

TABLE OF CONTENTS

RECEIVED

JUL 25 2007

PUBLIC SERVICE
COMMISSION

Petition	1
Annual Report	2
Comparison of Current and Proposed	3
Monthly Income and Expenses	4
Statement of Revenue and Expenses	5
Pro forma Income and Expenses	6
Audit Report	7
Current Billing Analysis	8
Current Tariff	9
Proposed Rates	10
NRC Cost Justification	11
Proposed Tariff	12



NOTICE OF PROPOSED RATE INCREASE

Notice is hereby given by that the WESTERN FLEMING COUNTY WATER DISTRICT (District) has filed an application with the Public Service Commission of Kentucky (PSC) seeking approval of revised water rates and non-recurring charges. The District plans to implement the proposed rates upon approval by the PSC.

Current		Proposed	
First 2,000	\$ 11.60	First 1,000	\$15.30
Next 5,000	3.30	Next 6,000	6.38
Next 3,000	2.70	Next 3,000	5.70
Over 10,000	1.85	Over 10,000	4.34
Buffalo Trail	1.30	Buffalo Trail	1.43
First 2,000	\$ 11.60		
Next 5,000	3.30		
Next 3,000	2.70		
Over 10,000	1.85		
Buffalo Trail	1.30		

Impact on Bills

Usage	Current	Proposed	Increase	Percentage
1,000	\$ 11.60	\$ 15.30	\$ 3.70	32%
3,000	14.90	28.06	13.16	88%
5,000	21.50	40.82	19.32	90%

Non-Recurring Charges

	Current	Proposed
5/8 Inch Connection	\$ 500	\$ 600
1 Inch Connection and Above	Actual Cost	Actual Cost
Connection /Turn On	20	25
Service Call/Investigation	15	25
Returned Check	25	25
Customer Request Meter Relocation	0	Actual Cost
Customer Request Meter Test	50	50
Reconnection/ After Hours	15	60
Reconnection	20	50

The rates in this notice are the rates proposed by the Western Fleming Water District. The PSC may order rates to be charged that are different from those proposed. Such action may result in rates for customers that are different than those proposed in this notice. Customers of the District are advised that any corporation, association, body politic or person with substantial interest in the matter may, by written request, within 30 days after receipt of this notice of the proposed rate changes request to intervene by motion to the PSC. Intervention may be granted beyond the 30 day period for good cause shown. Any motion by customers desiring to intervene shall be submitted to the Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, KY 40602; Attn: Beth O'Donnell, Executive Director (Telephone: 502-564-3940), and shall set forth the grounds for the request, including the status and interest of the party intervening. Intervenors may obtain copies of the application by contacting the District at its office located at Tyner, KY (Telephone: 606-267-2120)

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

THE APPLICATION OF WESTERN FLEMING)	
COUNTY WATER DISTRICT FOR A GENERAL)	
RATE ADJUSTMENT, TO INCREASE NON-)	
RECURRING CHARGES AND TO REVISE ITS)	CASE NO. 2007-
TARIFF PURSUANT TO THE PROVISIONS OF)	HISTORICAL TEST
KRS 278.030, 278.0152, 807 KAR 5:001 AND 807)	YEAR UTILIZED
5:011)	

*** ** *** ** *** **

PETITION

The Applicant, WESTERN FLEMING COUNTY WATER DISTRICT ("Western Fleming"), acting by and through its Board of Commissioners, respectfully tenders this Petition and Application, pursuant to KRS 278.030, KRS 278.0152, 807 KAR 5:001, 807 KAR 5:011, and all other applicable laws and regulations, and request that the Public Service Commission of Kentucky (the "PSC") enter an Order (1) approving the proposed adjustment of water rates and charges to be levied and collected by Western Fleming; (2) approving the proposed adjustment to its non-recurring charges; (3) approving the proposed adjustment to its tap fees. In support of this Petition and Application, and in conformity with the rules of the PSC, Western Fleming states as follows:

OVERVIEW

1. Western Fleming requests the PSC take the following actions:

To approve the proposed adjustment of water rates and charges to all customers, with the exception of two wholesale rates. The proposed rate adjustment should produce approximately \$986,507 in additional revenues. This is an increase of approximately \$379,682 or 65% over adjusted test year water sales revenue.

To approve the proposed adjustment to Western Fleming's special, non-recurring charges;

To approve the proposed adjustment to Western Fleming's meter connection charge.

2. Western Fleming plans to implement the proposed water service rates, non-recurring charges, meter connection (tap) fees and the revised tariff sheets upon Commission approval.

GENERAL INFORMATION

3. Western Fleming is a public body corporate. It has the power to make contracts in furtherance of its lawful and proper purposes as provided in KRS 74.070 and all other applicable laws.
4. The mailing address of Western Fleming is as follows:

Western Fleming County Water District

P.O. Box 16

Ewing, Kentucky 41038

Telephone: 606-267-2120

5. Western Fleming is engaged in the business of providing an adequate supply of potable water for domestic, agricultural, commercial and wholesale use to a large portion of Fleming County.
6. Western Fleming provides water service to approximately 1,361 retail customers and three wholesale customers; (1) Buffalo Trail Water Association; (2) Maysville Utilities – Southern Madison and (3) Nicholas County Water District.

REASONS FOR RATE INCREASE

7. During the past few years Western Fleming's financial condition has deteriorated because of operating losses. The losses were caused because of increased operating and maintenance expenses.
8. A rate adjustment to the water service rates will be necessary:
 - A. To meet the increased costs of operations;
 - B. To enable Western Fleming to pay its annual principal and interest payments on its existing long term debts from water revenues.
 - C. To enable Western Fleming to meet the coverage requirements (120%) set forth in its existing debt instruments;
 - D. To restore Western Fleming's to a sound financial condition;

- E. To enable Western Fleming to enhance its financial capacity so it can continue to operate its system in compliance with the federal Safe Drinking Water Act, as amended and KRS Chapter 151; and
- F. To enable Western Fleming to continue to provide adequate service.

FINANCIAL INFORMATION

9. During the past few years Western Fleming's financial condition has deteriorated because of operating losses. The losses were caused because of increased operating and maintenance expenses.

10. It is hereby certified that Western Fleming's annual reports, including the annual report for the test year, are on file with the PSC in accordance with 807 KAR 5:006, Section 3(1), and the annual report for 2006 is attached for the Commission's convenience as Exhibit 1.

11. The provisions of 807 KAR 5:001, Section 10(1)(b)(3) through 10(1)(b)(5) are not applicable because Western Fleming is neither a corporation nor a limited partnership.

12. Western Fleming does not operate under an assumed name. Consequently, the filing of an assumed name certificate, as required by 807 KAR 5:001, Section 10(1)(b)(6), is not necessary.

RATE ADJUSTMENT

13. For the reasons stated in paragraphs 8 and 9, a rate adjustment that will generate approximately \$379,682 in additional water sale revenues will be necessary. This represents an increase of approximately 65% over adjustment test year water revenues.
14. Western Fleming understands that it could make adjustments to Test Year income and expenses for any known and measurable changes that have occurred since the end of the test year but does not want to implement rates higher than those proposed herein.
15. Rather than increase all usage blocks by a uniform percentage to generate the required revenue, Western Fleming has prepared a comprehensive Cost of Service Study, which is appended hereto as Exhibit 8.
15. Western Fleming proposes to use the twelve consecutive months ending December 31, 2006 as the test year.
16. Exhibit 4, Revenue Requirements, shows that Western Fleming needs to increase its revenues by \$379,682. This means Western Fleming needs to generate revenues of approximately \$966,507 from the proposed water service rates and charges.
17. Exhibit 7 sets forth the revenues currently generated by the residential and wholesale customers. Exhibit 10, sets forth the revenue to be

generated based on the proposed rates. The revised tariff is set forth in Exhibit 12.

18. Adjusting the rates as set forth in accordance with the rate study will generate revenues of approximately \$966,507.
19. Exhibit 10, Verification of Proposed Rates, demonstrates that the proposed rates will generate the required revenues.
20. A schedule of current rates in effect and the proposed rates is set forth in comparative form in Exhibit 2. The dollar amount of increase and the percentage of increase for each usage block and meter size are also shown in this exhibit.
21. The effect of the proposed rate adjustment on the average customer's bill is shown in Exhibit 2.
22. Western Fleming's proposed tariff sheets in a form which complies with 807 KAR 5:011 and 807 KAR 5:001, Section 10(1)(b)(7), is appended hereto as Exhibit 3.
23. Western Fleming's present and proposed tariff, in a comparative form which complies with 807 KAR 5:011 and 807 KAR 5:001, Section 10(1)(b)(8) is appended hereto as Exhibit 2.
24. Western Fleming has published and posted the required customer notice in compliance with subsections (3) and (4) of 807 KAR 5:001, Section 10 and 807 KAR 5:011, Section 8. A copy of the public notice of proposed adjustment of water rates is appended hereto as Exhibit 5. The notice will be published in accordance with PSC regulations for

three consecutive weeks. Newspaper tear sheets and the publishers Affidavit evidencing publication in the newspaper will be forwarded to the PSC as soon as they have been received.

25. Western Fleming does not plan to support the application with prepared testimony. It respectfully requests the PSC staff to perform a field review if necessary of Western Fleming's financial records and issue a staff report just as the staff routinely does in general rate cases filed by water districts.
26. Western Fleming is not a local exchange company within the meaning of 807 KAR 5:001, Section 10(6)(f).
27. The billing analysis required by 807 KAR 5:001, Section 10(6)(g) is appended as Exhibit 10.
28. The independent auditor's annual opinion report required by 807 KAR 5:001, Section 10(6)(k) for the calendar year ending December 31, 2005 is appended hereto as Exhibit 6. The audit report for the year ending December 31, 2006 will be filed as soon as it is completed by the auditor.
29. The list of computer software used in developing the schedules and work papers associated with the filing of Western Fleming's application is Microsoft Word and Excel.
30. The monthly managerial reports as required by 807 KAR 5:001, Section 10(6)(r) are appended hereto as Exhibit 3.

31. Fleming County is not proposing a capital construction at this time and no budget is filed as otherwise required by 807 KAR 5:001, Section 10(7)(b).
32. Furthermore, Western Fleming states that it has not adopted a capital construction budget concerning any future additions or improvements to its plant.
33. In the alternative, Western Fleming moves for a deviation from or a waiver of, the requirement that it file its most recent capital construction budget as required by 807 KAR 5:001, Section 10(7)(b). No such capital improvement construction budget exists. Western Fleming like most smaller water districts and associations, does not normally provide for or maintain a capital improvement construction budget. Any new construction occurs on a case-by-case project basis. This motion for a deviation, or a request for waiver, is being filed pursuant to 807 KAR 5:001, Section 14.
34. The proposed rates are fair, just and reasonable and are necessary for Western Fleming (a) to continue providing adequate, reliable service to its customers; (b) to enable Western Fleming to pay its annual principal payments on its existing long term debts from water revenues rather than from reserves; (c) to enable Western Fleming to meet the coverage requirements set forth in its existing debt instruments; (d) to restore Western Fleming to a sound financial condition and (e) to enable Western Fleming to operate its system in

compliance with the federal Safe Drinking Act, as amended, and KRS Chapter 151.

NON-RECURRING CHARGES

35. The proposed amount of each non-recurring charge is also set forth on Exhibit No. 3, the proposed Tariff.
36. Specific cost justification worksheets for the proposed non-recurring charges are appended as Exhibit 11.
37. The proposed charges are equal to the expenses incurred by Western Fleming in providing the associated service. Hence, implementation of the proposed non-recurring charge will be revenue neutral.
38. Western Fleming is currently losing money each time it performs any of these services.
39. The only customers that will be impacted by these non-recurring charges will be the customers who request the services or whose actions require the District to incur the associated expense.
40. Western Fleming proposes to implement the charges at the same time the increased rates become effective.

MISCELLANEOUS

41. In order to comply with all applicable rules and regulations of the PSC, all Exhibits contained in the Exhibit Addendum attached hereto are incorporated herein by reference.

42. A copy of this Petition and Application, together with all exhibits, has been delivered to the Office of Rate Intervention of the Office of the Attorney General as required by 807 KAR 5:011, Section 10(1)(b).

43. A Filing Requirement Index, which shows the location of all documents required by the applicable administrative regulations, or explains the reason for the absence of any documents, is included with the Application.

WHEREFORE, Western Fleming respectfully requests that the PSC take the following actions:

- A. Approve the proposed adjustment of water rates and charges to all customers;
- B. Approve the proposed adjustment to Western Fleming's non-recurring charges;
- C. Approve the proposed increase to Western Fleming's meter connection (tap) fees;
- D. Approve Western Fleming's revised tariff sheets
- E. Grant Western Fleming a deviation or waiver from the requirement that it file a capital improvement budget as required by 807 KAR 5:001, Section 10(7)(b).
- F. Grant Western Fleming any and all other proper relief

VERIFICATION

I, **VERNON BARTON**, being first duly sworn according to law, state that I am Chairman of the Board of Commissioners of the **WESTERN FLEMING COUNTY WATER DISTRICT**; that I have read the foregoing Petition and Application; and that the statements of fact set forth herein are true to the best of my knowledge and belief.

WITNESS my signature this 20th day of June, 2007.

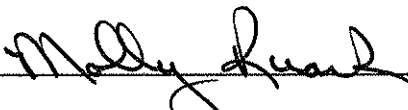


VERNON BARTON, CHAIRMAN

STATE OF KENTUCKY

COUNTY OF FLEMING

SUBSCRIBED AND SWORN TO before me this 20th day of June, 2007,
by **VERNON BARTON** in his capacity as Chairman of the Board of
Commissioners of the **WESTERN FLEMING COUNTY WATER DISTRICT**.

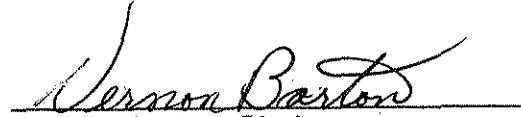


NOTARY PUBLIC, State at Large
MY COMMISSION EXPIRES: 6-13-2009

This 20th day of June, 2007

Respectfully submitted

WESTERN FLEMING COUNTY
WATER DISTRICT

A handwritten signature in cursive script, reading "Vernon Barton", is written over a horizontal line.

Vernon Barton, Chairman
Western Fleming County Water District
P.O. Box 16
Ewing, KY 41039

<p>807 KAR 5:001 Section 10 (7)(c)</p>	<p>For each proposed pro forma adjustment reflecting plant additions the following information:</p> <ol style="list-style-type: none"> 1. Starting date of the construction of each major component of plant; 2. Proposed in-service date; 3. Total estimated cost of construction at completion; 4. Amount contained in construction work in progress at end of test period; 5. Complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement; 6. Original cost, cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions; 7. Explanation of any differences in amounts contained in the capital construction budget and amounts of capital construction cost contained in the pro forma adjustment period; and 8. Impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements; <p>Number of customers to be added to the test period – end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.</p>	<p>NA – Western Fleming is not proposing any pro forma adjustment for plant additions.</p>
<p>807 KAR 5:001 Section 10 (7)(e)</p>		<p>Exhibit No. 10. Billing analysis for proposed rates. No new customers have been added</p>

807 KAR 5:001 Section 10 (6)(u)	If gas, electric or water utility, whose annual gross revenues exceed \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from a single time period.	Exhibit 8
807 KAR 5:001 Section 10 (6)(v)	<p>Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file:</p> <ol style="list-style-type: none"> 1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and 2. Service specific cost studies to support pricing of all services that generate annual revenue greater than \$1,000,000, except local exchange access: <ul style="list-style-type: none"> (a) Based on current and reliable data from a single time period; and (b) Using generally recognized fully allocated, embedded, or incremental cost principles. 	N/A
807 KAR 5:001 Section 10 (7)(a)	Detailed income statement and balance sheet reflecting impact of all proposed adjustments	Exhibit No. 6 and 4
807 KAR 5:001 Section 10 (7)(b)	Most recent capital construction budget containing at least period of time as proposed for any pro forma adjustment for plant additions.	NA –no plant additions are proposed or planned.

807 KAR 5:001 Section 10 (6)(r)	Monthly managerial reports providing financial results for 12 months in test period.	Exhibit 3
807 KAR 5:001 Section 10 (6)(s)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued within past 2 years, and Form 10-Qs issued during the past 6 quarters updated as current information becomes available.	N/A -
807 KAR 5:001 Section 10 (6)(t)	<p>If utility had any amounts charged or allocated to it by affiliate or general or home office, or paid any monies to affiliate or general or home office during test period or during previous 3 calendar years, file:</p> <ol style="list-style-type: none"> 1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each charge allocation or payment; 2. Explanation of how allocator for the test period was determined; and 3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during test period was reasonable; 	N/A - There are no affiliate allocations.

<p>807 KAR 5:001 Section 10 (6)(n)</p>	<p>Summary of latest depreciation study with schedules by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall provide schedule identifying current and test period depreciation rates used by major plant accounts. If filed in another PSC case refer to that case's number and style.</p>	<p>Exhibit No. 6. The audit report and annual report show depreciation schedules. There are no other studies of depreciation available to Grayson.</p>
<p>807 KAR 5:00 Section 10 (6)(o)</p>	<p>List of all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with the filing. Include each software, program, or model; what each was used for; its supplier; brief description and specifications for the computer hardware and the operating system required to run the program.</p>	<p>Excel Word</p>
<p>807 KAR 5:001 Section 10 (6)(p)</p>	<p>Prospectuses of most recent stock or bond offerings.</p>	<p>N/A</p>
<p>807 KAR 5:001 Section 10 (6)(q)</p>	<p>Annual report to shareholders, or members, and statistical supplements covering 2 years prior to application filing date.</p>	<p>N/A</p>

Section 10 (6)(a)	proposed adjustments with support for changes in price or activity levels, and other factors affecting the adjustment.	
807 KAR 5:001 Section 10 (6)(b) & (c)	If gross annual revenues exceed \$1,000,000, prepared testimony of each witness who will support the application. If less than \$1,000,000, prepared testimony of each witness who will support application or statement that utility does not plan to submit prepared testimony.	Grayson does not intend to submit prepared testimony. N/A
807 KAR 5:001 Section 10 (6)(d)	Estimate of effect that new rate(s) will have on revenues including, at minimum, total revenues resulting from increase or decrease and percentage of increase or decrease.	Customer Notice – Exhibit No. 5 and application at Page 2.
807 KAR 5:001 Section 10 (6)(e)	If electric, gas, water or sewer utility effect upon the average bill for each customer classification to which change will apply.	Exhibit No. 5 (Customer notice).
807 KAR 5:001 Section 10 (6)(f)	If local exchange company, effect upon the average bill for 807 each customer class for change in basic local service.	N/A –
807 KAR 5:001 Section 10 (6)(g)	Analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class.	Exhibit No 9 and 12.
807 KAR 5:001 Section 10 (6)(h)	Summary of determination of revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.	Exhibit No. 4.
807 KAR 5:001 Section 10 (6)(i)	Reconciliation of rate base and capital used to determine revenue requirements.	N/A – Revenue Requirement reflects Debt Service.
807 KAR 5:001 Section 10 (6)(j):	Current chart of accounts if more detailed than the Uniform System of Accounts.	Not applicable
807 KAR 5:001 Section 10 (6)(k)	Independent auditor's annual opinion report, with any written communication from auditor, which indicates existence of material weakness in internal controls.	The 2006 Audit Report is attached as Exhibit 6.
807 KAR 5:001 Section 10 (6)(l):	The most recent FERC or FCC audit reports.	N/A
807 KAR 5:001 Section 10 (6)(m)	The most recent FERC Form 1 (electric), FERC Form 2 (gas), or Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone).	N/A.

