

South Hopkins Water District
Water Receivables
12/31/2020

The District bills its receivables at the end of each month for services ended between the 4th and the 15th. Normally, the collections in the subsequent month approximates the billings of the previous month.

2020 collections per WSF/C-1-1
add: avg of Oct, Nov, Dec 2020 collections

1,604,850.84
⊗ 143,778.20 per WSF/C -1-1

less: collections Jan 2020

-126,123.03 per WSF/C -1-1

collections for 2020 billings

1,622,506.01

2020 billings per WSF/C-1-1

1,619,263.61 (billings less adjustments)

collections / billings = percentage collected:

1,622,506.01 / 1,619,263.61 = 100.20% ⊗

percentage collected in 2019

100.90% +

percentage collected in 2018

101.26% +

Based on consistency of the amounts collected monthly and annually, the receivables appear to exist and be collectible. The short collection period of normally 30 days make subsequent collections in total more conclusive evidence as to existence than confirmations.

Confirmations in the past have been ineffective and combined risk of material misstatement has been assessed as low. Only individually significant items will be confirmed.

No further procedures considered necessary.

South Hopkins Water District
 Water Billings & Billed Receivables
 12/31/2020

	amount billed	amount collected
Jan	127,967.95	126,123.03
Feb	133,700.21	123,994.31
Mar	114,210.40	113,712.79
Apr	125,559.87	130,625.30
May	131,085.60	105,217.95
Jun	152,641.66	143,189.34
Jul	161,121.00	124,062.37
Aug	153,932.83	161,750.57
Sep	163,223.49	144,840.57 ^A
Oct	117,596.46	158,027.94
Nov	125,201.56	125,729.34
Dec	132,522.10	147,577.33
	<u>1,638,763.13</u>	<u>1,604,850.84</u>

Billed receivables at 12/31/19
 Billings for year
 Collections for 2020
 billing adjustments

122,631.70	+
1,638,763.13	GL
1,604,850.84	GL
-19,499.52	GL
-4,000.53	GL
<u>133,043.94</u>	

Bad debts written off

per aging report at 12/31/20

<u>132,522.10</u>

difference of \$521.84 is immaterial

^A All daily deposits were traced from transaction posting registers to the cash receipts journal to the bank statement. Also, total was traced from cash receipts journal to the general ledger.

South Hopkins Water District
Unbilled Receivables
12/31/2020

Billings for Oct, Nov, Dec 2020 (WSF/C-1-1) (less adjustments)

369,165.69
divided by 3
123,055.23

(X)

Estimated unbilled receivable at 12/31/20

123,165.69
X 15/31
59,596.30

(X)

In December 2020, the District started the 10th and ended the 22th for meter reading. The 16th will be used for the average day meters read in December. Thus 15 days in December were unread.

FEC

WSF/C-3-1

TK 1-27-21

Water purchased - gallons

	City of Dawson Springs	City of Madisonville
January	29,810,900 ✓	333,000 ✓
February	28,071,820	352,000
March	28,407,480	409,000
April	31,160,920	429,000
May	27,863,640	419,000
June	32,546,710	516,000
July	33,756,020	436,000
August	32,638,470	444,000
September	35,909,780	444,000
October	34,001,750	401,000
November	29,264,350	427,000
December	27,017,640	384,000
	370,449,480	4,994,000
	~	~
		375,443,480
		~

