

Rubin & Hays

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CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

June 8, 2012

RECEIVED

JUN 12 2012

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Jessamine County Water District No. 1 PSC Application

Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of the Application of the Jessamine County Water District No. 1 for an Order authorizing the District to issue securities pursuant to KRS 278.300.

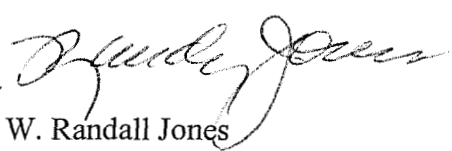
This Application requests approval of the issuance of securities for the purpose of refunding certain high interest Bonds of the Applicant.

Thank you for your assistance and if you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By


W. Randall Jones

WRJ:jl
Enclosures

cc: Ms. Karen Lee, Jessamine County Water District No.1
Ms. Kristen Curtis, Morgan Keegan

RECEIVED

JUN 12 2012

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

THE APPLICATION OF JESSAMINE)
 COUNTY WATER DISTRICT NO. 1 TO ISSUE)
 SECURITIES IN THE APPROXIMATE)
 PRINCIPAL AMOUNT OF \$1,065,000 FOR)
 THE PURPOSE OF REFUNDING) CASE NO. 2012 - _____
 CERTAIN OUTSTANDING REVENUE BONDS OF)
 THE DISTRICT PURSUANT TO THE PROVISIONS)
 OF KRS 278.300 AND 807 KAR 5:001)

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

APPLICATION

The Applicant, Jessamine County Water District No. 1 (the "District"), files this Application pursuant to KRS 278.300, 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") enter an Order authorizing the District to issue certain securities in the approximate principal amount of \$1,065,000 (subject to adjustment of up to 10%), for the purpose of refunding certain outstanding waterworks revenue bonds of the District. In support of this Application, and in compliance with the rules and regulations of the Commission, the District states as follows:

1. The District was established in accordance with the provisions of Chapter 74 of the Kentucky Revised Statutes pursuant to an Order of the County Judge/Executive of Jessamine County, which Order is on file in the County Court Order Books in the office of the Clerk of Jessamine County, Kentucky. The District is now, and has been since its inception, regulated by the

Commission, and all records and proceedings of the Commission with reference to the District are incorporated in this Application by reference. The District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

2. The governing body of the District is its Board of Commissioners which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS 74.070 and all applicable law and regulations.

3. The mailing address of the District is as follows:

Jessamine County Water District No. 1
c/o Ms. Karen Lee, Office Manager
2225 Lexington Road
Nicholasville, Kentucky 40356
Telephone: (859) 885-9314

4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's Annual Report for 2011 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. The District proposes to borrow funds from the Kentucky Rural Water Finance Corporation ("KRWFC") pursuant to an Assistance Agreement (the "KRWFC Loan"), in the estimated principal amount of \$1,065,000 (subject to adjustment of up to 10%) for the purpose of refunding the outstanding revenue bonds designated as Jessamine County Water District No. 1 Water System Revenue Bonds, Series 2000A, dated June 2, 2000, in the original principal amount of \$1,194,000, bearing interest at the rate of 5.00% per annum (the "Prior Bonds"). The Prior Bonds are held by the U.S. Department of Agriculture, acting through Rural Development.

6. The estimated debt service for the KRWFC Loan is shown in **Exhibit "A"**, which is attached hereto and incorporated herein by reference. The debt service schedule and estimated

interest rates are subject to change because of market conditions. The final terms and details of the KRWFC Loan may vary from the present assumptions based upon market conditions and other business judgment factors.

7. The KRWFC Loan will provide the District with the funds necessary to (i) refund the Prior Bonds; and (iii) pay the fees and expenses incident to the issuance of the KRWFC Loan.

8. The Sources and Uses of Funds to be obtained from the issuance of the KRWFC Loan are detailed as **Exhibit "B"**, which is attached hereto and incorporated herein by reference.

9. It is anticipated that the proposed refinancing will result in a net present value benefit of approximately \$111,807.24. These savings are shown on the Debt Service Comparison, which is attached hereto and incorporated herein by reference as **Exhibit "C"**.

10. The final principal amount of the KRWFC Loan will be adjusted based upon final interest rates which will be known on or about the date of sale of the proposed KRWFC Loan. Final financial figures will be submitted to the Commission in a timely manner. The Applicant will not issue the securities if interest rates in the bond market shift to a point where the Applicant will not achieve any debt service savings.

