

COMMONWEALTH OF KENTUCKY
BEFORE THE
PUBLIC SERVICE COMMISSION
CASE NO 2009-00465

RECEIVED

FEB 05 2010

PUBLIC SERVICE
COMMISSION

In the Matter of: PROPOSED ADJUSTMENT OF THE
WHOLESALE WATER SERVICE RATES OF
THE CITY OF WHITESBURG

RESPONSE TO REQUESTS FOR INFORMATION

Comes the City of Whitesburg and for its response to the request for information propounded by the Public Service Commission, per its Order dated December 1, 2009, states as follows:

1. Provide a copy of all current agreements and contracts between Whitesburg and Letcher District.

See Water Purchase Contract dated November 1, 2004 attached hereto as Exhibit 1.

2. Provide the independent auditor's reports for Whitesburg's water and sewer operations for the fiscal years ending June 30, 2007, June 30, 2008 and June 30, 2009.

See attached Exhibit 2, 2A and 2B

3. a. State the test period upon which Whitesburg bases its proposed rate adjustment.
b. Explain why this test period was chosen.

See Analysis prepared by Kentucky Rural Water Association attached as Exhibit 3.

4. Provide the general ledgers for Whitesburg's water and sewer operations for the proposed test period and the most recently concluded fiscal year. These general ledgers shall include all check registers and spreadsheets used to record and track financial transactions.

See ledgers attached as Exhibit 4.

5. For each outstanding revenue bond issuance related to Whitesburg water and sewer operations:

a. Provide the bond ordinance or resolution authorizing the issuance of revenue bonds.
b. Provide an amortization schedule.
c. Provide a detailed explanation of why the debt was incurred.

See attached Exhibit 5.

6. List all persons on Whitesburg's payroll during the proposed test period. For each employee, state his or her job duties, total wages paid during the fiscal year, current salary or wage rate, and the percentage of work hours spent performing duties for each city division (e.g. water, sewer, police department, public works) during the fiscal year. If Whitesburg's records do not permit the allocation of an employee's work hours among city divisions, provide an estimate for each employee and explain how Whitesburg derived their estimate.

See attached Exhibit 6. 100% of each of the listed employees duties were performed for the City of Whitesburg's water/sewer division.

7. For each employee listed in Item 6, describe how Whitesburg allocated his or her payroll and payroll overhead charges to each city division for the proposed test period. This response shall include a detailed explanation of all allocation procedures. Payroll overhead charges include payroll taxes, health insurance premiums, pension costs and other employee benefit costs.

100 % of the duties of each of the employees listed in Exhibit 6, attached, performed 100% of his or her job duties for the City of Whitesburg's water/sewer division.

8. a. List all joint or shared costs that Whitesburg incurred during the proposed test period. For each cost, list the vendor, total expense amount, amounts allocated per division, and the basis for the allocation.

There are no joint or shared costs.

b. Describe the test procedures to allocate joint and shared costs among Whitesburg's divisions for the proposed test period. N/A

c. Provide all internal memoranda, policy statements, correspondence, and documents related to the allocation of joint and shared costs. N/A

9. Provide detailed depreciation schedules for the water and sewer divisions. A separate schedule shall be provided for each division.

See Depreciation Schedule attached as Exhibit 7.

10. Provide an adjusted trial balance and audit adjustments for the proposed test period and the most recently completed fiscal year. The trial balance shall be traced and referenced directly to the general ledgers requested in Item 4.

See Trial Balance attached as Exhibit 8. There are no audit adjustments.

11. Provide the "Enterprise Funds Uniform Financial Information Report" that Whitesburg submitted to the Kentucky Department of Local Government for the fiscal

years ending June 30, 2004, June 30, 2005, June 30, 2006, June 30, 2007, June 30, 2008 and June 30, 2009.

See attached Exhibit 9.

12. a. Complete the table below:

Water Main Size	Total Miles of Line	Miles of Lines Jointly Used by Both Whitesburg and it's Wholesale Customers
24"		
22"		
20"		
18"		
16"		
14"		
12"		
10"		
8"		
6"		
4"		
2"		

See Attached Exhibit 10

b. Who paid for the water main(s) that Whitesburg uses to deliver water to Whitesburg's wholesale customers? **The City of Whitesburg**

c. Besides Letcher District, what other customers, if any, does Whitesburg serve from the water mains that it uses to deliver water to these customers. **None.**

d. For each customer listed in response to Item 12 (c), provide its monthly water usage for each of the previous 24 months. **N/A.**

13. a. What is the maximum capacity of Whitesburg's water treatment plant? **864,000 Gallons per day.**

b. 1. How much of Whitesburg's total water treatment plant capacity is currently reserved for each wholesale customer. Provide the name of the wholesale customer and the plant capacity reserved for that customer. **There is no reserve, but the percentage of plant hours used for Letcher District is approximately 26%.**

2. What changes, if any does Whitesburg expect within the next three years in the level of water treatment capacity reserved for each of the customers listed in Item 13 (b) (1)? Why does Whitesburg expect these changes? **None, but the City hopes to upgrade it's water plant to produce more water because the City expects the**

water usage to increase due to construction of a new vocational school at Letcher County Central High School.

14. a. Who owns the master meter(s) through which Whitesburg provides water to the customers listed in Item 13(b) (1)? **The City of Whitesburg.**

b. Through how many master meters does Whitesburg provide water service to each of the customers listed in Item 13 (b) (1)? **Three.**

c. Who responsible for maintaining these master meters? **The City of Whitesburg.**

15. Provide a system map showing all Whitesburg facilities that are used to serve the customers listed in Item 13 (b) (1). **Please see attached Exhibit 15.**

16. What portion, if any, of Whitesburg’s water mains that serve the customers listed in Item 13(b) (1) are gravity fed. **All of them.**

17. For each month of the previous 36 months, state Whitesburg’s water sales (in gallons) to its retail customers and each of its wholesale customers. **See attached Exhibit 11.**

18. Complete the table below:

City of Whitesburg	Gallons For Test Period	Gallons for Fiscal Year Ending June 30, 2009
Plant Use		
Line Loss		
Sales to Retail		
Sales to Letcher District		
Sales to other Wholesale Customer 1		
Sales to other Wholesale Customer 2		
Total Produced and Purchased		
Total Sold		

See Reports of Veolia Water attached as Exhibit 12.

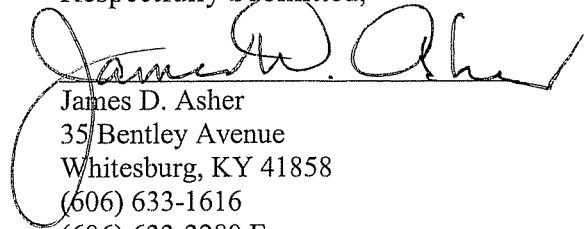
19. What types of water service (e.g. service to municipal buildings, fire protection, etc.) are included in the unmetered amount? For each type of service estimate the percentage of the total unmetered amount. **Fire protection is the only unmetered service.**

20. Provide any cost-of-service study prepared on Whitesburg’s proposed rate for wholesale water service. **See attached Rural Water Report (Exhibit 3) and Report of Veolia Water attached as Exhibit 13.**

21. a. Who prepared this cost of study? **Kentucky Rural Water Association and Veolia Water.**
- b. Provide the preparer's curriculum vitae. **Unknown.**
- c. List all cases before the Commission in which the preparer has submitted a cost of service study. **Unknown.**
- d. List all utilities (municipal or public) for which the preparer has prepared a cost of service study. For each utility, identify the type of utility service (water or sewer) for which the report was prepared. **Unknown.**
22. Provide a copy of the cost-of-service study upon which the proposed water rates are based. **See attached Exhibit 13. In addition, in 2008 and 2009, the City incurred in excess of \$110,000.00 unbudgeted costs due to two incidents of petroleum pollution to the City's water system and related litigation costs. Further, the Commonwealth of Kentucky through its regulatory agencies has required the City to install a carbon feed system to its water plant for which it received \$180,000.00 in stimulus funds toward installation, but will increase unbudgeted costs for carbon in the range of \$36.00 to \$50.00 per day plus labor.**
23. Provide a copy of the city's resolution authorizing Whitesburg to charge the wholesale rate to Letcher District. **See attached Exhibit 14.**
24. Refer to Section C(5) of the contract between Whitesburg and Letcher District dated November 1, 2004. Explain how Whitesburg is complying with this contractual provision that allows adjustment in rates every two years if the contract was effective in an even numbered year and this is concurrently an odd numbered year. **If approved the rate increase will take effect in an even numbered year.**

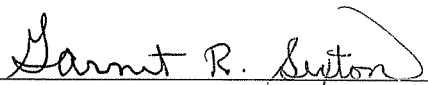
The City of Whitesburg reserves the right to supplement these responses if/as further information becomes available.

Respectfully Submitted,


James D. Asher
35 Bentley Avenue
Whitesburg, KY 41858
(606) 633-1616
(606) 633-3280 Fax
asherlaw@kih.net
Counsel for City of Whitesburg

CERTIFICATION

I hereby certify that the foregoing responses are true and accurate answers to the best of my knowledge, information and belief.


Garnett Sexton, City Clerk
City of Whitesburg, Kentucky

CERTIFICATE OF SERVICE

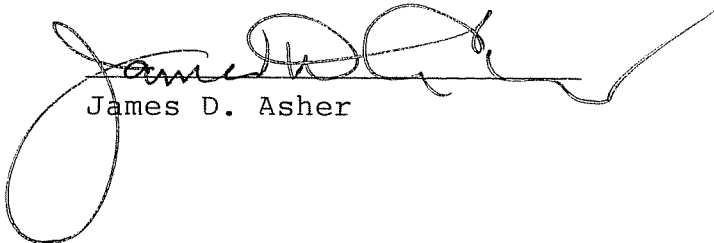
I hereby certify that a true and accurate copy of the foregoing was served by first class mail, postage prepaid, to the following on the 3 day of ~~January~~, 2010.
Feb.

Jeff R. Derouen, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Hon. Todd Osterloh
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

Hon. Jamie Hatton
52 Broadway Street, Suite A
Whitesburg, KY 41858
Counsel for Letcher County Water & Sewer District

cc: Hon. James W. Craft, Mayor
City of Whitesburg


James D. Asher

5/4

JUN 12 2006

Form RD 442-30
(Rev. 10-96)

Position 5
UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT

FORM APPROVED
OMB NO. 0575-0015

WATER PURCHASE CONTRACT

This contract for the sale and purchase of water is entered into as of the 1st day of November, 2004

between the City of Whitesburg
38 East Main Street, Whitesburg, Kentucky 41858
(Address)

hereinafter referred to as the "Seller" and the Letcher County Water & Sewer District
P. O. Box 827, Whitesburg, Kentucky 41858
(Address)

hereinafter referred to as the "Purchaser",

WITNESSETH:

Whereas, the Purchaser is organized and established under the provisions of Chapter 74 of the Statutes of Kentucky Revised Statutes, for the purpose of constructing and operating a water supply distribution system serving water users within the area described in plans now on file in the office of the Purchaser and to accomplish this purpose, the Purchaser will require a supply of treated water, and

Whereas, the Seller owns and operates a water supply distribution system with a capacity currently capable of serving the present customers of the Seller's system and the estimated number of water users to be served by the said Purchaser as shown in the plans of the system now on file in the office of the Purchaser, and

Whereas, by Resolution NS enacted on the 9th day of December, 2003 by the Seller, the sale of water to the Purchaser in accordance with the provisions of the said Resolution was approved, and the execution of this contract carrying out the said Resolution by the Mayor, and attested by the Secretary, was duly authorized, and

Whereas, by Resolution of the Board of Commissioners of the Purchaser, enacted on the 20th day of November, 2003, the purchase of water from the Seller in accordance with the terms set forth in the said Resolution was approved, and the execution of this contract by the Chairman, and attested by the Secretary was duly authorized;

Now, therefore, in consideration of the foregoing and the mutual agreements hereinafter set forth,

A. The Seller Agrees:

1. (Quality and Quantity) To furnish the Purchaser at the point of delivery hereinafter specified, during the term of this contract or any renewal or extension thereof, potable treated water meeting applicable purity standards of the Commonwealth of Kentucky

in such quantity as may be required by the Purchaser not to exceed 4,500,000 gallons per month.

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer, STOP 7602, 1400 Independence Avenue, S.W., Washington, D.C. 20250-7602. Please do NOT RETURN this form to this address. Forward to the local USDA office only. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.

RD 442-30 (Rev. 10-96)

2. (Point of Delivery and Pressure) That water will be furnished at a reasonably constant pressure calculated at 75 PSI from an existing Eight (8) inch main supply at a point located

If a greater pressure than that normally available at the point of delivery is required by the Purchaser, the cost of providing such greater pressure shall be borne by the Purchaser. Emergency failures of pressure or supply due to main supply line breaks, power failure, flood, fire and use of water to fight fire, earthquake or other catastrophe shall excuse the Seller from this provision for such reasonable period of time as may be necessary to restore service.

3. (Metering Equipment) To furnish, install, operate, and maintain at its own expense at point of delivery, the necessary metering equipment, including a meter house or pit, and required devices of standard type for properly measuring the quantity of water delivered to the Purchaser and to calibrate such metering equipment whenever requested by the Purchaser but not more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate.

The previous readings of any meter disclosed by test to be inaccurate shall be corrected for the one (1) months previous to such test in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless Seller and Purchaser shall agree upon a different amount. The metering equipment shall be read on

the 25th day of each month. An appropriate official of the Purchaser at all reasonable times shall have access to the meter for the purpose of verifying its readings.

4. (Billing Procedure) To furnish the Purchaser at the above address not later than the 1st 8th day of each month, with an itemized statement of the amount of water furnished the Purchaser during the preceding month. 71 B

B. The Purchaser Agrees:

1. (Rates and Payment Date) To pay the Seller, not later than the 25th day of each month, for water delivered in accordance with the following schedule of rates:

- a. \$ N/A for the first N/A gallons, which amount shall also be the minimum rate per month.
- b. \$ N/A cents per 1000 gallons for water in excess of N/A gallons but less than N/A gallons.
- c. \$ 2.90 cents per 1000 gallons for ~~water in excess of N/A gallons~~ all water delivered, except the Seller shall for documented fire service at a rate equal to the cost of producing the water used.

2. (Connection Fee) To pay as an agreed cost, a connection fee to connect the Seller's system with the system of the Purchaser, the sum of \$10,540.00 dollars which shall cover any and all costs of the Seller for installation of the metering equipment ~~and master meter vault and appurtenances (Purchaser has already paid this sum.)~~

C. It is further mutually agreed between the Seller and the Purchaser as follows:

1. (Term of Contract) That this contract shall extend for a term of fifty (50) years from the date of the initial delivery of any water as shown by the first bill submitted by the Seller to the Purchaser and, thereafter may be renewed or extended for such term, or terms, as may be agreed upon by the Seller and Purchaser.

2. (Delivery of Water) That ten (10) days prior to the estimated date of completion of construction of the Purchaser's water supply distribution system, the Purchaser will notify the Seller in writing the date for the initial delivery of water.

3. (Water for Testing) When requested by the Purchaser the Seller will make available to the contractor at the point of delivery, or other point reasonably close thereto, water sufficient for testing, flushing, and trench filling the system of the Purchaser during construction, irrespective of whether the metering equipment has been installed at that time, at a flat charge of \$ 2.90 per 1000 gal. which will be paid by the contractor or, on his failure to pay, by the Purchaser.

4. (Failure to Deliver) That the Seller will, at all times, operate and maintain its system in an efficient manner and will take such action as may be necessary to furnish the Purchaser with quantities of water required by the Purchaser. Temporary or partial failures to deliver water shall be remedied with all possible dispatch. In the event of an extended shortage of water, or the supply of water available to the Seller is otherwise diminished over an extended period of time, the supply of water to Purchaser's consumers shall be reduced or diminished in the same ratio or proportion as the supply to Seller's consumers is reduced or diminished.

5. (Modification of Contract) That the provisions of this contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification at the end of every two (2) year period. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder, but such costs shall not include increased capitalization of the Seller's system. Other provisions of this contract may be modified or altered by mutual agreement.

6. (Regulatory Agencies) That this contract is subject to such rules, regulations, or laws as may be applicable to similar agreements in this State and the Seller and Purchaser will collaborate in obtaining such permits, certificates, or the like, as may be required to comply therewith.

7. (Miscellaneous) That the construction of the water supply distribution system by the Purchaser is being financed by a loan made or insured by, and/or a grant from, the United States of America, acting through Rural Development of the United States Department of Agriculture, and the provisions hereof pertaining to the undertakings of the Purchaser are conditioned upon the approval, in writing, of the State Director of Rural Development.

8. (Successor to the Purchaser) That in the event of any occurrence rendering the Purchaser incapable of performing under this contract, any successor of the Purchaser, whether the result of legal process, assignment, or otherwise, shall succeed to the rights of the Purchaser hereunder.

In witness whereof, the parties hereto, acting under authority of their respective governing bodies, have caused this contract to be duly executed in four (4) counterparts, each of which shall constitute an original.

Seller:

City of Whitesburg

By Nathan Baker

Title Mayor

Attest:

Harriet R. Sutton

City Clerk

Purchaser:

Letcher County Water & Sewer District

By Samuel O'Connell

Title Chairman

Attest:

Secretary

This contract is approved on behalf of Rural Development this _____ day of _____,

19 _____.

By _____

Title _____

CITY OF WHITESBURG, KENTUCKY

FINANCIAL STATEMENTS AND REPORT OF AUDIT

For the Year Ended June 30, 2006

CITY OF WHITESBURG, KENTUCKY
FINANCIAL STATEMENTS AND REPORT OF AUDIT
For the Year Ended June 30, 2006

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CITY OF WHITESBURG, KENTUCKY
FINANCIAL STATEMENTS AND REPORT OF AUDIT
For the Year Ended June 30, 2006

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Chris Gooch
Certified Public Accountant
P.O. Box 1536
Hazard, Kentucky 41702
(606) 436-5700

FAX: (606) 436-5701

INDEPENDENT AUDITOR'S REPORT

HONORABLE MAYOR AND CITY COUNCIL

CITY OF WHITESBURG

WHITESBURG, KENTUCKY

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Whitesburg, as of and for the year ended June 30, 2006, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

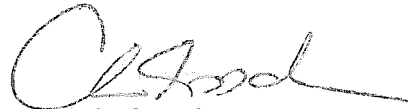
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Whitesburg as of June 30, 2006, and the respective changes in financial position and, where applicable, cash flows thereof for the year 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 December 21, 2006, on our consideration of City of Whitesburg's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not 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 City of Whitesburg's basic financial statements. The combining and individual nonmajor fund financial statements and other supplemental information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other supplemental information have been subjected to the auditing procedures applied to 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.



Chris Gooch
Certified Public Accountant

Hazard, Kentucky

December 21, 2006

CITY OF WHITESBURG, KENTUCKYMANAGEMENT'S DISCUSSION AND ANALYSISFor the Year Ended June 30, 2006

As management of the City of Whitesburg, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2006. This information should be considered in conjunction with the accompanying financial statements and disclosure following this section.

FINANCIAL HIGHLIGHTS

- The beginning cash balance, including investments, for the City was \$1,394,595 of which \$174,279 is considered restricted. The ending cash balance, including investments, for the City was \$1,464,233 of which \$204,010 was considered restricted.
- The City reduced its proprietary fund type debt principal \$81,353 and its governmental type debt principal \$100,903 for the year ended.
- The City acquired a 2003 Ford Explorer for \$12,095 and a street sweeper for \$77,141 employing local debt service for financing.
- The City received commitments from various funding agencies to assist in financing the wastewater treatment plant project, including \$2,000,000 from the Governor's Office for Local Development and \$1,000,000 from the Kentucky Infrastructure Authority.
- The City's police department continues to participate in federally funded Unite and Cops in School Grant programs.
- The City participated in a sewer extension project involving the Letcher County School System. \$267,000 of the total project costs were federal PRIDE program dollars.

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

CITY OF WHITESBURG, KENTUCKYMANAGEMENT'S DISCUSSION AND ANALYSIS (continued)For the Year Ended June 30, 2006**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the City that are principally supported by property taxes, intergovernmental revenues and customer charges. The governmental activities of the City include general administrative, police and fire protection, sanitation department, highway and streets, and parks and recreation. Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental and proprietary funds. Proprietary funds include the Water Fund and Sewer Fund. All other activities are reported under governmental funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. As of June 30, 2006, assets exceeded liabilities by \$9,959,179.

The greatest portion of the City's net assets reflects its investment in capital assets (e.g., land and improvements, infrastructure, buildings and improvements, vehicles, furniture and equipment and ongoing construction projects, where applicable), less

CITY OF WHITESBURG, KENTUCKYMANAGEMENT'S DISCUSSION AND ANALYSIS (continued)For the Year Ended June 30, 2006**GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)**

any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens of Whitesburg and to customers for which the City provides services; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

A comparison of net assets at June 30, 2006 to the previous year is as follows:

	<u>At June 30</u>	
	<u>2006</u>	<u>2005</u>
Current Assets	1,472,694	1,518,912
Restricted Assets	204,010	174,279
Noncurrent Assets	<u>10,335,845</u>	<u>11,007,603</u>
<u>Total Assets</u>	<u>12,012,549</u>	<u>12,700,794</u>
Current Liabilities	402,543	361,061
Noncurrent Liabilities	<u>1,650,827</u>	<u>1,817,854</u>
<u>Total Liabilities</u>	<u>2,053,370</u>	<u>2,178,915</u>
Net Assets		
Investment in Capital Assets (net of debt)	8,480,272	9,102,722
Restricted	204,010	174,279
Unreserved Fund Balance	<u>1,274,897</u>	<u>1,244,878</u>
<u>Total Net Assets</u>	<u>9,959,179</u>	<u>10,521,879</u>

CITY OF WHITESBURG, KENTUCKY

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

For the Year Ended June 30, 2006

- Decrease in noncurrent assets is chiefly attributable to total depreciation expense of \$755,474.
- Decrease in noncurrent liabilities is attributable to reduction of debt principal in the amount of \$182,256.

Comments on budget comparisons

- The City's total general fund revenues for the fiscal year ended June 30, 2006, net of interfund transfers was less than budgeted revenues by \$29,742.
- General fund budget expenditures compared to actual expenditures reflects line item variances. The actual ending balance was \$136,011 greater than budget. All departments actual expenditures exceeded the budgeted amount.
- The general fund financial statement budget comparison also reflects an unbudgeted line-item of \$20,093 in debt service.

The following table presents a summary comparison of government wide revenue and expense for fiscal year ended June 30, 2006 and 2005:

	<u>Year Ended</u>	
	<u>2006</u>	<u>2005</u>
Revenues:		
Local revenue sources	1,937,858	1,897,131
Intergovernmental revenues	<u>348,147</u>	<u>299,741</u>
<u>Total Revenues</u>	<u>2,286,005</u>	<u>2,196,872</u>
Expenditures:		
General administration	279,208	273,123
Police	384,948	382,396
Fire	346,100	309,599
Highway and streets	133,510	157,880
Sanitation	406,728	324,554
Parks and recreation	73,702	43,794
Other expenditures	-	-
Utility services	<u>1,233,928</u>	<u>1,163,594</u>
<u>Total Expenditures</u>	<u>2,858,124</u>	<u>2,654,940</u>
<u>Change in Net Assets</u>	<u>(572,119)</u>	<u>(458,068)</u>

CITY OF WHITESBURG, KENTUCKYMANAGEMENT'S DISCUSSION AND ANALYSIS (continued)For the Year Ended June 30, 2006

- Local revenue increases from '05 to '06 include property tax revenue, \$67,883 and insurance premium tax, \$30,426.
- Intergovernmental revenue increases include a coal tax increase of \$22,221.
- Landfill expense increased \$21,968.81 from prior year.

BUDGETARY IMPLICATIONS

In Kentucky the fiscal year for municipalities is July 1-June 30; other programs, i.e. some federal operate on a different fiscal calendar, but are reflected in the city's overall budget.

Results of the current fiscal year and recent historical trends for the City were taken into account when preparing the 2006-07 budget. No significant revenue or expense line items are foreseeable. Revenues for proprietary funds are monitored for significant expenditures/obligations that may have an effect on rates charged to customers of the City. The City's tax rates and tax base remain at the same level. Adjustments are made in the current year budget for cost of living salary increases for personnel. The City has assessed underlying economics risk factors that are prevalent for the geographic area and considered these risk factors when preparing budgets.

Questions regarding this report should be directed to the Mayor or City Clerk at (606) 633-3700.

CITY OF WHITESBURG
STATEMENT OF NET ASSETS
At June 30, 2006

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
- Current Assets -			
Cash - unrestricted	610,987	240,286	851,273
Investments	408,950	-	408,950
Receivables			
Property tax	6,222	-	6,222
Customers	29,008	100,929	129,937
Other	50,715	-	50,715
Prepaid expense	25,597	-	25,597
Due to (from) other funds	<u>21,831</u>	<u>(21,831)</u>	<u>-</u>
<u>Total Current Assets</u>	<u>1,153,310</u>	<u>319,384</u>	<u>1,472,694</u>
- Restricted Assets -			
Cash	<u>46,637</u>	<u>157,373</u>	<u>204,010</u>
<u>Total Restricted Assets</u>	<u>46,637</u>	<u>157,373</u>	<u>204,010</u>
- Noncurrent Assets -			
Land, plant, equipment and fixtures	7,805,610	10,625,326	18,430,936
Less: accumulated depreciation	<u>(3,628,363)</u>	<u>(4,466,728)</u>	<u>(8,095,091)</u>
<u>Total Noncurrent Assets</u>	<u>4,177,247</u>	<u>6,158,598</u>	<u>10,335,845</u>
<u>Total assets</u>	<u>5,377,194</u>	<u>6,635,355</u>	<u>12,012,549</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGSTATEMENT OF NET ASSETS (CONTINUED)At June 30, 2006

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Liabilities:			
- Current Liabilities -			
Accounts payable	21,304	41,898	63,202
Accrued liabilities	18,620	353	18,973
Due to other agencies	5,299	3,706	9,005
Customer deposits	-	47,840	47,840
Interest payable	-	43,778	43,778
Note payable - current portion	100,446	93,699	194,145
Bonds payable - current portion	<u>17,000</u>	<u>8,600</u>	<u>25,600</u>
<u>Total Current Liabilities</u>	<u>162,669</u>	<u>239,874</u>	<u>402,543</u>
- Noncurrent Liabilities -			
Notes payable	264,294	789,833	1,054,127
Bonds payable	<u>251,000</u>	<u>345,700</u>	<u>596,700</u>
<u>Total Noncurrent Liabilities</u>	<u>515,294</u>	<u>1,135,533</u>	<u>1,650,827</u>
<u>Total Liabilities</u>	<u>677,963</u>	<u>1,375,407</u>	<u>2,053,370</u>
Net Assets:			
Invested in capital assets, net of related debt	3,559,506	4,920,766	8,480,272
Net assets, unreserved	1,093,088	181,809	1,274,897
Net assets, reserved	<u>46,637</u>	<u>157,373</u>	<u>204,010</u>
<u>Total Net Assets</u>	<u>4,699,231</u>	<u>5,259,948</u>	<u>9,959,179</u>
<u>Total Liabilities and Net Assets</u>	<u>5,377,194</u>	<u>6,635,355</u>	<u>12,012,549</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGSTATEMENT OF ACTIVITIESFor the Year Ended June 30, 2006

	<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Governmental</u>	<u>Business-</u>	
	<u>Activities</u>	<u>Type</u>	<u>Total</u>
		<u>Activities</u>	
	(93,882)	-	(93,882)
	(235,703)	-	(235,703)
	(331,953)	-	(331,953)
	(105,398)	-	(105,398)
	(164,881)	-	(164,881)
	(55,372)	-	(55,372)
	<u>(987,189)</u>	<u>-</u>	<u>(987,189)</u>
	-	(230,068)	(230,068)
	<u>-</u>	<u>(186,655)</u>	<u>(186,655)</u>
	-	(416,723)	(416,723)
	<u>(987,189)</u>	<u>(416,723)</u>	<u>(1,403,912)</u>
General Revenues:			
Taxes	572,631	-	572,631
Licenses and permits	106,620	-	106,620
Transfers in/out	(6,382)	6,382	-
Interest income	30,582	46	30,628
Other revenues	111,221	10,693	121,914
	<u>814,672</u>	<u>17,121</u>	<u>831,793</u>
<u>Total General Revenues</u>			
Change in Net Assets	(172,517)	(399,602)	(572,119)
Net Assets - Beginning of Year (restated)	<u>4,871,748</u>	<u>5,659,550</u>	<u>10,531,298</u>
Net assets - end of year	<u>4,699,231</u>	<u>5,259,948</u>	<u>9,959,179</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGBALANCE SHEET – GOVERNMENTAL FUNDS

At June 30, 2006

	General Fund	Public Properties	High School Sewer Project	Other Governmental Funds	Total
Assets:					
Cash	131,763	232,167	163	246,894	610,987
Investments	308,950	100,000	-	-	408,950
Receivables (net of allowance)					
Customers	29,008	-	-	-	29,008
Taxes	6,222	-	-	-	6,222
Other	50,715	-	-	-	50,715
Prepaid expenses	25,597	-	-	-	25,597
Restricted Assets:					
Cash	8,308	38,329	-	-	46,637
Due from other funds	21,831	-	-	-	21,831
<u>Total assets</u>	<u>582,394</u>	<u>370,496</u>	<u>163</u>	<u>246,894</u>	<u>1,199,947</u>
Liabilities and Fund Equity:					
LIABILITIES:					
Accounts payable	21,304	-	-	-	21,304
Accrued liabilities	18,620	-	-	-	18,620
Due to other taxing units	5,299	-	-	-	5,299
<u>Total liabilities</u>	<u>45,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,223</u>
FUND EQUITY:					
Unreserved	528,863	-	-	244,938	773,801
Reserved	8,308	370,496	163	1,956	380,923
<u>Total fund equity</u>	<u>537,171</u>	<u>370,496</u>	<u>163</u>	<u>246,894</u>	<u>1,154,724</u>
<u>Total liabilities and fund equity</u>	<u>582,394</u>	<u>370,496</u>	<u>163</u>	<u>246,894</u>	<u>1,199,947</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGRECONCILIATION OF THE BALANCE SHEET –
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETSAt June 30, 2006

Total fund balance per fund financial statements	1,154,724
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets are not reported in this fund financial statement because they are not current financial resources, but are reported in the statement of net assets.	4,177,247
Certain liabilities (such as bonds payable and notes payable) are not reported in this fund financial statement because they are not due and payable, but are presented in the statement of net assets.	<u>(632,740)</u>
Net assets for governmental activities	<u>4,699,231</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGSTATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDSFor the Year Ended June 30, 2006

	<u>General Fund</u>	<u>Public Properties</u>	<u>High School Sewer Project</u>	<u>Other Gov't Funds</u>	<u>Total</u>
REVENUES:					
Taxes	348,258	-	-	-	348,258
Licenses and permits	116,933	214,341	-	-	331,274
Intergovernmental revenues	50,256	-	354,026	460,709	864,991
Charges for services	325,708	-	-	14,945	340,653
Other revenue	<u>67,729</u>	<u>9,069</u>	<u>62</u>	<u>4,613</u>	<u>81,473</u>
<u>Total revenues</u>	<u>908,884</u>	<u>223,410</u>	<u>354,088</u>	<u>480,267</u>	<u>1,966,649</u>
EXPENDITURES:					
General administration	176,260	6,773	-	56,623	239,656
Police department	340,799	-	-	-	340,799
Fire department	297,072	-	-	-	297,072
Street department	170,429	-	-	-	170,429
Sanitation department	349,112	-	-	-	349,112
Park and recreation	63,260	-	-	-	63,260
Debt service	20,093	30,569	-	-	50,662
Capital outlay	-	-	354,026	160,944	514,970
<u>Total expenditures</u>	<u>1,417,025</u>	<u>37,342</u>	<u>354,026</u>	<u>217,567</u>	<u>2,025,960</u>
Excess of revenues over (under) expenditures	(508,141)	186,068	62	262,700	(59,311)
OTHER FINANCING SOURCES (USES):					
Transfers (to) from other funds	<u>444,283</u>	<u>(199,670)</u>	<u>101</u>	<u>(251,041)</u>	<u>(6,327)</u>
Excess of revenues and other sources over (under) expenditures and other uses	(63,858)	(13,602)	163	11,659	(65,638)
<u>FUND BALANCE, JULY 1, 2005 (restated)</u>	<u>601,029</u>	<u>384,098</u>	<u>-</u>	<u>235,235</u>	<u>1,220,362</u>
<u>FUND BALANCE, JUNE 30, 2006</u>	<u>537,171</u>	<u>370,496</u>	<u>163</u>	<u>246,894</u>	<u>1,154,724</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGRECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIESFor the Year Ended June 30, 2006

Net change in total fund balances per fund financial statements	(65,638)
Amounts reported for governmental activities in the statement of activities differences:	
Capital outlays are reported as expenditures in the fund financial statements because they use current financial resources, but are presented as assets in the statement of activities and depreciated over their estimated useful economic lives. The difference is the net amount of capital outlay and depreciation conversion adjustments for the year.	(130,641)
Loan proceeds are reported as other financing sources in the fund financial statements but are recognized as long-term debt in the government wide financial statements.	(77,141)
Debt principal payments are recognized as expenditures of current financial resources in the fund financial statements but are reductions of liabilities in the statement of net assets.	<u>100,903</u>
Change in net assets of governmental activities	<u>(172,517)</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURG

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2006

	Original <u>Budget</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Over <u>(Under)</u>
<u>REVENUES:</u>				
Taxes	322,699	322,699	348,258	25,559
Licenses and permits	116,879	116,879	116,933	54
Intergovernmental revenues	172,401	172,401	50,256	(122,145)
Charges for services	237,000	237,000	325,708	88,708
Other revenue	30,163	30,163	67,729	37,566
	<u>879,142</u>	<u>879,142</u>	<u>908,884</u>	<u>29,742</u>
<u>Total revenues</u>				
<u>EXPENDITURES:</u>				
<u>Current:</u>				
General administration	166,123	166,123	176,260	(10,137)
Police department	326,249	326,249	340,799	(14,550)
Fire department	290,876	290,876	297,072	(6,196)
Street department	164,066	164,066	170,429	(6,363)
Sanitation department	278,454	292,454	349,112	(56,658)
Park and recreation	41,246	41,246	63,260	(22,014)
Other	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	20,093	(20,093)
	<u>1,267,014</u>	<u>1,281,014</u>	<u>1,417,025</u>	<u>(136,011)</u>
<u>Total expenditures</u>				
Excess of revenues over (under) expenditures before other financing sources (uses)	(387,872)	(401,872)	(508,141)	(106,269)
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers (to) from other funds	446,000	568,484	444,283	(124,201)
	<u>58,128</u>	<u>166,612</u>	<u>(63,858)</u>	<u>(230,470)</u>
Excess of revenues and other sources over (under) expenditures and other uses				
<u>FUND BALANCE, JULY 1, 2005 (restated)</u>	<u>601,029</u>	<u>601,029</u>	<u>601,029</u>	<u>-</u>
<u>FUND BALANCE, JUNE 30, 2006</u>	<u>659,157</u>	<u>767,641</u>	<u>537,171</u>	<u>(230,470)</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – SPECIAL REVENUE FUNDSFor the Year Ended June 30, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>REVENUES:</u>			
Taxes	-	-	-
Licenses and permits	-	-	-
Intergovernmental revenues	253,033	299,765	46,732
Charges for services	24,600	14,945	(9,655)
Other revenue	<u>20,000</u>	<u>4,258</u>	<u>(15,742)</u>
<u>Total revenues</u>	<u>297,633</u>	<u>318,968</u>	<u>21,335</u>
<u>EXPENDITURES:</u>			
<u>Current:</u>			
General administration	33,436	56,623	(23,187)
Police department	-	-	-
Fire department	-	-	-
Street department	-	-	-
Sanitation department	-	-	-
Park and recreation	-	-	-
Other	-	-	-
Capital outlay	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total expenditures</u>	<u>33,436</u>	<u>56,623</u>	<u>(23,187)</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	264,197	262,345	(1,852)
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers (to) from other funds	<u>(226,000)</u>	<u>(250,725)</u>	<u>(24,725)</u>
Excess of revenues and other sources over (under) expenditures and other uses	38,197	11,620	(26,577)
<u>FUND BALANCE, JULY 1, 2005 (Restated)</u>	<u>233,184</u>	<u>233,318</u>	<u>134</u>
<u>FUND BALANCE, JUNE 30, 2006</u>	<u>271,381</u>	<u>244,938</u>	<u>(26,443)</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGSTATEMENT OF NET ASSETS – PROPRIETARY FUNDS

At June 30, 2006

Assets:

- Current Assets -	
Cash - unrestricted	240,286
Receivables:	
Customers	<u>100,929</u>
<u>Total Current Assets</u>	<u>341,215</u>
- Restricted Assets -	
Cash	<u>157,373</u>
<u>Total Restricted Assets</u>	<u>157,373</u>
- Noncurrent Assets -	
Land, plant, equipment and fixtures	10,625,326
Less: accumulated depreciation	<u>(4,466,728)</u>
<u>Total Noncurrent Assets</u>	<u>6,158,598</u>
<u>Total assets</u>	<u>6,657,186</u>

Liabilities:

- Current Liabilities -	
Accounts payable	41,898
Accrued liabilities	353
Due to other agencies	3,706
Due to other funds	<u>21,831</u>
Customer deposits	47,840
Interest payable	43,778
Note payable - current portion	93,699
Bonds payable - current portion	<u>8,600</u>
<u>Total Current Liabilities</u>	<u>261,705</u>
- Noncurrent Liabilities -	
Notes payable	789,833
Bonds payable	<u>345,700</u>
<u>Total Noncurrent Liabilities</u>	<u>1,135,533</u>
<u>Total Liabilities</u>	<u>1,397,238</u>

Net Assets:

Invested in capital assets, net of related debt	4,920,766
Net assets, unreserved	181,809
Net assets, reserved	<u>157,373</u>
<u>Total Net Assets</u>	<u>5,259,948</u>
<u>Total Liabilities and Net Assets</u>	<u>6,657,186</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGSTATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS – PROPRIETARY FUNDSFor the Year Ended June 30, 2006

<u>OPERATING REVENUES:</u>	
Charges for services	820,205
Other revenues	<u>10,693</u>
<u>Total operating revenues</u>	<u>830,898</u>
<u>OPERATING EXPENSES:</u>	
Personal services	32,954
Contract services	613,186
Supplies and materials	3,191
Other	<u>2,606</u>
<u>Total operating expenses</u>	<u>651,937</u>
<u>Operating income before depreciation</u>	178,961
Depreciation	<u>547,692</u>
<u>OPERATING LOSS</u>	(368,731)
<u>NON-OPERATING REVENUES (EXPENSES):</u>	
Interest income	46
Interest expense	<u>(37,299)</u>
<u>Total non-operating revenues (expenses)</u>	<u>(37,253)</u>
<u>Income (loss) before operating transfers</u>	(405,984)
<u>OPERATING TRANSFERS IN (OUT)</u>	<u>6,382</u>
<u>NET LOSS</u>	(399,602)
<u>NET ASSETS, Beginning of Year (Restated), July 1, 2005</u>	<u>5,659,550</u>
<u>NET ASSETS, End of Year, June 30, 2006</u>	<u>5,259,948</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGSTATEMENT OF CASH FLOWS – PROPRIETARY FUNDSFor the Year Ended June 30, 2006CASH FLOWS FROM OPERATING ACTIVITIES:

Receipts from customers and users	854,864
Payment to suppliers	(605,272)
Payment to employees	<u>(44,736)</u>

<u>Net cash provided by operating activities</u>	<u>204,856</u>
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CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Operating transfers - (out)/in	<u>6,382</u>
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal paid on revenue bonds	(8,600)
Principal paid on notes	(69,753)
Interest paid on bonds and note	(37,299)
Acquisition of capital assets	<u>(6,575)</u>

<u>Net cash used for capital and related financing activities</u>	<u>(122,227)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES:

Interest on investments	<u>46</u>
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<u>NET INCREASE (DECREASE) IN CASH</u>	<u>89,057</u>
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<u>CASH AND RESTRICTED CASH, JULY 1</u>	<u>308,602</u>
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<u>CASH AND RESTRICTED CASH, JUNE 30</u>	<u>397,659</u>
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RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED BY OPERATING ACTIVITIES:

Operating income	(368,731)
Adjustments to reconcile operating net cash provided by operating activities	
Depreciation	547,692
Prior period adjustment	7,975
Changes in assets and liabilities	
(Increase) decrease in accounts receivable	10,088
(Increase) decrease in prepaid insurance	20,036
Increase (decrease) in accounts payable	1,481
Increase (decrease) in accrued liabilities	(11,782)
Increase (decrease) in customer deposits	5,903
Increase (decrease) due other agencies	1,973
Increase (decrease) due to other funds	<u>(9,779)</u>

<u>Net cash provided by operations</u>	<u>204,856</u>
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The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTSJune 30, 2006**Note 1 – General Statement and Summary of Significant Accounting Policies****General Statement**

The City of Whitesburg, Kentucky (The "City") was incorporated under the provisions of the State of Kentucky. The City operates under Council-Manager form of government and provides the following services as authorized by its charter: Public safety (police and fire), streets, sanitation, recreation, public improvements, planning and zoning, and general administrative services. Other services include utilities.

