

PSC CASE NO. 2019-00041

Answer to request No.1

Our best estimate of customer meters that have not been tested is approximately 1500 meters.

PSC CASE NO. 2019-00041

DATA REQUEST DATED July 19, 2019

Answer to request No. 2

See attachments

## Monthly Water Use Report

Water Utility: Rattlesnake Ridge Water District PWSID: Ky0220555

For the Month of: Oct Year: 2018

1 PRODUCTION COST PER THOUSAND (insert cost)    
 2 PURCHASE COST PER THOUSAND (insert cost)  

### GALLONS

| WATER PRODUCED or PURCHASED |                                     |  |       |
|-----------------------------|-------------------------------------|--|-------|
| 3                           | Water Produced                      | <span style="border: 1px solid black; padding: 2px;">53,726,000</span> | 99.5% |
| 4                           | Water Purchased                     | <span style="border: 1px solid black; padding: 2px;">260,000</span>    | 0.5%  |
| 5                           | <b>TOTAL PRODUCED AND PURCHASED</b> | 53,986,000   |       |
| 6                           | <b>TOTAL COST #VALUE!</b>           |  |       |

| WATER SOLD |                             |   |              |
|------------|-----------------------------|---|--------------|
| 7          | Residential                 | <span style="border: 1px solid black; padding: 2px;">9,057,120</span> |              |
| 8          | Commercial                  | <span style="border: 1px solid black; padding: 2px;">3,678,570</span> |              |
| 9          | Industrial                  |   |              |
| 10         | Bulk Loading Stations       |   |              |
| 11         | Wholesale                   |   |              |
| 12         | Other Sales (explain)       |   |              |
| 13         | <b>TOTAL WATER SOLD</b>     | 12,735,690  | 23.6%        |
| 14         | <b>TOTAL WATER NOT SOLD</b> | 41,250,310  | <b>76.4%</b> |

### BREAKDOWN OF WATER USAGE

|    |  |   |         |
|----|--|---|---------|
| 15 | Water Treatment Plant  | <span style="border: 1px solid black; padding: 2px;">3,000,000</span> |         |
| 16 | Wastewater Treatment Plant   |   |         |
| 17 | System Flushing  | <span style="border: 1px solid black; padding: 2px;">717,890</span>   | #VALUE! |
| 18 | Fire Department Usage  | <span style="border: 1px solid black; padding: 2px;">38,200</span>    | #VALUE! |
| 19 | DBP Flushing <span style="margin-left: 20px;">DBP Maintenance</span> | <span style="border: 1px solid black; padding: 2px;">0</span>         |         |

20 **TOTAL USAGE** 3,756,090  
 21 **WATER LOSS PERCENTAGE FOR RATE PURPOSES** 69.5%

### BREAKDOWN OF WATER LOST

|    |   |   |         |
|----|---|---|---------|
| 22 | Tank Overflows (other than for DBP maintenance) | <span style="border: 1px solid black; padding: 2px;">20,000</span>    | #VALUE! |
| 23 | Excavation Breaks                               | <span style="border: 1px solid black; padding: 2px;">4,541,148</span> | #VALUE! |
| 24 | Repaired Line Breaks                            | <span style="border: 1px solid black; padding: 2px;">0</span>         |         |
| 25 | Unknown Loss                                    | 32,933,073  | 61.0%   |

26 **TOTAL WATER NOT SOLD OR USED** 37,494,220  
 27 **COST OF WATER NOT SOLD OR USED** #VALUE!

### "UNKNOWN LOSS" FLOW RATE AND COST:

|    |  |  |  |
|----|--|--|--|
| 28 | "Unknown Loss"                           | 32,933,073   |  |
| 29 | % "Unknown Loss"                         | 61.0%  |  |
| 30 | Number of Days in Period                 | <span style="border: 1px solid black; padding: 2px;">31</span> |  |
| 31 | "Unknown Loss" per Day (Gallons per Day) | 1,062,357  |  |
| 32 | "Unknown Loss" per Minute (GPM)          | 737.75   |  |
| 33 | "Unknown Loss" Cost for Month            | #VALUE!  |  |



## Monthly Water Use Report

Water Utility: Rattlesnake Ridge Water District PWSID: Ky0220555

For the Month of: November Year: 2018

1 PRODUCTION COST PER THOUSAND (insert cost)   
 2 PURCHASE COST PER THOUSAND (insert cost)

### GALLONS

|                                    |                                     |  |              |
|------------------------------------|-------------------------------------|--|--------------|
| <b>WATER PRODUCED or PURCHASED</b> |                                     |  |              |
| 3                                  | Water Produced                      | <span style="border: 1px solid black; padding: 2px;">50,864,000</span> | 98.9%        |
| 4                                  | Water Purchased                     | <span style="border: 1px solid black; padding: 2px;">550,000</span>    | 1.1%         |
| 5                                  | <b>TOTAL PRODUCED AND PURCHASED</b> | 51,414,000   |              |
| 6                                  | <b>TOTAL COST #VALUE!</b>           |  |              |
| <b>WATER SOLD</b>                  |                                     |  |              |
| 7                                  | Residential                         | <span style="border: 1px solid black; padding: 2px;">19,863,540</span> |              |
| 8                                  | Commercial                          | <span style="border: 1px solid black; padding: 2px;">4,037,390</span>  |              |
| 9                                  | Industrial                          |  |              |
| 10                                 | Bulk Loading Stations               |  |              |
| 11                                 | Wholesale                           |  |              |
| 12                                 | Other Sales (explain)               |  |              |
| 13                                 | <b>TOTAL WATER SOLD</b>             | 23,900,930   | 46.5%        |
| 14                                 | <b>TOTAL WATER NOT SOLD</b>         | 27,513,070   | <b>53.5%</b> |

### BREAKDOWN OF WATER USAGE

|    |  |   |              |
|----|--|---|--------------|
| 15 | Water Treatment Plant  | <span style="border: 1px solid black; padding: 2px;">2,500,000</span> |              |
| 16 | Wastewater Treatment Plant   |   |              |
| 17 | System Flushing  | <span style="border: 1px solid black; padding: 2px;">371,661</span>   | #VALUE!      |
| 18 | Fire Department Usage  | <span style="border: 1px solid black; padding: 2px;">71,702</span>    | #VALUE!      |
| 19 | DBP Flushing <span style="margin-left: 20px;">DBP Maintenance</span> | <span style="border: 1px solid black; padding: 2px;">0</span>         |              |
| 20 | <b>TOTAL USAGE</b>   | 2,943,363   |              |
| 21 | <b>WATER LOSS PERCENTAGE FOR RATE PURPOSES</b>                       |   | <b>47.8%</b> |

### BREAKDOWN OF WATER LOST

|    |   |   |         |
|----|---|---|---------|
| 22 | Tank Overflows (other than for DBP maintenance) |   |         |
| 23 | Excavation Breaks                               | <span style="border: 1px solid black; padding: 2px;">6,267,706</span> | #VALUE! |
| 24 | Repaired Line Breaks                            | <span style="border: 1px solid black; padding: 2px;">0</span>         |         |
| 25 | Unknown Loss                                    | 18,302,001  | 35.6%   |
| 26 | <b>TOTAL WATER NOT SOLD OR USED</b>             | <b>24,569,707</b>   |         |
| 27 | <b>COST OF WATER NOT SOLD OR USED</b>           | <b>#VALUE!</b>  |         |

### "UNKNOWN LOSS" FLOW RATE AND COST:

|    |  |  |  |
|----|--|--|--|
| 28 | "Unknown Loss"                           | 18,302,001   |  |
| 29 | % "Unknown Loss"                         | 35.6%  |  |
| 30 | Number of Days in Period                 | <span style="border: 1px solid black; padding: 2px;">31</span> |  |
| 31 | "Unknown Loss" per Day (Gallons per Day) | 590,387  |  |
| 32 | "Unknown Loss" per Minute (GPM)          | 409.99   |  |
| 33 | "Unknown Loss" Cost for Month            | #VALUE!  |  |

# Fire Department - Water Usage Report Form

KRS 278.170(3) 807 KAR 5:095 Section 9

Any city, county, urban-county, charter county, fire protection district, or volunteer fire protection district ("User") may withdraw water from the utility's water distribution system for the purpose of fighting fires or training firefighters at no charge on the condition that it maintains estimates of the amount of water used for fire protection and training during the calendar month and reports the amount of this water usage to the utility no later than the 15th day of the following calendar month.

Any city, county, urban-county, charter county, fire protection district, or volunteer fire protection district that withdraws water from the utility's water distribution system for fire protection or training purposes and fails to submit the required report on water usage in a timely manner shall be assessed the cost of this water.

A non-reporting user's usage shall be presumed to be 0.3 percent of the utility's total water sales for the calendar month.

(name of Fire Department)

Month  
Year

Nov  
2018

(name of Water System)

unit conversion factor  
coefficient value

29.83  
0.95

| Date | Hydrant Location and/or Number | Reason Operated | Total Minutes Operated | Nozzle size (typically 2.5 or 4.5) | Pitot Pressure | GPM | Gallons Flowed | Estimated Flow if Pitot not used |
|------|--------------------------------|-----------------|------------------------|------------------------------------|----------------|-----|----------------|----------------------------------|
|      |                                |                 |                        |                                    |                |     |                | 71,702                           |
|      |                                |                 |                        |                                    |                |     |                |                                  |
|      |                                |                 |                        |                                    |                |     |                |                                  |
|      |                                |                 |                        |                                    |                |     |                |                                  |
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|      |                                |                 |                        |                                    |                |     |                |                                  |
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|      |                                |                 |                        |                                    |                |     |                |                                  |
|      |                                |                 |                        |                                    |                |     |                |                                  |
|      |                                |                 |                        |                                    |                |     |                |                                  |

Total Gallons for Month

## Monthly Water Use Report

Water Utility: Rattlesnake Ridge Water District PWSID: Ky0220555

For the Month of: December Year: 2018

1 PRODUCTION COST PER THOUSAND (insert cost)   
 2 PURCHASE COST PER THOUSAND (insert cost)

### GALLONS

| WATER PRODUCED or PURCHASED |                                     |  |       |
|-----------------------------|-------------------------------------|--|-------|
| 3                           | Water Produced                      | <span style="border: 1px solid black; padding: 2px;">52,530,000</span> | 99.1% |
| 4                           | Water Purchased                     | <span style="border: 1px solid black; padding: 2px;">500,000</span>    | 0.9%  |
| 5                           | <b>TOTAL PRODUCED AND PURCHASED</b> | 53,030,000   |       |
| 6                           | <b>TOTAL COST #VALUE!</b>           |  |       |

| WATER SOLD |                             |  |              |
|------------|-----------------------------|--|--------------|
| 7          | Residential                 | <span style="border: 1px solid black; padding: 2px;">11,112,040</span> |              |
| 8          | Commercial                  | <span style="border: 1px solid black; padding: 2px;">2,656,560</span>  |              |
| 9          | Industrial                  |  |              |
| 10         | Bulk Loading Stations       |  |              |
| 11         | Wholesale                   |  |              |
| 12         | Other Sales (explain)       |  |              |
| 13         | <b>TOTAL WATER SOLD</b>     | 13,768,600   | 26.0%        |
| 14         | <b>TOTAL WATER NOT SOLD</b> | 39,261,400   | <b>74.0%</b> |

| BREAKDOWN OF WATER USAGE |  |   |  |
|--------------------------|--|---|--|
| 15                       | Water Treatment Plant  | <span style="border: 1px solid black; padding: 2px;">2,000,000</span> |  |
| 16                       | Wastewater Treatment Plant   |   |  |
| 17                       | System Flushing  | <span style="border: 1px solid black; padding: 2px;">449,157</span>   | #VALUE!  |
| 18                       | Fire Department Usage  | <span style="border: 1px solid black; padding: 2px;">41,300</span>    | #VALUE!  |
| 19                       | DBP Flushing <span style="margin-left: 20px;">DBP Maintenance</span> | <span style="border: 1px solid black; padding: 2px;">0</span>         |  |
| 20                       | <b>TOTAL USAGE</b>   | 2,490,457   |  |
| 21                       | <b>WATER LOSS PERCENTAGE FOR RATE PURPOSES</b>                       |   | <span style="border: 1px solid black; padding: 2px;"><b>69.3%</b></span> |

| BREAKDOWN OF WATER LOST |   |   |         |
|-------------------------|---|---|---------|
| 22                      | Tank Overflows (other than for DBP maintenance) |   |         |
| 23                      | Excavation Breaks                               | <span style="border: 1px solid black; padding: 2px;">1,799,856</span> | #VALUE! |
| 24                      | Repaired Line Breaks                            | <span style="border: 1px solid black; padding: 2px;">0</span>         |         |
| 25                      | Unknown Loss                                    | 34,971,087  | 65.9%   |
| 26                      | <b>TOTAL WATER NOT SOLD OR USED</b>             | 36,770,943  |         |
| 27                      | <b>COST OF WATER NOT SOLD OR USED</b>           | #VALUE!   |         |

| "UNKNOWN LOSS" FLOW RATE AND COST: |  |            |         |
|------------------------------------|--|------------|---------|
| 28                                 | "Unknown Loss"   | 34,971,087 |         |
| 29                                 | % "Unknown Loss"   | 65.9%      |         |
| 30                                 | (insert days of operation during month) Number of Days in Period |            |         |
| 31                                 | "Unknown Loss" per Day (Gallons per Day)                         |            |         |
| 32                                 | "Unknown Loss" per Minute (GPM)                                  |            |         |
| 33                                 | "Unknown Loss" Cost for Month                                    |            | #VALUE! |







July 26, 2019

Ms. Gwen Pinson  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602

Re: Rattlesnake Ridge Water District  
Case No. 2018-00371

Dear Ms. Pinson;

Please be advised that Rattlesnake Ridge Water District's, Phase 11 Water System Improvements project has now surpassed the fifty (50) percent threshold.

This office anticipates the original, one through five contracts to be completed by November, 2019.

I will provide your office with record drawings, and a letter of completion prior to close-out of the project.

If you should have any questions, please contact me at your convenience.

Sincerely,

  
Riley Sumner  
Project Manager

C: Rattlesnake Ridge Water District  
File

**RATTLESNAKE  
RIDGE WATER  
DISTRICT  
EMPLOYEE  
HANDBOOK**

**RATTLESNAKE RIDGE WATER DISTRICT  
PERSONNEL POLICY AND PROCEDURES**

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## **PERSONNEL ADMINISTRATION**

### **STATEMENT OF PURPOSE**

The Board of the Rattlesnake Ridge Water District serving parts of Carter, Elliott, Lawrence and Morgan County (hereinafter referred to as "The District") recognizes that a personnel system which recruits and retains a competent productive work force is essential to effective, efficient water service. These policies and procedures have been developed in order to achieve optimum efficiency, economy and equity in the pursuit of The District's goals and the utilization of its human resource.

The rules and provisions set forth hereinafter are intended to implement the Personnel Ordinance by providing procedures for the following:

1. Recruiting of persons for service with the District;
2. Compensating employees equitably for their service to the District; and providing for their welfare.

### **EMPLOYMENT- AT-WILL**

In Kentucky, absent a contractual or statutory obligation to the contrary, the relationship between employer and employee is one of employment-at-will, meaning that both employer and employee have the right to terminate the employment relationship at any time, with or without cause, for any reason or no reason, as long as the termination is not prohibited by law. This employment-at-will relationship may not be modified by any oral or implied agreement to the contrary.

### **SCOPE OF COVERAGE**

1. The following employees of the District are expressly exempt from coverage unless otherwise specified:
  - a. All members of Board and Commissions;
  - b. Consultants, advisors and counsel rendering temporary service;
  - c. Employees occupying non-permanent positions;
  - d. Members of volunteer organizations; and independent contractors;

All employees not explicitly exempted from coverage of these policies and procedures shall be subject to their provisions.