PRE

WSF/C-3-2

TK 1-27-21

Accts Receivable
Retail
Mortons Gap
Earlington
Caldwell Co

Water
113,043.14
9631.61
9,408.35
181.54

Taxes
257.46

$$\overbrace{132,244.64} + \overbrace{257.46} = 132,502.10$$

Bad debts

30 days	60 days	90 days	120 days	over 120 days
0	2185.84	821.63	43.57	949.49

$$= \underline{4,000.53}$$

TK 1-27-21
6-11-21

South Hopkins Water District
Water Costs / Other Ratios
12/31/2020

	Madisonville 2020	Dawson Springs 2020	Madisonville 2019	Dawson Springs 2019
Gallons purchased per WSF/C-3-1	4,994,000	370,449,480	+ 5,212,000	+ 426,067,640
Dollar cost (WSF/C-6)	22,509.60	800,969.45	+ 21,806.90	+ 860,733.79
Average cost per 1,000 gallons (\$ cost / gallons purchased) x 1,000	(X) 4.50733	(X) 2.16216	+ 4.18398	+ 2.02018
District's water cost per 1,000 gallons	(B)	(C)	(A)	1.87020

(A) 3.97 01/01/19 thru 03/31/19
4.52 04/01/19 thru 12/31/19

	2020	2019
Gross profit calculation		
Revenues per WTB	1,646,442.95	+ 1,521,348.35
Water purchases per WSF/C-6	822,528.25	+ 877,707.21
Gross profit	823,914.70	+ 643,641.14
Gross profit % (gross profit / revenues)	50.04	+ 42.31

(B) 4.52 01/01/20 thru 12/31/20

(C) 2.16 01/01/20 thru 12/31/20

Gross profit % is significantly higher compared to the prior year.
Per statistical data, the District is showing a 7.1203% decrease in water loss which continues to be a problem.
No additional procedures considered necessary.

Other ratios:

2020
receivables as % of revenues
182,512.48 / 1,646,442.95 = 11.09% (X)

2019
receivables as % of revenues
+ 169,886.56 / 1,521,348.35 = 11.17%

number of days revenue in accounts receivable
1,646,442.95 / 365 = 4,510.80 (X)
182,512.48 / 4,510.80 = 40.46 (X)

+ *number of days revenue in accounts receivable*
1,521,348.35 / 365 = 4,168.08
+ 169,886.56 / 4,168.08 = 40.76

customer deposits as % of revenues
98,788.47 / 1,646,442.95 = 6.00% (X)

+ *customer deposits as % of revenues*
+ 101,377.16 / 1,521,348.35 = 6.66%

South Hopkins Water District
Accounts Receivable
12/31/2020

Unbilled receivables (per WSF/C-2)
add: Billed receivables (WSF/C-3)

59,596.30
132,522.10
192,118.40

v

WTR

Accounts receivable per GL
unbilled receivable adjustment

180,299.27
12,341.44
192,640.71

v

Difference

-522.31

v

Difference is immaterial. This difference appears reasonable and consistent with prior years.

Other receivables:

The District bills for damages when individuals or contractors
damage District property (such as hydrants, lines, etc.)

1,100.19 WTR

South Hopkins Water District
Water Costs
12/31/2020

	\$ cost Dawson Springs	\$ cost M'ville
Jan	59,156.68	1,853.20
Feb	64,391.54	1,505.16
Mar	60,635.13	1,591.04
Apr	61,360.16	1,848.68
May	67,307.59	1,939.08
Jun	60,185.46	1,893.88
Jul	70,300.89	2,332.32
Aug	72,913.00	1,970.72
Sep	70,499.10	2,006.88
Oct	77,565.12	1,826.08
Nov	73,443.78	1,812.52
Dec	63,211.00	1,930.04
	800,969.45	22,509.60

