

Daniel D. Briscoe, Jr.
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SEP 03 2019

PUBLIC SERVICE
COMMISSION

August 30, 2019

Via Federal Express

Gwen R. Pinson
Executive Director
Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, KY 40601

Re: *Application of Caldwell County Water District for Approval to Enter into a Lease Agreement for the Purpose of Refinancing Certain Outstanding Obligations – Kentucky PSC Case No. 2019- 00311*

Dear Ms. Pinson:

Enclosed for filing is an original and eleven (11) copies of Caldwell County Water District's application for approval by the Commission to enter into a Lease Agreement with the Kentucky Association of Counties financing program for the purpose of refinancing certain outstanding obligations for debt savings.

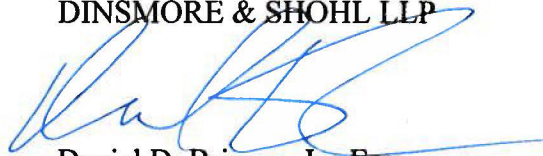
Enclosed please also find a CD containing an excel spreadsheet showing how the net present value of the savings to the District has been calculated.

Please return a file stamped copy and return to me in the stamped self-addressed envelope.

Thank you, and if you have any questions with regard to this matter, please call me.

Sincerely,

DINSMORE & SHOHL LLP



Daniel D. Briscoe, Jr., Esq.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

SEP 03 2019

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF CALDWELL COUNTY)
WATER DISTRICT FOR APPROVAL TO ENTER)
INTO A LEASE AGREEMENT WITH THE)
KENTUCKY ASSOCIATION OF COUNTIES)
LEASING TRUST, IN AN APPROXIMATE) CASE NO. 2019- 00311
PRINCIPAL AMOUNT OF \$1,710,000 FOR THE)
PURPOSE OF REFINANCING OUTSTANDING)
OBLIGATIONS OF THE CALDWELL COUNTY)
WATER DISTRICT.)

APPLICATION

The applicant Caldwell County Water District (the "District"), by counsel, 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 enter into a Lease Agreement (the "Lease") with the Kentucky Association of Counties Finance Corporation ("KACOFC"), a bond issuing corporation established by parties to an Interlocal Cooperation Agreement (the "Interlocal Agreement"). KACOFC is managed by the Kentucky Association of Counties, and the District has become a party to the Interlocal Agreement. Proceeds of the Lease will be used by the District to refund and retire a portion of the District's outstanding debt, as described in paragraph (5), and will provide debt service savings to the District and resulting savings to ratepayers.

In support of this Application, the District states as follows:

(1) That it is a water district organized pursuant to KRS Chapter 74, and its full legal name is Caldwell County Water District (807 KAR 5:001, Section 8(1)).

(2) The governing body of the District is its Board of Commissioners, a body corporate with the power to make contracts in the furtherance of its lawful and proper purposes as KRS 74.010 provides. The District is now, and has been since its formation, regulated by the

Commission, 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.

(3) The mailing address of the District is:

118 W. Market Street	(270) 365-9381
Princeton, Kentucky	(270) 365-9591 Fax

(4) A description of the District's water system and its property, together with a statement of the original cost is contained in its current Annual Report which is on file with the Commission, the Annual Report is incorporated herein by reference.

(5) The District proposes to enter into the Lease with KACOFB in the approximate principal amount of \$1,710,000. The Lease will be secured by a pledge of district revenues. The Lease is being entered into for the purpose of refunding the following outstanding obligations of the District (the "Prior Obligations"):

- (i) Waterworks Revenue Bonds, Series 1993, dated as of October 22, 1993, initially issued in the principal amount of \$410,000, currently outstanding in the principal amount of \$241,000;
- (ii) Waterworks Revenue Bonds, Series 1996, dated as of November 12, 1996, initially issued in the principal amount of \$900,000, currently outstanding in the principal amount of \$586,000;
- (iii) Waterworks Revenue Bonds, dated as of December 30, 1999, initially issued in the amount of \$800,000, currently outstanding in the principal amount of \$305,000; and
- (iv) Waterworks Revenue Bonds, Series 2002, dated as of June 17, 2003, initially issued in the principal amount of \$815,000, currently outstanding in the principal amount of \$638,000.

(6) The estimated debt service for the Lease is shown in Exhibit A-1, hereto, which is incorporated by reference. Payments under the Lease will match debt service payments on related bonds to be issued by KACOFB, as described below. Once the bonds underlying the KACOFB deal are sold, the final price will be fixed, which determines the payments to be made under the lease by the District. The expected net savings to the District following the completion of this financing are expected to be \$265,874.40, as depicted in Exhibit A-2 hereto, which is incorporated by reference. The net present value of the savings is \$163,256, as depicted in Exhibit G (which also shows how the information was calculated). Also enclosed with this application is an excel spreadsheet showing the net present value calculation with unprotected cells.

(7) Proceeds from the sale of the Lease will be used to: (i) refund and retire the Prior Obligations and (ii) pay the transaction costs related to the Lease.

(8) A detailed explanation of the sources and uses of the proceeds of the Lease is provided in Exhibit B, hereto, which is incorporated by reference. The Sources and Uses table contains estimated fees to be paid as part of the closing of the financing, and will be updated post-sale.

(9) The final principal amount of the Lease which will be adjusted based upon the lowest bid received at the advertised competitive sale of Kentucky Association of Counties Finance Corporation Revenue Bonds (the "Bonds") associated with the Lease. Final financial figures will be submitted to the Commission upon sale of the Bonds.

(10) A combined debt service schedule for the Prior Obligations is shown in Exhibit C.

(11) The District has determined and represents that the Lease is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of the District by producing debt service savings. This is a lawful objective within the public purposes of the District's utility operations. The Lease 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.

(12) The District represents that it will, as soon as reasonably possible after the closing of the Lease, file with the Commission a statement setting forth the date of issuance of the Bonds and related Lease, the final par amount, all fees and expenses incurred with respect to the Lease, and the terms and interest rates of the Lease.

(13) A detailed Statement of Revenue and Expenses, Balance Sheet and Statement of Cash Flows for the twelve month period ending December 31, 2017 are attached as Exhibit D, hereto and are incorporated by reference. The remaining financial information required is contained in the most recent Annual Report which is on file with the Commission.

(14) No rate adjustment is being proposed.

(15) The following information is provided in response to 807 KAR 5:001 (8):

- a. Articles of Incorporation - None, the District is a statutorily created water district under KRS Chapter 74.

(16) The following information is supplied pursuant to 807 KAR 5:001(9):

- a. Facts relied upon to show that the application is in the public interest: See the Plan of Refinancing in Exhibit C.

(17) The following information is provided as required by 807 KAR 5:001 (11):

- a. A general description of the property is contained in the Annual Report.
- b. No stock is to be issued. The Prior Obligations to be refinanced for debt savings and their terms are described in Exhibit D.
- c. The refunding of the Prior Obligations and refinancing is described in Exhibits B and C.
- d. The proceeds of the Lease are to refinance the Prior Obligations to provide debt service savings.

- e. The par value, expenses, use of proceeds, interest rates and other information is contained in Exhibits B and C.

(18) The following exhibits are provided pursuant to 807 KAR 5:001 (11)(2):

- a. There are no trust deeds. All notes, indebtedness and mortgages are included in Exhibit E.
- b. No property is to be acquired.

(19) The following information is provided pursuant to 807 KAR 5:001(6):

- a. No stock is authorized.
- b. No stock is issued.
- c. There are no stock preferences.
- d. Any mortgages are listed in the Annual Report.
- e. Any bonds are listed in Exhibit E.
- f. Any notes are listed in Exhibit E.
- g. Any other indebtedness is listed in Exhibit E.
- h. No dividends have been paid.
- i. A current balance sheet and income statement is attached as Exhibit D.

(20) The District requests that it be granted a deviation under 807 KAR 5:004(14), if necessary to accommodate any situation where inflexible compliance with a regulation would be impracticable, onerous or which would hinder the District's daily operations.

The District states that there has been no material change in the financial condition or operation of the District since December 31, 2017. The financial data filed with this Application is the most recent published financial data available.

Due to the volatility of the bond market, the District's risk is associated with any delay in the sale of the Bonds related to the Lease, and the compilation of more current financial data

would cause a delay and increase the risk of achieving savings. Additionally, the Lease is being financed through a time sensitive transaction involving KACOFC.

For these reasons, the District requests that it be granted an order authorizing the refinancing of these bonds in the manner most beneficial to the District.

SUBMITTED BY:

**CALDWELL COUNTY WATER
DISTRICT**

JIMMY LITTLEFIELD CEO
Jimmy Littlefield

Daniel D. Briscoe, Jr., Esq
Dinsmore & Shohl LLP
50 East RiverCenter Blvd., Suite 1150
Covington, KY 41011
Bond Counsel

AFFIDAVIT OF JIMMY LITTLEFIELD

COMMONWEALTH OF KENTUCKY)
) SS
KENTUCKY ASSOCIATION OF COUNTIES LEASING TRUST)

Jimmy Littlefield, Chief Executive Officer, after being sworn, states that he is authorized to submit this Petition on behalf of Caldwell County Water District and that the statements contained in the Petition are true and correct to the best of his information and knowledge.

Sworn and acknowledged before me by Jimmy Littlefield on the ___ day of August , 2019.

JIMMY LITTLEFIELD CEO
Jimmy Littlefield, Chief Executive Officer
Alvie Butts
Notary Public

My Commission Expires on: November 8, 2022
ID# 612040

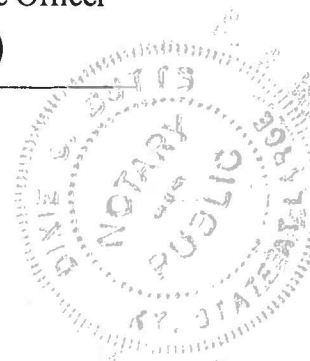


EXHIBIT A - 1

ESTIMATED DEBT SERVICE

The chart below depicts the estimated principal and interest on the bonds. The column on the far right, 'Net New D/S' shows the District's estimated annual all-in cost (including principal, interest, and costs of issuance).

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
02/01/2020	80,000.00	5.000%	24,300.00	104,300.00	1,925.00	106,225.00
08/01/2020	-	-	34,450.00	34,450.00	-	34,450.00
02/01/2021	65,000.00	5.000%	34,450.00	99,450.00	4,575.00	104,025.00
08/01/2021	-	-	32,825.00	32,825.00	-	32,825.00
02/01/2022	70,000.00	5.000%	32,825.00	102,825.00	4,412.50	107,237.50
08/01/2022	-	-	31,075.00	31,075.00	-	31,075.00
02/01/2023	75,000.00	5.000%	31,075.00	106,075.00	4,237.50	110,312.50
08/01/2023	-	-	29,200.00	29,200.00	-	29,200.00
02/01/2024	80,000.00	5.000%	29,200.00	109,200.00	4,050.00	113,250.00
08/01/2024	-	-	27,200.00	27,200.00	-	27,200.00
02/01/2025	85,000.00	5.000%	27,200.00	112,200.00	3,850.00	116,050.00
08/01/2025	-	-	25,075.00	25,075.00	-	25,075.00
02/01/2026	90,000.00	5.000%	25,075.00	115,075.00	3,637.50	118,712.50
08/01/2026	-	-	22,825.00	22,825.00	-	22,825.00
02/01/2027	95,000.00	5.000%	22,825.00	117,825.00	3,412.50	121,237.50
08/01/2027	-	-	20,450.00	20,450.00	-	20,450.00
02/01/2028	100,000.00	5.000%	20,450.00	120,450.00	3,175.00	123,625.00
08/01/2028	-	-	17,950.00	17,950.00	-	17,950.00
02/01/2029	105,000.00	5.000%	17,950.00	122,950.00	2,925.00	125,875.00
08/01/2029	-	-	15,325.00	15,325.00	-	15,325.00
02/01/2030	110,000.00	4.000%	15,325.00	125,325.00	2,662.50	127,987.50
08/01/2030	-	-	13,125.00	13,125.00	-	13,125.00
02/01/2031	115,000.00	4.000%	13,125.00	128,125.00	2,387.50	130,512.50
08/01/2031	-	-	10,825.00	10,825.00	-	10,825.00
02/01/2032	120,000.00	4.000%	10,825.00	130,825.00	2,100.00	132,925.00
08/01/2032	-	-	8,425.00	8,425.00	-	8,425.00
02/01/2033	125,000.00	4.000%	8,425.00	133,425.00	1,800.00	135,225.00
08/01/2033	-	-	5,925.00	5,925.00	-	5,925.00
02/01/2034	130,000.00	3.000%	5,925.00	135,925.00	1,487.50	137,412.50
08/01/2034	-	-	3,975.00	3,975.00	-	3,975.00
02/01/2035	130,000.00	3.000%	3,975.00	133,975.00	1,162.50	135,137.50
08/01/2035	-	-	2,025.00	2,025.00	-	2,025.00
02/01/2036	135,000.00	3.000%	2,025.00	137,025.00	837.50	137,862.50
Total	\$1,710,000.00	-	\$625,650.00	\$2,335,650.00	\$48,637.50	\$2,384,287.50

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
12/31/2019	-	-	-	-	-	-
12/31/2020	80,000.00	5.000%	58,750.00	138,750.00	1,925.00	140,675.00
12/31/2021	65,000.00	5.000%	67,275.00	132,275.00	4,575.00	136,850.00
12/31/2022	70,000.00	5.000%	63,900.00	133,900.00	4,412.50	138,312.50
12/31/2023	75,000.00	5.000%	60,275.00	135,275.00	4,237.50	139,512.50
12/31/2024	80,000.00	5.000%	56,400.00	136,400.00	4,050.00	140,450.00
12/31/2025	85,000.00	5.000%	52,275.00	137,275.00	3,850.00	141,125.00
12/31/2026	90,000.00	5.000%	47,900.00	137,900.00	3,637.50	141,537.50
12/31/2027	95,000.00	5.000%	43,275.00	138,275.00	3,412.50	141,687.50
12/31/2028	100,000.00	5.000%	38,400.00	138,400.00	3,175.00	141,575.00
12/31/2029	105,000.00	5.000%	33,275.00	138,275.00	2,925.00	141,200.00
12/31/2030	110,000.00	4.000%	28,450.00	138,450.00	2,662.50	141,112.50
12/31/2031	115,000.00	4.000%	23,950.00	138,950.00	2,387.50	141,337.50
12/31/2032	120,000.00	4.000%	19,250.00	139,250.00	2,100.00	141,350.00
12/31/2033	125,000.00	4.000%	14,350.00	139,350.00	1,800.00	141,150.00
12/31/2034	130,000.00	3.000%	9,900.00	139,900.00	1,487.50	141,387.50
12/31/2035	130,000.00	3.000%	6,000.00	136,000.00	1,162.50	137,162.50
12/31/2036	135,000.00	3.000%	2,025.00	137,025.00	837.50	137,862.50
Total	\$1,710,000.00	-	\$625,650.00	\$2,335,650.00	\$48,637.50	\$2,384,287.50

EXHIBIT A - 1

SAVINGS

This chart depicts the estimated new debt service (following the issuance of the bonds), the old debt service, as well as the savings for the District. As you can see, it is estimated that this financing will save the district \$265,874.40 over the next 20 or so years.

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/31/2019	-	-	-	-	-
12/31/2020	138,750.00	1,925.00	140,675.00	143,612.08	2,937.08
12/31/2021	132,275.00	4,575.00	136,850.00	143,400.06	6,550.06
12/31/2022	133,900.00	4,412.50	138,312.50	143,232.10	4,919.60
12/31/2023	135,275.00	4,237.50	139,512.50	143,900.57	4,388.07
12/31/2024	136,400.00	4,050.00	140,450.00	144,048.53	3,598.53
12/31/2025	137,275.00	3,850.00	141,125.00	144,208.60	3,083.60
12/31/2026	137,900.00	3,637.50	141,537.50	142,869.83	1,332.33
12/31/2027	138,275.00	3,412.50	141,687.50	143,853.71	2,166.21
12/31/2028	138,400.00	3,175.00	141,575.00	143,746.89	2,171.89
12/31/2029	138,275.00	2,925.00	141,200.00	142,721.73	1,521.73
12/31/2030	138,450.00	2,662.50	141,112.50	143,607.26	2,494.76
12/31/2031	138,950.00	2,387.50	141,337.50	143,746.77	2,409.27
12/31/2032	139,250.00	2,100.00	141,350.00	143,728.67	2,378.67
12/31/2033	139,350.00	1,800.00	141,150.00	144,291.84	3,141.84
12/31/2034	139,900.00	1,487.50	141,387.50	119,297.83	(22,089.67)
12/31/2035	136,000.00	1,162.50	137,162.50	120,671.46	(16,491.04)
12/31/2036	137,025.00	837.50	137,862.50	66,665.29	(71,197.21)
12/31/2037	-	-	-	67,267.79	67,267.79
12/31/2038	-	-	-	66,796.27	66,796.27
12/31/2039	-	-	-	67,215.56	67,215.56
12/31/2040	-	-	-	43,545.21	43,545.21
12/31/2041	-	-	-	43,785.49	43,785.49
12/31/2042	-	-	-	43,948.36	43,948.36
Total	\$2,335,650.00	\$48,637.50	\$2,384,287.50	\$2,650,161.90	\$265,874.40

EXHIBIT B

SOURCES AND USES

The below chart depicts the estimated "sources and uses" of the financing. As you will see, the bond issue generates \$1,854,003.30 for the District on a \$1,710,000 bond sale (this is because the bonds will sell at "premium" due to market conditions which make the bonds more valuable).