## **ADMINISTRATIVE RESPONSIBILITIES**

The District functions under the leadership of the Board of Commissioners of Rattlesnake Ridge Water District. Hereinafter "The Board." By statute, The Board is appointed by the Carter County Fiscal Court. The Board is to promulgate procedures to "insure orderly administration of functions of the District."

1. The personnel policies and procedures shall be maintained by the District. In addition to the other duties set forth in these policies, the District shall:
  - a. Insure that current records of all employees are maintained including:
    - (1) Employee's name and permanent address;
    - (2) Position title including but not limited to Office Manager, Assistant Office Manager, Field Supervisor, Water Treatment Plant Supervisor and any other position deemed necessary by the Board;
    - (3) Hiring date;
    - (4) Departmental assignment;
    - (5) Salary;
    - (6) All changes in status as a District employee;
    - (7) Compliance with labor standards, EE-4, immigration and other federal and state requirements;
    - (8) Such additional information as may be required;
    - (9) Employee Contracts after six (6) month probation period;
  - b. Insure that subsequent amendments or additions made in these Policies and Procedures by the District be made as follows:
    - (1) Immediately upon official amendment or addition, the change or change(s) shall be written in a manner and format consistent with these policies and procedures;
    - (2) The effective date of the change shall be noted after the word 'supersedes' in the lower right hand corner of each replacement page or addition; and
    - (3) A memorandum explaining the change(s) attached shall be distributed to all personnel assigned custody of a copy of these Policies and Procedures.
2. Personnel records of the District shall be retained in accordance with the retention schedules of the State Archives and Records Commission.

All personnel decisions are subject to final review and approval by the Board, who has overall responsibility and authority over all personnel.

## **EMPLOYMENT PROCESS**

The procedures for filling vacancies in permanent positions or additional newly established permanent positions shall be set as follows.

The District reserves the right to conduct background investigation of all applicants for employment, including, but not limited to, criminal records, motor vehicles records and military records.

#### **ORIENTATION OF NEWLY EMPLOYED PERSONNEL**

1. An orientation will be made available to all new employees as soon as possible after the first day of employment by the Board or his/her designee.
2. The orientation shall consist of the following:
  - a. Explanation of the purpose and goal of the District.
  - b. Explanation of the management policies and administrative procedures;
  - c. Compensation schedule and employee benefits;
  - d. Other elements that are deemed appropriate.

#### **EMPLOYEE HANDBOOK**

1. The Board, or his/her designee shall prepare and distribute to all employees a copy of the District's Personnel Policies and Procedures. This is meant to provide employees with a ready reference on employment practices and employment benefits.
2. All newly employed personnel placed in permanent positions shall receive a copy of the Personnel Policies and Procedures as part of the orientation. Each employee will be required to sign a "Certification of Receipt" indicating that he/she has read and understands the policies and procedures, within three (3) days of receiving his/her copy. This statement of certification will be maintained in the employee's personnel file.

#### **CONDITIONS OF EMPLOYMENT**

##### **PROBATION**

1. All persons initially appointed to permanent positions, or reclassified, promoted or transferred to another position, shall be on probationary status for a period of six (6) months.
2. An employee serving an initial probation may be dismissed at any time without right of appeal.
3. The employees performance during the probationary period of employment will be evaluated at the end of the period by the department supervisor and /or Board. A determination will be made at that time relevant to continuation of employment with the District.

## **RETIREMENT**

The District does not have a mandatory retirement age for its employees.

## **REINSTATEMENT**

1. The Board may re-employ any former employee who has been laid off because of lack of work and/or funds.
2. The employment date of an employee who is laid off and is reinstated, shall be the original date of employment. Seniority, annual leave time and other benefits will be abated only during the period of the lay-off.

The District shall reinstate any employee who has been demoted, suspended or dismissed for a reason prohibited by local, state or federal employment regulations.

## **EMPLOYER EXPECTATIONS**

All District employees are expected to conduct themselves in a responsible and prudent fashion at all times. The District reserves the right to conduct random drug, alcohol, and/or illegal substance screening at any time. If the employee tests positive for drug, alcohol, and/or illegal substances, he/she may be subjected to disciplinary action or termination.

District employees convicted of felony offenses shall be subject to termination.

## **POLITICAL ACTIVITY**

No employee, as a condition of employment or continued employment of the District, shall be required to contribute to or campaign for any candidate for political office.

No employee of the District shall engage in political activity during his/her assigned duty hours. This shall include a prohibition of distributing political or campaign literature, paraphernalia, etc.

## **SAFETY**

For a safety program to be effective in protecting employees from physical injury, some simple rules must be observed:

1. Be sure you have been properly instructed on how to do your job and how to safely use the equipment you will be operating.
2. Check all equipment assigned to you before starting a job and report all unsafe conditions to your supervisor.
3. Report all unsafe working conditions to your supervisor.

When personal calls must come or be made during business hours, conversation should be minimized. Idle conversation should be avoided. Under no circumstances are employees to have personal long distance calls billed to The District.

### **USE OF COMMUNICATION SERVICES**

Improper use of The District's communications services and equipment will result in discipline, up to and including termination of employment. Improper use includes, but is not limited to, harassing, offensive or otherwise inappropriate communications and any misuse described in this policy as well as any other District policy.

### **COOPERATION WITH INVESTIGATIONS**

From time to time the District may face problems such as but not limited to, thief, dishonesty, allegations of sexual harassment, destruction of property, alcohol or drug use. Should any of these incidents take place, you are expected to fully cooperate in any investigation as a condition of employment. Failure to do so may result in discharge.

### **PUBLIC STATEMENTS**

Statements of District policy, condition, acts or other matters shall be issued or made to news media or any other party only by an authorized spokesperson of the District, board member, manager or assistant manager. Disciplinary action may result from failure to abide by this provision.

### **EMPLOYEE MISCONDUCT/DISCIPLINARY ACTION**

1. The policy of the District is to be patient, fair and consistent in the administration of the organization and its employees. When problems arise, emphasis is on improvement and/or correction rather than punishment. However, willful, continued, or inexcusable breaches of District employment rules must be dealt with firmly under a uniform policy which applies to all employees.
2. Employees who are disciplined have the right to appeal. (see page 9/10)
3. An employee or employees may be disciplined for, but not limited to the following:
  - a. Incompetence;
  - b. Inefficiency;
  - c. Dishonesty;
    - (1) Deliberately making or using falsified records, materials requisitions, etc.;
    - (2) Lying
    - (3) Personal use of District's property.
    - (4) Theft of property;



b. Written warning:

- (1) In the case of either a second minor infraction, or a more serious first infraction, the Department Supervisor shall give the employee a written warning specifying the reason(s) for such warning and noting any previous verbal and/or written warnings.
- (2) Written warnings shall state that the employee's performance will now be reviewed on a regular basis for improvement and explain the consequences of continued infractions.
- (3) The employee shall sign the written warning or the warning shall be signed by a witness; and a copy shall be placed in the employee's personnel file.

c. Suspension:

- (1) The District may suspend an employee without pay for any period up to and including thirty (30) days, depending upon the severity of the offense.
- (2) The suspended employee shall be notified of the suspension in writing. The notice shall include the reason(s) for and duration of the suspension (if known).
- (3) Employees suspended without pay for a period of thirty (30) days shall forfeit fringe benefits, including accrual of sick and vacation leave and the District's contribution to life and medical insurance, during the period of suspension.

d. Dismissal:

- (1) When an offense is continually repeated, or misconduct is serious enough for discharge on the first offense, the Board may dismiss employee.
- (2) Final and formal notification of dismissal in writing to the employee shall take place within five (5) working days of the discharge.
- (3) A copy of the formal notification shall be placed in the employee's personnel file.

e. Demotion or transfer:

- (1) In the event the Board determines that an employee is unable to perform the duties as stated in the position description, he/she may be transferred or demoted in lieu of taking any disciplinary action, provided the employee meets the qualifications for the position and the position is vacant.
- (2) Such action shall be recorded in the employee's personnel file.
- (3) At least three (3) days before a demotion becomes effective, written notification shall be given to the employee.

f. Right to appeal. The right to appeal any disciplinary action shall consist of the following:

## **HARASSMENT-DEFINITION**

Harassment on the basis of race, color, religion, gender, national origin, age, or disability constitutes discrimination in the terms, conditions, and privileges of employment. Harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, gender, national origin, age or disability, or that of his/her relatives, friends, or associates, and that:

1. Has the purpose or effect of creating an intimidating, hostile or offensive work environment
2. Has the purpose or effect of interfering with an individuals work performance.
3. Otherwise adversely affects an individual's employment opportunities.  
Harassing conduct includes, but is not limited to, the following:
  1. Epithets, slurs, negative, stereotyping, or threatening, intimidating or hostile acts, that relate to race, color, religion, gender, national origin, age, or disability.
  2. Written or graphic material that denigrates or shows hostility or aversion toward an individual or group because of race, color, religion, gender, national origin, age, or disability and that is placed on walls, bulletin boards, or elsewhere on the employers premise, or circulated in the workplace.

## **HARASSMENT-COMPLAINT PROCEDURE**

Employees encountering harassment should tell the offending person that their actions are inappropriate and offensive. The employee shall document all incidents of harassment in order to provide the fullest basis for investigation. In addition, the employee shall notify his or her supervisor of the harassment, as soon as possible, so that steps may be taken to protect the employee from further harassment, and appropriate investigative and disciplinary measures may be initiated.

## **SEXUAL HARASSMENT-DEFINITION**

Sexual harassment deserves special mention. Inappropriate sexual advances, requests for sexual favors, and other physical, verbal, or visual conduct based on sex constitutes sexual harassment when:

1. Submission to such conduct is either explicitly or implicitly made a term or condition of an individual's employment.
2. Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or

1. The aggrieved employee shall present the grievance to the Board within three (3) working days of its occurrence or within three (3) working days of knowledge of its occurrence. The grievance (and all subsequent appeals) shall be in writing, and shall set forth the reasons and grounds for the grievance with a statement of relief sought. The Board shall attempt to adjust the matter and shall personally meet with the employee and advise the employee of the proposed resolution of the grievance in writing within five (5) working days. The Board shall also reduce to writing the proposed resolution for inclusion in all concerned party's personnel files. .
2. If the aggrieved employee disagrees with the proposed resolution and the grievance remains unresolved, the aggrieved employee shall so advise the Board. The Board shall then follow the course of action specified in the appeals process described above.

## **COMPENSATION OF EMPLOYEES**

### **MINIMUM SALARY**

The District shall pay its hourly employees no less than the federally mandated minimum wage.

### **HOURS OF WORK**

Each employee shall work according to a schedule of hours determined by his/her supervisor.

### **OVERTIME**

1. An employee will receive overtime pay for hours worked in excess of forty (40) hours per week. Employees shall receive overtime pay at the rate of one and one-half (1.5) times the hourly wages for actual hours worked in excess of forty (40) hours in any work week.

### **WORKWEEK**

1. The official workweek shall begin on Sunday at 12:01 a.m.
2. The Board may changes the official workweek at any time, but not to avoid overtime pay requirements.

- a. After completing one (1) year of employment with the District an employee shall have accrued five (5) days (40 hours) of paid vacation.
  - b. After completing five (5) years employment with the District, an employee shall have (10) days (80 hours) of paid vacation.
  - c. After completing ~~five~~ (10) years employment with the District, an employee shall have (15) days (120) hours of paid vacation.
  - d. After completing twenty (20) years employment with the District, an employee shall have (20) hours of paid vacation.
2. Accumulated, unused vacation leave will be included in an employee's termination pay.
  3. For purposes of employees absence due to sickness, injury or disability, an employee may use accrued vacation leave only after accrued sick leave has been exhausted.
  4. The District shall insure that accurate records are kept for vacation leave, allowance, vacation leave taken, and the current accrued leave for each employee; vacation leave taken shall be limited to the current amount accrued.
  - 5 All vacation leave must be used within a calendar year.
  6. An employee entitled to vacation may choose to be compensated for his/her vacation up to one (1) week. (1) one weeks pay in lieu of vacation time.

#### **SICK LEAVE/PERSONAL LEAVE**

Sick Leave is provided so that an employee will not be seriously handicapped financially if he/she is unable to work because of illness. Sick leave abuse may be cause for dismissal, to be determined by the Board.

1. All employee's occupying full-time permanent positions shall receive one (1) day of sick leave per completion of calendar month.
  - a. Employee may accumulate twenty four (24) days or (192) hours of personal time. Any amount in excess of twenty four (24) days or (192) hours will be placed in a District "Bank".
2. "Banked" leave may be used in extreme circumstances provided
  - a The employee requests leave.
  - b. The Board approves leave request.
3. Sick leave may be utilized by employees when they are unable to perform their duties because of:
  - a. Sickness or injury, or when the individual is quarantined;
  - b. Medical/dental/optical examinations and/or treatment;
  - c. Required care of a sick or injured member of his/her immediate family for a reasonable period of time.
4. In the event of sick leave taken for any purpose, the Board may require a certificate from a medical doctor giving information as to the circumstances involved. Such certification shall be required in the event that an employee takes sick leave for a period of two (2) consecutive days.

## **MATERNITY LEAVE**

1. Maternity leave shall be granted for employees with temporary disability due to childbirth, miscarriage or adoption for a period not exceeding six (6) weeks. under extenuating circumstances, maternity leave may be extended upon certification of the attending physician and approval of the Board.
2. The employee may use any accrued sick leave, then accrued vacation leave, and the

remaining period will be time off without pay. Vacation leave and seniority shall continue to accumulate if the employee returns to work at the end of the approved leave period. Insurance benefits will continue to be carried and paid for by the District in the same manner as in the case of full-time employment.

## **BEREAVEMENT (FUNERAL) LEAVE.**

Employees may be granted Five (5) day leave with pay for immediate family (Mother/Father, Spouse, Children, Step-children, Grandchildren). A three (3) day leave with pay for Brother, Sister, Grandparents, Mother/Father-in-law. Policy applies to full time employees.

## **MILITARY LEAVE**

Any employee occupying a full-time permanent position with the District who is a member of the National Guard or any reserve component of the United States Armed Forces, or the United States Public Health Service, shall be entitled to a leave of absence without loss of pay for a period of fifteen (15) calendar days in any one (1) calendar year for the purpose of attending annual mandatory training (KRS 61.394, 61.396).

## **VOTING LEAVE**

Any person entitled to a vote at any election in this state shall, if he/she has made application for leave prior to the day of election, be entitled to absent him/herself from any services or employment in which he/she is then engaged or employed for a period not to exceed two (2) hours on the day of the election, between the time of opening and closing the polls. Such person shall not, because of so absents him/herself, be liable to any penalty. The immediate supervisor may specify the hours during which the employee may absent him/herself. Any person selected to serve as an election official shall be entitled to excuse him/herself for any services or employment to train or serve as an election officer.

5. Retirement Plan: The District provides a "Simplified Employee Plan" Employees that have one (1) year of service may participate in said plan. The employee will contribute at least 3%, while the District will contribute 7% per month (of gross income).

#### **DISTRICT'S VEHICLES**

No District vehicles shall be operated unless for official business or official duties. Only authorized District employees shall be allowed to drive District owned vehicles. Passengers are permitted only when engaged in official District business. No other use of District owned vehicles shall be permitted.

#### **OUTSIDE EMPLOYMENT**

District employees owe their primary allegiance and energies to their District jobs. Employees may have regular outside employment as long as such additional employment does not conflict with the employee's responsibilities to the District.

#### **EXPENSE REIMBURSEMENT**

1. No officer or employee of the District shall receive or be allowed any lump-sum expense allowance or contingent fund for personal or official expenses (KRS 64.710).
2. Any officer or employee of the District incurring expenses for approved travel on behalf of the District shall be reimbursed as follows.
  - a. Lodging cost: reimbursement for actual amount on receipt;
  - b. Meal cost: \$30 per day (excluding alcohol)
  - c. Travel (mileage): the current rate set by Federal guide lines;
3. Expenses must be submitted to the District office within three (3) working days after returning from travel in order to be promptly reimbursed for the expenses(s).
4. Expense reimbursement must be approved by the Board, if applicable.
5. Expenses will be reimbursed only for those incurred by the employee of the District and/or representative (approved by the Board). Employees are expected to minimize expenses whenever possible.