A. The Reporting Entity

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

Excluded from the reporting entity:

Whitesburg Educational Development Foundation, Inc.

Whitesburg Educational Development Foundation, Inc. has its own board members. The City of Whitesburg retains organizational control.

B. Government-Wide and Fund Financial Statements***Government-wide Financial Statements***

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities such as employee pension plans. The primary government is presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006B. Government-Wide and Fund Financial Statements (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments. Reimbursements are reported as reductions to expenses. Proprietary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

D. Fund Types and Major Funds*Governmental Funds*

The City reports the following major governmental funds:

General Fund – reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

Public Properties Fund – reports revenues from insurance premium taxes. Assists in debt service and capital outlay payments.

Capital Project Fund – reports revenues and related expenses reports to sewer line extension to Letcher County Central High School.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006D. Fund Types and Major Funds (continued)

Other governmental funds include:

Special Revenue Funds - accounts for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds – accounts for financial resources to be used for the acquisition and construction of other capital facilities and infrastructure.

Proprietary Funds

The City reports the following major enterprise funds:

Water and Sewer Funds – accounts for operations that are financed and operated in a manner similar to private business enterprises where the costs of providing services to the general public on a continuing basis are financed through user charges.

E. Assets, Liabilities, and Net Assets or Equity**1. Cash and Investments**

Cash and investments are separately held and reflected in their respective funds as “cash and cash equivalents” and “investments” some of which are restricted assets. The City considers the above in its definitions for applicability of cash flow statement use.

The City reporting entity considers highly liquid investments (including restricted assets) with an original maturity of one year or less when purchased to be cash equivalents.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount which reasonably estimates fair value.

2. Inventories and Prepaids

Inventories in governmental funds consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at cost which is recorded as an expenditure at the time individual inventory items are used.

CITY OF WHITESBURG

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2006

2. Inventories and Prepaids (continued)

Material prepaids record payments to vendors that benefit future reporting periods and are also reported on the consumption basis. Both inventories and prepaids are similarly reported in government-wide and fund financial statements.

3. Capital Assets, Depreciation, and Amortization

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary and component unit capital assets are also reported in their respective fund and combining component units financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with cost of \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Depreciation has been calculated on each class of depreciable property using the straight-line method, with one-half year's depreciation in the year of acquisition. Estimated useful lives are as follows:

Water and sewer line extensions	30 – 50 years
Buildings	30 – 50 years
Furniture and office equipment	5 – 10 years
Water storage tanks	50 years
Vehicles and equipment	4 – 10 years
Sewer treatment plant	24 years

4. Long-term Debt, Deferred Debt Expense, and Bond Discounts/Premiums

In the government-wide and proprietary financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006**4. Long-term Debt, Deferred Debt Expense, and Bond Discounts/Premiums**

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

5. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes.

F. Sources of Revenue and Other General Information**1. Revenues**

The major sources of revenue other than general fund tax and licenses and proprietary fee for services are federal and state grants, state financial assistance, local contributed cash, contributed services, and other revenues as discussed below:

a. Federal and State Grant Revenue

Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

b. State Financial Assistance

State financial assistance revenues are recognized upon notification of the amount of the award as the resources are collectible within the current period.

c. Local Contributed Cash

Contributions to grant programs from local governments and other participants are recognized as revenue when grant expenditures are incurred in the case of cost reimbursement grants.

d. In-Kind – Contributed Services

Local contributions, which include contributed services provided by individuals, private organizations and local governments, are used to match federal funding on various grants. Contributed services are

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006**F. Sources of Revenue and Other General Information (continued)****d. In-Kind – Contributed Services (continued)**

therefore reflected as revenue and expenditures in accordance with legal requirements of the individual grants. Contributed services are recorded as an expenditure with an equivalent amount recorded as revenue. The amounts of such services are recorded in the accompanying financial statements at their estimated fair values at date of receipt.

e. Other Revenues

Other revenues are composed primarily of interest and miscellaneous charges for services and lease income. Interest income is recorded as earned since it is measurable and available. Miscellaneous charges for services and lease income are recorded as revenues when received in cash because they are generally not measurable until actually received.

2. Leases

Leases that transfer substantially all of the risks and benefits of ownership are capital leases. Other leases are operating leases. Capital leases are included in property and equipment and are amortized using the straight-line method over their respective terms. Operating leases are expensed over the terms of the leases.

3. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the fund financial statements:

- a. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds as well as for all enterprise funds. These budgets are adopted on a basis consistent with generally accepted accounting principles.
- b. Budgetary data for capital project funds has not been presented in the accompanying combined financial statements as such funds are budgeted over the life of the respective project and not on an annual basis.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006**F. Sources of Revenue and Other General Information (continued)****3. Budgets and Budgetary Accounting (continued)**

- c. The City Council approves, by ordinance, total budget appropriations only. Any revisions thereafter for any fund must also be approved by the City Council. Therefore, the level of budgetary responsibility is by total appropriations. However, for report purposes this level has been expanded to a functional basis (general government, public safety, etc.).
- d. Unused appropriations for all of the above annually budgeted funds lapse at the end of year.
- e. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

4. Leave PoliciesVacation

The current vacation leave policy is as follows:

0 to 1 year service	none
2 years service	1 week
3 - 9 years service	2 weeks
10 years and over	3 weeks

Vacation leave must be taken within the year after it is accumulated.

Absences on account of sickness, injury or disability in excess of that authorized for such purposes may be charged to vacation leave credit.

Sick

All full-time employees shall be granted after September 15th of each year and have completed over one year of service, seven sick days and three personal days.

At June 30, 2006, net compensated absences accrued totaled \$15,319 based on the number of days earned for each employee. This amount is not included as a reduction to net assets in the financial statements.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006**5. Property Tax Calendar**

Property taxes for the fiscal year were levied in September 1999, on the assessed valuation of property in Letcher County as of the preceding January 1, the lien date. The due date and collection periods for all taxes exclusive of vehicle taxes, are as follows:

<u>Description</u>	<u>Per KRS 134.020</u>
1. Due date for payment of taxes, 2% discount	30 days from the date mailed
2. Face value amount payment date	31 - 60 days from the date mailed
3. Delinquent date 10% penalty, .5% interest per annum	After 61 days until collected

Vehicle taxes are collected by the County Clerk of Letcher County and are due and collected in the birth month of the vehicle's licensee.

6. Use of 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.

Note 2 – LONG-TERM DEBT

All revenue bonds issued by the City to finance the cost of construction of the waterworks and sewer system and the cost of construction of extensions, additions, and improvement to the system are as follows:

	<u>Original Issue</u>	<u>Total Outstanding</u>	<u>Current Portion</u>
5% 1984 "City of Whitesburg Water and Sewer Revenue Bonds"	145,000	103,000	3,000
5% 1989 "City of Whitesburg Water and Sewer Revenue Bonds"	253,000	203,000	5,000
4.5% 2000 "City of Whitesburg Water and Sewer Revenue Bonds"	<u>50,000</u>	<u>48,300</u>	<u>600</u>
	<u>448,000</u>	<u>354,300</u>	<u>8,600</u>

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006Note 2 – LONG-TERM DEBT (continued)

Future debt service requirements for the proprietary fund are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Percent Debt</u>
2007	8,600	17,260	25,860	4.35%
2008	9,600	16,808	26,408	4.44%
2009	9,700	16,329	26,029	4.38%
2010	10,700	15,822	26,522	4.46%
2011	10,700	15,291	25,991	4.37%
2011 - 16	63,200	67,591	130,791	22.00%
2017 - 21	80,100	49,854	129,954	21.86%
2022 - 26	91,400	27,410	118,810	19.98%
2027 - 31	48,900	8,870	57,770	9.72%
2032 - 36	9,900	3,737	13,637	2.29%
2037 - 41	<u>11,500</u>	<u>1,261</u>	<u>12,761</u>	<u>2.15%</u>
	<u>354,300</u>	<u>240,233</u>	<u>594,533</u>	<u>100.00%</u>

The City issued \$400,000 of "City of Whitesburg Public Properties Corporation First Mortgage Revenue Bonds Series 1992" to finance the acquisition and renovation of the new City Hall building. The Farmers Home Administration holds all the bonds which accrue at 5.625% per annum.

The future debt service requirements for the City Hall revenue bond are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Percent Debt</u>
2007	17,000	13,641	30,641	9.10%
2008	18,000	12,656	30,656	9.11%
2009	19,000	11,616	30,616	9.09%
2010	20,000	10,519	30,519	9.07%
2011	21,000	9,366	30,366	9.02%
2012 - 16	126,000	27,000	153,000	45.45%
2017	<u>30,000</u>	<u>844</u>	<u>30,844</u>	<u>9.16%</u>
	<u>251,000</u>	<u>85,642</u>	<u>336,642</u>	<u>100.00%</u>

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006**Note 2 – LONG-TERM DEBT (continued)**

Following is a summary of changes in proprietary fund long-term debt:

	Balance <u>July 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2006</u>
KIA Payable #1	660,971	-	(43,069)	617,902
KIA Payable #2	265,000	-	(20,000)	245,000
Revenue bonds payable	365,900	-	(11,600)	354,300
Whitaker Bank loan	7,278	-	(6,684)	594
Whitaker Bank - wc/loan	<u>20,036</u>	<u>-</u>	<u>-</u>	<u>20,036</u>
<u>Total</u>	<u>1,319,185</u>	<u>-</u>	<u>(81,353)</u>	<u>1,237,832</u>

Note 3 – CASH AND INVESTMENTS

The carrying amount of the City's deposits with financial institutions were \$1,461,543 and the bank balance was \$1,576,269. The bank balance is categorized as follows:

Amount insured by FDIC	102,245
Amount collateralized with securities held by the pledging financial institutions trust department in the City's name	-
Uncollateralized (entire amount is collateralized with securities held in the name of the financial institutions and pledged to the City, the securities can not be removed or redeemed without the prior approval of the City)	1,417,185
Uncollateralized	<u>56,839</u>
<u>Total bank balance</u>	<u>1,576,269</u>

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006**Note 3 – CASH AND INVESTMENTS (continued)**

Custodial credit risk is the risk that in the event of bank failure the deposits may not be returned or that the City may not recover collateral securities. The City requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). At June 30, 2006, the City had \$56,839 in cash and short-term investments not collateralized. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not retain any long-term investments. Concentrations of credit risk are the risk of loss attributed to the magnitude of the City's investments in a single issuer. Virtually all of the City's cash and investments are held at local financial institutions. Foreign currency risk is the risk of changes in the exchange rates affecting foreign investments. The City does not hold any foreign investments.

The cash deposits held at financial institutions can be categorized according to three levels of risk.

These three levels of risk are as follows:

- Category 1 Deposits which are insured or collateralized with securities held by the District or by its agent in the City's name.
- Category 2 Deposits which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- Category 3 Deposits which are not collateralized or insured.

Based on these three levels of risk, all of the City's cash deposits are classified as Category 2 and 3.

Interest bearing investment accounts at June 30, 2006 are as follows:

	<u>Rate</u>	<u>Amount</u>
A. General Fund		
(1) Certificate of Deposit	4.75%	50,000
(2) Certificate of Deposit	4.75%	50,000
(3) Certificate of Deposit	4.50%	104,475
(4) Certificate of Deposit	4.50%	104,475

CITY OF WHITESBURG

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2006

Note 3 – CASH AND INVESTMENTS (continued)

B. Public Property Fund			
(1) Certificate of Deposit	4.75%	25,000	
(2) Certificate of Deposit	4.75%	25,000	
(3) Certificate of Deposit	4.75%	25,000	
(4) Certificate of Deposit	4.75%	<u>25,000</u>	
Total Investments			<u>408,950</u>

Note 4 – CHANGES IN PROPRIETARY FUND FIXED ASSETS

Following is a summary of changes in proprietary fund fixed assets:

	Balance <u>July 1, 2005</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2006</u>
Vehicles and equipment	210,591	-	-	210,591
Water and sewer system	10,408,160	-	-	10,408,160
Accumulated depreciation	<u>(3,919,036)</u>	<u>(547,692)</u>	-	<u>(4,466,728)</u>
<u>Totals</u>	<u>6,699,715</u>	<u>(547,692)</u>	-	<u>6,152,023</u>

Note 5 – CHANGES IN GENERAL GOVERNMENT FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	Balance <u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2006</u>
Land	848,901	-	-	848,901
Buildings and Improvements	5,917,046	-	-	5,917,046
Vehicles and Equipment	<u>1,202,522</u>	<u>77,141</u>	<u>240,000</u>	<u>1,039,663</u>
Subtotal	7,968,469	77,141	240,000	7,805,610
Less: Accumulated Depreciation	<u>(3,660,581)</u>	<u>(207,782)</u>	<u>(240,000)</u>	<u>(3,628,363)</u>
Total	<u>4,307,888</u>	<u>(130,641)</u>	-	<u>4,177,247</u>

Current year depreciation expense was \$207,782.

CITY OF WHITESBURG

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2006

Note 6 – CHANGES IN GENERAL GOVERNMENT LONG-TERM DEBT

A summary of changes in general long-term debt is as follows:

	<u>Balance</u> <u>July 1, 2005</u>	<u>Proceeds</u>	<u>Principal</u> <u>Paid</u>	<u>Balance</u> <u>June 30, 2006</u>
Sanitation Truck	23,974	-	17,869	6,105
Loan - City Hall	267,000	-	16,000	251,000
Loan - Warehouse Renovation	166,638	-	19,207	147,431
03 Ford Explorer	-	12,095	-	12,095
Fire Truck	131,084	-	33,680	97,404
Loan - Finance Workers Comp.	67,806	-	-	67,806
Street Sweeper	-	65,046	14,147	50,899
	<u>656,502</u>	<u>77,141</u>	<u>100,903</u>	<u>632,740</u>

Note 7 – INTERFUND ASSETS AND LIABILITIES

Due from/to other funds balances at June 30, 2006 were as follows:

<u>Fund</u>	<u>Due From</u> <u>Other Funds</u>	<u>Due to</u> <u>Other Funds</u>
General Fund	21,831	-
Water and Sewer Fund	-	21,831
	<u>21,831</u>	<u>21,831</u>

Note 8 – INTERFUND OPERATING TRANSFERS

<u>Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
General Fund -		
To transfer from Municipal Road Aid	-	(1) 57,573
Transfer from Coal Severance Fund	-	(1) 83,939
Transfer from Public Properties	-	(1) 199,670
Transfer from Community Oriented Policing	-	(1) 104,904
Transfer from Parking Fund	-	(1) 2,984
Transfer to Water and Sewer	(1) 6,112	-
Transfer from Technical Building	-	(1) 1,325
<u>Total General Fund</u>	<u>6,112</u>	<u>450,395</u>

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006Note 8 – INTERFUND OPERATING TRANSFERS (continued)

<u>Fund</u>	<u>Transfer Out</u>	<u>Transfer In</u>
Special Revenue Funds -		
Parking Meter Fund		
To transfer to General Fund	(1) 2,984	-
Coal Severance Fund		
To transfer to General Fund	(1) 83,939	-
Municipal Road Aid		
Transfer from General Fund	(1) 57,573	-
Community Oriented Policing		
Transfer to General Fund	(1) 104,904	-
Technical Building		
Transfer to General Fund	(1) <u>1,325</u>	<u>-</u>
<u>Total Special Revenue Funds</u>	<u>250,725</u>	<u>-</u>
Water and Sewer Fund -		
Transfer from General Fund	-	(1) 6,112
Transfer from KIA Project	-	(1) 316
Transfer from Sewer Pride Project	-	(1) 55
Transfer to High School Sewer Project	(1) <u>101</u>	<u>-</u>
<u>Total Water and Sewer Fund</u>	<u>101</u>	<u>6,483</u>
Capital Projects -		
Public Properties		
To transfer to General Fund operations	(1) 199,670	-
High School Sewer Project		
To transfer from Water		(1) 101
KIA Project		
To transfer from Water	(1) 316	-
Sewer Pride Project		
To transfer to Water	(1) <u>55</u>	<u>-</u>
<u>Total Capital Projects</u>	<u>200,041</u>	<u>101</u>
<u>Total All Funds</u>	<u>456,979</u>	<u>456,979</u>

(1) To transfer funds

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006**Note 9 – RETIREMENT PLAN**

The City of Whitesburg is a participating employer of the County Employees' Retirement System (CERS), which is a multi-employer defined benefit plan that covers substantially all regular full-time employees of each county, school board, municipal and other local agencies electing to participate. Upon election to participate in the CERS, each employee is given the option to participate, however, all subsequent employees must participate and the employer is required to continue participation.

Employees who retire at age 65 and have 48 or more months of credited service or have 27 years of credited service regardless of age are entitled to a retirement benefit, payable monthly for life, equal to 2% of the average annual salary of the members' five highest earning years multiplied by the number of years of service credit. Members retiring at less than 55 years of age with 25 to 29 years of service credit or 65 years of age with less than 48 months of service credit are entitled to reduced benefits. Members' retirement benefits become fully vested when they complete sixty months of service, twelve of which are current service.

The City of Whitesburg has a total of 19 employees covered by the CERS. The employers contribution rate are intended to fund the System's normal cost on a current basis plus one percent (1%) of unfunded past service costs per annum plus interest at the actuarial assumed rate. Such contribution rates are determined by the Board of Trustees of Kentucky Retirement Systems each biennium. The City of Whitesburg has a total of 8 non-hazardous and 9 hazardous employees covered by the CERS. The employees non-hazardous contribute 5.0% and hazardous contribute 10.98%. The employer non-hazardous contributes 8% and hazardous contributes 25.01%. The City's contribution for the year ended June 30, 2006 was \$49,300 and employees contributed \$30,393. The City's total payroll for covered employees for the year ended June 30, 2006 was \$436,011 and the total payroll for all employees was \$496,776.

Following is a three-year summary of employer pension contributions:

<u>Fiscal year ended</u>	<u>Employer contribution</u>
2004	21,588
2005	49,300
2006	88,176

The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure, is the actuarial present value of credited projected benefits, are intended to help users assess the System's

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006**Note 9 – RETIREMENT PLAN (continued)**

funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among the public employee retirement systems (PERS). The measure is independent of the actuarial funding method used to determine contributions to the System.

All required contributions were paid at year-end or within thirty (30) days thereafter. The percentage of the City's contribution to total employers' contribution in the CERS is not known.

CERS does not make separate measurement of assets and pension benefit obligations for individual employers. The following table presents certain information regarding the plans' status as a whole, derived from actuarial valuations performed as of the dates indicated:

	CERS as of June 30, 2005 (in Millions of Dollars)
Actuarial Accrued Liability	7,180.9
Actuarial Value of Assets	<u>6,511.6</u>
Unfunded (Overfunded) Actuarial Accrued Liability	<u>669.3</u>

Ten year historical trend information showing CERS's progress respectively in accumulating sufficient assets to pay benefits when due is presented in their June 30, 2005 comprehensive annual financial reports.

As the City is only one of several employers participating in the plan, it is not practicable to determine the City's portion of the unfounded past service cost or the vested benefits of the City's portion of the plan.

Note 10 – TECHNICAL BUILDING

The City was awarded a \$1.25 million grant for the construction of a Laboratory Wing (40,000 sq. ft.) at Southeast Community College in Whitesburg. The activity related to this grant is reported in the Special Revenue Fund – Technical Building Fund.

Note 11 – CONTINGENT LIABILITIES

The City attorney has stated as of the audit date that there is two litigation matter pending against the City of Whitesburg.

The City intends to contest each case vigorously. Estimate of potential loss was not provided by the City attorney.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006**Note 12 – CASH PER CASH FLOW STATEMENT**

	<u>2006</u>	<u>2005</u>
Cash Operations	240,286	169,624
Cash Sewer Replacement	18,624	17,198
Cash Sinking Funds	<u>138,749</u>	<u>121,780</u>
<u>Total</u>	<u>397,659</u>	<u>308,602</u>

Note 13 – EXCESS EXPENDITURES OVER REVENUE – FUND FINANCIAL STATEMENTS

General Fund	508,141
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Note 14 – PAYABLE FROM RESTRICTED ASSETS

Sewer Replacement	18,624
Sinking Funds	96,979
Water Reserve	<u>32,560</u>
<u>Total</u>	<u>148,163</u>

Certain assets of the Whitesburg Water and Sewer System have been restricted for debt service and construction. The assets consist of cash and short-term investments restricted as follows:

Note 15 – ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Allowance for uncollectible receivable in the Water Fund at June 30, 2006 was \$8,136, General Fund was \$121,816 and Garbage Fund was \$2,352.

Note 16 – RELATED PARTY TRANSACTIONS - WHITESBURG EDUCATIONAL DEVELOPMENT FOUNDATION, INC.

The City of Whitesburg's general purpose financial statements for the year ended June 30, 2006 do not include the Whitesburg Educational Development Foundation, Inc. The Foundation was formed to acquire and renovate a building for Southeast Community College at Whitesburg. In fiscal year ended 2000 debt related to the acquisition and improvements of the aforementioned property was retired. Restated articles of incorporation dated October 17, 1991 give the City of Whitesburg organizational or supervisory control over the corporation. The Foundation received as a gift the Reynolds property having a

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2006**Note 16 – RELATED PARTY TRANSACTIONS - WHITESBURG EDUCATIONAL DEVELOPMENT FOUNDATION, INC. (continued)**

fair market value of \$700,000. The Foundation had cash in the amount of \$197,894 at June 30, 2006. For the year ended June 30, 2006 the Foundation realized total revenue in the amount of \$64,549 and incurred expenses totaling \$46.

Note 17 - GRANT PROGRAMS

The City participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2006 may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Note 18 – PRIOR PERIOD RESTATEMENTS

Retained earnings, Water and Sewer Fund, was increased \$7,975 to write off an old outstanding check dated September 8, 2003.

Fund balance, General Fund, reflected a net increase of \$1,444 due to a \$20,093 fund balance increase reclassification of prepaid debt service regarding the city hall mortgage revenue bond and a \$18,651 decrease reclassifying the account balance - due from water and sewer fund - related to prior year payroll and tax adjusting entries.

Note 19 – RISK MANAGEMENT

The City is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

SUPPLEMENTARY INFORMATION

CITY OF WHITESBURGCOMBINING BALANCE SHEET – ALL SPECIAL REVENUE FUNDS (CONTINUED)June 30, 2006

<u>Technical Building Fund</u>	<u>Community Oriented Policing Service</u>	<u>Fire Department Special Account</u>	<u>Total</u>
157,778	9,083	29,897	244,938
-	-	-	-
<u>157,778</u>	<u>9,083</u>	<u>29,897</u>	<u>244,938</u>
-	-	-	-
<u>157,778</u>	<u>9,083</u>	<u>29,897</u>	<u>244,938</u>
<u>157,778</u>	<u>9,083</u>	<u>29,897</u>	<u>244,938</u>

CITY OF WHITESBURGCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS (CONTINUED)For the Year Ended June 30, 2006

<u>Technical Building Fund</u>	<u>Community Oriented Policing Services</u>	<u>Fire Department Special Accounts</u>	<u>Total</u>
51,223	113,984	1,584	299,765
-	-	-	14,945
<u>3,149</u>	<u>-</u>	<u>-</u>	<u>4,258</u>
<u>54,372</u>	<u>113,984</u>	<u>1,584</u>	<u>318,968</u>
44,664	-	-	56,623
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>44,664</u>	<u>-</u>	<u>-</u>	<u>56,623</u>
<u>9,708</u>	<u>113,984</u>	<u>1,584</u>	<u>262,345</u>
-	-	-	-
<u>(1,325)</u>	<u>(104,904)</u>	<u>-</u>	<u>(250,725)</u>
8,383	9,080	1,584	11,620
<u>149,395</u>	<u>3</u>	<u>28,313</u>	<u>233,318</u>
<u>157,778</u>	<u>9,083</u>	<u>29,897</u>	<u>244,938</u>

CITY OF WHITESBURG

COMBINING BALANCE SHEET – ALL CAPITAL PROJECTS

June 30, 2006

	Public Property Fund	High School Sewer Project	Wastewater Treatment Plant Project	Solomon Branch Sewer Line	Total
<u>ASSETS</u>					
Cash	232,167	163	-	1,956	234,286
Investments	100,000	-	-	-	100,000
<u>Restricted Cash:</u>					
Cash	<u>38,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,329</u>
<u>Total Assets</u>	<u>370,496</u>	<u>163</u>	<u>-</u>	<u>1,956</u>	<u>372,615</u>
<u>LIABILITIES AND FUND EQUITY</u>					
<u>LIABILITIES</u>					
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND EQUITY:</u>					
<u>Fund Balance</u>					
Reserve for construction encumbrances	<u>370,496</u>	<u>163</u>	<u>-</u>	<u>1,956</u>	<u>372,615</u>
<u>Total fund equity</u>	<u>370,496</u>	<u>163</u>	<u>-</u>	<u>1,956</u>	<u>372,615</u>
<u>Total liabilities and fund equity</u>	<u>370,496</u>	<u>163</u>	<u>-</u>	<u>1,956</u>	<u>372,615</u>

CITY OF WHITESBURGCOMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL CAPITAL PROJECTSFor the Year Ended June 30, 2006

	Public Property Fund	High School Wastewater Project	Wastewater Treatment Plant Project	Solomon Branch Sewer Line	Total
REVENUES:					
Licenses and permits	214,341	-	-	-	214,341
Intergovernmental revenues	-	354,026	160,944	-	514,970
Miscellaneous	9,069	62	316	39	9,486
Total revenues	223,410	354,088	161,260	39	738,797
EXPENDITURES:					
General administration	6,773	-	-	-	6,773
Capital outlay	-	354,026	160,944	-	514,970
Debt service	30,569	-	-	-	30,569
Total expenditures	37,342	354,026	160,944	-	552,312
Excess of revenue over (under) expenditures	186,068	62	316	39	186,485
OTHER FINANCING SOURCES (USES):					
Operating transfers in (out)	(199,670)	101	(316)	-	(199,885)
Total other financing sources (uses)	(199,670)	101	(316)	-	(199,885)
Excess of revenues and other sources over (under) expenditures and other uses	(13,602)	163	-	39	(13,400)
FUND BALANCE, JULY 1	384,098	-	-	1,917	386,015
FUND BALANCE, JUNE 30	370,496	163	-	1,956	372,615

CITY OF WHITESBURGCOMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES – ALL ENTERPRISE FUNDSFor the Year Ended June 30, 2006

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>OPERATING REVENUES:</u>			
Charges for services	547,353	272,852	820,205
Other revenues	<u>10,693</u>	<u>-</u>	<u>10,693</u>
<u>Total operating revenues</u>	<u>558,046</u>	<u>272,852</u>	<u>830,898</u>
<u>OPERATING EXPENSES:</u>			
Personal services	32,954	-	32,954
Contract services	324,957	288,229	613,186
Supplies and materials	3,113	78	3,191
Other	<u>920</u>	<u>1,686</u>	<u>2,606</u>
<u>Total operating expenses</u>	<u>361,944</u>	<u>289,993</u>	<u>651,937</u>
Operating income before depreciation	196,102	(17,141)	178,961
Depreciation	<u>378,762</u>	<u>168,930</u>	<u>547,692</u>
<u>OPERATING REVENUE (LOSS)</u>	<u>(182,660)</u>	<u>(186,071)</u>	<u>(368,731)</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest income	46	-	46
Interest expense	<u>(36,715)</u>	<u>(584)</u>	<u>(37,299)</u>
<u>Total non-operating revenues (expenses)</u>	<u>(36,669)</u>	<u>(584)</u>	<u>(37,253)</u>
<u>Income (loss) before operating transfers</u>	<u>(219,329)</u>	<u>(186,655)</u>	<u>(405,984)</u>
<u>OPERATING TRANSFERS IN (OUT)</u>	<u>6,382</u>	<u>-</u>	<u>6,382</u>
<u>NET LOSS</u>	<u>(212,947)</u>	<u>(186,655)</u>	<u>(399,602)</u>
Retained earning (deficit) July 1, 2005			<u>(1,975,064)</u>
<u>RETAINED EARNING (DEFICIT), JUNE 30, 2006</u>			<u>(2,374,666)</u>

CITY OF WHITESBURGSCHEDULE OF REVENUE BOND REQUIREMENTS1984 ISSUEJune 30, 2006

<u>FISCAL YEAR</u> <u>ENDING</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u> <u>MATURITIES</u> <u>DUE AUGUST 1</u>	<u>INTEREST</u>	<u>TOTAL</u> <u>DEBT</u> <u>SERVICE</u>
2007	3,000	5,075	8,075
2008	4,000	4,900	8,900
2009	4,000	4,700	8,700
2010	4,000	4,500	8,500
2011	4,000	4,300	8,300
2012	4,000	4,100	8,100
2013	5,000	3,875	8,875
2014	5,000	3,625	8,625
2015	5,000	3,375	8,375
2016	5,000	3,125	8,125
2017	6,000	2,850	8,850
2018	6,000	2,550	8,550
2019	6,000	2,250	8,250
2020	6,000	1,950	7,950
2021	7,000	1,625	8,625
2022	7,000	1,275	8,275
2023	7,000	925	7,925
2024	15,000	375	15,375
	<u>\$ 103,000</u>	<u>\$ 55,375</u>	<u>\$ 158,375</u>

CITY OF WHITESBURGSCHEDULE OF REVENUE BOND REQUIREMENTS1989 ISSUEJune 30, 2006

<u>FISCAL YEAR ENDING JUNE 30,</u>	<u>PRINCIPAL MATURITIES DUE AUGUST 1</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>
2007	5,000	10,025	15,025
2008	5,000	9,775	14,775
2009	5,000	9,525	14,525
2010	6,000	9,250	15,250
2011	6,000	8,950	14,950
2012	6,000	8,650	14,650
2013	7,000	8,325	15,325
2014	7,000	7,975	14,975
2015	7,000	7,625	14,625
2016	8,000	7,250	15,250
2017	8,000	6,850	14,850
2018	8,000	6,450	14,450
2019	9,000	6,025	15,025
2020	9,000	5,575	14,575
2021	10,000	5,100	15,100
2022	10,000	4,600	14,600
2023	11,000	4,075	15,075
2024	11,000	3,525	14,525
2025	12,000	2,950	14,950
2026	12,000	2,350	14,350
2027	13,000	1,725	14,725
2028	14,000	1,050	15,050
2029	14,000	350	14,350
	<u>\$ 203,000</u>	<u>\$ 137,975</u>	<u>\$ 340,975</u>

CITY OF WHITESBURGSCHEDULE OF REVENUE BOND REQUIREMENTS2000 ISSUEJune 30, 2006

<u>FISCAL YEAR</u> <u>ENDING</u> <u>JUNE 30.</u>	<u>PRINCIPAL</u> <u>MATURITIES</u> <u>DUE AUGUST 1</u>	<u>INTEREST</u>	<u>TOTAL</u> <u>DEBT</u> <u>SERVICE</u>
2007	600	2,160	2,760
2008	600	2,133	2,733
2009	700	2,104	2,804
2010	700	2,072	2,772
2011	700	2,041	2,741
2012	800	2,007	2,807
2013	800	1,971	2,771
2014	800	1,935	2,735
2015	900	1,897	2,797
2016	900	1,856	2,756
2017	900	1,816	2,716
2018	1,000	1,773	2,773
2019	1,000	1,728	2,728
2020	1,100	1,681	2,781
2021	1,100	1,631	2,731
2022	1,200	1,580	2,780
2023	1,200	1,525	2,725
2024	1,300	1,469	2,769
2025	1,300	1,411	2,711
2026	1,400	1,350	2,750
2027	1,400	1,287	2,687
2028	1,500	1,222	2,722
2029	1,600	1,152	2,752
2030	1,600	1,080	2,680
2031	1,800	1,004	2,804
2032	1,800	922	2,722
2033	1,900	839	2,739
2034	2,000	752	2,752
2035	2,100	659	2,759
2036	2,100	565	2,665
2037	2,300	466	2,766
2038	2,300	362	2,662
2039	2,500	254	2,754
2040	2,600	139	2,739
2041	1,800	40	1,840
	<u>\$ 48,300</u>	<u>\$ 46,883</u>	<u>\$ 95,183</u>

CITY OF WHITESBURGSCHEDULE OF REVENUE BOND REQUIREMENTS1992 MORTGAGE REVENUE – CITY HALLJune 30, 2006

<u>FISCAL YEAR</u> <u>ENDING</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u> <u>MATURITIES</u> <u>DUE JULY 1</u>	<u>INTEREST</u>	<u>TOTAL</u> <u>DEBT</u> <u>SERVICE</u>
2007	17,000	13,641	30,641
2008	18,000	12,656	30,656
2009	19,000	11,616	30,616
2010	20,000	10,519	30,519
2011	21,000	9,366	30,366
2012	22,000	8,156	30,156
2013	24,000	6,863	30,863
2014	25,000	5,484	30,484
2015	27,000	4,022	31,022
2016	28,000	2,475	30,475
2017	<u>30,000</u>	<u>844</u>	<u>30,844</u>
	<u>\$ 251,000</u>	<u>\$ 85,642</u>	<u>\$ 336,642</u>

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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

HONORABLE MAYOR AND CITY COUNCIL

CITY OF WHITESBURG

WHITESBURG, KENTUCKY

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Whitesburg as of and for the year ended June 30, 2006, which collectively comprise the City of Whitesburg's basic financial statements and have issued our report thereon dated December 21, 2006. 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 City of Whitesburg's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Whitesburg'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 statements 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Council members, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.



Chris Gooch
Certified Public Accountant

Hazard, Kentucky

December 21, 2006

EXHIBIT 2A

CITY OF WHITESBURG, KENTUCKY

FINANCIAL STATEMENTS AND REPORT OF AUDIT

For the Year Ended June 30, 2007

CITY OF WHITESBURG, KENTUCKY
FINANCIAL STATEMENTS AND REPORT OF AUDIT
For the Year Ended June 30, 2007

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CITY OF WHITESBURG, KENTUCKY
FINANCIAL STATEMENTS AND REPORT OF AUDIT
For the Year Ended June 30, 2007

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INDEPENDENT AUDITOR'S REPORT

HONORABLE MAYOR AND CITY COUNCIL

CITY OF WHITESBURG

WHITESBURG, KENTUCKY

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Whitesburg as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Whitesburg's management. Our responsibility is to express opinions on these financial statements based on our audit.

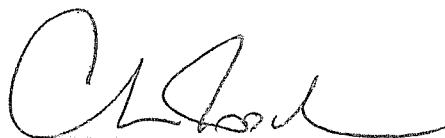
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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 the 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 governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Whitesburg, as of June 30, 2007, and the respective changes in financial position, and cash flows, where applicable, thereof for the year 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 December 30, 2008, on our consideration of the City of Whitesburg'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 important for 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 City of Whitesburg's basic financial statements. The combining and individual nonmajor fund financial statements and other supplemental information are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other supplemental information have been subjected to the auditing procedures applied to 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.