Of that \$1,854,003.00: (1) \$25,650.00 will go to the institution that buys the bonds (the underwriter's discount, or, the price the District pays the lender); (2) \$32,940.00 will go to the team of bankers and attorneys who assemble the deal—the financial advisor, bond counsel, trustee/paying agent—and includes things like costs of preparing an official statement, publishing costs, documentation fees, etc.; (3) \$4,295.87 goes to the "rounding amount" which is a cushion built into deals to allow for variations in expenses and to account for the fact that bonds get sold in even \$5,000 increments.

After all of these expenses are paid the District nets \$1,791,117.43, which is an amount sufficient to refund the District's outstanding obligations.

Sources Of Funds

Par Amount of Bonds	\$1,710,000.00
Reoffering Premium	144,003.30
Total Sources	\$1,854,003.30

Uses Of Funds

Total Underwriter's Discount (1.500%)	25,650.00
Costs of Issuance	32,940.00
Deposit to Current Refunding Fund	1,791,117.43
Rounding Amount	4,295.87
Total Uses	\$1,854,003.30

EXHIBIT C

DEBT SERVICE FOR PRIOR OBLIGATIONS

The charts below show the existing debt service for each of the four Prior Obligations. The final chart shows the total debt service for all four bond issues at once, as well as in total.

Waterworks Revenue Bonds, Series 1993

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
10/01/2019	241,000.00	3,012.50	244,012.50	-	-	-	-
01/01/2020	-	-	-	12,000.00	5.000%	6,025.00	18,025.00
07/01/2020	-	-	-	-	-	5,725.00	5,725.00
01/01/2021	-	-	-	13,000.00	5.000%	5,725.00	18,725.00
07/01/2021	-	-	-	-	-	5,400.00	5,400.00
01/01/2022	-	-	-	13,500.00	5.000%	5,400.00	18,900.00
07/01/2022	-	-	-	-	-	5,062.50	5,062.50
01/01/2023	-	-	-	14,000.00	5.000%	5,062.50	19,062.50
07/01/2023	-	-	-	-	-	4,712.50	4,712.50
01/01/2024	-	-	-	15,000.00	5.000%	4,712.50	19,712.50
07/01/2024	-	-	-	-	-	4,337.50	4,337.50
01/01/2025	-	-	-	15,500.00	5.000%	4,337.50	19,837.50
07/01/2025	-	-	-	-	-	3,950.00	3,950.00
01/01/2026	-	-	-	16,500.00	5.000%	3,950.00	20,450.00
07/01/2026	-	-	-	-	-	3,537.50	3,537.50
01/01/2027	-	-	-	17,500.00	5.000%	3,537.50	21,037.50
07/01/2027	-	-	-	-	-	3,100.00	3,100.00
01/01/2028	-	-	-	18,000.00	5.000%	3,100.00	21,100.00
07/01/2028	-	-	-	-	-	2,650.00	2,650.00
01/01/2029	-	-	-	19,000.00	5.000%	2,650.00	21,650.00
07/01/2029	-	-	-	-	-	2,175.00	2,175.00
01/01/2030	-	-	-	20,000.00	5.000%	2,175.00	22,175.00
07/01/2030	-	-	-	-	-	1,675.00	1,675.00
01/01/2031	-	-	-	21,000.00	5.000%	1,675.00	22,675.00
07/01/2031	-	-	-	-	-	1,150.00	1,150.00
01/01/2032	-	-	-	22,500.00	5.000%	1,150.00	23,650.00
07/01/2032	-	-	-	-	-	587.50	587.50
01/01/2033	-	-	-	23,500.00	5.000%	587.50	24,087.50
Total	\$241,000.00	\$3,012.50	\$244,012.50	\$241,000.00	-	\$94,150.00	\$335,150.00

Waterworks Revenue Bonds, Series 1996

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
10/01/2019	586,000.00	7,200.58	593,200.58	-	-	-	-
01/01/2020	-	-	-	25,000.00	4.875%	14,401.15	39,401.15
07/01/2020	-	-	-	-	-	13,636.91	13,636.91
01/01/2021	-	-	-	26,000.00	4.875%	13,786.77	39,786.77
07/01/2021	-	-	-	-	-	12,933.44	12,933.44
01/01/2022	-	-	-	27,000.00	4.875%	13,147.81	40,147.81
07/01/2022	-	-	-	-	-	12,280.73	12,280.73
01/01/2023	-	-	-	29,000.00	4.875%	12,484.27	41,484.27
07/01/2023	-	-	-	-	-	11,579.66	11,579.66
01/01/2024	-	-	-	30,000.00	4.875%	11,771.59	41,771.59
07/01/2024	-	-	-	-	-	10,914.39	10,914.39
01/01/2025	-	-	-	32,000.00	4.875%	11,034.33	43,034.33
07/01/2025	-	-	-	-	-	10,080.83	10,080.83
01/01/2026	-	-	-	33,000.00	4.875%	10,247.92	43,247.92
07/01/2026	-	-	-	-	-	9,283.07	9,283.07
01/01/2027	-	-	-	35,000.00	4.875%	9,436.93	44,436.93
07/01/2027	-	-	-	-	-	8,436.96	8,436.96
01/01/2028	-	-	-	37,000.00	4.875%	8,576.79	45,576.79
07/01/2028	-	-	-	-	-	7,584.16	7,584.16
01/01/2029	-	-	-	38,000.00	4.875%	7,667.51	45,667.51
07/01/2029	-	-	-	-	-	6,623.86	6,623.86
01/01/2030	-	-	-	40,000.00	4.875%	6,733.64	46,733.64
07/01/2030	-	-	-	-	-	5,656.87	5,656.87
01/01/2031	-	-	-	42,000.00	4.875%	5,750.63	47,750.63
07/01/2031	-	-	-	-	-	4,641.53	4,641.53
01/01/2032	-	-	-	44,000.00	4.875%	4,718.47	48,718.47
07/01/2032	-	-	-	-	-	3,597.62	3,597.62
01/01/2033	-	-	-	47,000.00	4.875%	3,637.15	50,637.15
07/01/2033	-	-	-	-	-	2,441.64	2,441.64
01/01/2034	-	-	-	49,000.00	4.875%	2,482.11	51,482.11
07/01/2034	-	-	-	-	-	1,257.08	1,257.08
01/01/2035	-	-	-	52,000.00	4.875%	1,277.92	53,277.92
Total	\$586,000.00	\$7,200.58	\$593,200.58	\$586,000.00	-	\$258,103.74	\$844,103.74

Waterworks Revenue Bonds, Series 1999B

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
10/01/2019	305,500.00	3,368.87	308,868.87	-	-	-	-
01/01/2020	-	-	-	10,000.00	4.375%	6,737.74	16,737.74
07/01/2020	-	-	-	-	-	6,446.35	6,446.35
01/01/2021	-	-	-	10,000.00	4.375%	6,517.19	16,517.19
07/01/2021	-	-	-	-	-	6,193.98	6,193.98
01/01/2022	-	-	-	10,500.00	4.375%	6,296.64	16,796.64
07/01/2022	-	-	-	-	-	5,966.18	5,966.18
01/01/2023	-	-	-	11,000.00	4.375%	6,065.07	17,065.07
07/01/2023	-	-	-	-	-	5,727.53	5,727.53
01/01/2024	-	-	-	11,500.00	4.375%	5,822.47	17,322.47
07/01/2024	-	-	-	-	-	5,508.30	5,508.30
01/01/2025	-	-	-	12,000.00	4.375%	5,568.84	17,568.84
07/01/2025	-	-	-	-	-	5,217.70	5,217.70
01/01/2026	-	-	-	12,500.00	4.375%	5,304.18	17,804.18
07/01/2026	-	-	-	-	-	4,946.51	4,946.51
01/01/2027	-	-	-	13,500.00	4.375%	5,028.49	18,528.49
07/01/2027	-	-	-	-	-	4,653.62	4,653.62
01/01/2028	-	-	-	14,000.00	4.375%	4,730.75	18,730.75
07/01/2028	-	-	-	-	-	4,373.92	4,373.92
01/01/2029	-	-	-	14,500.00	4.375%	4,421.99	18,921.99
07/01/2029	-	-	-	-	-	4,035.31	4,035.31
01/01/2030	-	-	-	15,000.00	4.375%	4,102.19	19,102.19
07/01/2030	-	-	-	-	-	3,709.88	3,709.88
01/01/2031	-	-	-	16,000.00	4.375%	3,771.37	19,771.37
07/01/2031	-	-	-	-	-	3,362.76	3,362.76
01/01/2032	-	-	-	16,500.00	4.375%	3,418.49	19,918.49
07/01/2032	-	-	-	-	-	3,021.39	3,021.39
01/01/2033	-	-	-	17,500.00	4.375%	3,054.59	20,554.59
07/01/2033	-	-	-	-	-	2,625.12	2,625.12
01/01/2034	-	-	-	18,000.00	4.375%	2,668.63	20,668.63
07/01/2034	-	-	-	-	-	2,234.61	2,234.61
01/01/2035	-	-	-	19,000.00	4.375%	2,271.64	21,271.64
07/01/2035	-	-	-	-	-	1,822.40	1,822.40
01/01/2036	-	-	-	19,500.00	4.375%	1,852.60	21,352.60
07/01/2036	-	-	-	-	-	1,407.07	1,407.07
01/01/2037	-	-	-	20,500.00	4.375%	1,422.53	21,922.53
07/01/2037	-	-	-	-	-	954.59	954.59
01/01/2038	-	-	-	21,500.00	4.375%	970.41	22,470.41
07/01/2038	-	-	-	-	-	488.14	488.14
01/01/2039	-	-	-	22,500.00	4.375%	496.23	22,996.23
Total	\$305,500.00	\$3,368.87	\$308,868.87	\$305,500.00	-	\$153,217.40	\$458,717.40

Waterworks Revenue Bonds, Series 2002

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
10/01/2019	638,000.00	7,035.48	645,035.48	-	-	-	-
01/01/2020	-	-	-	16,000.00	4.375%	14,070.96	30,070.96
07/01/2020	-	-	-	-	-	13,568.97	13,568.97
01/01/2021	-	-	-	17,000.00	4.375%	13,718.08	30,718.08
07/01/2021	-	-	-	-	-	13,125.60	13,125.60
01/01/2022	-	-	-	18,000.00	4.375%	13,343.15	31,343.15
07/01/2022	-	-	-	-	-	12,735.09	12,735.09
01/01/2023	-	-	-	19,000.00	4.375%	13,946.16	31,946.16
07/01/2023	-	-	-	-	-	12,323.88	12,323.88
01/01/2024	-	-	-	20,000.00	4.375%	12,527.12	32,527.12
07/01/2024	-	-	-	-	-	11,954.66	11,954.66
01/01/2025	-	-	-	21,000.00	4.375%	12,086.03	33,086.03
07/01/2025	-	-	-	-	-	11,433.37	11,433.37
01/01/2026	-	-	-	21,000.00	4.375%	11,622.88	32,622.88
07/01/2026	-	-	-	-	-	10,977.77	10,977.77
01/01/2027	-	-	-	22,000.00	4.375%	11,159.73	33,159.73
07/01/2027	-	-	-	-	-	10,500.48	10,500.48
01/01/2028	-	-	-	23,000.00	4.375%	10,674.52	33,674.52
07/01/2028	-	-	-	-	-	10,056.75	10,056.75
01/01/2029	-	-	-	24,000.00	4.375%	10,167.26	34,167.26
07/01/2029	-	-	-	-	-	9,480.80	9,480.80
01/01/2030	-	-	-	26,000.00	4.375%	9,637.95	35,637.95
07/01/2030	-	-	-	-	-	8,916.73	8,916.73
01/01/2031	-	-	-	27,000.00	4.375%	9,064.52	36,064.52
07/01/2031	-	-	-	-	-	8,330.96	8,330.96
01/01/2032	-	-	-	28,000.00	4.375%	8,469.04	36,469.04
07/01/2032	-	-	-	-	-	7,766.16	7,766.16
01/01/2033	-	-	-	29,000.00	4.375%	7,851.51	36,851.51
07/01/2033	-	-	-	-	-	7,094.33	7,094.33
01/01/2034	-	-	-	30,000.00	4.375%	7,211.92	37,211.92
07/01/2034	-	-	-	-	-	6,443.48	6,443.48
01/01/2035	-	-	-	32,000.00	4.375%	6,550.27	38,550.27
07/01/2035	-	-	-	-	-	5,749.23	5,749.23
01/01/2036	-	-	-	33,000.00	4.375%	5,844.52	38,844.52
07/01/2036	-	-	-	-	-	5,061.10	5,061.10
01/01/2037	-	-	-	35,000.00	4.375%	5,116.71	40,116.71
07/01/2037	-	-	-	-	-	4,273.96	4,273.96
01/01/2038	-	-	-	36,000.00	4.375%	4,344.79	40,344.79
07/01/2038	-	-	-	-	-	3,492.93	3,492.93
01/01/2039	-	-	-	38,000.00	4.375%	3,550.82	41,550.82
07/01/2039	-	-	-	-	-	2,668.51	2,668.51
01/01/2040	-	-	-	39,000.00	4.375%	2,712.74	41,712.74
07/01/2040	-	-	-	-	-	1,832.47	1,832.47

Total Refunded Debt Service

DATE	1993	1996	1999B	2002	TOTAL P+I
10/01/2019	-	-	-	-	-
01/01/2020	18,025.00	39,401.15	16,737.74	30,070.96	104,234.85
07/01/2020	5,725.00	13,636.91	6,446.35	13,568.97	39,377.23
01/01/2021	18,725.00	39,786.77	16,517.19	30,718.08	105,747.04
07/01/2021	5,400.00	12,933.44	6,193.98	13,125.60	37,653.02
01/01/2022	18,900.00	40,147.81	16,796.64	31,343.15	107,187.60
07/01/2022	5,062.50	12,280.73	5,966.18	12,735.09	36,044.50
01/01/2023	19,062.50	41,484.27	17,065.07	31,946.16	109,558.00
07/01/2023	4,712.50	11,579.66	5,727.53	12,322.88	34,342.57
01/01/2024	19,712.50	41,771.59	17,322.47	32,527.13	111,333.68
07/01/2024	4,337.50	10,914.39	5,508.30	11,954.66	32,714.85
01/01/2025	19,837.50	43,034.33	17,568.84	33,086.03	113,526.70
07/01/2025	3,950.00	10,080.83	5,217.70	11,433.37	30,681.90
01/01/2026	20,450.00	43,247.92	17,804.18	32,622.88	114,134.98
07/01/2026	3,537.50	9,283.07	4,946.51	10,977.77	28,744.85
01/01/2027	21,037.50	44,436.93	18,528.49	33,159.73	117,162.65
07/01/2027	3,100.00	8,436.96	4,653.62	10,500.48	26,691.06
01/01/2028	21,100.00	45,576.79	18,730.75	33,674.52	119,082.06
07/01/2028	2,650.00	7,584.16	4,373.92	10,056.75	24,664.83
01/01/2029	21,650.00	45,667.51	18,921.99	34,167.26	120,406.76
07/01/2029	2,175.00	6,623.86	4,035.31	9,480.80	22,314.97
01/01/2030	22,175.00	46,733.64	19,102.19	35,637.95	123,648.78
07/01/2030	1,675.00	5,656.87	3,709.88	8,916.73	19,958.48
01/01/2031	22,675.00	47,750.63	19,771.37	36,064.52	126,261.52
07/01/2031	1,150.00	4,641.53	3,362.76	8,330.96	17,485.25
01/01/2032	23,650.00	48,718.47	19,918.49	36,469.04	128,756.00
07/01/2032	587.50	3,597.62	3,021.39	7,766.16	14,972.67
01/01/2033	24,087.50	50,637.15	20,554.59	36,851.51	132,130.75
07/01/2033	-	2,441.64	2,625.12	7,094.33	12,161.09
01/01/2034	-	51,482.11	20,668.63	37,211.92	109,362.66
07/01/2034	-	1,257.08	2,234.61	6,443.48	9,935.17
01/01/2035	-	53,277.92	21,271.64	38,550.27	113,099.83
07/01/2035	-	-	1,822.40	5,749.23	7,571.63
01/01/2036	-	-	21,352.60	38,844.52	60,197.12
07/01/2036	-	-	1,407.07	5,061.10	6,468.17
01/01/2037	-	-	21,922.53	40,116.71	62,039.24
07/01/2037	-	-	954.59	4,273.96	5,228.55
01/01/2038	-	-	22,470.41	40,344.79	62,815.20
07/01/2038	-	-	488.14	3,492.93	3,981.07
01/01/2039	-	-	22,996.23	41,550.82	64,547.05
07/01/2039	-	-	-	2,668.51	2,668.51
01/01/2040	-	-	-	41,712.74	41,712.74
07/01/2040	-	-	-	1,832.47	1,832.47
DATE	1993	1996	1999B	2002	TOTAL P+I
01/01/2041	-	-	-	42,852.60	42,852.60
07/01/2041	-	-	-	932.89	932.89
01/01/2042	-	-	-	43,948.36	43,948.36
Total	\$335,150.00	\$844,103.74	\$458,717.40	\$1,012,190.76	\$2,650,161.90

EXHIBIT D

FINANCIAL INFORMATION

**CALDWELL COUNTY WATER DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017**

CALDWELL COUNTY WATER DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

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JESSICA K. DANIEL, CPA PSC
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Caldwell County Water District
Princeton, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the Caldwell County Water District as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

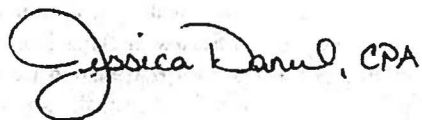
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Caldwell County Water District as of December 31, 2017, the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, schedule of contributions, and schedule of proportionate share of net pension liability on pages 3 through 7 and 30 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 12, 2018, on our consideration of the Caldwell County Water District'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 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* in considering the Caldwell County Water District's internal control over financial reporting and compliance.

