
| First | 2,000 | 60,534 | 103,198,432 | \$ 20.69 | \$ 1,252,448.46 |
| Next | 1,500 | | 56,697,040 | \$ 6.58 | 373,066.52 |
| Next | 1,500 | | 37,148,553 | \$ 5.87 | 218,062.01 |
| Next | 2,500 | | 32,306,642 | \$ 4.94 | 159,594.81 |
| Over | 7,500 | | 41,400,820 | \$ 3.90 | 161,463.20 |
| | | <u>60,534</u> | <u>270,751,487</u> | | <u>\$ 2,164,635.00</u> |

| | | Bills | Gallons | Rates | Revenues |
|--------|-------|------------|-------------------|----------|---------------------|
| 1 Inch | | | | | |
| First | 5,000 | 349 | 1,729,000 | \$ 39.36 | \$ 13,736.64 |
| Next | 2,500 | | 862,500 | \$ 4.94 | 4,260.75 |
| Over | 7,500 | | 7,546,500 | \$ 3.90 | 29,431.35 |
| | | <u>349</u> | <u>10,138,000</u> | | <u>\$ 47,428.74</u> |

| | | Bills | Gallons | Rates | Revenues |
|----------|--------|-----------|------------------|----------|--------------------|
| 1.5 Inch | | | | | |
| First | 10,000 | 12 | 120,000 | \$ 61.42 | \$ 737.04 |
| Over | 10,000 | | 1,042,700 | \$ 3.90 | 4,066.53 |
| | | <u>12</u> | <u>1,162,700</u> | | <u>\$ 4,803.57</u> |

| | | Bills | Gallons | Rates | Revenues |
|--------|--------|------------|-------------------|-----------|----------------------|
| 2 Inch | | | | | |
| First | 20,000 | 402 | 7,852,600 | \$ 100.32 | \$ 40,328.64 |
| Over | 20,000 | | 15,500,100 | \$ 3.90 | 60,450.39 |
| | | <u>402</u> | <u>23,352,700</u> | | <u>\$ 100,779.03</u> |

| | | Bills | Gallons | Rates | Revenues |
|--------|--------|-----------|------------------|-----------|--------------------|
| 3 Inch | | | | | |
| First | 30,000 | 36 | 699,900 | \$ 139.22 | \$ 5,011.92 |
| Over | 30,000 | | 696,300 | \$ 3.90 | 2,715.57 |
| | | <u>36</u> | <u>1,396,200</u> | | <u>\$ 7,727.49</u> |

| | | <u>Bills</u> | <u>Gallons</u> | <u>Rates</u> | <u>Revenues</u> |
|--------|---------|--------------|-------------------|--------------|---------------------|
| 6 Inch | | | | | |
| First | 100,000 | 39 | 3,504,000 | \$ 411.55 | \$ 16,050.45 |
| Over | 100,000 | | 14,419,000 | \$ 3.90 | 56,234.10 |
| | | <u>39</u> | <u>17,923,000</u> | | <u>\$ 72,284.55</u> |

| | | | <u>Rates</u> | <u>Revenues</u> |
|--------------------|--|-------------|--------------|-----------------|
| West Laurel | | 399,171,000 | \$ 2.92 | \$ 1,165,579.32 |
| East Laurel | | 409,925,000 | \$ 2.92 | \$ 1,196,981.00 |
| City of Livingston | | 17,245,000 | \$ 2.92 | \$ 50,355.40 |

EXHIBIT 6

**REVENUE REQUIREMENT
DETERMINATION**

| | <u>Debt Service</u> | | <u>Coverage</u> | | <u>Revenue Requirement</u> |
|---------------------------------------|---------------------|---|-----------------|---|----------------------------|
| Debt Service Coverage - KRWA Bonds | \$ 657,742 | x | 0.1 | = | \$ 65,774 |
| Debt Service Coverage - RD Bonds | <u>540,267</u> | x | 0.2 | = | <u>108,053</u> |
| Total Debt Service Coverage | <u>\$ 1,198,009</u> | | | | \$ 173,827 |
| Debt Service - KRWA & RD Bonds | | | | | 1,198,009 |
| Add: Pro Forma Operating Expenses | | | | | 2,575,164 |
| Depreciation | | | | | 938,507 |
| Taxes Other Than Income | | | | | <u>72,346</u> |
| Total Revenue Requirement | | | | | \$ 4,957,853 |
| Less: Other Income & Deductions | | | | | <u>59,879</u> |
| Revenue Requirement from Operations | | | | | \$ 4,897,974 |
| Less: Other Operating Revenues | | | | | <u>87,645</u> |
| Revenue Requirement from Water Sales | | | | | \$ 4,810,329 |
| Less: Pro Forma Revenue - Water Sales | | | | | <u>3,820,672</u> |
| Requested Increase | | | | | <u>\$ 989,657</u> |
| Percentage Increase | | | | | <u>25.903%</u> |

| | <u>Cash Flow</u> |
|-----------------------------------|----------------------------|
| Revenue Requirement - Water Sales | \$ 4,810,329 |
| Add: Other Operating Revenues | 87,645 |
| Other Income & Deductions | <u>59,879</u> |
| Total Revenue Requirement | \$ 4,957,853 |
| Less: Operating Expenses | <u>3,586,017</u> |
| Net Operating Income | \$ 1,371,836 |
| Add: Depreciation & Amortization | <u>938,507</u> |
| Sub-total | \$ 2,310,343 |
| Less: Debt Service | <u>1,198,009</u> |
| Net Cash Flow | <u><u>\$ 1,198,009</u></u> |

**Wood Creek Water District
KRW Debt Service 2010 through 2012**

| Year | Principal Due | Interest Due | Principal & Interest |
|-----------------------|----------------------|----------------------|-------------------------|
| 2010 | \$ 317,100.00 | \$ 342,318.19 | \$ 659,418.19 |
| 2011 | 328,100.00 | 329,899.21 | 657,999.21 |
| 2012 | 339,000.00 | 316,809.98 | 655,809.98 |
| Totals | \$ 984,200.00 | \$ 989,027.38 | \$ 1,973,227.38 |
| 3 Year Average | \$ 328,067.00 | \$ 329,676.00 | \$ 657,742.00 |

**Wood Creek Water District
RD Debt Service 2010 through 2012**

| Year | Principal Due | Interest Due | Principal & Interest |
|-----------------------|----------------------|------------------------|-------------------------|
| 2010 | \$ 121,700.00 | \$ 418,996.50 | \$ 540,696.50 |
| 2011 | 126,300.00 | 413,539.25 | 539,839.25 |
| 2012 | 132,400.00 | 407,866.00 | 540,266.00 |
| Totals | \$ 380,400.00 | \$ 1,240,401.75 | \$ 1,620,801.75 |
| 3 Year Average | \$ 126,800.00 | \$ 413,467.00 | \$ 540,267.00 |

EXHIBIT 7

**IMPACT ON AVERAGE BILL
BY CUSTOMER CLASSIFICATION**

| Meter Size | Average Usage | Average Bill | | Increase in Average Bill | |
|--------------------|---------------|----------------|-----------------|--------------------------|------------|
| | | Existing Rates | Requested Rates | Amount | Percentage |
| 5/8 Inch | 4,473 | \$ 28.81 | \$ 36.27 | \$ 7.46 | 25.894% |
| 1 Inch | 29,049 | \$ 107.65 | \$ 135.75 | \$ 28.10 | 26.103% |
| 1.5 Inch | 96,892 | \$ 317.28 | \$ 400.30 | \$ 83.02 | 26.166% |
| 2 Inch | 58,091 | \$ 197.38 | \$ 248.87 | \$ 51.49 | 26.087% |
| 3 Inch | 38,783 | \$ 106.82 | \$ 134.57 | \$ 27.75 | 25.978% |
| 6 Inch | 459,564 | \$ 1,190.73 | \$ 1,502.62 | \$ 311.89 | 26.193% |
| West Laurel | 33,264,250 | \$ 77,173.06 | \$ 97,131.61 | \$19,958.55 | 25.862% |
| East Laurel | 34,160,417 | \$ 79,252.17 | \$ 99,748.42 | \$20,496.25 | 25.862% |
| City of Livingston | 1,437,083 | \$ 3,334.03 | \$ 4,196.28 | \$ 862.25 | 25.862% |

