



**Up, up and away**

One of the features of the Kentucky Derby Festival is the Great Balloon Race, scheduled this year on April 28 at 7:30 a.m. at the Kentucky State Fairgrounds. The country's most prestigious balloon race features 30 hot-air balloons in a "Here and There" race, where one balloon is given a lead and the others try to catch up. —State photo.



**Your move**

Taking time out for a game of chess during a recent open house at Nicholas County High School were, from left, Mike Brunner, Edward Gody and Matthew Guthrie—Mercury photo.

## VOTE FOR

# Thomas Anderson

### For State Representative

Bath, Nicholas and Montgomery Counties

- More Industries and More Jobs
- No New Taxes
- Quality Education for All Children
- Eliminate the Fuel Adjustment Clause
- Cut Government Waste of Our Tax Dollars
- A Recreational Park
- Employment for Our Youth

**"Elect a man that will represent all the people"**

—Paid for by candidate, Thomas Anderson

## State's federal funds total \$46 million

The Commonwealth of Kentucky received \$46 million in federal revenue sharing money and \$17 million in antirecession fiscal assistance funds during fiscal year 1977-78. Kentucky's antirecession funds were used for salary increases to vocational teachers and other personnel employed by the Department of Education. Antirecession funds were allocated to state and local governments by the federal government in order to reduce the effects of a national recession.

Of the total revenue sharing expenditure, \$44,215,000 was spent on capital construction projects including an orphan land reclamation. Funds spent for construction projects were used mainly for the state new computer facility and grant for local education centers, and in the area of education, parks and recreation.

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## Johnson-Mathers Health Care, Inc.

**COMBINING BALANCE SHEETS**  
December 31.

ASSETS	1978	1977*
<b>Current Assets</b>		
Cash	\$ 21,943	\$ 14,294
Accounts receivable - patients, less allowance for doubtful receivables (note A2)	226,423	216,569
Investments (note A3)	26,560	26,560
Medicare and Medicaid settlement receivable (notes C and D)	71,000	66,300
Prepaid expenses	1,198	16,475
<b>Fixed Assets</b>		
PROPERTY, BUILDINGS AND EQUIPMENT (note A1)		
656,262	656,262	656,262
Equipment	251,200	307,900
Less accumulated depreciation (note A1)	(562,598)	(542,212)
Land	346,000	360,977
	15,000	15,000
	361,088	375,977
<b>OTHER ASSETS</b>		
Unamortized bond purchase receivables from the nursing home division (note A1)	8,019	8,331
Unamortized bond purchase costs (notes A1 and A5)	8,019	8,331
	17,848	17,662
	3734,895	3735,447
<b>RESTRICTED ASSETS (note A1)</b>		
U. S. Treasury notes	\$ 2,451	\$ 10,277
Certificate of deposit	25,000	25,000
	27,451	35,277
	175,287	168,413
	1978	1977*
<b>LIABILITIES</b>		
Current liabilities	\$ 37,000	\$ 18,000
Current maturities of long term debt	100,000	10,000
Trade accounts payable	149,870	176,716
Medicare and Medicaid settlement payable (notes C and D)	15,000	22,513
Accounts payable	143,360	15,000
Other liabilities	235,446	227,229
<b>LONG TERM DEBT (note A1)</b>		
4 1/2 % first mortgage bonds payable in annual installments of \$9,000 through 1978; 4 1/2 % bonds from 1979 through 1990; \$15,000 1981 through 1995; and \$20,000 from 1995 through 2003, collateralized by the property, buildings and equipment; bond payment due in 2003	370,000	380,000
Less current maturities	(10,000)	(10,000)
	360,000	370,000
<b>OTHER LIABILITIES</b>		
Non-interest bearing payable to the hospital division (note A1)	13,500	13,500
Non-interest bearing payable to the Nicholas County, Kentucky Fiscal Court	125,949	124,718
	17,550	16,813
	175,287	168,413

\*As restated (note D)  
The accompanying notes are an integral part of these statements.

**NOTES TO COMBINING FINANCIAL STATEMENTS**  
**December 31, 1978 and 1977**

**NOTE A - SUMMARY OF ACCOUNTING AND REPORTING POLICIES**  
A summary of the significant accounting policies consistently applied in the preparation of the accompanying combining financial statements.