DATE RECEIVED \_\_\_\_\_

EMPLOYEE'S NAME \_\_\_\_\_

**RATTLESNAKE RIDGE WATER DISTRICT**  
**Financial Statements**  
**For the period ended January 31, 2019**

**JONATHAN C. STILES, CPA, PSC**  
*CERTIFIED PUBLIC ACCOUNTANT*  
Member - Kentucky Society of Certified Public Accountants



# RATTLESNAKE RIDGE WATER DISTRICT

## Statements Of Net Position January 31, 2019 and 2018

|   | 2019          | Percent | 2018          | Percent |
|---|---------------|---------|---------------|---------|
| <b>Assets</b>                               |               |         |               |         |
| <b>Current assets</b>                       |               |         |               |         |
| Cash In Bank - Short Lived Asset            | \$ 33,285     | 0.15    | \$ 0          | 0.00    |
| Cash  |               |         |               |         |
| Cash On Hand                                | 500           | 0.00    | 500           | 0.00    |
| Petty Cash                                  | 200           | 0.00    | 0             | 0.00    |
| Cash In Bank - Deposits 70882               | 18,271        | 0.08    | 40,880        | 0.18    |
| Cash In Bank - O & M 32832                  | 5,874         | 0.03    | 15,553        | 0.07    |
| Cash In Bank - Payroll Acct 70823           | 107,898       | 0.49    | 82,784        | 0.37    |
| Cash In Bank - Main Account 70688           | 34,983        | 0.16    | 63,247        | 0.28    |
| Cash in Bank - Reserve Acct 116130          | 232,756       | 1.05    | 107,487       | 0.48    |
| Cash in Bank - Petty Cash Account 72273     | 215           | 0.00    | 774           | 0.00    |
| Cash in Bank - Bond Interest Sinking 220183 | 37,113        | 0.17    | 36,974        | 0.17    |
| Cash In Bank - Regions Bank 2080021309      | 61,615        | 0.28    | 57,514        | 0.26    |
| Cash in Bank - Phase XI 72923               | 19,300        | 0.09    | 14,400        | 0.06    |
| <b>Total Cash</b>                           | 518,725       | 2.34    | 420,113       | 1.88    |
| Accounts receivable                         |               |         |               |         |
| Accounts Receivable                         | 292,317       | 1.32    | 292,317       | 1.31    |
| Unbilled Revenue Receivable                 | 78,986        | 0.36    | 78,986        | 0.35    |
| Allowance For Uncollectible Accts           | (116,854)     | (0.53)  | (116,854)     | (0.52)  |
| <b>Total Accounts receivable</b>            | 254,449       | 1.15    | 254,449       | 1.14    |
| Inventory                                   | 12,610        | 0.06    | 12,610        | 0.06    |
| Utility Deposits                            | 1,100         | 0.00    | 1,100         | 0.00    |
| <b>Total current assets</b>                 | 820,169       | 3.71    | 688,272       | 3.08    |
| <b>Property plant and equipment</b>         |               |         |               |         |
| Heavy Equipment                             | 143,209       | 0.65    | 143,126       | 0.64    |
| Vehicles                                    | 105,845       | 0.48    | 77,745        | 0.35    |
| Buildings                                   | 95,678        | 0.43    | 95,678        | 0.43    |
| Water System                                | 35,945,072    | 162.40  | 35,945,072    | 160.64  |
| Construction In Progress                    | 601,324       | 2.72    | 71,270        | 0.32    |
| Land  | 21,558        | 0.10    | 16,558        | 0.07    |
| Other Fixed Assets                          | 104,302       | 0.47    | 104,302       | 0.47    |
| Accumulated Depreciation                    | (15,984,253)  | (72.22) | (15,047,453)  | (67.25) |
| <b>Total property plant and equipment</b>   | 21,032,735    | 95.02   | 21,406,298    | 95.67   |
| <b>Other assets</b>                         |               |         |               |         |
| Deferred Outflow of Resources               | 281,322       | 1.27    | 281,322       | 1.26    |
| <b>Total other assets</b>                   | 281,322       | 1.27    | 281,322       | 1.26    |
| <b>Total assets</b>                         | \$ 22,134,226 | 100.00  | \$ 22,375,892 | 100.00  |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements Of Net Position January 31, 2019 and 2018

|   | 2019          | Percent | 2018          | Percent |
|---|---------------|---------|---------------|---------|
| <b>Liabilities</b>                      |               |         |               |         |
| <b>Current liabilities</b>              |               |         |               |         |
| Accounts Payable                        | \$ 35,719     | 0.16    | \$ 23,572     | 0.11    |
| Accrued Sick Leave                      | 24,436        | 0.11    | 24,436        | 0.11    |
| Accrued Interest Payable                | 22,150        | 0.10    | 22,150        | 0.10    |
| Deposit Liability                       | 86,219        | 0.39    | 61,210        | 0.27    |
| Payroll Related Liabilities             | 19,346        | 0.09    | 17,740        | 0.08    |
| Sales Tax Payable                       | 142           | 0.00    | 152           | 0.00    |
| Utilities Tax                           | 4,877         | 0.02    | 5,996         | 0.03    |
| <b>Total current liabilities</b>        | 192,889       | 0.87    | 155,256       | 0.69    |
| <b>Long-term liabilities</b>            |               |         |               |         |
| Accrued Pension & OPED Liabilities      | 1,145,666     | 5.18    | 1,145,666     | 5.12    |
| Long Term Loan - N/P Corps of Engineers | 63,928        | 0.29    | 66,351        | 0.30    |
| Bond Refinancing (Regions)              | 330,000       | 1.49    | 370,000       | 1.65    |
| Bonds Payable - RECD                    | 6,645,100     | 30.02   | 6,826,600     | 30.51   |
| KADD Lease                              | 70,000        | 0.32    | 75,000        | 0.34    |
| Bonds Payable                           | 460,853       | 2.08    | 0             | 0.00    |
| <b>Total long-term liabilities</b>      | 8,715,547     | 39.38   | 8,483,617     | 37.91   |
| <b>Total liabilities</b>                | \$ 8,908,436  | 40.25   | \$ 8,638,873  | 38.61   |
| <b>Net Assets</b>                       |               |         |               |         |
| <b>Net assets</b>                       |               |         |               |         |
| Investment in Capital Assets            | 14,147,146    | 63.92   | 14,147,146    | 63.22   |
| Capital Projects - Restricted           | 102,487       | 0.46    | 102,487       | 0.46    |
| Debt Service - Restricted               | 1,972         | 0.01    | 1,972         | 0.01    |
| Retained earnings                       | (1,025,815)   | (4.63)  | (514,586)     | (2.30)  |
| <b>Total net assets</b>                 | 13,225,790    | 59.75   | 13,737,019    | 61.39   |
| <b>Total liabilities and net assets</b> | \$ 22,134,226 | 100.00  | \$ 22,375,892 | 100.00  |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements of Revenues and Expenses

For the month ended January 31, 2019 and 2018

|                               | 2019        | Percent | 2018        | Percent |
|-------------------------------|-------------|---------|-------------|---------|
| <b>Revenues</b>               |             |         |             |         |
| Water Sales                   | \$ 184,182  | 100.00  | \$ 179,798  | 100.00  |
| Interest Income               | 4           | 0.00    | 4           | 0.00    |
| <b>Total revenues</b>         | 184,186     | 100.00  | 179,802     | 100.00  |
| <br>                          |             |         |             |         |
| <b>Gross profit</b>           | 184,186     | 100.00  | 179,802     | 100.00  |
| <br>                          |             |         |             |         |
| <b>Expenses</b>               |             |         |             |         |
| Other Salary & Wages          | 63,822      | 34.65   | 62,208      | 34.60   |
| Professional Fees             | 1,512       | 0.82    | 898         | 0.50    |
| Fuel Expense                  | 2,218       | 1.20    | 3,950       | 2.20    |
| Auto & Truck Expense          | 697         | 0.38    | 355         | 0.20    |
| Advertising Expense           | 853         | 0.46    | 0           | 0.00    |
| Bank Fees                     | 5           | 0.00    | 32          | 0.02    |
| Depreciation Expense          | 70,000      | 38.01   | 78,800      | 43.83   |
| Dues & Subscriptions          | 0           | 0.00    | 500         | 0.28    |
| Extra Help                    | 250         | 0.14    | 250         | 0.14    |
| FICA Expense                  | 4,882       | 2.65    | 4,759       | 2.65    |
| Other Payroll Expense         | 655         | 0.36    | 117         | 0.07    |
| Other Employee Benefits       | 112         | 0.06    | 0           | 0.00    |
| Meals & Entertainment         | 0           | 0.00    | 23          | 0.01    |
| Insurance Expense             | 5,107       | 2.77    | 38,131      | 21.21   |
| Utility & Sales Tax Expense   | 5,018       | 2.72    | 6,149       | 3.42    |
| Miscellaneous Expense         | 81          | 0.04    | 0           | 0.00    |
| Office Supplies Expense       | 372         | 0.20    | 419         | 0.23    |
| Computer Expense              | 982         | 0.53    | 468         | 0.26    |
| Postage Expense               | 1,360       | 0.74    | 1,344       | 0.75    |
| Retirement Expense            | 12,404      | 6.73    | 10,994      | 6.11    |
| Testing Expense               | 1,980       | 1.06    | 1,048       | 0.58    |
| Repairs & Maintenance Expense | 1,677       | 0.91    | 12,109      | 6.73    |
| Shop Supplies                 | 8,842       | 4.80    | 4,157       | 2.31    |
| Supplies Expense              | 20,317      | 11.03   | 16,363      | 9.10    |
| Uniform Expense               | 119         | 0.06    | 80          | 0.04    |
| Telephone Expense             | 1,827       | 0.99    | 1,627       | 0.90    |
| Utilities Expense             | 27,416      | 14.88   | 25,290      | 14.07   |
| Sanitation Expense            | 209         | 0.11    | 150         | 0.08    |
| <b>Total expenses</b>         | 232,697     | 126.34  | 270,221     | 150.29  |
| <br>                          |             |         |             |         |
| <b>Net income (loss)</b>      | \$ (48,511) | (26.34) | \$ (90,419) | (50.29) |

No assurance is provided on these financial statements.

**RATTLESNAKE RIDGE WATER DISTRICT**  
**Financial Statements**  
**For the period ended February 28, 2019**

**JONATHAN C. STILES, CPA, PSC**  
*CERTIFIED PUBLIC ACCOUNTANT*  
Member - Kentucky Society of Certified Public Accountants

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements Of Net Position February 28, 2019 and 2018

|   | 2019                 | Percent       | 2018                 | Percent       |
|---|----------------------|---------------|----------------------|---------------|
| <b>Assets</b>                               |                      |               |                      |               |
| <b>Current assets</b>                       |                      |               |                      |               |
| Cash In Bank - Short Lived Asset            | \$ 31,072            | 0.14          | \$ 0                 | 0.00          |
| Cash  |                      |               |                      |               |
| Cash On Hand                                | 500                  | 0.00          | 500                  | 0.00          |
| Petty Cash                                  | 200                  | 0.00          | 0                    | 0.00          |
| Cash In Bank - Deposits 70882               | 18,298               | 0.08          | 18,023               | 0.08          |
| Cash In Bank - O & M 32832                  | 5,087                | 0.02          | 14,229               | 0.06          |
| Cash In Bank - Payroll Acct 70823           | 100,852              | 0.46          | 96,475               | 0.43          |
| Cash In Bank - Main Account 70688           | 19,996               | 0.09          | 75,468               | 0.34          |
| Cash in Bank - Reserve Acct 116130          | 232,756              | 1.05          | 112,487              | 0.50          |
| Cash in Bank - Petty Cash Account 72273     | 163                  | 0.00          | 929                  | 0.00          |
| Cash in Bank - Bond Interest Sinking 220183 | 72,117               | 0.33          | 71,976               | 0.32          |
| Cash In Bank - Regions Bank 2080021309      | 66,392               | 0.30          | 62,860               | 0.28          |
| Cash in Bank - Phase XI 72923               | 1,000                | 0.00          | 8,000                | 0.04          |
| <b>Total Cash</b>                           | <u>517,361</u>       | <u>2.34</u>   | <u>460,947</u>       | <u>2.05</u>   |
| Accounts receivable                         |                      |               |                      |               |
| Accounts Receivable                         | 292,317              | 1.32          | 292,317              | 1.30          |
| Unbilled Revenue Receivable                 | 78,986               | 0.36          | 78,986               | 0.35          |
| Allowance For Uncollectible Accts           | (116,854)            | (0.53)        | (116,854)            | (0.52)        |
| <b>Total Accounts receivable</b>            | <u>254,449</u>       | <u>1.15</u>   | <u>254,449</u>       | <u>1.13</u>   |
| Inventory                                   | 12,610               | 0.06          | 12,610               | 0.06          |
| Utility Deposits                            | 1,100                | 0.00          | 1,100                | 0.00          |
| <b>Total current assets</b>                 | <u>816,592</u>       | <u>3.70</u>   | <u>729,106</u>       | <u>3.25</u>   |
| <b>Property plant and equipment</b>         |                      |               |                      |               |
| Heavy Equipment                             | 143,209              | 0.65          | 143,126              | 0.64          |
| Vehicles                                    | 105,845              | 0.48          | 105,845              | 0.47          |
| Buildings                                   | 95,678               | 0.43          | 95,678               | 0.43          |
| Water System                                | 35,945,072           | 162.80        | 35,945,072           | 160.03        |
| Construction In Progress                    | 619,624              | 2.81          | 161,270              | 0.72          |
| Land  | 21,558               | 0.10          | 21,558               | 0.10          |
| Other Fixed Assets                          | 104,302              | 0.47          | 104,302              | 0.46          |
| Accumulated Depreciation                    | (16,054,253)         | (72.71)       | (15,126,253)         | (67.34)       |
| <b>Total property plant and equipment</b>   | <u>20,981,035</u>    | <u>95.03</u>  | <u>21,450,598</u>    | <u>95.50</u>  |
| <b>Other assets</b>                         |                      |               |                      |               |
| Deferred Outflow of Resources               | 281,322              | 1.27          | 281,322              | 1.25          |
| <b>Total other assets</b>                   | <u>281,322</u>       | <u>1.27</u>   | <u>281,322</u>       | <u>1.25</u>   |
| <b>Total assets</b>                         | <u>\$ 22,078,949</u> | <u>100.00</u> | <u>\$ 22,461,026</u> | <u>100.00</u> |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements Of Net Position February 28, 2019 and 2018

|   | 2019          | Percent | 2018          | Percent |
|---|---------------|---------|---------------|---------|
| <b>Liabilities</b>                      |               |         |               |         |
| <b>Current liabilities</b>              |               |         |               |         |
| Accounts Payable                        | \$ 23,090     | 0.10    | \$ 24,719     | 0.11    |
| Accrued Sick Leave                      | 24,436        | 0.11    | 24,436        | 0.11    |
| Accrued Interest Payable                | 22,150        | 0.10    | 22,150        | 0.10    |
| Deposit Liability                       | 86,246        | 0.39    | 66,636        | 0.30    |
| Payroll Related Liabilities             | 14,869        | 0.07    | 13,474        | 0.06    |
| Sales Tax Payable                       | 171           | 0.00    | 142           | 0.00    |
| Utilities Tax                           | 6,665         | 0.03    | 6,585         | 0.03    |
| <b>Total current liabilities</b>        | 177,627       | 0.80    | 158,142       | 0.70    |
| <b>Long-term liabilities</b>            |               |         |               |         |
| Accrued Pension & OPED Liabilities      | 1,145,666     | 5.19    | 1,145,666     | 5.10    |
| Long Term Loan - N/P Corps of Engineers | 63,928        | 0.29    | 66,351        | 0.30    |
| Note Payable - Commercial Bank          | 0             | 0.00    | 90,000        | 0.40    |
| Bond Refinancing                        | 330,000       | 1.49    | 370,000       | 1.65    |
| Bonds Payable - RECD                    | 6,645,100     | 30.10   | 6,826,600     | 30.39   |
| KADD Lease                              | 70,000        | 0.32    | 75,000        | 0.33    |
| Bonds Payable                           | 460,853       | 2.09    | 0             | 0.00    |
| <b>Total long-term liabilities</b>      | 8,715,547     | 39.47   | 8,573,617     | 38.17   |
| <b>Total liabilities</b>                | \$ 8,893,174  | 40.28   | \$ 8,731,759  | 38.88   |
| <b>Net Assets</b>                       |               |         |               |         |
| <b>Net assets</b>                       |               |         |               |         |
| Investment in Capital Assets            | 14,147,146    | 64.08   | 14,147,146    | 62.99   |
| Capital Projects - Restricted           | 102,487       | 0.46    | 102,487       | 0.46    |
| Debt Service - Restricted               | 1,972         | 0.01    | 1,972         | 0.01    |
| Retained earnings                       | (1,065,830)   | (4.83)  | (522,338)     | (2.33)  |
| <b>Total net assets</b>                 | 13,185,775    | 59.72   | 13,729,267    | 61.12   |
| <b>Total liabilities and net assets</b> | \$ 22,078,949 | 100.00  | \$ 22,461,026 | 100.00  |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements of Revenues and Expenses

