

18A

Errors were made on the 2018 Annual PSC report that were corrected on the 2019 Annual PSC report. The main discrepancy was that the Retiree Health Cash account and the Retiree Health payable account were not included on the 2018 PSC report. 2018 was the first year that the Retiree Health Trust account was booked on the audit report and added to the trial balance. Those accounts were not previously included on the PSC report which is why they were overlooked in 2018. The total difference between the cash account (GL#13910) and the payable account (GL#24910) was \$48,005. In addition there were \$95 of liabilities not reported and there was an overage of assets in the amount of \$2,387. These errors were made due to miscalculation, misunderstanding, or other unknown clerical errors. The adjustment of \$45,713 to retained earnings was made to correct those errors from the year prior.

$$\mathbf{\$48,005 \text{ (Retiree Health)} + \$95 \text{ (Liabilities)} - \$2,387 \text{ (Asset Overage)} = \$45,713}$$

18B

In order to submit the PSC report "net income before contributions" (ref page: 11) must match the "balance transferred from net income before contributions" (ref page:12). The \$45,713 was added to nonutility income in order to submit the report. The \$45,713 was not added to nonutility income in the audit report or in Edmonson County Water District's general ledger.