**1. Financial Presentation**  
The combining financial statements include the accounts of the hospital and the nursing home, both of which are operated as separate divisions of Johnson-Mathers Health Care, Inc. under the names Nicholas County Hospital and Johnson-Mathers Nursing Home. The user chooses accounting bearing receivable and payable items, have been eliminated on the balance sheets of the corporation. The property, plant and equipment are reported on the balance sheet of Johnson-Mathers Health Care, Inc., an operating agency of the Nicholas County, Hospital Corporation, which is along with the Johnson-Mathers Health Care, Inc. The bonded individuals and the accompanying liabilities for bond treatment are also in the name of the Nicholas County Hospital Corporation.

Bonds maturing between the reported dates and the operating accounts have been reported on the statements of changes in fund balances and are not included in the statements of revenues and expenses. These statements do, however, include the depreciation attributable to the buildings and equipment used on the bonded individuals.

The end of the property, buildings and equipment, the bonded individuals and the restricted assets have been reported on the balance sheet to reflect a more financial position of the financial position of these health care providers. The restricted assets are set aside for principal and interest on the bonded individuals and the amount is in compliance with the financial requirements of the bond agreement.

**2. Accounts Receivable**  
Bad debts provision for settling the reverse method. The allowance was \$97,805 and \$78,333 in 1978 and 1977, respectively, for the hospital division. The allowance was \$150 in 1978 and 1977 for the nursing home division.

**3. Investments**  
Investments are stated at the lower of cost or market. Cost is determined by the first-in, first-out method.

**4. Depreciation**  
Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, on a straight-line basis. Depreciation expense and property on the declining balance method for the nursing home division.

**NOTE B - MEDICARE AND MEDICAID SETTLEMENT RECEIVABLE OR PAYABLE**  
Bond insurance costs are being accounted on a straight-line basis over the term of the bond.

**NOTE C - MEDICARE AND MEDICAID SETTLEMENT RECEIVABLE OR PAYABLE**  
As participants in the Medicare and Medicaid programs, the entities are eligible to file with the administrative agencies of these programs, a statement of reimbursable costs for the year. These reports are subject to administrative review and audit by the programs administrators. The amount of any such adjustment, if management, any adjustment would not materially affect the financial position of Johnson-Mathers Health Care, Inc. for the year ended December 31, 1977 or the hospital division for the year ended December 31, 1977.

**NOTE D - RETROACTIVE RESTATMENT RESULTING FROM PRIOR PERIOD ADJUSTMENT**  
Review of the financial statements of Johnson-Mathers Health Care, Inc. for the year ended December 31, 1978, it was discovered that the Medicare and Medicaid cost reports for the hospital division for the year ended December 31, 1977 contained an error in computing provider reimbursable costs. The error had the effect of reducing the Medicare and Medicaid settlement receivable for 1977 from \$61,000 to \$22,513. The effect on excess of revenues over expenses of the hospital division, and on excess of revenues over expenses of Johnson-Mathers Health Care, Inc. for the year ended December 31, 1977 is as follows:

Hospital Division	1977	Corrected
Excess of revenues over expenses, as previously reported	\$ 45,373	\$ 50,788
Retroactive restatement for correction of error	(35,000)	(35,000)
Excess of revenues over expenses, as restated	\$ 10,373	\$ 15,788

The combining balance sheet of Johnson-Mathers Health Care, Inc. for the year ended December 31, 1977, and the related combining statements of revenues and expenses, fund balances and changes in financial positions of the unrestricted fund for the year then ended have been restated for the effect of the correction.



**Candidates' debate**

74th District Representative Adrian Arnold (foreground) listens to his opponent in the Democratic May primary, Thomas Anderson of Owensville, speak during a recent meeting of the Carlisle Community Women's Club. The club invited both candidates to address them on the issues facing the voters as part of their replying activities in the civic area. — Photo by Jean Ann Kerr.

## Dates, regulations told for 1979 deer seasons

The Fish and Wildlife Commission last week approved regulations for the 1979 Kentucky gun and archery deer seasons similar to those in effect last year, according to Carl E. Kays, commissioner of the Department of Fish and Wildlife Resources.

Gun and bow hunting will be permitted in 118 of Kentucky's 120 counties, with an archery season limited to five days, including Oct. 15, Nov. 7, Nov. 13-19 and Dec. 6-11. In addition, 11-day crossbow only season for either sex deer is scheduled for Nov. 20-Nov. 29 in 26 open counties, according to the proposed regulations.

For the gun deer season, Kentucky's open counties will be divided into four zones, each with differing regulations.

In 75 counties, the gun deer season will consist of two "long weekend" hunts—Nov. 10-12 and Dec. 1-3. Only antlered deer (deer with at least one antler four inches long or longer) may be taken in 68 of the counties, while in three counties there will be one day of either sex and five days of antlered deer only hunting. In one county and in portions of three others, either sex deer may be taken on all six days.