EXHIBIT 8
ANALYSIS OF
DEPRECIATION

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|--|--------------------------------------|-----------------|---------------------|-------------------------|---------------|------------------------|--------------------------|------------------|---------------------|------------|------------|
| Location: 181-00 UNAMOR DEBT DISC | | | | | | | | | | | |
| 463 | 1998 KRWFC | 1/01/98 | 15,463.63 | 0.00 | 0.00 | 2,728.89 | 909.63 | 3,638.52 | 11,825.11 | S/L | 17.0 |
| 464 | 2003A KRWFC | 1/01/03 | 6,725.03 | 0.00 | 0.00 | 1,681.25 | 336.25 | 2,017.50 | 4,707.53 | S/L | 20.0 |
| 465 | 2003C KRWFC | 1/01/03 | 42,260.54 | 0.00 | 0.00 | 10,565.15 | 2,113.03 | 12,678.18 | 29,582.36 | S/L | 20.0 |
| 466 | 2004B KRWFC | 1/01/04 | 52,452.01 | 0.00 | 0.00 | 8,392.32 | 2,098.08 | 10,490.40 | 41,961.61 | S/L | 25.0 |
| 467 | 2005C KRWFC | 1/01/05 | 132,277.33 | 0.00 | 0.00 | 15,562.05 | 5,187.35 | 20,749.40 | 111,527.93 | S/L | 25.5 |
| 468 | 2007 KRWFC | 1/01/07 | 85,105.38 | 0.00 | 0.00 | 2,836.85 | 2,836.85 | 5,673.70 | 79,431.68 | S/L | 30.0 |
| | 181-00 UNAMOR DEBT DISC | | 334,283.92 | 0.00c | 0.00 | 41,766.51 | 13,481.19 | 55,247.70 | 279,036.22 | | |
| Location: 251-00 UN ANAMOR PREMIUM | | | | | | | | | | | |
| 469 | 2003 BOND PREMIUM | 1/01/03 | 10,051.00 | 0.00 | 0.00 | 2,512.75 | 502.55 | 3,015.30 | 7,035.70 | S/L | 20.0 |
| 470 | 2005 BOND PREMIUM | 1/01/05 | 1,461.12 | 0.00 | 0.00 | 171.90 | 57.30 | 229.20 | 1,231.92 | S/L | 25.5 |
| | 251-00 UN ANAMOR PREMIUM | | 11,512.12 | 0.00c | 0.00 | 2,684.65 | 559.85 | 3,244.50 | 8,267.62 | | |
| Location: 301-10 ORGANIZATION | | | | | | | | | | | |
| 224 | ORGANIZATION | 1/01/71 | 21,836.00 | 0.00 | 0.00 | 20,123.40 | 545.90 | 20,669.30 | 1,166.70 | S/L | 40.0 |
| | 301-10 ORGANIZATION | | 21,836.00 | 0.00c | 0.00 | 20,123.40 | 545.90 | 20,669.30 | 1,166.70 | | |
| Location: 303-20 LAND & LAND RIGHTS | | | | | | | | | | | |
| 225 | LAND & LAND RIGHTS | 3/21/75 | 15,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15,800.00 | Land | 1.0 |
| 226 | LAND & LAND RIGHTS | 1/01/77 | 1,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,000.00 | Land | 1.0 |
| 227 | LAND & LAND RIGHTS | 1/01/77 | 1,675.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,675.00 | Land | 1.0 |
| 228 | LAND & LAND RIGHTS | 1/01/71 | 49,936.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 49,936.00 | Land | 1.0 |
| 229 | LAND & LAND RIGHTS | 1/01/80 | 9,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 9,700.00 | Land | 1.0 |
| 230 | LAND & LAND RIGHTS | 7/01/88 | 1,924.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,924.00 | Land | 1.0 |
| 231 | LAND & LAND RIGHTS | 7/01/89 | 8,392.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 8,392.00 | Land | 1.0 |
| 232 | LAND & LAND RIGHTS | 8/31/95 | 10,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 10,000.00 | Land | 1.0 |
| 459 | LAND & LAND RIGHTS BINDER | 2/28/07 | 531,639.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 531,639.50 | Land | 0.0 |
| 460 | LAND & LAND RIGHTS CLIFFS | 2/28/07 | 115,440.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 115,440.00 | Land | 0.0 |
| 461 | LAND & LAND RIGHTS BLEDS | 2/28/07 | 443,280.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 443,280.00 | Land | 0.0 |
| 462 | LAND & LAND RIGHTS BLEDS | 12/31/07 | 146,460.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 146,460.00 | Land | 0.0 |
| | 303-20 LAND & LAND RIGHTS | | 1,335,246.50 | 0.00c | 0.00 | 0.00 | 0.00 | 0.00 | 1,335,246.50 | | |
| Location: 303-21 LAND & LAND CLEAR | | | | | | | | | | | |
| 233 | LAND & LAND CLEARING | 1/01/71 | 138,876.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 138,876.00 | Land | 1.0 |
| | 303-21 LAND & LAND CLEAR | | 138,876.00 | 0.00c | 0.00 | 0.00 | 0.00 | 0.00 | 138,876.00 | | |
| Location: 303-30 LAND & LAND RIGHTS | | | | | | | | | | | |
| 234 | LAND & LAND RIGHTS | 3/01/99 | 30,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 30,000.00 | Land | 1.0 |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|--|--------------------------------------|-----------------|-----------------------|-------------------------|---------------|------------------------|--------------------------|---------------------|---------------------|------------|------------|
| Location: 303-30 LAND & LAND RIGHTS (continued) | | | | | | | | | | | |
| | 303-30 LAND & LAND RIGHTS | | <u>30,000.00</u> * | <u>0.00c</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>30,000.00</u> | | |
| Location: 303-40 LAND & LAND RIGHTS | | | | | | | | | | | |
| 235 | LAND & LAND RIGHTS | 1/01/79 | 878.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 878.00 | Land | 1.0 |
| 236 | LAND & LAND RIGHTS | 1/01/83 | 20,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 20,000.00 | Land | 1.0 |
| 237 | LAND & LAND RIGHTS | 7/01/86 | 52,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 52,000.00 | Land | 1.0 |
| 238 | LAND & LAND RIGHTS | 7/01/87 | 1,303.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,303.00 | Land | 1.0 |
| 239 | LAND & LAND RIGHTS | 7/01/88 | 15,459.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 15,459.00 | Land | 1.0 |
| | 303-40 LAND & LAND RIGHTS | | <u>89,640.00</u> * | <u>0.00c</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>89,640.00</u> | | |
| Location: 303-50 LAND & LAND RIGHTS | | | | | | | | | | | |
| 240 | LAND & LAND RIGHTS | 7/01/87 | 125,950.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 125,950.00 | Land | 1.0 |
| 241 | LAND & LAND RIGHTS | 7/01/05 | 146,587.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 146,587.50 | Land | 0.0 |
| 242 | LAND & LAND RIGHTS | 7/01/06 | 26,762.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 26,762.50 | Land | 0.0 |
| 456 | LAND & LAND RIGHTS | 2/28/07 | 11,345.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 11,345.50 | Land | 0.0 |
| 457 | LAND & LAND RIGHTS ROBINS | 9/30/07 | 450,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 450,000.00 | Land | 0.0 |
| 458 | LAND & LAND RIGHTS MOORE | 11/30/07 | 30,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 30,000.00 | Land | 0.0 |
| 471 | LAND WATERSHED PROJECT | 12/31/08 | 297,876.25 | 0.00c | 0.00 | 0.00 | 0.00 | 0.00 | 297,876.25 | Land | 0.0 |
| | 303-50 LAND & LAND RIGHTS | | <u>1,088,521.75</u> * | <u>0.00c</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>1,088,521.75</u> | | |
| Location: 304-20 STRUCT & IMPROVEMT | | | | | | | | | | | |
| 243 | STRUCTURES & IMPROVEMEN | 7/01/99 | 795,118.00 | 0.00 | 0.00 | 338,088.40 | 39,755.90 | 377,844.30 | 417,273.70 | S/L | 20.0 |
| 244 | BOAT DOCK | 7/01/06 | 10,362.23 | 0.00 | 0.00 | 777.17 | 518.11 | 1,295.28 | 9,066.95 | S/L | 20.0 |
| 434 | PLANT GATE & SIGN | 9/30/07 | 4,661.50 | 0.00 | 0.00 | 58.27 | 233.08 | 291.35 | 4,370.15 | S/L | 20.0 |
| 472 | SIGN AT PLANT | 3/31/08 | 4,661.50 | 0.00c | 0.00 | 0.00 | 174.81 | 174.81 | 4,486.69 | S/L | 20.0 |
| 473 | GATE AT PLANT | 4/30/08 | 1,392.00 | 0.00c | 0.00 | 0.00 | 46.40 | 46.40 | 1,345.60 | S/L | 20.0 |
| | 304-20 STRUCT & IMPROVEMT | | <u>816,195.23</u> * | <u>0.00c</u> | <u>0.00</u> | <u>338,923.84</u> | <u>40,728.30</u> | <u>379,652.14</u> | <u>436,543.09</u> | | |
| Location: 304-30 STRUCT & IMPROVEMT | | | | | | | | | | | |
| 402 | STRUCTURES & IMPROVEMEN | 1/01/71 | 234,229.00 | 0.00 | 0.00 | 180,732.48 | 4,684.58 | 185,417.06 | 48,811.94 | S/L | 50.0 |
| 403 | STRUCTURES & IMPROVEMEN | 1/01/78 | 559,813.00 | 0.00 | 0.00 | 330,284.56 | 11,196.26 | 341,480.82 | 218,332.18 | S/L | 50.0 |
| 404 | STRUCTURES & IMPROVEMEN | 7/01/86 | 735,684.00 | 0.00 | 0.00 | 316,349.08 | 14,713.68 | 331,062.76 | 404,621.24 | S/L | 50.0 |
| 405 | STRUCTURES & IMPROVEMEN | 7/01/91 | 1,870,601.00 | 0.00 | 0.00 | 617,298.12 | 37,412.02 | 654,710.14 | 1,215,890.86 | S/L | 50.0 |
| 406 | ROOF-PLANT | 3/11/91 | 16,000.00 | 0.00 | 0.00 | 5,387.00 | 320.00 | 5,707.00 | 10,293.00 | S/L | 50.0 |
| 407 | ROOF-CHEMICAL BUILDING | 2/15/95 | 6,575.00 | 0.00 | 0.00 | 1,702.00 | 131.50 | 1,833.50 | 4,741.50 | S/L | 50.0 |
| 408 | STORAGE BUILDING | 1/16/96 | 1,700.00 | 0.00 | 0.00 | 408.00 | 34.00 | 442.00 | 1,258.00 | S/L | 50.0 |
| 409 * | TRAILER FOR STORAGE | 1/24/96 | 1,200.00 | 0.00 | 0.00 | 288.00 | 24.00 | 312.00 | 888.00 | S/L | 50.0 |
| 410 | FENCE | 10/24/96 | 448.00 | 0.00 | 0.00 | 100.76 | 8.96 | 109.72 | 338.28 | S/L | 50.0 |
| 497 | NEW WATER PLANT | 6/30/08 | 6,145,881.90 | 0.00c | 0.00 | 0.00 | 61,458.82 | 61,458.82 | 6,084,423.08 | S/L | 50.0 |
| | 304-30 STRUCT & IMPROVEMT | | <u>9,572,131.90</u> | <u>0.00c</u> | <u>0.00</u> | <u>1,452,550.00</u> | <u>129,983.82</u> | <u>1,582,533.82</u> | <u>7,989,598.08</u> | | |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|--|-------------------------------|-----------------|--------------|-------------------------|---------------|------------------------|--------------------------|--------------|--------------------|------------|------------|
| Location: 304-30 STRUCT & IMPROVEMT (continued) | | | | | | | | | | | |
| | *Less: Dispositions | | 1,200.00 | 0.00 | 0.00 | 288.00 | 0.00 | 312.00 | 888.00 | | |
| | Net 304-30 STRUCT & IMPROVEMT | | 9,570,931.90 | 0.00c | 0.00 | 1,452,262.00 | 129,983.82 | 1,582,221.82 | 7,988,710.08 | | |
| Location: 304-40 STRUCT & IMPROVEMT | | | | | | | | | | | |
| 257 | STRUCTURES & IMPROVEMEN | 1/01/76 | 1,738.00 | 0.00 | 0.00 | 1,738.00 | 0.00 | 1,738.00 | 0.00 | S/L | 20.0 |
| 258 | STRUCTURES & IMPROVEMEN | 1/01/78 | 20,504.00 | 0.00 | 0.00 | 20,504.00 | 0.00 | 20,504.00 | 0.00 | S/L | 20.0 |
| 259 | STRUCTURES & IMPROVEMEN | 1/01/79 | 17,159.00 | 0.00 | 0.00 | 17,159.00 | 0.00 | 17,159.00 | 0.00 | S/L | 20.0 |
| 260 | STRUCTURES & IMPROVEMEN | 1/01/82 | 214.00 | 0.00 | 0.00 | 214.00 | 0.00 | 214.00 | 0.00 | S/L | 20.0 |
| 261 | STRUCTURES & IMPROVEMEN | 7/01/86 | 2,111.00 | 0.00 | 0.00 | 2,111.00 | 0.00 | 2,111.00 | 0.00 | S/L | 20.0 |
| 262 | STORAGE BUILDING | 7/01/87 | 109,960.00 | 0.00 | 0.00 | 109,960.00 | 0.00 | 109,960.00 | 0.00 | S/L | 20.0 |
| 263 | FENCE | 6/08/92 | 506.00 | 0.00 | 0.00 | 389.80 | 25.30 | 415.10 | 90.90 | S/L | 20.0 |
| 264 | STRUCTURES & IMPROVEMEN | 7/01/99 | 795,118.00 | 0.00 | 0.00 | 338,088.40 | 39,755.90 | 377,844.30 | 417,273.70 | S/L | 20.0 |
| | 304-40 STRUCT & IMPROVEMT | | 947,310.00 | 0.00c | 0.00 | 490,164.20 | 39,781.20 | 529,945.40 | 417,364.60 | | |
| Location: 304-50 STRUCT & IMPROVEMT | | | | | | | | | | | |
| 1 | STORAGE BUILDING | 7/01/88 | 1,769.00 | 0.00 | 0.00 | 685.28 | 35.38 | 720.66 | 1,048.34 | S/L | 50.0 |
| 2 | NEW OFFICE | 5/01/89 | 172,919.00 | 0.00 | 0.00 | 64,552.28 | 3,458.38 | 68,010.66 | 104,908.34 | S/L | 50.0 |
| 3 | PAVING | 7/01/90 | 14,865.00 | 0.00 | 0.00 | 12,781.50 | 743.25 | 13,524.75 | 1,340.25 | S/L | 20.0 |
| 4 | PLANT FURNACE | 7/01/90 | 1,172.00 | 0.00 | 0.00 | 405.64 | 23.44 | 429.08 | 742.92 | S/L | 50.0 |
| 5 | BATHROOM FIXTURES | 7/01/90 | 165.00 | 0.00 | 0.00 | 53.80 | 3.30 | 57.10 | 107.90 | S/L | 50.0 |
| 6 | LAKE-BUILDING | 7/01/91 | 2,318.00 | 0.00 | 0.00 | 761.16 | 46.36 | 807.52 | 1,510.48 | S/L | 50.0 |
| 7 | FENCE | 10/24/96 | 3,843.00 | 0.00 | 0.00 | 865.16 | 76.86 | 942.02 | 2,900.98 | S/L | 50.0 |
| 8 | STRUCTURES & IMPROVEMEN | 7/01/04 | 33,843.00 | 0.00 | 0.00 | 5,922.53 | 1,692.15 | 7,614.68 | 26,228.32 | S/L | 20.0 |
| 9 | STRUCTURES & IMPROVEMEN | 7/01/06 | 6,855.28 | 0.00 | 0.00 | 514.14 | 342.76 | 856.90 | 5,998.38 | S/L | 20.0 |
| 438 | FENCE AT WHAREHOUSE | 2/26/07 | 8,735.00 | 0.00 | 0.00 | 363.96 | 436.75 | 800.71 | 7,934.29 | S/L | 20.0 |
| 439 | BLACKTOP OFFICE PARKING L | 4/27/07 | 13,428.00 | 0.00 | 0.00 | 447.60 | 671.40 | 1,119.00 | 12,309.00 | S/L | 20.0 |
| 440 | SIDEWALKS AT OFFICE | 3/27/07 | 1,594.00 | 0.00 | 0.00 | 59.78 | 79.70 | 139.48 | 1,454.52 | S/L | 20.0 |
| 441 | METAL CARPORT | 5/08/07 | 1,620.00 | 0.00 | 0.00 | 54.00 | 81.00 | 135.00 | 1,485.00 | S/L | 20.0 |
| 442 * | NEW BUILDING AT WHAREHOI | 6/30/07 | 4,830.00 | 0.00 | 0.00 | 48.30 | 96.60 | 144.90 | 4,685.10 | S/L | 50.0 |
| 443 | BUILDING | 11/30/07 | 29,042.00 | 0.00 | 0.00 | 48.40 | 580.84 | 629.24 | 28,412.76 | S/L | 50.0 |
| 474 | CABINETS AT PLANT | 2/29/08 | 8,900.00 | 0.00c | 0.00 | 0.00 | 185.42 | 185.42 | 8,714.58 | S/L | 40.0 |
| 475 | 3 TON HP/DUCT PTS/LAB | 2/29/08 | 4,480.00 | 0.00c | 0.00 | 0.00 | 93.33 | 93.33 | 4,386.67 | S/L | 40.0 |
| 476 | PLANT AND OFFICE SHELVI | 2/29/08 | 1,400.00 | 0.00c | 0.00 | 0.00 | 29.17 | 29.17 | 1,370.83 | S/L | 40.0 |
| 477 | WHAREHOUSE HEAT PUMP | 3/31/08 | 2,000.00 | 0.00c | 0.00 | 0.00 | 37.50 | 37.50 | 1,962.50 | S/L | 40.0 |
| 478 | ROOF - STORAGE BUILDING | 4/30/08 | 2,800.00 | 0.00c | 0.00 | 0.00 | 46.67 | 46.67 | 2,753.33 | S/L | 40.0 |
| 479 | ROAD TO SLUDG DUMP | 12/31/08 | 7,036.44 | 0.00c | 0.00 | 0.00 | 0.00 | 0.00 | 7,036.44 | S/L | 20.0 |
| 480 | TOP SOIL BIN | 12/31/08 | 23,279.70 | 0.00c | 0.00 | 0.00 | 0.00 | 0.00 | 23,279.70 | S/L | 40.0 |
| | 304-50 STRUCT & IMPROVEMT | | 346,894.42 | 0.00c | 0.00 | 87,563.53 | 8,760.26 | 96,323.79 | 250,570.63 | | |
| | *Less: Dispositions | | 4,830.00 | 0.00 | 0.00 | 48.30 | 0.00 | 144.90 | 4,685.10 | | |
| | Net 304-50 STRUCT & IMPROVEMT | | 342,064.42 | 0.00c | 0.00 | 87,515.23 | 8,760.26 | 96,178.89 | 245,885.53 | | |
| Location: 305-20 COLLECT & IMPOUND | | | | | | | | | | | |
| 245 | COLLECTING & IMPOUNDING | 1/01/71 | 30,880.00 | 0.00 | 0.00 | 23,847.60 | 617.60 | 24,465.20 | 6,414.80 | S/L | 50.0 |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|---|--------------------------|-----------------|------------|-------------------------|---------------|------------------------|--------------------------|--------------|--------------------|------------|------------|
| Location: 305-20 COLLECT & IMPOUND (continued) | | | | | | | | | | | |
| | 305-20 COLLECT & IMPOUND | | 30,880.00 | 0.00c | 0.00 | 23,847.60 | 617.60 | 24,465.20 | 6,414.80 | | |
| Location: 309-20 SUPPLY MAINS | | | | | | | | | | | |
| 246 | SUPPLY MAINS | 1/01/78 | 4,484.00 | 0.00 | 0.00 | 2,652.08 | 89.68 | 2,741.76 | 1,742.24 | S/L | 50.0 |
| | 309-20 SUPPLY MAINS | | 4,484.00 | 0.00c | 0.00 | 2,652.08 | 89.68 | 2,741.76 | 1,742.24 | | |
| Location: 311-20 ELECT PUMP EQUIP | | | | | | | | | | | |
| 247 | ELECTRIC PUMPING EQUIPME | 1/01/71 | 9,100.00 | 0.00 | 0.00 | 7,121.00 | 182.00 | 7,303.00 | 1,797.00 | S/L | 50.0 |
| 248 | ELECTRIC PUMPING EQUIPME | 1/01/78 | 86,906.00 | 0.00 | 0.00 | 51,272.72 | 1,738.12 | 53,010.84 | 33,895.16 | S/L | 50.0 |
| 249 | ELECTRIC PUMPING EQUIPME | 1/01/80 | 132.00 | 0.00 | 0.00 | 80.84 | 2.64 | 83.48 | 48.52 | S/L | 50.0 |
| 250 | ELECTRIC PUMPING EQUIPME | 1/01/82 | 310,976.00 | 0.00 | 0.00 | 161,715.12 | 6,219.52 | 167,934.64 | 143,041.36 | S/L | 50.0 |
| 251 | ELECTRIC PUMPING EQUIPME | 1/01/83 | 80.00 | 0.00 | 0.00 | 45.60 | 1.60 | 47.20 | 32.80 | S/L | 50.0 |
| 252 | ELECTRIC PUMPING EQUIPME | 7/01/86 | 4,822.00 | 0.00 | 0.00 | 2,067.64 | 96.44 | 2,164.08 | 2,657.92 | S/L | 50.0 |
| 253 | ELECTRIC PUMPING EQUIPME | 7/01/87 | 21,807.00 | 0.00 | 0.00 | 8,938.84 | 436.14 | 9,374.98 | 12,432.02 | S/L | 50.0 |
| 254 | ELECTRIC PUMPING EQUIPME | 7/01/88 | 47,340.00 | 0.00 | 0.00 | 18,464.80 | 946.80 | 19,411.60 | 27,928.40 | S/L | 50.0 |
| 255 | ELEC PUMP EQUIP VAUGHN | 2/28/00 | 210,000.00 | 0.00 | 0.00 | 33,600.00 | 4,200.00 | 37,800.00 | 172,200.00 | S/L | 50.0 |
| 451 | ELECTRIC PUMPING EQUIPME | 6/30/07 | 12,099.00 | 0.00 | 0.00 | 120.99 | 241.98 | 362.97 | 11,736.03 | S/L | 50.0 |
| | 311-20 ELECT PUMP EQUIP | | 703,262.00 | 0.00c | 0.00 | 283,427.55 | 14,065.24 | 297,492.79 | 405,769.21 | | |
| Location: 311-30 PUMPING EQUIPMENT | | | | | | | | | | | |
| 481 | PULSEFEEDER PUMP | 6/30/08 | 12,982.12 | 0.00c | 0.00 | 0.00 | 129.82 | 129.82 | 12,852.30 | S/L | 50.0 |
| | 311-30 PUMPING EQUIPMENT | | 12,982.12 | 0.00c | 0.00 | 0.00 | 129.82 | 129.82 | 12,852.30 | | |
| Location: 320-30 WATER TRTMT EQUIP | | | | | | | | | | | |
| 411 | WATER TREATMENT EQUIPME | 1/01/76 | 72.00 | 0.00 | 0.00 | 72.00 | 0.00 | 72.00 | 0.00 | S/L | 25.0 |
| 412 | WATER TREATMENT EQUIPME | 1/01/78 | 243,428.00 | 0.00 | 0.00 | 243,428.00 | 0.00 | 243,428.00 | 0.00 | S/L | 25.0 |
| 413 | WATER TREATMENT EQUIPME | 1/01/79 | 906.00 | 0.00 | 0.00 | 540.72 | 18.12 | 558.84 | 347.16 | S/L | 50.0 |
| 414 | WATER TREATMENT EQUIPME | 1/01/80 | 594.00 | 0.00 | 0.00 | 594.00 | 0.00 | 594.00 | 0.00 | S/L | 25.0 |
| 415 | WATER TREATMENT EQUIPME | 1/01/82 | 347.00 | 0.00 | 0.00 | 347.00 | 0.00 | 347.00 | 0.00 | S/L | 25.0 |
| 416 | WATER TREATMENT EQUIPME | 1/01/83 | 316.00 | 0.00 | 0.00 | 316.00 | 0.00 | 316.00 | 0.00 | S/L | 25.0 |
| 417 | PRESSURE RECORDERS | 1/01/84 | 1,093.00 | 0.00 | 0.00 | 1,053.32 | 39.68 | 1,093.00 | 0.00 | S/L | 25.0 |
| 418 | CHEMICAL FEEDERS | 1/01/84 | 8,027.00 | 0.00 | 0.00 | 7,704.48 | 321.08 | 8,025.56 | 1.44 | S/L | 25.0 |
| 419 | AIR PAC | 7/01/86 | 1,196.00 | 0.00 | 0.00 | 1,031.04 | 47.84 | 1,078.88 | 117.12 | S/L | 25.0 |
| 420 | JAR TEST MACHINE | 7/01/86 | 759.00 | 0.00 | 0.00 | 648.16 | 30.36 | 678.52 | 80.48 | S/L | 25.0 |
| 421 | AIR COMPRESSOR | 7/01/86 | 5,000.00 | 0.00 | 0.00 | 4,300.00 | 200.00 | 4,500.00 | 500.00 | S/L | 25.0 |
| 422 | CHEMICAL FEEDERS | 7/01/86 | 5,305.00 | 0.00 | 0.00 | 4,559.20 | 212.20 | 4,771.40 | 533.60 | S/L | 25.0 |
| 423 | PRESSURE RECORDER | 7/01/89 | 326.00 | 0.00 | 0.00 | 241.24 | 13.04 | 254.28 | 71.72 | S/L | 25.0 |
| 424 | (2) RECORDERS | 7/14/92 | 649.00 | 0.00 | 0.00 | 398.76 | 25.96 | 424.72 | 224.28 | S/L | 25.0 |
| 425 | CHOLRINE MACHINE | 7/01/93 | 2,285.00 | 0.00 | 0.00 | 1,322.40 | 91.40 | 1,413.80 | 871.20 | S/L | 25.0 |
| 426 | AIR COMPRESSOR | 5/31/94 | 1,495.00 | 0.00 | 0.00 | 813.80 | 59.80 | 873.60 | 621.40 | S/L | 25.0 |
| 427 | CHEMICAL PUMP | 8/31/94 | 1,001.00 | 0.00 | 0.00 | 533.24 | 40.04 | 573.28 | 427.72 | S/L | 25.0 |
| 428 | WATER TREATMENT EQUIPME | 11/06/95 | 656.00 | 0.00 | 0.00 | 317.44 | 26.24 | 343.68 | 312.32 | S/L | 25.0 |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|---|----------------------------|-----------------|---------------------|-------------------------|---------------|------------------------|--------------------------|-------------------|---------------------|------------|------------|
| Location: 320-30 WATER TRTMT EQUIP (continued) | | | | | | | | | | | |
| 429 | RECORDER | 5/21/96 | 573.00 | 0.00 | 0.00 | 267.52 | 22.92 | 290.44 | 282.56 | S/L | 25.0 |
| 430 | WATER TREATMENT EQUIPME | 6/30/99 | 12,445.00 | 0.00 | 0.00 | 4,233.80 | 497.80 | 4,731.60 | 7,713.40 | S/L | 25.0 |
| 431 | CHEMICAL FEED ADDITION | 11/13/00 | 191,041.00 | 0.00 | 0.00 | 61,133.84 | 7,641.64 | 68,775.48 | 122,265.52 | S/L | 25.0 |
| 432 | WATER TREATMENT EQUIPME | 7/01/01 | 2,461.00 | 0.00 | 0.00 | 688.64 | 98.44 | 787.08 | 1,673.92 | S/L | 25.0 |
| 433 | WATER TREATMENT EQUIPME | 7/01/04 | 22,500.00 | 0.00 | 0.00 | 3,150.00 | 900.00 | 4,050.00 | 18,450.00 | S/L | 25.0 |
| 498 | NEW WATER PLANT | 6/30/08 | 6,189,620.23 | 0.00c | 0.00 | 0.00 | 77,370.25 | 77,370.25 | 6,112,249.98 | S/L | 40.0 |
| 320-30 WATER TRTMT EQUIP | | | 6,692,095.23 | 0.00c | 0.00 | 337,694.60 | 87,656.81 | 425,351.41 | 6,266,743.82 | | |
| Location: 330-40 DIST RES/STANDPIPE | | | | | | | | | | | |
| 265 | DIST RESERVOIRS & STANDPIH | 7/01/04 | 89,959.77 | 0.00 | 0.00 | 6,297.20 | 1,799.20 | 8,096.40 | 81,863.37 | S/L | 50.0 |
| 266 | DIST RESERVOIRS & STANDPIH | 1/01/78 | 309,159.00 | 0.00 | 0.00 | 182,400.08 | 6,183.18 | 188,583.26 | 120,575.74 | S/L | 50.0 |
| 267 | DIST RESERVOIRS & STANDPIH | 1/01/79 | 37,509.00 | 0.00 | 0.00 | 21,377.08 | 750.18 | 22,127.26 | 15,381.74 | S/L | 50.0 |
| 268 | DIST RESERVOIRS & STANDPIH | 1/01/80 | 8,317.00 | 0.00 | 0.00 | 4,651.04 | 166.34 | 4,817.38 | 3,499.62 | S/L | 50.0 |
| 269 | DIST RESERVOIRS & STANDPIH | 7/01/86 | 217,958.00 | 0.00 | 0.00 | 93,719.96 | 4,359.16 | 98,079.12 | 119,878.88 | S/L | 50.0 |
| 270 | DIST RESERVOIRS & STANDPIH | 7/01/02 | 850.00 | 0.00 | 0.00 | 102.00 | 17.00 | 119.00 | 731.00 | S/L | 50.0 |
| 271 | DIST RESERVOIRS & STANDPIH | 7/01/03 | 775,776.26 | 0.00 | 0.00 | 69,819.88 | 15,515.53 | 85,335.41 | 690,440.85 | S/L | 50.0 |
| 272 | FENCE AT PLANT | 7/01/87 | 6,495.00 | 0.00 | 0.00 | 2,664.40 | 129.90 | 2,794.30 | 3,700.70 | S/L | 50.0 |
| 273 | TANK-CONDEM, LAND | 7/01/88 | 7,540.00 | 0.00 | 0.00 | 2,942.80 | 150.80 | 3,093.60 | 4,446.40 | S/L | 50.0 |
| 274 | WATER TANK | 7/01/89 | 21,851.00 | 0.00 | 0.00 | 8,085.12 | 437.02 | 8,522.14 | 13,328.86 | S/L | 50.0 |
| 275 | RESERVOIRS & STANDPIPES | 7/01/90 | 308.00 | 0.00 | 0.00 | 105.96 | 6.16 | 112.12 | 195.88 | S/L | 50.0 |
| 276 | VAUGHN RIDGE TANK | 2/28/00 | 577,509.00 | 0.00 | 0.00 | 92,401.08 | 11,550.18 | 103,951.26 | 473,557.74 | S/L | 50.0 |
| 330-40 DIST RES/STANDPIPE | | | 2,053,232.03 | 0.00c | 0.00 | 484,566.60 | 41,064.65 | 525,631.25 | 1,527,600.78 | | |
| Location: 331-40 TRANS & DIST MAINS | | | | | | | | | | | |
| 277 | TRANSPORTATION & DISTB M | 1/01/71 | 478,716.00 | 0.00 | 0.00 | 371,760.92 | 9,574.32 | 381,335.24 | 97,380.76 | S/L | 50.0 |
| 278 | TRANSPORTATION & DISTB M | 1/01/71 | 2,820.00 | 0.00 | 0.00 | 2,050.40 | 56.40 | 2,106.80 | 713.20 | S/L | 50.0 |
| 279 | TRANSPORTATION & DISTB M | 1/01/72 | 5,541.00 | 0.00 | 0.00 | 3,937.92 | 110.82 | 4,048.74 | 1,492.26 | S/L | 50.0 |
| 280 | TRANSPORTATION & DISTB M | 1/01/73 | 8,611.00 | 0.00 | 0.00 | 5,937.32 | 172.22 | 6,109.54 | 2,501.46 | S/L | 50.0 |
| 281 | TRANSPORTATION & DISTB M | 1/01/74 | 13,390.00 | 0.00 | 0.00 | 8,974.80 | 267.80 | 9,242.60 | 4,147.40 | S/L | 50.0 |
| 282 | TRANSPORTATION & DISTB M | 1/01/75 | 2,332.00 | 0.00 | 0.00 | 1,522.84 | 46.64 | 1,569.48 | 762.52 | S/L | 50.0 |
| 283 | TRANSPORTATION & DISTB M | 1/01/76 | 4,894.00 | 0.00 | 0.00 | 3,085.28 | 97.88 | 3,183.16 | 1,710.84 | S/L | 50.0 |
| 284 | TRANSPORTATION & DISTB M | 1/01/76 | 23,117.00 | 0.00 | 0.00 | 14,557.04 | 462.34 | 15,019.38 | 8,097.62 | S/L | 50.0 |
| 285 | TRANSPORTATION & DISTB M | 1/01/77 | 8,196.00 | 0.00 | 0.00 | 5,001.52 | 163.92 | 5,165.44 | 3,030.56 | S/L | 50.0 |
| 286 | TRANSPORTATION & DISTB M | 1/01/78 | 564,370.00 | 0.00 | 0.00 | 332,970.40 | 11,287.40 | 344,257.80 | 220,112.20 | S/L | 50.0 |
| 287 | TRANSPORTATION & DISTB M | 1/01/79 | 35,911.00 | 0.00 | 0.00 | 20,465.32 | 718.22 | 21,183.54 | 14,727.46 | S/L | 50.0 |
| 288 | TRANSPORTATION & DISTB M | 1/01/80 | 14,145.00 | 0.00 | 0.00 | 7,923.40 | 282.90 | 8,206.30 | 5,938.70 | S/L | 50.0 |
| 289 | TRANSPORTATION & DISTB M | 1/01/81 | 32,591.00 | 0.00 | 0.00 | 17,275.92 | 651.82 | 17,927.74 | 14,663.26 | S/L | 50.0 |
| 290 | TRANSPORTATION & DISTB M | 1/01/81 | 25,229.00 | 0.00 | 0.00 | 13,375.48 | 504.58 | 13,880.06 | 11,348.94 | S/L | 50.0 |
| 291 | TRANSPORTATION & DISTB M | 1/01/82 | 8,512.00 | 0.00 | 0.00 | 4,422.44 | 170.24 | 4,592.68 | 3,919.32 | S/L | 50.0 |
| 292 | TRANSPORTATION & DISTB M | 1/01/83 | 56,767.00 | 0.00 | 0.00 | 28,378.04 | 1,135.34 | 29,513.38 | 27,253.62 | S/L | 50.0 |
| 293 | TRANSPORTATION & DISTB M | 1/01/84 | 54,324.00 | 0.00 | 0.00 | 26,068.88 | 1,086.48 | 27,155.36 | 27,168.64 | S/L | 50.0 |
| 294 | TRANSMISSION & DIST MA | 1/01/85 | 29,910.00 | 0.00 | 0.00 | 13,756.20 | 598.20 | 14,354.40 | 15,555.60 | S/L | 50.0 |
| 295 | TRANSMISSION & DIST MA | 7/01/86 | 81,085.00 | 0.00 | 0.00 | 34,871.20 | 1,621.70 | 36,492.90 | 44,592.10 | S/L | 50.0 |
| 296 | TRANSMISSION & DIST MA | 7/01/87 | 10,667.00 | 0.00 | 0.00 | 4,369.04 | 213.34 | 4,582.38 | 6,084.62 | S/L | 50.0 |
| 297 | TRANS & DIST MAINS | 7/01/88 | 1,353,276.00 | 0.00 | 0.00 | 527,784.12 | 27,065.52 | 554,849.64 | 798,426.36 | S/L | 50.0 |
| 298 | TRANS & DIST MAINS | 7/01/90 | 11,597.00 | 0.00 | 0.00 | 4,059.64 | 231.94 | 4,291.58 | 7,305.42 | S/L | 50.0 |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|--|----------------------|-----------------|----------------------|-------------------------|---------------|------------------------|--------------------------|---------------------|---------------------|------------|------------|
| Location: 331-40 TRANS & DIST MAINS (continued) | | | | | | | | | | | |
| 299 | TRANS & DIST MAINS | 7/01/91 | 3,894.00 | 0.00 | 0.00 | 1,286.28 | 77.88 | 1,364.16 | 2,529.84 | S/L | 50.0 |
| 300 | TRANS & DIST MAINS | 7/01/92 | 345,515.00 | 0.00 | 0.00 | 107,106.80 | 6,910.30 | 114,017.10 | 231,497.90 | S/L | 50.0 |
| 301 | TRANS & DIST MAINS | 7/01/93 | 118,225.00 | 0.00 | 0.00 | 37,836.00 | 2,364.50 | 40,200.50 | 78,024.50 | S/L | 50.0 |
| 302 | TRANS & DIST MAINS | 7/01/94 | 67,464.00 | 0.00 | 0.00 | 18,213.68 | 1,349.28 | 19,562.96 | 47,901.04 | S/L | 50.0 |
| 303 | TRANS & DIST MAINS | 7/01/95 | 530,642.00 | 0.00 | 0.00 | 132,661.04 | 10,612.84 | 143,273.88 | 387,368.12 | S/L | 50.0 |
| 304 | TRANS & DIST MAINS | 7/01/96 | 31,751.00 | 0.00 | 0.00 | 7,303.12 | 635.02 | 7,938.14 | 23,812.86 | S/L | 50.0 |
| 305 | TRANS & DIST MAINS | 7/01/97 | 60,545.00 | 0.00 | 0.00 | 12,714.40 | 1,210.90 | 13,925.30 | 46,619.70 | S/L | 50.0 |
| 306 | TRANS & DIST MAINS | 7/01/98 | 6,798.00 | 0.00 | 0.00 | 1,291.76 | 135.96 | 1,427.72 | 5,370.28 | S/L | 50.0 |
| 307 | TRANS & DIST MAINS | 7/01/99 | 22,966.00 | 0.00 | 0.00 | 3,903.92 | 459.32 | 4,363.24 | 18,602.76 | S/L | 50.0 |
| 308 | TRANS & DIST MAINS | 7/01/00 | 724,853.00 | 0.00 | 0.00 | 115,976.36 | 14,497.06 | 130,473.42 | 594,379.58 | S/L | 50.0 |
| 309 | TRANS & DIST MAINS | 7/01/01 | 238,976.00 | 0.00 | 0.00 | 33,456.12 | 4,779.52 | 38,235.64 | 200,740.36 | S/L | 50.0 |
| 310 | TRANS & DIST MAINS | 7/01/02 | 459,261.00 | 0.00 | 0.00 | 55,111.10 | 9,185.22 | 64,296.32 | 394,964.68 | S/L | 50.0 |
| 311 | TRANS & DIST MAINS | 7/01/03 | 278,089.63 | 0.00 | 0.00 | 25,028.06 | 5,561.79 | 30,589.85 | 247,499.78 | S/L | 50.0 |
| 312 | TRANS & DIST MAINS | 7/01/04 | 263,548.63 | 0.00 | 0.00 | 18,448.40 | 5,270.97 | 23,719.37 | 239,829.26 | S/L | 50.0 |
| 313 | TRANS & DIST MAINS | 7/01/05 | 2,690,484.17 | 0.00 | 0.00 | 134,524.20 | 53,809.68 | 188,333.88 | 2,502,150.29 | S/L | 50.0 |
| 314 | TRANS & DIST MAINS | 7/01/06 | 144,562.54 | 0.00 | 0.00 | 4,336.88 | 2,891.25 | 7,228.13 | 137,334.41 | S/L | 50.0 |
| 452 | TRANS & DIST MAINS | 7/01/07 | 17,758.85 | 0.00 | 0.00 | 177.59 | 355.18 | 532.77 | 17,226.08 | S/L | 50.0 |
| 482 | TRANS & DIST MAINS | 7/01/08 | 1,809,866.34 | 0.00c | 0.00 | 0.00 | 18,098.66 | 18,098.66 | 1,791,767.68 | S/L | 50.0 |
| 331-40 TRANS & DIST MAINS | | | 10,641,201.16 | 0.00c | 0.00 | 2,161,923.83 | 194,725.35 | 2,356,649.18 | 8,284,551.98 | | |

Location: 333-40 SERVICES

| | | | | | | | | | | | |
|-----|----------|---------|-----------|------|------|-----------|----------|-----------|-----------|-----|------|
| 315 | SERVICES | 1/01/71 | 81,120.00 | 0.00 | 0.00 | 81,120.00 | 0.00 | 81,120.00 | 0.00 | S/L | 20.0 |
| 316 | SERVICES | 1/01/71 | 1,040.00 | 0.00 | 0.00 | 1,040.00 | 0.00 | 1,040.00 | 0.00 | S/L | 20.0 |
| 317 | SERVICES | 1/01/72 | 3,496.00 | 0.00 | 0.00 | 3,496.00 | 0.00 | 3,496.00 | 0.00 | S/L | 20.0 |
| 318 | SERVICES | 1/01/73 | 3,349.00 | 0.00 | 0.00 | 3,349.00 | 0.00 | 3,349.00 | 0.00 | S/L | 20.0 |
| 319 | SERVICES | 1/01/74 | 4,059.00 | 0.00 | 0.00 | 4,059.00 | 0.00 | 4,059.00 | 0.00 | S/L | 20.0 |
| 320 | SERVICES | 1/01/75 | 10,675.00 | 0.00 | 0.00 | 10,675.00 | 0.00 | 10,675.00 | 0.00 | S/L | 20.0 |
| 321 | SERVICES | 1/01/76 | 3,921.00 | 0.00 | 0.00 | 3,921.00 | 0.00 | 3,921.00 | 0.00 | S/L | 20.0 |
| 322 | SERVICES | 1/01/77 | 7,020.00 | 0.00 | 0.00 | 7,020.00 | 0.00 | 7,020.00 | 0.00 | S/L | 20.0 |
| 323 | SERVICES | 1/01/78 | 11,394.00 | 0.00 | 0.00 | 11,394.00 | 0.00 | 11,394.00 | 0.00 | S/L | 20.0 |
| 324 | SERVICES | 1/01/79 | 8,995.00 | 0.00 | 0.00 | 8,995.00 | 0.00 | 8,995.00 | 0.00 | S/L | 20.0 |
| 325 | SERVICES | 1/01/80 | 12,453.00 | 0.00 | 0.00 | 12,453.00 | 0.00 | 12,453.00 | 0.00 | S/L | 20.0 |
| 326 | SERVICES | 1/01/81 | 7,257.00 | 0.00 | 0.00 | 7,257.00 | 0.00 | 7,257.00 | 0.00 | S/L | 20.0 |
| 327 | SERVICES | 1/01/82 | 12,842.00 | 0.00 | 0.00 | 12,842.00 | 0.00 | 12,842.00 | 0.00 | S/L | 20.0 |
| 328 | SERVICES | 1/01/83 | 22,936.00 | 0.00 | 0.00 | 22,936.00 | 0.00 | 22,936.00 | 0.00 | S/L | 20.0 |
| 329 | SERVICES | 1/01/84 | 14,604.00 | 0.00 | 0.00 | 14,604.00 | 0.00 | 14,604.00 | 0.00 | S/L | 20.0 |
| 330 | SERVICES | 1/01/85 | 21,688.00 | 0.00 | 0.00 | 21,688.00 | 0.00 | 21,688.00 | 0.00 | S/L | 20.0 |
| 331 | SERVICES | 7/01/86 | 17,831.00 | 0.00 | 0.00 | 17,831.00 | 0.00 | 17,831.00 | 0.00 | S/L | 20.0 |
| 332 | SERVICES | 7/01/87 | 22,312.00 | 0.00 | 0.00 | 22,312.00 | 0.00 | 22,312.00 | 0.00 | S/L | 20.0 |
| 333 | SERVICES | 7/01/88 | 18,231.00 | 0.00 | 0.00 | 17,781.30 | 449.70 | 18,231.00 | 0.00 | S/L | 20.0 |
| 334 | SERVICES | 7/01/89 | 25,224.00 | 0.00 | 0.00 | 23,330.20 | 1,261.20 | 24,591.40 | 632.60 | S/L | 20.0 |
| 335 | SERVICES | 7/01/90 | 15,970.00 | 0.00 | 0.00 | 13,980.00 | 798.50 | 14,778.50 | 1,191.50 | S/L | 20.0 |
| 336 | SERVICES | 7/01/91 | 25,005.00 | 0.00 | 0.00 | 20,626.50 | 1,250.25 | 21,876.75 | 3,128.25 | S/L | 20.0 |
| 337 | SERVICES | 7/01/92 | 52,292.00 | 0.00 | 0.00 | 40,529.60 | 2,614.60 | 43,144.20 | 9,147.80 | S/L | 20.0 |
| 338 | SERVICES | 7/01/93 | 41,578.00 | 0.00 | 0.00 | 30,144.40 | 2,078.90 | 32,223.30 | 9,354.70 | S/L | 20.0 |
| 339 | SERVICES | 7/01/94 | 36,691.00 | 0.00 | 0.00 | 24,769.30 | 1,834.55 | 26,603.85 | 10,087.15 | S/L | 20.0 |
| 340 | SERVICES | 7/01/95 | 42,574.00 | 0.00 | 0.00 | 26,610.20 | 2,128.70 | 28,738.90 | 13,835.10 | S/L | 20.0 |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|--|----------------------|-----------------|---------------------|-------------------------|---------------|------------------------|--------------------------|-------------------|--------------------|------------|------------|
| Location: 333-40 SERVICES (continued) | | | | | | | | | | | |
| 341 | SERVICES | 7/01/96 | 59,841.00 | 0.00 | 0.00 | 34,408.30 | 2,992.05 | 37,400.35 | 22,440.65 | S/L | 20.0 |
| 342 | SERVICES | 7/01/97 | 46,053.00 | 0.00 | 0.00 | 24,178.90 | 2,302.65 | 26,481.55 | 19,571.45 | S/L | 20.0 |
| 343 | SERVICES | 7/01/98 | 36,553.00 | 0.00 | 0.00 | 17,847.90 | 1,827.65 | 19,675.55 | 16,877.45 | S/L | 20.0 |
| 344 | SERVICES | 7/01/99 | 44,506.00 | 0.00 | 0.00 | 18,914.80 | 2,225.30 | 21,140.10 | 23,365.90 | S/L | 20.0 |
| 345 | SERVICES | 7/01/00 | 44,834.00 | 0.00 | 0.00 | 17,934.20 | 2,241.70 | 20,175.90 | 24,658.10 | S/L | 20.0 |
| 346 | SERVICES | 7/01/01 | 38,330.00 | 0.00 | 0.00 | 13,416.00 | 1,916.50 | 15,332.50 | 22,997.50 | S/L | 20.0 |
| 347 | SERVICES | 7/01/02 | 68,512.00 | 0.00 | 0.00 | 20,554.00 | 3,425.60 | 23,979.60 | 44,532.40 | S/L | 20.0 |
| 348 | SERVICES | 7/01/03 | 73,176.63 | 0.00 | 0.00 | 16,464.74 | 3,658.83 | 20,123.57 | 53,053.06 | S/L | 20.0 |
| 349 | SERVICES | 7/01/04 | 58,560.82 | 0.00 | 0.00 | 10,248.14 | 2,928.04 | 13,176.18 | 45,384.64 | S/L | 20.0 |
| 350 | SERVICES | 7/01/05 | 60,973.81 | 0.00 | 0.00 | 7,621.73 | 3,048.69 | 10,670.42 | 50,303.39 | S/L | 20.0 |
| 351 | SERVICES | 7/01/06 | 75,865.96 | 0.00 | 0.00 | 5,689.95 | 3,793.30 | 9,483.25 | 66,382.71 | S/L | 20.0 |
| 453 | SERVICES | 7/01/07 | 84,231.70 | 0.00 | 0.00 | 842.32 | 1,684.63 | 2,526.95 | 81,704.75 | S/L | 50.0 |
| 483 | SERVICES | 7/01/08 | 60,435.80 | 0.00c | 0.00 | 0.00 | 1,510.90 | 1,510.90 | 58,924.90 | S/L | 20.0 |
| 333-40 SERVICES | | | 1,276,430.72 | 0.00c | 0.00 | 652,884.48 | 45,972.24 | 698,856.72 | 577,574.00 | | |