Handwritten signature of Jessica Daniel, CPA in black ink.

Eddyville, Kentucky
June 12, 2018

**CALDWELL COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2017
(UNAUDITED)**

The Caldwell County Water District ("District") offers Management's Discussion and Analysis to provide an overview and analysis of the District's financial activities for the year ended December 31, 2017. To fully understand the entire scope of the District's financial activities, this information should be read in conjunction with the financial statement provided in this document.

FINANCIAL HIGHLIGHTS

- Total assets and deferred outflows of resources of the District exceed its total liabilities and deferred inflows of resources at December 31, 2017, by \$6,019,464 (Net Position). Of this amount, \$39,519 represents the unrestricted net position.
- The District's net position decreased by \$26,973 resulting in a December 31, 2017 balance of \$6,019,464. This balance represents a change of less than 1% decrease in net position over the December 31, 2016 balance of \$6,046,437.
- The District's 2017 operating revenues of \$1,313,161 increased 9.67% from the 2016 amount, and operating expenses for 2017 of \$1,230,892 decreased 13.85%. Non-operating income for 2017, consisted of interest income of \$342, and capital contributions consisted of tap on fees of \$19,702.
- The District's unrestricted cash available for operating expenses was \$453,708 at December 31, 2017.
- The District's investment in capital assets was \$8,367,146 net of depreciation at December 31, 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

Caldwell Count Water District's basic financial statements include a statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows, and notes to the financial statements.

The District's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB).

Statement of net position. The statement of net position presents the financial position of the District. It presents information on the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The statement of net position can be found on page 8.

Statement of revenues, expenses and changes in net position. The statement of revenues, expenses and changes in net position presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues are recognized when they are earned, not when they are received. Expenses are recognized when incurred, not when they are paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods. The statement of revenues, expenses and changes in net position is on page 9 of this report.

Statement of cash flows. The statement of cash flows presents information on the effects changes in assets and liabilities have on cash during the course of the fiscal year and can be found on page 10.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the District's financial statements. The notes to the financial statements can be found on pages 11-28 of this report.

Supplementary Information. In addition to basic financial statements and accompanying notes, this report also presents certain required supplementary information which can be found on page 30-33.

OVERVIEW OF THE DISTRICT'S FINANCIAL POSITION AND RESULTS OF OPERATIONS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$6,019,464 as of December 31, 2017.

The District's overall financial position and operations for the past two years are summarized as follows:

CALDWELL COUNTY WATER DISTRICT'S NET POSITION

	2017	2016
Assets:		
Current and other assets	\$ 1,316,544	\$ 1,190,166
Capital assets	<u>8,367,146</u>	<u>8,477,538</u>
Total Assets	<u>9,683,690</u>	<u>9,667,704</u>
Deferred Outflows of Resources:	<u>344,710</u>	<u>82,853</u>
Liabilities:		
Other liabilities	170,186	164,797
Current portion of long-term debt	99,000	99,500
Long-term liabilities	<u>3,667,336</u>	<u>3,430,438</u>
Total Liabilities	<u>3,936,522</u>	<u>3,694,735</u>
Deferred Inflows of Resources	<u>72,414</u>	<u>9,385</u>
Net Position:		
Net investment in capital assets	5,339,146	5,350,038
Restricted	640,799	783,382
Unrestricted	<u>39,519</u>	<u>(86,983)</u>
Total Net Position	<u>\$ 6,019,464</u>	<u>\$ 6,046,437</u>

The largest portion of the District's net position (88.70%) reflects its investments in capital assets (e.g., land and construction in progress, buildings, plants and facilities, machinery and equipment, system studies, mapping, and infrastructure), less any debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets are 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.

An additional portion of the District's net position (10.65%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position \$39,519 may be used to meet the District's ongoing obligations to citizens and creditors.

As of December 31, 2017, the District is able to report positive balances in all three categories of net position.

Analysis of the District's Operations – Overall the District had a decrease in net position of \$26,973.

The following table provides a summary of the District's operations for the year ended December 31, 2017 and 2016.

**CALDWELL COUNTY WATER DISTRICT
CHANGES IN NET POSITION**

	<u>2017</u>	<u>2016</u>
Revenues		
Operating revenues	\$ 1,313,161	\$ 1,186,209
Investment income	342	987
Gain (loss) on sale of assets	801	-
Capital grants and contributions	<u>19,702</u>	<u>18,351</u>
Total revenues	<u>1,334,006</u>	<u>1,205,547</u>
Expenses		
Administrative and general expenses	409,077	296,751
Source of supply purchases	305,833	411,804
Transmission and distribution expenses	256,069	283,980
Depreciation and amortization	222,305	393,659
Interest on debt and other	130,087	134,017
Payroll and other taxes	20,483	22,486
Customer accounts expenses	11,432	11,036
Water treatment	6,800	5,051
Bad debts	<u>(1,107)</u>	<u>4,030</u>
Total Expenses	<u>1,360,979</u>	<u>1,266,063</u>
Change in net position	(26,973)	(60,516)
Net position - January 1	<u>6,046,437</u>	<u>6,403,704</u>
Net position - December 31	<u>\$ 6,019,464</u>	<u>\$ 6,343,188</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S OPERATIONS

Overall, the District's financial position is consistent with the previous year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original and final budget passed by the board anticipated a decrease in the fund balance of \$271,085. The budgeted operating revenue received exceeded actual revenue by \$14,739. Budgeted expenditures exceeded actual expenditures by \$244,463. The budgetary figures and actual amounts are reported in the supplementary information on page 30.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The District's investment in capital assets for business-type activities as of December 31, 2017, amounts to \$8,367,146 (net of accumulated depreciation). This investment in capital assets includes land, buildings, plants and facilities, machinery and equipment, and infrastructure. The total decrease in the District's net investment in capital assets for the fiscal year was less than 1%.

	2017	2016
Business-type activities:		
Capital assets, not being depreciated:		
Land	\$ 9,000	\$ 9,000
Total capital assets, not being depreciated	9,000	9,000
Capital assets, being depreciated:		
Transmission and distribution mains	7,370,736	7,537,462
Meters and installation	234,223	220,171
Office furniture and equipment	637	868
Communication equipment	1,566	2,630
Vehicles and equipment	125,831	54,790
Hydrants	42,411	43,795
Power operated equipment	2,262	7,855
Structures and improvements	156,029	155,432
Distribution and reservoirs	232,546	240,765
Water treatment equipment	95,139	98,662
Shop and garage equipment	14,650	15,819
Pumping equipment	82,116	90,289
Total capital assets, being depreciated	8,358,146	8,468,538
Business-type activities capital assets, net	\$ 8,367,146	\$ 8,477,538

During the year ended December 31, 2017, the District acquired assets totaling \$111,913. These new assets consisted of new meter sets, a 2017 Ford 350, and a Hydro-Excavator. The District sold a Jeep for \$801.

Additional information on the District's capital assets can be found in Note 5 of this report.

Long-term and other debt

At the end of the current year, the Caldwell County Water District had total debt of \$3,028,002. No new debt was issued in 2017. Long-term debt at December 31, 2017, was as follows:

	<u>2017</u>	<u>2016</u>
Waterworks revenue series 1993	\$ 263,500	\$ 274,000
Waterworks revenue series 1996	632,000	653,000
Waterworks revenue series 1999	610,000	626,000
Waterworks revenue series 2000	324,500	332,500
Waterworks revenue series 2002	669,000	683,000
Waterworks revenue series 2004	514,000	524,000
KIA loan 1993	15,000	35,000
Total	<u>\$ 3,028,000</u>	<u>\$ 3,127,500</u>

Interest expense of \$130,087 was incurred during the year ended December 31, 2017.

Additional information on the District's long-term debt can be found in Note 6 of this report.

REQUEST FOR INFORMATION

This financial report is designated to provide a general overview of the Caldwell County Water District's finances for all those with an interest in the government's finances. Questions or requests for additional information may be addressed to Jimmy Littlefield, CEO, Caldwell County Water District, 118 West Market Street, Princeton, KY 42445.

Caldwell County Water District
Statement of Net Position
December 31, 2017

Assets

Current Assets:

Cash equivalents	\$ 453,708
Customer accounts receivable (less allowance for uncollectible accounts of \$12,979)	104,775
Unbilled revenue	57,551
Inventory	59,711
Prepayments	12,376
Restricted assets:	
Cash equivalents	52,530
Investments	575,893
Total current assets	<u>1,316,544</u>

Noncurrent Assets:

Capital assets, net of depreciation	<u>8,367,146</u>
Total noncurrent liabilities	<u>8,367,146</u>
Total Assets	<u>9,683,690</u>

Deferred Outflows of Resources

Deferred outflows of related pensions	<u>344,710</u>
Total deferred outflows of resources	<u>344,710</u>

Liabilities

Current liabilities:

Trade accounts payable	33,644
Accrued liabilities	20,776
Accrued interest on debt	64,239
Customers' deposits	51,527
Long-term debt due in one year	99,000
Total current liabilities	<u>269,186</u>

Noncurrent liabilities:

Long-term debt due after one year	2,929,000
Net pension liability	738,336
Total noncurrent liabilities	<u>3,667,336</u>
Total Liabilities	<u>3,936,522</u>

Deferred Inflows of Resources

Deferred inflows related to pensions	<u>72,414</u>
Total deferred inflows of resources	<u>72,414</u>

Net Position

Net investment in capital assets	5,339,146
Restricted for:	
Debt service	576,896
Customer deposits	51,527
Prepaid expenses	12,376
Unrestricted	39,519
Total Net Position	<u>\$ 6,019,464</u>

See accompanying notes and accountants' report.

Caldwell County Water District
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2017

<u>Operating Revenue</u>	
Water revenues	\$ 1,278,300
Other	34,861
Total Operating Revenues	<u>1,313,161</u>
<u>Operating Expenses</u>	
Administrative and general expenses	409,077
Source of supply purchases	305,833
Transmission and distribution expenses	256,069
Depreciation	222,305
Payroll and other taxes	20,483
Customer accounts expenses	11,432
Water treatment	6,800
Bad debts	(1,107)
Total Operating Expenses	<u>1,230,892</u>
<u>Operating Income (Loss)</u>	<u>82,269</u>
<u>Nonoperating Revenues (Expenses)</u>	
Investment income	342
Gain (loss) on capital asset disposals	801
Interest on debt	(130,087)
Total Nonoperating Revenue (Expenses)	<u>(128,944)</u>
<u>Net Income Before Capital Contributions</u>	(46,675)
<u>Capital Contributions</u>	<u>19,702</u>
<u>Change in Net Position</u>	(26,973)
<u>Net Position-Beginning of Year</u>	<u>6,046,437</u>
<u>Net Position-End of Year</u>	<u>\$ 6,019,464</u>

See accompanying notes and accountants' report.

Caldwell County Water District
Statement of Cash Flows
For the Year Ended December 31, 2017

<u>Cash Flows From Operating Activities</u>	
Cash received from customers	\$ 1,323,086
Cash payments to suppliers for goods and services	(496,544)
Cash payments to employees for services	(368,645)
Net Cash Provided By Operating Activities	<u>457,897</u>
<u>Cash Flows From Capital and Related Financing Activities</u>	
Principal paid on capital debt	(99,500)
Contributed capital	19,702
Acquisition of property, plant, and equipment	(111,913)
Proceeds from the sale of assets	801
Interest paid on debt	(131,808)
Net Cash Used by Capital and Related Financing Activities	<u>(322,718)</u>
<u>Cash Flows From Investing Activities</u>	
Income received on investments	32
Sale of investment securities	147,393
Net Cash Used By Investing Activities	<u>147,425</u>
<u>Net Increase (Decrease) in Cash Equivalents</u>	282,604
<u>Cash Equivalents-Beginning of Year</u>	<u>223,634</u>
<u>Cash Equivalents-End of Year</u>	<u>\$ 506,238</u>
<u>Reconciliation of Operating Income to Net Cash Provided</u>	
<u>By Operating Activities</u>	
Operating Income (Loss)	\$ 82,269
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	222,305
Change in assets and liabilities	
Decrease (increase) in accounts receivable	9,925
Decrease (increase) in inventory	(1,509)
Decrease (increase) in prepayments	730
Decrease (increase) in deferred outflows of resources	(261,857)
Increase (decrease) in accounts payable	2,250
Increase (decrease) in customer deposits	5,227
Increase (decrease) in accrued liabilities	(372)
Increase (decrease) in deferred pension liability	335,900
Increase (decrease) in deferred inflows of pensions	63,029
Net Cash Provided By Operating Activities	<u>\$ 457,897</u>
<u>Reconciliation of Total Cash</u>	
Current Assets - Cash	\$ 453,708
Restricted Assets - Cash	52,530
Total Cash	<u>\$ 506,238</u>

Non-cash Investing, Capital and Related Financing Activities - None

See accompanying notes and accountants' report.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

The Caldwell County Water District, (the District), is a county water district supported by funds derived from the sale of water and is operated by a District Board. The District is authorized under Kentucky Revised Statutes and constitutes a governmental subdivision of the Commonwealth of Kentucky. The District is located in Princeton, Kentucky and primarily serves rural Caldwell County.

The accounting and reporting policies of the District relating to the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards board (when applicable). The District follows GASB pronouncements as codified under GASB 62. The more significant accounting policies of the District are described below:

Principles Determining Scope of Reporting Entity

The District's financial report includes only the funds of the District. The District has no oversight responsibility for any other governmental entity and is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board pronouncement. The District's Board members are appointed by the County Judge Executive, a publicly elected official, and they have decision making authority: the authority to set rates, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

Basis of Presentation

The accounts of the District are organized in accordance with the uniform system of accounts adopted by the Public Service Commission of Kentucky. Those accounts are organized on the basis of a proprietary fund type, specifically an enterprise fund. The operations of each fund are summarized by providing a separate set of self balancing accounts which include its assets, liabilities, net position, revenues and expenses. The following funds are used by the District:

Proprietary Fund Types

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position, and cash flow. All assets and liabilities are included on the Statement of Net Position.

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The accounting and financial statements for a proprietary fund are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and all liabilities (whether current or non-current) are included on the statement of net position, and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water services which are accrued. Expenses are recognized at the time the liability is incurred.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

Reclassifications

Prior period financial statement amounts have been reclassified to conform to current period presentation. Operating income and net earnings for the prior period were not impacted by the reclassifications.

Budget

The District is required to follow budgetary guidelines established by the Public Service Commission and the Department of Rural Development. Those guidelines require:

- 1) The District to submit a proposed budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year.
- 2) The District is required to submit a budget to the Department of Rural Development for each fiscal year as stipulated in the bond agreement.

For the year ended December 31, 2017, the District has complied with budgetary guidelines.

Cash Equivalents/ Investments

Cash and cash equivalents are deposited with First Southern National Bank. District ordinances authorize the District to invest in obligations of the U.S. Government and its instrumentalities, mutual funds, repurchase agreements, and demand deposits. All investments must be purchased through brokers/dealers or deposited with local financial institutions.

For the purpose of the statement of cash flows, the District considers all cash in banks and certificates of deposit with stated maturities of three months or less or available for withdrawal by management to be cash and cash equivalents. Cash equivalents consist of funds held in a sweep account in a financial institution.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2017 are recorded as prepaid items.

Post Employment Benefits

Post employment benefits are those received by employees after termination of employment. The District provides no such benefits.

Capital Assets

Capital assets are stated at original cost as defined for regulatory purposes. The costs of additions to capital assets and replacement of retirement units are capitalized. Replacement of minor items of property is charged to expense as incurred. Depreciation is computed using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant betterments are capitalized.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

Contributions from customers for the purpose of purchasing service connections to the utility plant are recorded as income when they are received. Depreciation on contributed assets is recorded as an expense in the statement of revenue and expense. Capital assets are depreciated over the following useful lives:

Transmission and Distribution Equipment	20 to 65 years
Furniture, Machinery and Equipment	5 to 10 years
Leasehold Improvements	15 to 25 years
Vehicles	3 to 5 years

Allowance for Uncollectible Accounts

An allowance for uncollectible accounts has been provided based on an analysis of receivables outstanding more than 120 days. Based on past experience, management considers the allowance adequate to provide for any losses on collection of the December 31, 2017 accounts receivable.

Unearned Revenue

The District recognizes certain revenue transactions as unearned revenue. Revenue cannot be recognized until it has been earned and is available to finance expenditures of the current fiscal period. Revenue that is earned but not available is reported as a current liability or deferred inflow of resources until such time as the revenue becomes available.

Inventory

Inventories are generally used for repair and replacement of infrastructure and connection of new services and are stated at average cost.