For the two months ended February 28, 2019 and 2018

|                               | 2019        | Percent | 2018        | Percent |
|-------------------------------|-------------|---------|-------------|---------|
| <b>Revenues</b>               |             |         |             |         |
| Water Sales                   | \$ 355,032  | 100.00  | \$ 385,867  | 100.00  |
| Interest Income               | 9           | 0.00    | 7           | 0.00    |
| <b>Total revenues</b>         | 355,041     | 100.00  | 385,874     | 100.00  |
| <br>                          |             |         |             |         |
| <b>Gross profit</b>           | 355,041     | 100.00  | 385,874     | 100.00  |
| <br><b>Expenses</b>           |             |         |             |         |
| Other Salary & Wages          | 113,479     | 31.96   | 109,484     | 28.37   |
| Professional Fees             | 3,399       | 0.96    | 2,439       | 0.63    |
| Fuel Expense                  | 2,218       | 0.62    | 3,950       | 1.02    |
| Auto & Truck Expense          | 862         | 0.24    | 483         | 0.13    |
| Advertising Expense           | 853         | 0.24    | 0           | 0.00    |
| Bank Fees                     | 10          | 0.00    | 64          | 0.02    |
| Depreciation Expense          | 140,000     | 39.43   | 157,600     | 40.84   |
| Dues & Subscriptions          | 0           | 0.00    | 500         | 0.13    |
| Extra Help                    | 450         | 0.13    | 450         | 0.12    |
| FICA Expense                  | 8,681       | 2.45    | 8,376       | 2.17    |
| Other Payroll Expense         | 678         | 0.19    | 220         | 0.06    |
| Other Employee Benefits       | 112         | 0.03    | 333         | 0.09    |
| Meals & Entertainment         | 0           | 0.00    | 26          | 0.01    |
| Insurance Expense             | 24,661      | 6.95    | 41,187      | 10.67   |
| Utility & Sales Tax Expense   | 11,855      | 3.34    | 12,875      | 3.34    |
| Miscellaneous Expense         | 79          | 0.02    | 0           | 0.00    |
| Office Supplies Expense       | 426         | 0.12    | 508         | 0.13    |
| Computer Expense              | 982         | 0.28    | 1,403       | 0.36    |
| Postage Expense               | 2,674       | 0.75    | 2,637       | 0.68    |
| Retirement Expense            | 21,773      | 6.13    | 19,240      | 4.99    |
| Testing Expense               | 2,290       | 0.64    | 1,048       | 0.27    |
| Repairs & Maintenance Expense | 2,820       | 0.79    | 21,545      | 5.58    |
| Shop Supplies                 | 11,948      | 3.37    | 9,196       | 2.38    |
| Supplies Expense              | 31,317      | 8.82    | 26,763      | 6.94    |
| Uniform Expense               | 179         | 0.05    | 80          | 0.02    |
| Telephone Expense             | 2,343       | 0.66    | 2,706       | 0.70    |
| Utilities Expense             | 58,469      | 16.47   | 59,029      | 15.30   |
| Sanitation Expense            | 1,009       | 0.28    | 503         | 0.13    |
| <b>Total expenses</b>         | 443,567     | 124.93  | 482,645     | 125.08  |
| <br>                          |             |         |             |         |
| <b>Income from operations</b> | (88,526)    | (24.93) | (96,771)    | (25.08) |
| <br><b>Other expenses</b>     |             |         |             |         |
| Interest Expense              | 0           | 0.00    | 1,400       | 0.36    |
| <b>Total other expenses</b>   | 0           | 0.00    | 1,400       | 0.36    |
| <br>                          |             |         |             |         |
| <b>Net income (loss)</b>      | \$ (88,526) | (24.93) | \$ (98,171) | (25.44) |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Budget vs. Actual

As of 02/28/2019

|  | Actual             | Budget             | Actual - Budget     | %              |
|--|--------------------|--------------------|---------------------|----------------|
| <b>Revenues</b>                          |                    |                    |                     |                |
| Water Sales                              | 355,032.00         | 465,961.00         | (110,929.00)        | 76.19          |
| Interest Income                          | 9.00               | 5.00               | 4.00                | 185.40         |
| Grant Income                             | 0.00               | 1,712.00           | (1,712.00)          | 0.00           |
| Miscellaneous Income                     | 0.00               | 1,364.00           | (1,364.00)          | 0.00           |
| <b>Total revenues</b>                    | <b>355,041.00</b>  | <b>469,042.00</b>  | <b>(114,001.00)</b> | <b>75.70</b>   |
| <b>Gross profit</b>                      | <b>355,041.00</b>  | <b>469,042.00</b>  | <b>(114,001.00)</b> | <b>75.70</b>   |
| <b>Expenses</b>                          |                    |                    |                     |                |
| Other Salary & Wages                     | 113,479.00         | 112,237.00         | 1,242.00            | 101.11         |
| Professional Fees                        | 3,399.00           | 1,811.00           | 1,588.00            | 187.67         |
| Fuel Expense                             | 2,218.00           | 3,608.00           | (1,390.00)          | 61.46          |
| Auto & Truck Expense                     | 862.00             | 2,648.00           | (1,786.00)          | 32.54          |
| Advertising Expense                      | 853.00             | 0.00               | 853.00              | 0.00           |
| Bank Fees                                | 10.00              | 96.00              | (86.00)             | 10.42          |
| Depreciation Expense                     | 140,000.00         | 168,632.00         | (28,632.00)         | 83.02          |
| Donations                                | 0.00               | 5.00               | (5.00)              | 0.00           |
| Extra Help                               | 450.00             | 482.00             | (32.00)             | 93.36          |
| FICA Expense                             | 8,681.00           | 8,586.00           | 95.00               | 101.11         |
| Other Payroll Expense                    | 678.00             | 41.00              | 637.00              | 1,653.80       |
| Other Employee Benefits                  | 112.00             | 270.00             | (158.00)            | 41.65          |
| Meals & Entertainment                    | 0.00               | 134.00             | (134.00)            | 0.00           |
| Travel Expense                           | 0.00               | 512.00             | (512.00)            | 0.00           |
| Insurance Expense                        | 24,661.00          | 21,849.00          | 2,812.00            | 112.87         |
| Taxes & License                          | 0.00               | 3,115.00           | (3,115.00)          | 0.00           |
| Utility & Sales Tax Expense              | 11,855.00          | 12,711.00          | (856.00)            | 93.26          |
| Miscellaneous Expense                    | 80.00              | 696.00             | (616.00)            | 11.49          |
| Office Supplies Expense                  | 426.00             | 1,591.00           | (1,165.00)          | 26.80          |
| Computer Expense                         | 982.00             | 1,428.00           | (446.00)            | 68.79          |
| Postage Expense                          | 2,674.00           | 3,179.00           | (505.00)            | 84.10          |
| Retirement Expense                       | 21,773.00          | 5,018.00           | 16,755.00           | 433.90         |
| Testing Expense                          | 2,291.00           | 6,083.00           | (3,793.00)          | 37.65          |
| Repairs & Maintenance Expense            | 2,820.00           | 7,641.00           | (4,821.00)          | 36.90          |
| Shop Supplies                            | 11,948.00          | 10,433.00          | 1,515.00            | 114.52         |
| Supplies Expense                         | 31,317.00          | 41,059.00          | (9,742.00)          | 76.27          |
| Uniform Expense                          | 179.00             | 210.00             | (31.00)             | 85.37          |
| Telephone Expense                        | 2,343.00           | 2,580.00           | (237.00)            | 90.82          |
| Utilities Expense                        | 58,469.00          | 77,116.00          | (18,647.00)         | 75.82          |
| Sanitation Expense                       | 1,009.00           | 328.00             | 681.00              | 307.62         |
| <b>Total expenses</b>                    | <b>443,568.00</b>  | <b>494,099.00</b>  | <b>(50,531.00)</b>  | <b>89.77</b>   |
| <b>Total Expenses</b>                    | <b>443,568.00</b>  | <b>494,099.00</b>  | <b>(50,531.00)</b>  | <b>89.77</b>   |
| <b>Income from operations</b>            | <b>(88,527.00)</b> | <b>(25,057.00)</b> | <b>(63,470.00)</b>  | <b>(14.07)</b> |
| <b>Income before provision for taxes</b> | <b>(88,527.00)</b> | <b>(25,057.00)</b> | <b>(63,470.00)</b>  | <b>(14.07)</b> |
| <b>Net income (loss)</b>                 | <b>(88,527.00)</b> | <b>(25,057.00)</b> | <b>(63,470.00)</b>  | <b>(14.07)</b> |



**RATTLESNAKE RIDGE WATER DISTRICT**  
**Financial Statements**  
**For the period ended March 31, 2019**

**JONATHAN C. STILES, CPA, PSC**  
*CERTIFIED PUBLIC ACCOUNTANT*  
Member - Kentucky Society of Certified Public Accountants

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements Of Net Position March 31, 2019 and 2018

|   | 2019          | Percent | 2018          | Percent |
|---|---------------|---------|---------------|---------|
| <b>Assets</b>                               |               |         |               |         |
| <b>Current assets</b>                       |               |         |               |         |
| Cash In Bank - Short Lived Asset            | \$ 33,846     | 0.15    | \$ 0          | 0.00    |
| Cash  |               |         |               |         |
| Cash On Hand                                | 500           | 0.00    | 500           | 0.00    |
| Petty Cash                                  | 200           | 0.00    | 0             | 0.00    |
| Cash In Bank - Deposits 70882               | 19,123        | 0.09    | 22,403        | 0.10    |
| Cash In Bank - O & M 32832                  | 3,226         | 0.01    | 20,251        | 0.09    |
| Cash In Bank - Payroll Acct 70823           | 63,590        | 0.29    | 67,941        | 0.30    |
| Cash In Bank - Main Account 70688           | 67,947        | 0.31    | 87,171        | 0.39    |
| Cash in Bank - Reserve Acct 116130          | 237,929       | 1.08    | 117,528       | 0.53    |
| Cash in Bank - Petty Cash Account 72273     | 322           | 0.00    | 282           | 0.00    |
| Cash in Bank - Bond Interest Sinking 220183 | 107,125       | 0.49    | 106,980       | 0.48    |
| Cash In Bank - Regions Bank 2080021309      | 18,624        | 0.08    | 19,702        | 0.09    |
| Cash in Bank - Phase XI 72923               | 1,000         | 0.00    | 8,000         | 0.04    |
| <b>Total Cash</b>                           | 519,586       | 2.36    | 450,758       | 2.01    |
| Accounts receivable                         |               |         |               |         |
| Accounts Receivable                         | 292,317       | 1.33    | 292,317       | 1.31    |
| Unbilled Revenue Receivable                 | 78,986        | 0.36    | 78,986        | 0.35    |
| Allowance For Uncollectible Accts           | (116,854)     | (0.53)  | (116,854)     | (0.52)  |
| <b>Total Accounts receivable</b>            | 254,449       | 1.16    | 254,449       | 1.14    |
| Inventory                                   | 12,610        | 0.06    | 12,610        | 0.06    |
| Utility Deposits                            | 1,100         | 0.00    | 1,100         | 0.00    |
| <b>Total current assets</b>                 | 821,591       | 3.73    | 718,917       | 3.21    |
| <b>Property plant and equipment</b>         |               |         |               |         |
| Heavy Equipment                             | 143,209       | 0.65    | 143,126       | 0.64    |
| Vehicles                                    | 105,845       | 0.48    | 105,845       | 0.47    |
| Buildings                                   | 95,678        | 0.43    | 95,678        | 0.43    |
| Water System                                | 35,945,072    | 163.28  | 35,945,072    | 160.67  |
| Construction In Progress                    | 619,624       | 2.81    | 161,270       | 0.72    |
| Land  | 21,558        | 0.10    | 21,558        | 0.10    |
| Other Fixed Assets                          | 104,302       | 0.47    | 104,302       | 0.47    |
| Accumulated Depreciation                    | (16,124,253)  | (73.25) | (15,205,053)  | (67.96) |
| <b>Total property plant and equipment</b>   | 20,911,035    | 94.99   | 21,371,798    | 95.53   |
| <b>Other assets</b>                         |               |         |               |         |
| Deferred Outflow of Resources               | 281,322       | 1.28    | 281,322       | 1.26    |
| <b>Total other assets</b>                   | 281,322       | 1.28    | 281,322       | 1.26    |
| <b>Total assets</b>                         | \$ 22,013,948 | 100.00  | \$ 22,372,037 | 100.00  |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements Of Net Position March 31, 2019 and 2018

|   | 2019          | Percent | 2018          | Percent |
|---|---------------|---------|---------------|---------|
| <b>Liabilities</b>                      |               |         |               |         |
| <b>Current liabilities</b>              |               |         |               |         |
| Accounts Payable                        | \$ 23,590     | 0.11    | \$ 19,293     | 0.09    |
| Accrued Sick Leave                      | 24,436        | 0.11    | 24,436        | 0.11    |
| Accrued Interest Payable                | 22,150        | 0.10    | 22,150        | 0.10    |
| Deposit Liability                       | 86,486        | 0.39    | 71,677        | 0.32    |
| Payroll Related Liabilities             | 3,084         | 0.01    | 2,771         | 0.01    |
| Sales Tax Payable                       | 172           | 0.00    | 131           | 0.00    |
| Utilities Tax                           | 5,500         | 0.02    | 4,818         | 0.02    |
| <b>Total current liabilities</b>        | 165,418       | 0.75    | 145,276       | 0.65    |
| <b>Long-term liabilities</b>            |               |         |               |         |
| Accrued Pension & OPED Liabilities      | 1,145,666     | 5.20    | 1,145,666     | 5.12    |
| Long Term Loan - N/P Corps of Engineers | 63,928        | 0.29    | 66,351        | 0.30    |
| Note Payable - Commercial Bank          | 0             | 0.00    | 90,000        | 0.40    |
| Bond Refinancing (Regions)              | 285,000       | 1.29    | 330,000       | 1.48    |
| Bonds Payable - RECD                    | 6,645,100     | 30.19   | 6,826,600     | 30.51   |
| KADD Lease                              | 70,000        | 0.32    | 70,000        | 0.31    |
| Bonds Payable                           | 460,853       | 2.09    | 0             | 0.00    |
| <b>Total long-term liabilities</b>      | 8,670,547     | 39.39   | 8,528,617     | 38.12   |
| <b>Total liabilities</b>                | \$ 8,835,965  | 40.14   | \$ 8,673,893  | 38.77   |
| <b>Net Assets</b>                       |               |         |               |         |
| <b>Net assets</b>                       |               |         |               |         |
| Investment in Capital Assets            | 14,147,146    | 64.26   | 14,147,146    | 63.24   |
| Capital Projects - Restricted           | 102,487       | 0.47    | 102,487       | 0.46    |
| Debt Service - Restricted               | 1,972         | 0.01    | 1,972         | 0.01    |
| Retained earnings                       | (1,073,622)   | (4.88)  | (553,461)     | (2.47)  |
| <b>Total net assets</b>                 | 13,177,983    | 59.86   | 13,698,144    | 61.23   |
| <b>Total liabilities and net assets</b> | \$ 22,013,948 | 100.00  | \$ 22,372,037 | 100.00  |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements of Revenues and Expenses

