

## Hyden-Leslie County Water District

### Adjusting Journal Entries

January 1, 2022 - December 31, 2022

| Date                             | Reference | Account | Description                                  | WP Reference | Debit     | Credit    | Net Income Effect |
|----------------------------------|-----------|---------|--|--------------|-----------|-----------|-------------------|
| <b>Adjusting Journal Entries</b> |           |         |  |              |           |           |                   |
| 12/31/22                         | AJE01     |         | To correct beginning R/E balance             |              |           |           | (29.00)           |
|                                  |           | 5220    | Repair & Maintenance / Field                 |              | 9.00      |           |                   |
|                                  |           | 5520    | Insurance - General                          |              | 20.00     |           |                   |
|                                  |           | 3080    | Retained Earnings (-Deficit)                 |              |           | 29.00     |                   |
| 12/31/22                         | AJE02     |         | To adjust interest payable and loan balances |              |           |           | 6,230.00          |
|                                  |           | 2066    | Accrued Interest Payable - RD                |              | 323.00    |           |                   |
|                                  |           | 2069    | Accrued Interest Payable RD Series A         |              |           | 554.00    |                   |
|                                  |           | 2073    | Accrued Interest Payable RD Series B         |              |           | 124.00    |                   |
|                                  |           | 2820    | Long Term Debt FMHA                          |              | 6,903.00  |           |                   |
|                                  |           | 5620    | Interest Expense FMHA                        |              |           | 107.00    |                   |
|                                  |           | 5626    | Interest Expense RD                          |              |           | 323.00    |                   |
|                                  |           | 5628    | Interest Expense RD 2012 Series A            |              | 554.00    |           |                   |
|                                  |           | 5629    | Interest Expense RD 2012 Series B            |              | 124.00    |           |                   |
|                                  |           | 2060    | Accrued Interest Payable - EDA               |              | 680.00    |           |                   |
|                                  |           | 2065    | Accrued Interest Payable - FMHA              |              | 104.00    |           |                   |
|                                  |           | 5620    | Interest Expense FMHA                        |              |           | 784.00    |                   |
|                                  |           | 2067    | Accrued Interest Payable - KIA               |              |           | 44,004.00 |                   |
|                                  |           | 2830    | Long Term Debt KIA                           |              | 44,004.00 |           |                   |
|                                  |           | 2068    | Accrued Service Fee - KIA                    |              | 2,693.00  |           |                   |
|                                  |           | 5625    | Interest Expense KIA                         |              |           | 2,693.00  |                   |
|                                  |           | 5625    | Interest Expense KIA                         |              | 3,795.00  |           |                   |
|                                  |           | 2067    | Accrued Interest Payable - KIA               |              |           | 3,795.00  |                   |
|                                  |           | 4090    | Miscellaneous Revenues                       |              |           | 6,796.00  |                   |
| 12/31/22                         | AJE03     |         | To reverse prior year A/P                    |              |           |           | 52,306.00         |
|                                  |           | 5340    | Water Analysis                               |              |           | 400.00    |                   |
|                                  |           | 5230    | Vehicle / Repair & Maintenance               |              |           | 142.00    |                   |
|                                  |           | 5110    | Utilities                                    |              |           | 30,843.00 |                   |
|                                  |           | 5240    | Gas & Diesel                                 |              |           | 205.00    |                   |
|                                  |           | 5240    | Gas & Diesel                                 |              |           | 88.00     |                   |
|                                  |           | 5240    | Gas & Diesel                                 |              |           | 2,737.00  |                   |
|                                  |           | 5220    | Repair & Maintenance / Field                 |              |           | 2,865.00  |                   |
|                                  |           | 5220    | Repair & Maintenance / Field                 |              |           | 787.00    |                   |
|                                  |           | 5220    | Repair & Maintenance / Field                 |              |           | 1,398.00  |                   |
|                                  |           | 5220    | Repair & Maintenance / Field                 |              |           | 499.00    |                   |
|                                  |           | 5220    | Repair & Maintenance / Field                 |              |           | 137.00    |                   |
|                                  |           | 5220    | Repair & Maintenance / Field                 |              |           | 1,588.00  |                   |
|                                  |           | 5230    | Vehicle / Repair & Maintenance               |              |           | 90.00     |                   |
|                                  |           | 5220    | Repair & Maintenance / Field                 |              |           | 11.00     |                   |

