

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC PROPOSED ADJUSTMENT)
OF THE WHOLESALE WATER SERVICE) **CASE NO. 2017-00417**
RATES OF LEBANON WATER WORKS)

MARION COUNTY WATER DISTRICT'S RESPONSES TO REQUEST FOR
INFORMATION FROM LEBANON WATER WORKS COMPANY
RECEIVED ON MAY 24, 2018

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 1

RESPONSIBLE PARTY: Charles M. White with assistance of counsel

Request 1. Provide a copy of all documents that you intend to use at the hearing.

Response 1. At this time MCWD has not identified any specific documents that it intends to use at a hearing in this matter. MCWD will supplement this response when a decision is made.

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REQUEST 2

RESPONSIBLE PARTY: Charles M. White

Request 2. Provide the name and business address of each individual involved in the preparation of responses to this Request for Information.

Response 2. Charles M. White, CPA, 219 S. Proctor Knott Ave., Lebanon, Kentucky 40033

Joseph A. Montgomery, CPA, 219 S. Proctor Knott Ave., Lebanon, Kentucky 40033

Stephanie A. Abell, CPA, 219 S. Proctor Knott Ave., Lebanon, Kentucky 40033

Jimmy Mudd, General Manager MCWD, 1835 Campbellsville Road, Lebanon, Kentucky 40033

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REQUEST 3

RESPONSIBLE PARTY: Charles M. White, CPA

Request 3. Provide all work papers and calculations that Charles M. White or Marion District used to develop Exhibits CMW 1 through 6. These work papers, calculations, and assumptions are to be in Excel spreadsheet format with all columns and rows unprotected and accessible.

Response 3. There are no additional work papers or calculations other than what has already been provided as Exhibits CMW 1 through 6 attached to the Testimony of Charles M. White.

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REQUEST 4

RESPONSIBLE PARTY: Charles M. White, CPA

Request 4. Provide Mr. White's qualifications and resume.

Response 4. Charles M. White has been employed exclusively in public accounting since he received his Bachelors of Science in Accounting from the University of Kentucky in May of 1973. That is a span of forty-five years. He has been self-employed since opening his office in Lebanon, Kentucky in late 1976. The firm represents clients in all areas of commerce in Central Kentucky. The firm's auditing practice currently makes up approximately 35% of the practice. During the firm's last fiscal year, we issued seventeen audits of local governments and non-profit organizations. The firm has represented the Marion County Water District since approximately 1982. That representation consists of performing the annual audit as well as providing assistance in the preparation of annual reports for the Public Service Commission. The firm has periodically prepared pro-forma financial statements with normalization adjustments required in rate applications.

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REQUEST 5

RESPONSIBLE PARTY: Charles M. White, CPA

Request 5. List each case in which Mr. White has presented testimony to the Commission in either written or oral format.

Response 5. I gave oral testimony to the Commission in the 1980s for a Marion County Water District rate case. For the water district's 2016 rate case, we assisted the water district with preparation and documents at Marion County Water District's request that Kentucky Engineering Group was able to review to assist them with putting the rate case application together. We did not give any formal or written testimony for that case.

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REQUEST 6

RESPONSIBLE PARTY: Charles M. White, CPA

OBJECTION: Counsel

Request 6. Please describe Mr. White's involvement in the preparation of the application and exhibits in Marion District's most recent rate case (Case No. 2016-00163).

Response 6. OBJECTION. Mr. White's involvement (or lack thereof) in the preparation of the application and exhibits in MCWD's 2016 rate case is not relevant to the issues presented in this proceeding and is not likely to lead to the introduction of probative evidence. Without waiving said objection, as noted in Response 5 above, we did not prepare any formal oral or written testimony for the 2016 rate case. The firm did provide Kentucky Engineering Group with information they needed that MCWD needed our assistance in putting together. Two members of our firm also met with Scott Lawless of the PSC when Mr. Lawless was at MCWD conducting his review. This meeting primarily discussed the implementation and impact of GASB Statement No. 68. When the PSC issued their initial ruling and MCWD was allowed to respond, we assisted MCWD with the preparation of that response.

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LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 7

RESPONSIBLE PARTY: Charles M. White, CPA

Request 7. Has Mr. White ever performed a cost of service study for Marion District or any water utility or provider? If so, please provide the cost of service study.

Response 7. No.

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LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 8

RESPONSIBLE PARTY: Charles M. White, CPA

Request 8. Has Mr. White ever performed a cost of service study which focuses on the cost for the Company to provide water to Marion District? If so, provide the cost of service study.

Response 8. No.

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LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 9

**RESPONSIBLE PARTY: Jimmy Mudd, General Manager MCWD
Objection - Counsel**

Request 9. Has Marion District ever had a cost of service study performed which focuses on the cost for the Company to provide water to Marion District? If so, provide the cost of service study.

Response 9. **OBJECTION:** The question is slightly ambiguous. Without waiving said objection, MCWD reads the request as asking whether or not MCWD has performed any cost of service studies in regards to what the cost is for LWWC to provide water service to MCWD. The answer to that question is no.

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REQUEST 10

RESPONSIBLE PARTY: Charles M. White, CPA

Request 10. Does Mr. White prepare audits for any municipally owned utilities or municipals providing water service?

(a) If so, has he prepared or assisted in the preparation of a capitalization policy for any municipal water providers?

(b) If Mr. White has prepared or assisted in the preparation of a capitalization policy, please provide the capitalization policy.

Response 10. No

Response 10(a). No

Response 10(b). Auditors do not prepare capitalization policies for organizations they audit. Governmental and non-profit audits, which are the categories of audit our firm most commonly performs, are conducted in accordance with Government Auditing Standards. As a part of those standards, we are not allowed to prepare capitalization policies for those entities. That is a management decision. We can offer guidance if an organization is inquiring about whether or not a useful life is reasonable and guidance for resources for management to use for

preparing a capitalization policy. The Marion County Water District uses the PSC's guidance for useful lives of assets as they are required to.

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REQUEST 11

RESPONSIBLE PARTY: Charles M. White, CPA

Request 11. Does Mr. White prepare audits for any water districts other than Marion District?

(a) If so, has he prepared or assisted in the preparation of a capitalization policy for any of these water districts?

(b) If Mr. White has prepared or assisted in the preparation of a capitalization policy, please provide the capitalization policy.

Response 11. No

Response 11(a). Not applicable

Response 11(b) Please see Response 10(b) above.

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LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 12

RESPONSIBLE PARTY: Charles M. White, CPA

Request 12. Provide Marion District's capitalization policy.

Response 12. See attached. The Marion County Water District utilizes the attached Figure 1 which is from the 1979 National Association of Regulatory Commissions report for Small Water Utilities because this is the report that the PSC relies upon for small water utilities.

NATIONAL ASSOCIATION OF REGULATORY UTILITY COMMISSIONERS
1102 INTERSTATE COMMERCE COMMISSION BUILDING
CONSTITUTION AVENUE AND TWELFTH STREET, N.W.
POST OFFICE BOX 684, WASHINGTON, D.C. 20044
TELEPHONE (202) 628-7324

DEPRECIATION PRACTICES
FOR SMALL WATER UTILITIES

AUGUST 15, 1979



RECEIVED

AUG 2 1985

DATE

FIGURE 1
Typical Average Service Lives,
Salvage Rates, and Depreciation Rates
Small Water Utilities

NARUC Account Number	Class of Plant	Average Service Life ^{a/} Years	Net Salvage Percent	Depreciation Rate Percent
<u>Source of Supply Plant</u>				
311	Structures and Improvements	35-40		2.9-2.5
312	Collecting & Impounding Reservoirs	50-75		2.0-1.3
313	Lake, River and Other Intakes	35-45		2.9-2.2
314	Wells and Springs	25-35		4.0-2.9
315	Galleries and Tunnels	25-50		4.0-2.0
316	Supply Mains	50-75		2.0-1.3
317	Other Source of Water Supply Plant	30-40		3.3-2.5
<u>Pumping Plant</u>				
321	Structures and Improvements	35-40		2.9-2.5
324-7	Pumping Equipment	20		5.0
328	Other Pumping Plant	25		4.0
<u>Water Treatment Plant</u>				
331	Structures and Improvements	35-40		2.9-2.5
332	Water Treatment Equipment	20-35		5.0-2.9
<u>Transmission and Distribution Plant</u>				
341	Structures and Improvements	35-40		2.9-2.5
342	Reservoirs and Tanks	30-60		3.3-1.7
343	Transmission and Distribution Mains	50-75		2.0-1.3
344	Fire Mains	50-75		2.0-1.3
345	Services	30-50		3.3-2.0
346	Meters	35-45	10	2.6-2.0
347	Meter Installations	40-50		2.5-2.0
348	Hydrants	40-60	5	2.4-1.6
<u>General Plant</u>				
390	Structures & Improvements	35-40		2.9-2.5
391	Office Furniture and Equipment	20-25	5	4.8-3.8
392	Transportation Equipment	7	10	12.9
393	Stores Equipment	20		5.0
394	Tools, Shop & Garage Equipment	15-20	5	6.3-4
395	Laboratory Equipment	15-20		6.7-5.5
396	Power Operated Equipment	10-15	10	9.0-6.0
397	Communication Equipment	10	10	9.0

a/ These lives are intended as a guide; longer or shorter lives should be used where conditions warrant.

**MARION COUNTY WATER DISTRICT
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LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 13

RESPONSIBLE PARTY: Charles M. White, CPA

Request 13. Provide Marion District's annual report to the Commission for 2016.

Response 13. See attached.

24700 Marion County Water District 01/01/2016 - 12/31/2016

Title Page

[REDACTED]						
Water Districts/Associations	[REDACTED]					
Annual Report of	[REDACTED]					
Respondent	MARION COUNTY WATER DISTRICT	1835 CAMPBELLVILLE RD	PO BOX 528	LEBANON	KY	40033

24700 Marion County Water District 01/01/2016 - 12/31/2016

Principal Payment and Interest Information

Amount of Principal Payment During Calendar Year	\$82,576.00
Is Principal Current?	
Is Interest Current?	Y
Has all long-term debt been approved by the Public Service Commission?	

24700 Marion County Water District 01/01/2016 - 12/31/2016

Services Performed by Independent CPA

NAME: [REDACTED] ADDRESS: [REDACTED] CITY: [REDACTED] STATE: [REDACTED] ZIP: [REDACTED]

Are your financial statements examined by a Certified Public Accountant?

Yes No

If yes, which service is performed?

Enter an X on each appropriate line.

Audit

Review

Date of Audit: 5/17/2017

Please enclose a copy of the accountant's report with annual report.

24700 Marion County Water District 01/01/2016 - 12/31/2016

Additional Requested Information

Name of Utility and Web Address	MARION COUNTY WATER DISTRICT	www.marioncountywater.com
Contact Name and Email Address	JEFF PRESTON	mcwdh2o@yahoo.com

24700 Marion County Water District 01/01/2016 - 12/31/2016

Additional Information Required



24700 Marion County Water District 01/01/2016 - 12/31/2016

Major Water Projects

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

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

Brief Project Description: (Improvement, replacement, building, construction, expansion, expansion, provide the estimated number of new customers)

Projected Costs and Funding Sources/Amounts:

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

Location: (community, area or nearby roads)

24700 Marion County Water District 01/01/2016 - 12/31/2016

History-Legal Name (Ref Page: 4)

1. Exact name of utility making this report.

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

MARION COUNTY WATER DISTRICT

24700 Marion County Water District 01/01/2016 - 12/31/2016

History-Location (Ref Page: 4)

Name	Address	City	State	Zip	Phone
Give the location, including street and number, and TELEPHONE NUMBER of the principal office in KY.					
Principal office in KY	MARION COUNTY WATER DISTRICT	1835 CAMPBELLVILLE RD	PO BOX 528	LEBANON	KY 40033 (270) 692-2004
Give name, title, address and TELEPHONE NUMBER of the officer					
Person whom correspondence concerning this report should be addressed					
	JEFF PRESTON	1835 CAMPBELLVILLE RD	PO BOX 528	LEBANON	KY 40033 (270) 692-2004
Location where books are located					
	MARION COUNTY WATER DISTRICT	1835 CAMPBELLVILLE RD	PO BOX 528	LEBANON	KY 40033
Name of the Headquartered County					
	MARION				

24700 Marion County Water District 01/01/2016 - 12/31/2016

History-Date Organized (Ref Page: 4)



Date of Organization

10/9/1969

24700 Marion County Water District 01/01/2016 - 12/31/2016

History-Laws of Organization (Ref Page: 4)

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

Date and Authority for each consolidation and each merger

24700 Marion County Water District 01/01/2016 - 12/31/2016

History-Departments (Ref Page: 4)

State whether respondent is a water district or association		WATER DISTRICT
Name all operating departments other than water		

24700 Marion County Water District 01/01/2016 - 12/31/2016

History - Counties (Ref Page: 5)

Marion, Nelson

24700 Marion County Water District 01/01/2016 - 12/31/2016

History - Number of Employees (Ref Page: 5)

Number of Full-time employees	8
Number of Part-time employees	

24700 Marion County Water District 01/01/2016 - 12/31/2016

Contacts (Ref Page: 6)

Person to send correspondence:						
CHAIRMAN	PRESTON	JEFF	PO BOX 528,			
			LEBANON KY 40033			
Person who prepared this report:						
AUDITOR	WHITE	CHARLES M.	219 S PROCTOR			
			KNOTT AVE			
			LEBANON KY 40033			
Managers						
GENERAL MANAGER	MUDD	JIMMY	PO BOX 528,		\$0.00	
			LEBANON KY 40033			
Officers and Board Members						
CHAIRMAN	PRESTON	JEFF			\$5,100.00	12/31/2020
TREASURER	BROWNING	DONNIE			\$1,950.00	12/31/2019
SECRETARY	THOMAS	EVERETT			\$2,100.00	12/31/2018
COMMISSIONER	MAY	BARBARA			\$2,100.00	12/31/2020
COMMISSIONER	SANDUSKY	BART			\$2,400.00	12/31/2017

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

UTILITY PLANT		
Utility Plant (101-106)	\$18,962,881.00	\$19,270,317.00
Less: Accumulated Depreciation and Amortization (108-110)	\$6,852,250.00	\$7,230,634.00
Net Plant	\$12,110,631.00	\$12,039,683.00
Utility Plant Acquisition Adjustments (Net) (114-115)		
Other Utility Plant Adjustments (116)		
Total Net Utility Plant	\$12,110,641.00	\$12,039,683.00
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)		
Less: Accumulated Depreciation and Amortization (122)		
Net Nonutility Property		
Investment in Associated Companies (123)		
Utility and Other Investments (124-125)		
Sinking Funds (126)		
Other Special Funds (127)	\$650,003.00	\$750,003.00
Total Other Property and Investments	\$650,003.00	\$750,003.00
CURRENT AND ACCRUED ASSETS		
Cash (131)	\$1,927,976.00	\$1,955,926.00
Special Deposits (132)		
Other Special Deposits (133)		
Working Funds (134)		
Temporary Cash Investments (135)		
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	\$153,596.00	\$188,986.00
Accounts Receivable from Associated Companies (145)		
Notes Receivable from Associated Companies (146)		
Materials and Supplies (151-153)	\$126,734.00	\$707,440.00
Stores Expense (161)		
Prepayments (162)	\$15,607.00	\$11,597.00
Accrued Interest and Dividends Receivable (171)	\$836.00	\$1,257.00
Rents Receivable (172)		
Accrued Utility Revenues (173)		

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Misc. Current and Accrued Assets (174)		
Total Current and Accrued Assets	\$2,233,849.00	\$2,233,849.00
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)		
Extraordinary Property Losses (182)		
Preliminary Survey and Investigation Charges (183)		
Clearing Accounts (184)		
Temporary Facilities (185)		
Misc. Deferred Debits (186)	\$67,904.00	\$175,519.00
Research and Development Expenditure (187)		
Total Deferred Debits	\$67,904.00	\$175,519.00
TOTAL ASSETS AND OTHER DEBITS	\$15,652,397.00	\$15,198,609.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

EQUITY CAPITAL		
Appropriated Retained Earnings (214)	\$822,717.00	\$340,084.00
Retained Earnings From Income before contributions (215.1)	\$726,776.00	\$613,142.00
Donated Capital (2152)	\$10,195,660.00	\$10,266,251.00
Total Equity Capital	\$11,745,153.00	\$11,819,477.00
LONG TERM DEBT		
Bonds (221)	\$1,357,000.00	\$1,336,000.00
Required Bonds (222)		
Advances from Associated Companies (223)		
Other Long Term Debt (224)	\$1,615,443.00	\$1,728,961.00
Total Long Term Debt	\$2,972,443.00	\$3,064,961.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)	\$124,679.00	\$119,444.00
Notes Payable (232)		
Accounts Payable to Associated Co. (233)		
Notes Payable to Associated Co (234)		
Customer Deposits (235)	\$34,293.00	\$35,351.00
Accrued Taxes (236)	\$2,816.00	\$2,468.00
Accrued Interest (237)		
Matured Long Term Debt (239)		
Matured Interest (240)		
Tax Collections Payable (241)	\$122,970.00	\$121,975.00
Misc. Current and Accrued Liabilities (242)	\$8,071.00	\$8,908.00
Total Current and Accrued Liabilities	\$232,831.00	\$238,046.00
DEFERRED CREDITS		
Unamortized Premium on Debt (251)		
Advances for Construction (252)		
Other Deferred Credits (253)	\$42,000.00	\$9,025.00
Total Deferred Credits	\$42,000.00	\$9,025.00
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (2611)		

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

	2016	2015
Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
Operating Reserves		
Total Equity Capital and Liabilities	\$15,052,397.00	\$15,199,509.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

Comparative Operating Statement (Ref Page: 11)

UTILITY OPERATING INCOME		
Operating Revenues (400)	\$2,608,051.00	\$2,738,232.00
Operating Expenses (401)	\$2,144,395.00	\$2,221,965.00
Depreciation Expenses (403)	\$462,189.00	\$406,055.00
Amortization of Utility Plant Acquisition Adjustment (406)		
Amortization Expense (407)		
Taxes Other Than Income (408.10-408.13)	\$26,782.00	\$27,098.00
Utility Operating Expenses	\$2,623,368.00	\$2,655,118.00
Utility Operating Income	(\$15,315.00)	\$83,114.00
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)		\$8,266.00
Total Utility Operating Income	(\$15,315.00)	\$91,380.00
OTHER INCOME AND DEDUCTIONS		
Revenues From Merchandising, Jobbing and Contract Work (415)		
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)		
Interest and Dividend Income (419)	\$3,704.00	\$4,764.00
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)	\$38,463.00	\$38,245.00
Miscellaneous Nonutility Expenses (426)		
Total Other Income and Deductions	\$43,167.00	\$43,009.00
TAXES APPLICABLE TO OTHER INCOME		
Taxes Other Than Income (408.20)		
Total Taxes Applic. to Other Income		
INTEREST EXPENSE		
Interest Expense (427)	\$66,575.00	\$63,495.00
Amortization of Debt Discount and Exp. (428)		
Amortization of Premium on Debt (429)		
Total Interest Expense	\$66,575.00	\$63,495.00
EXTRAORDINARY ITEMS		
Extraordinary Gains (433)		
Extraordinary Deductions (434)		

24700 Marlon County Water District 01/01/2016 - 12/31/2016

Comparative Operating Statement (Ref Page: 11)

	2016	2015
Total Extraordinary Items		
NET INCOME BEFORE CONTRIBUTIONS	(68,723.00)	670,924.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

Statement of Retained Earnings (Ref Page: 12)

Description		
Appropriated Retained earnings (214)		
(state balance and purpose of each appropriated amount at year end)		
	CD'S - RESERVE FUND	\$750,003.00
	CASH - RESERVE FUND	\$35,149.00
	CASH - SHORT-LIVED ASSET	\$154,932.00
Total Appropriated Retained Earnings		\$940,084.00
Retained Earnings From Income Before Contributions (215.1)		
	Balance beginning of year	\$659,585.00
	Balance transferred from Net Income Before Contributions (435)	\$70,924.00
Changes to account		
	Appropriations of Retained Earnings (436)	(\$117,367.00)
Adjustments to Retained Earnings (439)		
(requires Commission approval prior to use)		
Credits		
		\$632,142.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Description	Account Code	Grant	Other	Total
Donated Capital (215.2)				
Balance Beginning of the Year	\$3,029,357.00	\$7,175,303.00	\$0.00	\$10,195,660.00
Credits				
Proceeds from capital contributions (432)	\$65,486.00	\$5,111.00	\$0.00	\$70,597.00
Other Credits (explain)				
Debits (explain - requires Commission Approval)				
Balance End of Year	\$3,085,837.00	\$7,180,414.00	\$0.00	\$10,266,251.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Utility Plant in Service (101)	\$19,270,317.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased or Sold (104)	
Construction Work in Progress (105)	
Completed Construction Not Classified (106)	
Total Utility Plant	\$19,270,317.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Balance First of Year	\$6,852,250.00
Credit during year	
Accruals Charged to Account 108.1	\$406,055.00
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Accounts (specify)	
Other Credits	
(specify)	
Total Credits	\$406,055.00
Debit during year	
Book Cost of Plant Retired	\$27,671.00
Cost of Removal	
Other Debits	
(specify)	
Total Debits	\$27,671.00
Balance at End of Year	\$7,230,634.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

Water Utility Plant Accounts (Ref Page: 14)

	Pre- Year (c)	Depreciation (d)	Retirement (e)	Current (f)	Intangible Plant (g)	Supply & Piping	Water Treatment	Inflow and Back	General Plant
Organization (301)									
Land and Land Rights (303)	\$82,077.00	\$5,111.00	\$0.00	\$87,188.00	\$0.00	\$0.00	\$0.00	\$0.00	\$87,188.00
Structures and Improvements (304)	\$265,685.00	\$3,655.00	\$0.00	\$269,171.00	\$0.00	\$0.00	\$0.00	\$0.00	\$269,171.00
Collecting and Impounding Reservoirs (305)									
Lakes, Rivers and Other Intakes (306)									
Wells and Springs (307)									
Infiltration Galleries and Tunnels (308)									
Supply Mains (309)									
Power Generation Equipment (310)									
Pumping Equipment (311)	\$255,433.00	\$236,536.00	\$8,390.00	\$482,579.00	\$0.00	\$482,579.00	\$0.00	\$0.00	\$0.00
Water Treatment Equipment (320)	\$3,239.00	\$0.00	\$0.00	\$3,239.00	\$0.00	\$0.00	\$3,239.00	\$0.00	\$0.00
Distribution Reservoirs and Standpipes (330)	\$2,356,764.00	\$0.00	\$0.00	\$2,356,764.00	\$0.00	\$0.00	\$0.00	\$2,356,764.00	\$0.00
Transmission and Distribution Mains (331)	\$12,245,512.00	\$81,671.00	\$0.00	\$12,327,183.00	\$0.00	\$0.00	\$0.00	\$12,327,183.00	\$0.00
Services (333)	\$521,337.00	\$2,520.00	\$0.00	\$523,857.00	\$0.00	\$0.00	\$0.00	\$523,857.00	\$0.00
Meters and Meter Installations (334)	\$2,547,953.00	\$151,384.00	\$0.00	\$2,599,337.00	\$0.00	\$0.00	\$0.00	\$2,599,337.00	\$0.00
Hydrants (335)	\$75,807.00								
Backflow Prevention Devices (336)		\$750.00	\$0.00	\$76,557.00	\$0.00	\$0.00	\$0.00	\$76,557.00	\$0.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

Water Utility Plant Accounts (Ref Page: 14)

	Prev. Year (c)	Additional (d)	Retirement (e)	Current Yr (f)	Intangible Plant (g)	Supply & Pump	Water Treatment	Tran. and Dist.	General Plant
Other Plant and Misc. Equipment (339)									
Office Furniture and Equip. (340)	\$52,276.00	\$0.00	\$0.00	\$52,276.00	\$0.00	\$0.00	\$0.00	\$0.00	\$52,276.00
Transportation Equipment (341)	\$247,920.00	\$26,181.00	\$19,281.00	\$254,820.00	\$0.00	\$0.00	\$0.00	\$0.00	\$254,820.00
Stores Equipment (342)									
Tools, Shop and Garage Equip. (343)	\$13,176.00	\$272.00	\$0.00	\$13,448.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,448.00
Laboratory Equipment (344)	\$4,619.00	\$0.00	\$0.00	\$4,619.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,619.00
Power Operated Equipment (345)	\$104,038.00	\$0.00	\$0.00	\$104,038.00	\$0.00	\$0.00	\$0.00	\$0.00	\$104,038.00
Communication Equipment (346)	\$125,241.00	\$0.00	\$0.00	\$125,241.00	\$0.00	\$0.00	\$0.00	\$0.00	\$125,241.00
Miscellaneous Equipment (347)									
Other Tangible Plant (348)									
Total Water Plant	\$18,791,224.00	\$506,764.00	\$27,671.00	\$19,270,317.00	\$0.00	\$482,579.00	\$3,239.00	\$17,877,698.00	\$906,801.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