11. The Debt Service Schedule of the outstanding Prior Bonds being refunded is set forth in **Exhibit "D"**.

12. The District represents that the KRWFC Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of the District by producing substantial debt service savings. This is a lawful object within the corporate purposes of the District's utility operations. The KRWFC Loan is necessary, appropriate for, and consistent with

the proper performance by the District of its service to the public and will not impair its ability to perform that service.

13. The District represents that it will, as soon as reasonably possible after the closing of the KRWFC Loan, file with the Commission a statement setting forth the date of issuance of the KRWFC Loan, the price paid, the fees and expenses incurred in the issuance of the KRWFC Loan, and the terms and interest rates of the KRWFC Loan.

14. The detailed Statement of Revenues and Expenses and Changes in Net Assets, Balance Sheet and Statement of Cash Flows for the twelve month period ending on December 31, 2010 are attached hereto and incorporated herein by reference as **Exhibit E** respectively.

15. The remaining financial schedules and other information necessary for the Financial Exhibit required by 807 KAR 5:001, Section 6 and Section 11 (2) (a) are contained in the 2011 Annual Report which is on file with the Commission. The Annual Report is incorporated herein by reference.

16. Pursuant to 807 KAR 5:001, the District hereby responds as follows:

- (a) Section 6(4) Mortgages: The District does not have any mortgages in effect as of the date hereof.
- (b) Section 6(5) Bonds: The KRWFC Loan will be secured by a pledge of the revenues of the District's Water System.
- (c) Section 11(2)(b): The District does not have any trust deeds in effect as of the date hereof.
- (d) Section 11(2)(c): No property is being acquired as the proceeds of the securities are being used for the refunding of the Prior Bonds.

17. The District hereby requests and moves for a deviation, pursuant to 807 KAR 5:001, Section 14, from the requirements of 807 KAR 5:001, Section 6, which requires that the financial data filed with the Application be for a twelve (12) month period ending within ninety (90) days of the filing of the application. The District states that there has been no change that is material in nature in the financial condition or operation of the District since December 31, 2010. The financial data filed with this Application is for the twelve (12) month period ending December 31, 2010. This is the most recent published financial data available. Because of the volatility of the bond market, the District cannot run the risk of delaying the closing of the KRWFC Loan while more current financial data is compiled.

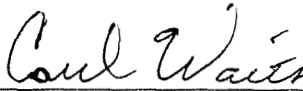
18. No rate adjustment will be necessary.

WHEREFORE, the District respectfully requests that the Commission take the following actions:

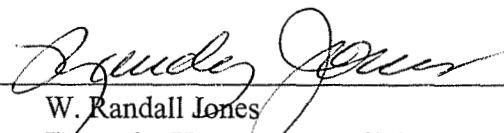
1. Authorize the issuance of the securities requested in the Application;
2. Grant the District a deviation from 807 KAR 5:001, Section 6 to allow the submission of the District's 2011 Annual Report and 2010 audited financial statements in lieu of more recent financial data as there has been no change that is material in nature in the financial condition or operation of the District since December 31, 2010, and due to the volatility of the present bond market; and
3. Process this Application without a formal hearing in order to save time and expense.

The District will promptly respond to any information requests by the Commission's staff.

Jessamine County Water District No. 1

By 
Carl Waits, Chairman
2225 Lexington Road
Nicholasville, Kentucky 40356
Phone: (859) 885-9314

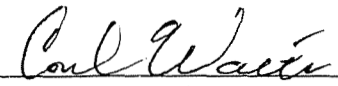
Rubin & Hays

By 
W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Counsel for Jessamine County Water
District No. 1

STATE OF KENTUCKY)
) SS
COUNTY OF JESSAMINE)

The affiant, Carl Waits, being first duly sworn, states: That he is the Chairman of the Jessamine County Water District No 1, the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, he believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 4th day of June, 2012.



Carl Waits, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Carl Waits, Chairman of the Jessamine County Water District No. 1, on this the 4th day of June, 2012.