Chris Gooch
Certified Public Accountant

Hazard, Kentucky

December 30, 2008

CITY OF WHITESBURG, KENTUCKY

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended June 30, 2007

As management of the City of Whitesburg, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2007. This information should be considered in conjunction with the accompanying financial statements and disclosure following this section.

FINANCIAL HIGHLIGHTS

- The beginning cash balance, including investments, for the City was \$1,472,694 of which \$204,010 is considered restricted. The ending cash balance, including investments, for the City was \$1,410,174 of which \$237,783 was considered restricted.
- The City reduced its proprietary fund type debt principal \$76,946 and its governmental type debt principal \$115,079 for the year ended.
- The City received commitments from various funding agencies to assist in financing the wastewater treatment plant project, including \$2,000,000 from the Governor's Office for Local Development and \$1,000,000 from the Kentucky Infrastructure Authority.
- The City's police department continues to participate in federally funded Unite and Cops in School Grant programs.

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

CITY OF WHITESBURG, KENTUCKYMANAGEMENT'S DISCUSSION AND ANALYSIS (continued)For the Year Ended June 30, 2007**Government-wide financial statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the City that are principally supported by property taxes, intergovernmental revenues and customer charges. The governmental activities of the City include general administrative, police and fire protection, sanitation department, highway and streets, and parks and recreation. Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental and proprietary funds. Proprietary funds include the Water Fund and Sewer Fund. All other activities are reported under governmental funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. As of June 30, 2007, assets exceeded liabilities by \$9,616,183.

The greatest portion of the City's net assets reflects its investment in capital assets (e.g., land and improvements, infrastructure, buildings and improvements, vehicles, furniture and equipment and ongoing construction projects, where applicable), less

CITY OF WHITESBURG, KENTUCKY

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

For the Year Ended June 30, 2007

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the citizens of Whitesburg and to customers for which the City provides services; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

A comparison of net assets at June 30, 2007 to the previous year is as follows:

	<u>At June 30</u>	
	<u>2007</u>	<u>2006</u>
Current Assets	1,437,507	1,472,694
Restricted Assets	237,783	204,010
Noncurrent Assets	<u>9,963,549</u>	<u>10,335,845</u>
<u>Total Assets</u>	<u>11,638,839</u>	<u>12,012,549</u>
Current Liabilities	450,449	402,543
Noncurrent Liabilities	<u>1,572,207</u>	<u>1,650,827</u>
<u>Total Liabilities</u>	<u>2,022,656</u>	<u>2,053,370</u>
Net Assets		
Investment in Capital Assets (net of debt)	8,197,160	8,480,272
Restricted	446,677	204,010
Unreserved Fund Balance	<u>972,346</u>	<u>1,274,897</u>
<u>Total Net Assets</u>	<u>9,616,183</u>	<u>9,959,179</u>
<u>Total Liabilities and Net Assets</u>	<u>11,638,839</u>	<u>12,012,549</u>

CITY OF WHITESBURG, KENTUCKYMANAGEMENT'S DISCUSSION AND ANALYSIS (continued)For the Year Ended June 30, 2007

- Decrease in noncurrent assets is chiefly attributable to total depreciation expense of \$712,626.
- Decrease in noncurrent liabilities is primarily attributable to reduction of debt principal in the amount of \$192,025.

Comments on budget comparisons

- The City's total general fund revenues for the fiscal year ended June 30, 2007, net of interfund transfers was more than budgeted revenues by \$394,515. Subsequently, expenditures for most categories were more than budgeted. The budget was not revised to show the increases in both categories.
- General fund budget expenditures compared to actual expenditures reflects line item variances. The actual ending balance was \$493,137 greater than budget.
- The general fund financial statement budget comparison also reflects unbudgeted line-items of \$279,588 in capital outlay for the Allied Health and Boone Motor Company building renovations and \$27,237 in debt service.

The following table presents a summary comparison of government wide revenue and expense for fiscal year ended June 30, 2007 and 2006:

	<u>Year Ended</u>	
	<u>2007</u>	<u>2006</u>
Revenues:		
Local revenue sources	2,177,552	1,937,858
Intergovernmental revenues	<u>382,883</u>	<u>348,147</u>
 <u>Total Revenues</u>	 <u>2,560,435</u>	 <u>2,286,005</u>
 Expenditures:		
General administration	369,371	279,208
Police	507,196	384,948
Fire	370,247	346,100
Highway and streets	219,103	133,510
Sanitation	352,551	406,728
Parks and recreation	76,935	73,702
Utility services	<u>1,312,240</u>	<u>1,233,928</u>
 <u>Total Expenditures</u>	 <u>3,207,643</u>	 <u>2,858,124</u>
 <u>Change in Net Assets</u>	 <u>(647,208)</u>	 <u>(572,119)</u>

CITY OF WHITESBURG, KENTUCKYMANAGEMENT'S DISCUSSION AND ANALYSIS (continued)For the Year Ended June 30, 2007

- Local revenue increases from '06 to '07 include property tax revenue, \$21,176 and garbage fees, \$62,672 and \$236,508 in revenue for the Allied Health and Boone Motor Company building renovations.
- Intergovernmental revenue increases include a coal tax increase of \$8,765.
- Police Department insurance increased by \$13,620.

BUDGETARY IMPLICATIONS

In Kentucky the fiscal year for municipalities is July 1-June 30; other programs, i.e. some federal operate on a different fiscal calendar, but are reflected in the city's overall budget.

Results of the current fiscal year and recent historical trends for the City were taken into account when preparing the 2007-08 budget. No significant revenue or expense line items are foreseeable. Revenues for proprietary funds are monitored for significant expenditures/obligations that may have an effect on rates charged to customers of the City. The City's tax rates and tax base remain at the same level. Adjustments are made in the current year budget for cost of living salary increases for personnel. The City has assessed underlying economics risk factors that are prevalent for the geographic area and considered these risk factors when preparing budgets.

Questions regarding this report should be directed to the Mayor or City Clerk at (606) 633-3700.

CITY OF WHITESBURG
STATEMENT OF NET ASSETS

At June 30, 2007

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
- Current Assets -			
Cash - unrestricted	567,010	261,473	828,483
Investments	343,908	-	343,908
Receivables			
Property tax	5,587	-	5,587
Customers	39,394	122,771	162,165
Other	54,482	-	54,482
Prepaid expense	24,581	-	24,581
Due to (from) other funds	<u>18,301</u>	<u>-</u>	<u>18,301</u>
<u>Total Current Assets</u>	<u>1,053,263</u>	<u>384,244</u>	<u>1,437,507</u>
- Restricted Assets -			
Cash	<u>48,128</u>	<u>189,655</u>	<u>237,783</u>
<u>Total Restricted Assets</u>	<u>48,128</u>	<u>189,655</u>	<u>237,783</u>
- Noncurrent Assets -			
Land, plant, equipment and fixtures	7,819,729	10,927,419	18,747,148
Less: accumulated depreciation	<u>(3,789,135)</u>	<u>(4,994,464)</u>	<u>(8,783,599)</u>
<u>Total Noncurrent Assets</u>	<u>4,030,594</u>	<u>5,932,955</u>	<u>9,963,549</u>
<u>Total assets</u>	<u>5,131,985</u>	<u>6,506,854</u>	<u>11,638,839</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURG

STATEMENT OF NET ASSETS (CONTINUED)

At June 30, 2007

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Liabilities:			
- Current Liabilities -			
Accounts payable	32,552	87,393	119,945
Accrued liabilities	18,535	368	18,903
Due to other agencies	3,000	2,905	5,905
Due to other fund	-	18,301	18,301
Customer deposits	-	51,590	51,590
Interest payable	-	41,623	41,623
Note payable - current portion	99,598	68,009	167,607
Bonds payable - current portion	18,000	8,575	26,575
	<u>171,685</u>	<u>278,764</u>	<u>450,449</u>
- Noncurrent Liabilities -			
Notes payable	242,180	747,152	989,332
Bonds payable	245,725	337,150	582,875
	<u>487,905</u>	<u>1,084,302</u>	<u>1,572,207</u>
	<u>659,590</u>	<u>1,363,066</u>	<u>2,022,656</u>
Net Assets:			
Invested in capital assets, net of related debt	3,425,091	4,772,069	8,197,160
Net assets, unreserved	790,282	182,064	972,346
Net assets, reserved	257,022	189,655	446,677
	<u>4,472,395</u>	<u>5,143,788</u>	<u>9,616,183</u>
	<u>5,131,985</u>	<u>6,506,854</u>	<u>11,638,839</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGSTATEMENT OF ACTIVITIESFor the Year Ended June 30, 2007

	<u>Net (Expense) Revenue and Changes in Net Assets</u>		
	<u>Governmental</u>	<u>Business-</u>	<u>Total</u>
	<u>Activities</u>	<u>Type</u>	
		<u>Activities</u>	
	(112,296)	-	(112,296)
	(331,638)	-	(331,638)
	(332,674)	-	(332,674)
	(219,103)	-	(219,103)
	(52,279)	-	(52,279)
	(60,165)	-	(60,165)
	<u>(1,108,155)</u>	<u>-</u>	<u>(1,108,155)</u>
	-	(250,234)	(250,234)
	-	(187,852)	(187,852)
	-	(438,086)	(438,086)
	<u>(1,108,155)</u>	<u>(438,086)</u>	<u>(1,546,241)</u>
General Revenues:			
Taxes	379,113	-	379,113
Licenses and permits	374,688	-	374,688
Transfers in/out	7,995	(7,995)	-
Interest income	34,908	9,591	44,499
Other revenues	82,496	18,237	100,733
	<u>879,200</u>	<u>19,833</u>	<u>899,033</u>
Change in Net Assets	(228,955)	(418,253)	(647,208)
Net Assets - Beginning of Year (restated)	<u>4,701,350</u>	<u>5,259,948</u>	<u>9,961,298</u>
Additional Contributed Capital	-	302,093	302,093
Net assets - end of year	<u>4,472,395</u>	<u>5,143,788</u>	<u>9,616,183</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGBALANCE SHEET – GOVERNMENTAL FUNDSAt June 30, 2007

	General Fund	Public Properties	Other Governmental Funds	Total
Assets:				
Cash	163,746	181,669	221,595	567,010
Investments	318,908	25,000	-	343,908
Receivables (net of allowance)				
Customers	39,394	-	-	39,394
Taxes	5,587	-	-	5,587
Other	54,482	-	-	54,482
Prepaid expenses	24,581	-	-	24,581
Restricted Assets:				
Cash	6,766	41,362	-	48,128
Due from other funds	18,301	-	-	18,301
	<u>631,765</u>	<u>248,031</u>	<u>221,595</u>	<u>1,101,391</u>
Liabilities and Fund Equity:				
LIABILITIES:				
Accounts payable	32,552	-	-	32,552
Accrued liabilities	18,535	-	-	18,535
Due to other taxing units	3,000	-	-	3,000
	<u>54,087</u>	<u>-</u>	<u>-</u>	<u>54,087</u>
FUND EQUITY:				
Unreserved	570,912	-	219,370	790,282
Reserved	6,766	248,031	2,225	257,022
	<u>577,678</u>	<u>248,031</u>	<u>221,595</u>	<u>1,047,304</u>
	<u>631,765</u>	<u>248,031</u>	<u>221,595</u>	<u>1,101,391</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURG

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -- GOVERNMENTAL FUNDS

For the Year Ended June 30, 2007

	<u>General Fund</u>	<u>Public Properties</u>	<u>Other Gov't Funds</u>	<u>Total</u>
<u>REVENUES:</u>				
Taxes	379,113	-	-	379,113
Licenses and permits	143,077	231,611	-	374,688
Intergovernmental revenues	350,648	-	361,633	712,281
Charges for services	389,629	-	14,736	404,365
Other revenue	<u>104,508</u>	<u>7,726</u>	<u>5,170</u>	<u>117,404</u>
<u>Total revenues</u>	<u>1,366,975</u>	<u>239,337</u>	<u>381,539</u>	<u>1,987,851</u>
 <u>EXPENDITURES:</u>				
General administration	210,876	8,042	83,404	302,322
Police department	452,391	-	-	452,391
Fire department	327,204	-	-	327,204
Street department	195,771	-	-	195,771
Sanitation department	313,796	-	-	313,796
Park and recreation	103,878	-	-	103,878
Debt service	27,237	51,268	-	78,505
Capital outlay	<u>279,588</u>	<u>7,600</u>	<u>42,211</u>	<u>329,399</u>
<u>Total expenditures</u>	<u>1,910,741</u>	<u>66,910</u>	<u>125,615</u>	<u>2,103,266</u>
Excess of revenues over (under) expenditures	(543,766)	172,427	255,924	(115,415)
 <u>OTHER FINANCING SOURCES (USES):</u>				
Transfers (to) from other funds	<u>584,273</u>	<u>(294,892)</u>	<u>(281,386)</u>	<u>7,995</u>
Excess of revenues and other sources over (under) expenditures and other uses	40,507	(122,465)	(25,462)	(107,420)
<u>FUND BALANCE, JULY 1, 2006</u>	<u>537,171</u>	<u>370,496</u>	<u>247,057</u>	<u>1,154,724</u>
<u>FUND BALANCE, JUNE 30, 2007</u>	<u>577,678</u>	<u>248,031</u>	<u>221,595</u>	<u>1,047,304</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGRECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIESFor the Year Ended June 30, 2007

Net change in total fund balances per fund financial statements	(107,420)
Amounts reported for governmental activities in the statement of activities differences:	
Capital outlays are reported as expenditures in the fund financial statements because they use current financial resources, but are presented as assets in the statement of activities and depreciated over their estimated useful economic lives. The difference is the net amount of capital outlay and depreciation conversion adjustments for the year.	(148,772)
Loan proceeds are reported as other financing sources in the fund financial statements but are recognized as long-term debt in the government wide financial statements.	(87,842)
Debt principal payments are recognized as expenditures of current financial resources in the fund financial statements but are reductions of liabilities in the statement of net assets.	<u>115,079</u>
Change in net assets of governmental activities	<u>(228,955)</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL - GENERAL FUNDFor the Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>REVENUES:</u>			
Taxes	310,000	379,113	69,113
Licenses and permits	128,000	143,077	15,077
Intergovernmental revenues	264,900	350,648	85,748
Charges for services	238,060	389,629	151,569
Other revenue	<u>31,500</u>	<u>104,508</u>	<u>73,008</u>
<u>Total revenues</u>	<u>972,460</u>	<u>1,366,975</u>	<u>394,515</u>
<u>EXPENDITURES:</u>			
<u>Current:</u>			
General administration	228,001	210,876	17,125
Police department	345,275	452,391	(107,116)
Fire department	296,366	327,204	(30,838)
Street department	196,634	195,771	863
Sanitation department	287,465	313,796	(26,331)
Park and recreation	63,864	103,878	(40,014)
Capital outlay	-	279,588	(279,588)
Debt service	-	27,237	(27,237)
<u>Total expenditures</u>	<u>1,417,605</u>	<u>1,910,741</u>	<u>(493,136)</u>
Excess of revenues over (under) expenditures before other financing sources (uses)	(445,145)	(543,766)	(98,621)
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers (to) from other funds	<u>359,326</u>	<u>584,273</u>	<u>224,947</u>
Excess of revenues and other sources over (under) expenditures and other uses	(85,819)	40,507	126,326
<u>FUND BALANCE, JULY 1, 2006</u>		<u>537,171</u>	<u>537,171</u>
<u>FUND BALANCE, JUNE 30, 2007</u>		<u>577,678</u>	<u>577,678</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGSTATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL – SPECIAL REVENUE FUNDSFor the Year Ended June 30, 2007

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
<u>REVENUES:</u>			
Taxes	-	-	-
Licenses and permits	-	-	-
Intergovernmental revenues	784,861	329,017	(455,844)
Charges for services	16,000	14,736	(1,264)
Other revenue	-	4,139	4,139
<u>Total revenues</u>	<u>800,861</u>	<u>347,892</u>	<u>(452,969)</u>
<u>EXPENDITURES:</u>			
<u>Current:</u>			
General administration	-	83,404	(83,404)
Police department	675,000	-	675,000
Fire department	-	-	-
Street department	-	-	-
Sanitation department	-	-	-
Park and recreation	-	-	-
Other	13,324	-	13,324
Capital outlay	182,811	-	182,811
Debt service	-	-	-
<u>Total expenditures</u>	<u>871,135</u>	<u>83,404</u>	<u>787,731</u>
<u>Excess of revenues over (under) expenditures before other financing sources (uses)</u>	<u>(70,274)</u>	<u>264,488</u>	<u>334,762</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers (to) from other funds	<u>(119,326)</u>	<u>(290,056)</u>	<u>(170,730)</u>
<u>Excess of revenues and other sources over (under) expenditures and other uses</u>	<u>(189,600)</u>	<u>(25,568)</u>	<u>164,032</u>
<u>FUND BALANCE, JULY 1, 2006</u>		<u>244,938</u>	<u>244,938</u>
<u>FUND BALANCE, JUNE 30, 2007</u>		<u>219,370</u>	<u>219,370</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURG

STATEMENT OF NET ASSETS – PROPRIETARY FUNDS

At June 30, 2007

Assets:

- Current Assets -	
Cash - unrestricted	261,473
Receivables (net of allowance):	
Customers	<u>122,771</u>
<u>Total Current Assets</u>	<u>384,244</u>
- Restricted Assets -	
Cash	<u>189,655</u>
<u>Total Restricted Assets</u>	<u>189,655</u>
- Noncurrent Assets -	
Land, plant, equipment and fixtures	10,927,419
Less: accumulated depreciation	<u>(4,994,464)</u>
<u>Total Noncurrent Assets</u>	<u>5,932,955</u>
<u>Total assets</u>	<u>6,506,854</u>

Liabilities:

- Current Liabilities -	
Accounts payable	87,393
Accrued liabilities	368
Due to other agencies	2,905
Due to other funds	18,301
Customer deposits	51,590
Interest payable	41,623
Note payable - current portion	68,009
Bonds payable - current portion	<u>8,575</u>
<u>Total Current Liabilities</u>	<u>278,764</u>
- Noncurrent Liabilities -	
Notes payable	747,152
Bonds payable	<u>337,150</u>
<u>Total Noncurrent Liabilities</u>	<u>1,084,302</u>
<u>Total Liabilities</u>	<u>1,363,066</u>

Net Assets:

Invested in capital assets, net of related debt	4,772,069
Net assets, unreserved	182,064
Net assets, reserved	<u>189,655</u>
<u>Total Net Assets</u>	<u>5,143,788</u>
<u>Total Liabilities and Net Assets</u>	<u>6,506,854</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGSTATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS – PROPRIETARY FUNDSFor the Year Ended June 30, 2007

<u>OPERATING REVENUES:</u>	
Charges for services	873,479
Other revenues	<u>18,236</u>
<u>Total operating revenues</u>	<u>891,715</u>
<u>OPERATING EXPENSES:</u>	
Personal services	35,760
Contract services	692,647
Supplies and materials	2,859
Other	<u>3,082</u>
<u>Total operating expenses</u>	<u>734,348</u>
<u>Operating income before depreciation</u>	157,367
Depreciation	<u>527,736</u>
<u>OPERATING LOSS</u>	(370,369)
<u>NON-OPERATING REVENUES (EXPENSES):</u>	
Interest income	9,591
Interest expense	<u>(49,480)</u>
<u>Total non-operating revenues (expenses)</u>	<u>(39,889)</u>
<u>Income (loss) before operating transfers</u>	(410,258)
<u>OPERATING TRANSFERS IN (OUT)</u>	<u>(7,995)</u>
<u>NET LOSS</u>	(418,253)
<u>NET ASSETS, Beginning of Year, July 1, 2006</u>	<u>5,259,948</u>
<u>Additional Contributed Capital</u>	<u>302,093</u>
<u>NET ASSETS, End of Year, June 30, 2007</u>	<u>5,143,788</u>

The accompanying notes are an integral part of this statement.

CITY OF WHITESBURGSTATEMENT OF CASH FLOWS – PROPRIETARY FUNDSFor the Year Ended June 30, 2007

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	
Receipts from customers and users	873,623
Payment to suppliers	(657,410)
Payment to employees	<u>(35,760)</u>
<u>Net cash provided by operating activities</u>	<u>180,453</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u>	
Operating transfers - (out)/in	<u>(7,995)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>	
Principal paid on revenue bonds	(8,575)
Principal paid on notes	(68,371)
Interest paid on bonds and note	(44,872)
Other capital adjustments	(188)
Acquisition of capital assets	<u>(6,575)</u>
<u>Net cash used for capital and related financing activities</u>	<u>(128,581)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>	
Interest on investments	<u>9,592</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>53,469</u>
<u>CASH AND RESTRICTED CASH, JULY 1</u>	<u>397,659</u>
<u>CASH AND RESTRICTED CASH, JUNE 30</u>	<u>451,128</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO</u>	
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>	
Operating income	(370,369)
Adjustments to reconcile operating net cash provided by operating activities	
Depreciation	527,736
Changes in assets and liabilities	
(Increase) decrease in accounts receivable	(21,842)
Increase (decrease) in accounts payable	45,495
Increase (decrease) in accrued liabilities	15
Increase (decrease) in customer deposits	3,750
Increase (decrease) due other agencies	(801)
Increase (decrease) due to other funds	<u>(3,531)</u>
<u>Net cash provided by operations</u>	<u>180,453</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTSJune 30, 2007Note1 – **General Statement and Summary of Significant Accounting Policies****General Statement**

The City of Whitesburg, Kentucky (The "City") was incorporated under the provisions of the State of Kentucky. The City operates under Council-Manager form of government and provides the following services as authorized by its charter: Public safety (police and fire), streets, sanitation, recreation, public improvements, planning and zoning, and general administrative services. Other services include utilities.

A. **The Reporting Entity**

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic – but not the only – criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

Excluded from the reporting entity:

Whitesburg Educational Development Foundation, Inc.

Whitesburg Educational Development Foundation, Inc. has its own board members. The City of Whitesburg retains organizational control.

B. **Government-Wide and Fund Financial Statements***Government-wide Financial Statements*

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole excluding fiduciary activities such as employee pension plans. The primary government is presented separately within the financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007B. Government-Wide and Fund Financial Statements (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not properly included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP). The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The City's reporting entity does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments. Reimbursements are reported as reductions to expenses. Proprietary fund financial statements also report using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: property taxes, franchise taxes (fees), intergovernmental revenues, and investment income. In general, other revenues are recognized when cash is received.

Operating income reported in proprietary fund financial statements includes revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

D. Fund Types and Major Funds*Governmental Funds*

The City reports the following major governmental funds:

General Fund – reports as the primary fund of the City. This fund is used to account for all financial resources not reported in other funds.

Public Properties Fund – reports revenues from insurance premium taxes. Assists in debt service and capital outlay payments.

Capital Project Fund – reports revenues and related expenses reports to sewer line extension to Letcher County Central High School.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007D. Fund Types and Major Funds (continued)

Other governmental funds include:

Special Revenue Funds - accounts for the proceeds of specific revenue sources (other than special assessments, expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Project Funds – accounts for financial resources to be used for the acquisition and construction of other capital facilities and infrastructure.

Proprietary Funds

The City reports the following major enterprise funds:

Water and Sewer Funds – accounts for operations that are financed and operated in a manner similar to private business enterprises where the costs of providing services to the general public on a continuing basis are financed through user charges.

E. Assets, Liabilities, and Net Assets or Equity**1. Cash and Investments**

Cash and investments are separately held and reflected in their respective funds as “cash and cash equivalents” and “investments” some of which are restricted assets. The City considers the above in its definitions for applicability of cash flow statement use.

The City reporting entity considers highly liquid investments (including restricted assets) with an original maturity of one year or less when purchased to be cash equivalents.

Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount which reasonably estimates fair value.

2. Inventories and Prepaids

Inventories in governmental funds consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at cost which is recorded as an expenditure at the time individual inventory items are used.

CITY OF WHITESBURG

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2007

2. Inventories and Prepaids (continued)

Material prepaids record payments to vendors that benefit future reporting periods and are also reported on the consumption basis. Both inventories and prepaids are similarly reported in government-wide and fund financial statements.

3. Capital Assets, Depreciation, and Amortization

The City's property, plant, equipment, and infrastructure with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The City maintains infrastructure asset records consistent with all other capital assets. Proprietary and component unit capital assets are also reported in their respective fund and combining component units financial statements. Donated assets are stated at fair value on the date donated. The City generally capitalizes assets with cost of \$1,000 or more as purchase and construction outlays occur. The costs of normal maintenance and repairs that do not add to the asset value or materially extend useful lives are not capitalized. Capital assets, including those of component units, are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts, and the resulting gain or loss is recorded in operations.

Depreciation has been calculated on each class of depreciable property using the straight-line method, with one-half year's depreciation in the year of acquisition. Estimated useful lives are as follows:

Water and sewer line extensions	30 – 50 years
Buildings	30 – 50 years
Furniture and office equipment	5 – 10 years
Water storage tanks	50 years
Vehicles and equipment	4 – 10 years
Sewer treatment plant	24 years

4. Long-term Debt, Deferred Debt Expense, and Bond Discounts/Premiums

In the government-wide and proprietary financial statements, outstanding debt is reported as liabilities. Bond issuance costs, bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are capitalized and amortized over the terms of the respective bonds using a method that approximates the effective interest method.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007**4. Long-term Debt, Deferred Debt Expense, and Bond Discounts/Premiums**

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period. Issuance costs are reported as expenditures.

5. Fund Equity

The governmental fund financial statements report reserved fund balance for amounts not available for appropriation or legally restricted for specified purposes.

F. Sources of Revenue and Other General Information**1. Revenues**

The major sources of revenue other than general fund tax and licenses and proprietary fee for services are federal and state grants, state financial assistance, local contributed cash, contributed services, and other revenues as discussed below:

a. Federal and State Grant Revenue

Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods.

b. State Financial Assistance

State financial assistance revenues are recognized upon notification of the amount of the award as the resources are collectible within the current period.

c. Local Contributed Cash

Contributions to grant programs from local governments and other participants are recognized as revenue when grant expenditures are incurred in the case of cost reimbursement grants.

d. In-Kind – Contributed Services

Local contributions, which include contributed services provided by individuals, private organizations and local governments, are used to match federal funding on various grants. Contributed services are

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007**F. Sources of Revenue and Other General Information (continued)****d. In-Kind – Contributed Services (continued)**

therefore reflected as revenue and expenditures in accordance with legal requirements of the individual grants. Contributed services are recorded as an expenditure with an equivalent amount recorded as revenue. The amounts of such services are recorded in the accompanying financial statements at their estimated fair values at date of receipt.

e. Other Revenues

Other revenues are composed primarily of interest and miscellaneous charges for services and lease income. Interest income is recorded as earned since it is measurable and available. Miscellaneous charges for services and lease income are recorded as revenues when received in cash because they are generally not measurable until actually received.

2. Leases

Leases that transfer substantially all of the risks and benefits of ownership are capital leases. Other leases are operating leases. Capital leases are included in property and equipment and are amortized using the straight-line method over their respective terms. Operating leases are expensed over the terms of the leases.

3. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the fund financial statements:

- a. Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds as well as for all enterprise funds. These budgets are adopted on a basis consistent with generally accepted accounting principles.
- b. Budgetary data for capital project funds has not been presented in the accompanying combined financial statements as such funds are budgeted over the life of the respective project and not on an annual basis.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007**F. Sources of Revenue and Other General Information (continued)****3. Budgets and Budgetary Accounting (continued)**

- c. The City Council approves, by ordinance, total budget appropriations only. Any revisions thereafter for any fund must also be approved by the City Council. Therefore, the level of budgetary responsibility is by total appropriations. However, for report purposes this level has been expanded to a functional basis (general government, public safety, etc.).
- d. Unused appropriations for all of the above annually budgeted funds lapse at the end of year.
- e. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

4. Leave Policies**Vacation**

The current vacation leave policy is as follows:

0 to 1 year service	none
2 years service	1 week
3 - 9 years service	2 weeks
10 years and over	3 weeks

Vacation leave must be taken within the year after it is accumulated.

Absences on account of sickness, injury or disability in excess of that authorized for such purposes may be charged to vacation leave credit.

Sick

All full-time employees shall be granted after September 15th of each year and have completed over one year of service, seven sick days and three personal days.

At June 30, 2007, net compensated absences accrued totaled \$14,191 based on the number of days earned for each employee. This amount is not included as a reduction to net assets in the financial statements.

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007**5. Property Tax Calendar**

Property taxes for the fiscal year were levied in September 1999, on the assessed valuation of property in Letcher County as of the preceding January 1, the lien date. The due date and collection periods for all taxes exclusive of vehicle taxes, are as follows:

<u>Description</u>	<u>Per KRS 134.020</u>
1. Due date for payment of taxes, 2% discount	30 days from the date mailed
2. Face value amount payment date	31 - 60 days from the date mailed
3. Delinquent date 10% penalty, .5% interest per annum	After 61 days until collected

Vehicle taxes are collected by the County Clerk of Letcher County and are due and collected in the birth month of the vehicle's licensee.

6. Use of 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.

Note 2 – LONG-TERM DEBT

All revenue bonds issued by the City to finance the cost of construction of the waterworks and sewer system and the cost of construction of extensions, additions, and improvement to the system are as follows:

	<u>Original Issue</u>	<u>Total Outstanding</u>	<u>Current Portion</u>
5% 1984 "City of Whitesburg Water and Sewer Revenue Bonds"	145,000	100,000	3,000
5% 1989 "City of Whitesburg Water and Sewer Revenue Bonds"	253,000	198,000	5,000
4.5% 2000 "City of Whitesburg Water and Sewer Revenue Bonds"	<u>50,000</u>	<u>47,725</u>	<u>575</u>
	<u>448,000</u>	<u>345,725</u>	<u>8,575</u>

CITY OF WHITESBURG

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2007

Note 2 – LONG-TERM DEBT (continued)

Future debt service requirements for the proprietary fund are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Percent Debt</u>
2008	9,625	16,808	26,433	4.65%
2009	9,700	16,329	26,029	4.58%
2010	10,700	15,822	26,522	4.66%
2011	10,700	15,291	25,991	4.57%
2011 - 16	63,200	67,591	130,791	23.00%
2017 - 21	80,100	49,854	129,954	22.85%
2022 - 26	91,400	27,410	118,810	20.89%
2027 - 31	48,900	8,870	57,770	10.16%
2032 - 36	9,900	3,737	13,637	2.40%
2037 - 41	<u>11,500</u>	<u>1,261</u>	<u>12,761</u>	<u>2.24%</u>
	<u>345,725</u>	<u>222,973</u>	<u>568,698</u>	<u>100.00%</u>

The City issued \$400,000 of "City of Whitesburg Public Properties Corporation First Mortgage Revenue Bonds Series 1992" to finance the acquisition and renovation of the new City Hall building. The Farmers Home Administration holds all the bonds which accrue at 5.625% per annum.

The future debt service requirements for the City Hall revenue bond are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Percent Debt</u>
2008	18,000	12,656	30,656	10.02%
2009	19,000	11,616	30,616	10.01%
2010	20,000	10,519	30,519	9.97%
2011	21,000	9,366	30,366	9.92%
2012 - 16	126,000	27,000	153,000	50.00%
2017	<u>30,000</u>	<u>844</u>	<u>30,844</u>	<u>10.08%</u>
	<u>234,000</u>	<u>72,001</u>	<u>306,001</u>	<u>100.00%</u>

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007Note 2 – LONG-TERM DEBT (continued)

Following is a summary of changes in proprietary fund long-term debt:

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2007</u>
KIA Payable #1	617,902	-	(44,241)	573,661
KIA Payable #2	245,000	-	(20,000)	225,000
Revenue bonds payable	354,300	-	(8,575)	345,725
Whitaker Bank loan	594	-	(594)	-
Whitaker Bank - wc/loan	20,036	-	(3,536)	16,500
<u>Total</u>	<u>1,237,832</u>	<u>-</u>	<u>(76,946)</u>	<u>1,160,886</u>

Note 3 – CASH AND INVESTMENTS

The carrying amount of the City's deposits with financial institutions were \$1,307,464 and the bank balance was \$1,515,679. The bank balance is categorized as follows:

Amount insured by FDIC	200,000
Amount collateralized with securities held by the pledging financial institutions trust department in the City's name	-
Uncollateralized (entire amount is collateralized with securities held in the name of the financial institutions and pledged to the City, the securities can not be removed or redeemed without the prior approval of the City)	1,307,464
Uncollateralized	<u>8,215</u>
<u>Total bank balance</u>	<u>1,515,679</u>

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007Note 3 – CASH AND INVESTMENTS (continued)

Custodial credit risk is the risk that in the event of bank failure the deposits may not be returned or that the City may not recover collateral securities. The City requires deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance (FDIC). At June 30, 2007, the City had \$8,215 in cash and short-term investments not collateralized. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The City does not retain any long-term investments. Concentrations of credit risk are the risk of loss attributed to the magnitude of the City's investments in a single issuer. Virtually all of the City's cash and investments are held at local financial institutions. Foreign currency risk is the risk of changes in the exchange rates affecting foreign investments. The City does not hold any foreign investments.

Interest bearing investment accounts at June 30, 2007 are as follows:

	<u>Rate</u>	<u>Amount</u>
A. General Fund		
(1) Certificate of Deposit	5.25%	50,000
(2) Certificate of Deposit	5.25%	50,000
(3) Certificate of Deposit	5.25%	109,454
(4) Certificate of Deposit	5.25%	109,454
B. Public Property Fund		
(1) Certificate of Deposit	5.25%	<u>25,000</u>
Total Investments		<u>343,908</u>

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007Note 4 – **CHANGES IN PROPRIETARY FUND FIXED ASSETS**

Following is a summary of changes in proprietary fund fixed assets:

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2007</u>
Vehicles and equipment	210,591	6,575	-	217,166
Water and sewer system	10,408,160	302,093	-	10,710,253
Accumulated depreciation	<u>(4,466,728)</u>	<u>(527,736)</u>	-	<u>(4,994,464)</u>
<u>Totals</u>	<u>6,152,023</u>	<u>(219,068)</u>	-	<u>5,932,955</u>

Note 5 – **CHANGES IN GENERAL GOVERNMENT FIXED ASSETS**

A summary of changes in general fixed assets is as follows:

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
Land	848,901	-	-	848,901
Buildings and Improvements	5,917,046	36,116	-	5,953,162
Vehicles and Equipment	<u>1,039,666</u>	-	<u>22,000</u>	<u>1,017,666</u>
Subtotal	7,805,613	36,116	22,000	7,819,729
Less: Accumulated Depreciation	<u>(3,613,363)</u>	<u>(184,888)</u>	<u>(9,116)</u>	<u>(3,789,135)</u>
Total	<u>4,192,250</u>	<u>(148,772)</u>	<u>12,884</u>	<u>4,030,594</u>

Current year depreciation expense was \$184,888.

CITY OF WHITESBURG

NOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007Note 6 – CHANGES IN GENERAL GOVERNMENT LONG-TERM DEBT

A summary of changes in general long-term debt is as follows:

	Balance July 1, 2006	Proceeds	Principal Paid	Balance June 30, 2007
Sanitation Truck	6,105		(6,105)	-
Loan - City Hall	251,000		(17,000)	234,000
Loan - Warehouse Renovation	147,431		(20,475)	126,956
03 Ford Explorer	12,095		-	12,095
Fire Truck	97,404		(28,095)	69,309
Loan - Finance Workers Comp.	67,806		(11,970)	55,836
Insurance	-	87,842	(15,507)	72,335
Street Sweeper	50,899	-	(15,927)	34,972
	<u>632,740</u>	<u>87,842</u>	<u>(115,079)</u>	<u>605,503</u>

Note 7 – INTERFUND ASSETS AND LIABILITIES

Due from/to other funds balances at June 30, 2006 were as follows:

Fund	Due From Other Funds	Due to Other Funds
General Fund	18,301	-
Water and Sewer Fund	-	18,301
	<u>18,301</u>	<u>18,301</u>

Note 8 – INTERFUND OPERATING TRANSFERS

Fund	Transfer Out	Transfer In
General Fund -		
Transfer from Coal Severance Fund	-	(1) 79,250
Transfer from Municipal Aid	-	(1) 39,288
Transfer from Public Properties	-	(1) 294,892
Transfer to Parking Fund	(1) 3,527	
Transfer from Technical Building Fund		(1) 43,130
Transfer from COPS		(1) 126,026
Transfer from Fire Department Special Accounts		(1) 5,889
Transfer to Water and Sewer	(1) 675	-
<u>Total General Fund</u>	<u>4,202</u>	<u>588,475</u>

CITY OF WHITESBURG

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2007

Note 8 – INTERFUND OPERATING TRANSFERS (continued)

<u>Fund</u>		<u>Transfer Out</u>	<u>Transfer In</u>
Special Revenue Funds -			
Coal Severance Fund			
To transfer to General Fund	(1)	79,250	-
Municipal Road Aid			
Transfer to General Fund	(1)	39,288	-
Parking Fund			
Transfer from General Fund			(1) 3,527
Technical Building Fund			
Transfer to General Fund	(1)	43,130	
COPS			
Transfer to General Fund	(1)	126,026	
Fire Department Special Accounts			
Transfer to General Fund	(1)	<u>5,889</u>	<u>-</u>
<u>Total Special Revenue Funds</u>		<u>293,583</u>	<u>3,527</u>
Water and Sewer Fund -			
Transfer from General Fund		-	(1) 675
Transfer to Sewer Replacement Fund	(1)	<u>8,670</u>	<u>-</u>
<u>Total Water and Sewer Fund</u>		<u>8,670</u>	<u>675</u>
Capital Projects -			
Public Properties			
To transfer to General Fund operations	(1)	294,892	-
Sewer Replacement Fund			
To transfer from Sewer	(1)	<u>-</u>	<u>8,670</u>
<u>Total Capital Projects</u>		<u>294,892</u>	<u>8,670</u>
<u>Total All Funds</u>		<u>601,347</u>	<u>601,347</u>

(1) To transfer funds

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007Note 9 – RETIREMENT PLAN

The City of Whitesburg is a participating employer of the County Employees' Retirement System (CERS), which is a multi-employer defined benefit plan that covers substantially all regular full-time employees of each county, school board, municipal and other local agencies electing to participate. Upon election to participate in the CERS, each employee is given the option to participate, however, all subsequent employees must participate and the employer is required to continue participation.