	Bal	Dep Exp	Accr	Chg	Ret	End
Organization (301)						
Land and Land Rights (303)						
Structures and Improvements (304)	\$134,902.00	\$7,049.00	\$0.00	\$0.00	\$0.00	\$141,951.00
Collecting and Impounding Reservoirs (305)						
Lake, River and Other Intakes (306)						
Wells and Springs (307)						
Infiltration Galleries and Tunnels (308)						
Supply Mains (309)						
Power Generating Equipment (310)						
Pumping Equipment (311)	\$191,551.00	\$13,131.00	\$8,390.00	\$0.00	\$0.00	\$196,292.00
Water Treatment Equipment (320)	\$3,239.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,239.00
Distributions Reservoirs and Standpipes (330)	\$726,271.00	\$53,304.00	\$0.00	\$0.00	\$0.00	\$779,575.00
Transmission and Distribution Mains (331)	\$4,283,012.00	\$202,733.00	\$0.00	\$0.00	\$0.00	\$4,485,745.00
Services (333)	\$279,381.00	\$8,364.00	\$0.00	\$0.00	\$0.00	\$287,745.00
Meter and Meter Installations (334)	\$579,193.00	\$88,052.00	\$0.00	\$0.00	\$0.00	\$667,245.00
Hydrants (335)	\$23,177.00	\$1,933.00	\$0.00	\$0.00	\$0.00	\$25,110.00
Backflow Prevention Devices (336)						
Other Plant and Miscellaneous Equipment (339)						
Office Furniture and Equip (340)	\$41,295.00	\$2,063.00	\$0.00	\$0.00	\$0.00	\$43,358.00
Transportation Equipment (341)	\$181,372.00	\$18,186.00	\$19,281.00	\$0.00	\$0.00	\$180,277.00
Stores Equipment (342)						

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

	Balance Beg Yr (a)	Cr Chg Dep Exp (d)	Other Credits (c)	Changes Plant Ret (f)	Other Charges (e)	Balance End Yr (b)
Tools, Shop and Garage Equip (343)	\$12,761.00	\$178.00	\$0.00	\$0.00	\$0.00	\$12,939.00
Laboratory Equipment (344)	\$2,519.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,519.00
Power Operated Equipment (345)	\$80,639.00	\$3,936.00	\$0.00	\$0.00	\$0.00	\$84,575.00
Communication Equipment (346)	\$92,833.00	\$7,126.00	\$0.00	\$0.00	\$0.00	\$99,959.00
Miscellaneous Equipment (347)						
Other Tangible Plant (348)						
Totals	\$6,852,250.00	\$406,055.00	\$27,671.00	\$0.00	\$0.00	\$7,230,634.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

	Description
Balance First of Year	
Credit during year	
Accruals Charged to Account 110.1	
Accruals Charged to Account 110.2	
Other Credits	
(specify)	
Total Credits	
Debit during year	
Book Cost of Plant Retired	
Other Debits	
(specify)	
Total Debits	
Balance end of Year	

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Acquisition Adjustments (114)
(specify)
Total Plant Acquisition Adjustments
Accumulated Amortization (115)
(specify)
Total Accumulated Amortization
Net Acquisition Adjustments

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

SECTION	
Accounts and Notes Receivable	
Customer Accounts Receivable (141)	\$198,456.00
Other Accounts Receivable (142)	
RETURNED CHECKS	\$236.00
OTHER A/R	\$0.00
Total Other Accounts Receivable	\$236.00
Notes Receivable (144)	
Total Notes Receivable	
Total Accounts and Notes Receivable	\$198,452.00
Accumulated Provision for Uncollectible Accounts (143)	
Balance First of Year	\$7,021.00
Add:	
Provision for uncollectibles for current year	\$8,690.00
Collections of account previously written off	\$1,628.00
Other (specify)	
Total Additions	\$8,228.00
Deduct accounts written off during year:	
Other (specify)	\$5,783.00
Total Deductions	\$5,783.00
Balance end of Year	\$9,466.00
Total Accounts and Notes Receivable - Net	\$198,986.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

Investments and Special Funds (Ref Page: 17)

Description (D)	SP	2016	2017
Investment in Associated Companies (123)			
Total Investment in Associated Companies			
Utility Investments (124)			
Total Utility Investments			
Other Investments (125)			
Total Other Investments			
Sinking Funds (126)			
Total Sinking Funds			
Other Special Funds (127)			
RESERVE INVESTMENTS		\$0.00	\$750,003.00
Total Other Special Funds		\$0.00	\$750,003.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Plant Materials and Supplies (151)	\$70,744.00
Other Materials and Supplies (153)	
Total Materials and Supplies	\$70,744.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Description	
Prepaid Insurance	\$16,391.00
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments	
(Spady)	
Total Prepayments	\$16,391.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Miscellaneous Deferred Debits (186)	
Other Deferred Debits (186.2)	\$175,519.00
Total Miscellaneous Deferred Debits	\$175,519.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Unamortized Debt Discount and Expense (181)
Total Unamortized Debt Discount and Expense
Unamortized Premium on Debt (251)
Total Unamortized Premium on Debt

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Account	Description
---------	-------------

Extraordinary Property Losses (182)

(Specify)

Total Extraordinary Property Losses

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Balance First of Year	
Add credits during year	
Deduct charges during year	
Balance end of year	

24700 Marion County Water District 01/01/2016 - 12/31/2016

Long Term Debt (Ref Page: 22)

Description	Original	Issue Date	Term	Rate	Balance	Balance
KIA LOAN PAYABLE	2013	06/1/2034		1.7500	\$8,881.00	\$489,639.00
CITIZENS NATIONAL BANK LOAN PAYABLE	4/2/2013	10/12/2030		3.5000	\$24,879.00	\$688,198.00
NET PENSION LIABILITY				0.0000	\$0.00	\$568,124.00
Total				0.0000	\$33,760.00	\$1,745,961.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

Bonds - Account 221 (Ref Page: 23)

Account	Balance	Debit	Credit	Balance	Debit	Credit
	\$1,433,000.00	\$1,433,000.00	\$1,433,000.00	\$1,336,000.00	\$44,103.00	\$44,103.00
Total	\$1,433,000.00	\$1,433,000.00	\$1,433,000.00	\$1,336,000.00	\$44,103.00	\$44,103.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

Schedule of Bond Maturities (Ref Page: 23)

Bond Number(s)	Maturity Date (B)	Interest Rate (G)	Principal Amt. (D)	Amount Paid (E)	Remaining Bonds Outstanding (F)
SER 2009	2013-2050	3.2500	\$1,357,000.00	\$21,000.00	\$1,336,000.00
Total			\$1,357,000.00	\$21,000.00	\$1,336,000.00

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

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Description	Original Date of Issue	Date of Maturity	Int. Rate	Int. Payment	Principal/Amort. Per. Bal.
Account 232 - Notes Payable					
Total Account 232					
Account 234 - Notes Payable to Associated Companies					
Total Account 234					

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Description	
Show Payable to Each Associated Company Separately	
(Specify)	
Total	

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Balance First of Year	\$2,818.00
Accruals Charged:	
Utility regulatory assessment fees (408.10)	\$6,062.00
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	\$21,036.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total Taxes Accrued	\$27,098.00
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	\$6,062.00
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	\$21,366.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	
Total Taxes Paid	\$27,448.00
Balance end of year	\$2,468.00

24700 Marlon County Water District 01/01/2016 - 12/31/2016

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

	01/01/2016	12/31/2016	01/01/2017	01/01/2017
Long Term Debt:				
U.S. DEPT OF AGRICULTURE	\$0.00	\$29,724.00	\$29,724.00	\$0.00
CITIZENS NATIONAL BANK	\$0.00	\$24,879.00	\$24,879.00	\$0.00
WARRANTY PAYABLE	\$0.00	\$8,892.00	\$8,892.00	\$0.00
Notes Payable:				
	\$0.00	\$0.00	\$0.00	\$0.00
Customer Deposits:				
CUSTOMERS	\$0.00	\$1.00	\$1.00	\$0.00
Other				
Total Acct. No 237	\$0.00	\$63,495.00	\$63,495.00	\$0.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

PERIOD	
OTHER MISCELLANEOUS AND ACCRUED LIABILITIES	58,908.00
Total Miscellaneous Current and Accrued Liabilities	58,908.00

24700 Marion County Water District 01/01/2016 - 12/31/2016
Regulatory Commission Expense(Acct 666 and 667) (Ref Page: 26)

Transaction Description	Account	Debit	Credit	Balance
Total				

24700 Marion County Water District 01/01/2016 - 12/31/2016

Water Operating Revenue (Ref Page: 27)

Operating Revenues			
Unmetered Water Revenue (460)			
Metered Water Revenue (461)			
Sales to Residential Customers (461.1)	5,715	5,745	\$2,063,606.00
Sales to Commercial Customers (461.2)	168	169	\$488,331.00
Sales to Industrial Customers (461.3)			
Sales to Public Authorities (461.4)	5	6	\$24,194.00
Sales to Multiple Family Dwellings (461.5)	8	8	\$15,144.00
Sales through Bulk Loading Stations (461.6)			
Total Metered Sales	5,896	5,927	\$2,610,675.00
Fire Protection Revenue (462) :			
Public Fire Protection (462.1)			
Private Fire Protection (462.2)			
Total Fire Protection Revenue			
Other Sales to Public Authorities (464)			
Sales to Irrigation Customers (465)			
Sales for Resale (466)			
Interdepartmental Sales (467)			
Total Sales of Water	5,896	5,927	\$2,610,675.00
Other Water Revenues			
Guaranteed Revenues (469)			
Forefeiture Discounts (470)			
Miscellaneous Service Revenues (471)			\$36,460.00
Rents from Water Property (472)			\$35,766.00
Interdepartments Rents (473)			
Other Water Revenues (474)			
Total Other Water Revenues			\$127,557.00
Total Water Operating Revenues			\$2,738,232.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (C)	Supply and Exp Op (d)	Supply and Exp Maint (e)	Water Treatment Exp Op (h)	Water Treatment Exp Maint (g)	Trans and Dist Exp Op (i)	Trans and Dist Exp Maint (j)	Customer Accts Exp (l)	Admin and Gen Exp (k)
Salaries and Wages-Employees (601)	\$248,398.00	\$0.00	\$0.00	\$0.00	\$0.00	\$110,216.00	\$31,926.00	\$106,256.00	\$0.00
Salaries and Wages-Officer, Directors and Major Stockholders (603)	\$42,248.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42,248.00
Employee Pensions and Benefits (604)	\$84,389.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$84,389.00
Purchased Water (610)	\$1,530,032.00	\$1,530,032.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Purchased Power (615)	\$37,309.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33,994.00	\$0.00	\$0.00	\$3,315.00
Fuel for Power Production (616)									
Chemicals (618)									
Materials and Supplies (620)	\$133,925.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16,387.00	\$74,660.00	\$24,393.00	\$18,625.00
Contractual Services - Eng. (631)									
Contractual Services - Acct. (632)	\$12,852.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,852.00
Contractual Services - Legal (633)	\$920.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$920.00
Contractual Services - Management Fees (634)									
Contractual Services - Water Testing (635)									
Contractual Services - Other (636)	\$26,465.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26,465.00	\$0.00
Rental of Bld./Real Property (641)									

24700 Marlon County Water District 01/01/2016 - 12/31/2016

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp Op (d)	Supply and Exp Maint (e)	Water Treatment Exp Op (f)	Water Treatment Exp Maint (g)	Trans and Dist Exp Op (h)	Trans and Dist Exp Maint (i)	Customer Acct (j)	Admin and Gen Exp (k)
Rental of Equipment (642)									
Transportation Expenses (650)	\$28,672.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,468.00	\$12,933.00	\$0.00	\$2,771.00
Insurance - Vehicle (656)	\$8,942.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,812.00	\$2,862.00	\$0.00	\$268.00
Insurance - General Liability (657)	\$12,911.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,911.00
Insurance - Worker's Compensation (658)	\$4,580.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,032.00	\$589.00	\$1,959.00	\$0.00
Insurance - Other (659)	\$5,694.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,694.00
Advertising Expenses (660)									
Regulatory Commission Exp - Amortization of Rate Case (666)	\$10,399.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,399.00
Other (667)									
Water Resource Conservation Expense (668)									
Bad Debt (670)	\$5,580.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,580.00	\$0.00
Miscellaneous Expenses (675)	\$28,688.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,680.00	\$13,988.00
Total	\$2,221,965.00	\$1,530,032.00	\$0.00	\$0.00	\$0.00	\$182,328.00	\$122,970.00	\$179,256.00	\$205,178.00

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Month	Water Purchased For Retail (Gals)	Water Pumped from WALS (Gals)	Water Sold to Other (Gals)	Water Sold to Other (Gals)
January	37,309	0	37,309	29,588
February	36,751	0	36,751	28,910
March	36,302	0	36,302	28,910
April	35,932	0	35,932	28,910
May	39,688	0	39,688	30,260
June	44,169	0	44,169	39,186
July	40,877	0	40,877	37,188
August	42,381	0	42,381	37,188
September	36,479	0	36,479	29,846
October	40,251	0	40,251	32,295
November	33,896	0	33,896	32,596
December	33,529	0	33,529	31,785
Total for the year	458,793	0	458,793	382,825

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

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

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

If water is purchased indicate the following:

Vendor:

EBANON WATER WORKS INC & CAMPBELLVILLE WATER & SEWER SYSTEM

Point of Delivery:

MULTIPLE MASTER METERS

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Entity Name	Year	Month	Day	Volume
-------------	------	-------	-----	--------

If water is sold to other water utilities for redistribution, identify all entities with whom the utility has a water sales contract and the maximum quantity the utility is under contract

to provide daily and monthly. Unlimited then list unlimited, otherwise list in thousands of gallons.

24700 Marion County Water District 01/01/2016 - 12/31/2016

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

Company	Galons	Com	100	Rate	Amount	Rate	Amount

24700 Marion County Water District 01/01/2016 - 12/31/2016

Water Statistics (Ref Page: 30)

2016 (G) (10%)	
1. Water Produced, Purchased and Distributed	
2. Water Produced	
3. Water Purchased	458,793
4. Total Produced and Purchased	458,793
6. Water Sales:	
7. Residential	29,255
8. Commercial	85,359
9. Industrial	4,099
10. Bulk Loading Stations	
11. Resale	
12. Other Sales	2,411
13. Total Water Sales	
15. Other Water Used:	
16. Utility/water treatment plant	
17. Wastewater plant	
18. System flushing	18,335
19. Fire department	22
20. Other	
21. Total Other Water Used	18,357
23. Water Loss:	
24. Tank Overflows	
25. Line Breaks	55,367
26. Line Leaks	2,224
27. Other	
28. Total Line Loss	57,611
30. Line 13, Line 21, Line 25, must be on Line 4	
32. Water Loss Percentage	
33. Line 28, must be on Line 4	2,557

24700 Marion County Water District 01/01/2016 - 12/31/2016

Plant Statistics (Ref Page: 31)

Number of fire hydrants, by size	97 - 6 INCH HYDRANTS; 47 - 4 INCH HYDRANTS
Number of private fire hydrants, by size	NONE
If produced whether water supply is river, impounded streams, well, springs, artificial lake, or collector well	RIVER AND ARTIFICIAL LAKE
If produced whether supply is by gravity, pumping or a combination	COMBINATION
Type, capacity, and elevation of reservoirs at overflow and ground level	75,000 GALLON ELEVATED, OVERFLOW ELEVATION 890 FT. & GROUND ELEVATION 788 FT.; 250,000 GALLON ELEVATED, OVERFLOW ELEVATION 890 FT. & GROUND ELEVATION 798 FT.; 218,000 GALLON STANDPIPE, OVERFLOW ELEVATION 1,175 FT. & GROUND ELEVATION 1,145 FT.; 150,000 GALLON STANDPIPE, OVERFLOW ELEVATION 875 FT. & GROUND ELEVATION 805 FT.; 100,000 GALLON STANDPIPE, OVERFLOW ELEVATION 895 FT. & GROUND ELEVATION 805 FT.; 250,000 GALLON STANDPIPE, OVERFLOW ELEVATION 890 FT. & GROUND ELEVATION 852 FT.; 100,000 GALLON ELEVATED, OVERFLOW ELEVATION 1,020 FT. & GROUND ELEVATION 866 FT.; 150,000 GALLON ELEVATED, OVERFLOW ELEVATION 977 FT. & GROUND ELEVATION 881 FT.
Miles of main by size and kind	12 INCH - 12.629 MILES; 6 INCH - 19.871 MILES; 6 INCH - 96.388 MILES; 4 INCH - 124.160 MILES; 3 INCH - 190.177 MILES; 2 INCH - 3,125 MILES
Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min.	NONE BY DISTRICT. WATER SUPPLIED BY LEBANON WATER WORKS INC. & CAMPBELLSVILLE WATER & SEWER SYSTEM.
Type of disinfectant, number of units and capacity in pounds per 24 hours	NONE
Station Equipment. List each pump, giving type and capacity, HP of driving unit and character of driving unit (steam/electric/int. combustion) also whether pump is high/low duty	NONE
Quantity of fuel used: coal in lbs., gas in cu ft. or in gals., and electric in KWH	NONE
Give description and total cost of any sizable additions or retirements to plant and service outside the normal system of growth for the period covered by this report	NONE
Capacity of clear well	NONE
Peak month, in gallons of water sold	JULY 2016
Peak day, in gallons of water sold	UNDETERMINABLE

24700 Marion County Water District 01/01/2016 - 12/31/2016

Plant Statistics - Part B (Ref Page: 31)



Choose one to indicate the type of Water Supply

Purchase

24700 Marlon County Water District 01/01/2016 - 12/31/2016

Plant Statistics - Part C (Ref Page: 31)



Choose one to indicate the type of Water Supply Method

Combination

24700 Marion County Water District 01/01/2016 - 12/31/2016

CheckList

Item	Value 1	Value 2	Agree	Explain
NOTE: Any mention of page numbers or Line items refers to the annual report published and distributed for the 2002 report period.				
Identifications pages (ref.4-6) have been completed.				
Balance Sheet - Assets and Other Debts (ref. pg 7)				
Utility Plant (Accts 101-106) agrees with Sched: Net Utility Plants Accts 101-106 (ref pg 13) Line: Total Utility Plant	19270317.00	19270317.00	OK	
Accts 108-110 Acc. Depreciation and Amort. agrees with Sched: Analysis of Acc. Dep. and Amort. (ref pg 15) Line: Total 301-348 Col h	7230634.00	7230634.00	OK	
Accts 114-115 Utility Plant Acquisition Adjustments agrees with Sched: Utility Plant Aquisition Adjustments (ref pg 16) Line: Net Acquisition Adjustments (114-115)	0	0	OK	
Accts 123 Investment in Assoc. Companies agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total Investment in Associated Companies	0	0	OK	
Accts 124-125 Utility Investments agrees with Sched: Investments and Spec. Funds (ref pg 17) Sum of Lines: 124 Total Utility Investments and 125 Total Other Investments	0	0	OK	
Accts 126 Sinking Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: 126 Total Sinking Funds	0	0	OK	
Accts 127 Other Special Funds agrees with Sched: Investments and Spec. Funds (ref pg 17) Line: Total 127 Other Special Funds	750003.00	750003.00	OK	
Accts 141-144 Accounts and Notes Receivable agrees with Sched: Accts and Notes Receivable (ref pg 18) Line: Net Balance 141-144	188986.00	188986.00	OK	
Accts 151-153 Material and Supplies agrees with Sched: Material and Supplies. (ref pg 19) Line: Total 151-153	70744.00	70744.00	OK	

24700 Marion County Water District 01/01/2016 - 12/31/2016

CheckList

Item	Value 1	Value 2	Agree	Explain
Accts 162 Prepayments agrees with Sched: Prepayments (ref pg 19) Line: Total 162	16391.00	16391.00	OK	
Accts 181 Unamortized Debt Discount and Expense agrees with Sched: Unamortized Debt Discount and Exp. (ref pg 20) Line: Total 181	0	0	OK	
Accts 182 Extraordinary Prop. losses agrees with Sched: Extraordinary Property Losses (ref pg 21) Line: Total 182	0	0	OK	
Accts 186 Misc. Deferred Debits agrees with Sched: Misc. Deferred Debits (ref pg 20) Line: Total 186	175519.00	175519.00	OK	
Balance Sheet - Equity Capitol and Liabilities (ref. pg 9)				
Accts 214 Appropriated Retained Earnings agrees with Sched: Statement of Retained Earnings (ref pg 12) Line: Total Appropriated Retained Earnings 214	940084.00	940084.00	OK	
Accts 215.1 Retained Earnings from Income before Contributions with Sched: Statement of Retained Earnings (ref pg 12) Line: Balance End of Year 215.1	613142.00	613142.00	OK	
Accts 215.2 Donated Capital with Sched: Statement of Retained Earnings (cont. 215.2) (ref pg 12) Line: Balance End of Year 215.2	10266251.00	10266251.00	OK	
Accts 221 Bonds agrees with Sched: Account 221 (ref pg 23) Line: Total Outstanding Bonds Col 4	1336000.00	1336000.00	OK	
Accts 221 Bonds agrees with Sched: Schedule of Bond Maturities (ref pg 23) Line: Total Remaining Bonds (Col 12)	1336000.00	1336000.00	OK	
Accts 224 Other Long Term Debt agrees with Sched: Long Term Debt (ref pg 22) Line: Total Acct 224 col f	1745961.00	1745961.00	OK	
Accts 232 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 232	0	0	OK	

24700 Marion County Water District 01/01/2016 - 12/31/2016

Item	CheckList			Explain
	Value 1	Value 2	Agree	
Accts 233 Accounts Payable to Associated Co. agrees with Sched: Accounts Payable to Assoc. Companies (Accts 233) (ref pg 24) Line: Total Acct 233	0	0	OK	
Accts 234 Notes Payable agrees with Sched: Notes Payable (Accts 232 and 234) (ref pg 24) Line: Total Acct 234	0	0	OK	
Accts 236 Taxes Accrued Balance First of Year agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Beginning Balance	2818.00	2818.00	OK	
Accts 236 Taxes Accrued agrees with Sched: Taxes Accrued (Accts 236) (ref pg 25) Line: Ending Balance	2468.00	2468.00	OK	
Accts 237 Accrued Interest Balance from Prev Year agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance Beginning of Year -Col b	0.0000	0	OK	
Accts 237 Accrued Interest agrees with Sched: Accrued Interest (Accts 237) (ref pg 25) Line: Total 237 Balance End of Year -Col e	0	0.0000	OK	
Accts 242 Misc: Current and Accrued Liabilities agrees with Sched: Misc current and Accrued Liabilities (Accts 242) (ref pg 26) Line: Total Miscellaneous and Current Accrued Liabilities	8908.00	8908.00	OK	
Accts 251 Unamortized Premium on Debt agrees with Sched: Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 - 251) (ref pg 20) Line: Total 251	0	0	OK	
Accts 252 Advances for Construction agrees with Sched: Advances for Construction (Accts 252) (ref pg 21) Line: Total 252	0	0	OK	
Total Equity Capital and Liabilities agrees with Balance Sheet - Assets and Other Debits: Total Assets and Other Debits	15198509.00	15198509.00	OK	
Comparitive Operating Statement (ref pg 10)				

24700 Marlon County Water District 01/01/2016 - 12/31/2016

Item	CheckList			Explain
	Value 1	Value 2	Agree	
Accts 400 Operating Revenues agrees with Sched: Water Operating Revenue (Accts 400) (ref pg 27) Line: Total Water Operating Revenues - Col e	2738232.00	2738232.00	OK	
Accts 401 Operating Expenses agrees with Sched: Water Utility Expense Accounts (ref pg 28) Line: Total Accts (601-675) - Col c	2221965.00	2221965.00	OK	
Accts 408.1 Taxes Other than Income agrees with Schedule Taxes Accrued (Acct 236) (ref pg 26) Sum of Accts 408.10 - 408.13	27098.00	27098.00	OK	
Sum of Accts 408.1 and 408.2 agrees with Sched: Taxes Accrued (Acct 236) (ref pg 25) Line: Total taxes Accrued	27098.00	27098.00	OK	
Accts 427 Interest Expense agrees with Sched: Accrued Interest (Acct 237) (ref pg 25) Line: Total Acct No 237 Col c - Interest Accrued	63495.00	63495.00	OK	
Net Income agrees with Sched: Retained Earnings (Acct 237) (ref pg 12) Line: Balance Transferred from Income (Acct 435)	70924.00	70924.00	OK	
Miscellaenous				
Schedule Net Utility Plant Accts 101 - 106 (ref pg 13) Utility Plant (101) agrees with Sched: Water Utility Plant Accounts (ref pg 14) Line: Total Water Plant Col f - Current Year	19270317.00	19270317.00	OK	
The analysis of water utility plant accounts Cols c through k has been completed (Ref pg 14)				
The analysis of accumulated depreciation and amortization by primary account has been completed. (Ref pg 14)				
Sched: Misc. Deferred Debits (Acct 186) Deferred Rate Case (Acct 186.1) agrees with Sched: Amort. of Rate Case (Acct 665 and 667) (ref pg 26) Line: Total Col c - Amt Transferred to 186.1	0	0	OK	
Schedule of Long Term Debt has been completed (ref pg 22)				

24700 Marion County Water District 01/01/2016 - 12/31/2016

CheckList

Item	Value 1	Value 2	Agree	Explain
Schedule of Bond Maturities has been completed (ref pg 23)				
Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from Operating Revenue (Ref pg 29)				
The analysis of water opertating revenue Cols c,d and e have been completed. (Ref pg 28)				
The analysis of water utility expense accounts Cols c through k have been completed. (Ref pg 28)				
Schedule of Pumping and Purchased Water Statistics has been completed (Ref pg 29)				
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Total (d) agrees with Sched Water Statistics (ref pg 30) Line 4. Total Produced and Purchased Col Gallons	458793	458793	OK	
Sched Pumping and Water Statistics - part one (ref pg 29) Line Total for the year - Col Water Sold(e) agrees with Sched Water Statistics (ref pg 30) Line Total Water Sales Col Gallons	382825	382825	OK	
Sched Sales for Resale (ref pg 30) 466 Total Gal agrees with Sched Water Statistics (ref pg 30) Total Water Sales	0	0	OK	
Oath Page Has been Completed				

24700 Marion County Water District 01/01/2016 - 12/31/2016

Upload supporting documents

Document	Description	Supports
<u>SD_24700_2016_1.pdf</u>	Audit Report	Audit Report

Utility ID: 24700

OATH

Commonwealth of Kentucky)
County of Marion) ss:

Jeff Preston makes oath and says
(Name of Officer)

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

Marion County Water District
(Exact legal title or name of respondent)

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

January 01, 2016, to and including December 31, 2016

Jeff Preston
(Signature of Officer)

subscribed and sworn to before me, a Notary Public, in and for
the State and County named in the above this 19th day of May, 2017

(Apply Seal Here)

My Commission expires 7/8/2019

Mary Grace Mattingly
(Signature of officer authorized to administer oath)

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 14

RESPONSIBLE PARTY: Charles M. White, CPA

Request 14. Provide Marion District's audit report for 2016.

