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March 15, 2010

Mr. Jeff Derouen
Executive Director
Public Service Commission
PO Box 615
Frankfort, KY 40602

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MAR 15 2010

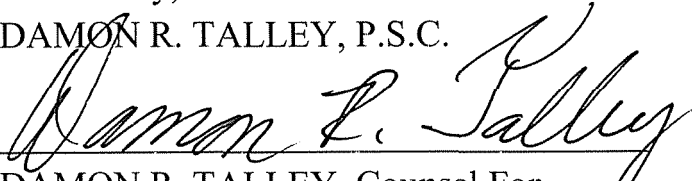
PUBLIC SERVICE
COMMISSION

RE: Case No. 2009-00373
Hopkinsville Water Environment Authority

Dear Mr. Derouen:

Enclosed for filing are the original and six (6) copies of Hopkinsville Water Environment Authority's Wholesale Cost of Service Study (COSS). The COSS was prepared by the Lexington office of HDR Engineering, Inc. The primary author of the COSS is Brent A. Tippey, P.E.

Yours truly,
DAMON R. TALLEY, P.S.C.



DAMON R. TALLEY, Counsel For
Hopkinsville Water Environment Authority

DRT:ms

Enclosures

cc: Hon Jack Hughes, Attorney for CCWD
James Owen, General Manager, CCWD
Hopkinsville Water Environment Authority

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COMMISSION

Cost of Service Study

Hopkinsville Water Environment Authority

PSC Case No. 2009-00373

March 2010

Prepared by:

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2517 Sir Barton Way
Lexington, Kentucky 40509
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The logo for HDR Engineering, Inc., consisting of the letters 'HDR' in a stylized, serif font.

Cost of Service Study

Hopkinsville Water Environment Authority

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Cost of Service Study

Hopkinsville Water Environment Authority

Section 1 - Background/Test Year Utility Data

Background

Hopkinsville Water Environment Authority (HWEA) currently produces and distributes potable water to approximately 14,250 retail, commercial, industrial and governmental customers in Christian County, Kentucky. In addition, HWEA sells water on a wholesale basis to the Christian County Water District (CCWD) at 13 interconnection locations between the systems. HWEA's Moss Water Treatment Plant (MWTP) is the primary production facility for all the customers previously identified. Presently, MWTP has a rated capacity of 8.5 million gallons per day (MGD). Rising demand for water in Christian County over the last few years has created a challenge for HWEA. Over the last three fiscal years, the demand placed on MWTP has exceeded 80 percent of the daily design capacity on 858 occasions with 107 of those events being days that 100 percent of the MWTP capacity was produced.

As a result, HWEA has undertaken a series of improvements to assure their customer's water needs are met for the foreseeable future. Notable projects that have either been recently started or completed include the following:

Table 1-1
Notable Projects - FY 2009
Hopkinsville Water Environment Authority

<i>Project</i>	<i>Completion Date</i>	<i>Cost</i>
South Quarry Improvements	April 2009	\$1,442,000
Lake Barkley Intake and Raw Water Main Project	April 2009	\$27,061,000
Improvements to Moss WTP	July 2011 (Est)	\$11,500,000

These projects, along with substantial increases in operations costs associated with chemicals and commodities, have placed a financial burden on HWEA that could not supported by their current rate structure. In early 2009, HWEA undertook an analysis of their retail rate structure. This resulted in the implementation of a 37 percent increase in the retail water rates for all use categories in the Hopkinsville, Crofton and Pembroke divisions of HWEA in September of 2009. On September 1, 2009, HWEA officially notified CCWD of its intent to raise the wholesale rates in an amount similar to the retail rates.

Pursuant to that notification, CCWD objected to the Public Service Commission (PSC) and filed to intervene in the rate increase case. This has led to a full PSC inquiry in to the rates. HDR/Quest was retained by HWEA to provide a cost-of-service study that analyzes and allocates known and measurable expenses incurred by HWEA in order to ascertain the appropriateness of the proposed rate increase.

Study Data

This study will be performed in accordance with generally understood principles outlined by the Kentucky Public Service Commission. The expenses presented will be “known and measurable” with documentation from financial statements, utility work papers or annual audits. The study will be based upon a test year that utilizes data from fiscal year 2009 (July 1, 2008 to June 30, 2009). The known expenses found from that period may be supplemented with measurable adjustments for expense values that can be proven to change in subsequent years to produce an adjusted test year. The adjusted test-year expenses will be allocated utilizing methods detailed in the study which are based on AWWA M1 guidance to identify the utility revenue requirements by function and customer classification. The comparison of these values with the actual revenues generated by customer class will reveal the appropriateness of the proposed rate increase.

The financial information utilized in this study has been based in one of the following sources that have been attached to this study for reference:

- Appendix A - FY 2009 Report on Audited Financial Statements (York, Neel & Co)
- Appendix B - Adjusting Journal Entries and Trial Balance (HWEA)
- Appendix C - FY 2009 Depreciation Accounts (HWEA)
- Appendix D - Projected FY 2010 Depreciation Accounts (HWEA)
- Previous PSC filings (not included as Appendix)

The expense data that is used in this study has not been independently evaluated by HDR/Quest. We have relied heavily on the data provided in the York, Neel & Company audits and utilized HWEA information when audited data was unavailable. In addition, it should be noted that Appendix E of this study contains multiple schedules, allocation details and support tables that constitute the complete cost-of-service study. The narrative provided is intended to serve as a companion to Appendix E and bring additional understanding to the reader.

Water System Expenses (FY 2009)

Operations and Maintenance

As part of this cost-of-service study, all expenses incurred by the water utility will be classified in its appropriate service category according to conventional accounting methods consistent with PSC requirements. Therefore, operations and maintenance expenses will be classified into the following categories:

- Source of Supply
- Water Treatment
- Transmission and Distribution
- Water Technical Services
- Water Administrative & General (Customer Service included)

The FY 2009 amount for each of these classifications of expenses is summarized in Table 1-2. More detail for each of these expense classifications is provided in Appendix E, Schedule C (Page E-10).

Table 1-2
FY 2009 Operations and Maintenance Expenses
Hopkinsville Water Environment Authority

<i>Expense Item</i>	<i>FY 2009 Amount</i>
Source of Supply	\$455,377
Water Treatment	\$979,062
Transmission and Distribution	\$429,213
Water Technical Services	\$103,360
Water Administrative & General	\$1,285,825
Total of Operations and Maintenance	\$3,252,837

Debt Service/ Amortization and Depreciation

Outside of normal operations and maintenance, a utility has two other costs which bear on the total cost of service. These costs are as follows:

- Debt service on accumulated loans acquired and bonds issued for construction of system improvements
- Depreciation of value of assets as a function of service life

The current HWEA debt service is detailed in the audit and summarized as follows:

- 2005 A & B Bond Issues (\$27,180,000) for the re-funding of the Moss WTP bonds and a portion of the Lake Barkley project

- KIA Loan B95-02 (\$5,000,000) for the construction of the Moss WTP
- KIA Loan F02-04 (\$1,513,593) for the Lake Barkley raw water project
- KIA Loan F06-02 (\$3,887,432) for the Lake Barkley intake site project

One final item should be noted in regards to the 2005 series bonds. The bond covenants for these bonds require a coverage factor of 1.3 as part of the utility revenue requirements. This has been included in the cost of service analysis.

The system depreciation expense is determined based on the sum of all lost value on assets across the entire water system during a fiscal year. This value is included in the revenue requirements in order to provide for the renewal and replacement of aging equipment. The annual depreciation of an asset is determined by dividing the initial cost of the item (less any salvage value) by its expected service life. HWEA has provided a schedule of depreciation for all assets in service during FY 2009. This is attached to this study in Appendix C. An analysis was performed to classify the assets identified in Appendix C by their service category in order to align this expense with Table 1-2. A summary of the system debt service and total depreciation is provided in Table 1-3.

Table 1-3
FY 2009 Debt Service/Depreciation Expenses By Service Class
Hopkinsville Water Environment Authority

<i>Expense Item</i>	<i>FY 2009 Amount</i>
Debt Service (including Bond Coverage)	
• Source of Supply	\$356,950
• Water Treatment	\$2,909,570
• Transmission & Distribution	\$0
• Water Technical Services	\$0
• Water Administrative & General	\$0
Debt Service Total	\$3,266,520
Depreciation	
• Source of Supply	\$138,313
• Water Treatment	\$325,454
• Transmission & Distribution	\$421,378
• Water Technical Services	\$0
• Water Administrative & General	\$160,217
Expense Subtotal	\$1,045,362
• Gain on Sale of Assets	(\$2,217)
Depreciation Total	\$1,043,145
Total of Debt Service/Depreciation Expenses	\$4,309,665

An overall summary of expenses or “Cost of Service” is provided in Table 1-4. This reflects the information previously provided in Tables 1-2 and 1-3.

Table 1-4
FY 2009 Utility Expenses (Audited)
Hopkinsville Water Environment Authority

<i>Expense Item</i>	<i>FY 2009 Amount</i>
Operations and Maintenance	\$3,252,837
Debt Service	\$3,266,520
Depreciation	\$1,043,145
Total of FY 2009 Utility Expenses	\$7,562,502

Water System Revenues

Revenues from Water Sales

The revenues generated in FY 2009 from the sale of potable water to retail, wholesale and private fire service customers is summarized in Table 1-5.

Table 1-5
FY 2009 Water Sales Revenues
Hopkinsville Water Environment Authority

<i>Revenue Source</i>	<i>FY 2009 Amount</i>
Retail Sales	
- Residential Sales	\$2,085,243
- Commercial Sales ¹	\$992,358
- Industrial Sales ¹	\$361,228
- Governmental Sales ¹	\$241,561
Total	\$3,680,390
Wholesale Sales	
- Christian County Water District	\$792,577
Total	\$792,577
Fire Service	
- Private	\$94,283
Total	\$94,283
Total Water Sales Revenues	\$4,567,250

Note:

¹ Fire service component deducted from Sales classification.

Other Miscellaneous Income

Other miscellaneous income and expenses (such as interest income, interest expenses, penalties and fees, etc.) were incurred or generated by HWEA during FY 2009 are shown in Table 1-6. The result of all of these items is net revenue of \$185,144 into the utility. Some of the income classifications included in this item are not considered to be a fixed or reliable for the purposes of rate-making. In addition, any change in the rate structure would not result in a change in this amount as most of these income items are independent of the rates.

Table 1-6
FY 2009 Miscellaneous Revenues (Audited)
Hopkinsville Water Environment Authority

<i>Revenue Item</i>	<i>FY 2009 Amount</i>
Water Penalties	\$80,020
Water Service Fees	\$8,501
Water Allowances	(\$26,543)
Bad Accounts Recovered	\$7,752
Interest Income	\$13,898
Miscellaneous Fees	\$12,522
Cash Overage	(\$519)
Water Service Fees	\$44,282
Water Connection Fees	\$43,436
Discounts of Purchased Materials - Water	\$1,795
Total of FY 2009 Miscellaneous Revenues	\$185,144

Cost of Service Study

Hopkinsville Water Environment Authority

Section 2 – Expense Allocation By Function

Background

Section 1 provided a summary of the FY 2009 revenues and expenses associated with the Hopkinsville Division of HWEA. This section will focus on evaluating the expenses and allocating them to their appropriate functional cost component and customer classification. The purpose of this activity is to ascribe utility costs to the customers that have benefitted from them. This is a two stage process. The first step is the allocation of utility expenses using a Base/extra capacity approach as described in AWWA M1 *Principles of Water Rates, Fees and Charges*. The second step is to further distribute the Base-extra capacity costs to the retail, wholesale and fire customer classes. The methodology behind both activities is provided below.

The Base-extra capacity method of allocation is intended to categorize expenses by the need for them. HWEA has provided audited expenses that are distributed to each traditional water utility department (source, treatment, transmission, etc.). The Base-extra capacity method takes this information and transforms it into expenses related to functions of the utility operation (average day, peak day, fire demand, etc). This is done in order to understand the fundamental costs-of-service related to the various operating conditions within the utility. As described previously, expenses incurred by the utility are classified into one of the four functional categories identified below:

- Base costs
- Extra capacity costs
- Customer costs (including meters and services)
- Fire protection costs

Base costs are operations and maintenance (O&M) costs as well as capital costs that vary with the total quantity of volume used plus costs associated with service to customers under average day conditions. These costs would include salaries, insurance, power, chemical, etc. Capital investment related to meeting constant or average day usage is also included in this category.

Extra capacity costs are associated with meeting water usage requirements above the average day condition. This includes capital and O&M expenses for system capacity required beyond the average rate of use. This includes determinations of the impact of maximum hour and maximum day requirements. Examples of this expense would include overtime salaries, extra chemical, extended operation of facilities, etc.

Customer costs are those which are directly related with serving the customers such as billing or meter reading. In addition, costs related to meters, services and administrative functions are also included in this category. This category is typically related to expenses that are outside of the production and transmission aspects of the system.

The final cost component is fire protection costs. These costs are directly related to public or private fire suppression requirements and can impact storage or distribution facilities in addition to fire hydrants, etc.

Schedule C in Appendix E (Page E10) provides a detailed allocation of all FY 2009 expenses recorded by HWEA. Each expense allocation methodology is also listed in this Schedule. This section will provide a summary of the information found in Schedule C of Appendix E and a discussion of the allocation methodology.

Moss Water Treatment Plant (MWTP) Production

For the purposes of determining how to allocate costs by their functional category, the primary data to be interpreted is the average and maximum daily system demands. These two elements will provide the foundation for a Base-extra capacity analysis of utility expenses. Table 2-1 provides a summary of the breakdown of various water production volumes at MWP during FY 2009. More detail on this can be found in Appendix E, Table C-1 (Page E-18).

Table 2-1
Total Water Produced FY 2009
Hopkinsville Water Environment Authority

<i>Month</i>	<i>Raw Water Treated¹</i>	<i>Plant Use¹</i>	<i>High Service Pumped¹</i>	<i>Average Day Produced¹</i>	<i>Max Day Produced¹</i>
July 2008	245,314	36,028	209,286	6,751	7,631
August	246,491	29,463	217,028	7,001	8,231
September	234,762	32,155	202,607	6,754	7,660
October	223,965	35,775	188,190	6,071	7,017
November	204,603	32,201	172,402	5,747	7,012
December	215,105	36,401	178,704	5,765	6,499
January 2009	207,467	30,007	177,460	5,725	7,190
February	185,691	31,149	154,542	5,519	7,437
March	191,937	27,779	164,158	5,295	6,963
April	190,751	36,727	154,028	5,134	6,133
May	209,011	33,097	175,914	5,675	6,549
June	216,793	27,551	189,242	6,308	7,331
FY 2009 Avg / Max Day	214,324	32,361	181,963	5,982	8,231

Note: ¹All volume in thousands of gallons (1000 GAL)

As detailed above, the total average daily volume of water pumped by HWEA from the Moss WTP for sale in FY 2009 is 5,982,000 gallons. Likewise, the maximum pumpage day from Moss WTP was 8,231,000 gallons. This yields a maximum/average ratio of 1.38.

In addition to the average and maximum day volumes provided above, the Base-extra capacity method of allocation also requires that other flow values including maximum hour and fire demand volumes be determined in order to understand their impact on the treatment facilities and transmission/distribution system. These values are determined as follows:

- Maximum Hour (Extra Capacity) Flow – This flow rate is based on the maximum hour of pumpage away from the WTP. This data is not currently collected by HWEA. However, it is reasonable to assign the value of 5,903 gallons per minute (or 8.5 MGD) to this function. This value also represents the rated capacity of the Moss WTP and the high service pumps.
- Fire Demand Flow – For this study, a flow of 1,000 GPM is being used. This flow rate is based on the ISO fire system requirements to fight a fire in a typical residential (2,000 SF), wood framed structure.

These flow values, in addition to the average and maximum day values developed earlier form the basis for most of the functional cost allocations provided in the following sections and detailed further in Schedule C of Appendix E (Page E10).

Base/Extra Capacity Allocation of FY 2009 Expenses

Table 2-2 provides a summary of the expense allocation information provided in Schedule C of Appendix E.

Table 2-2
Base/Extra Capacity Allocation by Component
Hopkinsville Water Environment Authority

<i>Component</i>	<i>Total</i>	<i>Base</i>	<i>Extra Capacity</i>		<i>Customer Costs</i>	<i>Fire Protection</i>
			<i>Max. Day</i>	<i>Max. Hour</i>		
Operations and Maintenance						
Source of Supply	\$455,377	\$333,958	\$121,419	\$0	\$0	\$0
Water Treatment	\$979,062	\$714,715	\$264,347	\$0	\$0	\$0
Transmission & Distribution	\$429,213	\$229,838	\$86,235	\$10,231	\$62,197	\$40,712
Water Technical Services	\$103,360	\$70,906	\$26,181	\$568	\$3,452	\$2,253
Water Administrative & General	\$1,285,825	\$315,493	\$117,304	\$5,629	\$825,846	\$21,553
O&M Total	\$3,252,837	\$1,664,911	\$615,486	\$16,429	\$891,495	\$64,518
Debt Service/Depreciation						
Debt Service	\$3,266,520	\$2,384,560	\$881,960	\$0	\$0	\$0
Depreciation	\$1,043,145	\$602,317	\$224,186	\$11,774	\$159,877	\$44,991
Debt Service/Depreciation Total	\$4,309,665	\$2,986,877	\$1,106,146	\$11,774	\$159,877	\$44,991
Total FY 2009 Cost of Service	\$7,562,502	\$4,651,787	\$1,721,632	\$28,203	\$1,051,372	\$109,509

Test Year Adjustments

In addition to the test year cost of service, the PSC will allow for the inclusion in the revenue requirements of known expenses that are absent or can be documented to be higher than the test year value. HWEA has identified three adjustments to the FY 2009 utility expense data as described below and shown in Table 2-3.

- **Adjusted Depreciation** - Adjustment of the depreciation values for assets put into service during FY 2009. There are six significant assets which were brought on-line in April 2009. Therefore, the FY 2009 audit values only captured a portion (3 months) of the depreciation incurred on those assets. The test-year adjustment will proportionally increase that expense to reflect a 12-month value. Appendix C provides additional details on the FY 2009 Depreciation values and Appendix identifies the projected FY 2010 values.
- **Three Year Average for Debt Service Expenses** – Adjustment of the FY 2009 expenses for capital debt service and related coverage to reflect increases/decreases that will be incurred for the next three years based on amortization schedules provided by HWEA. This three year average has historically been accepted by PSC as a good method of mitigating sharp increases and decreases in amortization. Coverage on the 2005 bonds is also included in this adjustment. These adjustments are detailed in Appendix F.
- **Removal of Benefits for Crofton and Pembroke Labor** – Adjustment to audited expense value for Benefits to remove the benefits paid to labor that was performed on the Crofton or Pembroke systems. This was done by determining the total labor in those systems (approximately 4.5 percent of all HWEA labor – see Table C-3) and removing that proportion of the expense.

It should be noted that HWEA is presently constructing improvements to its Moss WTP. These improvements are expected to be completed in July 2011. An \$8,000,000 KIA loan (1 percent/20 year term) has been secured to pay for these improvements. Debt service on the loan is projected to be \$443,322 and repayment will begin in late 2010. At this time, neither the debt service nor the depreciation related to this project is being included in this rate adjustment. This project will benefit all customers of HWEA and may be the basis of a future rate case.

Table 2-3
Base/Extra Capacity Allocation of Test Year Adjustments
Hopkinsville Water Environment Authority

<i>Item</i>	<i>Total</i>	<i>Base</i>	<i>Extra Capacity</i>		<i>Customer Costs</i>	<i>Fire Protection</i>
			<i>Max. Day</i>	<i>Max. Hour</i>		
Total FY 2009 Cost of Service (Table 2-2)	\$7,562,502	\$4,651,787	\$1,721,632	\$28,203	\$1,051,372	\$109,509
Test Year Adjustments	\$283,944	\$214,148	\$79,186	(\$182)	(\$8,509)	(\$699)
Total Adjusted FY 2009 Cost of Service	\$7,846,446	\$4,865,935	\$1,800,818	\$28,020	\$1,042,863	\$108,810

Expense Allocation by Function

Numerous allocation methods have been developed as part of this study. The allocation of expenses between base, extra capacity and other components summarized in Tables 2-2 and 2-3 is further detailed in Appendix C. Some of the key allocation elements are summarized below for each expense category.

- Source of Supply - All expenses associated with the source of supply were allocated to the base and/or max day component since the source of supply expenses are directly related to meeting the daily water demands rather than instantaneous demands.
- Water Treatment - These expenses were allocated to the base and maximum day components since the production facilities are capable of producing the both the average and maximum day. The proportion of expenses is based upon the ratio between average and maximum day as described in Table C-1 (Page E-18) of supporting work papers for Appendix E.
- Transmission and Distribution - The transmission and distribution system must be capable of supplying water above the daily maximum demand for conditions such as maximum hour demand as well as fire demands. As such, these elements must be included in the proportional allocation of costs as detailed above and in Appendix E.
- Water Technical Services - These expenses are related to engineering and other technical services related to the HWEA potable water system. Therefore, expenses under this category were allocated in proportion to the base-extra capacity allocation of expenses for the source, treatment and transmission components of the HWEA system. The effort of this department is primarily directed into design, implementation and asset management of these system elements and is only minimally related to administrative tasks, customer service activities or fire system issues.
- Water Administrative and General - These expenses are largely allocated directly to the Customer Cost function. However, the Employee Benefits and Insurance expense items are allocated to other functions as identified in Schedule C of Appendix E (Page E-10).

-
- Debt Service - All current HWEA debt service is related to the construction of the Moss WTP or the new Lake Barkley Raw Water project. These expenses are related to base and max day conditions under the base-extra capacity methodology.
 - Depreciation - HWEA has published a spreadsheet with all assets by service class. This information is attached in Appendix C. The allocation of these expenses is performed based on the service class distribution as defined in this section. For instance, source of supply is allocated to base and max day as detailed in the description above. Each asset is allocated in the Appendix.
 - Test Year Adjustments - The only Adjustment identified above was the revision of the depreciation values for projects put in service in FY 2009 and didn't receive a full year's value. These six assets are entirely related to source and treatment so expenses will only be allocated to base and max day.

Cost of Service Study

Hopkinsville Water Environment Authority

Section 3 – Allocation By Customer Class

Background

As described previously, the second step in our approach involves distribution of the functionally allocated expenses to the customer classifications that generated them. The purpose of this second stage allocation is to identify the revenue requirements of each customer class in order to develop a rate schedule that enables each group to be self-sustaining. Since costs can't be accurately identified and distributed down to individual customers, it is beneficial to group customers into classifications which have similar patterns of usage or fee structures.

Allocation of Costs to Customer Classification

Hopkinsville Water Environment Authority (HWEA) presently has three customer classes inside the Hopkinsville Division including retail, wholesale and fire protection. The retail customers are broken out into subcategories such as residential, commercial, industrial, and governmental for the purposes of tracking but all retail customers pay the same rate.

HWEA is organized with three divisions (Hopkinsville, Crofton, Pembroke). The Crofton and Pembroke divisions are smaller communities near Hopkinsville that have transferred system operations and ownership to HWEA. Revenues and expenses generated by the Crofton and Pembroke divisions are tracked separately from the Hopkinsville Division as shown in the audit. For this study, all revenues and expenses from Crofton or Pembroke have been excluded. The only information from these systems is their water use when the water loss evaluation was performed in Table B-1, Appendix B (Page E-8) and summarized below.

The only HWEA wholesale customer is Christian County Water District (CCWD). CCWD purchases at 13 locations surrounding the entire perimeter of the Hopkinsville Division. Test year water usage by customer classification is provided in Table 3-1. This information is important in the cost allocation process.

Table 3-1
FY 2009 Water Usage By Classifications
Hopkinsville Water Environment Authority

<i>Usage</i>	<i>FY 2009 Total (1000 GAL)</i>	<i>FY 2009 Average Daily Volume (1000 GAL)</i>	<i>Usage by %</i>
Moss WTP High Service Pumped	2,183,557	5,982	--
HWEA Sales	1,145,861	3,139	52.5%
Flushing/Fire Hydrants	46,729	128	2.1%
HWEA Facilities	52,151	143	2.4%
Pembroke Sales	40,630	111	1.9%
Crofton Sales	45,331	124	2.1%
Wholesale Sales	430,199	1,179	19.7%
FY 2009 Total Accounted For Water	1,760,901	4,824	80.6%
FY 2009 Total Unaccounted Water	422,656	1,158	19.4%

The distribution of costs to customer classes is performed in a manner similar to that done for the base/extra capacity allocation. The key distribution factor is the determination of which customer classification derives the benefit from the expense. This is generally related to volume used by each classification under different conditions. Some of the key allocation methodology for each customer class is detailed below and more detail is available in Schedule B and the support documentation of Appendix E (page E-2).

Retail Customers

In accordance with Table B-2, Schedule E (Page E8), the FY 2009 average retail usage (includes sales to Hopkinsville, Crofton & Pembroke Divisions along with non-sales usage such as flushing, HWEA facilities and unaccounted for water above 15 percent, etc.), is 3,906,370 gallons and the max day is 5,519,000 gallons. It should be noted that the actual max daily sales volumes are unavailable so the surrogate for this value is the 30 (or 31) day average for the maximum month of usage. This allocation is detailed on Table B-2 and B-4 (Pages E8 and E9) of Appendix E and was done for both the retail and wholesale customers.

Wholesale Customers

Sales to CCWD are recorded monthly based on meter readings. The FY 2009 average day usage is 1,178,627 gallons. As described above, the max day value is based on the average daily production in the maximum sales month. In FY 2009, the max day is 1,477,000 gallons (See Tables B-3 and B-4). One additional allocation method of wholesale costs should be noted. The

distribution of transmission and distribution costs is based on a calculation of the percentage of the system used to convey the water to the wholesale customers. This “inch-miles” calculation is detailed in Table B-5 of Appendix E (Page E9).

Fire Service

HWEA currently has an annual private fire service tariff based on the size of the hydrant connection. The revenue generated from this service is generally included with the revenue from the class of the customer. The fire service revenue was identified separately in a Table 1-5. HWEA may use this information to track costs and determine if a fire protection tariff revision is justified.

Allocation of Costs

The allocation of costs as described above is fully detailed in Schedule B of Appendix E. Table 3-2 provides a summary of the distribution of costs or the “revenue requirements” for each class.

Table 3-2
Total Revenue Requirements By Classification
Hopkinsville Water Environment Authority

<i>Component</i>	<i>Total</i>	<i>Retail</i>	<i>Wholesale</i>	<i>Fire Service</i>
Operations and Maintenance				
Source of Supply	\$455,377	\$352,334	\$103,043	\$0
Water Treatment	\$979,062	\$757,587	\$221,475	\$0
Transmission & Distribution	\$429,213	\$318,321	\$70,180	\$40,712
Water Technical Services	\$103,360	\$79,008	\$22,099	\$2,253
Water Administrative & General	\$1,285,824	\$1,165,027	\$99,245	\$21,553
O&M Sub-Total	\$3,252,836	\$2,672,277	\$516,042	\$64,518
Debt Service, Depreciation and Adjustments				
Debt Service	\$3,266,520	\$2,527,597	\$738,923	\$0
Depreciation	\$1,043,145	\$808,385	\$189,769	\$44,991
Test-Year Adjustments	\$283,944	\$218,331	\$66,312	(\$699)
Debt, Depreciation & Adjustments Sub-Total	\$4,593,609	\$3,554,313	\$995,004	\$44,292
Total Adjusted Test-Year Cost of Service or “Revenue Required”	\$7,846,446	\$6,226,591	\$1,511,045	\$108,810

Cost of Service Study
Hopkinsville Water Environment Authority

Section 4 – Recommended Rate Adjustment

Background

The previous sections in this study provide the information associated with the utility data from a historical test-year (FY 2009) as well as a summarized breakdown of the expense allocation to functional cost components and then to customer classes. In doing so, the costs incurred by Hopkinsville Water Environment Authority (HWEA) during the normal course of operation have been allocated to those customers who derive the benefit from the personnel, facilities and equipment necessary to provide them service. The purpose of this section is to identify if the present tariff structure will generate sufficient revenue to cover all the utility requirements.

Sufficiency of Existing Revenues

In Section 3 of this report, Table 3-2 summarizes all the costs and provides the “revenue requirements” of HWEA for the adjusted test year period. An analysis of those revenue requirements against the present revenue generated from water sales is provided on Schedule A of Appendix E (Page E-1) and summarized below in Table 4-1.

Table 4-1
Comparison of Revenue Requirements
vs. FY 2009 Water Sales Revenues
Hopkinsville Water Environment Authority

<i>Item</i>	<i>Total</i>	<i>Retail</i>	<i>Wholesale</i>	<i>Fire Protection</i>
Adjusted Test Year Revenue Requirements (Table 3-2)	\$7,846,446	\$6,226,591	\$1,511,045	\$108,810
FY 2009 Water Sales Revenue Generated	\$4,567,250	\$3,680,390	\$792,577	\$94,283
Total Adjusted Test Year Revenue Surplus/(Deficit)	(\$3,279,197)	(\$2,546,201)	(\$718,468)	(\$14,527)

It should be noted that HWEA implemented a 37 percent rate increase in August 2009. The impact of that increase is not reflected in Table 4-1. Neither is the miscellaneous revenues generated by HWEA such as interest income, water connection fees, service fees, etc.

Rate Adjustment Recommendation

Since HWEA has already implemented a rate increase on its retail customers, the focus of this section is directed at the wholesale water rates charged to Christian County Water District (CCWD). As detailed in Table 4-1, the water sales revenue from CCWD during the test year was \$792,576 while the cost of providing that wholesale service was \$1,444,733 (See Appendix E, Page E4). Therefore, HWEA actually recovered only 55 percent of the expenses associated with providing water to CCWD. When the test-year adjustments are added, this value falls to 52 percent. Based on this, a tariff increase of 90 percent is necessary to generate revenue that approaches the wholesale cost-of-service. No rate elasticity has been considered in this calculation.

Table 4-2 identifies the existing tariff schedule along with the additional revenue that should be generated by the recommended increase and a comparison with the revenue requirements for the wholesale customer class.

Table 4-2
Proposed Wholesale Rate Adjustment/Revenue Generation
Hopkinsville Water Environment Authority

<i>Tariff/Revenue</i>	<i>Current Rate (\$/100 CF)</i>	<i>90% Rate Adjustment</i>
First 3,000 cubic feet	\$2.16	\$4.10
Next 3,000 cubic feet	\$1.89	\$3.59
Over 6,000 cubic feet	\$1.37	\$2.60
Revenue Generated	\$792,577	\$1,505,896
Wholesale Surplus/ (Deficit) Against Test Year Adjusted Cost of Service (Table 3-2)	(\$718,468)	(\$5,148)

It should also be noted that the same revenue is generated by a single rate tier with a tariff of \$2.63/100 cubic feet of purchased water.

**HOPKINSVILLE WATER
ENVIRONMENT AUTHORITY**

REPORT ON AUDITS OF FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
DIRECTORY OF OFFICIALS
June 30, 2009**

COMMISSIONERS

Bob Carter, Chairman

Robert Babbage

Breck Cayce

Charles Turner

Marby Schlegel, Council Member

ATTORNEY

Jack Lackey

GENERAL MANAGER

Len F. Hale

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
 WATER AND WASTEWATER DEPARTMENTS
 A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
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& CO. - HOPKINSVILLE LLP

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Independent Auditor's Report

To the Members of the
City of Hopkinsville Sewerage and
Water Works Commission d/b/a
Hopkinsville Water Environment Authority
Hopkinsville, Kentucky

We have audited the accompanying financial statements of the business-type activities of the Hopkinsville Water Environment Authority, Water and Wastewater Departments (HWEA), a component unit of the City of Hopkinsville, Kentucky, as of and for the years ended June 30, 2009 and 2008, which collectively comprise the HWEA's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the HWEA's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our 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 we 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. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the HWEA, a component unit of the City of Hopkinsville, Kentucky, as of June 30, 2009 and 2008, and the respective changes in financial position and cash flows 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*, we have also issued our report dated November 16, 2009, on our consideration of the HWEA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 7 are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hopkinsville Water Environment Authority's basic financial statements. The combining financial statements and other supplementary schedules presented on pages 27-37 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements and other supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

York, Neel & Co. - Hopkinsville, LLP

Hopkinsville, Kentucky
November 16, 2009

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENT
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Hopkinsville Water Environment Authority Water and Wastewater Department (HWEA) is presenting the following discussion and analysis in order to provide an overall review of financial activities for the fiscal years ending June 30, 2009 and 2008. We encourage readers to consider the information presented here in conjunction with the accompanying financial statements, and notes to the basic financial statements to enhance their understanding of financial performance.

FINANCIAL HIGHLIGHTS

- The HWEA's total assets decreased by \$1.58 million while total liabilities decreased \$3.31 million resulting in total net assets increasing approximately \$1.73 million over the course of the year's operations.
- The HWEA's operating revenues increased 8.38% in 2009, while operating expenses in 2009 increased approximately 4.47% over operating expenses for 2008.
- Investment income decreased by \$216,626 during the period, which is reflective of the HWEA's use of the bond proceeds to fund the Lake Barkley project.
- Interest expense on outstanding debt increased \$89,403, which is reflective of having to make payments on the Oak Grove debt that was assumed by the HWEA upon acquisition of the Oak Grover sewer division at the end of the previous fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report includes this management's discussion and analysis report, the independent auditor's report and the basic financial statements of the Hopkinsville Water Environment Authority. The financial statements also include notes that explain in more detail some of the information in the financial statements.

REQUIRED FINANCIAL STATEMENTS

The financial statements of the Hopkinsville Water Environment Authority report information using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Assets includes all of the HWEA's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to the HWEA's creditors (liabilities). It also provides the basis for evaluating the capital structure of the HWEA and assessing the liquidity and financial flexibility of the HWEA.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Assets. This statement measures the success of the HWEA's operations over the past year and can be used to determine profitability, credit worthiness, and whether the HWEA has successfully recovered all its costs through its user fees and other charges.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENT
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY**

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

REQUIRED FINANCIAL STATEMENTS (cont.)

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financial activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE HOPKINSVILLE WATER ENVIRONMENT AUTHORITY

The most common financial question posed to the Hopkinsville Water Environment Authority is "How did we do financially during 2009?" The Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets report information about the HWEA's activities in a way that will help answer this question. These two statements report the net assets of the Authority and the changes in them. One can think of the HWEA's net assets – the difference between assets and liabilities – as one way to measure financial health or financial position. Over time, increases or decreases in the HWEA's net assets are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

NET ASSETS

To begin our analysis, a summary of the HWEA's Statement of Net Assets is presented in Table A-1.

**Table A-1
Condensed Statements of Net Assets
(000's)**

	<u>FY 2009</u>	<u>FY 2008</u>	<u>Dollar Change</u>	<u>Total Percent Change</u>
Current and Other Assets	\$ 3,459	\$ 6,247	\$ (2,788)	(44.63)%
Capital Assets	<u>91,609</u>	<u>90,404</u>	<u>1,205</u>	<u>1.33 %</u>
Total Assets	95,068	96,651	(1,583)	(1.64)%
Long-term Debt Outstanding	50,964	54,529	(3,565)	(6.54)%
Other Liabilities	<u>2,360</u>	<u>2,108</u>	<u>252</u>	<u>11.95 %</u>
Total Liabilities	53,324	56,637	(3,313)	(5.85)%
Invested in Capital Assets, Net of Related Debt	40,844	35,119	5,725	16.30 %
Restricted	61	2,824	(2,763)	(97.84)%
Unrestricted	<u>839</u>	<u>2,071</u>	<u>(1,232)</u>	<u>59.49 %</u>
Total Net Assets	<u>\$41,744</u>	<u>\$40,014</u>	<u>\$ 1,730</u>	<u>4.32%</u>

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENT
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY**

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

NET ASSETS (cont.)

As can be seen from the table above, net assets increased \$1.73 million during 2009. The overall net increase in net assets is primarily due to a significant increase in the amount of capital assets contributed by developers during the year coupled with a decrease in restricted assets that were used to fund the cost of the Lake Barkley project.

**Table A-2
Condensed Statements of Revenues,
Expenses, and Changes in Net Assets
(000's)**

	<u>FY 2009</u>	<u>FY 2008</u>	<u>Dollar Change</u>	<u>Total Percent Change</u>
Operating revenues	\$ 10,335	\$ 9,536	\$ 799	8.38%
Nonoperating revenues	<u>49</u>	<u>257</u>	<u>(208)</u>	<u>(80.93)%</u>
Total Revenues	10,384	9,793	591	6.03%
Depreciation expense	2,809	2,532	277	10.94%
Other operating expense	6,741	6,609	132	2.00%
Interest expense	<u>1,568</u>	<u>1,478</u>	<u>90</u>	<u>6.09%</u>
Total Expense	11,118	10,619	499	4.70%
Income/(Loss) Before Contributions and Transfers	(734)	(826)	92	11.14%
Capital Contributions	2,608	980	1,628	166.12%
Capital Credit to City	<u>(144)</u>	<u>(211)</u>	<u>67</u>	<u>31.75%</u>
Changes in Net Assets	<u>1,730</u>	<u>(57)</u>	<u>1,787</u>	<u>(3,135.09)%</u>
Beginning Net Assets	<u>40,014</u>	<u>40,071</u>	<u>(57)</u>	<u>.14%</u>
Ending Net Assets	<u>\$ 41,744</u>	<u>\$ 40,014</u>	<u>\$ 1,730</u>	<u>4.32%</u>

While the Statement of Net Assets shows the change in financial position of net assets, the Statement of Revenues, Expenses, and Changes in Net Assets provides answers as to the nature and source of these changes.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENT
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY**

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

BUDGETARY HIGHLIGHTS

The HWEA adopts an annual Operating Budget, which includes proposed expenses and the means of financing them. This operating budget remains in effect the entire year.