Employees who retire at age 65 and have 48 or more months of credited service or have 27 years of credited service regardless of age are entitled to a retirement benefit, payable monthly for life, equal to 2% of the average annual salary of the members' five highest earning years multiplied by the number of years of service credit. Members retiring at less than 55 years of age with 25 to 29 years of service credit or 65 years of age with less than 48 months of service credit are entitled to reduced benefits. Members' retirement benefits become fully vested when they complete sixty months of service, twelve of which are current service.

The City of Whitesburg has a total of 19 employees covered by the CERS. The employers contribution rate are intended to fund the System's normal cost on a current basis plus one percent (1%) of unfunded past service costs per annum plus interest at the actuarial assumed rate. Such contribution rates are determined by the Board of Trustees of Kentucky Retirement Systems each biennium. The City of Whitesburg has a total of 8 non-hazardous and 9 hazardous employees covered by the CERS. The employees non-hazardous contribute 5.0% and hazardous contribute 8.0%. The employer non-hazardous contributes 13.19% and hazardous contributes 28.21%. The City's contribution for the year ended June 30, 2007 was \$114,009 and employees contributed \$34,586. The City's total payroll for covered employees for the year ended June 30, 2007 was \$499,441 and the total payroll for all employees was \$619,266.

Following is a three-year summary of employer pension contributions:

<u>Fiscal year ended</u>	<u>Employer contribution</u>
2005	49,300
2006	88,176
2007	148,595

The amount shown below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure, is the actuarial present value of credited projected benefits, are intended to help users assess the System's

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007Note 9 – **RETIREMENT PLAN (continued)**

funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among the public employee retirement systems (PERS). The measure is independent of the actuarial funding method used to determine contributions to the System.

All required contributions were paid at year-end or within thirty (30) days thereafter. The percentage of the City's contribution to total employers' contribution in the CERS is not known.

	CERS as of June 30, 2007 <u>(in Millions of Dollars)</u>
Actuarial Accrued Liability	8,868.1
Actuarial Value of Assets	<u>7,107.1</u>
Unfunded (Overfunded) Actuarial Accrued Liability	<u>1,761.0</u>

CERS does not make separate measurement of assets and pension benefit obligations for individual employers. The following table presents certain information regarding the plans' status as a whole, derived from actuarial valuations performed as of the dates indicated:

Ten year historical trend information showing CERS's progress respectively in accumulating sufficient assets to pay benefits when due is presented in their June 30, 2007 comprehensive annual financial reports.

As the City is only one of several employers participating in the plan, it is not practicable to determine the City's portion of the unfounded past service cost or the vested benefits of the City's portion of the plan.

Note 10 – **CONTINGENT LIABILITIES**

The City attorney has stated as of the audit date that there is two litigation matter pending against the City of Whitesburg.

The City intends to contest each case vigorously. Estimate of potential loss was not provided by the City attorney.

CITY OF WHITESBURG

NOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007Note 11 – **CASH PER CASH FLOW STATEMENT**

	<u>2007</u>	<u>2006</u>
Cash Operations	300,831	240,286
Cash Sewer Replacement	27,618	18,624
Cash Sinking Funds	<u>122,679</u>	<u>138,749</u>
<u>Total</u>	<u>451,128</u>	<u>397,659</u>

Note 12 – **EXCESS EXPENDITURES OVER REVENUE – FUND FINANCIAL STATEMENTS**

General Fund	543,766
--------------	---------

Note 13 – **PAYABLE FROM RESTRICTED ASSETS**

Certain assets of the Whitesburg Water and Sewer System have been restricted for debt service and construction. The assets consist of cash and short-term investments restricted as follows:

Sewer Replacement	27,618
Sinking Funds	122,681
Water Reserve	<u>39,356</u>
<u>Total</u>	<u>189,655</u>

Note 14 – **ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

Allowance for uncollectible receivable in the Water Fund at June 30, 2007 was \$9,947, General Fund was \$92,402 and Garbage Fund was \$3,194.

Note 15 – **RELATED PARTY TRANSACTIONS - WHITESBURG EDUCATIONAL DEVELOPMENT FOUNDATION, INC.**

The City of Whitesburg's general purpose financial statements for the year ended June 30, 2007 do not include the Whitesburg Educational Development Foundation, Inc. The Foundation was formed to acquire and renovate a building for Southeast Community College at Whitesburg. In fiscal year ended 2000 debt related to the acquisition and improvements of the aforementioned property was retired. Restated articles of incorporation dated October 17, 1991 give the City of Whitesburg organizational or supervisory control over the corporation. The Foundation received as a gift the Reynolds property having a

CITY OF WHITESBURGNOTES TO FINANCIAL STATEMENTS (CONTINUED)June 30, 2007Note 16 – **RELATED PARTY TRANSACTIONS - WHITESBURG EDUCATIONAL DEVELOPMENT FOUNDATION, INC. (continued)**

fair market value of \$700,000. The Foundation had cash in the amount of \$8,152 at June 30, 2007. For the year ended June 30, 2007 the Foundation realized total revenue in the amount of \$6,686 and incurred expenses totaling \$232,414.

Note 17 - **GRANT PROGRAMS**

The City participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at June 30, 2007 may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

Note 18 – **RISK MANAGEMENT**

The City is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Note 19 – **RESTATEMENT OF NET ASSETS**

The Net Assets – Beginning of Year amount on page 11 was originally shown as 9,959,179 in the June 30, 2006 audit but was restated to 9,961,298 in the June 30, 2007 audit due to an error in recording a cash account in the prior year.

SUPPLEMENTARY INFORMATION

CITY OF WHITESBURGCOMBINING BALANCE SHEET – ALL SPECIAL REVENUE FUNDS (CONTINUED)

June 30, 2007

<u>Technical Building Fund</u>	<u>Community Oriented Policing Service</u>	<u>Fire Department Special Account</u>	<u>Total</u>
108,757	27	47,008	219,370
-	-	-	-
<u>108,757</u>	<u>27</u>	<u>47,008</u>	<u>219,370</u>
-	-	-	-
<u>108,757</u>	<u>27</u>	<u>47,008</u>	<u>219,370</u>
<u>108,757</u>	<u>27</u>	<u>47,008</u>	<u>219,370</u>

CITY OF WHITESBURGCOMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS (CONTINUED)For the Year Ended June 30, 2007

<u>Technical Building Fund</u>	<u>Community Oriented Policing Services</u>	<u>Fire Department Special Accounts</u>	<u>Total</u>
56,140	116,970	23,000	329,017
-	-	-	14,736
<u>3,112</u>	<u>-</u>	<u>-</u>	<u>4,139</u>
<u>59,252</u>	<u>116,970</u>	<u>23,000</u>	<u>347,892</u>
65,143	-	-	83,404
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>65,143</u>	<u>-</u>	<u>-</u>	<u>83,404</u>
<u>(5,891)</u>	<u>116,970</u>	<u>23,000</u>	<u>264,488</u>
-	-	-	3,527
<u>(43,130)</u>	<u>(126,026)</u>	<u>(5,889)</u>	<u>(293,583)</u>
(49,021)	(9,056)	17,111	(25,568)
<u>157,778</u>	<u>9,083</u>	<u>29,897</u>	<u>244,938</u>
<u>108,757</u>	<u>27</u>	<u>47,008</u>	<u>219,370</u>

CITY OF WHITESBURGCOMBINING BALANCE SHEET – ALL CAPITAL PROJECTS – NONMAJOR FUNDSJune 30, 2007

	High School Sewer Project	Solomon Branch Sewer Line	<u>Total</u>
<u>ASSETS</u>			
Cash	229	1,996	2,225
Investments	-	-	-
<u>Restricted Cash:</u>			
Cash	-	-	-
<u>Total Assets</u>	<u>229</u>	<u>1,996</u>	<u>2,225</u>
<u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES</u>			
Accounts Payable	-	-	-
<u>FUND EQUITY:</u>			
<u>Fund Balance</u>			
Reserve for construction encumbrances	<u>229</u>	<u>1,996</u>	<u>2,225</u>
<u>Total fund equity</u>	<u>229</u>	<u>1,996</u>	<u>2,225</u>
<u>Total liabilities and fund equity</u>	<u>229</u>	<u>1,996</u>	<u>2,225</u>

CITY OF WHITESBURG

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - ALL CAPITAL PROJECTS – NONMAJOR
FUNDS

For the Year Ended June 30, 2007

	High School Wastewater Project	Solomon Branch Sewer Line	Total
<u>REVENUES:</u>			
Licenses and permits	-	-	-
Intergovernmental revenues	32,616	-	32,616
Miscellaneous	991	40	1,031
<u>Total revenues</u>	<u>33,607</u>	<u>40</u>	<u>33,647</u>
<u>EXPENDITURES:</u>			
General administration	-	-	-
Capital outlay	42,211	-	42,211
Debt service	-	-	-
<u>Total expenditures</u>	<u>42,211</u>	<u>-</u>	<u>42,211</u>
<u>Excess of revenue over (under) expenditures</u>	<u>(8,604)</u>	<u>40</u>	<u>(8,564)</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in (out)	8,670	-	8,670
<u>Total other financing sources (uses)</u>	<u>8,670</u>	<u>-</u>	<u>8,670</u>
<u>Excess of revenues and other sources over (under) expenditures and other uses</u>	<u>66</u>	<u>40</u>	<u>106</u>
<u>FUND BALANCE, JULY 1</u>	<u>163</u>	<u>1,956</u>	<u>2,119</u>
<u>FUND BALANCE, JUNE 30</u>	<u>229</u>	<u>1,996</u>	<u>2,225</u>

CITY OF WHITESBURGCOMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES – ALL ENTERPRISE FUNDSFor the Year Ended June 30, 2007

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
<u>OPERATING REVENUES:</u>			
Charges for services	615,890	257,589	873,479
Other revenues	<u>17,636</u>	<u>600</u>	<u>18,236</u>
<u>Total operating revenues</u>	<u>633,526</u>	<u>258,189</u>	<u>891,715</u>
<u>OPERATING EXPENSES:</u>			
Personal services	35,760	-	35,760
Contract services	452,389	241,196	693,585
Supplies and materials	2,859	-	2,859
Other	<u>2,144</u>	<u>-</u>	<u>2,144</u>
<u>Total operating expenses</u>	<u>493,152</u>	<u>241,196</u>	<u>734,348</u>
Operating income before depreciation	140,374	16,993	157,367
Depreciation	<u>355,589</u>	<u>172,147</u>	<u>527,736</u>
<u>OPERATING REVENUE (LOSS)</u>	<u>(215,215)</u>	<u>(155,154)</u>	<u>(370,369)</u>
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest income	9,591	-	9,591
Interest expense	<u>(49,480)</u>	<u>-</u>	<u>(49,480)</u>
<u>Total non-operating revenues (expenses)</u>	<u>(39,889)</u>	<u>-</u>	<u>(39,889)</u>
<u>Income (loss) before operating transfers</u>	<u>(255,104)</u>	<u>(155,154)</u>	<u>(410,258)</u>
<u>OPERATING TRANSFERS IN (OUT)</u>	<u>675</u>	<u>(8,670)</u>	<u>(7,995)</u>
<u>NET LOSS</u>	<u>(254,429)</u>	<u>(163,824)</u>	<u>(418,253)</u>
Retained earning (deficit) July 1, 2006			<u>5,259,948</u>
Addition to contributed capital			<u>302,093</u>
<u>RETAINED EARNING (DEFICIT), JUNE 30, 2007</u>			<u>5,143,788</u>

CITY OF WHITESBURGSCHEDULE OF REVENUE BOND REQUIREMENTS1984 ISSUEJune 30, 2007

<u>FISCAL YEAR</u> <u>ENDING</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u> <u>MATURITIES</u> <u>DUE AUGUST 1</u>	<u>INTEREST</u>	<u>TOTAL</u> <u>DEBT</u> <u>SERVICE</u>
2008	4,000	4,900	8,900
2009	4,000	4,700	8,700
2010	4,000	4,500	8,500
2011	4,000	4,300	8,300
2012	4,000	4,100	8,100
2013	5,000	3,875	8,875
2014	5,000	3,625	8,625
2015	5,000	3,375	8,375
2016	5,000	3,125	8,125
2017	6,000	2,850	8,850
2018	6,000	2,550	8,550
2019	6,000	2,250	8,250
2020	6,000	1,950	7,950
2021	7,000	1,625	8,625
2022	7,000	1,275	8,275
2023	7,000	925	7,925
2024	<u>15,000</u>	<u>375</u>	<u>15,375</u>
	<u>\$ 100,000</u>	<u>\$ 50,300</u>	<u>\$ 150,300</u>

CITY OF WHITESBURGSCHEDULE OF REVENUE BOND REQUIREMENTS1989 ISSUEJune 30, 2007

<u>FISCAL YEAR</u> <u>ENDING</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u> <u>MATURITIES</u> <u>DUE AUGUST 1</u>	<u>INTEREST</u>	<u>TOTAL</u> <u>DEBT</u> <u>SERVICE</u>
2008	5,000	9,775	14,775
2009	5,000	9,525	14,525
2010	6,000	9,250	15,250
2011	6,000	8,950	14,950
2012	6,000	8,650	14,650
2013	7,000	8,325	15,325
2014	7,000	7,975	14,975
2015	7,000	7,625	14,625
2016	8,000	7,250	15,250
2017	8,000	6,850	14,850
2018	8,000	6,450	14,450
2019	9,000	6,025	15,025
2020	9,000	5,575	14,575
2021	10,000	5,100	15,100
2022	10,000	4,600	14,600
2023	11,000	4,075	15,075
2024	11,000	3,525	14,525
2025	12,000	2,950	14,950
2026	12,000	2,350	14,350
2027	13,000	1,725	14,725
2028	14,000	1,050	15,050
2029	14,000	350	14,350
	<u>\$ 198,000</u>	<u>\$ 127,950</u>	<u>\$ 325,950</u>

CITY OF WHITESBURGSCHEDULE OF REVENUE BOND REQUIREMENTS2000 ISSUEJune 30, 2007

<u>FISCAL YEAR</u> <u>ENDING</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u> <u>MATURITIES</u> <u>DUE AUGUST 1</u>	<u>INTEREST</u>	<u>TOTAL</u> <u>DEBT</u> <u>SERVICE</u>
2008	625	2,133	2,758
2009	700	2,104	2,804
2010	700	2,072	2,772
2011	700	2,041	2,741
2012	800	2,007	2,807
2013	800	1,971	2,771
2014	800	1,935	2,735
2015	900	1,897	2,797
2016	900	1,856	2,756
2017	900	1,816	2,716
2018	1,000	1,773	2,773
2019	1,000	1,728	2,728
2020	1,100	1,681	2,781
2021	1,100	1,631	2,731
2022	1,200	1,580	2,780
2023	1,200	1,525	2,725
2024	1,300	1,469	2,769
2025	1,300	1,411	2,711
2026	1,400	1,350	2,750
2027	1,400	1,287	2,687
2028	1,500	1,222	2,722
2029	1,600	1,152	2,752
2030	1,600	1,080	2,680
2031	1,800	1,004	2,804
2032	1,800	922	2,722
2033	1,900	839	2,739
2034	2,000	752	2,752
2035	2,100	659	2,759
2036	2,100	565	2,665
2037	2,300	466	2,766
2038	2,300	362	2,662
2039	2,500	254	2,754
2040	2,600	139	2,739
2041	1,800	40	1,840
	<u>\$ 47,725</u>	<u>\$ 44,723</u>	<u>\$ 92,448</u>

CITY OF WHITESBURGSCHEDULE OF REVENUE BOND REQUIREMENTS1992 MORTGAGE REVENUE -- CITY HALLJune 30, 2007

<u>FISCAL YEAR</u> <u>ENDING</u> <u>JUNE 30,</u>	<u>PRINCIPAL</u> <u>MATURITIES</u> <u>DUE JULY 1</u>	<u>INTEREST</u>	<u>TOTAL</u> <u>DEBT</u> <u>SERVICE</u>
2008	18,000	12,656	30,656
2009	19,000	11,616	30,616
2010	20,000	10,519	30,519
2011	21,000	9,366	30,366
2012	22,000	8,156	30,156
2013	24,000	6,863	30,863
2014	25,000	5,484	30,484
2015	27,000	4,022	31,022
2016	28,000	2,475	30,475
2017	<u>30,000</u>	<u>844</u>	<u>30,844</u>
	<u>\$ 234,000</u>	<u>\$ 72,001</u>	<u>\$ 306,001</u>

Chris Gooch
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Hazard, Kentucky 41702
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53.

FAX: (606) 436-5701

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

HONORABLE MAYOR AND CITY COUNCIL

CITY OF WHITESBURG

WHITESBURG, KENTUCKY

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Whitesburg, as of and for the year ended June 30, 2007, which collectively comprise the City of Whitesburg's basic financial statements and have issued our report thereon dated December 30, 2008. 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 City of Whitesburg's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Whitesburg's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Whitesburg's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 City of Whitesburg'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 City of Whitesburg's financial statements that is more than inconsequential will not be prevented or detected by the City of Whitesburg's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies

in internal control over financial reporting.

A material weakness is a significant deficiency, or 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 City of Whitesburg's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Whitesburg'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2007-01.

We noted certain matters that we reported to management of City of Whitesburg, in a separate letter dated December 30, 2008.

City of Whitesburg's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit City of Whitesburg's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, City Council, others within the entity, 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.



Chris Gooch
Certified Public Accountant

Hazard, Kentucky
December 30, 2008

CITY OF WHITESBURGSCHEDULE OF FINDINGS AND RESPONSESFor the Year Ended June 30, 2007**2007-01**

Condition:	Management's monitoring procedures for key financial areas are either not established or without documentary evidence in the following areas: a) No evidence of written supervisory authorization after customer utility meter readings are entered into accounting system; before submission of monthly billings; and, after customer credit adjustments are posted; b) No evidence of written supervisory review for cash reconciliation and monthly bank statements; c) No evidence of written supervisory review for the reconciliation of tax and business license cash receipts, deposits and postings to the financial statements; d) No evidence of written supervisory review for the reconciliation of customer utility receipts, deposits and general ledger postings; e) No evidence for the monitoring of posting transactions to the general ledger in a timely fashion, enabling timely periodic and annual financial reporting.
Criteria:	Control procedures for each of these areas are essential to ensure that the risk of financial statement misstatement is maintained at an acceptable risk level and that the risk of fraud is mitigated.
Cause:	Management has not established effective monitoring procedures for the key financial areas indicated above.
Effect:	Annual financial reporting information may not be free of material misstatement. Fraud may be occurring.
Recommendations:	The City should enhance its control procedures for the above-referenced as follows: a) Provide evidence of written supervisory authorization after customer utility meter readings are entered into accounting system; before submission of monthly billings; and, after customer credit adjustments are posted; b) Provide evidence of written supervisory review for cash reconciliation and monthly bank statements; c) Provide evidence of written supervisory review for tax and business license cash receipts, deposits and postings to the financial statements; d) Provide evidence of written supervisory review for the reconciliation of customer utility receipts, deposits and general ledger postings; e) Provide evidence for monitoring posting of transactions to the general ledger enabling timely periodic and annual financial reporting.
Management's Response:	The City will enhance its controls procedures over monitoring financial transactions in the above-referenced areas.

Appendix A

CERTIFICATION OF COMPLIANCE
LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAM
CITY OF WHITESBURG

For the year ended June 30, 2007

The City of Whitesburg hereby certifies that assistance received from the Local Government Assistance Program was expended for the purpose intended as dictated by applicable Kentucky Revised Statutes.

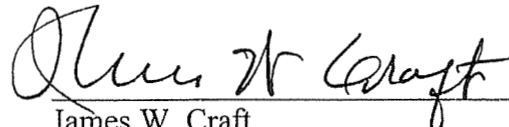

James W. Craft
Mayor

EXHIBIT 2B

Chris Gooch

Certified Public Accountant
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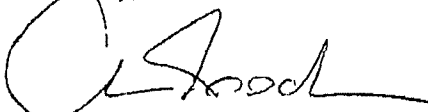
January 29, 2010

Mayor and Council
City of Whitesburg
38 East Main Street
Whitesburg, Kentucky 41858

Ladies and Gentlemen:

Please accept this letter of commitment regarding professional services related to performing an audit of financial statements for City of Whitesburg for the years ended June 30, 2009 and 2008, anticipated to begin April 19, 2010.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Gooch", written over a large, faint circular watermark or stamp.

Chris Gooch
Certified Public Accountant

Rate Analysis

CITY OF WHITESBURG Water and Wastewater Divisions

Prepared 2006

by



Kentucky Rural Water Association
Helping Water and Wastewater Systems Help Themselves

Carryn Lee

Introduction

The Kentucky Rural Water Association prepared the following rate study for the City of Whitesburg ("Whitesburg"). Income and expenses are based on the 12 months ending June 30, 2006. It should be noted that this study does not address expenses that have increased since that time nor does it include estimates of future increases in expenses.

This study reviews the expenses of the water and sewer services of Whitesburg and recommends revised rates to recover expenses. Whitesburg provides water service to approximately 1,042 retail customers and provides wholesale water service to the Letcher County Water District. Total adjusted revenue for the water division for the period ending June 30, 2006, is \$552,696 while expenses total \$522,605. Whitesburg should place \$406,107 annually into a depreciation account to fund the repair or replacement of infrastructure. If Whitesburg does not increase its water rates it will have \$30,091 to place in a depreciation fund. It is recommended that Whitesburg increase each rate step by 10 cents which will allow it to place \$37,243 into a depreciation fund.

Whitesburg provides sewer service to approximately 618 customers. Sewer revenue for the period ending June 30, 2006, was \$283,873 and expenses for the sewer division are \$330,733, or a net loss of \$46,890. It is recommended that Whitesburg increase its sewer rates, which will allow it to pay operating and maintenance expense and to place \$14,642 in its depreciation fund. Current annual depreciation for the sewer division is \$143,333.

During the test period, Whitesburg sold 3,817,000 gallons of water to Letcher County at a rate of \$2.90 per 1,000 gallons. Based on the allocations factors used in this study to allocate expenses to Letcher County, the wholesale rate should be \$2.71 per 1,000 gallons. Because of the small amount of water sold to Letcher County, this rate reduction will reduce overall revenue by approximately \$716 per year.

It should be noted that Letcher County plans to add a significant number of customers in the near future. As additional gallons are sold to Letcher County, the rate per 1,000 gallons should decrease. Certain expenses will increase as additional gallons are treated, however, as a general rule, as additional water is purchased by a wholesale customer, the cost per 1,000 gallons will decrease. It is recommended that this study be updated periodically as Letcher County increases the amount of water purchased from Whitesburg.

Since the rates recommended in this report do not include future increases in operation and maintenance expense, it is recommended that Whitesburg increase its rates annually based on the consumer price index. This will allow Whitesburg to better fund its operation and maintenance expense and will lessen the impact of future rate increases. It is further recommended that Whitesburg review its income and expenses on an annual basis and have a rate study prepared every three to five years.

Current income and expenses are as follows:

	WATER DIVISION	SEWER DIVISION
Income	\$552,696	\$283,873
Expenses	522,605	330,733
Gain/Loss	\$30,091	(\$46,890)

Does not include any funding for depreciation. Current depreciation expense is \$406,107 for the water division and \$143,333 for the sewer division.

A breakdown of total water and sewer expenses is shown on Pages 4 and

5. Expenses are also divided between the water and sewer divisions.

CITY OF WHITESBURG				
WATER AND SEWER INCOME AND EXPENSES				
12 Months Ending June 2006				
		Total	Water	Sewer
Operating Income				
Retail Sales		\$ 818,751	\$ 534,878	\$ 283,873
Wholesale		11,068	11,068	
Other Revenue		6,750	6,750	
Total Revenue		\$ 836,569	\$ 552,696	\$ 283,873
Operating Expenses - Contract Services				
Chemicals		\$ 24,753	\$ 24,753	
Telemetry		2,904	2,904	
Radio Rental		996	896	100
Training/Travel		4,067	2,844	1,423
Lab Services		12,504	12,504	
Cell Phones		2,400	2,280	120
Uniforms		4,896	2,938	1,958
Phone		2,587	2,587	
Internet		500	500	
Office Supplies		5,196	4,676	520
Postage		818	818	
Fuel		7,985	6,500	1,485
Electric		65,142	28,810	36,332
Licenses		1,845	1,199	646
Amortization		3,108	3,108	
Repair and Maintenance		86,121	35,121	51,000
Salaries and Wages				
Treatment		38,547	38,547	
Distribution		83,696	83,696	
Customer		32,498	32,498	
Sewer		98,285		98,285
Benefits				
Treatment		10,057	10,057	
Distribution		21,851	21,851	
Customer		8,479	8,479	
Sewer		25,648		25,648
Total Contract Services		\$ 544,884	\$ 327,366	\$ 217,517

Other Expenses	Total	Water	Sewer
Water/Sewer Clerk	\$ 34,681	\$ 21,849	\$ 12,832
Billing	4,579	2,885	1,694
Contract Labor	1,000	1,000	
Office Supplies	3,000	1,500	1,500
Repairs	500		500
Rental	500		500
Phone	750	250	500
Power	500	250	250
Billing	3,100	2,000	1,100
Meter Replacement	5,500	5,500	
Other	13,987	8,060	5,927
Withdrawal Fee	3,000	3,000	
Insurance	12,487	7,060	5,427
Sludge Removal	10,000		10,000
Vehicle Insurance	9,400	3,480	
Truck Lease	7,200	3,600	3,600
Backhoe Lease	14,825		14,825
Grease Fee	13,350		13,350
Total Other Expenses	\$ 132,439	\$ 60,434	\$ 72,005
Total Operation and Maintenance	\$ 677,323	\$ 387,800	\$ 289,523
Debt Expense			
1994 Bonds	\$ 8,225	\$ 8,225	
1995 and 1999 Bonds	124,784	92,244	32,540
Reserve	14,670	6,000	8,670
Water Reserve	28,336	28,336	
Total Debt Expense	\$ 176,015	\$ 134,805	\$ 41,210
Total Expenses	\$ 853,338	\$ 522,605	\$ 330,733
Total Income	836,569	552,696	283,873
Increase Required	\$ (16,769)	\$ 30,091	\$ (46,860)
Depreciation Expense (Not Included)	549,440	406,107	143,333

WATER DIVISION

Whitesburg's current rate design is an inclining block rate. The inside city rate for usage between 2,001 and 4,000 gallons is \$3.50 and all usage over 4,000 gallons is priced at \$6.00. For outside city customers all usage between 2,000 and 4,000 is \$7.00 per 1,000 gallons while usage in excess of 4,000 gallons is \$11.00 per 1,000 gallons. This type of rate design is used when utilities need to conserve water since it discourages usage. Rates designed in this manner also discourage large water users from locating in the area. Since Whitesburg has adequate capacity, it is recommended that in the future the rate design be changed to encourage growth in the area.

It is recommended that Whitesburg add 10 cents to each rate step in order to begin funding depreciation and to pay for future increases in costs. Whitesburg should be placing \$406,107 each year in a depreciation account to pay for replacement or repair of aging infrastructure. The 10-cent increase will allow Whitesburg to place approximately \$37,243 in a depreciation fund.

No review was made to separate water expenses within the city and outside the city. It is recommended that the next study prepared for Whitesburg take into consideration the difference paid by inside city and outside city customers in order to determine if the difference is reasonable.

Current and recommended water rates are as follows:

Inside City Water Rates

Current		Recommended	
First 2,000 Gallons	\$9.40	First 2,000 Gallons	\$9.50
Next 2,000 Gallons	3.50	Next 2,000 Gallons	3.60
Over 4,000 Gallons	6.00	Over 4,000 Gallons	6.10

Outside City Water Rates

Current		Recommended	
First 2,000 Gallons	\$20.00	First 2,000 Gallons	\$20.10
Next 2,000 Gallons	7.00	Next 2,000 Gallons	7.10
Over 4,000 Gallons	11.00	Over 4,000 Gallons	11.10

Letcher County Water District

Current Rate = \$2.90 per 1,000 Gallons

Recommended Rate = \$2.71 per 1,000 Gallons

Current water rates and revenue are shown on Pages 9 and 10 for both inside and outside city customers. Recommended water rates and revenue are shown on Pages 11 and 12. Water expenses are shown on Pages 13 and 14. This sheet also allocates the cost of providing service to Letcher County.

Pages 15 and 16 contain the allocation factors used in determining the amount of each expense to allocate to Letcher County. Expenses are allocated to Letcher County on the basis of the amount of total water produced and the total amount sold to Letcher County. Also taken into consideration is the fact that Letcher County uses only a small portion of the total transmission and distribution mains in Whitesburg's system. No customer accounts expense such as billing and collecting and meter reading was allocated to Letcher County.

CITY OF WHITESBURG					
Outside City Current Water Rates					
Rate Codes 9 - 10					
Usage Table					
	Bills	Gallons	2,000	2,000	4,000
First 2,000	1,965	1,243,709	1,243,709		
Next 2,000	1,278	3,778,896	2,556,000	1,222,896	
Over 4,000	1,127	8,169,933	2,254,000	2,254,000	3,661,933
Total	4,370	13,192,538	6,053,709	3,476,896	3,661,933
REVENUE BY RATE INCREMENT					
	Bills	Gallons	Rate	Revenue	
First 2,000	4,370	6,053,709	\$ 20.00	\$ 87,400	
Next 2,000		3,476,896	7.00	24,338	
Over 4,000		3,661,933	11.00	40,281	
Total	4,370	13,192,538		\$ 152,020	

CITY OF WHITESBURG					
Inside City Current Water Rates and Revenue					
Rate Codes 1-2-3-6-7					
Usage Table					
	Bills	Gallons	2,000	2,000	4,000
First 2,000	3,361	2,252,792	2,252,792		
Next 2,000	1,939	5,730,134	3,878,000	1,852,134	
Over 4,000	2,838	58,020,776	5,676,000	5,676,000	46,668,776
Total	8,138	66,003,702	11,806,792	7,528,134	46,668,776
REVENUE BY RATE INCREMENT					
	Bills	Gallons	Rate	Revenue	
First 2,000	8,138	11,806,792	\$ 9.40	\$ 76,497	
Next 2,000		7,528,134	3.50	26,348	
Over 4,000		46,668,776	6.00	280,013	
Total	8,138	66,003,702		\$ 382,858	

382
152

434

CITY OF WHITESBURG					
Outside City Rrecommended Water Rates					
Rate Codes 9 - 10					
Usage Table					
	Bills	Gallons	2,000	2,000	4,000
First 2,000	1,965	1,243,709	1,243,709		
Next 2,000	1,278	3,778,896	2,556,000	1,222,896	
Over 4,000	1,127	8,169,933	2,254,000	2,254,000	3,661,933
Total	4,370	13,192,538	6,053,709	3,476,896	3,661,933
REVENUE BY RATE INCREMENT					
	Bills	Gallons	Rate	Revenue	
First 2,000	4,370	6,053,709	\$ 20.10	\$ 87,837	
Next 2,000		3,476,896	7.10	24,686	
Over 4,000		3,661,933	11.10	40,647	
Total	4,370	13,192,538		\$ 153,170	

CITY OF WHITESBURG					
Inside City Recommended Water Rates and Revenue					
Rate Codes 1-2-3-6-7					
Usage Table					
	Bills	Gallons	2,000	2,000	4,000
First 2,000	3,361	2,252,792	2,252,792		
Next 2,000	1,939	5,730,134	3,878,000	1,852,134	
Over 4,000	2,838	58,020,776	5,676,000	5,676,000	46,668,776
Total	8,138	66,003,702	11,806,792	7,528,134	46,668,776
REVENUE BY RATE INCREMENT					
	Bills	Gallons	Rate	Revenue	
First 2,000	8,138	11,806,792	\$ 9.50	\$ 77,311	
Next 2,000		7,528,134	3.60	27,101	
Over 4,000		46,668,776	6.10	284,680	
Total	8,138	66,003,702		\$ 389,092	

CITY OF WHITESBURG					
ALLOCATION OF WATER EXPENSES					
	Total	Allocation Factor	Allocated to Letcher County	Whitesburg	
Operating Expenses - Contract Services					
Chemicals	\$ 24,753	0.0370	\$ 916	\$ 23,837	
Telemetry	2,904	0.0023	7	2,897	
Radio Rental	896	0.0023	2	894	
Training/Travel	2,644	0.0023	6	2,637	
Lab Services	12,504	0.0370	463	12,041	
Cell Phones	2,280	0.0370	84	2,196	
Uniforms	2,938	0.0370	109	2,829	
Phone	2,587	-	-	2,587	
Internet	500	-	-	500	
Office Supplies	4,676	-	-	4,676	
Postage	818	-	-	818	
Fuel	6,500	0.0370	241	6,260	
Electric	28,810	0.0370	1,066	27,744	
Licenses	1,199	0.0023	3	1,196	
Amortization	3,108	0.0023	7	3,101	
Repair and Maintenance	35,121	0.0370	1,299	33,822	
Salaries and Wages					
Treatment	38,547	0.0370	1,426	37,121	
Distribution	83,696	0.0023	193	83,503	
Customer	32,498	-	-	32,498	
Benefits					
Treatment	10,057	0.0370	372	9,685	
Distribution	21,851	0.0023	50	21,801	
Customer	8,479	-	-	8,479	
Total Contract Services	\$ 327,368		\$ 6,243	\$ 321,123	

	Water	Allocation Factor	Allocated to Letcher County	Whitesburg
Other Expenses				
Water/Sewer Clerk	\$ 21,849	-	-	\$ 21,849
Billing	2,885	-	-	2,885
Contract Labor	1,000	0.0023	2	998
Office Supplies	1,500	-	-	1,500
Phone	250	-	-	250
Power	250	-	-	250
Billing	2,000	-	-	2,000
Meter Replacement	5,500	-	-	5,500
Other	8,060	-	-	8,060
Withdrawal Fee	3,000	0.0370	111	2,889
Insurance	7,060	0.0370	261	6,799
Vehicle Insurance	3,480	0.0023	8	3,472
Truck Lease	3,600	0.0023	8	3,592
Total Other Expenses	\$ 60,434		\$ 391	60,043
				-
Total Operation and Maintenance	\$ 387,800		\$ 6,634	\$ 381,166
				-
Debt Expense				
1994 Bonds	\$ 8,225	0.0023	\$ 19	\$ 8,206
1995 and 1999 Bonds	92,244	0.0370	3,413	88,831
Reserve	6,000	0.0370	222	5,778
Water Reserve	28,336	0.0023	65	28,271
Total Debt Expense	\$ 134,805		\$ 3,719	\$ 131,086
Total Expenses	\$ 522,605		\$ 10,353	\$ 512,252
Total Wholesale Purchased / Rate	3,817.0		\$ 2.71	
Retail Expenses	\$ 512,252			
Plus Wholesale	10,835			
Total Expenses	\$ 523,087			
Revenue From Retail Sales	\$ 542,262			
Wholesale Revenue	10,353			
Plus Other Income	6,750			
Total Revenue	\$ 559,365			
Amount Available for Depreciation	\$ 36,278			
Actual Depreciation = \$406,107				

CITY OF WHITESBURG			
WATER PRODUCED AND SOLD			
Total Produced		171,026.0	
Sales to Letcher Co. Water		3,816.7	0.0223
Sales to Retail		79,196.2	0.4631
Plant Use		8,551.3	0.0500
Flushing, Fire and Other		46,250.0	0.2704
Unaccounted for Water		33,211.8	0.1942
Total		171,026.0	

CITY OF WHITESBURG				
WHOLESALE ALLOCATION FACTORS				
			To Wholesale	
Plant Use Percentage		5.00%		0.0500
Line Loss Percentage		19.42%		0.1942
Plant Use and Line Loss		24.42%		0.2442
Whitesburg Production Multiplier		1 / 1 - 0.1067		1.3231
Wholesale Inch Mile Ratio		0.05		0.0500
Wholesale Share of Line Loss		.1924 x .0500		0.0097
Joint Share of Plant Use and Line Loss		.0097 + .0500		0.0597
Wholesale Production Multiplier		1 / 1 - .0597		1.0635
Production Allocation Factor		3,817	x	1.0635
		83,013		1.3231
Transmission Factor		3,817	x	0.0500
		83,013		
Use Factor		3,817		0.0460
		83,013		

SEWER DIVISION

The current and recommended wastewater rates are shown below:

Sewer Rates

Current		Recommended	
First 2,000 Gallons	\$6.80	First 2,000 Gallons	\$8.25
Over 2,000 Gallons	4.60	Over 2,000 Gallons	5.60

Current Minimum Bill	\$6.80
Recommended Minimum	8.25
Increase	\$1.45

Cost for 5,000 Gallons	
Current	\$20.60
Recommended	25.05
Increase	\$ 4.46

CITY OF WHITESBURG				
CURRENT SEWER RATES				
Rate Codes 1-3-6-9				
Usage Table				
	Bills	Gallons	2,000	2,000
First 2,000	3,100	2,099,781	2,099,781	
Over 2,000	4,318	59,381,876	8,636,000	50,745,876
Total	7,418	61,481,657	10,735,781	50,745,876
REVENUE BY RATE INCREMENT				
	Bills	Gallons	Rate	Revenue
First 2,000	7,418	10,735,781	\$ 6.80	\$ 50,442
Over 2,000		50,745,876	4.60	233,431
Total	7,418	61,481,657		\$ 283,873

CITY OF WHITESBURG	
SEWER OPERATING EXPENSES	
Operating Expenses - Contract Services	
Radio Rental	\$ 100
Training/Travel	1,423
Cell Phones	120
Uniforms	1,958
Office Supplies	520
Postage	
Fuel	1,485
Electric	36,332
Licenses	646
Repair and Maintenance	61,000
Salaries and Wages	98,285
Benefits	25,648
Total Contract Services	\$ 217,517
Water/Sewer Clerk	\$ 12,832
Billing	1,694
Office Supplies	1,500
Repairs	500
Rental	500
Phone	500
Power	250
Billing	1,100
Other	5,927
Insurance	5,427
Sludge Removal	10,000
Truck Lease	3,800
Backhoe Lease	14,825
Grease Fee	13,350
Total Other Expenses	\$ 72,005
Total Operation and Maintenance	\$ 289,522