Response 14. See attached.

**MARION COUNTY WATER DISTRICT
AUDIT REPORT
DECEMBER 31, 2016 AND 2015**

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WHITE AND COMPANY, P.S.C.
Certified Public Accountants
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Lebanon, Kentucky 40033
(270) 692-2102
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Charles M. White, CPA
Joseph A. Montgomery, CPA
Stephanie A. Abell, CPA

Email charles.white@whitecpas.com

INDEPENDENT AUDITOR'S REPORT

May 17, 2017

To the Commissioners of the
Marion County Water District

We have audited the accompanying general purpose financial statements of Marion County Water District, Lebanon, Kentucky, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general purpose financial statements of Marion County Water District, Lebanon, Kentucky, as of December 31, 2016 and 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of district's proportionate share of net pension liability on pages 4-7 and 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Marion County Water District, Lebanon, Kentucky's basic financial statements. The Schedules of Operating and Maintenance Expenses and Schedule of Bond Retirements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Operating and Maintenance Expenses and Schedule of Bond Retirements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Operating and Maintenance Expenses and Schedule of Bond Retirements information are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2017, on our consideration of the Marion County Water District, Lebanon, Kentucky's internal control over financial reporting and on our test of its compliance with certain provision 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Marion County Water District, Lebanon, Kentucky's internal control over financial reporting and compliance.

Sincerely,

White and Company, P.S.C.

Certified Public Accountants

**MANAGEMENT'S DISCUSSION AND ANALYSIS
MARION COUNTY WATER DISTRICT
DECEMBER 31, 2016**

Within this section of the Marion County Water District's annual financial report, the District's management provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended December 31, 2016. The District's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

Financial Highlights

- The District's assets and other debits exceeded its liabilities by \$11,819,477 (Net Position) for the fiscal year reported.
- Total net position comprised of the following:
 - (1) Appropriated retained earnings of \$940,084.
 - (2) Retained earnings from income before contributions of \$613,142.
 - (3) Donated capital of \$10,266,251.
- The District's general purpose financial statement's retained earnings from income before contributions decreased by \$46,407 from the previous fiscal year.
- The District's general purpose financial statement's donated capital increased by \$70,591 from the previous fiscal year. Donated capital primarily consists of contributions in aid of construction from federal USDA grant funds, KY Legislature grant funds, and customers for water line construction and projects.

Overview of the Financial Statements

Management's Discussion and Analysis introduces the District's general purpose financial statements. The general purpose financial statements include: (1) Statements of Net Position, (2) Income Statements, (3) Statements of Changes in Net Position, (4) Statements of Cash Flows, and (5) Notes to the Financial Statements. The Statements of Net Position show the total assets, liabilities and net position as of December 31, 2016 and December 31, 2015. The Income Statements depict the difference between the revenues and expenses for the year 2016. The Statements of Changes in Net Position show the change in the appropriated retained earnings and retained earnings from income before contributions. The District includes in this report additional information to supplement the basic financial statements.

The District as a Whole

Statements of Net Position:	<u>2016</u>	<u>2015</u>
Utility Plant	12,039,683	11,938,974
Certificates of Deposit	750,003	650,003
Cash	1,955,926	1,927,076
Net Customer Accounts Receivable	188,986	153,596
Other Current Assets	88,392	143,177
Construction in Progress	-0-	171,667
	<u>2,233,304</u>	<u>2,395,516</u>
Total Current & Accrued Assets		
Deferred Outflows Related to Pensions	<u>175,519</u>	<u>93,305</u>
Total Assets & Deferred Outflows	<u>15,198,509</u>	<u>15,077,798</u>
Net Position		
Appropriated Retained Earnings	940,084	822,717
Retained Earnings from Income before Contributions	613,142	659,585
Donated Capital	<u>10,266,251</u>	<u>10,195,660</u>
Total Net Position	11,819,477	11,677,962
Deferred Inflows Related to Pensions	9,025	0
KIA Loan Payable	465,499	489,639
Citizens National Bank Loan Payable	648,927	688,198
Revenue Bonds Payable	1,314,000	1,337,000
Net Pension Liability	<u>568,124</u>	<u>510,592</u>
Total Long-term Debt	2,996,550	3,025,429
KIA Loan Payable	24,140	23,723
Citizens National Bank Loan Payable	39,271	37,853
Revenue Bonds Payable	22,000	20,000
Other Current and Accrued Liabilities	<u>288,046</u>	<u>292,831</u>
Total Current and Accrued Liabilities	373,457	374,407
Total Net Position & Liabilities	<u>15,198,509</u>	<u>15,077,798</u>

Other current assets decreased by \$54,785, a decrease of (38.26%). Major increases include total assets and deferred outflows, which increased \$120,711 (0.80%), cash, which increased \$28,850 (1.50%) and net utility plant, which increased \$100,709 (0.84%) from the previous fiscal year.

Income Statement:

	<u>2016</u>	<u>2015</u>
Operating Revenue		
Water Revenue	2,610,675	2,485,829
Other Operating Revenue	<u>91,789</u>	<u>85,343</u>
Total Operating Revenue	2,702,464	2,571,172
Operating Expenses		
Purchased Water	1,530,032	1,459,693
Other Operation & Maintenance Expenses	719,031	778,675
Depreciation	<u>406,055</u>	<u>452,189</u>
Total Operating Expenses	<u>2,655,118</u>	<u>2,690,557</u>
Operating Income	47,346	(119,385)
Other Income	87,073	80,046
Other Expenses - Interest	<u>63,495</u>	<u>66,575</u>
Net Income Before Contributions	<u>70,924</u>	<u>(105,914)</u>
Retained Earnings From Income Before Contributions		
Beginning Balance	659,585	727,499
Transfer to/from Appropriated Retained Earnings	<u>(117,367)</u>	<u>38,000</u>
Ending Balance	<u>613,142</u>	<u>659,585</u>

Operating revenues budgeted for 2016 were \$2,631,000. Operating revenues for 2016 were \$2,702,464, which was \$71,464 more than the budgeted amount. Actual operating revenues increased \$131,292 from the prior year. Total operation and maintenance expenses before depreciation budgeted for 2016 were \$2,281,400. Total operation and maintenance expenses before depreciation for 2016 were \$2,249,063, which was \$32,337 less than the budgeted amount. Actual operating expenses before depreciation decreased \$35,439 from the prior year.

Net income before contributions increased by \$176,838 as compared to 2015.

Utility Plant and Debt Administration

Additions to Utility Plant were \$335,097. Accumulated depreciation increased \$406,055 causing a total increase in the District's Utility Plant of \$70,958. For a detail of Utility Plant, see Note C.

	Utility Plant (Net of Accumulated Depreciation)
Land	\$ 87,188
Construction in Progress	-0-
Distribution Plant	11,700,560
General Plant	251,935
Total Utility Plant	<u>12,039,683</u>

At year-end, the District had a net pension liability of \$568,124. At year-end, the District had a balance owed of \$489,639 for the KIA loan. At year-end, the district had a balance owed of \$688,198 for the Citizens National Bank loan. At year-end the District had \$1,336,000 in outstanding revenue bonds payable. The total pension liability, bonds, and loans payable at year end were \$3,081,961, versus \$3,107,005 the previous year, a decrease of \$25,044 (.81%). For a breakdown of the District's current and long-term debt, see Notes D, E, F, G and H and the supplemental financial information provided within this report.

Future Projections

The projections for the District for 2017 will entail the continuation of the radio read meter change out program. As of January 1, 2017, the District has changed out approximately 5,300 meters in this program. The District currently has 600 radio read meters in inventory to be changed out in 2017. All new purchases of radio read meters will come from District funds, since all contingency funds from past projects have been depleted. The District will complete the meter change out to all radio read meters by the end of 2017.

Going forward, the District will proceed to acquire funds to replace some of its aging infrastructure. The District has plans to upgrade the St. Rose Road pump station, which serves approximately 600 customers. The District also has plans to build a new 500,000 gallon elevated tank on or near the Lebanon Bypass. Funding for this tank may be in the form of a Rural Development loan and grant combination. The District will be working with Makers Mark to install an 8 inch main line from the Highway 49 & Highway 52 intersection along Highway 52 to Makers Mark to meet their future water needs.

Statement of Net Position
 December 31, 2016 and 2015

Assets and Other Debits

	<u>2016</u>	<u>2015</u>
Utility Plant (Notes A-3 and C)	12,039,683	11,938,974
Construction in Progress	<u>0</u>	<u>171,667</u>
Total Utility Plant	12,039,683	12,110,641
Other Property and Investments		
Certificates of Deposit - Citizens National Bank	<u>750,003</u>	<u>650,003</u>
Total Other Property and Investments	750,003	650,003
Current and Accrued Assets		
Cash (Note B)	1,955,926	1,927,076
Customer Accounts Receivable, Net of Allowance of 9,467 and 7,021	188,986	153,596
Materials and Supplies Inventory (Note A-2)	70,744	126,734
Prepaid Insurance	16,391	15,607
Accrued Interest Receivable	<u>1,257</u>	<u>836</u>
Total Current and Accrued Assets	<u>2,233,304</u>	<u>2,223,849</u>
Deferred Outflows Related to Pensions	<u>175,519</u>	<u>93,305</u>
Total Assets and Deferred Outflows	<u><u>15,198,509</u></u>	<u><u>15,077,798</u></u>

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

Marion County Water District
Lebanon, Kentucky

Statement of Net Position
December 31, 2016 and 2015

Net Position and Liabilities

	<u>2016</u>	<u>2015</u>
Net Position as Restated for 2016		
Appropriated Retained Earnings (Note D)	940,084	822,717
Retained Earnings from Income before Contributions	613,142	659,585
Donated Capital	<u>10,266,251</u>	<u>10,195,660</u>
Total Net Position	11,819,477	11,677,962
Deferred Inflows Related to Pensions	9,025	0
Long-Term Debt		
KIA Loan Payable (Note D)	465,499	489,639
Citizens National Bank Loan Payable (Note E)	648,927	688,198
Revenue Bonds Payable (Note G)	1,314,000	1,337,000
Net Pension Liability	<u>568,124</u>	<u>510,592</u>
Total Long-Term Debt	2,996,550	3,025,429
Current and Accrued Liabilities		
KIA Loan Payable (Note D)	24,140	23,723
Citizens National Bank Loan Payable (Note E)	39,271	37,853
Revenue Bonds Payable (Note G)	22,000	20,000
Accounts Payable - Trade	119,444	124,679
Accrued County Retirement	6,417	6,050
Accrued Unemployment	506	747
Customer Deposits	35,351	34,293
Other Accrued Liabilities	<u>126,328</u>	<u>127,062</u>
Total Current and Accrued Liabilities	<u>373,457</u>	<u>374,407</u>
Total Net Position, Deferred Inflows, and Liabilities	<u><u>15,198,509</u></u>	<u><u>15,077,798</u></u>

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

Statements of Income
Years Ended December 31, 2016 and 2015

	<u>2016</u>	Percent of Revenue	<u>2015</u>	Percent of Revenue
Operating Revenue				
Metered Sales Residential	2,083,006	77.1%	2,050,941	79.8%
Metered Sales Commercial	488,331	18.1%	398,159	15.5%
Metered Sales Schools	24,194	0.9%	22,286	0.9%
Metered Sales Multi-Family	15,144	0.6%	14,443	0.6%
Miscellaneous Service	36,460	1.3%	37,580	1.5%
Late Charges	<u>55,329</u>	<u>2.0%</u>	<u>47,763</u>	<u>1.9%</u>
Total Operating Revenue	2,702,464	100.0%	2,571,172	100.0%
Operating Expenses				
Operation & Maintenance Expense	2,249,063	83.2%	2,238,368	87.1%
Depreciation	<u>406,055</u>	<u>15.0%</u>	<u>452,189</u>	<u>17.6%</u>
Total Operating Expenses	2,655,118	98.2%	2,690,557	104.6%
Operating Income (Loss)	47,346	1.8%	(119,385)	-4.6%
Other Income				
Interest Income	4,794	0.2%	3,704	0.1%
Collection Fees	36,045	1.3%	37,589	1.5%
Gain (Loss) from Sale of Asset	8,266	0.3%	0	0.0%
Misc. Non-Operating Income	<u>37,968</u>	<u>1.4%</u>	<u>38,753</u>	<u>1.5%</u>
Total Other Income	87,073	3.2%	80,046	3.1%
Other Expenses				
Interest on Long-Term Debt	63,484	2.3%	66,534	2.6%
Other Interest	<u>11</u>	<u>0.0%</u>	<u>41</u>	<u>0.0%</u>
Total Other Expenses	63,495	2.3%	66,575	2.6%
Net Income (Loss) before Contributions	<u>70,924</u>	<u>2.6%</u>	<u>(105,914)</u>	<u>-4.1%</u>

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

Statements of Changes in Net Position
 Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Appropriated Retained Earnings		
Balance - Beginning of Year	822,717	860,717
Transfer to/from Retained Earnings from Income before Contributions	<u>117,367</u>	<u>(38,000)</u>
Balance - End of Year	<u><u>940,084</u></u>	<u><u>822,717</u></u>
Retained Earnings from Income before Contributions		
Balance - Beginning of Year (2015 Restated - Note D)	659,585	727,499
Net Income (Loss) for the Year	70,924	(105,914)
Transfer to/from Appropriated Retained Earnings	<u>(117,367)</u>	<u>38,000</u>
Balance - End of Year	<u><u>613,142</u></u>	<u><u>659,585</u></u>

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

Marion County Water District
Lebanon, Kentucky

Statements of Cash Flows
For the Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Receipts from Users	2,703,119	2,612,722
Payments to Employees	(411,709)	(411,949)
Payments to Suppliers for Goods and Services	<u>(1,803,011)</u>	<u>(1,798,157)</u>
Net Cash Provided by Operating Activities	488,399	402,616
Cash Flows from Capital and Related Financing Activities:		
Capital Contributions	70,591	47,487
Proceeds from Sale of Fixed Assets	8,266	0
Principal Payments on Long-term Debt	(82,576)	(78,995)
Interest Payments	(63,495)	(66,575)
Payments for Capital Projects	<u>(335,097)</u>	<u>(333,333)</u>
Net Cash Used in Capital and Related Financing Activities	(402,311)	(431,416)
Cash Flows from Investing Activities:		
Interest Income Received	4,794	3,704
Rent and Other Income	37,968	38,753
Purchase of Certificate of Deposit	<u>(100,000)</u>	<u> </u>
Net Cash (Used in) Provided by Investing Activities	(57,238)	42,457
Cash and Investments, Beginning	<u>1,927,076</u>	<u>1,913,419</u>
Cash and Investments, Ending	<u><u>1,955,926</u></u>	<u><u>1,927,076</u></u>

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

Statements of Cash Flows - (Continued)
For the Years Ended December 31, 2016 and 2015

Reconciliation of Net Income to Net Cash Provided by Operating Activities

	2016	2015
Net Income	70,924	(105,914)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	406,055	452,189
Gain on Sale of Asset	(8,266)	0
Interest on Debt	63,495	66,575
Misc. Non-Operating Income	(37,968)	(38,753)
Interest Income	(4,794)	(3,704)
Changes in Current Assets & Liabilities:		
Accounts Receivable	(35,390)	3,961
Materials & Supplies Inventory	55,990	(22,455)
Other Assets	(1,205)	(2,023)
Accounts Payable	(5,235)	10,178
Other Liabilities	450	(8,290)
Increase in Net Pension Liability	57,532	144,157
Increase in Deferred Outflows Related to Pensions	(82,214)	(93,305)
Increase in Deferred Inflows Related to Pensions	9,025	0
Net Cash Provided by Operating Activities	488,399	402,616

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

Notes to Financial Statements

Nature of Operations:

Marion County Water District is a special district of Marion County, Kentucky. It operates a water distribution system in Marion County and southern Nelson County. Water is purchased from the Lebanon Water Company and Campbellsville Water Company and resold to more than 5,900 customers in Marion and Nelson Counties.

Significant Accounting Policies:

- A. The following is a summary of the significant accounting policies of the Marion County Water District:
1. Assets and liabilities and revenues and expenses are recognized on the accrual basis of accounting.
 2. Inventory is recorded at cost.
 3. Utility plant is stated at cost less accumulated depreciation computed on a straight-line method. The distribution plant assets are depreciated mainly over 62.5 years. The general plant assets are depreciated over their estimated useful lives from five to ten years.
 4. Four funds are set up on the company's books: revenue fund, operation and maintenance fund, reserve fund, and sinking fund. All income is deposited to the revenue fund. Funds are transferred monthly from the revenue fund to the operation and maintenance fund sufficient to pay the general expenses of the water system. Transfers are made from the revenue fund to the reserve fund as stipulated by the bond agreements. Contributions in aid of construction are deposited directly to the reserve fund. Transfers from the revenue fund to the sinking fund are made to sufficiently meet the required bond and interest payments to the U S Department of Agriculture-Rural Development.
 5. The District invests its reserves in short-term certificates of deposits with local financial institutions. All certificates of deposit are considered to be cash equivalents.
 6. Operating revenues include all utility service related revenues primarily derived from distributing water to Marion County and Nelson County residents. Non-operating revenues include revenues from rents, outside billings, interest, and other miscellaneous, non-operating revenues.
 7. When the District incurs an expense for which both restricted and unrestricted net assets are available, the District's policy is to expend restricted net assets to the extent available first and then to expend unrestricted net assets.

B. Cash:

At year end the carrying amount of the District's cash and cash equivalents was \$2,705,929. Of the total cash, \$1,100,005 was covered by Federal Depository Insurance and \$1,605,924 was covered by collateral agreements and collateral held by the pledging banks' trust departments in the District's name.

Notes to Financial Statements (Continued)

B. Cash (Continued):

Bond documents require the maintenance of certain accounts that are restricted as to withdrawal. Included in cash at December 31, 2016 and 2015, were the following restricted funds:

	<u>2016</u>	<u>2015</u>
Reserve Funds	35,149	22,757
Short-Lived Asset Account	<u>154,932</u>	<u>149,957</u>
Total	<u>190,081</u>	<u>172,714</u>

C. Utility Plant:

The following represents the amount of utility plant as of December 31, 2015 and 2016:

	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable Assets:				
Land	82,077	5,111	0	87,188
Construction in Progress	171,667	(171,667)	0	0
Depreciable Assets:				
Distribution Plant	17,896,806	471,862	8,390	18,360,278
General Plant	<u>812,341</u>	<u>29,791</u>	<u>19,281</u>	<u>822,851</u>
	18,962,891	335,097	27,671	19,270,317
Less: Accumulated Depreciation	<u>(6,852,250)</u>	<u>(406,055)</u>	<u>(27,671)</u>	<u>(7,230,634)</u>
	<u>12,110,641</u>	<u>(70,958)</u>	<u>0</u>	<u>12,039,683</u>

\$ 0 and \$0 of interest were capitalized during the years ended December 31, 2016 and 2015, respectively.

D. KIA Loan Payable:

During 2013, Marion County Water District upgraded the Highway 84 water line. During 2014, additional loan funds totaling \$68,276 were utilized for the Kentucky 49 at Bradfordsville project. These projects were funded by a Kentucky Infrastructure Authority (KIA) loan. The total loaned to the District was \$548,180, and the loan has a fixed interest rate of 1.75%. As of December 31, 2016, the KIA Loan has a balance owed of \$489,639.

Maturities for the next five years are as follows:

<u>Year</u>	<u>Interest</u>	<u>Principal</u>
2017	8,464	24,140
2018	8,039	24,564
2019	7,607	24,996
2020	7,168	25,435
2021	6,721	25,882
Thereafter	<u>42,920</u>	<u>364,622</u>
	<u>80,919</u>	<u>489,639</u>

Notes to Financial Statements (Continued)

E. Citizens National Bank Loan Payable

On April 12, 2013, Marion County Water District refinanced three outstanding revenue bonds into one loan with Citizen's National Bank with a principal balance of \$820,000 at a fixed 3.5% interest rate. The loan requires monthly payments of \$5,228 through October 2030. At December 31, 2016, the balance of this loan was \$688,198.

Maturities for the next five years are as follows:

<u>Year</u>	<u>Interest</u>	<u>Principal</u>
2017	23,461	39,271
2018	22,064	40,668
2019	20,618	42,115
2020	19,120	43,612
2021	17,569	45,164
Thereafter	<u>78,536</u>	<u>477,368</u>
	<u>181,368</u>	<u>688,198</u>

F. The 2009 Series Revenue Bond Issue are Build America Bonds whereby the United States Treasury refunds to the Marion County Water District 35% of the interest paid on these bonds and thus reducing the effective rate of interest from 3.5% to 2.275% per annum.

G. Revenue Bonds Payable:

Water Revenue Bond Series of 2009 - Interest due semiannually
January 1 and July 1 at 3.25% with varying principal payments
due January 1 of each year through 2050

1,336,000

Maturities for the next five years are as follows:

2017	22,000
2018	23,000
2019	24,000
2020	25,000
2021	26,000
Thereafter	<u>1,216,000</u>
	<u>1,336,000</u>

H. Long-term liability activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net Pension Liability	510,592	57,532	0	568,124	0
KIA Loan Payable	513,362	0	23,723	489,639	24,140
CNB Loan Payable	726,051	0	37,853	688,198	39,271
Revenue Bonds Payable	<u>1,357,000</u>	<u>0</u>	<u>21,000</u>	<u>1,336,000</u>	<u>22,000</u>
Total	<u>3,107,005</u>	<u>57,532</u>	<u>82,576</u>	<u>3,081,961</u>	<u>85,411</u>

Notes to Financial Statements (Continued)

I. Appropriated Retained Earnings:

Appropriated retained earnings at December 31, 2016 and 2015, consist of restricted funds as follows:

	<u>2016</u>	<u>2015</u>
CDs - Reserve Fund	750,003	650,003
Cash - Reserve Fund	35,149	22,757
Cash - Short-Lived Asset Fund	<u>154,932</u>	<u>149,957</u>
	<u>940,084</u>	<u>822,717</u>

These funds are restricted in accordance with the provisions of the bond issuance of 2010 and the Citizens National Bank loan payable. Reserve funds must be maintained at a level of \$135,000. Further, the District is required to deposit \$12,114 into the Short-Lived Asset Fund account monthly. The funds in this account may be used by the District to replace or add short-lived assets to the District's water system; they may not be used for general operating expenses. The debt provisions allow the District to invest these funds in interest-bearing obligations maturing no later than three years after the date of investment.

J. Retirement Plan

The District's employees are provided with the County Employees Retirement System.

General information about the County Employees Retirement System Non-Hazardous ("CERS")

Plan description—Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute ("KRS") Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

Benefits provided—CERS provides retirement, health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date:

Tier 1	Participation date	Before September 1, 2008
	Unreduced retirement	27 years service or 65 years old
	Reduced retirement	At least 5 years service and 55 years old At least 25 years service and any age
Tier 2	Participation date	September 1, 2008 - December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old OR age 57+ and sum of service years plus age equal 87
	Reduced retirement	At least 10 years service or 60 years old
Tier 3	Participation date	After December 31, 2013
	Unreduced retirement	At least 5 years service and 65 years old OR age 57+ and sum of service years plus age equal 87
	Reduced retirement	Not Available

Notes to Financial Statements (Continued)

J. Retirement Plan (Continued)

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for nonservice-related disability benefits.

