

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**

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MANAGEMENT’S DISCUSSION  
& ANALYSIS

As the management of The Electric Plant Board of The City of Mayfield, Kentucky we offer readers this overview and analysis of the company’s financial performance during fiscal year ending June 30, 2021 comparisons are available on several financial and supplemental statements throughout this narrative.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report includes this management’s discussion and analysis report, the independent auditor’s report, and the basic financial statements of The Electric Plant Board of The City of Mayfield, Kentucky. The financial statements also include notes that explain in more detail information relating to the financial statements.

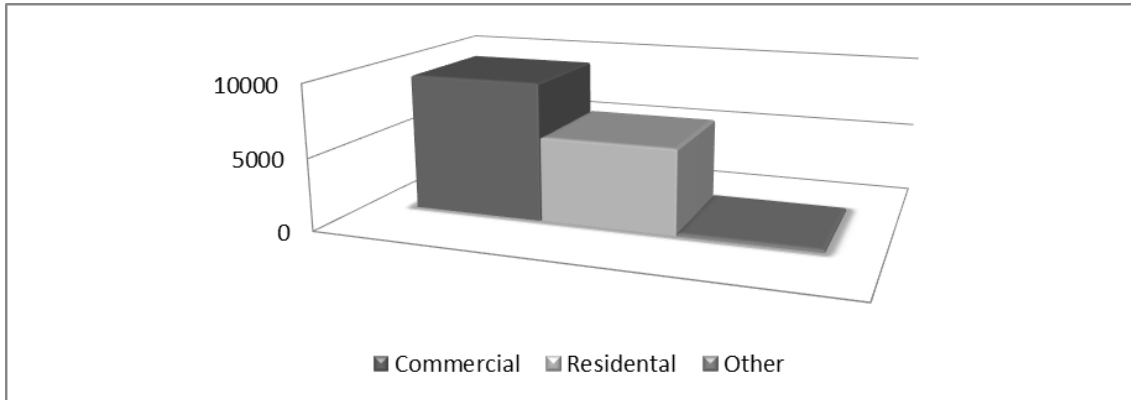
**ELECTRIC SYSTEM**

The Electric System serves all of the City of Mayfield, Kentucky, an area of approximately 10 square miles. We service 5,362 electrical customers with 103 miles of distribution. Power supplies are provided through the Tennessee Valley Authority (TVA). Weather and economic conditions are the primary influence on electricity sales. Generally, extreme temperatures increase sales to residential customers, who use electricity for heating and cooling, while moderate temperatures decrease sales.

**FINANCIAL SUMMARY AND ANALYSIS**

Electric System’s operating revenues decreased by \$770,784 (approximately 5%) and expenses decreased by \$779,964 (more than 5%) during the fiscal year 2021. Non-Operating revenues (expenses) for the year ended 2021 increased by \$9,721 compared to 2020. The Electric System’s net loss was \$233,771 for 2021, compared to net loss of \$303,230for 2020.

**Electric System Revenues (by customer class, in thousands of dollars)**

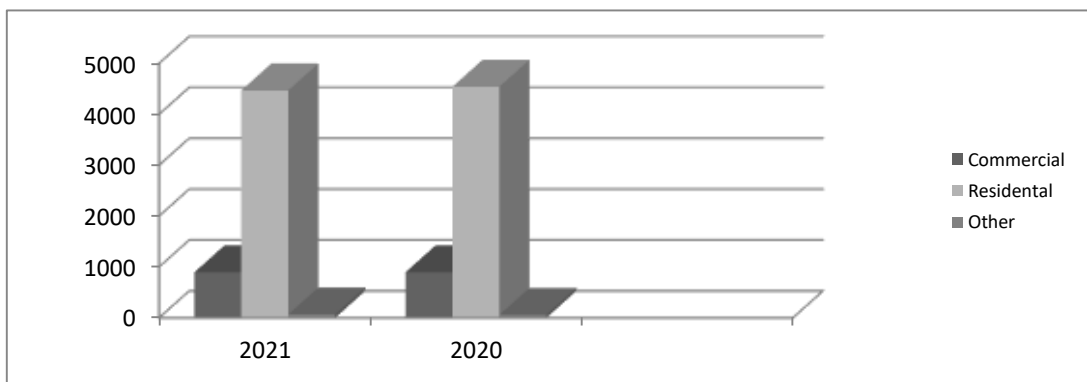


**Selected financial data**

	2021	2020
Operating Revenues	\$ 15,513,713	\$ 16,214,497
Operating Expenses	15,539,151	16,319,115
Operating Income (Loss)	(25,438)	(104,618)
Non-Operating Rev (Exp)	(208,333)	(198,612)
Net Income (Loss)	\$ (233,771)	\$ (303,230)

**ELECTRIC SYSTEM – (CONTINUED)**

**Electric System Customers** (by customer class, number of customers)



**Capital Assets and Long-Term Debt Activity**

As of June 30, 2021, the Electric System had approximately \$13.1 million, net of accumulated depreciation invested in an array of capital assets and work in process. Compared to the prior year amount invested of \$13.4 million net of accumulated depreciation.

**Economic Factors, Subsequent Events and System Rates:**

**Rates:** TVA rate adjustments affect the end users throughout the year. The driving factors are weather conditions, price of coal, natural gas, and availability of electricity on the open market.

**Power Supply:** The Electric System purchases power from the Tennessee Valley Authority.

For 2021-2022 the Electric System is focused on grid reliability. As we continue our pole inspection and pole attachment counts, we are also concentrated on replacing poles that are deemed non-critical but end of life. This constant flow of infrastructure improvements will ensure grid reliability and safety for years to come. We are also in the process of long-range planning for the Electric System and looking at a potential second delivery point from TVA

**WATER SYSTEM**

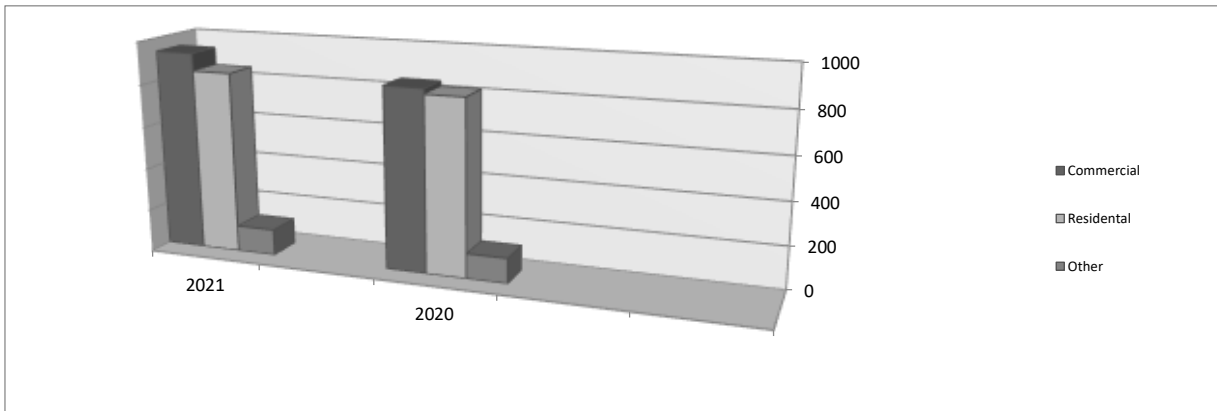
The Water System provides service in the City of Mayfield for 4,942 active customers. The Water System also contractually operates and maintains an independent water system in Graves County supporting another 4,500 customers. The Graves County Water District serves the Fancy Farm, South Graves, Consumer, Hardeman, Sedalia and Hickory areas in Graves County. The source of the water supplied to the utility customers is ground water based. The Water System owns and operates 12 active wells and 13 reservoirs.

**FINANCIAL SUMMARY AND ANALYSIS**

During 2021, the Water System's operating revenues increased by \$104,636 and expenses increased by \$217,482. The Water System net loss was \$100,394 for 2021, compared to a net income of \$11,358 for 2020.

**WATER SYSTEM – (CONTINUED)**

**Water System Revenues (by customer class, in thousands of dollars)**



**Selected financial data**

	2021	2020
Operating Revenues	\$ 2,257,248	\$ 2,152,612
Operating Expenses	2,303,258	2,085,776
Operating Income (Loss)	(46,010)	66,836
Non-Operating Rev (Exp)	(54,384)	(55,478)
Net Income (Loss)	\$ (100,394)	\$ 11,358

**Capital Assets and Long-Term Debt Activity**

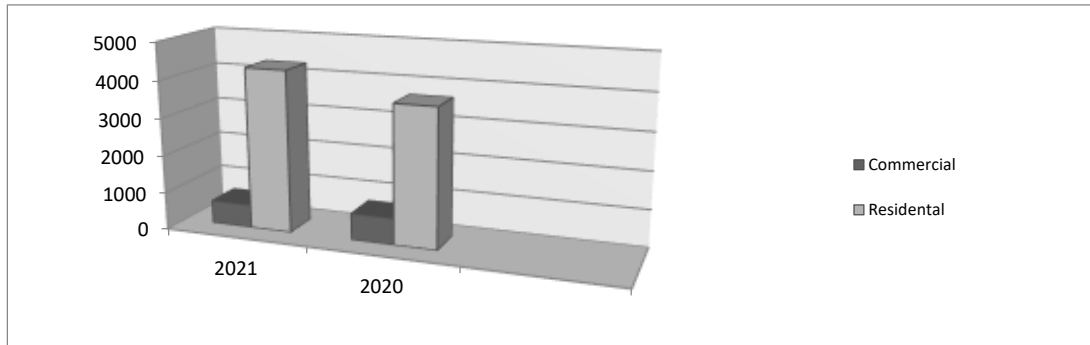
As of year-end, the Water System had \$7.2 million, net of accumulated depreciation invested in a variety of capital assets.

MEWS has made great progress in reducing water loss in our system. We are using a technology-based solution called Meter Data Management Software to actively track our water loss thru the creation of District Metered Areas and also with the use of Ultrasonic Leak Detection Devices. This will help us reduce operating costs by reducing amounts of chemicals and pump run times. We are also anticipating a Federal Mandate on lead and copper levels, which derived from issues in other parts of the United States. This Mandate will cause us to spend a significant amount of Capitol on Main and Service Connections. We are hoping for some ARPA Funding to help with the significant expenditure.

**WATER SYSTEM – (CONTINUED)**

*FINANCIAL SUMMARY AND ANALYSIS*

**Water System Customers** (by customer class, number of customers)



**SEWER SYSTEM**

The Sewer System owns and operates wastewater and treatment facilities serving 4,529 customers in the City of Mayfield and surrounding area. The sewer system also contractually operates and maintains one (1) independent collection system for the Fancy Farm area, which serves 230 customers and also owns and operates three (3) package treatment plants and collection systems in southern Graves County.

*FINANCIAL SUMMARY AND ANALYSIS*

During 2021, the Sewer System’s operating revenues increased by \$92,362 and operating expenditures decreased by \$8,068. The Sewer System had net loss of \$16,624 for 2021.