**Table A-3
Budget vs. Actual
FY 2009
(000's)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Operating Income	\$ 9,332	\$ 10,335	\$ 1,003
Non-operating income	1,696	2,657	961
Operating expense & depreciation	(9,157)	(9,550)	(393)
Non-operating expense	<u>(1,625)</u>	<u>(1,712)</u>	<u>(87)</u>
 Net Income	 <u>\$ 246</u>	 <u>\$ 1,730</u>	 <u>\$ 1,484</u>

At the end of the 2007-2008 fiscal year, the HWEA purchased the Oak Grover sewer division, but no budget was established for the Oak Grove division for fiscal year 2008-2009. This caused actual operating income and expenses to be significantly more than budgeted. Furthermore, a major sewer project was completed during the year and all assets associated with the project were transferred to the HWEA for ongoing maintenance. As a result actual income stemming from capital contributions from developers was considerably more than budgeted.

CAPITAL ASSETS

At the end of 2009, the HWEA had \$141.6 million invested in capital assets as shown in Table A-4. During the year, the Lake Barkley Raw Water Intake Project was completed and put into service. One phase of a major sewer project was also completed and put into service. Construction in Progress at June 30, 2009, consisted primarily of a project to expand the Moss water treatment plan and a project to study the feasibility of installing natural gas lines.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENT
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY**

MANAGEMENT'S DISCUSSION AND ANALYSIS (cont.)

**Table A-4
Capital Assets**

	<u>FY 2009</u>	<u>FY 2008</u>	<u>Dollar Change</u>	<u>Total Percent Change</u>
Water	\$ 72,724,238	\$ 71,028,740	\$ 1,695,498	2.39%
Sewerage	<u>68,852,465</u>	<u>66,555,936</u>	<u>2,296,529</u>	<u>3.45%</u>
Sub-total	141,576,703	137,584,676	3,992,027	2.90%
Less: Accumulated Depreciation	<u>(49,967,247)</u>	<u>(47,180,968)</u>	<u>(2,786,279)</u>	<u>5.91%</u>
Net Property & Equipment	<u>\$ 91,609,456</u>	<u>\$ 90,403,708</u>	<u>\$ 1,205,748</u>	<u>1.33%</u>

DEBT ADMINISTRATION

The revenues of the water and sewer systems collateralize outstanding revenue bonds. After operation and maintenance expenses are paid, the ordinances specify that revenue bond funds be established and maintained. HWEA is in compliance with all bond ordinances. Debt obtained from the Kentucky Infrastructure Authority is for the purposes of upgrading and expanding the water and sewer systems.

As mentioned previously, the HWEA acquired the sewerage system of the City of Oak Grove, Kentucky at the end of the previous fiscal year. As part of the payment of the purchase price, the HWEA agreed to assume the debt relating to the City of Oak Grove sewerage system. The remainder of the purchase price is to be paid by the HWEA in cash over a period of time.

More detailed information about all of the HWEA's long-term liabilities is presented in Note 6 to the financial statements.

LOOKING FORWARD

During August 2009, the Hopkinsville City Council approved a water and sewer rate increase to be implemented by the HWEA. In part, the rate increase will be used to expand the Moss water treatment plan by approximately fifty percent in order to accommodate increased demand. The rate increase will also be used to consolidate sewage treatment at its Hammond Wood facility and improve that facility's infrastructure.

FINAL COMMENTS

This financial report is designed to provide our customers and creditors with a general overview of the HWEA's finances and to demonstrate accountability for funds received. Anyone having questions regarding the report or desiring additional information may contact Len Hale, General Manager, Hopkinsville Water Environment Authority, 401 East 9th Street, Hopkinsville, KY 42240 or by phone (270) 887-4246.

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE
STATEMENT OF NET ASSETS
June 30, 2009 and 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Current assets		
Cash and cash equivalents	\$ 1,194,405	\$ 969,859
Customer receivables	695,170	823,257
Inventory	225,911	246,314
Prepaid expenses	<u>-</u>	<u>9,834</u>
Total current assets	2,115,486	2,049,264
Restricted assets		
Cash and cash equivalents	60,872	2,824,414
Deferred charges	674,694	723,750
Notes receivable	608,002	650,027
Property, plant and equipment		
Property, plant and equipment	140,808,763	105,845,579
Unclassified plant - construction in progress, engineering fees, and other costs	767,940	31,739,097
Accumulated depreciation	<u>(49,967,247)</u>	<u>(47,180,968)</u>
Total assets	<u>\$ 95,068,510</u>	<u>\$ 96,651,163</u>

Continued

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE
STATEMENT OF NET ASSETS (continued)
June 30, 2009 and 2008**

LIABILITIES AND EQUITY

	<u>2009</u>	<u>2008</u>
Current liabilities		
Current portion of long-term debt	\$ 2,786,314	\$ 2,442,333
Current portion of capital lease obligation	11,052	8,970
Due to Oak Grove (current portion)	788,020	788,020
Line of credit	1,300,000	-
Pennyroyal Center loan payable	150,000	-
Customer deposits	72,434	85,756
Accrued interest	291,446	280,283
Construction retainage payable	34,572	1,236,435
Accounts payable	347,451	360,430
Accrued salaries and compensated absences	<u>164,388</u>	<u>144,827</u>
Total current liabilities	5,945,677	5,347,054
Long-term debt		
Revenue bonds payable (net of current portion)	24,320,000	25,510,000
KIA - loans payable (net of current portion)	19,533,257	21,374,711
KY Rural Finance loans payable (net of current portion)	1,983,991	2,070,000
Due to Oak Grove (net of current portion)	1,405,202	2,193,222
City of Hopkinsville loan payable	112,367	113,341
Capital lease obligation (net of current portion)	<u>23,948</u>	<u>28,404</u>
Total liabilities	<u>53,324,442</u>	<u>56,636,732</u>
Net assets		
Invested in capital assets, net of related debt	40,843,981	35,119,112
Net assets, restricted	60,872	2,824,414
Net assets, unrestricted	<u>839,215</u>	<u>2,070,905</u>
Total net assets	<u>41,744,068</u>	<u>40,014,431</u>
Total liabilities and net assets	<u>\$ 95,068,510</u>	<u>\$ 96,651,163</u>

See accompanying notes to financial statements.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the years ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Operating revenues		
Charges for services (net of allowances of \$66,299 and \$88,539 for 2009 and 2008, respectively)	\$ 10,122,093	\$ 9,270,328
Other operating revenue	<u>213,205</u>	<u>265,945</u>
Total operating revenues	<u>10,335,298</u>	<u>9,536,273</u>
Operating expenses		
Water source of supply	455,377	669,755
Water purification	981,396	960,258
Water distribution	541,321	621,288
Sewerage plant	1,621,156	1,180,408
Sewerage mains and laterals	295,894	217,594
Administrative and general	2,632,487	2,728,428
Technical services	213,533	231,348
Depreciation	<u>2,809,261</u>	<u>2,532,508</u>
Total operating expenses	<u>9,550,425</u>	<u>9,141,587</u>
Income from operations	<u>784,873</u>	<u>394,686</u>
Non-operating revenues (expenses)		
Interest revenues	39,253	255,879
Gain on sale of fixed assets	9,871	1,575
Interest expense	<u>(1,567,826)</u>	<u>(1,478,423)</u>
Total non-operating revenues (expenses)	<u>(1,518,702)</u>	<u>(1,220,969)</u>
Income (loss) before contributions and transfers	(733,829)	(826,283)
Capital contributions (capital assets provided by developers)	2,607,866	980,615
Capital credit to City (fire hydrants)	<u>(144,400)</u>	<u>(210,940)</u>
Change in Net Assets	1,729,637	(56,608)
Net Assets - beginning of year	<u>40,014,431</u>	<u>40,071,039</u>
Net Assets - end of year	<u>\$ 41,744,068</u>	<u>\$ 40,014,431</u>

See accompanying notes to financial statements.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE
STATEMENT OF CASH FLOWS
For the years ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Received from customers	\$ 10,236,859	\$ 9,142,201
Paid to suppliers for goods and services	(4,756,653)	(4,291,882)
Paid to employees for services - including benefits	(3,149,556)	(3,112,022)
Other operating revenue	<u>213,205</u>	<u>265,945</u>
Net cash flows from operating activities	<u>2,543,855</u>	<u>2,004,242</u>
Cash flows from non-capital financing activities		
Proceeds from non-capital debt	1,300,000	-
Interest paid on non-capital debt	<u>(6,854)</u>	<u>-</u>
Net cash provided (used) by non-capital financing activities	<u>1,293,146</u>	<u>-</u>
Cash flows from capital and related financing activities		
Acquisition of fixed assets	(1,398,464)	(5,521,138)
Proceeds from disposition of fixed assets	9,871	1,575
Capital credit payments	(144,400)	(210,940)
Proceeds of capital debt	150,000	2,136,709
Principal paid on capital debt	(3,573,529)	(3,160,380)
Interest paid on capital debt	<u>(1,500,753)</u>	<u>(1,419,939)</u>
Net cash provided (used) by capital and related financing activities	<u>(6,457,275)</u>	<u>(8,174,113)</u>
Cash flows from investing activities		
Issuance of note receivable	-	(306,892)
Collection of note receivable	42,025	25,415
Interest earned on investments	<u>39,253</u>	<u>255,879</u>
Net cash provided (used) by investing activities	<u>81,278</u>	<u>(25,598)</u>
Net increase (decrease) in cash and cash equivalents	(2,538,996)	(6,195,469)
Cash and cash equivalents at beginning of year (includes restricted assets of \$2,824,414 and \$9,326,964 for 2009 and 2008, respectively)	<u>3,794,273</u>	<u>9,989,742</u>
Cash and cash equivalents at end of year (includes restricted assets of \$60,872 and \$2,824,414 for 2009 and 2008, respectively)	<u>\$ 1,255,277</u>	<u>\$ 3,794,273</u>

See accompanying notes to financial statements.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE
STATEMENT OF CASH FLOWS (continued)
For the years ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Reconciliation of Operating Income to Cash Flows from Operating Activities		
Cash flows from operating activities		
Income from operations	\$ 784,873	\$ 394,686
Adjustments to reconcile net income to cash provided by operating activities		
Depreciation	2,809,261	2,532,508
Change in assets and liabilities		
Change in accounts receivable	128,087	(109,589)
Change in inventory	20,403	227
Change in prepaid expenses	9,834	304,177
Change in accounts payable	(12,979)	(1,165,149)
Change in customer deposits	(13,322)	(18,538)
Change in accrued salaries and compensated absences	19,561	12,969
Change in construction retainage payable	<u>(1,201,863)</u>	<u>52,951</u>
Net cash provided by operating activities	<u>\$ 2,543,855</u>	<u>\$ 2,004,242</u>
 <u>Supplemental Disclosures of Cash Flows Information</u>		
Cash paid during the period for:		
Interest expense (net of \$0 and \$0 capitalized interest for 2009 and 2008, respectively)	<u>\$ 1,507,607</u>	<u>\$ 1,419,939</u>
Non-cash capital and related financing activities:		
Fixed assets acquired under capital leases	\$ 8,679	\$ 44,849
Capital assets contributed by developers	2,607,866	980,615
Fixed assets acquired under other debt agreements	-	<u>6,515,732</u>
Total non-cash capital and related financing activities	<u>\$ 2,616,545</u>	<u>\$ 7,541,196</u>

See accompanying notes to financial statements.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Reporting entity

The Hopkinsville Water Environment Authority (HWEA) is responsible for sewerage and water services for residents of the City of Hopkinsville, KY (City), the City of Pembroke, KY, and the City of Crofton, KY. HWEA is also responsible for sewerage services for residents of the City of Oak Grove, KY. The City's governing body appoints the HWEA's governing board. The City's governing body also approves the rates for user charges and bond issuance authorizations. The legal liability for the general obligation portion of the HWEA's debt remains with the City. The HWEA is shown as a discretely presented component unit in the City's financial statements.

b. Basis of accounting

The operations of the HWEA are accounted for as a governmental enterprise fund, a proprietary fund type. Enterprise funds are used to account for operations which are financed and operated in a manner similar to private business enterprises in that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges. Proprietary fund types use the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when they are incurred. The HWEA applies all applicable FASB pronouncements in accounting and reporting its operations.

The basic financial statements includes a statement of net assets, a statement of revenues, expenses, and changes in net assets and a statement of cash flows. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- *Invested in capital assets, net of related debt* - This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
- *Restricted* - This component of net assets consists of constraints placed on net assets through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

b. Basis of accounting, continued

- *Unrestricted net assets* – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

It is required that the statement of revenues, expenses, and changes in net assets distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are revenues generated or expenses incurred from providing goods and services. Nonoperating revenues are those not derived from the basic operations of a business. Nonoperating expenses are expenses incurred in the performance of activities not directly related to supplying the basic service of the entity.

c. Separate accounting

On December 17, 1992, the HWEA was approved for a low interest loan from the Kentucky Infrastructure Authority (KIA). Due to federal requirements under this loan program, the HWEA as of July 1, 1993, began accounting for the water and sewer systems separately. (See Supplemental Schedules and note disclosure number 16 for information on segment reporting.)

d. Cash and cash equivalents, deposits and investments

The HWEA invests all deposits not necessary for current expenditures. Investments are stated at cost, which approximates market value.

Kentucky Revised Statute 66.480 permits the HWEA to invest in U.S. Treasury obligations, U.S. Agency obligations, certain Federal instruments, repurchase agreements, commercial banks' certificates of deposits, savings and loan deposits and the Commonwealth of Kentucky investment pool.

As security for deposits of the HWEA, any bank doing such business is generally required to pledge securities in an amount to exceed funds on deposit by the HWEA. In addition, the HWEA is insured under FDIC up to \$250,000 at each bank.

For purposes of the statement of cash flows, the HWEA considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents.

e. Inventories

Inventories consist of expendable supplies held for consumption stated at cost, which approximates market, determined by the weighted-average method.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

f. Prepaid expenses

Payments made to vendors for services that will benefit periods beyond year-end are recorded as prepaid expenses.

g. Restricted assets

Certain proceeds of revenue bonds of the HWEA, as well as certain resources set aside for their repayment, are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable bond covenants. The "Bond and Interest Redemption" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "Depreciation" and "Equipment Maintenance & Replacement" accounts are used to report resources set aside for unusual or extraordinary maintenance, repairs, renewals and/or replacements or extensions, additions and/or improvements. The "Construction" account is used to report bond proceeds restricted for use in the cost of future expansion and rehabilitation. The "Unemployment" account is used to accumulate funds to provide for possible claims. Reservations of equity show amounts that are not appropriate for expenditures or are legally restricted for specific uses. HWEA first applies restricted resources for expenditures for which both restricted and unrestricted net assets are available.

Below is a summary of the various restricted asset accounts as of June 30:

	2009	2008
Bond and interest redemption fund	\$ 36,646	\$ 484,710
Depreciation fund	-	300,000
KIA maintenance and replacement reserve fund	-	773,455
Construction fund	-	1,242,763
Unemployment fund	24,226	23,486
Total restricted funds	\$ 60,872	\$ 2,824,414

h. Fixed assets

Property, plant and equipment are recorded at cost and depreciated using the straight-line method over estimated useful lives. Property, plant and equipment donated to the HWEA are recorded at their estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

i. Compensated absences

Accumulated unpaid vacation pay and other employee benefit amounts are accrued when incurred if significant at year-end. At June 30, 2009 and 2008, these liabilities included vacation pay of \$115,720 and \$107,315, respectively, to be taken as terminal pay upon retirement.

j. Long-term debt

Bond discounts and issuance costs are deferred and reported as deferred charges on the statement of net assets. These costs are amortized over the term of the bonds using the straight-line method, which approximates the effective interest method. HWEA issued new bonds during 2005 and 2002, the proceeds of which were used to refund older bonds; and also in 2005, to provide funds for the Lake Barkley Raw Water Project. GASBS No. 23 requires that the difference between the reacquisition price and the net carrying amount of the old debt be deferred and amortized as a component of interest expense.

k. Capital Contributions

Contributed capital is recorded for receipt of capital grants or contributions from developers, customers or other sources.

l. Net Assets

Net assets comprise the various net earnings from operating and non-operating revenues, expenses and contributions of capital. Net assets are classified in the following three components: invested in capital assets, net of related liabilities; restricted for capital activity and debt service; and unrestricted net assets. Unrestricted net assets represent the net assets available for future operations or distribution.

m. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

n. Subsequent Events

Subsequent events have been evaluated through November 16, 2009, the date which the financial statements were available to be issued.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS**

2. RECEIVABLES

Net receivables include the following:

	<u>2009</u>	<u>2008</u>
Customer accounts receivable	\$668,921	\$633,568
Allowance for uncollectible	-	-
Miscellaneous receivables	<u>26,249</u>	<u>189,689</u>
Total receivables	<u>\$695,170</u>	<u>\$823,257</u>

Uncollectible accounts are written off as bad debts in the period in which, in management's opinion, collection is unlikely. Normally, all accounts over 90 days old are written off as bad debts.

The HWEA has a note receivable from the Christian County Board of Education for installation of sewer lines, due in annual installments of \$32,049 including interest at 1.8% and a .2% administrative fee, due June 30, 2019. The balance of this receivable was \$317,262 and \$343,135 at June 30, 2009 and 2008, respectively.

The HWEA also has a note receivable from the Hopkinsville Industrial Foundation for the installation of sewer lines in the industrial park, due in semi-annual installments including interest at 1.0%, due April 1, 2027. The balance of this receivable was \$290,740 and \$306,892 at June 30, 2009 and 2008, respectively.

Net bad debts for the year ended June 30 were as follows:

	<u>2009</u>	<u>2008</u>
Accounts charged off in current period	\$ 77,724	\$ 70,860
Recovery of accounts previously charged off	<u>(14,217)</u>	<u>(21,594)</u>
Net bad debts	<u>\$ 63,507</u>	<u>\$ 49,266</u>

3. INVENTORY

Inventory as of June 30, 2009 and 2008, consisted of materials and supplies with a cost of \$225,911 and \$246,314, respectively.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS**

4. PROPERTY, PLANT AND EQUIPMENT

A summary of property, plant and equipment at June 30, 2009 is as follows:

	<u>Balance</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2009</u>
Capital Assets Not Being Depreciated:				
Land	\$ 881,734	\$ 723,610	\$ -	\$ 1,605,344
Construction in progress	31,594,596	430,419	31,401,577	623,438
Capital Assets Being Depreciated:				
Structures and improvements	94,735,724	34,170,229	-	128,905,953
Equipment	9,650,947	73,295	-	9,724,242
Vehicles	721,676	19,032	22,982	717,726
Less Accumulated Depreciation:				
Structures and improvements	40,238,328	2,370,718	-	42,609,046
Equipment	6,339,190	405,736	-	6,744,926
Vehicles	603,451	32,806	22,982	613,275
Total	<u>\$90,403,708</u>	<u>\$32,607,325</u>	<u>\$31,401,577</u>	<u>\$91,609,456</u>

Depreciation expense (including amortization of capitalized assets) for the years ended June 30, 2009 and June 30, 2008 was \$2,809,261 and \$2,532,508, respectively.

5. DEFERRED CHARGES

The selling costs and discounts associated with the issuance of the revenue bonds payable are being amortized on the straight-line method over the term of the bonds. Amortization expense charged to operations during 2009 and 2008 was \$49,056 and \$73,562, respectively.

6. LONG-TERM DEBT

Long-term debt at June 30 is as follows:

Revenue Bonds:	<u>Rate</u>	<u>2009</u>	<u>2008</u>
Series 1998 Maturing 2021	3.75% to 4.90%	\$ 805,000	\$ 855,000
Series 2005 A Maturing 2026	3.375% to 4.00%	23,560,000	24,535,000
Series 2005 B Maturing 2017	3.00% to 3.750%	1,145,000	1,265,000
Total Bonded Indebtedness		<u>25,510,000</u>	<u>26,655,000</u>

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
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A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS**

6. LONG-TERM DEBT, continued

KIA Loans:	<u>Rate</u>	<u>2009</u>	<u>2008</u>
KIA Fund A Wastewater-Maturing 2016	1.2%	3,418,735	3,921,494
KIA Fund B Water Plant-Maturing 2026	1.9%	3,174,973	3,331,834
KIA Fund A Phase II-Maturing 2018	1.8%	1,578,242	1,738,402
KIA Fund A Wastewater-Maturing 2017	1.2%	103,052	115,253
KIA Fund A Maturing 2020	0.4%	346,854	379,135
KIA Fund A Phase III-Maturing 2021	3.8%	554,568	592,388
KIA Fund A Phase IV-Maturing 2026	1.0%	3,948,126	4,167,160
KIA Fund C Wastewater-Maturing 2018	4.00% to 4.25%	485,000	525,000
KIA Fund F, Drinking Water- Maturing 2028	1.0%	1,444,869	1,513,593
KIA Fund A Phase V-Maturing 2027	1.0%	2,250,561	2,364,136
KIA Fund F Water-Maturing 2028	3.0%	<u>3,743,089</u>	<u>3,887,432</u>
 Total KIA Loans		 <u>21,048,069</u>	 <u>22,535,827</u>
 KY Rural Finance-Maturing 2025	3.125% to 4.50%	487,500	512,500
KY Rural Finance-Maturing 2029	2.28% to 4.405%	1,577,993	1,637,500
Due to Oak Grove-Due 2012	-	2,193,222	2,981,242
Capital lease obligation	5.0%	35,000	37,374
City of Hopkinsville-note payable	-	112,367	113,342
City of Crofton-note payable; due 2009	5.0%	<u>-</u>	<u>56,216</u>
 Total debt		 50,964,151	 54,529,001
 Maturities due within one year		 <u>(3,585,386)</u>	 <u>(3,239,323)</u>
 Long-term debt		 <u>\$47,378,765</u>	 <u>\$51,289,678</u>

The HWEA has pledged future revenues of the water and sewer system to repay \$24,705,000 in revenue bonds issued in 2005. Proceeds from the bonds were used for the Lake Barkley Raw Water Intake project. Principal and interest on these bonds are payable through 2026, solely from the water and sewer system net revenues. Annual principal and interest on the bonds are expected to require approximately 20 percent of such net revenues. Principal and interest paid for the current year was \$2,123,304. Net water and sewer system revenues totaled \$10,122,093. At year-end, pledged future revenues totaled \$33,678,976, which was the amount of the remaining principal and interest payments on these bonds.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS**

6. LONG-TERM DEBT, continued

The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the Revenue Bond Funds. Remaining revenues may then be used for any lawful purpose. The ordinances also contain provisions, which, among other items, restrict the issuance of additional Revenue Bonds unless the special funds noted above contain the required amounts and certain financial ratios are met. The HWEA is in compliance with all significant financial requirements as of June 30, 2009 and 2008.

The HWEA has pledged future revenues of the water and sewer system to repay \$20,563,069 in KIA loans established from 1996 through 2008, but they are subordinated to the existing revenue bonds. Proceeds from these loans were used for the expansion and upgrade of the Wastewater Treatment System (Fund A), a new Water Treatment Facility (Fund B), and infrastructure to comply with the Safe Drinking Water Act (Fund F). Principal and interest on these loans are payable through 2028, solely from the water and sewer system net revenues. Annual principal and interest on these loans are expected to require approximately 18 percent of such net revenues. Principal and interest paid for the current year was \$1,806,432. Net water and sewer system revenues totaled \$10,122,093. At year-end, pledged future revenues totaled \$23,448,359, which was the amount of the remaining principal and interest payments on these KIA loans.

On September 20, 1995, the HWEA secured a non-interest loan from the City. The loan is to be repaid quarterly in the amount of two (2) cents for each one thousand (1,000) gallons of water sold by it to any customer in Commerce Park.

During June 2008, the HWEA acquired the sewerage system of the City of Oak Grove, Kentucky for a purchase price of \$6,986,762. As part of the payment of the purchase price, the HWEA agreed to assume the debt relating to the City of Oak Grove sewerage system. The total debt assumed from the City of Oak Grove totaled \$3,530,000. The remainder of the purchase price was to be paid by the HWEA in the following manner: a payment of \$475,520 within thirty days of the execution of the contract and the remaining balance to be paid in annual installments over the next four years.

When HWEA assumed the debt of the Oak Grove sewerage system, HWEA agreed to pledge future revenues of the water and sewer system to repay this acquired debt. Debt that was assumed included two Kentucky Rural Finance revenue bonds issued in 2004, one Water and Sewer Refunding and Improvement revenue bond issued in 1998, and one KIA loan established in 1996. Proceeds from this debt were used for expansion and upgrade of existing systems. Principal and interest on the total of these obligations are payable through 2029, solely from the water and sewer system net revenues. Annual principal and interest payments on this debt are expected to require approximately 3 percent of such net revenues. Principal and interest paid for the current year was \$310,994. Net water and sewer system revenues totaled \$10,122,093. At year-end, pledged future revenues totaled \$4,704,553, which was the amount of the remaining principal and interest payments on this debt.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS**

6. LONG-TERM DEBT, continued

During the year ended June 30, 2009, the following changes occurred in long-term liabilities:

	Principal Outstanding <u>July 1, 2008</u>	<u>Additions</u>	<u>Reductions</u>	Principal Outstanding <u>June 30, 2009</u>	Due Within <u>One Year</u>
Revenue Bonds	\$ 26,655,000	\$ -	\$1,145,000	\$ 25,510,000	\$ 1,140,000
Notes Payable	27,836,627	-	2,417,476	25,419,151	2,434,333
Capital lease	<u>37,374</u>	<u>8,679</u>	<u>11,053</u>	<u>35,000</u>	<u>11,053</u>
Total	<u>\$ 54,529,001</u>	<u>\$ 8,679</u>	<u>\$3,573,529</u>	<u>\$ 50,964,151</u>	<u>\$ 3,585,386</u>

Total interest expense for 2009 and 2008 was \$1,567,826 and \$1,478,423, respectively, of which all was expensed.

The annual debt service requirements to amortize long-term debt as of June 30, 2009, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 3,585,386	\$ 1,414,288	\$ 4,999,674
2011	3,647,853	1,346,864	4,994,717
2012	3,549,405	1,276,593	4,825,998
2013	2,995,832	1,201,616	4,197,448
2014	3,075,753	1,122,692	4,198,445
2015-2019	14,153,973	4,335,364	18,489,337
2020-2024	13,195,277	2,204,657	15,399,934
2025-2029	<u>6,760,672</u>	<u>301,743</u>	<u>7,062,415</u>
Total	<u>\$50,964,151</u>	<u>\$ 13,203,817</u>	<u>\$ 64,167,968</u>

Defeased Bonds Outstanding

In prior years, the HWEA issued refunding bonds to defease certain outstanding bonds, for the purpose of consolidation and to achieve debt service savings. The HWEA has placed the proceeds from the refunding issues in irrevocable escrow accounts with a trust agent to insure payment of debt service on the refunded bonds.

Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the HWEA's financial statements. Although defeased, the refunded debt from these earlier issues will not be actually retired until the call dates have come due or until maturity if they are not callable issues. On June 30, 2009 and 2008, the amount of bonds outstanding considered defeased is undeterminable.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
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 NOTES TO FINANCIAL STATEMENTS**

7. CAPITAL LEASE

On June 29, 2007, the HWEA entered into a capital lease agreement for a Panasonic phone system. The lease agreement is for a period of five years expiring on August 30, 2012, with a \$1 buyout option at the end of the lease period.

The following is an analysis of the leased assets included in property and equipment:

Equipment under Capital Leases	\$53,628
Less: Accumulated Depreciation	<u>8,734</u>
	<u>\$44,894</u>

Amortization of leased equipment under capital assets is included in depreciation expense.

The amounts of future lease payments for the next five years is as follows:

2010	\$ 11,053
2011	11,053
2012	11,053
2013	<u>1,841</u>
	<u>\$ 35,000</u>

8. SHORT-TERM DEBT

On December 1, 2008, the HWEA entered into an agreement with the Pennyroyal Center for a \$150 thousand non-interest bearing loan, which was to be used to extend sewer lines to service the Trilogy Center for Women.

On April 1, 2009, the HWEA entered into an agreement with Heritage Bank for a \$2 million line of credit with a fixed interest rate of 3.5%, which was to be used for general operations.

Short-term debt activity for the year-ended June 30, 2009, was as follows:

	Principal Outstanding July 1, 2008	<u>Additions</u>	<u>Reductions</u>	Principal Outstanding June 30, 2009
Line of credit	\$ -	\$ 1,300,000	\$ -	\$ 1,300,000
Pennyroyal Center	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total	<u>\$ -</u>	<u>\$ 1,450,000</u>	<u>\$ -</u>	<u>\$ 1,450,000</u>

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
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A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS**

9. DEFINED BENEFIT PENSION PLAN

The HWEA participates in the statewide local government retirement system, which covers substantially all of the HWEA's employees by their election.

Plan Description. The HWEA contributes to the County Employees Retirement System (CERS), a cost-sharing multiple-employer defined benefit plan administered by the Board of Trustees of Kentucky Retirement Systems (KRS). CERS provides retirement, disability, and death benefits to plan members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living adjustments (COLA) are provided at the discretion of the State Legislature. Section 61.645 of the Kentucky Revised Statutes assigns the authority to establish and amend benefit provisions to the KRS Board of Trustees. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, 1260 Louisville Road, Frankfort, Kentucky 40601 or by calling 1-502-564-4646.

Funding policy. Plan members are required to contribute 5% of their annual creditable compensation and the HWEA is required to contribute at an actuarially determined rate. The current rate is 13.50% of annual covered payroll. The contribution requirements of plan members and the HWEA are established and may be amended by the KRS Board of Trustees. The HWEA's contribution to CERS for the three years ended June 30, 2009, 2008, and 2007 was \$346,368, \$400,261, and \$316,358, respectively, and is equal to the required contribution for these years.

10. BUDGET

Bond ordinances require that the HWEA's funds be budgeted. Actual revenues and expenditures as compared to budgeted amounts for the year ended June 30, 2009, are as follows:

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Operating Revenues	\$ 9,331,740	10,335,298	\$ 1,003,558
Operating Expenses	(6,279,270)	(6,741,164)	(461,894)
Depreciation Expense	<u>(2,877,000)</u>	<u>(2,809,261)</u>	<u>67,739</u>
Operating Income	175,470	784,873	609,403
Non-Operating Revenues	1,696,000	2,656,990	960,990
Non-Operating Expenses	<u>(1,625,200)</u>	<u>(1,712,226)</u>	<u>(87,026)</u>
Net Income	<u>\$ 246,270</u>	<u>\$ 1,729,637</u>	<u>\$ 1,483,367</u>

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS**

11. DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the HWEA's deposits may not be returned or the HWEA will not be able to recover collateral securities in the possession of an outside party. State law requires all of the HWEA's funds to be fully insured or collateralized. At year-end, the carrying amount of the HWEA's deposits was \$1,192,005 and the bank balance was \$1,175,611. Of the bank balance, \$413,052 was covered by federal depository insurance with the balance covered by collateral held by the pledging bank. Therefore, as of June 30, 2009, none of the HWEA's deposited funds were exposed to custodial credit risk.

12. CONTINGENCIES

HWEA has legal actions and proceedings pending. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not predictable with assurance.

No accruals have been established for the matters noted above because the amount of possible loss or range of loss cannot be reasonably estimated. Management does not expect that such matters would have a material adverse affect on future financial statements for a particular year, although such an outcome is possible.

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement of the grant monies to the granting agencies. HWEA management believes that disallowances, if any, will be immaterial.

13. RISK MANAGEMENT

The HWEA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The HWEA carries commercial insurance for these types of risk of loss, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
 WATER AND WASTEWATER DEPARTMENTS
 A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
 NOTES TO FINANCIAL STATEMENTS**

13. RISK MANAGEMENT, continued

The HWEA's health insurance premiums are composed of a fixed and a variable portion. The variable portion is based on actual claims experienced during the year and fluctuates each month based on claims. Premiums accrued for health insurance are based on the year-to-date claims experience of HWEA. At June 30, 2009, the claims liability was \$30,187. Changes in the claims liability during the last two fiscal years are as follows:

	<u>Balance at Beginning of Fiscal Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Balance at End of Fiscal Year</u>
2007-2008	\$40,360	\$272,178	\$287,057	\$25,481
2008-2009	\$25,481	\$338,595	\$333,889	\$30,187

14. CONSTRUCTION COMMITMENT

At June 30, 2009, the HWEA had no material projects that were pending.

15. RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

16. SEGMENT REPORTING

The HWEA has low interest loans from the Kentucky Infrastructure Authority (KIA) to finance its water and sewer departments. The two departments are accounted for in a single fund, but KIA relies solely on the revenue generated by the individual activities for repayment. The Water Department operates the water supply systems for Hopkinsville, Pembroke, and Crofton. The Sewer Department operates the sewage treatment plants, sewage pumping stations, and collection systems for Hopkinsville, Pembroke, Crofton, and Oak Grove.

Summary financial information for each department as of and for the year ended June 30, 2009, is presented on the following page.