Contributions—Required contributions by the employee are based on the tier:

	<u>Required Contributions</u>
Tier 1	5%
Tier 2	5% +1% for insurance
Tier 3	5% +1% for insurance

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2016 and 2015, the District reported a liability for its proportionate share of the net pension liability for CERS. The amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the District were as follows:

	<u>2016</u>	<u>2015</u>
District's proportionate share of the CERS net pension liability	\$ 568,194	\$ 510,592

Notes to Financial Statements (Continued)

J. Retirement Plan (Continued)

	2015 Deferred Outflows of Resources	2015 Deferred Inflows of Resources	2016 Deferred Outflows of Resources	2016 Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,243	\$ -	\$ 5,511	\$ -
Changes of assumptions	51,488	-	66,872	-
Net difference between projected and actual earnings on pension plan investments	4,577	-	57,071	-
Changes in proportion and differences between District contributions and proportionate share of contributions	7,229	-	9,513	9,025
District contributions subsequent to the measurement date	<u>25,768</u>	<u>-</u>	<u>36,552</u>	<u>-</u>
Total	<u>\$ 93,305</u>	<u>\$ -</u>	<u>\$ 175,519</u>	<u>\$ 9,025</u>

The net pension liability for the plan was measured as of June 30, 2015 and 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2016, the District's proportion was 0.0115402 percent. At June 30, 2015, the District's proportion was 0.0118755 percent.

For the year ended December 31, 2016 and 2015, respectively, the District recognized pension expense of \$49,807 and \$83,511 related to CERS. At December 31, 2016 and 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

\$ 25,768 and \$27,175 were reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended December 31, 2016 and 2017, respectively. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Notes to Financial Statements (Continued)

J. Retirement Plan (Continued)

<u>Year ended December 31:</u>	
2017	1,805
2018	1,805
2019	1,805
2020	1,805
2021	1,805

Actuarial assumptions—The total pension liability in the June 30, 2015 and June 30, 2016 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2016</u>	<u>2015</u>
	CERS	CERS
Inflation	3.25%	3.25%
Projected salary increases	4.00%	4.00%
Investment rate of return, net of investment expense & inflation	7.50%	7.50%

For CERS, Mortality rates for the period after service retirement are according to the 1983 Group Annuity Mortality Table for all retired employees and beneficiaries as of June 30, 2006 and the 1994 Group Annuity Mortality Table for all other employees. The Group Annuity Mortality Table set forward five years is used for the period after disability retirement.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2005 through 2008, is outlined in a report dated August 25, 2009. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Discount rate—For CERS, the discount rate used to measure the total pension liability was 7.50% for June 30, 2016 and June 30, 2015. The projection of cash flows used to determine the discount rate assumed that contributions from plan employees and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 7.50% for June 30, 2016 and June 30, 2015. The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Notes to Financial Statements (Continued)

J. Retirement Plan (Continued)

Sensitivity of CERS proportionate share of net pension liability to changes in the discount rate—The following table presents the net pension liability of the District, calculated using the discount rates selected by each pension system, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

2015	1% Decrease	Current Discount Rate	1% Increase
CERS District's proportionate share of net pension liability	6.50% 651,832	7.50% 510,592	8.50% 389,629
2016	1% Decrease	Current Discount Rate	1% Increase
CERS District's proportionate share of net pension liability	6.50% 708,063	7.50% 568,124	8.50% 448,301

Pension plan fiduciary net position— Detailed information about the pension plan's fiduciary net position is available in the separately issued financial reports of CERS.

- K. Risk Management: The District insures against significant losses by commercial insurance. There have been no significant reductions in insurance coverage.
- L. The District generates approximately 96% of its revenues from water sales. Of the water sold, approximately, 99% is purchased from the Lebanon Water Works, a division of the City of Lebanon.
- M. On May 9, 2017, Marion County Water District voted to approve the St. Rose Pump Station Upgrade project. The project is expected to cost \$300,000 and the District anticipates using available funds on hand to finance the project.

Management has reviewed subsequent events through May 17, 2017 and there are no additional events requiring disclosure.

Notes to Financial Statements (Continued)

O. Net Position, As Restated

Governmental Accounting Standards Board statement 68 requires changes to the beginning balances of the Statement of Net Position. Beginning net position of the government activities was decreased \$67,191 to reflect the District's proportionate share of the unfunded pension liability of the County Employee Retirement System as of their proportionate share of the net pension liability of June 30, 2015 as opposed to June 30, 2014, which was previously reported. The only component of Net Position impacted by this change is the District's Retained Earnings from Income before Contributions.

Beginning Retained Earnings from Income	
before Contributions as previously reported on December 31, 2015	\$ 726,776
Prior period adjustment – Implementation GASB 68:	
Increase in Net Pension Liability (measurement date)	(134,592)
Increase in Deferred outflows	25,401
Decrease in Deferred inflows	
Total prior period adjustment	<u>42,000</u>
Beginning Retained Earnings from Income	
before Contributions as restated, December 31, 2015	<u>\$ 659,585</u>

REQUIRED SUPPLEMENTARY
INFORMATION

MARION COUNTY WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
COUNTY EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30

	<u>2016</u>	<u>2015</u>
District's proportion of net pension liability	0.0115402%	0.0118755%
District's proportionate share of net pension liability	568,124	510,592
State of Kentucky's share of net pension liability associate with the District	0	0
District's covered-employee payroll	274,311	282,035
District's proportionate share of the net pension liability as a percentage of its covered payroll	207.09%	181.04%
Plan fiduciary net pension as a percentage of the total pension liability	55.50%	59.97%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years are not displayed.

MARION COUNTY WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS TO THE
COUNTY EMPLOYEES RETIREMENT SYSTEM
FOR THE YEAR ENDED JUNE 30

	<u>2016</u>	<u>2015</u>
Contractually required contributions (actuarially determined)	\$ 49,064	\$ 48,952
Contributions in relation to the actuarially determined contributions	<u>49,064</u>	<u>48,952</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered employee payroll	\$ 274,311	\$ 282,035
Contributions as a percentage of Covered employee payroll	17.89%	17.36%

Note: Marion County Water District operates on an annual basis. The County Employees Retirement System rate typically changes each July 1. The rate listed for each year is a blended rate based on contributions paid as a percentage of covered payroll.

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years are not displayed.

COUNTY EMPLOYEES RETIREMENT SYSTEM

NOTE A – CHANGES OF ASSUMPTIONS

The last experience investigation was prepared for the five-year period ending June 30, 2013, and based on the results of an actuarial study and adopted by the board.

NOTE B – METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED CONTRIBUTIONS

The actuarially determined contribution rates in the schedule are determined on a biennial basis beginning with the fiscal years ended 2014 and 2015, determined as of July 1, 2013. The amortization period of the unfunded liability has been reset as of July 1, 2013 to a closed 30-year period. The following actuarial methods and assumptions were used to determine the rates reported in that schedule:

Valuation Date	June 30, 2015 and June 30, 2016
Actuarial Cost Method	Entry age
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	27 years as of June 30, 2016
Asset Valuation Method	5-year smoothed market
Inflation	3.25 percent
Salary Increase	4.0 percent, average, including inflation
Investment Rate of Return	7.5 percent, net of pension plan investment expense, including inflation

OTHER SUPPLEMENTARY
INFORMATION

Schedules of Operating and Maintenance Expenses
Years Ended December 31, 2016 and 2015

	<u>2016</u>	Percent of <u>Revenue</u>	<u>2015</u>	Percent of <u>Revenue</u>
Source of Supply Expense				
Purchased Water	1,530,032	56.6%	1,459,693	56.8%
Pumping Expense				
Fuel or Power Purchased for Pumping	37,309	1.4%	39,339	1.5%
Transmission & Distribution Expense				
Salaries	142,142	5.3%	140,340	5.5%
Operation Supplies & Expense	31,775	1.2%	32,467	1.3%
Maintenance	<u>87,593</u>	<u>3.2%</u>	<u>93,359</u>	<u>3.6%</u>
Total Transmission & Distribution Expense	261,510	9.7%	266,166	10.4%
Customer Accounts Expense				
Salaries	106,256	3.9%	112,183	4.4%
Contractual Services - Meter Reading	26,465	1.0%	25,949	1.0%
Supplies & Expense	39,540	1.5%	45,768	1.8%
Uncollectible Accounts	<u>5,563</u>	<u>0.2%</u>	<u>5,409</u>	<u>0.2%</u>
Total Customer Accounts Expense	177,824	6.6%	189,309	7.4%
Administrative & General Expense				
Administrative & General Salaries	42,246	1.6%	41,104	1.6%
Office Supplies & Other Expense	18,896	0.7%	18,793	0.7%
Outside Service Employed	13,772	0.5%	10,250	0.4%
Insurance	32,127	1.2%	29,602	1.2%
Employee Benefits & Payroll Taxes	105,425	3.9%	171,002	6.7%
Regulatory Commission Expense	5,062	0.2%	5,098	0.2%
Regulatory Department of Local Gov't	1,000	0.0%	0	0.0%
Rate Case Expense	10,399	0.4%	0	0.0%
Miscellaneous	<u>13,461</u>	<u>0.5%</u>	<u>8,012</u>	<u>0.3%</u>
Total Administrative & General Expense	242,388	9.0%	283,861	11.0%
Total Operating & Maintenance Expense	<u>2,249,063</u>	<u>83.2%</u>	<u>2,238,368</u>	<u>87.1%</u>

See accompanying accountants' report.

DESIGNATION OF BOND: "Marion County Water District, Water System Revenue Bond, Taxable Series of 2009 (Build America Bonds-Direct Payment to Issuer)," Numbered R-1

AMOUNT DUE: \$1,336,000

CHARACTER OF BOND: Single, non-negotiable bond in fully registered form, payable to the United States Department of Agriculture, Rural Development, as specifically provided in that certain Resolutions adopted by the Commission of Marion County Water District on October 20, 2009, and May 11, 2010.

DATE: June 9, 2010

DENOMINATION: \$1,433,000

PAYABLE AS TO PRINCIPAL IN ANNUAL INSTALLMENTS ON JANUARY 1 OF THE RESPECTIVE YEARS AS FOLLOWS:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2017	22,000	2034	40,000
2018	22,000	2035	41,000
2019	23,000	2036	43,000
2020	24,000	2037	44,000
2021	25,000	2038	46,000
2022	26,000	2039	47,000
2023	27,000	2040	49,000
2024	28,000	2041	51,000
2025	29,000	2042	53,000
2026	30,000	2043	55,000
2027	31,000	2044	57,000
2028	32,000	2045	59,000
2029	33,000	2046	61,000
2030	34,000	2047	63,000
2031	36,000	2048	65,000
2032	37,000	2049	65,000
2033	38,000		

INTEREST RATE: Three and twenty-five hundredths percentum (3.25%) per annum payable semiannually on each January 1 and July 1, beginning June 1, 2013, to maturity of principal.

See accompanying accountant's report.

MARION COUNTY WATER DISTRICT
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RESPONSES
DECEMBER 31, 2016

There were no prior year audit findings.

WHITE AND COMPANY, P.S.C.
Certified Public Accountants
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Lebanon, Kentucky 40033
(270) 692-2102
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**INDEPENDENT AUDITOR'S 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***

May 17, 2017

To the Commissioners of the
Marion County Water District

We have audited, in accordance with the 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, the general purpose financial statements of Marion County Water District, Lebanon, Kentucky as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise Marion County Water District, Lebanon, Kentucky's basic financial statements and have issued our report thereon dated May 17, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marion County Water District, Lebanon, Kentucky's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marion County Water District, Lebanon, Kentucky's internal control. Accordingly, we do not express an opinion on the effectiveness of Marion County Water District, Lebanon, Kentucky's internal control.

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 and correct, 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marion County Water District, Lebanon, Kentucky's financial statements are free from 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*.

Purpose of this Report

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sincerely,

White and Company, P.S.C.

Certified Public Accountants

WHITE AND COMPANY, P.S.C.
Certified Public Accountants
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May 17, 2017

To the Commissioners of the
Marion County Water District

We have audited the general purpose financial statements of the Marion County Water District, Lebanon, Kentucky for the year ended December 31, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 30, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Auditing Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Marion County Water District are described in Note A to the financial statements. As described in Note O to the financial statements, Marion County Water District changed accounting policies related accounting and reporting for pensions by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 68, *Accounting and Financial Reporting for Pensions*, in 2015. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the government-wide financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the useful lives of capital assets for computation of depreciation. We evaluated the key factors and assumptions used to develop the computation of depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 17, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were not such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis and the Schedule of District's Proportionate Share of Net Pension Liability, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedules of Operating and Maintenance Expenses and Schedule of Bond Retirements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with

accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and then reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restrictions on Use

This information is intended solely for the use of the Commissioners of Marion County Water District and management of Marion County Water District as is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

White and Company, P.S.C.

Certified Public Accountants

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 15

RESPONSIBLE PARTY: Charles M. White, CPA

Request 15. Provide Marion District's annual report to the Commission for 2017. If the report is unavailable, please explain why it is unavailable.

Response 15. The annual report to the commission has not been completed since the 2017 audit has not been completed.

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 16

RESPONSIBLE PARTY: Charles M. White, CPA

Request 16. Provide Marion District's audit report for 2017. If the report is unavailable, please explain why it is unavailable.

Response 16. The 2017 audit report is not yet complete. After the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, we have been unable to complete the audit until approximately May following the calendar year end. The audit report for the County Employees Retirement System and corresponding tables by participant are needed to know the water district's proportionate share of net pension liability. As of this filing, that information has been obtained and already accounted for in our workpapers and report for the audit for the year ended December 31, 2017. However, on February 1, 2018, we filed a request with the PSC for a Staff Opinion related to the write-off of assets. We have not received the PSC's response to the Staff Opinion request.

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 17

RESPONSIBLE PARTY: Jimmy Mudd, General Manager MCWD

Request 17. Confirm that Marion District has incurred no penalties or late fees from the Company in Fiscal Year ("FY") 2016, FY 2017, or the current FY 2018.

Response 17. Correct. Marion County Water District has not paid any penalties to LWWC.

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 18

RESPONSIBLE PARTY: Charles M. White, CPA

Request 18. Provide the detailed depreciation schedule for Marion District for 2016.

Response 18. See attached.

Book Asset Detail 1/01/16 - 12/31/16

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: BUILDING												
3		NEW BUILDING	6/30/79	46,796.00	0.00	0.00	46,796.00	0.00	46,796.00	0.00	S/L	33.30
4		NEW BUILDING	6/30/80	419.00	0.00	0.00	419.00	0.00	419.00	0.00	S/L	33.30
5		NEW BUILDING	6/30/86	9,375.00	0.00	0.00	8,308.89	281.53	8,590.42	784.58	S/L	33.30
6		NEW BUILDING	12/01/90	1,270.00	0.00	0.00	952.82	38.14	990.96	279.04	S/L	33.30
7		NEW BUILDING ADDITIONS	9/01/93	5,504.00	0.00	0.00	3,687.77	165.29	3,853.06	1,650.94	S/L	33.30
152		BUILDING	7/15/96	967.00	0.00	0.00	566.52	29.04	595.56	371.44	S/L	33.30
212		BUILDING ADD-ON	7/01/01	23,812.00	0.00	0.00	10,369.04	715.08	11,084.12	12,727.88	S/L	33.30
226		BUILDING ADD-ON	7/01/02	2,317.20	0.00	0.00	939.67	69.59	1,009.26	1,307.94	S/L	33.30
244		SHOP ADDITION	7/01/03	1,498.81	0.00	0.00	562.62	45.01	607.63	891.18	S/L	33.30
254		BUILDING RENOVATION	6/30/04	10,570.85	0.00	0.00	10,570.85	0.00	10,570.85	0.00	S/L	33.30
260		BLACKTOP RESURFACE	5/12/04	1,080.00	0.00	0.00	1,080.00	0.00	1,080.00	0.00	S/L	15.00
262		BUILDING RENOVATION	2/28/05	237.81	0.00	0.00	237.81	0.00	237.81	0.00	S/L	33.30
283		RECC BUILDING	1/17/07	130,820.00	0.00	0.00	35,029.39	3,928.53	38,957.92	91,862.08	S/L	33.30
284		SECURITY-RECC NEW BUILDIN	3/05/07	1,350.00	0.00	0.00	1,350.00	0.00	1,350.00	0.00	S/L	10.00
285		GARAGE DOORS FOR BLDG	3/15/07	2,095.00	0.00	0.00	2,025.19	69.81	2,095.00	0.00	S/L	15.00
298		BLACKTOP	4/02/08	10,062.00	0.00	0.00	7,546.50	670.80	8,217.30	1,844.70	S/L	15.00
299		OVERHEAD DOOR	6/30/08	1,470.00	0.00	0.00	1,029.00	98.00	1,127.00	343.00	S/L	15.00
328		NEW SHOP BLDG ROOF	12/02/10	9,562.20	0.00	0.00	3,240.52	637.48	3,878.00	5,684.20	S/L	15.00
370		HEAT PUMP (TIME WARNER RI	4/30/15	4,300.00	0.00	0.00	191.11	286.67	477.78	3,822.22	S/L	15.00
377		SECURITY SYSTEM & CAMERA	11/21/16	1,664.99	0.00c	0.00	0.00	13.87	13.87	1,651.12	S/L	10.00
BUILDING				265,171.86	0.00c	0.00	134,902.70	7,048.84	141,951.54	123,220.32		
Group: COMMUNICATION EQUIPMENT				H-1			H-1	H-1	H-1			
186		TELEMETER EQUIPMENT	12/31/98	16,500.00	0.00	0.00	16,500.00	0.00	16,500.00	0.00	S/L	10.00
187		COMMUNICATIONS EQUIP - TA	7/31/99	3,610.00	0.00	0.00	3,610.00	0.00	3,610.00	0.00	S/L	10.00
188		COMMUNICATIONS EQUIP - TA	11/15/99	6,078.00	0.00	0.00	6,078.00	0.00	6,078.00	0.00	S/L	10.00
236		COMMUNICATION EQUIPMENT	7/01/02	2,800.00	0.00	0.00	2,800.00	0.00	2,800.00	0.00	S/L	10.00
238		PHONE SYSTEM	7/01/02	20,500.00	0.00	0.00	20,500.00	0.00	20,500.00	0.00	S/L	10.00
239		PHONE SYSTEM-CALDWELL C	7/01/02	2,749.17	0.00	0.00	2,749.17	0.00	2,749.17	0.00	S/L	10.00
252		TELEMETER EQUIPMENT	3/31/04	1,191.42	0.00	0.00	1,191.42	0.00	1,191.42	0.00	S/L	10.00
291		COMMUNICATION EQUIPMENT	4/04/07	511.94	0.00	0.00	447.92	51.19	499.11	12.83	S/L	10.00
309		NARROWS RD TANK-COMM. E	1/31/09	34,411.99	0.00	0.00	23,801.63	3,441.20	27,242.83	7,169.16	S/L	10.00
336		COMM. EQUIPMENT	3/31/11	460.00	0.00	0.00	218.50	46.00	264.50	195.50	S/L	10.00
337		COMMUNICATION SYSTEM (R	8/31/11	33,263.00	0.00	0.00	14,413.97	3,326.30	17,740.27	15,522.73	S/L	10.00
350		COMMUNICATION EQUIPMENT	6/30/12	1,492.45	0.00	0.00	522.37	149.25	671.62	820.83	S/L	10.00
386		PHONE SYSTEM UPGRADE	2/29/16	1,200.00	0.00c	0.00	0.00	100.00	100.00	1,100.00	S/L	10.00
387		COMMUNICATION EQUIPMENT	9/30/16	474.00	0.00c	0.00	0.00	11.85	11.85	462.15	S/L	10.00
COMMUNICATION EQUIPMENT				125,241.97	0.00c	0.00	92,832.98	7,125.79	99,958.77	25,283.20		
Group: DIST. RESERVOIRS & STANDP				H-1			H-1	H-1	H-1			
17		DIST RES & STANDPIPE	6/30/70	49,170.00	0.00	0.00	45,233.20	983.40	46,216.60	2,953.40	S/L	50.00
19		DIST RES & STANDPIPE	6/30/76	246.00	0.00	0.00	196.96	4.92	201.88	44.12	S/L	50.00
20		DIST RES & STANDPIPE	6/30/84	644.00	0.00	0.00	406.44	12.88	419.32	224.68	S/L	50.00
21		B'VILLE DIST RES	6/30/85	1,767.00	0.00	0.00	992.42	35.34	1,027.76	739.24	S/L	50.00
22		B'VILLE DIST RES	12/01/86	222,346.00	0.00	0.00	129,331.96	4,446.92	133,778.88	88,567.12	S/L	50.00

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: DIST. RESERVOIRS & STANDP (continued)												
23		B'VILLE DIST RES	6/30/87	42,475.00	0.00	0.00	24,214.50	849.50	25,064.00	17,411.00	S/L	50.00
24		B'VILLE DIST RES	6/30/89	29,631.00	0.00	0.00	16,004.06	592.62	16,596.68	13,034.32	S/L	50.00
25		DIST RES PAINTING	6/30/91	18,885.00	0.00	0.00	18,885.00	0.00	18,885.00	0.00	S/L	20.00
27		DIST RES PAINTING	5/01/93	11,000.00	0.00	0.00	11,000.00	0.00	11,000.00	0.00	S/L	20.00
150		DIST RES & STANDPIPE	12/31/95	12,275.00	0.00	0.00	4,913.50	245.50	5,159.00	7,116.00	S/L	50.00
154		DIST REC & STANDPIPE	10/15/96	169,745.00	0.00	0.00	65,352.70	3,394.90	68,747.60	100,997.40	S/L	50.00
162		DIST RESERV & STANDPIPES	6/01/97	9,502.00	0.00	0.00	3,420.52	190.04	3,610.56	5,891.44	S/L	50.00
189		DIST RESERV & STANDPIPES	6/30/99	1,054.00	0.00	0.00	337.04	21.08	358.12	695.88	S/L	50.00
204		DIST RES & STANDPIPES	5/15/00	33,400.00	0.00	0.00	10,465.00	668.00	11,133.00	22,267.00	S/L	50.00
214		DIST RES & STANDPIPES	7/01/01	248,448.00	0.00	0.00	72,049.48	4,968.96	77,018.44	171,429.56	S/L	50.00
228		DIST RESERVOIRS	7/01/02	278,070.43	0.00	0.00	75,079.33	5,561.41	80,640.74	197,429.69	S/L	50.00
245		PAINT TANK	7/31/03	39,112.50	0.00	0.00	24,282.41	1,955.63	26,238.04	12,874.46	S/L	20.00
255		DIST RESERVOIRS	6/30/04	355,805.91	0.00	0.00	81,835.38	7,116.12	88,951.50	266,854.41	S/L	50.00
263		DISTR. RES & STANDUP PIPES	6/15/05	4,869.17	0.00	0.00	1,700.14	97.38	1,797.52	3,071.65	S/L	50.00
286		HOLY CROSS WATER TANK	12/21/07	75,200.00	0.00	0.00	12,032.00	1,504.00	13,536.00	61,664.00	S/L	50.00
297		HOLY CROSS TANK	1/29/08	16,360.00	0.00	0.00	2,590.33	327.20	2,917.53	13,442.47	S/L	50.00
300		RILEY STORAGE TANK PAINTI	12/03/08	75,926.00	0.00	0.00	26,890.46	3,796.30	30,686.76	45,239.24	S/L	20.00
301		NARROWS ROAD TANK	12/02/08	597,737.02	0.00	0.00	84,679.41	11,954.74	96,634.15	501,102.87	S/L	50.00
340		FENCING - ST. CHARLES TANK	12/31/12	4,861.00	0.00	0.00	2,083.29	694.43	2,777.72	2,083.28	S/L	7.00
341		TANK PAINTING - ST. CHARLES	10/24/12	58,234.00	0.00	0.00	12,293.85	3,882.27	16,176.12	42,057.88	S/L	15.00
DIST. RESERVOIRS & STANDP				2,356,764.03	0.00c	0.00	726,269.38	53,303.54	779,572.92	1,577,191.11		
Group: HYDRANTS												
66		HYDRANTS	6/30/70	757.00	0.00	0.00	679.82	15.14	694.96	62.04	S/L	50.00
67		HYDRANTS	6/30/75	2,015.00	0.00	0.00	1,629.90	40.30	1,670.20	344.80	S/L	50.00
68		HYDRANTS	6/30/76	7.00	0.00	0.00	4.82	0.14	4.96	2.04	S/L	50.00
69		HYDRANTS	6/30/78	2,588.00	0.00	0.00	1,916.88	51.76	1,968.64	619.36	S/L	50.00
70		HYDRANTS	6/30/85	35.00	0.00	0.00	24.10	0.70	24.80	10.20	S/L	50.00
71		HYDRANTS	12/01/86	6,210.00	0.00	0.00	3,605.60	124.20	3,729.80	2,480.20	S/L	50.00
72		HYDRANTS	6/30/86	268.00	0.00	0.00	144.68	5.36	150.04	117.96	S/L	50.00
148		HYDRANTS	2/07/95	1,825.00	0.00	0.00	766.50	36.50	803.00	1,022.00	S/L	50.00
158		HYDRANTS	7/01/96	1,041.00	0.00	0.00	406.66	20.82	427.48	613.52	S/L	50.00
176		HYDRANTS	4/07/98	800.00	0.00	0.00	284.00	16.00	300.00	500.00	S/L	50.00
193		HYDRANTS	2/28/99	4,717.00	0.00	0.00	1,508.42	94.34	1,602.76	3,114.24	S/L	50.00
207		HYDRANTS	3/06/00	1,845.00	0.00	0.00	584.70	36.90	621.60	1,223.40	S/L	50.00
218		HYDRANTS	7/01/01	17,134.00	0.00	0.00	4,968.84	342.68	5,311.52	11,822.48	S/L	50.00
232		HYDRANTS	7/01/02	3,328.81	0.00	0.00	898.54	66.58	965.12	2,363.69	S/L	50.00
259		HYDRANTS	6/30/04	2,152.99	0.00	0.00	495.19	43.06	538.25	1,614.74	S/L	50.00
267		HYDRANTS	5/31/05	905.00	0.00	0.00	191.56	18.10	209.66	695.34	S/L	50.00
273		HYDRANTS	11/30/06	543.34	0.00	0.00	98.74	10.87	109.61	433.73	S/L	50.00
274		HYDRANTS	12/04/06	1,740.46	0.00	0.00	316.19	34.81	351.00	1,389.46	S/L	50.00
288		HYDRANTS	5/08/07	5,400.00	0.00	0.00	936.00	108.00	1,044.00	4,356.00	S/L	50.00
289		HYDRANTS	7/11/07	3,274.40	0.00	0.00	556.66	65.49	622.15	2,652.25	S/L	50.00
290		HYDRANTS	8/06/07	50.08	0.00	0.00	8.42	1.00	9.42	40.66	S/L	50.00
310		HYDRANTS	3/12/09	2,400.00	0.00	0.00	328.00	48.00	376.00	2,024.00	S/L	50.00
323		HYDRANTS	4/30/10	11,797.67	0.00	0.00	1,337.05	235.95	1,573.00	10,224.67	S/L	50.00
338		HYDRANTS	11/30/11	2,541.00	0.00	0.00	1,037.58	254.10	1,291.68	1,249.32	S/L	10.00