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|----------|-----------|---------|--|--------------|-----------|-----------|-------------------|
|          |           | 5250    | Tools  |              |           | 6.00      |                   |
|          |           | 5235    | Equipment Repair & Maintenance                           |              |           | 44.00     |                   |
|          |           | 5235    | Equipment Repair & Maintenance                           |              |           | 57.00     |                   |
|          |           | 5220    | Repair & Maintenance / Field                             |              |           | 47.00     |                   |
|          |           | 5235    | Equipment Repair & Maintenance                           |              |           | 83.00     |                   |
|          |           | 5230    | Vehicle / Repair & Maintenance                           |              |           | 29.00     |                   |
|          |           | 5250    | Tools  |              |           | 249.00    |                   |
|          |           | 5130    | Repairs & Maintenance / Plant                            |              |           | 39.00     |                   |
|          |           | 5130    | Repairs & Maintenance / Plant                            |              |           | 333.00    |                   |
|          |           | 5130    | Repairs & Maintenance / Plant                            |              |           | 94.00     |                   |
|          |           | 5120    | Chemicals  |              |           | 2,103.00  |                   |
|          |           | 5235    | Equipment Repair & Maintenance                           |              |           | 3.00      |                   |
|          |           | 5235    | Equipment Repair & Maintenance                           |              |           | 431.00    |                   |
|          |           | 5220    | Repair & Maintenance / Field                             |              |           | 395.00    |                   |
|          |           | 5235    | Equipment Repair & Maintenance                           |              |           | 80.00     |                   |
|          |           | 5250    | Tools  |              |           | 19.00     |                   |
|          |           | 5550    | Fees and Dues  |              |           | 1,850.00  |                   |
|          |           | 5180    | Sludge Disposal  |              |           | 1,200.00  |                   |
|          |           | 5160    | Water Withdrawal Fee                                     |              |           | 2,138.00  |                   |
|          |           | 5240    | Gas & Diesel   |              |           | 1,186.00  |                   |
|          |           | 2010    | Accounts Payable - Trade                                 |              | 52,176.00 |           |                   |
|          |           | 2010    | Accounts Payable - Trade                                 |              | 130.00    |           |                   |
|          |           | 5490    | Other Office Expenses                                    |              |           | 130.00    |                   |
| 12/31/22 | AJE04     |         | To combine payroll liability accounts and adjust to zero |              |           |           | 46,877.00         |
|          |           | 2035    | KY Tax Withholding                                       |              | 2,173.00  |           |                   |
|          |           | 2040    | Federal Tax/Fice Withholding                             |              | 42,804.00 |           |                   |
|          |           | 2045    | KY Public Employees Deferred C                           |              |           | 51,031.00 |                   |
|          |           | 2046    | Colonial Life  |              |           | 1,819.00  |                   |
|          |           | 2048    | Leslie Co. Occupational Tax                              |              |           | 4,381.00  |                   |
|          |           | 2400    | Payroll Liability  |              | 59,131.00 |           |                   |
|          |           | 5020    | Payroll Taxes  |              |           | 46,877.00 |                   |
| 12/31/22 | AJE05     |         | To adjust accrued interest receivable to actual          |              |           |           | 304.00            |
|          |           | 1230    | Accrued Interest Receivable                              |              | 304.00    |           |                   |
|          |           | 4110    | Interest Income  |              |           | 304.00    |                   |
| 12/31/22 | AJE06     |         | To reclassify investment fees                            |              |           |           | 0.00              |
|          |           | 5550    | Fees and Dues  |              | 1,687.00  |           |                   |
|          |           | 4110    | Interest Income  |              |           | 1,687.00  |                   |