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
NOTES TO FINANCIAL STATEMENTS**

16. SEGMENT REPORTING, continued

	<u>Water Department</u>	<u>Sewer Department</u>
CONDENSED STATEMENT OF NET ASSETS		
Assets:		
Current assets	\$ 1,147,412	\$ 968,075
Capital assets	51,703,835	39,905,620
Other assets	723,453	620,115
Total assets	<u>53,574,700</u>	<u>41,493,810</u>
Liabilities:		
Current liabilities	2,142,649	3,803,028
Noncurrent liabilities	31,829,265	15,549,500
Total liabilities	<u>33,971,914</u>	<u>19,352,528</u>
Net assets:		
Invested in capital assets, net of related debt	18,745,457	22,098,524
Restricted	48,759	12,113
Unrestricted	808,570	30,645
Total net assets	<u>\$ 19,602,786</u>	<u>\$ 22,141,282</u>

**CONDENSED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS**

Operating revenues (pledged against debt)	\$ 4,993,003	\$ 5,342,295
Depreciation expense	(1,081,988)	(1,727,274)
Other operating expenses	(3,383,983)	(3,357,180)
Operating income	527,032	257,841
Nonoperating revenues (expenses):		
Investment income	13,899	25,354
Other nonoperating income	2,218	7,653
Interest expense	(1,225,437)	(342,389)
Capital contributions	506,998	2,100,869
Transfers	1,350,554	(1,494,954)
Changes in net assets	1,175,264	554,374
Beginning net assets	18,427,522	21,586,908
Ending net assets	<u>\$ 19,602,786</u>	<u>\$ 22,141,282</u>

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided (used) by:		
Operating activities	\$ 637,136	\$ 1,906,719
Non-capital financing activities	-	1,293,146
Capital and related financing activities	(2,539,342)	(3,917,933)
Investing activities	13,899	67,379
Net increase (decrease)	(1,888,307)	(650,689)
Beginning cash and cash equivalents	2,509,847	1,284,426
Ending cash and cash equivalents	<u>\$ 621,540</u>	<u>\$ 633,737</u>

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
 WATER AND WASTEWATER DEPARTMENTS
 A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
 COMBINING STATEMENT OF NET ASSETS
 June 30, 2009

ASSETS	Hopkinsville		Pembroke		Crofton		Oak Grove		Totals
	Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer	
Current assets									
Cash	\$ 1,200	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,400
Petty cash and change fund	7,284	7,284	-	-	-	-	-	-	14,568
Health claims fund	8,492	-	-	-	-	-	-	-	8,492
Employee reimbursement fund	-	-	-	-	-	-	-	-	-
Revenue fund	345,508	345,509	34,605	34,605	175,693	175,693	57,333	57,333	1,168,946
Operation and maintenance fund	362,484	353,993	34,605	34,605	175,693	175,693	57,333	57,333	1,194,406
Total cash	328,121	198,592	7,283	5,119	13,316	9,531	133,208	133,208	695,170
Receivables	225,911	-	-	-	-	-	-	-	225,911
Inventory	-	-	-	-	-	-	-	-	-
Prepaid expense	110,000	963,540	-	-	-	-	-	-	1,073,540
Due from other divisions	1,026,516	1,516,125	41,888	39,724	189,009	185,224	190,541	190,541	3,189,027
Total current assets									
Restricted assets									
Bond and interest redemption fund	36,646	-	-	-	-	-	-	-	36,646
Investments	-	-	-	-	-	-	-	-	-
Accrued interest	36,646	-	-	-	-	-	-	-	36,646
Subtotal									
Depreciation fund	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-
Subtotal									
Equipment maintenance and replacement reserve	-	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
 WATER AND WASTEWATER DEPARTMENTS
 A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
 COMBINING STATEMENT OF NET ASSETS (continued)
 June 30, 2009

ASSETS (continued)	Hopkinsville		Pembroke		Crofton		Oak Grove	Totals
	Water	Sewer	Water	Sewer	Water	Sewer	Sewer	
Restricted assets (continued)								
Construction fund	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Checking accounts	-	-	-	-	-	-	-	-
Retainage fund	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	23,530
Unemployment fund	11,765	11,765	-	-	-	-	-	696
Investments	348	348	-	-	-	-	-	24,226
Accrued interest	12,113	12,113	-	-	-	-	-	60,872
Subtotal	48,759	48,759	-	-	-	-	-	
Total restricted assets								
Property, plant and equipment								
Property and plant	69,727,639	58,815,872	645,202	200,506	473,998	1,217,091	7,021,426	138,101,734
General plant	1,257,734	1,449,294	-	-	-	-	-	2,707,028
Unclassified plant	619,665	148,274	-	-	-	-	-	767,939
Less accumulated depreciation	71,605,038	60,413,440	645,202	200,506	473,998	1,217,091	7,021,426	141,576,701
	20,797,409	27,885,096	77,155	144,314	145,840	711,600	205,833	49,967,247
	50,807,629	32,528,344	568,047	56,192	328,158	505,491	6,815,593	91,609,454
Net property, plant & equipment	-	317,262	-	-	-	-	-	317,262
Receivable - CCBE	-	290,740	-	-	-	-	-	290,740
Receivable - Hopk Ind. Fdn.	256,000	-	-	-	-	-	-	256,000
Receivable- Crofton division	256,000	-	-	-	-	-	-	864,002
	256,000	608,002	-	-	-	-	-	
Deferred charges								
Fiscal agency fees - revenue bonds	291,146	-	-	-	-	-	-	291,146
Unamortized discount revenue bonds	383,548	-	-	-	-	-	-	383,548
	674,694	-	-	-	-	-	-	674,694
Total deferred charges								
	\$ 52,813,598	\$ 34,664,584	\$ 609,935	\$ 95,916	\$ 517,167	\$ 690,715	\$ 7,006,134	\$ 96,398,049

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
 WATER AND WASTEWATER DEPARTMENTS
 A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
 COMBINING STATEMENT OF NET ASSETS (continued)
 June 30, 2009

LIABILITIES AND EQUITY

	Hopkinsville		Pembroke		Crofton		Oak Grove	Totals
	Water	Sewer	Water	Sewer	Water	Sewer	Sewer	
Current liabilities								
Current portion of long-term debt	\$ 1,517,974	\$ 1,047,081	\$ -	\$ 12,349	\$ 16,205	\$ 16,205	\$ 176,500	\$ 2,786,314
Current portion of capital lease obligation	4,485	6,567	-	-	-	-	-	11,052
Due to Oak Grove (current portion)	-	-	-	-	-	-	788,020	788,020
Line of credit	-	1,300,000	-	-	-	-	-	1,300,000
Pennyroyal Center loan payable	-	150,000	-	-	-	-	-	150,000
Customer deposits	62,260	10,174	-	-	87	87	21,550	72,434
Accrued interest	254,954	14,665	103	-	-	-	-	291,446
Construction retainage payable	10,000	24,572	-	472	-	-	-	34,572
Accounts payable	198,472	148,506	-	-	-	-	-	347,450
Accrued salaries and compensated absences	78,109	86,279	-	-	-	-	-	164,388
Due to other divisions	-	-	110,000	-	-	-	963,540	1,073,540
Total current liabilities	2,126,254	2,787,844	110,103	12,821	16,292	16,292	1,949,610	7,019,216
Long-term debt								
Revenue bonds payable (net of current maturities)	23,565,000	-	-	-	-	-	755,000	24,320,000
KIA loans payable (net of current maturities)	7,984,959	10,703,151	-	90,703	157,222	157,222	440,000	19,533,257
KY Rural Finance loans payable (net of current maturities)	-	-	-	-	-	-	1,983,991	1,983,991
Due to Oak Grove (net of current portion)	-	-	-	-	-	-	1,405,202	1,405,202
Crofton division-note payable	112,367	-	-	-	256,000	-	-	256,000
City of Hopkinsville-note payable	9,717	14,231	-	-	-	-	-	112,367
Capital lease obligation (net of current maturities)	-	-	-	-	-	-	-	23,948
Total liabilities	33,798,297	13,505,226	110,103	103,524	429,514	173,514	6,533,803	54,653,981
Net assets								
Invested in capital assets, net of related debt	18,022,889	20,568,077	567,944	(46,860)	154,644	331,977	1,245,330	40,843,981
Net assets, restricted	48,759	12,113	-	-	(66,991)	185,224	(772,999)	60,872
Net assets, unrestricted	943,673	579,168	(68,112)	39,252	87,653	517,201	472,331	839,215
Total net assets	19,015,301	21,159,358	499,832	(7,608)	\$ 517,167	\$ 690,715	\$ 7,006,134	\$ 96,398,049
Total liabilities and net assets	\$ 52,813,598	\$ 34,664,584	\$ 609,935	\$ 95,916	\$ 517,167	\$ 690,715	\$ 7,006,134	\$ 96,398,049

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
 WATER AND WASTEWATER DEPARTMENTS
 A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 For the Year ended June 30, 2009

	Hopkinsville		Pembroke		Crofton		Oak Grove	Totals
	Water	Sewer	Water	Sewer	Water	Sewer	Sewer	
Operating revenues	\$ 4,738,496	\$ 3,988,223	\$ 89,238	\$ 73,276	\$ 165,269	\$ 110,843	\$ 1,169,953	\$ 10,335,298
Operating expenses	455,377	-	-	-	-	-	-	455,377
Water source of supply	979,062	-	135	-	2,199	-	-	981,396
Water purification	429,214	-	40,718	-	71,389	-	-	541,321
Water distribution	-	1,179,536	-	13,005	-	14,279	414,336	1,621,156
Sewerage plant	-	245,044	-	38,246	-	12,604	-	295,894
Sewerage mains and laterals	1,285,822	1,318,894	-	4,225	10,971	6,839	-	2,632,487
Administrative and general	103,361	110,172	5,736	-	-	-	-	213,533
Technical services	1,045,363	1,484,120	15,753	15,106	20,871	37,944	190,104	2,809,261
Depreciation	-	-	-	-	-	-	-	-
Total operating expenses	4,298,199	4,337,766	62,342	70,582	105,430	71,666	604,440	9,550,425
Income from operations	440,297	(349,543)	26,896	2,694	59,839	39,177	565,513	784,873
Non-operating revenues (expenses)	13,899	25,354	-	-	-	-	-	39,253
Interest revenue	2,218	7,653	-	-	-	-	-	9,871
Gain (loss) on sale of fixed assets	(1,223,278)	(193,010)	-	(1,557)	(2,159)	(2,159)	(145,663)	(1,567,826)
Interest on bonded indebtedness	-	-	-	-	-	-	-	-
Total non-operating revenues (expenses)	(1,207,161)	(160,003)	-	(1,557)	(2,159)	(2,159)	(145,663)	(1,518,702)
Income (loss) before contributions and operating transfers	(766,864)	(509,546)	26,896	1,137	57,680	37,018	419,850	(733,829)
Capital contributions	506,998	2,100,868	-	-	-	-	-	2,607,866
Capital assets provided by developers	-	-	-	-	-	-	-	-
Transfers (to) from	(144,400)	-	-	-	27,514	15,474	(467,856)	(144,400)
Capital credit to City	1,473,650	(1,030,055)	(6,210)	(12,517)	-	-	-	-
Operating transfers in (out)	1,069,384	561,267	20,686	(11,380)	85,194	52,492	(48,006)	1,729,637
Net income (loss)	17,945,917	20,598,091	479,146	3,772	2,459	464,709	520,337	40,014,431
Net assets, beginning of year	\$ 19,015,301	\$ 21,159,358	\$ 499,832	\$ (7,608)	\$ 87,653	\$ 517,201	\$ 472,331	\$ 41,744,068
Net assets, end of year								

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
 WATER AND WASTEWATER DEPARTMENTS
 A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
 SUMMARY OF PROPERTY, PLANT AND EQUIPMENT
 June 30, 2009

Descriptions	ASSETS				ACCUMULATED DEPRECIATION				Depreciated values June 30, 2009
	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009	
Water									
Land	\$ 540,285	\$ 723,610	-	\$ 1,263,895	\$ -	\$ -	\$ -	\$ -	\$ 1,263,895
Structures	2,878,482	6,465	-	2,884,947	1,258,780	67,898	-	1,326,678	1,558,269
Elevated tanks	3,003,812	659,058	-	3,662,870	1,483,702	92,895	-	1,576,597	2,086,273
Transmission mains	196,595	-	-	196,595	188,759	2,239	-	190,998	5,597
Distribution mains	14,552,170	502,951	-	15,055,121	6,088,583	268,722	-	6,357,305	8,697,816
Services	2,370,657	61,102	-	2,431,759	1,118,892	50,156	-	1,169,048	1,262,711
Meters and installation	2,346,965	24,555	-	2,371,520	2,012,442	59,907	-	2,072,349	299,171
Hydrants	882,668	7,734	-	890,402	395,473	17,781	-	413,254	477,148
Purification structures	7,498,045	-	-	7,498,045	2,479,865	148,924	-	2,628,789	4,869,256
Purification equipment	4,578,060	20,229	-	4,598,289	3,095,585	166,687	-	3,262,272	1,336,017
Cast iron pipe lines	44,436	-	-	44,436	40,189	772	-	40,961	3,475
Electric pumping equipment	413,148	-	-	413,148	264,017	13,876	-	277,893	135,255
Auxiliary power units	128,790	-	-	128,790	128,790	-	-	128,790	-
Quarry - raw water supply	788,860	28,575,185	-	29,364,045	381,729	132,689	-	514,418	28,849,627
Interest during construction	42,977	-	-	42,977	28,572	739	-	29,311	13,666
Total water plant	40,265,950	30,580,889	-	70,846,839	18,965,378	1,023,285	-	19,988,663	50,858,176
General									
Transportation equipment	277,086	9,516	4,500	282,102	254,655	12,704	4,500	262,859	19,243
Tractors & backhoes	114,590	-	-	114,590	62,045	9,852	-	71,897	42,693
General equipment	293,346	-	-	293,346	206,608	10,323	-	216,931	76,415
Office furniture and fixtures	159,728	50	-	159,778	133,369	3,714	-	137,083	22,695
Two-way radio equipment	11,876	-	-	11,876	10,699	127	-	10,826	1,050
Computer equipment	369,532	26,510	-	396,042	310,162	21,982	-	332,144	63,898
Total general plant	1,226,158	36,076	4,500	1,257,734	977,538	58,702	4,500	1,031,740	225,994
Unclassified plant									
Construction in progress	29,536,632	379,328	29,296,295	619,665	-	-	-	-	619,665
Total water plant	\$ 71,028,740	\$ 30,996,293	\$ 29,300,795	\$ 72,724,238	\$ 19,942,916	\$ 1,081,987	\$ 4,500	\$ 21,020,403	\$ 51,703,835

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
SUMMARY OF PROPERTY, PLANT AND EQUIPMENT(continued)
June 30, 2009**

Descriptions	ASSETS				ACCUMULATED DEPRECIATION				Depreciated values June 30, 2009
	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009	Balance June 30, 2008	Additions	Retirements	Balance June 30, 2009	
SEWERAGE									
Land	\$ 341,449	-	-	\$ 341,449	-	\$ 94,200	-	\$ 725,716	\$ 341,449
Buildings	3,359,083	7,661	-	3,366,744	631,516	-	-	-	2,641,028
Wastewater treatment plants									
Northside	8,884,149	8,403	-	8,892,552	5,411,996	225,848	-	5,637,844	3,254,708
Hammond-Wood	11,634,285	11,523	-	11,645,808	6,049,419	360,308	-	6,409,727	5,236,081
Machinery and equipment	2,625,148	-	-	2,625,148	1,556,567	117,942	-	1,674,509	950,639
Pumping stations	2,946,369	60,325	-	3,006,694	1,363,410	141,333	-	1,504,743	1,501,951
Mains and laterals	32,859,739	4,245,288	-	37,105,027	11,053,858	687,529	-	11,741,387	25,363,620
Interest during construction	173,140	-	-	173,140	50,498	4,329	-	54,827	118,313
Total sewerage plant	62,823,362	4,333,180	-	67,156,542	26,117,264	1,631,489	-	27,748,753	39,407,789
General									
Transportation equipment	444,590	9,516	18,482	435,624	348,796	20,102	18,482	350,416	85,208
Tractors & backhoes	45,625	-	-	45,625	45,625	-	-	45,625	-
General equipment	522,761	1,214	-	523,975	214,575	39,234	-	253,809	270,166
Office furniture and fixtures	155,295	8,729	-	164,024	128,426	4,669	-	133,095	30,929
Two-way radio equipment	11,876	-	-	11,876	10,700	127	-	10,827	1,049
Computer equipment	349,962	16,561	-	366,523	300,812	17,203	-	318,015	48,508
Total general plant	1,530,109	36,020	18,482	1,547,647	1,048,934	81,335	18,482	1,111,787	435,860
Unclassified plant									
Engineering fees	144,502	-	-	144,502	71,853	14,450	-	86,303	58,199
Construction in progress	2,057,964	51,091	2,105,282	3,773	-	-	-	-	3,773
Total sewer plant	\$ 66,555,937	\$ 4,420,291	\$ 2,123,764	\$ 68,852,464	\$ 27,238,051	\$ 1,727,274	\$ 18,482	\$ 28,946,843	\$ 39,905,621

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
 WATER AND WASTEWATER DEPARTMENTS
 A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
 SUMMARY OF SINKING FUND REQUIREMENTS
 June 30, 2009**

Bonds Due Fiscal Year	1998	2005 A	2005 B	Total Debt Service
2010	\$ 88,195	\$ 1,905,818	\$ 166,213	\$ 2,160,226
2011	88,483	1,906,139	162,312	2,156,934
2012	88,633	1,904,605	163,337	2,156,575
2013	88,644	1,905,405	164,037	2,158,086
2014	88,513	1,903,645	164,316	2,156,474
2015	93,223	1,904,893	164,244	2,162,360
2016	97,531	1,902,600	163,809	2,163,940
2017	96,450	1,901,600	163,000	2,161,050
2018	97,690	1,903,500	-	2,001,190
2019	98,648	1,903,200	-	2,001,848
2020	99,360	1,905,600	-	2,004,960
2021	49,825	1,905,600	-	1,955,425
2022	-	1,903,200	-	1,903,200
2023	-	1,903,300	-	1,903,300
2024	-	1,900,800	-	1,900,800
2025	-	1,905,500	-	1,905,500
2026	-	1,902,300	-	1,902,300
	<u>\$ 1,075,195</u>	<u>\$ 32,367,705</u>	<u>\$ 1,311,268</u>	<u>\$ 34,754,168</u>

The sinking fund reserve requirement is the maximum total debt service on bonds due in future years. Therefore, the sinking fund reserve requirement as of June 30, 2009, is \$2,163,940. The HWEA is setting aside funds to meet this requirement.

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
 WATER AND WASTEWATER DEPARTMENTS
 A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
 SCHEDULE OF OPERATING EXPENSES
 For the Years Ended June 30, 2009 and 2008

	2009		2008	
	Amount	% of Net Revenues	Amount	% of Net Revenues
Water Source of Supply				
Labor	\$ 5,595	0.06%	\$ 5,526	0.06%
Supplies	398	0.00%	401,485	4.24%
Utilities	443,706	4.68%	251,680	2.66%
Grounds and maintenance	5,678	0.06%	11,064	0.12%
Total water source of supply	<u>455,377</u>	<u>4.81%</u>	<u>669,755</u>	<u>7.07%</u>
Water Purification				
Supervision	46,427	0.49%	44,993	0.48%
Labor	246,480	2.60%	268,890	2.84%
Chemicals	295,207	3.12%	263,784	2.79%
Maintenance to structures	1,497	0.02%	1,910	0.02%
Maintenance to equipment	14,998	0.16%	15,905	0.17%
Supplies	8,614	0.09%	5,185	0.05%
Maintenance to reservoirs and tanks	1,200	0.01%	837	0.01%
Utilities	299,650	3.16%	280,272	2.96%
Training and education	1,802	0.02%	3,500	0.04%
Laboratory work	44,288	0.47%	44,030	0.46%
Laboratory supplies and expense	15,659	0.17%	22,656	0.24%
Plant security	-	0.00%	40	0.00%
Grounds and maintenance	878	0.01%	2,414	0.03%
Transportation expense	4,621	0.05%	5,484	0.06%
Miscellaneous	75	0.00%	359	0.00%
Total water purification	<u>981,396</u>	<u>10.36%</u>	<u>960,258</u>	<u>10.14%</u>
Water Distribution				
Supervision	44,775	0.47%	58,695	0.62%
• Labor	259,005	2.73%	259,351	2.74%
Supplies	93,084	0.98%	112,137	1.18%
Repairs to structures	91	0.00%	263	0.00%
Repairs to distribution mains	32,241	0.34%	59,894	0.63%
Repairs to services	12,453	0.13%	7,157	0.08%
Repair to meters	287	0.00%	1,527	0.02%
Removing and resetting meters	49,457	0.52%	48,097	0.51%
Repairs to fire hydrants	1,614	0.02%	3,111	0.03%
Transportation expense	28,058	0.30%	39,265	0.41%
Gas, oil, tires, etc-tractor/compressor	6,361	0.07%	12,949	0.14%
Grounds and maintenance	11,776	0.12%	11,741	0.12%
Training, education and licenses	752	0.01%	6,474	0.07%
Small tools	986	0.01%	594	0.01%
Miscellaneous	381	0.00%	35	0.00%
Total water distribution	<u>541,321</u>	<u>5.72%</u>	<u>621,288</u>	<u>6.56%</u>
Subtotal carried forward	<u>\$ 1,978,094</u>	<u>20.89%</u>	<u>\$ 2,251,301</u>	<u>23.77%</u>

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
 WATER AND WASTEWATER DEPARTMENTS
 A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
 SCHEDULE OF OPERATING EXPENSES (continued)
 For the Years Ended June 30, 2009 and 2008

	<u>2009</u>		<u>2008</u>	
	<u>Amount</u>	<u>% of Net Revenues</u>	<u>Amount</u>	<u>% of Net Revenues</u>
Subtotal carried forward	<u>\$ 1,978,094</u>	<u>20.89%</u>	<u>\$ 2,251,301</u>	<u>23.77%</u>
Water Technical Services				
Labor	96,203	1.02%	107,268	1.13%
Supplies	2,484	0.03%	1,716	0.02%
Training, education and licenses	121	0.00%	1,023	0.01%
Transportation expense	3,752	0.04%	5,954	0.06%
Miscellaneous	<u>800</u>	<u>0.01%</u>	<u>800</u>	<u>0.01%</u>
Total water technical services	<u>103,360</u>	<u>1.09%</u>	<u>116,761</u>	<u>1.23%</u>
Water Administrative and General				
Commissioners' fees	6,000	0.06%	5,500	0.06%
Office salaries	331,691	3.50%	333,797	3.52%
Meter reading and collecting salaries	41,084	0.43%	45,558	0.48%
Employee benefits	528,203	5.58%	608,828	6.43%
Office supplies	33,193	0.35%	31,530	0.33%
Postage	19,133	0.20%	15,291	0.16%
Telephone	16,546	0.17%	17,060	0.18%
Insurance and bonds	153,873	1.62%	158,932	1.68%
Professional services	18,411	0.19%	19,102	0.20%
Safety program	32,960	0.35%	34,463	0.36%
Office building maintenance	34,672	0.37%	36,513	0.39%
Bad debts, net	37,170	0.39%	33,480	0.35%
Training, education and licenses	4,971	0.05%	4,137	0.04%
Transportation expense	11,027	0.12%	13,734	0.15%
Rez rebate payments	4,500	0.05%	12,500	0.13%
Miscellaneous	<u>29,097</u>	<u>0.31%</u>	<u>33,303</u>	<u>0.35%</u>
Total water administrative and general	<u>1,302,531</u>	<u>13.75%</u>	<u>1,403,727</u>	<u>14.82%</u>
Total water operating expense other than depreciation	<u><u>\$ 3,383,985</u></u>	<u><u>35.73%</u></u>	<u><u>\$ 3,771,790</u></u>	<u><u>39.82%</u></u>

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
 WATER AND WASTEWATER DEPARTMENTS
 A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
 SCHEDULE OF OPERATING EXPENSES (continued)
 For the Years Ended June 30, 2009 and 2008

	2009		2008	
	Amount	% of Net Revenues	Amount	% of Net Revenues
Wastewater Treatment Plant				
Supervision	\$ 13,240	0.14%	\$ 8,741	0.09%
Labor	346,490	3.66%	269,295	2.84%
Chemicals and materials	21,291	0.22%	18,204	0.19%
Supplies and tools	15,924	0.17%	10,116	0.11%
Lights, power, water, and fuel oil	657,630	6.94%	467,795	4.94%
Transportation expense	26,402	0.28%	24,389	0.26%
Repairs - machinery and equipment	58,050	0.61%	29,067	0.31%
Repairs - buildings	8,233	0.09%	3,586	0.04%
Maintenance of pump stations	167,696	1.77%	137,750	1.45%
Laboratory work	114,864	1.21%	98,499	1.04%
Laboratory supplies and expense	17,329	0.18%	20,144	0.21%
Permit - pretreatment compliance	44,096	0.47%	42,795	0.45%
Sludge disposal	109,588	1.16%	47,724	0.50%
Training, education and licenses	1,233	0.01%	2,073	0.02%
Billing and collection expense	18,777	0.20%	-	0.00%
Miscellaneous	313	0.00%	230	0.00%
	1,621,156	17.12%	1,180,408	12.46%
Wastewater Mains and Laterals				
Supervision	32,298	0.34%	40,695	0.43%
Labor	133,599	1.41%	80,482	0.85%
Supplies and tools	57,215	0.60%	33,820	0.36%
Repairs - mains and laterals	21,290	0.22%	20,084	0.21%
Repairs - truck and sewerage equipment	2,267	0.02%	2,433	0.03%
Gas, oil, and tires	31,630	0.33%	30,219	0.32%
Developer rebates	17,595	0.19%	9,860	0.10%
	295,894	3.12%	217,594	2.30%
Wastewater Technical Services				
Labor	102,223	1.08%	103,798	1.10%
Supplies	3,420	0.04%	3,068	0.03%
Training, education and licenses	18	0.00%	966	0.01%
Transportation expense	3,712	0.04%	5,955	0.06%
Miscellaneous	800	0.01%	800	0.01%
	110,173	1.16%	114,587	1.21%
	\$ 2,027,223	21.40%	\$ 1,512,589	15.97%

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
 WATER AND WASTEWATER DEPARTMENTS
 A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
 SCHEDULE OF OPERATING EXPENSES (continued)
 For the Years Ended June 30, 2009 and 2008

	<u>2009</u>		<u>2008</u>	
	<u>Amount</u>	<u>% of Net Revenues</u>	<u>Amount</u>	<u>% of Net Revenues</u>
Subtotal carried forward	<u>\$ 2,027,223</u>	<u>21.40%</u>	<u>\$ 1,512,589</u>	<u>15.97%</u>
Sewerage Administrative and General				
Commissioners' fees	6,000	0.06%	5,500	0.06%
Office salaries	326,914	3.45%	330,251	3.49%
Meter reading and collecting salaries	42,082	0.44%	45,587	0.48%
Labor - camera crew	5,230	0.06%	4,787	0.05%
Employee benefits	555,578	5.87%	497,450	5.25%
Office supplies	33,322	0.35%	31,550	0.33%
Postage	19,133	0.20%	15,291	0.16%
Telephone	16,517	0.17%	17,007	0.18%
Insurance and bonds	153,873	1.62%	160,501	1.69%
Professional services	18,411	0.19%	54,670	0.58%
Office building maintenance	34,885	0.37%	36,514	0.39%
Bad debts, net	34,925	0.37%	26,480	0.28%
Training, education and licenses	4,971	0.05%	4,137	0.04%
Safety program	32,960	0.35%	35,242	0.37%
Transportation expense	11,027	0.12%	13,734	0.15%
Rez rebate payments	4,500	0.05%	12,500	0.13%
Miscellaneous	<u>29,628</u>	<u>0.31%</u>	<u>33,500</u>	<u>0.35%</u>
Total sewer administrative and general	<u>1,329,956</u>	<u>14.04%</u>	<u>1,324,701</u>	<u>13.99%</u>
Total sewerage operating expense other than depreciation	<u><u>\$3,357,179</u></u>	<u><u>35.45%</u></u>	<u><u>\$2,837,290</u></u>	<u><u>29.96%</u></u>



& CO. - HOPKINSVILLE LLP

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**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 Members of the
City of Hopkinsville Sewerage and
Water Works Commission d/b/a
Hopkinsville Water Environment Authority
Hopkinsville, Kentucky

We have audited the accompanying financial statements of the business-type activities of the Hopkinsville Water Environment Authority (HWEA), a component unit of the City of Hopkinsville, Kentucky, as of and for the year ended June 30, 2009, and have issued our report thereon dated November 16, 2009. We conducted our 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 our audit, we considered the HWEA's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the HWEA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the HWEA's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the HWEA's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the HWEA's financial statements that is more than inconsequential will not be prevented or detected by the HWEA's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the HWEA's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the commission members of the HWEA, 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.

York, Neel & Co. - Hopkinsville, LLP

Hopkinsville, Kentucky
November 16, 2009

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
SCHEDULE OF FINDINGS AND RESPONSES
For the year ended June 30, 2009**

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Hopkinsville Water Environment Authority (HWEA).
2. No material weaknesses relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of the HWEA were disclosed during the audit.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

**HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
WATER AND WASTEWATER DEPARTMENTS
A COMPONENT UNIT OF THE CITY OF HOPKINSVILLE, KENTUCKY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the year ended June 30, 2009**

The Hopkinsville Water Environment Authority had no prior audit findings.

Account #	Account Name / Description	Debits	Credits
06/30/2009	<u>AJE 1</u>		
01-02500-0000	SURPLUS	513,699.61	
01-02500-0001	SURPLUS-PEMBROKE WATER		331,878.00
01-02500-0002	SURPLUS-CROFTON WATER		83,505.00
02-02500-0000	SURPLUS-SEWER	235,470.94	
02-02500-0001	SURPLUS-PEMBROKE SEWER	177,407.00	
02-02500-0002	SURPLUS-CROFTON SEWER	9,142.45	
02-02500-0003	SURPLUS - OAK GROVE SEWER		520,337.00

ENTRY TO ADJUST SURPLUS ACCOUNTS TO ACTUAL AS PER EQUITY WORKSHEET AT YY-1.

06/30/2009	<u>AJE 2</u>		
02-10050-0000	R&M MAINS & LATERALS SWR		47,187.64
02-05910-0000	CROFTON DEPRECIATION	4,551.99	
02-10500-0000	DEPRECIATION	42,635.65	

TO RECLASSIFY DEPRECIATION EXPENSE FOR HOPKINSVILLE AND CROFTON THAT WERE INCORRECTLY POSTED TO R&M.

06/30/2009	<u>AJE 3</u>		
01-02310-0200	ACC INT KIA LOAN-PEMBROKE	12.20	
01-02170-0500	N/P PEMBROKE KIA SERVICE FEE	2.03	
01-30041-0000	INTEREST-PEMBROKE KIA		14.23
02-02310-0999	ACC INT PAY KIA LOAN-PHASE III	126.07	
02-30032-0000	INT ON KIA FUND PHASE III(3)		126.07
02-02310-0997	ACC INT PAY KIA LOAN-1997	266.94	
02-30031-0000	INT ON KIA FUND PHASE II(2)		266.94
01-02310-0201	ACC INT KIA LOAN-CROFTON	8.06	
01-30050-0000	KIA A94-01 CROFTON INTEREST		8.06
02-02310-0201	ACC INT KIA LOAN-CROFTON	8.07	
02-30050-0001	KIA A94-01 CROFTON INTEREST		8.07
01-02330-0000	ACC INT N/P CROFTON	351.36	
01-30120-0000	INT ON N/P CROFTON		351.36
02-02330-0000	ACC INT N/P CROFTON	351.36	
02-30120-0000	INT ON N/P CROFTON		351.36
01-02310-0505	ACC INT PAY ON BOND - 2005 SR A		900.01
01-30030-0505	INT ON 2005 BOND ISSUE	0.01	
01-02311-0205	ACC INT PAY ON BOND - 2005 SR B	900.00	
01-02310-0040	ACC INT PAY KIA FUND F		243.74
01-02310-0500	ACC INT PAY - KIA F0602	1,505.07	
01-30040-0003	INT ON KIA FUND F LOAN - WATER		535.82
02-02310-0040	ACCT INT PAY KIA FD A PHASE 4	219.03	
02-30033-0000	INT ON KIA FUND PHASE IV (4)		219.03
02-02310-0050	ACC INT PAY KIA FD A PHASE 5 - WW		280.45
02-30034-0000	INT ON KIA FUND A-PHASE V(5)	280.45	
01-02310-0207	ACC INT PAYABLE - KIA-LAKE BARKLEY	10,137.53	
01-02310-0500	ACC INT PAY - KIA F0602		10,137.53
02-02310-0204	ACC INT - KIA PHASE IV LOAN		219.03

Account #	Account Name / Description	Debits	Credits
02-02310-0205	ACC INT - KIA PHASE V LOAN		113.57
02-02310-0206	ACC INT - KIA PHASE II LOAN		266.91
02-02310-0207	ACC INT - KIA PHASE III LOAN		126.00
02-02310-0500	ACC INT - OAK GROVE BONDS		1,902.19
02-30103-0000	INT ON OAK GROVE DEBT	1,902.19	
TO ADJUST ACCRUED INTEREST TO ACTUAL PER WORKSHEETS INCLUDED IN SECTION CC.			
06/30/2009		AJE 4	
02-00396-0000	OFFICE FURN, FIXT, EQUIP-OG	8,678.50	
02-02196-0000	CAPITAL LEASE - TELEPHONE SYSTEM		8,678.50
TO RECORD THE LEASE OF A PANASONIC TELEPHONE SYSTEM FOR THE OAK GROVE SEWER DIVISION.			
06/30/2009		AJE 5	
02-05920-0000	OAK GROVE DEPRECIATION	867.85	
02-00396-0001	A/D-OFFICE FURN, FIXT, EQUIP-OG		867.85
TO RECORD DEPRECIATION EXPENSE ON LEASED PANASONIC TELEPHONE SYSTEM FOR OAK GROVE.			
		Totals	
		<u>1,008,524.36</u>	<u>1,008,524.36</u>

ACCOUNT SUB DESCRIPTION	DEBIT	CREDIT
10 LAND	1,229,390.80	
10 3 LAND-CROFTON	34,504.09	
20 STRUCTURES	2,486,951.47	
20 1 RES FOR DEPREC. - STRUCTURES		1,190,932.54
30 ELEV. TANKS	3,461,495.64	
30 1 RES FOR DEPREC. ELEV. TANKS		1,552,094.04
40 INT DURING CONST	42,977.20	
40 1 RES FOR DEP - INT DURING CONST		29,309.62
50 TRANSMISSION MAINS	196,595.93	
50 1 RES FOR DEPREC. - TRANSMISSION		190,998.26
60 DISTR MAINS	14,569,794.53	
60 1 RES FOR DEPREC. DISTR MAINS		6,294,560.20
70 SERVICES	2,431,759.44	
70 1 RES FOR DEPREC. - SERVICES		1,169,048.17
80 METER AND INSTALLATIONS	2,371,519.55	
80 1 RES FOR DEPREC. - METER & INST		2,072,349.16
90 HYDRANTS	890,402.00	
90 1 RES FOR DEPREC. - HYDRANTS		413,253.82
100 PURIFICATION STRUCTURES	7,498,044.90	
100 1 RES FOR DEP. - PURIFICATION ST		2,628,788.76
110 PURIFICATION EQUIPMENT	4,598,288.04	
110 1 RES FOR DEP. - PURIFICATION EQ		3,262,272.91
120 CAST IRON PIPE LINES	44,435.59	
120 1 RES FOR DEP. - CAST IRON PIPE L		40,961.59
130 ELEC PUMPING EQUIPMENT	413,147.91	
130 1 RES FOR DEP. ELEC PUMPING EQUI		277,891.36
140 AUX POWER UNITS	128,790.41	
140 1 RES FOR DEP. AUX POWER UNITS		128,790.41
150 QUARRY RAW WATER SUPPLY-WATER	29,364,045.90	
150 1 RES FOR DEP-QUARRY-WATER		514,417.64
300 TRANS. EQUIPMENT	282,101.70	
300 1 RES FOR DEP. TRANS. EQUIP.		262,858.99
310 TRACTORS AND BACKHOES	114,591.00	
310 1 RES FOR DEP. TRACTORS AND BACK		71,897.77
320 GENERAL EQUIPMENT	293,346.05	
320 1 RES FOR DEP. - GENERAL EQUIPME		216,931.23
330 OFFICE FURN, FIXTURES, EQUIPME	159,777.35	
330 1 RES FOR DEP - FURN, FIXTURES,		137,082.82
340 TWO WAY RADIO EQUIPMENT	11,875.47	
340 1 RES FOR DEP.- TWO WAY RADIO EQ		10,826.14
350 COMPUTER EQUIPMENT	396,042.55	
350 1 RES FOR DEP.- COMPUTER EQUIPME		332,143.21
360 DISTR MAINS-PEMBROKE	465,588.09	
360 1 RES FOR DEPR. DISTR MAINS-PEMB		55,371.75
370 ELEV. WATER TANK-PEMBROKE	179,614.26	
370 1 RES FOR DEPREC. ELEV. TANK-PEM		21,783.54
375 CROFTON ELEVATED WATER TANKS	21,760.00	
375 1 RES FOR DEPREC. CROFTON		2,720.00
380 DISTR MAINS & LINES-CROFTON	19,738.64	
380 1 RES FOR DEPR.-DISTR MAINS-CROF		7,372.92
390 STRUCTURES-CROFTON	397,994.88	

ACCOUNT SUB DESCRIPTION	DEBIT	CREDIT
390 1 RES FOR DEPREC. - STRUCTURES		135,747.08
400 100 BOND & INT REDEMPTION FUND INV	36,572.97	
402 205 2005A BOND SINKING FUND	52.64	
403 205 2005B BOND SINKING FUND	20.39	
404 205 DEFERRED REFUNDING COST(96-05)	66,023.58	
430 INT RECEIVABLE-UNEMPLOYMENT\	347.84	
460 100 UNEMPLOYMENT COMPENSATION FUND	11,765.34	
600 CHANGE FUND-WATER	200.00	
610 PETTY CASH - WATER	1,000.00	
650 OPER AND MAINT FUND-BB&T BANK	11,179.12	
650 1 PEMBROKE OPER & MAINT-BB&T	33,040.22	
650 2 CROFTON OPER & MAINT-BB&T	14,929.29	
660 OPER & MAINT-HERITAGE BANK	334,329.42	
660 1 PEMBROKE OPER & MAINT-HERITAGE	1,564.96	
660 2 CROFTON OPER & MAINT-HERITAGE	160,763.66	
665 HEALTH CLAIMS BANK A/C - BB&T	7,283.65	
667 AFLAC EMPLOYEE REIMB.-HERITAGE	8,491.85	
700 WATER CUSTOMER ACCOUNTS RECEIV	301,871.89	
700 1 WATER CUSTOMER ACCOUNTS RECEIV	7,282.91	
700 2 WATER CUSTOMER ACCOUNTS RECEIV	13,316.32	
717 AMT DUE FROM PEMB DIV.TO HOPK	110,000.00	
720 WATER MISC ACCTS RECEIVABLE	26,248.59	
740 N/R CROFTON-HWEA(OLD USDA BOND	256,000.00	
800 STORES - WATER	225,911.13	
1140 205 2005A BOND DISCOUNT	306,029.13	
1145 205 2005B BOND DISCOUNT	11,495.69	
1150 205 2005A BOND ISSUANCE FEES	277,360.47	
1155 205 2005B BOND ISSUANCE FEES	13,785.32	
1520 WORK IN PROGRESS - WATER MAINS	935.00	
1520 2 WORK IN PROGRESS - WATER PLANT	570,304.90	
1640 STORM DAMAGE COSTS-FEMA TO PAY	6,000.00	
1860 NATURAL GAS PROJECT	42,425.40	
2000 205 2005A WATER REVENUE BONDS	23,560,000.00	
2001 205 2005B WATER REVENUE BONDS	1,145,000.00	
2050 995 CITY OF HOPKINSVILLE LOAN-COMM	112,366.71	
2100 995 KIA-FUND B WATER PLANT CONST I	3,174,972.96	
2110 KIA-FUND F0204-BARKLEY RAW WTR	1,444,869.43	
2110 500 KIA FUND F0602-INTAKE SITE	3,743,089.39	
2160 500 KIA PEMBROKE LOAN	103,051.58	
2170 500 KIA PEMBROKE LOAN SERVICE FEE	17.18	
2180 501 KIA CROFTON LOAN	173,426.99	
2180 503 CROFTON-HWEA (OLD USDA BOND)	256,000.00	
2194 AMT OWED HOPK DIV - PEMBROKE	110,000.00	
2196 CAP LEASE - TELEPHONE SYSTEM	14,202.24	
2200 ACCOUNTS PAYABLE-WATER	158,557.60	
2200 59 US41 WIDENING-RETAIN. PAYABLE	5,000.00	
2200 76 PENNYVILLE PKWAY EXT. RETAINAGE	5,000.00	
2210 RETAIL SALES & USE TAX-WATER	13,346.69	
2210 1 RETAIL SALES & USE TAX-PEMBROK	262.38	
2210 2 RETAIL SALES & USE TAX-CROFTON	194.34	
2220 SCHOOL UTIL TAX-WATER	10,903.12	

ACCOUNT SUB DESCRIPTION	DEBIT	CREDIT
2220 1 SCHOOL UTIL TAX-PEMBROKE DIVIS		209.16
2220 2 SCHOOL UTIL TAX-CROFTON DIVISI		378.78
2230 WATER CUSTOMER DEPOSITS		14,973.63
2300 100 EMPLOYEE INSURANCE-WATER		15,093.70
2310 40 ACCRUED INT ON KIA LOAN-FUND F		1,505.07
2310 200 ACCRUED INT ON KIA LOAN - PEME		103.05
2310 201 ACCRUED INT ON KIA LOAN - CROF		86.72
2310 500 ACCRUED INT ON KIA F0204		10,137.53
2310 505 ACCRUED INT-BONDS 2005 ISSUE		228,215.32
2310 995 ACCRUED INT ON KIA FUND B LOAN		5,556.20
2311 205 ACCRUED INT BOND 2005 SRB		9,540.63
2320 ACCRUED PAYROLL - WATER		24,376.56
2350 ACCRUED VACATION PAY - WATER		53,732.00
2400 WATER SERVICE COLLECTED IN ADV		47,286.50
2500 SURPLUS-WATER		4,761,897.01
2500 1 SURPLUS-PEMBROKE WATER		525,723.00
2500 2 SURPLUS-CROFTON WATER		150,700.00
2501 MONTHLY SURPLUS - WATER	321,249.01	
2600 WATER LINES DONATED		1,884,023.19
2800 GRANTS-WATER		10,852,716.50
3010 WATER RESIDENTIAL SALES		2,085,242.96
3020 WATER COMMERCIAL SALES		1,045,661.51
3030 WATER INDUSTRIAL SALES		396,308.80
3040 WATER SALES TO GOVERN AGENCIES		1,040,035.17
3080 WATER PENALTY		80,020.86
3090 WATER SERVICE FEES		8,501.58
3100 WATER ALLOWANCES		
3110 PEMBROKE RESIDENTIAL SALES-WAT	26,543.51	50,029.14
3120 PEMBROKE COMMERCIAL SALES-WATE		25,308.70
3140 PEMBROKE SALES TO GOVERN AGENC		8,039.29
3180 PEMBROKE PENALTY-WATER		1,814.78
3190 PEMBROKE SERVICE FEES-WATER		80.00
3210 CROFTON RESIDENTIAL SALES-WATE		121,869.92
3220 CROFTON COMMERCIAL SALES-WATER		28,394.30
3240 CROFTON SALES TO GOVERN AGENCI		2,192.83
3280 CROFTON PENALTY-WATER		3,614.00
3290 CROFTON SERVICE FEES-WATER		180.00
4020 LABOR-SOURCE OF SUPPLY		
4030 SUPPLIES AND EXPENSES	5,595.31	398.00
4040 REPAIRS TO SOURCE OF SUPPLY ST	798.00	
4070 REPAIRS TO SOURCE OF SUPPLY EQ	57.52	
4080 UTILITIES-QUARRY	72,822.01	
4100 GROUNDS & MAINTENANCE	4,822.38	
4140 UTILITIES-INTAKE SITE	370,884.17	
5020 PEMBROKE LABOR-DISTR-WATER	18,503.31	
5030 PEMBROKE LABOR-ADMINISTRATIVE	5,267.11	
5040 PEMBROKE SUPPLIES & EXPENSES	22,214.46	
5050 PEMBROKE ELEV. TANK UTILITIES	135.02	
5220 CROFTON LABOR-DISTR-WATER	26,584.72	