**Selected financial data**

Sewer	2021	2020
Operating Revenues	\$ 2,290,481	\$ 2,198,119
Operating Expenses	2,299,302	2,307,370
Operating Income (Loss)	(8,821)	(109,251)
Non-Operating Rev (Exp)	(7,803)	(4,254)
Net Income (Loss)	\$ (16,624)	\$ (113,505)

**Capital Assets and Long-Term Debt Activity**

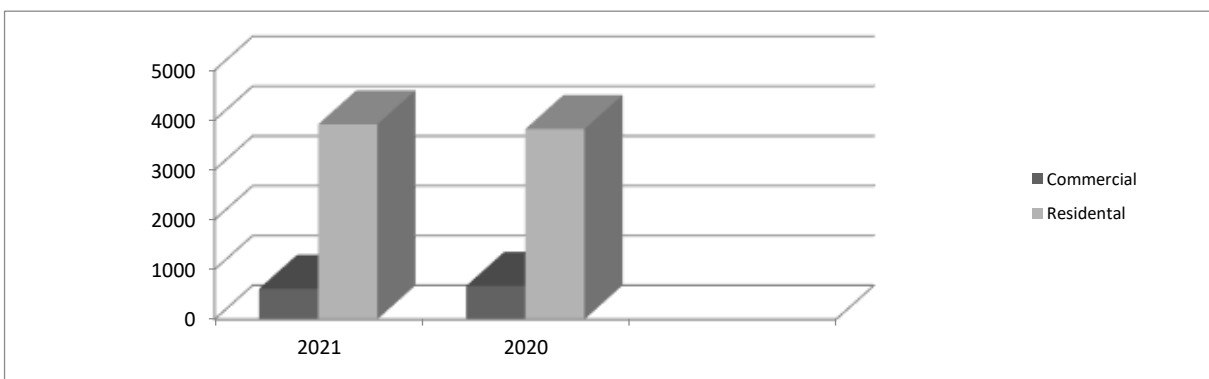
As of June 30, 2021, the Sewer System had \$7.5 million, net of accumulated depreciation, invested in a variety of capital assets. The debt issued through KIA requires reserve accounts to be established and maintained. The funds that are in this account are restricted until the loan is satisfied.

The wastewater system has several capital improvements projects in progress. We have just completed installing new aeration in our ditches, which helped raise the level of oxygen in our ditches. This in turn has led to allowing more waste to be treated at our facility, which in turn will help bring in more revenue to the system this next physical year. We are also working with our Fiscal Court to help solve a long-term problem in the Randview Subdivision Area.

MANAGEMENT'S DISCUSSION  
& ANALYSIS (CONTINUED)

**FINANCIAL SUMMARY AND ANALYSIS**

**Sewer System Customers (by customer class)**



**INTERNET SYSTEM**

The Electric Plant Board introduced to the City of Mayfield and Graves County a new and exciting Wireless Broad Band Internet System in 2004. The Board expanded services in 2008 with the implementation of new towers and upgrading the system. Fiber Sales have increased during the year which is the main stream of income for the Internet Service.

During 2021, the Internet System's operating revenues increased by \$68,240 and operating expenditures increased \$77,057. The Internet System had a net loss of \$23,220 for 2021.

**Selected financial data**

Internet	2021	2020
Operating Revenues	\$ 520,886	\$ 452,646
Operating Expenses	500,500	423,443
Operating Income (Loss)	20,386	29,203
Non-Operating Rev (Exp)	(43,606)	(36,043)
Net Income (Loss)	\$ (23,220)	\$ (6,840)

For 2021-2022 Our Internet department will see some significant changes. As we draw near to completion with our new data center, we can now be more laser focused on completing to build out of FTTH for all of Mayfield. Our customer base is growing and we have plans to build out the remaining Fiber necessary to deliver High Speed Internet access to everyone in our system. With over ½ the City built out already, revenues are starting to rise and we are seeking some additional help from ARPA funding. If this funding materializes, we will be in great shape to build out the remainder of our System.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Electric Plant Board's finances for all those with an interest in the entity finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Marty Ivy, General Superintendent, Mayfield Electric & Water Systems, 301 East Broadway, Mayfield, KY 42066.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Electric Plant Board of the  
City of Mayfield, Kentucky

### Report on the Financial Statements

We have audited the accompanying financial statements of the Electric Plant Board of the City of Mayfield, Kentucky, d/b/a Mayfield Electric & Water Systems as of June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mayfield Electric & Water Systems, as of June 30, 2021, and the respective changes in financial position and cash flows for the years then ended, in conformity with the basis of accounting described in Note A.



To the Board of Directors  
Electric Plant Board of the  
City of Mayfield, Kentucky

### **Emphasis of Matter**

As described in Note A, Mayfield Electric & Water Systems prepares its financial statements on a prescribed regulatory basis of accounting that demonstrates compliance with the Federal Energy Regulatory Commission accounting policies and procedures, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis, the Schedule of Net Pension Liability and Related Ratios Based on Participation in County Employees' Retirement System and the Schedule of Employer's Contributions, the Schedule of Net OPEB Liability and Related Ratios Based on Participation in County Employees' Retirement System and Schedule of Employer's OPEB Contributions information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The other supplementary information listed in the financial section of the accompanying table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Board of Directors  
Electric Plant Board of the  
City of Mayfield, Kentucky

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 2021, on our consideration of Mayfield Electric & Water Systems' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Mayfield Electric & Water System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mayfield Electric & Waters' internal control over financial reporting and compliance.

**Romaine & Towery**

Certified Public Accountants  
December 3, 2021  
Mayfield, KY

# ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY

STATEMENTS OF NET POSITION

JUNE 30, 2021

(With Comparative 2020)

	Electric System	Internet System	Water System	Sewer System	Total 2021	Total 2020
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 2,302,467	\$ 7,350	\$ 193,275	\$ 107,324	\$ 2,610,416	\$ 1,993,215
Customers	1,858,910	-	-	-	1,858,910	1,697,633
Other	41,942	4,692	102,391	63,451	212,476	299,711
Deposits	-	-	-	625	625	625
Prepaid expense	7,983	-	-	-	7,983	34,131
Material and supplies, at average cost	290,489	134,929	401,762	-	827,180	766,859
Preliminary survey and investigation charges	-	-	-	37,014	37,014	37,014
<b>Total current assets</b>	<b>4,501,791</b>	<b>146,971</b>	<b>697,428</b>	<b>208,414</b>	<b>5,554,604</b>	<b>4,829,188</b>
<b>Non-current assets:</b>						
Plant in service	22,043,424	2,212,324	10,740,684	12,052,759	47,049,191	46,005,144
Less accumulated depreciation	9,172,507	500,273	5,565,517	6,073,249	21,311,546	20,432,322
	12,870,917	1,712,051	5,175,167	5,979,510	25,737,645	25,572,822
Construction work in process	240,299	330,280	2,110,025	2,001,943	4,682,547	4,059,868
<b>Total non-current assets</b>	<b>13,111,216</b>	<b>2,042,331</b>	<b>7,285,192</b>	<b>7,981,453</b>	<b>30,420,192</b>	<b>29,632,690</b>
<b>Other assets:</b>						
Investment in Muninet	882,807	-	-	-	882,807	799,824
Bond issue cost, net of amortization	284,352	-	-	-	284,352	198,742
Interfund receivable	749,371	-	-	325,867	1,075,238	1,007,788
Stockholder loan-CSA	29,066	-	-	-	29,066	25,006
Restricted cash	243	-	-	733,797	734,040	1,114,758
<b>Total other assets</b>	<b>1,945,839</b>	<b>-</b>	<b>-</b>	<b>1,059,664</b>	<b>3,005,503</b>	<b>3,146,118</b>
<b>TOTAL ASSETS</b>	<b>19,558,846</b>	<b>2,189,302</b>	<b>7,982,620</b>	<b>9,249,531</b>	<b>38,980,299</b>	<b>37,607,996</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred amounts related to pensions	1,020,811	57,344	637,438	428,792	2,144,385	2,117,436
Deferred other post employment benefit amounts	742,223	74,067	466,894	361,487	1,644,671	955,971
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>1,763,034</b>	<b>131,411</b>	<b>1,104,332</b>	<b>790,279</b>	<b>3,789,056</b>	<b>3,073,407</b>

# ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY

## STATEMENTS OF NET POSITION

JUNE 30, 2021

(With Comparative 2020)

	Electric System	Internet System	Water System	Sewer System	Total 2021	Total 2020
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Current portion long-term debt	\$ 374,000	\$ -	\$ 99,778	\$ 23,135	\$ 496,913	\$ 506,321
Accounts payable	1,937,754	-	-	-	1,937,754	1,819,069
Accrued interest payable	17,709	-	-	-	17,709	41,321
Payroll related items withheld and accrued	91,183	-	-	-	91,183	85,151
Accrued sales and utility taxes	90,585	-	-	-	90,585	38,432
Customer deposits	440,841	-	117,344	-	558,185	526,230
Customer deposits-accrued interest	79,432	-	31,021	-	110,453	111,960
Customer advance for construction-refundable	-	-	4,396	-	4,396	4,396
Accrued compensated absences	60,283	1,310	36,694	32,762	131,049	230,560
Other accrued expenses	242,423	5,261	-	2,944	250,628	269,140
<b>Total current liabilities</b>	<u>3,334,210</u>	<u>6,571</u>	<u>289,233</u>	<u>58,841</u>	<u>3,688,855</u>	<u>3,632,580</u>
<b>Non-current liabilities:</b>						
Net Pension liability	4,828,443	280,731	2,995,747	2,123,757	10,228,678	8,951,517
Net Other Post Employment Benefit Liability	1,525,180	101,577	933,622	658,942	3,219,321	2,140,204
Revenue bonds payable, less current maturities	4,434,000	-	-	-	4,434,000	5,280,000
Interfund payable	-	898,454	127,105	49,679	1,075,238	1,007,788
CFSB, less current portion	-	624,835	-	-	624,835	187,750
First National Bank debt obligations, less current portion	-	227,768	242,797	-	470,565	431,893
Kentucky infrastructure debt obligation, less current portion	-	-	1,554,645	2,260,816	3,815,461	3,143,904
<b>Total non-current liabilities</b>	<u>10,787,623</u>	<u>2,133,365</u>	<u>5,853,916</u>	<u>5,093,194</u>	<u>23,868,098</u>	<u>21,143,056</u>
<b>TOTAL LIABILITIES</b>	<u>14,121,833</u>	<u>2,139,936</u>	<u>6,143,149</u>	<u>5,152,035</u>	<u>27,556,953</u>	<u>24,775,636</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred amounts related to pensions	126,113	(6,730)	60,492	7,544	187,419	353,958
Deferred other post employment benefit amounts	292,154	16,948	161,550	139,191	609,843	762,660
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>418,267</u>	<u>10,218</u>	<u>222,042</u>	<u>146,735</u>	<u>797,262</u>	<u>1,116,618</u>
<b>NET POSITION</b>						
Invested in capital assets, net of related debt	8,303,216	1,189,728	5,387,972	5,647,823	20,528,739	20,001,242
Reserved	243	-	-	733,797	734,040	1,114,758
Unreserved (deficit)	(1,521,679)	(1,019,169)	(2,666,211)	(1,640,580)	(6,847,639)	(6,326,851)
<b>TOTAL NET POSITION</b>	<u>\$ 6,781,780</u>	<u>\$ 170,559</u>	<u>\$ 2,721,761</u>	<u>\$ 4,741,040</u>	<u>\$ 14,415,140</u>	<u>\$ 14,789,149</u>

# ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative 2020)

	Electric System	Internet System	Water System	Sewer System	Total 2021	Total 2020
<b>OPERATING REVENUES</b>	\$ 15,513,713	\$ 520,886	\$ 2,257,248	\$ 2,290,481	<b>\$ 20,582,328</b>	\$ 21,017,874
<b>OPERATING EXPENSES</b>						
Purchased power	10,396,034	37,168	-	-	<b>10,433,202</b>	11,121,130
Operations	321,223	182,573	782,448	1,080,689	<b>2,366,933</b>	2,517,190
Customer services	581,884	20,788	257,085	171,697	<b>1,031,454</b>	970,621
General and administrative	1,813,035	163,521	947,583	777,966	<b>3,702,105</b>	3,211,202
Maintenance	754,258	-	-	-	<b>754,258</b>	957,607
Amortization, issuance cost	9,918	-	-	-	<b>9,918</b>	15,222
Depreciation	902,341	87,156	179,949	216,754	<b>1,386,200</b>	1,379,726
Taxes-property	223,072	-	-	-	<b>223,072</b>	218,484
Taxes-payroll	93,119	9,294	87,704	52,196	<b>242,313</b>	238,541
Taxes-school	444,267	-	48,489	-	<b>492,756</b>	505,981
<b>Total operating expenses</b>	<b>15,539,151</b>	<b>500,500</b>	<b>2,303,258</b>	<b>2,299,302</b>	<b>20,642,211</b>	21,135,704
<b>OPERATING INCOME (LOSS)</b>	<b>(25,438)</b>	<b>20,386</b>	<b>(46,010)</b>	<b>(8,821)</b>	<b>(59,883)</b>	<b>(117,830)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>						
Interest income	37,614	43	34	4,740	<b>42,431</b>	61,471
Interest expense:						
Revenue bonds	(242,228)	-	-	-	<b>(242,228)</b>	(248,595)
Notes and Lines of Credit	-	(43,649)	(52,128)	(12,543)	<b>(108,320)</b>	(96,490)
Customer deposits	(3,719)	-	(2,290)	-	<b>(6,009)</b>	(10,773)
<b>Net non-operating revenues (expenses)</b>	<b>(208,333)</b>	<b>(43,606)</b>	<b>(54,384)</b>	<b>(7,803)</b>	<b>(314,126)</b>	<b>(294,387)</b>
<b>NET INCREASE IN NET ASSETS</b>	<b>(233,771)</b>	<b>(23,220)</b>	<b>(100,394)</b>	<b>(16,624)</b>	<b>(374,009)</b>	<b>(412,217)</b>
<b>Total net position-beginning</b>	<b>7,015,551</b>	<b>193,779</b>	<b>2,822,155</b>	<b>4,757,664</b>	<b>14,789,149</b>	15,201,366
<b>Total net position-ending</b>	<b>\$ 6,781,780</b>	<b>\$ 170,559</b>	<b>\$ 2,721,761</b>	<b>\$ 4,741,040</b>	<b>\$ 14,415,140</b>	<b>\$ 14,789,149</b>

# ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY

STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021  
(With Comparative 2020)

	Electric System	Internet System	Water System	Sewer System	Total 2021	Total 2020
<b>Cash flows from operating activities:</b>						
Received from user fees	\$ 15,446,056	\$ 518,547	\$ 2,199,617	\$ 2,344,066	\$ 20,508,286	\$ 21,092,320
Payments from (to) other funds	116,196	160,234	(60,883)	(215,547)	-	(17,907,484)
Payments to employees and suppliers for goods and services	(13,110,459)	(448,552)	(1,630,633)	(1,745,524)	(16,935,168)	(17,907,484)
Payments for taxes	(760,458)	(9,294)	(136,193)	(52,196)	(958,141)	(963,006)
<b>Net cash from operating activities</b>	<b>1,691,335</b>	<b>220,935</b>	<b>371,908</b>	<b>330,799</b>	<b>2,614,977</b>	<b>2,221,830</b>
<b>Cash flows from investing activities:</b>						
Utility plant additions, net of cost of removal, salvage and allowance for funds used during construction	(598,523)	(623,572)	(251,483)	(700,124)	(2,173,702)	(2,927,739)
Investments purchased	(87,043)				(87,043)	(84,481)
Interest received	37,614	43	34	4,740	42,431	61,471
<b>Net cash from investing activities</b>	<b>(647,952)</b>	<b>(623,529)</b>	<b>(251,449)</b>	<b>(695,384)</b>	<b>(2,218,314)</b>	<b>(2,950,749)</b>
<b>Cash flows from capital financing activities:</b>						
Principal payments of debt obligations	(5,740,000)	(55,950)	(88,813)	(31,820)	(5,916,583)	(518,109)
Bond issue cost	(95,528)				(95,528)	-
Debt proceeds	4,928,000	497,085	-	783,403	6,208,488	1,321,432
Interest paid	(245,947)	(43,649)	(54,418)	(12,543)	(356,557)	(355,858)
<b>Net cash from capital financing activities</b>	<b>(1,153,475)</b>	<b>397,486</b>	<b>(143,231)</b>	<b>739,040</b>	<b>(160,180)</b>	<b>447,465</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(110,092)</b>	<b>(5,108)</b>	<b>(22,772)</b>	<b>374,455</b>	<b>236,483</b>	<b>(281,454)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2,412,802</b>	<b>12,458</b>	<b>216,047</b>	<b>466,666</b>	<b>3,107,973</b>	<b>3,389,427</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 2,302,710</b>	<b>\$ 7,350</b>	<b>\$ 193,275</b>	<b>\$ 841,121</b>	<b>\$ 3,344,456</b>	<b>\$ 3,107,973</b>

# ELECTRIC PLANT BOARD OF THE CITY OF MAYFIELD, KENTUCKY

STATEMENTS OF CASH FLOWS-(Continued)

FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative 2020)

	Electric System	Internet System	Water System	Sewer System	Total 2021	Total 2020
<b>Reconciliation of operating income</b>						
<b>to net cash from operating activities:</b>						
Net operating income (loss)	\$ (25,438)	\$ 20,386	\$ (46,010)	\$ (8,821)	\$ (59,883)	\$ (117,830)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation	902,341	87,156	179,949	216,754	1,386,200	1,379,726
Amortization	9,918	-	-	-	9,918	15,222
Changes in assets and liabilities:						
Accounts receivable, net	(67,657)	(2,339)	(57,631)	53,585	(74,042)	74,446
Deferred outflows	(280,992)	(55,756)	(230,943)	(147,958)	(715,649)	(400,787)
Materials and supplies	27,883	(93,741)	(2,841)	8,378	(60,321)	(926)
Prepayments and other assets	142,344	-	-	(183,646)	(41,302)	130,531
Accounts payable	118,685	-	-	-	118,685	(267,861)
Customer deposits	29,262	-	2,693	-	31,955	91,640
Accrued taxes and interest	32,313	-	753	-	33,066	3,384
Net pension liability	550,046	69,991	378,183	278,941	1,277,161	1,362,875
Net OPEB liability	464,753	59,137	319,540	235,687	1,079,117	(71,991)
Deferred inflows	(137,538)	(17,501)	(94,567)	(69,750)	(319,356)	134,251
Other accrued payables	(74,585)	153,602	(77,218)	(52,371)	(50,572)	(110,850)
<b>Net cash from operating activities</b>	<b>\$ 1,691,335</b>	<b>\$ 220,935</b>	<b>\$ 371,908</b>	<b>\$ 330,799</b>	<b>\$ 2,614,977</b>	<b>\$ 2,221,830</b>

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021

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**NOTE A: Summary of Significant Accounting Policies**

The Electric Plant Board of the City of Mayfield operates under the Kentucky Revised Statutes. The Board is also authorized by the City of Mayfield to act as an independent agent for the Water and Sewer Systems; therefore, the financial report reflects all of the Board's operations.

The financial statements of Mayfield Electric & Water Systems (The System) are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and the principles established by the Federal Energy Regulatory Commission (FERC). The System applies all relevant Governmental Accounting Standards Boards (GASB) pronouncements along with those of the Financial Accounting Standards Boards (FASB) pronouncements and the Accounting Principles Board (APB) opinion unless they conflict with or contradict FERC polices, in which case, FERC prevails.

The major accounting differences between GAAP and FERC are as follows:

- The System accounts for changes in plant in accordance with FERC accounting principles. Plant additions are recorded at cost less any contributions received, and gains and losses from plant retirements are charged to accumulated depreciation. Under GAAP accounting principles, plant additions are recorded at historical cost, contributions for plant additions are recognized as nonoperating revenue, and gains and losses from plant retirements are recognized in the income statement.
- The System accounts for revenues and purchase power in accordance with FERC accounting principles. Revenues are recognized under cycle billing and the cost of purchase power reflects costs through the reporting period. Accordingly, no accrual for unbilled revenues or purchased power costs would be reflected in the financial statements. Under GAAP accounting principles, revenues and expenses are recognized as incurred. Accordingly, an accrual for unbilled revenues and purchased power would be reflected in the financial statements.

*Revenues and Expense Recognition:*

Mayfield Electric & Water Systems utilizes cycle billing. At the end of each accounting period, revenue from the service which has been rendered since the latest date of each cycle meter reading is not reflected in the current period operations. The wholesale cost of purchase power after each reporting period is reflected in the following period of operations. All operating expenses are recorded under the accrual method of accounting.

*Utility Plant and Depreciation:*

Changes in plant are accounted for at cost. The installed costs of plant additions are reduced by contributions. Acquired property is recorded at original cost. Maintenance, repairs, and minor renewal are expensed as incurred. When units are retired, the original cost of plant items is deducted from the plant assets and respective allowances for depreciation are reduced by the original cost of the plant, plus removal cost, less salvage value. Accordingly, gains and losses from plant retirements are charged to accumulated depreciation. The original cost of limited life property less estimated net salvage is depreciated by the straight-line method over the estimated useful lives, using composite rates developed from depreciation studies by the Tennessee Valley Authority.

*Cash and Cash Equivalents:*

Cash and cash equivalents include all debt instruments purchased with an original maturity of three months or less.



**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

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**NOTE A: Summary of Significant Accounting Policies- (Continued)**

*Accounts Receivable and Credit Policies*

Accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 20 days from the invoice mailing date. Unpaid accounts receivable with invoice mailing dates over 20 days old are subject to a 5% penalty on the outstanding balance. Customers are subject to disconnection after 30 days past invoice mailing date. Reconnections are subject to collection and reconnect fees.

Accounts receivable are stated at amounts billed to the customer plus any accrued penalties. Customer balances with invoices 60 days from the invoice date are considered delinquent and subject to write-off.

Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

Accounts receivable are stated at amounts that management estimates to be collectible. Management individually reviews accounts receivable balances that exceed 60 days from invoice date and based on an assessment of credit worthiness, estimates the portion of, if any, of the balance that will not be collected. No provision for doubtful accounts has been made at June 30, 2021 and 2020, as management considers all amounts fully collectible.

*Investments:*

Investments are stated at cost which approximates fair value.

*Inventories:*

Material and supplies inventory are stated at average cost.

*Use of Estimates:*

The preparation of the financial statements in conformity with prescribed regulatory basis of accounting requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may vary from those estimates.