807 KAR 5:001 Section 8(1)	Full name and P. O. address of applicant and reference to the particular provision of law requiring PSC approval.	Application – Page No. 1.
807 KAR 5:001 Section 8(2)	The original and 10 copies of application plus copy for anyone named as interested party.	The correct number of applications have been filed.
807 KAR 5:001 Section 10(1)(b)(1)	Reason adjustment is required.	Application – Page No. 3.
807 KAR 5:001 Section 10(1)(b)(2)	Statement that utility's annual reports, including the most recent calendar year, are filed with PSC. 807 KAR 5:006, Section 3(1)	Application – Page No. 4.
807 KAR 5:001 Section 10(1)(b)(3) & (5)	If utility is incorporated, certified copy of articles of incorporation and amendments or out of state documents of similar import. If they have already been filed with PSC refer to the style and case number of the prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	Not applicable
807 KAR 5:001 Section 10(1)(b)(4) & (5)	If applicant is limited partnership, certified copy of limited partnership agreement. If agreement filed with PSC refer to style and case number of prior proceeding and file a certificate of good standing or authorization dated within 60 days of date application filed.	N/A – Grayson is not a limited partnership.
807 KAR 5:001 Section 10(1)(b)(6)	Certified copy of certificate of assumed name required by KRS 365.015 or statement that certificate not necessary.	N/A – Grayson has never used an assumed name.
807 KAR 5:001 Section 10(1)(b)(7)	Proposed tariff in form complying with 807 KAR 5:011 effective not less than 30 days from date application filed.	Exhibit No. 10.
807 KAR 5:001 Section 10(1)(b)(8)	Proposed tariff changes shown by present and proposed tariffs in comparative form or by indicating additions in italics or by <i>underscoring and striking over deletions in current tariff.</i>	Exhibit No. 2.
807 KAR 5:001 Section 10(1)(b)(9)	Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy.	Application – Page No. 5. Exhibit No. 5.
807 KAR 5:001 Section 10(2)	If gross annual revenues exceed \$1,000,000, written notice of intent filed at least 4 weeks prior to application. Notice shall state whether application will be supported by historical or fully forecasted test period.	Historical test year used.
807 KAR 5:001	Complete description and quantified explanation for	Exhibit No. 3.



Confirmation Receipt

**Water Districts & Associations
Class A&B**

**32500 Western Fleming County
Water District**

**FROM 01/01/2005 TO
12/31/2005**

Utility has marked all schedules as complete.

5/1/2006 10:10:50 AM

Title Page

Name of Respondent	Addr Line 1	Addr Line 2	City	State	Zip
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Water
Districts/Associations

Annual Report of

Respondent

WESTERN FLEMING
WATER DISTRICT

P O BOX 16

EWING

KY

41039

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Principal Payment and Interest Information

Year	Amount	Yes/No	PSC Case No
	\$78,936.00		

Amount of Principal Payment During Calendar Year

Is Principal Current?

Y

Is Interest Current?

Y

Has all long-term debt been approved by the Public Service Commission?

Y

Services Performed by Independent CPA

	Yes/No	A/G/R
--	--------	-------

Are your financial statements examined by a Certified Public

Accountant?

Enter Y for Yes or N for No

Y

If yes, which service is performed?

Enter an X on each appropriate line

Audit

Compilation

Review

X

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Additional Requested Information

Name	Electronic Info
WESTERN FLEMING COUNTY WATER DISTRICT	
VERNON BARTON	

Name of Utility and Web Address

Contact Name and Email Address

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Additional Information Required

Case Num	Date	Explain
----------	------	---------

Major Water Projects

Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service commission.

For the limited purpose of this report, a "Major Project" is defined as one which is not in the ordinary course of business, and will increase your current utilityplant by at least 20 percent.

Brief Project Description: (improvement, replacement, building construction, expansion. If expansion, provide the estimated number of new customers):

Projected Costs and Funding Sources/Amounts:

Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

Location: (community, area or nearby roads)

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

History-Legal Name (Ref Page: 4)

1. Exact name of utility making this report.

(Use the words "The", "Company" or "Incorporated" only when part of the corporate name.)

WESTERN FLEMING COUNTY WATER DISTRICT

History-Location (Ref Page: 4)

name	Address	city	state	zip	Phone
WESTERN FLEMING COUNTY WATER DISTRICT	MAIN STREET P O BOX 16	EWING	KY	41039	6062672120
VERNON BARTON	P O BOX 16	EWING	KY	41039	6062672120
WESTERN FLEMING COUNTY WATER DISTRICT	MAIN STREET P O BOX 16	EWING	KY	41039	6062672120

Give the location, including street and number, and TELEPHONE NUMBER of the principal office in KY.

principal office in KY

Give name, title, address and TELEPHONE NUMBER of the officer to whom correspondence concerning this report should be addressed:

Location where books are located

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

History-Date Organized (Ref Page: 4)

Date
04/01/1958

Date of Organization

History-Laws of Organization (Ref Page: 4)



If a consolidated or merger company, name all contiguous and all merged companies. Give reference NA to charters or general laws governing each, and all amendments of same

Date and Authority for each consolidation and each merger. NA

History-Departments (Ref Page: 4)

State whether respondent is a water district or association	Name all operating departments other than water

State whether respondent is a water district or association

Name all operating departments other than water

WATER DISTRICT

NA

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

History - Counties (Ref Page: 5)

Fleming, Mason, Nicholas, Robertson

Contacts (Ref Page: 6)

	Title	Last Name	First Name	Bus. Addr.	Salary	Term Expires
Person to send correspondence:	CHAIRPERSON	BARTON	VERNON	P O BOX 16, EWING, KY 41039		
Person who prepared this report	CPA	MONTGOMERY	ROBERT	P O BOX 449, MOREHEAD, KY 40351		
Officers and Managers	CHAIRPERSON	BARTON	VERNON	EWING, KY 41039	\$2,400.00	11/30/2008
	TREASURER	HOUSTON	JAMES	EWING, KY 41039	\$2,400.00	01/31/2006
	SECRETARY	BARTON	VERNON	EWING, KY 41039	\$2,400.00	01/31/2008
	COMMISSION	MCINTYRE	BILLY	EWING, KY 41039	\$2,400.00	06/30/2008
	COMMISSION	ROSE	FRED	EWING, KY 41039	\$2,400.00	06/30/2006

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
UTILITY PLANT		
Utility Plant (101-106)	\$5,990,230.00	\$7,432,662.00
Less: Accumulated Depreciation and Amortization (108-110)	\$2,336,989.00	\$2,451,020.00
Net Plant	\$3,653,241.00	\$4,981,642.00
Utility Plant Acquisition Adjustments (Net) (114-115)		
Other Utility Plant Adjustments (116)		
Total Net Utility Plant	\$3,653,241.00	\$4,981,642.00
OTHER PROPERTY AND INVESTMENTS		
Nonutility Property (121)		
Less: Accumulated Depreciation and Amortization (122)		
Net Nonutility Property		
Investment in Associated Companies (123)		
Utility and Other Investments (124-125)	\$173,578.00	\$179,863.00
Sinking Funds (126)	\$1,835.00	\$1,853.00
Other Special Funds (127)	\$175,413.00	\$181,716.00
Total Other Property and Investments	\$350,826.00	\$363,432.00
CURRENT AND ACCRUED ASSETS		
Cash (131)	\$961,524.00	\$1,025,413.00
Special Deposits (132)	\$51,429.00	\$54,277.00
Other Special Deposits (133)		
Working Funds (134)		
Temporary Cash Investments (135)		
Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts (141-144)	\$55,980.00	\$60,531.00
Accounts Receivable from Associated Companies (145)		
Notes Receivable from Associated Companies (146)		
Materials and Supplies (151-152)		

Balance Sheet - Assets and Other Debits (Ref Page: 7)

	Previous Year	Current Year
Stores Expense (161)		\$9,338.00
Prepayments (162)	\$7,375.00	
Accrued Interest and Dividends Receivable (171)		
Rents Receivable (172)		
Accrued Utility Revenues (173)		
Misc. Current and Accrued Assets (174)	\$1,076,308.00	\$1,149,559.00
Total Current and Accrued Assets		
DEFERRED DEBITS		
Unamortized Debt Discount and Expense (181)		
Extraordinary Property Losses (182)		
Preliminary Survey and Investigation Charges (183)		
Clearing Accounts (184)		
Temporary Facilities (185)		
Misc. Deferred Debits (186)		
Research and Development Expenditure (187)		
Total Deferred Debits	\$4,904,962.00	\$6,312,917.00
TOTAL ASSETS AND OTHER DEBITS		

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
EQUITY CAPITAL		
Appropriated Retained Earnings (214)	(\$25,492.00)	(\$127,790.00)
Retained Earnings From Income before contributions (215.1)	\$3,034,026.00	\$4,299,254.00
Donated Capital (215.2)	\$3,008,534.00	\$4,171,464.00
Total Equity Capital	\$1,854,000.00	\$2,089,064.00
LONG-TERM DEBT		
Bonds (221)		
Required Bonds (222)		
Advances from Associated Companies (223)		
Other Long-Term Debt (224)	\$1,854,000.00	\$2,089,064.00
Total Long Term Debt	\$16,450.00	\$20,448.00
CURRENT AND ACCRUED LIABILITIES		
Accounts Payable (231)		
Notes Payable (232)		
Accounts Payable to Associated Co. (233)		
Notes Payable to Associated Co (234)		
Customer Deposits (235)	\$1,638.00	\$3,440.00
Accrued Taxes (236)	\$23,407.00	\$27,498.00
Accrued Interest (237)		
Matured Long-Term Debt (239)		
Matured Interest (240)		
Tax Collections Payable (241)	\$933.00	\$1,003.00
Misc. Current and Accrued Liabilities (242)	\$42,428.00	\$52,389.00
Total Current and Accrued Liabilities		
DEFERRED CREDITS		
Unamortized Premium on Debt (251)		
Advances for Construction (252)		

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Balance Sheet - Equity Capital and Liabilities (Ref Page: 9)

	Previous Year	Current Year
Other Deferred Credits (253)		
Total Deferred Credits		
OPERATING RESERVES		
Accumulated Provision For:		
Property Insurance (261)		
Injuries and Damages (262)		
Pensions and Benefits (263)		
Miscellaneous Operating Reserves (265)		
Total Operating Reserves	\$4,904,962.00	\$6,312,917.00
Total Equity Capital and Liabilities		

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
UTILITY OPERATING INCOME		
Operating Revenues (400)	\$633,244.00	\$644,073.00
Operating Expenses (401)	\$449,295.00	\$546,460.00
Depreciation Expenses (403)	\$113,629.00	\$114,031.00
Amortization of Utility Plant Acquisition Adjustment (406)		
Amortization Expense (407)	\$11,377.00	\$11,552.00
Taxes Other Than Income (408.10-408.13)	\$574,301.00	\$672,043.00
Utility Operating Expenses	\$58,943.00	(\$27,970.00)
Utility Operating Income		
Income From Utility Plant Leased to Others (413)		
Gains (Losses) from Disposition of Utility Property (414)	\$58,943.00	(\$27,970.00)
Total Utility Operating Income		
OTHER INCOME AND DEDUCTIONS		
Revenues From Merchandising, Jobbing and contract work (415)		
Costs and Expenses of Merchandising, Jobbing and Contract Work (416)	\$1,866.00	\$21,657.00
Interest and Dividend Income (419)		
Allowance for funds Used During Constructions (420)		
Nonutility Income (421)		
Miscellaneous Nonutility Expenses (426)	\$1,866.00	\$21,657.00
Total Other Income and Deductions		
TAXES APPLICABLE TO OTHER INCOME		
Taxes Other Than Income (408.20)	\$0.00	
Total Taxes Applic. to Other Income		
INTEREST EXPENSE		
Interest Expense (427)	\$93,326.00	\$95,985.00
Amortization of Debt Discount and Exp. (428)		

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Comparative Operating Statement (Ref Page: 11)

	Previous Year	Current Year
Amortization of Premium on Debt (429)		\$95,985.00
Total Interest Expense	\$93,326.00	
EXTRAORDINARY ITEMS		
Extraordinary Income (433)		
Extraordinary Deductions (434)		(\$102,298.00)
Total Extraordinary Items	(\$32,517.00)	
NET INCOME BEFORE CONTRIBUTIONS		

Statement of Retained Earnings 2002 (Ref Page: 12)

Description	Total
-------------	-------

Appropriated Retained earnings (214)

(state balance and purpose of each appropriated amount at year end:)

Total Appropriated Retained Earnings

Retained Earnings From Income Before Contributions (215.1)

(\$25,492.00)

Balance beginning of year

(\$102,298.00)

Balance transferred from Net Income Before Contributions (435)

Changes to account:

Appropriations of Retained Earnings (436)

Adjustments to Retained Earnings (439)

(requires Commission approval prior to use):

Credits

Debits

Balance End of Year

(\$127,790.00)

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Statement of Retained Earnings (cont. 215.2) (Ref Page: 12)

Description	Tapping Fees	Grants	Other	Total
Donated Capital (215.2)				
Balance Beginning of the Year	\$354,825.00	\$2,620,151.00	\$59,050.00	\$3,034,026.00
Credits				
Proceeds from capital contributions (432)	\$16,525.00	\$1,248,703.00	\$0.00	\$1,265,228.00
Other Credits (explain)				
Debits (explain - requires Commission Approval)				
Balance End of Year	\$371,350.00	\$3,868,854.00	\$59,050.00	\$4,299,254.00

Net Utility Plant (Accts. 101-106) (Ref Page: 13)

	Total
Utility Plant in Service (101)	\$5,229,839.00
Utility Plant Leased to Others (102)	
Property Held for Future Use (103)	
Utility Plant Purchased of Sold (104)	
Construction Work in Progress (105)	\$2,202,823.00
Completed Construction Not Classified (106)	
Total Utility Plant	\$7,432,662.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Accumulated Depreciation (Acct. 108) (Ref Page: 13)

Description	Total
Balance First of Year	\$2,336,989.00
Credit during year	
Accruals Charged to Account 108.1	\$114,031.00
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Accounts (specify)	
(specify)	
Salvage Value Recovered on Plant Retired	
Other Credits	
(specify)	
Total Credits	\$114,031.00
Debits during year:	
Book Cost of Plant Retired	
Cost of Removal	
Other Debits	
(specify)	
Total Debits	\$2,451,020.00
Balance at End of Year	

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Water Utility Plant Accounts (Ref Page: 14)

	Prev Year (c)	Additions (d)	Retirement (e)	Current Yr (f)	Intangible Plant (g)	Supply & Pump	Water Treatment	Trans. and Distr.	General Plant
Organization (301)									
Franchises (302)									
Land and Land Rights (303)	\$28,171.00	\$0.00	\$0.00	\$28,171.00	\$0.00	\$0.00	\$11,654.00	\$7,418.00	\$9,099.00
Structures and Improvements (304)	\$63,301.00	\$7,199.00	\$0.00	\$70,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$70,500.00
Collecting and Impounding Reservoirs (305)									
Lakes, Rivers and Other Intakes (306)									
Wells and Springs (307)									
Infiltration Galleries and Tunnels (308)									
Supply Mains (309)									
Power Generation Equipment (310)									
Pumping Equipment (311)		\$605.00	\$0.00	\$1,326,392.00	\$0.00	\$0.00	\$1,326,392.00	\$0.00	\$0.00
Water Treatment Equipment (320)	\$1,325,787.00								
Distribution Reservoirs and Standpipes (330)	\$194,344.00	\$0.00	\$0.00	\$194,344.00	\$0.00	\$0.00	\$0.00	\$194,344.00	\$0.00
Transmission and Distribution Mains (331)	\$3,155,919.00	\$164,192.00	\$0.00	\$3,320,111.00	\$0.00	\$0.00	\$0.00	\$3,320,111.00	\$0.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Water Utility Plant Accounts (Ref Page: 14)

	Prev. Year (c)	Additions (d)	Retirement (e)	Current Yr (f)	Intangible Plant (g)	Supply & Pump	Water Treatment	Treats and Distric	General Plant
Services (333)									
Meters and Meter Installations (334)	\$290,095.00	\$0.00	\$0.00	\$290,095.00	\$0.00	\$0.00	\$0.00	\$290,095.00	\$0.00
Hydrants (335)									
Backflow Prevention Devices (336)									
Other Plant and Misc. Equipment (339)									
Office Furniture and Equip. (340)									
Transportation Equipment (341)									
Stores Equipment (342)									
Tools, Shop and Garage Equip (343)									
Laboratory Equipment (344)									\$226.00
Power Operated Equipment (345)									\$0.00
Communication Equipment (346)									\$0.00
Miscellaneous Equipment (347)									\$0.00
Other Tangible Plant (348)									\$79,825.00
Total Water Plant	\$5,057,843.00	\$171,996.00	\$0.00	\$5,229,839.00	\$0.00	\$0.00	\$1,338,046.00	\$3,811,968.00	\$79,825.00

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg Yr (c)	Cr-Chng Dep Exp (d)	Other Credits (e)	Charges-Plant Ref (f)	Other Charges (g)	Balance End Yr (h)
Organization (301)						
Franchises (302)						
Land and Land Rights (303)	\$879,250.00	\$36,139.00	\$0.00	\$0.00	\$0.00	\$915,389.00
Structures and Improvements (304)						
Collecting and Impounding Reservoirs (305)						
Lake, River and Other Intakes (306)						
Wells and Springs (307)						
Infiltration Galleries and Tunnels (308)						
Supply Mains (309)	\$226.00	\$0.00	\$0.00	\$0.00	\$0.00	\$226.00
Power Generating Equipment (310)	\$45,347.00	\$6,913.00	\$0.00	\$0.00	\$0.00	\$52,260.00
Pumping Equipment (311)	\$1,098.00	\$100.00	\$0.00	\$0.00	\$0.00	\$1,198.00
Water Treatment Equipment (320)	\$143,944.00	\$3,863.00	\$0.00	\$0.00	\$0.00	\$147,807.00
Distributions Reservoirs and Standpipes (330)	\$1,043,132.00	\$51,878.00	\$0.00	\$0.00	\$0.00	\$1,095,010.00
Transmission and Distribution Mains (331)						
Services (333)	\$188,583.00	\$6,571.00	\$0.00	\$0.00	\$0.00	\$197,154.00
Meters and Meter Installations (334)						
Hydrants (335)						
Backflow Prevention Devices (336)						