For the three months ended March 31, 2019 and 2018

|                               | 2019       | Percent | 2018       | Percent |
|-------------------------------|------------|---------|------------|---------|
| <b>Revenues</b>               |            |         |            |         |
| Water Sales                   | \$ 578,630 | 99.93   | \$ 606,866 | 99.98   |
| Interest Income               | 422        | 0.07    | 136        | 0.02    |
| <b>Total revenues</b>         | 579,052    | 100.00  | 607,002    | 100.00  |
| <br>                          |            |         |            |         |
| <b>Gross profit</b>           | 579,052    | 100.00  | 607,002    | 100.00  |
| <br>                          |            |         |            |         |
| <b>Expenses</b>               |            |         |            |         |
| Other Salary & Wages          | 165,531    | 28.59   | 156,010    | 25.70   |
| Professional Fees             | 4,187      | 0.72    | 3,859      | 0.64    |
| Fuel Expense                  | 4,173      | 0.72    | 8,321      | 1.37    |
| Auto & Truck Expense          | 2,288      | 0.40    | 3,354      | 0.55    |
| Advertising Expense           | 853        | 0.15    | 0          | 0.00    |
| Bank Fees                     | 465        | 0.08    | 546        | 0.09    |
| Depreciation Expense          | 210,000    | 36.27   | 236,400    | 38.95   |
| Dues & Subscriptions          | 0          | 0.00    | 500        | 0.08    |
| Extra Help                    | 650        | 0.11    | 650        | 0.11    |
| FICA Expense                  | 12,663     | 2.19    | 11,935     | 1.97    |
| Other Payroll Expense         | 814        | 0.14    | 555        | 0.09    |
| Training & Education Expense  | 0          | 0.00    | 1,348      | 0.22    |
| Other Employee Benefits       | 292        | 0.05    | 333        | 0.05    |
| Meals & Entertainment         | 12         | 0.00    | 29         | 0.00    |
| Insurance Expense             | 48,182     | 8.32    | 78,483     | 12.93   |
| Utility & Sales Tax Expense   | 17,527     | 3.03    | 17,830     | 2.94    |
| Miscellaneous Expense         | 82         | 0.01    | 0          | 0.00    |
| Office Supplies Expense       | 1,189      | 0.21    | 1,329      | 0.22    |
| Computer Expense              | 1,473      | 0.25    | 1,871      | 0.31    |
| Postage Expense               | 3,973      | 0.69    | 4,113      | 0.68    |
| Retirement Expense            | 31,781     | 5.49    | 27,415     | 4.52    |
| Testing Expense               | 5,806      | 1.00    | 4,968      | 0.82    |
| Repairs & Maintenance Expense | 6,928      | 1.20    | 25,994     | 4.28    |
| Shop Supplies                 | 15,101     | 2.61    | 14,647     | 2.41    |
| Supplies Expense              | 42,408     | 7.32    | 35,317     | 5.82    |
| Uniform Expense               | 179        | 0.03    | 407        | 0.07    |
| Telephone Expense             | 3,849      | 0.66    | 3,638      | 0.60    |
| Utilities Expense             | 87,020     | 15.03   | 84,391     | 13.90   |
| Sanitation Expense            | 1,068      | 0.18    | 555        | 0.09    |
| <b>Total expenses</b>         | 668,494    | 115.45  | 724,798    | 119.41  |
| <br>                          |            |         |            |         |
| <b>Income from operations</b> | (89,442)   | (15.45) | (117,796)  | (19.41) |
| <br>                          |            |         |            |         |
| <b>Other expenses</b>         |            |         |            |         |
| Interest Expense              | 6,876      | 1.19    | 11,498     | 1.89    |
| <b>Total other expenses</b>   | 6,876      | 1.19    | 11,498     | 1.89    |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements of Revenues and Expenses

For the three months ended March 31, 2019 and 2018

|                   | 2019               | Percent        | 2018                | Percent        |
|-------------------|--------------------|----------------|---------------------|----------------|
| Net income (loss) | \$ <u>(96,318)</u> | <u>(16.63)</u> | \$ <u>(129,294)</u> | <u>(21.30)</u> |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Budget vs. Actual

03/31/2019

|  | Actual            | Budget             | Actual - Budget   | %              |
|--|-------------------|--------------------|-------------------|----------------|
| <b>Revenues</b>                          |                   |                    |                   |                |
| Water Sales                              | 223,598.00        | 206,246.00         | 17,352.00         | 108.41         |
| Interest Income                          | 413.00            | 58.00              | 355.00            | 712.07         |
| <b>Total revenues</b>                    | <b>224,011.00</b> | <b>206,304.00</b>  | <b>17,707.00</b>  | <b>108.58</b>  |
| <b>Gross profit</b>                      | <b>224,011.00</b> | <b>206,304.00</b>  | <b>17,707.00</b>  | <b>108.58</b>  |
| <b>Expenses</b>                          |                   |                    |                   |                |
| Other Salary & Wages                     | 52,052.00         | 49,086.00          | 2,966.00          | 106.04         |
| Professional Fees                        | 789.00            | 241.00             | 548.00            | 327.26         |
| Fuel Expense                             | 1,956.00          | 1,692.00           | 264.00            | 115.59         |
| Auto & Truck Expense                     | 1,427.00          | 89.00              | 1,338.00          | 1,602.85       |
| Bank Fees                                | 455.00            | 487.00             | (32.00)           | 93.43          |
| Depreciation Expense                     | 70,000.00         | 84,316.00          | (14,316.00)       | 83.02          |
| Extra Help                               | 200.00            | 214.00             | (14.00)           | 93.46          |
| FICA Expense                             | 3,982.00          | 3,755.00           | 227.00            | 106.04         |
| Other Payroll Expense                    | 136.00            | 88.00              | 48.00             | 154.24         |
| Other Employee Benefits                  | 180.00            | 87.00              | 93.00             | 206.78         |
| Meals & Entertainment                    | 12.00             | 54.00              | (42.00)           | 22.06          |
| Insurance Expense                        | 23,522.00         | 43,061.00          | (19,539.00)       | 54.62          |
| Utility & Sales Tax Expense              | 5,672.00          | 5,820.00           | (148.00)          | 97.46          |
| Office Supplies Expense                  | 763.00            | 141.00             | 622.00            | 541.20         |
| Postage Expense                          | 1,299.00          | 1,589.00           | (290.00)          | 81.75          |
| Retirement Expense                       | 10,008.00         | 8,312.00           | 1,696.00          | 120.41         |
| Testing Expense                          | 3,515.00          | 4,924.00           | (1,409.00)        | 71.39          |
| Repairs & Maintenance Expense            | 4,108.00          | 3,061.00           | 1,047.00          | 134.21         |
| Shop Supplies                            | 3,153.00          | 2,920.00           | 233.00            | 107.99         |
| Supplies Expense                         | 11,091.00         | 7,588.00           | 3,503.00          | 146.17         |
| Telephone Expense                        | 1,506.00          | 1,675.00           | (169.00)          | 89.89          |
| Utilities Expense                        | 28,551.00         | 2,431.00           | 26,120.00         | 1,174.47       |
| Sanitation Expense                       | 59.00             | 160.00             | (101.00)          | 36.88          |
| <b>Total expenses</b>                    | <b>224,436.00</b> | <b>221,791.00</b>  | <b>2,645.00</b>   | <b>101.19</b>  |
| <b>Total Expenses</b>                    | <b>224,436.00</b> | <b>221,791.00</b>  | <b>2,645.00</b>   | <b>101.19</b>  |
| <b>Income from operations</b>            | <b>(425.00)</b>   | <b>(15,487.00)</b> | <b>15,062.00</b>  | <b>7.39</b>    |
| <b>Other expenses</b>                    |                   |                    |                   |                |
| Interest Expense                         | 6,876.00          | 9,278.00           | (2,402.00)        | 74.11          |
| <b>Total other expenses</b>              | <b>6,876.00</b>   | <b>9,278.00</b>    | <b>(2,402.00)</b> | <b>74.11</b>   |
| <b>Income before provision for taxes</b> | <b>(7,301.00)</b> | <b>(24,765.00)</b> | <b>17,464.00</b>  | <b>(66.72)</b> |
| <b>Net income (loss)</b>                 | <b>(7,301.00)</b> | <b>(24,765.00)</b> | <b>17,464.00</b>  | <b>(66.72)</b> |

# RATTLESNAKE RIDGE WATER DISTRICT

## Budget vs. Actual

As of 03/31/2019

|                               | Actual             | Budget             | Actual - Budget    | %             |
|-------------------------------|--------------------|--------------------|--------------------|---------------|
| <b>Revenues</b>               |                    |                    |                    |               |
| Water Sales                   | 578,630.00         | 672,207.00         | (93,577.00)        | 86.08         |
| Interest Income               | 422.00             | 63.00              | 359.00             | 670.27        |
| Grant Income                  | 0.00               | 1,712.00           | (1,712.00)         | 0.00          |
| Miscellaneous Income          | 0.00               | 1,364.00           | (1,364.00)         | 0.00          |
| <b>Total revenues</b>         | <b>579,052.00</b>  | <b>675,346.00</b>  | <b>(96,294.00)</b> | <b>85.74</b>  |
| <b>Gross profit</b>           | <b>579,052.00</b>  | <b>675,346.00</b>  | <b>(96,294.00)</b> | <b>85.74</b>  |
| <b>Expenses</b>               |                    |                    |                    |               |
| Other Salary & Wages          | 165,531.00         | 161,323.00         | 4,208.00           | 102.61        |
| Professional Fees             | 4,187.00           | 2,052.00           | 2,135.00           | 204.07        |
| Fuel Expense                  | 4,173.00           | 5,300.00           | (1,127.00)         | 78.74         |
| Auto & Truck Expense          | 2,288.00           | 2,737.00           | (449.00)           | 83.61         |
| Advertising Expense           | 853.00             | 0.00               | 853.00             | 0.00          |
| Bank Fees                     | 465.00             | 583.00             | (118.00)           | 79.76         |
| Depreciation Expense          | 210,000.00         | 252,948.00         | (42,948.00)        | 83.02         |
| Donations                     | 0.00               | 5.00               | (5.00)             | 0.00          |
| Extra Help                    | 650.00             | 696.00             | (46.00)            | 93.39         |
| FICA Expense                  | 12,663.00          | 12,341.00          | 322.00             | 102.61        |
| Other Payroll Expense         | 814.00             | 129.00             | 685.00             | 630.84        |
| Other Employee Benefits       | 292.00             | 357.00             | (65.00)            | 81.89         |
| Meals & Entertainment         | 12.00              | 188.00             | (176.00)           | 6.34          |
| Travel Expense                | 0.00               | 512.00             | (512.00)           | 0.00          |
| Insurance Expense             | 48,182.00          | 64,910.00          | (16,728.00)        | 74.23         |
| Taxes & License               | 0.00               | 3,115.00           | (3,115.00)         | 0.00          |
| Utility & Sales Tax Expense   | 17,527.00          | 18,531.00          | (1,004.00)         | 94.58         |
| Miscellaneous Expense         | 80.00              | 696.00             | (616.00)           | 11.49         |
| Office Supplies Expense       | 1,189.00           | 1,732.00           | (543.00)           | 68.67         |
| Computer Expense              | 1,473.00           | 1,428.00           | 45.00              | 103.18        |
| Postage Expense               | 3,973.00           | 4,768.00           | (795.00)           | 83.32         |
| Retirement Expense            | 31,781.00          | 13,330.00          | 18,451.00          | 238.42        |
| Testing Expense               | 5,806.00           | 11,007.00          | (5,202.00)         | 52.74         |
| Repairs & Maintenance Expense | 6,928.00           | 10,702.00          | (3,774.00)         | 64.74         |
| Shop Supplies                 | 15,101.00          | 13,353.00          | 1,748.00           | 113.09        |
| Supplies Expense              | 42,408.00          | 48,647.00          | (6,239.00)         | 87.18         |
| Uniform Expense               | 179.00             | 210.00             | (31.00)            | 85.37         |
| Telephone Expense             | 3,849.00           | 4,255.00           | (406.00)           | 90.45         |
| Utilities Expense             | 87,020.00          | 79,547.00          | 7,473.00           | 109.39        |
| Sanitation Expense            | 1,068.00           | 488.00             | 580.00             | 218.85        |
| <b>Total expenses</b>         | <b>668,494.00</b>  | <b>715,890.00</b>  | <b>(47,396.00)</b> | <b>93.38</b>  |
| <b>Total Expenses</b>         | <b>668,494.00</b>  | <b>715,890.00</b>  | <b>(47,396.00)</b> | <b>93.38</b>  |
| <b>Income from operations</b> | <b>(89,442.00)</b> | <b>(40,544.00)</b> | <b>(48,898.00)</b> | <b>(7.64)</b> |
| <b>Other expenses</b>         |                    |                    |                    |               |
| Interest Expense              | 6,876.00           | 9,278.00           | (2,402.00)         | 74.11         |

# RATTLESNAKE RIDGE WATER DISTRICT

## Budget vs. Actual

As of 03/31/2019

|                                   | Actual      | Budget      | Actual - Budget | %       |
|-----------------------------------|-------------|-------------|-----------------|---------|
| Total other expenses              | 6,876.00    | 9,278.00    | (2,402.00)      | 74.11   |
| Income before provision for taxes | (96,318.00) | (49,822.00) | (46,496.00)     | (81.75) |
| Net income (loss)                 | (96,318.00) | (49,822.00) | (46,496.00)     | (81.75) |



**RATTLESNAKE RIDGE WATER DISTRICT**  
**Financial Statements**  
**For the period ended April 30, 2019**

**JONATHAN C. STILES, CPA, PSC**  
*CERTIFIED PUBLIC ACCOUNTANT*  
Member - Kentucky Society of Certified Public Accountants