CITY OF WHITESBURG		
SEWER EXPENSES		
Debt Expense		
1995 and 1999 Bonds		\$ 32,540
Reserve		8,670
Total Debt Expense		\$ 41,210
Total Expenses		\$ 330,732
Operating Revenue		283,873
Increase Required		\$ 46,859
Plus Depreciation		14,643
Total Depreciation = \$143,333		
Total Increase		\$ 61,502

CITY OF WHITESBURG				
RECOMMENDED SEWER RATES				
Rate Codes 1-3-6-9				
Usage Table				
	Bills	Gallons	2,000	2,000
First 2,000	3,100	2,099,781	2,099,781	
Over 2,000	4,318	59,381,876	8,636,000	50,745,876
Total	7,418	61,481,657	10,735,781	50,745,876
REVENUE BY RATE INCREMENT				
	Bills	Gallons	Rate	Revenue
First 2,000	7,418	10,735,781	\$ 8.28	\$ 61,421
Over 2,000		50,745,876	5.60	284,177
Total	7,418	61,481,657		\$ 345,598

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 GEN DESCRIPTION

Water & Sewer
 YTD GENERAL LEDGER
 JNL TY REFERENCE BAL FWD

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 Jul 31, 2007
 BALANCE

* Asset accounts

GEN	DESCRIPTION	JNL	TY	REFERENCE	BAL	FWD	CUR	PER	BALANCE
1001	WATER OPERATING				70090.19		0.00		70090.19
1010	Revenue Fund-FS				5056.81		0.00		5056.81
1015	Petty Cash Water/Sewer				50.00		0.00		50.00
1021	BOW OPERATING				13574.52		0.00		13574.52
1025	Revenue Fund-BoW				76070.01				
		2	CD	[NET]	07/31/07		116233.94	CR	
		3	CR	[NET]	07/31/07		111209.48		
	DRS				111209.48	CRS			116233.94
							5024.46	CR	71045.55
1030	Sinking Fund 1995				9834.04		0.00		9834.04
1031	LLC Sewer Project Corps				137.98		0.00		137.98
1032	Let. Co. School Sewer Pro				10536.90	CR	0.00		10536.90
1037	Solomon Branch Sewerline				1995.56		0.00		1995.56
1043	New WWTPP KIA				316.09		0.00		316.09
1045	sewer replacement fund 19				27618.31		0.00		27618.31
1046	sinking fund 2002				1018.92		0.00		1018.92
1050	Sinking Fund 1984				31200.88		0.00		31200.88
1055	Sinking Fund 99 Loan c				10628.39		0.00		10628.39
1095	Sinking Fund 1988				80401.70		0.00		80401.70
1141	Water Reserve				37353.67		0.00		37353.67
1142	CD				50000.00		0.00		50000.00
1250	Prepaid Ins.				20036.00		0.00		20036.00
1300	A/R Water & Sewer				116859.83		0.00		116859.83
1305	Allow. for Uncoll. W/S				5842.99	CR	0.00		5842.99
1320	Property Tank Site				3000.00		0.00		3000.00
1321	Accum Depr Water Tank				721251.36	CR	0.00		721251.36
1330	Accumulated Depreciation				2355606.51	CR	0.00		2355606.51
1340	Vehicle				54198.00		0.00		54198.00
1350	W&S Improvements 1984				1479241.93		0.00		1479241.93
1370	Water & Sewer Sys 1963				347723.55		0.00		347723.55

CLIENT: 2
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 GEN DESCRIPTION

Water & Sewer
 YTD GENERAL LEDGER
 JNL TY REFERENCE BAL FWD

GEN	DESCRIPTION	JNL	TY	REFERENCE	BAL	FWD	CUR	PER	BALANCE
70	Water Main 1971				481935.25		0.00		481935.25
1380	Water Main 1967				180655.06		0.00		180655.06
1390	Water project in-progress				2885007.56		0.00		2885007.56
1392	AML construction in progress				1372965.36		0.00		1372965.36
1394	Accumulated Deprec.-AML				842178.04	CR	0.00		842178.04
1500	Water System				502559.23		0.00		502559.23
1510	Sewer System				317139.45		0.00		317139.45
1600	Office Equipment				8669.54		0.00		8669.54
1610	Equipment Water & Sewer				147723.21		0.00		147723.21
1630	Manuals				1600.00		0.00		1600.00
1640	Planning 201 Facility				30000.00		0.00		30000.00
1650	Planning Sewer System				37650.82		0.00		37650.82
1670	Sewer System-Improvements				954932.75		0.00		954932.75
1680	Long Branch Fixed Assets				781749.30		0.00		781749.30
1690	Mayking Fixed Assests				500000.00		0.00		500000.00
1691	Solomon Branch Sewer Line Extension				532000.00		0.00		532000.00
*** Liability accounts									
2000	Accounts Payable				40416.67	CR	0.00		40416.67
2010	Customer Deposits Payable				42860.53	CR			
	Deposit	3	CR	[DEP]	07/23/07		100.00	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		100.00	CR	
	DRS	0.00	CRS		200.00		200.00	CR	43060.53
2020	Due to General Fund				3285.66	CR			
	General Fund	2	CD	1598	07/09/07		18558.28		
	General Fund	2	CD	1608	07/13/07		13540.71		
	Deposit	3	CR	[DEP]	07/10/07		150.00	CR	
	Deposit	3	CR	[DEP]	07/11/07		35.00	CR	
	Deposit	3	CR	[DEP]	07/11/07		1015.00	CR	
	DEPOSIT	3	CR	[DEP]	07/16/07		48.50	CR	
	DEPOSIT	3	CR	[DEP]	07/16/07		8.75	CR	
	DEPOSIT	3	CR	[DEP]	07/16/07		85.50	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		131.25	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		61.25	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		35.00	CR	
	deposit	3	CR	[DEP]	07/17/07		35.00	CR	

30 Due to General Fund (continued)

DEPOSIT	3	CR	[DEP]	07/17/07	41.75CR
DEPOSIT	3	CR	[DEP]	07/17/07	70.00CR
DEPOSIT	3	CR	[DEP]	07/17/07	17.50CR
DEPOSIT	3	CR	[DEP]	07/17/07	35.00CR
DEPOSIT	3	CR	[DEP]	07/17/07	152.50CR
DEPOSIT	3	CR	[DEP]	07/17/07	32.50CR
DEPOSIT	3	CR	[DEP]	07/17/07	87.50CR
DEPOSIT	3	CR	[DEP]	07/17/07	33.00CR
DEPOSIT	3	CR	[DEP]	07/17/07	33.00CR
DEPOSIT	3	CR	[DEP]	07/17/07	784.82CR
DEPOSIT	3	CR	[DEP]	07/17/07	200.00CR
DEPOSIT	3	CR	[DEP]	07/17/07	61.25CR
DEPOSIT	3	CR	[DEP]	07/17/07	41.75CR
DEPOSIT	3	CR	[DEP]	07/17/07	122.50CR
DEPOSIT	3	CR	[DEP]	07/17/07	52.50CR
DEPOSIT	3	CR	[DEP]	07/17/07	52.50CR
DEPOSIT	3	CR	[DEP]	07/17/07	8.75CR
DEPOSIT	3	CR	[DEP]	07/17/07	26.25CR
DEPOSIT	3	CR	[DEP]	07/17/07	8.75CR
DEPOSIT	3	CR	[DEP]	07/17/07	17.50CR
DEPOSIT	3	CR	[DEP]	07/17/07	52.50CR
DEPOSIT	3	CR	[DEP]	07/18/07	212.50CR
DEPOSIT	3	CR	[DEP]	07/18/07	24.25CR
DEPOSIT	3	CR	[DEP]	07/18/07	164.70CR
DEPOSIT	3	CR	[DEP]	07/19/07	58.00CR
DEPOSIT	3	CR	[DEP]	07/19/07	63.75CR
DEPOSIT	3	CR	[DEP]	07/19/07	80.00CR
DEPOSIT	3	CR	[DEP]	07/19/07	33.00CR
DEPOSIT	3	CR	[DEP]	07/19/07	52.50CR
DEPOSIT	3	CR	[DEP]	07/19/07	24.25CR
DEPOSIT	3	CR	[DEP]	07/19/07	50.50CR
DEPOSIT	3	CR	[DEP]	07/19/07	35.00CR
DEPOSIT	3	CR	[DEP]	07/19/07	365.00CR
DEPOSIT	3	CR	[DEP]	07/19/07	24.25CR
DEPOSIT	3	CR	[DEP]	07/19/07	17.50CR
DEPOSIT	3	CR	[DEP]	07/19/07	8.75CR
DEPOSIT	3	CR	[DEP]	07/19/07	30.50CR
DEPOSIT	3	CR	[DEP]	07/19/07	54.66CR
Deposit	3	CR	[DEP]	07/19/07	95.00CR
Deposit	3	CR	[DEP]	07/19/07	123.00CR
DEPOSIT	3	CR	[DEP]	07/20/07	41.75CR
DEPOSIT	3	CR	[DEP]	07/20/07	61.25CR
DEPOSIT	3	CR	[DEP]	07/20/07	50.00CR
DEPOSIT	3	CR	[DEP]	07/20/07	101.25CR
DEPOSIT	3	CR	[DEP]	07/20/07	134.25CR
DEPOSIT	3	CR	[DEP]	07/20/07	26.25CR
DEPOSIT	3	CR	[DEP]	07/20/07	416.25CR
DEPOSIT	3	CR	[DEP]	07/20/07	95.00CR
DEPOSIT	3	CR	[DEP]	07/20/07	58.75CR
DEPOSIT	3	CR	[DEP]	07/20/07	227.50CR
DEPOSIT	3	CR	[DEP]	07/20/07	26.25CR
DEPOSIT	3	CR	[DEP]	07/20/07	52.50CR
DEPOSIT	3	CR	[DEP]	07/20/07	35.00CR
DEPOSIT	3	CR	[DEP]	07/20/07	17.50CR
DEPOSIT	3	CR	[DEP]	07/20/07	30.50CR
DEPOSIT	3	CR	[DEP]	07/20/07	43.75CR

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DEPOSIT	3	CR	[DEP]	07/20/07	67.35CR
DEPOSIT	3	CR	[DEP]	07/20/07	24.25CR
DEPOSIT	3	CR	[DEP]	07/20/07	118.75CR
DEPOSIT	3	CR	[DEP]	07/20/07	26.25CR
DEPOSIT	3	CR	[DEP]	07/20/07	24.25CR
Deposit	3	CR	[DEP]	07/20/07	35.00CR
DEPOSIT	3	CR	[DEP]	07/23/07	93.00CR
DEPOSIT	3	CR	[DEP]	07/23/07	52.50CR
DEPOSIT	3	CR	[DEP]	07/23/07	24.25CR
DEPOSIT	3	CR	[DEP]	07/23/07	8.75CR
DEPOSIT	3	CR	[DEP]	07/23/07	192.50CR
DEPOSIT	3	CR	[DEP]	07/23/07	332.50CR
DEPOSIT	3	CR	[DEP]	07/23/07	110.00CR
DEPOSIT	3	CR	[DEP]	07/23/07	42.50CR
DEPOSIT	3	CR	[DEP]	07/23/07	43.75CR
DEPOSIT	3	CR	[DEP]	07/23/07	89.25CR
DEPOSIT	3	CR	[DEP]	07/23/07	117.50CR
DEPOSIT	3	CR	[DEP]	07/23/07	1510.00CR
DEPOSIT	3	CR	[DEP]	07/23/07	183.00CR
DEPOSIT	3	CR	[DEP]	07/23/07	125.00CR
DEPOSIT	3	CR	[DEP]	07/23/07	26.25CR
Deposit	3	CR	[DEP]	07/23/07	2028.75CR
Deposit	3	CR	[DEP]	07/23/07	43.75CR
Deposit	3	CR	[DEP]	07/23/07	197.50CR
DEPOSIT	3	CR	[DEP]	07/24/07	43.75CR
DEPOSIT	3	CR	[DEP]	07/24/07	202.50CR
DEPOSIT	3	CR	[DEP]	07/24/07	190.00CR
DEPOSIT	3	CR	[DEP]	07/24/07	26.25CR
DEPOSIT	3	CR	[DEP]	07/24/07	8.75CR
Deposit	3	CR	[DEP]	07/24/07	63.75CR
DEPOSIT	3	CR	[DEP]	07/25/07	729.75CR
DEPOSIT	3	CR	[DEP]	07/25/07	158.75CR
DEPOSIT	3	CR	[DEP]	07/25/07	187.50CR
DEPOSIT	3	CR	[DEP]	07/25/07	1465.00CR
DEPOSIT	3	CR	[DEP]	07/25/07	17.50CR
DEPOSIT	3	CR	[DEP]	07/25/07	24.25CR
DEPOSIT	3	CR	[DEP]	07/25/07	52.50CR
DEPOSIT	3	CR	[DEP]	07/25/07	26.25CR
DEPOSIT	3	CR	[DEP]	07/25/07	56.25CR
DEPOSIT	3	CR	[DEP]	07/25/07	50.00CR
DEPOSIT	3	CR	[DEP]	07/25/07	908.75CR
DEPOSIT	3	CR	[DEP]	07/25/07	23.75CR
DEPOSIT	3	CR	[DEP]	07/25/07	40.50CR
DEPOSIT	3	CR	[DEP]	07/25/07	750.00CR
DEPOSIT	3	CR	[DEP]	07/25/07	26.25CR
DEPOSIT	3	CR	[DEP]	07/25/07	491.25CR
Deposit	3	CR	[DEP]	07/25/07	247.50CR
DEPOSIT	3	CR	[DEP]	07/26/07	58.75CR
DEPOSIT	3	CR	[DEP]	07/26/07	26.25CR
DEPOSIT	3	CR	[DEP]	07/26/07	50.50CR
DEPOSIT	3	CR	[DEP]	07/26/07	39.75CR
DEPOSIT	3	CR	[DEP]	07/26/07	245.00CR
DEPOSIT	3	CR	[DEP]	07/26/07	73.50CR
DEPOSIT	3	CR	[DEP]	07/26/07	151.25CR
DEPOSIT	3	CR	[DEP]	07/26/07	71.25CR
DEPOSIT	3	CR	[DEP]	07/27/07	150.00CR

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GEN DESCRIPTION	JNL	TY	REFERENCE	BAL	FWD	CUR PER	BALANCE
DEPOSIT	3	CR	[DEP]	07/27/07		24.25CR	
DEPOSIT	3	CR	[DEP]	07/27/07		33.00CR	
DEPOSIT	3	CR	[DEP]	07/27/07		6.75CR	
Deposit	3	CR	[DEP]	07/27/07		8.75CR	
deposit	3	CR	[DEP]	07/27/07		113.75CR	
deposit	3	CR	[DEP]	07/27/07		82.50CR	
deposit	3	CR	[DEP]	07/27/07		26.25CR	
deposit	3	CR	[DEP]	07/30/07		1956.25CR	
deposit	3	CR	[DEP]	07/30/07		8.75CR	
deposit	3	CR	[DEP]	07/30/07		26.25CR	
deposit	3	CR	[DEP]	07/30/07		8.75CR	
deposit	3	CR	[DEP]	07/31/07		150.00CR	
deposit	3	CR	[DEP]	07/31/07		52.50CR	
deposit	3	CR	[DEP]	07/31/07		26.25CR	
deposit	3	CR	[DEP]	07/31/07		98.00CR	
deposit	3	CR	[DEP]	07/31/07		33.75CR	
deposit	3	CR	[DEP]	07/31/07		8.75CR	
deposit	3	CR	[DEP]	07/31/07		207.50CR	
deposit	3	CR	[DEP]	07/31/07		70.00CR	
DRS	32098.99	CRS		21587.53		10511.46	7225.80
2030 Due Parks Concession Pool				25.00CR		0.00	25.00CR
2060 Accrued Interest Payable				0.00			
Accrued Interest	3	CR	[INT]	07/31/07		158.00CR	
DRS	0.00	CRS		158.00		158.00CR	158.00CR
2095 Accrued Payroll				349.84CR		0.00	349.84CR
2096 Payroll Clearing				4908.21CR			
Payable to Payroll Clearing	1	PR		07/31/07		857.65CR	
DRS	0.00	CRS		857.65		857.65CR	5765.86CR
2100 Ky Withholding				5465.36			
KWH Payable	1	PR		07/31/07		32.00CR	
DRS	0.00	CRS		32.00		32.00CR	5433.36
2110 Fed Withholding				1827.36			
FWH Payable	1	PR		07/31/07		5.08CR	
DRS	0.00	CRS		5.08		5.08CR	1822.28
2120 FICA Withholding				10296.56CR			
FICA Payable	1	PR		07/31/07		158.06CR	
DRS	0.00	CRS		158.06		158.06CR	10454.62CR
2130 garnishment withheld				0.00		0.00	0.00
2140 Utility Tax Payable				40672.62		0.00	40672.62

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GEN	DESCRIPTION	JNL	TY	REFERENCE	BAL	FWD	CUR	PER	BALANCE
2150	Sales Tax Payable				26018.10		0.00		26018.10
2155	Unemployment Payable				103.75CR		0.00		103.75CR
2160	Group Insurance				18.48CR				
	Health Ins Payable	1	PR	07/31/07			9.24CR		
	DRS	0.00	CRS		9.24		9.24CR		27.72CR
2170	Retirement				239.21				
	Co Retirement Payable	1	PR	07/31/07			207.36CR		
	DRS	0.00	CRS		207.36		207.36CR		31.85
2176	Deferred Compensation				1021.76				
	Def Comp Payable	1	PR	07/31/07			50.00CR		
	DRS	0.00	CRS		50.00		50.00CR		971.76
2178	Canteen Fund				0.00		0.00		0.00
2180	Cash Advances				175.00CR				
	Cash Advance Rec	1	PR	07/31/07			50.00CR		
	DRS	0.00	CRS		50.00		50.00CR		225.00CR
2181	Other liabilities				660971.14CR		0.00		660971.14CR
2182	KIA Payable - C				265000.00CR		0.00		265000.00CR
2188	Loan -Whitaker bank				7278.12CR		0.00		7278.12CR
2189	Accrued Interest Payable				55563.54CR		0.00		55563.54CR
2190	Loan Payable-FmHA				208000.00CR		0.00		208000.00CR
2191	Loan Fifth Third Bank - Backhoe				0.34		0.00		0.34
2196	Whitaker Bank W/C Loan				18339.91CR		0.00		18339.91CR
2230	Bonds Payable 1984				103500.00CR		0.00		103500.00CR
2240	bonds payable 2002				48900.00CR		0.00		48900.00CR
*** Capital accounts									
3000	Contribution CDBG				632910.00CR		0.00		632910.00CR
3005	Contribution CDBG 92				391503.00CR		0.00		391503.00CR
3010	Contribution FmHA				577500.00CR		0.00		577500.00CR
3020	Contribution CDBG				26833.60CR		0.00		26833.60CR
3030	Contribution DOT				381686.01CR		0.00		381686.01CR

GEN	DESCRIPTION	JNL	TY	REFERENCE	BAL	FWD	CUR	PER	BALANCE
3050	Contribution 1963				231000.00	CR	0.00		231000.00
3050	Contribution 1971				379153.00	CR	0.00		379153.00
3060	Contribution 1967				95699.86	CR	0.00		95699.86
3070	Contribution HUD				7500.00	CR	0.00		7500.00
3080	Contribution EPA				491284.82	CR	0.00		491284.82
3090	Contribution ARC				275974.30	CR	0.00		275974.30
3092	CONTRIBUTION - AML				1348019.76	CR	0.00		1348019.76
3093	contribution Lawsuit				750000.00	CR	0.00		750000.00
3094	CONT. WATER PROJECT 99				334350.00	CR	0.00		334350.00
3095	CONTRIBUTED CAPITOL SOLOM				1032000.00	CR	0.00		1032000.00
3100	Contributed Capital - Long Branch				717049.30	CR	0.00		717049.30
4500	Fund balance				1833550.20		0.00		1833550.20
4701	Fund Balance Solomon Branch Sewer Line				1917.00	CR	0.00		1917.00
4709	Current Earnings				0.00		0.00		0.00

*** Revenue accounts

5000	Water Revenue				0.00				
	Returned Item	2	CD	[RET]	07/16/07		293.32		
	Deposit	3	CR	[DEP]	07/10/07		486.60	CR	
	Deposit	3	CR	[DEP]	07/11/07		189.84	CR	
	Deposit	3	CR	[DEP]	07/11/07		1415.38	CR	
	Deposit	3	CR	[DEP]	07/12/07		23.27	CR	
	DEPOSIT	3	CR	[DEP]	07/16/07		148.73	CR	
	DEPOSIT	3	CR	[DEP]	07/16/07		9.40	CR	
	DEPOSIT	3	CR	[DEP]	07/16/07		222.84	CR	
	Deposit	3	CR	[DEP]	07/16/07		293.32	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		730.73	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		178.93	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		161.07	CR	
	deposit	3	CR	[DEP]	07/17/07		180.06	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		216.98	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		122.24	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		88.62	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		91.48	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		267.59	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		144.74	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		332.85	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		130.32	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		35.02	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		134.06	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		70.04	CR	

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5	0 Water Revenue (continued)								
	DEPOSIT	3	CR	[DEP]	07/17/07		201.08	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		1971.72	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		159.13	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		86.97	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		371.46	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		18.72	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		156.56	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		62.54	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		192.84	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		23.60	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		75.74	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		16.00	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		81.12	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		335.48	CR	
	DEPOSIT	3	CR	[DEP]	07/18/07		291.42	CR	
	DEPOSIT	3	CR	[DEP]	07/18/07		138.05	CR	
	DEPOSIT	3	CR	[DEP]	07/18/07		59.54	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		159.60	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		146.47	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		265.60	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		192.82	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		276.13	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		146.46	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		288.32	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		92.06	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		174.97	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		100.00	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		54.60	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		111.45	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		20.60	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		251.63	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		234.75	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		239.78	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		299.00	CR	
	Deposit	3	CR	[DEP]	07/19/07		80.93	CR	
	Deposit	3	CR	[DEP]	07/19/07		140.09	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		292.62	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		190.46	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		100.00	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		100.00	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		2258.04	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		252.81	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		214.08	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		200.01	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		302.96	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		303.58	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		254.59	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		289.68	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		223.27	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		175.72	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		177.74	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		244.37	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		239.18	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		301.38	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		360.13	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		68.54	CR	

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5	0 Water Revenue (continued)								
	DEPOSIT	3	CR	[DEP]	07/20/07		216.30	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		20.60	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		484.94	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		245.61	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		100.00	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		119.71	CR	
	Deposit	3	CR	[DEP]	07/20/07		210.48	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		112.43	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		192.50	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		210.00	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		261.20	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		116.58	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		227.20	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		130.15	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		181.95	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		184.41	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		200.54	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		384.68	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		1093.05	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		181.01	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		570.71	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		99.53	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		100.00	CR	
	Deposit	3	CR	[DEP]	07/23/07		5830.24	CR	
	Deposit	3	CR	[DEP]	07/23/07		260.08	CR	
	Deposit	3	CR	[DEP]	07/23/07		500.00	CR	
	Deposit	3	CR	[DEP]	07/23/07		269.36	CR	
	DEPOSIT	3	CR	[DEP]	07/24/07		179.38	CR	
	DEPOSIT	3	CR	[DEP]	07/24/07		97.65	CR	
	DEPOSIT	3	CR	[DEP]	07/24/07		1697.73	CR	
	DEPOSIT	3	CR	[DEP]	07/24/07		151.69	CR	
	DEPOSIT	3	CR	[DEP]	07/24/07		157.35	CR	
	Deposit	3	CR	[DEP]	07/24/07		139.55	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		256.81	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		280.67	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		210.90	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		569.48	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		115.32	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		136.79	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		154.88	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		54.13	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		238.55	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		94.45	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		574.80	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		408.35	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		34.58	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		20.60	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		3963.24	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		42.78	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		1808.61	CR	
	Deposit	3	CR	[DEP]	07/25/07		4048.59	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		436.59	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		37.62	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		184.48	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		130.20	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		409.20	CR	

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GEN	DESCRIPTION	JNL	TY	REFERENCE	BAL	FWD	CUR	PER	BALANCE
5	0 Water Revenue (continued)								
	DEPOSIT	3	CR	[DEP]	07/26/07		281.93	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		180.88	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		596.07	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		46.80	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		234.94	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		334.44	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		20.00	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		18.26	CR	
	Deposit	3	CR	[DEP]	07/27/07		65.85	CR	
	Deposit	3	CR	[DEP]	07/27/07		52.16	CR	
	deposit	3	CR	[DEP]	07/27/07		135.00	CR	
	deposit	3	CR	[DEP]	07/27/07		155.35	CR	
	deposit	3	CR	[DEP]	07/27/07		351.08	CR	
	Deposit	3	CR	[DEP]	07/30/07		24.85	CR	
	deposit	3	CR	[DEP]	07/30/07		5915.90	CR	
	deposit	3	CR	[DEP]	07/30/07		439.87	CR	
	deposit	3	CR	[DEP]	07/30/07		14.12	CR	
	deposit	3	CR	[DEP]	07/30/07		192.27	CR	
	deposit	3	CR	[DEP]	07/30/07		57.79	CR	
	Deposit	3	CR	[DEP]	07/31/07		27.93	CR	
	deposit	3	CR	[DEP]	07/31/07		569.76	CR	
	deposit	3	CR	[DEP]	07/31/07		140.19	CR	
	deposit	3	CR	[DEP]	07/31/07		397.23	CR	
	deposit	3	CR	[DEP]	07/31/07		208.30	CR	
	deposit	3	CR	[DEP]	07/31/07		221.43	CR	
	deposit	3	CR	[DEP]	07/31/07		296.81	CR	
	deposit	3	CR	[DEP]	07/31/07		132.05	CR	
	deposit	3	CR	[DEP]	07/31/07		181.24	CR	
	DRS		293.32	CRS	60171.23		59877.91	CR	59877.91
	5010 Sewer Revenue				0.00				
	Deposit	3	CR	[DEP]	07/10/07		675.76	CR	
	Deposit	3	CR	[DEP]	07/11/07		118.44	CR	
	Deposit	3	CR	[DEP]	07/11/07		1987.83	CR	
	DEPOSIT	3	CR	[DEP]	07/16/07		43.67	CR	
	DEPOSIT	3	CR	[DEP]	07/16/07		6.80	CR	
	DEPOSIT	3	CR	[DEP]	07/16/07		105.53	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		161.96	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		107.04	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		24.68	CR	
	deposit	3	CR	[DEP]	07/17/07		56.08	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		57.15	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		87.88	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		45.36	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		13.85	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		79.95	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		9.65	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		140.77	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		49.00	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		31.14	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		132.62	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		1301.31	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		52.98	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		53.70	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		201.72	CR	

5	J Sewer Revenue (continued)					
	DEPOSIT	3	CR	[DEP]	07/17/07	13.42CR
	DEPOSIT	3	CR	[DEP]	07/17/07	105.07CR
	DEPOSIT	3	CR	[DEP]	07/17/07	68.97CR
	DEPOSIT	3	CR	[DEP]	07/17/07	21.52CR
	DEPOSIT	3	CR	[DEP]	07/17/07	59.26CR
	DEPOSIT	3	CR	[DEP]	07/17/07	11.46CR
	DEPOSIT	3	CR	[DEP]	07/17/07	49.70CR
	DEPOSIT	3	CR	[DEP]	07/17/07	116.72CR
	DEPOSIT	3	CR	[DEP]	07/18/07	257.53CR
	DEPOSIT	3	CR	[DEP]	07/18/07	34.61CR
	DEPOSIT	3	CR	[DEP]	07/18/07	98.08CR
	DEPOSIT	3	CR	[DEP]	07/19/07	23.76CR
	DEPOSIT	3	CR	[DEP]	07/19/07	71.16CR
	DEPOSIT	3	CR	[DEP]	07/19/07	97.57CR
	DEPOSIT	3	CR	[DEP]	07/19/07	51.62CR
	DEPOSIT	3	CR	[DEP]	07/19/07	117.81CR
	DEPOSIT	3	CR	[DEP]	07/19/07	48.32CR
	DEPOSIT	3	CR	[DEP]	07/19/07	54.39CR
	DEPOSIT	3	CR	[DEP]	07/19/07	67.18CR
	DEPOSIT	3	CR	[DEP]	07/19/07	44.88CR
	DEPOSIT	3	CR	[DEP]	07/19/07	33.16CR
	DEPOSIT	3	CR	[DEP]	07/19/07	30.89CR
	DEPOSIT	3	CR	[DEP]	07/19/07	21.60CR
	DEPOSIT	3	CR	[DEP]	07/19/07	21.13CR
	DEPOSIT	3	CR	[DEP]	07/19/07	61.70CR
	Deposit	3	CR	[DEP]	07/19/07	39.91CR
	Deposit	3	CR	[DEP]	07/19/07	101.70CR
	DEPOSIT	3	CR	[DEP]	07/20/07	9.91CR
	DEPOSIT	3	CR	[DEP]	07/20/07	121.99CR
	DEPOSIT	3	CR	[DEP]	07/20/07	74.21CR
	DEPOSIT	3	CR	[DEP]	07/20/07	64.99CR
	DEPOSIT	3	CR	[DEP]	07/20/07	108.58CR
	DEPOSIT	3	CR	[DEP]	07/20/07	6.01CR
	DEPOSIT	3	CR	[DEP]	07/20/07	163.81CR
	DEPOSIT	3	CR	[DEP]	07/20/07	133.65CR
	DEPOSIT	3	CR	[DEP]	07/20/07	94.60CR
	DEPOSIT	3	CR	[DEP]	07/20/07	101.71CR
	DEPOSIT	3	CR	[DEP]	07/20/07	22.03CR
	DEPOSIT	3	CR	[DEP]	07/20/07	50.56CR
	DEPOSIT	3	CR	[DEP]	07/20/07	54.05CR
	DEPOSIT	3	CR	[DEP]	07/20/07	15.21CR
	DEPOSIT	3	CR	[DEP]	07/20/07	6.80CR
	DEPOSIT	3	CR	[DEP]	07/20/07	94.07CR
	DEPOSIT	3	CR	[DEP]	07/20/07	84.32CR
	DEPOSIT	3	CR	[DEP]	07/20/07	35.41CR
	DEPOSIT	3	CR	[DEP]	07/20/07	109.14CR
	DEPOSIT	3	CR	[DEP]	07/20/07	62.79CR
	DEPOSIT	3	CR	[DEP]	07/20/07	20.40CR
	Deposit	3	CR	[DEP]	07/20/07	99.20CR
	DEPOSIT	3	CR	[DEP]	07/23/07	70.29CR
	DEPOSIT	3	CR	[DEP]	07/23/07	150.03CR
	DEPOSIT	3	CR	[DEP]	07/23/07	62.58CR
	DEPOSIT	3	CR	[DEP]	07/23/07	33.55CR
	DEPOSIT	3	CR	[DEP]	07/23/07	104.88CR
	DEPOSIT	3	CR	[DEP]	07/23/07	78.21CR
	DEPOSIT	3	CR	[DEP]	07/23/07	51.23CR

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GEN	DESCRIPTION	JNL	TY	REFERENCE	BAL	FWD	CUR	PER	BALANCE
5	0 Sewer Revenue (continued)								
	DEPOSIT	3	CR	[DEP]	07/23/07		64.43	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		130.78	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		24.22	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		546.11	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		108.05	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		111.30	CR	
	DEPOSIT	3	CR	[DEP]	07/23/07		32.74	CR	
	Deposit	3	CR	[DEP]	07/23/07		3754.32	CR	
	Deposit	3	CR	[DEP]	07/23/07		115.58	CR	
	Deposit	3	CR	[DEP]	07/23/07		146.39	CR	
	DEPOSIT	3	CR	[DEP]	07/24/07		40.34	CR	
	DEPOSIT	3	CR	[DEP]	07/24/07		89.57	CR	
	DEPOSIT	3	CR	[DEP]	07/24/07		1175.38	CR	
	DEPOSIT	3	CR	[DEP]	07/24/07		58.43	CR	
	DEPOSIT	3	CR	[DEP]	07/24/07		25.83	CR	
	Deposit	3	CR	[DEP]	07/24/07		159.52	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		251.37	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		183.93	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		379.27	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		465.66	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		35.05	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		34.24	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		63.16	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		47.68	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		154.93	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		30.41	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		432.42	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		34.99	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		28.78	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		586.30	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		35.14	CR	
	DEPOSIT	3	CR	[DEP]	07/25/07		1076.81	CR	
	Deposit	3	CR	[DEP]	07/25/07		131.12	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		330.29	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		16.30	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		123.40	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		48.20	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		319.76	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		31.64	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		125.07	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		234.17	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		38.90	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		27.64	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		44.25	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		17.43	CR	
	Deposit	3	CR	[DEP]	07/27/07		37.53	CR	
	deposit	3	CR	[DEP]	07/27/07		97.20	CR	
	deposit	3	CR	[DEP]	07/27/07		43.54	CR	
	deposit	3	CR	[DEP]	07/27/07		52.69	CR	
	deposit	3	CR	[DEP]	07/30/07		3887.95	CR	
	deposit	3	CR	[DEP]	07/30/07		10.14	CR	
	deposit	3	CR	[DEP]	07/30/07		69.47	CR	
	deposit	3	CR	[DEP]	07/30/07		6.80	CR	
	deposit	3	CR	[DEP]	07/31/07		286.78	CR	
	deposit	3	CR	[DEP]	07/31/07		85.95	CR	
	deposit	3	CR	[DEP]	07/31/07		61.23	CR	

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GEN DESCRIPTION	JNL	TY	REFERENCE	BAL	FWD	CUR	PER	BALANCE
5 0 Sewer Revenue (continued)								
deposit	3	CR	[DEP]	07/31/07		56.39	CR	
deposit	3	CR	[DEP]	07/31/07		13.59	CR	
deposit	3	CR	[DEP]	07/31/07		69.03	CR	
deposit	3	CR	[DEP]	07/31/07		120.53	CR	
	DRS			234.17	CRS	25928.15		
						25693.98	CR	25693.98

GEN DESCRIPTION	JNL	TY	REFERENCE	BAL	FWD	CUR	PER	BALANCE
5020 Tax Revenue					0.00			
Deposit	3	CR	[DEP]	07/10/07		5.67	CR	
Deposit	3	CR	[DEP]	07/11/07		0.44	CR	
Deposit	3	CR	[DEP]	07/11/07		17.13	CR	
Deposit	3	CR	[DEP]	07/16/07		0.28	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		1.46	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		3.49	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		0.08	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		3.91	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		4.10	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		17.64	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		118.31	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		4.87	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		2.62	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		11.25	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		0.57	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		4.71	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		1.94	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		5.88	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		0.71	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		2.28	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		0.48	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		1.97	CR	
DEPOSIT	3	CR	[DEP]	07/17/07		9.79	CR	
DEPOSIT	3	CR	[DEP]	07/18/07		33.93	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		4.94	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		4.46	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		12.68	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		5.78	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		8.26	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		4.38	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		8.63	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		2.75	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		5.27	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		2.63	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		3.29	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		7.65	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		7.11	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		0.62	CR	
DEPOSIT	3	CR	[DEP]	07/19/07		0.21	CR	
DEPOSIT	3	CR	[DEP]	07/20/07		8.95	CR	
DEPOSIT	3	CR	[DEP]	07/20/07		5.72	CR	
DEPOSIT	3	CR	[DEP]	07/20/07		140.68	CR	
DEPOSIT	3	CR	[DEP]	07/20/07		2.97	CR	
DEPOSIT	3	CR	[DEP]	07/20/07		1.93	CR	
DEPOSIT	3	CR	[DEP]	07/20/07		5.35	CR	
DEPOSIT	3	CR	[DEP]	07/20/07		13.34	CR	
DEPOSIT	3	CR	[DEP]	07/20/07		11.95	CR	
DEPOSIT	3	CR	[DEP]	07/20/07		7.58	CR	

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5 0 Tax Revenue (continued)

DEPOSIT	3	CR	[DEP]	07/20/07	8.14CR
DEPOSIT	3	CR	[DEP]	07/20/07	6.70CR
DEPOSIT	3	CR	[DEP]	07/20/07	4.24CR
DEPOSIT	3	CR	[DEP]	07/20/07	5.36CR
DEPOSIT	3	CR	[DEP]	07/20/07	3.12CR
DEPOSIT	3	CR	[DEP]	07/20/07	8.16CR
DEPOSIT	3	CR	[DEP]	07/20/07	9.08CR
DEPOSIT	3	CR	[DEP]	07/20/07	11.03CR
DEPOSIT	3	CR	[DEP]	07/20/07	1.84CR
DEPOSIT	3	CR	[DEP]	07/20/07	14.87CR
DEPOSIT	3	CR	[DEP]	07/20/07	7.50CR
DEPOSIT	3	CR	[DEP]	07/20/07	3.52CR
DEPOSIT	3	CR	[DEP]	07/23/07	4.73CR
DEPOSIT	3	CR	[DEP]	07/23/07	7.45CR
DEPOSIT	3	CR	[DEP]	07/23/07	6.34CR
DEPOSIT	3	CR	[DEP]	07/23/07	7.70CR
DEPOSIT	3	CR	[DEP]	07/23/07	2.67CR
DEPOSIT	3	CR	[DEP]	07/23/07	8.70CR
DEPOSIT	3	CR	[DEP]	07/23/07	7.63CR
DEPOSIT	3	CR	[DEP]	07/23/07	0.06CR
DEPOSIT	3	CR	[DEP]	07/23/07	5.05CR
DEPOSIT	3	CR	[DEP]	07/23/07	1.10CR
DEPOSIT	3	CR	[DEP]	07/23/07	0.07CR
DEPOSIT	3	CR	[DEP]	07/23/07	99.40CR
DEPOSIT	3	CR	[DEP]	07/23/07	7.48CR
DEPOSIT	3	CR	[DEP]	07/23/07	195.00
DEPOSIT	3	CR	[DEP]	07/23/07	0.50CR
Deposit	3	CR	[DEP]	07/23/07	0.95CR
Deposit	3	CR	[DEP]	07/23/07	8.75CR
DEPOSIT	3	CR	[DEP]	07/24/07	5.38CR
DEPOSIT	3	CR	[DEP]	07/24/07	3.19CR
DEPOSIT	3	CR	[DEP]	07/24/07	5.65CR
DEPOSIT	3	CR	[DEP]	07/24/07	4.55CR
DEPOSIT	3	CR	[DEP]	07/24/07	4.70CR
Deposit	3	CR	[DEP]	07/24/07	0.43CR
DEPOSIT	3	CR	[DEP]	07/25/07	26.45CR
DEPOSIT	3	CR	[DEP]	07/25/07	42.87CR
DEPOSIT	3	CR	[DEP]	07/25/07	37.30CR
DEPOSIT	3	CR	[DEP]	07/25/07	59.32CR
DEPOSIT	3	CR	[DEP]	07/25/07	3.50CR
DEPOSIT	3	CR	[DEP]	07/25/07	4.13CR
DEPOSIT	3	CR	[DEP]	07/25/07	4.70CR
DEPOSIT	3	CR	[DEP]	07/25/07	1.62CR
DEPOSIT	3	CR	[DEP]	07/25/07	8.02CR
DEPOSIT	3	CR	[DEP]	07/25/07	7.17CR
DEPOSIT	3	CR	[DEP]	07/25/07	49.94CR
DEPOSIT	3	CR	[DEP]	07/25/07	2.19CR
DEPOSIT	3	CR	[DEP]	07/25/07	2.03CR
DEPOSIT	3	CR	[DEP]	07/25/07	251.95CR
DEPOSIT	3	CR	[DEP]	07/25/07	1.29CR
DEPOSIT	3	CR	[DEP]	07/25/07	162.90CR
Deposit	3	CR	[DEP]	07/25/07	7.72CR
DEPOSIT	3	CR	[DEP]	07/26/07	27.34CR
DEPOSIT	3	CR	[DEP]	07/26/07	2.07CR
DEPOSIT	3	CR	[DEP]	07/26/07	5.54CR
DEPOSIT	3	CR	[DEP]	07/26/07	3.89CR