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: HYDRANTS (continued)												
357		HYDRANT	11/30/14	1,050.00	0.00	0.00	113.75	105.00	218.75	831.25	S/L	10.00
367		HYDRANT	7/31/13	1,381.04	0.00	0.00	333.74	138.10	471.84	909.20	S/L	10.00
383		HYDRANTS	9/30/16	750.00	0.00c	0.00	0.00	18.75	18.75	731.25	S/L	10.00
HYDRANTS				76,556.79	0.00c	0.00	23,176.34	1,932.65	25,108.99	51,447.80		
Group: LABORATORY EQUIPMENT												
128		LAB EQUIPMENT	6/30/87	57.00	0.00	0.00	57.00	0.00	57.00	0.00	S/L	10.00
129		LAB EQUIPMENT	6/30/88	4,101.00	0.00	0.00	4,101.00	0.00	4,101.00	0.00	S/L	10.00
130		LAB EQUIPMENT	6/30/99	460.78	0.00	0.00	460.78	0.00	460.78	0.00	S/L	10.00
LABORATORY EQUIPMENT				4,618.78	0.00c	0.00	4,618.78	0.00	4,618.78	0.00		
Group: LAND & LAND RIGHTS												
1		LAND & LAND RIGHTS	1/01/78	4,531.00	0.00	0.00	0.00	0.00	0.00	4,531.00	Land	0.00
151		LAND	3/15/96	2,526.00	0.00	0.00	0.00	0.00	0.00	2,526.00	Land	0.00
161		LAND	7/01/97	264.00	0.00	0.00	0.00	0.00	0.00	264.00	Land	0.00
171		LAND	7/08/98	24.00	0.00	0.00	0.00	0.00	0.00	24.00	Land	0.00
194		LAND	2/28/99	120.00	0.00	0.00	0.00	0.00	0.00	120.00	Land	0.00
202		LAND & LAND RIGHTS	6/30/00	60.00	0.00	0.00	0.00	0.00	0.00	60.00	Land	0.00
211		LAND-GAP KNOB	10/31/01	4,562.00	0.00	0.00	0.00	0.00	0.00	4,562.00	Land	0.00
225		LAND-MAKERS MARK	7/01/02	3,108.06	0.00	0.00	0.00	0.00	0.00	3,108.06	Land	0.00
243		EASEMENTS	7/01/03	1,180.00	0.00	0.00	0.00	0.00	0.00	1,180.00	Land	0.00
253		LAND	6/30/04	14.00	0.00	0.00	0.00	0.00	0.00	14.00	Land	0.00
281		LAND EASEMENT	12/31/06	64.00	0.00	0.00	0.00	0.00	0.00	64.00	Land	0.00
318		EASEMENT	3/31/10	17.00	0.00	0.00	0.00	0.00	0.00	17.00	Land	0.00
330		LAND - EASEMENT	3/09/11	85.00	0.00	0.00	0.00	0.00	0.00	85.00	Land	0.00
331		LAND - MARY VIVIAN CAMBR	12/31/11	11,250.00	0.00	0.00	0.00	0.00	0.00	11,250.00	Land	0.00
339		LAND IMPROV. - V. CAMBRON	3/31/12	7,446.00	0.00	0.00	0.00	0.00	0.00	7,446.00	Land	0.00
342		EASEMENT	1/05/12	37.00	0.00	0.00	0.00	0.00	0.00	37.00	Land	0.00
351		EASEMENT	5/22/12	20.00	0.00	0.00	0.00	0.00	0.00	20.00	Land	0.00
353		EASEMENTS	7/31/14	6,845.00	0.00	0.00	0.00	0.00	0.00	6,845.00	Land	0.00
361		EASEMENTS KY 49 - STATE RE	12/31/13	14,734.00	0.00	0.00	0.00	0.00	0.00	14,734.00	Land	0.00
362		EASEMENTS	12/31/13	273.00	0.00	0.00	0.00	0.00	0.00	273.00	Land	0.00
369		EASEMENTS	4/13/15	517.00	0.00	0.00	0.00	0.00	0.00	517.00	Land	0.00
376		EASEMENTS	8/31/16	5,111.00	0.00c	0.00	0.00	0.00	0.00	5,111.00	Land	0.00
LAND & LAND RIGHTS				62,788.06	0.00c	0.00	0.00	0.00	0.00	62,788.06		
Group: LAND GENERAL PLANT												
2		LAND - GEN PLANT	1/01/79	4,400.00	0.00	0.00	0.00	0.00	0.00	4,400.00	Land	0.00
296		LAND - RECC BUILDING	1/17/07	20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00	Land	0.00
LAND GENERAL PLANT				24,400.00	0.00c	0.00	0.00	0.00	0.00	24,400.00		

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: METERS AND METER INSTALLA													
58		METERS	6/30/90	153,445.00	0.00		0.00	119,124.70	3,068.90	122,193.60	31,251.40	S/L	50.00
59		METERS	6/30/91	9,288.00	0.00		0.00	4,551.88	185.76	4,737.64	4,550.36	S/L	50.00
60		METERS	6/30/92	21,089.00	0.00		0.00	10,124.14	421.78	10,545.92	10,543.08	S/L	50.00
61		METERS	6/30/93	104,772.00	0.00		0.00	47,143.72	2,095.44	49,239.16	55,532.84	S/L	50.00
62		METERS	6/30/94	31,920.00	0.00		0.00	13,722.20	638.40	14,360.60	17,559.40	S/L	50.00
63		METER INSTALLATION	6/30/90	290,336.00	0.00		0.00	187,074.36	5,806.72	192,881.08	97,454.92	S/L	50.00
64		METER INSTALLATION	6/30/91	6,089.00	0.00		0.00	3,046.14	121.78	3,167.92	2,921.08	S/L	50.00
65		METER INSTALLATION	6/30/92	6,140.00	0.00		0.00	2,948.40	122.80	3,071.20	3,068.80	S/L	50.00
143		METER INSTALLATIONS	6/30/95	26,501.00	0.00		0.00	10,865.26	530.02	11,395.28	15,105.72	S/L	50.00
157		METER INSTALLATION	7/01/96	70,972.00	0.00		0.00	27,676.72	1,419.44	29,096.16	41,875.84	S/L	50.00
165		METER INSTALLATION	7/01/97	31,977.00	0.00		0.00	11,514.02	639.54	12,153.56	19,823.44	S/L	50.00
175		METER INSTALLATION	7/01/98	112,361.00	0.00		0.00	39,325.86	2,247.22	41,573.08	70,787.92	S/L	50.00
195		METER INSTALLATION	7/01/99	53,891.00	0.00		0.00	17,245.66	1,077.82	18,323.48	35,567.52	S/L	50.00
206		METER INSTALLATION	7/01/00	31,901.00	0.00		0.00	9,889.26	638.02	10,527.28	21,373.72	S/L	50.00
217		METERS & METER INSTALLATI	7/01/01	63,940.00	0.00		0.00	18,542.40	1,278.80	19,821.20	44,118.80	S/L	50.00
231		METERS & METER INSTALLATI	7/01/02	26,123.13	0.00		0.00	7,139.98	522.46	7,662.44	18,460.69	S/L	50.00
248		METERS & METER INSTALLATI	7/01/03	28,090.71	0.00		0.00	7,022.63	561.81	7,584.44	20,506.27	S/L	50.00
258		METERS & METER INSTALL	6/30/04	36,504.33	0.00		0.00	8,396.03	730.09	9,126.12	27,378.21	S/L	50.00
266		METERS & INSTALLATION	6/30/05	53,570.16	0.00		0.00	11,249.70	1,071.40	12,321.10	41,249.06	S/L	50.00
272		METERS & INSTALLATION	6/30/06	26,296.27	0.00		0.00	4,996.33	525.93	5,522.26	20,774.01	S/L	50.00
287		METERS & INSTALLATION	6/30/07	45,347.94	0.00		0.00	7,709.16	906.96	8,616.12	36,731.82	S/L	50.00
305		METER INSTALLATION	6/30/08	30,448.91	0.00		0.00	4,567.35	608.98	5,176.33	25,272.58	S/L	50.00
313		ELECTRONIC METERS	6/30/09	216,328.52	0.00		0.00	67,061.87	10,816.43	77,878.30	138,450.22	S/L	20.00
322		ELECTRONIC METERS	6/30/10	152,483.57	0.00		0.00	41,932.99	7,624.18	49,557.17	102,926.40	S/L	20.00
333		ELECTRONIC METERS	9/30/11	186,370.90	0.00		0.00	39,603.84	9,318.55	48,922.39	137,448.51	S/L	20.00
345		METERS & INSTALLATION	6/30/12	228,564.31	0.00		0.00	39,998.77	11,428.22	51,426.99	177,137.32	S/L	20.00
356		METERS & METER INSTALLAT.	6/30/14	130,018.53	0.00		0.00	8,897.58	6,500.93	15,398.51	114,620.02	S/L	20.00
366		METERS & INSTALLATION	6/30/13	191,493.63	0.00		0.00	23,936.70	9,574.68	33,511.38	157,982.25	S/L	20.00
372		METERS & METER INSTALLATI	6/30/15	75,689.74	0.00		0.00	1,892.24	3,784.49	5,676.73	70,013.01	S/L	20.00
382		METERS & METER INSTALLATI	6/30/16	151,384.16	0.00c		0.00	0.00	3,784.60	3,784.60	147,599.56	S/L	20.00
METERS AND METER INSTALLA				2,593,336.81	0.00c		0.00	797,199.89	88,052.15	885,252.04	1,708,084.77		
Group: OFFICE FURNITURE & FIXTUR													
96		CHAIRS	11/15/93	375.00	0.00		0.00	375.00	0.00	375.00	0.00	S/L	10.00
177		OFFICE FURNITURE	7/01/98	540.00	0.00		0.00	540.00	0.00	540.00	0.00	S/L	10.00
191		FURNITURE	9/30/99	2,563.00	0.00		0.00	2,563.00	0.00	2,563.00	0.00	S/L	10.00
192		IMPROVEMENTS	5/31/99	1,646.00	0.00		0.00	1,646.00	0.00	1,646.00	0.00	S/L	10.00
208		FURNITURE	10/01/00	2,360.00	0.00		0.00	2,360.00	0.00	2,360.00	0.00	S/L	10.00
219		OFFICE FURNITURE	7/01/01	1,300.00	0.00		0.00	1,300.00	0.00	1,300.00	0.00	S/L	10.00
233		OFFICE FURNITURE	7/01/02	2,057.44	0.00		0.00	2,057.44	0.00	2,057.44	0.00	S/L	10.00
242		OFFICE FURNITURE	6/30/03	600.00	0.00		0.00	600.00	0.00	600.00	0.00	S/L	10.00
250		BILLING SOFTWARE	5/31/04	10,967.00	0.00		0.00	10,967.00	0.00	10,967.00	0.00	S/L	5.00
251		EXECUTIVE CHAIR	10/08/04	299.98	0.00		0.00	299.98	0.00	299.98	0.00	S/L	10.00
268		CONFERENCE ROOM CHAIRS	6/30/05	5,510.00	0.00		0.00	5,510.00	0.00	5,510.00	0.00	S/L	10.00
275		OFFICE FURNITURE	3/06/06	2,995.00	0.00		0.00	2,995.00	0.00	2,995.00	0.00	S/L	10.00
276		OFFICE FURNITURE	4/06/06	383.60	0.00		0.00	383.60	0.00	383.60	0.00	S/L	10.00
277		OFFICE FURNITURE	5/02/06	219.99	0.00		0.00	219.99	0.00	219.99	0.00	S/L	10.00

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Group: OFFICE FURNITURE & FIXTUR (continued)												
278		OFFICE FURNITURE	6/05/06	600.00	0.00	0.00	600.00	0.00	600.00	0.00	S/L	10.00
308		DESK	5/08/08	894.00	0.00	0.00	685.40	89.40	774.80	119.20	S/L	10.00
317		MAS 90 SOFTWARE & INSTALL	6/01/09	3,267.10	0.00	0.00	3,267.10	0.00	3,267.10	0.00	S/L	5.00
334		NEW OFFICE COMPUTERS	8/31/11	7,652.50	0.00	0.00	3,316.08	765.25	4,081.33	3,571.17	S/L	10.00
346		SOFTWARE	2/29/12	574.79	0.00	0.00	440.68	114.96	555.64	19.15	S/L	5.00
347		SOFTWARE	11/30/12	1,040.04	0.00	0.00	641.36	208.01	849.37	190.67	S/L	5.00
359		LEXMARK PRINTER NS810	11/30/14	1,705.50	0.00	0.00	369.53	341.10	710.63	994.87	S/L	5.00
373		SAVIN MP224SP COPIER	8/31/15	4,000.00	0.00	0.00	133.33	400.00	533.33	3,466.67	S/L	10.00
374		OFFICE EQUIPMENT	11/04/15	723.74	0.00	0.00	24.12	144.75	168.87	554.87	S/L	5.00
		OFFICE FURNITURE & FIXTUR		52,274.68	0.00c	0.00	41,294.61	2,063.47	43,358.08	8,916.60		
Group: POWER OPERATED EQUIPMENT												
132		BUCKET	8/06/92	850.00	0.00	0.00	850.00	0.00	850.00	0.00	S/L	10.00
149		MACHINERY	3/23/95	7,600.00	0.00	0.00	7,600.00	0.00	7,600.00	0.00	S/L	10.00
196		MACHINERY	4/30/99	1,280.00	0.00	0.00	1,280.00	0.00	1,280.00	0.00	S/L	10.00
222		POWER OPERATED EQUIPMEN	7/01/01	1,056.00	0.00	0.00	1,056.00	0.00	1,056.00	0.00	S/L	10.00
235		BACKHOE	7/01/02	42,985.63	0.00	0.00	42,985.63	0.00	42,985.63	0.00	S/L	10.00
249		BACKHOE ROCKHAMMER	11/18/04	10,900.00	0.00	0.00	10,900.00	0.00	10,900.00	0.00	S/L	10.00
324		KUBOTA TRACTOR	10/31/10	1,995.00	0.00	0.00	1,030.75	199.50	1,230.25	764.75	S/L	10.00
326		TRACTOR	9/30/10	21,333.00	0.00	0.00	11,199.83	2,133.30	13,333.13	7,999.87	S/L	10.00
327		EQUIPMENT	11/30/10	1,369.00	0.00	0.00	695.91	136.90	832.81	536.19	S/L	10.00
335		EQUIPMENT	4/30/11	2,537.40	0.00	0.00	1,184.12	253.74	1,437.86	1,099.54	S/L	10.00
349		POWER EQUIPMENT	3/09/12	4,332.09	0.00	0.00	1,660.64	433.21	2,093.85	2,238.24	S/L	10.00
375		USED FORK LIFT	9/30/15	7,800.00	0.00	0.00	195.00	780.00	975.00	6,825.00	S/L	10.00
		POWER OPERATED EQUIPMENT		104,038.12	0.00c	0.00	80,637.88	3,936.65	84,574.53	19,463.59		
Group: PUMPING EQUIPMENT												
8		PUMPING STATION	6/30/78	22,292.00	0.00	0.00	22,292.00	0.00	22,292.00	0.00	S/L	20.00
9		PUMPING STATION	6/30/79	1,429.00	0.00	0.00	1,429.00	0.00	1,429.00	0.00	S/L	20.00
10		PUMPING STATION	6/30/80	4,667.00	0.00	0.00	4,667.00	0.00	4,667.00	0.00	S/L	20.00
11		PUMPING STATION	6/30/82	116.00	0.00	0.00	116.00	0.00	116.00	0.00	S/L	20.00
12		PUMPING STATION-ST. ROSE	6/30/84	96,316.00	0.00	0.00	96,316.00	0.00	96,316.00	0.00	S/L	20.00
13		PUMPING STATION-BOOSTER	9/01/85	375.00	0.00	0.00	375.00	0.00	375.00	0.00	S/L	20.00
14		PUMPING STATION-FROGTOWI	9/01/86	3,937.00	0.00	0.00	3,937.00	0.00	3,937.00	0.00	S/L	20.00
15		PUMPING STATION-ADD'N	6/30/92	5,689.00	0.00	0.00	5,689.00	0.00	5,689.00	0.00	S/L	20.00
16		PUMPING STATION ADD'N	6/30/94	8,335.00	0.00	0.00	8,335.00	0.00	8,335.00	0.00	S/L	20.00
140 d		DANVILLE HWY PUMP STATIO	12/31/95	8,390.00	0.00	0.00	8,390.00	0.00	8,390.00	0.00	S/L	20.00
153		PUMPING EQUIPMENT	2/15/96	1,135.00	0.00	0.00	1,129.75	5.25	1,135.00	0.00	S/L	20.00
172		PUMPING EQUIPMENT	7/01/98	32,108.00	0.00	0.00	17,016.52	1,605.40	18,621.92	13,486.08	S/L	20.00
197		PUMPING EQUIPMENT	7/01/99	4,778.00	0.00	0.00	2,390.32	238.90	2,629.22	2,148.78	S/L	20.00
203		PUMPING EQUIPMENT	10/01/00	8,690.00	0.00	0.00	4,214.60	434.50	4,649.10	4,040.90	S/L	20.00
213		PUMPING EQUIPMENT	7/01/01	25.00	0.00	0.00	12.00	1.25	13.25	11.75	S/L	20.00
227		PUMPING EQUIPMENT	7/01/02	3,627.07	0.00	0.00	1,631.88	181.35	1,813.23	1,813.84	S/L	20.00
329		PORTABLE GENERATORS	12/30/10	50,779.29	0.00	0.00	12,694.80	2,538.96	15,233.76	35,545.53	S/L	20.00
352		EXTRA MOTOR - PUMPING EQ	8/31/12	2,744.53	0.00	0.00	914.83	274.45	1,189.28	1,555.25	S/L	10.00
378		DANVILLE HWY PUMP STATIO	4/22/16	235,536.45	0.00c	0.00	0.00	7,851.22	7,851.22	227,685.23	S/L	20.00

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Group: PUMPING EQUIPMENT (continued)												
		PUMPING EQUIPMENT		490,969.34	0.00c	0.00	191,550.70	13,131.28	204,681.98	286,287.36		
		*Less: Dispositions and Transfers		8,390.00	0.00	0.00	8,390.00	0.00	8,390.00	0.00		
		Net PUMPING EQUIPMENT		482,579.34	0.00c	0.00	183,160.70	13,131.28	196,291.98	286,287.36		
Group: SERVICE LINES												
53		SERVICE	6/30/90	300,570.00	0.00	0.00	199,778.20	4,809.12	204,587.32	95,982.68	S/L	62.50
54		SERVICE	6/30/91	6,372.00	0.00	0.00	2,492.72	101.95	2,594.67	3,777.33	S/L	62.50
55		SERVICE	6/30/92	7,923.00	0.00	0.00	3,798.98	126.77	3,925.75	3,997.25	S/L	62.50
56		SERVICE	6/30/93	65,383.00	0.00	0.00	29,424.58	1,046.13	30,470.71	34,912.29	S/L	62.50
57		SERVICE	6/30/94	10,405.00	0.00	0.00	4,473.30	166.48	4,639.78	5,765.22	S/L	62.50
142		SERVICE	6/30/95	8,746.00	0.00	0.00	3,585.96	139.94	3,725.90	5,020.10	S/L	62.50
156		SERVICE LINES	7/01/96	25,516.00	0.00	0.00	9,949.16	408.26	10,357.42	15,158.58	S/L	62.50
164		SERVICE	7/01/97	5,200.00	0.00	0.00	1,664.00	83.20	1,747.20	3,452.80	S/L	62.50
174		SERVICE	7/01/98	35,219.00	0.00	0.00	12,324.94	563.50	12,888.44	22,330.56	S/L	62.50
198		SERVICE	7/01/99	10,286.00	0.00	0.00	3,292.36	164.58	3,456.94	6,829.06	S/L	62.50
210		SERVICE	7/01/99	7,850.00	0.00	0.00	2,512.00	125.60	2,637.60	5,212.40	S/L	62.50
216		SERVICES	7/01/01	5,295.00	0.00	0.00	1,535.70	84.72	1,620.42	3,674.58	S/L	62.50
230		SERVICES	7/01/02	127.01	0.00	0.00	121.02	2.03	123.05	3.96	S/L	62.50
247		SERVICE LINES	7/01/03	3,650.83	0.00	0.00	912.75	58.41	971.16	2,679.67	S/L	62.50
257		SERVICES	6/30/04	809.87	0.00	0.00	186.30	12.96	199.26	610.61	S/L	62.50
265		SERVICE	6/30/05	740.50	0.00	0.00	155.51	11.85	167.36	573.14	S/L	62.50
282		SERVICE LINES	6/30/06	551.59	0.00	0.00	104.79	11.03	115.82	435.77	S/L	50.00
304		SERVICE LINES	6/30/08	3,208.11	0.00	0.00	721.81	51.33	773.14	2,434.97	S/L	62.50
316		SERVICE LINES	6/30/09	4,739.96	0.00	0.00	829.50	75.84	905.34	3,834.62	S/L	62.50
321		SERVICE LINES	6/30/10	3,770.85	0.00	0.00	518.49	60.33	578.82	3,192.03	S/L	62.50
344		SERVICE LINES	6/30/12	2,538.91	0.00	0.00	222.15	40.62	262.77	2,276.14	S/L	62.50
365		SERVICE LINES	6/30/13	12,433.87	0.00	0.00	777.12	198.94	976.06	11,457.81	S/L	62.50
381		SERVICE LINES	6/30/16	2,520.00	0.00c	0.00	0.00	20.16	20.16	2,499.84	S/L	62.50
		SERVICE LINES		523,856.50	0.00c	0.00	279,381.34	8,363.75	287,745.09	236,111.41		
Group: TOOLS, SHOP, & GARAGE EQ												
119		GATE VALVE LOCATOR	11/15/89	823.00	0.00	0.00	823.00	0.00	823.00	0.00	S/L	10.00
123		LEAK DETECTOR	7/22/92	1,668.00	0.00	0.00	1,668.00	0.00	1,668.00	0.00	S/L	10.00
169		EQUIPMENT	8/15/97	1,525.00	0.00	0.00	1,525.00	0.00	1,525.00	0.00	S/L	10.00
180		TOOL BOXES	10/21/98	617.00	0.00	0.00	617.00	0.00	617.00	0.00	S/L	10.00
181		LAWN TRACTOR	4/23/98	950.00	0.00	0.00	950.00	0.00	950.00	0.00	S/L	10.00
182		STEEL SAW	8/06/98	896.00	0.00	0.00	896.00	0.00	896.00	0.00	S/L	10.00
183		ARC WELDER	9/12/98	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	10.00
184		TOOLS	10/12/98	250.00	0.00	0.00	250.00	0.00	250.00	0.00	S/L	10.00
200		TOOLS	7/01/99	620.00	0.00	0.00	620.00	0.00	620.00	0.00	S/L	10.00
221		TOOLS	7/01/01	939.00	0.00	0.00	939.00	0.00	939.00	0.00	S/L	10.00
234		TOOLS, SHOP, & GARAGE EQUI	7/01/02	1,084.61	0.00	0.00	1,084.61	0.00	1,084.61	0.00	S/L	10.00
270		TOOLS SHOP	9/30/05	1,076.00	0.00	0.00	1,076.00	0.00	1,076.00	0.00	S/L	10.00
280		SHOP TOOLS	12/04/06	749.00	0.00	0.00	680.34	68.66	749.00	0.00	S/L	10.00
311		TOOLS	2/13/09	499.95	0.00	0.00	345.83	50.00	395.83	104.12	S/L	10.00