Restricted Assets

The restricted assets have been handled in accordance with the provisions of the various enterprise fund revenue bond resolutions, loan resolutions, loan agreements, or by state or federal laws and regulations. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed. See Note 4 for information describing restricted assets.

Estimates

The preparation of the District's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. During the year ended December 31, 2017, the District contracted with commercial insurance carriers for coverage of all risks mentioned above. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. There were no significant reductions in coverage during the past three years.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

Bond Discounts/Issuance Costs

The District adopted GASB 65, *Items Previously Reported as Assets and Liabilities* for the year ended December 31, 2013. GASB 65 requires that debt issuance costs be expensed in the period they are incurred.

Pensions

For purposes of measuring the net pension liability deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System in the Kentucky Retirement Systems (KRS) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the KRS. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the County Employees Retirement System. Investments are reported as fair value.

Net Position

In the financial statements, equity is classified as net position and displayed in three components.

- **Net investment in capital assets** - Capital assets, net of accumulated depreciation and reduced by the outstanding balance of any borrowings that are attributable to the acquisition, construction, or improvement of those assets net of unspent financing proceeds.
- **Restricted net position** - Net position with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred Outflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has one item that qualifies for reporting in this category.

Deferred Inflows of Resources: In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

A deferred inflow from pensions results from net differences between expected and actual earnings on pension plan investments. This amount is deferred and will be recognized as a reduction of pension expense over the next four years.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

Adoption of New Accounting Pronouncements

GASB Statement No. 80

GASB Statement No. 80, *Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14*, was issued January 2016. The provisions of this Statement are effective for periods beginning after June 15, 2016. This Statement requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.

GASB Statement No. 81

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, was issued March 2016. The provisions of this Statement are effective for periods beginning after December 15, 2016. This Statement provides recognition and measurement guidance for situations in which a government is a beneficiary of a split interest agreement.

GASB Statement No. 82

GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*, was issued March 2016. The provisions of this Statement are effective for periods beginning after June 15, 2016. This Statement clarifies certain issues that have been raised with previous pronouncements.

Recent Accounting Pronouncements

As of December 31, 2017, the GASB has issued the following statements not yet required to be adopted by the District.

GASB Statement No. 75

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued June 2015. The provisions of this Statement are effective for periods beginning after June 15, 2017. This Statement replaces Statements No. 45 and 57. The City's management has not yet determined the effect this statement will have on the financial statements. It is estimated that the District's portion of unfunded liability will be approximately \$253,585.

Subsequent Events

The District has evaluated subsequent events through June 12, 2018, the date which the financial statements were available to be issued.

2. LEGAL COMPLIANCE

Deficit Net Position

There was not a deficit net position for the year ended December 31, 2017.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

3. DEPOSITS AND INVESTMENTS

1. Net Position

The captions on the statement of net position for cash, investments, and restricted assets enumerated as to deposits and investments and the amounts in total are as follows:

	<u>Cash on Hand</u>	<u>Deposits</u>	<u>Investments</u>	<u>Total</u>
Cash equivalents	\$ 550	\$ 453,158	\$ -	\$ 453,708
Investments	-	-	-	-
Restricted assets:				
Cash equivalents	-	52,530	-	52,530
Investments	-	575,893	-	575,893
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 550</u>	<u>\$ 1,081,581</u>	<u>\$ -</u>	<u>\$ 1,082,131</u>

2. Deposits

At year-end, the carrying amount of the District's deposits in financial institutions were \$1,081,581, and the bank balances were \$1,112,677. Of the bank balances, the federal depository insurance corporation (FDIC) covers demand deposit accounts totaling \$252,354, and time and savings deposits totaling \$250,000. The remaining balance of \$610,323 was covered by collateral held by the pledging financial institution's agent or trust department in the District's name.

3. Investments

Interest Rate Risk

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 District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The custodial credit risk for investments is the risk that a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party if the counterparty to the transaction fails.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District does not place any limit on the amount that may be invested with one issuer. At December 31, 2017, the District had 100% of its investments in fully collateralized certificates of deposit.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

Identification

At December 31, 2017, the District had the following investments:

<u>Investment</u>	<u>Maturities</u>	<u>Fair Value</u>
Certificates of Deposit:		
First Southern National Bank	04/05/2018	\$ 213,631
First Southern National Bank	04/05/2018	<u>362,262</u>
Total Investments		<u>\$ 575,893</u>

4. RESTRICTED NET POSITION

Restricted Net Assets

	<u>Debt Retirement</u>				<u>Total</u>
	<u>Depreciation Fund</u>	<u>Sinking Fund</u>	<u>Water Projects</u>	<u>Customer Deposits</u>	
Cash equivalents	\$ -	\$ -	\$ 1,003	\$ 51,527	\$ 52,530
Investments:					
Certificates of deposit	<u>362,262</u>	<u>213,631</u>	<u>-</u>	<u>-</u>	<u>575,893</u>
Totals	<u>\$ 362,262</u>	<u>\$ 213,631</u>	<u>\$ 1,003</u>	<u>\$ 51,527</u>	<u>\$ 628,423</u>

Restricted Cash for Debt Retirement

The Caldwell County Water District Bonds (All Series) require the District establish a Sinking Reserve in an amount not less than the maximum amount of principal and interest requirements falling due in any twelve month period on all of the outstanding bonds. The District has been making the required monthly deposits of \$17,994 to service the outstanding debt. At December 31, 2017, the balance of the Sinking Reserve was \$213,631.

The Bonds also required that a Depreciation Account be funded monthly. The 1999 Series Bonds require that amounts be deposited over the life of the Bonds. The remaining series require the Depreciation Fund be funded until the balance reaches certain amounts with the maximum amount being \$79,800. The District is funding the Depreciation Fund monthly as required, depositing \$2,061 per month. At December 31, 2017, the balance of the Depreciation Fund was \$362,262.

The District maintains a water project account for use when special projects are being funded. At December 31, 2017, that balance was \$1,003. There were no special projects in process.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

5. **CAPITAL ASSETS**

A summary of proprietary fund property, plant, and equipment at December 31, 2017 for business-type activities follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 9,000	\$ -	\$ -	\$ 9,000
Total capital assets, not being depreciated	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>9,000</u>
Capital assets, being depreciated:				
Transmission and distribution mains	12,504,467	-	-	12,504,467
Meters and installation	358,287	21,190	-	379,477
Office furniture and equipment	55,065	-	-	55,065
Communication equipment	16,380	-	-	16,380
Vehicles and equipment	147,758	83,758	(9,000)	222,516
Hydrants	83,083	-	-	83,083
Power operated equipment	131,918	-	-	131,918
Structures and improvements	281,322	6,965	-	288,287
Distributions and reservoirs	482,758	-	-	482,758
Water treatment equipment	123,328	-	-	123,328
Shop and garage equipment	30,912	-	-	30,912
Pumping equipment	163,437	-	-	163,437
Total capital assets, being depreciated	<u>14,378,715</u>	<u>111,913</u>	<u>(9,000)</u>	<u>14,481,628</u>
Less accumulated depreciation for:				
Transmission and distribution mains	(4,967,005)	(166,726)	-	(5,133,731)
Meters and installation	(138,116)	(7,138)	-	(145,254)
Office furniture and equipment	(54,197)	(232)	-	(54,429)
Communication equipment	(13,750)	(1,064)	-	(14,814)
Vehicles and equipment	(92,968)	(12,717)	9,000	(96,685)
Hydrants	(39,288)	(1,385)	-	(40,673)
Power operated equipment	(124,063)	(5,593)	-	(129,656)
Structures and improvements	(125,890)	(6,368)	-	(132,258)
Distributions and reservoirs	(241,993)	(8,218)	-	(250,211)
Water treatment equipment	(24,666)	(3,524)	-	(28,190)
Shop and garage equipment	(15,093)	(1,168)	-	(16,261)
Pumping equipment	(73,148)	(8,172)	-	(81,320)
Total accumulated depreciation	<u>(5,910,177)</u>	<u>(222,305)</u>	<u>9,000</u>	<u>(6,123,482)</u>
Total capital assets, being depreciated, net	<u>8,468,538</u>	<u>(110,392)</u>	<u>-</u>	<u>8,358,146</u>
Business-type activities capital assets, net	<u>\$ 8,477,538</u>	<u>\$ (110,392)</u>	<u>\$ -</u>	<u>\$ 8,367,146</u>

Depreciation charged to income was \$222,305.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

6. **DEBT OBLIGATIONS**

Revenue Bonds Payable

Description	Interest Rate	Maturity Date	Balance 12/31/2017	Due in One Year
Waterworks Revenue Bonds				
Series 1993	5.00%	2033	\$ 263,500	\$ 11,000
Series 1996	4.875%	2035	632,000	22,000
Series 1999	3.25%	2039	610,000	17,000
Series 1999	4.375%	2039	324,500	9,000
Series 2002	4.375%	2042	669,000	15,000
Series 2004	4.125%	2044	<u>514,000</u>	<u>10,000</u>
Total			3,013,000	<u>\$ 84,000</u>
Less current portion			<u>(84,000)</u>	
Long-term portion			<u>\$ 2,929,000</u>	

Principal and interest requirements of the revenue bonds payable as of December 31, 2017 are:

Year Ending December 31,	Principal	Interest & Fees	Total
2018	84,000	128,479	212,479
2019	88,000	124,842	212,842
2020	91,500	121,028	212,528
2021	97,000	117,064	214,064
2022	101,000	112,852	213,852
2023-2027	581,000	494,155	1,075,155
2028-2032	735,000	355,438	1,090,438
2033-2036	714,000	189,088	903,088
2037-2041	459,500	63,773	523,273
2043-2044	<u>62,000</u>	<u>3,878</u>	<u>65,878</u>
Total	<u>\$ 3,013,000</u>	<u>\$ 1,710,597</u>	<u>\$ 4,723,597</u>

Information on individual debt instruments follows:

Series 1993

During 1993, Caldwell County Water District adopted a resolution to issue \$410,000 principal of Caldwell County Water District Water Revenue Bonds, Series 1993 dated October 22, 1993 for the purpose of line construction in Caldwell County.

Bond covenants require that a depreciation account be funded in the amount of \$205 per month until there is accumulated an amount of at least \$24,600. The Sinking Fund is to be funded monthly with 1/6th of the next succeeding six-month interest payment and 1/12th of the principal of any bonds maturing on the next succeeding January 1st.

The bond covenants require that the rates for all utility services rendered by the District must be reasonable, the District must be audited annually, and must maintain adequate employee bonding and property insurance. The net revenues of the District must be equal to 120% of the maximum annual debt service that will be due each calendar year for both principal and interest on the bonds.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

Principal maturities falling due prior to January 1, 2009 shall not be subject to prepayment. Principal maturities falling due on and after January 1, 2009 shall be subject to prepayment by the District on any interest payment date falling on and after January 1, 2009 at par plus accrued interest, without any prepayment penalty. Interest, at 5.0% is paid each January 1 and July 1.

Series 1996

During 1996, Caldwell County Water District adopted a resolution to issue \$900,000 principal of Caldwell County Water District Water Revenue Bonds, Series 1996 dated November 12, 1996 for the purpose of line construction in Caldwell County.

Bond covenants require that a depreciation account be funded in the amount of \$611 per month until there is an accumulated amount of at least \$79,800. The Sinking Fund is to be funded monthly with 1/6th of the next succeeding six-month interest payment and 1/12th of the principal of any bonds maturing on the next succeeding January 1st.

The bond covenants require that the rates for all utility services rendered by the District must be reasonable, the District must be audited annually, and must maintain adequate employee bonding and property insurance. The net revenues of the District must be equal to 120% of the maximum annual debt service that will be due each calendar year for both principal and interest on the bonds.

Principal maturities falling due prior to January 1, 2009 shall not be subject to prepayment. Principal maturities falling due on and after January 1, 2009 shall be subject to prepayment by the District on any interest payment date falling on and after January 1, 2009 at par plus accrued interest, without any prepayment penalty. Interest, at 4.875% is paid each January 1 and July 1.

Series 1999

During 1999, Caldwell County Water District adopted a resolution to issue \$800,000 principal of Caldwell County Water District Water Revenue Bonds, Series 1999 dated December 30, 1999 for the purpose of line construction in Caldwell County.

Bond covenants require that a depreciation account be funded in the amount of \$370 per month until the bonds are paid in full. The Sinking Fund is to be funded monthly with 1/6th of the next succeeding six-month interest payment and 1/12th of the principal of any bonds maturing on the next succeeding January 1st.

The bond covenants require that the rates for all utility services rendered by the District must be reasonable, the District must be audited annually, and must maintain adequate employee bonding and property insurance. The net revenues of the District must be equal to 120% of the maximum annual debt service that will be due each calendar year for both principal and interest on the bonds. Interest, at 3.250% is paid each January 1 and July 1.

Series 1999

During 1999, Caldwell County Water District adopted a resolution to issue \$420,000 principal of Caldwell County Water District Water Revenue Bonds, Series 2000 dated December 30, 1999 for the purpose of line construction in Caldwell County.

Bond covenants require that a depreciation account be funded in the amount of \$205 per month until the bonds are paid in full. The Sinking Fund is to be funded monthly with 1/6th of the next succeeding six-month interest payment and 1/12th of the principal of any bonds maturing on the next succeeding January 1st.

The bond covenants require that the rates for all utility services rendered by the District must be reasonable, the District must be audited annually, and must maintain adequate employee bonding and property insurance. The net revenues of the District must be equal to 120% of the maximum

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

annual debt service that will be due each calendar year for both principal and interest on the bonds. Interest, at 4.375% is paid each January 1 and July 1.

Series 2003

During 2004, Caldwell County Water District adopted a resolution to issue \$815,000 principal of Caldwell County Water District Water Revenue Bonds, Series 2003 dated June 17, 2004 for the purpose of line construction in Caldwell County.

Bond covenants require that a depreciation account be funded in the amount of \$390 per month until there is accumulated in the Depreciation Fund the sum of at least \$46,800. These deposits are in addition to those required under the Prior Second Lien Bond Resolution. The Sinking Fund is to be funded monthly with 1/6th of the next succeeding six-month interest payment and 1/12th of the principal of any bonds maturing on the next succeeding January 1st.

The bond covenants require that the rates for all utility services rendered by the District must be reasonable, the District must be audited annually, and must maintain adequate employee bonding and property insurance. The net revenues of the District must be equal to 120% of the maximum annual debt service that will be due each calendar year for both principal and interest on the bonds. Interest, at 4.375% is paid each January 1 and July 1.

Series 2004

During 2005, Caldwell County Water District adopted a resolution to issue \$600,000 principal of Caldwell County Water District Water Revenue Bonds, Series 2004 dated September 27, 2005 for the purpose of line construction in Caldwell County.

Bond covenants require that a depreciation account be funded in the amount of \$280 per month until there is accumulated in the Depreciation Fund the sum of at least \$33,600. These deposits are in addition to those required under the Prior Second Lien Bond Resolution. The Sinking Fund is to be funded monthly with 1/6th of the next succeeding six-month interest payment and 1/12th of the principal of any bonds maturing on the next succeeding January 1st.

The bond covenants require that the rates for all utility services rendered by the District must be reasonable, the District must be audited annually, and must maintain adequate employee bonding and property insurance. The net revenues of the District must be equal to 120% of the maximum annual debt service that will be due each calendar year for both principal and interest on the bonds. Interest, at 4.125% is paid each January 1 and July 1.

Kentucky Infrastructure Authority Note Payable

In July 2004, Caldwell County Water District entered into an assistance agreement with Kentucky Infrastructure Authority. Assistance in the form of a \$150,000 loan was provided for line expansion. The loan is to be repaid in monthly installments beginning in September 2004 and ending June 2018. Interest is variable ranging from 2.25% to 5.25%.

Year Ending December 31,	Principal	Interest & Fees	Total
2018	\$ <u>15,000</u>	\$ <u>668</u>	\$ <u>15,668</u>

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

Changes in Business-Type Activities Debt

A summary of changes in the business-type activities debt for the year ended December 31, 2017 follows:

	<u>Balance</u> <u>12/31/2016</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>12/31/2017</u>	<u>Due Within</u> <u>One Year</u>
<u>Business-Type Activities:</u>				
Revenue Bonds Payable	\$ 3,092,500	\$ 79,500	\$ 3,013,000	\$ 84,000
Kentucky Infrastructure Authority	<u>35,000</u>	<u>20,000</u>	<u>15,000</u>	<u>15,000</u>
Total Business-Type Activities	<u>\$ 3,127,500</u>	<u>\$ 99,500</u>	<u>\$ 3,028,000</u>	<u>\$ 99,000</u>

7. EMPLOYEES' RETIREMENT PLAN

County Employees' Retirement System

Plan description. The Caldwell County Water District is a participant in the County Employees Retirement System (CERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement Systems Board of Trustees (KRS Board) established pursuant to Kentucky Revised Statutes (KRS) Section 78.630. KRS Section 61.645 grants the authority to establish and amend the benefit terms to the Kentucky Retirement Systems (Board). All District employees participating in the CERS are classified as having either a hazardous or nonhazardous position for the purpose of KRS 61.592. Kentucky Retirement Systems issues a publicly available comprehensive annual financial report containing CERS information that can be obtained at <https://kyret.ky.gov>.