My Commission expires: ~~My Commission Expires February 21, 2015~~



NOTARY PUBLIC

Preliminary

\$1,065,000

Jessamine County Water District #1

Kentucky Rural Water Finance Corporation

Public Projects Refunding Bonds, Series 2012 E

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/23/2012	-	-	-	-	-
02/01/2013	-	-	24,343.33	24,343.33	-
08/01/2013	20,000.00	2.900%	20,100.00	40,100.00	-
12/30/2013	-	-	-	-	64,443.33
02/01/2014	-	-	19,810.00	19,810.00	-
08/01/2014	25,000.00	3.600%	19,810.00	44,810.00	-
12/30/2014	-	-	-	-	64,620.00
02/01/2015	-	-	19,360.00	19,360.00	-
08/01/2015	25,000.00	3.850%	19,360.00	44,360.00	-
12/30/2015	-	-	-	-	63,720.00
02/01/2016	-	-	18,878.75	18,878.75	-
08/01/2016	25,000.00	3.150%	18,878.75	43,878.75	-
12/30/2016	-	-	-	-	62,757.50
02/01/2017	-	-	18,485.00	18,485.00	-
08/01/2017	30,000.00	2.300%	18,485.00	48,485.00	-
12/30/2017	-	-	-	-	66,970.00
02/01/2018	-	-	18,140.00	18,140.00	-
08/01/2018	30,000.00	3.250%	18,140.00	48,140.00	-
12/30/2018	-	-	-	-	66,280.00
02/01/2019	-	-	17,652.50	17,652.50	-
08/01/2019	30,000.00	3.250%	17,652.50	47,652.50	-
12/30/2019	-	-	-	-	65,305.00
02/01/2020	-	-	17,165.00	17,165.00	-
08/01/2020	30,000.00	3.250%	17,165.00	47,165.00	-
12/30/2020	-	-	-	-	64,330.00
02/01/2021	-	-	16,677.50	16,677.50	-
08/01/2021	30,000.00	3.250%	16,677.50	46,677.50	-
12/30/2021	-	-	-	-	63,355.00
02/01/2022	-	-	16,190.00	16,190.00	-
08/01/2022	30,000.00	3.300%	16,190.00	46,190.00	-
12/30/2022	-	-	-	-	62,380.00
02/01/2023	-	-	15,695.00	15,695.00	-
08/01/2023	35,000.00	3.400%	15,695.00	50,695.00	-
12/30/2023	-	-	-	-	66,390.00
02/01/2024	-	-	15,100.00	15,100.00	-
08/01/2024	35,000.00	3.500%	15,100.00	50,100.00	-
12/30/2024	-	-	-	-	65,200.00
02/01/2025	-	-	14,487.50	14,487.50	-
08/01/2025	35,000.00	3.400%	14,487.50	49,487.50	-
12/30/2025	-	-	-	-	63,975.00
02/01/2026	-	-	13,892.50	13,892.50	-
08/01/2026	35,000.00	3.700%	13,892.50	48,892.50	-
12/30/2026	-	-	-	-	62,785.00
02/01/2027	-	-	13,245.00	13,245.00	-
08/01/2027	40,000.00	3.800%	13,245.00	53,245.00	-
12/30/2027	-	-	-	-	66,490.00
02/01/2028	-	-	12,485.00	12,485.00	-
08/01/2028	40,000.00	3.800%	12,485.00	52,485.00	-
12/30/2028	-	-	-	-	64,970.00
02/01/2029	-	-	11,725.00	11,725.00	-
08/01/2029	40,000.00	3.800%	11,725.00	51,725.00	-
12/30/2029	-	-	-	-	63,450.00
02/01/2030	-	-	10,965.00	10,965.00	-
08/01/2030	45,000.00	3.900%	10,965.00	55,965.00	-
12/30/2030	-	-	-	-	66,930.00
02/01/2031	-	-	10,087.50	10,087.50	-
08/01/2031	45,000.00	3.900%	10,087.50	55,087.50	-
12/30/2031	-	-	-	-	65,175.00
02/01/2032	-	-	9,210.00	9,210.00	-
08/01/2032	45,000.00	4.050%	9,210.00	54,210.00	-
12/30/2032	-	-	-	-	63,420.00
02/01/2033	-	-	8,298.75	8,298.75	-
08/01/2033	50,000.00	4.050%	8,298.75	58,298.75	-
12/30/2033	-	-	-	-	66,597.50
02/01/2034	-	-	7,286.25	7,286.25	-
08/01/2034	50,000.00	4.050%	7,286.25	57,286.25	-
12/30/2034	-	-	-	-	64,572.50
02/01/2035	-	-	6,273.75	6,273.75	-
08/01/2035	55,000.00	4.050%	6,273.75	61,273.75	-
12/30/2035	-	-	-	-	67,547.50
02/01/2036	-	-	5,160.00	5,160.00	-
08/01/2036	55,000.00	4.300%	5,160.00	60,160.00	-
12/30/2036	-	-	-	-	65,320.00
02/01/2037	-	-	3,977.50	3,977.50	-
08/01/2037	60,000.00	4.300%	3,977.50	63,977.50	-
12/30/2037	-	-	-	-	67,955.00
02/01/2038	-	-	2,687.50	2,687.50	-
08/01/2038	60,000.00	4.300%	2,687.50	62,687.50	-
12/30/2038	-	-	-	-	65,375.00
02/01/2039	-	-	1,397.50	1,397.50	-
08/01/2039	65,000.00	4.300%	1,397.50	66,397.50	-
12/30/2039	-	-	-	-	67,795.00
Total	\$1,065,000.00	-	\$693,108.33	\$1,758,108.33	-

