



INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying Henderson County Water District Calculation of North 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 Water Contract (Contract) dated June 1, 1989, as amended February 11, 1997. 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 Contract, 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 Henderson County Water District Calculation of North Water Cost per Contract of the Henderson Water Utility for the year ended June 30, 2020, is presented in accordance with the Contract, in all material respects.

Owensboro, Kentucky
December 15, 2020

Riney Hancock CPAs PSC

Henderson County Water District
Calculation of North Water Cost per Contract
6/30/2020

Operating expenses	\$ 6,075,926
Interest expense	<u>101,925</u>
Total cost	6,177,851
Less: City of Henderson overhead allocation	<u>(227,500)</u>
Net expenses applicable to Henderson County Water District	<u><u>\$ 5,950,351</u></u>

Calculation of North Water Cost per Contract:

Expenses per above	\$ 5,950,351
Volume in gallons	<u>2,123,351,260</u>
Rate per 1000 gallons	\$ 2.8023
Times contract factor	<u>1.25</u>
Calculated rate per 1,000 gallons	<u><u>\$ 3.5029</u></u>