ACCOUNT SUB DESCRIPTION	DEBIT	CREDIT
5230 CROFTON LABOR-ADMINISTRATIVE	8,176.15	
5240 CROFTON SUPPLIES & EXPENSES-WA	44,805.17	
5270 CROFTON PLANT UTILITIES-WATER	2,198.42	
5900 PEMROKE DEPRECIATION	15,753.40	
5910 CROFTON DEPRECIATION	20,871.56	
6010 SUPERVISION-WATER PLANT	46,426.72	
6020 LABOR-WATER PLANT	246,480.15	
6030 CHEMICALS	295,206.56	
6040 MAINTENANCE TO STRUCTURES	1,497.24	
6050 MAINTENANCE TO EQUIPMENT	14,998.06	
6060 SUPPLIES AND EXPENSES	8,613.84	
6070 MAINT TO RESERVOIRS & TANKS	1,200.41	
6080 MISCELLANEOUS EXPENSES	73.27	
6110 GROUNDS & MAINTENANCE	878.46	
6120 LABORATORY WORK	44,288.40	
6130 LAB SUPPLIES AND EXPENSES	15,659.12	
6140 TRANSPORTATION EXPENSES	4,620.64	
6150 UTILITIES	264,471.97	
6160 TRAINING AND EDUCATION	1,802.26	
6170 WATER TANK UTILITIES	32,845.23	
7010 SUPERVISION-WATER DISTRIBUTION	44,774.64	
7020 LABOR-WATER DISTRIBUTION	213,516.69	
7030 SUPPLIES AND EXPENSES	26,065.19	
7040 SMALL TOOLS EXPENSE	985.96	
7050 REPAIRS TO DISTR STRUCTURES	90.56	
7080 REPAIRS TO DISTRIBUTION MAINS	32,240.56	
7090 REPAIRS TO SERVICES	12,452.78	
7100 REPAIRS TO METERS	287.13	
7110 REMOVING AND RESETTNG METERS	49,456.71	
7120 TRANSPORTATION EXPENSES	28,058.37	
7130 GAS OIL TIRES-REP COMPR & TRAC	6,361.09	
7140 REPAIRS TO FIRE HYDRANTS	1,614.19	
7150 MISCELLANEOUS EXPENSES	381.75	
7160 GROUNDS & MAINTENANCE	11,776.17	
7170 TRAINING, EDUCATION & LICENSES	6,000.00	
8010 COMMISSIONERS SALARIES	318,247.90	
8020 OFFICE SALARIES-ADMINISTRATIVE	41,084.35	
8030 METER READING SALARIES	33,192.73	
8040 SUPPLIES AND EXPENSES	19,133.18	
8050 POSTAGE	16,546.16	
8060 TELEPHONE & 2-WAY RADIO EQUIP	153,872.87	
8070 INSURANCE PREMIUM	4,970.86	
8080 TRAINING AND LICENSES	18,411.42	
8090 PROFESSIONAL SERVICES	11,026.60	
8100 TRANSPORTATION EXPENSES	528,202.63	
8140 EMPLOYEE BENEFITS	32,959.72	
8150 SAFETY PROGRAM	34,671.65	
8160 BLDG MAINTENANCE & UTILITIES	29,098.42	
8180 MISCELLANEOUS EXPENSES	96,202.77	
8510 LABOR-TECHNICAL SERVICES	2,484.01	
8520 SUPPLIES AND EXPENSES		

ACCOUNT SUB DESCRIPTION	DEBIT	CREDIT
8530 TRAINING, EDUCATION & LICENSES	121.00	
8540 TRANSPORTATION EXPENSES	3,753.34	
8550 MISCELLANEOUS EXPENSES	800.00	
1-0500 WATER DEPRECIATION	1,045,362.58	
2-0010 DISCOUNT ON PURCHASES-WATER		1,794.70
2-0020 BAD ACCOUNTS RECOVERED-WATER		7,752.74
2-0020 100 BAD ACCOUNTS RECOVERED-CROFTON		713.10
2-0020 500 BAD ACCOUNTS RECOVERED-PEMBROK		120.87
2-0050 RENTAL-LAKE TANDY-WATER INCOME		1.00
2-0060 INT-BOND & INTEREST REDEM FUND		1,935.62
2-0060 20 INT ON UEMPL COMP INVESTMENT		370.78
2-0070 INT-DEPRECIATION INVESTMENTS		4,089.58
2-0080 INT-CONST FUND INVESTMENTS		3,993.40
2-0090 CASH OVERAGE-WATER INCOME CRED		
2-0110 MISCELLANEOUS INCOME-WATER	518.86	
2-0110 100 MISC INCOME-CROFTON-WATER INCO	12,522.31	
2-0111 CAPITAL ASSETS CONTR-DEVELOPER	3,100.00	
2-0120 INT-GENERAL REVENUE ACCOUNTS	506,997.64	
2-0130 WATER CONNECTION FEES	3,509.95	
2-0130 100 WATER CONNECTION FEES-CROFTON	43,436.00	
2-0130 500 WATER CONNECTION FEES-PEMBROKE-WATER	2,600.00	
2-0140 WATER SERVICE FEES	2,600.00	
2-0140 100 SERVICE FEES-CROFTON WATER	44,281.93	
2-0140 500 SERVICE FEES-PEMBROKE-WATER	2,605.00	
2-0160 GAIN ON SALE / FIXED ASSETS	1,245.00	
3-0004 CAPITAL CREDIT PAYMENTS	2,217.98	
3-0005 REZ REBATE PAYMENTS	144,400.00	
3-0010 BAD ACCOUNTS CHARGED OFF-WATER	4,500.00	
3-0010 100 BAD ACCOUNTS CHARGED OFF-CROFT	33,906.57	
3-0010 500 BAD ACCOUNTS CHARGED OFF-PEMBR	2,793.90	
3-0030 505 INTEREST - 2005 BOND ISSUE	468.73	
3-0040 3 INT ON KIA FUND F LOAN - WATER	960,076.65	
3-0040 995 INT ON KIA FUND B9502 LOAN	154,989.96	
3-0041 INT ON KIA LOAN-PEMBROKE-WATER	59,155.79	
3-0050 KIA A94-01 CROFTON LOAN INT-SE	1,556.74	
3-0080 205 AMORT.-2005 BOND FEES & DISC.	1,105.16	
3-0120 INT ON NOTE PAYABLE-CROFTON-WA	49,055.52	
	1,054.05	
***** ERRORS *****		
COMPANY TOTALS	1,645,434.99	80,825,535.52
		79,180,100.53

ACCOUNT SUB DESCRIPTION	DEBIT	CREDIT
100 3 LAND-CROFTON	53,393.58	
200 LAND-SEWER	286,055.36	
210 BLDG S-SEWER	1,384,011.56	652,671.50
210 1 RES FOR DEPREC. -BLDG S-SEWER	144,501.86	86,304.03
219 ENGINEERING SVCS-MASTER PLAN		5,637,844.10
219 1 RES FOR DEP.-ENG SVCS MAS PLAN	8,892,551.88	
220 NORTHSIDE WASTEWATER TREATMENT		1,674,509.81
220 1 RES FOR DEPREC. -NORTHSIDE-SEW	2,625,147.92	
230 MACHINERY AND EQUIPMENT-SEWER		1,214,755.00
230 1 RESERV FOR DEP-MACHINERY AND E	2,219,480.32	
240 SEWAGE PUMPING STATIONS-SEWER		11,053,254.44
240 1 RESERV FOR DEP - SEWAGE PUMPN	31,587,677.29	
250 SEWER MAINS AND LATERALS-SEWER		54,825.22
250 1 RES FOR DEP - SEWER MAINS AND	173,139.89	
260 CONST PERIOD INT-SEWER		6,409,727.94
260 1 RES FOR DEP-INT DURING CONST	11,645,807.99	
270 HAMMOND-WOOD WASTEWATER TREATM		342,401.94
270 1 RES FOR DEPREC. -HAMMOND-WOOD	361,644.67	
300 TRANS. EQUIPMENT-SEWER		45,625.00
300 1 RES FOR DEPREC. -TRANS.-SEWER	45,625.00	
310 TRACTORS AND BACKHOES-SEWER		252,108.62
310 1 RES FOR DEP-TRACTORS AND BACKH	508,281.02	
320 GENERAL EQUIPMENT-SEWER		132,227.78
320 1 RES FOR DEP-GENERAL EQUIPMENT	155,344.45	
330 OFFICE FURN, FIXTURES AND EQUI		10,826.14
330 1 RES FOR DEP-FURN, FIXTURES & E	11,875.47	
340 TWO-WAY RADIO EQUIPMENT-SEWER		318,014.57
340 1 RES FOR DEP-TWO-WAY RADIO EQUI	366,523.51	
350 COMPUTER EQUIPMENT-SEWER		29,758.22
350 1 RES FOR DEP-COMPUTER EQUIPMENT	75,656.42	
360 SEWER MAINS AND LATERALS-PEMBRO		114,555.86
360 1 RES FOR DEPR. - SEWER MAINS AN	124,850.32	
370 SEWAGE PUMPING STATIONS-PEMBRO		150,286.61
370 1 RES. FOR DEPR. - SEWAGE PUMPN	207,522.44	
380 STRUCTURES-CROFTON		561,313.56
380 1 RES FOR DEPREC. - STRUCTURES	956,174.72	
390 DISTR MAINS-CROFTON		97,060.33
390 1 RES FOR DEPR. - DISTR MAINS-CR	4,485,501.69	
391 SEWER MAINS & LATERALS - OG		25,145.92
391 1 RES FOR DEP-MAINS/LATERALS-OG	454,840.31	
392 SEWAGE PUMPING STATIONS - OG		73,044.32
392 1 RES FOR DEPR-SEWAGE PUMP ST-OG	1,982,732.10	
393 STRUCTURES - OAK GROVE		1,700.21
393 1 RES FOR DEPR-STRUCTURES-OG	15,694.22	
394 SEWER EQUIPMENT-OAK GROVE		8,014.40
394 1 RES FOR DEP-SEWER EQ-OG	73,979.00	
395 TRANSPORTATION EQ - OAK GROVE		867.85
395 1 RES FOR DEP-TRANSP EQ - OG	8,678.50	
396 OFFICE FURN, FIXT & EQ-OG		
396 1 RES FOR DEPR-OFC FFE - OG	347.84	
430 INT REC-UNEMPLOYMENT COMP FUND		

ACCOUNT SUB DESCRIPTION	DEBIT	CREDIT
460 100 UNEMPLOYMENT COMP FUND INVESTM	11,765.33	
600 CHANGE FUND-SEWER	200.00	
610 PETTY CASH-SEWER	1,000.00	
650 OPER AND MAINT FUND-BB&T BANK	11,179.12	
650 1 PEMBROKE OPER & MAINT-BB&T	33,040.21	
650 2 CROFTON OPER & MAINT-BB&T	14,929.28	
660 OPER & MAINT-HERITAGE BANK	334,329.42	
660 1 PEMBROKE OPER & MAINT-HERITAGE	1,564.96	
660 2 CROFTON OPER & MAINT-HERITAGE	160,763.65	
660 3 CASH IN BANK-HERITAGE - OG	57,332.80	
665 HEALTH CLAIMS BANK A/C - BB&T	7,283.64	
700 SEWER CUSTOMER ACCOUNTS RECEIV	198,591.53	
700 1 SEWER CUSTOMER ACCOUNTS RECEIV	5,119.16	
700 2 SEWER CUSTOMER ACCOUNTS RECEIV	9,531.44	
700 3 SEWER ACCTS REC. -OAK GROVE	133,208.30	
716 RECEIVABLE-DUE FROM OAK GROVE	963,540.00	
730 NOTE RECEIVABLE-CHRISTIAN CO B	317,262.46	
735 NOTE RECEIVABLE-HOPK IND FOUND	290,739.78	
1960 PHASE 6 CONSTRUCTION ACCOUNT	3,772.63	
2050 994 KIA-FUND A WASTEWATER LOAN		3,418,734.08
2100 204 KIA FUND A PHASE IV		3,948,126.14
2100 205 KIA FUND A PHASE V LOAN		2,250,561.43
2100 997 KIA FUND A-PHASE II LOAN		1,578,241.35
2100 999 KIA FUND A-PHASE 3 LOAN		554,568.50
2140 LOAN PAYABLE - HERITAGE BANK		1,300,000.00
2150 OAK GROVE DEBT OBLIGATION		3,355,475.93
2150 100 DUE CITY OF OAK GROVE		2,193,222.00
2160 NOTE PAYABLE-PENNYROYAL CENTER		150,000.00
2180 501 KIA CROFTON LOAN		173,427.01
2195 PAYABLE-O.G. OWES HOPK. DIV.		963,540.00
2196 CAP LEASE - TELEPHONE SYSTEM		20,797.90
2200 ACCOUNTS PAYABLE-SEWER		125,473.73
2200 66 RETAINAGE-HAYDON BROS CONTRACT		8,515.98
2200 76 SRF PHASE 5 RETAINAGE PAYABLE		16,056.06
2230 SEWER CUSTOMER DEPOSITS		10,173.62
2300 100 EMPLOYEE INSURANCE-SEWER		15,093.71
2310 40 ACCRUED INT ON KIA LOAN-FUND F		3,948.13
2310 50 ACCRUED INT ON KIA LOAN PH V		2,250.56
2310 201 ACCRUED INT ON KIA LOAN - CROF		86.71
2310 500 ACCRUED INT-OAK GROVE BONDS		21,549.69
2310 993 ACCRUED INT ON KIA LOAN-1993		3,986.93
2310 997 ACCRUED INT ON KIA LOAN - 1997		2,630.40
2310 999 ACCRUED INT ON KIA LOAN - PHAS		1,848.56
2320 ACCRUED PAYROLL-SEWER		24,290.89
2325 ACCRUED EXPENSES		7,939.45
2350 ACCRUED VACATION PAY - SEWER		61,988.47
2500 SURPLUS-SEWER		7,710,211.00
2500 1 SURPLUS-PEMBROKE SEWER	51,903.00	
2500 2 SURPLUS-CROFTON SEWER		613,476.00
2500 3 SURPLUS-OAK GROVE SEWER		520,337.00
2501 MONTHLY SURPLUS - SEWER		2,050,886.51

ACCOUNT SUB DESCRIPTION	DEBIT	CREDIT
2700 SEWER LINES DONATED-SEWER		1,897,807.47
2800 GRANTS-SEWER		11,149,442.45
3010 SEWER RESIDENTIAL SALES		2,082,570.40
3020 SEWER COMMERCIAL SALES		981,628.81
3030 SEWER INDUSTRIAL SALES		354,316.48
3040 SEWER SALES TO GOVERN AGENCIES		256,209.05
3080 SEWER PENALTY		78,461.07
3090 SEWER SERVICE FEES		8,501.59
3100 SEWER ALLOWANCES	39,755.75	
3110 PEMBROKE RESIDENTIAL SALES-SEW		46,394.96
3120 PEMBROKE COMMERCIAL SALES-SEWE		22,184.76
3140 PEMBROKE SALES TO GOVERN AGENC		1,672.64
3180 PEMBROKE PENALTY-SEWER		1,824.09
3210 CROFTON RESIDENTIAL SALES-SEWE		85,110.80
3220 CROFTON COMMERCIAL SALES-SEWER		18,680.59
3240 CROFTON SALES TO GOVERN AGENCI		2,472.18
3280 CROFTON PENALTY-SEWER		3,179.47
3410 OG RESIDENTIAL SALES-SEWER		889,034.10
3420 OG COMMERCIAL SALES-SEWER		227,308.53
3440 OG SALES TO GOVEN AGENCIES-SEW		22,908.17
3490 OG SERVICE FEES-SEWER		250.00
5010 PEMBROKE LABOR-PUMP STATIONS	7,383.15	
5020 PEMBROKE LABOR-DISTR-SEWER	948.89	
5030 PEMBROKE LABOR-ADMINISTRATIVE	3,912.42	
5040 PEMBROKE SUPPLIES & EXPENSES	37,296.76	
5050 PEMBROKE PUMP STATION UTILITIE	5,622.23	
5220 CROFTON LABOR-DISTR-SEWER	2,673.76	
5230 CROFTON LABOR-ADMINISTRATIVE	5,580.61	
5240 CROFTON SUPPLIES & EXPENSES-SE	9,930.17	
5250 CROFTON PUMP STATION UTILITIES	4,540.15	
5270 CROFTON PLANT UTILITIES-SEWER	4,080.80	
5280 CROFTON LABOR-PLANT-SEWER	5,657.70	
5410 SUPERVISION-OAK GROVE	13,159.08	
5420 LABOR-OAK GROVE WWTP	71,361.27	
5430 LABOR-OAK GROVE CHEMICALS & MATERIAL	3,656.70	
5450 OAK GROVE TOOLS	114.24	
5460 OAK GROVE SUPPLIES & EXPENSES	5,473.59	
5470 OAK GROVE UTILITIES	118,908.61	
5480 OAK GROVE TRANSPORTATION EXP.	5,540.96	
5500 OAK GROVE MAINT TO BLDG & GRDS	366.23	
5510 OAK GROVE REPAIR TO MACH & EQU	13,723.90	
5515 REPAIRS TO MAINS & LATERALS	5,418.47	
5520 OAK GROVE LABORATORY WORK	13,316.37	
5530 OAK GROVE LAB SUPPLIES & EXP.	2,037.21	
5540 OAK GROVE MAINT. TO PUMP STATI	62,140.88	
5560 OAK GROVE MISCELLANEOUS EXP	284.41	
5570 OAK GROVE SLUDGE DISPOSAL	32,081.72	
5580 OAK GROVE TRAINING, EDUC & LIC	468.51	
5600 OAK GROVE PUMP STATION UTILITY	32,457.44	
5605 BILLING & COLLECTION EXPENSE	18,776.65	
5610 OAK GROVE GRINDER PUMP UTIL.	15,049.49	

ACCOUNT SUB DESCRIPTION	DEBIT	CREDIT
5900 PEMBROKE DEPRECIATION	15,105.85	
5910 CROFTON DEPRECIATION	37,943.98	
5920 OAK GROVE DEPRECIATION	190,104.42	
8010 COMMISSIONERS SALARIES	6,000.00	
8020 OFFICE SALARIES-ADMINISTRATIVE	317,420.66	
8030 METER READING SALARIES	42,081.55	
8040 OFFICE SUPPLIES AND EXPENSES	33,321.85	
8050 POSTAGE	19,133.17	
8060 TELEPHONE & 2-WAY RADIO EQUIP	16,516.58	
8070 INSURANCE PREMIUM	153,872.87	
8080 TRAINING AND LICENSES	4,970.89	
8090 PROFESSIONAL SERVICES	18,411.49	
8100 TRANSPORTATION EXPENSES	11,026.95	
8140 EMPLOYEE BENEFITS	555,578.04	
8150 SAFETY PROGRAM	32,959.90	
8160 BLDG MAINTENANCE & UTILITIES	34,884.60	
8180 MISCELLANEOUS EXPENSES	29,630.78	
8510 LABOR-TECHNICAL SERVICES	102,223.06	
8520 LABOR - CAMERA CREW	5,229.50	
8530 SUPPLIES AND EXPENSES	3,419.71	
8540 TRAINING, EDUCATION & LICENSES	17.50	
8550 TRANSPORTATION EXPENSES	3,711.62	
9010 MISCELLANEOUS EXPENSES	800.00	
9020 SUPERVISION-NORTHSIDE WWTP	142,748.13	
9070 LABOR-NORTHSIDE WWTP	81.16	
9090 CHEMICALS AND MATERIALS	11,532.00	
9090 TOOLS	35.84	
9060 SUPPLIES AND EXPENSES	4,297.58	
9070 UTILITIES	97,022.66	
9080 TRANSPORTATION EXPENSES	9,585.76	
9090 PERMIT AND PRETREATMENT COMPLI	22,031.79	
9100 MAINTENANCE TO BLDGS & GROUNDS	6,221.39	
9110 REPAIRS TO MACHINERY AND EQUIP	21,395.36	
9120 LABORATORY WORK	62,636.63	
9130 LAB SUPPLIES AND EXPENSES	7,384.89	
9140 MAINTENANCE TO PUMP STATIONS	50,768.59	
9170 SLUDGE DISPOSAL-NORTHSIDE WWTP	18,405.09	
9180 TRAINING, EDUCATION & LICENSES	492.50	
9200 PUMP STATION UTILITIES	17,307.84	
9520 LABOR-HAMMOND-WOOD WWTP	119,339.72	
9530 CHEMICALS AND MATERIALS	6,102.00	
9550 TOOLS	60.96	
9560 SUPPLIES & EXPENSES	5,941.13	
9570 UTILITIES	238,869.00	
9580 TRANSPORTATION EXPENSES	11,274.69	
9590 PERMIT & PRETREATMENT COMPLI	22,063.79	
9600 MAINTENANCE TO BLDGS & GROUNDS	1,646.44	
9610 REPAIRS TO MACHINERY & EQUIP	22,930.69	
9620 LABORATORY WORK	38,911.12	
9630 LAB SUPPLIES & EXPENSES	7,906.80	
9640 MAINTENANCE TO PUMP STATIONS	54,786.44	

ACCOUNT SUB DESCRIPTION	DEBIT	CREDIT
MISCELLANEOUS EXPENSES	30.00	
SLUDGE DISPOSAL-HAMMOND-WOOD	59,100.96	
TRAINING, EDUCATION & LICENSES	123,772.18	
PUMP STATION UTILITIES	32,298.23	
SUPERVISION-SEWER	117,815.07	
LABOR-SEWER	12,160.72	
LABOR - VACUUM TRUCK	9,988.44	
SUPPLIES AND SMALL TOOLS-SEWER	31,629.56	
GASOLINE, OIL AND TIRES-SEWER	15,871.74	
REPAIRS TO MAINS AND LATERALS	2,191.63	
REPAIRS TO SEWERAGE EQUIPMENT	75.26	
REPAIRS TO TRUCKS-SEWER	17,595.44	
DEVELOPER REBATES	1,484,119.52	
SEWER DEPRECIATION		46.08
DISCOUNT ON PURCHASES-SEWER		4,689.29
BAD ACCOUNTS RECOVERED-SEWER		801.80
BAD ACCOUNTS RECOVERED-CROFTON		138.86
BAD ACCOUNTS RECOVERED-PEMBROK		7,245.06
BAD INCOME-CC BOARD OF ED N/R		3,028.54
INT INCOME - OTHER INCOME		370.79
INTEREST INCOME - OTHER INCOME		10,947.04
INT ON UNEMPL COMP INVESTMENT		189,986.72
INT ON UNEMPL REPLACEMENT FUND		2,100,868.63
INT-EQUIPMENT REPLACEMENT FUND		3,762.47
CASH OVERAGE-SEWER	518.91	
OTHER INCOME-SEWER		24,000.00
OTHER INCOME-SEWER		1,400.00
CAPITAL ASSETS CONTRIBUTED		30,452.00
INT-GENERAL REVENUE ACCOUNTS		43,751.96
SEWER CONNECTION FEES		7,024.63
SEWER CONNECTION FEES-CROFTON		7,653.48
SEWER CONNECTION FEES-PEMBROKE-SEWER		
SEWER CONNECTION FEES-OAK GROV		
SEWER SERVICE FEES		
SEWER SERVICE FEES		
INDUSTRIAL SURCHARGE-SEWER		
GAIN ON SALE / FIXED ASSETS		
REZ REBATE PAYMENTS	4,500.00	
BAD ACCOUNTS CHARGED OFF-SEWER	38,043.97	
BAD ACCOUNTS CHARGED OFF-CROFT	2,059.80	
BAD ACCOUNTS CHARGED OFF-PEMBR	451.20	
BAD ACCOUNTS CHARGED OFF-HERITAGE BANK	59,395.17	
INTEREST EXPENSE-HERITAGE BANK	33,436.96	
INT ON KIA FUND A-PHASE II LOA	23,068.83	
INT ON KIA FUND A-PHASE 3 LOAN	48,912.40	
INT ON KIA FUND A - PHASE IV	28,196.64	
INT ON KIA FUND A - PHASE V	1,105.15	
INT ON KIA FUND A - PHASE VI	145,662.56	
KIA A94-01 CROFTON LOAN INT-SE	1,054.05	
INTEREST ON OAK GROVE DEBT		
INT ON NOTE PAYABLE-CROFTON-SE		
COMPANY TOTALS	1,645,434.99	78,572,719.56

***** ERRORS *****

HOPKINSVILLE WATER ENVIRONMENTAL AUTHORITY
 APPENDIX C - FY 2009 DEPRECIATION SCHEDULE AND ALLOCATION
 COST OF SERVICE COMPARISON WITH EXISTING AND PROPOSED REVENUES/RATES
 FOR TWELVE MONTH PERIOD ENDING JUNE 30, 2009

FYE: 6/30/2009

d Asset	Property Description	Date In Service	Book Cost	Depreciation			Book Net Book Value	Book Method	Book Period	DEPC AMT	Allocated Depreciation by Expense Type				Admin & General
				Book Depreciation	Book Current Depreciation	Book End Depr.					Source of Supply	Water Treatment	Transmission & Distribution	Water Tech Services	
Group: 101LAND - WATER															
102	LAND - WATER	1/01/80	253,988.73	0.00	0.00	0.00	253,988.73	Memo	0.00	0.00	0.00	0.00	0.00	0.00	
226	LAND - WATER	1/01/86	165,000.00	0.00	0.00	0.00	165,000.00	Memo	0.00	0.00	0.00	0.00	0.00	0.00	
248	LAND-WATER-ALBERT W. SISK	6/30/87	65,245.50	0.00	0.00	0.00	65,245.50	Memo	0.00	0.00	0.00	0.00	0.00	0.00	
283	LAND-1989-WATER BOOST STATION	1/01/89	6,500.00	0.00	0.00	0.00	6,500.00	Memo	0.00	0.00	0.00	0.00	0.00	0.00	
459	14TH & CLAY LOT	5/03/07	15,036.57	0.00	0.00	0.00	15,036.57	Land	0.00	0.00	0.00	0.00	0.00	0.00	
468	FARM LAND - INTAKE SITE	4/01/09	201,000.00	0.00	0.00	0.00	201,000.00	Land	0.00	0.00	0.00	0.00	0.00	0.00	
487	LAKE BARKLEY EASEMENTS	4/01/09	522,610.00	0.00	0.00	0.00	522,610.00	Land	0.00	0.00	0.00	0.00	0.00	0.00	
	101LAND - WATER		1,229,390.80	0.00	0.00	0.00	1,229,390.80								
Group: 102STRUCTURES - WATER															
3	STRUCTURE-1955 AND BEFORE	1/01/54	144,485.69	144,485.69	0.00	0.00	0.00	S/L	0.00	0.00	0.00	1882.46	1882.46	0.00	1882.46
6	STRUCTURE-1966	1/01/56	121,619.58	121,619.58	0.00	0.00	0.00	S/L	0.00	0.00	0.00	13.13	13.13	0.00	13.13
19	STRUCTURE-1965	1/01/65	376,491.98	327,548.04	7,529.84	335,077.88	41,414.10	S/L	7,529.84	7,529.84	0.00	1882.46	1882.46	0.00	1882.46
21	STRUCTURE-1966	1/01/66	2,625.94	2,232.10	62.52	2,284.62	341.32	S/L	62.52	62.52	0.00	13.13	13.13	0.00	13.13
26	STRUCTURE-1967	1/01/67	199,018.35	165,185.35	3,980.37	169,165.72	29,862.63	S/L	3,980.37	3,980.37	0.00	995.0925	995.0925	0.00	995.0925
32	STRUCTURE-1968	1/01/68	16,148.93	13,080.69	322.98	13,403.67	2,745.26	S/L	322.98	322.98	0.00	80.745	80.745	0.00	80.745
38	STRUCTURE-1969	1/01/69	2,484.87	1,963.15	49.70	2,012.85	472.02	S/L	49.70	49.70	0.00	12.425	12.425	0.00	12.425
43	STRUCTURE-1970	1/01/70	2,903.55	2,233.77	58.07	2,293.77	609.78	S/L	58.07	58.07	0.00	14.5175	14.5175	0.00	14.5175
49	STRUCTURE-1971	1/01/71	1,051.40	786.62	21.03	809.65	241.75	S/L	21.03	21.03	0.00	5.2575	5.2575	0.00	5.2575
54	STRUCTURE-1972	1/01/72	375.74	276.31	7.57	283.88	94.86	S/L	7.57	7.57	0.00	1.8925	1.8925	0.00	1.8925
60	STRUCTURE-1973	1/01/73	715.42	508.00	14.31	522.31	193.11	S/L	14.31	14.31	0.00	3.5775	3.5775	0.00	3.5775
66	STRUCTURE-1974	1/01/74	1,108.40	787.03	22.17	787.03	321.37	S/L	22.17	22.17	0.00	5.5425	5.5425	0.00	5.5425
81	STRUCTURE-1977	1/01/77	5,789.50	3,653.69	115.99	3,769.68	2,029.82	S/L	115.99	115.99	0.00	28.9975	28.9975	0.00	28.9975
96	STRUCTURE-1979	1/01/79	36,548.51	21,563.62	730.97	22,294.59	14,253.92	S/L	730.97	730.97	0.00	182.7425	182.7425	0.00	182.7425
103	STRUCTURE-1980	1/01/80	6,419.84	3,659.40	128.40	3,787.80	2,632.04	S/L	128.40	128.40	0.00	32.1	32.1	0.00	32.1
112	STRUCTURE-1981	1/01/81	11,125.33	6,119.02	222.51	6,341.53	4,783.80	S/L	222.51	222.51	0.00	55.6275	55.6275	0.00	55.6275
119	STRUCTURE-1982	1/01/82	2,028.92	1,074.31	40.54	1,114.85	912.07	S/L	40.54	40.54	0.00	10.135	10.135	0.00	10.135
126	STRUCTURE-1983	1/01/83	3,375.16	1,721.25	67.50	1,788.75	1,586.41	S/L	67.50	67.50	0.00	16.875	16.875	0.00	16.875
132	STRUCTURE-1984	1/01/84	124,916.29	61,209.08	2,486.33	63,707.41	61,208.88	S/L	2,486.33	2,486.33	0.00	624.5825	624.5825	0.00	624.5825
138	STRUCTURE-1985	1/01/85	6,617.83	6,617.83	281.61	6,899.44	7,180.90	S/L	281.61	281.61	0.00	20.7975	20.7975	0.00	20.7975
145	STRUCTURE-1986	1/01/86	4,159.74	1,871.78	83.19	1,954.97	2,204.77	S/L	83.19	83.19	0.00	20.7975	20.7975	0.00	20.7975
152	STRUCTURE-1987	1/01/87	5,579.00	2,398.97	111.58	2,510.55	3,068.45	S/L	111.58	111.58	0.00	27.895	27.895	0.00	27.895
249	STRUCTURE-1987	6/30/87	165,773.50	36,470.17	3,315.47	39,785.64	125,987.86	S/L	3,315.47	3,315.47	0.00	3,315.47	3,315.47	0.00	3,315.47
269	NEW OFFICE COMPLEX	11/21/98	441,231.81	84,569.46	8,824.64	93,394.10	347,837.71	S/L	8,824.64	8,824.64	0.00	7,110.88	7,110.88	0.00	7,110.88
284	1 MILL GAL TANK-COMMERCE PARK	1/01/89	355,544.00	67,553.38	7,110.88	74,664.24	280,879.76	S/L	7,110.88	7,110.88	0.00	5,277.50	5,277.50	0.00	5,277.50
285	STRUCTURE-1989-H2O BOOST STATION	1/01/89	263,875.00	50,136.25	5,277.50	55,413.75	208,461.25	S/L	5,277.50	5,277.50	0.00	539.61	539.61	0.00	539.61
303	STRUCTURE-2000	1/01/00	26,980.30	4,316.87	539.61	4,856.48	22,123.82	S/L	539.61	539.61	0.00	24.00	24.00	0.00	24.00
337	STRUCTURES-SIGNAGE-2002	1/01/02	480.00	156.00	24.00	180.00	300.00	S/L	24.00	24.00	0.00	213.36	213.36	0.00	213.36
351	Distribution Shop-2003	7/01/02	3,124.59	374.94	62.49	437.43	9,387.16	S/L	62.49	62.49	0.00	62.49	62.49	0.00	62.49
368	Structures-2003	6/18/03	10,668.00	1,066.80	213.36	1,280.16	9,387.84	S/L	213.36	213.36	0.00	72.25	72.25	0.00	72.25
434	Roof of Lake Morris Cabin	2/14/06	1,445.00	174.60	72.25	246.85	1,198.15	S/L	72.25	72.25	0.00	2,716.88	2,716.88	0.00	2,716.88
446	500 EAST NINTH STREET BUILDING	12/19/06	54,337.50	4,075.32	716.88	6,792.20	47,545.30	S/L	716.88	716.88	0.00	61.25	61.25	0.00	61.25
453	DISTRIBUTION BUILDING ELECTRIC	2/28/07	1,224.93	81.67	61.25	142.92	1,062.01	S/L	61.25	61.25	0.00	2,269.41	2,269.41	0.00	2,269.41
462	REMODELING OFFICE	7/31/07	45,388.12	2,080.29	2,269.41	4,349.70	41,038.42	S/L	2,269.41	2,269.41	0.00	640.32	640.32	0.00	640.32
464	PAVE & SEAL PARKING LOT	9/03/07	12,806.49	533.60	640.32	1,173.92	11,632.57	S/L	640.32	640.32	0.00	727.20	727.20	0.00	727.20
469	FENCE & STONE - 14TH STREET	11/15/07	14,543.91	484.80	727.20	1,212.00	13,331.91	S/L	727.20	727.20	0.00	86.93	86.93	0.00	86.93
488	BLDG IMPROVEMENTS	10/31/08	2,607.84	0.00	86.93	86.93	2,520.91	S/L	86.93	86.93	0.00	86.93	86.93	0.00	86.93