Benefits provided. Nonhazardous position employees who have attained age 65 and have acquired at least 4 years of credit service of which 1 year must be current service are eligible for an annual retirement benefit, payable monthly for life. The benefit is computed by the number of years of service multiplied by 1.85% then multiplied by the average annual salary during the member's five highest paid fiscal years. Benefits fully vest upon reaching 5 years of credited service, one of which must be current service. Vested members may retire at or after age 55 with 5 years of credited service, of which 1 year must be current service, and receive reduced benefits. CERS also provides death and disability benefits. Benefits are established by the Kentucky Statutes.

If a member's employment is terminated before the member is eligible for any other benefits under CERS, the member shall receive a refund of his/her member contributions with credited interest at 3% compounded annually through June 30, 1981, 6% thereafter through June 30, 1986, and 4% thereafter.

Funding policy. Covered employees who began participating prior to September 1, 2008, are required by state statute to contribute 5% of their salary to CERS. Covered employees who began participating on, or after, September 1, 2008, are required by state statute to contribute 6% of their salary to CERS. The additional 1% is deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund.

Covered employees who began participation on or after January 1, 2014 are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Covered employees in the plan contribute a set percentage of their salary each month to their own account. Employee contribution rates are 5% for those classified as nonhazardous and 1% to the health insurance fund which is not credited to the employee's account and is not refundable. The employer contribution

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

rate is set annually by the KRS Board based on an actuarial valuation. The employer contributes a set percentage of the employee's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the employee's account equal to 4% for those classified as nonhazardous. The employer pay credit represents a portion of the total employer contribution.

Employers are required by state statute (KRS 78.545) to contribute the remaining amounts necessary to pay benefits when due. These contribution rates are determined by the KRS Board annually based upon actuarial valuations. For the year ended December 31, 2017, the employer contribution rate was 18.68% and 19.18%, respectively, of member's nonhazardous and hazardous salaries. The employer contribution when combined with employee contributions are expected to finance the costs of benefits earned by the employees during the year, with an additional amount to finance any unfunded accrued liability. District employer CERS contributions for the year ended December 31, 2017 were \$46,656 which was 100% funded.

Refunds of contributions. Employees who have terminated service as a contribution member of CERS may file an application for a refund of their contributions. Employee accounts have been credited with interest on July 1 of each year at 3% compounded annually through June 30, 1981; 6% thereafter through June 30, 1986; 4% thereafter through June 30, 2003, and 2.5% thereafter. For employees participating prior to September 1, 2008, the interest paid is set by the KRS Board and will not be less than 2%, for employees participating on or after September 1, 2008 but before January 1, 2014, interest will be credited at a rate if 2.5%. For employees participating on or after January 1, 2014, interest will be credited at a minimum rate of 4%.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions. At December 31, 2017, the District reported a liability of \$738,336 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's share of contributions to CERS relative to the total contributions of all participating employers, actuarially determined. At June 30, 2017, the District's proportion was .012614%, which was an increase of 0.00444% from its proportion measured June 30, 2016.

Pension expense. As a result of its requirement to contribute to CERS, the District recognized pension expenses of \$182,261 for the year ended December 31, 2017. At December 31, 2017, the District reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirements to contribute to CERS:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between expected and actual experience	\$ 916	\$ 18,742
Net differences between projected and actual investment earnings	58,475	49,343
Change of assumption	136,243	-
Changes in proportion and differences between employer contributions and share of contributions	133,077	4,329
Contributions subsequent to the measurement date	<u>15,999</u>	<u>-</u>
Totals	<u>\$ 344,710</u>	<u>\$ 72,414</u>

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

Deferred Outflows of Resources. The \$15,999 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending</u>	
December 31, 2018	\$ 106,133
December 31, 2019	108,260
December 31, 2020	51,383
December 31, 2021	<u>(9,479)</u>
Total	<u>\$ 256,297</u>

Actuarial assumptions. For financial reporting, the actuarial valuation as of June 30, 2017, was performed by Gabriel Roeder Smith (GRS). The total pension liability, net pension liability, and sensitivity information as of June 30, 2017 were based on an actuarial valuation date of June 30, 2016. The total pension liability was rolled forward from the valuation date (June 30, 2016) to the plan's fiscal year ending June 30, 2017, using generally accepted actuarial principles. GRS did not perform the actuarial valuation as of June 30, 2016 but did replicate the prior actuary's valuation results on the same assumption, methods, and data, as of that date. The roll-forward is based on the results of GRS' replication. Subsequent to the actuarial valuation date (June 30, 2016), but prior to the measurement date the KRS Board of Trustees reviewed investment trends, inflation, and payroll growth historical trends. Based on this review the Board adopted the following updated actuarial assumptions which were used in performing the actuarial valuation as of June 30, 2017, which were also used to determine the Total Pension Liability and Net Pension Liability as of June 30, 2017.

Valuation date	June 30, 2015
Experience study	July 1, 2008 - June 30, 2013
Actual cost method	Entry age normal
Amortization method	Level percentage of pay
Remaining amortization period	28 years, closed
Payroll growth rate	4.00%
Asset valuation method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	3.25%
Salary increases	4.00%, average
Investment rate of return	7.50% for CERS non-hazardous

The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013.

The long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for KRS. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated August 30, 2014. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense, and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which cover a longer time frame. The assumption is intended to be a long-term assumption and is not expected to change, absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Nominal Rate of Return</u>
Combined Equity	44%	5.40%
Combined Fixed Income	19%	1.50%
Real Return (Diversified Inflation Strategies)	10%	3.50%
Real Estate	5%	4.50%
Absolute Return (Diversified Hedge Funds)	10%	4.25%
Private Equity	10%	5.25%
Cash	2%	(0.25%)
	<u>100%</u>	

Discount Rate. The discount rate used to measure the total pension liability for the plan was 6.25%. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 26 year (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the CAFR.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

The District's proportionate share of the net pension liability	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
	\$ 931,202	\$ 738,336	\$ 577,006

Payables to the pension plan. At December 31, 2017, the financial statements include \$4,176 in contractually required employee and employer contributions primarily for the month ended December 31, 2017. The obligation was paid within prescribed time limits.

Postretirement healthcare benefits. In addition to the pension benefits described above, the KRS provides postretirement healthcare benefits through the Kentucky Retirement Systems Insurance Fund (Insurance Fund). The Insurance Fund was established to provide hospital and medical insurance for those receiving benefits from the Kentucky Employees Retirement System (KERS), the County Employees Retirement System (CERS), and the State Police Retirement System (SPRS). The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. For the year ended June 30, 2017 (the date of the latest available information), insurance premiums withheld from benefit payments

for those receiving benefits from CERS were \$22,900,000 for nonhazardous, respectively. The Insurance Fund pays the same proportion of hospital and medical insurance premiums for the spouse and dependents of retired hazardous employees killed in the line of duty. As of June 30, 2017, the Insurance Fund had 106,234 retirees and beneficiaries for whom benefits were available.

The amount of contributions paid by the Insurance Fund is based on years of service. For employees participating prior to July 1, 2003, years of service and respective percentage of the maximum contribution are shown below:

Service Period	% paid by Insurance Fund
20 or more years	100%
15-19 years	75%
10-14 years	50%
4-9 years	25%
Less than 4 years	0%

As a result of House Bill 290 (2004) Kentucky General Assembly), medical insurance benefits are calculated differently for those who began participating on or after July 1, 2003. Once employees reach a minimum vesting period of ten years, nonhazardous employees whose participation began on or after July 1, 2003 earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment (COLA), which is updated annually due to changes in the Consumer Price Index (CPI) for all urban consumers. This benefit

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

is not protected under the inviolable contract provision of Kentucky Revised Statutes 16.652, 61.692, and 78.852. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

In prior years, the employer's required medical insurance contribution rate was being increased annually by a percentage that would result in advance-funding the medical liability on an actuarially determined basis using the entry age normal cost method within a 20 year period measured from 1987. In November, 1992, the Board adopted a fixed percentage rate and suspended future increases under the current medical premium funding policy until the next experience study could be performed. In May 1996, the KRS Board adopted a policy to increase the insurance rate by the amount needed to achieve the target rate for full entry age normal funding within twenty years.

On August 6, 2012, the KRS Board voted to cease self-funding of healthcare benefits for most Medicare eligible retirees. The Board elected to contract with Humana Insurance Company to provide healthcare benefits to retirees through a fully insured Medicare Advantage Plan. The Humana Medicare Advantage Plan became effective January 1, 2013.

8. COMMITMENTS

Purchase Contracts

South Hopkins Water District

On March 3, 2004, the District entered into a long-term contract with South Hopkins Water District for the purchase of treated water. The contract for water is for a period of 40 years and calls for water sales not to exceed 250,000 gallons per month and not to exceed 15,000 gallons in any 24-hour period unless an emergency exists. The rate is equal to the cost of water from Dawson Springs, plus amortization of supply facilities (\$0.12 per 1,000 gallons), plus additional plumbing costs, plus 25%. Effective July 1, 2012, the rate changed to \$2.48 per 1,000 gallons. Payment is due by the 20th of each month. The District purchased \$2,064 from South Hopkins Water District during the year ended December 31, 2017.

Princeton Water & Wastewater

On October 11, 2002, the District entered into a long-term contract with Princeton Water & Wastewater for the purchase of treated water. The contract for water is for a period of 45 years and calls for water sales not to exceed 12 million gallons per month. The rate increased on November 4, 2010 to \$2.706 per 1,000 gallons. Another rate increase of \$3.058 per 1,000 gallons was effective June 30, 2014. Payment is due by the 15th of each month. The District purchased \$303,769 from Princeton Water & Wastewater during the year ended December 31, 2017.

Caldwell County Fiscal Court

On April 8, 2010, the District entered into a lease agreement with the Caldwell County Fiscal Court to lease the premises located at 118 W. Market Street. The term of this lease is for ten (10) years, ending on March 31, 2020, subject however to continuation of four (4) ten (10) year consecutive terms at the mutual agreement of both parties. There are no monetary terms associated with the lease; however, the District is responsible for taxes and insurance on the property.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

9. PUBLIC SERVICE COMMISSION REGULATIONS

The District is required to file with the Public Service Commission (PSC) a report of its gross earnings or receipts derived from intra-state business for the preceding calendar year. The District has satisfied this requirement. The District has also filed the 2016 annual PSC Report as required. Further, the PSC requires that all customer deposit refunds be paid with interest. This requirement has been fulfilled.

10. ECONOMIC DEPENDENCIES

The majority of the District's revenue consists of charges for water-related services to customers in Caldwell County, Kentucky. For the year ended December 31, 2017, the revenues from these sources totaled \$1,278,300. The District also receives monies from the United States Department of Agriculture and the Kentucky Infrastructure Authority whenever funds are available.

11. COMPENSATED ABSENCES

The District grants employees vacation time based on years of service. Full-time employees, with one (1) year continuous service, are entitled to vacation pay according to the following schedule:

1 to 3 years	1 week
3 to 10 years	2 weeks
10+ years	3 weeks

Employees must use vacation within the twelve month period after the time is earned. Upon termination of employment, an employee will be paid for all unused vacation leave. The liability for unused vacation time at December 31, 2017 was \$9,842.

The District's policy on sick pay states that employees will be granted one sick day per month. During the employee's probationary period sick leave may be earned but not taken. Sick leave is forfeited upon termination of employment. The District's policy is to recognize the cost of compensated medical leave when actually paid to employees.

12. LITIGATION

The District is not aware of any pending or threatened litigation in which it is involved which would have a material effect on these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Caldwell County Water District
Statement of Revenues, Expenses, and
Changes in Net Position - Budget and Actual
For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Water revenues	\$ 1,297,400	\$ 1,297,400	\$ 1,278,300	\$ (19,100)
Other	<u>30,500</u>	<u>30,500</u>	<u>34,861</u>	<u>4,361</u>
Total Operating Revenues	<u>1,327,900</u>	<u>1,327,900</u>	<u>1,313,161</u>	<u>(14,739)</u>
<u>Operating Expenses</u>				
Administrative and general expenses	297,059	297,059	409,077	(112,018)
Source of supply purchases	431,000	431,000	305,833	125,167
Transmission and distribution expenses	341,500	341,500	256,069	85,431
Depreciation	379,151	379,151	222,305	156,846
Payroll and other taxes	21,645	21,645	20,483	1,162
Customer accounts expenses	-	-	11,432	(11,432)
Water treatment	5,000	5,000	6,800	(1,800)
Bad debt expense	<u>-</u>	<u>-</u>	<u>(1,107)</u>	<u>1,107</u>
Total Operating Expenses	<u>1,475,355</u>	<u>1,475,355</u>	<u>1,230,892</u>	<u>244,463</u>
<u>Operating Income (Loss)</u>	<u>(147,455)</u>	<u>(147,455)</u>	<u>82,269</u>	<u>229,724</u>
<u>Nonoperating Revenues (Expenses)</u>				
Investment income	900	900	342	(558)
Gain (loss) on capital asset disposals	-	-	801	801
Interest on debt	<u>(138,530)</u>	<u>(138,530)</u>	<u>(130,087)</u>	<u>8,443</u>
Total Nonoperating Revenue (Expenses)	<u>(137,630)</u>	<u>(137,630)</u>	<u>(128,944)</u>	<u>8,686</u>
<u>Net Income before Capital Contributions</u>	(285,085)	(285,085)	(46,675)	238,410
<u>Capital Contributions</u>	<u>14,000</u>	<u>14,000</u>	<u>19,702</u>	<u>5,702</u>
<u>Change in Net Position</u>	<u>\$ (271,085)</u>	<u>\$ (271,085)</u>	(26,973)	<u>\$ 244,112</u>
<u>Net Position-Beginning of Year</u>			<u>6,046,437</u>	
<u>Net Position-End of Year</u>			<u>\$ 6,019,464</u>	

Caldwell County Water District
Schedule of the Proportionate Share
of the Net Pension Liability
For the Year Ended December 31, 2017

County Employee Retirement System
Last Four Years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability (asset)	0.012614%	0.008170%	0.008349%	0.008651%
Employer's proportionate share of the net pension liability (asset)	\$ 738,336	\$ 402,436	\$ 358,949	\$ 280,671
Employer's covered-employee payroll	\$ 246,805	\$ 271,488	\$ 193,784	\$ 204,010
Employer's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	299.16%	148.23%	185.23%	137.58%
Plan fiduciary net position as a percentage of the total pension liability (2)	53.30%	55.50%	59.97%	66.80%

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments will present information only for those years for which information is available.

(1) The amounts presented for the fiscal year were determined as of the fiscal year ending June 30, 2017.

(2) This will be the same percentage for all participant employers in the CERS plan.

Caldwell County Water District
Schedule of Pension Contributions
For the Year Ended December 31, 2017

County Employee Retirement System
Last Four Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 46,656	\$ 48,864	\$ 44,538	48,420
Contributions in relation to the contractually required contribution	<u>46,656</u>	<u>48,864</u>	<u>44,538</u>	<u>48,420</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	\$ 246,805	\$ 271,488	\$ 193,784	\$ 204,010
Contribution as a percentage of covered-employee payroll	18.68%/ 19.18%	17.06%/ 18.68%	17.67%/ 17.06%	18.89%/ 17.67%

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments will present information only for those years for which information is available.

Caldwell County Water District
Schedule of Changes in Benefits and Assumptions
For the Year Ended December 31, 2017

Notes Related to Schedule of the Caldwell County Water District's Proportionate Share of the Net Pension Liability - County Employee Retirement System of the KRS

Changes of benefit terms: The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30 listed below:

2015: None

Changes of assumption: The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30 listed below:

2015:

- The assumed investment rate of return was decreased from 7.75% to 7.50%.
- The assumed rate of inflation was reduced from 3.50% to 3.25%.
- The assumed rate of wage inflation was reduced from 1.00% to 0.75%.
- Payroll growth assumption was reduced from 4.50% to 4.00%.
- The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
- For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. There is some margin in the current mortality tables for possible future improvement in mortality rates, and that margin will be reviewed again when the next experience investigation is conducted.
- The assumed rate of Retirement, Withdrawal, and Disability were updated to more accurately reflect experience

Notes to the Schedule of the Caldwell County Water District's Contributions - County Employee Retirement Systems of KRS

The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year ending June 30, 2017:

Valuation date	June 30, 2015
Experience study	July 1, 2008 - June 30, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	28 years, closed
Payroll growth rate	4.00%
Asset valuation	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	3.25%
Salary increase	4.00%, average
Investment Rate of Return	7.50% for CERS non-hazardous

OTHER SUPPLEMENTARY INFORMATION

Caldwell County Water District
Detail Schedule of Operating Expenses
For the Year Ended December 31, 2017

	2017
<u>General operating expenses</u>	
Retirement	\$ 182,261
Salaries & wages	94,961
Employee insurance	39,187
Utilities	21,657
Insurance	19,942
Legal & professional	17,505
Fuel	10,812
Other contract services	8,096
Office supplies	3,887
Uniforms	3,503
Dues & subscriptions	2,269
License fees	1,934
Training & education	1,846
Advertising	484
Travel	432
Miscellaneous	231
Bank charges	70
Total general operating expenses	409,077
<u>Water purchases</u>	305,833
<u>Transmission and distribution expenses</u>	
Salaries & wages	188,935
Contract labor - meter reading	24,256
Supplies & materials	21,107
Repairs & maintenance	16,596
Equipment rent	3,884
Tools and equipment	1,291
Total water expenses	256,069
<u>Depreciation expense</u>	222,305
<u>Payroll and other taxes</u>	20,483
<u>Customer accounts expenses</u>	
Postage	9,570
Credit card fees	1,575
Debit card clearing	274
Collection Fees	13
Total customer accounts expenses	11,432
<u>Water treatment</u>	
Testing	6,175
Chemicals	625
Total water treatment	6,800
<u>Bad debt expense</u>	(1,107)
<u>Total operating expenses</u>	\$ 1,230,892

JESSICA K. DANIEL, CPA PSC
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
Caldwell County Water District
Princeton, Kentucky

We have audited, in accordance with the 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, the financial statements of the Caldwell County Water District, as of and for the year ended December 31, 2017 and the related notes to the financial statements, which collectively comprise the Caldwell County Water District's basic financial statements, and have issued our report thereon dated June 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Caldwell County Water District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2017-1).