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: TOOLS, SHOP, & GARAGE EQ (continued)												
312		TOOLS	12/31/09	478.20	0.00	0.00	286.92	47.82	334.74	143.46	S/L	10.00
385		TOOLS	7/31/16	271.92	0.00c	0.00	0.00	11.33	11.33	260.59	S/L	10.00
TOOLS, SHOP, & GARAGE EQ				13,447.68	0.00c	0.00	12,761.70	177.81	12,939.51	508.17		
Group: TRANSMISSION & DIST. MAIN												
28		T & D MAINS	6/30/70	266,480.00	0.00	0.00	245,161.80	4,263.68	249,425.48	17,054.52	S/L	62.50
29		T & D MAINS	6/30/73	709.00	0.00	0.00	594.34	11.34	605.68	103.32	S/L	62.50
30		T & D MAINS	6/30/75	4,319.00	0.00	0.00	3,494.94	69.10	3,564.04	754.96	S/L	62.50
31		T & D MAINS	6/30/75	664,860.00	0.00	0.00	538,534.60	10,637.76	549,172.36	115,687.64	S/L	62.50
32		T & D MAINS	6/30/76	10,620.00	0.00	0.00	8,493.20	169.92	8,663.12	1,956.88	S/L	62.50
33		T & D MAINS	6/30/78	5,816.00	0.00	0.00	4,301.16	93.06	4,394.22	1,421.78	S/L	62.50
34		T & D MAINS	6/30/78	202,864.00	0.00	0.00	150,116.64	3,245.82	153,362.46	49,501.54	S/L	62.50
35		T & D MAINS	6/30/79	11,825.00	0.00	0.00	7,451.50	189.20	7,640.70	4,184.30	S/L	62.50
36		T & D MAINS	6/30/80	5,814.00	0.00	0.00	3,545.64	93.02	3,638.66	2,175.34	S/L	62.50
37		T & D MAINS	6/30/81	24,571.00	0.00	0.00	17,196.46	393.14	17,589.60	6,981.40	S/L	62.50
38		T & D MAINS	6/30/82	3,696.00	0.00	0.00	2,513.96	59.14	2,573.10	1,122.90	S/L	62.50
39		T & D MAINS - ST MARY	6/30/84	378,763.00	0.00	0.00	238,618.38	6,060.21	244,678.59	134,084.41	S/L	62.50
40		T & D MAINS	6/30/84	8,865.00	0.00	0.00	5,582.90	141.84	5,724.74	3,140.26	S/L	62.50
41		T & D MAINS	6/30/85	24,007.00	0.00	0.00	14,642.82	384.11	15,026.93	8,980.07	S/L	62.50
42		T & D MAINS	12/01/85	337,532.00	0.00	0.00	196,334.32	5,400.51	201,734.83	135,797.17	S/L	62.50
43		T & D MAINS	6/30/86	22,126.00	0.00	0.00	13,057.76	354.02	13,411.78	8,714.22	S/L	62.50
44		T & D MAINS	6/30/87	25,774.00	0.00	0.00	14,687.24	412.38	15,099.62	10,674.38	S/L	62.50
45		T & D MAINS EXTENSION	6/30/87	25,269.00	0.00	0.00	14,427.94	404.30	14,832.24	10,436.76	S/L	62.50
46		T & D MAINS EXTENSION	6/30/88	14,540.00	0.00	0.00	7,998.40	232.64	8,231.04	6,308.96	S/L	62.50
47		T & D MAINS	6/30/89	21,253.00	0.00	0.00	11,263.78	340.05	11,603.83	9,649.17	S/L	62.50
48		T & D MAINS	6/30/90	896,263.00	0.00	0.00	457,092.38	14,340.21	471,432.59	424,830.41	S/L	62.50
49		T & D MAINS	6/30/91	199,293.16	0.00	0.00	99,639.66	3,188.69	102,828.35	96,464.81	S/L	62.50
50		T & D MAINS	6/30/92	14,176.00	0.00	0.00	6,808.76	226.82	7,035.58	7,140.42	S/L	62.50
51		T & D MAINS	6/30/93	1,320,717.00	0.00	0.00	594,320.42	21,131.47	615,451.89	705,265.11	S/L	62.50
52		T & D MAINS	6/30/94	89,774.00	0.00	0.00	38,599.24	1,436.38	40,035.62	49,738.38	S/L	62.50
141		T & D MAINS	6/30/95	56,889.00	0.00	0.00	23,326.14	910.22	24,236.36	32,652.64	S/L	62.50
155		T & D MAINS	12/15/96	509,758.00	0.00	0.00	194,557.08	8,156.13	202,713.21	307,044.79	S/L	62.50
163		T & D MAINS	7/01/97	143,889.00	0.00	0.00	51,801.14	2,302.22	54,103.36	89,785.64	S/L	62.50
173		T & D MAINS	7/01/98	694,028.00	0.00	0.00	242,911.28	11,104.45	254,015.73	440,012.27	S/L	62.50
199		T & D MAINS	7/01/99	175,107.00	0.00	0.00	56,033.82	2,801.71	58,835.53	116,271.47	S/L	62.50
205		T & D MAINS	7/01/00	296,649.00	0.00	0.00	91,960.74	4,746.38	96,707.12	199,941.88	S/L	62.50
215		T & D MAINS	7/01/01	802,674.00	0.00	0.00	232,775.24	12,842.78	245,618.02	557,055.98	S/L	62.50
229		T & D MAINS	7/01/02	221,388.29	0.00	0.00	57,892.01	3,542.21	61,434.22	159,954.07	S/L	62.50
246		T & D MAINS	7/01/03	95,937.25	0.00	0.00	23,984.37	1,535.00	25,519.37	70,417.88	S/L	62.50
256		T & D MAINS	6/30/04	114,281.55	0.00	0.00	26,284.75	1,828.50	28,113.25	86,168.30	S/L	62.50
264		T&D MAINS	6/30/05	125,895.64	0.00	0.00	26,438.06	2,014.33	28,452.39	97,443.25	S/L	62.50
271		T&D MAINS	6/30/06	19,343.20	0.00	0.00	3,675.17	309.49	3,984.66	15,358.54	S/L	62.50
292		T & D MAINS	5/31/07	415,384.84	0.00	0.00	71,307.76	6,646.16	77,953.92	337,430.92	S/L	62.50
293		T & D MAINS	6/30/07	200,397.63	0.00	0.00	34,067.58	3,206.36	37,273.94	163,123.69	S/L	62.50
294		T & D MAINS	8/30/07	37,776.47	0.00	0.00	6,296.08	604.42	6,900.50	30,875.97	S/L	62.50
295		T & D MAINS	6/30/07	2,640.48	0.00	0.00	448.88	42.25	491.13	2,149.35	S/L	62.50
302		T&D MAINS - CALV. RD/LEE HI	1/29/08	41,404.01	0.00	0.00	10,178.48	662.46	10,840.94	30,563.07	S/L	62.50

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: TRANSMISSION & DIST. MAIN (continued)												
303		T&D MAINS - DRY FORK, FARR	7/20/08	122,550.56	0.00	0.00	27,063.23	1,960.81	29,024.04	93,526.52	S/L	62.50
306		T&D MAINS	6/30/08	14,625.55	0.00	0.00	3,290.76	234.01	3,524.77	11,100.78	S/L	62.50
307		T&D MAINS - NARROWS ROAD	12/02/08	58,635.80	0.00	0.00	11,971.51	938.17	12,909.68	45,726.12	S/L	62.50
314		T&D MAINS	10/07/09	200,244.68	0.00	0.00	32,539.78	3,203.91	35,743.69	164,500.99	S/L	62.50
315		T&D MAINS	6/30/09	16,757.14	0.00	0.00	2,932.51	268.11	3,200.62	13,556.52	S/L	62.50
319		T&D MAINS - LORETTO LINE	6/30/10	1,224,981.77	0.00	0.00	168,434.97	19,599.71	188,034.68	1,036,947.09	S/L	62.50
320		T&D MAINS - HWY 527 PHASE I	11/30/10	269,796.82	0.00	0.00	34,286.68	4,316.75	38,603.43	231,193.39	S/L	62.50
332		T&D MAINS - LEB. BYPASS	8/04/11	968,701.82	0.00	0.00	106,960.84	15,499.23	122,460.07	846,241.75	S/L	62.50
343		T&D MAINS	6/30/12	43,963.08	0.00	0.00	3,846.78	703.41	4,550.19	39,412.89	S/L	62.50
354		T&D MAINS-NARROWS ROAD	5/21/14	197,100.52	0.00	0.00	7,801.89	3,153.61	10,955.50	186,145.02	S/L	62.50
355		T&D MAINS	6/30/14	36,305.69	0.00	0.00	1,361.46	580.89	1,942.35	34,363.34	S/L	62.50
363		T&D MAINS - HWY 84	10/15/13	469,296.37	0.00	0.00	26,397.92	7,508.74	33,906.66	435,389.71	S/L	62.50
364		T&D MAINS	6/30/13	7,827.02	0.00	0.00	489.20	125.23	614.43	7,212.59	S/L	62.50
371		TRANSMISSION & DIST MAINS	6/30/15	68,635.40	0.00	0.00	857.94	1,098.17	1,956.11	66,679.29	S/L	62.50
379		T&D MAINS - RIVER CROSSING	3/31/16	30,000.00	0.00c	0.00	0.00	360.00	360.00	29,640.00	S/L	62.50
380		T&D MAINS	6/30/16	28,161.90	0.00c	0.00	0.00	225.30	225.30	27,936.60	S/L	62.50
388		T&D MAINS - BURKES SPRING	11/15/16	23,509.00	0.00c	0.00	0.00	62.69	62.69	23,446.31	S/L	62.50
389		2 RIVER CROSSINGS	6/30/91	12,720.84	0.00	0.00	6,359.98	6,360.86	12,720.84	0.00	S/L	62.50
TRANSMISSION & DIST. MAIN				12,327,183.48	0.00c	0.00	4,283,012.27	202,733.48	4,485,745.75	7,841,437.73		
Group: TRANSPORTATION EQUIPMENT												
98		TRAILER	7/14/87	2,500.00	0.00	0.00	2,500.00	0.00	2,500.00	0.00	S/L	10.00
168		TRUCK	4/15/97	38,214.00	0.00	0.00	38,214.00	0.00	38,214.00	0.00	S/L	10.00
178		98 DODGE	7/20/98	17,000.00	0.00	0.00	17,000.00	0.00	17,000.00	0.00	S/L	7.00
220		DODGE TRUCK	7/01/01	42,283.45	0.00	0.00	42,283.45	0.00	42,283.45	0.00	S/L	7.00
269	d	2005 CHEVY 4X4	4/30/05	19,281.00	0.00	0.00	19,281.00	0.00	19,281.00	0.00	S/L	7.00
279		FORD 4X4 PICK UP	12/29/06	16,615.00	0.00	0.00	16,615.00	0.00	16,615.00	0.00	S/L	7.00
325		2010 FORD TRUCK	11/30/10	20,209.10	0.00	0.00	14,675.63	2,887.01	17,562.64	2,646.46	S/L	7.00
348		2012 CHEVY PICKUP	4/30/12	24,770.00	0.00	0.00	12,974.76	3,538.57	16,513.33	8,256.67	S/L	7.00
358		2015 FORD F450 SUPER DUTY T	5/29/14	48,411.00	0.00	0.00	10,950.11	6,915.86	17,865.97	30,545.03	S/L	7.00
368		TRAILER	5/31/13	18,636.25	0.00	0.00	6,877.66	2,662.32	9,539.98	9,096.27	S/L	7.00
384		CHEVY SILVERADO	5/27/16	26,181.00	0.00c	0.00	0.00	2,181.75	2,181.75	23,999.25	S/L	7.00
TRANSPORTATION EQUIPMENT				274,100.80	0.00c	0.00	181,371.61	18,185.51	199,557.12	74,543.68		
*Less: Dispositions and Transfers				19,281.00	0.00	0.00	19,281.00	0.00	19,281.00	0.00		
Net TRANSPORTATION EQUIPMENT				254,819.80	0.00c	0.00	162,090.61	18,185.51	180,276.12	74,543.68		
Group: WATER TREATMENT EQUIPMENT												
209		WATER TREATMENT EQUIPME	8/31/00	1,199.00	0.00	0.00	1,199.00	0.00	1,199.00	0.00	S/L	10.00
224		WATER TREATMENT EQUIPME	7/01/01	1,308.00	0.00	0.00	1,308.00	0.00	1,308.00	0.00	S/L	10.00
237		WATER TREATMENT EQUIPME	7/01/02	731.79	0.00	0.00	731.79	0.00	731.79	0.00	S/L	10.00
WATER TREATMENT EQUIPMENT				3,238.79	0.00c	0.00	3,238.79	0.00	3,238.79	0.00		

Book Asset Detail 1/01/16 - 12/31/16

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
				<u>19,297,987.69</u>	<u>0.00c</u>	<u>0.00</u>	<u>6,852,248.97</u>	<u>406,054.92</u>	<u>7,258,303.89</u>	<u>12,039,683.80</u>		
		Less: Dispositions and Transfers		<u>27,671.00</u>	<u>0.00</u>	<u>0.00</u>	<u>27,671.00</u>	<u>0.00</u>	<u>27,671.00</u>	<u>0.00</u>		
		Net Grand Total		<u>19,270,316.69</u>	<u>0.00c</u>	<u>0.00</u>	<u>6,824,577.97</u>	<u>406,054.92</u>	<u>7,230,632.89</u>	<u>12,039,683.80</u>		
				H-1			H-1		H-1			

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 19

RESPONSIBLE PARTY: Charles M. White, CPA

Request 19. Provide the detailed depreciation schedule for Marion District for 2017.

Response 19. See attached. Schedule is incomplete and subject to change in accordance with the PSC Staff Opinion requested and described in Response #16 above.

Book Asset Detail 1/01/17 - 12/31/17

FYE: 12/31/2017

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: BUILDING												
3		NEW BUILDING	6/30/79	46,796.00	0.00	0.00	46,796.00	0.00	46,796.00	0.00	S/L	33.30
4		NEW BUILDING	6/30/80	419.00	0.00	0.00	419.00	0.00	419.00	0.00	S/L	33.30
5		NEW BUILDING	6/30/86	9,375.00	0.00	0.00	8,590.42	281.53	8,871.95	503.05	S/L	33.30
6		NEW BUILDING	12/01/90	1,270.00	0.00	0.00	990.96	38.14	1,029.10	240.90	S/L	33.30
7		NEW BUILDING ADDITIONS	9/01/93	5,504.00	0.00	0.00	3,853.06	165.29	4,018.35	1,485.65	S/L	33.30
152		BUILDING	7/15/96	967.00	0.00	0.00	595.56	29.04	624.60	342.40	S/L	33.30
212		BUILDING ADD-ON	7/01/01	23,812.00	0.00	0.00	11,084.12	715.08	11,799.20	12,012.80	S/L	33.30
226		BUILDING ADD-ON	7/01/02	2,317.20	0.00	0.00	1,009.26	69.59	1,078.85	1,238.35	S/L	33.30
244		SHOP ADDITION	7/01/03	1,498.81	0.00	0.00	607.63	45.01	652.64	846.17	S/L	33.30
254		BUILDING RENOVATION	6/30/04	10,570.85	0.00	0.00	10,570.85	0.00	10,570.85	0.00	S/L	33.30
260		BLACKTOP RESURFACE	5/12/04	1,080.00	0.00	0.00	1,080.00	0.00	1,080.00	0.00	S/L	15.00
262		BUILDING RENOVATION	2/28/05	237.81	0.00	0.00	237.81	0.00	237.81	0.00	S/L	33.30
283		RECC BUILDING	1/17/07	130,820.00	0.00	0.00	38,957.92	3,928.53	42,886.45	87,933.55	S/L	33.30
284		SECURITY-RECC NEW BUILDIN	3/05/07	1,350.00	0.00	0.00	1,350.00	0.00	1,350.00	0.00	S/L	10.00
285		GARAGE DOORS FOR BLDG	3/15/07	2,095.00	0.00	0.00	2,095.00	0.00	2,095.00	0.00	S/L	15.00
298		BLACKTOP	4/02/08	10,062.00	0.00	0.00	8,217.30	670.80	8,888.10	1,173.90	S/L	15.00
299		OVERHEAD DOOR	6/30/08	1,470.00	0.00	0.00	1,127.00	98.00	1,225.00	245.00	S/L	15.00
328		NEW SHOP BLDG ROOF	12/02/10	9,562.20	0.00	0.00	3,878.00	637.48	4,515.48	5,046.72	S/L	15.00
370		HEAT PUMP (TIME WARNER RI	4/30/15	4,300.00	0.00	0.00	477.78	286.67	764.45	3,535.55	S/L	15.00
377		SECURITY SYSTEM & CAMERA	11/21/16	1,664.99	0.00	0.00	13.87	166.50	180.37	1,484.62	S/L	10.00
		BUILDING		<u>265,171.86</u>	<u>0.00c</u>	<u>0.00</u>	<u>141,951.54</u>	<u>7,131.66</u>	<u>149,083.20</u>	<u>116,088.66</u>		
Group: COMMUNICATION EQUIPMENT												
186		TELEMETER EQUIPMENT	12/31/98	16,500.00	0.00	0.00	16,500.00	0.00	16,500.00	0.00	S/L	10.00
187		COMMUNICATIONS EQUIP - TA	7/31/99	3,610.00	0.00	0.00	3,610.00	0.00	3,610.00	0.00	S/L	10.00
188		COMMUNICATIONS EQUIP - TA	11/15/99	6,078.00	0.00	0.00	6,078.00	0.00	6,078.00	0.00	S/L	10.00
236		COMMUNICATION EQUIPMENT	7/01/02	2,800.00	0.00	0.00	2,800.00	0.00	2,800.00	0.00	S/L	10.00
238		PHONE SYSTEM	7/01/02	20,500.00	0.00	0.00	20,500.00	0.00	20,500.00	0.00	S/L	10.00
239		PHONE SYSTEM-CALDWELL C	7/01/02	2,749.17	0.00	0.00	2,749.17	0.00	2,749.17	0.00	S/L	10.00
252		TELEMETER EQUIPMENT	3/31/04	1,191.42	0.00	0.00	1,191.42	0.00	1,191.42	0.00	S/L	10.00
291		COMMUNICATION EQUIPMENT	4/04/07	511.94	0.00	0.00	499.11	12.83	511.94	0.00	S/L	10.00
309		NARROWS RD TANK-COMM. E	1/31/09	34,411.99	0.00	0.00	27,242.83	3,441.20	30,684.03	3,727.96	S/L	10.00
336		COMM. EQUIPMENT	3/31/11	460.00	0.00	0.00	264.50	46.00	310.50	149.50	S/L	10.00
337		COMMUNICATION SYSTEM (R	8/31/11	33,263.00	0.00	0.00	17,740.27	3,326.30	21,066.57	12,196.43	S/L	10.00
350		COMMUNICATION EQUIPMENT	6/30/12	1,492.45	0.00	0.00	671.62	149.25	820.87	671.58	S/L	10.00
386		PHONE SYSTEM UPGRADE	2/29/16	1,200.00	0.00	0.00	100.00	120.00	220.00	980.00	S/L	10.00
387		COMMUNICATION EQUIPMENT	9/30/16	474.00	0.00	0.00	11.85	47.40	59.25	414.75	S/L	10.00
400		RCS COMMUNICATION EQUIP	3/31/17	3,746.00	0.00c	0.00	0.00	280.95	280.95	3,465.05	S/L	10.00
		COMMUNICATION EQUIPMENT		<u>128,987.97</u>	<u>0.00c</u>	<u>0.00</u>	<u>99,958.77</u>	<u>7,423.93</u>	<u>107,382.70</u>	<u>21,605.27</u>		
Group: DIST. RESERVOIRS & STANDP												
17		DIST RES & STANDPIPE	6/30/70	49,170.00	0.00	0.00	46,216.60	983.40	47,200.00	1,970.00	S/L	50.00
19		DIST RES & STANDPIPE	6/30/76	246.00	0.00	0.00	201.88	4.92	206.80	39.20	S/L	50.00
20		DIST RES & STANDPIPE	6/30/84	644.00	0.00	0.00	419.32	12.88	432.20	211.80	S/L	50.00
21		B'VILLE DIST RES	6/30/85	1,767.00	0.00	0.00	1,027.76	35.34	1,063.10	703.90	S/L	50.00

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: DIST. RESERVOIRS & STANDP (continued)												
22		B'VILLE DIST RES	12/01/86	222,346.00	0.00	0.00	133,778.88	4,446.92	138,225.80	84,120.20	S/L	50.00
23		B'VILLE DIST RES	6/30/87	42,475.00	0.00	0.00	25,064.00	849.50	25,913.50	16,561.50	S/L	50.00
24		B'VILLE DIST RES	6/30/89	29,631.00	0.00	0.00	16,596.68	592.62	17,189.30	12,441.70	S/L	50.00
25		DIST RES PAINTING	6/30/91	18,885.00	0.00	0.00	18,885.00	0.00	18,885.00	0.00	S/L	20.00
27		DIST RES PAINTING	5/01/93	11,000.00	0.00	0.00	11,000.00	0.00	11,000.00	0.00	S/L	20.00
150		DIST RES & STANDPIPE	12/31/95	12,275.00	0.00	0.00	5,159.00	245.50	5,404.50	6,870.50	S/L	50.00
154		DIST REC & STANDPIPE	10/15/96	169,745.00	0.00	0.00	68,747.60	3,394.90	72,142.50	97,602.50	S/L	50.00
162		DIST RESERV & STANDPIPES	6/01/97	9,502.00	0.00	0.00	3,610.56	190.04	3,800.60	5,701.40	S/L	50.00
189		DIST RESERV & STANDPIPES	6/30/99	1,054.00	0.00	0.00	358.12	21.08	379.20	674.80	S/L	50.00
204		DIST RES & STANDPIPES	5/15/00	33,400.00	0.00	0.00	11,133.00	668.00	11,801.00	21,599.00	S/L	50.00
214		DIST RES & STANDPIPES	7/01/01	248,448.00	0.00	0.00	77,018.44	4,968.96	81,987.40	166,460.60	S/L	50.00
228		DIST RESERVOIRS	7/01/02	278,070.43	0.00	0.00	80,640.74	5,561.41	86,202.15	191,868.28	S/L	50.00
245		PAINT TANK	7/31/03	39,112.50	0.00	0.00	26,238.04	1,955.63	28,193.67	10,918.83	S/L	20.00
255		DIST RESERVOIRS	6/30/04	355,805.91	0.00	0.00	88,951.50	7,116.12	96,067.62	259,738.29	S/L	50.00
263		DISTR. RES & STANDUP PIPES	6/15/05	4,869.17	0.00	0.00	1,797.52	97.38	1,894.90	2,974.27	S/L	50.00
286		HOLY CROSS WATER TANK	12/21/07	75,200.00	0.00	0.00	13,536.00	1,504.00	15,040.00	60,160.00	S/L	50.00
297		HOLY CROSS TANK	1/29/08	16,360.00	0.00	0.00	2,917.53	327.20	3,244.73	13,115.27	S/L	50.00
300		RILEY STORAGE TANK PAINTING	12/03/08	75,926.00	0.00	0.00	30,686.76	3,796.30	34,483.06	41,442.94	S/L	20.00
301		NARROWS ROAD TANK	12/02/08	597,737.02	0.00	0.00	96,634.15	11,954.74	108,588.89	489,148.13	S/L	50.00
340		FENCING - ST. CHARLES TANK	12/31/12	4,861.00	0.00	0.00	2,777.72	324.07	3,101.79	1,759.21	S/L	15.00
341		TANK PAINTING - ST. CHARLES	10/24/12	58,234.00	0.00	0.00	16,176.12	3,882.27	20,058.39	38,175.61	S/L	15.00
DIST. RESERVOIRS & STANDP				2,356,764.03	0.00	0.00	779,572.92	52,933.18	832,506.10	1,524,257.93		