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Analysis of Accumulated Depreciation and Amortization by Primary Acct (Ref Page: 15)

	Balance Beg. Yr (c)	Cr. Chg Dep. Exp (d)	Other Credits (e)	Charges Plant Ret (f)	Other Charges (g)	Balance End Yr (h)
Other Plant and Miscellaneous Equipment (339)						\$41,976.00
Office Furniture and Equip. (340)	\$35,409.00	\$6,567.00	\$0.00	\$0.00	\$0.00	\$41,976.00
Transportation Equipment (341)						
Stores Equipment (342)						
Tools, Shop and Garage Equip (343)						
Laboratory Equipment (344)						
Power Operated Equipment (345)						
Communication Equipment (346)						
Miscellaneous Equipment (347)						
Other Tangible Plant (348)						\$2,451,020.00
Totals	\$2,336,989.00	\$114,031.00	\$0.00	\$0.00	\$0.00	\$2,451,020.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Accumulated Amortization (Acct. 110) (Ref Page: 16)

Description	Total
Balance First of Year	\$0.00
Credit during year	
Accruals Charged to Account 110.1	
Accruals Charged to Account 110.2	
Other Credits	
(specify)	
Total Credits	
Debits during year:	
Book Cost of Plant Retired	
Other Debits	
(specify)	
Total Debits	
Balance end of Year	\$0.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005
 Utility Plant Acquisition Adjustments (Accts. 114-115) (Ref Page: 16)

Total	Description	Total
	Acquisition Adjustments (114) (specify)	\$0.00
	Total Plant Acquisition Adjustments	
	Accumulated Amortization (115) (specify)	\$0.00
	Total Accumulated Amortization	
	Net Acquisition Adjustments	

Investments and Special Funds (Ref Page: 17)

	Description (a)	Face or Par Value (b)	Year End Book Cost
Investment in Associated Companies (123)			\$0.00
Total Investment in Associated Companies			\$0.00
Utility Investments (124)			\$0.00
Total Utility Investments			\$0.00
Other Investments (125)			\$0.00
Total Other Investments			\$0.00
Sinking Funds (126)			\$52,458.00
	BOND SINKING FUND 1969	\$125,430.00	\$11,594.00
	BOND SINKING FUND 1969	\$8,586.00	\$9,255.00
	BOND SINKING FUND 1969	\$6,220.00	\$52,589.00
	BOND SINKING FUND 1980	\$49,303.00	\$53,967.00
	BOND SINKING FUND 1988	\$42,820.00	\$179,863.00
		\$232,359.00	
Total Sinking Funds			\$1,853.00
Other Special Funds (127)			\$1,853.00
Total Other Special Funds			\$1,853.00
	CONSTRUCTION ACCOUNT	\$1,737.00	\$1,737.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005
 Accounts and Notes Receivable - Net (Accts 141-144) (Ref Page: 18)

Description	Total
Accounts and Notes Receivable	\$62,908.00
Customer Accounts Receivable (141)	
Other Accounts Receivable (142)	
Total Other Accounts Receivable	
Notes Receivable (144)	
Total Notes Receivable	\$62,908.00
Total Accounts and Notes Receivable	
Accumulated Provision for Uncollectible Accounts (143)	
Balance First of Year	\$2,377.00
Add:	
Provision for uncollectibles for current year	
Collections of account previously written off	
Other	
(specify)	
Total Additions	
Deduct accounts written off during year:	
Other	
(specify)	
Total Deductions	\$2,377.00
Balance end of Year	\$60,531.00
Total Accounts and Notes Receivable - Net	

Materials and Supplies (151-153) (Ref Page: 19)

	Total
Plant Materials and Supplies (151)	
Merchandise (152)	
Other Materials and Supplies (153)	
Total Materials and Supplies	\$0.00

Plant Materials and Supplies (151)

Merchandise (152)

Other Materials and Supplies (153)

Total Materials and Supplies

\$0.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Prepayments (Acct. 162) (Ref Page: 19)

Description	Total
Prepaid Insurance	\$9,338.00
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments (Specify)	\$9,338.00
Total Prepayments	

Miscellaneous Deferred Debits (Acct. 186) (Ref Page: 20)

	Total
Miscellaneous Deferred Debits (186)	
Deferred Rate Case Expense (186.1)	
Other Deferred Debits (186.2)	
Regulatory Assets (186.3)	
Total Miscellaneous Deferred Debits	\$0.00

Miscellaneous Deferred Debits (186)

Deferred Rate Case Expense (186.1)

Other Deferred Debits (186.2)

Regulatory Assets (186.3)

Total Miscellaneous Deferred Debits

\$0.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Unamortized Debt Discount and Expense and Premium on Debt (Accts 181 and 251) (Ref Page: 20)

Description	Amt Written Off during year	Year End Balance
Unamortized Debt Discount and Expense (181)		
Total Unamortized Debt Discount and Expense	\$0.00	\$0.00
Unamortized Premium on Debt (251)		
Total Unamortized Premium on Debt		

Extraordinary Property Losses (Acct. 182) (Ref Page: 21)

Description	Total

Extraordinary Property Losses (182)

(Specify)

Total Extraordinary Property Losses

\$0.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Advances for Construction (Acct. 252) (Ref Page: 21)

	Total
Balance First of Year	
Add credits during year	
Deduct charges during year	
Balance end of year	\$0.00

Balance First of Year

Add credits during year

Deduct charges during year

Balance end of year

\$0.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Long Term Debt (Ref Page: 22)

Description of Obligation (a)	Issue Date (b)	Mature Date (c)	Interest Expense for Year Rate (d)	Interest Expense for Year Amount (e)	Principal per Balance Sheet Date (f)
				0	

\$0.00

\$0.00

0.0000

Total

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Bonds - Account 221 (Ref Page: 23)

Par Value of Actual Issue (1)	Cash Realized on Actual Issue (2)	Par Value of Amt. Held by or for Respondent (3)	Actually Outstanding at Close of Year (4)	Interest During Year Accrued (\$)	Interest During Year Actually Paid (\$)
\$445,000.00	\$445,000.00	\$0.00	\$86,064.00	\$0.00	\$0.00
\$560,000.00	\$560,000.00	\$0.00	\$331,000.00	\$0.00	\$0.00
\$341,000.00	\$341,000.00	\$0.00	\$267,000.00	\$0.00	\$0.00
\$675,000.00	\$675,000.00	\$0.00	\$618,500.00	\$0.00	\$0.00
\$500,000.00	\$500,000.00	\$0.00	\$489,500.00	\$0.00	\$0.00
\$314,000.00	\$314,000.00	\$0.00	\$297,000.00	\$0.00	\$0.00
\$2,835,000.00	\$2,835,000.00	\$0.00	\$2,089,064.00	\$0.00	\$0.00
Total					

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Schedule of Bond Maturities (Ref Page: 23)

Bond Numbers (7)	Maturity Date (8)	Interest Rate (9)	Principal Amt. (10)	Amounts Paid (11)	Remaining Bonds Outstanding (12)
		0.0000	\$110,000.00	\$23,936.00	\$86,064.00
		0.0000	\$347,000.00	\$16,000.00	\$331,000.00
		0.0000	\$274,000.00	\$7,000.00	\$267,000.00
		0.0000	\$628,000.00	\$9,500.00	\$618,500.00
		0.0000	\$495,000.00	\$5,500.00	\$489,500.00
		0.0000	\$314,000.00	\$17,000.00	\$297,000.00
Total			\$2,168,000.00	\$78,936.00	\$2,089,064.00

(The total of Column 12 must agree with the total of col 4)

Notes Payable (Accts 232 and 234) (Ref Page: 24)

Description	Nominal Date of Issue	Date of Maturity	Int. Rate	Int. Payment	Principal/Amort. Pay. Bal.
Account 232 - Notes Payable				0	\$0.00
Total Account 232				\$0.00	\$0.00
Account 234 - Notes Payable to Associated Companies				0	\$0.00
Total Account 234				\$0.00	\$0.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Accounts Payable to Associated Companies (Acct. 233) (Ref Page: 24)

	Description	Total
--	-------------	-------

Show Payable to Each Associated Company Separately

(Specify)

Total

\$0.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Taxes Accrued (Acct. 236) (Ref Page: 25)

	Total
Balance First of Year	\$1,638.00
Accruals Charged:	
Utility regulatory assessment fees (408.10)	\$1,058.00
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	\$10,494.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	\$11,552.00
Total taxes accrued	
Taxes paid during year:	
Utility regulatory assessment fees (408.10)	\$1,058.00
Property taxes (408.11)	
Payroll taxes (employer's portion) (408.12)	\$8,692.00
Other taxes and licenses (408.13)	
Taxes other than income, other income and deductions (408.20)	\$9,750.00
Total Taxes Paid	\$9,750.00
Balance end of year	\$3,440.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Miscellaneous Current and Accrued Liabilities (Acct. 242) (Ref Page: 26)

Description	Balance End Year
SCHOOL TAX PAYABLE	\$927.00
SALES TAX PAYABLE	\$76.00
Total Miscellaneous Current and Accrued Liabilities	\$1,003.00

32500 Western Fleming County Water District 01/01/2005 - 12/31/2005

Regulatory Commission Expense(Acct 666 and 667) (Ref Page: 26)

Description of Case (Docket No.) (a)	Total Incurred During Year (b)	Amt. Transferred to Acct. 667 (c)	Expensed During Year (d)	Expensed During Year Amount (e)
	\$0.00	\$0.00		\$0.00

Total

\$0.00

\$0.00

\$0.00

32500 Western Fleming County Water District 01/01/2006 - 12/31/2006

Water Operating Revenue (Ref Page: 27)

	Beginning Year Customers		Year End Customers		Amount
Operating Revenues					
Unmetered Water Revenue (460)					
Metered Water Revenue (461)					
Sales to Residential Customers (461.1)	1,352	1,486			\$418,070.51
Sales to Commercial Customers (461.2)	19	19			\$4,605.00
Sales to Industrial Customers (461.3)					
Sales to Public Authorities (461.4)	3	3			\$12,283.00
Sales to Multiple Family Dwellings (461.5)					
Sales through Bulk Loading Stations (461.6)					
Total Metered Sales	1,374	1,508			\$434,958.51
Fire Protection Revenue (462)					
Public Fire Protection (462.1)					
Private Fire Protection (462.2)					
Total Fire Protection Revenue					
Other Sales to Public Authorities (464)					
Sales to Irrigation Customers (465)					
Sales for Resale (466)	6	6			\$263,080.00
Interdepartmental Sales (467)					
Total Sales of Water	1,380	1,514			\$698,038.51
Other Water Revenues					
Guaranteed Revenues (469)					
Forfeited Discounts (470)					
Miscellaneous Service Revenues (471)					\$12,655.00
Rents from Water Property (472)					
Interdepartments Rents (473)					
Other Water Revenues (474)					\$8,384.00
Total Other Water Revenues					\$21,039.00

32500 Western Fleming County Water District 01/01/2006 - 12/31/2006

Water Operating Revenue (Ref Page: 27)

Beginning Year Customers	Year End Customers	Amount
Total Water Operating Revenues		\$719,077.51

32500 Western Fleming County Water District 01/01/2006 - 12/31/2006

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and		Water Treatmnt.		Trans and Dist.		Trans and Dist.		Customer Accts		Admin and Gen	
		Exp-Op. (d)	Exp-Maint. (e)	Exp-Op. (f)	Exp-Maint. (g)	Exp-Op. (h)	Exp-Maint. (i)	Exp. (j)	Exp. (k)	Exp. (l)	Exp. (m)	Exp. (n)	
Salaries and Wages-Employees (601)	\$128,166.00	\$110,727.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$17,439.00
Salaries and Wages-Officers, Directors and Majority Stockholders (603)	\$12,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,000.00
Employee Pensions and Benefits (604)	\$45,249.00	\$45,249.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Purchased Water (610)	\$74,801.00	\$0.00	\$0.00	\$0.00	\$0.00	\$74,801.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Purchased Power (615)	\$95,260.00	\$0.00	\$95,260.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Fuel for Power Production (616)	\$50,901.00	\$0.00	\$20,011.00	\$30,890.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Chemicals (618)	\$2,900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,900.00
Contractual Services - Eng. (631)													
Contractual Services - Acct. (632)													
Contractual Services - Legal (633)													
Contractual Services - Management Fees (634)													

32500 Western Fleming County Water District 01/01/2006 - 12/31/2006

Water Utility Expense Accounts (Ref Page: 28)

	Current Year (c)	Supply and Exp-Op. (d)	Supply and Exp-Maint. (e)	Water Treatmnt. Exp-Op. (f)	Water Treatmnt. Exp-Maint. (g)	Trans and Dist. Exp-Op (h)	Trans and Dist. Exp-Maint. (i)	Customer Accts Exp. (j)	Admin and Gen Exp.
Water Resource Conservation Expense (668)									
Bad Debt (670)	\$11,253.66	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,253.66
Miscellaneous Expenses (675)	\$539,945.66	\$155,976.00	\$0.00	\$123,071.00	\$30,890.00	\$102,808.00	\$25,304.00	\$0.00	\$101,896.66
Total									

32500 Western Fleming County Water District 01/01/2006 - 12/31/2006
Pumping and Water Statistics - part one (Ref Page: 29)

	Water Purchased For Resale (Omit 000's) (b)	Water Pumped from Wells (Omit 000's) (c)	Total Water Pumped and Purchased (Omit 000's) (d)	Water Sold To Customers (Omit 000's) (e)
January	1,800	49,432	31,232	28,502
February	1,888	28,531	30,419	27,050
March	1,900	28,806	30,706	27,809
April	1,905	28,221	30,126	27,326
May	2,458	27,236	29,664	30,101
June	2,003	28,968	30,971	28,091
July	2,220	30,101	32,321	29,101
August	1,958	30,986	32,944	30,106
September	780	30,186	30,966	32,516
October	2,240	29,341	31,581	32,814
November	2,840	26,481	29,321	26,851
December	1,790	28,341	30,131	28,621
Total for the year	23,782	366,630	370,382	348,888

32500 Western Fleming County Water District 01/01/2006 - 12/31/2006
Pumping and Water Statistics - part two (Ref Page: 29)

	Gallons	Date
Maximum Gallons pumped by all methods in any one day (Omit 000's)	1,030	10/19/2005
Minimum Gallons pumped by all methods in any one day (Omit 000's)	482	12/08/2005

32500 Western Fleming County Water District 01/01/2006 - 12/31/2006
Pumping and Water Statistics - part three (Ref Page: 29)

List

If water is purchased indicate the following:

Vendor

Point of Delivery

If water is sold to other water utilities for redistribution,
list names of such utilities below:

GREATER FLEMING COUNTY REGIONAL WATER COMMISSION

VARIOUS

BUFFALO TRAIL WATER ASSOC

SOUTHERN MASON CO WATER DIST

CITY OF FLEMINGSBURG

FLEMING CO WATER ASSOC

NICHOLAS CO WATER

32500 Western Fleming County Water District 01/01/2006 - 12/31/2006

Sales For Resale (466) (Ref Page: 30)

Company	Gallons (Omit 000's)	Avg. Rate Per 1000 Gallons (Cents)	Amount
BUFFALO TRAIL WATER ASSOC	101,419	\$1.23	\$173,945.00
SOUTHERN MASON CO WATER	1,673	\$1.43	\$2,392.00
CITY OF FLEMINGSBURG	0	\$0.00	\$0.00
FLEMING CO WATER ASSOC	78,119	\$1.43	\$41,245.00
NICHOLAS CO WATER ASSOC	61,648	\$1.43	\$88,175.00
Total	242,859		\$305,757.00

32500 Western Fleming County Water District 01/01/2006 - 12/31/2006
 Water Statistics (Ref Page: 30)

	Gallons (Omit 000's)	Percent
1. Water Produced, Purchased and Distributed		
2. Water Produced	346,630	
3. Water Purchased	23,752	
4. Total Produced and Purchased	370,382	
6. Water Sales:		
7. Residential	97,676	
8. Commercial	7,798	
9. Industrial		
10. Bulk Loading Stations	315	
11. Resale	242,859	
12. Other Sales	240	
13. Total Water Sales	348,888	
15. Other Water Used		
16. Utility/water treatment plant	1,095	
17. Wastewater plant		
18. System flushing	860	
19. Fire department	500	
20. Other	6,750	
21. Total Other Water Used	9,205	
23. Water Loss:		
24. Tank Overflows	400	
25. Line Breaks	150	
26. Line Leaks	50	
27. Other		
28. Total Line Loss	600	
Note: Line 13 + Line 21 + Line 28 must equal Line 4		
32. Water Loss Percentage		

Plant Statistics (Ref Page: 31)

Give the following information

Number of fire hydrants, by size	9.6" HYDRANTS, 9.8" HYDRANTS, 6 12" HYDRANTS
Number of private fire hydrants, by size	NONE
If produced whether water supply is river, impounded streams, well, springs, artificial lake, or collector well	RIVER
If produced whether supply is by gravity, pumping or a combination	PUMPING
Type, capacity, and elevation of reservoirs at overflow and ground level	1. TANK 130XXOUT OF SVC 2. TANK 100,000 GAL 1048' O.F. 968' GROUND 3. TANK 92XXOUT OF SVC 4. TANK 300,000 GAL 1120' O.F. 980' GROUND 5. TANK 300,000 GAL 1108' O.F. 980' GROUND
Miles of main by size and kind	10" -2 MILES, 6" -32.5 MILES, 4" -39.9 MILES, 3" -10 MILES, 2" -7.1 MILES, 12" -4.9 MILES
Types of filters: gravity or pressure, number of units and total rated in capacity in gal. per min.	2 GRAVITY 3 GPM PER SQUARE FOOT 1 300 SQUARE FOOT TOTAL 2.3 GPM PER SQUARE FOOT
Type of disinfectant, number of units and capacity in pounds per 24 hours	WALLSON TIERNAN 100 LBS EVERY HOURS-PRE CHLORINATOR AND POST CHLORINATOR
Station Equipment. List each pump, giving type and capacity, HP of driving unit and character of driving unit (steam/electric/int. combustion) also whether pump is high/ low duty	1 LOW DUTY 40 HP ELECTRIC 700 GPM, 1 LOW DUTY 50 HP ELECTRIC 700 GPM, 2 HIGH DUTY HP ELECTRIC 1100 GPM
Quantity of fuel used: coal in lbs., gas in cu.ft., oil in gals., and electric in KWH	NA
Give description and total cost of any sizable additions or retirements to plant and service outside the normal system of growth for the period covered by this report	NONE
Capacity of clear well	200,000 GAL APPROX
Peak month, in gallons of water sold	OCTOBER 32,814,000
Peak day, in gallons of water sold	10/19/05 1,030,000

Type

Choose one to indicate the type of Water Supply

River

32500 Western Fleming County Water District 01/01/2006 - 12/31/2006

Plant Statistics - Part C (Ref Page: 31)

Type

Combination

Choose one to indicate the type of Water Supply Method



FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1
1st Revised SHEET NO. 4

Western Fleming Water District
(Name of Utility)

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

Original SHEET NO. 4

COMPARISON OF CURRENT AND PROPOSED RATES AND CHARGES

5/8 X 3/4 Inch Meter		Proposed
First 1,000	Gallons	\$15.30
Next 6,000	Gallons	6.38
Next 3,000	Gallons	5.70
Over 10,000	Gallons	4.34

		Current
First 2,000	Gallons	\$11.60
Next 5,000	Gallons	3.30
Next 3,000	Gallons	2.70
Over 10,000	Gallons	1.85

There is no difference in the rates for various meter charges.