Compliance and Other Matters

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

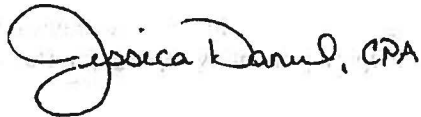
We also noted certain additional matters that we have reported to management of the Caldwell County Water District in a separate letter dated June 12, 2018.

Caldwell County Water District's Response to Findings

Caldwell County Water District's response to findings identified in our audit described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Jessica Daniel, CPA". The signature is written in a cursive style with a large, looping initial "J".

Eddyville, Kentucky
June 12, 2018

Caldwell County Water District
Schedule of Findings and Responses
For The Year Ended December 31, 2017

2017-1 Segregation of Duties

Condition

There is an absence of appropriate segregation of duties consistent with appropriate control objectives.

Criteria

A prudent control environment requires various functions of internal control be allocated among various employees.

Effect

Although no instances were noted, lack of segregation of duties can create situations where assets are not properly safeguarded and errors and irregularities may go undetected.

Cause

Lack of personnel.

Recommendation

We recommend that management review its financial operation for opportunities to separate incompatible functions. Where segregation of duties cannot be achieved due to the size of the staff, management should maintain its awareness of the weakness and compensate with other controls.

Response

We agree with the finding and have put in place certain compensating controls to help alleviate exposure. A third party accounting firm assists in bookkeeping, payroll, and preparing monthly reports for Board review.

EXHIBIT E

EXISTING OBLIGATIONS

This information comes from the District's most recent audit.

Caldwell County Water District
Notes to the Financial Statements
For the Year Ended December 31, 2017

6. DEBT OBLIGATIONS

Revenue Bonds Payable

<u>Description</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance 12/31/2017</u>	<u>Due in One Year</u>
Waterworks Revenue Bonds				
Series 1993	5.00%	2033	\$ 263,500	\$ 11,000
Series 1996	4.875%	2035	632,000	22,000
Series 1999	3.25%	2039	610,000	17,000
Series 1999	4.375%	2039	324,500	9,000
Series 2002	4.375%	2042	669,000	15,000
Series 2004	4.125%	2044	514,000	10,000
Total			3,013,000	\$ 84,000
Less current portion			(84,000)	
Long-term portion			<u>\$ 2,929,000</u>	

Principal and interest requirements of the revenue bonds payable as of December 31, 2017 are:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest & Fees</u>	<u>Total</u>
2018	84,000	128,479	212,479
2019	88,000	124,842	212,842
2020	91,500	121,028	212,528
2021	97,000	117,064	214,064
2022	101,000	112,852	213,852
2023-2027	581,000	494,155	1,075,155
2028-2032	735,000	355,438	1,090,438
2033-2036	714,000	189,088	903,088
2037-2041	459,500	63,773	523,273
2043-2044	62,000	3,878	65,878
Total	<u>\$ 3,013,000</u>	<u>\$ 1,710,597</u>	<u>\$ 4,723,597</u>

Kentucky Infrastructure Authority Note Payable

In July 2004, Caldwell County Water District entered into an assistance agreement with Kentucky Infrastructure Authority. Assistance in the form of a \$150,000 loan was provided for line expansion. The loan is to be repaid in monthly installments beginning in September 2004 and ending June 2018. Interest is variable ranging from 2.25% to 5.25%.

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest & Fees</u>	<u>Total</u>
2018	<u>\$ 15,000</u>	<u>\$ 668</u>	<u>\$ 15,668</u>

EXHIBIT F

**DRAFT STATEMENT OF NOTIFICATION OF INTENT TO FINANCE AND
APPLICATION OF DEBT APPROVAL WITH THE STATE AND LOCAL DEBT
OFFICE**

Page 1	NOTIFICATION OF INTENT TO FINANCE AND APPLICATION OF DEBT APPROVAL Form # SLDO-1 Revised 1/1/2011	For DLG staff use only: File # _____ Received _____
--------	--	---

Completion and delivery of this form to the address below shall satisfy the requirements of KRS 65.117, which prohibits any city, county, urban-county, consolidated local government, charter county, special district, or taxing district from entering into any financing obligation of any nature, except leases under \$200,000, without first notifying the state local debt officer in writing. This form shall also serve as application for approval of debt issuance when applicable. An electronic version of the form is available at www.dlg.ky.gov.

<input checked="" type="checkbox"/> Type of debt to be issued (must check one):	SLDO Approval Required	Complete Sections
<input type="checkbox"/> Short Term Borrowing – KRS 65.7701 et. seq.	No	A,B,C
<input type="checkbox"/> Lease from \$200,000 - \$500,000 – KRS 65.940 et. seq.	No	A,B,D
<input checked="" type="checkbox"/> Lease exceeding \$500,000 – KRS 65.940 et. seq.	Yes (Counties only)	A,B,D
<input type="checkbox"/> General Obligation Bond – KRS Chapter 66	Yes (Counties only)	A,B,E
<input type="checkbox"/> Public Project Rev. Bond – KRS Chapter 58	No	A,B,E
<input type="checkbox"/> Public Project Rev. Bonds w/Lease - KRS 65.310(2)	Yes (Counties only)	A,B,D,E
<input type="checkbox"/> Industrial Revenue Bond – KRS Chapter 103	Yes (All Borrowers)	A,B,F
<input type="checkbox"/> Other Bonds (True Revenue, Utility Assessment, TIF)	No	A,B,E

Section A – Borrower Information

Agency Name: Caldwell County Water District	
Governing Body: Special District	
Street Address: 118 W Market Street	
PO Box	City: Princeton
County: Caldwell	Zip: 42445
Authorized Official: Chief Executive Officer	

Section B – Terms of Financial Obligation

Please provide all relevant information. Fields in bold are mandatory.

Principal Amount: \$1,710,000	Date of Issue: November 1, 2019
Maturity Date(s): 02/01/2036	Payment Schedule: (must attach schedule)
Term: 16 years	Number of Renewal Periods: N/A
Interest Rate(s): 3.250-5.000%	Type of Interest (fixed or variable): Fixed
Retirement Method: Lease payments	
Lender's Name: N/A	
Lender's Address: N/A	

Right of Termination: N/A
Termination Penalties: N/A
Prepayment Provisions: Bonds maturing on and after February 1, 2028 are subject to optional redemption on any date on and after February 1, 2029
Trustee or Paying Agent: U.S. Bank National Association
AOC Funding Percentage: 0%

Page 2	NOTIFICATION OF INTENT TO FINANCE AND APPLICATION OF DEBT APPROVAL Form # SLDO-1 Revised 1/1/2011
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Section C – Note (Loan) Information/Documentation

Purpose – Briefly explain the documented need that necessitates this note (loan) and the public purpose it is intended to address. (Attach additional information if necessary):

Pledge of Taxes/Description:

Pledge of Revenue/Description:

Pledge of Project Revenues (Attach documentation which substantiates the revenue projections):

Have bids been sought by the local governments to determine the financial and programmatic competitiveness of the note (loan) proposal? Yes No

If No, explain what steps were taken to ensure adequate competition.

Required Attachments

1. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the note and statement as to taxes and revenues to be collected during the term of the note.

Section D – Lease Information/Documentation

Describe the real or personal property to be acquired or constructed:

N/A, Refunding.

Type of Lease: General Obligation Revenue

Is Lease Annually Renewable? Yes No

Does Agency seek approval without a hearing? Yes No Jurisdiction: Revenue Refunding

If yes, please state the name, date and principal amount of original issue(s) being refunded:

Required Attachments (If lease requires SLDO approval)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing (if hearing is required) and newspaper advertisement tear sheet
3. Copy of lease
4. Executed copy of ordinance/resolution of fiscal court authorizing the lease
5. Certification from local government attesting to the ability to meet additional financial commitments necessitated by the lease and statement as to taxes and revenues to be collected during the term of the lease

**NOTIFICATION OF INTENT TO FINANCE
AND APPLICATION OF DEBT APPROVAL**

Form # SLDO-1
Revised 1/1/2011

Section E – Bond Information/Documentation

Please provide all relevant information. Fields in bold are mandatory.

Describe the purpose of the bond:

The bond is being issued to refinance a portion of the District's outstanding obligations for debt service savings.

Bond Counsel: Dinsmore & Shohl LLP

Counsel Address: 50 East RiverCenter Boulevard, Suite 1150, Covington, KY

Financial Advisor: Compass Municipal Advisors, LLC

Advisor Address: 333 West Vine Street, Suite 1610, Lexington, Kentucky 40509

Bond Series: Financing Program Revenue Bonds 2019 First Series B

Call Date: February 1, 2028

Does this bond refund a prior bond? Yes

If yes, please state the name, date and principal amount of original issue(s) being refunded:

\$410,000 Waterworks Revenue Bonds, Series 1993, dated as of October 22, 1993.

\$900,000 Waterworks Revenue Bonds, Series 1996, dated as of November 12, 1996;

\$800,000 Waterworks Revenue Bonds, dated as of December 30, 1999

\$815,000 Waterworks Revenue Bonds, Series 2003, dated as of June 17, 2004

Required Attachments (If SLDO Approval is Required)

1. Minutes from the local public hearing
2. Affidavit of publication of SLDO hearing and newspaper advertisement tear sheet
3. Executed copy of ordinance/resolution of fiscal court authorizing financial plan for the issuance of the bonds
4. Proposed plan of financing
5. Preliminary official statement (if applicable)
6. Sources and uses table

Additional Required Attachments for KRS Chapter 103 Bonds

1. Documentation in an appropriate form substantiating the project's eligibility under KRS 103.2101(1)(a)-(e).
2. If the project requires approval of the reduction in property taxes, attach any documentation provided to agency responsible for approval.

By signing below, the Authorized Official certifies that the foregoing is true and accurate to the best of his or her knowledge.

Name (please print): Daniel D. Briscoe, Jr., Esq.	Date: November [], 2019
Title: Bond Counsel	Signature:

Mail to:

**Department for Local Government
Attn: State Local Debt Officer
1024 Capital Center Drive, Suite 340
Frankfort, KY 40601**

Fax to: 502-573-3712

Attachment A

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
02/01/2020	80,000.00	5.000%	24,300.00	104,300.00	1,925.00	106,225.00
08/01/2020	-	-	34,450.00	34,450.00	-	34,450.00
02/01/2021	65,000.00	5.000%	34,450.00	99,450.00	4,575.00	104,025.00
08/01/2021	-	-	32,825.00	32,825.00	-	32,825.00
02/01/2022	70,000.00	5.000%	32,825.00	102,825.00	4,412.50	107,237.50
08/01/2022	-	-	31,075.00	31,075.00	-	31,075.00
02/01/2023	75,000.00	5.000%	31,075.00	106,075.00	4,237.50	110,312.50
08/01/2023	-	-	29,200.00	29,200.00	-	29,200.00
02/01/2024	80,000.00	5.000%	29,200.00	109,200.00	4,050.00	113,250.00
08/01/2024	-	-	27,200.00	27,200.00	-	27,200.00
02/01/2025	85,000.00	5.000%	27,200.00	112,200.00	3,850.00	116,050.00
08/01/2025	-	-	25,075.00	25,075.00	-	25,075.00
02/01/2026	90,000.00	5.000%	25,075.00	115,075.00	3,637.50	118,712.50
08/01/2026	-	-	22,825.00	22,825.00	-	22,825.00
02/01/2027	95,000.00	5.000%	22,825.00	117,825.00	3,412.50	121,237.50
08/01/2027	-	-	20,450.00	20,450.00	-	20,450.00
02/01/2028	100,000.00	5.000%	20,450.00	120,450.00	3,175.00	123,625.00
08/01/2028	-	-	17,950.00	17,950.00	-	17,950.00
02/01/2029	105,000.00	5.000%	17,950.00	122,950.00	2,925.00	125,875.00
08/01/2029	-	-	15,325.00	15,325.00	-	15,325.00
02/01/2030	110,000.00	4.000%	15,325.00	125,325.00	2,662.50	127,987.50
08/01/2030	-	-	13,125.00	13,125.00	-	13,125.00
02/01/2031	115,000.00	4.000%	13,125.00	128,125.00	2,387.50	130,512.50
08/01/2031	-	-	10,825.00	10,825.00	-	10,825.00
02/01/2032	120,000.00	4.000%	10,825.00	130,825.00	2,100.00	132,925.00
08/01/2032	-	-	8,425.00	8,425.00	-	8,425.00
02/01/2033	125,000.00	4.000%	8,425.00	133,425.00	1,800.00	135,225.00
08/01/2033	-	-	5,925.00	5,925.00	-	5,925.00
02/01/2034	130,000.00	3.000%	5,925.00	135,925.00	1,487.50	137,412.50
08/01/2034	-	-	3,975.00	3,975.00	-	3,975.00
02/01/2035	130,000.00	3.000%	3,975.00	133,975.00	1,162.50	135,137.50
08/01/2035	-	-	2,025.00	2,025.00	-	2,025.00
02/01/2036	135,000.00	3.000%	2,025.00	137,025.00	837.50	137,862.50
Total	\$1,710,000.00	-	\$625,650.00	\$2,335,650.00	\$48,637.50	\$2,384,287.50

Error! Unknown document property name.Error! Unknown document property name.

Caldwell County Water District

Kentucky Association of Counties Finance Corporation
Financing Program Revenue Bonds, 2019 First Series E

Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/31/2019	-	-	-	-	-
12/31/2020	138,750.00	1,925.00	140,675.00	143,612.08	2,937.08
12/31/2021	132,275.00	4,575.00	136,850.00	143,400.06	6,550.06
12/31/2022	133,900.00	4,412.50	138,312.50	143,232.10	4,919.60
12/31/2023	135,275.00	4,237.50	139,512.50	143,900.57	4,388.07
12/31/2024	136,400.00	4,050.00	140,450.00	144,048.53	3,598.53
12/31/2025	137,275.00	3,850.00	141,125.00	144,208.60	3,083.60
12/31/2026	137,900.00	3,637.50	141,537.50	142,869.83	1,332.33
12/31/2027	138,275.00	3,412.50	141,687.50	143,853.71	2,166.21
12/31/2028	138,400.00	3,175.00	141,575.00	143,746.89	2,171.89
12/31/2029	138,275.00	2,925.00	141,200.00	142,721.73	1,521.73
12/31/2030	138,450.00	2,662.50	141,112.50	143,607.26	2,494.76
12/31/2031	138,950.00	2,387.50	141,337.50	143,746.77	2,409.27
12/31/2032	139,250.00	2,100.00	141,350.00	143,728.67	2,378.67
12/31/2033	139,350.00	1,800.00	141,150.00	144,291.84	3,141.84
12/31/2034	139,900.00	1,487.50	141,387.50	119,297.83	(22,089.67)
12/31/2035	136,000.00	1,162.50	137,162.50	120,671.46	(16,491.04)
12/31/2036	137,025.00	837.50	137,862.50	66,665.29	(71,197.21)
12/31/2037	-	-	-	67,267.79	67,267.79
12/31/2038	-	-	-	66,796.27	66,796.27
12/31/2039	-	-	-	67,215.56	67,215.56
12/31/2040	-	-	-	43,545.21	43,545.21
12/31/2041	-	-	-	43,785.49	43,785.49
12/31/2042	-	-	-	43,948.36	43,948.36
Total	\$2,335,650.00	\$48,637.50	\$2,384,287.50	\$2,650,161.90	\$265,874.40

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	203,856.56
Effects of changes in Expenses	(40,599.59)
Net PV Cashflow Savings @ 2.797%(Bond Yield)	163,256.96
Contingency or Rounding Amount	4,295.87
Net Present Value Benefit	\$167,552.83
Net PV Benefit / \$1,770,500 Refunded Principal	9.464%
Net PV Benefit / \$1,710,000 Refunding Principal	9.798%

Refunding Bond Information

Refunding Dated Date	10/01/2019
Refunding Delivery Date	10/01/2019

7/22/2019 | 11:26 AM

Caldwell County Water District

Kentucky Association of Counties Finance Corporation
Financing Program Revenue Bonds, 2019 First Series E

Sources & Uses

Dated 10/01/2019 | Delivered 10/01/2019

Sources Of Funds

Par Amount of Bonds	\$1,710,000.00
Reoffering Premium	144,003.30

Total Sources **\$1,854,003.30**

Uses Of Funds

Total Underwriter's Discount (1.500%)	25,650.00
Costs of Issuance	32,940.00
Deposit to Current Refunding Fund	1,791,117.43
Rounding Amount	4,295.87