Group: HYDRANTS

66		HYDRANTS	6/30/70	757.00	0.00	0.00	694.96	15.14	710.10	46.90	S/L	50.00
67		HYDRANTS	6/30/75	2,015.00	0.00	0.00	1,670.20	40.30	1,710.50	304.50	S/L	50.00
68		HYDRANTS	6/30/76	7.00	0.00	0.00	4.96	0.14	5.10	1.90	S/L	50.00
69		HYDRANTS	6/30/78	2,588.00	0.00	0.00	1,968.64	51.76	2,020.40	567.60	S/L	50.00
70		HYDRANTS	6/30/85	35.00	0.00	0.00	24.80	0.70	25.50	9.50	S/L	50.00
71		HYDRANTS	12/01/86	6,210.00	0.00	0.00	3,729.80	124.20	3,854.00	2,356.00	S/L	50.00
72		HYDRANTS	6/30/86	268.00	0.00	0.00	150.04	5.36	155.40	112.60	S/L	50.00
148		HYDRANTS	2/07/95	1,825.00	0.00	0.00	803.00	36.50	839.50	985.50	S/L	50.00
158		HYDRANTS	7/01/96	1,041.00	0.00	0.00	427.48	20.82	448.30	592.70	S/L	50.00
176		HYDRANTS	4/07/98	800.00	0.00	0.00	300.00	16.00	316.00	484.00	S/L	50.00
193		HYDRANTS	2/28/99	4,717.00	0.00	0.00	1,602.76	94.34	1,697.10	3,019.90	S/L	50.00
207		HYDRANTS	3/06/00	1,845.00	0.00	0.00	621.60	36.90	658.50	1,186.50	S/L	50.00
218		HYDRANTS	7/01/01	17,134.00	0.00	0.00	5,311.52	342.68	5,654.20	11,479.80	S/L	50.00
232		HYDRANTS	7/01/02	3,328.81	0.00	0.00	965.12	66.58	1,031.70	2,297.11	S/L	50.00
259		HYDRANTS	6/30/04	2,152.99	0.00	0.00	538.25	43.06	581.31	1,571.68	S/L	50.00
267		HYDRANTS	5/31/05	905.00	0.00	0.00	209.66	18.10	227.76	677.24	S/L	50.00
273		HYDRANTS	11/30/06	543.34	0.00	0.00	109.61	10.87	120.48	422.86	S/L	50.00
274		HYDRANTS	12/04/06	1,740.46	0.00	0.00	351.00	34.81	385.81	1,354.65	S/L	50.00
288		HYDRANTS	5/08/07	5,400.00	0.00	0.00	1,044.00	108.00	1,152.00	4,248.00	S/L	50.00
289		HYDRANTS	7/11/07	3,274.40	0.00	0.00	622.15	65.49	687.64	2,586.76	S/L	50.00
290		HYDRANTS	8/06/07	50.08	0.00	0.00	9.42	1.00	10.42	39.66	S/L	50.00
310		HYDRANTS	3/12/09	2,400.00	0.00	0.00	376.00	48.00	424.00	1,976.00	S/L	50.00
323		HYDRANTS	4/30/10	11,797.67	0.00	0.00	1,573.00	235.95	1,808.95	9,988.72	S/L	50.00

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Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: HYDRANTS (continued)												
338		HYDRANTS	11/30/11	2,541.00	0.00	0.00	1,291.68	50.82	1,342.50	1,198.50	S/L	50.00
357		HYDRANT	11/30/14	1,050.00	0.00	0.00	218.75	21.00	239.75	810.25	S/L	50.00
367		HYDRANT	7/31/13	1,381.04	0.00	0.00	471.84	27.62	499.46	881.58	S/L	50.00
383		HYDRANTS	9/30/16	750.00	0.00	0.00	18.75	15.00	33.75	716.25	S/L	50.00
396		HYDRANTS	6/30/17	6,983.72	0.00c	0.00	0.00	69.84	69.84	6,913.88	S/L	50.00
HYDRANTS				83,540.51	0.00c	0.00	25,108.99	1,600.98	26,709.97	56,830.54		
Group: LABORATORY EQUIPMENT												
128		LAB EQUIPMENT	6/30/87	57.00	0.00	0.00	57.00	0.00	57.00	0.00	S/L	10.00
129		LAB EQUIPMENT	6/30/88	4,101.00	0.00	0.00	4,101.00	0.00	4,101.00	0.00	S/L	10.00
130		LAB EQUIPMENT	6/30/99	460.78	0.00	0.00	460.78	0.00	460.78	0.00	S/L	10.00
LABORATORY EQUIPMENT				4,618.78	0.00c	0.00	4,618.78	0.00	4,618.78	0.00		
Group: LAND & LAND RIGHTS												
1		LAND & LAND RIGHTS	1/01/78	4,531.00	0.00	0.00	0.00	0.00	0.00	4,531.00	Land	0.00
151		LAND	3/15/96	2,526.00	0.00	0.00	0.00	0.00	0.00	2,526.00	Land	0.00
161		LAND	7/01/97	264.00	0.00	0.00	0.00	0.00	0.00	264.00	Land	0.00
171		LAND	7/08/98	24.00	0.00	0.00	0.00	0.00	0.00	24.00	Land	0.00
194		LAND	2/28/99	120.00	0.00	0.00	0.00	0.00	0.00	120.00	Land	0.00
202		LAND & LAND RIGHTS	6/30/00	60.00	0.00	0.00	0.00	0.00	0.00	60.00	Land	0.00
211		LAND-GAP KNOB	10/31/01	4,562.00	0.00	0.00	0.00	0.00	0.00	4,562.00	Land	0.00
225		LAND-MAKERS MARK	7/01/02	3,108.06	0.00	0.00	0.00	0.00	0.00	3,108.06	Land	0.00
243		EASEMENTS	7/01/03	1,180.00	0.00	0.00	0.00	0.00	0.00	1,180.00	Land	0.00
253		LAND	6/30/04	14.00	0.00	0.00	0.00	0.00	0.00	14.00	Land	0.00
281		LAND EASEMENT	12/31/06	64.00	0.00	0.00	0.00	0.00	0.00	64.00	Land	0.00
318		EASEMENT	3/31/10	17.00	0.00	0.00	0.00	0.00	0.00	17.00	Land	0.00
330		LAND - EASEMENT	3/09/11	85.00	0.00	0.00	0.00	0.00	0.00	85.00	Land	0.00
331		LAND - MARY VIVIAN CAMBR	12/31/11	11,250.00	0.00	0.00	0.00	0.00	0.00	11,250.00	Land	0.00
339		LAND IMPROV. - V. CAMBRON	3/31/12	7,446.00	0.00	0.00	0.00	0.00	0.00	7,446.00	Land	0.00
342		EASEMENT	1/05/12	37.00	0.00	0.00	0.00	0.00	0.00	37.00	Land	0.00
351		EASEMENT	5/22/12	20.00	0.00	0.00	0.00	0.00	0.00	20.00	Land	0.00
353		EASEMENTS	7/31/14	6,845.00	0.00	0.00	0.00	0.00	0.00	6,845.00	Land	0.00
361		EASEMENTS KY 49 - STATE RE	12/31/13	14,734.00	0.00	0.00	0.00	0.00	0.00	14,734.00	Land	0.00
362		EASEMENTS	12/31/13	273.00	0.00	0.00	0.00	0.00	0.00	273.00	Land	0.00
369		EASEMENTS	4/13/15	517.00	0.00	0.00	0.00	0.00	0.00	517.00	Land	0.00
376		EASEMENTS	8/31/16	5,111.00	0.00	0.00	0.00	0.00	0.00	5,111.00	Land	0.00
390		LAND - EASEMENTS	6/30/17	34.00	0.00c	0.00	0.00	0.00	0.00	34.00	Land	0.00
LAND & LAND RIGHTS				62,822.06	0.00c	0.00	0.00	0.00	0.00	62,822.06		
Group: LAND GENERAL PLANT												
2		LAND - GEN PLANT	1/01/79	4,400.00	0.00	0.00	0.00	0.00	0.00	4,400.00	Land	0.00
296		LAND - RECC BUILDING	1/17/07	20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00	Land	0.00

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FYE: 12/31/2017

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: LAND GENERAL PLANT (continued)												
		LAND GENERAL PLANT		<u>24,400.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>24,400.00</u>		
Group: METERS AND METER INSTALLA												
58		METERS	6/30/90	153,445.00	0.00	0.00	122,193.60	3,068.90	125,262.50	28,182.50	S/L	50.00
59		METERS	6/30/91	9,288.00	0.00	0.00	4,737.64	185.76	4,923.40	4,364.60	S/L	50.00
60		METERS	6/30/92	21,089.00	0.00	0.00	10,545.92	421.78	10,967.70	10,121.30	S/L	50.00
61		METERS	6/30/93	104,772.00	0.00	0.00	49,239.16	2,095.44	51,334.60	53,437.40	S/L	50.00
62		METERS	6/30/94	31,920.00	0.00	0.00	14,360.60	638.40	14,999.00	16,921.00	S/L	50.00
63		METER INSTALLATION	6/30/90	290,336.00	0.00	0.00	192,881.08	5,806.72	198,687.80	91,648.20	S/L	50.00
64		METER INSTALLATION	6/30/91	6,089.00	0.00	0.00	3,167.92	121.78	3,289.70	2,799.30	S/L	50.00
65		METER INSTALLATION	6/30/92	6,140.00	0.00	0.00	3,071.20	122.80	3,194.00	2,946.00	S/L	50.00
143		METER INSTALLATIONS	6/30/95	26,501.00	0.00	0.00	11,395.28	530.02	11,925.30	14,575.70	S/L	50.00
157		METER INSTALLATION	7/01/96	70,972.00	0.00	0.00	29,096.16	1,419.44	30,515.60	40,456.40	S/L	50.00
165		METER INSTALLATION	7/01/97	31,977.00	0.00	0.00	12,153.56	639.54	12,793.10	19,183.90	S/L	50.00
175		METER INSTALLATION	7/01/98	112,361.00	0.00	0.00	41,573.08	2,247.22	43,820.30	68,540.70	S/L	50.00
195		METER INSTALLATION	7/01/99	53,891.00	0.00	0.00	18,323.48	1,077.82	19,401.30	34,489.70	S/L	50.00
206		METER INSTALLATION	7/01/00	31,901.00	0.00	0.00	10,527.28	638.02	11,165.30	20,735.70	S/L	50.00
217		METERS & METER INSTALLAT.	7/01/01	63,940.00	0.00	0.00	19,821.20	1,278.80	21,100.00	42,840.00	S/L	50.00
231		METERS & METER INSTALLAT.	7/01/02	26,123.13	0.00	0.00	7,662.44	522.46	8,184.90	17,938.23	S/L	50.00
248		METERS & METER INSTALLAT.	7/01/03	28,090.71	0.00	0.00	7,584.44	561.81	8,146.25	19,944.46	S/L	50.00
258		METERS & METER INSTALL	6/30/04	36,504.33	0.00	0.00	9,126.12	730.09	9,856.21	26,648.12	S/L	50.00
266		METERS & INSTALLATION	6/30/05	53,570.16	0.00	0.00	12,321.10	1,071.40	13,392.50	40,177.66	S/L	50.00
272		METERS & INSTALLATION	6/30/06	26,296.27	0.00	0.00	5,522.26	525.93	6,048.19	20,248.08	S/L	50.00
287		METERS & INSTALLATION	6/30/07	45,347.94	0.00	0.00	8,616.12	906.96	9,523.08	35,824.86	S/L	50.00
305		METER INSTALLATION	6/30/08	30,448.91	0.00	0.00	5,176.33	608.98	5,785.31	24,663.60	S/L	50.00
313		ELECTORNIC METERS	6/30/09	216,328.52	0.00	0.00	77,878.30	10,816.43	88,694.73	127,633.79	S/L	20.00
322		ELECTRONIC METERS	6/30/10	152,483.57	0.00	0.00	49,557.17	7,624.18	57,181.35	95,302.22	S/L	20.00
333		ELECTRONIC METERS	9/30/11	186,370.90	0.00	0.00	48,922.39	9,318.55	58,240.94	128,129.96	S/L	20.00
345		METERS & INSTALLATION	6/30/12	228,564.31	0.00	0.00	51,426.99	11,428.22	62,855.21	165,709.10	S/L	20.00
356		METERS & METER INSTALLAT.	6/30/14	130,018.53	0.00	0.00	15,398.51	6,500.93	21,899.44	108,119.09	S/L	20.00
366		METERS & INSTALLATION	6/30/13	191,493.63	0.00	0.00	33,511.38	9,574.68	43,086.06	148,407.57	S/L	20.00
372		METERS & METER INSTALLAT.	6/30/15	75,689.74	0.00	0.00	5,676.73	3,784.49	9,461.22	66,228.52	S/L	20.00
382		METERS & METER INSTALLAT.	6/30/16	151,384.16	0.00	0.00	3,784.60	7,569.21	11,353.81	140,030.35	S/L	20.00
395		METERS & METER INSALLATIC	6/30/17	140,220.53	0.00c	0.00	0.00	3,505.51	3,505.51	136,715.02	S/L	20.00
		METERS AND METER INSTALLA		<u>2,733,557.34</u>	<u>0.00c</u>	<u>0.00</u>	<u>885,252.04</u>	<u>95,342.27</u>	<u>980,594.31</u>	<u>1,752,963.03</u>		
Group: OFFICE FURNITURE & FIXTUR												
96		CHAIRS	11/15/93	375.00	0.00	0.00	375.00	0.00	375.00	0.00	S/L	10.00
177		OFFICE FURNITURE	7/01/98	540.00	0.00	0.00	540.00	0.00	540.00	0.00	S/L	10.00
191		FURNITURE	9/30/99	2,563.00	0.00	0.00	2,563.00	0.00	2,563.00	0.00	S/L	10.00
192		IMPROVEMENTS	5/31/99	1,646.00	0.00	0.00	1,646.00	0.00	1,646.00	0.00	S/L	10.00
208		FURNITURE	10/01/00	2,360.00	0.00	0.00	2,360.00	0.00	2,360.00	0.00	S/L	10.00
219		OFFICE FURNITURE	7/01/01	1,300.00	0.00	0.00	1,300.00	0.00	1,300.00	0.00	S/L	10.00
233		OFFICE FURNITURE	7/01/02	2,057.44	0.00	0.00	2,057.44	0.00	2,057.44	0.00	S/L	10.00
242		OFFICE FURNITURE	6/30/03	600.00	0.00	0.00	600.00	0.00	600.00	0.00	S/L	10.00
250		BILLING SOFTWARE	5/31/04	10,967.00	0.00	0.00	10,967.00	0.00	10,967.00	0.00	S/L	10.00

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Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: OFFICE FURNITURE & FIXTUR (continued)												
251		EXECUTIVE CHAIR	10/08/04	299.98	0.00	0.00	299.98	0.00	299.98	0.00	S/L	10.00
268		CONFERENCE ROOM CHAIRS	6/30/05	5,510.00	0.00	0.00	5,510.00	0.00	5,510.00	0.00	S/L	10.00
275		OFFICE FURNITURE	3/06/06	2,995.00	0.00	0.00	2,995.00	0.00	2,995.00	0.00	S/L	10.00
276		OFFICE FURNITURE	4/06/06	383.60	0.00	0.00	383.60	0.00	383.60	0.00	S/L	10.00
277		OFFICE FURNITURE	5/02/06	219.99	0.00	0.00	219.99	0.00	219.99	0.00	S/L	10.00
278		OFFICE FURNITURE	6/05/06	600.00	0.00	0.00	600.00	0.00	600.00	0.00	S/L	10.00
308		DESK	5/08/08	894.00	0.00	0.00	774.80	89.40	864.20	29.80	S/L	10.00
317		MAS 90 SOFTWARE & INSTALL	6/01/09	3,267.10	0.00	0.00	3,267.10	0.00	3,267.10	0.00	S/L	5.00
334		NEW OFFICE COMPUTERS	8/31/11	7,652.50	0.00	0.00	4,081.33	765.25	4,846.58	2,805.92	S/L	10.00
346		SOFTWARE	2/29/12	574.79	0.00	0.00	555.64	19.15	574.79	0.00	S/L	5.00
347		SOFTWARE	11/30/12	1,040.04	0.00	0.00	849.37	190.67	1,040.04	0.00	S/L	5.00
359		LEXMARK PRINTER NS810	11/30/14	1,705.50	0.00	0.00	710.63	341.10	1,051.73	653.77	S/L	5.00
373		SAVIN MP224SP COPIER	8/31/15	4,000.00	0.00	0.00	533.33	400.00	933.33	3,066.67	S/L	10.00
374		OFFICE EQUIPMENT	11/04/15	723.74	0.00	0.00	168.87	72.37	241.24	482.50	S/L	10.00
397		CREDIT CARD MACHINES	3/31/17	458.00	0.00c	0.00	0.00	68.70	68.70	389.30	S/L	5.00
398		OFFICE EQUIPMENT	4/30/17	839.97	0.00c	0.00	0.00	112.00	112.00	727.97	S/L	5.00
399		NEW OFFICE FLOORING	12/01/17	3,878.00	0.00c	0.00	0.00	32.32	32.32	3,845.68	S/L	10.00
OFFICE FURNITURE & FIXTUR				57,450.65	0.00c	0.00	43,358.08	2,090.96	45,449.04	12,001.61		
Group: POWER OPERATED EQUIPMENT												
132		BUCKET	8/06/92	850.00	0.00	0.00	850.00	0.00	850.00	0.00	S/L	10.00
149		MACHINERY	3/23/95	7,600.00	0.00	0.00	7,600.00	0.00	7,600.00	0.00	S/L	10.00
196		MACHINERY	4/30/99	1,280.00	0.00	0.00	1,280.00	0.00	1,280.00	0.00	S/L	10.00
222		POWER OPERATED EQUIPMEN	7/01/01	1,056.00	0.00	0.00	1,056.00	0.00	1,056.00	0.00	S/L	10.00
235		BACKHOE	7/01/02	42,985.63	0.00	0.00	42,985.63	0.00	42,985.63	0.00	S/L	10.00
249		BACKHOE ROCKHAMMER	11/18/04	10,900.00	0.00	0.00	10,900.00	0.00	10,900.00	0.00	S/L	10.00
324		KUBOTA TRACTOR	10/31/10	1,995.00	0.00	0.00	1,230.25	199.50	1,429.75	565.25	S/L	10.00
326		TRACTOR	9/30/10	21,333.00	0.00	0.00	13,333.13	2,133.30	15,466.43	5,866.57	S/L	10.00
327		EQUIPMENT	11/30/10	1,369.00	0.00	0.00	832.81	136.90	969.71	399.29	S/L	10.00
335		EQUIPMENT	4/30/11	2,537.40	0.00	0.00	1,437.86	253.74	1,691.60	845.80	S/L	10.00
349		POWER EQUIPMENT	3/09/12	4,332.09	0.00	0.00	2,093.85	433.21	2,527.06	1,805.03	S/L	10.00
375		USED FORK LIFT	9/30/15	7,800.00	0.00	0.00	975.00	780.00	1,755.00	6,045.00	S/L	10.00
POWER OPERATED EQUIPMENT				104,038.12	0.00c	0.00	84,574.53	3,936.65	88,511.18	15,526.94		
Group: PUMPING EQUIPMENT												
8		PUMPING STATION	6/30/78	22,292.00	0.00	0.00	22,292.00	0.00	22,292.00	0.00	S/L	20.00
9		PUMPING STATION	6/30/79	1,429.00	0.00	0.00	1,429.00	0.00	1,429.00	0.00	S/L	20.00
10		PUMPING STATION	6/30/80	4,667.00	0.00	0.00	4,667.00	0.00	4,667.00	0.00	S/L	20.00
11		PUMPING STATION	6/30/82	116.00	0.00	0.00	116.00	0.00	116.00	0.00	S/L	20.00
12		PUMPING STATION-ST. ROSE	6/30/84	96,316.00	0.00	0.00	96,316.00	0.00	96,316.00	0.00	S/L	20.00
13		PUMPING STATION-BOOSTER	9/01/85	375.00	0.00	0.00	375.00	0.00	375.00	0.00	S/L	20.00
14		PUMPING STATION-FROGTOW	9/01/86	3,937.00	0.00	0.00	3,937.00	0.00	3,937.00	0.00	S/L	20.00
15		PUMPING STATION-ADD'N	6/30/92	5,689.00	0.00	0.00	5,689.00	0.00	5,689.00	0.00	S/L	20.00
16		PUMPING STATION ADD'N	6/30/94	8,335.00	0.00	0.00	8,335.00	0.00	8,335.00	0.00	S/L	20.00
153		PUMPING EQUIPMENT	2/15/96	1,135.00	0.00	0.00	1,135.00	0.00	1,135.00	0.00	S/L	20.00
172		PUMPING EQUIPMENT	7/01/98	32,108.00	0.00	0.00	18,621.92	1,605.40	20,227.32	11,880.68	S/L	20.00

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: PUMPING EQUIPMENT (continued)												
197		PUMPING EQUIPMENT	7/01/99	4,778.00	0.00	0.00	2,629.22	238.90	2,868.12	1,909.88	S/L	20.00
203		PUMPING EQUIPMENT	10/01/00	8,690.00	0.00	0.00	4,649.10	434.50	5,083.60	3,606.40	S/L	20.00
213		PUMPING EQUIPMENT	7/01/01	25.00	0.00	0.00	13.25	1.25	14.50	10.50	S/L	20.00
227		PUMPING EQUIPMENT	7/01/02	3,627.07	0.00	0.00	1,813.23	181.35	1,994.58	1,632.49	S/L	20.00
329		PORTABLE GENERATORS	12/30/10	50,779.29	0.00	0.00	15,233.76	2,538.96	17,772.72	33,006.57	S/L	20.00
352		EXTRA MOTOR - PUMPING EQ	8/31/12	2,744.53	0.00	0.00	1,189.28	137.23	1,326.51	1,418.02	S/L	20.00
378		DANVILLE HWY PUMP STATIO	4/22/16	235,536.45	0.00	0.00	7,851.22	11,776.82	19,628.04	215,908.41	S/L	20.00
391		OCTAVE METER FOR WATER L	2/28/17	3,550.00	0.00c	0.00	0.00	147.92	147.92	3,402.08	S/L	20.00
392		PUMPING EQUIPMENT	2/28/17	2,369.25	0.00c	0.00	0.00	98.72	98.72	2,270.53	S/L	20.00
		PUMPING EQUIPMENT		488,498.59	0.00c	0.00	196,291.98	17,161.05	213,453.03	275,045.56		

Group: SERVICE LINES

53		SERVICE	6/30/90	300,570.00	0.00	0.00	204,587.32	4,809.12	209,396.44	91,173.56	S/L	62.50
54		SERVICE	6/30/91	6,372.00	0.00	0.00	2,594.67	101.95	2,696.62	3,675.38	S/L	62.50
55		SERVICE	6/30/92	7,923.00	0.00	0.00	3,925.75	126.77	4,052.52	3,870.48	S/L	62.50
56		SERVICE	6/30/93	65,383.00	0.00	0.00	30,470.71	1,046.13	31,516.84	33,866.16	S/L	62.50
57		SERVICE	6/30/94	10,405.00	0.00	0.00	4,639.78	166.48	4,806.26	5,598.74	S/L	62.50
142		SERVICE	6/30/95	8,746.00	0.00	0.00	3,725.90	139.94	3,865.84	4,880.16	S/L	62.50
156		SERVICE LINES	7/01/96	25,516.00	0.00	0.00	10,357.42	408.26	10,765.68	14,750.32	S/L	62.50
164		SERVICE	7/01/97	5,200.00	0.00	0.00	1,747.20	83.20	1,830.40	3,369.60	S/L	62.50
174		SERVICE	7/01/98	35,219.00	0.00	0.00	12,888.44	563.50	13,451.94	21,767.06	S/L	62.50
198		SERVICE	7/01/99	10,286.00	0.00	0.00	3,456.94	164.58	3,621.52	6,664.48	S/L	62.50
210		SERVICE	7/01/99	7,850.00	0.00	0.00	2,637.60	125.60	2,763.20	5,086.80	S/L	62.50
216		SERVICES	7/01/01	5,295.00	0.00	0.00	1,620.42	84.72	1,705.14	3,589.86	S/L	62.50
230		SERVICES	7/01/02	127.01	0.00	0.00	123.05	2.03	125.08	1.93	S/L	62.50
247		SERVICE LINES	7/01/03	3,650.83	0.00	0.00	971.16	58.41	1,029.57	2,621.26	S/L	62.50
257		SERVICES	6/30/04	809.87	0.00	0.00	199.26	12.96	212.22	597.65	S/L	62.50
265		SERVICE	6/30/05	740.50	0.00	0.00	167.36	11.85	179.21	561.29	S/L	62.50
282		SERVICE LINES	6/30/06	551.59	0.00	0.00	115.82	11.03	126.85	424.74	S/L	50.00
304		SERVICE LINES	6/30/08	3,208.11	0.00	0.00	773.14	51.33	824.47	2,383.64	S/L	62.50
316		SERVICE LINES	6/30/09	4,739.96	0.00	0.00	905.34	75.84	981.18	3,758.78	S/L	62.50
321		SERVICE LINES	6/30/10	3,770.85	0.00	0.00	578.82	60.33	639.15	3,131.70	S/L	62.50
344		SERVICE LINES	6/30/12	2,538.91	0.00	0.00	262.77	40.62	303.39	2,235.52	S/L	62.50
365		SERVICE LINES	6/30/13	12,433.87	0.00	0.00	976.06	198.94	1,175.00	11,258.87	S/L	62.50
381		SERVICE LINES	6/30/16	2,520.00	0.00	0.00	20.16	40.32	60.48	2,459.52	S/L	62.50
394		SERVICE LINES	6/30/17	4,865.91	0.00c	0.00	0.00	38.93	38.93	4,826.98	S/L	62.50
		SERVICE LINES		528,722.41	0.00c	0.00	287,745.09	8,422.84	296,167.93	232,554.48		