Rates not compared side by side due to change in rate design

Date of Issue _____

Date Effective _____

Issued By _____

Title _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1

1st Revised SHEET NO. 6

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

Original SHEET NO. 5

Western Fleming Water District
(Name of Utility)

COMPARISON OF RATES AND CHARGES

B. Meter Connection/Tap - Charges

Current		Proposed
5/8 Inch	\$425.00	\$600
1 Inch	525.00	Actual Cost
All Larger Meters	Actual Cost	Actual Cost

Date of Issue _____

Date Effective _____

Issued By _____

Title _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1

1st Revised SHEET NO. 7

Western Fleming Water District
(Name of Utility)

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

Original SHEET NO. 7

COMPARISON OF RATES AND CHARGES

C. Special Non-Recurring Charges

	Current	Proposed
Connection-Turn On	\$ 20.00	25
Re-Connection	20.00	50
Re-Connection (After Hours)	20.00	60
Service Call/Investigation	15.00	25
Service Call (After Hours)	15.00	35

Charges Not Listed Will Not Change

Note: Regular working hours for the Utility's Maintenance Staff is 8:00 AM to 4:00 PM, Monday through Friday excluding holidays. Upon customer request and subject to availability of Maintenance Staff services may be performed after working hours at the after hours rate.

Date of Issue _____

Date Effective _____

Issued By _____

Title _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1

1st Revised SHEET NO. 9

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

Original SHEET NO. 9

Western Fleming Water District
(Name of Utility)

COMPARISON OF RATES AND CHARGES

E. Leak Adjustment Rate:

One adjustment per year

Total Bill Minus the Minimum Bill
Then Half the Bill.

Note : Not change from previous policy

F. Wholesale Water Rates

Buffalo Trail Water Association	\$1.13	\$1.43 Per 1,000 Gallons
Maysville Utilities (Southern Madision)	1.43	No Change
Nicholas County Water Assn.	1.43	No Change

Date of Issue _____

Date Effective _____

Issued By _____

Title _____

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____



WESTERN FLEMING COUNTY WATER DISTRICT

INCOME AND EXPENSES

JANUARY 1 TO DECEMBER 31, 2006

Operating Income	Total	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Metered Sales	\$ 693,620	52,081	50,122	97,900	53,611	51,478	58,111	56,662	59,217	57,670	54,332	53,927	48,509
Interest Income	5,862	397	357	425	486	562	501	404	455	437	470	968	401
Discounts and Adjustments	(5,437)	(402)	(553)	(182)	(172)	(73)	(204)	(508)	(2,141)	(271)	(105)	(368)	(458)
Miscellaneous Service	15,070	765	1,110	705	1,130	2,040	1,190	2,120	1,290	120	1,855	745	2,000
Late Payment Charges	9,961	851	742	763	720	854	735	976	974	833	941	782	791
Less - Part of Feb, shown in March	(47,176)			(47,176)									
Total	\$ 671,901	53,691	51,778	52,435	55,775	54,861	60,334	59,654	59,794	58,789	57,493	56,053	51,243

	Total	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Operating Expenses													
Taxes and Licenses	\$ 35						35						
Bank Charges	308	250		2	2	4	4	2	6	4	28	6	-
Purchased Water	11,596	250										5,580	5,766
Fuel/Power	74,801	7,688	6,867	6,565	6,089	5,626	5,863	55	10,965	5,488		13,897	5,698
Office Utilities	144		48				48					48	
Chemicals	95,259	4,867	7,786	10,664	4,552	4,926	18,787	5,854	6,581	16,706	2,586	5,579	6,372
Materials and Supplies	50,902	2,419	169	3,591	1,959	134	11,432	2,104	16,112	3,284	5,510	1,736	2,450
Maintenance of Mains	100	100	-										
Maint. Of Meters	13,991	228	200	400	600	600	980	400				10,383	200
Main. Of Equipment	1,318					260			65		493	500	
Office Supplies and Other	4,980	578	81	35	18	35	777	38	827	1,600		338	652
Reimb. of Office Supplies	1,033		353		585				95				
Meter Reading	14,914	1,215	1,220	1,219	1,223	1,226	1,224	1,227	1,238	1,238	1,238	1,412	1,234
Testing	9,287	248	403	1,512	144	1,629	329	1,013	1,493	563	186	1,086	681
Billing	243	243											
Contract Service	78,475	5,648	5,358	5,766	3,602	343	8,259	6,716	15,768	9,474	8,846	4,532	4,163
Insurance - General Liability	12,626				1,269	5,593			2,538	3,227			
Unemployment	931				459			472					
Health Insurance	24,481	2,861	2,296	2,296	2,296	2,296	2,296	2,296	1,930		632	1,930	3,354
Workers Compensation	6,239						6,239						
Advertising	484	10	10	10		414			20			20	
Miscellaneous	14,749	1,200	1,300	1,200	1,100	1,100	1,093	1,000	1,210	800	951	1,423	2,373
Telephone - Plant	1,673	143	142	142	141	139	141	139	140	133	141	262	11
Telephone - Office	1,940	184	167	152	160	174	161		293	162		334	156
Training	309					274			35				
Operating Expenses	\$ 420,818	28,131	26,399	33,553	24,199	24,773	57,667	21,316	59,314	42,677	20,611	49,067	33,110
Debt Payments	\$ 121,779	-	263	262	525		40,143	263	263	525		525	79,011
1,2 Coverage	\$ 24,356	-	53	52	105	-	8,029		53	105	-	105	15,802
Depreciation Expense	\$ 114,031	9,503	9,503	9,503	9,503	9,503	9,503	9,503	9,503	9,503	9,503	9,503	9,503
Total Expenses	\$ 680,983	37,634	36,218	43,370	34,331	34,275	115,341	31,081	69,132	52,810	30,114	59,199	137,426

**Western Fleming County Water District
Income Statement
Reporting 1/1/2006 To 1/31/2006**

Period Activity

INCOME	
Interest Income	396.87
Metered Sales-Residential	30,463.83
Metered Sales-Commercial	348.62
Metered Sales-Pub Author.	1,035.22
Metered Sales-Bulk Load	20,232.84
Discounts and Adjustments	-402.05
Revenue-Misc. Service	765.00
Charges for Late Payment	850.83

TOTAL INCOME	53,691.16
EXPENSES	
Payroll Taxes	0.33
UTILITY TAX PAYMENT	-927.40
Bank charges	250.00
Fuel/Power Purchases	7,688.25
Chemicals	4,867.84
Materials and Supplies	2,419.14
Maintenance of Mains	100.00
Maint. & Repair-Equipment	228.48
Office supplies & Other	577.91
Cust. Acct.-Meter Reading	1,214.65
Water Testing	248.00
Customer Accts.-Billing	243.28
Contract-Serv-Other	5,647.72
Insurance-Health	2,860.92
Advertising	9.95
Miscellaneous Expense	1,200.00
Telephone-Plant	142.65
TELEPHONE - OFFICE	183.51

TOTAL EXPENSES	26,955.23

TOTAL INCOME	53,691.16
TOTAL INCOME LESS EXPENSES	26,735.93
	=====

Western Fleming County Water District
Income Statement
Reporting 2/1/2006 To 2/28/2006

Period Activity

INCOME	
Interest Income	356.61
Metered Sales-Residential	29,204.10
Metered Sales-Commercial	412.34
Metered Sales-Pub Author.	1,276.89
Metered Sales-Bulk Load	19,228.75
Discounts and Adjustments	-553.30
Revenue-Misc. Service	1,110.00
Charges for Late Payment	741.94

TOTAL INCOME	51,777.33
EXPENSES	
UTILITY TAX PAYMENT	-925.70
Interest on Bond 1969 A	162.50
Interest on Bond 1969 B	100.00
Fuel/Power Purchases	6,867.08
Office Utilities	48.00
Chemicals	7,785.85
Materials and Supplies	169.29
Maintenance of Meters	200.00
Office supplies & Other	81.24
Reimburse of Office Suppl.	352.67
Cust. Acct.-Meter Reading	1,219.75
Water Testing	403.00
Contract-Serv-Other	5,358.00
Insurance-Health	2,295.64
Advertising	9.95
Miscellaneous Expense	1,300.00
Telephone-Plant	142.25
TELEPHONE - OFFICE	166.76

TOTAL EXPENSES	25,736.28

TOTAL INCOME	51,777.33
TOTAL INCOME LESS EXPENSES	26,041.05
	=====

Western Fleming County Water District
 Income Statement
 Reporting 3/1/2006 To 3/31/2006

Period Activity

INCOME

Interest Income	425.05
Metered Sales-Residential	56,957.04
Metered Sales-Commercial	763.22
Metered Sales-Pub Author.	2,308.46
Metered Sales-Bulk Load	37,871.27
Discounts and Adjustments	-181.74
Revenue-Misc. Service	705.00
Charges for Late Payment	763.15

TOTAL INCOME	99,611.45

EXPENSES

UTILITY TAX PAYMENT	-890.15
Interest on Bond 1969 A	162.50
Interest on Bond 1969 B	100.00
Returned Checks	2.00
Fuel/Power Purchases	6,564.88
Chemicals	10,663.75
Materials and Supplies	3,590.91
Maintenance of Meters	400.00
Office supplies & Other	35.00
Cust. Acct.-Meter Reading	1,218.90
Water Testing	1,512.42
Contract-Serv-Other	5,766.00
Insurance-Health	2,295.64
Advertising	9.95
Miscellaneous Expense	1,200.00
Telephone-Plant	141.09
TELEPHONE - OFFICE	151.56

TOTAL EXPENSES	32,924.45

TOTAL INCOME 99,611.45

TOTAL INCOME LESS EXPENSES 66,687.00

Western Fleming County Water District
Income Statement
Reporting 4/1/2006 To 4/30/2006

	Period Activity
INCOME	
Interest Income	486.40
Metered Sales-Residential	30,137.16
Metered Sales-Commercial	373.26
Metered Sales-Pub Author.	999.19
Metered Sales-Bulk Load	22,101.64
Discounts and Adjustments	-172.16
Revenue-Misc. Service	1,130.00
Charges for Late Payment	719.67

TOTAL INCOME	55,775.16
EXPENSES	
UTILITY TAX PAYMENT	-1,734.68
Interest on Bond 1969 A	325.00
Interest on Bond 1969 B	200.00
Returned Checks	2.00
Fuel/Power Purchases	6,088.57
Chemicals	4,552.45
Materials and Supplies	1,958.81
Maintenance of Meters	600.00
Office supplies & Other	18.38
Reimburse of Office Suppl.	585.49
Cust. Acct.-Meter Reading	1,223.15
Water Testing	144.00
Contract-Serv-Other	3,601.90
Insurance-General Liab.	1,268.75
Unemp.	459.15
Insurance-Health	2,295.64
Miscellaneous Expense	1,100.00
Telephone-Plant	140.51
TELEPHONE - OFFICE	160.13

TOTAL EXPENSES	22,989.25

TOTAL INCOME	55,775.16
TOTAL INCOME LESS EXPENSES	32,785.91
	=====

**Western Fleming County Water District
Income Statement
Reporting 5/1/2006 To 5/31/2006**

Period Activity

INCOME

Interest Income	561.84
Metered Sales-Residential	21,403.51
Metered Sales-Commercial	388.53
Metered Sales-Pub Author.	1,011.78
Metered Sales-Bulk Load	28,674.39
Discounts and Adjustments	-72.51
Revenue-Misc. Service	2,040.00
Charges for Late Payment	854.20
TOTAL INCOME	54,861.74

EXPENSES

UTILITY TAX PAYMENT	-916.81
Returned Checks	4.00
Fuel/Power Purchases	5,626.42
Chemicals	4,925.85
Materials and Supplies	134.26
Maintenance of Meters	600.00
Maint. & Repair-Equipment	260.00
Office supplies & Other	35.00
Cust. Acct.-Meter Reading	1,225.70
Water Testing	1,629.00
Contract-Serv-Other	343.15
Insurance-General Liab.	5,592.51
Insurance-Health	2,295.64
Advertising	414.00
Miscellaneous Expense	1,100.00
Telephone-Plant	139.48
TELEPHONE - OFFICE	173.56
Employee Training	273.98
TOTAL EXPENSES	23,855.74

TOTAL INCOME	54,861.74
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TOTAL INCOME LESS EXPENSES	31,006.00
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Western Fleming County Water District
Income Statement
Reporting 6/1/2006 To 6/30/2006

Period Activity

INCOME

Interest Income	501.30
Metered Sales-Residential	33,679.10
Metered Sales-Commercial	438.92
Metered Sales-Pub Author.	1,055.32
Metered Sales-Bulk Load	<u>22,937.54</u>
Discounts and Adjustments	-203.52
Revenue-Misc. Service	1,190.00
Charges for Late Payment	735.33

TOTAL INCOME	60,333.99

EXPENSES

Taxes & Licenses	35.00
UTILITY TAX PAYMENT	873.54
Interest on Bond 1980	39,880.00
Interest on Bond 1969 A	162.50
Interest on Bond 1969 B	100.00
Returned Checks	4.00
Fuel/Power Purchases	5,862.70
Office Utilities	48.00
Chemicals	18,786.87
Materials and Supplies	11,432.44
Maintenance of Meters	980.00
Office supplies & Other	777.40
Cust. Acct.-Meter Reading	1,224.00
Water Testing	328.86
Contract-Serv-Other	8,259.00
Insurance-Worker Conpe	6,238.98
Insurance-Health	2,295.64
Miscellaneous Expense	1,092.58
Telephone-Plant	140.78
TELEPHONE - OFFICE	161.38

TOTAL EXPENSES	98,683.67

TOTAL INCOME	60,333.99
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TOTAL INCOME LESS EXPENSES	<u><u>-38,349.68</u></u>
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Printed 4/27/2007

Western Fleming County Water District
Income Statement
Reporting 7/1/2006 To 7/31/2006

Page 1

	Period Activity
INCOME	
Interest Income	403.86
Metered Sales-Residential	34,076.00
Metered Sales-Commercial	445.46
Metered Sales-Pub Author.	823.92
Metered Sales-Bulk Load	21,316.25
Discounts and Adjustments	-507.92
Revenue-Misc. Service	2,120.00
Charges for Late Payment	976.33

TOTAL INCOME	59,653.90
EXPENSES	
UTILITY TAX PAYMENT	-1,025.21
Interest on Bond 1969 A	162.50
Interest on Bond 1969 B	100.00
Returned Checks	2.00
Fuel/Power Purchases	55.22
Chemicals	5,853.70
Materials and Supplies	2,104.12
Maintenance of Meters	400.00
Office supplies & Other	38.02
Cust. Acct.-Meter Reading	1,227.40
Water Testing	1,013.00
Contract-Serv-Other	6,716.00
Unemp.	472.35
Insurance-Health	2,295.64
Miscellaneous Expense	1,000.00
Telephone-Plant	138.90

TOTAL EXPENSES	20,553.64

TOTAL INCOME	59,653.90
TOTAL INCOME LESS EXPENSES	39,100.26
	=====

Western Fleming County Water District
 Income Statement
 Reporting 8/1/2006 To 8/31/2006

Period Activity

INCOME	
Interest Income	—454.70—
Metered Sales-Residential	36,051.90
Metered Sales-Commercial	413.12
Metered Sales-Pub Author.	953.98
Metered Sales-Bulk Load	21,797.78
Discounts and Adjustments	-2,140.80
Revenue-Misc. Service	1,290.00
Charges for Late Payment	973.71

TOTAL INCOME	59,794.39
EXPENSES	
UTILITY TAX PAYMENT	1,064.10
Interest on Bond 1969 A	162.50
Interest on Bond 1969 B	100.00
Returned Checks	6.00
Fuel/Power Purchases	10,964.99
Chemicals	6,580.80
Materials and Supplies	16,111.78
Maint. & Repair-Equipment	64.68
Office supplies & Other	826.75
Reimburse of Office Suppl.	94.65
Cust. Acct.-Meter Reading	1,238.45
Water Testing	1,492.75
Contract Serv-Accts.	2,675.00
Contract-Serv-Other	13,093.05
Insurance-General Liab.	2,538.00
Insurance-Health	1,929.64
Advertising	20.00
Miscellaneous Expense	1,209.75
Telephone-Plant	140.15
TELEPHONE - OFFICE	292.59
Employee Training	35.00

TOTAL EXPENSES	60,640.63

TOTAL INCOME	59,794.39
TOTAL INCOME LESS EXPENSES	-846.24
	=====

Western Fleming County Water District
Income Statement
Reporting 9/1/2006 To 9/30/2006

Period Activity

INCOME	
Interest Income	436.82
Metered Sales-Residential	33,667.57
Metered Sales-Commercial	425.14
Metered Sales-Pub Author.	973.12
Metered Sales-Bulk Load	<u>22,604.49</u>
Discounts and Adjustments	-270.93
Revenue-Misc. Service	120.00
Charges for Late Payment	833.28