In 35 counties, hunting will be permitted for antlered deer for three days only, Nov. 16-17. Ten counties are closed to both gun and bow deer hunting in western Kentucky.

The "zone 1" counties (open to either sex deer for six days) are Edmonson, Barren west of Interstate 65, Hart west of 145 and south of Kentucky 86, and Ballard north and west of U.S. 60. The other portions of either sex deer only are for antlered deer only on all six days.

"Zone 2" counties, open for one day of either sex (Nov. 12) and five days of antlered deer only hunting, are Crittenden, Livingston and McCracken counties in western Kentucky.

The "zone 4" counties, open for three days (Nov. 16-17) for antlered deer only, are the following: Adair, Bell, Bourbon, Breathitt, Clark, Clay, Clinton, Davies, Fayette, Garrard, Greenup, Harlan, Harlan, Jackson, Jefferson, Jessamine, Kenton, Knox, Laurel, Lee, Leslie, Letcher, Lyon, Madison, Marshall, Mercer, Metcalfe, Montgomery, Morgan, Owsley, Pike, Rockcastle, Simpson, Whitesley and Woodford.

All other open counties are classed as "zone 3" and are open for all six days for antlered deer only. The 19 closed counties are Gallit, Floyd, Johnson, Knott, Lincoln, Magoffin, Martin, Perry, Powell and Wolfe. Information on special area requirements, special area hunts and details of the upcoming deer hunts will be announced at a later date.

## Rural Kentucky counties show population gains

Since 1970, Kentucky's rural counties have experienced dramatic population growth, says a social demographer in the University of Kentucky College of Agriculture.

This rural population explosion has been accompanied by a decline in the rate of growth in the state's metropolitan counties, according to Lorraine E. Garkovich.

The researcher studied Kentucky rural and urban population trends from 1970 to 1978.

Her study shows that from 1970 to 1978, metropolitan areas had a population gain of only three per cent compared with an increase of 10 per cent for rural counties.

"This mirrors a similar trend in the nation of rapid growth of rural counties and slowed growth for metropolitan counties," says Garkovich.

The proportion of Kentucky's population living in metropolitan areas dropped between 1970 and 1978 — from 47 per cent to 45 per cent. "While only a small shift in geographic distribution of Kentucky population, this change may signal what many are calling a 'rural renaissance,'" says Garkovich.

Another trend shown by the study involves the migratory pattern.

Between 1970 and 1978, rural counties lost 428,000 people through net migration while the metropolitan areas gained 36,000 people. "This pattern continued through 1978, then reversed. From 1970 to 1978, rural counties gained 10,000 residents through net immigration.

"This suggests Kentucky's rural areas are becoming increasingly attractive to its current residents and perceived as more desirable by former urban residents," according to Garkovich.

She adds, "Recent national and statewide surveys indicate that the majority of persons would prefer to live in rural areas, and since 1970 many Kentuckians have been acting on this preference."

Garkovich also notes that until recently, all metropolitan areas of Kentucky were located in the north and central parts of the state, but since 1970 the Clarksville (Tenn.) — Hopkinsville area in southwestern Kentucky has been designated a metropolitan area.

## Charles Cole named to administrate state court system

Chief Justice John S. Palmer has announced that Charles D. Cole, Atlanta, GA., will assume the position of Director of the Kentucky Administrative Office of the Courts May 15, 1979.

Cole will replace William E. Davis, who submitted his resignation to the Supreme Court, effective July 1, 1979. He will be working together for six weeks in order to effect a smooth transition in the operation of the agency.

Cole is a native of Alabama, and is a graduate of the Cumberland School of Law, Sanford University, Birmingham. He received his LLM from New York University, and was a professor of law at Cumberland School of Law from 1966 to 1975. In 1972 he was selected by Chief Justice Howell Heflin of the Alabama Supreme Court to be Director of the Judicial Articled Advisory Committee. Under his leadership, a constitutional amendment was passed which

## —Elect— Charles "Chich" Lenz Jailer

My wife Emma and I look a job that nobody else wanted and we had to change our lives to the job that you as Nicholas County demanded. We will do so as long as we are in the office of jailer. My wife is a sworn Matron for the jail and is on duty 24 hours a day. If we are elected we will continue to do the job that Nicholas County deserves and will get. We have both attended the jailer course on the new laws at Eastern University. The fiscal court is made up of outstanding leadership and they can tell what kind of job my wife and I are doing. I hope to see every one before May 29, but in case I don't, I appreciate your vote and help in May. With your vote and the good Lord's help, I will continue to be your jailer.

Thanking you,  
Mr. & Mrs. Charles (Chich) Lenz

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