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| 12/31/22 | AJE07     |         | To reclassify grants receivable balances                      |              |          |          | 0.00              |
|          |           | 1260    | Other Receivables   |              | 6,233.00 |          |                   |
|          |           | 1265    | Grants Receivable   |              |          | 6,233.00 |                   |
| 12/31/22 | AJE08     |         | To Adjust Receivables to Proper Balance                       |              |          |          | (65.00)           |
|          |           | 1200    | Customer Accounts Receivable                                  |              | 487.00   |          |                   |
|          |           | 1250    | Returned Checks Receivable                                    |              |          | 487.00   |                   |
|          |           | 1240    | Tap-on Fees Receivable  |              | 1,258.00 |          |                   |
|          |           | 2020    | Customer Deposits - Current                                   |              |          | 1,258.00 |                   |
|          |           | 4050    | Tap on fees   |              | 65.00    |          |                   |
|          |           | 1240    | Tap-on Fees Receivable  |              |          | 65.00    |                   |
| 12/31/22 | AJE09     |         | To Reclassify Payment to Consolidated Pipe and Supple Company |              |          |          | 0.00              |
|          |           | 5220    | Repair & Maintenance / Field                                  |              | 1,799.00 |          |                   |
|          |           | 5520    | Insurance - General   |              |          | 1,799.00 |                   |
| 12/31/22 | AJE10     |         | To adjust unbilled receivables                                |              |          |          | 3,628.00          |
|          |           | 1220    | Unbilled  |              | 3,628.00 |          |                   |
|          |           | 4010    | Metered Sales Residential                                     |              |          | 3,628.00 |                   |
| 12/31/22 | AJE11     |         | To record receivable from United Industrial Services, Inc.    |              |          |          | 0.00              |
|          |           | 1260    | Other Receivables   |              | 2,965.00 |          |                   |
|          |           | 1450    | Pumping Equipment   |              |          | 2,965.00 |                   |
| 12/31/22 | AJE12     |         | To Adjust Other Liabilities                                   |              |          |          | (163.00)          |
|          |           | 2070    | School Tax Payable Leslie Co                                  |              |          | 166.00   |                   |
|          |           | 2072    | School Tax Payable Clay Co                                    |              |          | 1.00     |                   |
|          |           | 2050    | Sales Tax Payable   |              | 4.00     |          |                   |
|          |           | 4010    | Metered Sales Residential                                     |              | 163.00   |          |                   |
| 12/31/22 | AJE13     |         | To reclassify conversion fee and computers                    |              |          |          | (7,108.00)        |
|          |           | 5420    | Office Supplies   |              | 5,250.00 |          |                   |
|          |           | 1520    | Office Furniture & Equipment                                  |              |          | 5,250.00 |                   |
|          |           | 5420    | Office Supplies   |              | 1,858.00 |          |                   |
|          |           | 1520    | Office Furniture & Equipment                                  |              |          | 1,858.00 |                   |
| 12/31/22 | AJE14     |         | To place capitalized labor in service                         |              |          |          | 2,227.00          |
|          |           | 1500    | Meter & Meter Installations                                   |              | 2,227.00 |          |                   |
|          |           | 5015    | Capitalized Labor   |              |          | 2,227.00 |                   |