Location: 334-40 METERS

| | | | | | | | | | | | |
|-----|--------|---------|------------|------|------|-----------|----------|-----------|-----------|-----|------|
| 352 | METERS | 1/01/71 | 4,613.00 | 0.00 | 0.00 | 4,613.00 | 0.00 | 4,613.00 | 0.00 | S/L | 20.0 |
| 353 | METERS | 1/01/72 | 39.00 | 0.00 | 0.00 | 39.00 | 0.00 | 39.00 | 0.00 | S/L | 20.0 |
| 354 | METERS | 1/01/73 | 9,233.00 | 0.00 | 0.00 | 9,233.00 | 0.00 | 9,233.00 | 0.00 | S/L | 20.0 |
| 355 | METERS | 1/01/74 | 4,361.00 | 0.00 | 0.00 | 4,361.00 | 0.00 | 4,361.00 | 0.00 | S/L | 20.0 |
| 356 | METERS | 1/01/75 | 9,006.00 | 0.00 | 0.00 | 9,006.00 | 0.00 | 9,006.00 | 0.00 | S/L | 20.0 |
| 357 | METERS | 1/01/76 | 3,427.00 | 0.00 | 0.00 | 3,427.00 | 0.00 | 3,427.00 | 0.00 | S/L | 20.0 |
| 358 | METERS | 1/01/77 | 16,147.00 | 0.00 | 0.00 | 16,147.00 | 0.00 | 16,147.00 | 0.00 | S/L | 20.0 |
| 359 | METERS | 1/01/78 | 8,753.00 | 0.00 | 0.00 | 8,753.00 | 0.00 | 8,753.00 | 0.00 | S/L | 20.0 |
| 360 | METERS | 1/01/79 | 10,180.00 | 0.00 | 0.00 | 10,180.00 | 0.00 | 10,180.00 | 0.00 | S/L | 20.0 |
| 361 | METERS | 1/01/80 | 26,866.00 | 0.00 | 0.00 | 26,866.00 | 0.00 | 26,866.00 | 0.00 | S/L | 20.0 |
| 362 | METERS | 1/01/81 | 8,870.00 | 0.00 | 0.00 | 8,870.00 | 0.00 | 8,870.00 | 0.00 | S/L | 20.0 |
| 363 | METERS | 1/01/82 | 12,223.00 | 0.00 | 0.00 | 12,223.00 | 0.00 | 12,223.00 | 0.00 | S/L | 20.0 |
| 364 | METERS | 1/01/83 | 11,055.00 | 0.00 | 0.00 | 11,055.00 | 0.00 | 11,055.00 | 0.00 | S/L | 20.0 |
| 365 | METERS | 1/01/84 | 12,966.00 | 0.00 | 0.00 | 12,966.00 | 0.00 | 12,966.00 | 0.00 | S/L | 20.0 |
| 366 | METERS | 7/01/86 | 11,825.00 | 0.00 | 0.00 | 11,825.00 | 0.00 | 11,825.00 | 0.00 | S/L | 20.0 |
| 367 | METERS | 7/01/87 | 4,127.00 | 0.00 | 0.00 | 4,127.00 | 0.00 | 4,127.00 | 0.00 | S/L | 20.0 |
| 368 | METERS | 7/01/89 | 5,412.00 | 0.00 | 0.00 | 5,010.60 | 270.60 | 5,281.20 | 130.80 | S/L | 20.0 |
| 369 | METERS | 7/01/90 | 21,940.00 | 0.00 | 0.00 | 19,198.00 | 1,097.00 | 20,295.00 | 1,645.00 | S/L | 20.0 |
| 370 | METERS | 7/01/91 | 5,230.00 | 0.00 | 0.00 | 4,320.00 | 261.50 | 4,581.50 | 648.50 | S/L | 20.0 |
| 371 | METERS | 7/01/92 | 7,281.00 | 0.00 | 0.00 | 5,642.30 | 364.05 | 6,006.35 | 1,274.65 | S/L | 20.0 |
| 372 | METERS | 7/01/93 | 19,442.00 | 0.00 | 0.00 | 14,094.60 | 972.10 | 15,066.70 | 4,375.30 | S/L | 20.0 |
| 373 | METERS | 7/04/94 | 1,565.00 | 0.00 | 0.00 | 1,054.50 | 78.25 | 1,132.75 | 432.25 | S/L | 20.0 |
| 374 | METERS | 7/01/95 | 14,968.00 | 0.00 | 0.00 | 9,352.40 | 748.40 | 10,100.80 | 4,867.20 | S/L | 20.0 |
| 375 | METERS | 7/01/97 | 14,924.00 | 0.00 | 0.00 | 7,834.20 | 746.20 | 8,580.40 | 6,343.60 | S/L | 20.0 |
| 376 | METERS | 7/01/99 | 34,122.00 | 0.00 | 0.00 | 14,501.60 | 1,706.10 | 16,207.70 | 17,914.30 | S/L | 20.0 |
| 377 | METERS | 7/01/00 | 50,283.00 | 0.00 | 0.00 | 20,112.90 | 2,514.15 | 22,627.05 | 27,655.95 | S/L | 20.0 |
| 378 | METERS | 7/01/01 | 66,762.00 | 0.00 | 0.00 | 23,366.60 | 3,338.10 | 26,704.70 | 40,057.30 | S/L | 20.0 |
| 379 | METERS | 7/01/02 | 143,868.00 | 0.00 | 0.00 | 43,160.00 | 7,193.40 | 50,353.40 | 93,514.60 | S/L | 20.0 |
| 380 | METERS | 7/01/03 | 53,047.51 | 0.00 | 0.00 | 11,935.71 | 2,652.38 | 14,588.09 | 38,459.42 | S/L | 20.0 |
| 381 | METERS | 7/01/04 | 36,137.08 | 0.00 | 0.00 | 6,323.98 | 1,806.85 | 8,130.83 | 28,006.25 | S/L | 20.0 |
| 382 | METERS | 7/01/05 | 120,746.28 | 0.00 | 0.00 | 15,093.28 | 6,037.31 | 21,130.59 | 99,615.69 | S/L | 20.0 |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|--|-------------------------|-----------------|-------------------|-------------------------|---------------|------------------------|--------------------------|-------------------|--------------------|------------|------------|
| Location: 334-40 METERS (continued) | | | | | | | | | | | |
| 383 | METERS | 7/01/06 | 33,969.45 | 0.00 | 0.00 | 2,547.71 | 1,698.47 | 4,246.18 | 29,723.27 | S/L | 20.0 |
| 455 | METERS | 7/01/07 | 76,011.82 | 0.00 | 0.00 | 1,900.30 | 3,800.59 | 5,700.89 | 70,310.93 | S/L | 20.0 |
| 484 | METERS | 7/01/08 | 21,073.30 | 0.00c | 0.00 | 0.00 | 526.83 | 526.83 | 20,546.47 | S/L | 20.0 |
| 334-40 METERS | | | 880,473.44 | 0.00c | 0.00 | 359,139.68 | 35,812.28 | 394,951.96 | 485,521.48 | | |
| Location: 334-41 METER INSTALLATION | | | | | | | | | | | |
| 384 | METER INSTALLATION | 1/01/72 | 8,901.00 | 0.00 | 0.00 | 8,901.00 | 0.00 | 8,901.00 | 0.00 | S/L | 20.0 |
| 385 | METER INSTALLATION | 7/01/90 | 1,168.00 | 0.00 | 0.00 | 1,017.40 | 58.40 | 1,075.80 | 92.20 | S/L | 20.0 |
| 334-41 METER INSTALLATION | | | 10,069.00 | 0.00c | 0.00 | 9,918.40 | 58.40 | 9,976.80 | 92.20 | | |
| Location: 335-40 HYDRANTS | | | | | | | | | | | |
| 386 | HYDRANTS | 1/01/71 | 7,375.00 | 0.00 | 0.00 | 7,375.00 | 0.00 | 7,375.00 | 0.00 | S/L | 20.0 |
| 387 | HYDRANTS | 1/01/76 | 546.00 | 0.00 | 0.00 | 546.00 | 0.00 | 546.00 | 0.00 | S/L | 20.0 |
| 388 | HYDRANTS | 1/01/77 | 217.00 | 0.00 | 0.00 | 217.00 | 0.00 | 217.00 | 0.00 | S/L | 20.0 |
| 389 | HYDRANTS | 1/01/78 | 46,133.00 | 0.00 | 0.00 | 46,133.00 | 0.00 | 46,133.00 | 0.00 | S/L | 20.0 |
| 390 | HYDRANTS | 1/01/82 | 300.00 | 0.00 | 0.00 | 300.00 | 0.00 | 300.00 | 0.00 | S/L | 20.0 |
| 391 | HYDRANTS | 7/01/86 | 614.00 | 0.00 | 0.00 | 614.00 | 0.00 | 614.00 | 0.00 | S/L | 20.0 |
| 392 | HYDRANTS | 7/01/89 | 1,021.00 | 0.00 | 0.00 | 944.30 | 51.05 | 995.35 | 25.65 | S/L | 20.0 |
| 393 | HYDRANTS | 7/01/91 | 3,310.00 | 0.00 | 0.00 | 2,736.00 | 165.50 | 2,901.50 | 408.50 | S/L | 20.0 |
| 394 | HYDRANTS | 7/01/92 | 79.00 | 0.00 | 0.00 | 61.70 | 3.95 | 65.65 | 13.35 | S/L | 20.0 |
| 395 | HYDRANTS | 7/01/93 | 42.00 | 0.00 | 0.00 | 29.60 | 2.10 | 31.70 | 10.30 | S/L | 20.0 |
| 396 | HYDRANTS | 7/01/98 | 5,941.00 | 0.00 | 0.00 | 2,822.30 | 297.05 | 3,119.35 | 2,821.65 | S/L | 20.0 |
| 397 | HYDRANTS | 7/01/01 | 7,174.00 | 0.00 | 0.00 | 2,511.20 | 358.70 | 2,869.90 | 4,304.10 | S/L | 20.0 |
| 398 | HYDRANTS | 7/01/02 | 2,151.00 | 0.00 | 0.00 | 645.75 | 107.55 | 753.30 | 1,397.70 | S/L | 20.0 |
| 399 | HYDRANTS | 7/01/03 | 4,053.91 | 0.00 | 0.00 | 912.15 | 202.70 | 1,114.85 | 2,939.06 | S/L | 20.0 |
| 400 | HYDRANTS | 7/01/04 | 7,935.32 | 0.00 | 0.00 | 1,388.69 | 396.77 | 1,785.46 | 6,149.86 | S/L | 20.0 |
| 401 | HYDRANTS | 7/01/06 | 25,967.08 | 0.00 | 0.00 | 1,947.53 | 1,298.35 | 3,245.88 | 22,721.20 | S/L | 20.0 |
| 454 | HYDRANTS | 7/01/07 | 8,792.00 | 0.00 | 0.00 | 219.80 | 439.60 | 659.40 | 8,132.60 | S/L | 20.0 |
| 485 | HYDRANTS | 7/01/08 | 6,349.91 | 0.00c | 0.00 | 0.00 | 158.75 | 158.75 | 6,191.16 | S/L | 20.0 |
| 335-40 HYDRANTS | | | 128,001.22 | 0.00c | 0.00 | 69,404.02 | 3,482.07 | 72,886.09 | 55,115.13 | | |
| Location: 339-20 TEMPORARY DAMS | | | | | | | | | | | |
| 256 | TEMPORARY DAMS | 1/01/71 | 21,732.00 | 0.00 | 0.00 | 16,783.84 | 434.64 | 17,218.48 | 4,513.52 | S/L | 50.0 |
| 339-20 TEMPORARY DAMS | | | 21,732.00 | 0.00c | 0.00 | 16,783.84 | 434.64 | 17,218.48 | 4,513.52 | | |
| Location: 340-50 OFFICE FURN/EQUIP | | | | | | | | | | | |
| 10 * | OFFICE FURN & EQUIPMENT | 1/01/71 | 856.00 | 0.00 | 0.00 | 856.00 | 0.00 | 856.00 | 0.00 | S/L | 10.0 |
| 11 * | ADDING MACHINE | 1/01/71 | 267.00 | 0.00 | 0.00 | 267.00 | 0.00 | 267.00 | 0.00 | S/L | 10.0 |
| 12 * | AIR CONDITIONER | 1/01/71 | 144.00 | 0.00 | 0.00 | 144.00 | 0.00 | 144.00 | 0.00 | S/L | 1.0 |
| 13 * | ADDRESS MACHINE | 1/01/73 | 1,037.00 | 0.00 | 0.00 | 1,037.00 | 0.00 | 1,037.00 | 0.00 | S/L | 10.0 |
| 14 * | BILLING MACHINE | 1/01/73 | 173.00 | 0.00 | 0.00 | 173.00 | 0.00 | 173.00 | 0.00 | S/L | 10.0 |
| 15 * | BILLING MACHINE | 1/01/80 | 2,121.00 | 0.00 | 0.00 | 2,121.00 | 0.00 | 2,121.00 | 0.00 | S/L | 10.0 |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|---|----------------------------|-----------------|-----------|-------------------------|---------------|------------------------|--------------------------|--------------|--------------------|------------|------------|
| Location: 340-50 OFFICE FURN/EQUIP (continued) | | | | | | | | | | | |
| 16 * | ONE HALF ADDING MACHINE | 1/01/80 | 156.00 | 0.00 | 0.00 | 156.00 | 0.00 | 156.00 | 0.00 | S/L | 10.0 |
| 17 | FILING CABINET, SAFE, DESK | 1/01/75 | 382.00 | 0.00 | 0.00 | 382.00 | 0.00 | 382.00 | 0.00 | S/L | 10.0 |
| 18 | FENCE | 1/01/81 | 1,678.00 | 0.00 | 0.00 | 1,678.00 | 0.00 | 1,678.00 | 0.00 | S/L | 10.0 |
| 19 | FURNACE | 1/01/81 | 625.00 | 0.00 | 0.00 | 625.00 | 0.00 | 625.00 | 0.00 | S/L | 10.0 |
| 20 | OFFICE FURN & EQUIPMENT | 1/01/82 | 1,017.00 | 0.00 | 0.00 | 1,017.00 | 0.00 | 1,017.00 | 0.00 | S/L | 10.0 |
| 21 | FENCE | 1/01/84 | 3,179.00 | 0.00 | 0.00 | 3,179.00 | 0.00 | 3,179.00 | 0.00 | S/L | 10.0 |
| 22 | AIR CONDITIONER | 1/01/84 | 965.00 | 0.00 | 0.00 | 965.00 | 0.00 | 965.00 | 0.00 | S/L | 10.0 |
| 23 | HEAT PUMP | 1/01/85 | 2,820.00 | 0.00 | 0.00 | 2,820.00 | 0.00 | 2,820.00 | 0.00 | S/L | 10.0 |
| 24 | COPIER | 1/01/85 | 1,844.00 | 0.00 | 0.00 | 1,844.00 | 0.00 | 1,844.00 | 0.00 | S/L | 10.0 |
| 25 | COMPUTER SOFTWARE | 1/01/88 | 8,300.00 | 0.00 | 0.00 | 8,300.00 | 0.00 | 8,300.00 | 0.00 | S/L | 10.0 |
| 26 | OFFICE FURNITURE | 1/01/88 | 3,942.00 | 0.00 | 0.00 | 3,942.00 | 0.00 | 3,942.00 | 0.00 | S/L | 10.0 |
| 27 | 4 DESKS, 2 CHAIRS | 5/09/88 | 650.00 | 0.00 | 0.00 | 650.00 | 0.00 | 650.00 | 0.00 | S/L | 10.0 |
| 28 | CALCULATOR, 3 CHAIRS | 8/08/88 | 642.00 | 0.00 | 0.00 | 642.00 | 0.00 | 642.00 | 0.00 | S/L | 10.0 |
| 29 | 5 CUSTOM BLINDS | 11/14/88 | 366.00 | 0.00 | 0.00 | 366.00 | 0.00 | 366.00 | 0.00 | S/L | 10.0 |
| 30 | DESK-PEGGY'S OFFICE | 6/01/89 | 2,175.00 | 0.00 | 0.00 | 2,175.00 | 0.00 | 2,175.00 | 0.00 | S/L | 10.0 |
| 31 | DESK-ELMO'S OFFICE | 6/01/89 | 1,400.00 | 0.00 | 0.00 | 1,400.00 | 0.00 | 1,400.00 | 0.00 | S/L | 10.0 |
| 32 | TABLE-COMPUTER ROOM | 6/01/89 | 540.00 | 0.00 | 0.00 | 540.00 | 0.00 | 540.00 | 0.00 | S/L | 10.0 |
| 33 | TABLE | 6/01/89 | 400.00 | 0.00 | 0.00 | 400.00 | 0.00 | 400.00 | 0.00 | S/L | 10.0 |
| 34 | APPLIANCES-VARIOUS | 5/19/89 | 4,033.00 | 0.00 | 0.00 | 4,033.00 | 0.00 | 4,033.00 | 0.00 | S/L | 10.0 |
| 35 | OFFICE FURNITURE | 2/21/89 | 2,361.00 | 0.00 | 0.00 | 2,361.00 | 0.00 | 2,361.00 | 0.00 | S/L | 10.0 |
| 36 * | BURSTING MACHINE | 6/12/89 | 1,000.00 | 0.00 | 0.00 | 1,000.00 | 0.00 | 1,000.00 | 0.00 | S/L | 10.0 |
| 37 | OFFICE FURNITURE | 3/13/89 | 1,240.00 | 0.00 | 0.00 | 1,240.00 | 0.00 | 1,240.00 | 0.00 | S/L | 10.0 |
| 38 | COMPUTER EQUIPMENT | 7/01/89 | 25,090.00 | 0.00 | 0.00 | 25,090.00 | 0.00 | 25,090.00 | 0.00 | S/L | 10.0 |
| 39 | TABLE 4 CHAIRS | 5/17/89 | 270.00 | 0.00 | 0.00 | 270.00 | 0.00 | 270.00 | 0.00 | S/L | 10.0 |
| 40 * | IBM PRINTER | 4/10/89 | 625.00 | 0.00 | 0.00 | 625.00 | 0.00 | 625.00 | 0.00 | S/L | 10.0 |
| 41 | COMPUTER EQUIPMENT | 7/10/89 | 1,220.00 | 0.00 | 0.00 | 1,220.00 | 0.00 | 1,220.00 | 0.00 | S/L | 10.0 |
| 42 | 10 CHAIRS-NEW OFFICE | 8/14/89 | 500.00 | 0.00 | 0.00 | 500.00 | 0.00 | 500.00 | 0.00 | S/L | 10.0 |
| 43 | 2 COMPUTER SCREENS | 11/13/89 | 1,219.00 | 0.00 | 0.00 | 1,219.00 | 0.00 | 1,219.00 | 0.00 | S/L | 10.0 |
| 44 | COMPUTER & SOFTWARE | 7/01/90 | 3,157.00 | 0.00 | 0.00 | 3,157.00 | 0.00 | 3,157.00 | 0.00 | S/L | 10.0 |
| 45 | TYPEWRITER & 2 FOLDING TA | 7/01/90 | 472.00 | 0.00 | 0.00 | 472.00 | 0.00 | 472.00 | 0.00 | S/L | 10.0 |
| 46 | OFFICE BLINDS | 7/01/90 | 2,430.00 | 0.00 | 0.00 | 2,430.00 | 0.00 | 2,430.00 | 0.00 | S/L | 10.0 |
| 47 | COMPUTER TERMINAL | 4/01/93 | 575.00 | 0.00 | 0.00 | 575.00 | 0.00 | 575.00 | 0.00 | S/L | 10.0 |
| 48 | COMPUTER PROGRAM-AP & G | 5/01/93 | 1,490.00 | 0.00 | 0.00 | 1,490.00 | 0.00 | 1,490.00 | 0.00 | S/L | 10.0 |
| 49 | COMPUTER | 3/11/91 | 2,020.00 | 0.00 | 0.00 | 2,020.00 | 0.00 | 2,020.00 | 0.00 | S/L | 10.0 |
| 50 | 2 TYPEWRITERS | 11/11/91 | 1,250.00 | 0.00 | 0.00 | 1,250.00 | 0.00 | 1,250.00 | 0.00 | S/L | 10.0 |
| 51 | COMPUTER PROGRAM-WO | 10/01/93 | 1,500.00 | 0.00 | 0.00 | 1,500.00 | 0.00 | 1,500.00 | 0.00 | S/L | 10.0 |
| 52 | COMPUTER | 11/01/93 | 1,920.00 | 0.00 | 0.00 | 1,920.00 | 0.00 | 1,920.00 | 0.00 | S/L | 10.0 |
| 53 | SOFTWARE | 7/01/92 | 5,880.00 | 0.00 | 0.00 | 5,880.00 | 0.00 | 5,880.00 | 0.00 | S/L | 10.0 |
| 54 | COMPUTER | 7/01/92 | 20,125.00 | 0.00 | 0.00 | 20,125.00 | 0.00 | 20,125.00 | 0.00 | S/L | 10.0 |
| 55 | COMPUTER | 7/01/93 | 1,390.00 | 0.00 | 0.00 | 1,390.00 | 0.00 | 1,390.00 | 0.00 | S/L | 10.0 |
| 56 | PRINTER | 9/01/93 | 695.00 | 0.00 | 0.00 | 695.00 | 0.00 | 695.00 | 0.00 | S/L | 10.0 |
| 57 | OKIDATA PRINTER | 3/14/94 | 525.00 | 0.00 | 0.00 | 525.00 | 0.00 | 525.00 | 0.00 | S/L | 10.0 |
| 58 * | COPIER & STAND | 3/14/94 | 2,641.00 | 0.00 | 0.00 | 2,641.00 | 0.00 | 2,641.00 | 0.00 | S/L | 10.0 |
| 59 * | FAX MACHINE | 3/14/94 | 699.00 | 0.00 | 0.00 | 699.00 | 0.00 | 699.00 | 0.00 | S/L | 10.0 |
| 60 | DESK & SHELVES | 4/30/94 | 400.00 | 0.00 | 0.00 | 400.00 | 0.00 | 400.00 | 0.00 | S/L | 10.0 |
| 61 | SOFTWARE | 2/28/94 | 475.00 | 0.00 | 0.00 | 475.00 | 0.00 | 475.00 | 0.00 | S/L | 10.0 |
| 62 | EMB DEVICE | 4/30/94 | 695.00 | 0.00 | 0.00 | 695.00 | 0.00 | 695.00 | 0.00 | S/L | 10.0 |
| 63 | 128K RAM-FOR EMB DEVICES | 10/01/95 | 1,480.00 | 0.00 | 0.00 | 1,480.00 | 0.00 | 1,480.00 | 0.00 | S/L | 10.0 |
| 64 | EMB DEVICE | 7/01/95 | 695.00 | 0.00 | 0.00 | 695.00 | 0.00 | 695.00 | 0.00 | S/L | 10.0 |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|---|-----------------------------|-----------------|-------------------|-------------------------|---------------|------------------------|--------------------------|-------------------|--------------------|------------|------------|
| Location: 340-50 OFFICE FURN/EQUIP (continued) | | | | | | | | | | | |
| 65 | OFFICE FURNITURE-EULA'S OF | 1/11/96 | 800.00 | 0.00 | 0.00 | 800.00 | 0.00 | 800.00 | 0.00 | S/L | 10.0 |
| 66 | TABLE-PEGGY'S OFFICE | 4/15/96 | 225.00 | 0.00 | 0.00 | 225.00 | 0.00 | 225.00 | 0.00 | S/L | 10.0 |
| 67 | ENTRA/P133/MONITOR/PRINTE | 3/22/96 | 4,336.00 | 0.00 | 0.00 | 4,336.00 | 0.00 | 4,336.00 | 0.00 | S/L | 10.0 |
| 68 | AIR CONDITIONER 3 1/2 TON | 6/10/97 | 1,810.00 | 0.00 | 0.00 | 1,810.00 | 0.00 | 1,810.00 | 0.00 | S/L | 10.0 |
| 69 | P.C. | 8/26/97 | 2,250.00 | 0.00 | 0.00 | 2,250.00 | 0.00 | 2,250.00 | 0.00 | S/L | 10.0 |
| 70 * | CANON PRINTER | 8/26/97 | 549.00 | 0.00 | 0.00 | 549.00 | 0.00 | 549.00 | 0.00 | S/L | 10.0 |
| 71 | DESK CABINETS & TOPS | 8/26/97 | 1,150.00 | 0.00 | 0.00 | 1,150.00 | 0.00 | 1,150.00 | 0.00 | S/L | 10.0 |
| 72 | COMPUTER HARDWARE | 3/01/98 | 18,715.00 | 0.00 | 0.00 | 18,249.00 | 466.00 | 18,715.00 | 0.00 | S/L | 10.0 |
| 73 * | KON COPIER | 1/21/98 | 1,415.00 | 0.00 | 0.00 | 1,407.00 | 8.00 | 1,415.00 | 0.00 | S/L | 10.0 |
| 74 | PC & PRINTER | 2/20/99 | 1,495.00 | 0.00 | 0.00 | 1,326.00 | 149.50 | 1,475.50 | 19.50 | S/L | 10.0 |
| 75 | EMB HANDHELDS | 7/06/99 | 1,504.00 | 0.00 | 0.00 | 1,275.40 | 150.40 | 1,425.80 | 78.20 | S/L | 10.0 |
| 76 | HAND HLE METER REAERS | 3/31/00 | 7,770.00 | 0.00 | 0.00 | 6,216.00 | 777.00 | 6,993.00 | 777.00 | S/L | 10.0 |
| 77 | COMPUTER & PRINTER | 3/24/00 | 1,847.00 | 0.00 | 0.00 | 1,478.20 | 184.70 | 1,662.90 | 184.10 | S/L | 10.0 |
| 78 | PAUL'S OFFICE FURNITURE | 5/01/00 | 1,854.00 | 0.00 | 0.00 | 1,482.40 | 185.40 | 1,667.80 | 186.20 | S/L | 10.0 |
| 79 | 3 SCANNERS | 5/02/00 | 3,285.00 | 0.00 | 0.00 | 2,629.00 | 328.50 | 2,957.50 | 327.50 | S/L | 10.0 |
| 80 | OKIPACEMARK 4410 PRINTER | 2/28/01 | 2,995.00 | 0.00 | 0.00 | 2,097.00 | 299.50 | 2,396.50 | 598.50 | S/L | 10.0 |
| 81 | COMPUTER & PRINTER | 5/31/01 | 2,045.00 | 0.00 | 0.00 | 1,432.00 | 204.50 | 1,636.50 | 408.50 | S/L | 10.0 |
| 82 * | XEROX COPIER | 3/31/02 | 2,195.00 | 0.00 | 0.00 | 1,317.50 | 219.50 | 1,537.00 | 658.00 | S/L | 10.0 |
| 83 | PLANT PRINTER | 5/31/02 | 2,789.00 | 0.00 | 0.00 | 1,673.50 | 278.90 | 1,952.40 | 836.60 | S/L | 10.0 |
| 84 | COMPUTER (PAUL) | 6/30/02 | 1,880.00 | 0.00 | 0.00 | 1,128.00 | 188.00 | 1,316.00 | 564.00 | S/L | 10.0 |
| 85 | 24 PRINTER | 1/31/03 | 3,029.00 | 0.00 | 0.00 | 1,489.26 | 302.90 | 1,792.16 | 1,236.84 | S/L | 10.0 |
| 86 | OFFICE EQUIPMENT | 4/30/03 | 1,090.00 | 0.00 | 0.00 | 508.67 | 109.00 | 617.67 | 472.33 | S/L | 10.0 |
| 87 | FURNITURE (BRAD'S OFFICE) | 7/31/03 | 1,503.00 | 0.00 | 0.00 | 663.83 | 150.30 | 814.13 | 688.87 | S/L | 10.0 |
| 88 | DELL COMPUTER | 10/31/03 | 2,887.00 | 0.00 | 0.00 | 1,202.92 | 288.70 | 1,491.62 | 1,395.38 | S/L | 10.0 |
| 89 | COMPUTER (BRAD) | 11/30/03 | 1,049.00 | 0.00 | 0.00 | 428.34 | 104.90 | 533.24 | 515.76 | S/L | 10.0 |
| 90 | COMPUTER - PLANT | 7/01/04 | 2,976.00 | 0.00 | 0.00 | 1,041.60 | 297.60 | 1,339.20 | 1,636.80 | S/L | 10.0 |
| 91 | PRINTER/RELOAD SYSTEM/ME | 7/01/04 | 2,078.00 | 0.00 | 0.00 | 727.30 | 207.80 | 935.10 | 1,142.90 | S/L | 10.0 |
| 92 | COMPUTER & PRINTER LAB | 7/01/04 | 1,873.00 | 0.00 | 0.00 | 655.55 | 187.30 | 842.85 | 1,030.15 | S/L | 10.0 |
| 93 | COMPUTER & SYSTEM, MODEI | 7/01/04 | 2,065.00 | 0.00 | 0.00 | 722.75 | 206.50 | 929.25 | 1,135.75 | S/L | 10.0 |
| 94 | (10) 17 LCD MONITORS, SERVE | 7/01/04 | 15,935.00 | 0.00 | 0.00 | 5,577.25 | 1,593.50 | 7,170.75 | 8,764.25 | S/L | 10.0 |
| 95 | COMPUTER, MONITOR, WIREL | 7/01/05 | 4,402.00 | 0.00 | 0.00 | 1,100.50 | 440.20 | 1,540.70 | 2,861.30 | S/L | 10.0 |
| 96 | COMPUTER | 7/01/06 | 3,781.90 | 0.00 | 0.00 | 567.29 | 378.19 | 945.48 | 2,836.42 | S/L | 10.0 |
| 435 | COMPUTER DESK & CABINETS | 4/27/07 | 2,100.00 | 0.00 | 0.00 | 140.00 | 210.00 | 350.00 | 1,750.00 | S/L | 10.0 |
| 436 | DESK & CABINET | 4/05/07 | 2,809.00 | 0.00 | 0.00 | 210.68 | 280.90 | 491.58 | 2,317.42 | S/L | 10.0 |
| 437 | TRAVERSE SOFTWARE | 3/30/07 | 2,385.00 | 0.00 | 0.00 | 178.88 | 238.50 | 417.38 | 1,967.62 | S/L | 10.0 |
| 486 | CHAIRS | 3/31/08 | 5,308.35 | 0.00c | 0.00 | 0.00 | 398.13 | 398.13 | 4,910.22 | S/L | 10.0 |
| 487 | OFFICE COPIER | 8/30/08 | 3,039.00 | 0.00c | 0.00 | 0.00 | 101.30 | 101.30 | 2,937.70 | S/L | 10.0 |
| 340-50 OFFICE FURN/EQUIP | | | 242,970.25 | 0.00c | 0.00 | 191,796.82 | 8,935.62 | 200,732.44 | 42,237.81 | | |
| *Less: Dispositions | | | 13,878.00 | 0.00 | 0.00 | 12,992.50 | 0.00 | 13,220.00 | 658.00 | | |
| Net 340-50 OFFICE FURN/EQUIP | | | 229,092.25 | 0.00c | 0.00 | 178,804.32 | 8,935.62 | 187,512.44 | 41,579.81 | | |
| Location: 341-50 TRANS EQUIP | | | | | | | | | | | |
| 97 * | (2) 1984 CHEVY TRUCKS | 1/01/83 | 9,990.00 | 0.00 | 0.00 | 9,990.00 | 0.00 | 9,990.00 | 0.00 | S/L | 4.0 |
| 98 | TRAILER | 1/01/85 | 4,143.00 | 0.00 | 0.00 | 4,143.00 | 0.00 | 4,143.00 | 0.00 | S/L | 4.0 |
| 99 * | CHEV SIERRA TRUCK | 7/11/89 | 12,495.00 | 0.00 | 0.00 | 12,495.00 | 0.00 | 12,495.00 | 0.00 | S/L | 4.0 |
| 100 | 1992 GMC TRUCK | 11/13/91 | 15,169.00 | 0.00 | 0.00 | 15,169.00 | 0.00 | 15,169.00 | 0.00 | S/L | 4.0 |
| 101 * | 1991 CHEVROLET | 5/16/91 | 13,855.00 | 0.00 | 0.00 | 13,855.00 | 0.00 | 13,855.00 | 0.00 | S/L | 4.0 |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|---|-------------------------------|-----------------|-------------------|-------------------------|---------------|------------------------|--------------------------|-------------------|--------------------|------------|------------|
| Location: 341-50 TRANS EQUIP (continued) | | | | | | | | | | | |
| 103 * | 1992 CHEVY PU | 7/21/92 | 11,925.00 | 0.00 | 0.00 | 11,925.00 | 0.00 | 11,925.00 | 0.00 | S/L | 4.0 |
| 104 | 1993 GMC TRUCK | 6/01/93 | 11,869.00 | 0.00 | 0.00 | 11,869.00 | 0.00 | 11,869.00 | 0.00 | S/L | 4.0 |
| 105 * | 1994 CHEVY PICK UP | 7/01/94 | 14,766.00 | 0.00 | 0.00 | 14,766.00 | 0.00 | 14,766.00 | 0.00 | S/L | 4.0 |
| 106 | 1994 CHEVY PICK UP | 7/01/94 | 12,041.00 | 0.00 | 0.00 | 12,041.00 | 0.00 | 12,041.00 | 0.00 | S/L | 4.0 |
| 107 * | 1994 GMC PICK UP | 9/16/94 | 14,500.00 | 0.00 | 0.00 | 14,500.00 | 0.00 | 14,500.00 | 0.00 | S/L | 4.0 |
| 108 | 1996 INT'L TRUCK | 7/03/95 | 37,464.00 | 0.00 | 0.00 | 37,464.00 | 0.00 | 37,464.00 | 0.00 | S/L | 4.0 |
| 109 | 1996 1/2 TON 4X4 P/U TRUCK | 2/02/96 | 18,115.00 | 0.00 | 0.00 | 18,115.00 | 0.00 | 18,115.00 | 0.00 | S/L | 4.0 |
| 110 | 1996 F-250 P/U TRUCK | 4/09/96 | 19,029.00 | 0.00 | 0.00 | 19,029.00 | 0.00 | 19,029.00 | 0.00 | S/L | 4.0 |
| 111 | 1997 F-150 P/U TRUCK 2WD | 3/17/97 | 16,404.00 | 0.00 | 0.00 | 16,404.00 | 0.00 | 16,404.00 | 0.00 | S/L | 4.0 |
| 112 | 1997 GMC SIERRA 4WD P/U TRU | 6/30/97 | 18,919.00 | 0.00 | 0.00 | 18,919.00 | 0.00 | 18,919.00 | 0.00 | S/L | 4.0 |
| 113 | 1998 GMC 2 TON TRUCK | 6/30/98 | 41,247.00 | 0.00 | 0.00 | 41,247.00 | 0.00 | 41,247.00 | 0.00 | S/L | 4.0 |
| 114 | 1999 CHEVY PICK UP | 4/13/99 | 20,872.00 | 0.00 | 0.00 | 20,872.00 | 0.00 | 20,872.00 | 0.00 | S/L | 4.0 |
| 115 * | 1999 FORD F-150 | 6/01/99 | 34,418.00 | 0.00 | 0.00 | 34,418.00 | 0.00 | 34,418.00 | 0.00 | S/L | 4.0 |
| 116 | ONE TON TRUCK | 7/02/99 | 25,307.00 | 0.00 | 0.00 | 25,307.00 | 0.00 | 25,307.00 | 0.00 | S/L | 4.0 |
| 117 * | TWO PICK-UP TRUCKS | 4/24/00 | 44,717.00 | 0.00 | 0.00 | 44,717.00 | 0.00 | 44,717.00 | 0.00 | S/L | 4.0 |
| 118 | 2001 SERVICE PICK UP TRUCK | 6/30/01 | 27,751.00 | 0.00 | 0.00 | 27,751.00 | 0.00 | 27,751.00 | 0.00 | S/L | 4.0 |
| 119 | PICK UP TRUCK | 12/31/02 | 20,187.00 | 0.00 | 0.00 | 20,187.00 | 0.00 | 20,187.00 | 0.00 | S/L | 4.0 |
| 120 | PICK UP TRUCK | 12/31/02 | 19,837.00 | 0.00 | 0.00 | 19,837.00 | 0.00 | 19,837.00 | 0.00 | S/L | 4.0 |
| 121 | F-150 TRUCK | 10/31/02 | 19,837.00 | 0.00 | 0.00 | 19,837.00 | 0.00 | 19,837.00 | 0.00 | S/L | 4.0 |
| 122 | PICK UP TRUCK | 1/31/02 | 18,337.00 | 0.00 | 0.00 | 18,337.00 | 0.00 | 18,337.00 | 0.00 | S/L | 4.0 |
| 123 | TRUCK & TRAILER | 2/28/02 | 62,376.00 | 0.00 | 0.00 | 62,376.00 | 0.00 | 62,376.00 | 0.00 | S/L | 4.0 |
| 124 | 2004 FORD PU SERVICE BODY | 12/01/03 | 15,392.95 | 0.00 | 0.00 | 15,392.95 | 0.00 | 15,392.95 | 0.00 | S/L | 4.0 |
| 125 | 2004 FORD PU | 11/30/03 | 25,054.00 | 0.00 | 0.00 | 25,054.00 | 0.00 | 25,054.00 | 0.00 | S/L | 4.0 |
| 126 | DODGE PU | 10/31/03 | 27,154.00 | 0.00 | 0.00 | 27,154.00 | 0.00 | 27,154.00 | 0.00 | S/L | 4.0 |
| 127 | 2004 FORD F-150 TRUCK | 7/01/04 | 13,980.00 | 0.00 | 0.00 | 12,232.50 | 1,747.50 | 13,980.00 | 0.00 | S/L | 4.0 |
| 128 | 2004 FORD F-150 | 7/01/04 | 13,980.00 | 0.00 | 0.00 | 12,232.50 | 1,747.50 | 13,980.00 | 0.00 | S/L | 4.0 |
| 129 | 2004 FORD F-150 | 7/01/04 | 13,980.00 | 0.00 | 0.00 | 12,232.50 | 1,747.50 | 13,980.00 | 0.00 | S/L | 4.0 |
| 130 | TOOL BOXES & BEDMATS | 7/01/04 | 957.00 | 0.00 | 0.00 | 837.38 | 119.62 | 957.00 | 0.00 | S/L | 4.0 |
| 131 | 2005 GMC SIERRA 1500 | 7/01/04 | 15,070.75 | 0.00 | 0.00 | 13,186.91 | 1,883.84 | 15,070.75 | 0.00 | S/L | 4.0 |
| 132 | CRANE FOR SERVICE TRUCK | 7/01/04 | 811.61 | 0.00 | 0.00 | 710.15 | 101.46 | 811.61 | 0.00 | S/L | 4.0 |
| 133 | ??? | 7/01/05 | 51,126.00 | 0.00 | 0.00 | 31,953.75 | 12,781.50 | 44,735.25 | 6,390.75 | S/L | 4.0 |
| 134 | 2005 FORD EXPLORER (BLUE) | 7/01/06 | 19,999.00 | 0.00 | 0.00 | 7,499.63 | 4,999.75 | 12,499.38 | 7,499.62 | S/L | 4.0 |
| 135 | 2007 FORD F150 TRUCK (RED) | 7/01/06 | 15,629.00 | 0.00 | 0.00 | 5,860.88 | 3,907.25 | 9,768.13 | 5,860.87 | S/L | 4.0 |
| 136 | 2007 FORD F350 TRUCK | 7/01/06 | 25,381.00 | 0.00 | 0.00 | 9,517.88 | 6,345.25 | 15,863.13 | 9,517.87 | S/L | 4.0 |
| 449 | 2007 FORD F-150 | 6/22/07 | 19,980.00 | 0.00 | 0.00 | 2,497.50 | 4,995.00 | 7,492.50 | 12,487.50 | S/L | 4.0 |
| 450 | 2007 FORD F-150 | 6/22/07 | 19,980.00 | 0.00 | 0.00 | 2,497.50 | 4,995.00 | 7,492.50 | 12,487.50 | S/L | 4.0 |
| 488 | 2008 DODGE RAM PICKUP | 3/31/08 | 26,186.00 | 0.00c | 0.00 | 0.00 | 4,909.88 | 4,909.88 | 21,276.12 | S/L | 4.0 |
| 489 | 2008 DODGE RAM PICKUP | 3/31/08 | 26,186.00 | 0.00c | 0.00 | 0.00 | 4,909.88 | 4,909.88 | 21,276.12 | S/L | 4.0 |
| 490 | DUMPTRUCK | 12/31/08 | 56,880.00 | 0.00c | 0.00 | 0.00 | 0.00 | 0.00 | 56,880.00 | S/L | 10.0 |
| | 341-50 TRANS EQUIP | | 953,297.31 | 0.00c | 0.00 | 744,430.03 | 55,190.93 | 799,620.96 | 153,676.35 | | |
| | *Less: Dispositions | | 156,666.00 | 0.00 | 0.00 | 156,666.00 | 0.00 | 156,666.00 | 0.00 | | |
| | Net 341-50 TRANS EQUIP | | 796,631.31 | 0.00c | 0.00 | 587,764.03 | 55,190.93 | 642,954.96 | 153,676.35 | | |