TOTAL INCOME	58,789.49
EXPENSES	
UTILITY TAX PAYMENT	1,095.55
Interest on Bond 1969 A	325.00
Interest on Bond 1969 B	200.00
Returned Checks	4.00
Fuel/Power Purchases	5,487.73
Chemicals	16,706.00
Materials and Supplies	3,284.10
Office supplies & Other	1,600.00
Cust. Acct.-Meter Reading	1,237.60
Water Testing	562.65
Contract-Serv-Other	9,474.00
Insurance-Health	3,226.92
Miscellaneous Expense	800.00
Telephone-Plant	132.76
TELEPHONE - OFFICE	161.74

TOTAL EXPENSES	44,298.05

TOTAL INCOME	58,789.49
TOTAL INCOME LESS EXPENSES	<u><u>14,491.44</u></u>

Western Fleming County Water District
Income Statement
Reporting 10/1/2006 To 10/31/2006

Period Activity

INCOME	
Interest Income	<u>469.90</u>
Metered Sales-Residential	31,115.48
Metered Sales-Commercial	373.44
Metered Sales-Pub Author.	912.44
Metered Sales-Bulk Load	<u>21,930.86</u>
Discounts and Adjustments	-105.03
Revenue-Misc. Service	1,855.00
Charges for Late Payment	940.62

TOTAL INCOME	57,492.71
EXPENSES	
UTILITY TAX PAYMENT	1,024.40
Returned Checks	2.00
Bank charges	25.50
Chemicals	2,586.01
Materials and Supplies	5,510.11
Maint. & Repair-Equipment	492.86
Cust. Acct.-Meter Reading	1,238.45
Water Testing	186.00
Contract-Serv-Other	8,846.00
Insurance-Health	632.36
Miscellaneous Expense	951.00
Telephone-Plant	140.79

TOTAL EXPENSES	21,635.48

TOTAL INCOME	57,492.71
TOTAL INCOME LESS EXPENSES	<u>35,857.23</u>

Western Fleming County Water District
Income Statement
Reporting 11/1/2006 To 11/30/2006

Period Activity

INCOME	
Interest Income	967.66
Metered Sales-Residential	29,689.25
Metered Sales-Commercial	370.65
Metered Sales-Pub Author.	993.28
Metered Sales-Bulk Load	22,873.85
Discounts and Adjustments	-368.29
Revenue-Misc. Service	745.00
Charges for Late Payment	781.60

TOTAL INCOME	56,053.00
EXPENSES	
UTILITY TAX PAYMENT	-946.13
Interest on Bond 1969 A	325.00
Interest on Bond 1969 B	200.00
Returned Checks	6.00
Purchase Water	5,580.00
Fuel/Power Purchases	13,897.23
Office Utilities	48.00
Chemicals	5,579.40
Materials and Supplies	1,736.35
Maintenance of Mains	10,383.00
Maint. & Repair-Equipment	500.39
Office supplies & Other	338.00
Cust. Acct.-Meter Reading	1,411.75
Water Testing	1,086.00
Contract Serv-Accts.	225.00
Contract-Serv-Other	4,307.00
Insurance-Health	1,929.64
Advertising	20.00
Miscellaneous Expense	1,422.80
Telephone-Plant	265.20
TELEPHONE - OFFICE	334.04

TOTAL EXPENSES	48,648.67

TOTAL INCOME	56,053.00
TOTAL INCOME LESS EXPENSES	7,404.33
	=====

Western Fleming County Water District
 Income Statement
 Reporting 12/1/2006 To 12/31/2006

Period Activity

INCOME	
Interest Income	400.98
Metered Sales-Residential	29,334.63
Metered Sales-Commercial	354.74
Metered Sales-Pub Author.	994.38
Metered Sales-Bulk Load	<u>17,825.72</u>
Discounts and Adjustments	-458.21
Revenue-Misc. Service	2,000.00
Charges for Late Payment	790.95

TOTAL INCOME	51,243.19
EXPENSES	
UTILITY TAX PAYMENT	903.35
Interest on Bond 1980	78,880.00
Interest on Bond 1969 A	81.25
Interest on Bond 1969 B	50.00
Purchase Water	5,766.00
Fuel/Power Purchases	5,697.70
Chemicals	6,371.50
Materials and Supplies	2,450.36
Maintenance of Meters	200.00
Office supplies & Other	652.45
Cust. Acct.-Meter Reading	1,234.20
Water Testing	681.00
Contract-Serv-Other	4,163.00
Insurance-Health	3,354.35
Miscellaneous Expense	2,373.01
Telephone-Plant	10.86
TELEPHONE - OFFICE	155.54

TOTAL EXPENSES	113,024.57

TOTAL INCOME	51,243.19
TOTAL INCOME LESS EXPENSES	<u><u>-61,781.38</u></u>

Printed 4/27/2007

Western Fleming County Water District
 Income Statement
 Reporting 1/1/2007 To 1/31/2007

Page 1

	Period Activity
INCOME	
Interest Income	285.80
Metered Sales-Residential	31,663.12
Metered Sales-Commercial	376.34
Metered Sales-Pub Author.	925.93
Metered Sales-Bulk Load	18,489.21
Discounts and Adjustments	-575.44
Revenue-Misc. Service	885.00
Charges for Late Payment	954.30

TOTAL INCOME	53,004.26
EXPENSES	
UTILITY TAX PAYMENT	892.19
Returned Checks	2.00
Purchase Water	5,766.00
Fuel/Power Purchases	6,983.94
Chemicals	8,974.03
Materials and Supplies	17.39
Maint. & Repair-Equipment	87.08
Office supplies & Other	1,792.38
Cust. Acct.-Meter Reading	1,278.64
Water Testing	458.00
Contract-Serv-Other	1,446.00
Insurance-Health	1,561.33
Miscellaneous Expense	220.00
Telephone-Plant	138.23
TELEPHONE - OFFICE	157.90

TOTAL EXPENSES	29,775.11

TOTAL INCOME	53,004.26
TOTAL INCOME LESS EXPENSES	23,229.15
	=====

Printed 4/27/2007

**Western Fleming County Water District
Income Statement
Reporting 2/1/2007 To 2/28/2007**

Page 1

	Period Activity
INCOME	
Interest Income	286.20
Metered Sales-Residential	30,745.99
Metered Sales-Commercial	366.62
Metered Sales-Pub Author.	917.98
Metered Sales-Bulk Load	18,790.15
Discounts and Adjustments	-308.67
Revenue-Misc. Service	200.00
Charges for Late Payment	855.66

TOTAL INCOME	51,853.93
EXPENSES	
UTILITY TAX PAYMENT	962.53
Interest on Bond 1969 A	162.50
Interest on Bond 1969 B	100.00
Returned Checks	2.00
Bank charges	250.00
Purchase Water	5,208.00
Fuel/Power Purchases	5,691.06
Chemicals	7,454.00
Materials and Supplies	2,124.69
Office supplies & Other	40.31
Reimburse of Office Suppl.	814.86
Cust. Acct.-Meter Reading	1,283.04
Water Testing	1,347.00
Contract-Serv-Other	1,092.00
Insurance-Health	1,433.90
Advertising	20.00
MILAGE/MEALS	121.20
Miscellaneous Expense	1,700.00
Telephone-Plant	136.61
TELEPHONE - OFFICE	155.13

TOTAL EXPENSES	30,098.83

TOTAL INCOME	51,853.93

TOTAL INCOME LESS EXPENSES	21,755.10
	=====

Printed 4/27/2007

**Western Fleming County Water District
Income Statement
Reporting 3/1/2007 To 3/31/2007**

Page 1

	Period Activity
INCOME	
Interest Income	342.05
Metered Sales-Residential	31,773.27
Metered Sales-Commercial	430.99
Metered Sales-Pub Author.	858.04
Metered Sales-Bulk Load	18,195.64
Discounts and Adjustments	-7.32
Revenue-Misc. Service	1,330.00
Charges for Late Payment	851.65

TOTAL INCOME	53,774.32
EXPENSES	
UTILITY TAX PAYMENT	934.78
Interest on Bond 1969 A	81.25
Interest on Bond 1969 B	50.00
Returned Checks	4.00
Purchase Water	5,766.00
Fuel/Power Purchases	8,023.75
Office Utilities	24.00
Chemicals	4,293.28
Materials and Supplies	2,193.31
Maint. & Repair-Equipment	228.17
Office supplies & Other	7.72
Reimburse of Office Suppl.	73.16
Cust. Acct.-Meter Reading	1,285.68
Water Testing	843.75
Contract-Serv-Other	1,292.50
Insurance-Health	1,433.90
Advertising	210.00
MILAGE/MEALS	597.60
Miscellaneous Expense	860.00
Telephone-Plant	140.86
TELEPHONE - OFFICE	156.01

TOTAL EXPENSES	28,499.72

TOTAL INCOME	53,774.32

TOTAL INCOME LESS EXPENSES	25,274.60
	=====



WESTERN FLEMING COUNTY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
OPERATING INCOME		
Water Operating Revenues	\$ 747,716	\$ 682,065
 OPERATING EXPENSES		
Chemicals	91,565	82,359
Contract Service - Accounting	2,200	2,550
Contract Service - Other	27,348	35,320
Depreciation	116,259	113,649
Insurance	34,550	33,796
Materials and Supplies	16,078	25,579
Office Supplies	11,937	9,553
Telephone & Utilities	3,895	4,598
Miscellaneous	3,862	1,677
Payroll Taxes	11,528	11,393
Purchased Power	72,521	59,853
Purchased Water	45,249	
Amortization	933	933
Salaries - Commissioners	12,000	13,200
Salaries - Employees	140,592	133,532
	590,515	527,992
OPERATING EXPENSES		
	590,515	527,992
NET OPERATING INCOME (LOSS)	157,201	154,073
 NONOPERATING INCOME (EXPENSES)		
Interest Income	24,908	20,729
Interest Expense	(108,357)	(92,955)
	73,752	81,847
NET INCOME (LOSS)		
	73,752	81,847
NET ASSETS - BEGINNING OF YEAR	237,908	156,061
	237,908	156,061
NET ASSETS - END OF YEAR	\$ 311,660	\$ 237,908
	\$ 311,660	\$ 237,908

See accompanying notes to the financial statements.

**WESTERN FLEMING COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

CASH FLOW FROM OPERATING ACTIVITIES	2005	2004
Net Income/(Loss)	\$ 157,201	\$ 154,073
Adjustments to reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	117,192	114,582
Decrease (Increase) in Current Assets		
Accounts Receivable	(5,448)	(23,278)
Other Receivables & Prepaid Insurance	(1,496)	2,051
Increase (Decrease) in Current Liabilities		
Accounts Payable	10,490	(3,708)
Accrued Expenses	5,378	3,336
CASH PROVIDED BY OPERATIONS	263,317	247,056
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	24,908	20,729
CASH PROVIDED BY INVESTING	24,908	20,729
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash (Used) or provided by:		
Investment in Utility Plant	(1,324,793)	(308,274)
(Debt Reduction)/Proceeds	(77,876)	255,812
Investment in Office Equipment	-	(4,445)
Interest Expense on Debt	(108,357)	(92,955)
Decrease/(Increase) in Restricted Cash	63,939	(156,436)
Increase in Contributed Capital	837,542	42,700
Customer Contributions	18,245	16,525
Bond Issuance Costs	-	(14,000)
Investment in Land	(55,016)	-
CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(646,316)	(261,073)
PRIOR PERIOD ADJUSTMENT TO RETAINED EARNINGS		
NET INCREASE (DECREASE) IN CASH	(338,091)	6,712
CASH AT BEGINNING OF PERIOD	1,082,631	1,055,919
CASH AT END OF PERIOD	\$ 724,540	\$1,062,631

Supplemental Disclosures:

Interest paid was \$ 108,357 and \$ 92,955 in 2005 and 2004 respectively.

See accompanying notes to the financial statements.



WESTERN FLEMING COUNTY WATER DISTRICT			
INCOME AND EXPENSES			
JANUARY 1 TO DECEMBER 31, 2006			
Operating Income			
	Total		
Metered Sales	\$ 646,444	(66,134)	\$ 580,310
Interest Income	5,862		5,862
Discounts and Adjustments	(5,437)		(5,437)
Miscellaneous Service	15,070		15,070
Late Payment Charges	9,961		9,961
Less - Part of Feb, shown in March	(47,176)		-
Less - Misread Meters	(18,950)		18,950
Total	\$ 605,775	(66,134)	\$ 624,717
Operating Expenses	Total	Adj.	Pro forma
Bank Charges	308		308
Purchased Water	11,596	56,294	67,890
Fuel/Power	74,801		74,801
Office Utilities	144		144
Chemicals	95,259		95,259
Materials and Supplies	50,902		50,902
Maintenance of Mains	100		100
Maint. Of Meters	13,991		13,991
Main. Of Equipment	1,318		1,318
Office Supplies and Other	4,980		4,980
Reimb. of Office Supplies	1,033		1,033
Meter Reading	14,914		14,914
Testing	9,287		9,287
Billing	243		243
Contract Service	78,475	(78,475)	-
Testing	53,496		53,496
Insurance - General Liability	12,626		12,626
Unemployment	931		931
Health Insurance	24,481	2,981	27,462
Workers Compensation	6,239		6,239
Backhoe Amortization		4,714	4,714
Salaries	61,322	78,475	139,797
Commissioner Salaries	12,000		12,000
Retirement		26,076	26,076
Vehicle Amortization		4,905	4,905
Advertising	484		484
Miscellaneous	14,749		14,749
Telephone - Plant	1,673		1,673
Telephone - Office	1,940		1,940
Training	309		309
Operating Expenses	\$ 547,601	\$ 94,971	\$ 642,571
Debt Payments - Interest	\$ 121,779	(25,794)	95,985
Debt Payments - Principal		78,936	78,936
1.2 Coverage	\$ 34,984		34,984
Depreciation Expense	\$ 114,031		\$ 114,031
Total Expenses	\$ 818,395	\$ 148,113	\$ 966,507
Total Income			586,825
Increase Required			\$ 379,682

WESTERN FLEMING COUNTY WATER DISTRICT	
EXPLANATION OF ADJUSTMENTS	
JANUARY - DECEMBER 2006	
\$66,934	Adjustment made due to February including a portion of March sales.
\$56,294	Includes the purchase of 100,000 gallons per day from the Greater Fleming County Water Commission. Excludes November and December of 2005 when purchases began.
(\$78,475)	Purchasing used backhoe and hiring another employee which will eliminate this expense.
\$2,981	Increased insurance benefits (see board minutes)
\$4,714	Amortized used backhoe over a period of 7 years. See estimate on cost of backhoe plus board minutes approving the purchase.
\$78,475	Salaries not shown in monthly expense report. See list of employees and salaries.
\$26,076	See board minutes on decision to pay retirement.
\$4,095	Amortization of new truck. See minutes and bid on truck.
(\$25,794)	Interest expense decreased to reflect actual interest that should have been paid.
\$78,936	Principal expense not included in monthly expenses.

(PR003.V1)

COUNTY EMPLOYEES RETIREMENT SYSTEM
1260 LOUISVILLE ROAD
PERIMETER PARK WEST
FRANKFORT, KENTUCKY 40601

PAGE 1

HONE NO. 502-696-8800

AGENCY NUMBER: 0135

FORM 3

SUMMARY OF WAGES EARNED FOR 04/2007

Please return top copy of this report by 10th of May. Failure to remit contributions by the 10th will result in a penalty of no less than \$1000.

1 PERIOD	APRIL, 2007	TOTALS	DO NOT USE
2 TOTAL WAGES REPORTED ON ALL PAGES		119,489.13	-----
3 EMPLOYEES INSTALLMENT PAYMENT		-----	-----
4 EMPLOYEES CONTRIBUTIONS @ 5.00%	5,974.6	-----	-----
5 TOTAL OF 3 AND 4		5,974.6	-----
6 EMPLOYERS CONTRIBUTIONS @ 13.14%		15,765.9	-----
7 TOTAL OF 5 AND 6		21,740.53	-----
8 ADDED PAYMENT FOR LATE REPORTING		-----	-----

AGENCY NUMBER 0135

MOLLY RUARK
WESTERN FLEMING WATER DIS
P O BOX 16
1500 EWING RD
EWING KY 40034
(606)267-2120

I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE THE PERSONS INCLUDED IN THIS REPORT ARE REGULAR FULL-TIME EMPLOYEES AS DEFINED BY THE STATUTES AND THE REGULATIONS OF THE BOARD OF TRUSTEES OF THE RETIREMENT SYSTEM.

5-1-07 _____
 DATE REPORT FILED SIGNATURE OF REPORTING OFFICIAL TITLE

USE THIS AREA FOR ADDITIONAL EMPLOYEES NOT SHOWN ON THE FOLLOWING PAGE(S).

REPORT OF WAGES EARNED FOR 04/2007

SOCIAL SECURITY NUMBER	MEMBER NAME	GROSS WAGES	GROSS WAGES	INSTALLMENT PURCHASE	INSTALLMENT PURCHASE
		PREVIOUS MONTH	CURRENT MONTH **	PREVIOUS MONTH	CURRENT MONTH **
1	2	3	4	5	6
-----	-----	-----	-----	-----	-----

Run Date: 5/18/2007
User: UMS

WESTERN FLEMING CO. WATER DIST.
Quarterly FUT Report
Quarter ended 6/30/2007
Income Limit - 0.00 Effective Tax Rate - 0.00%

Run Time: 13:53
Page: 1

Emp Code	SSN	Employee Name	Total Wages	Taxable Wages	Exempt Wages
01	403-78-1530	William E. Hunter	7,014.74	7,014.74	0.00
02	231-64-2213	Everett D. Canafax	5,043.40	5,043.40	0.00
03	405-80-3929	Danny W. McIntyre	4,666.66	4,666.66	0.00
04	401-33-7442	Michael L. Hunt	4,071.86	4,071.86	0.00
05	407-90-3715	Molly Ruark	3,101.20	3,101.20	0.00
Emp - 5			23,897.86	23,897.86	0.00

Total Taxable Wages - 23,897.86 times 0.00% = 0.00

*Shows April & May 2007
Not June*

<i>1st quarter</i>	<i>32,257.05</i>
<i>2nd "</i>	<i>35,846.79</i>
<i>3rd "</i>	<i>35,846.79</i>
<i>4th "</i>	<i>35,846.79</i>
	<hr/>
	<i>139,797.42</i>

Run Date: 5/18/2007
 User: UMS

WESTERN FLEMING CO. WATER DIST.
 Quarterly FUT Report
 Quarter ended 3/31/2007
 Income Limit - 0.00 Effective Tax Rate - 0.00%

Run Time: 13:53
 Page: 1

Emp Code	SSN	Employee Name	Total Wages	Taxable Wages	Exempt Wages
01	403-78-1530	William E. Hunter	10,522.11	10,522.11	0.00
02	231-64-2213	Everett D. Canafax	7,565.10	7,565.10	0.00
03	405-80-3929	Danny W. McIntyre	3,410.25	3,410.25	0.00
04	401-33-7442	Michael L. Hunt	6,107.79	6,107.79	0.00
05	407-90-3715	Molly Ruark	4,651.80	4,651.80	0.00
	Emp - 5		32,257.05	32,257.05	0.00

Total Taxable Wages - 32,257.05 times 0.00% = 0.00

WESTERN FLEMING COUNTY WATER DISTRICT
MINUTES FROM BOARD MEETING
MARCH 21, 2007

MEETING CALLED TO ORDER BY VERNON BARTON.