*Joint Costs:*

Certain costs are incurred jointly by the Electric, Water, and Sewer Systems. Joint cost, reflected in the receivables and payables of each system are results of monthly allocations under methods authorized and reviewed by the Tennessee Valley Authority (TVA) which are designed to affect an equitable apportionment of the costs between the systems.

*Stockholder Receivable:*

The System's account, Loan from Stockholder-CSA is in the amount of \$29,066. The System is a stockholder in the Central Service Association. This association was made a loan for the construction of a new building by the Utility. CSA returns a set amount of money each year to the System to pay interest on the loan. Repayment of the stockholders' loan will begin upon retirement of the debt instrument.

*Restricted Assets:*

Certain resources are reserved by requirements of debt agreements with the Kentucky Infrastructure Authority (KIA). The funds are maintained in Maintenance and Replacement Accounts.

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

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**NOTE A: Summary of Significant Accounting Policies- (Continued)**

*Compensated Absences:*

Employees of the System are entitled to paid vacations, sick days, and other time off depending on job classification, length of service, and other factors, and accordingly, the System has recorded the accrual in the accompanying financial statements.

*Concentration of Credit Risk:*

The System's accounts receivable result primarily from credit extended to residents and businesses in its service area in Mayfield, Kentucky. The System has experienced losses on such accounts and, accordingly, maintains bad debts at a level considered appropriate by management based on historical industrial trends.

*Pensions and Other Postemployment Benefits ("OPEB")*

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and additions to or deductions from the CERS fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

*Recent Accounting Standards*

Management has not currently determined what, if any, effects of implementation of the following statements may have on the financial statements:

In June 2017, the GASB issued GASB Statement No. 87, Leases, which requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. In May 2020, the GASB issued GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, which postponed the effective date of GASB Statement No. 87, Leases, by 18 months. GASB Statement No. 87 will be effective for periods beginning after June 15, 2021.

In May 2020, the GASB issued GASB Statement No 96, Subscription-Based Information Technology Arrangements (SBITA), which requires the recognition of certain SBITA assets and liabilities for SBITA that previously were classified as an operating lease and recognized as inflows or resources or outflows of resources based on the payment provisions of the contract. The standards for SBITAs are based on the standards established in Statement No. 87, Leases. GASB Statement No 96 will be effective for the periods beginning after June 15, 2022.

**NOTE B : Deposits**

Mayfield Electric and Water Systems maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC) as required by KRS 66.480(1)(d). According to KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the Electric Plant Board and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

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**NOTE B: Deposits- (Continued)**

*Custodial Credit Risk - Deposits*

Custodial credit risk is the risk that in the event of a depository institution failure, the System's deposits may not be returned. The System does not have a deposit policy for custodial credit risk but rather follows the requirements of KRS 41.240(4). As of June 30, 2021, all deposits were covered by FDIC insurance or a properly executed collateral security agreement.

**NOTE C: Plant in Service**

The System's plant in service as of June 30, 2021 for each utility consists of the following:

*Electric System*

Land and Land Rights	\$ 168,239
Structures & Improvements	956,609
Machinery & Equipment	<u>20,918,576</u>
Total Plant in Investments	22,043,424
Less Accumulated Depreciation	9,172,507
Work in Process	<u>240,299</u>
Net Plant in Service	<u><u>\$ 13,111,216</u></u>

*Internet System*

Land and Land Rights	\$ 93,583
Structures & Improvements	213,860
Machinery & Equipment	<u>1,904,881</u>
Total Plant in Investments	2,212,324
Less Accumulated Depreciation	500,273
Work in Process	<u>330,280</u>
Net Plant in Service	<u><u>\$ 2,042,331</u></u>

*Water System*

Land and Land Rights	\$ 220,597
Structures & Improvements	9,213,027
Machinery & Equipment	<u>1,307,060</u>
Total Plant in Investments	10,740,684
Less Accumulated Depreciation	5,565,517
Work in Process	<u>2,110,025</u>
Net Plant in Service	<u><u>\$ 7,285,192</u></u>

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE C: Plant in Service-(Continued)**

*Sewer System*

Land and Land Rights	\$ 29,545
Structures & Improvements	9,384,783
Machinery & Equipment	2,638,431
Total Plant in Investments	12,052,759
Less Accumulated Depreciation	6,073,249
Work in Process	2,001,943
Net Plant in Service	\$ 7,981,453

Summary of changes in utility plant assets can be found on pages 36-39 of the audit report.

**NOTE D: Long-Term Debt**

*Electric System*

**Series 2011 Electric System Revenue Bonds**

During 2011, The Board sold City of Mayfield, Kentucky Electric Plant Board Electric System Revenue Bonds, Series 2011 in the amount of \$8,350,000. The bonds were issued for the acquisition, construction, development, and equipping of additions, renovation, improvements, and extension of the electric distribution and generating system including the installation of two 69-13.09 KV power transformers and the retirement of debt issued from FNB Bank for the AMI project. The Bonds interest rates ranged from 1.5% to 4.6%. The Series 2011, Electric System Revenue Bonds were refunded in fiscal year 2021 with Series 2021 Electric System Refunding Revenue Bonds.

**Series 2021 Electric System Refunding Revenue Bonds**

On February 4, 2021, the Board issued Electric Plant Board Electric System Refunding Revenue Bonds Series 2021 in the amount of \$4,928,000. Interest rates on the 2021 bonds is 2.21%, interest is paid semi-annual and principal paid annually through fiscal year 2036. The bonds were issued for the purpose of refunding the Series 2011 Electric System Revenue Bonds. The result of this transaction is a decrease in future debt service payments of \$1,849,553 and a present value savings of \$1,604,389.

Future debt service requirements to maturity for the 2021 Electric System Refunding Revenue Bonds are as follows:

Year	Principal	Interest
2022	\$ 374,000	\$ 106,257
2023	379,000	97,991
2024	389,000	89,616
2025	398,000	81,019
2026	406,000	72,223
2027-2031	1,549,000	236,183
2032-2036	1,313,000	88,289
Totals	\$ 4,808,000	\$ 771,578

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

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**NOTE D: Long-Term Debt – (Continued)**

**Direct Borrowings**

*SEWER SYSTEM*

The Sewer System entered into an agreement with the Kentucky Infrastructure Authority (KIA) for a Fund A loan from the American Recovery and Reinvestment Act for the Red Duck Creek Interceptor Rehabilitation Project. The obligation, less the amount forgiven by grant funds, was \$467,025 at 1.00% interest for twenty (20) years. Future principal and interest payments are as follows:

Year	Principal	Interest
2022	\$ 23,135	\$ 2,683
2023	23,367	2,405
2024	23,601	2,124
2025	23,838	1,840
2026	24,077	1,553
2027-2031	111,368	3,364
Totals	<u>\$ 229,386</u>	<u>\$ 13,969</u>

On August 1, 2017 the Electric Plant Board entered into an agreement with Kentucky Infrastructure Authority for a Fund B loan in the amount of \$849,000. The purpose of the note was for a new water well and screw pump replacement for the sewer. The note agreement will bear an interest rate of .25% which is due semi-annually. The balance due for the sewer system as of June 30, 2021 was \$212,480. See water system debt for future principal and interest payments.

In August 2019, the Electric Plant Board entered into an agreement with Kentucky Infrastructure Authority for a Fund B loan in the amount of \$2,221,117. The purpose of the note was for multiple sewer projects and sewer cleaning truck. The note agreement will bear an interest rate of .5%, both principal and interest will be due semi-annually when projects are complete. As of June 30, 2021, the amount disbursed to the system was \$1,842,085. Repayment of the loan will not begin until after the funded projects are completed.

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

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**NOTE D: Long-Term Debt – (Continued)**

*WATER SYSTEM*

On April 7, 2016 the Electric Plant Board entered into an agreement with Kentucky Infrastructure Authority for a Fund C loan in the amount of \$1,324,716. The purpose of the note was for cleaning, repairing and coating water tanks interior and exterior. The note agreement will bear an interest rate of 3% which is due semi-annually. Full principal and Interest payments are as follows:

Year	Principal	Interest
2022	\$ 52,989	\$ 37,946
2023	54,591	36,237
2024	56,241	34,478
2025	57,940	32,664
2026	59,692	30,796
2027-2031	326,637	123,922
2032-2036	379,074	67,988
2037-2039	211,782	10,266
Totals	<u>\$ 1,198,946</u>	<u>\$ 374,297</u>

On August 1, 2017 the Electric Plant Board entered into an agreement with Kentucky Infrastructure Authority for a Fund B loan in the amount of \$849,000. The purpose of the note was for a new water well and screw pump replacement for the sewer. The note agreement will bear an interest rate of .25% which is due semi-annually. The balance for the water system as of June 30, 2021 was \$444,412 the remainder balance of \$212,480 is in relation to the sewer system. Future principal and interest payments are as follows:

Year	Principal	Interest
2022	\$ 35,724	\$ 2,916
2023	35,814	2,755
2024	35,903	2,594
2025	35,993	2,432
2026	36,083	2,270
2027-2031	181,774	8,904
2032-2036	184,058	4,792
2037-2039	111,543	879
Totals	<u>\$ 656,892</u>	<u>\$ 27,542</u>

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

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**NOTE D: Long-Term Debt – (Continued)**

*WATER SYSTEM*

On December 13, 2017, The Electric Plant Board financed a note payable with FNB Bank to refinance debts within the water system. The Electric Plant Board agreed to repay \$289,819 together with interest of 4 percent. Both principal and interest are due monthly for 15 years. Future principal and interest payments are as follows:

Year	Principal	Interest
2022	\$ 11,065	\$ 10,116
2023	11,513	9,668
2024	12,004	9,177
2025	12,494	8,687
2026	13,010	8,171
2027-2031	73,549	32,351
2032-2033	120,227	30,331
Totals	<u>\$ 253,862</u>	<u>\$ 108,501</u>

*INTERNET SYSTEM*

On March 30, 2006, The Board entered into an agreement with First Kentucky Bank to expand the internet system. The original obligation was \$500,000 at 4.79 percent interest for fifteen (15) years. Principal and interest payments of \$3,901 are due monthly. This note was paid in full during the fiscal year.

On December 6, 2016 the Electric Plant Board entered into an agreement with FNB Bank for a line of credit up to \$2,000,000. The note agreement will bear an interest rate of 3.58% which is due monthly. The line of credit balance as of June 30, 2021 was \$227,768. Each year the note will be renewed and adjusted for annual interest rate changes.

On February 10, 2020, The Electric Plant Board entered into an agreement with Community Financial Services Bank for a line of credit up to \$2,502,500. The note agreement will bear an interest rate of 3.25% percent which is due monthly. The purpose of the loan is the construction of a fiber hub. The note matures on February 10, 2022. As of June 30, 2021, the balance was \$624,835.