Location: 344-50 LAB EQUIP

| | | | | | | | | | | | |
|-----|----------------------|---------|----------|------|------|----------|------|----------|------|-----|-----|
| 137 | LABORATORY EQUIPMENT | 1/01/77 | 1,820.00 | 0.00 | 0.00 | 1,820.00 | 0.00 | 1,820.00 | 0.00 | S/L | 5.0 |
| 138 | MICROSCOPE | 1/01/84 | 818.00 | 0.00 | 0.00 | 818.00 | 0.00 | 818.00 | 0.00 | S/L | 5.0 |
| 139 | PORTABLE TESTER | 7/01/90 | 1,496.00 | 0.00 | 0.00 | 1,496.00 | 0.00 | 1,496.00 | 0.00 | S/L | 5.0 |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|---|----------------------------------|-----------------|-------------------|-------------------------|---------------|------------------------|--------------------------|-------------------|--------------------|------------|------------|
| Location: 344-50 LAB EQUIP (continued) | | | | | | | | | | | |
| 140 | LABORATORY EQUIPMENT | 2/10/92 | 2,007.00 | 0.00 | 0.00 | 2,007.00 | 0.00 | 2,007.00 | 0.00 | S/L | 5.0 |
| 141 | METER TEST TANK | 3/03/92 | 1,750.00 | 0.00 | 0.00 | 1,750.00 | 0.00 | 1,750.00 | 0.00 | S/L | 5.0 |
| 142 | METER TESTER | 9/01/93 | 364.00 | 0.00 | 0.00 | 364.00 | 0.00 | 364.00 | 0.00 | S/L | 5.0 |
| 143 | LAB EQUIPMENT | 7/01/04 | 23,991.33 | 0.00 | 0.00 | 16,793.94 | 4,798.27 | 21,592.21 | 2,399.12 | S/L | 5.0 |
| | 344-50 LAB EQUIP | | 32,246.33 | 0.00c | 0.00 | 25,048.94 | 4,798.27 | 29,847.21 | 2,399.12 | | |
| Location: 345-50 POWER OP EQUIP | | | | | | | | | | | |
| 144 | POWER DR EQUIP BACKHOE | 10/01/74 | 5,000.00 | 0.00 | 0.00 | 5,000.00 | 0.00 | 5,000.00 | 0.00 | S/L | 10.0 |
| 145 | BORING MACHINE | 8/01/74 | 3,731.00 | 0.00 | 0.00 | 3,731.00 | 0.00 | 3,731.00 | 0.00 | S/L | 10.0 |
| 146 * | DITCH DIGGER | 10/17/75 | 1,000.00 | 0.00 | 0.00 | 1,000.00 | 0.00 | 1,000.00 | 0.00 | S/L | 10.0 |
| 147 | 1986 BORING MACHINE | 7/01/86 | 6,220.00 | 0.00 | 0.00 | 6,220.00 | 0.00 | 6,220.00 | 0.00 | S/L | 10.0 |
| 148 * | 1988 J.I. CASE BACKHOE | 9/14/88 | 27,500.00 | 0.00 | 0.00 | 27,500.00 | 0.00 | 27,500.00 | 0.00 | S/L | 10.0 |
| 149 | AUGERS | 11/07/91 | 3,154.00 | 0.00 | 0.00 | 3,154.00 | 0.00 | 3,154.00 | 0.00 | S/L | 10.0 |
| 150 | AUGERS | 8/10/92 | 3,333.00 | 0.00 | 0.00 | 3,333.00 | 0.00 | 3,333.00 | 0.00 | S/L | 10.0 |
| 152 | GUTTER | 6/08/92 | 856.00 | 0.00 | 0.00 | 856.00 | 0.00 | 856.00 | 0.00 | S/L | 10.0 |
| 153 | STEAM JENNY | 6/18/92 | 587.00 | 0.00 | 0.00 | 587.00 | 0.00 | 587.00 | 0.00 | S/L | 10.0 |
| 154 | BACKHOE BUCKET | 7/13/92 | 450.00 | 0.00 | 0.00 | 450.00 | 0.00 | 450.00 | 0.00 | S/L | 10.0 |
| 155 | 3/4 AIR MOLE | 9/30/98 | 4,324.00 | 0.00 | 0.00 | 3,998.40 | 325.60 | 4,324.00 | 0.00 | S/L | 10.0 |
| 156 | AUGERS | 9/30/98 | 2,557.00 | 0.00 | 0.00 | 2,365.20 | 191.80 | 2,557.00 | 0.00 | S/L | 10.0 |
| 157 | STRAW BLOWER | 12/31/98 | 2,200.00 | 0.00 | 0.00 | 1,998.00 | 202.00 | 2,200.00 | 0.00 | S/L | 10.0 |
| 158 | PUMP | 6/30/95 | 630.00 | 0.00 | 0.00 | 630.00 | 0.00 | 630.00 | 0.00 | S/L | 10.0 |
| 159 | TEST PUMP W/HONDA ENG | 4/22/96 | 1,915.00 | 0.00 | 0.00 | 1,915.00 | 0.00 | 1,915.00 | 0.00 | S/L | 10.0 |
| 160 | 1997 CASE 580S/L BACKHOE | 10/31/97 | 53,150.00 | 0.00 | 0.00 | 53,150.00 | 0.00 | 53,150.00 | 0.00 | S/L | 10.0 |
| 161 | BORING MACHINE | 3/22/00 | 11,719.00 | 0.00 | 0.00 | 9,375.40 | 1,171.90 | 10,547.30 | 1,171.70 | S/L | 10.0 |
| 162 | J DEERE BACKHOE 310SE | 6/16/00 | 53,925.00 | 0.00 | 0.00 | 43,141.00 | 5,392.50 | 48,533.50 | 5,391.50 | S/L | 10.0 |
| 163 | USED TRACTOR | 5/31/01 | 6,500.00 | 0.00 | 0.00 | 4,550.00 | 650.00 | 5,200.00 | 1,300.00 | S/L | 10.0 |
| 164 | EXCAVATOR | 10/31/02 | 76,040.00 | 0.00 | 0.00 | 45,624.00 | 7,604.00 | 53,228.00 | 22,812.00 | S/L | 10.0 |
| 165 | DRILL/AUGER | 5/31/02 | 5,540.00 | 0.00 | 0.00 | 3,324.00 | 554.00 | 3,878.00 | 1,662.00 | S/L | 10.0 |
| 166 | DITCH WITCH | 10/31/02 | 7,147.00 | 0.00 | 0.00 | 4,288.50 | 714.70 | 5,003.20 | 2,143.80 | S/L | 10.0 |
| 167 | HOLE HOG | 9/30/03 | 5,042.00 | 0.00 | 0.00 | 2,142.85 | 504.20 | 2,647.05 | 2,394.95 | S/L | 10.0 |
| 168 * | CAT 416-D BACKHOE | 7/01/03 | 47,273.44 | 0.00 | 0.00 | 21,273.03 | 4,727.34 | 26,000.37 | 21,273.07 | S/L | 10.0 |
| 169 | JD 450-H DOZER | 7/01/03 | 60,792.00 | 0.00 | 0.00 | 27,356.40 | 6,079.20 | 33,435.60 | 27,356.40 | S/L | 10.0 |
| 170 | CUMMINS DIESEL 40-KN MOBI | 7/01/04 | 10,000.00 | 0.00 | 0.00 | 3,500.00 | 1,000.00 | 4,500.00 | 5,500.00 | S/L | 10.0 |
| 171 | HOLEHOG | 7/01/04 | 4,436.89 | 0.00 | 0.00 | 1,552.91 | 443.69 | 1,996.60 | 2,440.29 | S/L | 10.0 |
| 172 | MITSUBISHI FX503041 FORKLII | 7/01/04 | 19,260.00 | 0.00 | 0.00 | 6,741.00 | 1,926.00 | 8,667.00 | 10,593.00 | S/L | 10.0 |
| 173 | JOHN DEERE 310 BACKHOE | 7/01/04 | 22,680.11 | 0.00 | 0.00 | 7,938.04 | 2,268.01 | 10,206.05 | 12,474.06 | S/L | 10.0 |
| 174 | WOODS BB72 6' MOWER STUM | 7/01/06 | 1,275.15 | 0.00 | 0.00 | 191.28 | 127.52 | 318.80 | 956.35 | S/L | 10.0 |
| 446 | J X 70 CASE IH TRACTOR | 8/06/07 | 19,900.00 | 0.00 | 0.00 | 829.17 | 1,990.00 | 2,819.17 | 17,080.83 | S/L | 10.0 |
| 447 | STIHL TS-400 WITH BLADES | 11/05/07 | 1,156.30 | 0.00 | 0.00 | 19.27 | 115.63 | 134.90 | 1,021.40 | S/L | 10.0 |
| 491 | TWO CASH REGISTERS | 2/29/08 | 968.40 | 0.00c | 0.00 | 0.00 | 80.70 | 80.70 | 887.70 | S/L | 10.0 |
| 492 | FORKLIFT | 6/30/08 | 21,800.00 | 0.00c | 0.00 | 0.00 | 1,090.00 | 1,090.00 | 20,710.00 | S/L | 10.0 |
| 493 | JOHN DEERE BACKHOE | 12/31/08 | 79,000.00 | 0.00c | 0.00 | 0.00 | 0.00 | 0.00 | 79,000.00 | S/L | 10.0 |
| | 345-50 POWER OP EQUIP | | 571,062.29 | 0.00c | 0.00 | 297,734.45 | 37,158.79 | 334,893.24 | 236,169.05 | | |
| | *Less: Dispositions | | 75,773.44 | 0.00 | 0.00 | 49,773.03 | 0.00 | 54,500.37 | 21,273.07 | | |
| | Net 345-50 POWER OP EQUIP | | 495,288.85 | 0.00c | 0.00 | 247,961.42 | 37,158.79 | 280,392.87 | 214,895.98 | | |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|---------------------------------------|-------------------------|-----------------|------------------|-------------------------|---------------|------------------------|--------------------------|------------------|--------------------|------------|------------|
| Location: 346-50 COMM EQUIP | | | | | | | | | | | |
| 175 | COMMUNICATION EQUIPMENT | 12/01/74 | 2,991.00 | 0.00 | 0.00 | 2,991.00 | 0.00 | 2,991.00 | 0.00 | S/L | 10.0 |
| 176 | RADIOS | 12/01/75 | 1,040.00 | 0.00 | 0.00 | 1,040.00 | 0.00 | 1,040.00 | 0.00 | S/L | 4.0 |
| 177 | COMMUNICATION EQUIPMENT | 6/13/77 | 122.00 | 0.00 | 0.00 | 122.00 | 0.00 | 122.00 | 0.00 | S/L | 4.0 |
| 178 | COMMUNICATION EQUIPMENT | 6/13/77 | 1,331.00 | 0.00 | 0.00 | 1,331.00 | 0.00 | 1,331.00 | 0.00 | S/L | 4.0 |
| 179 | COMMUNICATION EQUIPMENT | 1/01/79 | 707.00 | 0.00 | 0.00 | 707.00 | 0.00 | 707.00 | 0.00 | S/L | 4.0 |
| 180 | COMMUNICATION EQUIPMENT | 1/01/80 | 713.00 | 0.00 | 0.00 | 713.00 | 0.00 | 713.00 | 0.00 | S/L | 4.0 |
| 181 | COMMUNICATION EQUIPMENT | 1/01/83 | 2,895.00 | 0.00 | 0.00 | 2,895.00 | 0.00 | 2,895.00 | 0.00 | S/L | 4.0 |
| 182 | RADIOS | 1/01/84 | 9,863.00 | 0.00 | 0.00 | 9,863.00 | 0.00 | 9,863.00 | 0.00 | S/L | 4.0 |
| 183 | RADIOS | 7/01/88 | 1,339.00 | 0.00 | 0.00 | 1,339.00 | 0.00 | 1,339.00 | 0.00 | S/L | 4.0 |
| 184 | (2) TRUCK RADIOS | 12/09/91 | 1,206.00 | 0.00 | 0.00 | 1,206.00 | 0.00 | 1,206.00 | 0.00 | S/L | 4.0 |
| 185 | POLES FOR TELEMETERY | 9/12/97 | 363.00 | 0.00 | 0.00 | 363.00 | 0.00 | 363.00 | 0.00 | S/L | 4.0 |
| 186 | POLES FOR TELEMETERY | 1/07/98 | 34,586.00 | 0.00 | 0.00 | 34,586.00 | 0.00 | 34,586.00 | 0.00 | S/L | 4.0 |
| 187 | TELEMETRY | 5/12/98 | 7,124.00 | 0.00 | 0.00 | 7,124.00 | 0.00 | 7,124.00 | 0.00 | S/L | 4.0 |
| 188 | TELEMETRY | 2/11/99 | 6,836.00 | 0.00 | 0.00 | 6,836.00 | 0.00 | 6,836.00 | 0.00 | S/L | 4.0 |
| 189 | TELEMETRY | 5/30/99 | 4,500.00 | 0.00 | 0.00 | 4,500.00 | 0.00 | 4,500.00 | 0.00 | S/L | 4.0 |
| 190 | RADIOS FOR NEW TRUCKS | 7/01/04 | 2,628.00 | 0.00 | 0.00 | 2,299.50 | 328.50 | 2,628.00 | 0.00 | S/L | 4.0 |
| 191 | HAND HELD UNITS | 7/01/04 | 2,118.00 | 0.00 | 0.00 | 1,853.25 | 264.75 | 2,118.00 | 0.00 | S/L | 4.0 |
| 346-50 COMM EQUIP | | | 80,362.00 | 0.00c | 0.00 | 79,768.75 | 593.25 | 80,362.00 | 0.00 | | |
| Location: 347-50 MISCELLANEOUS | | | | | | | | | | | |
| 192 | PATROL BOAT | 4/30/02 | 17,166.00 | 0.00 | 0.00 | 10,300.00 | 1,716.60 | 12,016.60 | 5,149.40 | S/L | 10.0 |
| 193 | MISCELLANEOUS EQUIPMENT | 1/01/71 | 4,615.00 | 0.00 | 0.00 | 4,615.00 | 0.00 | 4,615.00 | 0.00 | S/L | 6.0 |
| 194 | STEAM JENNY | 1/01/80 | 2,500.00 | 0.00 | 0.00 | 2,500.00 | 0.00 | 2,500.00 | 0.00 | S/L | 3.0 |
| 195 | FEEDER | 1/01/81 | 4,000.00 | 0.00 | 0.00 | 4,000.00 | 0.00 | 4,000.00 | 0.00 | S/L | 10.0 |
| 196 | LAWN MOWER | 1/01/81 | 1,000.00 | 0.00 | 0.00 | 1,000.00 | 0.00 | 1,000.00 | 0.00 | S/L | 10.0 |
| 197 | MISCELLANEOUS EQUIPMENT | 1/01/83 | 464.00 | 0.00 | 0.00 | 464.00 | 0.00 | 464.00 | 0.00 | S/L | 10.0 |
| 198 | MISCELLANEOUS EQUIPMENT | 1/01/83 | 450.00 | 0.00 | 0.00 | 450.00 | 0.00 | 450.00 | 0.00 | S/L | 10.0 |
| 199 * | 1984 GLASSTREAM BOAT | 1/01/84 | 1,251.00 | 0.00 | 0.00 | 1,251.00 | 0.00 | 1,251.00 | 0.00 | S/L | 10.0 |
| 200 * | 1983 MERCURY MOTOR | 1/01/84 | 1,807.00 | 0.00 | 0.00 | 1,807.00 | 0.00 | 1,807.00 | 0.00 | S/L | 10.0 |
| 201 * | 1984 GLASSTREAM TRAILER | 1/01/84 | 417.00 | 0.00 | 0.00 | 417.00 | 0.00 | 417.00 | 0.00 | S/L | 10.0 |
| 202 | SIGN-NEW OFFICE | 7/01/89 | 612.00 | 0.00 | 0.00 | 612.00 | 0.00 | 612.00 | 0.00 | S/L | 10.0 |
| 203 | CAMERA | 4/08/91 | 761.00 | 0.00 | 0.00 | 761.00 | 0.00 | 761.00 | 0.00 | S/L | 10.0 |
| 204 | ICE MACHINE | 5/03/91 | 625.00 | 0.00 | 0.00 | 625.00 | 0.00 | 625.00 | 0.00 | S/L | 10.0 |
| 205 | WELDER | 4/28/92 | 450.00 | 0.00 | 0.00 | 450.00 | 0.00 | 450.00 | 0.00 | S/L | 10.0 |
| 206 | METER DEVICES | 2/01/93 | 6,280.00 | 0.00 | 0.00 | 6,280.00 | 0.00 | 6,280.00 | 0.00 | S/L | 10.0 |
| 207 | TRAILER BED | 9/30/94 | 9,450.00 | 0.00 | 0.00 | 9,450.00 | 0.00 | 9,450.00 | 0.00 | S/L | 10.0 |
| 208 | AIR COMPRESSOR | 11/30/94 | 9,965.00 | 0.00 | 0.00 | 9,965.00 | 0.00 | 9,965.00 | 0.00 | S/L | 10.0 |
| 209 | FLAT BED TRAILER | 3/02/95 | 9,950.00 | 0.00 | 0.00 | 9,950.00 | 0.00 | 9,950.00 | 0.00 | S/L | 10.0 |
| 210 | PORTAFLOW | 11/27/96 | 5,628.00 | 0.00 | 0.00 | 5,628.00 | 0.00 | 5,628.00 | 0.00 | S/L | 10.0 |
| 211 * | RCA CAMCORDER | 11/05/97 | 499.00 | 0.00 | 0.00 | 499.00 | 0.00 | 499.00 | 0.00 | S/L | 10.0 |
| 212 | 6 FT SWEEPSTER BROOM | 12/01/97 | 3,116.00 | 0.00 | 0.00 | 3,116.00 | 0.00 | 3,116.00 | 0.00 | S/L | 10.0 |
| 213 | TILLER 5' AGR TECH | 4/29/97 | 1,450.00 | 0.00 | 0.00 | 1,450.00 | 0.00 | 1,450.00 | 0.00 | S/L | 10.0 |
| 214 * | PAVING BREAKER | 6/16/97 | 1,060.00 | 0.00 | 0.00 | 1,060.00 | 0.00 | 1,060.00 | 0.00 | S/L | 10.0 |
| 215 | FLAT BED TRAILER | 10/16/97 | 9,950.00 | 0.00 | 0.00 | 9,950.00 | 0.00 | 9,950.00 | 0.00 | S/L | 10.0 |
| 216 | HOLE HAMMER | 9/30/01 | 4,456.00 | 0.00 | 0.00 | 3,119.60 | 445.60 | 3,565.20 | 890.80 | S/L | 10.0 |
| 217 | GPS DATABASE | 8/31/03 | 3,333.33 | 0.00 | 0.00 | 1,444.43 | 333.33 | 1,777.76 | 1,555.57 | S/L | 10.0 |
| 218 | GPS EQUIP (MAP SYNC) | 8/31/03 | 6,340.00 | 0.00 | 0.00 | 2,747.33 | 634.00 | 3,381.33 | 2,958.67 | S/L | 10.0 |

