



INDEPENDENT ACCOUNTANT'S REPORT

Water and Sewer Commission of the City of Henderson  
Henderson Water Utility

We have examined the accompanying Beech Grove Water System, Inc. Calculation of South Water Cost per Contract (Calculation) of the Henderson Water Utility for the year ended June 30, 2020. Henderson Water Utility's management is responsible for the Calculation in accordance with the Agreement dated October 14, 2014. Our responsibility is to express an opinion on the Calculation based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Calculation is in accordance with the Agreement, in all material respects. An examination involves performing procedures to obtain evidence about the Calculation. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Calculation, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Beech Grove Water System, Inc. Calculation of South Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2020, is presented in accordance with the Agreement, in all material respects.

Owensboro, Kentucky  
December 15, 2020

*Riney Hancock CPAs PSC*

**Beech Grove Water System, Inc.**  
**Calculation of South Water Cost per Contract**  
**6/30/2020**

Operating expenses	\$ 2,493,588
Interest expense	<u>47,037</u>
Total cost	<u>\$ 2,540,625</u>
Net expenses applicable to Beech Grove Water System, Inc.	\$ 2,540,625
<u>Calculation of South Water Cost per Contract:</u>	
Expenses per above	\$ 2,540,625
Billable volume in gallons	861,372,838
Rate per 1000 gallons	\$ 2.9495
Times contract factor	<u>1.15</u>
<b>Calculated rate per 1,000 gallons</b>	<u><u>\$ 3.3919</u></u>