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE D: Long-Term Debt – (Continued)**

*Changes in Long-Term Debt*

Changes in long-term debt for the year ended June 30, 2021 consisted of the following:

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021	Amounts Due Within One Year
<b>Bonds Payable</b>					
2011, Revenue Bonds	\$ 5,620,000	\$ -	\$ 5,620,000	\$ -	\$ -
2021, Refunding Revenue Bonds		4,928,000	120,000	4,808,000	374,000
<b>Totals</b>	<u>5,620,000</u>	<u>4,928,000</u>	<u>5,740,000</u>	<u>4,808,000</u>	<u>\$ 374,000</u>

	Balance at July 1, 2020	Increases	Decreases	Balance at June 30, 2021	Amounts Due Within One Year
Notes from direct borrowings	3,929,868	1,280,488	176,584	5,033,772	\$ 122,913
<b>Totals</b>	<u>\$ 3,929,868</u>	<u>\$ 1,280,488</u>	<u>\$ 176,584</u>	<u>\$ 5,033,772</u>	<u>\$ 122,913</u>

Annual debt maturities of principal and interest on bonds and notes payable are as follows:

Year	Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest
2022	\$ 374,000	\$ 106,257	\$ 122,913	\$ 53,661
2023	379,000	97,991	125,285	51,065
2024	389,000	89,616	127,749	48,373
2025	398,000	81,019	130,265	45,623
2026	406,000	72,223	132,862	42,790
2027-2031	1,549,000	236,183	693,328	168,541
2032-2036	1,313,000	88,289	683,359	103,111
2037-2039	-	-	323,325	11,145
	<u>\$ 4,808,000</u>	<u>\$ 771,578</u>	<u>\$ 2,339,086</u>	<u>\$ 524,309</u>



**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE E: Employees Retirement System and Other Postemployment Benefits Plan-Cost Sharing -CERS**

A. Plan Description

The board has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a cost sharing, multiple-employer, defined benefit pension plan that covers all eligible regular full-time members employed in non-hazardous. The Plan provides for retirement, disability and death benefits to plan members. Retirement benefits may be extended to beneficiaries of the plan members under certain circumstances. Benefit contributions and provisions are established by statute.

Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. Nonhazardous covered employees who begin participation on or after September 1, 2008 are required to contribute 6 percent of their salary to the plan. The system's contribution rate for nonhazardous employees was 24.06 percent. (19.30% allocated to pension and 4.76% allocated to OPEB) as set by KRS, respectively, of each Nonhazardous employee's creditable compensation.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on, or after, January 1, 2014, were required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Members contribute 5% (nonhazardous) and 8% (hazardous) of their annual creditable compensation and 1% to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4% (nonhazardous) and 7.5% (hazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Nonhazardous employees who begin participation on or after September 1, 2008 must meet the rule of 87 (members age plus years of service credit must equal 87, and the member must be a minimum of 57 years of age) or the member is age 65, with a minimum of 60 months service credit.

CERS also provides post-retirement health care coverage as follows:

For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

<b>Years of Service</b>	<b>% paid by Insurance Fund</b>	<b>% Paid by Member through Payroll Deduction</b>
20 or more	100%	0%
15-19	75%	25%
10-14	50%	50%
4-9	25%	75%
Less than 4	0%	100%

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members reach a minimum vesting period of ten years, non-hazardous employees whose participation began on or after July 1, 2003, earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index.

KRS issues a publicly available annual financial report that includes financial statements and required supplementary information on CERS. This report may be obtained by writing the Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, KY 40601-6124, or by telephone at (502) 564-4646.

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE E: Employees Retirement System and Other Postemployment Benefits Plan-Cost Sharing -CERS - Continued**

A. Plan Description

KRS also issues a proportionate share audit report that includes the total pension liability for CERS determined by actuarial valuation as well as each participating county's proportionate share. The Schedules of Employer Allocations and Pension Amounts by Employer report and the related actuarial tables are available online at <https://kyret.ky.gov/employers/GASB/Pages/GASB-Library.aspx>. The complete actuarial valuation report, including all actuarial assumptions and methods, is also available on the website or can be obtained as described in the paragraph above.

B. Total Pension Liability

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	2.3 percent
<b>Salary Increases</b>	3.30% to 11.55% Non-Hazardous and 3.05% to 18.55% Hazardous
<b>Investment Rate of Return</b>	6.25 percent
<b>Payroll Growth Rate</b>	2.00 percent

The mortality table used for active members is PUB-2010 General Mortality Table projected with ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. For healthy retired members and beneficiaries, the mortality table used was a system-specific mortality table based on experience from 2013-2018, projected with the ultimate rates from MP-2014 improvement scale using a base year of 2019. For disabled members, the PUB-2010 Disabled Mortality table with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

Discount rate assumptions:

**Discount rate:** The discount rate used to measure the total pension liability was 6.25%.

**Projected cash flows:** The projection of cash flows used to determine the single discount must include an assumption regarding future employer's contributions made each year. The future contributions are projected in accordance with the current funding policy, as most recently revised by Senate Bill 249, passed during the 2020 legislative session. Senate Bill 249 changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over a separate 20-year amortization bases. This change does not impact the calculations of Total OPEB liability and only impacts the calculation of the contributions rates that would be payable starting July 1, 2020. There were no other material plan provision changes.

**Long term rate of return:** The long-term expected rate of return was determined by using a building block method in which best estimate ranges of expected future real rates are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target assets allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class is summarized in the table below. The current long term inflation assumption is 2.30% per annum for both the non-hazardous and hazardous system.

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE E: Employees Retirement System and Other Postemployment Benefits Plan-Cost Sharing -CERS - Continued**

B. Total Pension Liability-Continued

**Municipal bond rate:** The discount rate determination does not use a municipal bond rate.

**Periods of projected benefit payments:** The long-term assumed rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**Assumed assets allocation:** The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	18.75%	4.50%
Non-US Equity	18.75%	5.25%
Private Equity	10.00%	6.65%
Specialty Credit/High Yield	15.00%	3.90%
Core Bonds	13.50%	-0.25%
Cash	1.00%	-0.75%
Real Estate	5.00%	5.30%
Opportunistic	3.00%	2.25%
Real Return	15.00%	3.95%
Expected Real Return	100%	3.96%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		6.26%

The long-term expected rate of return on pension plan assets was established by the KRS Board of Trustees at 6.25% based on a blending of the factors described above.

**Sensitivity Analysis:** This paragraph requires disclosure of the sensitivity of the net pension liability to changes in the discount rate. The following presents the Board’s allocated portion of the net pension liability (“NPL”) of the System, calculated using the discount rate of 6.25 percent, as well as what the Board’s allocated portion of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.25 percent) or one percentage-point higher (7.25 percent) than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Mayfield Electric & Water System's Net Pension Liability	\$ 12,614,186	\$ 10,228,678	\$ 8,253,387

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

**Employer’s portion of the collective Net Pension Liability:** The System’s proportionate share of the Plan’s net pension liability, as indicated in the prior table, is \$10,228,678. The System’s proportionated share of the CERS plan was approximately 0.133361% for Nonhazardous service employees. The liability was distributed based on 2020 actual employer contributions to the plan.

**Measurement date:** June 30, 2020 is the actuarial valuation date and measurement date upon which the total pension liability is based.

**Changes in assumptions and benefit terms:** Since the prior measurement date, there have been no material assumption changes.

**Changes since Measurement Date:** There were no changes between the measurement date of the collective net pension liability and the employer's reporting date.

**Pension expense:** The Systems proportionated share of Plan pension expense was \$1,570,866 for nonhazardous service employees.

**Deferred Outflows and Deferred Inflows:** Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense they are labeled as deferred inflows. If they increase pension expense, they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any are amortized over the average remaining service life of the active and inactive System members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period.

The information below provides a summary of the deferred inflows and outflows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 255,071	
Difference between projected and actual investment earnings on Plan investments	443,379	187,419
Changes in proportion & differences between employers contributions and proportion share of contributions	366,312	-
Change of assumptions	399,413	
Employer contributions subsequent to the measurement date	680,210	-
Total	\$ 2,144,385	\$ 187,419

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE E: Employees Retirement System and Other Postemployment Benefits Plan-Cost Sharing -CERS - Continued**

B. Total Pension Liability-Continued

Deferred inflows of resources resulting from the differences between projected and actual investments earnings on Plan investments, differences between expected and actual and changes in assumption are amortized over a five-year period.

Deferred outflows of resources resulting from employer contributions subsequent to the measurement date of \$680,210 will be recognized as a reduction of net pension liability in the year ending June 30, 2022. The remainder of the deferred outflows and deferred inflows of resources are amortized over the remaining service lives of participants with remaining amortization as follows:

	Year Ending	
	2022	\$ 611,232
	2023	420,717
	2024	142,006
	2025	102,801
Total		\$ 1,276,756

Pension Plan Fiduciary Net Position: Detailed information about the pension plans' fiduciary net position is available in the separately issued pension plan financial reports.

**Total OPEB Liability:** The total other postemployment benefits plan (“OPEB”) liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation		2.30%
Payroll growth rate		2.00%
Salary increases	3.30% to 10.30% Non-Hazardous and 3.55% to 19.05% Hazardous	
Investment rate of return		6.25%
Healthcare trend rates		
Pre-65	Initial trend starting at 6.40% at January 1, 2022 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.	
Post-65	Initial trend starting at 2.9% at January 1, 2022 and gradually increasing to 6.3% in 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years	

The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (setback 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted. The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 – June 30, 2013.

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE E: Employees Retirement System and Other Postemployment Benefits Plan-Cost Sharing -CERS - Continued**

C. OPEB Information

**Discount Rate:** The discount rate used to measure the total OPEB liability was 5.68%.

**Projected Cash Flows:** The projection of cash flows used to determine the single discount must include an assumption regarding future employer’s contributions made each year. The future contributions are projected in accordance with the current funding policy, as most recently revised by Senate Bill 249, passed during the 2020 legislative session. Senate Bill 249 changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over a separate 20-year amortization bases. This change does not impact the calculations of Total OPEB liability and only impacts the calculation of the contributions rates that would be payable starting July 1, 2020. There were no other material plan provision changes.

**Long-Term Rate of Return:** The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

**Municipal Bond Rate:** The discount rate determination used a municipal bond rate of 2.45%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2020.

**Period of Projected Benefit Payments:** Current assets, future contributions, and investment earnings are projected to be sufficient to pay the projected benefit payments from the retirement system. However, the cost associated with the implicit employer subsidy is not currently being included in the calculation of the system’s actuarial determined contributions, and it is the actuary’s understanding that any cost associated with the implicit subsidy will not be paid out of the system’s trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

**Assumed Asset Allocations:** The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

The long-term expected rate of return on pension plan assets was established by the KRS Board of Trustees at 6.25% based on a blending of the factors described above.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
US Equity	18.75%	4.50%
Non-US Equity	18.75%	5.25%
Private Equity	10.00%	6.65%
Specialty Credit/High Yield	15.00%	3.90%
Core Bonds	13.50%	-0.25%
Cash	1.00%	-0.75%
Real Estate	5.00%	5.30%
Opportunistic	3.00%	2.25%
Real Return	15.00%	3.95%
	100%	

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE E: Employees Retirement System and Other Postemployment Benefits Plan-Cost Sharing -CERS - Continued**

C. OPEB Information- (Continued)

**Sensitivity Analysis:** This paragraph requires disclosure of the sensitivity of the net OPEB liability to changes in the discount rate and changes in the healthcare cost trend rate. The following presents the Board's allocated portion of the net OPEB liability of the System, calculated using the discount rate of 5.34%, as well as what the Board's allocated portion of the System's net OPEB liability would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.34 %) or 1-percentage-point higher (6.34%) than the current rate for non-hazardous:

	<b>1% Decrease (4.34%)</b>	<b>Current Discount Rate (5.34%)</b>	<b>1% Increase (6.34%)</b>
Mayfield Electric & Water System's Net OPEB Liability	\$ 4,135,882	\$ 3,219,321	\$ 2,466,519

The following presents the Board's allocated portion of the net OPEB liability of the System, calculated using the healthcare cost trend rate, as well as what the Board's allocated portion of the System's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate for non-hazardous:

	<b>Decrease (1%)</b>	<b>Current Cost Trend Rate</b>	<b>Increase (1%)</b>
Mayfield Electric & Water System's Net OPEB Liability	\$ 2,492,559	\$ 3,219,321	\$ 4,101,264

**Employer's Portion of the Collective OPEB Liability:** The Board's proportionate share of the net OPEB liability, as indicated in the prior table, is \$3,219,321, or approximately 0.133322%. The net OPEB liability was distributed based on 2020 actual employer contributions to the plan.