Tax Asset Detail 1/01/08 - 12/31/08

FYE: 12/31/2008

| Asset * | Property Description | Date In Service | Tax Cost | Sec 179 Exp Current = c | Tax Bonus Amt | Tax Prior Depreciation | Tax Current Depreciation | Tax End Depr | Tax Net Book Value | Tax Method | Tax Period |
|---|---------------------------------|-----------------|----------------------|-------------------------|---------------|------------------------|--------------------------|---------------------|----------------------|------------|------------|
| Location: 347-50 MISCELLANEOUS (continued) | | | | | | | | | | | |
| 219 | MISCELLANEOUS | 7/01/04 | 1,000.00 | 0.00 | 0.00 | 350.00 | 100.00 | 450.00 | 550.00 | S/L | 10.0 |
| 220 | NEW HAMMERHEAD | 7/01/05 | 3,740.00 | 0.00 | 0.00 | 935.00 | 374.00 | 1,309.00 | 2,431.00 | S/L | 10.0 |
| 221 * | LAWN MOWER | 7/01/05 | 2,430.00 | 0.00 | 0.00 | 607.50 | 243.00 | 850.50 | 1,579.50 | S/L | 10.0 |
| 222 | MOLE HAMMERHEAD | 7/01/05 | 4,140.00 | 0.00 | 0.00 | 1,035.00 | 414.00 | 1,449.00 | 2,691.00 | S/L | 10.0 |
| 223 | GATOR 7X18' TRAILER | 7/01/06 | 4,395.00 | 0.00 | 0.00 | 659.25 | 439.50 | 1,098.75 | 3,296.25 | S/L | 10.0 |
| 444 | ASPHALT CUTTER | 3/05/07 | 2,500.00 | 0.00 | 0.00 | 208.33 | 250.00 | 458.33 | 2,041.67 | S/L | 10.0 |
| 445 | HANDHELD METER READERS | 4/26/07 | 5,180.00 | 0.00 | 0.00 | 345.33 | 518.00 | 863.33 | 4,316.67 | S/L | 10.0 |
| 494 | WAREHOUSE ALARM | 2/29/08 | 4,557.00 | 0.00c | 0.00 | 0.00 | 379.75 | 379.75 | 4,177.25 | S/L | 10.0 |
| 495 | LCD MONITOR | 2/29/08 | 272.62 | 0.00c | 0.00 | 0.00 | 45.44 | 45.44 | 227.18 | S/L | 5.0 |
| 496 | OVERBILT TRAILER | 7/31/08 | 25,457.00 | 0.00c | 0.00 | 0.00 | 1,060.71 | 1,060.71 | 24,396.29 | S/L | 10.0 |
| | 347-50 MISCELLANEOUS | | 161,266.95 | 0.00c | 0.00 | 98,051.77 | 6,953.93 | 105,005.70 | 56,261.25 | | |
| | *Less: Dispositions | | 7,464.00 | 0.00 | 0.00 | 5,641.50 | 0.00 | 5,884.50 | 1,579.50 | | |
| | Net 347-50 MISCELLANEOUS | | 153,802.95 | 0.00c | 0.00 | 92,410.27 | 6,953.93 | 99,121.20 | 54,681.75 | | |
| | Grand Total | | 39,228,495.89 | 0.00c | 0.00 | 8,272,849.57 | 771,580.09 | 9,044,429.66 | 30,184,066.23 | | |
| | Less: Dispositions | | 259,811.44 | 0.00 | 0.00 | 225,409.33 | 0.00 | 230,727.77 | 29,083.67 | | |
| | Net Grand Total | | 38,968,684.45 | 0.00c | 0.00 | 8,047,440.24 | 771,580.09 | 8,813,701.89 | 30,154,982.56 | | |

EXHIBIT 9
MONTHLY MANAGERIAL
REPORTS

WOOD CREEK WATER DISTRICT

JANUARY 2008

| | | |
|-----------|------------------|---------------------|
| DEPOSITS: | Regular deposits | \$486,003.18 |
| | K.I.A. Grant | 300,000.00 |
| | | <u>\$786,003.18</u> |

EXPENSES:

| | |
|-------------------------------|----------------------------|
| MONTHLY LOAN PAYMENTS | 54,601.31 |
| SCHOOL TAX | 4,581.24 |
| PAYROLL TAXES | 39,026.67 |
| SALES TAX | 1,112.17 |
| HEALTH INS., RETIREMENT, ETC. | 79,429.85 |
| NEW PIPE | 1,157.19 |
| METERS | 2,214.95 |
| SERVICES | 9,986.73 |
| HYDRANTS | 2,071.50 |
| RURAL DEVELOPMENT PMT. | 65,911.25 |
| NET PAYROLL | 89,013.72 |
| POWER | 27,835.77 |
| CHEMICALS | 17,901.17 |
| TRANSMISSION & DIST. | 19,924.77 |
| GENERAL & ADM. | 8,423.68 |
| WATER TREATMENT | 12,270.86 |
| DOCK EXPENSES | 579.80 |
| TRANSPORTATION EXP. | 14,883.22 |
| SLUDGE TREATMENT | 2,301.61 |
| RETURNED CHECKS | 2,019.64 |
| CUSTOMER ACCOUNT EXPENSE | 8,801.06 |
| LEGAL | 150.00 |
| MAINT. AGREEMENT | 147.48 |
| TRANSFER TO WASTEWATER ACCT. | 21,795.54 |
| OVERPAYMENT REFUNDS | 47.82 |
| | <u>486,189.00</u> |
| | <u><u>\$299,814.18</u></u> |

**WOOD CREEK WATER DISTRICT
BANK RECONCILIATION
JANUARY 2008**

| | |
|---|----------------------------|
| BALANCE PER BANK STATEMENT ON JAN. 31, 2008 | \$649,639.52 |
| LESS: OUTSTANDING CHECKS | (8,600.10) |
| LESS: FEB. DEPOSITS | <u>(9,732.69)</u> |
| | <u><u>\$631,306.73</u></u> |

| | |
|----------------------------|----------------------------|
| BOOK BALANCE DEC. 31, 2007 | \$331,492.55 |
| DEPOSITS | <u>786,003.18</u> |
| | 1,117,495.73 |
| DISBURSEMENTS | <u>(486,189.00)</u> |
| | <u><u>\$631,306.73</u></u> |

WOOD CREEK WATER DISTRICT

JANUARY 2008

WATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 4,762 |
| COMMERCIAL CUSTOMERS | 345 |
| WHOLESALE CUSTOMERS | 3 |
| | <hr/> |
| | 5,110 |
| | <hr/> <hr/> |

WASTEWATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 661 |
| COMMERCIAL CUSTOMERS | 169 |
| | <hr/> |
| | 830 |
| | <hr/> <hr/> |

WOOD CREEK WATER DISTRICT

FEBRUARY 2008

WATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 4,758 |
| COMMERCIAL CUSTOMERS | 348 |
| WHOLESALE CUSTOMERS | 3 |
| | <hr/> |
| | 5,109 |
| | <hr/> <hr/> |

WASTEWATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 665 |
| COMMERCIAL CUSTOMERS | 171 |
| | <hr/> |
| | 836 |
| | <hr/> <hr/> |

WOOD CREEK WATER DISTRICT

FEBRUARY 2008

DEPOSITS: \$479,833.56

EXPENSES:

| | |
|-------------------------------|------------|
| MONTHLY LOAN PAYMENTS | 54,601.31 |
| SCHOOL TAX | 4,545.12 |
| PAYROLL TAXES | 48,987.70 |
| SALES TAX | 1,408.65 |
| HEALTH INS., RETIREMENT, ETC. | 73,887.31 |
| NEW PIPE | 6,220.61 |
| METERS | 6,737.40 |
| SERVICES | 3,767.48 |
| HYDRANTS | 2,740.80 |
| SECURITY SYSTEM | 5,798.02 |
| SIGN AT PLANT | 3,700.00 |
| NET PAYROLL | 107,383.84 |
| CABINETS & SHELVING | 10,300.00 |
| HVAC AT WAREHOUSE | 4,480.00 |
| POWER | 21,986.14 |
| CHEMICALS | 27,911.30 |
| TRANSMISSION & DIST. | 24,725.49 |
| GENERAL & ADM. | 7,269.29 |
| WATER TREATMENT EXP. | 26,960.49 |
| 20" & 24" WATERLINE PROJECT | 320,827.50 |
| DOCK EXPENSES | 223.94 |
| TRANSPORTATION EXP. | 22,371.42 |
| SLUDGE TREATMENT | 2,301.61 |
| RETURNED CHECKS | 2,140.42 |
| CUSTOMER ACCOUNT EXPENSE | 8,929.02 |
| ADVERTISEMENT | 94.58 |
| TRANSFER TO WASTEWATER ACCT. | 18,601.25 |

818,900.69

(\$339,067.13)

**WOOD CREEK WATER DISTRICT
BANK RECONCILIATION
FEBRUARY 2008**

| | |
|---|----------------------------|
| BALANCE PER BANK STATEMENT ON FEB. 29, 2008 | \$342,392.79 |
| LESS: OUTSTANDING CHECKS | (37,399.69) |
| LESS: MARCH DEPOSITS | <u>(12,753.50)</u> |
| | <u><u>\$292,239.60</u></u> |

| | |
|----------------------------|----------------------------|
| BOOK BALANCE JAN. 31, 2008 | \$631,306.73 |
| DEPOSITS | <u>479,833.56</u> |
| | 1,111,140.29 |
| DISBURSEMENTS | <u>(818,900.69)</u> |
| | <u><u>\$292,239.60</u></u> |

WOOD CREEK WATER DISTRICT

MARCH 2008

WATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 4,777 |
| COMMERCIAL CUSTOMERS | 348 |
| WHOLESALE CUSTOMERS | 3 |
| | <hr/> |
| | 5,128 |
| | <hr/> <hr/> |

WASTEWATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 667 |
| COMMERCIAL CUSTOMERS | 171 |
| | <hr/> |
| | 838 |
| | <hr/> <hr/> |

WOOD CREEK WATER DISTRICT

MARCH 2008

DEPOSITS: \$477,815.82

EXPENSES:

| | |
|-------------------------------|-------------------|
| MONTHLY LOAN PAYMENTS | 54,601.31 |
| SCHOOL TAX | 4,483.49 |
| PAYROLL TAXES | 37,631.08 |
| SALES TAX | 1,332.93 |
| HEALTH INS., RETIREMENT, ETC. | 80,155.99 |
| NEW PIPE | 42,244.31 |
| SERVICES | 4,888.36 |
| HYDRANTS | 13,882.00 |
| SECURITY SYSTEM | 5,308.35 |
| NEW TRUCKS | 52,372.00 |
| NET PAYROLL | 86,691.39 |
| STRUCTURES & IMPROVEMENTS | 4,644.50 |
| INSURANCE | 101.50 |
| POWER | 38,474.69 |
| CHEMICALS | 7,842.49 |
| TRANSMISSION & DIST. | 18,900.25 |
| GENERAL & ADM. | 8,119.73 |
| WATER TREATMENT EXP. | 11,803.39 |
| DOCK EXPENSES | 1,221.76 |
| TRANSPORTATION EXP. | 20,035.43 |
| SLUDGE TREATMENT | 600.56 |
| RETURNED CHECKS | 1,147.31 |
| CUSTOMER ACCOUNT EXPENSE | 8,648.73 |
| ADVERTISEMENT | 198.26 |
| TRANSFER TO WASTEWATER ACCT. | 20,633.68 |
| | <u>525,963.49</u> |

(\$48,147.67)

**WOOD CREEK WATER DISTRICT
BANK RECONCILIATION
MARCH 2008**

| | |
|---|----------------------------|
| BALANCE PER BANK STATEMENT ON MAR. 31, 2008 | \$308,672.05 |
| LESS: OUTSTANDING CHECKS | (48,493.63) |
| LESS: APRIL DEPOSITS | <u>(16,086.49)</u> |
| | <u><u>\$244,091.93</u></u> |

| | |
|----------------------------|----------------------------|
| BOOK BALANCE FEB. 29, 2008 | \$292,239.60 |
| DEPOSITS | <u>477,815.82</u> |
| | <u>770,055.42</u> |
| DISBURSEMENTS | <u>(525,963.49)</u> |
| | <u><u>\$244,091.93</u></u> |

WOOD CREEK WATER DISTRICT

APRIL 2008

WATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 4,775 |
| COMMERCIAL CUSTOMERS | 350 |
| WHOLESALE CUSTOMERS | 3 |
| | <hr/> |
| | 5,128 |
| | <hr/> <hr/> |

WASTEWATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 676 |
| COMMERCIAL CUSTOMERS | 171 |
| | <hr/> |
| | 847 |
| | <hr/> <hr/> |

WOOD CREEK WATER DISTRICT

APRIL 2008

| | | |
|-----------|------------------|-----------------------|
| DEPOSITS: | Regular deposits | \$543,229.34 |
| | K.I.A. Grant | <u>700,000.00</u> |
| | | <u>\$1,243,229.34</u> |

EXPENSES:

| | |
|-------------------------------|-----------------------------|
| MONTHLY LOAN PAYMENTS | 54,601.31 |
| SCHOOL TAX | 4,290.09 |
| PAYROLL TAXES | 51,832.81 |
| SALES TAX | 1,247.83 |
| HEALTH INS., RETIREMENT, ETC. | 72,612.92 |
| NEW PIPE | 3,113.73 |
| SERVICES & METERS | 3,501.34 |
| AUDIT | 6,000.00 |
| SERVICE CHG. REFUND | 20.00 |
| LEGAL | 600.00 |
| NET PAYROLL | 90,929.22 |
| STRUCTURES & IMPROVEMENTS | 2,509.00 |
| POWER | 31,699.08 |
| CHEMICALS | 17,792.75 |
| TRANSMISSION & DIST. | 58,650.24 |
| GENERAL & ADM. | 13,844.57 |
| WATER TREATMENT EXP. | 44,602.88 |
| DOCK EXPENSES | 1,397.71 |
| 20" & 24" PROJECT | 747,528.83 |
| TRANSPORTATION EXP. | 30,547.65 |
| RETURNED CHECKS | 1,601.13 |
| CUSTOMER ACCOUNT EXPENSE | 9,166.49 |
| ADVERTISEMENT | 217.50 |
| TRANSFER TO WASTEWATER ACCT. | <u>20,076.62</u> |
| | <u>1,268,383.70</u> |
| | <u><u>(\$25,154.36)</u></u> |

**WOOD CREEK WATER DISTRICT
BANK RECONCILIATION
APRIL 2008**

| | |
|---|----------------------------|
| BALANCE PER BANK STATEMENT ON APR. 30, 2008 | \$304,300.03 |
| LESS: OUTSTANDING CHECKS | (66,975.57) |
| LESS: MAY DEPOSITS | <u>(18,386.89)</u> |
| | <u><u>\$218,937.57</u></u> |

| | |
|-----------------------------|----------------------------|
| BOOK BALANCE MARCH 31, 2008 | \$244,091.93 |
| DEPOSITS | <u>1,243,229.34</u> |
| | <u>1,487,321.27</u> |
| DISBURSEMENTS | <u>(1,268,383.70)</u> |
| | <u><u>\$218,937.57</u></u> |

WOOD CREEK WATER DISTRICT

MAY 2008

WATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 4,783 |
| COMMERCIAL CUSTOMERS | 350 |
| WHOLESALE CUSTOMERS | 3 |
| | <hr/> |
| | 5,136 |
| | <hr/> <hr/> |

WASTEWATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 679 |
| COMMERCIAL CUSTOMERS | 171 |
| | <hr/> |
| | 850 |
| | <hr/> <hr/> |

WOOD CREEK WATER DISTRICT

MAY 2008

DEPOSITS: \$511,150.72

EXPENSES:

| | |
|-------------------------------|------------|
| MONTHLY LOAN PAYMENTS | 54,601.31 |
| SCHOOL TAX | 4,401.45 |
| PAYROLL TAXES | 48,204.37 |
| SALES TAX | 1,405.27 |
| HEALTH INS., RETIREMENT, ETC. | 75,152.92 |
| NEW PIPE | 2,041.38 |
| SERVICES & METERS | 5,430.49 |
| AUDIT | 6,000.00 |
| EQUIPMENT | 6,100.00 |
| NET PAYROLL | 123,699.05 |
| OVERPAYMENT REFUNDS | 65.00 |
| POWER | 29,436.83 |
| CHEMICALS | 13,245.13 |
| TRANSMISSION & DIST. | 42,271.48 |
| GENERAL & ADM. | 17,944.07 |
| WATER TREATMENT EXP. | 46,332.10 |
| DOCK EXPENSES | 2,749.23 |
| SURVEYING | 2,322.50 |
| TRANSPORTATION EXP. | 24,020.12 |
| SLUDGE TREATMENT | 1,289.78 |
| RETURNED CHECKS | 1,185.60 |
| CUSTOMER ACCOUNT EXPENSE | 9,804.47 |
| ADVERTISEMENT | 72.85 |
| TRANSFER TO WASTEWATER ACCT. | 18,060.89 |

535,836.29

(\$24,685.57)

**WOOD CREEK WATER DISTRICT
BANK RECONCILIATION
MAY 2008**

| | |
|--|----------------------------|
| BALANCE PER BANK STATEMENT ON MAY 31, 2008 | \$245,864.82 |
| LESS: OUTSTANDING CHECKS | (35,731.64) |
| LESS: JUNE DEPOSITS | <u>(15,881.18)</u> |
| | <u><u>\$194,252.00</u></u> |

| | |
|-----------------------------|----------------------------|
| BOOK BALANCE APRIL 30, 2008 | \$218,937.57 |
| DEPOSITS | <u>511,150.72</u> |
| | 730,088.29 |
| DISBURSEMENTS | <u>(535,836.29)</u> |
| | <u><u>\$194,252.00</u></u> |

WOOD CREEK WATER DISTRICT

JUNE 2008

DEPOSITS: \$497,631.18

EXPENSES:

| | |
|-------------------------------|------------|
| MONTHLY LOAN PAYMENTS | 54,601.31 |
| SCHOOL TAX | 4,526.98 |
| PAYROLL TAXES | 48,582.23 |
| SALES TAX | 1,549.49 |
| HEALTH INS., RETIREMENT, ETC. | 88,638.20 |
| NEW PIPE | 8,049.60 |
| SERVICES & METERS | 33,657.13 |
| PUMPING EQUIPMENT AT PLANT | 12,982.12 |
| FORKLIFT | 21,800.00 |
| NET PAYROLL | 100,898.23 |
| OVERPAYMENT REFUNDS | 95.00 |
| POWER | 31,106.72 |
| CHEMICALS | 10,116.48 |
| TRANSMISSION & DIST. | 40,193.71 |
| REPAIRS TO BLDG. AT PLANT | 14,550.00 |
| GENERAL & ADM. | 15,961.83 |
| WATER TREATMENT EXP. | 16,054.83 |
| BACKHOE PAYMENT | 1,617.91 |
| DOCK EXPENSES | 3,982.48 |
| SURVEYING | 2,295.00 |
| TRANSPORTATION EXP. | 32,696.48 |
| SLUDGE TREATMENT | 1,522.44 |
| LEGAL | 1,000.00 |
| INSURANCE | 1,225.11 |
| INSURANCE - WORKERS COMP | 37,036.00 |
| RETURNED CHECKS | 1,194.28 |
| CUSTOMER ACCOUNT EXPENSE | 10,393.35 |
| ADVERTISEMENTS | 641.24 |
| TRANSFER TO WASTEWATER ACCT. | 19,272.15 |

616,240.30

(\$118,609.12)

WOOD CREEK WATER DISTRICT

JUNE 2008

WATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 4,801 |
| COMMERCIAL CUSTOMERS | 350 |
| WHOLESALE CUSTOMERS | 3 |
| | <hr/> |
| | 5,154 |
| | <hr/> <hr/> |

WASTEWATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 687 |
| COMMERCIAL CUSTOMERS | 172 |
| | <hr/> |
| | 859 |
| | <hr/> <hr/> |

**WOOD CREEK WATER DISTRICT
BANK RECONCILIATION
JUNE 2008**

| | |
|---|---------------------------|
| BALANCE PER BANK STATEMENT ON JUNE 30, 2008 | \$129,760.31 |
| LESS: OUTSTANDING CHECKS | (37,969.70) |
| LESS: JULY DEPOSITS | <u>(16,147.73)</u> |
| | <u><u>\$75,642.88</u></u> |

| | |
|---------------------------|---------------------------|
| BOOK BALANCE MAY 31, 2008 | \$194,252.00 |
| DEPOSITS | <u>497,631.18</u> |
| | 691,883.18 |
| DISBURSEMENTS | <u>(616,240.30)</u> |
| | <u><u>\$75,642.88</u></u> |

**WOOD CREEK WATER DISTRICT
BANK RECONCILIATION
JULY 2008**

| | |
|---|---------------------------|
| BALANCE PER BANK STATEMENT ON JULY 31, 2008 | \$113,782.07 |
| LESS: OUTSTANDING CHECKS | (45,684.14) |
| LESS: AUG. DEPOSITS | <u>(9,836.72)</u> |
| | <u><u>\$58,261.21</u></u> |

| | |
|----------------------------|---------------------------|
| BOOK BALANCE JUNE 30, 2008 | \$75,642.88 |
| TRANSFER FROM MMIA | 200,000.00 |
| DEPOSITS | <u>532,727.52</u> |
| | 808,370.40 |
| DISBURSEMENTS | <u>(750,109.19)</u> |
| | <u><u>\$58,261.21</u></u> |

WOOD CREEK WATER DISTRICT

JULY 2008

REGULAR DEPOSITS

\$532,727.52

EXPENSES:

| | |
|--------------------------------------|-------------------|
| MONTHLY LOAN PAYMENTS | 54,601.31 |
| SCHOOL TAX | 4,936.24 |
| PAYROLL TAXES | 46,051.47 |
| SALES TAX | 1,775.42 |
| HEALTH INS., RETIREMENT, ETC. | 77,555.73 |
| NEW PIPE & APPT. | 30,808.60 |
| SERVICES & METERS | 19,615.38 |
| TRAILER | 19,357.00 |
| PSC ASSESSMENT | 6,751.87 |
| NET PAYROLL | 100,964.12 |
| OVERPAYMENT REFUNDS | 39.05 |
| POWER | 32,726.87 |
| CHEMICALS | 11,833.77 |
| TRANSMISSION & DIST. | 31,310.71 |
| GENERAL & ADM. | 7,432.10 |
| WATER TREATMENT EXP. | 23,716.21 |
| BACKHOE PAYMENT | 1,617.91 |
| DOCK EXPENSES | 2,984.41 |
| SURVEYING | 6,592.50 |
| TRANSPORTATION EXP. | 24,163.75 |
| RURAL DEVELOPMENT INTEREST | 207,953.75 |
| LEGAL | 200.00 |
| INSURANCE | 4,511.29 |
| RETURNED CHECKS | 1,313.88 |
| CUSTOMER ACCOUNT EXPENSE | 8,842.50 |
| ADVERTISEMENTS | 84.20 |
| TRANSFER TO WASTEWATER ACCT. | 22,369.15 |

750,109.19

(217,381.67)

TRANSFER FROM MMIA

200,000.00

(17,381.67)

WOOD CREEK WATER DISTRICT

JULY 2008

WATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 4,817 |
| COMMERCIAL CUSTOMERS | 350 |
| WHOLESALE CUSTOMERS | 3 |
| | <hr/> |
| | 5,170 |
| | <hr/> <hr/> |

WASTEWATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 698 |
| COMMERCIAL CUSTOMERS | 173 |
| | <hr/> |
| | 871 |
| | <hr/> <hr/> |

WOOD CREEK WATER DISTRICT

AUGUST 2008

REGULAR DEPOSITS

\$572,520.67

EXPENSES:

| | |
|-------------------------------|------------|
| MONTHLY LOAN PAYMENTS | 54,601.31 |
| SCHOOL TAX | 5,265.70 |
| PAYROLL TAXES | 53,990.19 |
| SALES TAX | 1,888.14 |
| HEALTH INS., RETIREMENT, ETC. | 77,194.39 |
| NEW PIPE & APPT. | 29,888.70 |
| SERVICES & METERS | 8,844.26 |
| COPIER | 3,039.00 |
| INTEREST | 46.59 |
| NET PAYROLL | 124,585.46 |
| OVERPAYMENT REFUNDS | 111.39 |
| POWER | 34,843.93 |
| CHEMICALS | 31,593.93 |
| TRANSMISSION & DIST. | 22,480.00 |
| 20" & 24" PROJECT | 314,000.00 |
| GENERAL & ADM. | 5,857.31 |
| WATER TREATMENT EXP. | 6,732.93 |
| BACKHOE PAYMENT | 1,617.91 |
| DOCK EXPENSES | 6,347.85 |
| TRANSPORTATION EXP. | 29,895.21 |
| LEGAL | 450.00 |
| INSURANCE | 83,570.68 |
| RETURNED CHECKS | 1,211.02 |
| CUSTOMER ACCOUNT EXPENSE | 760.58 |
| ADVERTISEMENTS | 201.97 |
| TRANSFER TO WASTEWATER ACCT. | 20,932.99 |