Yield Statistics

Bond Year Dollars	\$17,492.42
Average Life	16.425 Years
Average Coupon	3.9523360%
Net Interest Cost (NIC)	3.9637718%
True Interest Cost (TIC)	3.9268221%
Bond Yield for Arbitrage Purposes	3.5835106%
All Inclusive Cost (AIC)	4.1006316%

IRS Form 8038

Net Interest Cost	3.9939463%
Weighted Average Maturity	16.305 Years

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Morgan Keegan & Company, Inc.

Public Finance

Preliminary

\$1,065,000

Jessamine County Water District #1
Kentucky Rural Water Finance Corporation
Public Projects Refunding Bonds, Series 2012 E

Sources & Uses

Dated 06/23/2012 | Delivered 06/23/2012

Sources Of Funds

Par Amount of Bonds	\$1,065,000.00
Transfers from Prior Issue Debt Service Funds	29,312.50
Total Sources	\$1,094,312.50

Uses Of Funds

Original Issue Discount (OID)	251.15
Costs of Issuance	20,975.00
Deposit to Current Refunding Fund	1,072,011.67
Rounding Amount	1,074.68
Total Uses	\$1,094,312.50

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Preliminary

\$1,065,000

Jessamine County Water District #1
Kentucky Rural Water Finance Corporation
Public Projects Refunding Bonds, Series 2012 E

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/30/2012	-	-	26,175 00	26,175 00
12/30/2013	64,443 33	64,443 33	69,900 00	5,456 67
12/30/2014	64,620 00	64,620 00	69,975 00	5,355 00
12/30/2015	63,720 00	63,720 00	70,000 00	6,280 00
12/30/2016	62,757 50	62,757 50	69,975 00	7,217 50
12/30/2017	66,970 00	66,970 00	70,387 50	3,417 50
12/30/2018	66,280 00	66,280 00	70,237 50	3,957 50
12/30/2019	65,305 00	65,305 00	70,037 50	4,732 50
12/30/2020	64,330 00	64,330 00	70,275 00	5,945 00
12/30/2021	63,355 00	63,355 00	70,437 50	7,082 50
12/30/2022	62,380 00	62,380 00	70,525 00	8,145 00
12/30/2023	66,390 00	66,390 00	70,537 50	4,147 50
12/30/2024	65,200 00	65,200 00	70,475 00	5,275 00
12/30/2025	63,975 00	63,975 00	70,825 00	6,850 00
12/30/2026	62,785 00	62,785 00	70,587 50	7,802 50
12/30/2027	66,490 00	66,490 00	70,762 50	4,272 50
12/30/2028	64,970 00	64,970 00	70,837 50	5,867 50
12/30/2029	63,450 00	63,450 00	71,300 00	7,850 00
12/30/2030	66,930 00	66,930 00	71,150 00	4,220 00
12/30/2031	65,175 00	65,175 00	71,387 50	6,212 50
12/30/2032	63,420 00	63,420 00	71,500 00	8,080 00
12/30/2033	66,597 50	66,597 50	71,487 50	4,890 00
12/30/2034	64,572 50	64,572 50	71,350 00	6,777 50
12/30/2035	67,547 50	67,547 50	72,062 50	4,515 00
12/30/2036	65,320 00	65,320 00	71,625 00	6,305 00
12/30/2037	67,955 00	67,955 00	72,037 50	4,082 50
12/30/2038	65,375 00	65,375 00	72,275 00	6,900 00
12/30/2039	67,795 00	67,795 00	73,800 00	6,005 00
Total	\$1,758,108.33	\$1,758,108.33	\$1,941,925.00	\$183,816.67