GEN	DESCRIPTION	JNL	TY	REFERENCE	BAL	FWD	CUR	PER	BALANCE
5	0 Tax Revenue (continued)								
	DEPOSIT	3	CR	[DEP]	07/26/07		13.26	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		5.08	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		13.71	CR	
	DEPOSIT	3	CR	[DEP]	07/26/07		17.24	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		4.24	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		6.79	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		10.13	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		0.60	CR	
	DEPOSIT	3	CR	[DEP]	07/27/07		0.55	CR	
	deposit	3	CR	[DEP]	07/27/07		0.56	CR	
	deposit	3	CR	[DEP]	07/30/07		0.49	CR	
	deposit	3	CR	[DEP]	07/31/07		31.14	CR	
	deposit	3	CR	[DEP]	07/31/07		6.49	CR	
	deposit	3	CR	[DEP]	07/31/07		0.68	CR	
	deposit	3	CR	[DEP]	07/31/07		0.61	CR	
	deposit	3	CR	[DEP]	07/31/07		0.29	CR	
	deposit	3	CR	[DEP]	07/31/07		2.83	CR	
	deposit	3	CR	[DEP]	07/31/07		9.98	CR	
	DRS					195.00	CRS		1643.29
									1448.29CR
									1448.29CR
	5025 Utility Tax					0.00			
	Returned Item	2	CD	[RET]	07/16/07		9.07		
	Deposit	3	CR	[DEP]	07/10/07		14.59	CR	
	Deposit	3	CR	[DEP]	07/11/07		5.69	CR	
	Deposit	3	CR	[DEP]	07/11/07		42.46	CR	
	Deposit	3	CR	[DEP]	07/12/07		0.71	CR	
	DEPOSIT	3	CR	[DEP]	07/16/07		4.47	CR	
	DEPOSIT	3	CR	[DEP]	07/16/07		0.28	CR	
	DEPOSIT	3	CR	[DEP]	07/16/07		6.73	CR	
	Deposit	3	CR	[DEP]	07/16/07		8.79	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		22.39	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		5.37	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		4.85	CR	
	deposit	3	CR	[DEP]	07/17/07		5.47	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		6.62	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		3.68	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		2.65	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		2.75	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		8.03	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		4.34	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		10.10	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		6.03	CR	
	DEPOSIT	3	CR	[DEP]	07/17/07		59.15	CR	
	DEPOSIT	3	CR	[DEP]	07/18/07		8.74	CR	
	DEPOSIT	3	CR	[DEP]	07/18/07		4.10	CR	
	DEPOSIT	3	CR	[DEP]	07/18/07		6.83	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		5.78	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		7.19	CR	
	DEPOSIT	3	CR	[DEP]	07/19/07		8.97	CR	
	Deposit	3	CR	[DEP]	07/19/07		1.27	CR	
	Deposit	3	CR	[DEP]	07/19/07		4.18	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		67.74	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		7.58	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		6.42	CR	
	DEPOSIT	3	CR	[DEP]	07/20/07		9.09	CR	

5 5 Utility Tax (continued)

DEPOSIT	3	CR	[DEP]	07/20/07	8.69CR
DEPOSIT	3	CR	[DEP]	07/20/07	7.33CR
Deposit	3	CR	[DEP]	07/20/07	6.30CR
DEPOSIT	3	CR	[DEP]	07/23/07	3.50CR
DEPOSIT	3	CR	[DEP]	07/23/07	6.82CR
DEPOSIT	3	CR	[DEP]	07/23/07	5.46CR
DEPOSIT	3	CR	[DEP]	07/23/07	5.53CR
DEPOSIT	3	CR	[DEP]	07/23/07	6.02CR
DEPOSIT	3	CR	[DEP]	07/23/07	11.54CR
DEPOSIT	3	CR	[DEP]	07/23/07	32.79CR
DEPOSIT	3	CR	[DEP]	07/23/07	5.43CR
DEPOSIT	3	CR	[DEP]	07/23/07	2.99CR
Deposit	3	CR	[DEP]	07/23/07	174.90CR
Deposit	3	CR	[DEP]	07/23/07	7.87CR
Deposit	3	CR	[DEP]	07/23/07	4.39CR
DEPOSIT	3	CR	[DEP]	07/24/07	2.93CR
DEPOSIT	3	CR	[DEP]	07/24/07	50.93CR
Deposit	3	CR	[DEP]	07/24/07	5.68CR
DEPOSIT	3	CR	[DEP]	07/25/07	7.70CR
DEPOSIT	3	CR	[DEP]	07/25/07	8.42CR
DEPOSIT	3	CR	[DEP]	07/25/07	6.33CR
DEPOSIT	3	CR	[DEP]	07/25/07	17.08CR
DEPOSIT	3	CR	[DEP]	07/25/07	7.14CR
DEPOSIT	3	CR	[DEP]	07/25/07	2.82CR
DEPOSIT	3	CR	[DEP]	07/25/07	17.24CR
DEPOSIT	3	CR	[DEP]	07/25/07	12.25CR
DEPOSIT	3	CR	[DEP]	07/25/07	118.90CR
DEPOSIT	3	CR	[DEP]	07/25/07	54.26CR
Deposit	3	CR	[DEP]	07/25/07	121.45CR
DEPOSIT	3	CR	[DEP]	07/26/07	13.10CR
DEPOSIT	3	CR	[DEP]	07/26/07	8.46CR
DEPOSIT	3	CR	[DEP]	07/26/07	5.43CR
DEPOSIT	3	CR	[DEP]	07/27/07	1.40CR
Deposit	3	CR	[DEP]	07/27/07	2.03CR
Deposit	3	CR	[DEP]	07/27/07	1.56CR
deposit	3	CR	[DEP]	07/27/07	4.05CR
deposit	3	CR	[DEP]	07/27/07	5.64CR
deposit	3	CR	[DEP]	07/27/07	10.53CR
Deposit	3	CR	[DEP]	07/30/07	0.76CR
deposit	3	CR	[DEP]	07/30/07	177.47CR
deposit	3	CR	[DEP]	07/30/07	13.60CR
deposit	3	CR	[DEP]	07/30/07	0.42CR
deposit	3	CR	[DEP]	07/30/07	5.83CR
deposit	3	CR	[DEP]	07/30/07	1.79CR
Deposit	3	CR	[DEP]	07/31/07	0.86CR
deposit	3	CR	[DEP]	07/31/07	14.22CR
deposit	3	CR	[DEP]	07/31/07	4.22CR
deposit	3	CR	[DEP]	07/31/07	11.91CR
deposit	3	CR	[DEP]	07/31/07	6.24CR
deposit	3	CR	[DEP]	07/31/07	6.64CR
deposit	3	CR	[DEP]	07/31/07	8.90CR
deposit	3	CR	[DEP]	07/31/07	3.96CR
deposit	3	CR	[DEP]	07/31/07	5.43CR

DRS

9.07 CRS

1400.18

1391.11CR

1391.11CR

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 GEN DESCRIPTION

Water & Sewer
 YTD GENERAL LEDGER
 JNL TY REFERENCE BAL FWD

GEN	DESCRIPTION	JNL	TY	REFERENCE	BAL	FWD	CUR	PER	BALANCE
5	0 Sewer-Connection Fee				0.00		0.00		0.00
5080	Water-Connection Fee				0.00				
	DEPOSIT	3	CR	[DEP] 07/17/07			100.00	CR	
	DEPOSIT	3	CR	[DEP] 07/19/07			250.00	CR	
	deposit	3	CR	[DEP] 07/27/07			200.00	CR	
	DRS	0.00	CRS		550.00		550.00	CR	550.00
5090	Interest				0.00		0.00		0.00
5095	Penalties				0.00				
	DEPOSIT	3	CR	[DEP] 07/17/07			1.72	CR	
	DEPOSIT	3	CR	[DEP] 07/17/07			0.64	CR	
	DEPOSIT	3	CR	[DEP] 07/17/07			0.40		
	DEPOSIT	3	CR	[DEP] 07/17/07			0.76	CR	
	DEPOSIT	3	CR	[DEP] 07/20/07			1.12	CR	
	DEPOSIT	3	CR	[DEP] 07/20/07			0.38	CR	
	DEPOSIT	3	CR	[DEP] 07/20/07			167.65	CR	
	Deposit	3	CR	[DEP] 07/23/07			1.04	CR	
	DRS	0.40	CRS		173.31		172.91	CR	172.91
5100	Other				0.00				
	Deposit	3	CR	[DEP] 07/23/07			146.89		
	DEPOSIT	3	CR	[DEP] 07/26/07			25.75		
	DRS	172.64	CRS		0.00		172.64		172.64
* Expense accounts									
6030	FICA				0.00				
	Matching FICA	1	PR		07/31/07		79.03		
	DRS	79.03	CRS		0.00		79.03		79.03
6043	Retirement				0.00				
	Matching CO Retirement	1	PR		07/31/07		150.36		
	DRS	150.36	CRS		0.00		150.36		150.36
6100	Bank Fees/Check				0.00				
	Forced Pay Debit	2	CD	[ATM] 07/16/07			23.98		
	DRS	23.98	CRS		0.00		23.98		23.98
6200	Salary				0.00				
	Wages	1	PR		07/31/07		1140.00		
	DRS	1140.00	CRS		0.00		1140.00		1140.00
6400	Transfers				0.00				
	Water Operating	2	CD	1603 07/13/07			47523.64		
	DRS	47523.64	CRS		0.00		47523.64		47523.64
6	0 Transfers				0.00				

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 GEN DESCRIPTION

Water & Sewer
 YTD GENERAL LEDGER
 JNL TY REFERENCE BAL FWD

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 BALANCE

GEN	DESCRIPTION	JNL	TY	REFERENCE	BAL	FWD	CUR	PER	BALANCE
€ 0	Transfers (continued)								
	Sewer Operating	2	CD	1607	07/13/07		24137.44		
	DRS	24137.44		CRS	0.00		24137.44		24137.44
8000	T/F TO SINKING 88					0.00			
	Sinking Fund 1988	2	CD	1604	07/13/07		1860.00		
	DRS	1860.00		CRS	0.00		1860.00		1860.00
8010	T/F TO SINKING 84					0.00			
	Sinking Fund 1984	2	CD	1601	07/13/07		900.00		
	DRS	900.00		CRS	0.00		900.00		900.00
8025	t/f sewer replacement fun					0.00			
	Sewer Replacem't Fund	2	CD	1606	07/13/07		722.50		
	DRS	722.50		CRS	0.00		722.50		722.50
8026	t/f to sinking 2002					0.00			
	Sinking Fund 2002	2	CD	1605	07/13/07		300.00		
	DRS	300.00		CRS	0.00		300.00		300.00
8035	SINKING FUND 1995					0.00			
	Sinking Fund 95	2	CD	1599	07/13/07		5200.00		
	DRS	5200.00		CRS	0.00		5200.00		5200.00
8041	t/f to water reserve					0.00			
	Water & Sewer Res.	2	CD	1602	07/13/07		500.00		
	DRS	500.00		CRS	0.00		500.00		500.00
8050	Sinking Fund 99 Fund C					0.00			
	Sinking Fund 1999	2	CD	1600	07/13/07		2665.00		
	DRS	2665.00		CRS	0.00		2665.00		2665.00
	TOTAL DEBITS					13079788.86	95886.05		13175674.91
	TOTAL CREDITS					13079788.86CR	95886.05CR		13175674.91CR
	DIFFERENCE					0.00	0.00		0.00
	REVENUE					0.00	88961.56CR		88961.56CR
	EXPENSE					0.00	85201.95		85201.95
	NET PROFIT (LOSS)					0.00	3759.61		3759.61

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8536.29

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
2550	07/15/07	To:Summit Engineering For:study & Report	1000.00 7360	·	0.00	·	-1000.00 7536.29
2551	07/15/07	To:Veolia For:Water Managem't	17244.75 7600	·	0.00	·	-17244.75 -9708.46
[DEP]	07/16/07	To:Deposit For:W&S Revenue Transfer	0.00 7450	·	24137.44	·	+24137.44 14428.98
2552	07/23/07	To:Whitaker Bank For:PrePaid Insurance	848.04 7340	·	0.00	·	-848.04 13580.94
[INT]	07/31/07	To:Interest Income For:Interest	0.00 5090	·	28.03	·	+28.03 13608.97
2553	08/06/07	To:Veolia For:Water Managem't	17244.75 7600	·	0.00	·	-17244.75 -3635.78
[DEP]	08/17/07	To:Deposit For:W&S Transfer	0.00 7450	·	1259.08	·	+1259.08 -2376.70
[DEP]	08/17/07	To:Deposit For:W&S Rev. Transfer	0.00 7450	·	16226.64	·	+16226.64 13849.94
2554	08/28/07	To:Summit Engineering For:Study & Report	1000.00 7360	·	0.00	·	-1000.00 12849.94
2555	08/28/07	To:James Asher For:WWTP Professional ..	1050.00 6390	·	0.00	·	-1050.00 11799.94
[INT]	08/31/07	To:Interest Income For:Interest	0.00 5090	·	37.28	·	+37.28 11837.22
[DEP]	09/11/07	To:Deposit For:W&S Rev. Transfer	0.00 7450	·	30135.25	·	+30135.25 41972.47
2556	09/25/07	To:General Fund For:Reimbursem't to Le..	675.94 2020	·	0.00	·	-675.94 41296.53
2557	09/25/07	To:Veolia For:Water & Sewer	26007.98 7600	·	0.00	·	-26007.98 15288.55
2558	09/26/07	To:Dominion Office For:Supplies	322.25 6055	·	0.00	·	-322.25 14966.30
[INT]	09/30/07	To:Interest Income For:Interest	0.00 5090	·	54.24	·	+54.24 15020.54
[DEP]	10/01/07	To:Deposit For:W&S Rev. Transfer	0.00 7450	·	16807.29	·	+16807.29 31827.83
2559	10/11/07	To:Veolia For:Water & Sewer	17244.75 7600	·	0.00	·	-17244.75 14583.08

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Account BOW SEW.

14583.08

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
2560	10/17/07	To:Southeast Telephone For:Phones	51.29 7240	·	0.00	·	-51.29 14531.79
2561	10/19/07	To:Veolia For:Water & Sewer	21626.36 7600	·	0.00	·	-21626.36 -7094.57
2562	10/19/07	To:Summit Engineering For:Study & Report	2000.00 7360	·	0.00	·	-2000.00 -9094.57
[INT]	10/31/07	To:Interest Income For:Interest	0.00 5090	·	53.75	·	+53.75 -9040.82
[DEP]	11/08/07	To:Deposit For:W&S Rev. Transfer	0.00 7450	·	28189.06	·	+28189.06 19148.24
[INT]	11/30/07	To:Interest Income For:Interest	0.00 5090	·	27.46	·	+27.46 19175.70
2563	12/03/07	To:Veolia For:Water & Sewer	21626.36 7600	·	0.00	·	-21626.36 -2450.66
2564	12/03/07	To:Summit Engineering For:Study & Report	1000.00 7360	·	0.00	·	-1000.00 -3450.66
[DEP]	12/04/07	To:deposit For:W&S Rev. Transfer	0.00 7450	·	18114.45	·	+18114.45 14663.79
2565	12/19/07	To:Southeast Telephone For:Phones	88.87 7240	·	0.00	·	-88.87 14574.92
2566	12/19/07	To:Veolia For:Water & Sewer	21626.37 7600	·	0.00	·	-21626.37 -7051.45
[INT]	12/31/07	To:Interest Income For:Interest	0.00 5090	·	42.74	·	+42.74 -7008.71
[DEP]	01/07/08	To:deposit For:Revenue Transfer	0.00 7450	·	2438.96	·	+2438.96 -4569.75
[DEP]	01/07/08	To:deposit For:Revenue Transfer	0.00 7450	·	19802.79	·	+19802.79 15233.04
2567	01/11/08	To:WWTP/KIA Loan For:Open Proj Acc't	1.00 1043	·	0.00	·	-1.00 15232.04
2568	01/11/08	To:WWTP/EPA For:Open Proj. Acc't	1.00 1444	·	0.00	·	-1.00 15231.04
2569	01/18/08	To:Southeast Telephone For:Phones	63.13 7240	·	0.00	·	-63.13 15167.91
570	01/28/08	To:Summit Engineering For:Study & Report	1000.00 7360	·	0.00	·	-1000.00 14167.91

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Account BOW SEW. **14167.91**

Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
[INT]	01/31/08	To:Interest Income For:Interest	0.00 5090	·	24.61	·	+24.61 14192.52
[DEP]	02/06/08	To:Deposit For:Revenue Transfer	0.00 7450	·	21210.36	·	+21210.36 35402.88
[DEP]	02/13/08	To:Deposit For:Reimb for WWTP Pro..	0.00 5100	·	700.00	·	+700.00 36102.88
2571	02/15/08	To:Whitaker Bank For:Loan	848.05 7358	·	0.00	·	-848.05 35254.83
2572	02/19/08	To:Veolia For:Water & Sewer	21626.37 7600	·	0.00	·	-21626.37 13628.46
2573	02/19/08	To:Veolia For:Managem't & Mainte..	8688.36 6640	·	0.00	·	-8688.36 4940.10
2574	02/20/08	To:Summit Engineering For:Agreed Order	1000.00 7360	·	0.00	·	-1000.00 3940.10
[INT]	02/29/08	To:Interest Income For:Interest	0.00 5090	·	44.58	·	+44.58 3984.68
[DEP]	03/04/08	To:deposit For:Revenue Transfer	0.00 7450	·	18459.81	·	+18459.81 22444.49
2575	03/18/08	To:Southeast Telephone For:Phones	466.51 7240	·	0.00	·	-466.51 21977.98
2576	03/19/08	To:Veolia/PSG For:Water & Sewer Mana..	21626.37 7600	·	0.00	·	-21626.37 351.61
2577	03/19/08	To:Summit Engineering For:Agreed Order	1000.00 7360	·	0.00	·	-1000.00 -648.39
[INT]	03/31/08	To:Interest Income For:Interest	0.00 5090	·	27.86	·	+27.86 -620.53
[DEP]	04/01/08	To:deposit For:revenue transfer	0.00 7450	·	28532.40	·	+28532.40 27911.87
2578	04/10/08	To:Veolia/PSG For:Water & Sewer Mana..	30314.73 7600	·	0.00	·	-30314.73 -2402.86
[DEP]	04/11/08	To:deposit For:revenue transfer	0.00 7450	·	10000.00	·	+10000.00 7597.14
2579	04/14/08	To:Southeast Telephone For:Phones	0.00 7240	·	0.00	·	0.00 7597.14
2580	04/14/08	To:Southeast Telephone For:Phones	281.11 7240	·	0.00	·	-281.11 7316.03

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Account BOW SEW.

7316.03

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
2581	04/14/08	To:Veolia/PSG For:Managem't & Operat..	21626.37 7600	·	0.00	·	-21626.37 -14310.34
[INT]	04/30/08	To:Interest Income For:Interest	0.00 5090	·	48.40	·	+48.40 -14261.94
[DEP]	05/05/08	To:deposit For:Revenue Transfer	0.00 7450	·	28962.11	·	+28962.11 14700.17
2582	05/29/08	To:Summit Engineering For:Agreed Order	2000.00 7360	·	0.00	·	-2000.00 12700.17
[INT]	05/31/08	To:Interest Income For:Interest	0.00 5090	·	43.39	·	+43.39 12743.56
[DEP]	06/03/08	To:Deposit For:revenue transfer	0.00 7450	·	23508.01	·	+23508.01 36251.57
[DCD]	06/06/08	To:deposit Returned For:dep returned for s..	23508.01 7450	·	0.00	·	-23508.01 12743.56
[DEP]	06/10/08	To:deposit For:Revenue Transfer	0.00 7450	·	23508.01	·	+23508.01 36251.57
2583	06/18/08	To:Southeast Telephone For:Phones	49.95 7240	·	0.00	·	-49.95 36201.62
2584	06/24/08	To:Veolia/PSG For:Managem't & Mainte..	21626.36 7600	·	0.00	·	-21626.36 14575.26
[INT]	06/30/08	To:Interest Income For:Interest	0.00 5090	·	50.23	·	+50.23 14625.49
Totals:			306385.03		312474.23		14625.49

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Account BOW SEW.

14625.49

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
2585	07/06/08	To:KLC Ins Agency For:Bond for WWTP	5075.00 2215	·	0.00	·	-5075.00 9550.49
[DEP]	07/08/08	To:deposit For:Revenue Transfer	0.00 7450	·	36115.00	·	+36115.00 45665.49
2586	07/10/08	To:KLC Premium Finance For:20% Down	6022.06 7340	·	0.00	·	-6022.06 39643.43
2587	07/22/08	To:Laurel Ridge Landf.. For:Sludge Dump	1960.50 7570	·	0.00	·	-1960.50 37682.93
2588	07/22/08	To:Marty Materials Co For:Hauled Sludge	1710.00 7570	·	0.00	·	-1710.00 35972.93
[DEP]	07/22/08	To:deposit For:reimb from RD wwtp..	0.00 7340	·	5075.00	·	+5075.00 41047.93
[INT]	07/31/08	To:Interest Income For:Interest	0.00 5090	·	79.08	·	+79.08 41127.01
[DEP]	08/08/08	To:deposit For:revenue transfer	0.00 7450	·	31001.95	·	+31001.95 72128.96
2589	08/11/08	To:Veolia For:Overage	8688.36 6640	·	0.00	·	-8688.36 63440.60
2590	08/11/08	To:Veolia For:Sewer Managem't	21626.37 7600	·	0.00	·	-21626.37 41814.23
2591	08/14/08	To:KLC Premium For:Insurance	1477.94 7340	·	0.00	·	-1477.94 40336.29
2592	08/21/08	To:Veolia For:Sewer Managem't	21626.36 7600	·	0.00	·	-21626.36 18709.93
2593	08/21/08	To:Summit Engineering For:Engineering	1000.00 7360	·	0.00	·	-1000.00 17709.93
[INT]	08/31/08	To:Interest Income For:Interest	0.00 5090	·	90.93	·	+90.93 17800.86
2594	09/08/08	To:Whitaker Bank For:Sludge Truck	1086.53 7358	·	0.00	·	-1086.53 16714.33
[DEP]	09/08/08	To:deposit For:revenue transfer	0.00 7450	·	32994.66	·	+32994.66 49708.99
2595	09/12/08	To:KLC For:Sludge Truck Ins.	1489.61 7045	·	0.00	·	-1489.61 48219.38
2596	09/14/08	To:KLC Premium Finance For:Insurance	1477.94 7340	·	0.00	·	-1477.94 46741.44

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Account BOW SEW.

46741.44

Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
2597	09/15/08	To:Whitaker Bank For:Sludge Truck	1086.53 7358	·	0.00	·	-1086.53 45654.91
[INT]	09/30/08	To:Interest Income For:Interest	0.00 5090	·	91.11	·	+91.11 45746.02
[DEP]	10/03/08	To:deposit For:revenue transfer	0.00 7450	·	31097.53	·	+31097.53 76843.55
2598	10/07/08	To:Veolia For:Sewer Managem't	21627.56 7600	·	0.00	·	-21627.56 55215.99
2599	10/07/08	To:Veolia For:Overage	13032.55 6640	·	0.00	·	-13032.55 42183.44
2600	10/15/08	To:Whitaker Bank For:Sludge Truck	1086.53 7358	·	0.00	·	-1086.53 41096.91
2601	10/15/08	To:KLC Premium For:Insurance	2744.49 1250	·	0.00	·	-2744.49 38352.42
[INT]	10/31/08	To:Interest Income For:Interest	0.00 5090	·	79.48	·	+79.48 38431.90
[DEP]	11/07/08	To:deposit For:revenue transfer	0.00 7450	·	22163.17	·	+22163.17 60595.07
2602	11/11/08	To:Veolia For:40% Management	30314.72 7600	·	0.00	·	-30314.72 30280.35
2603	11/19/08	To:Whitaker Bank For:Sludge Truck	1086.53 7358	·	0.00	·	-1086.53 29193.82
[INT]	11/30/08	To:interest income For:interest	0.00 5090	·	66.63	·	+66.63 29260.45
[DEP]	12/04/08	To:deposit For:revenue transfer	0.00 7450	·	32117.50	·	+32117.50 61377.95
2604	12/08/08	To:Veolia For:Sept 08	23773.86 7600	·	0.00	·	-23773.86 37604.09
2605	12/16/08	To:Whitaker Bank For:Sludge Truck	1086.53 7358	·	0.00	·	-1086.53 36517.56
2606	12/17/08	To:Summit Engineering For:Utility Line Reloc..	5000.00 7360	·	0.00	·	-5000.00 31517.56
[INT]	12/31/08	To:interest income For:interest	0.00 5090	·	83.07	·	+83.07 31600.63
2610	01/02/09	To:Whitaker Bank For:PrePaid Insurance	1696.09 1250	·	0.00	·	-1696.09 29904.54

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29904.54

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
[DEP]	01/12/09	To:Deposit For:Revenue Transfer	0.00 7450	·	38969.28	·	+38969.28 68873.82
2607	01/14/09	To:USPO For:Postage	84.00 7105	·	0.00	·	-84.00 68789.82
2608	01/20/09	To:KLC Premium For:Insurance	2744.49 7340	·	0.00	·	-2744.49 66045.33
2609	01/20/09	To:Whitaker Bank For:Truck	1086.53 7358	·	0.00	·	-1086.53 64958.80
2611	01/27/09	To:USPO For:Postage	84.00 7105	·	0.00	·	-84.00 64874.80
2612	01/28/09	To:Veolia For:Sewer Managem't	33513.30 7600	·	0.00	·	-33513.30 31361.50
2613	01/28/09	To:CI Thornburg For:Supplies	7823.40 7060	·	0.00	·	-7823.40 23538.10
2614	01/28/09	To:Void For:	0.00 7060	·	0.00	·	0.00 23538.10
[INT]	01/31/09	To:Interest Income For:Interest	0.00 5090	·	91.89	·	+91.89 23629.99
[DEP]	02/09/09	To:Deposit For:revenue transfer	0.00 7450	·	26634.15	·	+26634.15 50264.14
2615	02/16/09	To:Whitaker Bank For:Truck	1086.53 7358	·	0.00	·	-1086.53 49177.61
2616	02/17/09	To:Veolia For:Sewer Management	33513.30 7600	·	0.00	·	-33513.30 15664.31
[INT]	02/28/09	To:Interest Income For:Interest	0.00 5090	·	79.20	·	+79.20 15743.51
[DEP]	03/03/09	To:deposit For:revenue transfer	0.00 7450	·	32118.10	·	+32118.10 47861.61
2617	03/16/09	To:Southeast Telephone For:Phones	22.09 7240	·	0.00	·	-22.09 47839.52
2618	03/17/09	To:Whitaker Bank For:Truck	1086.53 7358	·	0.00	·	-1086.53 46752.99
2619	03/24/09	To:Southeast Telephone For:Installed New Lines	175.00 7240	·	0.00	·	-175.00 46577.99
2620	03/25/09	To:Veolia For:Sewer Management	22342.20 7600	·	0.00	·	-22342.20 24235.79

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Account BOW SEW.

24235.79

Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
2621	03/31/09	To:KLC Insurance For:Encroachm't Bond/B..	203.00 7340	·	0.00	·	-203.00 24032.79
[INT]	03/31/09	To:interest income For:interest	0.00 5090	·	74.03	·	+74.03 24106.82
[DEP]	04/01/09	To:deposit For:revenue transfer	0.00 7450	·	28552.25	·	+28552.25 52659.07
2622	04/03/09	To:Chris Gooch For:Professional Fees	2250.00 6390	·	0.00	·	-2250.00 50409.07
2624	04/15/09	To:KLC Premium Finance For:Insurance	2744.49 7340	·	0.00	·	-2744.49 47664.58
2625	04/15/09	To:Whitaker Bank For:Truck	1086.53 7358	·	0.00	·	-1086.53 46578.05
2626	04/15/09	To:Void For:	0.00 7600	·	0.00	·	0.00 46578.05
2627	04/15/09	To:Veolia For:Sewer Managem't 60%	43765.55 7600	·	0.00	·	-43765.55 2812.50
2628	04/15/09	To:Whitaker Bank For:Sludge Truck	1086.53 7358	·	0.00	·	-1086.53 1725.97
[DEP]	04/24/09	To:deposit For:revenue transfer	0.00 7450	·	20000.00	·	+20000.00 21725.97
2623	04/25/09	To:Veolia For:Overage Fees	11163.87 6640	·	0.00	·	-11163.87 10562.10
[INT]	04/30/09	To:interest income For:interest	0.00 5090	·	54.53	·	+54.53 10616.63
[DEP]	05/08/09	To:deposit For:revenue transfer	0.00 7450	·	28503.81	·	+28503.81 39120.44
2629	05/14/09	To:Whitaker Bank For:Insurance	848.05 1250	·	0.00	·	-848.05 38272.39
[INT]	05/31/09	To:interest income For:interest	0.00 5090	·	55.56	·	+55.56 38327.95
[DEP]	06/04/09	To:deposit For:revenue transfer	0.00 7450	·	15331.70	·	+15331.70 53659.65
2630	06/16/09	To:Whitaker Bank For:Sludge Truck	1086.53 7358	·	0.00	·	-1086.53 52573.12
2631	06/16/09	To:Whitaker Bank For:Insurance	565.36 1250	·	0.00	·	-565.36 52007.76

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Account BOW SEW.

52007.76

Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
2632	06/26/09	To:Veolia For:Sewer Managem't	33513.30 7600	·	0.00	·	-33513.30 18494.46
[INT]	06/30/09	To:interest income For:interest	0.00 5090	·	83.49	·	+83.49 18577.95
Totals:			377650.64		381603.10		18577.95

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Account WATER OP

78065.19

Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
4645	07/05/07	To:Ky State Treasurer For:State	105.49 2100	·	0.00	·	-105.49 77959.70
4646	07/05/07	To:KY League of Citie.. For:Unemployment	22.35 6040	·	0.00	·	-22.35 77937.35
4647	07/06/07	To:COW Payroll For:transfer	450.96 6200	·	0.00	·	-450.96 77486.39
4648	07/10/07	To:USPO For:Postage	232.79 6105	·	0.00	·	-232.79 77253.60
4649	07/11/07	To:Todd Hagman For:Water Dep. Refund	100.00 2010	·	0.00	·	-100.00 77153.60
4650	07/12/07	To:USPO For:Postage	82.00 6105	·	0.00	·	-82.00 77071.60
4651	07/13/07	To:KY State Treasurer For:Sales Tax	1153.72 2150	·	0.00	·	-1153.72 75917.88
4653	07/15/07	To:Dominion For:Office Supplies	334.53 6055	·	0.00	·	-334.53 75583.35
4654	07/15/07	To:Veolia For:Operation & Mangm't	25867.13 6600	·	0.00	·	-25867.13 49716.22
4652	07/16/07	To:Mt. Aggregate For:Walking Track	834.83 6350	·	0.00	·	-834.83 48881.39
[DEP]	07/16/07	To:Deposit For:W&S Rev. Transfer	0.00 6400	·	47523.64	·	+47523.64 96405.03
[AWT]	07/17/07	To:KY State Treasurer For:Sales Tax	1623.75 2150	·	0.00	·	-1623.75 94781.28
4655	07/20/07	To:COW Payroll Acct For:Payroll Transfer	406.69 6200	·	0.00	·	-406.69 94374.59
4656	07/20/07	To:Whitaker Bank For:Σ	163.13 2196	·	0.00	·	-163.13 94211.46
4657	07/23/07	To:Whitaker Bank For:Pre-paid Ins.	848.05 2196	·	0.00	·	-848.05 93363.41
4658	07/23/07	To:Ky State Treasurer For:Deferred Comp	50.00 2176	·	0.00	·	-50.00 93313.41
4659	07/23/07	To:Delores Warden For:W/D Refund	100.00 2010	·	0.00	·	-100.00 93213.41
4660	07/31/07	To:Bluegrass Fam Health For:Health Ins.	412.81 6025	·	0.00	·	-412.81 92800.60

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<u>Account WATER OP</u>							92800.60
ck #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4661	07/31/07	To:Better Bus. Bureau For:Membership Fee	520.00 6330	·	0.00	·	-520.00 92280.60
[INT]	07/31/07	To:Interest income For:Interest	0.00 5090	·	158.93	·	+158.93 92439.53
4662	08/01/07	To:KY Retirement Sys. For:Σ	241.34 6025	·	0.00	·	-241.34 92198.19
4663	08/01/07	To:Fort Dearborn For:Ins.	16.72 6025	·	0.00	·	-16.72 92181.47
4664	08/03/07	To:COW Payroll For:Payroll Transfer	444.14 6200	·	0.00	·	-444.14 91737.33
4665	08/03/07	To:Janet Fields For:Reimbursement ..	10.00 2180	·	0.00	·	-10.00 91727.33
4666	08/03/07	To:Void For:	0.00 2176	·	0.00	·	0.00 91727.33
4667	08/03/07	To:Ky State Treasurer For:Deferred Comp	25.00 2176	·	0.00	·	-25.00 91702.33
4668	08/06/07	To:PSG-Veolia For:Management	25867.13 7600	·	0.00	·	-25867.13 65835.20
4669	08/07/07	To:Delta Dental For:Ins	17.16 6340	·	0.00	·	-17.16 65818.04
4670	08/10/07	To:USPO For:Postage	232.99 6105	·	0.00	·	-232.99 65585.05
4671	08/15/07	To:Heather White For:W/D Refund	100.00 2010	·	0.00	·	-100.00 65485.05
4672	08/17/07	To:COW Payroll For:Transfer	475.96 6200	·	0.00	·	-475.96 65009.09
4673	08/17/07	To:KY State Treasurer For:Sales Tax	1103.90 2150	·	0.00	·	-1103.90 63905.19
4674	08/17/07	To:Whitaker Bank For:Prepaid Ins	1696.09 1250	·	0.00	·	-1696.09 62209.10
[DEP]	08/17/07	To:Deposit For:reimb for overpaym..	0.00 6060	·	834.83	·	+834.83 63043.93
[DEP]	08/17/07	To:Deposit For:W&S Rev. Transfer	0.00 6400	·	39317.95	·	+39317.95 102361.88
[AWT]	08/20/07	To:KY State Treasurer For:Sales Tax	1382.20 2150	·	0.00	·	-1382.20 100979.68

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<u>Account WATER OP</u>							100979.68
ck #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4675	08/28/07	To:KY State Treasurer For:Water Use Fees	1019.15 6335	·	0.00	·	-1019.15 99960.53
4676	08/31/07	To:Whitaker Bank For:Σ	260.45	·	0.00	·	-260.45 99700.08
4677	08/31/07	To:COW Payroll For:Payroll Transfer	467.77 6200	·	0.00	·	-467.77 99232.31
4678	08/31/07	To:Void For:	0.00 2150	·	0.00	·	0.00 99232.31
4679	08/31/07	To:Bluegrass Family H.. For:Health Ins	416.31 6025	·	0.00	·	-416.31 98816.00
4680	08/31/07	To:Fort Dearborn Life For:Ins	16.72 6025	·	0.00	·	-16.72 98799.28
4681	08/31/07	To:Delta Dental For:Ins	17.16 6025	·	0.00	·	-17.16 98782.12
[INT]	08/31/07	To:Interest Income For:Interest	0.00 5090	·	186.02	·	+186.02 98968.14
4682	09/04/07	To:Zachery Figuerrods For:W/D Refund	100.00 2010	·	0.00	·	-100.00 98868.14
4683	09/04/07	To:Ky State Retirement For:Σ	376.70 6105	·	0.00	·	-376.70 98491.44
4684	09/04/07	To:Ky State Treasurer For:Deferred Comp	50.00 2176	·	0.00	·	-50.00 98441.44
[DEP]	09/10/07	To:Deposit For:reimb R Account	0.00 5099	·	865.24	·	+865.24 99306.68
4685	09/11/07	To:USPO For:Bill Card Postage	231.72 6105	·	0.00	·	-231.72 99074.96
[DEP]	09/11/07	To:Deposit For:W&S Rev. Transfer	0.00 6400	·	50907.16	·	+50907.16 149982.12
[DEP]	09/12/07	To:Deposit For:Reimb R Account	0.00 5099	·	98.50	·	+98.50 150080.62
4686	09/13/07	To:COW Payroll For:Payroll	469.14 6200	·	0.00	·	-469.14 149611.48
[DEP]	09/13/07	To:deposit For:reimb R account	0.00 5099	·	48.00	·	+48.00 149659.48
[DEP]	09/14/07	To:deposit For:reimb R account	0.00 5099	·	369.44	·	+369.44 150028.92