**Measurement Date:** June 30, 2020 is the actuarial valuation and measurement date upon which the total OPEB liability is based.

**Changes in Assumptions and Benefit Terms:** Since the prior measurement date, there have been no material assumption changes.

**Changes Since Measurement Date:** There were no changes between the measurement date of the collective net OPEB liability and the employer's reporting date.

**OPEB Expense:** The Board was allocated OPEB expense of \$436,025 related to the CERS for the year ending June 30, 2021.

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

**NOTE E: Employees Retirement System and Other Postemployment Benefits Plan-Cost Sharing -CERS - Continued**

C. OPEB Information- (Continued)

**Deferred Outflows and Deferred Inflows:** Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce OPEB expense they are labeled as deferred inflows. If they will increase OPEB expense they are labeled as deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average remaining service life of the active and inactive System members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period. Deferred inflows and outflows as of the Measurement Date include:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 537,881	\$ 538,301
Difference between projected and actual investment earnings on Plan investments	172,693	65,690
Changes in proportion & differences between employers contributions and proportion share of contributions	125,553	2,447
Change of assumptions	559,972	3,405
Employer contributions subsequent to the measurement date	248,572	-
<b>Total</b>	<b>\$ 1,644,671</b>	<b>\$ 609,843</b>

Deferred outflows of resources resulting from employer contributions subsequent to the measurement date of \$248,572 which include the implicit subsidy reported of \$79,009, will be recognized as a reduction of net OPEB liability in the year ending June 30, 2022. The remainder of the deferred outflows and deferred inflows of resources are amortized over the remaining service lives of participants with remaining amortization as follows:

	Year Ending	
	2022	\$ 207,860
	2023	239,526
	2024	178,798
	2025	166,228
	2026	(6,156)
<b>Total</b>		<b>\$ 786,256</b>



**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
NOTES TO THE FINANCIAL STATEMENTS- (Continued)  
FOR THE YEAR ENDED JUNE 30, 2021

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**NOTE E: Employees Retirement System and Other Postemployment Benefits Plan-Cost Sharing -CERS - Continued**

C. OPEB Information- (Continued)

**OPEB Plan Fiduciary Net Position:** Detailed information about the OPEB plans' fiduciary net position is available in the separately issued OPEB plan financial reports.

**NOTE F: 401(K)**

A tax-deferred 401(K) plan was implemented on February 1, 1986. The 401(k)-contribution match was reduced to 2% for each employee that participates during the fiscal year. The amount of contribution by the System for the years ended June 30, 2021, 2020 and 2019, respectively, was \$65,424, \$60,615 and \$97,825.

**NOTE G: Risk Management**

The System is subject to various types of liabilities, but it is adequately insured for such incidents that could arise from both inside and outside the organization.

**NOTE H: Subsequent Events**

Management has evaluated subsequent events that may require disclosure in the financial statements through October 30, 2020, the date the financial statements were available to be issued.

**NOTE I: Covid-19**

In December 2019, a novel strain of coronavirus surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the Board could be materially adversely affected. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF NET PENSION LIABILITY AND RELATED RATIOS BASED ON  
PARTICIPATION IN COUNTY RETIREMENT SYSTEM  
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018	2017	2016	2015
Total Net Pension Liability for County Employees Retirement System	\$ 7,669,917,211	\$ 7,033,044,552	\$ 6,090,304,793	\$ 5,853,307,482	\$ 4,923,618,237	\$ 4,299,525,565	\$ 3,244,377,000
Employer's Proportion (Percentage) of Net Pension Liability	0.13336%	0.12728%	0.12460%	0.12149%	0.12064%	0.12229%	0.12480%
Employers Proportion (Amount) of Net Pension Liability	10,228,678	8,951,518	7,588,642	7,111,242	5,939,618	5,257,779	4,048,885
Employer's Covered-Employer payroll	3,519,769	3,404,646	3,179,050	3,136,663	2,958,018	2,877,766	3,129,379
Employer's Proportionate Share (Amount) of Net Pension Liability As a Percentage of Employer's Covered-Employer Payroll	290.61%	262.92%	238.71%	226.71%	200.80%	182.70%	129.38%
Total Pension Plan's Fiduciary Net Position	\$ 7,027,327	\$ 7,159,921	\$ 7,018,963	\$ 6,687,237,095	\$ 6,141,394	\$ 6,440,800	\$ 6,528,146
Total Pension's Plan Pension Liability	\$ 14,697,244	\$ 14,192,966	\$ 13,109,268	\$ 12,540,544,538	\$ 11,065,013	\$ 10,740,325	\$ 9,772,523
Total Pension Plan's Fiduciary Net Position as a Percentage to Total Pension Liability	47.81%	50.45%	53.54%	53.32%	55.50%	59.97%	66.80%

Notes:

- 1) The amounts presented for each fiscal year were determined as of the prior year end which is the valuation date of the related liability.
- 2) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments will present information for those years which information is available.
- 3) Changes in Assumptions and Benefit Terms: See notes to the basic financial statements

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF EMPLOYER'S CONTRIBUTIONS  
COUNTY EMPLOYEES' RETIREMENT SYSTEM  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution for pension	\$ 679,315	\$ 657,097	\$ 515,642	\$ 454,189	\$ 552,558	\$ 490,948	\$ 556,331
System's contributions in relation to the statutorily required contribution	<u>(679,315)</u>	<u>(657,097)</u>	<u>(515,642)</u>	<u>(454,189)</u>	<u>(552,558)</u>	<u>(490,948)</u>	<u>(556,331)</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
System's contributions as a percentage of statutorily required contribution for pension	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
System's Covered-Employee payroll	3,519,769	3,404,646	#####	#####	#####	#####	#####
Contributions as a percentage of its covered employee payroll	19.30%	19.30%	16.22%	14.48%	18.68%	17.06%	17.78%

Notes: This is a ten-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until ten years of information is available.

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF NET OPEB LIABILITY AND RELATED RATIOS BASED ON  
PARTICIPATION IN COUNTY RETIREMENT SYSTEM  
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018
Total Net OPEB Liability for County Employees Retirement System	\$ 2,414,695,884	\$ 1,681,954,950	\$ 1,775,480,122	\$ 2,010,342,054
Employer's Proportion (Percentage) of Net OPEB Liability	0.133322%	0.127245%	0.124597%	0.12149%
Employers Proportion (Amount) of Net OPEB Liability	3,219,321	2,140,204	2,212,195	2,442,385
Employer's Covered-Employer payroll	3,519,769	3,404,646	3,179,050	3,136,663
Employer's Proportionate Share (Amount) of Net OPEB Liability As a Percentage of Employer's Covered-Employer Payroll	91.46%	62.86%	69.59%	77.87%
Total Plan's Fiduciary Net Position	\$ 2,581,613	\$ 2,569,511	\$ 2,414,126	\$ 2,212,535,662
Total OPEB Liability	\$ 4,996,309	\$ 4,251,466	\$ 4,189,606	\$ 4,222,877,716
Total Plan's Fiduciary Net Position as a Percentage to Total OPEB Liability	51.7%	60.4%	57.6%	52.4%

Notes:

- 1) The amounts presented for each fiscal year were determined as of the prior year end which is the valuation date of the related liability.
- 2) This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments will present information for those years which information is available.
- 3) Changes in Assumptions and Benefit Terms: See notes to the basic financial statements

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF EMPLOYER'S OPEB CONTRIBUTIONS  
PARTICIPATION IN COUNTY RETIREMENT SYSTEM  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution for pension	\$ 167,541	\$ 162,061	\$ 167,218	\$ 147,423
System's contributions in relation to the statutorily required contribution	<u>(167,541)</u>	<u>(162,061)</u>	<u>(167,218)</u>	<u>(147,423)</u>
Annual contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
System's contributions as a percentage of statutorily required contribution for pension	100.00%	100.00%	100.00%	100.00%
System's Covered-Employee payroll	#####	#####	#####	#####
Contributions as a percentage of its covered employee payroll	4.76%	4.76%	5.26%	4.70%

\*\* This is a ten-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until ten years of information is available.

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
SCHEDULE OF CHANGES IN UTILITY PLANT ASSETS  
ELECTRIC PLANT IN SERVICE  
JUNE 30, 2021

	PLANT IN SERVICE				ACCUMULATED DEPRECIATION / RETIREMENTS						
	BALANCE 7/1/20	ADDITIONS	RETIRE- MENTS	OTHER INCREASE (DECREASE)	BALANCE 6/30/21	BALANCE 7/1/20	DEPRECI- ATION ACCRUALS	(ORIGINAL) (COSTS)	(REMOVAL) (COSTS)	OTHER (INCREASE) DECREASE	BALANCE 6/30/21
<b>ELECTRIC PLANT</b>											
Land & Land Rights TVA	3,486	-	-	-	3,486	-	-	-	-	-	-
Clear. Land & Row TVA	4,738	-	-	-	4,738	3,596	-	-	-	-	3,596
Poles & Fixtures TVA	18,919	-	-	-	18,919	18,919	-	-	-	-	18,919
OH Cond & Devices TVA	17,959	-	-	-	17,959	17,959	-	-	-	-	17,959
Land & Land Rights	78,433	-	-	-	78,433	-	-	-	-	-	-
Structures & Imp	74,301	-	-	-	74,301	46,163	1,857	-	-	-	48,020
Station equipment	4,518,045	-	-	-	4,518,045	1,460,059	180,722	-	-	-	1,640,781
Poles & Towers & Fixt	2,356,652	132,259	50,342	-	2,438,569	723,019	83,695	50,342	31,706	382	725,048
Over Cond & Devices	1,767,684	55,718	11,763	-	1,811,639	746,063	35,823	11,763	9,976	-	760,147
Underground Conduit	29,033	-	-	-	29,033	22,648	-	-	-	-	22,648
Underground Conductors	626,180	47,644	3,156	-	670,668	395,135	26,620	3,156	1,206	-	417,393
Line transformers	2,617,218	50,698	9,267	-	2,658,649	1,393,672	65,917	9,267	6,023	-	1,444,299
Services	1,472,553	111,330	67,599	-	1,516,284	320,825	52,343	67,599	12,422	-	293,147
Meters	3,393,798	191,466	10,545	-	3,574,719	1,826,500	278,321	10,545	-	-	2,094,276
Inst. on cust. premises	691,396	25,385	8,234	-	708,547	42,697	41,762	8,234	1,847	-	74,378
St Light/Signal Systems	479,981	9,361	2,042	-	487,300	(131,839)	28,858	2,042	4,091	142	(108,972)
Land & Land Rights	81,582	-	-	-	81,582	-	-	-	-	-	-
Structures & Imp	882,308	-	-	-	882,308	445,878	22,058	-	-	-	467,936
Office Furn & Equip	59,177	-	-	-	59,177	41,882	2,367	-	-	-	44,249
Transportation Equip	874,867	3,971	-	(3,971)	874,867	564,196	22,948	-	-	-	587,144
Mapping Department	74,642	9,615	-	-	84,257	27,179	3,114	-	-	-	30,293
Tools, Shop & Garage	76,193	-	-	-	76,193	15,821	6,095	-	-	-	21,916
Laboratory equipment	24,380	-	-	-	24,380	6,442	1,794	-	-	-	8,236
Power Operated Eq	379,595	14,665	-	-	394,260	350,574	43,686	-	-	-	394,260
Communication equipment	65,259	-	-	-	65,259	18,801	3,263	-	-	-	22,064
Misc Equip/Kitchen Etc	24,368	-	-	-	24,368	5,559	2,437	-	-	-	7,996
Other Tangible Property	858,489	6,995	-	-	865,484	115,166	21,608	-	-	-	136,774
<b>Sub-Total</b>	<b>21,551,236</b>	<b>659,107</b>	<b>162,948</b>	<b>(3,971)</b>	<b>22,043,424</b>	<b>8,476,914</b>	<b>925,288</b>	<b>162,948</b>	<b>67,271</b>	<b>524</b>	<b>9,172,507</b>
<b>ELECTRIC CONSTRUCTION &amp; RETIREMENT WORK IN PROCESS</b>	<b>340,712</b>	<b>721,562</b>	<b>821,975</b>	<b>-</b>	<b>240,299</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Total electric utility plant	21,891,948	1,380,669	984,923	(3,971)	22,283,723	8,476,914	925,288	162,948	67,271	524	9,172,507