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| 12/31/22 | AJE15     |         | To Adjust Inventory to Actual                      |              |           |           | 23,595.00         |
|          |           | 1300    | Inventories  |              | 17,578.00 |           |                   |
|          |           | 5220    | Repair & Maintenance / Field                       |              |           | 17,578.00 |                   |
|          |           | 1305    | Chemicals  |              | 6,017.00  |           |                   |
|          |           | 5120    | Chemicals  |              |           | 6,017.00  |                   |
| 12/31/22 | AJE16     |         | To Adjust Compensated Wages to Actual              |              |           |           | (348.00)          |
|          |           | 5010    | Salaries & Wages                                   |              | 348.00    |           |                   |
|          |           | 2057    | Accrued Compensation Payable                       |              |           | 348.00    |                   |
| 12/31/22 | AJE17     |         | To Adjust Accrued Wages                            |              |           |           | (8,398.00)        |
|          |           | 5010    | Salaries & Wages                                   |              | 8,398.00  |           |                   |
|          |           | 2055    | Accrued Salaries & Wages                           |              |           | 8,398.00  |                   |
| 12/31/22 | AJE18     |         | To dispose of Hurts Creek pump & motor (asset #78) |              |           |           | 0.00              |
|          |           | 1455    | Reserve - Pumping Equipment                        |              | 5,603.00  |           |                   |
|          |           | 1450    | Pumping Equipment                                  |              |           | 5,603.00  |                   |
| 12/31/22 | AJE19     |         | To record December depreciation                    |              |           |           | (66,540.00)       |
|          |           | 1618    | Engineering-DOT US 421 Bridge                      |              | 700.00    |           |                   |
|          |           | 1415    | Reserve - Structures & Improvements                |              |           | 12,516.00 |                   |
|          |           | 1435    | Reserve - River & Other Intakes                    |              |           | 988.00    |                   |
|          |           | 1445    | Reserve - Supply Mains                             |              |           | 651.00    |                   |
|          |           | 1455    | Reserve - Pumping Equipment                        |              |           | 5,729.00  |                   |
|          |           | 1465    | Reserve - Water Treatment Equipment                |              |           | 10,377.00 |                   |
|          |           | 1475    | Reserve - Distribution Reservoirs                  |              |           | 5,224.00  |                   |
|          |           | 1485    | Reserve - Distribution Mains                       |              |           | 22,832.00 |                   |
|          |           | 1505    | Reserve - Meter & Meter Installations              |              |           | 2,967.00  |                   |
|          |           | 1515    | Reserve - Hydrants                                 |              |           | 286.00    |                   |
|          |           | 1525    | Reserve - Office Furniture & Equipment             |              |           | 420.00    |                   |
|          |           | 1535    | Reserve - Transportation Equipment                 |              |           | 2,078.00  |                   |
|          |           | 1545    | Reserve - Tools & Shop Equipment                   |              |           | 33.00     |                   |
|          |           | 1555    | Reserve - Power Operated Equipment                 |              |           | 3,033.00  |                   |
|          |           | 1565    | Reserve - Other Tangible Equipment                 |              |           | 106.00    |                   |
|          |           | 5640    | Depreciation Expense                               |              | 66,540.00 |           |                   |
|          |           | 5640    | Depreciation Expense                               |              | 1.00      |           |                   |
|          |           | 5590    | Other Administrative Expense                       |              |           | 1.00      |                   |