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Account WATER OP

150028.92

ck #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4687	09/18/07	To:Jessica Antonio For:W/D Refund	100.00 2010	·	0.00	·	-100.00 149928.92
4688	09/20/07	To:Ky State Treasurer For:Sales Tax	2298.00 2150	·	0.00	·	-2298.00 147630.92
[AWT]	09/20/07	To:Kentucky State Tre.. For:Sales Tax	1782.27 2150	·	0.00	·	-1782.27 145848.65
4689	09/25/07	To:General Fund For:Reimbursem't for W..	100.00 6345	·	0.00	·	-100.00 145748.65
4690	09/25/07	To:General Fund For:Reimbursem't Barba..	100.00 2010	·	0.00	·	-100.00 145648.65
4691	09/25/07	To:Veolia Water For:Managem't	39011.98 6600	·	0.00	·	-39011.98 106636.67
4692	09/25/07	To:Dennis Fleming, CPA For:Payroll Services	300.00 6390	·	0.00	·	-300.00 106336.67
4693	09/26/07	To:Dominion Office For:Office Supplies	322.25 6055	·	0.00	·	-322.25 106014.42
4694	09/27/07	To:Void For:	0.00 6105	·	0.00	·	0.00 106014.42
4695	09/28/07	To:COW Payroll For:Payroll Transfer	428.62 6200	·	0.00	·	-428.62 105585.80
4696	09/28/07	To:Whitaker Bank For:Σ	160.34 6025	·	0.00	·	-160.34 105425.46
4697	09/28/07	To:Bluegrass Family For:Water Ins	416.31 6025	·	0.00	·	-416.31 105009.15
4698	09/28/07	To:Fort Dearborn Life For:Ins.	16.72 6025	·	0.00	·	-16.72 104992.43
4699	09/28/07	To:Delta Dental For:Ins.	17.16 6025	·	0.00	·	-17.16 104975.27
4700	09/28/07	To:Ky State Treasurer For:Deferred Comp.	50.00 2176	·	0.00	·	-50.00 104925.27
[INT]	09/30/07	To:Interest Income For:Interest	0.00 5090	·	218.35	·	+218.35 105143.62
[DEP]	10/01/07	To:Deposit For:reimb. R Account	0.00 5099	·	473.95	·	+473.95 105617.57
4701	10/02/07	To:Ky Retirement System For:Σ	0.00	·	0.00	·	0.00 105617.57

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<u>Account WATER_OP</u>							105617.57
Chk #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4702	10/02/07	To:KLC Trust For:Unemploy'm't Ins	15.78 6040	·	0.00	·	-15.78 105601.79
4703	10/02/07	To:KY State Treasurer For:State tax	115.10 2100	·	0.00	·	-115.10 105486.69
[DEP]	10/09/07	To:Deposit For:Reimb R Acct	0.00 5099	·	328.67	·	+328.67 105815.36
4704	10/11/07	To:Veolia For:Water Managem't	25867.13 6600	·	0.00	·	-25867.13 79948.23
4705	10/11/07	To:USPO For:Bill Card Postage	233.20 6105	·	0.00	·	-233.20 79715.03
[DEP]	10/11/07	To:Deposit For:Reimb R Acct	0.00 5099	·	98.50	·	+98.50 79813.53
4706	10/12/07	To:COW Payroll For:Payroll Transfer	990.08 6200	·	0.00	·	-990.08 78823.45
[DEP]	10/12/07	To:Deposit For:W&S Rev. Account	0.00 6400	·	29531.55	·	+29531.55 108355.00
4707	10/17/07	To:Southeast Telephone For:Phones	102.58 6105	·	0.00	·	-102.58 108252.42
[DEP]	10/17/07	To:Deposit For:Reimb R Acct	0.00 5099	·	267.54	·	+267.54 108519.96
[AWT]	10/18/07	To:Ky State Treasurer For:sales tax	1163.90 2150	·	0.00	·	-1163.90 107356.06
4708	10/19/07	To:Carquest For:Water Truck Repair	396.37 6095	·	0.00	·	-396.37 106959.69
4709	10/19/07	To:Dominion Office For:Office Supplies	402.56 6055	·	0.00	·	-402.56 106557.13
4710	10/19/07	To:Veolia For:Management	32439.56 6600	·	0.00	·	-32439.56 74117.57
4711	10/19/07	To:Consolidated Pipe For:Stud Reg Locks Seal	105.00 6080	·	0.00	·	-105.00 74012.57
4712	10/22/07	To:Virginia Fox For:Water Deposit Refund	100.00 2010	·	0.00	·	-100.00 73912.57
4713	10/22/07	To:USPO For:Postage	82.00 6105	·	0.00	·	-82.00 73830.57
4714	10/25/07	To:Delta Dental For:Insurance	17.16 6025	·	0.00	·	-17.16 73813.41

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Account WATER OP

73813.41

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4715	10/25/07	To:Ky State Treasurer For:Insurance	16.72 6040	·	0.00	·	-16.72 73796.69
4716	10/25/07	To:Yamaha of Pikeville For:Rhino 660	9223.00 6130	·	0.00	·	-9223.00 64573.69
4717	10/25/07	To:Fort Dearborn For:Health Insurance	16.72 6025	·	0.00	·	-16.72 64556.97
4718	10/25/07	To:Bluegrass Fam Health For:Insurance	416.31 6025	·	0.00	·	-416.31 64140.66
4719	10/25/07	To:Ky State Treasurer For:Sales Tax	878.60 2150	·	0.00	·	-878.60 63262.06
4720	10/26/07	To:COW Payroll For:Payroll Transfer	968.98 6200	·	0.00	·	-968.98 62293.08
4721	10/29/07	To:Whitaker Bank For:Σ	521.46 6025	·	0.00	·	-521.46 61771.62
[INT]	10/31/07	To:Interest Income For:Interest	0.00 5090	·	222.55	·	+222.55 61994.17
4722	11/06/07	To:Ky Retirement System For:Σ	552.42 6025	·	0.00	·	-552.42 61441.75
[DEP]	11/08/07	To:Deposit For:W&S Rev. Transfer	0.00 6400	·	60025.49	·	+60025.49 121467.24
4723	11/09/07	To:COW Payroll For:Payroll Transfer	981.98 6200	·	0.00	·	-981.98 120485.26
4724	11/09/07	To:Special Fund For:Canteen Fund	5.00 2178	·	0.00	·	-5.00 120480.26
4725	11/09/07	To:USPO For:Bill Card Postage	233.42 6105	·	0.00	·	-233.42 120246.84
4726	11/15/07	To:Crystal Siler For:W/D Refund	100.00 2010	·	0.00	·	-100.00 120146.84
4727	11/16/07	To:Ky State Treasurer For:Sales Tax	1841.27 2150	·	0.00	·	-1841.27 118305.57
[DEP]	11/16/07	To:deposit For:Reimb R Acct	0.00 5099	·	98.50	·	+98.50 118404.07
[AWT]	11/19/07	To:Ky State Treasurer For:Sales Tax	1872.32 2150	·	0.00	·	-1872.32 116531.75
4728	11/20/07	To:Whitaker Bank For:Insurance	1696.09 1250	·	0.00	·	-1696.09 114835.66

Account WATER OP

114835.66

Chk #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
4729	11/20/07	To:Payroll For:Payroll Transfer	949.44 6200	·	0.00	·	-949.44 113886.22
4730	11/21/07	To:Whitaker Bank For:Σ	500.75	·	0.00	·	-500.75 113385.47
4731	11/26/07	To:Bluegrass Family For:Health Ins.	416.31 6340	·	0.00	·	-416.31 112969.16
4732	11/26/07	To:Ky State Treasurer For:Deferred Comp	50.00 2176	·	0.00	·	-50.00 112919.16
4733	11/27/07	To:Delta Dental For:Insurance	68.64 6340	·	0.00	·	-68.64 112850.52
4734	11/30/07	To:Armintha Jenkins For:W/D Refund	100.00 2010	·	0.00	·	-100.00 112750.52
4735	11/30/07	To:Ky Retirement System For:Σ	532.87	·	0.00	·	-532.87 112217.65
[INT]	11/30/07	To:Interest Income For:Interest	0.00 5090	·	178.40	·	+178.40 112396.05
4736	12/03/07	To:USPO For:Postage	82.00 6105	·	0.00	·	-82.00 112314.05
4737	12/03/07	To:Void For:	0.00 6600	·	0.00	·	0.00 112314.05
4738	12/03/07	To:Veolia For:Management	32439.56 6600	·	0.00	·	-32439.56 79874.49
4739	12/03/07	To:Wendy Wright For:W/D Refund	100.00 2010	·	0.00	·	-100.00 79774.49
4740	12/03/07	To:Ky State Treasurer For:Withdrawal Fees	1177.44 6335	·	0.00	·	-1177.44 78597.05
[DEP]	12/04/07	To:Deposit For:W&S Rev. Transfer	0.00 6400	·	34282.75	·	+34282.75 112879.80
4741	12/07/07	To:COW Payroll For:Payroll Transfer	1100.87 6200	·	0.00	·	-1100.87 111778.93
4742	12/07/07	To:Dominion Office Pr.. For:Office Supplies	367.66 6055	·	0.00	·	-367.66 111411.27
4743	12/10/07	To:USPO For:Postage Bill Cards	233.42 6105	·	0.00	·	-233.42 111177.85
4744	12/10/07	To:Ft Dearborn Life For:Insurance	16.72 6340	·	0.00	·	-16.72 111161.13

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Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4745	12/12/07	To:USPO For:Postage	82.00 6105	·	0.00	·	-82.00 111079.13
4746	12/12/07	To:Canteen Fund For:Payroll Deduction	5.00 2178	·	0.00	·	-5.00 111074.13
4747	12/14/07	To:Ky State Treasurer For:Sales Tax	1061.20 2150	·	0.00	·	-1061.20 110012.93
[AWT]	12/14/07	To:Ky State Treasurer For:Sales Tax	1236.93 2150	·	0.00	·	-1236.93 108776.00
4748	12/19/07	To:Appalachian Wireless For:Phones	21.69 6240	·	0.00	·	-21.69 108754.31
4749	12/19/07	To:Southeast Telephone For:Phones	88.87 6240	·	0.00	·	-88.87 108665.44
4750	12/19/07	To:Ky State Treasurer For:Deferred Comp	50.00 2176	·	0.00	·	-50.00 108615.44
4751	12/19/07	To:Veolia For:Σ Management	54160.45	·	0.00	·	-54160.45 54454.99
4752	12/20/07	To:COW Payroll For:Payroll Transfer	916.84 6200	·	0.00	·	-916.84 53538.15
4753	12/20/07	To:Whitaker Bank For:Σ	579.91	·	0.00	·	-579.91 52958.24
[INT]	12/31/07	To:Interest Income For:Interest	0.00 5090	·	211.49	·	+211.49 53169.73
4754	01/03/08	To:Bluegrass Family For:Health Ins	832.62 6025	·	0.00	·	-832.62 52337.11
4755	01/03/08	To:Delta Dental For:Ins	34.32 6025	·	0.00	·	-34.32 52302.79
4756	01/03/08	To:Ft Dearborn Life For:Ins	34.30 6025	·	0.00	·	-34.30 52268.49
4757	01/04/08	To:COW Payroll For:Payroll Transfer	961.17 6200	·	0.00	·	-961.17 51307.32
4758	01/07/08	To:Ky State Treasurer For:State	266.53 2150	·	0.00	·	-266.53 51040.79
4759	01/07/08	To:Ky State Treasurer For:State	105.49 2150	·	0.00	·	-105.49 50935.30
4760	01/07/08	To:Ky Retirement System For:Σ	562.70	·	0.00	·	-562.70 50372.60

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<u>Account WATER OP</u>							50372.60
Chk #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4761	01/07/08	To:Void For:	0.00 2155	·	0.00	·	0.00 50372.60
4762	01/07/08	To:Ky League of Cities For:U/Ins	30.36 2155	·	0.00	·	-30.36 50342.24
4763	01/07/08	To:Ky State Treasurer For:Deferred Comp	25.00 2176	·	0.00	·	-25.00 50317.24
4764	01/07/08	To:James Asher For:Reviewed Spec Docs..	700.00 6260	·	0.00	·	-700.00 49617.24
[DEP]	01/07/08	To:Deposit For:Rev. Transfer	0.00 6400	·	41266.07	·	+41266.07 90883.31
4765	01/09/08	To:USPO For:Postage	82.00 6105	·	0.00	·	-82.00 90801.31
4766	01/10/08	To:USPO For:Postage Bill Cards	231.08 6105	·	0.00	·	-231.08 90570.23
[DEP]	01/15/08	To:Deposit For:Reimb R Acct	0.00 5099	·	1965.00	·	+1965.00 92535.23
4767	01/16/08	To:Signal Nine Supply For:Supplies	75.00 6060	·	0.00	·	-75.00 92460.23
[AWT]	01/17/08	To:Ky State Treasurer For:Sales Tax	1433.25 2150	·	0.00	·	-1433.25 91026.98
4768	01/18/08	To:Appalachian Wireles For:Phone	25.36 6240	·	0.00	·	-25.36 91001.62
4769	01/18/08	To:Southeast Telephone For:Phone	140.21 6240	·	0.00	·	-140.21 90861.41
4770	01/18/08	To:COW Payroll For:Payroll Transfer	893.15 6200	·	0.00	·	-893.15 89968.26
4771	01/18/08	To:Whitaker Bank For:Σ	469.67 6200	·	0.00	·	-469.67 89498.59
[DEP]	01/18/08	To:deposit For:Reimb. R Acct	0.00 5099	·	98.50	·	+98.50 89597.09
4772	01/22/08	To:Casey Korpie For:W/D Refund	100.00 2010	·	0.00	·	-100.00 89497.09
4773	01/22/08	To:Ky State Treasurer For:Sales Tax	1281.43 2150	·	0.00	·	-1281.43 88215.66
4774	01/23/08	To:KY League of Cities For:Encroachment Bond	203.00 6340	·	0.00	·	-203.00 88012.66

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88012.66

Chk #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4775	01/23/08	To:USA Blue Book For:Pump	48.49 6060	·	0.00	·	-48.49 87964.17
4776	01/28/08	To:Dominion Office Prod For:Office Supplies	464.84 6055	·	0.00	·	-464.84 87499.33
4777	01/28/08	To:USTI For:Bill Cards	400.00 6320	·	0.00	·	-400.00 87099.33
4778	01/28/08	To:Frazier's Farm For:Supplies	14.69 6060	·	0.00	·	-14.69 87084.64
4779	01/28/08	To:Consolidated Pipe For:Supplies	96.00 6060	·	0.00	·	-96.00 86988.64
4780	01/28/08	To:KY Rural Water For:Withdrawal Fees	325.00 6335	·	0.00	·	-325.00 86663.64
4781	01/28/08	To:Void For:	0.00 6060	·	0.00	·	0.00 86663.64
4782	01/28/08	To:Void For:	0.00 6060	·	0.00	·	0.00 86663.64
4783	01/29/08	To:Ky State Treasurer For:Deferred Comp	25.00 2176	·	0.00	·	-25.00 86638.64
4784	01/30/08	To:Delta Dental For:Insurance	34.32 6025	·	0.00	·	-34.32 86604.32
4785	01/30/08	To:Fort Dearborn For:Insurance	34.30 6025	·	0.00	·	-34.30 86570.02
4786	01/30/08	To:Bluegrass Family For:Insurance	832.62 6025	·	0.00	·	-832.62 85737.40
[INT]	01/31/08	To:Interest Income For:Interest	0.00 5090	·	145.46	·	+145.46 85882.86
4787	02/01/08	To:COW Payroll For:Payroll Transfer	969.63 6200	·	0.00	·	-969.63 84913.23
4788	02/06/08	To:Ky Retirement System For:Σ	514.64 6025	·	0.00	·	-514.64 84398.59
[DEP]	02/06/08	To:Deposit For:Revenue Transfer	0.00 6400	·	39091.18	·	+39091.18 123489.77
4789	02/11/08	To:USPO For:Bill Card Postage	230.44 6105	·	0.00	·	-230.44 123259.33
[DEP]	02/11/08	To:deposit For:Reimb. R Acct	0.00 5099	·	98.50	·	+98.50 123357.83

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<u>Account WATER OP</u>							123357.83
ck #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4790	02/15/08	To:COW Payroll For:Payroll Transfer	932.71 6200	·	0.00	·	-932.71 122425.12
4791	02/15/08	To:Whitaker Bank For:Loan	848.04 2188	·	0.00	·	-848.04 121577.08
4792	02/18/08	To:CI Thornburg For:Water	1920.33 6380	·	0.00	·	-1920.33 119656.75
4793	02/18/08	To:Consolidated Pipe For:Water	3691.97 6060	·	0.00	·	-3691.97 115964.78
4794	02/18/08	To:Dominion Office For:Office Supplies	403.51 6055	·	0.00	·	-403.51 115561.27
4795	02/19/08	To:Ky League of Cities For:Insurance	47.00 6025	·	0.00	·	-47.00 115514.27
4796	02/19/08	To:Ky State Treasurer For:Withdrawal Fees	1032.75 6335	·	0.00	·	-1032.75 114481.52
4797	02/19/08	To:Southeast Telephone For:Phone	148.70 6240	·	0.00	·	-148.70 114332.82
4798	02/19/08	To:Veolia For:W&S Management	32439.55 6600	·	0.00	·	-32439.55 81893.27
4799	02/19/08	To:Veolia For:W&S Management	13032.54 6600	·	0.00	·	-13032.54 68860.73
4800	02/20/08	To:Western Auto For:Truck Tires	455.99 6080	·	0.00	·	-455.99 68404.74
4801	02/20/08	To:Void For:	0.00 6350	·	0.00	·	0.00 68404.74
4802	02/20/08	To:Ky State Treasurer For:Sales Tax	1089.95 2150	·	0.00	·	-1089.95 67314.79
[AWT]	02/20/08	To:Ky State Treasurer For:Sales Tax	1388.82 2150	·	0.00	·	-1388.82 65925.97
4803	02/29/08	To:COW Payroll For:Payroll Transfer	944.80 6200	·	0.00	·	-944.80 64981.17
4804	02/29/08	To:Whitaker Bank For:Σ	734.37 2176	·	0.00	·	-734.37 64246.80
4805	02/29/08	To:Ky State Treasurer For:Deferred Comp.	75.00 2176	·	0.00	·	-75.00 64171.80
[INT]	02/29/08	To:Interest Income For:Interest	0.00 5090	·	168.99	·	+168.99 64340.79

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<u>Account WATER OP</u>							64340.79
ck #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4806	03/03/08	To:Bluegrass Family For:Health Insurance	832.62 6025	·	0.00	·	-832.62 63508.17
4807	03/03/08	To:Delta Dental For:Insurance	34.32 6025	·	0.00	·	-34.32 63473.85
4808	03/03/08	To:Void For:	0.00 6025	·	0.00	·	0.00 63473.85
4809	03/03/08	To:Fort Dearborn Life For:Insurance	34.30 6025	·	0.00	·	-34.30 63439.55
4810	03/03/08	To:Ky Retirem't systems For:Σ	792.88 6025	·	0.00	·	-792.88 62646.67
[DEP]	03/04/08	To:Deposit For:Revenue Transfer	0.00 6400	·	32457.41	·	+32457.41 95104.08
4811	03/10/08	To:USPO For:Billing Postage	230.44 6105	·	0.00	·	-230.44 94873.64
4812	03/14/08	To:Canteen Fund For:Payroll Transfer	15.00 2178	·	0.00	·	-15.00 94858.64
4813	03/14/08	To:COW Payroll For:Trasfer	795.43 2010	·	0.00	·	-795.43 94063.21
4814	03/18/08	To:Morgan & Pottinger For:Garnishment	85.91 2130	·	0.00	·	-85.91 93977.30
4815	03/18/08	To:Dennis Fleming For:Payroll Sales Tax	300.00 6390	·	0.00	·	-300.00 93677.30
4816	03/18/08	To:Southeast Telephone For:Phone	466.51 6240	·	0.00	·	-466.51 93210.79
4817	03/18/08	To:Appalachian Wireless For:Phones	23.60 6240	·	0.00	·	-23.60 93187.19
4818	03/18/08	To:Wholesale Electron.. For:Repairs	171.70 1600	·	0.00	·	-171.70 93015.49
4819	03/19/08	To:Sensus Metering For:Meter Support	1200.00 6055	·	0.00	·	-1200.00 91815.49
4820	03/19/08	To:USTI For:Modify UBS History	1600.00 6500	·	0.00	·	-1600.00 90215.49
4821	03/19/08	To:Veolia/PSG For:Management	32439.55 6600	·	0.00	·	-32439.55 57775.94
4822	03/19/08	To:Ky State Treasurer For:Sales Tax	1515.04 2150	·	0.00	·	-1515.04 56260.90

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56260.90

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
[AWT]	03/19/08	To:Ky State Treasurer For:Sales Tax	1169.90 2150	·	0.00	·	-1169.90 55091.00
[DEP]	03/25/08	To:deposit For:Reimb R Acct	0.00 5099	·	98.50	·	+98.50 55189.50
4823	03/28/08	To:Payroll For:Payroll Transfer	833.49 6200	·	0.00	·	-833.49 54356.01
4824	03/28/08	To:Whitaker Bank For:Σ	450.15	·	0.00	·	-450.15 53905.86
4825	03/28/08	To:Morgan & Pottinger For:Garnishment	93.82 2130	·	0.00	·	-93.82 53812.04
4826	03/28/08	To:Canteen Fund For:Payroll Transfer	5.00 2178	·	0.00	·	-5.00 53807.04
[DEP]	03/31/08	To:deposit For:reimb R acct	0.00 5099	·	435.69	·	+435.69 54242.73
[INT]	03/31/08	To:Interest Income For:Interest	0.00 5090	·	138.23	·	+138.23 54380.96
4827	04/01/08	To:Sheila Sturgill For:W/D Refund	100.00 2010	·	0.00	·	-100.00 54280.96
4828	04/01/08	To:Ky Retirement System For:Σ	500.38	·	0.00	·	-500.38 53780.58
[DEP]	04/01/08	To:deposit For:revenue transfer	0.00 6400	·	43560.82	·	+43560.82 97341.40
4829	04/03/08	To:Whitesburg Waterwks. For:Water	117.79 6000	·	0.00	·	-117.79 97223.61
4830	04/04/08	To:Bluegrass Health For:Insurance	832.62 6025	·	0.00	·	-832.62 96390.99
4831	04/04/08	To:Delta Dental For:Insurance	34.32 6025	·	0.00	·	-34.32 96356.67
4832	04/04/08	To:Fort Dearborn Life For:Insurance	34.30 6025	·	0.00	·	-34.30 96322.37
4833	04/08/08	To:USPO For:Bill Card Postage	230.23 6320	·	0.00	·	-230.23 96092.14
4834	04/10/08	To:Veolia For:Σ Managem't/Overage	45472.09	·	0.00	·	-45472.09 50620.05
4835	04/10/08	To:Ky League of Cities For:U/Ins	40.16 6040	·	0.00	·	-40.16 50579.89

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50579.89

ck #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4836	04/10/08	To:Morgan & Pottinger For:Garnishment	92.99 2130	·	0.00	·	-92.99 50486.90
4837	04/10/08	To:COW Payroll For:Payroll Transfer	795.43 6200	·	0.00	·	-795.43 49691.47
4838	04/11/08	To:Ky State Treasurer For:Deferred Comp	75.00 2176	·	0.00	·	-75.00 49616.47
4839	04/11/08	To:Void For:	0.00 6240	·	0.00	·	0.00 49616.47
[DEP]	04/11/08	To:deposit For:reimb. R acct	0.00 5099	·	381.66	·	+381.66 49998.13
4840	04/14/08	To:Void For:	0.00 6240	·	0.00	·	0.00 49998.13
4841	04/14/08	To:Appalachian Wireless For:Phone	29.69 6240	·	0.00	·	-29.69 49968.44
4842	04/14/08	To:PSG/Veolia For:Management	32439.55 6600	·	0.00	·	-32439.55 17528.89
4843	04/14/08	To:Whitesburg Waterwks For:Water	196.51 6000	·	0.00	·	-196.51 17332.38
[AWT]	04/14/08	To:Ky State Treasurer For:Sales Tax	1534.39 2150	·	0.00	·	-1534.39 15797.99
4844	04/17/08	To:CI Thornburg For:Meter boxes/lids	1214.34 6380	·	0.00	·	-1214.34 14583.65
4845	04/18/08	To:Ky State Treasurer For:Sales Tax	1846.14 2150	·	0.00	·	-1846.14 12737.51
[DEP]	04/18/08	To:Deposit For:reimb. R acct	0.00 5099	·	108.00	·	+108.00 12845.51
4846	04/24/08	To:Morgan & Pottinger For:Garnishment	94.37 2130	·	0.00	·	-94.37 12751.14
4847	04/24/08	To:Whitaker Bank For:ε	439.57 2178	·	0.00	·	-439.57 12311.57
4848	04/24/08	To:Canteen Fund For:Payroll W/H	5.00 2178	·	0.00	·	-5.00 12306.57
4849	04/24/08	To:Ky State Treasurer For:State Taxes	281.13 2150	·	0.00	·	-281.13 12025.44
4850	04/24/08	To:COW Payroll For:Payroll Transfer	802.56 6200	·	0.00	·	-802.56 11222.88

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11222.88

C ck #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
[INT]	04/30/08	To:Interest Income For:Interest	0.00 5090	·	141.63	·	+141.63 11364.51
4851	05/05/08	To:Ky Retirem't System For:Σ	492.97	·	0.00	·	-492.97 10871.54
4852	05/05/08	To:Delta Dental For:Insurance	34.32 6025	·	0.00	·	-34.32 10837.22
4853	05/05/08	To:Fort Dearborn Life For:Insurance	34.30 6025	·	0.00	·	-34.30 10802.92
4854	05/05/08	To:Bluegrass Family For:Insurance	832.62 6025	·	0.00	·	-832.62 9970.30
4855	05/05/08	To:Letcher Cty Health.. For:Plumbing Permit	75.00 6090	·	0.00	·	-75.00 9895.30
4856	05/05/08	To:COW Payroll For:Payroll Transfer	831.10 6200	·	0.00	·	-831.10 9064.20
4857	05/05/08	To:Morgan & Pottinger For:Garnishment	94.31 2130	·	0.00	·	-94.31 8969.89
[DRP]	05/05/08	To:deposit For:revenue transfer	0.00 6400	·	38120.80	·	+38120.80 47090.69
4858	05/08/08	To:Canteen Fund For:Payroll Transfer	5.00 2178	·	0.00	·	-5.00 47085.69
4859	05/09/08	To:USPO For:Bill Cards	231.50 6105	·	0.00	·	-231.50 46854.19
[DEP]	05/18/08	To:deposit For:reimb. R acct	0.00 5099	·	447.75	·	+447.75 47301.94
4860	05/19/08	To:Ky State Treasurer For:Sales Tax	915.32 2150	·	0.00	·	-915.32 46386.62
4861	05/19/08	To:Ky State Treasurer For:Deferred Comp	50.00 2176	·	0.00	·	-50.00 46336.62
[AWT]	05/21/08	To:Ky State Treasurer For:Sales Tax	1057.34 2150	·	0.00	·	-1057.34 45279.28
4862	05/22/08	To:Frazier's Farm Sup.. For:Water	7.48 6060	·	0.00	·	-7.48 45271.80
4863	05/22/08	To:Southeast Telephone For:Phone	159.55 6240	·	0.00	·	-159.55 45112.25
4864	05/22/08	To:Ky State Treasurer For:Withdrawal Fees	1095.67 6335	·	0.00	·	-1095.67 44016.58

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44016.58

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4865	05/23/08	To:General Fund For:Parking Booth depo..	56.00 2020	·	0.00	·	-56.00 43960.58
4866	05/23/08	To:Whitaker Bank For:Σ	484.43	·	0.00	·	-484.43 43476.15
4867	05/23/08	To:Morgan & Pottinger For:Garnishment	94.37 2130	·	0.00	·	-94.37 43381.78
4868	05/23/08	To:Canteen Fund For:Payroll Transfer	5.00 2178	·	0.00	·	-5.00 43376.78
4869	05/23/08	To:COW Payroll For:Payroll	895.34 6200	·	0.00	·	-895.34 42481.44
[DEP]	05/28/08	To:deposit For:reimb for plumbing..	0.00 6090	·	75.00	·	+75.00 42556.44
4870	05/29/08	To:Void For:	240.00 6000	·	0.00	·	-240.00 42316.44
4871	05/29/08	To:USA Bluebook For:Meter	46.54 6060	·	0.00	·	-46.54 42269.90
4872	05/29/08	To:USTI For:Bill Cards	590.00 6320	·	0.00	·	-590.00 41679.90
4873	05/30/08	To:Linda Ison For:Reimbursement	10.17 6060	·	0.00	·	-10.17 41669.73
4874	05/30/08	To:Void For:	0.00 6025	·	0.00	·	0.00 41669.73
4875	05/30/08	To:Void For:	0.00 6025	·	0.00	·	0.00 41669.73
4876	05/30/08	To:Fort Dearborn Life For:Insurance	832.62 6025	·	0.00	·	-832.62 40837.11
4877	05/30/08	To:Bluegrass Family For:Health Insurance	382.62 6025	·	0.00	·	-382.62 40454.49
4878	05/30/08	To:Fort Dearborn Life For:Insurance	34.32 6025	·	0.00	·	-34.32 40420.17
4879	05/30/08	To:Delta Dental For:Insurance	34.32 6025	·	0.00	·	-34.32 40385.85
4880	05/30/08	To:Ky Retirement System For:	533.38 2170	·	0.00	·	-533.38 39852.47
[INT]	05/31/08	To:Interest Income For:Interest	0.00 5090	·	104.07	·	+104.07 39956.54

Account WATER OP

39956.54

ack #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
4881	06/03/08	To:Ky State Treasurer For:Deferred Comp	25.00 2176	·	0.00	·	-25.00 39931.54
4882	06/03/08	To:Void For:	0.00 2010	·	0.00	·	0.00 39931.54
[DEP]	06/03/08	To:deposit For:Revenue Transfer	0.00 6400	·	31663.92	·	+31663.92 71595.46
4883	06/06/08	To:Payroll For:Payroll Transfer	883.45 6200	·	0.00	·	-883.45 70712.01
4884	06/06/08	To:Morgan & Pottinger For:Garnishment	94.37 2130	·	0.00	·	-94.37 70617.64
4885	06/06/08	To:Canteen Fund For:Payroll Transfer	5.00 2178	·	0.00	·	-5.00 70612.64
[DCD]	06/06/08	To:deposit For:dep. returned for ..	31663.92 6400	·	0.00	·	-31663.92 38948.72
4886	06/09/08	To:USPO For:Bill Card Postage	231.29 6105	·	0.00	·	-231.29 38717.43
[DEP]	06/10/08	To:deposit For:Revenue Transfer	0.00 6400	·	31663.92	·	+31663.92 70381.35
4887	06/11/08	To:Syed Ali For:W/D Refund	100.00 2010	·	0.00	·	-100.00 70281.35
4888	06/11/08	To:Whitaker Bank For:Prepaid Insurance	1696.09 1250	·	0.00	·	-1696.09 68585.26
[AWT]	06/13/08	To:KY State Treasurer For:Sales Tax	889.69 2150	·	0.00	·	-889.69 67695.57
4889	06/17/08	To:Ky State Treasurer For:Deferred Comp	25.00 2176	·	0.00	·	-25.00 67670.57
4890	06/18/08	To:FleetOne For:Gas	301.04 6120	·	0.00	·	-301.04 67369.53
4891	06/18/08	To:Ky Dept of Revenue For:Sales Tax	1094.00 2150	·	0.00	·	-1094.00 66275.53
4892	06/18/08	To:Southeast Telephone For:Phone	102.35 6240	·	0.00	·	-102.35 66173.18
4893	06/18/08	To:Appalachian Wireless For:Phone	54.94 6240	·	0.00	·	-54.94 66118.24
4894	06/18/08	To:Carquest For:Supplies	29.10 6060	·	0.00	·	-29.10 66089.14

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<u>Account WATER OP</u>							66089.14
Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
4895	06/19/08	To:COW Payroll For:Payroll Transfer	816.83 6200	·	0.00	·	-816.83 65272.31
4896	06/19/08	To:Whitaker Bank For:Σ	483.34	·	0.00	·	-483.34 64788.97
4897	06/19/08	To:Morgan & Pottinger For:Garnishment	94.37 2130	·	0.00	·	-94.37 64694.60
4898	06/19/08	To:Canteen Fund For:Payroll Deduction	5.00 2178	·	0.00	·	-5.00 64689.60
4899	06/19/08	To:Whitesburg Waterwks For:Water Payments	195.30 6320	·	0.00	·	-195.30 64494.30
4900	06/24/08	To:USPO For:Postage	84.00 6105	·	0.00	·	-84.00 64410.30
4901	06/24/08	To:Preferred Pump For:Feed Pump	307.93 6060	·	0.00	·	-307.93 64102.37
4902	06/24/08	To:PSG/Veolia For:Management	32439.56 6600	·	0.00	·	-32439.56 31662.81
4903	06/24/08	To:Ed Vanhooose For:W/D Refund	100.00 2010	·	0.00	·	-100.00 31562.81
[INT]	06/30/08	To:Interest Income For:Interest	0.00 5090	·	96.38	·	+96.38 31659.19
Totals:			574980.93		528574.93		31659.19

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Account WATER OP

31659.19

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4904	07/01/08	To:Ky Retirem't System For:Σ	525.23	·	0.00	·	-525.23 31133.96
4905	07/01/08	To:Fort Dearborn Life For:Insurance	34.30 6025	·	0.00	·	-34.30 31099.66
4906	07/01/08	To:Delta Dental For:Insurance	33.46 6025	·	0.00	·	-33.46 31066.20
4907	07/01/08	To:Bluegrass Family For:Insurance	832.62 6025	·	0.00	·	-832.62 30233.58
4908	07/03/08	To:COW Payroll For:Transfer	795.43 6200	·	0.00	·	-795.43 29438.15
4909	07/03/08	To:Morgan & Pottinger For:Garnishment	96.87 2130	·	0.00	·	-96.87 29341.28
4910	07/03/08	To:Ky League of Cities For:Unemployment Ins.	31.24 6040	·	0.00	·	-31.24 29310.04
4911	07/07/08	To:Canteen Fund For:Payroll Transfer	2.50 2178	·	0.00	·	-2.50 29307.54
4912	07/08/08	To:Frazier's Farm For:Supplies	176.35 6060	·	0.00	·	-176.35 29131.19
4913	07/08/08	To:G&K Services For:Uniforms	34.55 6110	·	0.00	·	-34.55 29096.64
4914	07/08/08	To:Appalachian Wireless For:Phone	21.69 6240	·	0.00	·	-21.69 29074.95
4915	07/08/08	To:Southeast Telephone For:Phone	122.47 6240	·	0.00	·	-122.47 28952.48
[DEP]	07/08/08	To:deposit For:revenue transfer	0.00 6400	·	41930.32	·	+41930.32 70882.80
4916	07/10/08	To:KLC Premium Fin. Co. For:20% downpaym't ins.	6022.07 6025	·	0.00	·	-6022.07 64860.73
4917	07/10/08	To:USPO For:Bill Card Postage	231.72 6105	·	0.00	·	-231.72 64629.01
[DEP]	07/10/08	To:deposit For:reimb R acct	0.00 5099	·	70.00	·	+70.00 64699.01
[AWT]	07/15/08	To:Ky State Treasurer For:Sales Tax	1535.86 2150	·	0.00	·	-1535.86 63163.15
4918	07/16/08	To:Whitesburg Waterwks. For:Utilities	100.36 6320	·	0.00	·	-100.36 63062.79

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Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
		<u>Account WATER OP</u>					63062.79
4919	07/16/08	To:Roland Craft For:W/D Refund	100.00 2010	·	0.00	·	-100.00 62962.79
[DEP]	07/16/08	To:deposit For:reimb. R acct	0.00 5099	·	146.00	·	+146.00 63108.79
4920	07/17/08	To:CI Thornburg For:Supplies	1570.99 6060	·	0.00	·	-1570.99 61537.80
4921	07/18/08	To:COW Payroll For:Transfer	1033.32 6200	·	0.00	·	-1033.32 60504.48
4922	07/18/08	To:Morgan & Pottinger For:Garnishment	88.14 2130	·	0.00	·	-88.14 60416.34
4923	07/18/08	To:Whitaker Bank For:Σ	534.86 6060	·	0.00	·	-534.86 59881.48
4924	07/18/08	To:Ky State Treasurer For:State Tax	241.48 2100	·	0.00	·	-241.48 59640.00
4925	07/18/08	To:Ky State Treasurer For:Sales Tax	1377.00 2150	·	0.00	·	-1377.00 58263.00
4926	07/18/08	To:Carquest For:Supplies	222.02 6060	·	0.00	·	-222.02 58040.98
4927	07/18/08	To:Ky State Treasurer For:Deferred Comp	50.00 2176	·	0.00	·	-50.00 57990.98
4928	07/22/08	To:USPO For:Postage	32.79 6105	·	0.00	·	-32.79 57958.19
[INT]	07/31/08	To:interest Income For:Interest	0.00 5090	·	115.24	·	+115.24 58073.43
4929	08/01/08	To:COW Payroll For:Payroll Transfer	795.43 6200	·	0.00	·	-795.43 57278.00
4930	08/01/08	To:Morgan & Pottinger For:Garnishment	68.24 2130	·	0.00	·	-68.24 57209.76
4931	08/04/08	To:Ky Retirem't System For:	497.73 2170	·	0.00	·	-497.73 56712.03
4932	08/04/08	To:Bluegrass Family For:Health Insurance	832.42 6025	·	0.00	·	-832.42 55879.61
4933	08/04/08	To:Fort Dearborn Life For:Insurance	34.30 6025	·	0.00	·	-34.30 55845.31
34	08/04/08	To:Delta Dental For:Insurance	33.46 6025	·	0.00	·	-33.46 55811.85