MS. SAUNDERS ADDRESSED THE BOARD ABOUT GETTING WATER TO HER PROPERTY ON PORTER ROAD. COMMISSIONERS ALL AGREED THAT THEY WOULD NOT CHARGE HER FOR SETTING THE METER (425.00) BUT THE REST WOULD BE AT HER EXPENSE. CALLED MS. SAUNDERS ON MARCH 23RD AND EXPLAINED WHAT WAS AGREED UPON AND SHE UNDERSTOOD.

MOTION MADE BY FRED ROSE AND SECOND BY BILLY WAYNE TO ACCEPT MINUTES FROM LAST MEETING.

OLD BUSINESS:

1. WATER LOSS THIS PAST MONTH WAS 9,730 GALLONS.
- ② THE BIDS WERE OPEN FOR THE NEW TRUCK. CHEAPS AND LARRY FANINN WERE THE ONLY ONES THAT SUBMITTED BIDS. AFTER MUCH DISCUSSION A MOTION WAS MADE BY FRED ROSE AND SECOND BY BILLY MCINTYRE TO GO WITH THE ONE AT CHEAPS FOR \$24,430.00 AUTOMATIC TRANSMISSION.
3. LEFT MESSAGE FOR EDDIE WINNS AT MAYSVILLE UTILITY TO SET UP MEETING WITH COMMISSIONERS.

NEW BUSINESS:

1. BILLY RAY DARNALL'S METER WAS CHANGED OUT A COUPLE MONTHS AGO AND THEN HE HAD A LEAK ON HIS SIDE OF THE METER. HE FEELS THAT IT WAS CAUSED WHEN THE METER WAS CHANGED THEREFORE HE IS ASKING THAT WFWD PAY HIS BILL FROM JAMES MEADE OF \$120.00. COMMISSIONERS ALL AGREED TO PAY HALF THE BILL \$60.00.
2. BRUNER LAND COMPANY CALLED VERNON AND ASKED ABOUT LAND FOR SELL AT COWAN. WANT TO KNOW ABOUT LINE SIZE AND PRESSURE IF IT CAN HANDLE 8 OR 9 HOUSES. ALL AGREED AS LONG AS IT IS USED FOR RESIDENTIAL HOUSING AND NO MORE THEN 9 HOUSES.
3. COMMISSIONERS ALL AGREED TO LOCK OUT WILLIAM SHEETS METER UNTIL THE BILL IS PAID IN FULL.

3. MOTION MADE BY JIM HUSTON AND SECOND BY FRED ROSE FOR THE WATER DISTRICT TO PURCHASE A BACKHOE. COMMISSIONERS ALL AGREED.
4. VERNON SAID DAVID MATTOX HAS LOW PRESSURE NEEDS REGULATOR CHECKED. HAD TWO WITH POSSIBLE LEAKS ON WATER DISTRICT SIDE, IVA JOHNSON AND JOHN WORKMAN.
5. BILLY ED SAID THE MOTOR FOR PUMP WILL BE SHIPPED ON MAY 18TH. HE ALSO REPORTED THAT DANNY AND JOHNNY HAD DUG OUT AND FOUND THE LEAK IN THE WALL OF THE BASIN. WILL FIX ONCE IT IS DRAINED. BILLY AND DANNY CANAFAX REPORTED THAT BILL COOPER WITH JEFF DAVIS'S OFFICE STOPPED BY THE WATER PLANT AND DISCUSS WAYS TO GET MONEY THRU KIA TO DO PROJECTS AT THE WATER PLANT. HE SUGGESTED THAT LARRY FOXWORTHY MAKE A CALL AND TO GET MIKE DENHAM AND WALTER BLEVINS TO MEET WITH COMMISSIONERS AND KIA.
6. NEXT MEETING WILL BE JUNE 20TH AT 7:00 P.M.

MEETING WAS ADJOURNED AND COMMISSIONERS WENT INTO EXECUTIVE SESSION.

1. MOTION MADE BY FRED ROSE AND SECOND BY JIM HUSTON TO HIRE SHELBY BROWN TO CLEAN AND PAINT THE FAIRVIEW TANK AND TO CLEAN AND PAINT THE LEGS AND RISER PIPE ON PECK'S RIDGE TANK.
2. MOTION MADE BY FRED ROSE AND SECOND BY JIM HUSTON TO PAY THE EMPLOYEES SINGLE POLICY ON THE HEALTH INSURANCE. WILL NOT GIVE A COST OF LIVING INCREASE IN 2007 TO HELP OFF SET THIS EXPENSE.

VERNON BARTON, CHAIRMAN

FRED ROSE, SECRETARY

Total Monthly Premiums

This chart is for reference only and does not reflect charges that will be deducted from your pay check.

Plan	Employee	Employer	Total	Grand Total
Commonwealth Essential	Not Offered	\$583.28	\$895.50	\$998.64
Commonwealth Premier	\$473.72	\$729.74	\$1,110.88	\$1,237.96
Commonwealth Select				

Employer Contributions

Monthly Employer Contribution* - Non-Smoker

Plan	Employee	Employer	Total	Grand Total
Commonwealth Essential	Not offered	\$525.02	\$620.60	\$659.52
Commonwealth Premier	\$454.44	\$549.26	\$688.58	\$735.06
Commonwealth Select				

Monthly Employer Contribution* - Smoker

Plan	Employee	Employer	Total	Grand Total
Commonwealth Essential	Not offered	\$493.24	\$588.82	\$627.74
Commonwealth Premier	\$438.56	\$517.48	\$656.80	\$703.28
Commonwealth Select				

Handwritten:
This starts on July 1st

Handwritten: 457.70 x 5 employees

Handwritten:
2288.50 monthly
x 12
27,462.00

Report

March 15, 2007, 01:44 PM

Back Print

Customer Vehicle Search Detail Report
CHEAP CHEVROLET-OLDSMOBILE CO., INC.

2007 Chevrolet CK20903 - Silverado: 2500 4WD Regular Cab Long Box

"Must Have" Options

"Don't Want" Options

50U 1WT LY6 MYD G80

VIN / Order #	Event Code	MSRP
1GCHK24K77E529088	5000 Vehicle delivered to dealer	\$29,885
Color1: 50U	Summit White Exterior Color	
Color2: N/A		
Trim: 88B	Dark Titanium Cloth Interior Trim	
Package: 1WT	Work Truck	
Engine: LY6	Engine: 6.0L, V-8	
Trans: MYD	Transmission: 6-Speed Automatic <i>heavy duty</i>	
Other: TSZ	Option Package Discount	
AE7	Seat: 40/20/40/ Split Front Bench	
AJ1	Glass: Deep Tinted	
B30	Floor Covering: Color Keyed Carpet with Floor Mats	
B32	Floor Mats, Front	
C67	Air Conditioning, Manual	
C6W	GVW Rating 9200 Lbs	
DF2	Mirrors: Camper Style, Black, Manual Foldaway	
E63	Body, Fleetside	
EE8	Federal Emissions	
G80	Locking Differential, Rear	
GT4	Rear Axle, 3.73 Ratio	
K34	Cruise Control	
KNP	Transmission Cooling System	
QB5	Wheel 16" Base Steel	
QIW	Tires: LT245/75R16 OOR Blackwall	
R9Z	Sold Order Expedite	
U1C	Radio: AM/FM Stereo, CD, RDS	
UE1	OnStar Communication System	
V22	Grille: Chrome Surround	
V76	Recovery Hooks	
VK3	License Plate Front Mounting Pkg	
Z82	Trailer Package	
Z85	Handling/Trailer Suspension	
ZIZ	Tire, Spare LT245/75R16 BW ALS	
ZY1	Solid Paint Application	

*This is a 2007 new design 3/4 ton with
a 6 speed Auto Trans.*

*\$ 28,525.00
- 4,000.00 fleet discount
\$ 24,525.00*



GREENHILL EQUIPMENT, INC.

180 Kendall Lane
FLEMINGSBURG, KY 41041
(606) 845-7311

JOHN DEERE

CERTIFICATE OF EXEMPTION: The undersigned purchaser hereby certifies that the articles purchased in connection with this certificate of exemption were purchased to use or consume in the production of tangible personal property for sale by manufacturing, processing, refining, mining, farming, horticulture or floriculture.

Customer's Order No. 111		Date 5/23/07 20 07	
Name WFWQ			
Address 1500 Ewing Rd. P.O. Box 16 Ewing Ky 41039 Phone 606-2672120			
SOLD BY	CASH	C.O.D.	CHARGE ON ACCT. MDRE. RETD. PAID OUT
QUAN	DESCRIPTION	PRICE	AMOUNT
	USED 110 Backhoe	\$29000.00	
	Trailer to haul Backhoe	5,000.00	
All claims and returned goods MUST be accompanied by this bill.		TAX	
0014108 Received By		TOTAL	

GS-202-2
PRINTED IN U.S.A.



Thank You

WESTERN FLEMING COUNTY WATER DISTRICT

INCOME AND EXPENSES

JANUARY 1 TO DECEMBER 31, 2006

Operating Income	Total	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Metered Sales	\$ 693,620	52,081	50,122	97,900	53,611	51,478	58,111	56,662	59,217	57,670	54,332	53,927	48,509
Interest Income	5,862	397	357	425	486	562	501	404	455	437	470	968	401
Discounts and Adjustments	(5,437)	(402)	(553)	(182)	(172)	(73)	(204)	(508)	(2,141)	(271)	(105)	(368)	(458)
Miscellaneous Service	15,070	765	1,110	705	1,130	2,040	1,190	2,120	1,290	120	1,855	745	2,000
Late Payment Charges	9,961	851	742	763	720	854	735	976	974	833	941	782	791
Less - Part of Feb, shown in March	(47,176)			(47,176)									
Total	\$ 671,901	53,691	51,778	52,435	55,775	54,861	60,334	59,654	59,794	58,789	57,493	56,053	51,243



**Community Trust[®]
and Investment Company**

building communities...built on trust[®]

P. O. Box 520
Middlesboro, KY 40965-0520
606-248-9670
606-248-9674 Fax

1918 Cumberland Ave.
Middlesboro, KY 40965

December 11, 2006

Western Fleming Water District
Attn: Molly Ruark
PO Box 16
Ewing, KY 41038

RE: Western Fleming County, Kentucky Water District,
Water Works System Refunding Revenue Bonds, DTD January 1, 1969.

Gentlemen:

Pursuant to the Bond Indenture the monthly 2007 installment amount required to cover annual bond payments of interest and principle for 2007 is \$2631.25. The installment amount should begin with the January 2007 payment. The break down is as follows:

Principal:	\$2500.00	251010
Interest: (A Fund)	\$81.25	527031
Interest: (B Fund)	\$50.00	527032

Please remit the payment as follows:

Community Trust & Investment Company
Attn: Operations Dept. 2nd Floor
P.O. Box 1297
Versailles, KY 40383

Please call our office should you have any questions. You may reach us at 888-228-9106, ext. 5670 or 606-248-9670.

Sincerely,

Sylvia Donahoe
Asst. Vice President &
Trust Officer

SD/rm



United States Department of Agriculture
Rural Development
Morehead Area Office

December 1, 2006

Western Fleming Water District
ATTN: Chairman
P.O. Box 16
Ewing, KY 41039

Dear Borrower:

According to our Finance Office records you need to pay on your United States Department of Agriculture (USDA), Rural Development loan(s) that is due in this office on or before **January 1, 2007** as follows:

<u>Loan No.</u>	<u>Interest Due:</u>	<u>Principal Due:</u>	<u>TOTAL</u>
91-01	\$ 8,275.00	\$ 17,000.00	\$ 25,275.00
91-02	\$ 6,675.00	\$ 7,000.00	\$ 13,675.00
91-05	\$ 13,916.25	\$ 9,500.00	\$ 23,416.25
91-07	\$ 11,013.75	\$ 5,500.00	\$ 16,513.75
TOTAL AMOUNT DUE:			\$ 78,880.00

Please make checks or money orders payable to USDA Rural Development and mail to the following address:

USDA RURAL DEVELOPMENT
220 West First Street
Morehead, KY 40351

If you have questions, you may call this office at (606)784-6447, ext. 110.

Sincerely,

Jimmy H. Hall
for **JIMMY H. HALL**
Area Director

220 West First Street, Morehead, KY 40351
Phone: (606)784-6447 • Fax: (606)784-2076 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).



United States Department of Agriculture
Rural Development
Morehead Area Office

June 6, 2006

Western Fleming Water District
ATTN:
P O BOX 16
Ewing, KY 41039

Dear Borrower:

According to our Finance Office records you need to pay on your United States Department of Agriculture (USDA), Rural Development loan(s) that is due in this office on or before **July 1, 2006** as follows:

<u>Loan No.</u>	<u>Interest Due:</u>	<u>Principal Due:</u>	<u>TOTAL</u>
91-01	\$ 8,275.00	\$ 0.00	\$ 8,275.00
91-02	\$ 6,675.00	\$ 0.00	\$ 6,675.00
91-05	\$ 13,916.25	\$ 0.00	\$ 13,916.25
91-07	\$ 11,013.75	\$ 0.00	\$ 11,013.75

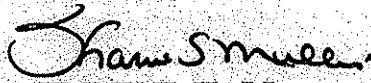
TOTAL AMOUNT DUE: \$ 39,880.00

Please make checks or money orders payable to USDA Rural Development and mail to the following address:

USDA RURAL DEVELOPMENT
220 West First Street
Morehead, KY 40351

If you have questions, you may call this office at (606)784-6447, ext. 110.

Sincerely,

for 
JIMMY H. HALL
Area Director

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Phone: (606)784-6447 • Fax: (606)784-2076 • TDD: (859) 224-7422 • Web: <http://www.rurdev.usda.gov/ky>

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**WESTERN FLEMING COUNTY
WATER DISTRICT**

REPORT OF AUDIT

DECEMBER 31, 2005

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-2
Combined Balance Sheets	3-4
Combined Statements of Revenues, Expenses, and Changes in Net Assets	5
Statements of Cash Flows	6
Notes to the Financial Statements	7-9
Schedule of Expenditures of Federal Awards	10
Notes to Schedule of Expenditures of Federal Awards	11
Report on Compliance with Requirements Applicable To Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	12-13
Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	14-15
Schedule of Findings and Questioned Costs	16

ROBERT E. MONTGOMERY

CERTIFIED PUBLIC ACCOUNTANT

MEMBER: K.S.C.P.A.
A.I.C.P.A.

115 SOUTH MAIN CROSS
FLEMINGSBURG, KY 41041
(606) 845-5210

550 W. FIRST ST., PO BOX 449
MOREHEAD, KY 40351
(606) 784-4451
(606) 784-8224 (FAX)

INDEPENDENT AUDITOR'S REPORT

To The Board of Commissioners of the
Western Fleming County Water District
Ewing, Kentucky

I have audited the accompanying financial statements of the business-type activities and each major fund of Western Fleming County Water District as of and for the years ended December 31, 2005 and 2004, which comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Western Fleming County Water District. My responsibility is to express an opinion on these financial statements based on my audit.


I conducted my audit 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.. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above presents fairly, in all material respects, the respective financial position of the business-type activities and each major fund of Western Fleming County Water District as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof, for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated August 29, 2006, on my consideration of Western Fleming County Water District internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The district has not presented the management's discussion and analysis that Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Western Fleming County Water District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Western Fleming County Water District. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Robert E. Montgomery, CPA

August 29, 2006

WESTERN FLEMING COUNTY WATER DISTRICT
BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

ASSETS	<u>2005</u>	<u>2004</u>
<u>CURRENT ASSETS</u>		
Cash (Note 2)	\$ 724,540	\$ 1,062,631
Accounts Receivable (net of allowance for doubtful accounts of \$992 and \$2,133 at December 31, 2005 and 2004.)	61,672	56,224
Prepaid Insurance	8,871	7,375
<u>Total Current Assets</u>	<u>795,083</u>	<u>1,126,230</u>
<u>RESTRICTED ASSETS</u>		
Cash (Note 3)	<u>337,241</u>	<u>401,180</u>
<u>Total Restricted Assets</u>	<u>337,241</u>	<u>401,180</u>
<u>PROPERTY AND EQUIPMENT</u>		
Land	75,090	20,074
Transmission and Distribution Plant	7,464,847	6,146,265
Building, Office Furniture and Equipment	78,368	72,158
<u>Total Property, Plant and Equipment</u>	<u>7,618,305</u>	<u>6,238,497</u>
Less: Accumulated depreciation	<u>(2,454,857)</u>	<u>(2,338,599)</u>
<u>Net Property, Plant and Equipment</u>	<u>5,163,448</u>	<u>3,899,898</u>
<u>OTHER ASSETS</u>		
Bond Issuance Costs	14,000	14,000
Less: Amortization	(1,866)	(933)
	<u>12,134</u>	<u>13,067</u>
TOTAL ASSETS	<u><u>\$ 6,307,906</u></u>	<u><u>\$ 5,440,375</u></u>

See accompanying notes to the financial statements.

WESTERN FLEMING COUNTY WATER DISTRICT
BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

ASSETS	<u>2005</u>	<u>2004</u>
<u>CURRENT ASSETS</u>		
Cash (Note 2)	\$ 724,540	\$ 1,062,631
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<u>Net Property, Plant and Equipment</u>	<u>5,163,448</u>	<u>3,899,898</u>
<u>OTHER ASSETS</u>		
Bond Issuance Costs	14,000	14,000
Less: Amortization	<u>(1,866)</u>	<u>(933)</u>
	<u>12,134</u>	<u>13,067</u>
TOTAL ASSETS	<u><u>\$ 6,307,906</u></u>	<u><u>\$ 5,440,375</u></u>

See accompanying notes to the financial statements.