919,951.44

(347,430.77)

CVNB LINE OF CREDIT

314,000.00

(33,430.77)

WOOD CREEK WATER DISTRICT

AUGUST 2008

WATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 4,836 |
| COMMERCIAL CUSTOMERS | 347 |
| WHOLESALE CUSTOMERS | 3 |
| | <hr/> |
| | 5,186 |
| | <hr/> <hr/> |

WASTEWATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 725 |
| COMMERCIAL CUSTOMERS | 172 |
| | <hr/> |
| | 897 |
| | <hr/> <hr/> |

**WOOD CREEK WATER DISTRICT
BANK RECONCILIATION
AUGUST 2008**

| | |
|---|---------------------------|
| BALANCE PER BANK STATEMENT ON AUG. 31, 2008 | \$132,081.13 |
| LESS: OUTSTANDING CHECKS | (89,237.17) |
| LESS: SEPT. DEPOSITS | <u>(18,013.52)</u> |
| | <u><u>\$24,830.44</u></u> |

| | |
|----------------------------|---------------------------|
| BOOK BALANCE JULY 31, 2008 | \$58,261.21 |
| CVNB LINE OF CREDIT | 314,000.00 |
| DEPOSITS | <u>572,520.67</u> |
| | 944,781.88 |
| DISBURSEMENTS | <u>(919,951.44)</u> |
| | <u><u>\$24,830.44</u></u> |

WOOD CREEK WATER DISTRICT

SEPTEMBER 2008

WATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 4,841 |
| COMMERCIAL CUSTOMERS | 346 |
| WHOLESALE CUSTOMERS | 3 |
| | <hr/> |
| | 5,190 |
| | <hr/> <hr/> |

WASTEWATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 748 |
| COMMERCIAL CUSTOMERS | 174 |
| | <hr/> |
| | 922 |
| | <hr/> <hr/> |

WOOD CREEK WATER DISTRICT

SEPTEMBER 2008

REGULAR DEPOSITS

\$612,482.83

EXPENSES:

| | |
|-------------------------------|------------|
| MONTHLY LOAN PAYMENTS | 54,601.31 |
| SCHOOL TAX | 5,303.62 |
| PAYROLL TAXES | 41,929.58 |
| SALES TAX | 2,177.65 |
| HEALTH INS., RETIREMENT, ETC. | 82,444.33 |
| NEW PIPE & APPT. | 17,297.15 |
| SERVICES & METERS | 22,835.48 |
| HYDRANTS | 10,301.70 |
| INTEREST | 977.63 |
| NET PAYROLL | 95,799.02 |
| OVERPAYMENT REFUNDS | 38.15 |
| POWER | 36,525.62 |
| CHEMICALS | 33,745.42 |
| TRANSMISSION & DIST. | 26,604.13 |
| 20" & 24" PROJECT | 219,824.55 |
| GENERAL & ADM. | 5,644.71 |
| WATER TREATMENT EXP. | 11,262.58 |
| BACKHOE PAYMENT | 1,617.91 |
| DOCK EXPENSES | 3,020.65 |
| TRANSPORTATION EXP. | 34,457.70 |
| LEGAL | 700.00 |
| MAINTENANCE AGREEMENT | 2,850.00 |
| RETURNED CHECKS | 1,458.45 |
| CUSTOMER ACCOUNT EXPENSE | 17,979.66 |
| ADVERTISEMENTS | 221.65 |
| TRANSFER TO WASTEWATER ACCT. | 18,799.63 |

748,418.28

(135,935.45)

CVNB LINE OF CREDIT

220,000.00

84,064.55

**WOOD CREEK WATER DISTRICT
BANK RECONCILIATION
SEPTEMBER 2008**

| | |
|--|----------------------------|
| BALANCE PER BANK STATEMENT ON SEPT. 30, 2008 | \$142,013.62 |
| LESS: OUTSTANDING CHECKS | (10,208.24) |
| LESS: OCT. DEPOSITS | <u>(22,910.39)</u> |
| | <u><u>\$108,894.99</u></u> |

| | |
|----------------------------|----------------------------|
| BOOK BALANCE AUG. 31, 2008 | \$24,830.44 |
| CVNB LINE OF CREDIT | 220,000.00 |
| DEPOSITS | <u>612,482.83</u> |
| | 857,313.27 |
| DISBURSEMENTS | <u>(748,418.28)</u> |
| | <u><u>\$108,894.99</u></u> |

WOOD CREEK WATER DISTRICT

OCTOBER 2008

WATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 4,831 |
| COMMERCIAL CUSTOMERS | 346 |
| WHOLESALE CUSTOMERS | 3 |
| | <hr/> |
| | 5,180 |
| | <hr/> <hr/> |

WASTEWATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 750 |
| COMMERCIAL CUSTOMERS | 173 |
| | <hr/> |
| | 923 |
| | <hr/> <hr/> |

WOOD CREEK WATER DISTRICT

OCTOBER 2008

REGULAR DEPOSITS

\$588,207.05

EXPENSES:

| | |
|-------------------------------|------------|
| MONTHLY LOAN PAYMENTS | 54,601.31 |
| SCHOOL TAX | 7,041.39 |
| PAYROLL TAXES | 41,558.82 |
| SALES TAX | 2,043.59 |
| HEALTH INS., RETIREMENT, ETC. | 75,760.24 |
| NEW PIPE & APPT. | 25,267.99 |
| SERVICES & METERS | 44,151.86 |
| INTEREST | 1,663.21 |
| NET PAYROLL | 117,357.61 |
| OVERPAYMENT REFUNDS | 19.42 |
| POWER | 29,686.02 |
| CHEMICALS | 45,630.03 |
| TRANSMISSION & DIST. | 32,199.14 |
| 20" & 24" PROJECT | 128,946.85 |
| GENERAL & ADM. | 8,005.88 |
| WATER TREATMENT EXP. | 14,796.54 |
| SURVEY | 195.00 |
| BACKHOE PAYMENT | 1,617.81 |
| DOCK EXPENSES | 2,063.26 |
| TRANSPORTATION EXP. | 25,174.75 |
| LEGAL | 250.00 |
| TAP REFUND | 430.00 |
| WORKERS COMP. | 4,614.00 |
| RETURNED CHECKS | 1,534.26 |
| CUSTOMER ACCOUNT EXPENSE | 9,798.54 |
| ADVERTISEMENTS | 21.00 |
| TRANSFER TO WASTEWATER ACCT. | 25,111.51 |

699,540.03

(111,332.98)

CVNB LINE OF CREDIT

128,000.00

16,667.02

**WOOD CREEK WATER DISTRICT
BANK RECONCILIATION
OCTOBER 2008**

| | |
|---|----------------------------|
| BALANCE PER BANK STATEMENT ON OCT. 31, 2008 | \$161,832.84 |
| LESS: OUTSTANDING CHECKS | (28,637.32) |
| LESS: NOV. DEPOSITS | <u>(7,633.51)</u> |
| | <u><u>\$125,562.01</u></u> |

| | |
|-----------------------------|----------------------------|
| BOOK BALANCE SEPT. 30, 2008 | \$108,894.99 |
| CVNB LINE OF CREDIT | 128,000.00 |
| DEPOSITS | <u>588,207.05</u> |
| | 825,102.04 |
| DISBURSEMENTS | <u>(699,540.03)</u> |
| | <u><u>\$125,562.01</u></u> |

WOOD CREEK WATER DISTRICT

NOVEMBER 2008

WATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 4,833 |
| COMMERCIAL CUSTOMERS | 347 |
| WHOLESALE CUSTOMERS | 3 |
| | <hr/> |
| | 5,183 |
| | <hr/> <hr/> |

WASTEWATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 762 |
| COMMERCIAL CUSTOMERS | 174 |
| | <hr/> |
| | 936 |
| | <hr/> <hr/> |

WOOD CREEK WATER DISTRICT

NOVEMBER 2008

DEPOSITS **\$526,940.30**

EXPENSES:

| | |
|-------------------------------|-----------|
| MONTHLY LOAN PAYMENTS | 54,601.31 |
| SCHOOL TAX | 4,811.14 |
| PAYROLL TAXES | 49,232.68 |
| SALES TAX | 1,735.48 |
| HEALTH INS., RETIREMENT, ETC. | 36,644.14 |
| NEW PIPE & APPT. | 8,201.42 |
| SERVICES & METERS | 18,751.80 |
| INTEREST | 2,041.81 |
| NET PAYROLL | 88,862.64 |
| OVERPAYMENT REFUNDS | 20.00 |
| POWER | 33,614.67 |
| CHEMICALS | 26,202.06 |
| TRANSMISSION & DIST. | 14,325.57 |
| GENERAL & ADM. | 8,007.41 |
| WATER TREATMENT EXP. | 9,465.26 |
| SURVEY | 195.00 |
| BACKHOE PAYMENT | 1,618.01 |
| DOCK EXPENSES | 1,077.41 |
| TRANSPORTATION EXP. | 31,642.30 |
| LEGAL | 100.00 |
| RETURNED CHECKS | 1,639.17 |
| CUSTOMER ACCOUNT EXPENSE | 9,413.95 |
| COPIER & MAINT. | 86.46 |
| TRANSFER TO WASTEWATER ACCT. | 37,347.36 |

439,637.05

87,303.25

**WOOD CREEK WATER DISTRICT
BANK RECONCILIATION
NOVEMBER 2008**

| | |
|---|----------------------------|
| BALANCE PER BANK STATEMENT ON NOV. 30, 2008 | \$240,221.67 |
| LESS: OUTSTANDING CHECKS | (13,602.99) |
| LESS: DEC. DEPOSITS | <u>(13,753.42)</u> |
| | <u><u>\$212,865.26</u></u> |

| | |
|----------------------------|----------------------------|
| BOOK BALANCE OCT. 31, 2008 | \$125,562.01 |
| DEPOSITS | <u>526,940.30</u> |
| | 652,502.31 |
| DISBURSEMENTS | <u>(439,637.05)</u> |
| | <u><u>\$212,865.26</u></u> |

WOOD CREEK WATER DISTRICT

DECEMBER 2008

WATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 4,831 |
| COMMERCIAL CUSTOMERS | 348 |
| WHOLESALE CUSTOMERS | 3 |
| | <hr/> |
| | 5,182 |
| | <hr/> <hr/> |

WASTEWATER:

| | |
|-----------------------|-------------|
| RESIDENTIAL CUSTOMERS | 771 |
| COMMERCIAL CUSTOMERS | 175 |
| | <hr/> |
| | 946 |
| | <hr/> <hr/> |

WOOD CREEK WATER DISTRICT

DECEMBER 2008

REGULAR DEPOSITS **\$474,933.89**

EXPENSES:

| | |
|-------------------------------|------------|
| MONTHLY LOAN PAYMENTS | 54,601.31 |
| SCHOOL TAX | 5,018.04 |
| PAYROLL TAXES | 46,785.93 |
| SALES TAX | 2,017.41 |
| HEALTH INS., RETIREMENT, ETC. | 148,632.61 |
| NEW PIPE & APPT. | 13,079.03 |
| SERVICES & METERS | 11,922.77 |
| INTEREST | 2,165.01 |
| NET PAYROLL | 108,475.58 |
| OVERPAYMENT REFUNDS | 61.93 |
| POWER | 28,529.13 |
| CHEMICALS | 23,140.07 |
| TRANSMISSION & DIST. | 13,439.36 |
| ENGINEERING | 16,925.50 |
| GENERAL & ADM. | 6,838.74 |
| WATER TREATMENT EXP. | 8,542.20 |
| INSURANCE | 1,017.03 |
| BACKHOE PAYMENT | 1,617.91 |
| DOCK EXPENSES | 159.61 |
| TRANSPORTATION EXP. | 15,645.56 |
| LEGAL | 50.00 |
| TAP REFUND | 430.00 |
| RETURNED CHECKS | 770.99 |
| CUSTOMER ACCOUNT EXPENSE | 9,867.33 |
| ADVERTISEMENTS | 133.05 |
| TRANSFER TO WASTEWATER ACCT. | 25,310.38 |

545,176.48

(70,242.59)

CVNB LINE OF CREDIT

200,000.00

129,757.41

**WOOD CREEK WATER DISTRICT
BANK RECONCILIATION
DECEMBER 2008**

| | |
|---|---------------------|
| BALANCE PER BANK STATEMENT ON DEC. 31, 2008 | \$419,018.65 |
| LESS: OUTSTANDING CHECKS | (54,001.42) |
| LESS: JAN. DEPOSITS | (22,394.56) |
| | <u>\$342,622.67</u> |

| | |
|----------------------------|---------------------|
| BOOK BALANCE NOV. 30, 2008 | \$212,865.26 |
| DEPOSITS | 474,933.89 |
| TRANSFER | 200,000.00 |
| | <u>887,799.15</u> |
| DISBURSEMENTS | (545,176.48) |
| | <u>\$342,622.67</u> |

EXHIBIT 10

CUSTOMER NOTIFICATION

NEWSPAPER AFFIDAVIT

I, **James Marcum**, Production Assistant, of The Sentinel-Echo Newspaper published at London, Kentucky and having the largest general circulation of any newspaper in Laurel County, Kentucky, do hereby certify that from my own knowledge and a check of the files of this newspaper that the advertisement of Wood Creek Water District seeking approval of adjustment rates. was published in the legal section of our newspaper on August 5th, 2011.

Signature: James D Marcum Jr.

Subscribed and sworn before me by James Marcum
this 8th day of August, 2011.

Notary Public Judy C. McClellan

My commission expires June 21, 2015

& Spa now
enings for an
anced master
and licensed
ge therapist.
high traffic lo-
offer at-
starting
ission, paid
on, paid
-on education
-elegant chic
mment. Call:
030 for more
ation.

or Trailer Driv-
t. Vernon, KY.
have three
on the road
ience. No
ight travel.
have current
with hazard-
material and
or endorse-
i. Drug test is
ired. Call:
)256-5421

ited Cosmetolo-
i. Booth rent.
rences re-
sd. If interested
se send re-
e to: Blind Box
c/o The Sentinel
o, P.O. Box
, London, Ky.
43-0830

Truck Driv-
Dedicated
ss. Must have
ss-A CDL, one
ir verifiable OTR
erience. Con-
t labor. Call be-
e 8pm (606)843-
33

Livestock

ickens-Laying
ns & bantams-
R, Rocks, d'Uc-
i, Wyandotte,
neraucana &
re- Priced to sell-
3 area. Call:
(606)231-3597 be-
een 3-7pm.

**Tools/
Machinery**

381 Massey Fer-
-son M255 with
cader. 2450
ours. \$10,000.
(606)274-4193.

**CALL US
TODAY TO
PLACE YOUR
AD HERE!
878-7400**

| | | |
|--------------------|---------|---------|
| 3 Inch | 14,982 | 1.51% |
| 6 Inch | 239,503 | 24.19% |
| West Laurel | 245,955 | 24.85% |
| East Laurel | 10,347 | 1.05% |
| City of Livingston | 989,902 | 100.00% |

The comparison of the present and proposed rates of the Wood Creek Water District is as follows:

RATE SCHEDULE COMPARISON

| | | EXISTING RATES | | PROPOSED RATES | |
|-----------------------------------|-----------------|----------------|-------------------|----------------|-------------------|
| 5/8 Inch x 3/4 Inch Meter: | | | | | |
| First | 2,000 gallons | \$ 16.43 | Minimum bill | \$ 20.69 | Minimum bill |
| Next | 1,500 gallons | 5.23 | per 1,000 gallons | 6.58 | per 1,000 gallons |
| Next | 1,500 gallons | 4.66 | per 1,000 gallons | 5.87 | per 1,000 gallons |
| Next | 2,500 gallons | 3.92 | per 1,000 gallons | 4.94 | per 1,000 gallons |
| Over | 7,500 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| 1 Inch Meter: | | | | | |
| First | 5,000 gallons | \$ 31.26 | Minimum bill | \$ 39.36 | Minimum bill |
| Next | 2,500 gallons | 3.92 | per 1,000 gallons | 4.94 | per 1,000 gallons |
| Over | 7,500 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| 1 1/2 Inch Meter: | | | | | |
| First | 10,000 gallons | \$ 48.78 | Minimum bill | \$ 61.42 | Minimum bill |
| Over | 10,000 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| 2 Inch Meter: | | | | | |
| First | 20,000 gallons | \$ 79.68 | Minimum bill | \$ 100.32 | Minimum bill |
| Over | 20,000 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| 3 Inch Meter: | | | | | |
| First | 30,000 gallons | \$ 110.58 | Minimum bill | \$ 139.22 | Minimum bill |
| Over | 30,000 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| 6 Inch Meter: | | | | | |
| First | 10,000 gallons | \$ 326.88 | Minimum bill | \$ 411.55 | Minimum bill |
| Over | 100,000 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| Wholesale User Rates: | | | | | |
| East Laurel Water District | | \$ 2.32 | per 1,000 gallons | \$ 2.92 | per 1,000 gallons |
| West Laurel Water Assoc. | | \$ 2.32 | per 1,000 gallons | \$ 2.92 | per 1,000 gallons |
| City Of Livingston | | \$ 2.32 | per 1,000 gallons | \$ 2.92 | per 1,000 gallons |

IMPACT ON AVERAGE CUSTOMER BILL

| Meter Size | Average Usage | Average Bill | | Increase in Average Bill | |
|--------------------|---------------|----------------|-----------------|--------------------------|------------|
| | | Existing Rates | Requested Rates | Amount | Percentage |
| 5/8 Inch | 4,473 | \$ 28.81 | \$ 36.27 | \$ 7.46 | 25.894% |
| 1 Inch | 29,049 | \$ 107.65 | \$ 135.75 | \$ 28.10 | 26.103% |
| 1.5 Inch | 96,892 | \$ 317.28 | \$ 400.30 | \$ 83.02 | 26.186% |
| 2 Inch | 58,091 | \$ 197.38 | \$ 248.57 | \$ 51.49 | 26.087% |
| 3 Inch | 38,783 | \$ 106.82 | \$ 134.57 | \$ 27.75 | 25.978% |
| 6 Inch | 459,564 | \$ 1,190.73 | \$ 1,502.62 | \$ 311.89 | 26.193% |
| West Laurel | 33,264,250 | \$ 77,173.06 | \$ 97,131.61 | \$19,958.55 | 25.862% |
| East Laurel | 34,180,417 | \$ 78,252.17 | \$ 99,749.42 | \$20,496.25 | 25.862% |
| City of Livingston | 1,437,083 | \$ 3,334.03 | \$ 4,196.26 | \$ 862.25 | 25.862% |

The rates contained in this notice are the rates proposed by the Wood Creek Water District; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Notice is further given that any corporation, association, or person with a substantial interest in the matter may, by written request within thirty (30) days after the publication of this notice, request to intervene in the matter before the Public Service Commission. Intervention may be granted beyond the thirty (30) day period for good cause shown. The request should be submitted to the Public Service Commission at its address shown below. Any person who has been granted intervention by the Commission may obtain copies, free of charge, of the application and testimony by contacting Wood Creek Water District at the address below. Any person may examine the rate application and any other filings made by Wood Creek Water District at its offices or at the Public Service Commission at the addresses below.

Persons may also view and download a copy of the rate application through the Public Service Commission's website at psc.ky.gov.

NOTICE

Notice is hereby given that the Wood Creek Water District seeks approval by the Public Service Commission, Frankfort, Kentucky, for an adjustment of rates in the total amount of \$989,688 on an annual basis. The percentage of increase will approximate 25.9 percent to the Wood Creek Water District.

The estimated amount of increase per customer class/meter size is:

| Meter Size | Dollar Increase | Percentage Increase |
|--------------------|-----------------|---------------------|
| 5/8 Inch | 445,853 | 45.04% |
| 1 Inch | 9,819 | 0.99% |
| 1.5 Inch | 996 | 0.10% |
| 2 Inch | 20,852 | 2.11% |
| 3 Inch | 1,595 | 0.16% |
| 6 Inch | 14,982 | 1.51% |
| West Laurel | 239,503 | 24.19% |
| East Laurel | 245,955 | 24.85% |
| City of Livingston | 10,347 | 1.05% |
| Totals | 989,902 | 100.00% |

The comparison of the present and proposed rates of the Wood Creek Water District is as follows:

RATE SCHEDULE COMPARISON

| | | <u>EXISTING RATES</u> | | <u>PROPOSED RATES</u> | |
|-----------------------------------|----------------|-----------------------|-------------------|-----------------------|-------------------|
| 5/8 Inch x 3/4 Inch Meter: | | | | | |
| First | 2,000 gallons | \$ 16.43 | Minimum bill | \$ 20.69 | Minimum bill |
| Next | 1,500 gallons | 5.23 | per 1,000 gallons | 6.58 | per 1,000 gallons |
| Next | 1,500 gallons | 4.66 | per 1,000 gallons | 5.87 | per 1,000 gallons |
| Next | 2,500 gallons | 3.92 | per 1,000 gallons | 4.94 | per 1,000 gallons |
| Over | 7,500 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| 1 Inch Meter: | | | | | |
| First | 5,000 gallons | \$ 31.26 | Minimum bill | \$ 39.36 | Minimum bill |
| Next | 2,500 gallons | 3.92 | per 1,000 gallons | 4.94 | per 1,000 gallons |
| Over | 7,500 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| 1 1/2 Inch Meter: | | | | | |
| First | 10,000 gallons | \$ 48.78 | Minimum bill | \$ 61.42 | Minimum bill |
| Over | 10,000 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |
| 2 Inch Meter: | | | | | |
| First | 20,000 gallons | \$ 79.68 | Minimum bill | \$ 100.32 | Minimum bill |
| Over | 20,000 gallons | 3.09 | per 1,000 gallons | 3.90 | per 1,000 gallons |

3 Inch Meter:

First 30,000 gallons \$ 110.58 Minimum bill \$ 139.22 Minimum bill
 Over 30,000 gallons 3.09 per 1,000 gallons 3.90 per 1,000 gallons

6 Inch Meter:

First 10,000 gallons \$ 326.88 Minimum bill \$ 411.55 Minimum bill
 Over 100,000 gallons 3.09 per 1,000 gallons 3.90 per 1,000 gallons

Wholesale User Rates:

East Laurel Water District \$ 2.32 per 1,000 gallons \$ 2.92 per 1,000 gallons
 West Laurel Water Assoc. \$ 2.32 per 1,000 gallons \$ 2.92 per 1,000 gallons
 City Of Livingston \$ 2.32 per 1,000 gallons \$ 2.92 per 1,000 gallons

IMPACT ON AVERAGE CUSTOMER BILL

| Meter Size | Average Usage | Average Bill | | Increase in Average Bill | |
|--------------------|---------------|----------------|-----------------|--------------------------|------------|
| | | Existing Rates | Requested Rates | Amount | Percentage |
| | | | | | |
| 5/8 Inch | 4,473 | \$ 28.81 | \$ 36.27 | \$ 7.46 | 25.894% |
| 1 Inch | 29,049 | \$ 107.65 | \$ 135.75 | \$ 28.10 | 26.103% |
| 1.5 Inch | 96,892 | \$ 317.28 | \$ 400.30 | \$ 83.02 | 26.166% |
| 2 Inch | 58,091 | \$ 197.38 | \$ 248.87 | \$ 51.49 | 26.087% |
| 3 Inch | 38,783 | \$ 106.82 | \$ 134.57 | \$ 27.75 | 25.978% |
| 6 Inch | 459,564 | \$ 1,190.73 | \$ 1,502.62 | \$ 311.89 | 26.193% |
| West Laurel | 33,264,250 | \$ 77,173.06 | \$ 97,131.61 | \$19,958.55 | 25.862% |
| East Laurel | 34,160,417 | \$ 79,252.17 | \$ 99,748.42 | \$20,496.25 | 25.862% |
| City of Livingston | 1,437,083 | \$ 3,334.03 | \$ 4,196.28 | \$ 862.25 | 25.862% |

The rates contained in this notice are the rates proposed by the Wood Creek Water District; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Notice is further given that any corporation, association, or person with a substantial interest in the matter may, by written request within thirty (30) days after the publication of this notice, request to intervene in the matter before the Public Service Commission. Intervention may be granted beyond the thirty (30) day period for good cause shown. The request should be submitted to the Public Service Commission at its address shown below. Any person who has been granted intervention by the Commission may obtain copies, free of charge, of the application and testimony by contacting Wood Creek Water District at the address below. Any person may examine the rate application and any other filings made by Wood Creek Water District at its offices or at the Public Service Commission at the addresses below.

Wood Creek Water District
 1670 Hal Rogers Parkway
 P.O. Box 726
 London, Kentucky 40743
 Telephone: 606-878-9420

Public Service Commission
 211 Sower Boulevard
 P.O. Box 615
 Frankfort, Kentucky 40602
 Telephone: 502-564-3940

Persons may also view and download a copy of the rate application through the Public Service Commission's website at psc.ky.gov.

EXHIBIT 11

**2010 AUDITED
FINANCIAL STATEMENTS**

Wood Creek Water District
London, Kentucky

Independent Auditors' Report
And Financial Statements
For the Years Ended
December 31, 2010 and 2009

baldwin

CPAs

Wood Creek Water District
Table of Contents

| | <u>Page</u> |
|--|-------------|
| Independent Auditors' Report | 1-2 |
| Management's Discussion and Analysis | 3-5 |
| Basic Financial Statements: | |
| Statements of Net Assets | 6-7 |
| Statements of Revenues, Expenses and Changes in Net Assets | 8 |
| Statements of Cash Flows | 9-10 |
| Notes to Financial Statements | 11-24 |
| Supplemental Information | |
| Departmental Statement of Net Assets - Water Fund | 25-26 |
| Departmental Statement of Revenues, Expenses and Changes in Net Assets - Water Fund | 27 |
| Departmental Statement of Cash Flows - Water Fund | 28-29 |
| Departmental Statement of Net Assets - Sewer Fund | 30 |
| Departmental Statement of Revenues, Expenses and Changes in Net Assets - Sewer Fund | 31 |
| Departmental Statement of Cash Flows - Sewer Fund | 32-33 |
| Internal Control and Compliance: | |
| Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 34 |

Independent Auditors' Report

To the Commissioners
Wood Creek Water District
London, Kentucky

We have audited the accompanying financial statements of Wood Creek Water District as of and for the years ended December 31, 2010 and 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wood Creek Water District as of December 31, 2010 and 2009, and the changes in its financial position and cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2011 on our consideration of Wood Creek Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principals generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operations, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements taken as a whole. The accompanying departmental statements for the water and sewer fund are presented separately for the purpose of additional analysis and are not a required part of the financial statements. The accompanying departmental statements for the water and sewer fund are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records use to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Baldwin CPAs, PLLC

Baldwin CPAs, PLLC
March 29, 2011

Wood Creek Water District
Management's Discussion and Analysis (MD&A)
December 31, 2010 and 2009

This discussion and analysis is intended to be an easily readable analysis of the Wood Creek Water District's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements and notes that follow. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the financial statements and notes.

FINANCIAL HIGHLIGHTS

- In 2010, the District's net assets increased by \$1,366,311 or 6.66%, compared to an increase of \$612,118 or 1.55%, for 2009.
- Additions to capital assets amounted to \$2,170,049 in 2010. Included in this amount is \$913,331 for the Highway East 80 Sewer Project.

OVERVIEW OF FINANCIAL STATEMENTS

This report consists of the Management's Discussion and Analysis, Basic Financial Statements, and supplemental information. The financial statements include notes that explain information included in the Basis Financial Statements.