489	AMERICAN STD-10 TON UNIT	6/24/09	3,857.00	0.00	0.00	0.00	3,857.00	S/L
102STRUCTURES - WATER		2,485,951.47	1,142,651.17	46,281.37	1,190,932.54	1,296,018.93	46,281.37	0.00
Group: 103ELEVATED TANKS - WATER								
33	ELEVATED TANKS-1968	1/01/68	213,531.92	172,960.92	4,270.64	177,231.56	36,300.36	S/L
82	ELEVATED TANKS-1977	10/1/77	323.73	203.81	6.47	113.45	6.47	0.00
88	ELEVATED TANKS-1978	10/1/78	861,999.71	525,819.70	17,239.99	543,059.69	318,940.02	S/L
97	ELEVATED TANKS-1979	10/1/79	1,131,679.36	667,690.90	22,633.59	690,324.49	441,354.87	S/L
103	ELEVATED TANKS-1980	10/1/80	145,009.76	82,655.70	2,900.20	85,555.80	59,453.88	S/L
114	ELEVATED TANKS-1981	10/1/81	1,192.82	656.15	23.86	690.01	512.81	S/L
120	ELEVATED TANKS-1982	10/1/82	7,749.68	4,107.24	154.99	4,262.23	3,487.45	S/L
304	ELEVATED TANKS-2000	10/1/00	25,495.06	4,334.15	509.90	4,844.05	20,651.01	S/L
338	ELEVATED TANKS - 2002	10/1/02	3,995.47	519.41	79.91	599.32	3,396.15	S/L
388	Pressure Transmitter installed on tank	2/18/04	3,644.23	789.58	182.21	971.79	2,672.44	S/L
418	RECONDITION SANDERSON DRIVE	4/01/05	12,800.00	2,080.00	640.00	2,720.00	10,080.00	S/L
420	Cleanwell Cleanout	5/27/05	2,300.00	709.17	230.00	939.17	1,360.83	S/L
428	Aircraft Warning Lights	10/31/05	5,649.66	753.28	282.48	1,035.76	4,613.90	S/L
485	REPAINT SANDERSON DRIVE TAN	5/20/08	531,469.24	2,214.54	26,574.46	28,789.00	502,700.24	S/L
480	SCADA SYSTEM-SANDERSON DRI	7/02/08	7,975.00	0.00	398.75	398.75	7,576.25	S/L
491	REPAINT INDUSTRIAL PARK TANK	1/20/09	499,990.06	0.00	10,416.46	10,416.46	489,573.60	S/L
492	GAINSVILLE TANK STROBE LIGHT	4/17/09	6,669.92	0.00	55.58	55.58	6,614.34	S/L
103ELEVATED TANKS - WATER			3,461,495.64	1,465,494.55	86,599.49	1,552,094.04	1,909,401.60	
Group: 104CONST PER INT - WATER								
89	CONSTRUCTION PERIOD INT-1978	10/1/78	36,939.46	22,533.09	738.79	23,271.88	13,667.58	S/L
90	CONSTRUCTION PERIOD INT-1977	10/1/78	6,037.74	6,037.74	0.00	6,037.74	0.00	S/L
104CONST PER INT - WATER			42,977.20	28,570.83	738.79	29,309.62	13,667.58	
Group: 105TRANSMISSION MAINS								
4	TRANSMISSION MAIN-1955 AND BE	10/1/55	26,160.40	26,160.40	0.00	26,160.40	0.00	S/L
7	TRANSMISSION MAINS-1956	10/1/56	58,463.93	58,463.93	0.00	58,463.93	0.00	S/L
15	TRANSMISSION MAINS-1962	10/1/62	111,951.60	104,114.90	2,239.03	106,353.93	5,597.67	S/L
105TRANSMISSION MAINS			196,595.93	188,739.23	2,239.03	190,998.26	5,597.67	
Group: 106DISTRIBUTION MAINS								
5	DIST MAINS 1955 AND BEFORE	10/1/55	1,009,809.37	1,009,809.37	0.00	1,009,809.37	0.00	S/L
8	DIST MAINS 1956	10/1/56	183,849.19	183,849.19	0.00	183,849.19	0.00	S/L
13	DIST MAINS 1960	9/30/60	301,780.14	288,199.90	6,035.60	294,235.50	7,544.64	S/L
22	DIST MAINS 1966	10/1/66	145,289.77	123,496.50	2,905.80	126,402.30	18,887.47	S/L
27	DIST MAINS 1967	10/1/67	31,824.20	26,413.92	636.48	27,050.40	4,773.80	S/L
34	DIST MAINS 1968	10/1/68	686,770.34	556,284.10	13,735.41	570,019.51	116,760.83	S/L
39	DIST MAINS 1969	10/1/69	70,999.65	59,089.61	1,419.99	57,669.60	13,400.05	S/L
44	DIST MAINS 1970	10/1/70	77,314.83	59,532.55	1,548.30	61,078.85	16,235.98	S/L
50	DIST MAINS 1971	10/1/71	95,841.86	71,881.50	1,916.84	73,798.34	22,043.52	S/L
55	DIST MAINS 1972	10/1/72	93,637.77	66,355.74	1,872.76	70,228.50	23,409.27	S/L
61	DIST MAINS 1973	10/1/73	62,848.82	44,622.79	1,256.98	45,879.77	16,969.05	S/L
67	DIST MAINS 1974	10/1/74	68,717.03	47,414.73	1,374.34	48,789.07	19,927.96	S/L
71	DIST MAINS 1975	10/1/75	175,395.27	117,514.98	3,507.91	121,022.89	54,372.38	S/L
76	DIST MAINS 1976	10/1/76	622,176.25	404,414.72	12,443.53	416,858.25	205,318.00	S/L
83	DIST MAINS 1977	10/1/77	41,734.81	26,293.05	834.70	27,127.75	14,607.06	S/L
91	DIST MAINS 1978	10/1/78	84,691.66	51,661.80	1,693.83	53,356.63	31,336.03	S/L
98	DIST MAINS 1979	10/1/79	49,938.94	29,464.08	998.78	30,462.86	19,476.08	S/L
105	DIST MAINS 1980	10/1/80	30,618.57	17,452.50	612.37	18,064.87	12,553.70	S/L
114	DIST MAINS 1981	10/1/81	55,227.11	30,374.96	1,104.54	31,478.50	23,747.61	S/L
121	DIST MAINS 1982	10/1/82	24,196.94	12,825.45	483.98	13,309.43	10,889.51	S/L
127	DIST MAINS 1983	10/1/83	31,171.87	15,897.68	623.44	16,521.12	14,660.75	S/L
133	DIST MAINS 1984	10/1/84	544,905.68	267,003.79	10,898.11	277,901.90	267,003.78	S/L
139	DIST MAINS 1985	10/1/85	83,661.66	39,320.92	1,673.23	40,994.15	42,667.51	S/L
146	DIST MAINS 1986	10/1/86	165,271.35	74,372.18	3,305.43	77,677.61	87,593.74	S/L
153	DIST MAINS 1987	10/1/87	180,140.39	77,460.39	3,602.81	81,063.20	99,077.19	S/L
158	DIST MAINS 1988	10/1/88	3,142,347.44	1,286,362.48	62,846.95	1,351,209.43	1,791,136.01	S/L
166	DIST MAINS 1989	10/1/89	189,544.07	73,922.14	3,790.88	77,713.02	111,831.05	S/L
174	DIST MAINS 1990	10/1/90	158,284.47	59,565.24	3,165.69	61,730.93	96,553.54	S/L

183	DIST MAINS - 1991	1/01/91	99,145.56	34,700.93	1,982.91	36,683.84	62,461.72	S/L	50.0	1,982.91	1,982.91
191	DIST MAINS - 1992	1/01/92	100,644.48	33,212.66	2,012.89	35,225.55	65,418.93	S/L	50.0	2,012.89	2,012.89
198	DIST MAINS - 1993	1/01/93	287,993.79	89,278.12	5,759.88	95,038.00	192,955.79	S/L	50.0	5,759.88	5,759.88
205	DIST MAINS - 1994	1/01/94	55,798.42	16,161.56	1,115.97	17,297.53	38,500.89	S/L	50.0	1,115.97	1,115.97
214	DIST MAINS - 1995	1/01/95	452,963.57	122,300.15	9,059.27	131,359.42	321,604.15	S/L	50.0	9,059.27	9,059.27
227	DIST MAINS - 1996	1/01/96	173,724.10	43,431.00	3,474.48	46,905.48	126,818.62	S/L	50.0	3,474.48	3,474.48
235	DIST MAINS - 1997	1/01/97	190,216.92	43,749.91	3,804.34	47,554.25	142,662.67	S/L	50.0	3,804.34	3,804.34
255	DIST MAINS - 1998	1/01/98	896,051.39	188,170.81	17,921.03	206,091.84	689,959.55	S/L	50.0	17,921.03	17,921.03
266	DIST MAINS - 1999	1/01/99	150,515.08	28,597.65	3,010.30	31,608.15	118,906.93	S/L	50.0	3,010.30	3,010.30
287	DIST MAINS - 1999-BOOST STATION	1/01/99	214,160.00	40,694.20	4,283.60	44,977.80	169,202.20	S/L	50.0	4,283.60	4,283.60
288	DIST MAINS - 1999-BOOST STATION	1/01/99	222,322.85	42,241.37	4,446.46	46,687.83	175,635.02	S/L	50.0	4,446.46	4,446.46
305	DIST MAINS - 2000	1/01/00	235,346.82	40,008.99	4,706.94	44,715.93	190,630.89	S/L	50.0	4,706.94	4,706.94
306	DIST MAINS - 2000	1/01/00	74,109.84	12,598.70	1,482.20	14,080.90	60,028.94	S/L	50.0	1,482.20	1,482.20
321	DIST MAINS - 2001	1/01/01	260,561.09	39,084.15	5,211.22	44,295.37	216,265.72	S/L	50.0	5,211.22	5,211.22
322	DIST MAINS - 2001	1/01/01	1,971.50	295.73	39.43	335.16	1,636.34	S/L	50.0	39.43	39.43
339	DIST MAINS - 002	1/01/02	375,921.17	48,869.73	7,518.42	56,388.15	319,533.02	S/L	50.0	7,518.42	7,518.42
355	Distribution Mains - 2003	1/01/03	282,736.39	31,101.01	5,654.73	36,755.74	245,980.65	S/L	50.0	5,654.73	5,654.73
379	Distribution Mains (2004)	1/01/04	137,035.17	12,333.15	2,740.70	15,073.85	121,961.32	S/L	50.0	2,740.70	2,740.70
409	Distribution Mains - 2005	1/01/05	249,806.32	17,486.45	4,986.13	22,482.58	227,323.74	S/L	50.0	4,986.13	4,986.13
429	Distribution Main - 2006	1/01/06	274,518.33	13,725.92	5,490.37	19,216.29	255,302.04	S/L	50.0	5,490.37	5,490.37
447	DISTRIBUTION MAINS - 2007	1/01/07	487,759.14	14,632.77	9,755.18	24,387.95	463,371.19	S/L	50.0	9,755.18	9,755.18
472	DISTRIBUTION MAINS - 2008	1/01/08	449,933.02	2,999.55	5,989.11	6,988.66	440,934.36	S/L	75.0	5,989.11	5,989.11
493	DISTRIBUTION MAINS - 2009	1/01/09	489,548.13	0.00	3,256.99	3,256.99	485,291.14	S/L	75.0	3,256.99	3,256.99
			14,569,794.53	6,036,550.97	288,009.23	6,294,960.20	8,275,234.33			288,009.23	288,009.23

Group: 107SERVICES

9	SERVICES - 1969 AND BEFORE	1/01/56	394,967.45	394,967.45	0.00	394,967.45	0.00	S/L	40.0	0.00	404.33
45	SERVICES - 1970	1/01/70	16,173.22	15,566.71	404.33	15,971.04	202.18	S/L	40.0	404.33	649.42
51	SERVICES - 1971	1/01/71	25,976.97	24,353.25	649.42	25,002.67	974.30	S/L	40.0	649.42	528.27
56	SERVICES - 1972	1/01/72	21,130.63	19,281.85	528.27	19,810.12	2,320.51	S/L	40.0	528.27	602.06
62	SERVICES - 1973	1/01/73	24,082.28	21,373.13	602.06	21,975.19	2,107.09	S/L	40.0	602.06	935.67
68	SERVICES - 1974	1/01/74	37,426.76	32,280.61	935.67	33,216.28	4,210.48	S/L	40.0	935.67	770.31
72	SERVICES - 1975	1/01/75	30,812.50	25,805.39	770.31	26,575.70	4,236.80	S/L	40.0	770.31	1,088.55
77	SERVICES - 1976	1/01/76	43,942.18	35,702.88	1,088.55	36,801.43	7,140.75	S/L	40.0	1,088.55	865.08
84	SERVICES - 1977	1/01/77	34,603.00	27,250.02	865.08	28,115.10	6,487.90	S/L	40.0	865.08	517.48
92	SERVICES - 1978	1/01/78	20,699.03	15,783.07	517.48	16,300.55	4,388.48	S/L	40.0	517.48	488.98
99	SERVICES - 1979	1/01/79	19,559.35	14,425.00	488.98	14,913.98	4,645.37	S/L	40.0	488.98	397.41
106	SERVICES - 1980	1/01/80	15,896.25	11,318.58	397.41	11,715.99	4,180.26	S/L	40.0	397.41	22.46
115	SERVICES - 1981	1/01/81	898.56	700.25	22.46	722.71	175.85	S/L	40.0	22.46	822.61
122	SERVICES - 1982	1/01/82	32,904.55	21,789.17	822.61	22,621.78	10,282.77	S/L	40.0	822.61	652.55
128	SERVICES - 1983	1/01/83	26,102.02	16,639.97	652.55	17,292.52	8,809.50	S/L	40.0	652.55	748.84
134	SERVICES - 1984	1/01/84	29,953.65	18,324.09	748.84	19,072.93	10,880.72	S/L	40.0	748.84	41.61
140	SERVICES - 1985	1/01/85	1,664.41	1,225.34	41.61	1,266.95	397.46	S/L	40.0	41.61	1,107.04
147	SERVICES - 1986	1/01/86	44,281.45	24,908.41	1,107.04	26,015.45	18,266.00	S/L	40.0	1,107.04	1,148.68
154	SERVICES - 1987	1/01/87	45,947.24	24,696.67	1,148.68	25,845.35	20,101.89	S/L	40.0	1,148.68	1,687.01
169	SERVICES - 1988	1/01/88	67,480.42	30,701.27	1,687.01	32,388.28	35,092.14	S/L	40.0	1,687.01	1,334.69
167	SERVICES - 1989	1/01/89	53,397.60	26,026.43	1,334.69	27,361.12	26,026.48	S/L	40.0	1,334.69	1,593.93
175	SERVICES - 1990	1/01/90	63,757.32	29,487.73	1,593.93	31,081.66	32,675.66	S/L	40.0	1,593.93	1,676.32
184	SERVICES - 1991	1/01/91	67,052.83	32,629.62	1,676.32	31,011.94	36,040.89	S/L	40.0	1,676.32	1,977.56
192	SERVICES - 1992	1/01/92	79,102.31	39,335.62	1,977.56	34,607.29	44,495.02	S/L	40.0	1,977.56	1,832.65
199	SERVICES - 1993	1/01/93	73,305.96	28,406.07	1,832.65	30,236.72	43,067.24	S/L	40.0	1,832.65	1,545.14
206	SERVICES - 1994	1/01/94	61,805.47	22,404.51	1,545.14	23,949.65	37,855.82	S/L	40.0	1,545.14	1,667.43
215	SERVICES - 1995	1/01/95	66,697.39	22,510.32	1,667.43	24,177.75	42,519.64	S/L	40.0	1,667.43	1,651.03
228	SERVICES - 1996	1/01/96	66,041.17	22,637.87	1,651.03	22,286.90	43,752.27	S/L	40.0	1,651.03	1,984.47
236	SERVICES - 1997	1/01/97	79,378.60	22,621.41	1,984.47	24,605.88	54,772.92	S/L	40.0	1,984.47	2,285.70
257	SERVICES - 1998	1/01/98	91,428.03	23,999.85	2,285.70	26,285.55	65,142.48	S/L	40.0	2,285.70	1,487.00
289	SERVICES - 1999	1/01/99	59,480.09	14,126.50	1,487.00	15,613.50	43,866.59	S/L	40.0	1,487.00	1,620.47
307	SERVICES-2000	1/01/00	64,818.77	13,773.99	1,620.47	15,394.46	49,424.31	S/L	40.0	1,620.47	1,284.38
323	SERVICES-2001	1/01/01	51,375.26	9,632.86	1,284.38	10,917.23	40,458.03	S/L	40.0	1,284.38	1,244.61
340	SERVICES-2002	1/01/02	49,784.31	8,089.96	1,244.61	9,334.55	40,449.74	S/L	40.0	1,244.61	1,731.98
356	SERVICES - 2003	1/01/03	69,279.12	9,525.89	1,731.98	11,257.87	58,021.25	S/L	40.0	1,731.98	3,191.24
380	Services - 2004	1/01/04	127,649.77	14,360.58	3,191.24	17,551.82	110,097.95	S/L	40.0	3,191.24	1,661.09
410	Services - 2005	1/01/05	66,443.67	5,813.82	1,661.09	7,474.91	58,968.76	S/L	40.0	1,661.09	1,057.09
430	Services - 2006	1/01/06	42,283.50	2,642.72	1,057.09	3,699.81	38,583.69	S/L	40.0	1,057.09	3,024.64
448	SERVICES - 2008	1/01/07	120,985.51	4,536.96	3,024.64	7,561.60	113,423.91	S/L	40.0	3,024.64	2,052.46
473	SERVICES - 2008	1/01/08	82,096.31	1,026.23	2,052.46	3,078.69	79,018.62	S/L	40.0	2,052.46	763.78
484	SERVICES - 2009	1/01/09	61,102.33	0.00	763.78	763.78	60,338.55	S/L	40.0	763.78	

50,156.02

107SERVICES 2,431,759.44 1,118,892.15 50,156.02 1,169,048.17 1,262,711.27

Group: 108METER & INSTALLATION

10	METER & INSTALL - 1955 AND BEF	10/1/59	221,524.64	0.00	221,524.64	0.00	S/L	10.0	0.00	0.00
14	METER & INSTALL - 1960	10/1/61	78,649.56	0.00	78,649.56	0.00	S/L	10.0	0.00	0.00
23	METER & INSTALL - 1966	10/1/66	13,757.33	0.00	13,757.33	0.00	S/L	10.0	0.00	0.00
28	METER & INSTALL - 1967	10/1/67	24,911.09	0.00	24,911.09	0.00	S/L	10.0	0.00	0.00
35	METER & INSTALL - 1968	10/1/68	26,093.76	0.00	26,093.76	0.00	S/L	10.0	0.00	0.00
40	METER & INSTALL - 1969	10/1/69	18,163.22	0.00	18,163.22	0.00	S/L	10.0	0.00	0.00
46	METER & INSTALL - 1970	10/1/70	12,600.77	0.00	12,600.77	0.00	S/L	10.0	0.00	0.00
52	METER & INSTALL - 1971	10/1/71	22,152.26	0.00	22,152.26	0.00	S/L	10.0	0.00	0.00
57	METER & INSTALL - 1972	10/1/72	31,327.04	0.00	31,327.04	0.00	S/L	10.0	0.00	0.00
63	METER & INSTALL - 1973	10/1/73	32,357.73	0.00	32,357.73	0.00	S/L	10.0	0.00	0.00
69	METER & INSTALL - 1974	10/1/74	37,930.01	0.00	37,930.01	0.00	S/L	10.0	0.00	0.00
73	METER & INSTALL - 1975	10/1/75	17,317.37	0.00	17,317.37	0.00	S/L	10.0	0.00	0.00
78	METER & INSTALL - 1976	10/1/76	30,051.84	0.00	30,051.84	0.00	S/L	10.0	0.00	0.00
85	METER & INSTALL - 1977	10/1/77	41,033.64	0.00	41,033.64	0.00	S/L	10.0	0.00	0.00
93	METER & INSTALL - 1978	10/1/78	19,148.20	0.00	19,148.20	0.00	S/L	10.0	0.00	0.00
100	METER & INSTALL - 1979	10/1/79	24,400.94	0.00	24,400.94	0.00	S/L	10.0	0.00	0.00
107	METER & INSTALL - 1980	10/1/80	15,833.89	0.00	15,833.89	0.00	S/L	10.0	0.00	0.00
116	METER & INSTALL - 1981	10/1/81	28,754.41	0.00	28,754.41	0.00	S/L	10.0	0.00	0.00
123	METER & INSTALL - 1982	10/1/82	29,305.52	0.00	29,305.52	0.00	S/L	10.0	0.00	0.00
129	METER & INSTALL - 1983	10/1/83	35,083.41	0.00	35,083.41	0.00	S/L	10.0	0.00	0.00
135	METER & INSTALL - 1984	10/1/84	39,090.06	0.00	39,090.06	0.00	S/L	10.0	0.00	0.00
141	METER & INSTALL - 1985	10/1/85	28,561.90	0.00	28,561.90	0.00	S/L	10.0	0.00	0.00
148	METER & INSTALL - 1986	10/1/86	37,743.77	0.00	37,743.77	0.00	S/L	10.0	0.00	0.00
155	METER & INSTALL - 1987	10/1/87	43,723.33	0.00	43,723.33	0.00	S/L	10.0	0.00	0.00
160	METER & INSTALL - 1988	10/1/88	55,979.12	0.00	55,979.12	0.00	S/L	10.0	0.00	0.00
168	METER & INSTALL - 1989	10/1/89	56,090.62	0.00	56,090.62	0.00	S/L	10.0	0.00	0.00
176	METER & INSTALL - 1990	10/1/90	77,454.94	0.00	77,454.94	0.00	S/L	10.0	0.00	0.00
185	METER & INSTALL - 1991	10/1/91	37,064.36	0.00	37,064.36	0.00	S/L	10.0	0.00	0.00
193	METER & INSTALL - 1992	10/1/92	106,816.38	0.00	106,816.38	0.00	S/L	10.0	0.00	0.00
200	METER & INSTALL - 1993	10/1/93	64,685.97	0.00	64,685.97	0.00	S/L	10.0	0.00	0.00
207	METER & INSTALL - 1994	10/1/94	73,432.11	0.00	73,432.11	0.00	S/L	10.0	0.00	0.00
216	METER & INSTALL - 1995	10/1/95	90,650.81	0.00	90,650.81	0.00	S/L	10.0	0.00	0.00
229	METER & INSTALL - 1996	10/1/96	64,333.11	0.00	64,333.11	0.00	S/L	10.0	0.00	0.00
237	METER & INSTALL - 1997	10/1/97	73,463.73	0.00	73,463.73	0.00	S/L	10.0	0.00	0.00
258	METER & INSTALL - 1998	10/1/98	60,653.95	0.00	60,653.95	0.00	S/L	10.0	0.00	0.00
290	METER & INSTALL - 2000	10/1/99	95,099.10	4,754.95	95,099.10	4,754.95	S/L	10.0	4,754.95	8,895.15
308	METER & INSTALL - 2000	10/1/00	88,951.50	8,895.15	88,951.50	8,895.15	S/L	10.0	8,895.15	6,914.18
324	METERS & INSTALL-2001	10/1/01	68,141.77	51,866.35	68,141.77	51,866.35	S/L	10.0	51,866.35	6,425.74
341	Meter & Install - 2002	10/1/02	64,257.39	41,767.31	64,257.39	41,767.31	S/L	10.0	41,767.31	5,112.01
357	Meters & Installations-2003	10/1/03	51,120.10	28,116.06	51,120.10	28,116.06	S/L	10.0	28,116.06	5,398.63
381	Meters & Installation - 2004	10/1/04	53,986.32	24,293.84	53,986.32	24,293.84	S/L	10.0	24,293.84	1,482.69
411	Meters & Installation - 2005	10/1/05	59,307.41	5,189.41	59,307.41	5,189.41	S/L	40.0	5,189.41	4,055.19
431	Meters & Installations - 2006	10/1/06	40,551.91	10,137.98	40,551.91	10,137.98	S/L	10.0	10,137.98	9,166.97
449	METERS & INSTALLATIONS - 2007	10/1/07	91,688.65	13,750.45	91,688.65	13,750.45	S/L	10.0	13,750.45	6,473.85
474	METERS & INSTALLATIONS - 2008	10/1/08	64,738.52	3,236.93	64,738.52	3,236.93	S/L	10.0	3,236.93	1,227.75
495	METERS & INSTALLATION - 2009	10/1/09	24,555.09	0.00	24,555.09	0.00	S/L	10.0	0.00	59,907.11
	108METER & INSTALLATION		2,371,519.55	2,012,442.05	2,371,519.55	2,012,442.05				59,907.11

Group: 109HYDRANTS

1	HYDRANTS - 1952 AND BEFORE	10/1/52	111,029.36	0.00	111,029.36	0.00	S/L	50.0	0.00	0.00
2	HYDRANTS - 1953	10/1/53	10,596.58	0.00	10,596.58	0.00	S/L	50.0	0.00	0.00
24	HYDRANTS - 1966	10/1/66	7,347.68	6,245.38	7,347.68	6,245.38	S/L	50.0	146.95	146.95
29	HYDRANTS - 1967	10/1/67	8,317.16	6,903.11	8,317.16	6,903.11	S/L	50.0	1,247.71	166.34
36	HYDRANTS - 1968	10/1/68	20,239.82	16,394.40	20,239.82	16,394.40	S/L	50.0	3,440.62	404.80
41	HYDRANTS - 1969	10/1/69	2,345.81	1,653.34	2,345.81	1,653.34	S/L	50.0	445.55	46.92
47	HYDRANTS - 1970	10/1/70	1,849.36	1,424.11	1,849.36	1,424.11	S/L	50.0	386.26	36.99
53	HYDRANTS - 1971	10/1/71	6,473.93	4,855.50	6,473.93	4,855.50	S/L	50.0	1,488.95	129.48
58	HYDRANTS - 1972	10/1/72	10,554.17	7,704.42	10,554.17	7,704.42	S/L	50.0	2,638.67	211.08
64	HYDRANTS - 1973	10/1/73	7,240.62	5,140.76	7,240.62	5,140.76	S/L	50.0	5,285.57	144.81
70	HYDRANTS - 1974	10/1/74	6,783.87	4,680.96	6,783.87	4,680.96	S/L	50.0	1,967.23	135.68
74	HYDRANTS - 1975	10/1/75	9,201.99	6,165.34	9,201.99	6,165.34	S/L	50.0	6,349.38	184.04
79	HYDRANTS - 1976	10/1/76	77,406.99	50,314.55	77,406.99	50,314.55	S/L	50.0	1,548.14	1,548.14
86	HYDRANTS - 1977	10/1/77	17,688.05	11,143.44	17,688.05	11,143.44	S/L	50.0	353.76	353.76

94	HYDRANTS - 1978	101/178	11,789.25	7,191.59	235.79	7,427.38	4,361.87	S/L	235.79
101	HYDRANTS - 1979	101/179	11,270.81	6,649.89	225.42	6,875.31	4,395.50	S/L	225.42
108	HYDRANTS - 1980	101/180	10,115.14	5,765.55	202.30	5,967.85	4,147.29	S/L	202.30
117	HYDRANTS - 1981	101/181	4,209.62	2,315.23	84.19	2,399.42	1,810.20	S/L	84.19
124	HYDRANTS - 1982	101/182	5,991.04	3,175.23	119.82	3,295.05	2,695.99	S/L	119.82
130	HYDRANTS - 1983	101/183	11,714.70	5,974.40	234.29	6,208.69	5,506.01	S/L	234.29
136	HYDRANTS - 1984	101/184	16,311.48	7,992.63	326.23	8,318.86	7,992.62	S/L	326.23
142	HYDRANTS - 1985	101/185	5,166.13	2,428.02	103.32	2,631.34	2,634.79	S/L	103.32
149	HYDRANTS - 1986	101/186	6,717.10	3,022.65	134.34	3,156.99	3,560.11	S/L	134.34
156	HYDRANTS - 1987	101/187	8,666.06	3,726.38	173.32	3,899.70	4,766.36	S/L	173.32
161	HYDRANTS - 1988	101/188	46,737.76	19,162.58	934.76	20,097.34	26,640.42	S/L	934.76
167	HYDRANTS - 1989	101/189	20,716.67	8,079.44	414.33	8,493.77	12,222.90	S/L	414.33
177	HYDRANTS - 1990	101/190	19,357.37	7,162.27	387.15	7,549.42	11,807.95	S/L	387.15
186	HYDRANTS - 1991	101/191	16,901.94	5,915.70	338.04	6,253.74	10,648.20	S/L	338.04
194	HYDRANTS - 1992	101/192	5,430.38	1,920.06	108.61	1,900.67	3,529.71	S/L	108.61
201	HYDRANTS - 1993	101/193	19,211.10	5,955.41	384.22	6,339.63	12,871.47	S/L	384.22
208	HYDRANTS - 1994	101/194	6,547.87	1,868.92	130.96	2,028.88	4,517.99	S/L	130.96
217	HYDRANTS - 1995	101/195	14,472.19	3,907.44	289.44	4,196.88	10,275.31	S/L	289.44
230	HYDRANTS - 1996	101/196	11,369.48	2,842.37	227.39	3,069.76	8,299.72	S/L	227.39
238	HYDRANTS - 1997	101/197	18,572.47	4,271.67	371.45	4,643.12	13,929.35	S/L	371.45
259	HYDRANTS - 1998	101/198	20,380.87	4,280.01	407.62	4,687.63	15,693.24	S/L	407.62
281	HYDRANTS - 1999	101/199	21,107.71	4,010.43	422.15	4,432.58	16,675.13	S/L	422.15
309	HYDRANTS - 2000	101/200	19,219.37	3,267.31	384.39	3,651.70	15,567.67	S/L	384.39
325	HYDRANTS-2001	101/201	22,453.74	3,366.03	449.07	3,817.10	16,636.64	S/L	449.07
342	HYDRANTS - 2002	101/202	25,239.02	3,281.07	504.78	3,785.85	21,453.17	S/L	504.78
358	Hydrants - 2004	101/203	31,034.47	17,066.97	3,103.45	20,172.42	10,862.05	S/L	3,103.45
382	Hydrants - 2005	101/204	19,044.29	1,714.00	380.89	2,094.89	16,949.40	S/L	380.89
412	Hydrants - 2005	101/205	22,798.10	1,595.86	455.96	2,051.82	20,746.28	S/L	455.96
432	Hydrants - 2006	101/206	13,679.76	684.00	273.60	957.60	12,722.16	S/L	273.60
450	HYDRANTS - 2007	101/207	66,345.80	1,990.38	1,326.92	3,317.30	63,028.50	S/L	1,326.92
475	HYDRANTS - 2008	101/208	53,018.44	530.18	1,060.37	1,590.55	51,427.89	S/L	1,060.37
486	HYDRANTS - 2009	101/209	7,734.48	0.00	77.34	77.34	7,657.14	S/L	77.34
	109HYDRANTS		890,402.00	395,472.92	17,780.90	413,253.82	477,148.18		17,780.90

Group: 110PURIFICATION STRUCTURE

11	PURIFICATION STRUCT-1959 AND	101/159	57,340.39	57,340.39	0.00	57,340.39	0.00	S/L	0.00
12	PURIFICATION STRUCT-1960	101/160	215,944.10	209,465.68	4,318.88	213,784.56	2,159.54	S/L	4,318.88
16	PURIFICATION STRUCT-1963	101/163	243,236.14	221,344.76	4,864.72	226,209.48	17,026.66	S/L	4,864.72
30	PURIFICATION STRUCT-1967	101/167	160.30	133.21	3.21	136.42	32.86	S/L	3.21
109	PURIFICATION STRUCT-1980	101/180	1,276,655.86	727,663.92	25,533.12	753,227.04	523,428.82	S/L	25,533.12
143	PURIFICATION STRUCT-1985	101/185	4,993.05	2,346.71	99.86	2,446.57	2,546.48	S/L	99.86
150	PURIFICATION STRUCT-1987	101/186	2,997.10	1,348.65	59.94	1,408.59	1,588.51	S/L	59.94
160	PURIFICATION STRUCT-1988	101/188	1,440.00	590.40	28.80	619.20	820.80	S/L	28.80
170	PURIFICATION STRUCT-1989	101/189	250.00	97.50	5.00	102.50	147.50	S/L	5.00
187	PURIFICATION STRUCT-1991	101/191	2,393.50	837.73	47.87	885.60	1,507.90	S/L	47.87
244	PURIF. STRUCT-CONTRACT 57-N	5/26/97	5,628,479.14	1,247,035.38	112,569.58	1,359,604.96	4,268,874.18	S/L	112,569.58
282	PURIF. STRUCT-CONTRACT 57 FINA	101/189	45,127.89	6,574.32	902.56	9,476.88	35,651.01	S/L	902.56
293	TREES-WATER PLANT	101/189	1,280.00	243.20	25.60	268.80	1,011.20	S/L	25.60
310	RAILROAD CROSSING	101/200	14,096.43	2,396.40	281.93	2,678.33	11,418.10	S/L	281.93
425	Window Awnings	9/30/05	2,516.00	345.95	125.80	471.75	2,044.25	S/L	125.80
457	METAL ROOF AT WTP	3/27/07	1,135.00	70.94	56.75	127.69	1,007.31	S/L	56.75
	110PURIFICATION STRUCTURE		7,498,044.90	2,479,865.14	148,923.62	2,628,788.76	4,869,256.14		148,923.62

Group: 111PURIFICATION EQUIPMENT

20	PURIFICATION EQUIP-1965 AND BI	101/165	261,271.27	261,271.27	0.00	261,271.27	0.00	S/L	0.00
25	PURIFICATION EQUIP-1966	101/166	606.00	606.00	0.00	606.00	0.00	S/L	0.00
37	PURIFICATION EQUIP-1968	101/168	20,239.82	20,239.82	0.00	20,239.82	0.00	S/L	0.00
42	PURIFICATION EQUIP-1969	101/169	153.48	153.48	0.00	153.48	0.00	S/L	0.00
59	PURIFICATION EQUIP-1972	101/172	955.71	955.71	0.00	955.71	0.00	S/L	0.00
75	PURIFICATION EQUIP-1975	101/175	185.75	185.75	0.00	185.75	0.00	S/L	0.00
80	PURIFICATION EQUIP-1976	101/176	687.05	687.05	0.00	687.05	0.00	S/L	0.00
87	PURIFICATION EQUIP-1977	101/177	4,627.75	4,627.75	0.00	4,627.75	0.00	S/L	0.00
95	PURIFICATION EQUIP-1978	101/178	725.37	725.37	0.00	725.37	0.00	S/L	0.00
110	PURIFICATION EQUIP-1980	101/180	744,021.31	744,021.31	0.00	744,021.31	0.00	S/L	0.00
118	PURIFICATION EQUIP-1981	101/181	16,445.09	16,445.09	0.00	16,445.09	0.00	S/L	0.00
125	PURIFICATION EQUIP-1982	101/182	840.12	840.12	0.00	840.12	0.00	S/L	0.00

131	PURIFICATION EQUIP-1983	1/01/83	1,706.42	1,706.42	0.00	1,706.42	0.00	S/L	25.0	0.00	6,337.50
137	PURIFICATION EQUIP-1984	1/01/84	316,872.55	6,337.50	316,872.55	0.00	S/L	25.0	6,337.50	128.26	62.13
144	PURIFICATION EQUIP-1985	1/01/85	3,206.43	3,014.11	128.26	64.06	S/L	25.0	128.26	811.51	56.39
151	PURIFICATION EQUIP-1986	1/01/86	1,553.13	1,397.92	62.13	1,460.05	S/L	25.0	811.51	2,081.31	339.54
167	PURIFICATION EQUIP-1987	1/01/87	20,287.70	17,447.46	811.51	18,258.97	S/L	25.0	56.39	2,506.67	426.87
163	PURIFICATION EQUIP-1988	1/01/88	1,409.79	1,156.00	56.39	1,212.39	S/L	25.0	2,081.31	491.43	339.54
171	PURIFICATION EQUIP-1989	1/01/89	6,508.03	5,076.24	260.32	5,336.56	S/L	25.0	491.43	339.54	426.87
178	PURIFICATION EQUIP-1990	1/01/90	52,032.66	38,504.23	2,081.31	40,585.54	S/L	25.0	145,739.32	2,366.90	5,402.36
188	PURIFICATION EQUIP-1991	1/01/91	12,285.80	8,600.03	491.43	9,091.46	S/L	25.0	2,366.90	5,402.36	391.63
195	PURIFICATION EQUIP-1992	1/01/92	8,488.47	5,602.41	811.51	5,841.95	S/L	25.0	391.63	58.38	105.00
202	PURIFICATION EQUIP-1993	1/01/93	10,671.67	6,616.48	426.87	7,043.35	S/L	25.0	105.00	426.80	366.10
245	PURIFIC EQUIP-CONTRACT 57-NE	5/26/97	2,914,786.33	1,614,486.69	145,739.32	1,760,226.01	S/L	20.0	366.10	375.00	202.55
363	Purification Equipment - 2004	1/01/04	47,338.00	10,651.05	2,366.90	13,017.95	S/L	20.0	202.55	153.24	61.99
413	Purification Equipment	1/01/05	108,047.26	18,908.26	5,402.36	24,310.62	S/L	20.0	61.99	42.81	166,687.34
451	PURIFICATION EQUIPMENT - 2007	1/01/07	7,832.50	587.44	391.63	979.07	S/L	20.0	42.81	166,687.34	42.81
467	TOOLS	1/01/07	583.82	43.79	58.38	102.17	S/L	10.0	42.81	166,687.34	42.81
470	REPLACE BOILER BURNERS	11/20/07	2,100.00	61.25	105.00	166.25	S/L	10.0	42.81	166,687.34	42.81
471	BURNSTEAD 460 INCUBATOR	11/29/07	4,268.00	248.97	426.80	675.77	S/L	10.0	42.81	166,687.34	42.81
476	PURIFICATION EQUIPMENT - 2008	1/01/08	7,322.00	183.05	366.10	549.15	S/L	10.0	42.81	166,687.34	42.81
487	WATER PLANT PUMP	9/30/08	5,000.00	0.00	375.00	375.00	S/L	10.0	42.81	166,687.34	42.81
488	WTP SCADA PROCESSOR	1/07/09	4,051.00	0.00	202.55	202.55	S/L	10.0	42.81	166,687.34	42.81
489	AUTO TRANSFORMER	3/31/09	6,129.67	0.00	153.24	153.24	S/L	10.0	42.81	166,687.34	42.81
500	CHLORINE ROOM HEATER	3/31/09	2,478.74	0.00	61.99	61.99	S/L	10.0	42.81	166,687.34	42.81
501	5 SAMPLING FAUCETS	4/30/09	2,968.35	0.00	42.81	42.81	S/L	10.0	42.81	166,687.34	42.81
111PURIFICATION EQUIPMENT			4,599,288.04	3,095,585.57	166,687.34	3,262,272.91	1,336,015.13				
Group: 112CAST IRON PIPE LINES											
17	CAST IRON PIPELINES-1963 AND E	1/01/64	5,833.77	5,833.77	0.00	5,833.77	0.00	S/L	50.0	0.00	772.04
18	CAST IRON PIPELINES-1964	1/01/64	38,601.82	34,355.78	772.04	35,127.82	S/L	50.0	772.04	772.04	772.04
112CAST IRON PIPE LINES			44,435.59	40,189.55	772.04	40,961.59	3,474.00				
Group: 113ELECTRIC PUMPING EQUIP											
48	ELEC PUMP EQUIP 1989 AND BEF	1/01/70	135,636.30	135,636.30	0.00	135,636.30	0.00	S/L	20.0	0.00	12.11
179	ELEC PUMP EQUIP 1990	1/01/90	242.19	224.03	12.11	236.14	S/L	20.0	12.11	78.32	2,110.00
209	ELEC PUMP EQUIP 1994	1/01/94	1,566.42	1,135.64	78.32	1,213.96	S/L	20.0	78.32	10,786.65	125.75
260	ELEC PUMP EQUIP 41A LINE EXTE	1/01/99	42,200.00	22,155.00	2,110.00	24,265.00	S/L	20.0	125.75	124.75	513.00
294	ELEC PUMP EQUIP-1999-BOOST S	1/01/99	215,733.00	102,473.18	10,786.65	113,259.83	S/L	20.0	513.00	13,875.58	13,875.58
343	ELEC/PUMP EQUIP - 2002	1/01/02	2,515.00	817.38	125.75	943.13	S/L	20.0	13,875.58	13,875.58	13,875.58
369	Smart Transmitter & Suppressor	7/06/03	2,495.00	623.75	748.50	1,746.50	S/L	20.0	13,875.58	13,875.58	13,875.58
414	Electric Pumping Equipment	1/01/05	2,800.00	437.50	125.00	562.50	S/L	20.0	13,875.58	13,875.58	13,875.58
461	UPGRADE JOCKEY PUMP & DRIVE	6/27/07	10,260.00	513.00	1,026.00	9,234.00	S/L	20.0	13,875.58	13,875.58	13,875.58
113ELECTRIC PUMPING EQUIP			413,147.91	264,015.78	13,875.58	277,891.36	135,256.55				
Group: 114AUXILIARY POWER UNITS											
111	AUXILIARY POWER UNITS	1/01/80	128,790.41	128,790.41	0.00	128,790.41	0.00	S/L	10.0	0.00	0.00
114AUXILIARY POWER UNITS			128,790.41	128,790.41	0.00	128,790.41	0.00				
Group: 115QUARRY											
218	QUARRY - PIPE & ENGINEERING 1	1/01/95	221,834.12	59,895.18	4,436.68	64,331.86	S/L	50.0	4,436.68	18,618.03	18,618.03
219	QUARRY - INTAKE, PUMPS, & ENG	1/01/95	372,360.50	251,343.40	18,618.03	269,961.43	S/L	20.0	18,618.03	18,618.03	18,618.03
220	QUARRY - LAND	1/01/95	35,000.00	0.00	0.00	0.00	Memo	0.0	0.00	0.00	0.00
239	QUARRY - 1997	1/01/97	11,250.00	6,468.75	562.50	7,031.25	S/L	20.0	562.50	562.50	562.50
298	QUARRY - 1998 INTAKE UPGRADE	2/15/99	69,267.70	32,613.59	3,463.39	36,076.98	S/L	20.0	3,463.39	3,463.39	3,463.39
299	QUARRY - 1999 INTAKE UPGRADE	2/15/99	45,013.45	21,193.81	2,506.67	23,444.48	S/L	20.0	2,506.67	2,506.67	2,506.67
311	QUARRY - 2000	1/01/00	18,003.32	7,651.44	900.17	8,551.61	S/L	20.0	900.17	900.17	900.17
331	WEST KY GAS CO	6/30/01	124.12	43.47	6.21	49.68	S/L	20.0	6.21	6.21	6.21
408	CHAIN LINK FENCE-QUARRY INTAI	12/01/04	12,019.00	2,153.40	600.95	2,754.35	S/L	20.0	600.95	600.95	600.95
463	HONEYWELL ALARM SYSTEM	8/01/07	3,988.42	365.61	764.45	3,258.37	S/L	10.0	365.61	365.61	365.61
502	NORTH QUARRY PUMP CONTROL	1/01/09	2,500.00	0.00	104.17	104.17	S/L	10.0	104.17	104.17	104.17
503	ROADWAY PAVING	4/01/09	70,312.00	0.00	439.45	439.45	S/L	40.0	439.45	439.45	439.45
504	SOUTH QUARRY IMPROVEMENTS	4/01/09	1,441,983.22	0.00	9,012.40	9,012.40	S/L	40.0	9,012.40	9,012.40	9,012.40
505	ALKE BARKLEY PIPELINE	4/01/09	19,537,728.70	0.00	48,844.32	48,844.32	S/L	100.0	48,844.32	48,844.32	48,844.32
506	RAW WATER INTAKE	4/01/09	3,606,996.63	0.00	18,034.98	18,034.98	S/L	50.0	18,034.98	18,034.98	18,034.98