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Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
		<u>Account WATER OP</u>					55811.85
4935	08/04/08	To:Ky State Treasurer For:Deferred Comp	25.00 2176	·	0.00	·	-25.00 55786.85
[DEP]	08/08/08	To:deposit For:revenue transfer	0.00 6400	·	37581.64	·	+37581.64 93368.49
4936	08/11/08	To:Void For:	0.00 6105	·	0.00	·	0.00 93368.49
4937	08/11/08	To:USPO For:Postage Bill Cards	266.93 6105	·	0.00	·	-266.93 93101.56
4938	08/11/08	To:Veolia For:Management	32439.55 6600	·	0.00	·	-32439.55 60662.01
4939	08/11/08	To:Veolia For:Management	13032.54 6600	·	0.00	·	-13032.54 47629.47
4940	08/13/08	To:USPO For:Postage	84.00 6105	·	0.00	·	-84.00 47545.47
4941	08/14/08	To:Ky Valley Co OP. For:Σ	161.88 6105	·	0.00	·	-161.88 47383.59
4942	08/14/08	To:Ky League of Cities For:Ins	6284.94 2155	·	0.00	·	-6284.94 41098.65
4943	08/15/08	To:Canteen Fund For:Payroll Deduction	2.50 2178	·	0.00	·	-2.50 41096.15
4944	08/15/08	To:Morgan & Pottinger For:Garnishment	32.03 2130	·	0.00	·	-32.03 41064.12
4945	08/15/08	To:COW For:Payroll	1108.96 6200	·	0.00	·	-1108.96 39955.16
4946	08/15/08	To:Appalachian Wireless For:Phone	41.93 6240	·	0.00	·	-41.93 39913.23
[AWT]	08/15/08	To:Ky State Treasurer For:Sales Tax	1336.01 2150	·	0.00	·	-1336.01 38577.22
4947	08/18/08	To:FleetOne For:Gas	298.76 6120	·	0.00	·	-298.76 38278.46
4948	08/18/08	To:G&K Services For:Uniforms	27.64 6110	·	0.00	·	-27.64 38250.82
4949	08/19/08	To:CI Thornburg For:Swimming Pool Supp..	2027.38 6060	·	0.00	·	-2027.38 36223.44
50	08/19/08	To:CNA Surety For:Bond/Janet Fields	100.00 6345	·	0.00	·	-100.00 36123.44

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Account WATER OP

36123.44

Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
4951	08/20/08	To:Ky State Treasurer For:Withdrawal Fees	1097.23 6335	·	0.00	·	-1097.23 35026.21
4952	08/20/08	To:Southeast Telephone For:Phone	207.68 6240	·	0.00	·	-207.68 34818.53
4953	08/20/08	To:Whitesburg Waterwks. For:Water Payable	379.87 6320	·	0.00	·	-379.87 34438.66
4954	08/20/08	To:Ky State Treasurer For:Sales Tax	959.00 2150	·	0.00	·	-959.00 33479.66
4955	08/21/08	To:PSG/Veolia For:Management	32439.56 6600	·	0.00	·	-32439.56 1040.10
4956	08/21/08	To:Superior Printing For:Delinquent Bills	78.00 6320	·	0.00	·	-78.00 962.10
4957	08/28/08	To:Whitaker Bank For:Σ	515.30	·	0.00	·	-515.30 446.80
4958	08/28/08	To:COW Payroll For:Transfer	902.48 6200	·	0.00	·	-902.48 -455.68
4959	08/29/08	To:Bluegrass Family For:Health Insurance	1057.42 6025	·	0.00	·	-1057.42 -1513.10
4960	08/29/08	To:Delta Dental For:Insurance	33.46 6025	·	0.00	·	-33.46 -1546.56
4961	08/29/08	To:Fort Dearborn Life For:Insurance	34.30 6025	·	0.00	·	-34.30 -1580.86
[INT]	08/31/08	To:interest income For:interest	0.00 5090	·	104.81	·	+104.81 -1476.05
[DEP]	09/02/08	To:deposit For:reimb R acct	0.00 5099	·	472.85	·	+472.85 -1003.20
4962	09/03/08	To:Ky Retirement System For:Σ	694.86	·	0.00	·	-694.86 -1698.06
4963	09/04/08	To:Curtis Venters For:W/D Refund	100.00 2010	·	0.00	·	-100.00 -1798.06
4964	09/04/08	To:Void For:	0.00 2010	·	0.00	·	0.00 -1798.06
[DEP]	09/05/08	To:deposit For:reimb R acct	0.00 5099	·	363.69	·	+363.69 -1434.37
4965	09/08/08	To:Delores Webb For:W/D Refund	100.00 2010	·	0.00	·	-100.00 -1534.37

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Account WATER OP

-1534.37

Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
[DEP]	09/08/08	To:Deposit For:Revenue Transfer	0.00 6400	·	36491.46	·	+36491.46 34957.09
4966	09/10/08	To:USPO For:Water Bills Postage	265.72 6105	·	0.00	·	-265.72 34691.37
[DEP]	09/11/08	To:deposit For:reimb. R acct	0.00 5099	·	431.08	·	+431.08 35122.45
4967	09/12/08	To:COW Payroll For:Transfer	1001.73 6200	·	0.00	·	-1001.73 34120.72
4968	09/12/08	To:Canteen Fund For:Payroll Deduction	2.50 2178	·	0.00	·	-2.50 34118.22
4969	09/12/08	To:Ky State Treasurer For:Deferred Comp	100.00 2176	·	0.00	·	-100.00 34018.22
4970	09/12/08	To:Southeast Telephone For:Phone	864.82 6240	·	0.00	·	-864.82 33153.40
4971	09/14/08	To:KLC Premium Finance For:Insurance	6755.53 6025	·	0.00	·	-6755.53 26397.87
4972	09/15/08	To:Gordon Muse For:W/D Refund	100.00 2010	·	0.00	·	-100.00 26297.87
[AWT]	09/18/08	To:Ky State Treasurer For:Sales Tax	1301.81 2150	·	0.00	·	-1301.81 24996.06
4973	09/19/08	To:Ky State Treasurer For:Sales Tax	1042.00 2150	·	0.00	·	-1042.00 23954.06
[DEP]	09/19/08	To:deposit For:reimb R acct	0.00 5099	·	100.00	·	+100.00 24054.06
4974	09/26/08	To:COW For:Payroll Transfer	902.48 6200	·	0.00	·	-902.48 23151.58
4975	09/26/08	To:Canteen Fund For:	2.50 2178	·	0.00	·	-2.50 23149.08
4976	09/26/08	To:Whitaker Bank For:Σ	488.04	·	0.00	·	-488.04 22661.04
4977	09/26/08	To:Whitaker Bank For:Σ	209.02	·	0.00	·	-209.02 22452.02
[INT]	09/30/08	To:Interest Income For:Interest	0.00 5090	·	71.91	·	+71.91 22523.93
78	10/01/08	To:USPO For:Postage	84.00 6105	·	0.00	·	-84.00 22439.93

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<u>Account WATER OP</u>							22439.93
Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4979	10/03/08	To:Fort Dearborn Life For:Σ Insurance	34.30	·	0.00	·	-34.30 22405.63
4980	10/03/08	To:Delta Dental For:Insurance	33.46	·	0.00	·	-33.46 22372.17
			6025				
4981	10/03/08	To:Bluegrass Family For:Health Insurance	945.02	·	0.00	·	-945.02 21427.15
			6025				
4982	10/03/08	To:Ky Retirement Syst.. For:Σ	461.83	·	0.00	·	-461.83 20965.32
4983	10/06/08	To:Alfred Gross For:W/D Refund	100.00	·	0.00	·	-100.00 20865.32
			2010				
4984	10/07/08	To:Void For:	0.00	·	0.00	·	0.00 20865.32
			6600				
4985	10/07/08	To:Veolia Water For:Water Management	32438.36	·	0.00	·	-32438.36 -11573.04
			6600				
4986	10/07/08	To:Veolia For:Water Overage	8688.36	·	0.00	·	-8688.36 -20261.40
			6640				
[DEP]	10/08/08	To:deposit For:reimb R Acct	0.00	·	179.40	·	+179.40 -20082.00
			5099				
[DEP]	10/09/08	To:deposit For:revenue transfer	0.00	·	32047.05	·	+32047.05 11965.05
			6400				
4987	10/10/08	To:Canteen Fund For:	2.50	·	0.00	·	-2.50 11962.55
			2178				
4988	10/10/08	To:COW For:Payroll	889.84	·	0.00	·	-889.84 11072.71
			6200				
4989	10/10/08	To:Ky State Treasurer For:State W/H	301.55	·	0.00	·	-301.55 10771.16
			2100				
4990	10/10/08	To:USPO For:Bill Card Postage	265.96	·	0.00	·	-265.96 10505.20
			6105				
4991	10/10/08	To:Whitaker Bank For:Prepaid Ins.	1696.09	·	0.00	·	-1696.09 8809.11
			1250				
[DEP]	10/10/08	To:deposit For:reimb R Acct	0.00	·	108.00	·	+108.00 8917.11
			5099				
4992	10/15/08	To:KLC Premium Finance For:Σ Insurance	2744.49	·	0.00	·	-2744.49 6172.62
[]	10/15/08	To:deposit For:reimb R Acct	0.00	·	108.00	·	+108.00 6280.62
			5099				

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6280.62

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
4993	10/20/08	To:Ky State Treasurer For:Sales Tax	2003.19 2150	·	0.00	·	-2003.19 4277.43
4994	10/20/08	To:Void For:	0.00 6240	·	0.00	·	0.00 4277.43
4995	10/22/08	To:Appalachian Wireless For:Phone	44.30 6240	·	0.00	·	-44.30 4233.13
4996	10/22/08	To:Southeast Telephone For:Phone	147.67 6240	·	0.00	·	-147.67 4085.46
4997	10/22/08	To:Whitesburg Waterwks. For:Water	631.48 6320	·	0.00	·	-631.48 3453.98
[DEP]	10/23/08	To:Deposit For:reimb R Acct	0.00 5099	·	348.00	·	+348.00 3801.98
4998	10/24/08	To:COW For:Payroll	884.11 6200	·	0.00	·	-884.11 2917.87
4999	10/24/08	To:Void For:	0.00 2178	·	0.00	·	0.00 2917.87
5000	10/24/08	To:Canteen Fund For:	2.50 2178	·	0.00	·	-2.50 2915.37
5001	10/24/08	To:Whitaker Bank For:E Insurance	433.47 6025	·	0.00	·	-433.47 2481.90
5002	10/31/08	To:Fort Dearborn For:Insurance	34.30 6025	·	0.00	·	-34.30 2447.60
5003	10/31/08	To:Bluegrass Family For:Health Insurance	945.02 6025	·	0.00	·	-945.02 1502.58
5004	10/31/08	To:Delta Dental For:Insurance	33.46 6025	·	0.00	·	-33.46 1469.12
[INT]	10/31/08	To:Interest Income For:Interest	0.00 5090	·	26.16	·	+26.16 1495.28
5005	11/03/08	To:Joseph Newell For:W/D Refund	100.00 2010	·	0.00	·	-100.00 1395.28
5006	11/03/08	To:Shannon Jones For:W/D Refund	100.00 2010	·	0.00	·	-100.00 1295.28
5007	11/07/08	To:COW For:Payroll Transfer	1134.96 6200	·	0.00	·	-1134.96 160.32
08	11/07/08	To:Canteen Fund For:	2.50 2178	·	0.00	·	-2.50 157.82

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157.82

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
5009	11/07/08	To:Whitaker Bank For:Prepaid Insurance	321.25 1250	·	0.00	·	-321.25 -163.43
5010	11/07/08	To:Ky Retirement System For:Σ	426.50	·	0.00	·	-426.50 -589.93
[DEP]	11/07/08	To:deposit For:revenue transfer	0.00 6400	·	35573.52	·	+35573.52 34983.59
5011	11/10/08	To:USPO For:Postage Bill Cards	267.41 6105	·	0.00	·	-267.41 34716.18
5012	11/11/08	To:Veolia For:Water Management	45472.10 6600	·	0.00	·	-45472.10 -10755.92
5013	11/12/08	To:Ky State Treasurer For:Deferred Comp	75.00 2176	·	0.00	·	-75.00 -10830.92
[DEP]	11/12/08	To:deposit For:revenue transfer	0.00 6400	·	15000.00	·	+15000.00 4169.08
5014	11/13/08	To:Ashley Ison For:W/D Refund	100.00 2010	·	0.00	·	-100.00 4069.08
5015	11/13/08	To:Appalachian Wireless For:Phone	43.53 2010	·	0.00	·	-43.53 4025.55
[DEP]	11/14/08	To:deposit For:reimb R acct	0.00 5099	·	108.00	·	+108.00 4133.55
[AWT]	11/17/08	To:Ky State Treasurer For:Sales Tax	1251.59 2150	·	0.00	·	-1251.59 2881.96
[AWT]	11/17/08	To:Ky State Treasurer For:Sales Tax	1281.40 2150	·	0.00	·	-1281.40 1600.56
5016	11/18/08	To:Ky State Treasurer For:Sales Tax	1823.03 2150	·	0.00	·	-1823.03 -222.47
5017	11/21/08	To:COW For:Payroll Transfer	1140.81 6200	·	0.00	·	-1140.81 -1363.28
5018	11/21/08	To:Canteen Fund For:	2.50 2178	·	0.00	·	-2.50 -1365.78
5019	11/21/08	To:Whitaker Bank For:Σ	305.62	·	0.00	·	-305.62 -1671.40
5020	11/24/08	To:Ky State Treasurer For:Deferred Comp	50.00 2176	·	0.00	·	-50.00 -1721.40
[P]	11/24/08	To:deposit For:revenue transfer	0.00 6400	·	5000.00	·	+5000.00 3278.60

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3278.60

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[DEP]	11/24/08	To:deposit For:reimb R Acct	0.00 5099	·	108.00	·	+108.00 3386.60
[INT]	11/30/08	To:Interest Income For:Interest	0.00 5090	·	21.20	·	+21.20 3407.80
5021	12/01/08	To:Bluegrass Health For:Insurance	945.02 6025	·	0.00	·	-945.02 2462.78
5022	12/01/08	To:Fort Dearborn Life For:Insurance	34.30 6025	·	0.00	·	-34.30 2428.48
5023	12/01/08	To:Delta Dental For:Insurance	33.46 6025	·	0.00	·	-33.46 2395.02
5024	12/02/08	To:Junie Faye Reed For:W/D Refund	100.00 2010	·	0.00	·	-100.00 2295.02
5025	12/02/08	To:Ky Retirement System For:Insurance	559.43 6043	·	0.00	·	-559.43 1735.59
5026	12/03/08	To:Frazier's Farm For:Supplies	242.70 6060	·	0.00	·	-242.70 1492.89
5027	12/04/08	To:Arlena Cornett For:W/D Refund	50.00 2010	·	0.00	·	-50.00 1442.89
[DEP]	12/04/08	To:deposit For:reimb R acct	0.00 5099	·	108.00	·	+108.00 1550.89
[DEP]	12/04/08	To:deposit For:revenue transfer	0.00 6400	·	37141.08	·	+37141.08 38691.97
5028	12/05/08	To:Canteen Fund For:	2.50 2178	·	0.00	·	-2.50 38689.47
5029	12/05/08	To:COW Payroll For:Payroll Transfer	1143.88 6200	·	0.00	·	-1143.88 37545.59
5030	12/05/08	To:Whitaker Bank For:Σ	288.15 6200	·	0.00	·	-288.15 37257.44
5031	12/08/08	To:Veolia For:Management	35660.81 6600	·	0.00	·	-35660.81 1596.63
[DEP]	12/08/08	To:deposit For:reimb R acct	0.00 5099	·	50.00	·	+50.00 1646.63
5032	12/11/08	To:Melissa Hall For:W/D Refund	100.00 2010	·	0.00	·	-100.00 1546.63
5033	12/12/08	To:Appalachian Wireless For:Phone	22.16 6240	·	0.00	·	-22.16 1524.47

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1524.47

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
5034	12/18/08	To:USPO For:Postage	267.90 6105	·	0.00	·	-267.90 1256.57
5035	12/18/08	To:Canteen Fund For:Payroll Deduction	2.50 2178	·	0.00	·	-2.50 1254.07
5037	12/18/08	To:COW For:Payroll	884.76 6200	·	0.00	·	-884.76 369.31
5038	12/18/08	To:Ky State Treasurer For:Sales Tax	2327.25 2150	·	0.00	·	-2327.25 -1957.94
5039	12/19/08	To:Ky State Treasurer For:Deferred Comp	50.00 2176	·	0.00	·	-50.00 -2007.94
[AWT]	12/19/08	To:KY State Treasurer For:Sales Tax Report	2034.95 2150	·	0.00	·	-2034.95 -4042.89
5040	12/22/08	To:USPO For:Postage	84.00 6105	·	0.00	·	-84.00 -4126.89
5041	12/29/08	To:Fort Dearborn Life For:Insurance	35.57 6025	·	0.00	·	-35.57 -4162.46
5042	12/29/08	To:Bluegrass Family For:Health Insurance	945.02 6025	·	0.00	·	-945.02 -5107.48
5043	12/30/08	To:Canteen Fund For:	2.50 2178	·	0.00	·	-2.50 -5109.98
5044	12/30/08	To:COW For:Payroll Transfer	901.80 6200	·	0.00	·	-901.80 -6011.78
5045	12/30/08	To:Whitaker Bank For:Σ	222.54 6200	·	0.00	·	-222.54 -6234.32
[INT]	12/31/08	To:interest income For:interest	0.00 5090	·	34.68	·	+34.68 -6199.64
5046	01/05/09	To:Ky Retirement System For:Σ	704.11 6200	·	0.00	·	-704.11 -6903.75
[DEP]	01/05/09	To:Deposit For:Revenue Transfer	0.00 6400	·	8300.00	·	+8300.00 1396.25
[DEP]	01/05/09	To:deposit For:Revenue Transfer	0.00 6400	·	34378.54	·	+34378.54 35774.79
5047	01/12/09	To:USPO For:Postage Bill Cards	268.38 6105	·	0.00	·	-268.38 35506.41
18	01/12/09	To:Delta Dental For:Insurance	33.46 6025	·	0.00	·	-33.46 35472.95

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35472.95

Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
5049	01/12/09	To:Void For:	0.00 6025	·	0.00	·	0.00 35472.95
5050	01/13/09	To:Ky State Treasurer For:State Tax	303.32 2150	·	0.00	·	-303.32 35169.63
5051	01/15/09	To:Appalachian Wireless For:Phone	22.16 6240	·	0.00	·	-22.16 35147.47
5052	01/16/09	To:Canteen Fund For:	2.50 2178	·	0.00	·	-2.50 35144.97
5053	01/16/09	To:Whitaker Bank For:Σ	215.23	·	0.00	·	-215.23 34929.74
5054	01/16/09	To:Payroll For:Salaries	890.12 6200	·	0.00	·	-890.12 34039.62
5055	01/20/09	To:KLC Premium Finance For:Insurance	2744.49 6025	·	0.00	·	-2744.49 31295.13
5056	01/20/09	To:Ky State Treasurer For:Sales Tax	1158.78 2150	·	0.00	·	-1158.78 30136.35
5057	01/21/09	To:Ky State Treasurer For:Withdrawal Fee	1348.34 6335	·	0.00	·	-1348.34 28788.01
5058	01/21/09	To:Ky State Treasurer For:Deferred Comp	50.00 2176	·	0.00	·	-50.00 28738.01
5059	01/21/09	To:Consolidated Pipe For:Supplies	243.00 6060	·	0.00	·	-243.00 28495.01
5060	01/23/09	To:Tesia Gayheart For:W/D Refund	100.00 2010	·	0.00	·	-100.00 28395.01
5061	01/28/09	To:Carquest For:Repairs	115.55 6080	·	0.00	·	-115.55 28279.46
5062	01/28/09	To:Void For:	0.00 6600	·	0.00	·	0.00 28279.46
5063	01/28/09	To:Veolia For:Management	22342.20 6600	·	0.00	·	-22342.20 5937.26
5064	01/30/09	To:Auto Zone For:Reimbursement for ..	1021.63 2010	·	0.00	·	-1021.63 4915.63
5065	01/30/09	To:Canteen Fund For:Payroll Deduction	2.50 2178	·	0.00	·	-2.50 4913.13
56	01/30/09	To:Whitaker Bank For:	0.00 6340	·	0.00	·	0.00 4913.13

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4913.13

Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
5067	01/30/09	To:Payroll For:Salaries	937.32 6200	·	0.00	·	-937.32 3975.81
[AWT]	01/31/09	To:Ky State Treasurer For:Sales Tax	772.06 2150	·	0.00	·	-772.06 3203.75
[INT]	01/31/09	To:Interest Income For:Interest	0.00 5090	·	28.98	·	+28.98 3232.73
5068	02/01/09	To:Bluegrass Family For:Insurance	945.00 6025	·	0.00	·	-945.00 2287.73
5069	02/01/09	To:Delta Dental For:Insurance	33.46 6025	·	0.00	·	-33.46 2254.27
5070	02/01/09	To:Fort Dearborn Life For:Insurance	34.30 6025	·	0.00	·	-34.30 2219.97
5071	02/01/09	To:Ky State Treasurer For:Deferred Comp	25.00 2176	·	0.00	·	-25.00 2194.97
5072	02/02/09	To:Ky Retirement System For:Σ	440.18	·	0.00	·	-440.18 1754.79
[DEP]	02/09/09	To:deposit For:revenue transfer	0.00 6400	·	34734.06	·	+34734.06 36488.85
5073	02/10/09	To:Fraziers Farm Supply For:Supplies	27.83 6060	·	0.00	·	-27.83 36461.02
5074	02/10/09	To:USPO For:Postage Bill Cards	266.93 6105	·	0.00	·	-266.93 36194.09
[DEP]	02/12/09	To:deposit For:reimb R account	0.00 5099	·	58.00	·	+58.00 36252.09
5075	02/13/09	To:Canteen Fund For:Payroll W/H	2.50 2178	·	0.00	·	-2.50 36249.59
5076	02/13/09	To:Whitaker Bank For:	230.37 2010	·	0.00	·	-230.37 36019.22
5077	02/13/09	To:COW For:Payroll	925.79 6200	·	0.00	·	-925.79 35093.43
5078	02/13/09	To:Ky State Treasurer For:Deferred Comp	25.00 2176	·	0.00	·	-25.00 35068.43
[DEP]	02/15/09	To:deposit For:revenue transfer	0.00 6400	·	23631.34	·	+23631.34 58699.77
79	02/16/09	To:Amy Ludwig For:W/D Refund	100.00 2010	·	0.00	·	-100.00 58599.77

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58599.77

Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
5080	02/16/09	To:Ky State Treasurer For:Sales Tax	1966.96 2150	·	0.00	·	-1966.96 56632.81
5081	02/17/09	To:Veolia For:Water Managem't	22342.20 6600	·	0.00	·	-22342.20 34290.61
5082	02/18/09	To:Smith Contractors For:W/D Refund	100.00 2010	·	0.00	·	-100.00 34190.61
5083	02/18/09	To:Ky State Treasurer For:Withdrawal Fee	1337.27 6335	·	0.00	·	-1337.27 32853.34
5084	02/18/09	To:FIMCO Services For:Media Filter	23631.34 6060	·	0.00	·	-23631.34 9222.00
5085	02/18/09	To:Appalachian Wireless For:Phone	22.16 6240	·	0.00	·	-22.16 9199.84
[AWT]	02/19/09	To:Ky State Treasurer For:Sales Tax	1223.37 2150	·	0.00	·	-1223.37 7976.47
5086	02/24/09	To:McCoy & McCoy For:Contaminated Water..	5742.00 6230	·	0.00	·	-5742.00 2234.47
5087	02/25/09	To:Bluegrass Family H.. For:Insurance	945.02 6025	·	0.00	·	-945.02 1289.45
5088	02/25/09	To:Fort Dearborn Life For:Insurance	34.30 6025	·	0.00	·	-34.30 1255.15
5089	02/25/09	To:Delta Dental For:Insurance	33.46 6025	·	0.00	·	-33.46 1221.69
5090	02/27/09	To:Whitaker Bank For:	253.95 2010	·	0.00	·	-253.95 967.74
5091	02/27/09	To:Canteen Fund For:Payroll Deduction	2.50 2178	·	0.00	·	-2.50 965.24
5092	02/27/09	To:Payroll For:Salaries	877.86 6200	·	0.00	·	-877.86 87.38
5093	02/27/09	To:Payroll For:Salary OT	2387.41 6200	·	0.00	·	-2387.41 -2300.03
[INT]	02/28/09	To:interest income For:interest	0.00 5090	·	49.64	·	+49.64 -2250.39
[DEP]	03/03/09	To:Deposit For:revenue transfer	0.00 6400	·	42822.62	·	+42822.62 40572.23
94	03/06/09	To:Ky Retirement System For:Σ	474.51	·	0.00	·	-474.51 40097.72

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40097.72

Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
5095	03/12/09	To:McCoy & McCoy For:Analysis	3179.00 6230	·	0.00	·	-3179.00 36918.72
5096	03/12/09	To:USTI For:Bill Cards	428.00 6320	·	0.00	·	-428.00 36490.72
5097	03/12/09	To:USA Bluebook For:Pump	34.50 6060	·	0.00	·	-34.50 36456.22
5098	03/12/09	To:Canteen Fund For:Payroll Deduction	2.50 2178	·	0.00	·	-2.50 36453.72
5099	03/12/09	To:Whitaker Bank For:	203.42 2010	·	0.00	·	-203.42 36250.30
5100	03/12/09	To:Void For:	0.00 6200	·	0.00	·	0.00 36250.30
5101	03/12/09	To:Payroll For:Salaries	940.37 6200	·	0.00	·	-940.37 35309.93
5102	03/16/09	To:USPO For:Postage Bill Cards	266.45 6320	·	0.00	·	-266.45 35043.48
5103	03/16/09	To:Appalachian Wireless For:Phone	22.16 6240	·	0.00	·	-22.16 35021.32
5104	03/16/09	To:FleetOne For:Gas	192.53 6120	·	0.00	·	-192.53 34828.79
5105	03/16/09	To:Southeast Telephone For:Phone	106.70 6240	·	0.00	·	-106.70 34722.09
[AWT]	03/19/09	To:Ky State Treasurer For:Sales Tax	1210.59 2150	·	0.00	·	-1210.59 33511.50
5106	03/20/09	To:Ky State Treasurer For:Sales Tax	1285.17 2150	·	0.00	·	-1285.17 32226.33
5107	03/23/09	To:Ky State Treasurer For:Deferred Comp	50.00 2176	·	0.00	·	-50.00 32176.33
5108	03/25/09	To:Service Pump For:Repairs	3352.73 6080	·	0.00	·	-3352.73 28823.60
5109	03/25/09	To:Veolia For:Water Managem't	39905.84 6600	·	0.00	·	-39905.84 -11082.24
5110	03/27/09	To:Whitaker Bank For:	204.16 2010	·	0.00	·	-204.16 -11286.40
11	03/27/09	To:Canteen Fund For:Payroll Deduction	2.50 2178	·	0.00	·	-2.50 -11288.90

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Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
5112	03/27/09	To:Payroll For:Salaries	934.69 6200	·	0.00	·	-934.69 -12223.59
5113	03/27/09	To:Delta Dental For:Insurance	33.46 6025	·	0.00	·	-33.46 -12257.05
5114	03/27/09	To:Bluegrass Family For:Health Insurance	945.02 6025	·	0.00	·	-945.02 -13202.07
5115	03/27/09	To:Fort Dearborn For:Life Insurance	34.30 6025	·	0.00	·	-34.30 -13236.37
5116	03/31/09	To:Carquest For:Supplies	175.62 6060	·	0.00	·	-175.62 -13411.99
5117	03/31/09	To:Carquest For:Repairs	50.44 6080	·	0.00	·	-50.44 -13462.43
[INT]	03/31/09	To:Interest Income For:Interest	0.00 5090	·	52.42	·	+52.42 -13410.01
[DEP]	04/01/09	To:deposit For:revenue transfer	0.00 6400	·	27066.76	·	+27066.76 13656.75
5118	04/02/09	To:Ky Retirement System For:Σ Retirement	440.88 6025	·	0.00	·	-440.88 13215.87
5119	04/03/09	To:Chris Gooch For:Auditing Service	2250.00 6390	·	0.00	·	-2250.00 10965.87
5120	04/08/09	To:Ky State Treasurer For:State Tax	1232.00 2100	·	0.00	·	-1232.00 9733.87
5121	04/09/09	To:USPO For:Bill Cards	265.96 6320	·	0.00	·	-265.96 9467.91
5122	04/09/09	To:Canteen Fund For:Payroll Deduction	2.50 2178	·	0.00	·	-2.50 9465.41
5123	04/09/09	To:Whitaker Bank For:	208.82 2010	·	0.00	·	-208.82 9256.59
5124	04/09/09	To:Void For:	0.00 6200	·	0.00	·	0.00 9256.59
5125	04/09/09	To:Payroll For:Salaries	960.99 6200	·	0.00	·	-960.99 8295.60
[DEP]	04/14/09	To:deposit For:reimb R acct	0.00 5099	·	108.00	·	+108.00 8403.60
5126	04/15/09	To:KLC Premium Finance For:Insurance	2744.49 6025	·	0.00	·	-2744.49 5659.11

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5659.11

Check #	Date	Description of Transaction	Debit (-)	T √	Credit (+)	C √	Balance
5127	04/16/09	To:Veolia For:Management	29177.03 6600	·	0.00	·	-29177.03 -23517.92
5128	04/16/09	To:Appalachian Wireless For:Phone	24.50 6240	·	0.00	·	-24.50 -23542.42
5129	04/19/09	To:Ky State Treasurer For:Sales Tax	1942.57 2150	·	0.00	·	-1942.57 -25484.99
[DEP]	04/20/09	To:deposit For:reimb R acct	0.00 5099	·	4190.18	·	+4190.18 -21294.81
[AWT]	04/22/09	To:Ky State Treasurer For:Sales Tax	812.00 2150	·	0.00	·	-812.00 -22106.81
5130	04/24/09	To:Canteen Fund For:Payroll Deduction	2.50 2178	·	0.00	·	-2.50 -22109.31
5131	04/24/09	To:Whitaker Bank For:	234.98 2010	·	0.00	·	-234.98 -22344.29
5132	04/24/09	To:Payroll For:Salaries	1016.10 6200	·	0.00	·	-1016.10 -23360.39
[DEP]	04/24/09	To:deposit For:revenue transfer	0.00 6400	·	30000.00	·	+30000.00 6639.61
5133	04/29/09	To:Delta Dental For:Insurance	33.46 6025	·	0.00	·	-33.46 6606.15
5134	04/29/09	To:Bluegrass Family For:Health Insurance	945.02 6025	·	0.00	·	-945.02 5661.13
5135	04/29/09	To:Fort Dearborn Life For:Insurance	44.71 6025	·	0.00	·	-44.71 5616.42
[INT]	04/30/09	To:interest income For:interest	0.00 5090	·	12.64	·	+12.64 5629.06
5136	05/01/09	To:Ky Retirement System For:Σ	467.31 2010	·	0.00	·	-467.31 5161.75
5137	05/05/09	To:Brandon Arnold For:W/D Refund	100.00 2010	·	0.00	·	-100.00 5061.75
5138	05/05/09	To:Ky Riv. Com. Care For:Over Payment	170.86 2010	·	0.00	·	-170.86 4890.89
5139	05/07/09	To:Canteen Fund For:Payroll Deduction	2.50 2178	·	0.00	·	-2.50 4888.39
40	05/07/09	To:Whitaker Bank For:	208.24 2010	·	0.00	·	-208.24 4680.15

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4680.15

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
5141	05/07/09	To:Void For:	0.00 6200	·	0.00	·	0.00 4680.15
5142	05/07/09	To:Payroll For:Salaries	957.70 6200	·	0.00	·	-957.70 3722.45
[DEP]	05/08/09	To:deposit For:revenue transfer	0.00 6400	·	30801.33	·	+30801.33 34523.78
5143	05/11/09	To:USPO For:Postage Water Bills	265.47 7320	·	0.00	·	-265.47 34258.31
5144	05/13/09	To:USPO For:Postage	88.00 7105	·	0.00	·	-88.00 34170.31
5145	05/14/09	To:Whitaker Bank For:Prepaid Insurance	848.04 1250	·	0.00	·	-848.04 33322.27
5146	05/15/09	To:Appalachian Wireless For:Phone	23.22 6240	·	0.00	·	-23.22 33299.05
5147	05/18/09	To:Ky State Treasurer For:Sales Tax	1420.17 2150	·	0.00	·	-1420.17 31878.88
[AWT]	05/20/09	To:Ky state Treasurer For:State Tax	1186.99 2150	·	0.00	·	-1186.99 30691.89
5148	05/21/09	To:Consolidated Pipe Co For:Supplies	2500.91 6060	·	0.00	·	-2500.91 28190.98
5149	05/21/09	To:Canteen Fund For:Payroll Deduction	2.50 2178	·	0.00	·	-2.50 28188.48
5150	05/21/09	To:Whitaker Bank For:	210.51 6025	·	0.00	·	-210.51 27977.97
5151	05/21/09	To:Payroll For:Salary	950.60 6200	·	0.00	·	-950.60 27027.37
[INT]	05/31/09	To:interest income For:interest	0.00 5090	·	41.76	·	+41.76 27069.13
5152	06/01/09	To:CI Thornburg Co For:Supplies	2708.77 6060	·	0.00	·	-2708.77 24360.36
5153	06/01/09	To:Katrina Craft For:W/D Refund	100.00 2010	·	0.00	·	-100.00 24260.36
5154	06/02/09	To:Delta Dental For:Insurance	33.46 6025	·	0.00	·	-33.46 24226.90
55	06/02/09	To:Fort Dearborn For:Life Insurance	37.77 6025	·	0.00	·	-37.77 24189.13

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24189.13

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
5156	06/02/09	To:Bluegrass Family For:Health Insurance	645.02 6025	·	0.00	·	-645.02 23544.11
5157	06/03/09	To:Karen Wilcox For:W/D Refund	100.00 2010	·	0.00	·	-100.00 23444.11
[DEP]	06/03/09	To:deposit For:reimb R acct	0.00 5099	·	108.00	·	+108.00 23552.11
[DEP]	06/03/09	To:deposit For:revenue transfer	0.00 6400	·	24763.04	·	+24763.04 48315.15
5158	06/05/09	To:Ky Retirement System For:Σ Retirement	449.36 2178	·	0.00	·	-449.36 47865.79
5159	06/05/09	To:Canteen Fund For:Payroll	2.50 2178	·	0.00	·	-2.50 47863.29
5160	06/05/09	To:Whitaker Bank For:#941	243.09 2010	·	0.00	·	-243.09 47620.20
5161	06/05/09	To:Payroll For:Salaries	1054.32 6200	·	0.00	·	-1054.32 46565.88
5162	06/08/09	To:Chris Barrington For:W/D Refund	100.00 2010	·	0.00	·	-100.00 46465.88
5163	06/10/09	To:USPO For:Postage Water Bills	264.99 6320	·	0.00	·	-264.99 46200.89
5164	06/11/09	To:Parkway Pharmacy For:Film Developing	6.98 6350	·	0.00	·	-6.98 46193.91
5165	06/11/09	To:Lex Hearld Leader For:Qualifications for..	445.45 6350	·	0.00	·	-445.45 45748.46
5166	06/11/09	To:USPO For:Bill Cards	3.29 6320	·	0.00	·	-3.29 45745.17
5167	06/11/09	To:Ky River Authority For:Water Fees	1330.12 6330	·	0.00	·	-1330.12 44415.05
5168	06/11/09	To:Consolidated Pipe For:Serv Charge W/S Dept	223.60 6350	·	0.00	·	-223.60 44191.45
5170	06/15/09	To:Ky State Treasurer For:Deferred Comp	75.00 2176	·	0.00	·	-75.00 44116.45
5171	06/15/09	To:Ky State Treasurer For:Deferred Comp	50.00 2176	·	0.00	·	-50.00 44066.45
72	06/15/09	To:Void For:	0.00 2176	·	0.00	·	0.00 44066.45

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44066.45

Check #	Date	Description of Transaction	Debit (-)	T ✓	Credit (+)	C ✓	Balance
5173	06/15/09	To:Ky Rural Water Assoc For:09 KRWA Voting Mem..	325.00 6330	·	0.00	·	-325.00 43741.45
5169	06/16/09	To:Whitaker Bank For:Prepaid Insurance	565.37 1250	·	0.00	·	-565.37 43176.08
5174	06/18/09	To:Nick Hall For:W/D Refund	100.00 2010	·	0.00	·	-100.00 43076.08
5175	06/18/09	To:Ky State Treasurer For:Sales Tax	1160.58 2150	·	0.00	·	-1160.58 41915.50
5176	06/19/09	To:Canteen Fund For:Payroll Deduction	2.50 2178	·	0.00	·	-2.50 41913.00
5177	06/19/09	To:Whitaker Bank For:#941	242.06 6043	·	0.00	·	-242.06 41670.94
5178	06/19/09	To:Payroll For:Salary	1039.49 6200	·	0.00	·	-1039.49 40631.45
[AWT]	06/23/09	To:Ky State Treasurer For:State Tax	955.09 2150	·	0.00	·	-955.09 39676.36
5179	06/26/09	To:Veolia For:Management	22342.20 6600	·	0.00	·	-22342.20 17334.16
5180	06/29/09	To:Ky State Treasurer For:Deferred Comp	50.00 2176	·	0.00	·	-50.00 17284.16
5181	06/29/09	To:Bluegrass Family For:Health Insurance	945.02 6025	·	0.00	·	-945.02 16339.14
5182	06/29/09	To:Fort Dearborn Life For:Insurance	37.77 6025	·	0.00	·	-37.77 16301.37
5183	06/29/09	To:Delta Dental For:Insurance	33.46 6025	·	0.00	·	-33.46 16267.91
5184	06/30/09	To:USPO For:Stamps	88.00 6105	·	0.00	·	-88.00 16179.91
[INT]	06/30/09	To:interest income For:interest	0.00 5090	·	66.19	·	+66.19 16246.10
Totals:			520466.68		505053.59		16246.10