Group: TOOLS, SHOP, & GARAGE EQ

119		GATE VALVE LOCATOR	11/15/89	823.00	0.00	0.00	823.00	0.00	823.00	0.00	S/L	10.00
123		LEAK DETECTOR	7/22/92	1,668.00	0.00	0.00	1,668.00	0.00	1,668.00	0.00	S/L	10.00
169		EQUIPMENT	8/15/97	1,525.00	0.00	0.00	1,525.00	0.00	1,525.00	0.00	S/L	10.00
180		TOOL BOXES	10/21/98	617.00	0.00	0.00	617.00	0.00	617.00	0.00	S/L	10.00
181		LAWN TRACTOR	4/23/98	950.00	0.00	0.00	950.00	0.00	950.00	0.00	S/L	10.00
182		STEEL SAW	8/06/98	896.00	0.00	0.00	896.00	0.00	896.00	0.00	S/L	10.00
183		ARC WELDER	9/12/98	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	10.00

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Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: TOOLS, SHOP, & GARAGE EQ (continued)												
184		TOOLS	10/12/98	250.00	0.00	0.00	250.00	0.00	250.00	0.00	S/L	10.00
200		TOOLS	7/01/99	620.00	0.00	0.00	620.00	0.00	620.00	0.00	S/L	10.00
221		TOOLS	7/01/01	939.00	0.00	0.00	939.00	0.00	939.00	0.00	S/L	10.00
234		TOOLS, SHOP, & GARAGE EQUI	7/01/02	1,084.61	0.00	0.00	1,084.61	0.00	1,084.61	0.00	S/L	10.00
270		TOOLS SHOP	9/30/05	1,076.00	0.00	0.00	1,076.00	0.00	1,076.00	0.00	S/L	10.00
280		SHOP TOOLS	12/04/06	749.00	0.00	0.00	749.00	0.00	749.00	0.00	S/L	10.00
311		TOOLS	2/13/09	499.95	0.00	0.00	395.83	50.00	445.83	54.12	S/L	10.00
312		TOOLS	12/31/09	478.20	0.00	0.00	334.74	47.82	382.56	95.64	S/L	10.00
385		TOOLS	7/31/16	271.92	0.00	0.00	11.33	27.19	38.52	233.40	S/L	10.00
		TOOLS, SHOP, & GARAGE EQ		13,447.68	0.00c	0.00	12,939.51	125.01	13,064.52	383.16		
Group: TRANSMISSION & DIST. MAIN												
28		T & D MAINS	6/30/70	266,480.00	0.00	0.00	249,425.48	4,263.68	253,689.16	12,790.84	S/L	62.50
29		T & D MAINS	6/30/73	709.00	0.00	0.00	605.68	11.34	617.02	91.98	S/L	62.50
30		T & D MAINS	6/30/75	4,319.00	0.00	0.00	3,564.04	69.10	3,633.14	685.86	S/L	62.50
31		T & D MAINS	6/30/75	664,860.00	0.00	0.00	549,172.36	10,637.76	559,810.12	105,049.88	S/L	62.50
32		T & D MAINS	6/30/76	10,620.00	0.00	0.00	8,663.12	169.92	8,833.04	1,786.96	S/L	62.50
33		T & D MAINS	6/30/78	5,816.00	0.00	0.00	4,394.22	93.06	4,487.28	1,328.72	S/L	62.50
34		T & D MAINS	6/30/78	202,864.00	0.00	0.00	153,362.46	3,245.82	156,608.28	46,255.72	S/L	62.50
35		T & D MAINS	6/30/79	11,825.00	0.00	0.00	7,640.70	189.20	7,829.90	3,995.10	S/L	62.50
36		T & D MAINS	6/30/80	5,814.00	0.00	0.00	3,638.66	93.02	3,731.68	2,082.32	S/L	62.50
37		T & D MAINS	6/30/81	24,571.00	0.00	0.00	17,589.60	393.14	17,982.74	6,588.26	S/L	62.50
38		T & D MAINS	6/30/82	3,696.00	0.00	0.00	2,573.10	59.14	2,632.24	1,063.76	S/L	62.50
39		T & D MAINS - ST MARY	6/30/84	378,763.00	0.00	0.00	244,678.59	6,060.21	250,738.80	128,024.20	S/L	62.50
40		T & D MAINS	6/30/84	8,865.00	0.00	0.00	5,724.74	141.84	5,866.58	2,998.42	S/L	62.50
41		T & D MAINS	6/30/85	24,007.00	0.00	0.00	15,026.93	384.11	15,411.04	8,595.96	S/L	62.50
42		T & D MAINS	12/01/85	337,532.00	0.00	0.00	201,734.83	5,400.51	207,135.34	130,396.66	S/L	62.50
43		T & D MAINS	6/30/86	22,126.00	0.00	0.00	13,411.78	354.02	13,765.80	8,360.20	S/L	62.50
44		T & D MAINS	6/30/87	25,774.00	0.00	0.00	15,099.62	412.38	15,512.00	10,262.00	S/L	62.50
45		T & D MAINS EXTENSION	6/30/87	25,269.00	0.00	0.00	14,832.24	404.30	15,236.54	10,032.46	S/L	62.50
46		T & D MAINS EXTENSION	6/30/88	14,540.00	0.00	0.00	8,231.04	232.64	8,463.68	6,076.32	S/L	62.50
47		T & D MAINS	6/30/89	21,253.00	0.00	0.00	11,603.83	340.05	11,943.88	9,309.12	S/L	62.50
48		T & D MAINS	6/30/90	896,263.00	0.00	0.00	471,432.59	14,340.21	485,772.80	410,490.20	S/L	62.50
49		T & D MAINS	6/30/91	199,293.16	0.00	0.00	102,828.35	3,188.69	106,017.04	93,276.12	S/L	62.50
50		T & D MAINS	6/30/92	14,176.00	0.00	0.00	7,035.58	226.82	7,262.40	6,913.60	S/L	62.50
51		T & D MAINS	6/30/93	1,320,717.00	0.00	0.00	615,451.89	21,131.47	636,583.36	684,133.64	S/L	62.50
52		T & D MAINS	6/30/94	89,774.00	0.00	0.00	40,035.62	1,436.38	41,472.00	48,302.00	S/L	62.50
141		T & D MAINS	6/30/95	56,889.00	0.00	0.00	24,236.36	910.22	25,146.58	31,742.42	S/L	62.50
155		T & D MAINS	12/15/96	509,758.00	0.00	0.00	202,713.21	8,156.13	210,869.34	298,888.66	S/L	62.50
163		T & D MAINS	7/01/97	143,889.00	0.00	0.00	54,103.36	2,302.22	56,405.58	87,483.42	S/L	62.50
173		T & D MAINS	7/01/98	694,028.00	0.00	0.00	254,015.73	11,104.45	265,120.18	428,907.82	S/L	62.50
199		T & D MAINS	7/01/99	175,107.00	0.00	0.00	58,835.53	2,801.71	61,637.24	113,469.76	S/L	62.50
205		T & D MAINS	7/01/00	296,649.00	0.00	0.00	96,707.12	4,746.38	101,453.50	195,195.50	S/L	62.50
215		T & D MAINS	7/01/01	802,674.00	0.00	0.00	245,618.02	12,842.78	258,460.80	544,213.20	S/L	62.50
229		T & D MAINS	7/01/02	221,388.29	0.00	0.00	61,434.22	3,542.21	64,976.43	156,411.86	S/L	62.50
246		T & D MAINS	7/01/03	95,937.25	0.00	0.00	25,519.37	1,535.00	27,054.37	68,882.88	S/L	62.50
256		T & D MAINS	6/30/04	114,281.55	0.00	0.00	28,113.25	1,828.50	29,941.75	84,339.80	S/L	62.50

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: TRANSMISSION & DIST. MAIN (continued)												
264		T&D MAINS	6/30/05	125,895.64	0.00	0.00	28,452.39	2,014.33	30,466.72	95,428.92	S/L	62.50
271		T&D MAINS	6/30/06	19,343.20	0.00	0.00	3,984.66	309.49	4,294.15	15,049.05	S/L	62.50
292		T & D MAINS	5/31/07	415,384.84	0.00	0.00	77,953.92	6,646.16	84,600.08	330,784.76	S/L	62.50
293		T & D MAINS	6/30/07	200,397.63	0.00	0.00	37,273.94	3,206.36	40,480.30	159,917.33	S/L	62.50
294		T & D MAINS	8/30/07	37,776.47	0.00	0.00	6,900.50	604.42	7,504.92	30,271.55	S/L	62.50
295		T & D MAINS	6/30/07	2,640.48	0.00	0.00	491.13	42.25	533.38	2,107.10	S/L	62.50
302		T&D MAINS - CALV. RD/LEE HI	1/29/08	41,404.01	0.00	0.00	10,840.94	662.46	11,503.40	29,900.61	S/L	62.50
303		T&D MAINS - DRY FORK, FARR	7/20/08	122,550.56	0.00	0.00	29,024.04	1,960.81	30,984.85	91,565.71	S/L	62.50
306		T&D MAINS	6/30/08	14,625.55	0.00	0.00	3,524.77	234.01	3,758.78	10,866.77	S/L	62.50
307		T&D MAINS - NARROWS ROAD	12/02/08	58,635.80	0.00	0.00	12,909.68	938.17	13,847.85	44,787.95	S/L	62.50
314		T&D MAINS	10/07/09	200,244.68	0.00	0.00	35,743.69	3,203.91	38,947.60	161,297.08	S/L	62.50
315		T&D MAINS	6/30/09	16,757.14	0.00	0.00	3,200.62	268.11	3,468.73	13,288.41	S/L	62.50
319		T&D MAINS - LORETTO LINE	6/30/10	1,224,981.77	0.00	0.00	188,034.68	19,599.71	207,634.39	1,017,347.38	S/L	62.50
320		T&D MAINS - HWY 527 PHASE 1	11/30/10	269,796.82	0.00	0.00	38,603.43	4,316.75	42,920.18	226,876.64	S/L	62.50
332		T&D MAINS - LEB. BYPASS	8/04/11	968,701.82	0.00	0.00	122,460.07	15,499.23	137,959.30	830,742.52	S/L	62.50
343		T&D MAINS	6/30/12	43,963.08	0.00	0.00	4,550.19	703.41	5,253.60	38,709.48	S/L	62.50
354		T&D MAINS-NARROWS ROAD	5/21/14	197,100.52	0.00	0.00	10,955.50	3,153.61	14,109.11	182,991.41	S/L	62.50
355		T&D MAINS	6/30/14	36,305.69	0.00	0.00	1,942.35	580.89	2,523.24	33,782.45	S/L	62.50
363		T&D MAINS - HWY 84	10/15/13	469,296.37	0.00	0.00	33,906.66	7,508.74	41,415.40	427,880.97	S/L	62.50
364		T&D MAINS	6/30/13	7,827.02	0.00	0.00	614.43	125.23	739.66	7,087.36	S/L	62.50
371		TRANSMISSION & DIST MAINS	6/30/15	68,635.40	0.00	0.00	1,956.11	1,098.17	3,054.28	65,581.12	S/L	62.50
379		T&D MAINS - RIVER CROSSINC	3/31/16	30,000.00	0.00	0.00	360.00	480.00	840.00	29,160.00	S/L	62.50
380		T&D MAINS	6/30/16	28,161.90	0.00	0.00	225.30	450.59	675.89	27,486.01	S/L	62.50
388		T&D MAINS - BURKES SPRING	11/15/16	23,509.00	0.00	0.00	62.69	376.14	438.83	23,070.17	S/L	62.50
389		2 RIVER CROSSINGS	6/30/91	12,720.84	0.00	0.00	12,720.84	0.00	12,720.84	0.00	S/L	62.50
393		T&D MAINS - 3" LINE EXTENSIO	6/30/17	26,728.29	0.00c	0.00	0.00	213.83	213.83	26,514.46	S/L	62.50
TRANSMISSION & DIST. MAIN				12,353,911.77	0.00c	0.00	4,485,745.75	197,245.19	4,682,990.94	7,670,920.83		
Group: TRANSPORTATION EQUIPMENT												
98		TRAILER	7/14/87	2,500.00	0.00	0.00	2,500.00	0.00	2,500.00	0.00	S/L	10.00
168		TRUCK	4/15/97	38,214.00	0.00	0.00	38,214.00	0.00	38,214.00	0.00	S/L	10.00
178		98 DODGE	7/20/98	17,000.00	0.00	0.00	17,000.00	0.00	17,000.00	0.00	S/L	10.00
220		DODGE TRUCK	7/01/01	42,283.45	0.00	0.00	42,283.45	0.00	42,283.45	0.00	S/L	10.00
279		FORD 4X4 PICK UP	12/29/06	16,615.00	0.00	0.00	16,615.00	0.00	16,615.00	0.00	S/L	10.00
325		2010 FORD TRUCK	11/30/10	20,209.10	0.00	0.00	17,562.64	2,646.46	20,209.10	0.00	S/L	7.00
348		2012 CHEVY PICKUP	4/30/12	24,770.00	0.00	0.00	16,513.33	3,538.57	20,051.90	4,718.10	S/L	7.00
358		2015 FORD F450 SUPER DUTY T	5/29/14	48,411.00	0.00	0.00	17,865.97	6,915.86	24,781.83	23,629.17	S/L	7.00
368		TRAILER	5/31/13	18,636.25	0.00	0.00	9,539.98	2,662.32	12,202.30	6,433.95	S/L	7.00
384		CHEVY SILVERADO	5/27/16	26,181.00	0.00	0.00	2,181.75	3,740.14	5,921.89	20,259.11	S/L	7.00
401		2017 Chevy Silverado Pickup	2/21/17	26,919.00	0.00c	0.00	0.00	3,204.64	3,204.64	23,714.36	S/L	7.00
TRANSPORTATION EQUIPMENT				281,738.80	0.00c	0.00	180,276.12	22,707.99	202,984.11	78,754.69		
Group: WATER TREATMENT EQUIPMENT												
209		WATER TREATMENT EQUIPME	8/31/00	1,199.00	0.00	0.00	1,199.00	0.00	1,199.00	0.00	S/L	10.00
224		WATER TREATMENT EQUIPME	7/01/01	1,308.00	0.00	0.00	1,308.00	0.00	1,308.00	0.00	S/L	10.00
237		WATER TREATMENT EQUIPME	7/01/02	731.79	0.00	0.00	731.79	0.00	731.79	0.00	S/L	10.00

Book Asset Detail 1/01/17 - 12/31/17

<u>Asset</u>	<u>d</u> <u>t</u>	<u>Property Description</u>	<u>Date In</u> <u>Service</u>	<u>Book</u> <u>Cost</u>	<u>Book Sec</u> <u>179 Exp c</u>	<u>Book Sal</u> <u>Value</u>	<u>Book Prior</u> <u>Depreciation</u>	<u>Book Current</u> <u>Depreciation</u>	<u>Book</u> <u>End Depr</u>	<u>Book Net</u> <u>Book Value</u>	<u>Book</u> <u>Method</u>	<u>Book</u> <u>Period</u>
Group: WATER TREATMENT EQUIPMENT (continued)												
		WATER TREATMENT EQUIPMENT		<u>3,238.79</u>	<u>0.00c</u>	<u>0.00</u>	<u>3,238.79</u>	<u>0.00</u>	<u>3,238.79</u>	<u>0.00</u>		
		Grand Total		<u>19,490,909.36</u>	<u>0.00c</u>	<u>0.00</u>	<u>7,230,632.89</u>	<u>416,121.71</u>	<u>7,646,754.60</u>	<u>11,844,154.76</u>		

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 20

RESPONSIBLE PARTY: Charles M. White, CPA

Request 20. After the Commission issued its final order in Case No. 2016-00163, did Marion District continue to depreciate any in-service assets at the useful lives previously used by Marion District or did Marion District begin to use the new useful lives ordered by the Commission for all assets?

Response 20 The District began to use the new useful lives of the assets as ordered by the Commission.

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 21

RESPONSIBLE PARTY: Charles M. White, CPA

Request 21. Refer to Exhibit CMW-1. Why was a three-year average used instead of the method typically used by the Commission to review known and measurable changes to the test year?

Response 21 We don't have access to LWWC's detailed financial information or records and aren't trying to do the work of the PSC. As auditors of financial reports, we review trends. This is done as a part of our analytical review procedures on every audit that we perform. We often look at three-year or five-year averages to discern whether or not financial statement categories have changed in a material way. If they have, the obvious next question is why, if the reason is not already known. We used this same methodology for reviewing the data provided by LWWC for the proposed rate increase. We wanted to compare the average operating revenues and expenditures with that of the proposed rate increase to determine if the revenues and expenditures were reasonable. In our opinion, in the four instances noted previously in testimony, they were not. LWWC has the burden to demonstrate that any changes from its test year expense are in fact known and measurable and reasonable. Moreover, to the extent that LWWC is seeking to increase its revenue requirement for known and measurable changes, it stands to reason that it

would also disclose to the PSC any costs outside the test year that are known and measurable that would tend to decrease its overall revenue requirement.

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 22

RESPONSIBLE PARTY: Charles M. White, CPA

Request 22. Refer to Exhibit CMW-.2, Page 2 of 2.

- (a) Refer to the "Total Gallons of Water Purchased by MCWD 2017." Is 453,640,758 the total amount purchased by Marion District for the FY 2017 or Calendar Year 2017?
- (b) Refer to the "Total Gallons purchased from LWWC." Is 450,003,158 the amount purchased by Marion District from the Company for the FY 2017 or Calendar Year 2017?
- (c) Refer to the "Total Gallons Sold by LWWC." What period of time does this number refer to?
- (d) Refer to the "Total Gallons Sold by LWWC." What is the reference source that Marion District or Mr. White used to determine that the Company sold a total of 800,160,780 gallons?

Response 22(a). Because the LWWC rate increase was allowed to pass on a temporary basis, the MCWD also had to file paperwork recently to be able to charge their customers based upon that rate increase, MCWD had to apply for a purchased water adjustment. Data gathered

by MCWD was used for the Application to Increase Rates Pursuant to Purchased Water Adjustment Regulation 870 KAR 5:068 dated April 20, 2018 in Case No. 2018-00135. That document provided us with gallons purchased during a twelve month period which was from April 2017 through March 2018. So, this figure was neither a fiscal year nor calendar year, but was a recent twelve month period.

Response 22(b). The time frame is the same as discussed in Response 22(a). Please see above.

Response 22(c). The calculation was based on revenue per the LWWC 2017 audited financial statements, which cover the fiscal year of 07/01/16-06/30/2017. The table below shows the calculation.

Lebanon Water Works water revenue per 2017 audit	\$	2,672,537
Divided by \$3.34 (Existing rate per 1,000 gallons)		<u>3.34</u>
		800,160.78
Times 1,000 gallons		<u>X 1000</u>
Computed gallons sold by Lebanon Water Works		<u><u>800,160,780</u></u>

Response 22(d). See 22(c) above. The total gallons sold was based on a calculation of LWWC's audited revenue for the year ended June 30, 2017.

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 23

RESPONSIBLE PARTY: Charles M. White, CPA

Request 23. Refer to Exhibit CMW-.3.

(a) For each asset category, were all assets within the category set to the same useful life?

(i) For instance, was Asset Item 318 ("Emergency Power Generator") identified on Page 2 of Exhibit CMW-4 and on Page 2 of Exhibit CMW-5 set to a useful life of 50 years?

(b) Why is "Communication Equipment" listed twice?

(c) Why was "Transportation Equipment," which was identified on Page 8 of Exhibit CMW-4 and on Pages 8 and 9 of Exhibit CMW-5, not included in Exhibit CMW-3?

Response 23(a). Yes, for the categories where adjustments are listed because nearly all or all of the assets within that category would be required to be depreciated over the same useful life by MCWD.

Response 23(a)(i). Asset 318 of Exhibit CMW-4 shows the asset with a useful life of 30 years. 30 years is the useful life used on the LWWC depreciation schedule. The calculation on Exhibit CMW-3 merely asserts that components of MCWD's distribution reservoirs and standpipes have

to be depreciated over 50 years. Many of LWWC assets in the same category are depreciated over a range of 20-40 years, which is significantly less. The shorter the depreciable useful life, the more accelerated the depreciation.

Response 23(b). Upon review of Exhibit CMW-3, we failed to delete the first section of Communication Equipment listed before the Exhibit was submitted. If you add the total assets, you will see that the total of \$168,767.33 is in fact only included in the total assets once, not twice. This correction actually increases the change in depreciation to \$59,926.92. See the revised Exhibit CMW-3 attached to this response.

Response 23(c). Transportation equipment is in fact listed and included on Exhibit CMW-3. The total of that category of assets is \$191,974.50. We did not show any adjustments for that category since depreciable years are comparable.

REVISED

<u>Category of Assets</u>	<u>Cost of Asset Category for</u> <u>LWWC</u>	<u>Useful Life Required</u> <u>for MCWD</u>	<u>Computed</u> <u>Depreciation</u>	<u>LWWC</u> <u>Depreciation</u>	<u>Difference</u>
Distribution Reservoirs & Standpipes	13,531,876.36	50	270,637.53	401,772.27	(131,134.74)
Transmission & Distribution Mains	5,541,031.27				
Less: Assets 25 & 26 that would be fully depreciated under either method	<u>(511,405.97)</u>				
Net Transmission & Distribution Mains	5,029,625.30	62.5	80,474.00	67,592.15	12,881.85
Building (including improvements)	486,554.30	No adjustment; years are comparable			-
Hydrants	143,182.57	50	2,863.65	3,758.20	(894.55)
Laboratory Equipment	8,785.42				
Less: Assets that would be fully depreciated under either method	<u>(2,617.42)</u>				
Net Laboratory Equipment	6,168.00	10	616.80	678.83	(62.03)
Meters & Meter Installation	649,917.95	20	32,495.90	17,614.62	14,881.28
Office Furniture & Equipment	106,358.84	No adjustment; years are comparable			-
Power Operated Equipment	143,125.83	No adjustment; years are comparable			-
Transportation Equipment	191,974.50	No adjustment; years are comparable			-
Pumping Equipment	1,689,470.13				
Less: Assets that would be fully depreciated under either method	<u>(570,436.72)</u>				
Net Pumping Equipment	1,119,033.41	20	55,951.67	19023.44	36,928.23
Communication Equipment	168,767.33				
Less: Assets that would be fully depreciated under either method	<u>(24,810.78)</u>				
Net Communication Equipment	143,956.55	10	14,395.66	6922.62	7,473.04
Tools, Shop, & Garage	49,068.04				
Land	<u>154,382.00</u>	Not a depreciable item			
Total Cost of Assets	22,864,494.54				

Amount of Depreciation Expense for LWWC recognized above what would be allowed on the same costs for MCWD

(59,926.92)

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 24

RESPONSIBLE PARTY: Charles M. White, CPA

Request 24. Refer to Exhibits CMW-.4 and CMW-5. How were asset categories developed?

Response 24. The asset categories mirror the categories of Marion County Water District's depreciation schedule.

**MARION COUNTY WATER DISTRICT
PSC CASE NO. 2017-00417
RESPONSE TO REQUEST FOR INFORMATION**

LWWC'S REQUEST FOR INFORMATION DATED 05/24/18

REQUEST 25

RESPONSIBLE PARTY: Charles M. White, CPA

Request 25. Refer to Exhibits CMW-6. Why was the expected decrease in variable costs related to projected savings at the Water Treatment Plant listed as \$58,551 instead of \$55,101 as identified on Exhibit CMW-2, Page 1 of 2?

Response 25. An edit was made and corrected in the testimony. However, that edit did not get carried through to Exhibit CMW-6. See revised Exhibit CMW-6 attached to this response.

REVISED

Summary of Findings

Utility Operating Loss Per Pro Forma at Exhibit 1-1		(217,970)
Decrease in Depreciation Expense of LWWC - Revised		59,927
Cost of "free" water to the City of Lebanon		92,438
Omission of average revenue from penalties and late fees		35,445
Cost of additional 100,000 gallons of water per day above the minimum		122,640
Expeted decrease in variable costs related to power, pump station and filter plant, and chemical costs - Revised	85,051	
Less: Amount of savings listed at Exhibit 1-1	<u>(29,950)</u>	55,101
Costs above the 3 year average (computed from the audited financial statements) as compared to the Pro Forma at Exhibit 1-1		
a) Maintenance & Repair Costs	72,567	
b) Salaries	52,413	
c) Outside Services	22,346	
d) Miscellaneous Expenses	<u>24,732</u>	172,058
Adjusted Operating Income		<u><u>319,639</u></u>