507	INTAKE PUMPS	4101/09	707,300.00	0.00	8,841.25	8,841.25	698,458.75	S/L	20.0	8,841.25	8,841.25	16,008.53
508	INTAKE SITE FIXTURES	4101/09	6,658.00	0.00	166.45	166.45	6,491.55	S/L	10.0	166.45	166.45	16,008.53
509	LAKE BARKLEY WATER PROJECT	4101/09	3,201,706.72	0.00	16,008.53	16,008.53	3,185,698.19	S/L	50.0	16,008.53	16,008.53	16,008.53
	115QUARRY		29,364,045.90	381,728.65	132,688.99	514,417.64	28,849,628.26			132,688.99		
Group: 130TRANSPORTATION EQUIPMENT												
182	UNIT 33-1990 3/4 TON TRUCK & BE	7101/90	11,301.08	11,301.08	0.00	11,301.08	0.00	S/L	5.0	1,036.05	1,036.05	1,159.95
210	UNIT 27-1994 GMC SAFARI VAN	1101/94	12,905.70	12,905.70	0.00	12,905.70	0.00	S/L	5.0	1,036.04	1,036.04	1,159.95
224	UNIT 26-1995 GMC TRUCK	4101/95	18,517.15	18,517.15	0.00	18,517.15	0.00	S/L	5.0	215.73	215.73	236.69
225	UNIT 33-1995 CRANE FOR TRUCK	501/95	2,470.00	2,470.00	0.00	2,470.00	0.00	S/L	5.0	469.27	469.27	469.27
250	1997 GMC 3/4 TON CAB (COLLINS)	7131/97	16,998.07	16,998.07	0.00	16,998.07	0.00	S/L	5.0	1,159.95	1,159.95	1,159.95
251	KNAPHEIDE SERVICE BODY-1997	7131/97	3,323.00	3,323.00	0.00	3,323.00	0.00	S/L	5.0	1,342.32	1,342.32	1,342.32
273	STEWARTS TRUCK EQUIP	12/31/98	578.93	578.93	0.00	578.93	0.00	S/L	5.0	345.49	345.49	345.49
274	COLLINS BUICK-GMC TRUCK	12/31/98	17,332.31	17,332.31	0.00	17,332.31	0.00	S/L	5.0	291.50	291.50	291.50
302	ELGIN AUTO SALES	7131/99	4,400.00	4,400.00	0.00	4,400.00	0.00	S/L	5.0	3,709.15	3,709.15	3,709.15
315	COLLINS BUICK-GMC TRUCK	229/00	30,134.66	30,134.66	0.00	30,134.66	0.00	S/L	5.0	400.00	400.00	400.00
316	COLLINS BUICK-GMC TRUCK	229/00	23,817.14	23,817.14	0.00	23,817.14	0.00	S/L	5.0	1,856.10	1,856.10	1,856.10
317	STEWARTS TRUCK EQUIP	5/31/00	4,042.00	4,042.00	0.00	4,042.00	0.00	S/L	5.0	228.75	228.75	228.75
320	STALLONS AUTO SALES	12/31/00	8,700.00	8,700.00	0.00	8,700.00	0.00	S/L	5.0	187.62	187.62	187.62
329	RUDOLPHS AUTO SALES	3/31/01	4,750.00	4,750.00	0.00	4,750.00	0.00	S/L	5.0	189.58	189.58	189.58
330	Transportation Equipment	5/31/01	9,450.34	9,450.34	0.00	9,450.34	0.00	S/L	5.0	0.00	0.00	0.00
348	Service Bed Added to GMC Truck	1/31/02	1,872.50	1,872.50	0.00	1,872.50	0.00	S/L	5.0	0.00	0.00	0.00
349	2002 GMC Pickup Truck	5/30/02	13,117.50	13,117.50	0.00	13,117.50	0.00	S/L	5.0	0.00	0.00	0.00
350	Service Bed Added to GMC Truck	6/17/02	1,872.50	1,872.50	0.00	1,872.50	0.00	S/L	5.0	0.00	0.00	0.00
352	Precision - Trans Equip	7/31/02	1,075.00	1,075.00	0.00	1,075.00	0.00	S/L	5.0	0.00	0.00	0.00
365	Rudolph's Auto Sales	3/13/03	4,500.00	4,500.00	0.00	4,500.00	0.00	S/L	5.0	0.00	0.00	0.00
367	Stewart's Truck Equip	6/01/03	1,374.00	1,374.00	0.00	1,374.00	0.00	S/L	5.0	0.00	0.00	0.00
377	2004 Ford F350 Crew Truck-51531	12/08/03	12,432.60	11,396.55	1,036.05	12,432.60	0.00	S/L	5.0	1,036.05	1,036.05	1,036.05
378	2004 Ford F350 Crew Truck-51530	12/08/03	12,432.59	11,396.55	1,036.04	12,432.59	0.00	S/L	5.0	1,036.04	1,036.04	1,036.04
385	Used Service Bed & Installation #11	1/21/04	1,848.97	1,633.24	215.73	1,848.97	0.00	S/L	5.0	215.73	215.73	215.73
386	Used Service Bed & Installation #10	1/21/04	2,028.80	1,792.11	236.69	2,028.80	0.00	S/L	5.0	236.69	236.69	236.69
391	2000 Ford Ranger Pickup-5983	4/13/04	3,128.50	2,659.23	469.27	3,128.50	0.00	S/L	5.0	469.27	469.27	469.27
395	2004 GMC Pickup-307852	4/29/04	6,959.78	5,799.83	1,159.95	6,959.78	0.00	S/L	5.0	1,159.95	1,159.95	1,159.95
397	2004 Chevrolet 3500 Truck-328929	5/06/04	8,054.03	6,711.71	1,342.32	8,054.03	0.00	S/L	5.0	1,342.32	1,342.32	1,342.32
398	Knapheide Service Bed #33	5/25/04	1,684.50	1,539.01	145.49	1,684.50	0.00	S/L	5.0	145.49	145.49	145.49
419	16' TIM TRAIL ROLLER TRAILER	4/30/05	1,457.50	923.08	534.42	1,457.50	0.00	S/L	5.0	534.42	534.42	534.42
421	2005 Ford F150 Pickup-42895	6/17/05	18,545.74	11,127.45	7,418.29	18,545.74	0.00	S/L	5.0	7,418.29	7,418.29	7,418.29
445	FORD RANGER - 04305	12/01/06	2,000.00	633.33	1,366.67	2,000.00	0.00	S/L	5.0	1,366.67	1,366.67	1,366.67
460	FORD CARGO VAN - 11719	6/10/07	9,280.52	2,010.78	7,269.74	9,280.52	0.00	S/L	5.0	7,269.74	7,269.74	7,269.74
510	03 CHEVY ASTRO VAN #120626	10/02/08	3,050.00	228.75	2,821.25	3,050.00	0.00	S/L	10.0	228.75	228.75	228.75
511	05 CHEVY ASTRO VAN #105488	12/15/08	3,216.29	0.00	187.62	3,216.29	0.00	S/L	10.0	187.62	187.62	187.62
512	03 NISSAN ALTIMA #102397	12/15/08	3,250.00	0.00	189.58	3,250.00	0.00	S/L	10.0	189.58	189.58	189.58
518	RUDOLPHS AUTO SALES	3/13/03	4,500.00	4,500.00	0.00	4,500.00	0.00	S/L	5.0	0.00	0.00	0.00
	130TRANSPORTATION EQUIPMT		286,601.70	254,654.75	12,704.24	267,358.99	19,242.71			12,704.24		
Group: 131TRACTORS & BACKHOES												
231	TRACTORS & BACKHOES 1996	1101/96	16,250.00	16,250.00	0.00	16,250.00	0.00	S/L	7.0	0.00	0.00	0.00
243	TRAILER - TRAILER WORLD	1/31/97	2,775.00	2,775.00	0.00	2,775.00	0.00	S/L	7.0	0.00	0.00	0.00
312	TRACTORS & BACKHOES 2000	11/01/00	26,600.00	26,600.00	0.00	26,600.00	0.00	S/L	7.0	0.00	0.00	0.00
443	CATERPILLAR 420E BACKHOE - 02	11/09/06	68,966.00	16,420.48	9,852.29	26,272.77	42,693.23	S/L	7.0	9,852.29	9,852.29	9,852.29
	131TRACTORS & BACKHOES		114,591.00	62,045.48	9,852.29	71,897.77	42,693.23			9,852.29		
Group: 132GENERAL EQUIPMENT												
65	GENERAL EQUIPMENT 1993 AND E	1101/73	115,533.44	115,533.44	0.00	115,533.44	0.00	S/L	20.0	0.00	0.00	0.00
211	GENERAL EQUIPMENT 1994	1101/94	2,384.92	2,384.92	0.00	2,384.92	0.00	S/L	20.0	0.00	0.00	0.00
221	GENERAL EQUIPMENT 1995	1101/95	6,295.61	6,295.61	0.00	6,295.61	0.00	S/L	20.0	0.00	0.00	0.00
232	GENERAL EQUIPMENT 1996	1101/96	68,113.03	41,393.14	3,305.65	44,698.79	21,414.24	S/L	20.0	3,305.65	3,305.65	3,305.65
240	GENERAL EQUIPMENT 1997	1101/97	5,184.90	2,981.37	2,592.25	3,240.62	1,944.28	S/L	20.0	2,592.25	2,592.25	2,592.25
253	SAVV-GAS CUT OFF PARTNER K65	1101/97	899.00	479.47	44.95	524.42	374.58	S/L	20.0	44.95	44.95	44.95
300	LEE RENTS	3/31/99	965.00	446.31	48.25	494.56	470.44	S/L	20.0	48.25	48.25	48.25
301	LEE RENTS	6/30/99	815.00	366.75	40.75	407.50	407.50	S/L	20.0	40.75	40.75	40.75
313	GENERAL EQUIPMENT 2000	1101/00	2,623.90	1,115.20	131.20	1,246.40	1,377.50	S/L	20.0	131.20	131.20	131.20
326	GENERAL EQUIPMENT-2001	1101/01	31,235.23	11,713.20	1,561.75	13,274.96	17,960.27	S/L	20.0	1,561.75	1,561.75	1,561.75
344	GENERAL EQUIP - 2002	1101/02	9,523.02	3,094.98	476.15	3,571.13	5,951.89	S/L	20.0	476.15	476.15	476.15
345	GIS Info Systems	1101/02	7,259.45	6,740.89	518.56	7,259.45	0.00	S/L	7.0	518.56	518.56	518.56

353	Arctic Refrig. - General Equip	7/31/02	2,660.00	766.92	133.00	1,740.08	S/L	133.00	
354	Cir Safety-General Equip	8/3/02	1,803.75	526.11	90.19	1,187.45	S/L	90.19	
362	Ki-Mo Rental - General Equip	1/31/03	865.00	234.27	43.25	587.48	S/L	43.25	
363	McCraw Excavating - Gen'l Equip	2/24/03	1,500.00	400.00	75.00	1,025.00	S/L	75.00	
366	T Tech - Gen'l Equipment	5/31/03	3,465.08	860.69	173.25	2,411.14	S/L	173.25	
370	Ingersoll-Rand Light Tower	8/13/03	2,675.00	1,315.21	267.50	1,092.29	S/L	267.50	
373	Partner K650 Chop Saw	9/18/03	865.00	420.38	86.50	376.12	S/L	86.50	
379	Overhaul CP3300 Water Pump	9/29/03	8,133.40	3,863.37	813.34	3,456.69	S/L	813.34	
384	INGERSOLL-RAND DA30 ROLLER	7/07/04	4,000.00	1,600.00	400.00	2,000.00	S/L	400.00	
407	NAGATA TAMPER #6910819	1/18/04	1,350.00	483.75	135.00	771.25	S/L	135.00	
422	Arch Top Metal Planter	6/23/05	772.20	231.66	77.22	463.32	S/L	77.22	
424	Rebuild Large Tap Machine	9/27/05	10,000.00	2,750.00	1,000.00	6,250.00	S/L	1,000.00	
455	2" TRASH PUMP	3/22/07	917.50	114.69	91.75	769.19	S/L	91.75	
456	PARTNER 14" PIPE SAW	3/22/07	992.50	124.06	99.25	769.19	S/L	99.25	
465	WHEELER HYDRAULIC PIPE CUTT	5/02/07	2,039.18	237.91	203.92	1,597.35	S/L	203.92	
479	MILLER WALK BEHIND CONCRETE	1/31/08	1,429.94	59.58	142.99	1,227.37	S/L	142.99	
480	TRASH PUMPS	2/22/08	1,025.00	34.17	102.50	886.33	S/L	102.50	
	132GENERAL EQUIPMENT		293,346.05	206,608.05	10,323.18	76,414.82		10,323.18	

Group: 133OFFICE FURN, FIXT, EQP

31	OFFICE FURN, FIXT, EQUIP 1987 A	1/01/87	39,152.56	39,152.56	0.00	0.00	S/L	0.00	
164	OFFICE FURN, FIXT, EQUIP 1988	1/01/88	28,141.74	28,141.74	0.00	0.00	S/L	0.00	
172	OFFICE FURN, FIXT, EQUIP 1989	1/01/89	1,724.51	1,724.51	0.00	0.00	S/L	0.00	
180	OFFICE FURN, FIXT, EQUIP 1990	1/01/90	750.01	750.01	0.00	0.00	S/L	0.00	
189	OFFICE FURN, FIXT, EQUIP 1991	1/01/91	5,932.42	5,932.42	0.00	0.00	S/L	0.00	
196	OFFICE FURN, FIXT, EQUIP 1992	1/01/92	4,256.26	4,256.26	0.00	0.00	S/L	0.00	
203	OFFICE FURN, FIXT, EQUIP 1993	1/01/93	966.94	966.94	0.00	0.00	S/L	0.00	
212	OFFICE FURN, FIXT, EQUIP 1994	1/01/94	2,149.08	2,149.08	0.00	0.00	S/L	0.00	
222	OFFICE FURN, FIXT, EQUIP 1995	1/01/95	18,993.36	18,993.36	0.00	0.00	S/L	0.00	
233	OFFICE FURN, FIXT, EQUIP 1996	1/01/96	6,124.83	6,124.83	0.00	0.00	S/L	0.00	
241	OFFICE FURN, FIXT, EQUIP 1997	1/01/97	8,483.06	8,483.06	0.00	0.00	S/L	0.00	
246	OFFICE EQUIP-CONTRACT ST-NEW	8/26/97	5,348.23	5,348.23	0.00	0.00	S/L	0.00	
262	1/2 SHARP FAX MACHINE (CORNE	8/31/98	349.50	349.50	0.00	0.00	S/L	0.00	
265	SOLLY OFFICE	8/31/98	302.05	297.06	4.99	302.05	S/L	4.99	
267	SOLLY OFFICE	8/31/98	1,013.40	996.51	16.89	1,013.40	S/L	16.89	
270	HAYS FURNITURE	10/31/98	137.45	131.77	5.68	137.45	S/L	5.68	
271	EMPLOYEE EXPENSES	11/30/98	94.87	90.94	3.93	94.87	S/L	3.93	
276	SOLLY OFFICE	12/31/98	246.00	233.70	12.30	246.00	S/L	12.30	
277	SOLLY OFFICE	12/31/98	395.65	375.91	19.74	395.65	S/L	19.74	
278	SOLLY OFFICE	12/31/98	403.30	383.14	20.16	403.30	S/L	20.16	
296	BILL BELLES	1/31/99	388.90	369.46	19.44	388.90	S/L	19.44	
314	FURN., FIX., EQUIP., 2000	1/01/00	431.00	456.50	26.63	456.50	S/L	26.63	
327	FURN. FIX. EQUIP.-2001	1/01/01	106.50	79.88	10.65	106.50	S/L	10.65	
346	OFC FURN, FIXT, EQUIP-2002	4/13/04	3,531.77	2,295.67	353.18	2,648.85	S/L	353.18	
392	A/R Collections Telephone System	8/25/04	1,449.50	616.04	144.95	760.99	S/L	144.95	
402	HON RIGHT PEDESTAL WOOD DE:	8/26/04	334.00	128.03	33.40	172.57	S/L	33.40	
403	GLOBE SIDE CHAIR-GRAY	8/26/04	40.00	15.33	4.00	19.33	S/L	4.00	
405	ULTIMAIL 60 MAIL MACHINE	10/25/04	1,650.00	1,210.00	330.00	1,540.00	S/L	330.00	
417	SECURITY CAMERA & RECORDER	3/15/05	443.70	295.80	88.74	384.54	S/L	88.74	
439	10 Ton Luxaire A/C Unit	9/30/07	1,741.00	362.71	174.10	536.81	S/L	174.10	
466	PANASONIC PHONE SYSTEM	5/30/07	22,474.30	1,685.57	2,247.43	3,933.00	S/L	2,247.43	
478	CREDENZA & CHAIR MATS	1/23/08	349.48	34.95	34.95	299.97	S/L	34.95	
481	OFFICE CHAIRS & TABLES	3/03/08	500.00	16.67	50.00	433.33	S/L	50.00	
482	HP LASERJET PRINTER	4/01/08	199.99	10.00	40.00	149.99	S/L	40.00	
484	2 OFFICE CHAIRS	5/01/08	54.89	0.92	5.50	48.57	S/L	5.50	
513	HON OFFICE DESK CHAIR	9/12/08	50.00	0.00	4.17	45.83	S/L	4.17	
	133OFFICE FURN, FIXT, EQP		159,777.35	133,968.54	3,714.28	137,062.82		3,714.28	

Group: 134TWO-WAY RADIO EQUIPMENT

364	Radies - 2003	3/10/03	10,603.56	10,603.56	0.00	0.00	S/L	0.00	
465	DATA CONNECTS FOR REMOTE SI	9/26/07	1,271.91	95.39	127.19	222.58	S/L	127.19	
	134TWO-WAY RADIO EQUIPMENT		11,875.47	10,698.95	127.19	1,049.33		127.19	

Group: 135COMPUTER EQUIPMENT

165	COMPUTER EQUIPMENT 1988 ANC	1/01/88	4,555.20	4,555.20	0.00	4,555.20	0.00	S/L	5.0	0.00	0.00	5.0
173	COMPUTER EQUIPMENT 1989	1/01/89	3,110.52	3,110.52	0.00	3,110.52	0.00	S/L	5.0	0.00	0.00	5.0
181	COMPUTER EQUIPMENT 1990	1/01/90	684.39	684.39	0.00	684.39	0.00	S/L	5.0	0.00	0.00	5.0
190	COMPUTER EQUIPMENT 1991	1/01/91	793.70	793.70	0.00	793.70	0.00	S/L	5.0	0.00	0.00	5.0
197	COMPUTER EQUIPMENT 1992	1/01/92	2,296.62	2,296.62	0.00	2,296.62	0.00	S/L	5.0	0.00	0.00	5.0
204	COMPUTER EQUIPMENT 1993	1/01/93	24,339.00	24,339.00	0.00	24,339.00	0.00	S/L	5.0	0.00	0.00	5.0
213	COMPUTER EQUIPMENT 1994	1/01/94	2,766.60	2,766.60	0.00	2,766.60	0.00	S/L	5.0	0.00	0.00	5.0
223	COMPUTER EQUIPMENT 1995	1/01/95	25,490.43	25,490.43	0.00	25,490.43	0.00	S/L	5.0	0.00	0.00	5.0
234	COMPUTER EQUIPMENT 1996	1/01/96	14,687.75	14,687.75	0.00	14,687.75	0.00	S/L	5.0	0.00	0.00	5.0
242	COMPUTER EQUIPMENT 1997	1/01/97	2,483.47	2,483.47	0.00	2,483.47	0.00	S/L	5.0	0.00	0.00	5.0
247	COMPUTER EQUIP-CONTRACT 58-	5/26/97	8,557.17	8,557.17	0.00	8,557.17	0.00	S/L	5.0	0.00	0.00	5.0
252	1/2 OKIDATA OL810 PRINTER	9/30/97	371.77	371.77	0.00	371.77	0.00	S/L	5.0	0.00	0.00	5.0
254	2300 S5 PORTABLE PC (GATEWAY; 11/30/97	11/30/97	2,093.00	2,093.00	0.00	2,093.00	0.00	S/L	5.0	0.00	0.00	5.0
265	1/2 LAPTOP GS-166SE (GATEWAY; 11/30/97	11/30/97	774.50	774.50	0.00	774.50	0.00	S/L	5.0	0.00	0.00	5.0
266	1/2 GATEWAY2000 G6-233 COMPT	2/28/98	1,510.50	1,510.50	0.00	1,510.50	0.00	S/L	5.0	0.00	0.00	5.0
263	1/2 AUTOCAD UPGRADE	3/31/98	177.16	177.16	0.00	177.16	0.00	S/L	5.0	0.00	0.00	5.0
264	PRINTER (WAL-MART-BUTCHWA	6/30/98	314.97	314.97	0.00	314.97	0.00	S/L	5.0	0.00	0.00	5.0
268	CORNERSTONE INFORMATION	10/31/98	6,423.75	6,423.75	0.00	6,423.75	0.00	S/L	5.0	0.00	0.00	5.0
272	WAL-MART #653	11/30/98	379.28	379.28	0.00	379.28	0.00	S/L	5.0	0.00	0.00	5.0
279	GATEWAY 2000	12/31/98	1,013.50	1,013.50	0.00	1,013.50	0.00	S/L	5.0	0.00	0.00	5.0
280	UNITED SYSTEMS & SOFTWARE	12/31/98	20,078.75	20,078.75	0.00	20,078.75	0.00	S/L	5.0	0.00	0.00	5.0
281	WAL-MART #653	12/31/98	366.97	366.97	0.00	366.97	0.00	S/L	5.0	0.00	0.00	5.0
282	1/2 1ST PAYMENT HARDWARE & S	12/31/98	20,078.75	20,078.75	0.00	20,078.75	0.00	S/L	5.0	0.00	0.00	5.0
295	GEOGRAPHICAL INFORMATION S)	1/01/99	42,016.79	33,263.30	3,501.40	36,764.70	5,252.09	S/L	12.0	3,501.40	3,501.40	5.0
297	VISA	1/31/99	317.99	317.99	0.00	317.99	0.00	S/L	5.0	0.00	0.00	5.0
318	VISA	8/31/00	1,287.00	1,287.00	0.00	1,287.00	0.00	S/L	5.0	0.00	0.00	5.0
319	CORNERSTONE INFORMATION	12/19/00	713.75	713.75	0.00	713.75	0.00	S/L	5.0	0.00	0.00	5.0
328	MAPSYNCGEOGRAPHICAL INFO E	1/01/01	26,588.11	16,617.60	2,215.86	18,833.28	7,754.83	S/L	12.0	2,215.86	2,215.86	5.0
332	CI THORNBURG	6/30/01	686.60	686.60	0.00	686.60	0.00	S/L	5.0	0.00	0.00	5.0
333	Dell Dimension 4300 Sr Computer	9/24/01	1,018.00	1,018.00	0.00	1,018.00	0.00	S/L	5.0	0.00	0.00	5.0
334	Cmx Wireless Modem & 4-29MA E	10/25/01	2,345.00	2,345.00	0.00	2,345.00	0.00	S/L	5.0	0.00	0.00	5.0
335	Dell Dimension 4300, Pent 4	10/26/01	978.00	978.00	0.00	978.00	0.00	S/L	5.0	0.00	0.00	5.0
336	Sony Digital Camera	10/29/01	348.67	348.67	0.00	348.67	0.00	S/L	5.0	0.00	0.00	5.0
347	Dell Dimension 4400 Series	1/17/02	701.50	701.50	0.00	701.50	0.00	S/L	5.0	0.00	0.00	5.0
359	Computer Equip - 2003	1/01/03	7,690.77	7,690.77	0.00	7,690.77	0.00	S/L	5.0	0.00	0.00	5.0
361	GIS-2003 Additions	1/01/03	5,470.19	5,470.19	0.00	5,470.19	0.00	S/L	5.0	0.00	0.00	5.0
360	Computer Equipment-Capital Lease	1/28/03	61,765.50	61,765.50	0.00	61,765.50	0.00	S/L	5.0	0.00	0.00	5.0
371	Ilha Receipt Printer-23646R5	8/21/03	287.00	277.43	9.57	287.00	0.00	S/L	5.0	9.57	9.57	5.0
372	Powervare Online Battery UPS	8/29/03	873.20	844.09	29.11	873.20	0.00	S/L	5.0	29.11	29.11	5.0
375	Autocad 2004 Upgrade Software	11/14/03	478.40	446.51	31.89	478.40	0.00	S/L	5.0	31.89	31.89	5.0
376	Arcrew Upgrade Software	1/01/04	369.50	344.87	24.63	369.50	0.00	S/L	5.0	24.63	24.63	5.0
384	GIS-2004 Additions	1/01/04	4,707.73	4,236.97	470.76	4,707.73	0.00	S/L	5.0	470.76	470.76	5.0
387	Gent 3860D Printer	2/10/04	942.50	832.54	109.96	942.50	0.00	S/L	5.0	109.96	109.96	5.0
389	Microsoft Office 2000 Software Licen	3/31/04	1,523.49	1,294.97	228.52	1,523.49	0.00	S/L	5.0	228.52	228.52	5.0
390	Autocad 2005 Software License	4/12/04	2,499.00	2,124.15	374.85	2,499.00	0.00	S/L	5.0	374.85	374.85	5.0
393	Okidata B4300N Printer - 62417904	4/20/04	287.50	239.58	47.92	287.50	0.00	S/L	5.0	47.92	47.92	5.0
394	Dell 4800 Pentium 4 Personal Compt	4/25/04	697.50	617.25	116.25	697.50	0.00	S/L	5.0	116.25	116.25	5.0
396	Dell 2200MP Powerpoint Projector	5/04/04	486.75	405.63	81.12	486.75	0.00	S/L	5.0	81.12	81.12	5.0
400	SONY TAPE DRIVE	7/16/04	281.81	220.75	56.36	277.11	4.70	S/L	5.0	56.36	56.36	5.0
401	US ROBOTICS FAX/MODEM	7/16/04	35.65	27.93	7.72	35.65	0.00	S/L	5.0	7.72	7.72	5.0
404	(2) DELL DIMENSION 2400 PCS	1/20/04	901.73	901.73	240.46	1,142.19	60.13	S/L	5.0	240.46	240.46	5.0
406	OKIDATA B4250 PRINTER	10/25/04	130.00	107.54	14.97	122.51	487.87	S/L	5.0	14.97	14.97	5.0
415	GIS Additions - 2005	1/01/05	4,878.79	3,415.16	975.76	4,878.79	0.00	S/L	5.0	975.76	975.76	5.0
416	(2) DELL DIMENSION 3000 PCS	2/15/05	1,087.50	743.13	217.50	960.63	126.87	S/L	5.0	217.50	217.50	5.0
423	Dell Dimension 3000 PC	4/15/05	452.50	256.42	90.50	346.92	105.58	S/L	5.0	90.50	90.50	5.0
426	Dell 670 GIS Workstation	10/17/05	2,143.62	1,143.26	428.72	1,571.98	571.64	S/L	5.0	428.72	428.72	5.0
427	(2) Dell Dimension 3000 PC's	10/17/05	906.30	483.36	181.26	664.62	241.68	S/L	5.0	181.26	181.26	5.0
433	GIS Additions - 2006	1/01/06	3,064.51	1,532.25	612.90	2,145.15	919.36	S/L	5.0	612.90	612.90	5.0
435	(2) Dell Optiplex 210L PC's	5/15/06	672.50	291.42	134.50	425.92	246.58	S/L	5.0	134.50	134.50	5.0
436	Dell Optiplex 210L PC	5/15/06	383.50	166.18	76.70	242.86	140.62	S/L	5.0	76.70	76.70	5.0
437	Dell Optiplex 210L PC	5/15/06	294.00	127.40	58.80	186.20	107.80	S/L	5.0	58.80	58.80	5.0
438	(5) Dell Optiplex GX620 PC's	5/15/06	2,256.43	977.79	451.29	1,429.08	827.35	S/L	5.0	451.29	451.29	5.0
440	Neptune Handheld Units	6/01/06	12,500.00	5,203.00	2,500.00	7,798.33	4,791.67	S/L	5.0	2,500.00	2,500.00	5.0
441	Neptune Cradles & Chargers	6/01/06	2,125.00	665.42	425.00	1,310.42	814.58	S/L	5.0	425.00	425.00	5.0
442	Neptune Software & Programming	6/01/06	1,280.00	597.50	258.00	785.50	494.50	S/L	5.0	258.00	258.00	5.0
444	DELL DIMENSION C521 PC	11/21/06	628.00	198.87	125.60	324.47	303.53	S/L	5.0	125.60	125.60	5.0

452	GIS ADDITIONS - 2007	1/01/07	5,824.16	1,747.25	1,164.83	2,912.08	2,912.08	2,912.08	S/L	5.0	1,164.83
454	TRIMBLE HANDHELD GPS	3/13/07	5,363.18	1,430.19	1,072.64	2,502.83	2,502.83	2,860.35	S/L	5.0	1,072.64
468	DELL OPTIPEX 320 PC	10/16/07	1,276.99	170.27	255.40	425.67	425.67	851.32	S/L	5.0	255.40
477	GIS ADDITIONS - 2008	1/01/08	13,883.26	1,388.33	2,776.65	4,164.98	4,164.98	9,718.28	S/L	5.0	2,776.65
483	DELL OPTI 330 PC	4/15/08	424.67	21.23	84.93	106.16	106.16	318.31	S/L	5.0	84.93
514	DELL LAPTOP-LATTITUDE D630	7/25/08	1,107.00	0.00	202.95	202.95	202.95	904.05	S/L	5.0	202.95
515	GIS ADDITIONS - 2009	1/01/09	22,975.04	0.00	2,297.50	2,297.50	2,297.50	20,677.54	S/L	5.0	2,297.50
516	AUTOCAD LEGACY 2010	5/26/09	1,757.63	0.00	29.29	29.29	29.29	1,728.34	S/L	5.0	29.29
517	2 DELL OPTIPEX 360 PCS	6/25/09	670.00	0.00	0.00	0.00	0.00	670.00	S/L	5.0	0.00
	133COMPUTER EQUIPMENT		396,042.55	310,161.32	21,981.89	332,143.21	332,143.21	63,899.34			21,981.89

HOPKINSVILLE DIV - WATER DEPRECIATION

\$ 138,313.03 \$ 325,454.37 \$ 421,377.88 \$ - \$ 160,217.32

\$ 1,045,362.58

HOPKINSVILLE WATER ENVIRONMENTAL AUTHORITY

APPENDIX D - ADJUSTED DEPRECIATION FOR FY 2010
 COST OF SERVICE COMPARISON WITH EXISTING AND PROPOSED REVENUES/RATES
 FOR TWELVE MONTH PERIOD ENDING JUNE 30, 2009