WESTERN FLEMING COUNTY WATER DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

CASH FLOW FROM OPERATING ACTIVITIES	<u>2005</u>	<u>2004</u>
Net Income/(Loss)	\$ 157,201	\$ 154,073
Adjustments to reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	117,192	114,582
Decrease (Increase) in Current Assets		
Accounts Receivable	(5,448)	(23,278)
Other Receivables & Prepaid Insurance	(1,496)	2,051
Increase (Decrease) in Current Liabilities		
Accounts Payable	10,490	(3,708)
Accrued Expenses	5,378	3,336
CASH PROVIDED BY OPERATIONS	<u>283,317</u>	<u>247,056</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest Income	24,908	20,729
CASH PROVIDED BY INVESTING	<u>24,908</u>	<u>20,729</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash (Used) or provided by:		
Investment in Utility Plant	(1,324,793)	(308,274)
(Debt Reduction)/Proceeds	(77,876)	255,812
Investment in Office Equipment	-	(4,445)
Interest Expense on Debt	(108,357)	(92,955)
Decrease/(Increase) in Restricted Cash	63,939	(156,436)
Increase in Contributed Capital	837,542	42,700
Customer Contributions	18,245	16,525
Bond Issuance Costs	-	(14,000)
Investment in Land	(55,016)	-
CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(646,316)</u>	<u>(261,073)</u>
PRIOR PERIOD ADJUSTMENT TO RETAINED EARNINGS		
NET INCREASE (DECREASE) IN CASH	<u>(338,091)</u>	<u>6,712</u>
CASH AT BEGINNING OF PERIOD	1,062,631	1,055,919
CASH AT END OF PERIOD	<u>\$ 724,540</u>	<u>\$1,062,631</u>

Supplemental Disclosures:

Interest paid was \$ 108,357 and \$ 92,955 in 2005 and 2004 respectively.

See accompanying notes to the financial statements.

WESTERN FLEMING COUNTY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
OPERATING INCOME		
Water Operating Revenues	\$ 747,716	\$ 682,065
 OPERATING EXPENSES		
Chemicals	91,565	82,359
Contract Service - Accounting	2,200	2,550
Contract Service - Other	27,348	35,320
Depreciation	116,259	113,649
Insurance	34,550	33,796
Materials and Supplies	16,078	25,579
Office Supplies	11,937	9,553
Telephone & Utilities	3,895	4,598
Miscellaneous	3,862	1,677
Payroll Taxes	11,526	11,393
Purchased Power	72,521	59,853
Purchased Water	45,249	
Amortization	933	933
Salaries - Commissioners	12,000	13,200
Salaries - Employees	140,592	133,532
	<u>590,515</u>	<u>527,992</u>
OPERATING EXPENSES		
	590,515	527,992
NET OPERATING INCOME (LOSS)	157,201	154,073
NONOPERATING INCOME (EXPENSES)		
Interest Income	24,908	20,729
Interest Expense	(108,357)	(92,955)
	<u>73,752</u>	<u>81,847</u>
NET INCOME (LOSS)		
	73,752	81,847
NET ASSETS - BEGINNING OF YEAR	<u>237,908</u>	<u>156,061</u>
NET ASSETS - END OF YEAR	<u>\$ 311,660</u>	<u>\$ 237,908</u>

See accompanying notes to the financial statements.

WESTERN FLEMING COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Western Fleming County Water District have been prepared on the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred.

(a) Property, Plant and Equipment

Property, plant and equipment purchased are recorded at cost. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the assets. The estimates of useful lives used in computing depreciation are as follows:

	ESTIMATED LIFE (YEARS)
Building & Improvements	33
Water Plant	33
Water Distribution Systems	40-50
Meters	20

(b) Investments

All investments are carried at cost and are required to be collateralized by direct obligations of the United States, FDIC insured, or invested in direct obligations of the United States. Investments consist of certificates of deposits.

(c) Income Tax Status

Income of the water district is exempt from tax under Internal Revenue Code Section 115. Accordingly, the financial statements include no provisions for income taxes.

(d) Customer Contribution

Following a common industry practice, all tap-on and meter installation fees have been capitalized and recorded as contributed capital

(e) Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

(f) Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

2. **CASH**

Cash for purposes of the cash flows statements does not include restricted cash. Following is a summary of cash at December 31, 2005 and 2004:

WESTERN FLEMING COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2005

	<u>2005</u>	<u>2004</u>
Interest Bearing Checking Accounts		
And certificate of deposit	\$ 1,002,597	\$ 1,409,534
Non-Interest Bearing Checking Accounts	<u>59,184</u>	<u>54,277</u>
	\$ 1,061,781	\$ 1,463,811
Less: Restricted Cash for Construction		
And Bond Reserves	<u>337,241</u>	<u>401,180</u>
	<u>\$ 724,540</u>	<u>\$ 1,062,631</u>

3. **RESTRICTED ASSETS**

The restricted assets in the accompanying financial statements are restricted as to use by bond ordinances (Note 5). A schedule of restricted assets at December 31, 2005 follows:

<u>DESCRIPTION</u>	<u>RESTRICTED CASH</u>	
	<u>2005</u>	<u>2004</u>
With Paying Agents	\$ 59,184	\$ 54,277
Bond Reserves	82,987	82,465
Construction Account	32,785	90,545
Bond Sinking Fund	95,989	113,093
Depreciation Reserves	<u>66,296</u>	<u>60,800</u>
Total	<u>\$ 337,241</u>	<u>\$ 401,180</u>

4. **NET WORKING CAPITAL**

	<u>2005</u>	<u>2004</u>
Current Assets	\$ 795,083	\$ 1,126,230
Current Liabilities	<u>144,629</u>	<u>98,161</u>
Net Working Capital	<u>\$ 650,454</u>	<u>\$ 1,028,069</u>

5. **LONG-TERM DEBT**

The following is a summary of revenue bonds of the district at December 31, 2005. Substantially all assets and revenues are pledged as collateral for the following debt:

	<u>Rate</u>	<u>Original Issue</u>	<u>2005</u>	<u>2004</u>
1969 Serial	5-5 1/2%	\$ 445,000	\$ 83,981	\$ 108,981
1980 FHA	5 %	560,000	331,000	347,000
1988 FHA	5 %	341,000	267,000	274,000
1997 FHA	4 1/2%	675,000	618,500	628,500
2003 FHA	4 1/2%	500,000	489,500	495,000
2004 KY Rural Water	4.021%	314,000	<u>299,124</u>	<u>314,000</u>
			<u>\$ 2,089,105</u>	<u>\$ 2,166,981</u>
Less Current Maturities			<u>(81,000)</u>	<u>(50,400)</u>
			<u>\$ 2,008,105</u>	<u>\$ 2,116,581</u>

WESTERN FLEMING COUNTY WATER DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2005

Bond principal is due on January 1. Interest is due on January 1 and July 1.

Long-term debt will mature as follows:

	<u>Principal</u>
2006	81,000
2007	76,500
2008	76,981
2009	51,000
2010-2019	849,000
2020-2028	620,810
2029-2037	<u>333,814</u>
Total	<u>\$ 2,089,105</u>

Depreciation fund and bond reserve funds that are required by the 1969 and 1980 bond indentures, are fully funded, and are held as time deposits and certificates of deposit by Farmers Deposit Bank-Ewing Branch at Ewing, Kentucky. The depreciation fund required by the 1988 bond indenture requires that a deposit of \$170 be deposited monthly. As of December 31, 2005, the 1988 depreciation reserve fund had a balance of \$53,967. The 2004 bond indenture requires a bond reserve fund be set-up with the regions bank. This account is set-up and had a balance of \$21,812 as of December 31, 2005.

6. FDIC AND COLLATERALIZED DEPOSITS WITH FINANCIAL INSTITUTIONS

The amount of collateral, bank balance, and the District's carrying balances in all financial institutions as of December 31, 2005 are summarized below.

<u>Community Trust Bank</u>	<u>Bank Balance</u>	<u>Carrying Balance</u>	<u>Collateral and FDIC Insurance</u>
Checking and Savings	473,913	473,913	
Certificates of Deposits	<u>587,868</u>	<u>587,868</u>	
TOTAL	<u>\$ 1,061,781</u>	<u>\$ 1,061,781</u>	<u>\$ 1,550,714</u>

All securities pledged as collateral are unregistered and held by the safekeeping department of another bank.

WESTERN FLEMING COUNTY WATER DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the year ended December 31, 2005

<u>Program Title</u>	<u>Federal CFDA#</u>	<u>Federal Expenditures</u>
Kentucky Infrastructure Authority Pass Through Program KIA Fund B 20/20 Grant	66.458	<u>814,642</u>
Total		<u><u>\$814,642</u></u>

WESTERN FLEMING COUNTY WATER DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Western Fleming County Water District and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – PASS THROUGH PROGRAMS

Western Fleming County Water District received funds passed through the Commonwealth of Kentucky Department of Local Government

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
KIA 2020 grant	66.458	\$814,642

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To The Board of Commissioners of the
Western Fleming County Water District
Ewing, Kentucky

Compliance

I have audited the compliance of the Western Fleming County Water District with the types of compliance requirements described in the *U.S. Office Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for year ended December 31, 2005. Western Fleming County Water District's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Western Fleming County Water District's management. My responsibility is to express an opinion on the Western Fleming County Water District's compliance based on my audit.

I conducted my audit of compliance 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; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Western Fleming County Water District's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide legal determination of the Western Fleming County Water District's compliance with those requirements.

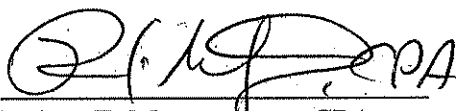
In my opinion, the Western Fleming County Water District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the Western Fleming County Water District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Western Fleming County Water District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, the board of commissioners, management, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.



Robert E. Montgomery, CPA
August 29, 2006

**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 Commissioners of the
Western Fleming County Water District
Ewing, Kentucky

I have audited the financial statements of the business-type activities and each major fund of Western Fleming County Water District as of and for the year ended December 31, 2005, which collectively comprise the District's basic financial statements and have issued my report thereon dated August 29, 2006. I conducted my audit 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.

Internal Control Over Financial Reporting

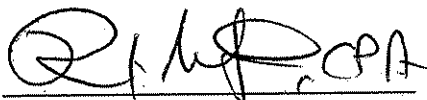
In planning and performing my audit, I considered the Western Fleming County Water District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Western Fleming County Water District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The

results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Commissioners, the Public Service Commission of Kentucky, Fleming County Fiscal Court and Rural Development and is not intended to be and should not be used by anyone other than these specified parties.



Robert E. Montgomery, CPA
August 29, 2006

**WESTERN FLEMING COUNTY WATER DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2005**

SUMMARY OF AUDITOR'S RESULTS

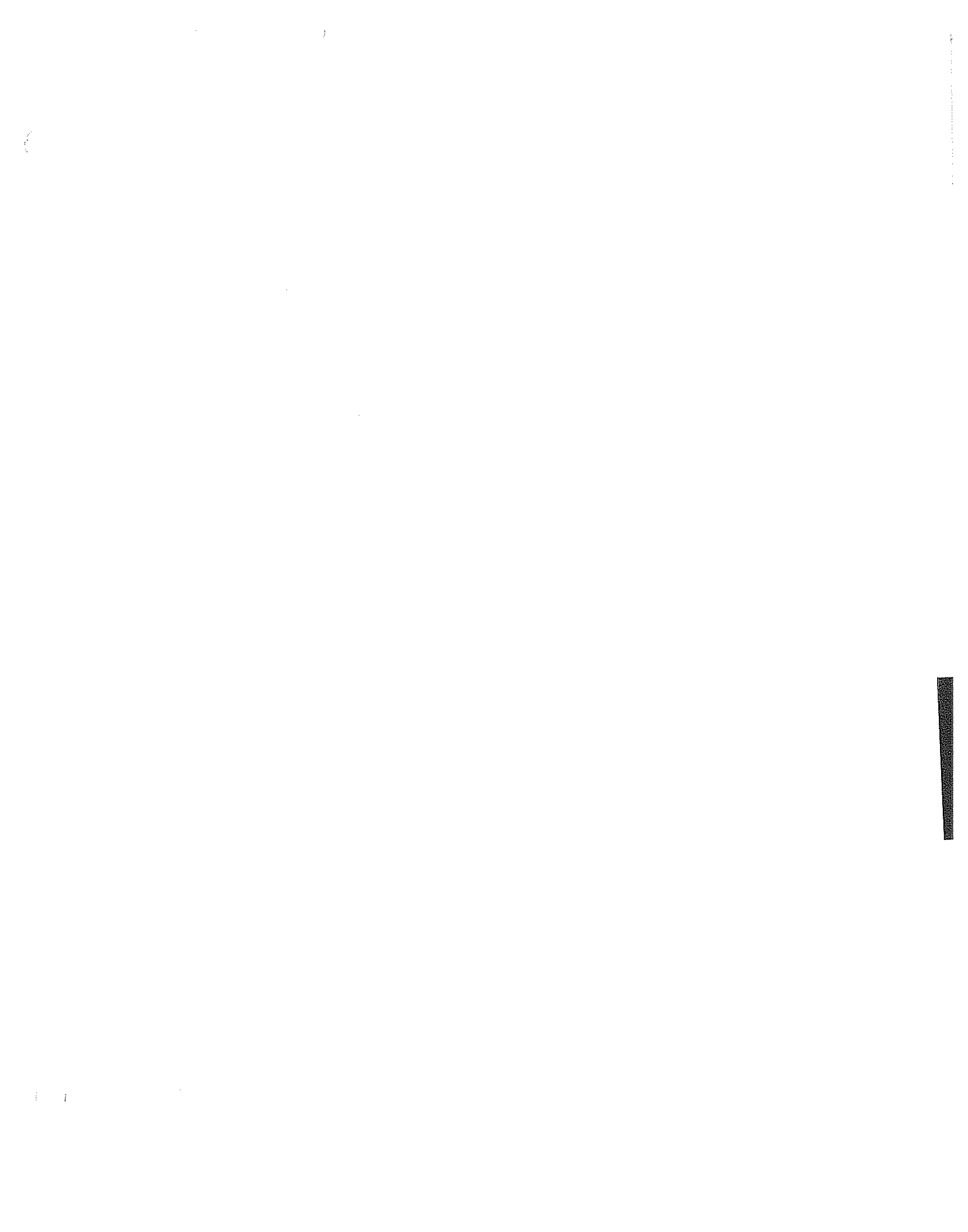
1. The auditor's report expresses an unqualified opinion of the financial statements of the Western Fleming County Water District.
2. No reportable conditions relating to the audit of the financial statements or the major federal award programs reported in the Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
3. No instances of noncompliance material to the financial statements of the Western Fleming County Water District were disclosed during the audit.
4. The auditor's report on compliance for the major federal award programs for the Western Fleming County Water District expresses an unqualified opinion.
5. There are no material audit findings.
6. The programs tested as major programs includes the KIA 20/20 Grant.
7. The threshold used for distinguishing between Type A and B programs was \$300,000
8. The Western Fleming County Water District was determined to be a low risk auditee.

FINDINGS-FINANCIAL STATEMENT AUDIT

NONE

**FINDINGS AND QUESTIONED COSTS-MAJOR FEDERAL AWARD
PROGRAMS AUDIT**

NONE



WESTERN FLEMING COUNTY WATER DISTRICT

BILLING ANALYSIS

USAGE FOR 2006

	Bills	Gallons	2,000	5,000	3,000	10,000
First 2,000	3,878	3,573,036	3,573,036			
Next 5,000	8,349	33,892,273	16,698,000	17,194,273		
Next 3,000	1,215	11,082,630	2,430,000	6,075,000	2,577,630	
Over 10,000	2,898	45,511,154	5,796,000	14,490,000	8,694,000	16,531,154
Total	16,340	94,059,093	28,497,036	37,759,273	11,271,630	16,531,154

	Bills	Gallons	Rate	Revenue
First 2,000	16,340	28,497,036	\$ 11.60	\$ 189,544
Next 5,000		37,759,273	3.30	124,606
Next 3,000		11,271,630	2.70	30,433
Over 10,000		16,531,154	1.85	30,583
Total		94,059,093		\$ 375,166

Sales for Resale

Buffalo Trail Water Assn	101,419.0	1.13	\$ 114,603
Maysville Utilities (Southern Madison)	1,673.0	1.43	2,392
Nicholas County Water Association	61,648.0	1.43	88,157
Total	164,740.0		\$ 205,153

Total Water Sales	94,223.7		\$ 580,318
--------------------------	-----------------	--	-------------------

Miscellaneous Service Revenues			6,507
Plus Misread Meters			18,950
Total Other			25,457
Total Operating Revenue			\$ 605,775
Per Monthly Reports			\$ 580,318

Difference is \$6,507 which represents misread meters not reflected in billing analysis.



FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1

SHEET NO. 4

Western Fleming Co. Water
(Name of Utility) Dist.

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

RATES AND CHARGES

A. MONTHLY RATES:

5/8" x 3/8" Meter

First	2,000 Gallons	\$11.60	Minimum Bill
Next	5,000 Gallons	3.30	Per 1,000 Gallons
Next	3,000 Gallons	2.70	Per 1,000 Gallons
Over	10,000 Gallons	1.85	Per 1,000 Gallons

1" Meter

First	2,000 Gallons	\$11.60	Minimum Bill
Next	5,000 Gallons	3.30	Per 1,000 Gallons
Next	3,000 Gallons	2.70	Per 1,000 Gallons
Over	10,000 Gallons	1.85	Per 1,000 Gallons

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE _____
Month/Date/Year

ISSUED BY Jerry Neal
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 01 2002

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY Stephan Bell
SECRETARY OF THE COMMISSION

FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 5

Western Fleming Co. Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

A. MONTHLY RATES:

1 1/2" Meter

First	2,000 Gallons	\$11.60	Minimum Bill
Next	5,000 Gallons	3.30	Per 1,000 Gallons
Next	3,000 Gallons	2.70	Per 1,000 Gallons
Over	10,000 Gallons	1.85	Per 1,000 Gallons

2" Meter

First	2,000 Gallons	\$11.60	Minimum Bill
Next	5,000 Gallons	3.30	Per 1,000 Gallons
Next	3,000 Gallons	2.70	Per 1,000 Gallons
Over	10,000 Gallons	1.85	Per 1,000 Gallons

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE _____
Month/Date/Year

ISSUED BY Jerry Neal
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 01 2002

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY Stephan D. Bell
SECRETARY OF THE COMMISSION

FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO 6

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Western Fleming Co. Water District
(Name of Utility)

RATES AND CHARGES

B. METER CONNECTION/TAP-ON CHARGES:

5/8 Inch x 3/4inch	\$425.00
1 Inch Meter	525.00
All Larger Meters	Actual Cost

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE _____
Month/Date/Year

ISSUED BY Jerry Neal
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 01 2002

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY Stephan Bee
SECRETARY OF THE COMMISSION

FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1

Original 7 SHEET NO. 7

Western Fleming Co. Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

C. SPECIAL NON-RECURRING CHARGES:

Connection/Turn-on Charge	20.00
Late Payment Penalty	10%
Meter Relocation Charge	Actual Cost
Re-connection Charge	20.00
Re-connection Charge (After Hours)	20.00
Returned Check Charge	20.00
Service Call/Investigation	15.00
Service Call/Investigation (After Hours)	15.00
Service Line Inspection	40.00

*NOTE----Regular working hours for the utility's Maintenance Staff is 8:00 a.m. to 4:00 p.m. Monday through Friday, excluding holidays. Upon customer request, and subject to availability of Maintenance Staff, services may be performed outside regular working hours at the after hours rate.