**ELECTRIC PLANT BOARD**  
**OF THE CITY OF MAYFIELD, KENTUCKY**  
SCHEDULE OF CHANGES IN UTILITY PLANT ASSETS  
WATER PLANT IN SERVICE  
JUNE 30, 2021

	PLANT IN SERVICE				ACCUMULATED DEPRECIATION / RETIREMENTS						
	BALANCE 7/1/20	ADDITIONS	RETIRE- MENTS	OTHER INCREASE (DECREASE)	BALANCE 6/30/21	BALANCE 7/1/20	DEPRECI- ATION ACCRUALS	(ORIGINAL) (COSTS)	(REMOVAL) (COSTS)	OTHER (INCREASE) DECREASE	BALANCE 6/30/21
<b>WATER PLANT</b>											
Water Sup Land - Plant	704,154	16,411		(522,951)	197,614	-	-	-	-	-	-
Beech Street - Prop	14,575				14,575	-	-	-	-	-	-
Lot-16 Wt Plant- Prop	215				215	-	-	-	-	-	-
Lots-two Fuller Prop	6,787				6,787	-	-	-	-	-	-
Reservoir & Standpipe	1,406				1,406	-	-	-	-	-	-
1 Mill Gallon Tank	33,362			522,951	556,313						
Pumping Purif Wells	859,301	5,940			865,241	1,084,729			-	-	1,084,729
Telemetry	825,404	240			825,644						
Water Engineer Study	32,759				32,759						
Plant Generator	125,691				125,691	22,595	2,514		-	-	25,109
Elec Pumping Equip	36,173				36,173	36,173			-	-	36,173
Water Plant Wells	211,911				211,911				-	-	-
Water Plant	233,579				233,579	39,605	4,223		-	-	43,828
Purif Systems	69,200				69,200	53,748			-	-	53,748
Trans Mains/Acc	76,654				76,654	53,524	1,290		-	-	54,814
Dist Mains/Acc	2,501,899				2,501,899	1,920,835	50,038		-	-	1,970,873
Services	3,402,879	29			3,402,908	1,808,389	102,087		-	-	1,910,476
Meters	4,095				4,095	(265,130)			-	-	(265,130)
Fire Hydrants	321,850				321,850	298,534	9,655		-	-	308,189
Office Furn & Fixtures	-				-	(27,071)			-	-	(27,071)
Trans Equipment	760,091	175,171		33,669	968,931	140,728	51,822		-	-	192,550
Leak Loggers & Detector	39,340				39,340	2,995		-	-	-	2,995
Tools & work equipment	87,431				87,431	49,241			-	-	49,241
Trackhoe	33,669			(33,669)	-				-	-	-
Backhoe	45,445				45,445	43,034			-	-	43,034
John Deere Tractor	38,023				38,023	17,269			-	-	17,269
Boring Machine & Trailer	86,900		9,900		77,000	64,690			-	-	64,690
Sub-Total	10,552,793	197,791	9,900	-	10,740,684	5,343,888	221,629	-	-	-	5,565,517
<b>WATER CONSTRUCTION AND RETIREMENT WORK IN PROCESS</b>	2,004,753	226,269	120,997		2,110,025	-	-	-	-	-	-
Total water utility plant	12,557,546	424,060	130,897	-	12,850,709	5,343,888	221,629	-	-	-	5,565,517

**ELECTRIC PLANT BOARD**  
**OF THE CITY OF MAYFIELD, KENTUCKY**  
 SCHEDULE OF CHANGES IN UTILITY PLANT ASSETS  
 SEWER PLANT IN SERVICE  
 JUNE 30, 2021

	PLANT IN SERVICE				ACCUMULATED DEPRECIATION / RETIREMENTS					
	BALANCE 07/01/20	ADDITIONS	RETIRE- MENTS	BALANCE 6/30/21	BALANCE 07/01/20	DEPRECI- ATION ACCRUALS	(ORIGINAL) (COSTS)	(REMOVAL) (COSTS)	OTHER (INCREASE) DECREASE	BALANCE 6/30/21
<b>SEWER PLANT</b>										
Land & land rights	29,545	-	-	29,545	-	-	-	-	-	-
Structures - mains and laterals	4,405,381	82,513		4,487,894	-	-	-	-	-	-
Lift station structures	655,272	40,332		695,604	-	-	-	-	-	-
Treatment plant structures and improvements	4,195,735	5,550		4,201,285	4,940,769	191,347	-	-	-	5,132,116
Lift station equip	422,843	1,429		424,272	264,642	18,380	-	-	-	283,022
Treatment plant eq	867,151	182,809		1,049,960	-	-	-	-	-	-
Office furniture	-			-	(13,014)	-	-	-	-	(13,014)
General tools & work equipment	187,027			187,027	-	-	-	-	-	-
Backhoe-tools, equip	105,113			105,113	281,152	7,028	-	-	-	288,180
Mapping Department	77,224			77,224						
Transportation equip	789,334	5,501		794,835	332,204	50,741	-	-	-	382,945
Sub-total	11,734,625	318,134	-	12,052,759	5,805,753	267,496	-	-	-	6,073,249
<b>SEWER CONSTRUCTION WORK IN PROCESS</b>	1,569,211	1,058,557	625,825	2,001,943	-	-	-	-	-	-
Total sewer utility plant	13,303,836	1,376,691	625,825	14,054,702	5,805,753	267,496	-	-	-	6,073,249



**ELECTRIC PLANT BOARD**  
**OF THE CITY OF MAYFIELD, KENTUCKY**  
 SCHEDULE OF CHANGES IN UTILITY PLANT ASSETS  
 INTERNET PLANT IN SERVICE  
 JUNE 30, 2021

	PLANT IN SERVICE				ACCUMULATED DEPRECIATION / RETIREMENTS						
	BALANCE 7/1/20	ADDITIONS	RETIRE- MENTS	OTHER INCREASE (DECREASE)	BALANCE 6/30/21	BALANCE 7/1/20	DEPRECI- ATION ACCRUALS	(ORIGINAL) (COSTS)	(REMOVAL) (COSTS)	OTHER (INCREASE) DECREASE	BALANCE 6/30/21
INTERNET PLANT											
Land & Land Rights	4,275	89,308	-	-	93,583	-	-	-	-	-	-
Station Equipment-Tower Structures	993,362	-	-	-	993,362	476,390	39,735	-	-	-	516,125
Antennas & Fixtures	69,251	-	-	-	69,251	54,092	4,619	-	-	-	58,711
Services	3,233	-	-	-	3,233	(8,275)	-	-	-	-	(8,275)
Modems & Hardware	779,995	290,568	409,842	-	660,721	127,216	57,451	409,842	-	-	(225,175)
General Plant	145,245	-	99,817	-	45,428	145,321	1,326	-	-	-	146,647
Equipment	97,750	46,859	-	-	144,609	-	-	-	-	-	-
Office Equipment	27,399	3,970	-	-	31,369	-	-	-	-	-	-
Communication Equipment	2,610	-	-	-	2,610	1,783	26	-	-	-	1,809
Transportation Equipment	15,297	-	-	-	15,297	-	-	-	-	-	-
Sub-Total	28,073	124,788	-	-	152,861	9,240	1,191	-	-	-	10,431
	2,166,490	555,493	509,659	-	2,212,324	805,767	104,348	409,842	-	-	500,273
INTERNET CONSTRUCTION AND RETIREMENT WORK IN PROCESS	145,192	449,803	264,715	-	330,280	-	-	-	-	-	-
Total Internet utility plant	2,311,682	1,005,296	774,374	-	2,542,604	805,767	104,348	409,842	-	-	500,273

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
SCHEDULE OF OPERATING REVENUES AND EXPENSES-DETAILED  
FOR THE YEAR ENDED JUNE 30, 2021  
(With Comparative 2020)

<b>OPERATING REVENUES</b>	<b>2021</b>	<b>2020</b>
<b>Electric Fund</b>		
Residential sales non-farm	\$ 5,845,375	\$ 5,918,189
Small lighting and power sales	2,055,806	2,060,008
Large lighting and power sales	7,035,857	7,535,408
Street and outdoor lighting sales	114,080	98,176
Individual outdoor lighting sales	122,257	119,969
Forfeited discounts	20,326	42,822
Miscellaneous service fees	43,484	15,931
Miscellaneous service fees reconnect	27,953	32,295
Rent from electric	92,277	103,548
Interdepartmental rentals	151,140	151,140
Other electric revenues	4,200	2,400
TOTAL SALES TO CUSTOMERS	<u>15,512,755</u>	<u>16,079,886</u>
Merchandise jobbing	<u>958</u>	<u>134,611</u>
<b>TOTAL OPERATING REVENUES</b>	<u><u>\$ 15,513,713</u></u>	<u><u>\$ 16,214,497</u></u>

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
SCHEDULE OF OPERATING REVENUES AND EXPENSES-DETAILED  
FOR THE YEAR ENDED JUNE 30, 2021  
(With Comparative 2020)