FINANCIAL STATEMENTS

The financial statements report information utilizing the full accrual basis of accounting and conform to accounting principles that are generally accepted in the United States of America. The Statement of Net Assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The Statement of Revenues, Expenses and Changes in Net Assets presents information showing how the District's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The financial statements also include a Statement of Cash Flows, which presents sources and uses of cash and changes in cash balances during the fiscal year. The MD&A is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

Wood Creek Water District
Management's Discussion and Analysis (MD&A)
December 31, 2010 and 2009

NET ASSETS

A summary of the District's Statement of Net Assets as of December 31, 2010 and 2009, is presented below:

| | 2010 <u>Amount</u> | 2009 <u>Amount</u> | Net Dollar <u>Change</u> | Net Percentage <u>Change</u> |
|---|-----------------------------|-----------------------------|-----------------------------|------------------------------------|
| Current and other assets | \$ 3,262,789 | \$ 3,480,553 | \$ (217,764) | -6.26% |
| Non-current assets | 252,074 | 265,555 | (13,481) | -5.08% |
| Capital assets, net | <u>36,157,177</u> | <u>35,152,183</u> | <u>1,004,994</u> | <u>2.86%</u> |
| Total Assets | <u>\$ 39,672,040</u> | <u>\$ 38,898,291</u> | <u>\$ 773,749</u> | <u>1.99%</u> |
| Long-term debt | \$ 16,682,691 | \$ 17,132,290 | \$ (449,599) | -2.62% |
| Current portion of long-term debt | 479,720 | 516,363 | (36,643) | -7.10% |
| Other liabilities | <u>642,451</u> | <u>748,771</u> | <u>(106,320)</u> | <u>-14.20%</u> |
| Total Liabilities | <u>\$ 17,804,862</u> | <u>\$ 18,397,424</u> | <u>\$ (592,562)</u> | <u>-3.22%</u> |
| Net assets invested in capital net of related debt | \$ 18,994,766 | \$ 17,503,530 | \$ 1,491,236 | 8.52% |
| Restricted for debt service | 195,600 | 174,362 | 21,238 | 12.18% |
| Unrestricted | <u>2,676,812</u> | <u>2,822,975</u> | <u>(146,163)</u> | <u>-5.18%</u> |
| Total Net Assets | <u>\$ 21,867,178</u> | <u>\$ 20,500,867</u> | <u>\$ 1,366,311</u> | <u>6.66%</u> |

Wood Creek Water District
Management's Discussion and Analysis (MD&A)
December 31, 2010 and 2009

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

A summary of the District's Statement of Revenues, Expenses and Changes in Net Assets is presented below:

| | 2010 Amount | 2009 Amount | Net Dollar Change | Net Percentage Change |
|--------------------------|----------------------|----------------------|----------------------|-----------------------------|
| Operating revenue | \$ 4,369,000 | \$ 4,288,004 | \$ 80,996 | 1.89% |
| Non-operating revenue | 2,139,998 | 1,270,231 | 869,767 | 68.47% |
| Total Revenues | \$ 6,508,998 | \$ 5,558,235 | \$ 950,763 | 17.11% |
| Depreciation expense | \$ 1,271,081 | \$ 1,193,562 | \$ 77,519 | 6.49% |
| Other operating expenses | 3,123,817 | 2,996,157 | 127,660 | 4.26% |
| Non-operating expense | 747,789 | 773,107 | (25,318) | -3.27% |
| Total Expenses | \$ 5,142,687 | \$ 4,962,826 | \$ 179,861 | 3.62% |
| Change in net assets | \$ 1,366,311 | \$ 595,409 | \$ 770,902 | 129.47% |
| Beginning net assets | 20,500,867 | 19,905,458 | 595,409 | 2.99% |
| Ending Net Assets | \$ 21,867,178 | \$ 20,500,867 | \$ 1,366,311 | 6.66% |

CAPITAL ASSETS

On December 31, 2010, the District's investment in capital assets, net of depreciation, totaled \$35,157,177 which is an increase of \$1,004,994, or 2.86% over the capital asset balance of \$35,152,183 at December 31, 2009.

LONG-TERM DEBT

As of December 31, 2010, the District had long-term debt of \$17,162,411, compared to \$17,648,653 at December 31, 2009, including current portion. During the year ended December 31, 2010, the District paid \$486,243 of principal payments on long-term debt, compared to \$427,757 paid during 2009.

CONSTRUCTION IN PROGRESS

The District had \$1,330,276 of construction in progress at December 31, 2010, which relates to sewer line construction. The expansion project for Highway East 80 began in 2010.

CONTACT INFORMATION

The District's financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. Questions regarding this report or request for additional information should be addressed to the office manager at Wood Creek Water District, London, Kentucky 40741 or by calling (606) 878-9420.

Wood Creek Water District
 Statements of Net Assets
 December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|---|---------------------|---------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 938,587 | \$ 1,112,456 |
| Investments | 594,001 | 588,487 |
| Receivables, less allowance for doubtful accounts | 527,168 | 519,677 |
| Unbilled accounts receivable | 125,957 | 124,928 |
| Inventories | 832,905 | 899,111 |
| Other current assets | 48,511 | 61,532 |
| Total Current Assets | <u>3,067,129</u> | <u>3,306,191</u> |
| Noncurrent Assets | | |
| Restricted Assets | | |
| Restricted cash and cash equivalents | <u>195,660</u> | <u>174,362</u> |
| Capital Assets | | |
| Land and improvements | 4,095,991 | 3,235,169 |
| Intangible | 21,836 | 21,836 |
| Source of supply and pumping | 1,714,261 | 1,589,535 |
| Water treatment equipment | 16,474,338 | 16,474,339 |
| Transmission and distribution plant | 16,294,342 | 16,129,895 |
| General plant | 2,323,868 | 2,442,314 |
| Collection plant | 4,296,696 | 4,189,324 |
| Pumping plant | 2,349,802 | 2,232,007 |
| Construction in progress | 1,330,276 | 416,945 |
| | <u>48,901,410</u> | <u>46,731,364</u> |
| Accumulated depreciation | <u>(12,744,234)</u> | <u>(11,579,181)</u> |
| Net Capital Assets | <u>36,157,176</u> | <u>35,152,183</u> |
| Other Assets | | |
| Bond issuance costs, net of amortization | <u>252,074</u> | <u>265,555</u> |
| Total Noncurrent Assets | <u>36,604,910</u> | <u>35,592,100</u> |
| Total Assets | <u>39,672,039</u> | <u>38,898,291</u> |

See accompanying notes to financial statements.

| | <u>2010</u> | <u>2009</u> |
|---|----------------------|----------------------|
| Liabilities | | |
| Current Liabilities | | |
| Current portion of long-term debt | \$ 479,720 | \$ 486,243 |
| Accounts payable | 193,687 | 144,749 |
| Accrued interest payable | 367,799 | 377,537 |
| Deferred grant revenue | - | 144,527 |
| Other current liabilities | 55,390 | 55,958 |
| Total Current Liabilities | <u>1,096,596</u> | <u>1,209,014</u> |
| Noncurrent Liabilities | | |
| Customer deposits | 18,425 | 18,290 |
| Unamortized bond premium | 7,150 | 7,710 |
| Long-term debt | 16,682,690 | 17,162,410 |
| Total Noncurrent Liabilities | <u>16,708,265</u> | <u>17,188,410</u> |
| Total Liabilities | <u>17,804,861</u> | <u>18,397,424</u> |
| Net Assets | | |
| Invested in capital assets, net of related debt | 18,994,766 | 17,503,530 |
| Restricted | 195,660 | 174,362 |
| Unrestricted | 2,676,752 | 2,822,975 |
| Total Net Assets | <u>\$ 21,867,178</u> | <u>\$ 20,500,867</u> |

Wood Creek Water District
 Statements of Revenues, Expenses and Changes in Net Assets
 For the Years Ended December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|--|----------------------|----------------------|
| Operating Revenues | | |
| Water sales | \$ 3,814,388 | \$ 3,644,730 |
| Sewer sales | 307,360 | 291,222 |
| Other revenues | <u>247,252</u> | <u>352,052</u> |
| Total Operating Revenues | <u>4,369,000</u> | <u>4,288,004</u> |
| Operating Expenses | | |
| Purchased power | 371,221 | 344,405 |
| Water treatment | 1,189,222 | 1,041,414 |
| Transmission and distribution | 681,783 | 755,992 |
| Administration and customer accounts | 272,186 | 266,804 |
| Administration and general | 230,598 | 212,275 |
| Sewer maintenance and treatment | 365,886 | 362,346 |
| Amortization | 12,921 | 12,921 |
| Depreciation | <u>1,271,081</u> | <u>1,193,562</u> |
| Total Operating Expenses | <u>4,394,898</u> | <u>4,189,719</u> |
| Operating Income (Loss) | <u>(25,898)</u> | <u>98,285</u> |
| Nonoperating Revenues (Expenses) | | |
| Interest income | 4,932 | 13,227 |
| Federal and state grants | 1,977,720 | 957,004 |
| Local grants | 144,527 | 300,000 |
| Gain on disposition of equipment | 12,819 | - |
| Other expenses | (6,420) | (6,386) |
| Interest expense | <u>(741,369)</u> | <u>(766,721)</u> |
| Total Nonoperating Revenues (Expenses) | <u>1,392,209</u> | <u>497,124</u> |
| Change in Net Assets | 1,366,311 | 595,409 |
| Net Assets, Beginning of Year | <u>20,500,867</u> | <u>19,905,458</u> |
| Net Assets, End of Year | <u>\$ 21,867,178</u> | <u>\$ 20,500,867</u> |

Wood Creek Water District
 Statements of Cash Flows
 For the Years Ended December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|--|---------------------|---------------------|
| Cash Flows From Operating Activities | | |
| Receipts from customers | \$ 4,092,628 | \$ 3,778,931 |
| Receipts from other activities | 247,252 | 231,927 |
| Payments to employees | (1,366,365) | (1,393,720) |
| Payments to suppliers | <u>(1,741,495)</u> | <u>(1,455,189)</u> |
| Net Cash Provided by Operating Activities | <u>1,232,020</u> | <u>1,161,949</u> |
| Cash Flows From Noncapital and Related Financing Activities | | |
| Federal, state and local grants | <u>2,122,247</u> | <u>1,917,004</u> |
| Net Cash Provided by Noncapital and Related Financing Activities | <u>2,122,247</u> | <u>1,917,004</u> |
| Cash Flows From Capital and Related Financing Activities | | |
| Purchases of property, plant and equipment | (2,293,808) | (1,658,784) |
| Proceeds from the sale of equipment | 30,550 | - |
| Other activities | (471) | - |
| Principal payments on debt | (486,243) | (1,134,739) |
| Interest payments on debt | (751,107) | (775,301) |
| Miscellaneous non-operating | <u>(9,115)</u> | <u>(15,101)</u> |
| Net Cash Used by Capital and Related Financing Activities | <u>(3,510,194)</u> | <u>(3,583,925)</u> |
| Cash Flows From Investing Activities | | |
| Interest on investments | <u>3,356</u> | <u>13,227</u> |
| Net Cash Provided by Investing Activities | <u>3,356</u> | <u>13,227</u> |
| Net Decrease in Cash and Cash Equivalents | (152,571) | (491,745) |
| Cash and Cash Equivalents at Beginning of Year | <u>1,286,818</u> | <u>1,778,563</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 1,134,247</u> | <u>\$ 1,286,818</u> |
| Reconciliation of cash at the end of the year | | |
| Unrestricted cash | \$ 938,587 | \$ 1,112,456 |
| Restricted cash | <u>195,660</u> | <u>174,362</u> |
| Total cash at the end of the year | <u>\$ 1,134,247</u> | <u>\$ 1,286,818</u> |

Wood Creek Water District
 Statements of Cash Flows (Continued)
 For the Years Ended December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|--|---------------------|---------------------|
| Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities: | | |
| Operating (loss) income | \$ (25,898) | \$ 98,285 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities | | |
| Depreciation | 1,271,081 | 1,193,562 |
| Amortization | 12,921 | 12,921 |
| (Increase) Decrease in: | | |
| Accounts receivable | (7,491) | (53,814) |
| Unbilled accounts receivable | (1,029) | (4,487) |
| Inventory | 66,206 | (17,376) |
| Prepaid expenses and other assets | 12,252 | 641 |
| Increase (Decrease) in: | | |
| Accounts payable | 48,938 | (20,537) |
| Accrued expenses | (433) | 48,163 |
| Deferred grant revenue | (144,527) | - |
| Deferred tap fees | - | (98,720) |
| Net Cash Provided by Operating Activities | <u>\$ 1,232,020</u> | <u>\$ 1,158,638</u> |

Wood Creek Water District
Notes to Financial Statements
December 31, 2010 and 2009

Note 1 – Summary of Significant Accounting Policies

Nature of Operations

Wood Creek Water District, of Laurel County, Kentucky ("District") was created in 1969 under Chapter 74 of the Kentucky Revised Statutes and is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code. The District is governed by a three person board of Commissioners, which is appointed by the Laurel County Fiscal Court, and is regulated by the Kentucky Public Service Commission.

Wood Creek Water District is a rural water utility system whose purpose is to establish, develop and operate a water supply and distribution system for its members and customers in Laurel County, Kentucky. The District also provides sewer services to a specific portion of the Wood Creek Lake watershed area. The District's primary sources of revenue are from water sales and sewer services to its members and customers, including public bodies and local businesses in its service area.

Basis of Accounting, Financial Presentation and Measurement Focus

The basic financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

The District applies all relevant Governmental Accounting Standards Board (GASB) pronouncements, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, in which case, GASB prevails. In addition, the District applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements to its business-type activities.

The Statement of Net Assets and Statement of Revenues, Expenses and Changes in Net Assets display information about the District as a whole. These statements include all funds of the District. The statements distinguish between governmental and business-type activities. The District does not have any governmental activities.

The financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Operating income reported by the District includes revenues and expenses related to the continuing operation of water service for its customers. Principal operating revenues are charges to customers for services. Principal operating expenses are the costs of providing the services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Cash and Cash Equivalents

The District considers demand deposits and certificates of deposits with maturities of 90 days or less to be cash equivalents.

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

Investments

The District is authorized by state statute to invest in: 1) Obligations of the United States and of its agencies and instrumentalities; 2) Bonds or certificates of indebtedness of this state and its agencies and instrumentalities; 3) Shares of any savings and loan insured by an agency of the government of the United States up to the amount so insured; 4) Interest bearing deposits in nationally chartered or state banks chartered in Kentucky and insured by an agency of the government of the United States up to the amount so insured, and in larger amounts provided such bank shall pledge, as security, obligations of the United States government, its agencies and instrumentalities.

The District's investments include certificates of deposits with maturity dates of three months or more. Certificates of deposits in excess of FDIC insurance are collateralized by securities held by the pledging bank.

The District also invests in mutual funds, which are recorded at their fair market value. Securities are traded on a national exchange and valued at the last reported sales price at current exchange rates and investments that do not have an established market are reported at an estimated fair value.

Accounts Receivable

Accounts receivable arise as services are rendered for which collections have not been realized and are carried net of a provision for doubtful accounts. The provision for doubtful accounts is estimated using a percentage of accounts more than 90 days past due. At December 31, 2010 and 2009, the provision for doubtful accounts was \$3,464 and \$9,752, respectively.

Unbilled Receivables

The District estimated unbilled revenues from water sales, on a pro rata basis, at the end of each fiscal year. The estimated amount is based on amounts billed during the following month of the close of the fiscal year.

Prepaid Assets

Payments made that will benefit periods beyond the end of the fiscal year are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase, and an expenditure/expense is reported in the year in which the service is consumed.

Inventory

Inventories of materials and supplies are stated at historical cost. The carrying value is determined on a first-in, first-out basis.

Capital Assets

Capital assets include land, land improvements, buildings, furniture and office equipment, building improvements, machinery, and equipment that have a useful life of more than one reporting period based on the District's capitalization policy. The cost of additions to the utility plant and major replacements of retired property is capitalized, and the cost of repairs, maintenance, and minor replacements is charged to expense. The District defines capital assets as assets with a cost of \$1,000 or more and an estimated

Note 1 - Significant Accounting Policies - (Continued)

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 1 – Significant Accounting Policies - (Continued)

Capital Assets - (Continued)

useful life in excess of one year. Cost includes direct labor, outside services, materials and transportation, employee fringe benefits, and overhead. Interest incurred during construction is capitalized.

The cost and accumulated depreciation of property sold or retired is deducted from capital assets, and any profit or loss resulting from disposal is credited or charged in the non-operating section of the statements of revenues, expenses and changes in net assets. Depreciation has been provided over estimated useful lives of the assets using the straight-line method. The range of useful lives of assets is as follows:

| <u>Asset Classification</u> | <u>Range of Lives</u> |
|---------------------------------------|-----------------------|
| Intangible | 40 years |
| Transmission and distribution mains | 50 years |
| Structures and improvements | 50 years |
| Pumping and water treatment equipment | 25 years |
| Meters, hydrants and services | 20 years |
| Other equipment | 5-10 years |

Long-term Debt and Costs

Long-term debt is recorded at face value. Costs, discounts, and premiums related to the issuance of debt are deferred and amortized over the lives of the various debt issues.

Deferred Revenue

Deferred revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as deferred revenue.

Compensated Absences

Vacation benefits are not accrued beyond any fiscal year. Sick leave benefits may be used to supplement an employee's retirement if the employee is at retirement age or has at least twenty-six years and six months service. At December 31, 2010 and 2009, the District did not record any sick leave accrual and management feels that no sick leave benefits are currently payable.

Customer Deposits

The District collects and holds in escrow a \$60 deposit from customers to insure collection of its water charges. Interest at an annual rate of 1% is paid on these deposits.

Use of Estimates

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

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

Net Assets

Net assets comprise the various net earnings from operating income, non-operating revenues and expenses, and capital contributions. Net assets are classified in the following three components:

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted – This component of net assets consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

Note 2 – Restricted Cash

The District includes all sinking fund deposits, funds required for other debt service, and funds related to specific projects or customer accounts to be restricted. At December 31, 2010 and 2009 restricted cash amounted to \$195,660 and \$174,362, respectively. This includes restrictions for customer deposits of \$0 and \$22,082 and restrictions for debt service of \$195,660 and \$152,280, respectively.

Note 3 – Kentucky Revised Statute

At December 31, 2010 all of the cash of the District was covered by federal depository insurance and securities pledged as collateral on behalf of the District. At December 31, 2009 \$1,292,027 of the cash of the District was covered by federal depository insurance and securities pledged as collateral on behalf of the District. In accordance with Kentucky Revised Statute (KRS) 91A.060, the deposits are to be insured by the Federal Depository Insurance Corporation or collateralized to the extent uninsured by any obligations permitted by KRS 41.240(4). According to KRS 41.240(4), it shall either pledge or provide as collateral securities or other obligations having an aggregate current face value or current quoted market value at least equal to the deposits. According to KRS 91A.060, the District is allowed to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, obligations of the Commonwealth of Kentucky and its agencies, insured savings and loans, or interest bearing deposits of insured national or state banks. For additional cash descriptive information, see Note 1.

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 4 – Custodial Credit Risk - Deposits

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of December 31, 2010 and 2009, \$941,617 and \$1,288,430, respectively, of the District's bank balances of \$1,191,617 and \$1,538,430 were exposed to custodial credit risk as follows:

| | <u>2010</u> | <u>2009</u> |
|--|-------------------|---------------------|
| Uninsured and uncollateralized | \$ - | \$ 246,403 |
| Uninsured and collateral held by pledging bank | 941,617 | 1,042,027 |
| Uninsured and collateral held by pledging bank's trust department not in the District's name | - | - |
| Total | <u>\$ 941,617</u> | <u>\$ 1,288,430</u> |

Note 5 – Investments

As of December 31, 2010 and 2009, the District had the following investments:

| | <u>Rating</u> | <u>Fair Value</u> <u>2010</u> | <u>Fair Value</u> <u>2010</u> |
|--|---------------|----------------------------------|----------------------------------|
| Dreyfus Treasury Prime Cash Management 674 Inv | Not Rated | \$ 48,553 | \$ 47,620 |
| Federated Treasury Obligations Fund - Instl | Not Rated | 494,198 | 489,617 |
| Certificate of Deposit | Not Rated | 51,250 | 51,250 |
| | | <u>\$ 594,001</u> | <u>\$ 588,487</u> |

Mutual funds are liquid assets; therefore, they do not have a maturity date and are classified as current assets.

Interest Rate Risk – Investments. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of Credit Risk – Investments. The District places no limit on the amounts the District may invest in any one fund. More than 10% of the District's investments are in Federated Treasury Obligations Fund – Instl. This investment is 91% of the District's total investments.

Risks and Uncertainties – Investments. The District invests in various mutual funds. Mutual funds are exposed to various risks, such as interest rate, credit, and market risks. Due to the level of risks associated with certain mutual funds, it is at least reasonably possible that changes in the values of mutual funds will occur in the near term and that such changes could materially affect the account balances and the amounts reported in the financial statements.

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 6 - Receivables

At December 31, 2010 and 2009, customer and other accounts receivable are as follows:

| | <u>2010</u> | <u>2009</u> |
|------------------------------|-------------------|-------------------|
| Due from customers | \$ 231,871 | \$ 241,043 |
| Due from related parties | 293,551 | 281,082 |
| Due from others | 4,484 | 6,235 |
| Provision for uncollectibles | <u>(2,738)</u> | <u>(8,683)</u> |
| Total | <u>\$ 527,168</u> | <u>\$ 519,677</u> |

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 7 -- Capital Assets

The following is a summary of capital asset transactions for the year ended December 31, 2010:

| | Balance Dec. 31, 2009 | Additions | Dispositions | Balance Dec. 31, 2010 |
|---------------------------------------|--------------------------|---------------------|------------------|--------------------------|
| Water operations: | | | | |
| Land and improvements | \$ 3,187,161 | \$ 860,822 | - | \$ 4,047,983 |
| Intangible | 21,836 | - | - | 21,836 |
| Source of supply | 1,589,536 | 124,725 | - | 1,714,261 |
| Water treatment plant | 16,474,338 | - | - | 16,474,338 |
| Transmission and distributions | 16,129,894 | 164,447 | - | 16,294,341 |
| General plant | 2,178,231 | 5,313 | (123,759) | 2,059,785 |
| Totals at historical cost | 39,580,996 | 1,155,307 | (123,759) | 40,612,544 |
| Land and improvements | | | | |
| Intangible | (21,215) | (546) | - | (21,761) |
| Source of supply | (777,587) | (59,092) | - | (836,679) |
| Water treatment plant | (2,366,477) | (361,200) | - | (2,727,677) |
| Transmission and distributions | (4,972,255) | (389,112) | - | (5,361,367) |
| General plant | (1,538,257) | (96,927) | 106,028 | (1,529,156) |
| Total accumulated depreciation | (9,675,791) | (906,877) | 106,028 | (10,476,640) |
| Net capital assets - Water | 29,905,205 | 248,430 | 17,731 | 30,135,904 |
| Sewer operations: | | | | |
| Land and improvements | 48,008 | - | - | 48,008 |
| General plant | 264,084 | - | - | 264,084 |
| Collection plant | 4,189,324 | 107,373 | - | 4,296,697 |
| Pumping plant | 2,232,007 | 117,795 | - | 2,349,802 |
| Construction in progress | 416,945 | 913,331 | - | 1,330,276 |
| Totals at historical cost | 7,150,368 | 1,138,499 | - | 8,288,867 |
| Land and improvements | | | | |
| General plant | (155,361) | (19,081) | - | (174,442) |
| Collection plant | (652,790) | (146,733) | - | (799,523) |
| Pumping plant | (1,095,239) | (198,390) | - | (1,293,629) |
| Construction in progress | - | - | - | - |
| Total accumulated depreciation | (1,903,390) | (364,204) | - | (2,267,594) |
| Net capital assets - Sewer | 5,246,978 | 774,295 | - | 6,021,273 |
| Net capital assets - Total | \$ 35,152,183 | \$ 1,022,725 | \$ 17,731 | \$ 36,157,177 |

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 7 – Capital Assets – Continued .

The following is a summary of capital asset transactions for the year ended December 31, 2009:

| | Balance Dec. 31, 2008 | Additions | Dispositions | Balance Dec. 31, 2009 |
|--------------------------------|--------------------------|--------------|----------------|--------------------------|
| Water operations: | | | | |
| Land and improvements | \$ 2,682,285 | \$ 504,876 | - | \$ 3,187,161 |
| Intangible | 21,836 | - | - | 21,836 |
| Source of supply | 1,589,536 | - | - | 1,589,536 |
| Water treatment plant | 16,264,227 | 210,111 | - | 16,474,338 |
| Transmission and distributions | 15,936,717 | 193,177 | - | 16,129,894 |
| General plant | 2,129,485 | 48,746 | - | 2,178,231 |
| Totals at historical cost | 38,624,086 | 956,910 | - | 39,580,996 |
| Land and improvements | - | - | - | - |
| Intangible | (20,669) | (546) | - | (21,215) |
| Source of supply | (721,570) | (56,017) | - | (777,587) |
| Water treatment plant | (2,007,703) | (358,774) | - | (2,366,477) |
| Transmission and distributions | (4,588,898) | (383,357) | - | (4,972,255) |
| General plant | (1,416,370) | (121,887) | - | (1,538,257) |
| Total accumulated depreciation | (8,755,210) | (920,581) | - | (9,675,791) |
| Net capital assets - Water | 29,868,876 | 36,329 | - | 29,905,205 |
| Sewer operations: | | | | |
| Land and improvements | 9,000 | 39,008 | - | 48,008 |
| General plant | 264,084 | - | - | 264,084 |
| Collection plant | 2,955,461 | 1,233,863 | - | 4,189,324 |
| Pumping plant | 1,212,670 | 1,019,337 | - | 2,232,007 |
| Construction in progress | 2,008,478 | 236,472 | (1,828,005) | 416,945 |
| Totals at historical cost | 6,449,693 | 2,528,680 | (1,828,005) | 7,150,368 |
| Land and improvements | - | - | - | - |
| General plant | (136,279) | (19,082) | - | (155,361) |
| Collection plant | (531,707) | (121,083) | - | (652,790) |
| Pumping plant | (962,423) | (132,816) | - | (1,095,239) |
| Construction in progress | - | - | - | - |
| Less accumulated depreciation | (1,630,409) | (272,981) | - | (1,903,390) |
| Net capital assets - Sewer | 4,819,284 | 2,255,699 | (1,828,005) | 8,902,988 |
| Net capital assets - Total | \$ 34,688,160 | \$ 2,292,028 | \$ (1,828,005) | \$ 35,152,183 |

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 8 – Long-term Debt

The District's long-term debt consists of notes payable to Rural Development and Kentucky Rural Water Finance Corporation, which were obtained for various acquisitions of plant and equipment. Additionally, long-term debt also included lease purchases agreements for various equipment purchases.