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE _____
Month/Date/Year

ISSUED BY Jerry Neal
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 01 2002

PURSUANT TO 807 KAR 5.011,
SECTION 9(1)

BY Stephan D. Bell
SECRETARY OF THE COMMISSION

FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1

Original SHEET NO. 8

Western Fleming Co. Water District
(Name of Utility)

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

RATES AND CHARGES

D. PURCHASED WATER RATES:

RATE

GREATER FLEMING COUNTY REGIONAL WATER

**AT COST PER 1,000
GALLONS**

DATE OF ISSUE _____
Month/Date/Year

DATE EFFECTIVE _____
Month/Date/Year

ISSUED BY Jerry Neal
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

MAY 01 2002

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY Stephan Bill
SECRETARY OF THE COMMISSION

FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1

1st Revised SHEET NO. 9

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

Original SHEET NO. 1

Western Fleming County Water District
(Name of Utility)

RATES AND CHARGES

E. LEAK ADJUSTMENT RATE:

One Adjustment Per Year

Total Bill Minus the Minimum Bill,
Then Half the Bill.

F. WHOLESALE WATER RATES:

Fleming County Water Association	\$1.43 per 1,000 Gallons
Buffalo Trail Water Association	\$1.13 per 1,000 Gallons
Southern Mason Water District	\$1.43 per 1,000 Gallons
City of Flemingsburg	\$1.43 per 1,000 Gallons
Nicholas County Water District	\$1.43 per 1,000 Gallons

DATE OF ISSUE _____
Month / Date / Year

DATE EFFECTIVE AUGUST 29, 2002
Month / Date / Year

ISSUED BY Jerry Neal
(Signature of Officer)

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

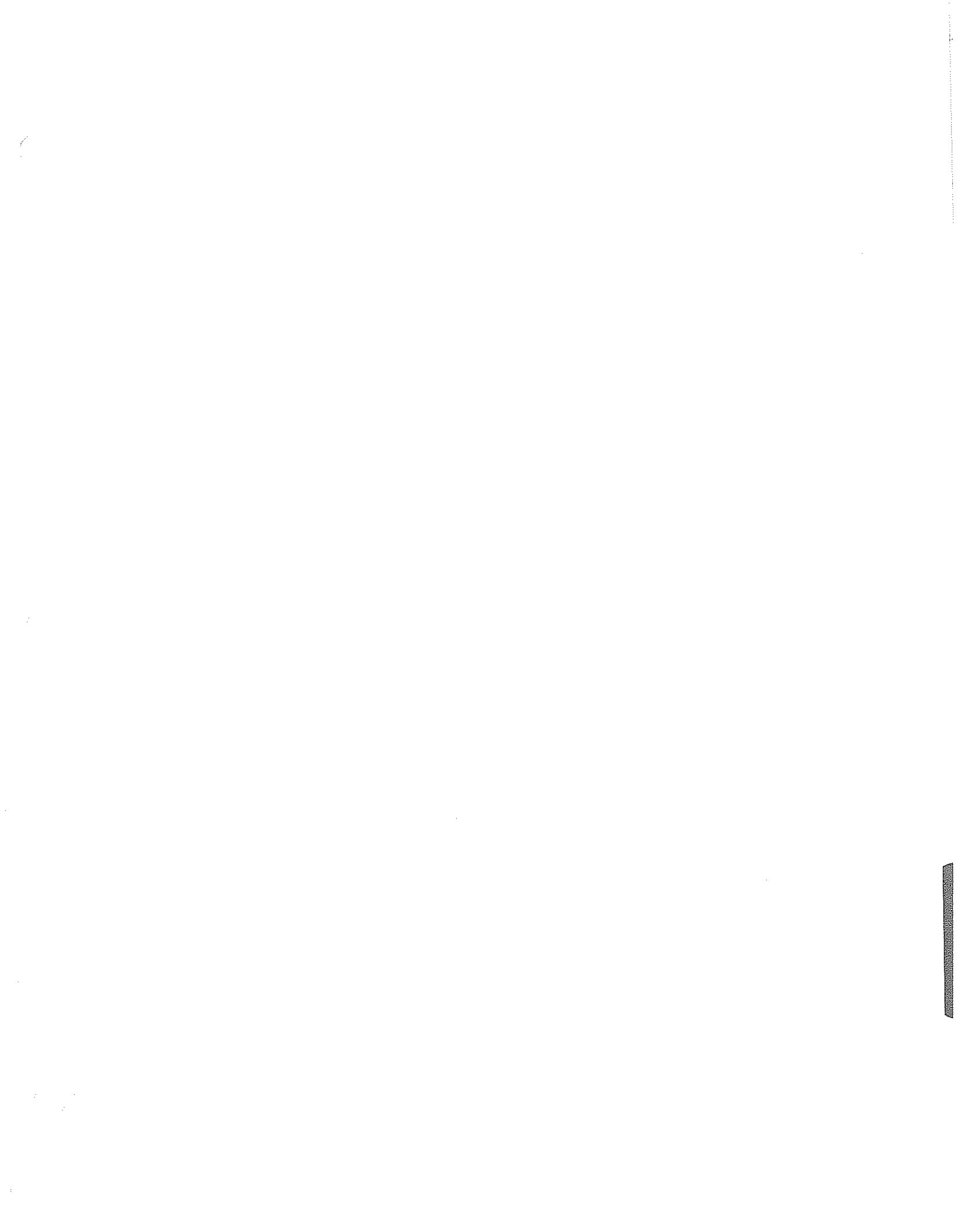
IN CASE NO. 2002-00290 DATED AUGUST 29, 2002

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

AUG 29 2002

PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

BY Thomas L. Dorn
EXECUTIVE DIRECTOR



WESTERN FLEMING COUNTY WATER DISTRICT

BILLING ANALYSIS

1,000 RATES

	Bills	Gallons	1,000	6,000	3,000	10,000
First 1,000	1,992	1,781,518	1,781,518			
Next 6,000	10,413	35,713,791	10,413,000	25,300,791		
Next 3,000	1,037	11,052,630	1,037,000	6,222,000	3,793,630	
Over 10,000	2,898	45,511,154	2,898,000	17,388,000	8,694,000	16,531,154
Total	16,340	94,059,093	16,129,518	48,910,791	12,487,630	16,531,154

	Bills	Gallons	Rate	Revenue	Current Rates	% Increase
First 1,000	16,340	16,129,518	\$ 15.30	\$ 250,002	\$ 11.60	0.32
Next 6,000		48,910,791	6.38	312,051	3.30	0.93
Next 3,000		12,487,630	5.70	71,179	2.70	1.11
Over 10,000		16,531,154	4.34	71,745	1.85	1.35
Total		94,059,093		\$ 704,978		

Sales for Resale

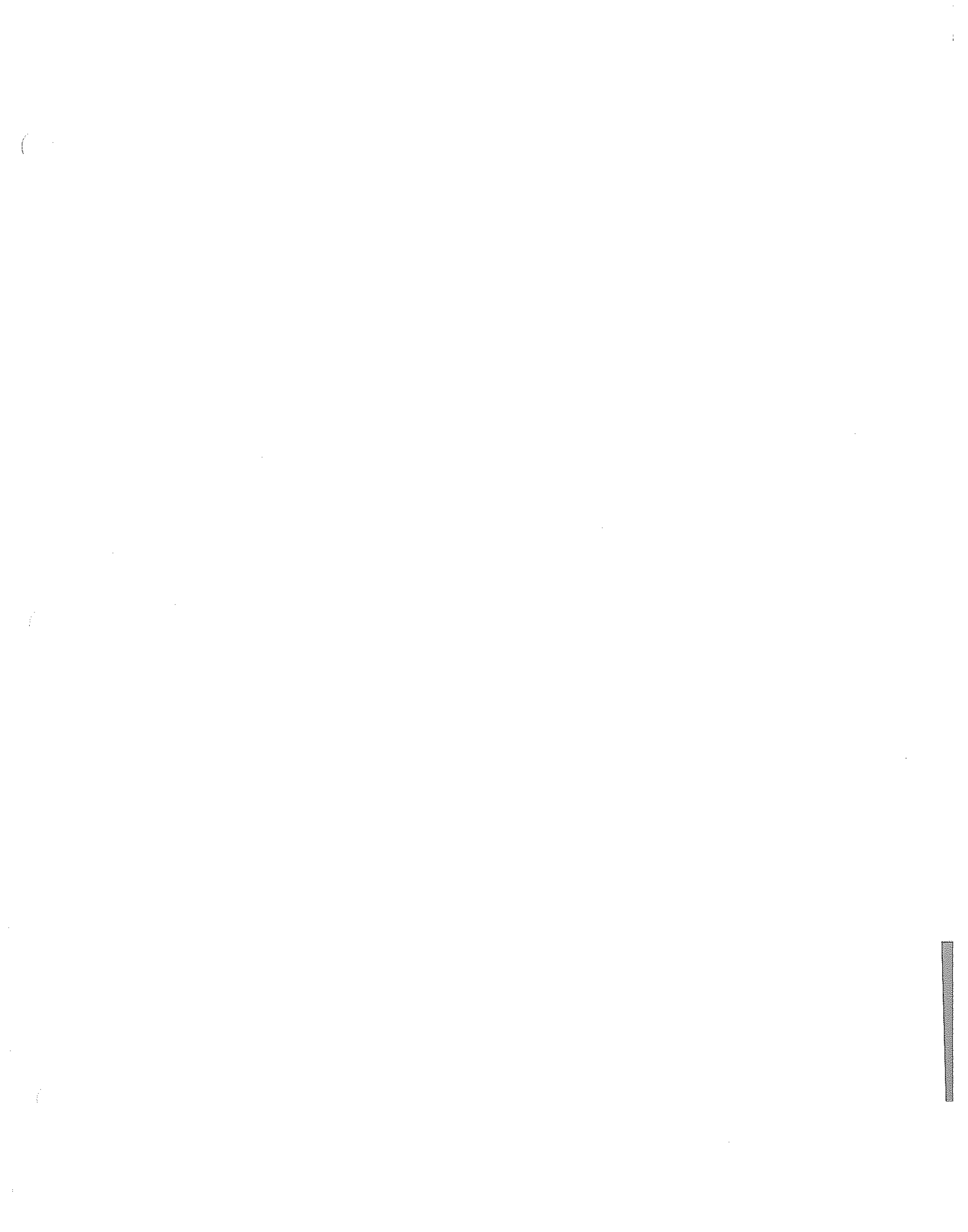
Buffalo Trail Water Assn	101,419.0	1.43	\$ 145,029		
Maysville Utilities (Southern Madison)	1,673.0	1.43	2,392		
Nicholas County Water Association	61,648.0	1.43	88,157		
Total	164,740.0		\$ 235,578		

Total Water Sales	94,223.7		\$ 940,556		
Miscellaneous Service Revenues			6,507		
Misread Meters			18,950		
Total Operating Revenue			\$ 966,013		

WESTERN FLEMING COUNTY WATER DISTRICT

COST OF SERVICE

	Total	1,000	6,000	3,000	10,000
Actual Usage	94,057	16,129	48,910	12,487	16,531
Percentage		0.1715	0.5200	0.1328	0.1758
Usage for Demand	153,112.0	32,258.0	85,592.5	18,730.5	16,531.0
Percentage		0.2107	0.5590	0.1223	0.1080
Commodity	\$ 159,728	\$ 27,390	\$ 83,059	\$ 21,205	\$ 28,073
Demand	439,763	92,650	245,836	53,797	47,480
Customer (16340)	\$ 136,446	136,446			
Total	\$ 735,936	\$ 256,486	\$ 328,895	\$ 75,002	\$ 75,553
Cost of Service Rates		\$ 15.70	\$ 6.72	\$ 6.01	\$ 4.57
Revenue	\$ 705,510	\$ 256,486	\$ 328,895	\$ 75,002	\$ 75,553
<p>Fleming County does not proposed to increase its wholesale rates due to a contract between the District and the wholesale customers with the exception of the rate to Buffalo Trail Water. Buffalo Trail paid for a portion of the plant and now prefers to pay the current wholesale rate instead of further contributing to the cost of the operation and maintenance of the plant.</p>					
<p>Fleming County has proposed to change its rate design from the First 2,000 gallons to 1,000 gallons in order to less the impact on low users. Fleming County has many customers who use less than 1,000 gallons and is located in a poor community. Fleming County requests the Commission approve the rates as proposed and not use the rates as determined by the cost of service study to lessen the impact of the proposed rate increase.</p>					



**AVERAGE METER CONNECTION EXPENSE
COST JUSTIFICATION**

Name of Utility Western Fleming Water District

The following is an itemization of expenses for providing a metered service connection.

A. Meter Size

5/8-Inch 3/4-Inch 1-Inch 1 1/2 -Inch 2-Inch

Actual Cost

Other (specify) _____

B. Materials Expense

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Water Meter	<u>1</u>	<u>96.00</u>	<u>96</u>
2. Meter Yoke	<u>1</u>	<u>59.60</u>	<u>59.60</u>
3. Corporation Stop	<u>1</u>	<u>14.61</u>	<u>14.61</u>
4. Meter Box and Top	<u>1</u>	<u>23.00</u>	<u>23.00</u>
5. Miscellaneous Fittings	_____	_____	_____
6. Other (Itemize) <i>saddle</i>	<u>1</u>	<u>25.00</u>	<u>25.00</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

TOTAL MATERIALS EXPENSE **\$ 218.21**
(add total cost)

C. Service Pipe Expense

Type of Service Pipe PE Size of Service Pipe 5/8 x 3/4

	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1. Short Side Service	<u>4</u>	<u>.18</u>	<u>.72</u>
2. Long Side Service	<u>70</u>	<u>.18</u>	<u>12.60</u>

AVERAGE SERVICE PIPE EXPENSE (add total cost and divide by 2) \$ 6.66

D. Installation Labor Expense

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>3</u>	<u>32.50</u>	<u>97.50</u>
2. Long Side Service	<u>6</u>	<u>32.50</u>	<u>195.00</u>

AVERAGE INSTALLATION LABOR EXPENSE (add total cost and divide by 2) \$ 146.25

E. Installation Equipment Expense (Backhoe)

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Short Side Service	<u>7</u>	<u>18</u>	<u>126</u>
2. Long Side Service	<u>6.2</u>	<u>18</u>	<u>135</u>

AVERAGE INSTALLATION EQUIPMENT EXPENSE (add total cost and divide by 2) \$ 130.50

F. Installation Miscellaneous Expense

	<u>Total Hours</u>	<u>Hourly Rate</u>	<u>Total Cost</u>
1. Inspection	<u>1</u>	<u>25.00</u>	<u>25.00</u>
2. Site Clean-Up	<u>1</u>	<u>27.20</u>	<u>27.20</u>
3. Other			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

AVERAGE INSTALLATION MISCELLANEOUS EXPENSE (add total cost) \$ 52.50

G. Overhead Expense

1. Installation expense (\$ 288.05) times overhead rate (5 %) \$ 14.40

H. Administrative Expense

1. Office expense for establishing a new account and billing record. \$ 25.00

I. Total Expenses

Materials Expense \$ 218.21
Service Pipe Expense 6.66
Installation Labor Expense 146.25
Installation Equipment Expense 130.50
Installation Miscellaneous Expense 52.50
Overhead Expense 14.40
Administrative Expense 25.00

TOTAL CONNECTION EXPENSE \$ 594.52

USE

\$600.00

NONRECURRING CHARGE COST JUSTIFICATION

Type of Charge: Reconnection

1. Field Expense:

A. Materials (Itemize)		\$ _____
_____		_____
B. Labor (Time and Wage)		_____
.15 at 10.00		\$15.00
_____		_____
Total Field Expense		\$ 15.00

2. Clerical and Office Expense

A. Supplies		\$ _____
B. Labor		_____
Total Clerical and Office Expense		\$ _____

3. Miscellaneous Expense

A. Transportation		\$ 35.72
B. Other (Itemize)		_____
_____		_____
Total Miscellaneous Expense		\$ 35.72

Total Nonrecurring Charge Expense		\$ 50.72
Use		\$50.00



FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1
1st Revised SHEET NO. 4

Western Fleming Water District
(Name of Utility)

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

Original SHEET NO. 4

RATES AND CHARGES

5/8 X 3/4 Inch Meter

First 1,000 Gallons	\$15.30
Next 6,000 Gallons	6.38
Next 3,000 Gallons	5.70
Over 10,000 Gallons	4.34

There is no difference in the rates for various meter charges.

Date of Issue _____

Date Effective _____

Issued By Vernon Barton

Title Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1

1st Revised SHEET NO. 6

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

Original SHEET NO. 6

Western Fleming Water District
(Name of Utility)

RATES AND CHARGES

B. Meter Connection Charges

5/8 Inch	\$600.00
1 Inch	Actual cost
All Larger Meters	Actual Cost

Date of Issue _____

Date Effective _____

Issued By Vernon Barton

Title Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1

1st Revised SHEET NO. 7

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

Original SHEET NO. 7

Western Fleming Water District
(Name of Utility)

RATES AND CHARGES

C. Special Non-Recurring Charges

Connection-Turn On	\$25
Re-Connection	50
Re-Connection (After Hours)	60
Service Call/Investigation	25
Service Call (After Hours)	35
Late Payment	10 Percent
Meter Relocation	Actual Cost
Returned Check	20
Service Line Inspection	40

Note: Regular working hours for the Utility's Maintenance Staff is 8:00 AM to 4:00 PM, Monday through Friday excluding holidays. Upon customer request and subject to availability of Maintenance Staff services may be performed after working hours at the after hours rate.

Date of Issue _____

Date Effective _____

Issued By Vernon Barton

Title Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

FOR Western Fleming County
Community, Town or City

P.S.C. KY. NO. 1

1st Revised SHEET NO. 9

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

Original SHEET NO. 9

Western Fleming Water District
(Name of Utility)

RATES AND CHARGES

E. Leak Adjustment Rate:

One adjustment per year

Total Bill Minus the Minimum Bill
Then Half the Bill.

F. Wholesale Water Rates

Buffalo Trail Water Association

\$1.43 Per 1,000 Gallons

Maysville Utilities (Southern Madison)

1.43 Per 1,000 Gallons

Nicholas County Water Assn.

1.43 Per 1,000 Gallons

Date of Issue _____

Date Effective _____

Issued By Vernon Barton

Title Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____