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	183,816 67
Gross PV Debt Service Savings	140,045 06
Net PV Cashflow Savings @ 3.584%(Bond Yield)	140,045 06
Transfers from Prior Issue Debt Service Fund	(29,312 50)
Contingency or Rounding Amount	1,074 68
Net Future Value Benefit	\$155,578 85
Net Present Value Benefit	\$111,807 24
Net PV Benefit / \$1,047,000 Refunded Principal	10 679%
Net PV Benefit / \$1,065,000 Refunding Principal	10 498%

Refunding Bond Information

Refunding Dated Date	6/23/2012
Refunding Delivery Date	6/23/2012
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Morgan Keegan & Company, Inc.

Public Finance

Preliminary

\$1,194,000

Jessamine Co. WD #2

USDA-RD Loan

Series 2000 A

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/30/2012	-	-	26,175.00	26,175.00
12/30/2013	18,000.00	-	51,900.00	69,900.00
12/30/2014	19,000.00	-	50,975.00	69,975.00
12/30/2015	20,000.00	-	50,000.00	70,000.00
12/30/2016	21,000.00	-	48,975.00	69,975.00
12/30/2017	22,500.00	-	47,887.50	70,387.50
12/30/2018	23,500.00	-	46,737.50	70,237.50
12/30/2019	24,500.00	-	45,537.50	70,037.50
12/30/2020	26,000.00	-	44,275.00	70,275.00
12/30/2021	27,500.00	-	42,937.50	70,437.50
12/30/2022	29,000.00	-	41,525.00	70,525.00
12/30/2023	30,500.00	-	40,037.50	70,537.50
12/30/2024	32,000.00	-	38,475.00	70,475.00
12/30/2025	34,000.00	-	36,825.00	70,825.00
12/30/2026	35,500.00	-	35,087.50	70,587.50
12/30/2027	37,500.00	-	33,262.50	70,762.50
12/30/2028	39,500.00	-	31,337.50	70,837.50
12/30/2029	42,000.00	-	29,300.00	71,300.00
12/30/2030	44,000.00	-	27,150.00	71,150.00
12/30/2031	46,500.00	-	24,887.50	71,387.50
12/30/2032	49,000.00	-	22,500.00	71,500.00
12/30/2033	51,500.00	-	19,987.50	71,487.50
12/30/2034	54,000.00	-	17,350.00	71,350.00
12/30/2035	57,500.00	-	14,562.50	72,062.50
12/30/2036	60,000.00	-	11,625.00	71,625.00
12/30/2037	63,500.00	-	8,537.50	72,037.50
12/30/2038	67,000.00	-	5,275.00	72,275.00
12/30/2039	72,000.00	5.000%	1,800.00	73,800.00
Total	\$1,047,000.00	-	\$894,925.00	\$1,941,925.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	6/23/2012
Average Life	16.617 Years
Average Coupon	5.0000000%
Weighted Average Maturity (Par Basis)	16.617 Years

Refunding Bond Information

Refunding Dated Date	6/23/2012
Refunding Delivery Date	6/23/2012

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Morgan Keegan & Company, Inc.

Public Finance

JESSAMINE COUNTY WATER DISTRICT NO. 1
STATEMENT OF NET ASSETS
DECEMBER 31,

	2010	2009
ASSETS		
Current Assets:		
Cash	\$ 244,264	\$ 229,547
Accounts receivable	105,326	107,941
Prepaid expenses	5,337	5,257
Total Current Assets	354,927	342,745
Restricted Cash Accounts:		
Customer deposits	77,024	65,511
Reserve accounts for revenue bonds	125,550	117,093
Total Restricted Cash Accounts	202,574	182,604
Utility Plant:		
Pumping Plant and Distribution System	6,455,441	6,322,051
Less, accumulated depreciation	(1,832,397)	(1,671,744)
Net Plant and Distribution System	4,623,044	4,650,307
Other Assets:		
Cash - District-designated reserves	470,323	454,221
Unamortized bond costs	7,225	7,781
Total Other Assets	477,548	462,002
Total Assets	\$ 5,658,093	\$ 5,637,658