FYE: 6/30/2009

Asset	d t	Property Description	Date In Service	Book Cost	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period	Depreciation	
											2010 Value	Inc (Dec) from 2009
Group: 101LAND - WATER												
102		LAND - WATER	1/01/80	253,998.73	0.00	0.00	0.00	253,998.73	Memo	0.0		
226		LAND - WATER	1/01/96	165,000.00	0.00	0.00	0.00	165,000.00	Memo	0.0		
248		LAND-WATER-ALBERT W. SISK	6/30/97	65,245.50	0.00	0.00	0.00	65,245.50	Memo	0.0		
283		LAND-1999-WATER BOOST STATN-	1/01/99	6,500.00	0.00	0.00	0.00	6,500.00	Memo	0.0		
459		14TH & CLAY LOT	5/03/07	15,036.57	0.00	0.00	0.00	15,036.57	Land	0.0		
486		FARM LAND - INTAKE SITE	4/01/09	201,000.00	0.00	0.00	0.00	201,000.00	Land	0.0		
487		LAKE BARKLEY EASEMENTS	4/01/09	522,610.00	0.00	0.00	0.00	522,610.00	Land	0.0		
		101LAND - WATER		1,229,390.80	0.00	0.00	0.00	1,229,390.80				
Group: 102STRUCTURES - WATER												
3		STRUCTURE-1955 AND BEFORE	1/01/54	144,485.69	144,485.69	0.00	144,485.69	0.00	S/L	50.0		
6		STRUCTURE-1956	1/01/56	121,619.58	121,619.58	0.00	121,619.58	0.00	S/L	50.0		
19		STRUCTURE-1965	1/01/65	376,491.98	327,548.04	7,529.84	335,077.88	41,414.10	S/L	50.0		
21		STRUCTURE-1966	1/01/66	2,625.94	2,232.10	52.52	2,284.62	341.32	S/L	50.0		
26		STRUCTURE-1967	1/01/67	199,018.35	165,185.35	3,980.37	169,165.72	29,852.63	S/L	50.0		
32		STRUCTURE-1968	1/01/68	16,148.93	13,080.69	322.98	13,403.67	2,745.26	S/L	50.0		
38		STRUCTURE-1969	1/01/69	2,484.87	1,963.15	49.70	2,012.85	472.02	S/L	50.0		
43		STRUCTURE-1970	1/01/70	2,903.55	2,235.70	58.07	2,293.77	609.78	S/L	50.0		
49		STRUCTURE-1971	1/01/71	1,051.40	788.62	21.03	809.65	241.75	S/L	50.0		
54		STRUCTURE-1972	1/01/72	378.74	276.31	7.57	283.88	94.86	S/L	50.0		
60		STRUCTURE-1973	1/01/73	715.42	508.00	14.31	522.31	193.11	S/L	50.0		
66		STRUCTURE-1974	1/01/74	1,108.40	764.86	22.17	787.03	321.37	S/L	50.0		
81		STRUCTURE-1977	1/01/77	5,799.50	3,653.69	115.99	3,769.68	2,029.82	S/L	50.0		
96		STRUCTURE-1979	1/01/79	36,548.51	21,563.62	730.97	22,294.59	14,253.92	S/L	50.0		
103		STRUCTURE-1980	1/01/80	6,419.84	3,659.40	128.40	3,787.80	2,632.04	S/L	50.0		
112		STRUCTURE-1981	1/01/81	11,125.33	6,119.02	222.51	6,341.53	4,783.80	S/L	50.0		
119		STRUCTURE-1982	1/01/82	2,026.92	1,074.31	40.54	1,114.85	912.07	S/L	50.0		
126		STRUCTURE-1983	1/01/83	3,375.16	1,721.25	67.50	1,788.75	1,586.41	S/L	50.0		
132		STRUCTURE-1984	1/01/84	124,916.29	61,209.08	2,498.33	63,707.41	61,208.88	S/L	50.0		
138		STRUCTURE-1985	1/01/85	14,080.34	6,617.83	281.61	6,899.44	7,180.90	S/L	50.0		
145		STRUCTURE-1986	1/01/86	4,159.74	1,871.78	83.19	1,954.97	2,204.77	S/L	50.0		
152		STRUCTURE-1987	1/01/87	5,579.00	2,398.97	111.58	2,510.55	3,068.45	S/L	50.0		
249		STRUCTURE-1997	6/30/97	165,773.50	36,470.17	3,315.47	39,785.64	125,987.86	S/L	50.0		
269		NEW OFFICE COMPLEX	11/21/98	441,231.81	84,569.46	8,824.64	93,394.10	347,837.71	S/L	50.0		
284		1 MIL GAL TANK-COMMERCE PARK	1/01/99	355,544.00	67,553.36	7,110.88	74,664.24	280,879.76	S/L	50.0		
285		STRUCTURE-1999-H2O BOOST STA	1/01/99	263,875.00	50,136.25	5,277.50	55,413.75	208,461.25	S/L	50.0		
303		STRUCTURE-2000	1/01/00	26,980.30	4,316.87	539.61	4,856.48	22,123.82	S/L	50.0		
337		STRUCTURES-SIGNAGE-2002	1/01/02	480.00	156.00	24.00	180.00	300.00	S/L	20.0		
351		Distribution Shop-2003	7/01/02	3,124.59	374.94	62.49	437.43	2,687.16	S/L	50.0		
368		Structures-2003	6/18/03	10,668.00	1,066.80	213.36	1,280.16	9,387.84	S/L	50.0		
434		Reroof Lake Morris Cabin	2/14/06	1,445.00	174.60	72.25	246.85	1,198.15	S/L	20.0		
446		500 EAST NINTH STREET BUILDING	12/19/06	54,337.50	4,075.32	2,716.88	6,792.20	47,545.30	S/L	20.0		
453		DISTRIBUTION BUILDING ELECTRIC	2/28/07	1,224.93	81.67	61.25	142.92	1,082.01	S/L	20.0		
462		REMODELING OFFICE	7/31/07	45,388.12	2,080.29	2,269.41	4,349.70	41,038.42	S/L	20.0		
464		PAVE & SEAL PARKING LOT	9/03/07	12,806.49	533.60	640.32	1,173.92	11,632.57	S/L	20.0		
469		FENCE & STONE - 14TH STREET	11/15/07	14,543.91	484.80	727.20	1,212.00	13,331.91	S/L	20.0		
488		BLDG IMPROVEMENTS	10/31/08	2,607.84	0.00	86.93	86.93	2,520.91	S/L	20.0		
489		AMERICAN STD-10 TON UNIT	6/24/09	3,857.00	0.00	0.00	0.00	3,857.00	S/L	20.0		
		102STRUCTURES - WATER		2,486,951.47	1,142,651.17	48,281.37	1,190,932.54	1,296,018.93				
Group: 103ELEVATED TANKS - WATER												
33		ELEVATED TANKS-1968	1/01/68	213,531.92	172,960.92	4,270.64	177,231.56	36,300.36	S/L	50.0		
82		ELEVATED TANKS-1977	1/01/77	323.73	203.81	6.47	210.28	113.45	S/L	50.0		
88		ELEVATED TANKS-1978	1/01/78	861,999.71	525,819.70	17,239.99	543,059.69	318,940.02	S/L	50.0		
97		ELEVATED TANKS-1979	1/01/79	1,131,679.36	667,690.90	22,633.59	690,324.49	441,354.87	S/L	50.0		
104		ELEVATED TANKS-1980	1/01/80	145,009.78	82,655.70	2,900.20	85,555.90	59,453.88	S/L	50.0		
113		ELEVATED TANKS-1981	1/01/81	1,192.82	656.15	23.86	680.01	512.81	S/L	50.0		
120		ELEVATED TANKS-1982	1/01/82	7,749.68	4,107.24	154.99	4,262.23	3,487.45	S/L	50.0		
304		ELEVATED TANKS-2000	1/01/00	25,495.06	4,334.15	509.90	4,844.05	20,651.01	S/L	50.0		
338		ELEVATED TANKS - 2002	1/01/02	3,995.47	519.41	79.91	599.32	3,396.15	S/L	50.0		
388		Pressure Transmitter installed on tank	2/18/04	3,644.23	789.58	182.21	971.79	2,672.44	S/L	20.0		
418		RECONDITION SANDERSON DRIVE	4/01/05	12,800.00	2,080.00	640.00	2,720.00	10,080.00	S/L	20.0		
420		Clearwell Cleanout	5/27/05	2,300.00	709.17	230.00	939.17	1,360.83	S/L	10.0		
428		Aircraft Warning Lights	10/31/05	5,649.66	753.28	282.48	1,035.76	4,613.90	S/L	20.0		
485		REPAINT SANDERSON DRIVE TANK	5/20/08	531,489.24	2,214.54	26,574.46	28,789.00	502,700.24	S/L	20.0		
490		SCADA SYSTEM-SANDERSON DRI	7/02/08	7,975.00	0.00	398.75	398.75	7,576.25	S/L	20.0		
491		REPAINT INDUSTRIAL PARK TANK	1/20/09	499,990.06	0.00	10,416.46	10,416.46	489,573.60	S/L	20.0	\$	25,000
492		GAINSVILLE TANK STROBE LIGHT	4/17/09	6,669.92	0.00	55.58	55.58	6,614.34	S/L	20.0	\$	334
		103ELEVATED TANKS - WATER		3,461,495.64	1,465,494.55	86,599.49	1,552,094.04	1,909,401.60				14,861
Group: 104CONST PER INT - WATER												
89		CONSTRUCTION PERIOD INT-1978	1/01/78	36,939.46	22,533.09	738.79	23,271.88	13,667.58	S/L	50.0		
90		CONSTRUCTION PERIOD INT-1977	1/01/78	6,037.74	6,037.74	0.00	6,037.74	0.00	S/L	50.0		
		104CONST PER INT - WATER		42,977.20	28,570.83	738.79	29,309.62	13,667.58				
Group: 105TRANSMISSION MAINS												

325	HYDRANTS-2001	1/01/01	22,453.74	3,368.03	449.07	3,817.10	18,636.64	S/L	50.0				
342	HYDRANTS - 2002	1/01/02	25,239.02	3,281.07	504.78	3,785.85	21,453.17	S/L	50.0				
358	Hydrants - 2003	1/01/03	31,034.47	17,068.97	3,103.45	20,172.42	10,862.05	S/L	10.0				
362	Hydrants - 2004	1/01/04	19,044.29	1,714.00	380.89	2,094.89	16,949.40	S/L	50.0				
412	Hydrants - 2005	1/01/05	22,798.10	1,595.86	455.96	2,051.82	20,746.28	S/L	50.0				
432	Hydrants - 2006	1/01/06	13,679.76	684.00	273.60	957.60	12,722.16	S/L	50.0				
450	HYDRANTS - 2007	1/01/07	66,345.80	1,990.38	1,326.92	3,317.30	63,028.50	S/L	50.0				
475	HYDRANTS - 2008	1/01/08	53,018.44	530.18	1,060.37	1,590.55	51,427.89	S/L	50.0				
496	HYDRANTS - 2009	1/01/09	7,734.48	0.00	77.34	77.34	7,657.14	S/L	50.0	\$	155	\$	77
109HYDRANTS													77
											\$		77

Group: 110PURIFICATION STRUCTURE

11	PURIFICATION STRUCT-1959 AND I	1/01/59	57,340.39	57,340.39	0.00	57,340.39	0.00	S/L	50.0				
12	PURIFICATION STRUCT-1960	1/01/60	215,944.10	209,465.68	4,318.88	213,784.56	2,159.54	S/L	50.0	\$	2,160	\$	(2,159)
16	PURIFICATION STRUCT-1963	1/01/63	243,236.14	221,344.76	4,864.72	226,209.48	17,026.66	S/L	50.0				
30	PURIFICATION STRUCT-1967	1/01/67	160.30	133.21	3.21	136.42	23.88	S/L	50.0				
109	PURIFICATION STRUCT-1980	1/01/80	1,276,655.86	727,693.92	25,533.12	753,227.04	523,428.82	S/L	50.0				
143	PURIFICATION STRUCT-1985	1/01/85	4,993.05	2,346.71	99.86	2,446.57	2,546.48	S/L	50.0				
150	PURIFICATION STRUCT-1987	1/01/86	2,997.10	1,348.65	59.94	1,408.59	1,588.51	S/L	50.0				
162	PURIFICATION STRUCT-1988	1/01/88	1,440.00	590.40	28.80	619.20	820.80	S/L	50.0				
170	PURIFICATION STRUCT-1989	1/01/89	250.00	97.50	5.00	102.50	147.50	S/L	50.0				
187	PURIFICATION STRUCT-1991	1/01/91	2,393.50	837.73	47.87	885.60	1,507.90	S/L	50.0				
244	PURIFIC STRUCT-CONTRACT 57-NI	5/26/97	5,628,479.14	1,247,035.38	112,569.58	1,359,604.96	4,268,874.18	S/L	50.0				
292	PURIFIC STRUCT-CNTRCT 57 FINA	1/01/99	45,127.89	8,574.32	902.56	9,476.88	35,651.01	S/L	50.0				
293	TREES-WATER PLANT	1/01/99	1,280.00	243.20	25.60	268.80	1,011.20	S/L	50.0				
310	RAILROAD CROSSING	1/01/00	14,096.43	2,396.40	281.93	2,678.33	11,418.10	S/L	50.0				
425	Window Awnings	9/30/05	2,516.00	345.95	125.80	471.75	2,044.25	S/L	20.0				
457	METAL ROOF AT WTP	3/27/07	1,135.00	70.94	56.75	127.69	1,007.31	S/L	20.0				
110PURIFICATION STRUCTURE													(2,159)
											\$		(2,159)

Group: 111PURIFICATION EQUIPMENT

20	PURIFICATION EQUIP-1965 AND BE	1/01/65	261,271.27	261,271.27	0.00	261,271.27	0.00	S/L	30.0				
25	PURIFICATION EQUIP-1966	1/01/66	606.00	606.00	0.00	606.00	0.00	S/L	30.0				
37	PURIFICATION EQUIP-1968	1/01/68	20,239.82	20,239.82	0.00	20,239.82	0.00	S/L	25.0				
42	PURIFICATION EQUIP-1969	1/01/69	153.48	153.48	0.00	153.48	0.00	S/L	25.0				
59	PURIFICATION EQUIP-1972	1/01/72	955.71	955.71	0.00	955.71	0.00	S/L	25.0				
75	PURIFICATION EQUIP-1975	1/01/75	185.75	185.75	0.00	185.75	0.00	S/L	25.0				
80	PURIFICATION EQUIP-1976	1/01/76	687.05	687.05	0.00	687.05	0.00	S/L	25.0				
87	PURIFICATION EQUIP-1977	1/01/77	4,627.75	4,627.75	0.00	4,627.75	0.00	S/L	25.0				
95	PURIFICATION EQUIP-1978	1/01/78	725.37	725.37	0.00	725.37	0.00	S/L	25.0				
110	PURIFICATION EQUIP-1980	1/01/80	744,021.31	744,021.31	0.00	744,021.31	0.00	S/L	25.0				
118	PURIFICATION EQUIP-1981	1/01/81	16,445.09	16,445.09	0.00	16,445.09	0.00	S/L	25.0				
125	PURIFICATION EQUIP-1982	1/01/82	840.12	840.12	0.00	840.12	0.00	S/L	25.0				
131	PURIFICATION EQUIP-1983	1/01/83	1,706.42	1,706.42	0.00	1,706.42	0.00	S/L	25.0				
137	PURIFICATION EQUIP-1984	1/01/84	316,872.55	310,535.05	6,337.50	316,872.55	0.00	S/L	25.0	\$	-	\$	(6,338)
144	PURIFICATION EQUIP-1985	1/01/85	3,206.43	3,014.11	128.26	3,142.37	64.06	S/L	25.0	\$	64	\$	(64)
151	PURIFICATION EQUIP-1986	1/01/86	1,553.13	1,397.92	62.13	1,460.05	93.08	S/L	25.0				
157	PURIFICATION EQUIP-1987	1/01/87	20,287.70	17,447.46	811.51	18,258.97	2,028.73	S/L	25.0				
163	PURIFICATION EQUIP-1988	1/01/88	1,409.79	1,156.00	56.39	1,212.39	197.40	S/L	25.0				
171	PURIFICATION EQUIP-1989	1/01/89	6,508.03	5,076.24	260.32	5,336.56	1,171.47	S/L	25.0				
178	PURIFICATION EQUIP-1990	1/01/90	52,032.66	38,504.23	2,081.31	40,585.54	11,447.12	S/L	25.0				
188	PURIFICATION EQUIP-1991	1/01/91	12,285.80	8,600.03	491.43	9,091.46	3,194.34	S/L	25.0				
195	PURIFICATION EQUIP-1992	1/01/92	8,488.47	5,602.41	339.54	5,941.95	2,546.52	S/L	25.0				
202	PURIFICATION EQUIP-1993	1/01/93	10,671.67	6,616.48	426.87	7,043.35	3,628.32	S/L	25.0				
245	PURIFIC EQUIP-CONTRACT 57-NEV	5/26/97	2,914,786.33	1,614,486.69	145,739.32	1,760,226.01	1,154,560.32	S/L	20.0				
383	Purification Equipment - 2004	1/01/04	47,338.00	10,651.05	2,366.90	13,017.95	34,320.05	S/L	20.0				
413	Purification Equipment	1/01/05	108,047.26	18,908.26	5,402.36	24,310.62	83,736.64	S/L	20.0				
451	PURIFICATION EQUIPMENT - 2007	1/01/07	7,832.50	587.44	391.63	979.07	6,853.43	S/L	20.0				
467	TOOLS	10/1/07	583.82	43.79	58.38	102.17	481.65	S/L	10.0				
470	REPLACE BOILER BURNERS	11/20/07	2,100.00	61.25	105.00	166.25	1,933.75	S/L	20.0				
471	BURNSTEAD 460 INCUBATOR	11/29/07	4,268.00	248.97	426.80	675.77	3,592.23	S/L	10.0				
476	PURIFICATION EQUIPMENT - 2008	1/01/08	7,322.00	183.05	366.10	549.15	6,772.85	S/L	20.0				
497	WATER PLANT PUMP	9/30/08	5,000.00	0.00	375.00	375.00	4,625.00	S/L	10.0				
498	WTP SCADA PROCESSOR	1/07/09	4,051.00	0.00	202.55	202.55	3,848.45	S/L	10.0				
499	AUTO TRANSFORMER	3/31/09	6,129.67	0.00	153.24	153.24	5,976.43	S/L	10.0				
500	CHLORINE ROOM HEATER	3/31/09	2,479.74	0.00	61.99	61.99	2,417.75	S/L	10.0				
501	5 SAMPLING FAUCETS	4/30/09	2,568.35	0.00	42.81	42.81	2,525.54	S/L	10.0				
111PURIFICATION EQUIPMENT													(6,402)
											\$		(6,402)

Group: 112CAST IRON PIPE LINES

17	CAST IRON PIPELINES-1963 AND B	1/01/64	5,833.77	5,833.77	0.00	5,833.77	0.00	S/L	50.0				
18	CAST IRON PIPELINES-1964	1/01/64	38,601.82	34,355.78	772.04	35,127.82	3,474.00	S/L	50.0				
112CAST IRON PIPE LINES													

Group: 113ELECTRIC PUMPING EQUIP

48	ELEC PUMP EQUIP 1989 AND BEFC	1/01/70	135,636.30	135,636.30	0.00	135,636.30	0.00	S/L	20.0				
179	ELEC PUMP EQUIP 1990	1/01/90	242.19	224.03	12.11	236.14	6.05	S/L	20.0	\$	6	\$	(6)
209	ELEC PUMP EQUIP 1994	1/01/94	1,566.42	1,135.64	78.32	1,213.96	352.46	S/L	20.0				
260	ELEC PUMP EQUIP 41A LINE EXTEI	1/01/98	42,200.00	22,155.00	2,110.00	24,265.00	17,935.00	S/L	20.0				
294	ELEC/PUMP EQUIP-1999-BOOST S1	1/01/99	215,733.00	102,473.18	10,786.65	113,259.83	102,473.17	S/L	20.0				
343	ELEC/PUMP EQUIP - 2002	1/01/02	2,515.00	817.38	125.75	943.13	1,571.87	S/L	20.0				
369	Smart Transmitter & Suppressor	7/08/03	2,495.00	623.75	124.75	748.50	1,746.50	S/L	20.0				
414	Electric Pumping Equipment	1/01/05	2,500.00	437.50	125.00	562.50	1,937.50	S/L	20.0				
461	UPGRADE JOCKEY PUMP & DRIVE	6/27/07	10,260.00	513.00	513.00	1,026.00	9,234.00	S/L	20.0				
113ELECTRIC PUMPING EQUIP													(6)
											\$		(6)

Group: 114AUXILIARY POWER UNITS

111	AUXILLIARY POWER UNITS	1/01/80	128,790.41	128,790.41	0.00	128,790.41	0.00	S/L	10.0				
114AUXILIARY POWER UNITS													

Group: 115QUARRY

458	WHEELER HYDRAULIC PIPE CUTTI	5/02/07	2,039.18	237.91	203.92	441.83	1,597.35	S/L	10.0
479	MILLER WALK BEHIND CONCRETE	1/31/08	1,429.94	59.58	142.99	202.57	1,227.37	S/L	10.0
480	TRASH PUMPS	2/22/08	1,025.00	34.17	102.50	136.67	888.33	S/L	10.0
132GENERAL EQUIPMENT			293,346.05	206,608.05	10,323.18	216,931.23	76,414.82		10.0
									\$ (519)

Group: 133OFFICE FURN, FIXT, EQP

31	OFFICE FURN, FIXT, EQUIP 1987 AI	1/01/67	39,152.56	39,152.56	0.00	39,152.56	0.00	S/L	10.0
164	OFFICE FURN, FIXT, EQUIP 1988	1/01/88	28,141.74	28,141.74	0.00	28,141.74	0.00	S/L	10.0
172	OFFICE FURN, FIXT, EQUIP 1989	1/01/89	1,724.51	1,724.51	0.00	1,724.51	0.00	S/L	10.0
180	OFFICE FURN, FIXT, EQUIP 1990	1/01/90	750.01	750.01	0.00	750.01	0.00	S/L	10.0
189	OFFICE FURN, FIXT, EQUIP 1991	1/01/91	5,932.42	5,932.42	0.00	5,932.42	0.00	S/L	10.0
196	OFFICE FURN, FIXT, EQUIP 1992	1/01/92	4,256.26	4,256.26	0.00	4,256.26	0.00	S/L	10.0
203	OFFICE FURN, FIXT, EQUIP 1993	1/01/93	966.94	966.94	0.00	966.94	0.00	S/L	10.0
212	OFFICE FURN, FIXT, EQUIP 1994	1/01/94	2,149.08	2,149.08	0.00	2,149.08	0.00	S/L	10.0
222	OFFICE FURN, FIXT, EQUIP 1995	1/01/95	18,993.36	18,993.36	0.00	18,993.36	0.00	S/L	10.0
233	OFFICE FURN, FIXT, EQUIP 1996	1/01/96	6,124.83	6,124.83	0.00	6,124.83	0.00	S/L	10.0
241	OFFICE FURN, FIXT, EQUIP 1997	1/01/97	8,483.06	8,483.06	0.00	8,483.06	0.00	S/L	10.0
246	OFFICE EQUIP-CONTRACT 57-NEW	5/26/97	5,348.23	5,348.23	0.00	5,348.23	0.00	S/L	10.0
262	1/2 SHARP FAX MACHINE (CORNE	3/31/98	349.50	349.50	0.00	349.50	0.00	S/L	10.0
265	SOLLY OFFICE	8/31/98	302.05	297.06	4.99	302.05	0.00	S/L	10.0
266	SOLLY OFFICE	8/31/98	1,013.40	996.51	16.89	1,013.40	0.00	S/L	10.0
267	SOLLY OFFICE	10/31/98	610.50	590.15	20.35	610.50	0.00	S/L	10.0
270	HAYS FURNITURE	11/30/98	137.45	131.77	5.68	137.45	0.00	S/L	10.0
271	EMPLOYEE EXPENSES	11/30/98	94.87	90.94	3.93	94.87	0.00	S/L	10.0
275	SOLLY OFFICE	12/31/98	246.00	233.70	12.30	246.00	0.00	S/L	10.0
276	SOLLY OFFICE	12/31/98	395.65	375.91	19.74	395.65	0.00	S/L	10.0
277	SOLLY OFFICE	12/31/98	403.30	383.14	20.16	403.30	0.00	S/L	10.0
278	SOLLY OFFICE	12/31/98	388.90	369.46	19.44	388.90	0.00	S/L	10.0
296	BILL BELILES	1/31/99	456.50	429.87	26.63	456.50	0.00	S/L	10.0
314	FURN, FIX, EQUIP., 2000	1/01/00	431.00	366.35	43.10	409.45	21.55	S/L	10.0
327	FURN, FIX, EQUIP.-2001	1/01/01	106.50	79.88	10.65	90.53	15.97	S/L	10.0
346	OFC FURN, FIXT, EQUIP-2002	1/01/02	3,531.77	2,295.67	353.18	2,648.85	882.92	S/L	10.0
392	AVR Collections Telephone System	4/13/04	1,449.50	616.04	144.95	760.99	688.51	S/L	10.0
402	HON RIGHT PEDESTAL WOOD DES	8/25/04	334.00	128.03	33.40	161.43	172.57	S/L	10.0
403	GLOBE SIDE CHAIR-GRAY	8/26/04	40.00	15.33	4.00	19.33	20.67	S/L	10.0
405	ULTIMAIL 60 MAIL MACHINE	10/25/04	1,650.00	1,210.00	330.00	1,540.00	110.00	S/L	5.0
417	SECURITY CAMERA & RECORDER	3/15/05	443.70	295.80	88.74	384.54	59.16	S/L	5.0
439	10 Ton Luxaire A/C Unit	5/31/06	1,741.00	362.71	174.10	536.81	1,204.19	S/L	10.0
466	PANASONIC PHONE SYSTEM	9/30/07	22,474.30	1,685.57	2,247.43	3,933.00	18,541.30	S/L	10.0
478	CREDENZA & CHAIR MATS	1/23/08	349.48	14.56	34.95	49.51	299.97	S/L	10.0
481	OFFICE CHAIRS & TABLES	3/03/08	500.00	16.67	50.00	66.67	433.33	S/L	10.0
482	HP LASERJET PRINTER	4/01/08	199.99	10.00	40.00	50.00	149.99	S/L	5.0
484	2 OFFICE CHAIRS	5/01/08	54.99	0.92	5.50	6.42	48.57	S/L	10.0
513	HON OFFICE DESK CHAIR	9/12/08	50.00	0.00	4.17	4.17	45.83	S/L	10.0
133OFFICE FURN, FIXT, EQP			159,777.35	133,368.54	3,714.28	137,082.82	22,694.53		10.0
									\$ (422)

Group: 134TWO-WAY RADIO EQUIPMNT

364	Radios - 2003	3/10/03	10,603.56	10,603.56	0.00	10,603.56	0.00	S/L	5.0
465	DATA CONNECTS FOR REMOTE SI	9/26/07	1,271.91	95.39	127.19	222.58	1,049.33	S/L	10.0
134TWO-WAY RADIO EQUIPMNT			11,875.47	10,698.95	127.19	10,826.14	1,049.33		10.0

Group: 135COMPUTER EQUIPMENT

165	COMPUTER EQUIPMENT 1988 AND	1/01/88	4,555.20	4,555.20	0.00	4,555.20	0.00	S/L	5.0
173	COMPUTER EQUIPMENT 1989	1/01/89	3,110.52	3,110.52	0.00	3,110.52	0.00	S/L	5.0
181	COMPUTER EQUIPMENT 1990	1/01/90	684.39	684.39	0.00	684.39	0.00	S/L	5.0
190	COMPUTER EQUIPMENT 1991	1/01/91	793.70	793.70	0.00	793.70	0.00	S/L	5.0
197	COMPUTER EQUIPMENT 1992	1/01/92	2,296.62	2,296.62	0.00	2,296.62	0.00	S/L	5.0
204	COMPUTER EQUIPMENT 1993	1/01/93	24,339.00	24,339.00	0.00	24,339.00	0.00	S/L	5.0
213	COMPUTER EQUIPMENT 1994	1/01/94	2,766.60	2,766.60	0.00	2,766.60	0.00	S/L	5.0
223	COMPUTER EQUIPMENT 1995	1/01/95	25,490.43	25,490.43	0.00	25,490.43	0.00	S/L	5.0
234	COMPUTER EQUIPMENT 1996	1/01/96	14,687.75	14,687.75	0.00	14,687.75	0.00	S/L	5.0
242	COMPUTER EQUIPMENT 1997	1/01/97	2,483.47	2,483.47	0.00	2,483.47	0.00	S/L	5.0
247	COMPUTER EQUIP-CONTRACT 56-	5/26/97	8,557.17	8,557.17	0.00	8,557.17	0.00	S/L	5.0
252	1/2 OKIDATA OL810 PRINTER	9/30/97	371.77	371.77	0.00	371.77	0.00	S/L	5.0
254	2300 S5 PORTABLE PC (GATEWAY)	11/30/97	2,093.00	2,093.00	0.00	2,093.00	0.00	S/L	5.0
255	1/2 LAPTOP G5-166SE (GATEWAY2)	11/30/97	774.50	774.50	0.00	774.50	0.00	S/L	5.0
261	1/2 GATEWAY2000 G6-233 COMPTF	2/28/98	1,510.50	1,510.50	0.00	1,510.50	0.00	S/L	5.0
263	1/2 AUTOCAD UPGRADE	3/31/98	177.16	177.16	0.00	177.16	0.00	S/L	5.0
264	PRINTER (WAL-MART)-BUTCHWA1	6/30/98	314.97	314.97	0.00	314.97	0.00	S/L	5.0
268	CORNERSTONE INFORMATION	10/31/98	6,423.75	6,423.75	0.00	6,423.75	0.00	S/L	5.0
272	WAL-MART #653	11/30/98	379.28	379.28	0.00	379.28	0.00	S/L	5.0
279	GATEWAY 2000	12/31/98	1,013.50	1,013.50	0.00	1,013.50	0.00	S/L	5.0
280	UNITED SYSTEMS & SOFTWARE	12/31/98	20,078.75	20,078.75	0.00	20,078.75	0.00	S/L	5.0
281	WAL-MART #653	12/31/98	366.97	366.97	0.00	366.97	0.00	S/L	5.0
282	1/2 1ST PAYMENT HARDWARE & S	12/31/98	20,078.75	20,078.75	0.00	20,078.75	0.00	S/L	5.0
295	GEOGRAPHICAL INFORMATION SY	1/01/99	42,016.79	33,263.30	3,501.40	36,764.70	5,252.09	S/L	12.0
297	VISA	1/31/99	317.99	317.99	0.00	317.99	0.00	S/L	5.0
318	VISA	8/31/00	1,287.00	1,287.00	0.00	1,287.00	0.00	S/L	5.0
319	CORNERSTONE INFORMATION	12/19/00	713.75	713.75	0.00	713.75	0.00	S/L	5.0
328	MAPSYNC GEOGRAPHICAL INFO S	1/01/01	26,588.11	16,617.60	2,215.68	18,833.28	7,754.83	S/L	12.0
332	C I THORNBURG	6/30/01	686.60	686.60	0.00	686.60	0.00	S/L	5.0
333	Dell Dimension 4300 Sr Computer	9/24/01	1,018.00	1,018.00	0.00	1,018.00	0.00	S/L	5.0
334	Omnex Wireless Modem & 4-29MA E	10/25/01	2,345.00	2,345.00	0.00	2,345.00	0.00	S/L	5.0
335	Dell Dimension 4300, Pent 4	10/25/01	978.00	978.00	0.00	978.00	0.00	S/L	5.0
336	Sony Digital Camera	10/29/01	348.67	348.67	0.00	348.67	0.00	S/L	5.0
347	Dell Dimension 4400 Series	1/17/02	701.50	701.50	0.00	701.50	0.00	S/L	5.0
359	Computer Equip - 2003	1/01/03	7,690.77	7,690.77	0.00	7,690.77	0.00	S/L	5.0
360	GIS-2003 Additions	1/01/03	5,470.19	5,470.19	0.00	5,470.19	0.00	S/L	5.0
361	Computer Equipment-Capital Lease	1/28/03	61,765.50	61,765.50	0.00	61,765.50	0.00	S/L	5.0
371	ltha Receipt Printer-2364685	8/21/03	287.00	277.43	9.57	287.00	0.00	S/L	5.0
372	Powerware Online Battery UPS	8/29/03	873.20	844.09	29.11	873.20	0.00	S/L	5.0
375	Autocad 2004 Upgrade Software	10/27/03	478.40	446.51	31.89	478.40	0.00	S/L	5.0
376	Arcview Upgrade Software	11/14/03	369.50	344.87	24.63	369.50	0.00	S/L	5.0
384	GIS-2004 Additions	1/01/04	4,707.73	4,236.97	470.76	4,707.73	0.00	S/L	5.0
									\$ (471)

387	Genl 3860D Printer	2/10/04	942.50	832.54	109.96	942.50	0.00	S/L	5.0	\$	-	\$	(110)
389	Microsoft Office 2000 Software Licens	3/31/04	1,523.49	1,294.97	228.52	1,523.49	0.00	S/L	5.0	\$	-	\$	(229)
390	Autocad 2005 Software License	4/12/04	2,499.00	2,124.15	374.85	2,499.00	0.00	S/L	5.0	\$	-	\$	(375)
393	Okidata B4300N Printer - 62417904	4/20/04	287.50	239.58	47.92	287.50	0.00	S/L	5.0	\$	-	\$	(48)
394	Dell 4600 Pentium 4 Personal Compu	4/25/04	697.50	581.25	116.25	697.50	0.00	S/L	5.0	\$	-	\$	(116)
396	Dell 2200MP Powerpoint Projector	5/04/04	486.75	405.63	81.12	486.75	0.00	S/L	5.0	\$	-	\$	(81)
400	SONY TAPE DRIVE	7/16/04	281.81	220.75	56.36	277.11	4.70	S/L	5.0	\$	-	5 \$	(52)
401	US ROBOTICS FAX/MODEM	7/16/04	35.65	27.93	7.72	35.65	0.00	S/L	5.0	\$	-	\$	(8)
404	(2) DELL DIMENSION 2400 PC'S	9/16/04	1,202.32	901.73	240.46	1,142.19	60.13	S/L	5.0	\$	60 \$		(180)
406	OKIDATA B4250 PRINTER	10/25/04	130.00	107.54	14.97	122.51	7.49	200DB	5.0	\$	7 \$		(7)
415	GIS Additions - 2005	1/01/05	4,878.79	3,415.16	975.76	4,390.92	487.87	S/L	5.0	\$	488 \$		(488)
416	(2) DELL DIMENSION 3000 PC'S	2/15/05	1,087.50	743.13	217.50	960.63	126.87	S/L	5.0	\$	127 \$		(91)
423	Dell Dimension 3000 PC	9/15/05	452.50	256.42	90.50	346.92	105.58	S/L	5.0				
426	Dell 670 GIS Workstation	10/17/05	2,143.62	1,143.26	428.72	1,571.98	571.64	S/L	5.0				
427	(2) Dell Dimension 3000 PC's	10/17/05	906.30	483.36	181.26	664.62	241.68	S/L	5.0				
433	GIS Additions - 2006	1/01/06	3,064.51	1,532.25	612.90	2,145.15	919.36	S/L	5.0				
435	(2) Dell Optiplex 210L PC's	5/15/06	672.50	291.42	134.50	425.92	246.58	S/L	5.0				
436	Dell Optiplex 210L PC	5/15/06	383.50	166.18	76.70	242.88	140.62	S/L	5.0				
437	Dell Optiplex 210L PC	5/15/06	294.00	127.40	58.80	186.20	107.80	S/L	5.0				
438	(5) Dell Optiplex GX620 PC's	5/15/06	2,256.43	977.79	451.29	1,429.08	827.35	S/L	5.0				
440	Neptune Handheld Units	6/01/06	12,500.00	5,208.33	2,500.00	7,708.33	4,791.67	S/L	5.0				
441	Neptune Cradles & Chargers	6/01/06	2,125.00	885.42	425.00	1,310.42	814.58	S/L	5.0				
442	Neptune Software & Programming	6/01/06	1,290.00	537.50	258.00	795.50	494.50	S/L	5.0				
444	DELL DIMENSION C521 PC	11/21/06	628.00	198.87	125.60	324.47	303.53	S/L	5.0				
452	GIS ADDITIONS - 2007	1/01/07	5,824.16	1,747.25	1,164.83	2,912.08	2,912.08	S/L	5.0				
454	TRIMBLE HANDHELD GPS	3/13/07	5,363.18	1,430.19	1,072.64	2,502.83	2,860.35	S/L	5.0				
468	DELL OPTIPLEX 320 PC	10/16/07	1,276.99	170.27	255.40	425.67	851.32	S/L	5.0				
477	GIS ADDITIONS - 2008	1/01/08	13,883.26	1,388.33	2,776.65	4,164.98	9,718.28	S/L	5.0				
483	DELL OPTI 330 PC	4/15/08	424.67	21.23	84.93	106.16	318.51	S/L	5.0				
514	DELL LAPTOP-LATITUDE D630	7/25/08	1,107.00	0.00	202.95	202.95	904.05	S/L	5.0	\$	221 \$		18
515	GIS ADDITIONS - 2009	1/01/09	22,975.04	0.00	2,297.50	2,297.50	20,677.54	S/L	5.0	\$	4,595 \$		2,298
516	AUTOCAD LEGACY 2010	5/26/09	1,757.63	0.00	29.29	29.29	1,728.34	S/L	5.0	\$	352 \$		322
517	2 DELL OPTIPLEX 360 PCS	6/25/09	670.00	0.00	0.00	0.00	670.00	S/L	5.0	\$	134 \$		134
135COMPUTER EQUIPMENT			396,042.55	310,161.32	21,981.89	332,143.21	63,899.34						422

HOPKINSVILLE DIV - WATER DEPRECIATION

1,045,363

HOPKINSVILLE WATER ENVIRONMENTAL AUTHORITY

APPENDIX E - SCHEDULE A
 COST OF SERVICE COMPARISON WITH EXISTING AND PROPOSED REVENUES/RATES
 FOR TWELVE MONTH PERIOD ENDING JUNE 30, 2009

Customer Classification (1)	Test Year		Adjusted Test Year		Existing Revenues		Proposed Revenues	
	Cost of Service Amount (Sch. B) (2)	Percent (3)	Cost of Service Amount (Sch. B) (4)	Percent (5)	Amount (6)	Percent (7)	Amount (8)	Percent (9)
Retail (Hopkinsville Div)	\$ 6,008,260	79.4%	\$ 6,226,591	79.4%	\$ 3,680,390	77.4%	\$ 5,042,134	37.0%
Residential					\$ 2,085,243			
Commercial					\$ 992,358			
Industrial					\$ 361,228			
Governmental					\$ 241,561			
Misc Revenue	\$ -	0.0%	\$ -	0.0%	\$ 185,144	3.9%	\$ 185,144	0.0%
Water Penalties					\$ 80,020			
Water Service Fees					\$ 8,501			
Water Allowances/Adjustments					\$ (26,543)			
Cash Overage					\$ (519)			
Bad Accounts Recovered					\$ 7,752			
Interest Income					\$ 13,898			
Water Service Fees					\$ 44,282			
Water Connection Fees					\$ 43,436			
Discounts on Supplies - Water					\$ 1,795			
Misc Income					\$ 12,522			
Wholesale	\$ 1,444,733	19.1%	\$ 1,511,045	19.3%	\$ 792,577	16.7%	\$ 1,505,896	90.0%
Fire Service	\$ 109,509	1.4%	\$ 108,810	1.4%	\$ 94,283	2.0%	\$ 129,168	37.0%
TOTALS	\$ 7,562,502	100%	\$ 7,846,446	100%	\$ 4,752,394	100.0%	\$ 6,733,175	

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY

APPENDIX E - SCHEDULE B
 COST OF SERVICE BY CUSTOMER CLASSIFICATION
 FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2009

<u>Account/Cost Function</u> (1)	<u>Ref</u> <u>Item</u> (2)	<u>Allocated</u> <u>Expenses</u> <u>(Sch C)</u> (3)	<u>Retail</u> (4)	<u>Wholesale</u> (5)	<u>Fire Protection</u> (6)
OPERATIONS AND MAINTENANCE EXPENSE					
SOURCE OF SUPPLY					
- Base	B1	\$ 333,958	\$ 256,547	\$ 77,411	-
- Extra Capacity - Max Day	B2	\$ 121,419	\$ 95,787	\$ 25,632	-
TOTAL SOURCE OF SUPPLY		\$ 455,377	\$ 352,334	\$ 103,043	\$ -
WATER TREATMENT					
- Base	B1	\$ 714,715	\$ 549,044	\$ 165,671	-
- Extra Capacity - Max Day	B2	\$ 264,347	\$ 208,543	\$ 55,804	-
TOTAL WATER TREATMENT		\$ 979,062	\$ 757,587	\$ 221,475	\$ -
TRANSMISSION & DISTRIBUTION					
- Base	B6	\$ 229,838	\$ 179,067	\$ 50,771	-
- Extra Capacity - Max Day	B7	\$ 86,235	\$ 68,885	\$ 17,350	-
- Extra Capacity - Max Hour	B7	\$ 10,231	\$ 8,173	\$ 2,058	-
- Customer Costs	B4	\$ 62,197	\$ 62,197	\$ -	-
- Fire Service	B5	\$ 40,712	\$ -	\$ -	\$ 40,712
TOTAL TRANSMISSION & DISTRIBUTION		\$ 429,213	\$ 318,321	\$ 70,180	\$ 40,712

SCHEDULE B

<u>Account/Cost Function</u> (1)	<u>Ref Item</u> (2)	<u>Expenses (Sch C)</u> (3)	<u>Retail</u> (4)	<u>Wholesale</u> (5)	<u>Fire Protection</u> (6)
WATER TECHNICAL SERVICES					
- Base	B1	\$ 70,906	\$ 54,470	\$ 16,436	
- Extra Capacity - Max Day	B2	\$ 26,181	\$ 20,654	\$ 5,527	\$ -
- Extra Capacity - Max Hour	B3	\$ 568	\$ 432	\$ 136	\$ -
- Customer Costs	B4	\$ 3,452	\$ 3,452	\$ -	\$ -
- Fire Service	B5	\$ 2,253	\$ -	\$ -	\$ 2,253
TOTAL MAINTENANCE		\$ 103,360	\$ 79,008	\$ 22,099	\$ 2,253
ADMINISTRATIVE & GENERAL					
- Base	B1	\$ 315,493	\$ 242,362	\$ 73,131	
- Extra Capacity - Max Day	B2	\$ 117,304	\$ 92,541	\$ 24,763	\$ -
- Extra Capacity - Max Hour	B3	\$ 5,629	\$ 4,278	\$ 1,351	\$ -
- Customer Costs	B4	\$ 825,846	\$ 825,846	\$ -	\$ -
- Fire Service	B5	\$ 21,553	\$ -	\$ -	\$ 21,553
TOTAL ADMINISTRATIVE		\$ 1,285,825	\$ 1,165,027	\$ 99,245	\$ 21,553
OPERATION & MAINTENANCE EXPENSE TOTAL		\$ 3,252,837	\$ 2,672,277	\$ 516,042	\$ 64,518
AMORTIZATION & DEBT SERVICE EXPENSE					
- Base	B1	\$ 2,384,560	\$ 1,831,819	\$ 552,741	
- Extra Capacity - Max Day	B2	\$ 881,960	\$ 695,778	\$ 186,182	\$ -
AMORT & DEBT SERVICE EXPENSE		\$ 3,266,520	\$ 2,527,597	\$ 738,923	\$ -

SCHEDULE B

<u>Account/Cost Function</u> (1)	<u>Ref Item</u> (2)	<u>Expenses (Sch C)</u> (3)	<u>Retail</u> (4)	<u>Wholesale</u> (5)	<u>Fire Protection</u> (6)
DEPRECIATION EXPENSE					
- Base	B1	\$ 602,317	\$ 462,700	\$ 139,617	
- Extra Capacity - Max Day	B2	\$ 224,186	\$ 176,860	\$ 47,326	\$ -
- Extra Capacity - Max Hour	B3	\$ 11,774	\$ 8,948	\$ 2,826	\$ -
- Customer Costs	B4	\$ 159,877	\$ 159,877	\$ -	\$ -
- Fire Service	B5	\$ 44,991	\$ -	\$ -	\$ 44,991
		\$ 1,043,145	\$ 808,385	\$ 189,769	\$ 44,991
DEPRECIATION EXPENSE TOTAL					
		\$ 7,562,502	\$ 6,008,260	\$ 1,444,733	\$ 109,509
TOTAL TEST-YEAR COST OF SERVICE					
ADJUSTMENTS TO TEST-YEAR (FROM SCH C)					
- Base	B1	214,148	\$ 164,508	\$ 49,640	
- Extra Capacity - Max Day	B2	79,186	\$ 62,470	\$ 16,716	\$ -
- Extra Capacity - Max Hour	B3	(182)	\$ (138)	\$ (44)	\$ -
- Customer Costs	B4	(8,509)	\$ (8,509)	\$ -	\$ -
- Fire Service	B5	(699)	\$ -	\$ -	\$ (699)
		283,944	218,331	66,312	(699)
ADJUSTMENTS TOTAL					
TOTAL ADJUSTED TEST-YEAR COST-OF-SERVICE		\$ 7,846,446	\$ 6,226,591	\$ 1,511,045	\$ 108,810

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY

SCHEDULE B - SUPPORT INFORMATION
METHODS FOR ALLOCATING COSTS BY FUNCTION TO CUSTOMER CLASSIFICATIONS

ITEM B1 - Allocation of Base Costs

Allocation factors are based on the test year average daily water sales demand for each customer classification after adjusting unaccounted for water to 15%. See Table B-1 and B-2

<u>Customer Classification</u> (1)	<u>Average Annual Demand</u> <u>(1000 GAL)</u> (2)	<u>Average Daily Demand</u> <u>(GPD)</u> (3)	<u>Allocation Factor</u> (4)
Retail	1,425,825	3,906,370	0.7682
Wholesale	430,199	<u>1,178,627</u>	<u>0.2318</u>
Totals		<u>5,084,997</u>	<u>1.00</u>

ITEM B2 - Allocation of Maximum Day Extra Capacity Costs

Allocation factors are based on the test year maximum day water sales demand for each customer classification after adjusting unaccounted for water to 15%.