The following is a summary of long-term debt transactions for the year ended December 31, 2010:

| | <u>Balance</u> <u>Dec. 31, 2009</u> | <u>Additions</u> | <u>Payments</u> | <u>Balance</u> <u>Dec. 31, 2010</u> | <u>Due Within</u> <u>One Year</u> |
|--|--|------------------|-----------------|--|--------------------------------------|
| 5% note payable to the United States Department of Agriculture - Rural Development, due in annual installments, including interest, through January 2020 | \$ 29,500 | \$ - | \$ 2,000 | \$ 27,500 | \$ 2,000 |
| 5% note payable to the United States Department of Agriculture - Rural Development, due in annual installments, including interest, through October 2017 | 91,200 | - | 2,200 | 89,000 | 2,300 |
| 5% note payable to the United States Department of Agriculture - Rural Development, due in annual installments, including interest, through July 2021 | 1,543,000 | - | 24,000 | 1,519,000 | 25,000 |
| 4.375% note payable to the United States Department of Agriculture - Rural Development, due in annual installments, including interest, through October 2045 | 7,091,000 | - | 85,000 | 7,006,000 | 88,000 |
| 4.25% note payable to the United States Department of Agriculture - Rural Development, due in annual installments, including interest, through October 2045 | 708,500 | - | 8,500 | 700,000 | 9,000 |
| 4-5% note payable to the Bank of New York, due in annual installments, including interest, through July 2022 | 455,000 | - | 25,000 | 430,000 | 25,000 |
| 4.12-4.75% note payable to the Kentucky Rural Water Finance Corporation, due in annual installments, including interest, through September 2022 | 232,000 | - | 13,000 | 219,000 | 13,000 |

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 8 – Long-term Debt – Continued

| | | | | | |
|---|----------------------|-------------|-------------------|----------------------|-------------------|
| 2.06-5.06% note payable to the Kentucky Rural Water Finance Corporation, due in annual installments, including interest, through July 2022 | 925,300 | - | 103,100 | 822,200 | 105,100 |
| 2.28-4.405% note payable to the Kentucky Rural Water Finance Corporation, due in annual installments, including interest, through Jan. 2029 | 1,150,000 | - | 38,000 | 1,112,000 | 40,000 |
| 4.09-4.59% note payable to the Kentucky Rural Water Finance Corporation, due in annual installments, including interest, through July 2031 | 3,324,000 | - | 95,000 | 3,229,000 | 100,000 |
| 4.05-4.425% note payable to the Kentucky Rural Water Finance Corporation, due in annual installments, including interest, through July 2036 | 2,008,000 | - | 43,000 | 1,965,000 | 44,000 |
| 4.75% lease agreement with Town and Country, paid in monthly installments of \$1,650, including both principal and interest, through 2011 | 26,982 | - | 18,808 | 8,174 | 8,174 |
| 4.65% lease agreement with John Deere Credit, paid in monthly installments of \$1,618, including both principal and interest, through 2012 | 52,859 | - | 17,323 | 35,536 | 18,146 |
| 6% lease agreement with Komatsu Financial, paid in monthly installment of \$1,644, including both principal and interest, through 2010 | 11,312 | - | 11,312 | - | - |
| | <u>\$ 17,648,653</u> | <u>\$ -</u> | <u>\$ 486,243</u> | <u>\$ 17,162,410</u> | <u>\$ 479,720</u> |

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 8 -- Long-term Debt - Continued

The following is a summary of long-term debt transactions for the year ended December 31, 2009 :

| | <u>Balance</u> <u>Dec. 31, 2008</u> | <u>Additions</u> | <u>Payments</u> | <u>Balance</u> <u>Dec. 31, 2009</u> | <u>Due Within</u> <u>One Year</u> |
|--|--|------------------|-----------------|--|--------------------------------------|
| 5% note payable to the United States Department of Agriculture - Rural Development, due in annual installments, including interest, through January 2020 | \$ 31,500 | \$ - | \$ 2,000 | \$ 29,500 | \$ 2,000 |
| 5% note payable to the United States Department of Agriculture - Rural Development, due in annual installments, including interest, through October 2017 | 93,300 | - | 2,100 | 91,200 | 2,200 |
| 5% note payable to the United States Department of Agriculture - Rural Development, due in annual installments, including interest, through July 2021 | 1,566,000 | - | 23,000 | 1,543,000 | 24,000 |
| 4.375% note payable to the United States Department of Agriculture - Rural Development, due in annual installments, including interest, through October 2045 | 7,172,000 | - | 81,000 | 7,091,000 | 85,000 |
| 4.25% note payable to the United States Department of Agriculture - Rural Development, due in annual installments, including interest, through October 2045 | 717,000 | - | 8,500 | 708,500 | 8,500 |
| 4-5% note payable to the Bank of New York, due in annual installments, including interest, through July 2022 | 480,000 | - | 25,000 | 455,000 | 25,000 |
| 4.12-4.75% note payable to the Kentucky Rural Water Finance Corporation, due in annual installments, including interest, through September 2022 | 245,000 | - | 13,000 | 232,000 | 13,000 |

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 8 – Long-term Debt – Continued

| | | | | | |
|---|----------------------|-------------|-------------------|----------------------|-------------------|
| 2.06-5.06% note payable to the Kentucky Rural Water Finance Corporation, due in annual installments, including interest, through July 2022 | 1,019,500 | - | 94,200 | 925,300 | 103,100 |
| 2.28-4.405% note payable to the Kentucky Rural Water Finance Corporation, due in annual installments, including interest, through Jan. 2029 | 1,186,000 | - | 36,000 | 1,150,000 | 38,000 |
| 4.09-4.59% note payable to the Kentucky Rural Water Finance Corporation, due in annual installments, including interest, through July 2031 | 3,419,000 | - | 95,000 | 3,324,000 | 95,000 |
| 4.05-4.425% note payable to the Kentucky Rural Water Finance Corporation, due in annual installments, including interest, through July 2036 | 2,048,000 | - | 40,000 | 2,008,000 | 43,000 |
| 4.75% lease agreement with Town and Country, paid in monthly installments of \$1,650, including both principal and interest, through 2011 | 44,698 | - | 17,716 | 26,982 | 18,808 |
| 4.65% lease agreement with John Deere Credit, paid in monthly installments of \$1,618, including both principal and interest, through 2012 | 69,397 | - | 16,538 | 52,859 | 17,323 |
| 6% lease agreement with Komatsu Financial, paid in monthly installment of \$1,644, including both principal and interest, through 2010 | <u>30,015</u> | <u>-</u> | <u>18,703</u> | <u>11,312</u> | <u>11,312</u> |
| | <u>\$ 18,121,410</u> | <u>\$ -</u> | <u>\$ 472,757</u> | <u>\$ 17,648,653</u> | <u>\$ 486,243</u> |

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 8 – Long-term Debt - Continued.

The aggregate annual principal and interest repayments on long-term debt are summarized as follows:

| <u>ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|----------------------------|----------------------|----------------------|----------------------|
| 2011 | \$ 479,720 | \$ 662,581 | \$ 1,142,301 |
| 2012 | 487,790 | 644,270 | 1,132,060 |
| 2013 | 498,200 | 625,410 | 1,123,610 |
| 2014 | 513,700 | 605,792 | 1,119,492 |
| 2015 | 544,000 | 585,178 | 1,129,178 |
| 2016-2020 | 2,577,700 | 2,627,012 | 5,204,712 |
| 2021-2025 | 2,768,900 | 2,083,957 | 4,852,857 |
| 2026-2030 | 3,024,700 | 1,519,773 | 4,544,473 |
| 2031-2035 | 2,413,700 | 979,391 | 3,393,091 |
| 2036-2040 | 1,945,000 | 572,677 | 2,517,677 |
| 2041-2045 | 1,909,000 | 173,525 | 2,082,525 |
| | <u>\$ 17,162,410</u> | <u>\$ 11,079,566</u> | <u>\$ 28,241,976</u> |

Note 9 - Services Provided to Other Water Districts

Wood Creek Water District sells water for resale and provides maintenance, construction and office services to West Laurel Water Association, Incorporated and East Laurel Water District. The actual costs of maintenance and construction services are accumulated in specific expense accounts and charges for services are netted against such expense accounts. Wood Creek Water District bills the related water companies for the materials.

Accounts receivable from East Laurel Water District and West Laurel Water Association, Incorporated amounted to \$155,197 and \$138,354 at December 31, 2010, and \$142,892 and \$138,190 at December 31, 2009.

The following is a summary of amounts paid to Wood Creek Water District for water and services:

| | <u>2010</u> | <u>2009</u> |
|---|---------------------|---------------------|
| East Laurel Water District | | |
| Water sales for resale | \$ 961,675 | \$ 917,204 |
| Other services | 688,060 | 685,502 |
| | <u>\$ 1,649,735</u> | <u>\$ 1,602,706</u> |
| West Laurel Water Association, Incorporated | | |
| Water sales for resale | \$ 887,603 | \$ 802,641 |
| Other services | 694,713 | 655,334 |
| | <u>\$ 1,582,316</u> | <u>\$ 1,457,975</u> |

Wood Creek Water District
Notes to Financial Statements (Continued)
December 31, 2010 and 2009

Note 10 - Retirement Plan

The District's full-time employees are covered under the County Employee's Retirement System (CERS), a cost sharing, multiple-employer, public employers' retirement system. Funding for the plan is provided through payroll withholdings of 5% and a District contribution of 16.16% of the employees' total compensation subject to contribution.

The District's total payroll for the year was \$1,768,614 of which \$1,760,104 was covered by CERS. The District's contribution requirement for CERS for the years ended December 31, 2010, 2009, and 2008 were \$283,503, \$262,117, and \$261,537, respectively.

Benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the Plan documents.

The CERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601.

Note 11 - Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters for which the District carries commercial insurance. Insurance coverage is acquired through the District with coverage for East Laurel Water District and West Laurel Water Association, Incorporated for which they both pay their share of the cost. There have been no significant reductions in coverage for the year and settlements have not exceeded coverage in the past three years.

Note 12 - Reclassification

Certain reclassifications have been made to the 2009 financial statement presentation to correspond to current year's format. Total net assets and change in net assets are unchanged due to these reclassifications.

Note 13 - Subsequent Events

Date of Management Evaluation

Management of the District has evaluated subsequent events through March 29, 2011, the date on which the financial statements were available to be issued. No events have occurred subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

Wood Creek Water District
 Departmental Statements of Net Assets - Water Fund
 December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|---|---------------------|--------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 903,243 | \$ 921,159 |
| Investments | 594,001 | 588,487 |
| Accounts receivable, less allowance for doubtful accounts | 477,834 | 467,740 |
| Unbilled accounts receivable | 125,957 | 124,928 |
| Inventories | 743,333 | 834,237 |
| Due from other funds | 45,590 | 15,237 |
| Other current assets | <u>48,511</u> | <u>61,532</u> |
| Total Current Assets | <u>2,938,469</u> | <u>3,013,320</u> |
| Noncurrent Assets | | |
| Restricted Assets | | |
| Restricted cash and cash equivalents | <u>195,660</u> | <u>174,362</u> |
| Capital Assets | | |
| Land and improvements | 4,047,983 | 3,187,161 |
| Intangible | 21,836 | 21,836 |
| Source of supply and pumping | 1,714,261 | 1,589,535 |
| Transmission and distribution plant | 16,294,342 | 16,129,895 |
| General plant | 2,059,784 | 2,178,230 |
| Water treatment expense | 16,474,338 | 16,474,339 |
| Less: accumulated depreciation | <u>(10,476,639)</u> | <u>(9,675,791)</u> |
| Net Capital Assets | <u>30,135,905</u> | <u>29,905,205</u> |
| Other Assets | | |
| Other deferred debts (net of accumulated amortization) | <u>252,074</u> | <u>265,555</u> |
| Total Other Assets | <u>252,074</u> | <u>265,555</u> |
| Total Noncurrent Assets | <u>30,583,639</u> | <u>30,345,122</u> |
| Total Assets | <u>33,522,108</u> | <u>33,358,442</u> |

See accompanying notes to financial statements.

| | <u>2010</u> | <u>2009</u> |
|---|----------------------|----------------------|
| Liabilities | | |
| Current Liabilities | | |
| Current portion of long-term debt | \$ 471,546 | \$ 456,123 |
| Accounts payable | 162,059 | 114,240 |
| Accrued interest payable | 367,799 | 377,537 |
| Due to other funds | 122,535 | 125,830 |
| Other current liabilities | 55,390 | 55,958 |
| Total Current Liabilities | <u>1,179,329</u> | <u>1,129,688</u> |
| Noncurrent Liabilities | | |
| Customer Deposits | 18,425 | 18,290 |
| Unamortized premium on debt | 7,150 | 7,710 |
| Long-term debt | 16,682,690 | 17,154,236 |
| Total Noncurrent Liabilities | <u>16,708,265</u> | <u>17,180,236</u> |
| Total Liabilities | <u>17,887,594</u> | <u>18,309,924</u> |
| Net Assets | | |
| Invested in capital assets, net of related debt | 12,981,669 | 12,294,846 |
| Restricted for payment of long-term debt | 195,660 | 174,362 |
| Unrestricted | 2,457,185 | 2,579,310 |
| Total Net Assets | <u>\$ 15,634,514</u> | <u>\$ 15,048,518</u> |

Wood Creek Water District
 Departmental Statements of Revenues, Expenses and Changes in Net Assets - Water Fund
 For the Years Ended December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|---|----------------------|----------------------|
| Operating Revenues | | |
| Water sales | \$ 3,814,388 | \$ 3,644,730 |
| Other operating income | 144,411 | 141,873 |
| Total Operating Revenues | <u>3,958,799</u> | <u>3,786,603</u> |
| Operating Expenses | | |
| Purchased water | 354,994 | 331,118 |
| Water treatment | 1,189,222 | 1,041,414 |
| Transmission and distribution | 681,783 | 755,992 |
| Administration of customer accounts | 272,186 | 266,002 |
| Administration and general | 226,166 | 200,967 |
| Sewer maintenance and treatment | - | 3,374 |
| Amortization | 12,921 | 12,921 |
| Depreciation | 906,876 | 920,581 |
| Total Operating Expenses | <u>3,644,148</u> | <u>3,532,369</u> |
| Operating Income | <u>314,651</u> | <u>254,234</u> |
| Non-operating Revenues (Expenses) | | |
| Interest income | 4,656 | 11,134 |
| Federal and state grants | 1,000,000 | 709,724 |
| Gain on disposal of equipment | 12,819 | - |
| Interest on long-term debt | (740,182) | (763,615) |
| Miscellaneous | (5,948) | (6,386) |
| Total Non-operating Revenues (Expenses) | <u>271,345</u> | <u>(49,143)</u> |
| Change in Net Assets | 585,996 | 205,091 |
| Net Assets, Beginning of Year | <u>15,048,518</u> | <u>14,843,427</u> |
| Net Assets, End of Year | <u>\$ 15,634,514</u> | <u>\$ 15,048,518</u> |

Wood Creek Water District
 Departmental Statements of Cash Flows - Water Fund
 For the Years Ended December 30, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|---|---------------------|---------------------|
| Cash Flows From Operating Activities | | |
| Receipts from customers | \$ 3,782,665 | \$ 3,608,494 |
| Receipts from other activities | 144,411 | 141,873 |
| Payments to employees | (1,366,365) | (1,393,720) |
| Payments to suppliers | (1,186,844) | (1,230,884) |
| Net Cash Provided by Operating Activities | <u>1,373,867</u> | <u>1,125,763</u> |
| Cash Flows From Noncapital and Related Financing Activities | | |
| Federal, state and local grants | <u>1,000,000</u> | <u>1,369,724</u> |
| Net Cash Provided by Noncapital and Related Financing Activities | <u>1,000,000</u> | <u>1,369,724</u> |
| Cash Flows From Capital and Related Financing Activities | | |
| Purchases of property, plant and equipment | (1,155,309) | (958,109) |
| Proceeds from the sale of equipment | 30,550 | - |
| Loans to sewer fund | (30,353) | (3,313) |
| Payments on loans from sewer fund | (3,295) | - |
| Proceeds received on loan from sewer fund | - | 120,125 |
| Principal payments on debt | (456,123) | (1,098,320) |
| Interest payments on debt | (749,920) | (772,195) |
| Miscellaneous non-operating | (9,113) | (11,788) |
| Net Cash Used by Capital and Related Financing Activities | <u>(2,373,563)</u> | <u>(2,723,600)</u> |
| Cash Flows From Investing Activities | | |
| Interest on investments | <u>3,080</u> | <u>11,137</u> |
| Net Cash Provided by Investing Activities | <u>3,080</u> | <u>11,137</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 3,384 | (216,976) |
| Cash and Cash Equivalents at Beginning of Year | <u>1,095,519</u> | <u>1,312,495</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 1,098,903</u> | <u>\$ 1,095,519</u> |
| Reconciliation of cash at the end of the year | | |
| Unrestricted cash | \$ 903,243 | \$ 921,159 |
| Restricted cash | 195,660 | 174,362 |
| Total cash at the end of the year | <u>\$ 1,098,903</u> | <u>\$ 1,095,521</u> |

Wood Creek Water District
 Departmental Statements of Cash Flows - Water Fund (Continued)
 For the Years Ended December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|---|---------------------|---------------------|
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | | |
| Operating income | \$ 314,651 | \$ 254,234 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | 906,876 | 920,581 |
| Amortization | 12,921 | 12,921 |
| (Increase) Decrease in: | | |
| Accounts receivable | (10,094) | (31,749) |
| Unbilled accounts receivable | (1,029) | (4,487) |
| Inventory | 90,904 | (48,272) |
| Prepaid expenses | 12,252 | 641 |
| Increase (Decrease) in: | | |
| Accounts payable | 47,819 | (26,269) |
| Accrued expenses and other liabilities | (433) | 48,163 |
| | <u>\$ 1,373,867</u> | <u>\$ 1,125,763</u> |
| Net Cash Provided by Operating Activities | <u>\$ 1,373,867</u> | <u>\$ 1,125,763</u> |

Wood Creek Water District
 Departmental Statements of Net Assets - Sewer Fund
 December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|---|---------------------|---------------------|
| Assets | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 35,344 | \$ 191,297 |
| Accounts receivable, less allowance for doubtful accounts | 49,334 | 51,937 |
| Inventories | 89,572 | 64,874 |
| Due from other funds | 122,535 | 125,830 |
| Total Current Assets | <u>296,785</u> | <u>433,938</u> |
| Capital Assets | | |
| Land and improvements | 48,008 | 48,008 |
| General plant | 264,084 | 264,084 |
| Collection plant | 4,296,696 | 4,189,324 |
| Pumping plant | 2,349,802 | 2,232,007 |
| Construction in progress | 1,330,276 | 416,945 |
| Less: accumulated depreciation | <u>(2,267,595)</u> | <u>(1,903,390)</u> |
| Net Capital Assets | <u>6,021,271</u> | <u>5,246,978</u> |
| Total Noncurrent Assets | <u>8,371,073</u> | <u>7,478,985</u> |
| Total Assets | <u>8,667,858</u> | <u>7,912,923</u> |
| Liabilities | | |
| Current Liabilities | | |
| Current portion of long-term debt | \$ 8,174 | \$ 30,120 |
| Accounts payable | 31,628 | 30,509 |
| Deferred grant revenue | - | 144,527 |
| Due to other funds | 45,590 | 15,237 |
| Total Current Liabilities | <u>85,392</u> | <u>220,393</u> |
| Noncurrent Liabilities | | |
| Long-term debt | - | 8,174 |
| Total Noncurrent Liabilities | <u>-</u> | <u>8,174</u> |
| Total Liabilities | <u>85,392</u> | <u>228,567</u> |
| Net Assets | | |
| Invested in capital assets, net of related debt | 6,021,271 | 5,094,277 |
| Unrestricted | 211,393 | 358,072 |
| Total Net Assets | <u>\$ 6,232,664</u> | <u>\$ 5,452,349</u> |

Wood Creek Water District
 Departmental Statements of Revenues, Expenses and Changes in Net Assets - Sewer Fund
 For the Years Ended December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|---|---------------------|---------------------|
| Operating Revenues | | |
| Sewer sales | \$ 307,360 | \$ 291,222 |
| Other operating income | <u>102,841</u> | <u>210,179</u> |
| Total Operating Revenues | <u>410,201</u> | <u>501,401</u> |
| Operating Expenses | | |
| Purchased water | 16,227 | 13,287 |
| Administration of customer accounts | - | 802 |
| Administration and general | 4,432 | 11,308 |
| Sewer maintenance and treatment | 365,886 | 358,972 |
| Depreciation | <u>364,205</u> | <u>272,981</u> |
| Total Operating Expenses | <u>750,750</u> | <u>657,350</u> |
| Operating Loss | <u>(340,549)</u> | <u>(155,949)</u> |
| Non-operating Revenues (Expenses) | | |
| Interest income | 276 | 2,093 |
| Federal and state grants | 977,720 | 247,280 |
| Local grants | 144,527 | 300,000 |
| Interest on long-term debt | (1,187) | (3,106) |
| Miscellaneous | <u>(472)</u> | <u>-</u> |
| Total Non-operating Revenues (Expenses) | <u>1,120,864</u> | <u>546,267</u> |
| Change in Net Assets | 780,315 | 390,318 |
| Net Assets, Beginning of Year | <u>5,452,349</u> | <u>5,062,031</u> |
| Net Assets, End of Year | <u>\$ 6,232,664</u> | <u>\$ 5,452,349</u> |

Wood Creek Water District
 Departmental Statements of Cash Flows - Sewer Fund
 For the Years Ended December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|---|--------------------|-------------------|
| Cash Flows From Operating Activities | | |
| Receipts from customers | \$ 309,963 | \$ 170,437 |
| Receipts from other activities | 102,841 | 90,054 |
| Payments to suppliers | <u>(554,651)</u> | <u>(227,618)</u> |
| Net Cash (Used) Provided by Operating Activities | <u>(141,847)</u> | <u>32,873</u> |
| Cash Flows From Noncapital and Related Financing Activities | | |
| Federal, state and local grants | <u>1,122,247</u> | <u>547,280</u> |
| Net Cash Provided by Noncapital and Related Financing Activities | <u>1,122,247</u> | <u>547,280</u> |
| Cash Flows From Capital and Related Financing Activities | | |
| Purchases of property, plant and equipment | (1,138,499) | (700,675) |
| Principal payments on debt | (30,120) | (36,419) |
| Payments received from loans to water fund | 3,295 | - |
| Proceeds received on loan from water fund | 30,353 | 3,313 |
| Loans to water fund | - | (120,125) |
| Other activities | (471) | - |
| Interest payments on debt | <u>(1,187)</u> | <u>(3,106)</u> |
| Net Cash Used by Capital and Related Financing Activities | <u>(1,136,629)</u> | <u>(857,012)</u> |
| Cash Flows From Investing Activities | | |
| Interest on investments | <u>276</u> | <u>2,093</u> |
| Net Cash Provided by Investing Activities | <u>276</u> | <u>2,093</u> |
| Net Decrease in Cash and Cash Equivalents | (155,953) | (274,766) |
| Cash and Cash Equivalents at Beginning of Year | <u>191,297</u> | <u>466,063</u> |
| Cash and Cash Equivalents at End of Year | <u>\$ 35,344</u> | <u>\$ 191,297</u> |

Wood Creek Water District
 Departmental Statements of Cash Flows - Sewer Fund (Continued)
 For the Years Ended December 31, 2010 and 2009

| | <u>2010</u> | <u>2009</u> |
|--|--------------|--------------|
| Reconciliation of Operating Loss to Net Cash | | |
| Used by Operating Activities: | | |
| Operating Loss | \$ (340,549) | \$ (155,949) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | | |
| Depreciation | 364,205 | 272,981 |
| (Increase) Decrease in: | | |
| Accounts receivable | 2,603 | (22,065) |
| Inventory | (24,698) | 30,896 |
| Increase (Decrease) in: | | |
| Accounts payable | 1,119 | 5,732 |
| Deferred grant revenue | (144,527) | - |
| Deferred tap fees | - | (98,720) |
| | \$ (141,847) | \$ 32,875 |
| Net Cash (Used) Provided by Operating Activities | \$ (141,847) | \$ 32,875 |

Report On Internal Control Over Financial Reporting And On
Compliance And Other Matters Based On An Audit Of Financial Statements
Performed In Accordance With *Government Auditing Standards*

To the Commissioners
Wood Creek Water District
London, Kentucky

We have audited the financial statements of Wood Creek Water District as of and for the years ended December 31, 2010 and 2009, and have issued our report thereon dated March 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wood Creek Water District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are considered to be material weaknesses. We identified no deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wood Creek Water District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*

This report is intended solely for the information and use of the commissioners, management, others within the organization, Public Service Commission, financing agencies, and appropriate government agencies and is not intended to be and should not be used by anyone other than these specified parties.

Baldwin CPAs, PLLC

Baldwin CPAs, PLLC
March 29, 2011

EXHIBIT 12

**INCOME STATEMENT
COMPARISON FOR THE
CALANDAR YEARS 2008, 2009, AND 2010**

| | Annual Report | Annual Report | Difference | | Annual Report | Difference | |
|-------------------------------------|---------------|---------------|--------------|----------|---------------|-------------|----------|
| | 2008 | 2009 | Amount | % | 2010 | Amount | % |
| Operating Revenues: | | | | | | | |
| Revenues - Water | \$ 3,822,025 | \$ 3,644,730 | \$ (177,295) | -4.64% | \$ 3,814,388 | \$ 169,658 | 4.45% |
| Other Operating Revenues: | | | | | | | |
| Misc. Service Revenues | 87,645 | 110,523 | 22,878 | 26.10% | 112,161 | 1,638 | 1.46% |
| Total Operating Rev. | \$ 3,909,670 | \$ 3,755,253 | \$ (154,417) | -3.95% | \$ 3,926,549 | \$ 171,296 | 4.36% |
| Operating Expenses: | | | | | | | |
| Operation & Maintenance: | | | | | | | |
| Salaries & Wages - Emp. | \$ 1,349,525 | \$ 1,386,160 | \$ 36,635 | 2.72% | \$ 1,358,805 | \$ (27,355) | -2.01% |
| Purchased Power | 376,969 | 367,418 | (9,551) | -2.53% | 348,074 | (19,344) | -5.56% |
| Chemicals | 300,513 | 287,365 | (13,148) | -4.38% | 441,196 | 153,831 | 34.87% |
| Materials & Supplies | 552,517 | 365,382 | (187,135) | -33.87% | 310,563 | (54,819) | -17.65% |
| Cont. Services - Acct. | 12,000 | 12,000 | 0 | 0.00% | 12,600 | 600 | 4.76% |
| Cont. Services - Legal | 4,050 | 5,700 | 1,650 | 40.74% | 1,192 | (4,508) | -378.19% |
| Cont. Services - Testing | 10,678 | 1,056 | (9,622) | -90.11% | 1,751 | 695 | 39.69% |
| Transportation | 103,566 | 71,869 | (31,697) | -30.61% | 79,595 | 7,726 | 9.71% |
| Insurance - Vehicle | 22,991 | 22,696 | (295) | -1.28% | 28,270 | 5,574 | 19.72% |
| Insurance - Gen. Liability | 25,039 | 2,537 | (22,502) | -89.87% | 23,173 | 20,636 | 89.05% |
| Insurance - Worker's Comp. | 41,650 | 51,545 | 9,895 | 23.76% | 42,615 | (8,930) | -20.96% |
| Insurance - Other | 23,515 | 46,171 | 22,656 | 96.35% | 70,986 | 24,815 | 34.96% |
| Bad Debt | 17,838 | 14,559 | (3,279) | -18.38% | 20,735 | 6,176 | 29.79% |
| Miscellaneous | 46,804 | 78,723 | 31,919 | 68.20% | 40,195 | (38,528) | -95.85% |
| Total Operation & Maint. | \$ 2,887,655 | \$ 2,713,181 | \$ (174,474) | -6.04% | \$ 2,779,750 | \$ 66,569 | 2.40% |
| Depreciation | 757,539 | 920,581 | 163,042 | 21.52% | 906,876 | (13,705) | -1.51% |
| Taxes Other Than Income: | | | | | | | |
| PSC Assessment | 6,752 | 6,380 | (372) | -5.51% | 5,948 | (432) | -7.26% |
| Other Taxes and Licenses | 886 | 0 | (886) | -100.00% | 0 | 0 | 0.00% |
| Utility Operating Exp. | \$ 3,652,832 | \$ 3,640,142 | \$ (12,690) | -0.35% | \$ 3,692,574 | \$ 52,432 | 1.42% |
| Net Utility Operating Income | \$ 256,838 | \$ 115,111 | \$ (141,727) | -55.18% | \$ 233,975 | \$ 118,864 | 50.80% |
| Other Income & Deductions: | | | | | | | |
| Merchandising Rev. | 1,772,280 | 1,782,726 | 10,446 | 0.59% | 1,861,668 | 78,942 | 4.24% |
| Merchandising Exp. | (1,763,623) | (1,645,618) | 118,005 | -6.69% | (1,806,269) | (160,651) | 8.89% |
| Interest Income | 51,222 | 11,134 | (40,088) | -78.26% | 4,656 | (6,478) | -139.13% |
| Total Other Income & Ded. | \$ 59,879 | \$ 148,242 | \$ 88,363 | 147.57% | \$ 60,055 | \$ (88,187) | -146.84% |
| Net Inc. Available for Debt Service | \$ 316,717 | \$ 263,353 | \$ (53,364) | -16.85% | \$ 294,030 | \$ 30,677 | 10.43% |

EXHIBIT 13

WRITTEN NOTIFICATION OF INTENT

Wood Creek Water District

1670 Hal Rogers Parkway □ London, Kentucky 40743

(606) 928-9808

June 15, 2011

RECEIVED

JUN 17 2011

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
KY Public Service Commission
PO Box 615
Frankfort, KY 40602

Dear Mr. Derouen:

Wood Creek Water District hereby notifies the Public Service Commission, pursuant to 807 KAR 5:001, Section 10(2) and 807 KAR 5:011, Section 8(1), of its intention to file an application for a general adjustment of water rates, using a historical test-period, no sooner than (4) weeks following your receipt of this notice.

Sincerely,



Donta Evans
Superintendent