LIABILITIES AND RETAINED EARNINGS

Current Liabilities:		
Accounts payable	\$ 10,163	\$ 14,359
Sales, utilities and payroll taxes payable	6,380	8,813
Accrued interest	7,395	7,969
Current portion of revenue bonds	36,000	34,300
Customer deposits	32,675	28,050
Total Current Liabilities	92,613	93,491
Long-Term Debt:		
Revenue bonds, net of current portion	1,576,600	1,612,600
Net Assets:		
Invested in capital assets	3,017,669	3,011,188
Restricted	96,270	92,219
Unrestricted - Board-reserved for major maintenance	470,323	454,221
Unrestricted - Unreserved	404,618	373,939
Total Retained Earnings	3,988,880	3,931,567
Total Liabilities and Retained Earnings	\$ 5,658,093	\$ 5,637,658

The accompanying notes are an integral part of these financial statements.

Page 3

JESSAMINE COUNTY WATER DISTRICT NO. 1
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009
Revenues:		
Water sales	\$ 1,204,339	\$ 972,048
Penalties	14,479	17,052
Service charges	15,027	10,082
Total Revenues	1,233,845	999,182
Operating Expenses:		
Water purchased	643,475	488,525
Depreciation	160,653	181,551
Office payroll	69,573	73,092
Meter readings and testings	162,476	117,308
Maintenance and repairs	61,114	82,574
Office and miscellaneous	35,818	47,825
Payroll taxes and employee insurance	28,145	24,719
Professional fees	30,446	25,725
Commissioners' salaries	18,000	18,000
Engineering	14,280	11,634
Utilities and telephone	13,603	15,417
Rent	23,432	23,400
Insurance	13,790	14,773
Bad debts	3,423	4,138
Total Operating Expenses	1,278,228	1,128,681
Operating Income (Loss)	(44,383)	(129,499)
Nonoperating Income and (Expenses):		
Interest income	18,125	13,852
Interest expense	(86,534)	(88,411)
Loss Before Capital Contributions	(112,792)	(204,058)
Governmental Grants and Other Contributions:		
Grants and Contributions	153,430	483,178
Connection Fees	16,675	40,826
Change in Net Assets	57,313	319,946
Net Assets, Beginning of Year	3,931,567	3,611,621
Net Assets, End of Year	\$ 3,988,880	\$ 3,931,567

JESSAMINE COUNTY WATER DISTRICT NO. 1
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31,

	2010	2009
Increase (Decrease) in Cash and Cash Equivalents:		
Cash Flows from Operating Activities:		
Cash received from customers	\$ 1,233,037	\$ 996,582
Cash paid to suppliers and service providers	(1,120,861)	(965,678)
Net customer deposits	4,625	(2,375)
Net Cash Provided by Operating Activities	116,801	28,529
Cash Flows from Investing Activities:		
Interest received	18,125	13,852
Net Cash Provided by Investing Activities	18,125	13,852
Cash Flows from Capital Financing Activities:		
Connection fees and other contributions	170,105	524,004
Capital expenditures	(133,390)	(496,403)
Interest paid	(86,552)	(88,158)
Principal payments under bond obligations	(34,300)	(32,600)
Net Cash Used by Capital Financing Activities	(84,137)	(93,157)
Net Increase (Decrease) in Cash and Cash Equivalents	50,789	(50,776)
Cash and Cash Equivalents - Beginning of Year	866,372	917,148
Cash and Cash Equivalents - End of Year	\$ 917,161	\$ 866,372
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities:		
Loss from Operations	\$ (44,383)	\$ (129,499)
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation	160,653	181,551
(Increase) Decrease in accounts receivable	2,615	1,538
(Increase) Decrease in prepaid expenses	(80)	410
Increase (Decrease) in customer deposits	4,625	(2,375)
Increase (Decrease) in accounts payable and accruals	(6,629)	(23,096)
Net Cash Provided by Operating Activities	\$ 116,801	\$ 28,529