Total Uses **\$1,854,003.30**

Caldwell County Water District

Kentucky Association of Counties Finance Corporation
Financing Program Revenue Bonds, 2019 First Series E

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
02/01/2020	Serial Coupon	5.000%	1.820%	80,000.00	101.048%	-	-	-	80,838.40
02/01/2021	Serial Coupon	5.000%	1.870%	65,000.00	104.100%	-	-	-	67,665.00
02/01/2022	Serial Coupon	5.000%	1.920%	70,000.00	106.992%	-	-	-	74,894.40
02/01/2023	Serial Coupon	5.000%	1.970%	75,000.00	109.726%	-	-	-	82,294.50
02/01/2024	Serial Coupon	5.000%	2.010%	80,000.00	112.346%	-	-	-	89,876.80
02/01/2025	Serial Coupon	5.000%	2.100%	85,000.00	114.556%	-	-	-	97,372.60
02/01/2026	Serial Coupon	5.000%	2.240%	90,000.00	116.209%	-	-	-	104,588.10
02/01/2027	Serial Coupon	5.000%	2.360%	95,000.00	117.678%	-	-	-	111,794.10
02/01/2028	Serial Coupon	5.000%	2.470%	100,000.00	118.946%	-	-	-	118,946.00
02/01/2029	Serial Coupon	5.000%	2.540%	105,000.00	120.323%	-	-	-	126,339.15
02/01/2030	Serial Coupon	4.000%	2.570%	110,000.00	111.796%	c 2.685%	02/01/2029	100.000%	122,975.60
02/01/2031	Serial Coupon	4.000%	2.630%	115,000.00	111.270%	c 2.830%	02/01/2029	100.000%	127,960.50
02/01/2032	Serial Coupon	4.000%	2.670%	120,000.00	110.920%	c 2.938%	02/01/2029	100.000%	133,104.00
02/01/2033	Serial Coupon	4.000%	3.180%	125,000.00	106.573%	c 3.383%	02/01/2029	100.000%	133,216.25
02/01/2034	Serial Coupon	3.000%	3.230%	130,000.00	97.375%	-	-	-	126,587.50
02/01/2035	Serial Coupon	3.000%	3.280%	130,000.00	96.644%	-	-	-	125,637.20
02/01/2036	Serial Coupon	3.000%	3.300%	135,000.00	96.232%	-	-	-	129,913.20
Total	-	-	-	\$1,710,000.00	-	-	-	-	\$1,854,003.30

Bid Information

Par Amount of Bonds	\$1,710,000.00
Reoffering Premium or (Discount)	144,003.30
Gross Production	\$1,854,003.30
Total Underwriter's Discount (1.500%)	\$(25,650.00)
Bid (106.921%)	1,828,353.30
Total Purchase Price	\$1,828,353.30
Bond Year Dollars	\$16,055.00
Average Life	9.389 Years
Average Coupon	3.8969168%
Net Interest Cost (NIC)	3.1597428%
True Interest Cost (TIC)	3.0542275%

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Caldwell County Water District

Kentucky Association of Counties Finance Corporation
Financing Program Revenue Bonds, 2019 First Series E

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
02/01/2020	80,000.00	5.000%	24,300.00	104,300.00	1,925.00	106,225.00
08/01/2020	-	-	34,450.00	34,450.00	-	34,450.00
02/01/2021	65,000.00	5.000%	34,450.00	99,450.00	4,575.00	104,025.00
08/01/2021	-	-	32,825.00	32,825.00	-	32,825.00
02/01/2022	70,000.00	5.000%	32,825.00	102,825.00	4,412.50	107,237.50
08/01/2022	-	-	31,075.00	31,075.00	-	31,075.00
02/01/2023	75,000.00	5.000%	31,075.00	106,075.00	4,237.50	110,312.50
08/01/2023	-	-	29,200.00	29,200.00	-	29,200.00
02/01/2024	80,000.00	5.000%	29,200.00	109,200.00	4,050.00	113,250.00
08/01/2024	-	-	27,200.00	27,200.00	-	27,200.00
02/01/2025	85,000.00	5.000%	27,200.00	112,200.00	3,850.00	116,050.00
08/01/2025	-	-	25,075.00	25,075.00	-	25,075.00
02/01/2026	90,000.00	5.000%	25,075.00	115,075.00	3,637.50	118,712.50
08/01/2026	-	-	22,825.00	22,825.00	-	22,825.00
02/01/2027	95,000.00	5.000%	22,825.00	117,825.00	3,412.50	121,237.50
08/01/2027	-	-	20,450.00	20,450.00	-	20,450.00
02/01/2028	100,000.00	5.000%	20,450.00	120,450.00	3,175.00	123,625.00
08/01/2028	-	-	17,950.00	17,950.00	-	17,950.00
02/01/2029	105,000.00	5.000%	17,950.00	122,950.00	2,925.00	125,875.00
08/01/2029	-	-	15,325.00	15,325.00	-	15,325.00
02/01/2030	110,000.00	4.000%	15,325.00	125,325.00	2,662.50	127,987.50
08/01/2030	-	-	13,125.00	13,125.00	-	13,125.00
02/01/2031	115,000.00	4.000%	13,125.00	128,125.00	2,387.50	130,512.50
08/01/2031	-	-	10,825.00	10,825.00	-	10,825.00
02/01/2032	120,000.00	4.000%	10,825.00	130,825.00	2,100.00	132,925.00
08/01/2032	-	-	8,425.00	8,425.00	-	8,425.00
02/01/2033	125,000.00	4.000%	8,425.00	133,425.00	1,800.00	135,225.00
08/01/2033	-	-	5,925.00	5,925.00	-	5,925.00
02/01/2034	130,000.00	3.000%	5,925.00	135,925.00	1,487.50	137,412.50
08/01/2034	-	-	3,975.00	3,975.00	-	3,975.00
02/01/2035	130,000.00	3.000%	3,975.00	133,975.00	1,162.50	135,137.50
08/01/2035	-	-	2,025.00	2,025.00	-	2,025.00
02/01/2036	135,000.00	3.000%	2,025.00	137,025.00	837.50	137,862.50
Total	\$1,710,000.00	-	\$625,650.00	\$2,335,650.00	\$48,637.50	\$2,384,287.50

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Caldwell County Water District

Kentucky Association of Counties Finance Corporation
Financing Program Revenue Bonds, 2019 First Series E

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
12/31/2019	-	-	-	-	-	-
12/31/2020	80,000.00	5.000%	58,750.00	138,750.00	1,925.00	140,675.00
12/31/2021	65,000.00	5.000%	67,275.00	132,275.00	4,575.00	136,850.00
12/31/2022	70,000.00	5.000%	63,900.00	133,900.00	4,412.50	138,312.50
12/31/2023	75,000.00	5.000%	60,275.00	135,275.00	4,237.50	139,512.50
12/31/2024	80,000.00	5.000%	56,400.00	136,400.00	4,050.00	140,450.00
12/31/2025	85,000.00	5.000%	52,275.00	137,275.00	3,850.00	141,125.00
12/31/2026	90,000.00	5.000%	47,900.00	137,900.00	3,637.50	141,537.50
12/31/2027	95,000.00	5.000%	43,275.00	138,275.00	3,412.50	141,687.50
12/31/2028	100,000.00	5.000%	38,400.00	138,400.00	3,175.00	141,575.00
12/31/2029	105,000.00	5.000%	33,275.00	138,275.00	2,925.00	141,200.00
12/31/2030	110,000.00	4.000%	28,450.00	138,450.00	2,662.50	141,112.50
12/31/2031	115,000.00	4.000%	23,950.00	138,950.00	2,387.50	141,337.50
12/31/2032	120,000.00	4.000%	19,250.00	139,250.00	2,100.00	141,350.00
12/31/2033	125,000.00	4.000%	14,350.00	139,350.00	1,800.00	141,150.00
12/31/2034	130,000.00	3.000%	9,900.00	139,900.00	1,487.50	141,387.50
12/31/2035	130,000.00	3.000%	6,000.00	136,000.00	1,162.50	137,162.50
12/31/2036	135,000.00	3.000%	2,025.00	137,025.00	837.50	137,862.50
Total	\$1,710,000.00	-	\$625,650.00	\$2,335,650.00	\$48,637.50	\$2,384,287.50

Caldwell County Water District, Kentucky

Water Revenue Bonds, Series 1993

(USDA Loan # 4)

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
10/01/2019	241,000.00	3,012.50	244,012.50	-	-	-	-
01/01/2020	-	-	-	12,000.00	5.000%	6,025.00	18,025.00
07/01/2020	-	-	-	-	-	5,725.00	5,725.00
01/01/2021	-	-	-	13,000.00	5.000%	5,725.00	18,725.00
07/01/2021	-	-	-	-	-	5,400.00	5,400.00
01/01/2022	-	-	-	13,500.00	5.000%	5,400.00	18,900.00
07/01/2022	-	-	-	-	-	5,062.50	5,062.50
01/01/2023	-	-	-	14,000.00	5.000%	5,062.50	19,062.50
07/01/2023	-	-	-	-	-	4,712.50	4,712.50
01/01/2024	-	-	-	15,000.00	5.000%	4,712.50	19,712.50
07/01/2024	-	-	-	-	-	4,337.50	4,337.50
01/01/2025	-	-	-	15,500.00	5.000%	4,337.50	19,837.50
07/01/2025	-	-	-	-	-	3,950.00	3,950.00
01/01/2026	-	-	-	16,500.00	5.000%	3,950.00	20,450.00
07/01/2026	-	-	-	-	-	3,537.50	3,537.50
01/01/2027	-	-	-	17,500.00	5.000%	3,537.50	21,037.50
07/01/2027	-	-	-	-	-	3,100.00	3,100.00
01/01/2028	-	-	-	18,000.00	5.000%	3,100.00	21,100.00
07/01/2028	-	-	-	-	-	2,650.00	2,650.00
01/01/2029	-	-	-	19,000.00	5.000%	2,650.00	21,650.00
07/01/2029	-	-	-	-	-	2,175.00	2,175.00
01/01/2030	-	-	-	20,000.00	5.000%	2,175.00	22,175.00
07/01/2030	-	-	-	-	-	1,675.00	1,675.00
01/01/2031	-	-	-	21,000.00	5.000%	1,675.00	22,675.00
07/01/2031	-	-	-	-	-	1,150.00	1,150.00
01/01/2032	-	-	-	22,500.00	5.000%	1,150.00	23,650.00
07/01/2032	-	-	-	-	-	587.50	587.50
01/01/2033	-	-	-	23,500.00	5.000%	587.50	24,087.50
Total	\$241,000.00	\$3,012.50	\$244,012.50	\$241,000.00	-	\$94,150.00	\$335,150.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/01/2019
Average Life	7.563 Years
Average Coupon	5.0000000%
Weighted Average Maturity (Par Basis)	7.563 Years
Weighted Average Maturity (Original Price Basis)	7.563 Years

Refunding Bond Information

Refunding Dated Date	10/01/2019
Refunding Delivery Date	10/01/2019

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Caldwell County Water District, Kentucky

Water Revenue Bonds, Series 1996

(USDA Loan # 6)

Debt Service To Maturity And To Call

Part 1 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
10/01/2019	586,000.00	7,200.58	593,200.58	-	-	-	-
01/01/2020	-	-	-	25,000.00	4.875%	14,401.15	39,401.15
07/01/2020	-	-	-	-	-	13,636.91	13,636.91
01/01/2021	-	-	-	26,000.00	4.875%	13,786.77	39,786.77
07/01/2021	-	-	-	-	-	12,933.44	12,933.44
01/01/2022	-	-	-	27,000.00	4.875%	13,147.81	40,147.81
07/01/2022	-	-	-	-	-	12,280.73	12,280.73
01/01/2023	-	-	-	29,000.00	4.875%	12,484.27	41,484.27
07/01/2023	-	-	-	-	-	11,579.66	11,579.66
01/01/2024	-	-	-	30,000.00	4.875%	11,771.59	41,771.59
07/01/2024	-	-	-	-	-	10,914.39	10,914.39
01/01/2025	-	-	-	32,000.00	4.875%	11,034.33	43,034.33
07/01/2025	-	-	-	-	-	10,080.83	10,080.83
01/01/2026	-	-	-	33,000.00	4.875%	10,247.92	43,247.92
07/01/2026	-	-	-	-	-	9,283.07	9,283.07
01/01/2027	-	-	-	35,000.00	4.875%	9,436.93	44,436.93
07/01/2027	-	-	-	-	-	8,436.96	8,436.96
01/01/2028	-	-	-	37,000.00	4.875%	8,576.79	45,576.79
07/01/2028	-	-	-	-	-	7,584.16	7,584.16
01/01/2029	-	-	-	38,000.00	4.875%	7,667.51	45,667.51
07/01/2029	-	-	-	-	-	6,623.86	6,623.86
01/01/2030	-	-	-	40,000.00	4.875%	6,733.64	46,733.64
07/01/2030	-	-	-	-	-	5,656.87	5,656.87
01/01/2031	-	-	-	42,000.00	4.875%	5,750.63	47,750.63
07/01/2031	-	-	-	-	-	4,641.53	4,641.53
01/01/2032	-	-	-	44,000.00	4.875%	4,718.47	48,718.47
07/01/2032	-	-	-	-	-	3,597.62	3,597.62
01/01/2033	-	-	-	47,000.00	4.875%	3,637.15	50,637.15
07/01/2033	-	-	-	-	-	2,441.64	2,441.64
01/01/2034	-	-	-	49,000.00	4.875%	2,482.11	51,482.11
07/01/2034	-	-	-	-	-	1,257.08	1,257.08
01/01/2035	-	-	-	52,000.00	4.875%	1,277.92	53,277.92
Total	\$586,000.00	\$7,200.58	\$593,200.58	\$586,000.00	-	\$258,103.74	\$844,103.74

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Caldwell County Water District, Kentucky

Water Revenue Bonds, Series 1996

(USDA Loan # 6)

Debt Service To Maturity And To Call

Part 2 of 2

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/01/2019
Average Life	8.774 Years
Average Coupon	4.8799605%
Weighted Average Maturity (Par Basis)	8.774 Years
Weighted Average Maturity (Original Price Basis)	8.774 Years

Refunding Bond Information

Refunding Dated Date	10/01/2019
Refunding Delivery Date	10/01/2019

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Caldwell County Water District, Kentucky

Water Revenue Bonds, Series 1999B

(USDA Loan # 10)

Debt Service To Maturity And To Call

Part 1 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
10/01/2019	305,500.00	3,368.87	308,868.87	-	-	-	-
01/01/2020	-	-	-	10,000.00	4.375%	6,737.74	16,737.74
07/01/2020	-	-	-	-	-	6,446.35	6,446.35
01/01/2021	-	-	-	10,000.00	4.375%	6,517.19	16,517.19
07/01/2021	-	-	-	-	-	6,193.98	6,193.98
01/01/2022	-	-	-	10,500.00	4.375%	6,296.64	16,796.64
07/01/2022	-	-	-	-	-	5,966.18	5,966.18
01/01/2023	-	-	-	11,000.00	4.375%	6,065.07	17,065.07
07/01/2023	-	-	-	-	-	5,727.53	5,727.53
01/01/2024	-	-	-	11,500.00	4.375%	5,822.47	17,322.47
07/01/2024	-	-	-	-	-	5,508.30	5,508.30
01/01/2025	-	-	-	12,000.00	4.375%	5,568.84	17,568.84
07/01/2025	-	-	-	-	-	5,217.70	5,217.70
01/01/2026	-	-	-	12,500.00	4.375%	5,304.18	17,804.18
07/01/2026	-	-	-	-	-	4,946.51	4,946.51
01/01/2027	-	-	-	13,500.00	4.375%	5,028.49	18,528.49
07/01/2027	-	-	-	-	-	4,653.62	4,653.62
01/01/2028	-	-	-	14,000.00	4.375%	4,730.75	18,730.75
07/01/2028	-	-	-	-	-	4,373.92	4,373.92
01/01/2029	-	-	-	14,500.00	4.375%	4,421.99	18,921.99
07/01/2029	-	-	-	-	-	4,035.31	4,035.31
01/01/2030	-	-	-	15,000.00	4.375%	4,102.19	19,102.19
07/01/2030	-	-	-	-	-	3,709.88	3,709.88
01/01/2031	-	-	-	16,000.00	4.375%	3,771.37	19,771.37
07/01/2031	-	-	-	-	-	3,362.76	3,362.76
01/01/2032	-	-	-	16,500.00	4.375%	3,418.49	19,918.49
07/01/2032	-	-	-	-	-	3,021.39	3,021.39
01/01/2033	-	-	-	17,500.00	4.375%	3,054.59	20,554.59
07/01/2033	-	-	-	-	-	2,625.12	2,625.12
01/01/2034	-	-	-	18,000.00	4.375%	2,668.63	20,668.63
07/01/2034	-	-	-	-	-	2,234.61	2,234.61
01/01/2035	-	-	-	19,000.00	4.375%	2,271.64	21,271.64
07/01/2035	-	-	-	-	-	1,822.40	1,822.40
01/01/2036	-	-	-	19,500.00	4.375%	1,852.60	21,352.60
07/01/2036	-	-	-	-	-	1,407.07	1,407.07
01/01/2037	-	-	-	20,500.00	4.375%	1,422.53	21,922.53
07/01/2037	-	-	-	-	-	954.59	954.59
01/01/2038	-	-	-	21,500.00	4.375%	970.41	22,470.41
07/01/2038	-	-	-	-	-	488.14	488.14
01/01/2039	-	-	-	22,500.00	4.375%	496.23	22,996.23
Total	\$305,500.00	\$3,368.87	\$308,868.87	\$305,500.00	-	\$153,217.40	\$458,717.40