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements Of Net Position April 30, 2019 and 2018

|   | 2019          | Percent | 2018          | Percent |
|---|---------------|---------|---------------|---------|
| <b>Assets</b>                               |               |         |               |         |
| <b>Current assets</b>                       |               |         |               |         |
| Cash In Bank - Short Lived Asset            | \$ 31,715     | 0.14    | \$ 0          | 0.00    |
| <b>Cash</b>                                 |               |         |               |         |
| Cash On Hand                                | 500           | 0.00    | 500           | 0.00    |
| Petty Cash                                  | 200           | 0.00    | 0             | 0.00    |
| Cash In Bank - Deposits 70882               | 19,733        | 0.09    | 26,148        | 0.12    |
| Cash In Bank - O & M 32832                  | 1,520         | 0.01    | 28,594        | 0.13    |
| Cash In Bank - Payroll Acct 70823           | 83,112        | 0.37    | 76,926        | 0.34    |
| Cash In Bank - Main Account 70688           | 31,378        | 0.14    | 47,419        | 0.21    |
| Cash in Bank - Reserve Acct 116130          | 242,929       | 1.09    | 122,528       | 0.55    |
| Cash in Bank - Petty Cash Account 72273     | 226           | 0.00    | 278           | 0.00    |
| Cash in Bank - Bond Interest Sinking 220183 | 142,137       | 0.64    | 141,986       | 0.64    |
| Cash In Bank - Regions Bank 2080021309      | 22,952        | 0.10    | 24,598        | 0.11    |
| Cash in Bank - Phase XI 72923               | 1,000         | 0.00    | 8,000         | 0.04    |
| <b>Total Cash</b>                           | 545,687       | 2.45    | 476,977       | 2.14    |
| <b>Accounts receivable</b>                  |               |         |               |         |
| Accounts Receivable                         | 292,317       | 1.31    | 292,317       | 1.31    |
| Unbilled Revenue Receivable                 | 78,986        | 0.36    | 78,986        | 0.35    |
| Allowance For Uncollectible Accts           | (116,854)     | (0.53)  | (116,854)     | (0.52)  |
| <b>Total Accounts receivable</b>            | 254,449       | 1.14    | 254,449       | 1.14    |
| <b>Inventory</b>                            | 12,610        | 0.06    | 12,610        | 0.06    |
| <b>Utility Deposits</b>                     | 1,100         | 0.00    | 1,100         | 0.00    |
| <b>Total current assets</b>                 | 845,561       | 3.80    | 745,136       | 3.34    |
| <b>Property plant and equipment</b>         |               |         |               |         |
| Heavy Equipment                             | 143,209       | 0.64    | 143,126       | 0.64    |
| Vehicles                                    | 105,845       | 0.48    | 105,845       | 0.47    |
| Buildings                                   | 95,678        | 0.43    | 95,678        | 0.43    |
| Water System                                | 35,945,072    | 161.63  | 35,945,072    | 161.05  |
| Construction In Progress                    | 891,009       | 4.01    | 161,270       | 0.72    |
| Land  | 21,558        | 0.10    | 21,558        | 0.10    |
| Other Fixed Assets                          | 104,302       | 0.47    | 104,302       | 0.47    |
| Accumulated Depreciation                    | (16,194,253)  | (72.82) | (15,283,853)  | (68.48) |
| <b>Total property plant and equipment</b>   | 21,112,420    | 94.93   | 21,292,998    | 95.40   |
| <b>Other assets</b>                         |               |         |               |         |
| Deferred Outflow of Resources               | 281,322       | 1.26    | 281,322       | 1.26    |
| <b>Total other assets</b>                   | 281,322       | 1.26    | 281,322       | 1.26    |
| <b>Total assets</b>                         | \$ 22,239,303 | 100.00  | \$ 22,319,456 | 100.00  |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements Of Net Position April 30, 2019 and 2018

|   | 2019                 | Percent       | 2018                 | Percent       |
|---|----------------------|---------------|----------------------|---------------|
| <b>Liabilities</b>                      |                      |               |                      |               |
| <b>Current liabilities</b>              |                      |               |                      |               |
| Accounts Payable                        | \$ 31,943            | 0.14          | \$ 43,287            | 0.19          |
| Accrued Sick Leave                      | 24,436               | 0.11          | 24,436               | 0.11          |
| Accrued Interest Payable                | 22,150               | 0.10          | 22,150               | 0.10          |
| Deposit Liability                       | 87,031               | 0.39          | 75,637               | 0.34          |
| Payroll Related Liabilities             | 18,160               | 0.08          | 10,644               | 0.05          |
| Sales Tax Payable                       | 5,716                | 0.03          | 5,887                | 0.03          |
| Utilities Tax                           | 152                  | 0.00          | 170                  | 0.00          |
| <b>Total current liabilities</b>        | <b>189,588</b>       | <b>0.85</b>   | <b>182,211</b>       | <b>0.82</b>   |
| <b>Long-term liabilities</b>            |                      |               |                      |               |
| Accrued Pension & OPED Liabilities      | 1,145,666            | 5.15          | 1,145,666            | 5.13          |
| Long Term Loan - N/P Corps of Engineers | 63,928               | 0.29          | 66,351               | 0.30          |
| Note Payable - Commercial Bank          | 0                    | 0.00          | 90,000               | 0.40          |
| Bond Refinancing (Regions)              | 285,000              | 1.28          | 330,000              | 1.48          |
| Bonds Payable - RECD                    | 6,645,100            | 29.88         | 6,826,600            | 30.59         |
| KADD Lease                              | 70,000               | 0.31          | 70,000               | 0.31          |
| Bonds Payable                           | 460,853              | 2.07          | 0                    | 0.00          |
| USDA Financing                          | 201,385              | 0.91          | 0                    | 0.00          |
| <b>Total long-term liabilities</b>      | <b>8,871,932</b>     | <b>39.89</b>  | <b>8,528,617</b>     | <b>38.21</b>  |
| <b>Total liabilities</b>                | <b>\$ 9,061,520</b>  | <b>40.75</b>  | <b>\$ 8,710,828</b>  | <b>39.03</b>  |
| <b>Net Assets</b>                       |                      |               |                      |               |
| <b>Net assets</b>                       |                      |               |                      |               |
| Investment in Capital Assets            | 14,147,146           | 63.61         | 14,147,146           | 63.38         |
| Capital Projects - Restricted           | 102,487              | 0.46          | 102,487              | 0.46          |
| Debt Service - Restricted               | 1,972                | 0.01          | 1,972                | 0.01          |
| Retained earnings                       | (1,073,821)          | (4.83)        | (642,977)            | (2.88)        |
| <b>Total net assets</b>                 | <b>13,177,783</b>    | <b>59.25</b>  | <b>13,608,628</b>    | <b>60.97</b>  |
| <b>Total liabilities and net assets</b> | <b>\$ 22,239,303</b> | <b>100.00</b> | <b>\$ 22,319,456</b> | <b>100.00</b> |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements of Revenues and Expenses

For the four months ended April 30, 2019 and 2018

|                               | 2019       | Percent | 2018       | Percent |
|-------------------------------|------------|---------|------------|---------|
| <b>Revenues</b>               |            |         |            |         |
| Water Sales                   | \$ 771,878 | 91.64   | \$ 774,300 | 99.98   |
| Interest Income               | 436        | 0.05    | 142        | 0.02    |
| Grant Income                  | 70,000     | 8.31    | 0          | 0.00    |
| <b>Total revenues</b>         | 842,314    | 100.00  | 774,442    | 100.00  |
| <br>                          |            |         |            |         |
| <b>Gross profit</b>           | 842,314    | 100.00  | 774,442    | 100.00  |
| <br>                          |            |         |            |         |
| <b>Expenses</b>               |            |         |            |         |
| Other Salary & Wages          | 226,349    | 26.87   | 203,275    | 26.25   |
| Professional Fees             | 4,607      | 0.55    | 4,529      | 0.58    |
| Fuel Expense                  | 6,580      | 0.78    | 10,156     | 1.31    |
| Auto & Truck Expense          | 2,480      | 0.29    | 4,259      | 0.55    |
| Advertising Expense           | 853        | 0.10    | 0          | 0.00    |
| Bank Fees                     | 12,575     | 1.49    | 578        | 0.07    |
| Depreciation Expense          | 280,000    | 33.24   | 315,200    | 40.70   |
| Dues & Subscriptions          | 0          | 0.00    | 500        | 0.06    |
| Extra Help                    | 900        | 0.11    | 850        | 0.11    |
| FICA Expense                  | 17,316     | 2.06    | 15,551     | 2.01    |
| Other Payroll Expense         | 867        | 0.10    | 1,140      | 0.15    |
| Training & Education Expense  | 0          | 0.00    | 1,348      | 0.17    |
| Other Employee Benefits       | 526        | 0.06    | 333        | 0.04    |
| Meals & Entertainment         | 31         | 0.00    | 46         | 0.01    |
| Insurance Expense             | 87,426     | 10.38   | 125,457    | 16.20   |
| Utility & Sales Tax Expense   | 23,395     | 2.78    | 23,888     | 3.08    |
| Miscellaneous Expense         | 82         | 0.01    | 146        | 0.02    |
| Office Supplies Expense       | 1,952      | 0.23    | 2,500      | 0.32    |
| Computer Expense              | 1,473      | 0.17    | 2,529      | 0.33    |
| Postage Expense               | 6,792      | 0.81    | 5,631      | 0.73    |
| Retirement Expense            | 43,511     | 5.17    | 35,646     | 4.60    |
| Testing Expense               | 9,292      | 1.10    | 6,133      | 0.79    |
| Repairs & Maintenance Expense | 8,900      | 1.06    | 29,512     | 3.81    |
| Shop Supplies                 | 19,507     | 2.32    | 19,687     | 2.54    |
| Supplies Expense              | 55,918     | 6.64    | 55,681     | 7.19    |
| Uniform Expense               | 179        | 0.02    | 407        | 0.05    |
| Telephone Expense             | 5,112      | 0.61    | 4,851      | 0.63    |
| Utilities Expense             | 114,156    | 13.55   | 111,163    | 14.35   |
| Sanitation Expense            | 1,177      | 0.14    | 758        | 0.10    |
| <b>Total expenses</b>         | 931,956    | 110.64  | 981,754    | 126.77  |
| <br>                          |            |         |            |         |
| <b>Income from operations</b> | (89,642)   | (10.64) | (207,312)  | (26.77) |
| <br>                          |            |         |            |         |
| <b>Other expenses</b>         |            |         |            |         |
| Interest Expense              | 6,876      | 0.82    | 11,498     | 1.48    |
| <b>Total other expenses</b>   | 6,876      | 0.82    | 11,498     | 1.48    |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements of Revenues and Expenses

For the four months ended April 30, 2019 and 2018

|                   | 2019               | Percent        | 2018                | Percent        |
|-------------------|--------------------|----------------|---------------------|----------------|
| Net income (loss) | \$ <u>(96,518)</u> | <u>(11.46)</u> | \$ <u>(218,810)</u> | <u>(28.25)</u> |

No assurance is provided on these financial statements.

**RATTLESNAKE RIDGE WATER DISTRICT**  
**Financial Statements**  
**For the period ended May 31, 2019**

**JONATHAN C. STILES, CPA, PSC**  
*CERTIFIED PUBLIC ACCOUNTANT*  
Member - Kentucky Society of Certified Public Accountants



# RATTLESNAKE RIDGE WATER DISTRICT

## Statements Of Net Position May 31, 2019 and 2018

|   | 2019          | Percent | 2018          | Percent |
|---|---------------|---------|---------------|---------|
| <b>Assets</b>                               |               |         |               |         |
| <b>Current assets</b>                       |               |         |               |         |
| Cash In Bank - Short Lived Asset            | \$ 13,601     | 0.06    | \$ 0          | 0.00    |
| <b>Cash</b>                                 |               |         |               |         |
| Cash On Hand                                | 500           | 0.00    | 500           | 0.00    |
| Petty Cash                                  | 200           | 0.00    | 200           | 0.00    |
| Cash In Bank - Deposits 70882               | 20,253        | 0.09    | 28,430        | 0.13    |
| Cash In Bank - O & M 32832                  | 2,704         | 0.01    | 18,421        | 0.08    |
| Cash In Bank - Payroll Acct 70823           | 49,235        | 0.22    | 53,754        | 0.24    |
| Cash In Bank - Main Account 70688           | 33,404        | 0.15    | 71,715        | 0.32    |
| Cash in Bank - Reserve Acct 116130          | 247,929       | 1.11    | 127,528       | 0.57    |
| Cash in Bank - Petty Cash Account 72273     | 266           | 0.00    | 915           | 0.00    |
| Cash in Bank - Bond Interest Sinking 220183 | 177,151       | 0.79    | 176,993       | 0.79    |
| Cash In Bank - Regions Bank 2080021309      | 27,279        | 0.12    | 29,494        | 0.13    |
| Cash in Bank - Phase XI 72923               | 1,000         | 0.00    | 2,250         | 0.01    |
| <b>Total Cash</b>                           | 559,921       | 2.51    | 510,200       | 2.29    |
| <b>Accounts receivable</b>                  |               |         |               |         |
| Accounts Receivable                         | 292,317       | 1.31    | 292,317       | 1.31    |
| Unbilled Revenue Receivable                 | 78,986        | 0.35    | 78,986        | 0.35    |
| Allowance For Uncollectible Accts           | (116,854)     | (0.52)  | (116,854)     | (0.52)  |
| <b>Total Accounts receivable</b>            | 254,449       | 1.14    | 254,449       | 1.14    |
| <b>Inventory</b>                            |               |         |               |         |
| Inventory                                   | 12,610        | 0.06    | 12,610        | 0.06    |
| <b>Utility Deposits</b>                     |               |         |               |         |
| Utility Deposits                            | 1,100         | 0.00    | 1,100         | 0.00    |
| <b>Total current assets</b>                 | 841,681       | 3.77    | 778,359       | 3.49    |
| <b>Property plant and equipment</b>         |               |         |               |         |
| Heavy Equipment                             | 163,756       | 0.73    | 143,126       | 0.64    |
| Vehicles                                    | 126,093       | 0.56    | 105,845       | 0.48    |
| Buildings                                   | 95,678        | 0.43    | 95,678        | 0.43    |
| Water System                                | 35,945,072    | 160.86  | 35,945,072    | 161.38  |
| Construction In Progress                    | 1,029,933     | 4.61    | 161,270       | 0.72    |
| Land  | 21,558        | 0.10    | 21,558        | 0.10    |
| Other Fixed Assets                          | 104,302       | 0.47    | 104,302       | 0.47    |
| Accumulated Depreciation                    | (16,264,253)  | (72.79) | (15,362,653)  | (68.97) |
| <b>Total property plant and equipment</b>   | 21,222,139    | 94.97   | 21,214,198    | 95.24   |
| <b>Other assets</b>                         |               |         |               |         |
| Deferred Outflow of Resources               | 281,322       | 1.26    | 281,322       | 1.26    |
| <b>Total other assets</b>                   | 281,322       | 1.26    | 281,322       | 1.26    |
| <b>Total assets</b>                         | \$ 22,345,142 | 100.00  | \$ 22,273,879 | 100.00  |

No assurance is provided on these financial statements.