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TK 1-27-21

South Hopkins Water District
 Analysis of "other revenue"
 12/31/2020

	other revenue	old bills	returned check charges	Liberty Mutual refund	customer paid for meter damg	½ ins paid by New Era	Quill refund	covid relief health ins	stolen water paid	IRS refund	classes refund	empl paid back payroll	cust paid for line damage	Groves boring project	parts sold	deposits applied to old bills	refund-excise tax	Proof
Jan	372.23		25.00													347.23		0.00
Feb	6,076.81			4,844.27										242.17	200.00	790.37		0.00
Mar	757.38		25.00										200.00			532.38		0.00
Apr	125.00				125.00													0.00
May	916.26	14.06							139.60			762.60						0.00
Jun	1,908.33								87.96				1,562.99			257.38		0.00
Jul	1,351.96							1,351.96										0.00
Aug	455.55						19.29										436.26	0.00
Sep	1,147.55										38.74		933.08				175.73	0.00
Oct	1,236.22	46.39				1,189.83												0.00
Nov	264.73						84.73								200.00			0.00
Dec	509.81									104.81						405.00		0.00
	15,141.83	60.45	50.00	4,844.27	125.00	1,189.83	104.02	1,351.96	227.56	104.81	38.74	762.60	2,696.07	242.17	400.00	2,944.35	0.00	0.00

adjustment proposed:

416.0	other revenue	14,691.83	
400.0	water sales		3,232.36
659.0	insurance		6,034.10
620.6	materials/supplies maint		3,083.24
620.8	materials/supplies general/admin		104.02
604.0	employee benefits		1,351.96
675A	payroll tax expense		104.81
675	miscellaneous expense		38.74
601.7	salaries-cust accounts		762.60

Other revenue amounts were traced to the cash receipts journal

South Hopkins Water District
bad debt expense
12/31/2020

Bad debt is estimated at 5% of the accounts receivable balance.
I examined bad debts and found no apparent related parties.

to record bad debt estimate $(192,118.40 \times .05 = 9,605.92)$ ^{W.B} \times

670.0	bad debt		1,111.59	
143.0	allowance for bad debt			1,111.59

TK 1-4-21
1-27-21

South Hopkins Water District
Accounts Receivable Confirmation
12/31/2020

Two individually significant balances were confirmed. Copies are attached.
The confirmations were received with positive confirmation of account balances.

No further procedures are considered necessary.

An exception will be a difference in amount owed or the non existence of a customer.
Confirmations were mailed 01/04/2021.
Alternative procedures will be to trace actual customer receipts to daily deposit register
and trace daily deposit to bank deposit slip.

1 These customers had not paid as of the date of fieldwork. I examined the customer history
and each customer has a history of paying late and incurring penalties. The customers tend
to pay toward the end of each month.

20 accounts were examined for proper rate calculation
4 blocks of 5 were randomly sampled from December 2020 billing register

- 0006-00225-001
- 0006-00230-006
- 0006-00235-002
- 0006-00240-015
- 0006-00260-002
- 0011-00030-003
- 0011-00032-001
- 0011-00034-001
- 0011-00035-001
- 0011-00040-002
- 0015-02480-003
- 0015-02500-003
- 0015-02520-002
- 0015-02530-001
- 0015-02540-002
- 0017-00687-002
- 0017-00695-003
- 0017-00700-003
- 0017-00705-002
- 0017-00710-001

No exceptions were found.

Commissioners:
Robert Tucker, Chairman
Deborah Duncan
Roy McGregor

South Hopkins Water District

Phone 270-797-5760
Fax 270-797-3800
129 S. Main St. P. O. Box 487
Dawson Springs, KY 42408

January 4, 2021

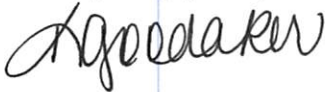
Mortons Gap Waterworks
P. O. Box 367
Mortons Gap, KY 42440

Our auditors, Knight Wagner PLLC, are conducting an audit of our financial statements. Please confirm the balance due for water usage at December 31, 2020, which is shown on our records as \$9631.61. THIS IS NOT A BILL.

Please indicate in the space provided below whether this information is in agreement with your records. If there are differences, please provide any information you have that will assist our auditors in reconciling the difference.

Please sign and date your response and mail your reply directly to Knight Wagner PLLC, 28 Court Street, Madisonville, Kentucky 42431, in the enclosed return envelope. PLEASE DO NOT MAIL PAYMENTS ON YOUR ACCOUNT TO THE AUDITORS.