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|----------|-----------|---------|--|--------------|--------------|---------------|-------------------|
| 12/31/22 | AJE20     |         | To reclassify expenditure of FEMA grant received in prior year |              |              |               | 4,049.00          |
|          |           | 2091    | Unearned Grant Revenue   |              | 4,049.00     |               |                   |
|          |           | 4199    | Other Income   |              |              | 4,049.00      |                   |
| 12/31/22 | AJE21     |         | To Record Current Year A/P                                     |              |              |               | (41,312.00)       |
|          |           | 1621    | Construction-JC Osborne BPS                                    |              | 910.00       |               |                   |
|          |           | 5420    | Office Supplies  |              | 2,335.00     |               |                   |
|          |           | 5160    | Water Withdrawal Fee   |              | 2,293.00     |               |                   |
|          |           | 5110    | Utilities  |              | 1,217.00     |               |                   |
|          |           | 5110    | Utilities  |              | 35,467.00    |               |                   |
|          |           | 2000    | Accounts Payable   |              |              | 42,222.00     |                   |
| 12/31/22 | RJE01     |         | To reclassify for reporting purposes - equity                  |              |              |               | 0.00              |
|          |           | 3020    | Contributed Capital - Expansion                                |              | 2,500.00     |               |                   |
|          |           | 3040    | Contributed Capital - Customers                                |              | 278,892.00   |               |                   |
|          |           | 3064    | Contributed Capital - ARC                                      |              | 600,000.00   |               |                   |
|          |           | 3066    | Construction Capital Greasy AML                                |              | 1,783,099.00 |               |                   |
|          |           | 3071    | Contributed Capital Coal Severance WTP                         |              | 469,402.00   |               |                   |
|          |           | 3072    | Contributed Capital - 2002 CDBG                                |              | 985,000.00   |               |                   |
|          |           | 3073    | Contributed Capital - Coal Severance                           |              | 1,349,179.00 |               |                   |
|          |           | 3074    | Contributed Capital Coal/Serv. Hyden                           |              | 2,090,586.00 |               |                   |
|          |           | 3075    | Contributed Capital/RD   |              | 1,700,000.00 |               |                   |
|          |           | 3076    | Contributed Capital LCBE                                       |              | 396,804.00   |               |                   |
|          |           | 3078    | Contributed Capital - DOT                                      |              | 360,180.00   |               |                   |
|          |           | 3080    | Retained Earnings (-Deficit)                                   |              |              | 10,015,642.00 |                   |
|          |           | 3030    | Contributed Capital - Local Grant                              |              | 4,000.00     |               |                   |
|          |           | 3077    | Contributed Capital - Lcal Grant                               |              |              | 4,000.00      |                   |
|          |           | 3080    | Retained Earnings (-Deficit)                                   |              | 6,108,489.00 |               |                   |
|          |           | 3200    | Unrestricted Net Assets  |              |              | 6,108,489.00  |                   |
| 12/31/22 | RJE02     |         | To reclassify for reporting purposes - CY income               |              |              |               | 15,300.00         |
|          |           | 3040    | Contributed Capital - Customers                                |              | 15,300.00    |               |                   |
|          |           | 4050    | Tap on fees  |              |              | 15,300.00     |                   |
| 12/31/22 | RJE03     |         | To reclassify for reporting purposes - restricted cash         |              |              |               | 0.00              |
|          |           | 1000    | Restricted Cash - Customer Deposits                            |              | 67,910.00    |               |                   |
|          |           | 1110    | Escrow Savings   |              |              | 67,910.00     |                   |
|          |           | 1001    | Restricted Cash - Depr Reserve                                 |              | 156,600.00   |               |                   |
|          |           | 1160    | Depreciation Fund 1989   |              |              | 17,400.00     |                   |

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|   |           | 1165    | Depreciation Fund 1991  |              |               | 139,200.00    |                   |
|   |           | 1001    | Restricted Cash - Depr Reserve                                    |              | 14,200.00     |               |                   |
|   |           | 1160    | Depreciation Fund 1989  |              |               | 14,200.00     |                   |
| 12/31/22                                    | RJE04     |         | To reclassify for reporting purposes -<br>current portion of debt |              |               |               | 0.00              |
|   |           | 2820    | Long Term Debt FMHA   |              | 40,000.00     |               |                   |
|   |           | 2825    | Current Portion - FMHA  |              |               | 40,000.00     |                   |
|   |           | 2836    | Long Term Debt RD/2011  |              | 17,000.00     |               |                   |
|   |           | 2840    | Current Portion - RD  |              |               | 17,000.00     |                   |
|   |           | 2836    | Long Term Debt RD/2011  |              | 40,000.00     |               |                   |
|   |           | 2840    | Current Portion - RD  |              |               | 40,000.00     |                   |
|   |           | 2835    | Long Term Debt RD   |              | 7,800.00      |               |                   |
|   |           | 2840    | Current Portion - RD  |              |               | 7,800.00      |                   |
|   |           | 2830    | Long Term Debt KIA  |              | 88,339.00     |               |                   |
|   |           | 2833    | Current Portion - KIA   |              |               | 88,339.00     |                   |
| <b>Totals for Adjusting Journal Entries</b> |           |         |   |              | 16,970,287.00 | 16,970,287.00 | 30,553.00         |
| <b>Report Totals</b>                        |           |         |   |              | 16,970,287.00 | 16,970,287.00 | 30,553.00         |

Journal Entry count = 25