# RATTLESNAKE RIDGE WATER DISTRICT

## Statements Of Net Position May 31, 2019 and 2018

|   | 2019                 | Percent       | 2018                 | Percent       |
|---|----------------------|---------------|----------------------|---------------|
| <b>Liabilities</b>                      |                      |               |                      |               |
| <b>Current liabilities</b>              |                      |               |                      |               |
| Accounts Payable                        | \$ 32,312            | 0.14          | \$ 56,074            | 0.25          |
| Accrued Sick Leave                      | 24,436               | 0.11          | 24,436               | 0.11          |
| Accrued Interest Payable                | 22,150               | 0.10          | 22,150               | 0.10          |
| Deposit Liability                       | 87,012               | 0.39          | 78,919               | 0.35          |
| Payroll Related Liabilities             | 2,701                | 0.01          | 3,727                | 0.02          |
| Sales Tax Payable                       | 150                  | 0.00          | 149                  | 0.00          |
| Utilities Tax                           | 6,248                | 0.03          | 5,269                | 0.02          |
| <b>Total current liabilities</b>        | <b>175,009</b>       | <b>0.78</b>   | <b>190,724</b>       | <b>0.86</b>   |
| <b>Long-term liabilities</b>            |                      |               |                      |               |
| Accrued Pension & OPED Liabilities      | 1,145,666            | 5.13          | 1,145,666            | 5.14          |
| Long Term Loan - N/P Corps of Engineers | 63,928               | 0.29          | 66,351               | 0.30          |
| Note Payable - Commercial Bank          | 0                    | 0.00          | 90,000               | 0.40          |
| Bond Refinancing (Regions)              | 285,000              | 1.28          | 330,000              | 1.48          |
| Bonds Payable - RECD                    | 6,645,100            | 29.74         | 6,826,600            | 30.65         |
| KADD Lease                              | 70,000               | 0.31          | 70,000               | 0.31          |
| Bonds Payable                           | 460,853              | 2.06          | 0                    | 0.00          |
| USDA Financing                          | 340,309              | 1.52          | 0                    | 0.00          |
| Dodge Ram 3500 Loan                     | 20,547               | 0.09          | 0                    | 0.00          |
| <b>Total long-term liabilities</b>      | <b>9,031,403</b>     | <b>40.42</b>  | <b>8,528,617</b>     | <b>38.29</b>  |
| <b>Total liabilities</b>                | <b>\$ 9,206,412</b>  | <b>41.20</b>  | <b>\$ 8,719,341</b>  | <b>39.15</b>  |
| <b>Net Assets</b>                       |                      |               |                      |               |
| <b>Net assets</b>                       |                      |               |                      |               |
| Investment in Capital Assets            | 14,147,146           | 63.31         | 14,147,146           | 63.51         |
| Capital Projects - Restricted           | 102,487              | 0.46          | 102,487              | 0.46          |
| Debt Service - Restricted               | 1,972                | 0.01          | 1,972                | 0.01          |
| Retained earnings                       | (1,112,874)          | (4.98)        | (697,067)            | (3.13)        |
| <b>Total net assets</b>                 | <b>13,138,730</b>    | <b>58.80</b>  | <b>13,554,538</b>    | <b>60.85</b>  |
| <b>Total liabilities and net assets</b> | <b>\$ 22,345,142</b> | <b>100.00</b> | <b>\$ 22,273,879</b> | <b>100.00</b> |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements of Revenues and Expenses

For the five months ended May 31, 2019 and 2018

|                               | 2019             | Percent       | 2018             | Percent       |
|-------------------------------|------------------|---------------|------------------|---------------|
| <b>Revenues</b>               |                  |               |                  |               |
| Water Sales                   | \$ 957,927       | 93.15         | \$ 976,864       | 99.98         |
| Interest Income               | 451              | 0.04          | 151              | 0.02          |
| Grant Income                  | 70,000           | 6.81          | 0                | 0.00          |
| <b>Total revenues</b>         | <u>1,028,378</u> | <u>100.00</u> | <u>977,015</u>   | <u>100.00</u> |
| <b>Gross profit</b>           | 1,028,378        | 100.00        | 977,015          | 100.00        |
| <b>Expenses</b>               |                  |               |                  |               |
| Other Salary & Wages          | 274,200          | 26.66         | 260,834          | 26.70         |
| Professional Fees             | 6,052            | 0.59          | 16,019           | 1.64          |
| Fuel Expense                  | 8,853            | 0.86          | 10,156           | 1.04          |
| Auto & Truck Expense          | 3,458            | 0.34          | 6,273            | 0.64          |
| Advertising Expense           | 904              | 0.09          | 0                | 0.00          |
| Bank Fees                     | 12,580           | 1.22          | 611              | 0.06          |
| Depreciation Expense          | 350,000          | 34.03         | 394,000          | 40.33         |
| Dues & Subscriptions          | 0                | 0.00          | 500              | 0.05          |
| Extra Help                    | 1,100            | 0.11          | 1,100            | 0.11          |
| FICA Expense                  | 20,976           | 2.04          | 19,954           | 2.04          |
| Other Payroll Expense         | 884              | 0.09          | 1,221            | 0.12          |
| Training & Education Expense  | 0                | 0.00          | 1,348            | 0.14          |
| Other Employee Benefits       | 526              | 0.05          | 549              | 0.06          |
| Meals & Entertainment         | 31               | 0.00          | 46               | 0.00          |
| Insurance Expense             | 117,544          | 11.43         | 145,463          | 14.89         |
| Taxes & License               | 0                | 0.00          | 225              | 0.02          |
| Utility & Sales Tax Expense   | 29,793           | 2.90          | 29,306           | 3.00          |
| Miscellaneous Expense         | 879              | 0.09          | 157              | 0.02          |
| Office Supplies Expense       | 2,672            | 0.26          | 3,579            | 0.37          |
| Computer Expense              | 1,723            | 0.17          | 2,997            | 0.31          |
| Postage Expense               | 7,136            | 0.69          | 7,113            | 0.73          |
| Retirement Expense            | 59,770           | 5.81          | 45,795           | 4.69          |
| Testing Expense               | 9,292            | 0.90          | 7,396            | 0.76          |
| Repairs & Maintenance Expense | 11,538           | 1.12          | 37,702           | 3.86          |
| Shop Supplies                 | 25,590           | 2.49          | 25,664           | 2.63          |
| Supplies Expense              | 65,612           | 6.38          | 78,413           | 8.03          |
| Uniform Expense               | 179              | 0.02          | 457              | 0.05          |
| Telephone Expense             | 6,703            | 0.65          | 6,141            | 0.63          |
| Utilities Expense             | 137,692          | 13.39         | 134,588          | 13.78         |
| Sanitation Expense            | 1,386            | 0.13          | 810              | 0.08          |
| <b>Total expenses</b>         | <u>1,157,073</u> | <u>112.51</u> | <u>1,238,417</u> | <u>126.76</u> |
| <b>Income from operations</b> | (128,695)        | (12.51)       | (261,402)        | (26.76)       |
| <b>Other expenses</b>         |                  |               |                  |               |
| Interest Expense              | 6,876            | 0.67          | 11,498           | 1.18          |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements of Revenues and Expenses

For the five months ended May 31, 2019 and 2018

|                      | 2019                | Percent        | 2018                | Percent        |
|----------------------|---------------------|----------------|---------------------|----------------|
| Total other expenses | <u>6,876</u>        | <u>0.67</u>    | <u>11,498</u>       | <u>1.18</u>    |
| Net income (loss)    | <u>\$ (135,571)</u> | <u>(13.18)</u> | <u>\$ (272,900)</u> | <u>(27.93)</u> |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Budget vs. Actual

06/30/2019

|  | Actual             | Budget              | Actual - Budget    | %            |
|--|--------------------|---------------------|--------------------|--------------|
| <b>Revenues</b>                          |                    |                     |                    |              |
| Water Sales                              | 208,503.00         | 209,306.00          | (803.00)           | 99.62        |
| Interest Income                          | 309.00             | 63.00               | 246.00             | 491.21       |
| <b>Total revenues</b>                    | <b>208,813.00</b>  | <b>209,369.00</b>   | <b>(556.00)</b>    | <b>99.73</b> |
| <b>Gross profit</b>                      | <b>208,813.00</b>  | <b>209,369.00</b>   | <b>(556.00)</b>    | <b>99.73</b> |
| <b>Expenses</b>                          |                    |                     |                    |              |
| Other Salary & Wages                     | 49,392.00          | 54,598.00           | (5,206.00)         | 90.47        |
| Professional Fees                        | 2,290.00           | 519.00              | 1,771.00           | 441.23       |
| Fuel Expense                             | 2,447.00           | 4,305.00            | (1,858.00)         | 56.84        |
| Auto & Truck Expense                     | 484.00             | 501.00              | (17.00)            | 96.68        |
| Bank Fees                                | 5.00               | 5.00                | 0.00               | 100.00       |
| De Minimis Equipment Expense             | 1,200.00           | 0.00                | 1,200.00           | 0.00         |
| Depreciation Expense                     | 70,000.00          | 84,316.00           | (14,316.00)        | 83.02        |
| Extra Help                               | 200.00             | 214.00              | (14.00)            | 93.46        |
| FICA Expense                             | 3,779.00           | 4,177.00            | (398.00)           | 90.46        |
| Other Payroll Expense                    | 83.00              | 433.00              | (350.00)           | 19.20        |
| Training & Education Expense             | 139.00             | 0.00                | 139.00             | 0.00         |
| Other Employee Benefits                  | 351.00             | 106.00              | 245.00             | 331.00       |
| Meals & Entertainment                    | 50.00              | 29.00               | 21.00              | 172.41       |
| Insurance Expense                        | 18,104.00          | 40,396.00           | (22,292.00)        | 44.82        |
| Taxes & License                          | 0.00               | 25.00               | (25.00)            | 0.00         |
| Utility & Sales Tax Expense              | 13,034.00          | 6,701.00            | 6,333.00           | 194.50       |
| Miscellaneous Expense                    | 60.00              | 0.00                | 60.00              | 0.00         |
| Office Supplies Expense                  | 509.00             | 155.00              | 354.00             | 328.20       |
| Computer Expense                         | 0.00               | 476.00              | (476.00)           | 0.00         |
| Postage Expense                          | 1,467.00           | 1,518.00            | (52.00)            | 96.61        |
| Retirement Expense                       | 9,558.00           | 9,269.00            | 289.00             | 103.12       |
| Testing Expense                          | 3,501.00           | 1,330.00            | 2,171.00           | 263.23       |
| Repairs & Maintenance Expense            | 3,576.00           | 10,007.00           | (6,431.00)         | 35.73        |
| Shop Supplies                            | 4,487.00           | 7,240.00            | (2,753.00)         | 61.97        |
| Supplies Expense                         | 16,810.00          | 23,675.00           | (6,865.00)         | 71.00        |
| Uniform Expense                          | 225.00             | 0.00                | 225.00             | 0.00         |
| Telephone Expense                        | 1,131.00           | 1,651.00            | (520.00)           | 68.51        |
| Utilities Expense                        | 20,525.00          | 22,133.00           | (1,608.00)         | 92.73        |
| Sanitation Expense                       | 129.00             | 274.00              | (145.00)           | 47.06        |
| <b>Total expenses</b>                    | <b>223,534.00</b>  | <b>274,053.00</b>   | <b>(50,519.00)</b> | <b>81.57</b> |
| <b>Total Expenses</b>                    | <b>223,534.00</b>  | <b>274,053.00</b>   | <b>(50,519.00)</b> | <b>81.57</b> |
| <b>Income from operations</b>            | <b>(14,721.00)</b> | <b>(64,684.00)</b>  | <b>49,963.00</b>   | <b>18.16</b> |
| <b>Other expenses</b>                    |                    |                     |                    |              |
| Interest Expense                         | 74.00              | 88,369.00           | (88,295.00)        | 0.08         |
| <b>Total other expenses</b>              | <b>74.00</b>       | <b>88,369.00</b>    | <b>(88,295.00)</b> | <b>0.08</b>  |
| <b>Income before provision for taxes</b> | <b>(14,795.00)</b> | <b>(153,053.00)</b> | <b>138,258.00</b>  | <b>18.08</b> |
| <b>Net income (loss)</b>                 | <b>(14,795.00)</b> | <b>(153,053.00)</b> | <b>138,258.00</b>  | <b>18.08</b> |

# RATTLESNAKE RIDGE WATER DISTRICT

## Budget vs. Actual

As of 06/30/2019

|                               | Actual              | Budget              | Actual - Budget    | %            |
|-------------------------------|---------------------|---------------------|--------------------|--------------|
| <b>Revenues</b>               |                     |                     |                    |              |
| Water Sales                   | 1,166,430.00        | 1,293,549.00        | (127,119.00)       | 90.17        |
| Interest Income               | 761.00              | 142.00              | 619.00             | 535.84       |
| Grant Income                  | 70,000.00           | 2,086.00            | 67,914.00          | 3,355.70     |
| Miscellaneous Income          | 0.00                | 1,524.00            | (1,524.00)         | 0.00         |
| <b>Total revenues</b>         | <b>1,237,191.00</b> | <b>1,297,301.00</b> | <b>(60,110.00)</b> | <b>95.37</b> |
| <b>Gross profit</b>           | <b>1,237,191.00</b> | <b>1,297,301.00</b> | <b>(60,110.00)</b> | <b>95.37</b> |
| <b>Expenses</b>               |                     |                     |                    |              |
| Other Salary & Wages          | 323,593.00          | 328,488.00          | (4,895.00)         | 98.51        |
| Professional Fees             | 8,342.00            | 19,091.00           | (10,749.00)        | 43.70        |
| Fuel Expense                  | 11,299.00           | 12,956.00           | (1,657.00)         | 87.21        |
| Auto & Truck Expense          | 3,942.00            | 3,598.00            | 344.00             | 109.56       |
| Advertising Expense           | 904.00              | 133.00              | 771.00             | 679.51       |
| Bank Fees                     | 12,585.00           | 8,506.00            | 4,079.00           | 147.95       |
| De Minimis Equipment Expense  | 1,200.00            | 0.00                | 1,200.00           | 0.00         |
| Depreciation Expense          | 420,000.00          | 505,896.00          | (85,896.00)        | 83.02        |
| Donations                     | 0.00                | 5.00                | (5.00)             | 0.00         |
| Extra Help                    | 1,300.00            | 1,392.00            | (92.00)            | 93.39        |
| FICA Expense                  | 24,755.00           | 25,130.00           | (375.00)           | 98.51        |
| Other Payroll Expense         | 967.00              | 1,640.00            | (673.00)           | 58.96        |
| Training & Education Expense  | 139.00              | 0.00                | 139.00             | 0.00         |
| Other Employee Benefits       | 877.00              | 607.00              | 270.00             | 144.51       |
| Meals & Entertainment         | 81.00               | 313.00              | (232.00)           | 25.81        |
| Travel Expense                | 0.00                | 648.00              | (648.00)           | 0.00         |
| Insurance Expense             | 135,647.00          | 132,660.00          | 2,987.00           | 102.25       |
| Taxes & License               | 0.00                | 3,761.00            | (3,761.00)         | 0.00         |
| Utility & Sales Tax Expense   | 42,827.00           | 37,803.00           | 5,024.00           | 113.29       |
| Miscellaneous Expense         | 937.00              | 999.00              | (62.00)            | 93.76        |
| Office Supplies Expense       | 3,181.00            | 3,480.00            | (299.00)           | 91.40        |
| Computer Expense              | 1,723.00            | 3,332.00            | (1,609.00)         | 51.72        |
| Postage Expense               | 8,603.00            | 9,306.00            | (703.00)           | 92.44        |
| Retirement Expense            | 69,329.00           | 41,681.00           | 27,648.00          | 166.33       |
| Testing Expense               | 12,793.00           | 17,196.00           | (4,403.00)         | 74.40        |
| Repairs & Maintenance Expense | 15,114.00           | 33,808.00           | (18,694.00)        | 44.71        |
| Shop Supplies                 | 30,077.00           | 30,026.00           | 51.00              | 100.17       |
| Supplies Expense              | 82,421.00           | 95,090.00           | (12,669.00)        | 86.68        |
| Uniform Expense               | 404.00              | 341.00              | 63.00              | 118.53       |
| Telephone Expense             | 7,834.00            | 8,753.00            | (919.00)           | 89.50        |
| Utilities Expense             | 158,217.00          | 147,380.00          | 10,837.00          | 107.35       |
| Sanitation Expense            | 1,515.00            | 1,088.00            | 427.00             | 139.24       |
| <b>Total expenses</b>         | <b>1,380,606.00</b> | <b>1,475,107.00</b> | <b>(94,501.00)</b> | <b>93.59</b> |
| <b>Total Expenses</b>         | <b>1,380,606.00</b> | <b>1,475,107.00</b> | <b>(94,501.00)</b> | <b>93.59</b> |
| <b>Income from operations</b> | <b>(143,415.00)</b> | <b>(177,806.00)</b> | <b>34,391.00</b>   | <b>1.78</b>  |

# RATTLESNAKE RIDGE WATER DISTRICT

## Budget vs. Actual

As of 06/30/2019

|  | Actual       | Budget       | Actual - Budget | %      |
|--|--------------|--------------|-----------------|--------|
| <b>Other expenses</b>                    |              |              |                 |        |
| Interest Expense                         | 6,951.00     | 97,647.00    | (90,696.00)     | 7.12   |
| Total other expenses                     | 6,951.00     | 97,647.00    | (90,696.00)     | 7.12   |
| <b>Income before provision for taxes</b> | (150,366.00) | (275,453.00) | 125,087.00      | (5.34) |
| <b>Net income (loss)</b>                 | (150,366.00) | (275,453.00) | 125,087.00      | (5.34) |