Very truly yours,



South Hopkins Water District

The balance due South Hopkins Water District of \$9631.61 for water usage as of December 31, 2020 is correct with the following exceptions (if any):

Signature:

Vicki Maust
water Clerk

Date:

1-7-21

Commissioners:
Robert Tucker, Chairman
Deborah Duncan
Roy McGregor

South Hopkins Water District

Phone 270-797-5760
Fax 270-797-3800
129 S. Main St. P. O. Box 487
Dawson Springs, KY 42408

January 4, 2021

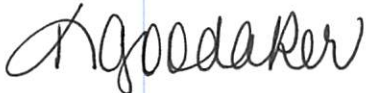
City of Earlington
103 W. Main St
Earlington, KY 42410

Our auditors, Knight Wagner PLLC, are conducting an audit of our financial statements. Please confirm the balance due for water usage at December 31, 2020, which is shown on our records as \$9408.35. THIS IS NOT A BILL.

Please indicate in the space provided below whether this information is in agreement with your records. If there are differences, please provide any information you have that will assist our auditors in reconciling the difference.

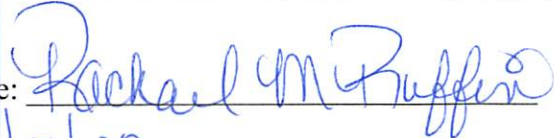
Please sign and date your response and mail your reply directly to Knight Wagner PLLC, 28 Court Street, Madisonville, Kentucky 42431, in the enclosed return envelope. PLEASE DO NOT MAIL PAYMENTS ON YOUR ACCOUNT TO THE AUDITORS.

Very truly yours,



South Hopkins Water District

The balance due South Hopkins Water District of \$9408.35 for water usage as of December 31, 2020 is correct with the following exceptions (if any):

Signature: 

Date: 1/7/2021

photocopied from
the Kentucky Public
Service Commission
to RFP Library

WSF/C-11

TK 2-4-21

FOR Dawson Springs, Kentucky
Community, Town or City

P.S.C. KY. NO. 2
Original SHEET NO. 4

CANCELLING P.S.C. KY. NO. 1

13th Revised SHEET NO. 3

South Hopkins Water District
(Name of Utility)

SECTION I. RATES AND CHARGES:

A. MONTHLY RATES

A. MONTHLY RATES:

5/8-Inch x 3/4-Inch Meter:

First	1,000 gallons	\$ 12.78 (Minimum Bill)
Next	9,000 gallons	7.04 per 1000 gallons
Next	10,000 gallons	6.57 per 1000 gallons
Next	30,000 gallons	6.11 per 1000 gallons
All Over	50,000 gallons	5.24 per 1000 gallons

1-Inch Meter:

First	10,000 gallons	\$ 76.14 (Minimum Bill)
Next	10,000 gallons	6.57 per 1000 gallons
Next	30,000 gallons	6.11 per 1000 gallons
All Over	50,000 gallons	5.24 per 1000 gallons

2-Inch Meter:

First	20,000 gallons	\$141.84 (Minimum Bill)
Next	30,000 gallons	6.11 per 1000 gallons
All Over	50,000 gallons	5.24 per 1000 gallons

3-Inch Meter:

First	50,000 gallons	\$ 325.14 (Minimum Bill)
All Over	50,000 gallons	5.24 per 1000 gallons

Wholesale Customers

\$3.16/thousand gallons

DATE OF ISSUE February 7, 2020
Month / Date / Year

DATE EFFECTIVE April 6, 2020
Month / Date / Year

ISSUED BY /s/ Roy O. McGregor
(Signature of Officer)

TITLE Vice-Chairperson

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2019-00204 DATE July 12, 2019

KENTUCKY PUBLIC SERVICE COMMISSION
Kent A. Chandler Executive Director

EFFECTIVE 4/6/2020 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)