OPERATING EXPENSES	2021	2020
<b>Electric Fund</b>		
<b>PURCHASED POWER</b>		
Purchase power	\$ 10,252,053	\$ 10,936,733
Rent	143,981	149,275
<b>TOTAL PURCHASED POWER</b>	<b>\$ 10,396,034</b>	<b>\$ 11,086,008</b>
<b>OPERATIONS EXPENSE</b>		
<b>Distribution expense:</b>		
Operations, supervision, engine	\$ 18,958	\$ 96,399
Station expense and supplies	56,483	75,236
Street lighting and signal	-	(30)
Meter expense-set,rem,test	31,915	21,712
Customer installation	3,349	1,493
Rent	23,325	22,000
Miscellaneous	187,193	181,609
<b>Total distribution expense</b>	<b>321,223</b>	<b>398,419</b>
<b>TOTAL OPERATIONS EXPENSE</b>	<b>\$ 321,223</b>	<b>\$ 398,419</b>
<b>CUSTOMER SERVICE</b>		
<b>Customer account expense:</b>		
Meter readings	\$ 68,637	\$ 61,600
Customer receivables, cashier sd co	417,135	385,804
Uncollectible accounts	19,975	11,064
Demonstration, selling, electrical device	29,873	27,354
Customer service, information and inst exp	46,264	40,307
<b>Total customer accounts expense</b>	<b>581,884</b>	<b>526,129</b>
<b>Selling expense:</b>		
Miscellaneous general expense	-	17,007
<b>Total selling expense</b>	<b>-</b>	<b>17,007</b>
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$ 581,884</b>	<b>\$ 543,136</b>
<b>GENERAL AND ADMINISTRATIVE</b>		
<b>General and administrative expense:</b>		
Administration and general salaries	\$ 168,580	\$ 160,211
Office supplies and expense	210,772	193,971
Outside services, auditor, consultants, attorney	11,145	10,710
Property insurance	26,057	25,473
Injuries and damages	140,294	143,559
Employee benefit and pension	1,215,928	1,100,916
Duplicated charges	(12,797)	(11,517)
Miscellaneous	53,056	20,261
<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<b>\$ 1,813,035</b>	<b>\$ 1,643,584</b>

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
SCHEDULE OF OPERATING REVENUES AND EXPENSES-DETAILED  
FOR THE YEAR ENDED JUNE 30, 2021  
(With Comparative 2020)

OPERATING EXPENSES	2021	2020
<b>Electric Fund</b>		
<b>MAINTENANCE</b>		
Supervision and engineering	\$ 18,627	\$ 46,898
Station equipment	14,059	16,836
Overhead line and device	694,592	808,299
Underground lines	12,190	26,126
Line transformers	1,834	41,340
Street lights and signals	28	-
Meters	-	617
GA-plant maintenance	12,928	17,491
<b>TOTAL MAINTENANCE</b>	<b>\$ 754,258</b>	<b>\$ 957,607</b>

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
SCHEDULE OF OPERATING REVENUES AND EXPENSES-DETAILED  
FOR THE YEAR ENDED JUNE 30, 2021  
(With Comparative 2020)

<b>OPERATING REVENUES</b>	<b>2021</b>	<b>2020</b>
<b>Water Fund</b>		
Sales of water		
Residential water sales	\$ 917,725	\$ 855,016
Commercial water sales	932,844	937,775
Public fire protection	56,565	56,695
Rural water sales	67,878	64,936
Customer forfeited discounts	5,454	8,848
<b>TOTAL SALES TO CUSTOMERS</b>	<b>1,980,466</b>	<b>1,923,270</b>
Merchandise jobbing	276,782	229,342
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 2,257,248</b>	<b>\$ 2,152,612</b>

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
SCHEDULE OF OPERATING REVENUES AND EXPENSES-DETAILED  
FOR THE YEAR ENDED JUNE 30, 2021  
(With Comparative 2020)

<b>OPERATING EXPENSES</b>	<b>2021</b>	<b>2020</b>
<b>Water System</b>		
<b>OPERATIONS EXPENSE</b>		
<b>Power and pumping expense:</b>		
Operating labor and expense	\$ 189,929	\$ 160,330
Maintenance of structures	24,391	23,287
Power purchased	88,592	94,754
<b>Total power and pumping expense</b>	<b>\$ 302,912</b>	<b>\$ 278,371</b>
<b>Purification expense:</b>		
Purification labor and expense	\$ 40,714	\$ 52,235
Maintenance purification equip	3,126	-
<b>Total purification expense</b>	<b>\$ 43,840</b>	<b>\$ 52,235</b>
<b>Transmission and distribution expense:</b>		
Operation of distribution lines	\$ 75,676	\$ 82,905
Maintenance of mains	114,182	146,421
Maintenance of other distribution plant	245,838	209,460
<b>Total transmission and distribution expense</b>	<b>435,696</b>	<b>438,786</b>
<b>TOTAL OPERATIONS EXPENSE</b>	<b>\$ 782,448</b>	<b>\$ 769,392</b>
<b>CUSTOMER SERVICE</b>		
<b>Customer accounting and collection expense:</b>		
Customer billing and accounting	\$ 223,449	\$ 210,704
Uncollectible accounts	2,136	2,532
Rent	31,500	31,500
<b>Total customer accounting and collection expense</b>	<b>257,085</b>	<b>244,736</b>
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$ 257,085</b>	<b>\$ 244,736</b>
<b>GENERAL AND ADMINISTRATIVE</b>		
<b>General and administrative expense:</b>		
General office salaries and expense	\$ 511	\$ 4,155
General office supplies	37,414	39,875
Special services	17,944	16,850
Insurance	16,300	16,981
Injuries and damages	22,727	26,923
Employee welfare and pension	845,628	652,403
Miscellaneous general expense	3,593	7,438
Rent	3,466	3,466
<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<b>\$ 947,583</b>	<b>\$ 768,091</b>

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
SCHEDULE OF OPERATING REVENUES AND EXPENSES-DETAILED  
FOR THE YEAR ENDED JUNE 30, 2021  
(With Comparative 2020)

<b>OPERATING REVENUES</b>	<b>2021</b>	<b>2020</b>
<b>Sewer Fund</b>		
Sewer sales	\$ 2,089,585	\$ 1,978,819
Penalties	5,941	10,359
Misc revenue, treatment	128,895	125,069
Miscellaneous	8,400	7,200
<b>TOTAL SALES TO CUSTOMERS</b>	<b>2,232,821</b>	<b>2,121,447</b>
Merchandise jobbing	57,660	76,672
<b>TOTAL OPERATING REVENUES</b>	<b>\$ 2,290,481</b>	<b>\$ 2,198,119</b>

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
SCHEDULE OF OPERATING REVENUES AND EXPENSES-DETAILED  
FOR THE YEAR ENDED JUNE 30, 2021  
(With Comparative 2020)

<b>OPERATING EXPENSES</b>	<b>2021</b>	<b>2020</b>
<b>Sewer Fund</b>		
<b>OPERATIONS EXPENSE</b>		
<b>Collection expense:</b>		
Operation supervision and engineering	\$ 10,400	\$ 9,600
Maintenance of sewer lines	309,108	405,537
Maintenance of lift station equip	163,084	204,072
<b>Total collection expense</b>	<b>482,592</b>	<b>619,209</b>
<b>Treatment plant expense:</b>		
Operation supervision and engineering	215,927	197,986
Operation labor	104,821	98,569
Supplies	271,095	280,059
Maintenance of structures and improvements	6,254	11,478
Maintenance of equipment	-	4,924
<b>Total treatment plant expense</b>	<b>598,097</b>	<b>593,016</b>
<b>TOTAL OPERATIONS EXPENSE</b>	<b>\$ 1,080,689</b>	<b>\$ 1,212,225</b>
<b>CUSTOMER SERVICE</b>		
<b>Customer accounting and collection expense:</b>		
Customer billing and accounting	\$ 161,951	\$ 148,036
Uncollectible accounts	2,246	2,610
Rent	7,500	7,500
<b>Total customer accounting and collection expense</b>	<b>171,697</b>	<b>158,146</b>
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$ 171,697</b>	<b>\$ 158,146</b>
<b>GENERAL AND ADMINISTRATIVE</b>		
<b>General and administrative expense:</b>		
Other general labor	\$ 26,055	\$ 24,216
General office supplies	32,061	27,085
Special services	16,834	16,284
Insurance	25,294	26,292
Injuries and damages	19,853	24,460
Employee welfare	652,452	543,782
Miscellaneous	2,639	6,011
Rent	2,778	2,778
<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<b>\$ 777,966</b>	<b>\$ 670,908</b>



**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
SCHEDULE OF OPERATING REVENUES AND EXPENSES-DETAILED  
FOR THE YEAR ENDED JUNE 30, 2021  
(With Comparative 2020)

<b>OPERATING REVENUES</b>	<b>2021</b>	<b>2020</b>
<b>Internet Fund</b>		
Internet sales	\$ 438,106	\$ 372,998
Penalties	1,911	1,939
Rental income	<u>73,746</u>	<u>66,958</u>
<b>TOTAL SALES TO CUSTOMERS</b>	<u><b>513,763</b></u>	<u><b>441,895</b></u>
Merchandise Jobbing	<u>7,123</u>	<u>10,751</u>
<b>TOTAL OPERATING REVENUES</b>	<u><b>\$ 520,886</b></u>	<u><b>\$ 452,646</b></u>

**ELECTRIC PLANT BOARD  
OF THE CITY OF MAYFIELD, KENTUCKY**  
SCHEDULE OF OPERATING REVENUES AND EXPENSES-DETAILED  
FOR THE YEAR ENDED JUNE 30, 2021  
(With Comparative 2020)

<b>OPERATING EXPENSES</b>	<b>2021</b>	<b>2020</b>
<b>Internet Fund</b>		
<b>PURCHASED POWER</b>		
DS 3 Support	\$ 37,168	\$ 35,088
Rental	-	34
<b>TOTAL PURCHASED POWER</b>	<b>\$ 37,168</b>	<b>\$ 35,122</b>
<b>OPERATIONS EXPENSE</b>		
<b>Distribution expense:</b>		
Operation supervision and engineering	\$ 39,473	\$ 38,516
Miscellaneous	14,529	15,494
Monthly Support	121,961	82,161
Station expense and supplies	6,610	983
<b>Total distribution expense</b>	<b>182,573</b>	<b>137,154</b>
<b>TOTAL OPERATIONS EXPENSE</b>	<b>\$ 182,573</b>	<b>\$ 137,154</b>
<b>CUSTOMER SERVICE</b>		
<b>Sales promotion expense:</b>		
Advertising	\$ 2,071	\$ 4,043
<b>Total selling expense</b>	<b>2,071</b>	<b>4,043</b>
<b>Customer accounting and collection expense:</b>		
Customer billing and accounting	18,468	20,122
Uncollectible accounts	249	438
<b>Total customer accounting and collection expense</b>	<b>18,717</b>	<b>20,560</b>
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$ 20,788</b>	<b>\$ 24,603</b>
<b>GENERAL AND ADMINISTRATIVE</b>		
<b>General and administrative expense:</b>		
Office Salaries	\$ 64,059	\$ 59,310
Insurance	121	1,042
Employee welfare	99,176	68,119
Outside services	165	148
<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<b>\$ 163,521</b>	<b>\$ 128,619</b>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Electric Plant Board of the  
City of Mayfield  
Mayfield, Kentucky

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the accompanying financial statements of the Electric Plant Board of the City of Mayfield as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 3, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Electric Plant Board's financial statements for the year ended June 30, 2021, are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on the compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**Romaine & Towery**

Certified Public Accountants  
December 3, 2021  
Mayfield, KY