**RATTLESNAKE RIDGE WATER DISTRICT**  
**Financial Statements**  
**For the period ended June 30, 2019**

300-0

**JONATHAN C. STILES, CPA, PSC**  
*CERTIFIED PUBLIC ACCOUNTANT*  
Member - Kentucky Society of Certified Public Accountants





# RATTLESNAKE RIDGE WATER DISTRICT

## Statements Of Net Position June 30, 2019 and 2018

|   | 2019          | Percent | 2018          | Percent |
|---|---------------|---------|---------------|---------|
| <b>Assets</b>                               |               |         |               |         |
| <b>Current assets</b>                       |               |         |               |         |
| Cash In Bank - Short Lived Asset            | \$ 17,874     | 0.08    | \$ 20,215     | 0.09    |
| Cash  |               |         |               |         |
| Cash On Hand                                | 500           | 0.00    | 500           | 0.00    |
| Petty Cash                                  | 200           | 0.00    | 200           | 0.00    |
| Cash In Bank - Deposits 70882               | 20,963        | 0.09    | 10,885        | 0.05    |
| Cash In Bank - O & M 32832                  | 3,571         | 0.02    | 10,816        | 0.05    |
| Cash In Bank - Payroll Acct 70823           | 61,441        | 0.27    | 53,262        | 0.24    |
| Cash In Bank - Main Account 70688           | 56,648        | 0.25    | 52,672        | 0.24    |
| Cash in Bank - Reserve Acct 116130          | 228,107       | 1.01    | 132,576       | 0.60    |
| Cash in Bank - Petty Cash Account 72273     | 232           | 0.00    | 164           | 0.00    |
| Cash in Bank - Bond Interest Sinking 220183 | 212,166       | 0.94    | 92,668        | 0.42    |
| Cash In Bank - Regions Bank 2080021309      | 31,722        | 0.14    | 34,458        | 0.16    |
| Cash in Bank - Phase XI 72923               | 1,000         | 0.00    | 2,250         | 0.01    |
| <b>Total Cash</b>                           | 616,550       | 2.73    | 390,451       | 1.77    |
| Accounts receivable                         |               |         |               |         |
| Accounts Receivable                         | 292,317       | 1.30    | 292,317       | 1.32    |
| Unbilled Revenue Receivable                 | 78,986        | 0.35    | 78,986        | 0.36    |
| Allowance For Uncollectible Accts           | (116,854)     | (0.52)  | (116,854)     | (0.53)  |
| <b>Total Accounts receivable</b>            | 254,449       | 1.13    | 254,449       | 1.15    |
| Inventory                                   | 12,610        | 0.06    | 12,610        | 0.06    |
| Utility Deposits                            | 1,100         | 0.00    | 1,100         | 0.00    |
| <b>Total current assets</b>                 | 902,583       | 4.00    | 678,825       | 3.07    |
| <b>Property plant and equipment</b>         |               |         |               |         |
| Heavy Equipment                             | 163,756       | 0.73    | 143,126       | 0.65    |
| Vehicles                                    | 126,093       | 0.56    | 105,845       | 0.48    |
| Buildings                                   | 95,678        | 0.42    | 95,678        | 0.43    |
| Water System                                | 35,945,072    | 159.41  | 35,945,072    | 162.68  |
| Construction In Progress                    | 1,242,011     | 5.51    | 161,270       | 0.73    |
| Land  | 21,558        | 0.10    | 21,558        | 0.10    |
| Other Fixed Assets                          | 104,302       | 0.46    | 104,302       | 0.47    |
| Accumulated Depreciation                    | (16,334,253)  | (72.44) | (15,441,453)  | (69.88) |
| <b>Total property plant and equipment</b>   | 21,364,217    | 94.75   | 21,135,398    | 95.65   |
| <b>Other assets</b>                         |               |         |               |         |
| Deferred Outflow of Resources               | 281,322       | 1.25    | 281,322       | 1.27    |
| <b>Total other assets</b>                   | 281,322       | 1.25    | 281,322       | 1.27    |
| <b>Total assets</b>                         | \$ 22,548,122 | 100.00  | \$ 22,095,545 | 100.00  |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements Of Net Position June 30, 2019 and 2018

|   | 2019                 | Percent       | 2018                 | Percent       |
|---|----------------------|---------------|----------------------|---------------|
| <b>Liabilities</b>                      |                      |               |                      |               |
| <b>Current liabilities</b>              |                      |               |                      |               |
| Accounts Payable                        | \$ 48,246            | 0.21          | \$ 41,201            | 0.19          |
| Accrued Sick Leave                      | 24,436               | 0.11          | 24,436               | 0.11          |
| Accrued Interest Payable                | 22,150               | 0.10          | 22,150               | 0.10          |
| Deposit Liability                       | 87,112               | 0.39          | 80,959               | 0.37          |
| Payroll Related Liabilities             | 14,827               | 0.07          | 3,456                | 0.02          |
| Sales Tax Payable                       | 192                  | 0.00          | 169                  | 0.00          |
| Utilities Tax                           | 7,508                | 0.03          | 6,336                | 0.03          |
| <b>Total current liabilities</b>        | <u>204,471</u>       | <u>0.91</u>   | <u>178,707</u>       | <u>0.81</u>   |
| <b>Long-term liabilities</b>            |                      |               |                      |               |
| Accrued Pension & OPED Liabilities      | 1,145,666            | 5.08          | 1,145,666            | 5.19          |
| Long Term Loan - N/P Corps of Engineers | 63,928               | 0.28          | 66,351               | 0.30          |
| Note Payable - Commercial Bank          | 0                    | 0.00          | 90,000               | 0.41          |
| Bond Refinancing (Regions)              | 285,000              | 1.26          | 330,000              | 1.49          |
| Bonds Payable - RECD                    | 6,645,100            | 29.47         | 6,826,600            | 30.90         |
| KADD Lease                              | 70,000               | 0.31          | 70,000               | 0.32          |
| Bonds Payable                           | 460,853              | 2.04          | 0                    | 0.00          |
| USDA Financing                          | 529,015              | 2.35          | 0                    | 0.00          |
| Dodge Ram 3500 Loan                     | 20,154               | 0.09          | 0                    | 0.00          |
| <b>Total long-term liabilities</b>      | <u>9,219,716</u>     | <u>40.89</u>  | <u>8,528,617</u>     | <u>38.60</u>  |
| <b>Total liabilities</b>                | <u>\$ 9,424,187</u>  | <u>41.80</u>  | <u>\$ 8,707,324</u>  | <u>39.41</u>  |
| <b>Net Assets</b>                       |                      |               |                      |               |
| <b>Net assets</b>                       |                      |               |                      |               |
| Investment in Capital Assets            | 14,147,146           | 62.74         | 14,147,146           | 64.03         |
| Capital Projects - Restricted           | 102,487              | 0.45          | 102,487              | 0.46          |
| Debt Service - Restricted               | 1,972                | 0.01          | 1,972                | 0.01          |
| Retained earnings                       | (1,127,670)          | (5.00)        | (863,384)            | (3.91)        |
| <b>Total net assets</b>                 | <u>13,123,935</u>    | <u>58.20</u>  | <u>13,388,221</u>    | <u>60.59</u>  |
| <b>Total liabilities and net assets</b> | <u>\$ 22,548,122</u> | <u>100.00</u> | <u>\$ 22,095,545</u> | <u>100.00</u> |

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements of Revenues and Expenses

For the six months ended June 30, 2019 and 2018

|                               | 2019         | Percent | 2018         | Percent |
|-------------------------------|--------------|---------|--------------|---------|
| <b>Revenues</b>               |              |         |              |         |
| Water Sales                   | \$ 1,166,430 | 94.28   | \$ 1,158,725 | 99.98   |
| Interest Income               | 761          | 0.06    | 243          | 0.02    |
| Grant Income                  | 70,000       | 5.66    | 0            | 0.00    |
| <b>Total revenues</b>         | 1,237,191    | 100.00  | 1,158,968    | 100.00  |
| <br>                          |              |         |              |         |
| <b>Gross profit</b>           | 1,237,191    | 100.00  | 1,158,968    | 100.00  |
| <br>                          |              |         |              |         |
| <b>Expenses</b>               |              |         |              |         |
| Other Salary & Wages          | 323,593      | 26.16   | 311,697      | 26.89   |
| Professional Fees             | 8,342        | 0.67    | 16,929       | 1.46    |
| Fuel Expense                  | 11,299       | 0.91    | 12,666       | 1.09    |
| Auto & Truck Expense          | 3,942        | 0.32    | 6,865        | 0.59    |
| Advertising Expense           | 904          | 0.07    | 0            | 0.00    |
| Bank Fees                     | 12,585       | 1.02    | 616          | 0.05    |
| De Minimis Equipment Expense  | 1,200        | 0.10    | 0            | 0.00    |
| Depreciation Expense          | 420,000      | 33.95   | 472,800      | 40.79   |
| Dues & Subscriptions          | 0            | 0.00    | 500          | 0.04    |
| Extra Help                    | 1,300        | 0.11    | 1,300        | 0.11    |
| FICA Expense                  | 24,755       | 2.00    | 23,845       | 2.06    |
| Other Payroll Expense         | 967          | 0.08    | 1,452        | 0.13    |
| Training & Education Expense  | 139          | 0.01    | 1,348        | 0.12    |
| Other Employee Benefits       | 877          | 0.07    | 720          | 0.06    |
| Meals & Entertainment         | 81           | 0.01    | 93           | 0.01    |
| Insurance Expense             | 135,647      | 10.96   | 165,009      | 14.24   |
| Taxes & License               | 0            | 0.00    | 6,730        | 0.58    |
| Utility & Sales Tax Expense   | 42,827       | 3.46    | 29,306       | 2.53    |
| Miscellaneous Expense         | 937          | 0.08    | 157          | 0.01    |
| Office Supplies Expense       | 3,181        | 0.26    | 4,208        | 0.36    |
| Computer Expense              | 1,723        | 0.14    | 2,997        | 0.26    |
| Postage Expense               | 8,603        | 0.70    | 9,263        | 0.80    |
| Retirement Expense            | 69,329       | 5.60    | 54,577       | 4.71    |
| Testing Expense               | 12,793       | 1.03    | 11,329       | 0.98    |
| Repairs & Maintenance Expense | 15,114       | 1.22    | 40,969       | 3.53    |
| Shop Supplies                 | 30,077       | 2.43    | 28,801       | 2.49    |
| Supplies Expense              | 82,421       | 6.66    | 98,410       | 8.49    |
| Uniform Expense               | 404          | 0.03    | 457          | 0.04    |
| Telephone Expense             | 7,834        | 0.63    | 7,188        | 0.62    |
| Utilities Expense             | 158,217      | 12.79   | 156,055      | 13.46   |
| Sanitation Expense            | 1,515        | 0.12    | 1,069        | 0.09    |
| <b>Total expenses</b>         | 1,380,606    | 111.59  | 1,467,356    | 126.61  |
| <br>                          |              |         |              |         |
| <b>Income from operations</b> | (143,415)    | (11.59) | (308,388)    | (26.61) |

**Other expenses**

No assurance is provided on these financial statements.

# RATTLESNAKE RIDGE WATER DISTRICT

## Statements of Revenues and Expenses

For the six months ended June 30, 2019 and 2018

|                             | 2019                | Percent        | 2018                | Percent        |
|-----------------------------|---------------------|----------------|---------------------|----------------|
| Interest Expense            | 6,951               | 0.56           | 130,829             | 11.29          |
| <b>Total other expenses</b> | <u>6,951</u>        | <u>0.56</u>    | <u>130,829</u>      | <u>11.29</u>   |
| <b>Net income (loss)</b>    | <u>\$ (150,366)</u> | <u>(12.15)</u> | <u>\$ (439,217)</u> | <u>(37.90)</u> |

No assurance is provided on these financial statements.

## **Trane's Non-revenue Water Reduction Process**

There are four main categories of non-revenue water (NRW), including meter inaccuracy, leaks, authorized unmetered consumption, and unauthorized unmetered consumption. Trane has an extensive process to reduce NRW from meter inaccuracy and leaks. Trane executes these types of improvements through a performance contract that provides guaranteed costs and guaranteed savings.

A Performance Contract is an engineering process to discover, document and reduce your NRW. Through this process Trane partners, analyzes, identifies, models, and reduces your non-revenue water, including measurement and verification of the guaranteed savings. Below is a summary of each step in the process to reduce NRW.

### **Partner**

A Performance Contract is a process of partnering, documenting, and guaranteeing deliverables. The partnering process has two major stages. In the initial stage, Trane works with Rattlesnake Ridge to define the opportunity. While defining the opportunity, Rattlesnake Ridge Water District does not have any financial obligation. Once an opportunity is defined as mutually beneficial, the next step per KRS 45A.352 requires Rattlesnake Ridge to advertise for a request for proposal (RFP). Interested parties will submit a proposal and Rattlesnake Ridge would then select a qualified provider.

### **Analyze**

The process starts with analyzing Rattlesnake Ridge's data to establish a baseline that would be compared with other customers data and industry standards. Trane would require the following information:

- Two years of billed customer water consumption
- Two years of monthly operating reports
- A recent test report of the production meter's accuracy and visual inspection of the meter

After analyzing the billing and production data and verifying the accuracy of the production meter, the amount of NRW will be established. At this point, if the NRW is above the desired level, Trane will continue to the next stage of the process. Potential outcomes of the "Analyze" phase could be identifying faulty production meters, billing errors, misapplied multipliers, etc.

### **Identifying**

In the identifying stage, Trane will define meter accuracy and water leak savings potential.

For meter accuracy, a sample of billing meters will be tested by a third party using AWWA standards. In some cases, multiple samples will be tested.

For water leak savings potential, a multistage process begins with an audit and is finalized by deploying technology for real-time monitoring of the system and identification of leaks.

The initial audit could deploy technologies from satellite imagery through traditional acoustical listening devices. Upon completion of the initial audit, Trane will document the potential savings related to leaks identified through this audit.

To realize changes, Trane will zone your distribution system with district metering and perform a comparative analysis of system production versus billing meters and zone meters versus billing meters daily. This approach will identify changes to NRW and provide areas of focus.

Due to the age of the distribution system, leak reduction cannot be a one-time event, it must be a continual process of reducing NRW, which is why Trane uses a combination of auditing and deploying technology.

### **Model**

The Trane model will illustrate the financial benefits of replacing meters and reducing leaks. Trane's modeling tool and process analysis lead the industry in illustrating the financial benefits of the improvements. The model will establish a baseline water consumption that is representative of the system. The baseline then becomes the ongoing water consumption to which the meter inaccuracy is applied. To illustrate the financial benefits of the meter accuracy improvements, the associated rate schedules would then be applied.

The model will then adjust the production data based upon the resolution of the identified leaks. The saved production water quantity will have a mutually agreed to production cost applied. This will be the financial benefit of the reduction in leaks. Multiple scenarios will be reviewed to create the mutually agreed to production cost rate, as all cost inputs have to be accounted for to correctly model the production water rates.

### **Non-revenue Water Reduction**

At this point, Rattlesnake Ridge would have selected Trane as a partner through the RFP process and Trane would have presented a contract to Rattlesnake Ridge Water District. This contract would be mutually developed and illustrate:

- the guaranteed improvement that would be made to the system
- the guaranteed cost of the improvements
- the guaranteed long-term savings
- the measurement and verification plan

Then the construction process would commence to make the upgrades that are defined in the contract. During the execution of the project Trane is the singular point of accountability to Rattlesnake Ridge to execute the guaranteed project scope without change orders.

### **Measurement and Verification**

Trane uses International Measurement and Verification Protocol (IPMVP) guidelines to document the ongoing savings to be delivered to Rattlesnake Ridge as part of the project.