<u>Customer Classification</u> (1)	<u>Maximum Daily Demand</u> <u>(GPD)</u> (2)	<u>Allocation Factor</u> (3)
Retail	5,519,000	0.7889
Wholesale	1,477,000	<u>0.2111</u>
Totals		<u>1.00</u>

SCHEDULE B
ALLOCATION DETAILS

ITEM B3 - Allocation of Maximum Hour Extra Capacity Costs

Allocation factors are based on the maximum production capacity and wholesale contractual maximum.

<u>Customer Classification</u> (1)	Max Daily Values (GPD) (2)	Max Demand Flow (GPM) (3)	Allocation Factor (4)
Retail (Production)	6,500,000	4,514	0.76
Wholesale (Purchase)	2,000,000	1,389	0.24
Totals	8,500,000	5,903	1.00

ITEM B4 - Allocation of Customer Costs

Costs are assigned directly to the Retail customer class.

<u>Customer Classification</u> (1)	Allocation Factor (3)
Retail	1.00
Totals	1.00

SCHEDULE B
ALLOCATION DETAILS

ITEM B5 - Allocation of Fire Service Costs

Costs are assigned directly to the Fire Service Cost Function

<u>Cost Function</u>	Allocation (2)
Fire Service	<u>1.00</u>

ITEM B6 - Allocation of Base Transmission/Distribution Costs - (Avg Flow)

Allocation factors are based on inch-miles calculations which were provided previously to PSC and as detailed in Table B-5.

<u>Customer Classification</u> (1)	<u>Allocated Inch-Miles</u> (2)	<u>Allocation Factor</u> (3)
Retail	2334.7	0.7791
Wholesale	<u>662.0</u>	<u>0.2209</u>
Totals	<u>2996.70</u>	<u>1.00</u>

ITEM B7 - Allocation of Extra Capacity Transmission/Distribution Costs - (Max Day Flow)

Allocation factors are based on inch-miles calculations which were provided previously to PSC and as detailed in Table B-5

<u>Customer Classification</u> (1)	<u>Allocated Inch-Miles</u> (2)	<u>Allocation Factor</u> (3)
Retail	2393.8	0.7988
Wholesale	<u>602.9</u>	<u>0.2012</u>
Totals	<u>2996.70</u>	<u>1.00</u>

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
SUPPORTING TABLES AND DETAILS

**TABLE B-1
RETAIL/WHOLESALE SALES, OTHER USAGES & UNACCOUNTED FOR WATER**

Month	High Service Pumped (1000 GAL)	HWEA Sales (1000 GAL)	Flushing/ Fire Hydrants (1000 GAL)	HWEA Facilities (1000 GAL)	Pembroke Usage (1000 GAL)	Crofton Usage (1000 GAL)	Wholesale CCWD (1000 GAL)	Total Accounted (1000 GAL)	Total Unaccounted (1000 GAL)
July 08	209,286	107,848	3,500	4,127	2,530	3,659	33,896	155,560	53,726
August	217,028	111,846	3,500	4,464	2,480	4,847	39,946	167,083	49,945
Sept	202,607	113,469	3,500	4,779	3,686	4,156	41,085	170,675	31,932
Oct	188,190	112,279	3,500	4,386	4,746	3,567	40,491	168,969	19,221
Nov	172,402	95,676	3,500	4,569	3,854	3,783	37,688	149,070	23,332
Dec	178,704	79,124	3,500	4,454	4,347	3,250	36,356	131,031	47,673
Jan 09	177,460	98,336	3,500	5,263	4,228	3,270	40,882	155,479	21,981
Feb	154,542	99,754	3,500	5,438	3,620	4,918	38,626	155,856	(1,314)
March	164,158	76,279	3,500	4,354	2,686	3,220	25,529	115,568	48,590
April	154,024	78,953	5,648	3,608	2,455	3,442	28,694	122,800	31,224
May	175,914	83,497	4,866	3,318	2,784	2,790	32,963	130,218	45,696
June	189,242	88,800	4,715	3,391	3,214	4,429	34,043	138,592	50,650
TOTALS	2,183,557	1,145,861	46,729	52,151	40,630	45,331	430,199	1,760,901	422,656
AVERAGE	5,982	3,139	128	143	111	124	1,179	4,824	1,158
USAGE BY %		52.5%	2.1%	2.4%	1.9%	2.1%	19.7%	80.6%	19.4%

**TABLE B-2
ALLOCATION OF AVG WATER USAGE**

Usage Type	FY 2008-09 Data			Modified Meet 15% Lost Water		
	Volume (1000 GAL)	Usage By %	Sales By %	Volume (1000 GAL) ¹	Usage By %	Sales By %
Retail Sales (All Divisions) + Excessive Unaccounted For =	1,231,822	56.4%	74.1%	1,425,825	65.3%	76.8%
Wholesale Sales (CCWD) =	430,199	19.7%	25.9%	430,199	19.7%	23.2%
Non-Sales Usage (Operations/HWEA Facilities) =	98,880	4.5%		-	0.0%	
Unaccounted For Water =	422,656	19.4%		327,533	15.0%	
TOTALS	2,183,557	100.0%	100.0%	2,183,557	100.0%	100.0%

**TABLE B-3
MAXIMUM DAY RETAIL SALES**

Month	HWEA Sales (1000 GAL)	Pembroke Usage (1000 GAL)	Crofton Usage (1000 GAL)	Total Retail Sales (1000 GAL)	Max Day Retail Sales (1000 GAL)	CCWD Purchases (1000 GAL)	Max Day Wholesale (1000 GAL)
July 08	107,848	2,530	3,659	114,037	3,679	44,252	1,427
August	111,846	2,480	4,847	119,173	3,844	45,796	1,477
Sept	113,469	3,686	4,156	121,311	4,044	43,528	1,451
Oct	112,279	4,746	3,567	120,592	3,890	41,624	1,343
Nov	95,676	3,854	3,783	103,313	3,444	35,929	1,198
Dec	79,124	4,347	3,250	86,721	2,797	42,094	1,358
Jan 09	98,336	4,228	3,270	105,834	3,414	36,625	1,181
Feb	99,754	3,620	4,918	108,292	3,868	32,175	1,149
March	76,279	2,686	3,220	82,185	2,651	33,338	1,075
April	78,953	2,455	3,442	84,850	2,828	32,435	1,081
May	83,497	2,784	2,790	89,071	2,873	36,834	1,188
June	88,800	3,214	4,429	96,443	3,215	40,315	1,344

**TABLE B-4
ALLOCATION OF MAXIMUM DAY WATER USAGE**

Usage Type	FY 2008-09 Data		<i>Modified Meet 15% Lost Water</i>		
	MaxDay (1000 GAL)	Usage By %	Volume (1000 GAL) ¹	Usage By %	Allocation By %
Retail Sales (HWEA, Pembroke, Crofton Divisions) =	4,044	49.1%	5,519	67.1%	78.89%
Wholesale Sales (CCWD) =	1,477	17.9%	1,477	17.9%	21.11%
Unaccounted For Water =	2,710	32.9%	1,235	15.0%	
TOTALS	8,231	100.0%	8,231	100.0%	100.0%

**TABLE B-5
INCH- MILES TABLE**

Function	Water Main Sizes (")	Total Line (Miles)	Total Inch- Miles of Line	Jointly Used Line (Miles)	Jointly Used Inch Miles	HWEA Only Line (Miles)	HWEA Only Inch-Miles
Raw							
	36	25.4	914.4	25.4	914.4	0	0
	30	0.7	21	0.7	21	0	0
	24	0.4	9.6	0.4	9.6	0	0
	18	0.5	9	0.5	9	0	0
	12	0.1	1.2	0.1	1.2	0	0
Subtotal Raw		27.1	955.2	27.1	955.2	0	0
Potable							
	24	0	0	0	0	0	0
	20	0.3	6	0.3	6	0	0
	18	0.9	16.2	0.9	16.2	0	0
	16	14.7	235.2	14.7	235.2	0	0
	14	0.1	1.4	0.1	1.4	0	0
	12	45.6	547.2	45.6	547.2	0	0
	10	6.1	61	6.1	61	0	0
	8	46.4	371.2	46.4	371.2	0	0
	6	122.7	736.2	110.4	662.4	12.3	73.8
	4	5.9	23.6	0	0	5.9	23.6
	3	0.1	0.3	0	0	0.1	0.3
	2	21.6	43.2	0	0	21.6	43.2
Subtotal Potable		264.4	2041.5	224.5	1900.6	39.9	140.9
TOTAL ALL LINES		291.5	2996.7	251.6	2855.8	39.9	140.9

Average Day Conditions	Jointly Used Inch Miles (From Above)	Alloc Factor of Joint Lines (B1)	Alloc Joint Inch-Miles	HWEA Only Inch-Miles	Total Allocated Inch-Miles	By %
Allocated to HWEA		0.7682	2,193.8	140.9	2,334.7	77.91%
Allocated to CCWD		0.2318	662.0	-	662.0	22.09%
Total	2855.8	1.00	2855.8	140.9	2996.7	1.00

Note :Allocation Factors - 100% of HWEA Only to HWEA, Jointly Used Lines allocated by average daily flow volumes (See B1 Reference)

Max Day Conditions	Jointly Used Inch Miles (From Above)	Alloc Factor of Joint Lines (B2)	Alloc Joint Inch-Miles	HWEA Only Inch-Miles	Total Allocated Inch-Miles	By %
Allocated to HWEA		0.7889	2,252.9	140.9	2,393.8	79.88%
Allocated to CCWD		0.2111	602.9	-	602.9	20.12%
Total	2855.8	1.00	2855.8	140.9	2996.7	1.00

Note :Allocation Factors - 100% of HWEA Only to HWEA, Jointly Used Lines allocated by max daily flow volumes (See B2 Reference)

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
HOPKINSVILLE DIVISION

APPENDIX E - SCHEDULE C
COST OF SERVICE BY FUNCTION
FOR THE TWELVE MONTH PERIOD ENDING JUNE 30, 2009

Account (1)	Allocation Item (2)	Audited Expenses (3)	Base (4)	Max Day (5)	Extra Capacity Max Hour (6)	Customer Costs (7)	Fire Service (8)
OPERATIONS AND MAINTENANCE EXPENSES							
SOURCE OF SUPPLY EXPENSES							
Labor	C2	\$5,595	\$ 4,084	\$ 1,511	\$ -	\$ -	\$ -
Supplies	C2	\$398	\$ 291	\$ 107	\$ -	\$ -	\$ -
Utilities	C2	\$443,706	\$ 323,905	\$ 119,801	\$ -	\$ -	\$ -
Grounds & Maintenance	C1	\$5,678	\$ 5,678	\$ -	\$ -	\$ -	\$ -
TOTAL SOURCE OF SUPPLY		\$455,377	\$ 333,958	\$ 121,419	\$ -	\$ -	\$ -

WATER TREATMENT EXPENSES							
Supervision	C2	\$46,427	\$ 33,892	\$ 12,535	\$ -	\$ -	\$ -
Labor	C2	\$246,480	\$ 179,930	\$ 66,550	\$ -	\$ -	\$ -
Chemicals	C2	\$295,207	\$ 215,501	\$ 79,706	\$ -	\$ -	\$ -
Maintenance - Structures	C2	\$1,497	\$ 1,093	\$ 404	\$ -	\$ -	\$ -
Maintenance - Equipment	C2	\$14,998	\$ 10,949	\$ 4,049	\$ -	\$ -	\$ -
Supplies	C2	\$8,614	\$ 6,288	\$ 2,326	\$ -	\$ -	\$ -
Maintenance - Reservoirs/Tanks	C2	\$1,200	\$ 876	\$ 324	\$ -	\$ -	\$ -
Utilities	C2	\$297,317	\$ 217,041	\$ 80,276	\$ -	\$ -	\$ -
Training & Education	C2	\$1,802	\$ 1,315	\$ 487	\$ -	\$ -	\$ -
Lab Work	C2	\$44,288	\$ 32,330	\$ 11,958	\$ -	\$ -	\$ -
Lab Supplies & Expenses	C2	\$15,659	\$ 11,431	\$ 4,228	\$ -	\$ -	\$ -
Plant Security	C2	\$0	\$ -	\$ -	\$ -	\$ -	\$ -
Grounds & Maintenance	C2	\$878	\$ 641	\$ 237	\$ -	\$ -	\$ -
Transportation Expenses	C2	\$4,621	\$ 3,373	\$ 1,248	\$ -	\$ -	\$ -
Miscellaneous Expense	C2	\$74	\$ 54	\$ 20	\$ -	\$ -	\$ -
TOTAL WATER TREATMENT		\$979,062	\$ 714,715	\$ 264,347	\$ -	\$ -	\$ -

SCHEDULE C

<u>Account</u> (1)	<u>Allocation Item</u> (2)	<u>Audited Expenses</u> (3)	<u>Base</u> (4)	<u>Max Day</u> (5)	<u>Extra Capacity</u> <u>Max Hour</u> (6)	<u>Customer Costs</u> (7)	<u>Fire Service</u> (8)
TRANSMISSION & DISTRIBUTION							
	Supervision	\$44,775	\$ 28,163	\$ 10,567	\$ 1,254	\$ -	\$ 4,791
	Labor	\$213,916	\$ 134,553	\$ 50,484	\$ 5,990	\$ -	\$ 22,889
	Supplies	\$26,065	\$ 16,395	\$ 6,151	\$ 730	\$ -	\$ 2,789
	Repairs to Structures	\$91	\$ 57	\$ 21	\$ 3	\$ -	\$ 10
	Repairs to Distribution Mains	\$32,241	\$ 20,280	\$ 7,609	\$ 903	\$ -	\$ 3,450
	Repairs to Services	\$12,453	\$ -	\$ -	\$ -	\$ 12,453	\$ -
	Repairs to Meters	\$287	\$ -	\$ -	\$ -	\$ 287	\$ -
	Removing and Re-setting Meters	\$49,457	\$ -	\$ -	\$ -	\$ 49,457	\$ -
	Repairs to Fire Hydrants	\$1,614	\$ -	\$ -	\$ -	\$ -	\$ 1,614
	Transportation Expenses	\$28,058	\$ 17,648	\$ 6,622	\$ 786	\$ -	\$ 3,002
	Gas, oil, tires/tractor/compressor	\$6,361	\$ 4,001	\$ 1,501	\$ 178	\$ -	\$ 681
	Grounds & Maintenance	\$11,776	\$ 7,407	\$ 2,779	\$ 330	\$ -	\$ 1,260
	Training & Education	\$752	\$ 473	\$ 177	\$ 21	\$ -	\$ 80
	Small Tool Expense	\$986	\$ 620	\$ 233	\$ 28	\$ -	\$ 106
	Misc Expense	\$381	\$ 240	\$ 90	\$ 11	\$ -	\$ 41
	TOTAL TRANSMISSION AND DISTRIBUTION	\$429,213	\$229,838	\$86,235	\$10,231	\$62,197	\$ 40,712

SUB-TOTAL SUPPLY, TREATMENT & DISTRIBUTION EXPENSES

\$1,863,652	\$1,278,511	\$472,000	\$10,231	\$62,197	\$40,712
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WATER TECHNICAL SERVICES

	Labor	\$96,203	\$ 65,995	\$ 24,368	\$ 529	\$ 3,213	\$ 2,097
	Supplies	\$2,484	\$ 1,704	\$ 629	\$ 14	\$ 83	\$ 54
	Training & Education	\$121	\$ 83	\$ 31	\$ 1	\$ 4	\$ 3
	Transportation Expense	\$3,752	\$ 2,574	\$ 950	\$ 21	\$ 125	\$ 82
	Miscellaneous Expense	\$800	\$ 549	\$ 203	\$ 4	\$ 27	\$ 17
	TOTAL WATER TECHNICAL SERVICES	\$103,360	\$70,905	\$26,181	\$568	\$3,452	\$2,253

<u>Account</u> (1)	<u>Allocation Item</u> (2)	<u>Audited Expenses</u> (3)	<u>Base</u> (4)	<u>Extra Capacity</u> <u>Max Day</u> (5)	<u>Max Hour</u> (6)	<u>Customer Costs</u> (7)	<u>Fire Service</u> (8)
WATER ADMINISTRATIVE AND GENERAL							
	C6	\$6,000	-	-	-	6,000	-
	C6	\$318,248	-	-	-	318,248	-
	C6	\$41,084	-	-	-	41,084	-
	C9	\$528,203	232,943	86,588	4,051	189,091	15,529
	C6	\$33,193	-	-	-	33,193	-
	C6	\$19,133	-	-	-	19,133	-
	C6	\$16,546	-	-	-	16,546	-
	C9	\$39,341	17,350	6,449	302	14,084	1,157
	C10	\$100,233	57,875	21,540	1,133	15,366	4,320
	C10	\$12,688	7,326	2,727	143	1,945	547
	C6	\$1,205	-	-	-	1,205	-
	C6	\$406	-	-	-	406	-
	C6	\$18,411	-	-	-	18,411	-
	C6	\$32,960	-	-	-	32,960	-
	C6	\$34,672	-	-	-	34,672	-
	C6	\$33,907	-	-	-	33,907	-
	C6	\$4,971	-	-	-	4,971	-
	C6	11,027	-	-	-	11,027	-
	C6	\$4,500	-	-	-	4,500	-
	C6	\$29,097	-	-	-	29,097	-
		\$1,285,825	\$315,493	\$117,304	\$5,629	\$825,846	\$21,553
		\$3,252,837	\$1,664,910	\$615,486	\$16,429	\$891,495	\$64,518
		\$2,064,277	1,506,922	557,355	-	-	-
		\$619,283	452,077	167,206	-	-	-
		\$226,010	164,987	61,023	-	-	-
		\$87,430	63,824	23,606	-	-	-
		\$269,520	196,750	72,770	-	-	-
		\$3,266,520	\$2,384,560	\$881,960	\$0	\$0	\$0
		\$3,252,837	\$1,664,910	\$615,486	\$16,429	\$891,495	\$64,518
		\$2,064,277	1,506,922	557,355	-	-	-
		\$619,283	452,077	167,206	-	-	-
		\$226,010	164,987	61,023	-	-	-
		\$87,430	63,824	23,606	-	-	-
		\$269,520	196,750	72,770	-	-	-
		\$3,266,520	\$2,384,560	\$881,960	\$0	\$0	\$0

Account (1)	Allocation Item (2)	Audited Expenses (3)	Base (4)	Extra Capacity Max Day (5)	Max Hour (6)	Customer Costs (7)	Fire Service (8)
DEPRECIATION EXPENSES							
Depreciation	C10	\$ 1,045,362	\$ 603,597	\$ 224,662	\$ 11,799	\$ 160,217	\$ 45,087
Gain on Sales of Fixed Assets	C10	(2,217)	(1,280)	(476)	(25)	(340)	(96)
TOTAL DEPRECIATION EXPENSES		\$ 1,043,145	\$ 602,317	\$ 224,186	\$ 11,774	\$ 159,877	\$ 44,991
TOTAL DEBT SERVICE, DEPREC & MISC EXPENSE		\$ 4,309,665	\$ 2,986,877	\$ 1,106,146	\$ 11,774	\$ 159,877	\$ 44,991
TOTAL TEST-YEAR COST OF SERVICE		\$ 7,562,502	\$ 4,651,786	\$ 1,721,632	\$ 28,203	\$ 1,051,372	\$ 109,509

ADJUSTMENTS TO TEST-YEAR

1. Adjustments to full year depreciation for assets brought online in 2009

South Quarry Improvements	C2	\$ 27,037	\$ 19,737	\$ 7,300	-	-	-
Lake Barkley Pipeline	C2	146,533	106,969	39,564	-	-	-
Lake Barkley Raw Water Intake	C2	54,105	39,497	14,608	-	-	-
Lake Barkley Intake Pumps	C2	26,524	19,363	7,161	-	-	-
Lake Barkley Site Fixtures	C2	499	364	135	-	-	-
Lake Barkley Project	C2	48,026	35,059	12,967	-	-	-

2. Adjustment to 3 Year Avg of Debt Service on Bonds/Loans (2010-12)

KIA Loan B95-02 (Moss WTP) P&I	C2	(638)	(466)	(172)	-	-	-
KIA Loan F02-04 (Barkley Raw Water) P&I	C2	(348)	(254)	(94)	-	-	-
KIA Loan F06-02 (Intake Site) P&I	C2	(782)	(571)	(211)	-	-	-
2005 A Series Bonds	C2	1,206	880	326	-	-	-
2005 B Series Bonds	C2	3,991	2,913	1,078	-	-	-
Coverage	C2	1,560	1,139	421	-	-	-

3. Adjustment to Remove Benefits for Crofton & Pembroke Labor

Crofton/Pembroke - 4.5% of Labor, See Table C-3	C9	(23,769)	(10,482)	(3,896)	(182)	(8,509)	(699)
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TOTAL OF ADJUSTMENTS TO TEST-YEAR

		\$ 283,944	\$ 214,148	\$ 79,186	(182)	(8,509)	(699)
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TOTAL ADJUSTED TEST-YEAR COST-OF-SERVICE

		\$ 7,846,446	\$ 4,865,934	\$ 1,800,818	\$ 28,020	\$ 1,042,863	\$ 108,811
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HOPKINSVILLE WATER ENVIRONMENT AUTHORITY

SCHEDULE C - SUPPORT INFORMATION (C1-C8)
METHODS FOR ALLOCATING COSTS BY FUNCTION

ITEM C1 - Allocation of Costs That Vary With Water Consumption/O&M & Capital Costs for facilities under Avg Load (Table C-1)

Costs allocated to Base

<u>Cost Function</u> (1)	<u>Allocation Factor</u> (2)
Base	<u>1.00</u>

ITEM C2 - Allocation of Costs Associated With Facilities Serving Base and Maximum Day Extra Capacity Functions.

Costs are allocated based on FY 2009 average and maximum day High Service pumped metered values during the test year as detailed below and in Table C-1.

<u>Cost Function</u> (1)	<u>Rate of Flow (GPD)</u> (2)	<u>Maximum Day Ratio</u> (3)	<u>Allocation Factor</u> (4)
Average Day (Base)	5,982,348	1.00	0.73
Maximum Day Extra Capacity	<u>8,231,000</u>	<u>0.38</u>	<u>0.27</u>
Totals		<u>1.38</u>	<u>1.00</u>

ITEM C3 - Allocation of Costs Associated With Facilities Serving Base, Maximum Day and Maximum Hour Extra Capacity Functions

Costs are allocated based on the metered values for average and maximum day shown in Item C2, Max Hour value was determined based on test year rated plant maximum capacity 8.5 MGD

<u>Cost Function</u> (1)	<u>Rate of Flow (GPD)</u> (2)	<u>Max Hour Ratio</u> (3)	<u>Allocation Factor</u> (4)
Average Hour (Base)	5,982,348	1.00	0.70
Maximum Day Extra Capacity	8,231,000	0.38	0.26
Maximum Hour Extra Capacity	<u>8,500,000</u>	<u>0.04</u>	<u>0.03</u>
Totals		<u>1.42</u>	<u>1.00</u>

ITEM C4 - Allocation of Costs Associated With Facilities Serving Base, Maximum Day Extra Capacity and Fire Demand Costs

Costs are allocated based on the metered values for average day, max day an max hour as shown in Item C2, Fire Demand was determined to be 1,000 GPM (4 Hour duration) based on ISO needed flow guidance for 2,000 SF structure

<u>Cost Function</u> (1)	<u>Rate of Flow</u> <u>(GPD)</u> (2)	<u>Rate of Flow</u> <u>(GPM)</u> (2)	<u>Fire</u> <u>Hour</u> <u>Ratio</u> (3)	<u>Allocation</u> <u>Factor</u> (4)
Average Hour (Base)	5,982,348	4,154	1.00	0.629
Maximum Day	8,231,000	5,716	0.38	0.236
Maximum Hour	8,500,000	5,903	0.05	0.028
Fire Demand	240,000	1,000	0.17	0.107
Totals			<u>1.59</u>	<u>1.000</u>

ITEM C5 - Allocation of Meters/Services Costs

Costs are assigned directly to the Customer Costs Function

<u>Cost Function</u> (1)	<u>Allocation</u> <u>Factor</u> (2)
Customer Costs	<u>1.00</u>

ITEM C6 - Allocation of Billing/Meter Reading and Office Costs

Costs are assigned directly to the Customer Costs Function

<u>Cost Function</u> (1)	<u>Allocation</u> <u>Factor</u> (2)
Customer Costs	<u>1.00</u>

ITEM C7 - Allocation of Fire Hydrant Costs

Costs are assigned directly to the Fire Service Cost Function

<u>Cost Function</u> (1)	<u>Allocation</u> <u>Factor</u> (2)
Fire Service	<u>1.00</u>

ITEM C8 - Allocation of Water Technical Services Based on Subtotal of Supply, Treatment & Transmission/Distribution Expenses - See Schedule C

<u>Expense Type</u> (1)	<u>System</u> <u>Expenses</u> <u>Amount</u>	<u>Allocation</u> <u>Factor</u> (2)
Base	\$ 1,278,512	0.6860
Max Day Extra Capacity	\$ 472,001	0.2533
Max Hour Extra Capacity	\$ 10,231	0.0055
Customer Costs	\$ 62,197	0.0334
Fire Service	<u>\$ 40,712</u>	<u>0.0218</u>
Total Allocated Expenses	<u>\$ 1,863,653</u>	<u>1.00</u>

SCHEDULE C
ALLOCATION DETAILS

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY

SCHEDULE C - SUPPORT INFORMATION (C9-C10)
METHODS FOR ALLOCATING COSTS BY FUNCTION

ITEM C9 - Allocation of Costs Associated With Employee Benefits

Costs are allocated based on salaries within each expense category allocated across cost function (see below). Salaries were determined based on review of audit for each expense category.

<u>Cost Function</u> (1)	<u>Source of Supply Salaries</u> (2)	<u>Water Treatment Salaries</u> (3)	<u>Transmission & Distribution Salaries</u> (4)	<u>Water Tech Services Salaries</u> (5)	<u>Admin & General Salaries</u> (6)	<u>Total Salaries</u> (7)	<u>Allocation Factors</u> (8)
Allocation Method	C2	C2	C3	C8	C5/C6		
Average Hour (Base)	\$ 4,084	\$ 213,822	\$ 162,717	\$ 65,995		\$ 446,619	0.44101
Maximum Day Extra Capacity	\$ 1,511	\$ 79,085	\$ 61,051	\$ 24,368		\$ 166,015	0.16393
Maximum Hour Extra Capacity			\$ 7,243	\$ 529		\$ 7,772	0.00767
Customer Costs				\$ 3,213	\$ 359,332	\$ 362,545	0.35799
Fire Service			\$ 27,680	\$ 2,097		\$ 29,777	0.02940
Total Allocated Salaries	\$ 5,595	\$ 292,907	\$ 258,692	\$ 96,203	\$ 359,332	\$ 1,012,729	1.00

SCHEDULE C
ALLOCATION DETAILS

ITEM C10 - Allocation of Costs Associated With Depreciation (Audit Value) and Insurance.

Depreciation costs are allocated based on asset function as identified below.

Allocation Method	Allocation "(1)	Source of Supply Depreciation (2)	Treatment Depreciation (3)	Trans/Dist Depreciation (4)	Water Tech Services Depreciation (5)	Admin & General Depreciation (8)	Total Depreciation (9)	Allocation Factors (10)
Base		C2	C2	C4	C6			
		\$ 100,968	\$ 237,581	\$ 265,047	\$ -	\$ -	\$ 603,597	0.5774
Maximum Day Extra Capacity		37,345	87,873	99,445	-	-	224,662	0.2149
Maximum Hour Extra Capacity		-	-	11,799	-	-	11,799	0.0113
Customer Costs		-	-	-	-	\$ 160,217	\$ 160,217	0.1533
Fire Demand		-	-	\$ 45,087	\$ -	\$ -	\$ 45,087	0.0431
Totals		\$ 138,313	\$ 325,454	\$ 421,378	\$ -	\$ 160,217	\$ 1,045,362	1.00

HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
SUPPORT DATA FOR SCHEDULE C

**TABLE C-1
AVG DAILY DEMAND/MAX DAY DEMAND**

Month	Raw Water Treated (1,000 GAL)	Avg Daily RWT (GAL)	MAX Daily RWT (GAL)	RWT Max/Avg Ratio	Plant Use (1000 GAL)	High Service Pumped (1000 GAL)	Avg Day (GAL)	Max Day (GAL)	HS Pumped Max/Avg Ratio
July 08	245,314	7,913,355	8,774,000	-	36,028	209,286	6,751,161	7,631,000	-
August	246,491	7,951,323	9,033,000	-	29,463	217,028	7,000,903	8,231,000	-
Sept	234,762	7,825,400	8,701,000	-	32,155	202,607	6,753,567	7,660,000	-
Oct	223,965	7,224,677	8,236,000	-	35,775	188,190	6,070,645	7,017,000	-
Nov	204,603	6,820,100	7,406,000	-	32,201	172,402	5,746,733	7,012,000	-
Dec	215,105	6,938,871	7,825,000	-	36,401	178,704	5,764,645	6,499,000	-
Jan 09	207,467	6,682,484	7,938,000	-	30,007	177,460	5,724,516	7,190,000	-
Feb	185,691	6,631,821	8,350,000	-	31,149	154,542	5,295,419	7,437,000	-
March	191,937	6,191,516	8,313,000	-	27,779	164,158	5,295,419	6,963,000	-
April	190,751	6,358,367	7,038,000	-	36,727	154,024	5,134,133	6,133,000	-
May	209,011	6,742,290	7,903,000	-	33,097	175,914	5,674,645	6,549,000	-
June	216,793	7,226,433	8,358,000	-	27,551	189,242	6,308,067	7,331,000	-
TOTAL	2,571,890				388,333	2,183,557			
AVG/VALUE	214,324	7,046,274	9,033,000	1.28	32,361	181,963	5,982,348	8,231,000	1.38

Test Year Average Pumped (GPD) = **5,982,348**
 Test Year Maximum Pumped - Aug. 20, 2008 (GPD) = **8,231,000**
 Max/Avg Ratio = **1.38**

**TABLE C-2
FIREFLOW**
ISO Guide For Determination of Fireflow
2008 Ed

Enter the following:

Coeff for Construction Class (F)	<u>1.5</u>
Effective Area (SF)	<u>2000</u>
Yields Ci	<u>1207</u>
Occupancy Factor (Oi)	<u>0.85</u>
Communication (X+P)	<u>0</u>
Needed FF (GPM)	<u>1026</u>

1.5 Wood Frame
 1 Joisted Masonry
 0.8 Non-combustible mat'l
 Total SF of largest floor + 50% of all other floors
 0.75 C-1 Non-combustible
 0.85 C-2 Limited combustible
 1.00 C-3 Combustible
 1.15 C-4 Free Burning
 1.25 C-5 Rapid Burning

0.00 to 0.60 based on exposure of the building and the distance between facing walls (usually 0)

Table C-3
Water Division Labor Analysis
FYE 6/30/2009

Account Number	Account Description	Labor Charge	Total Labor	By Division	By %
4020	Labor - Source of Supply	\$ 5,595.31	\$ 5,595.31		
6010	Supervision - Water Plant	\$ 46,426.72			
6020	Labor - Water Plant	\$ 246,480.15			
6120	Laboratory Work	\$ 18,764.40	\$ 311,671.27		
7010	Supervision - Water Distribution	\$ 44,774.64			
7020	Labor - Water Distribution	\$ 213,916.69			
7080	Repairs to Distribution Mains	\$ 26,662.62			
7090	Repairs to Services	\$ 5,130.60			
7110	Removing & Resetting Meters	\$ 49,456.71			
7140	Repairs to Fire Hydrants	\$ 1,410.60	\$ 341,351.86		
8010	Commissioners Salaries	\$ 6,000.00			
8020	Office Salaries - Administrative Reimbursed Labor	\$ 336,247.90			
8030	Meter Reading Salaries	\$ (18,000.00)			
8080	Training & Licenses	\$ 41,084.35			
8150	Safety Program	\$ 211.17			
8160	Building Maintenance	\$ 26,107.90	\$ 400,235.09		
8510	Labor - Technical Services	\$ 8,583.77	\$ 96,202.77		
	Capitalized Labor	\$ 79,886.11	\$ 79,886.11		
	Hopkinsville Division		\$ 1,234,942.41		95.5%
5020	Pembroke - Distribution Labor	\$ 18,503.31			
5030	Pembroke - Admin. Labor	\$ 5,267.11	\$ 23,770.42		1.8%
	Pembroke Division		\$ 23,770.42		
9220	Crofton - Distribution Labor	\$ 26,584.72			
5230	Crofton - Admin. Labor	\$ 8,176.15	\$ 34,760.87		2.7%
	Crofton Division		\$ 34,760.87		
	Total All Divisions		\$ 1,293,473.70		100.0%

HOPKINSVILLE WATER ENVIRONMENTAL AUTHORITY

APPENDIX F - FY 2009 DEBT SERVICE AND THREE AVERAGE OF DEBT SERVICE
 COST OF SERVICE COMPARISON WITH EXISTING AND PROPOSED REVENUES/RATES
 FOR TWELVE MONTH PERIOD ENDING JUNE 30, 2009

Debt Service Component	Origination	Maturity	Amount	FY 2009 Expense (App E, Sch C)	Averaging Period			Three Year Average	Adjustment To FY 2009
					2010 P&I	2011 P&I	2012 P&I		
KIA Loan B95-02 Water Plant Construction	1995	2028	\$ 5,000,000	\$ 226,010	\$ 225,695	\$ 225,374	\$ 225,046	\$ 225,372	\$ (638)
KIA Loan F02-04 Barkley Raw Water	2002	2028	\$ 1,513,593	\$ 87,430	\$ 87,257	\$ 87,083	\$ 86,907	\$ 87,082	\$ (348)
KIA Loan F06-02 Intake Site	2006	2028	\$ 3,887,432	\$ 269,520	\$ 269,157	\$ 268,782	\$ 268,396	\$ 268,778	\$ (742)
2005 A Series Bonds Barkley Project	2005	2026	\$ 25,635,000	\$ 1,904,314	\$ 1,905,818	\$ 1,906,139	\$ 1,904,605	\$ 1,905,521	\$ 1,207
2005 B Series Bonds WTP Project	2005	2017	\$ 1,545,000	\$ 159,963	\$ 166,213	\$ 162,313	\$ 163,337	\$ 163,954	\$ 3,991
2005 Series A&B Coverage (30%)			\$	\$ 619,283.00	\$ 621,609.30	\$ 620,535.60	\$ 620,382.60	\$ 620,843	\$ 1,560
Total Adjustments								\$	\$ 5,030