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Caldwell County Water District, Kentucky

Water Revenue Bonds, Series 1999B

(USDA Loan # 10)

Debt Service To Maturity And To Call

Part 2 of 2

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/01/2019
Average Life	11.201 Years
Average Coupon	4.3791351%
Weighted Average Maturity (Par Basis)	11.201 Years
Weighted Average Maturity (Original Price Basis)	11.201 Years

Refunding Bond Information

Refunding Dated Date	10/01/2019
Refunding Delivery Date	10/01/2019

Caldwell County Water District, Kentucky

Water Revenue Bonds, Series 2002

(USDA Loan # 16)

Debt Service To Maturity And To Call

Part 1 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
10/01/2019	638,000.00	7,035.48	645,035.48	-	-	-	-
01/01/2020	-	-	-	16,000.00	4.375%	14,070.96	30,070.96
07/01/2020	-	-	-	-	-	13,568.97	13,568.97
01/01/2021	-	-	-	17,000.00	4.375%	13,718.08	30,718.08
07/01/2021	-	-	-	-	-	13,125.60	13,125.60
01/01/2022	-	-	-	18,000.00	4.375%	13,343.15	31,343.15
07/01/2022	-	-	-	-	-	12,735.09	12,735.09
01/01/2023	-	-	-	19,000.00	4.375%	12,946.16	31,946.16
07/01/2023	-	-	-	-	-	12,322.88	12,322.88
01/01/2024	-	-	-	20,000.00	4.375%	12,527.12	32,527.12
07/01/2024	-	-	-	-	-	11,954.66	11,954.66
01/01/2025	-	-	-	21,000.00	4.375%	12,086.03	33,086.03
07/01/2025	-	-	-	-	-	11,433.37	11,433.37
01/01/2026	-	-	-	21,000.00	4.375%	11,622.88	32,622.88
07/01/2026	-	-	-	-	-	10,977.77	10,977.77
01/01/2027	-	-	-	22,000.00	4.375%	11,159.73	33,159.73
07/01/2027	-	-	-	-	-	10,500.48	10,500.48
01/01/2028	-	-	-	23,000.00	4.375%	10,674.52	33,674.52
07/01/2028	-	-	-	-	-	10,056.75	10,056.75
01/01/2029	-	-	-	24,000.00	4.375%	10,167.26	34,167.26
07/01/2029	-	-	-	-	-	9,480.80	9,480.80
01/01/2030	-	-	-	26,000.00	4.375%	9,637.95	35,637.95
07/01/2030	-	-	-	-	-	8,916.73	8,916.73
01/01/2031	-	-	-	27,000.00	4.375%	9,064.52	36,064.52
07/01/2031	-	-	-	-	-	8,330.96	8,330.96
01/01/2032	-	-	-	28,000.00	4.375%	8,469.04	36,469.04
07/01/2032	-	-	-	-	-	7,766.16	7,766.16
01/01/2033	-	-	-	29,000.00	4.375%	7,851.51	36,851.51
07/01/2033	-	-	-	-	-	7,094.33	7,094.33
01/01/2034	-	-	-	30,000.00	4.375%	7,211.92	37,211.92
07/01/2034	-	-	-	-	-	6,443.48	6,443.48
01/01/2035	-	-	-	32,000.00	4.375%	6,550.27	38,550.27
07/01/2035	-	-	-	-	-	5,749.23	5,749.23
01/01/2036	-	-	-	33,000.00	4.375%	5,844.52	38,844.52
07/01/2036	-	-	-	-	-	5,061.10	5,061.10
01/01/2037	-	-	-	35,000.00	4.375%	5,116.71	40,116.71
07/01/2037	-	-	-	-	-	4,273.96	4,273.96
01/01/2038	-	-	-	36,000.00	4.375%	4,344.79	40,344.79
07/01/2038	-	-	-	-	-	3,492.93	3,492.93
01/01/2039	-	-	-	38,000.00	4.375%	3,550.82	41,550.82
07/01/2039	-	-	-	-	-	2,668.51	2,668.51
01/01/2040	-	-	-	39,000.00	4.375%	2,712.74	41,712.74
07/01/2040	-	-	-	-	-	1,832.47	1,832.47

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Caldwell County Water District, Kentucky

Water Revenue Bonds, Series 2002

(USDA Loan # 16)

Debt Service To Maturity And To Call

Part 2 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
01/01/2041	-	-	-	41,000.00	4.375%	1,852.60	42,852.60
07/01/2041	-	-	-	-	-	932.89	932.89
01/01/2042	-	-	-	43,000.00	4.375%	948.36	43,948.36
Total	\$638,000.00	\$7,035.48	\$645,035.48	\$638,000.00	-	\$374,190.76	\$1,012,190.76

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/01/2019
Average Life	13.142 Years
Average Coupon	4.3789764%
Weighted Average Maturity (Par Basis)	13.142 Years
Weighted Average Maturity (Original Price Basis)	13.142 Years

Refunding Bond Information

Refunding Dated Date	10/01/2019
Refunding Delivery Date	10/01/2019

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Caldwell County Water District

Kentucky Association of Counties Finance Corporation
Financing Program Revenue Bonds, 2019 First Series E

Total Refunded Debt Service

Part 1 of 2

DATE	1993	1996	1999B	2002	TOTAL P+I
10/01/2019	-	-	-	-	-
01/01/2020	18,025.00	39,401.15	16,737.74	30,070.96	104,234.85
07/01/2020	5,725.00	13,636.91	6,446.35	13,568.97	39,377.23
01/01/2021	18,725.00	39,786.77	16,517.19	30,718.08	105,747.04
07/01/2021	5,400.00	12,933.44	6,193.98	13,125.60	37,653.02
01/01/2022	18,900.00	40,147.81	16,796.64	31,343.15	107,187.60
07/01/2022	5,062.50	12,280.73	5,966.18	12,735.09	36,044.50
01/01/2023	19,062.50	41,484.27	17,065.07	31,946.16	109,558.00
07/01/2023	4,712.50	11,579.66	5,727.53	12,322.88	34,342.57
01/01/2024	19,712.50	41,771.59	17,322.47	32,527.12	111,333.68
07/01/2024	4,337.50	10,914.39	5,508.30	11,954.66	32,714.85
01/01/2025	19,837.50	43,034.33	17,568.84	33,086.03	113,526.70
07/01/2025	3,950.00	10,080.83	5,217.70	11,433.37	30,681.90
01/01/2026	20,450.00	43,247.92	17,804.18	32,622.88	114,124.98
07/01/2026	3,537.50	9,283.07	4,946.51	10,977.77	28,744.85
01/01/2027	21,037.50	44,436.93	18,528.49	33,159.73	117,162.65
07/01/2027	3,100.00	8,436.96	4,653.62	10,500.48	26,691.06
01/01/2028	21,100.00	45,576.79	18,730.75	33,674.52	119,082.06
07/01/2028	2,650.00	7,584.16	4,373.92	10,056.75	24,664.83
01/01/2029	21,650.00	45,667.51	18,921.99	34,167.26	120,406.76
07/01/2029	2,175.00	6,623.86	4,035.31	9,480.80	22,314.97
01/01/2030	22,175.00	46,733.64	19,102.19	35,637.95	123,648.78
07/01/2030	1,675.00	5,656.87	3,709.88	8,916.73	19,958.48
01/01/2031	22,675.00	47,750.63	19,771.37	36,064.52	126,261.52
07/01/2031	1,150.00	4,641.53	3,362.76	8,330.96	17,485.25
01/01/2032	23,650.00	48,718.47	19,918.49	36,469.04	128,756.00
07/01/2032	587.50	3,597.62	3,021.39	7,766.16	14,972.67
01/01/2033	24,087.50	50,637.15	20,554.59	36,851.51	132,130.75
07/01/2033	-	2,441.64	2,625.12	7,094.33	12,161.09
01/01/2034	-	51,482.11	20,668.63	37,211.92	109,362.66
07/01/2034	-	1,257.08	2,234.61	6,443.48	9,935.17
01/01/2035	-	53,277.92	21,271.64	38,550.27	113,099.83
07/01/2035	-	-	1,822.40	5,749.23	7,571.63
01/01/2036	-	-	21,352.60	38,844.52	60,197.12
07/01/2036	-	-	1,407.07	5,061.10	6,468.17
01/01/2037	-	-	21,922.53	40,116.71	62,039.24
07/01/2037	-	-	954.59	4,273.96	5,228.55
01/01/2038	-	-	22,470.41	40,344.79	62,815.20
07/01/2038	-	-	488.14	3,492.93	3,981.07
01/01/2039	-	-	22,996.23	41,550.82	64,547.05
07/01/2039	-	-	-	2,668.51	2,668.51
01/01/2040	-	-	-	41,712.74	41,712.74
07/01/2040	-	-	-	1,832.47	1,832.47

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Caldwell County Water District

Kentucky Association of Counties Finance Corporation
Financing Program Revenue Bonds, 2019 First Series E

Total Refunded Debt Service

Part 2 of 2

DATE	1993	1996	1999B	2002	TOTAL P+I
01/01/2041	-	-	-	42,852.60	42,852.60
07/01/2041	-	-	-	932.89	932.89
01/01/2042	-	-	-	43,948.36	43,948.36
Total	\$335,150.00	\$844,103.74	\$458,717.40	\$1,012,190.76	\$2,650,161.90

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	10/01/2019
Average Life	10.602 Years
Average Coupon	4.5765364%
Weighted Average Maturity (Par Basis)	10.602 Years
Weighted Average Maturity (Original Price Basis)	10.602 Years

Refunding Bond Information

Refunding Dated Date	10/01/2019
Refunding Delivery Date	10/01/2019

**Caldwell County Water District
Net Present Value Calculation**

Date	Gross Cashflow	Expenses	Net Cashflow	Bond Yield 2.7972656%	NPV Gross Cashflow
				PV Factor	
10/1/2019	\$0.00	\$0.00	\$0.00	1.000000	\$0.00
1/1/2020	\$104,234.85	\$0.00	\$104,234.85	0.993079	\$103,513.48
2/1/2020	-\$104,300.00	-\$1,925.00	-\$106,225.00	0.990783	-\$103,338.68
7/1/2020	\$39,377.23	\$0.00	\$39,377.23	0.979381	\$38,565.33
8/1/2020	-\$34,450.00	\$0.00	-\$34,450.00	0.977117	-\$33,661.68
1/1/2021	\$105,747.04	\$0.00	\$105,747.04	0.965872	\$102,138.15
2/1/2021	-\$99,450.00	-\$4,575.00	-\$104,025.00	0.963639	-\$95,833.91
7/1/2021	\$37,653.02	\$0.00	\$37,653.02	0.952550	\$35,866.37
8/1/2021	-\$32,825.00	\$0.00	-\$32,825.00	0.950347	-\$31,195.15
1/1/2022	\$107,187.60	\$0.00	\$107,187.60	0.939411	\$100,693.19
2/1/2022	-\$102,825.00	-\$4,412.50	-\$107,237.50	0.937239	-\$96,371.57
7/1/2022	\$36,044.50	\$0.00	\$36,044.50	0.926453	\$33,393.54
8/1/2022	-\$31,075.00	\$0.00	-\$31,075.00	0.924311	-\$28,722.96
1/1/2023	\$109,558.00	\$0.00	\$109,558.00	0.913674	\$100,100.32
2/1/2023	-\$106,075.00	-\$4,237.50	-\$110,312.50	0.911562	-\$96,693.89
7/1/2023	\$34,342.57	\$0.00	\$34,342.57	0.901072	\$30,945.11
8/1/2023	-\$29,200.00	\$0.00	-\$29,200.00	0.898988	-\$26,250.45
1/1/2024	\$111,333.68	\$0.00	\$111,333.68	0.888643	\$98,935.86
2/1/2024	-\$109,200.00	-\$4,050.00	-\$113,250.00	0.886588	-\$96,815.40
7/1/2024	\$32,714.85	\$0.00	\$32,714.85	0.876385	\$28,670.81
8/1/2024	-\$27,200.00	\$0.00	-\$27,200.00	0.874359	-\$23,782.56
1/1/2025	\$113,526.70	\$0.00	\$113,526.70	0.864297	\$98,120.78
2/1/2025	-\$112,200.00	-\$3,850.00	-\$116,050.00	0.862298	-\$96,749.89
7/1/2025	\$30,681.90	\$0.00	\$30,681.90	0.852375	\$26,152.49
8/1/2025	-\$25,075.00	\$0.00	-\$25,075.00	0.850404	-\$21,323.89
1/1/2026	\$114,124.98	\$0.00	\$114,124.98	0.840618	\$95,935.53
2/1/2026	-\$115,075.00	-\$3,637.50	-\$118,712.50	0.838674	-\$96,510.46
7/1/2026	\$28,744.85	\$0.00	\$28,744.85	0.829023	\$23,830.15
8/1/2026	-\$22,825.00	\$0.00	-\$22,825.00	0.827106	-\$18,878.70
1/1/2027	\$117,162.65	\$0.00	\$117,162.65	0.817588	\$95,790.79
2/1/2027	-\$117,825.00	-\$3,412.50	-\$121,237.50	0.815698	-\$96,109.58
7/1/2027	\$26,691.06	\$0.00	\$26,691.06	0.806311	\$21,521.29
8/1/2027	-\$20,450.00	\$0.00	-\$20,450.00	0.804446	-\$16,450.93
1/1/2028	\$119,082.06	\$0.00	\$119,082.06	0.795189	\$94,692.74
2/1/2028	-\$120,450.00	-\$3,175.00	-\$123,625.00	0.793350	-\$95,559.05
7/1/2028	\$24,664.83	\$0.00	\$24,664.83	0.784221	\$19,342.67
8/1/2028	-\$17,950.00	\$0.00	-\$17,950.00	0.782407	-\$14,044.21
1/1/2029	\$120,406.76	\$0.00	\$120,406.76	0.773404	\$93,123.02
2/1/2029	-\$122,950.00	-\$2,925.00	-\$125,875.00	0.771615	-\$94,870.10
7/1/2029	\$22,314.97	\$0.00	\$22,314.97	0.762736	\$17,020.42
8/1/2029	-\$15,325.00	\$0.00	-\$15,325.00	0.760972	-\$11,661.90
1/1/2030	\$123,648.78	\$0.00	\$123,648.78	0.752215	\$93,010.46
2/1/2030	-\$125,325.00	-\$2,662.50	-\$127,987.50	0.750476	-\$94,053.36
7/1/2030	\$19,958.48	\$0.00	\$19,958.48	0.741839	\$14,805.99
8/1/2030	-\$13,125.00	\$0.00	-\$13,125.00	0.740124	-\$9,714.13
1/1/2031	\$126,261.52	\$0.00	\$126,261.52	0.731607	\$92,373.79
2/1/2031	-\$128,125.00	-\$2,387.50	-\$130,512.50	0.729915	-\$93,520.39
7/1/2031	\$17,485.25	\$0.00	\$17,485.25	0.721516	\$12,615.88
8/1/2031	-\$10,825.00	\$0.00	-\$10,825.00	0.719847	-\$7,792.35

**Caldwell County Water District
Net Present Value Calculation**

Date	Gross Cashflow	Expenses	Net Cashflow	Bond Yield 2.7972656%	NPV Gross Cashflow
				PV Factor	
1/1/2032	\$128,756.00	\$0.00	\$128,756.00	0.711563	\$91,618.05
2/1/2032	-\$130,825.00	-\$2,100.00	-\$132,925.00	0.709918	-\$92,875.03
7/1/2032	\$14,972.67	\$0.00	\$14,972.67	0.701748	\$10,507.05
8/1/2032	-\$8,425.00	\$0.00	-\$8,425.00	0.700126	-\$5,898.56
1/1/2033	\$132,130.75	\$0.00	\$132,130.75	0.692069	\$91,443.59
2/1/2033	-\$133,425.00	-\$1,800.00	-\$135,225.00	0.690469	-\$92,125.79
7/1/2033	\$12,161.09	\$0.00	\$12,161.09	0.682523	\$8,300.22
8/1/2033	-\$5,925.00	\$0.00	-\$5,925.00	0.680945	-\$4,034.60
1/1/2034	\$109,362.66	\$0.00	\$109,362.66	0.673109	\$73,612.95
2/1/2034	-\$135,925.00	-\$1,487.50	-\$137,412.50	0.671552	-\$91,280.74
7/1/2034	\$9,935.17	\$0.00	\$9,935.17	0.663824	\$6,595.21
8/1/2034	-\$3,975.00	\$0.00	-\$3,975.00	0.662289	-\$2,632.60
1/1/2035	\$113,099.83	\$0.00	\$113,099.83	0.654668	\$74,042.82
2/1/2035	-\$133,975.00	-\$1,162.50	-\$135,137.50	0.653154	-\$87,506.31
7/1/2035	\$7,571.63	\$0.00	\$7,571.63	0.645638	\$4,888.53
8/1/2035	-\$2,025.00	\$0.00	-\$2,025.00	0.644145	-\$1,304.39
1/1/2036	\$60,197.12	\$0.00	\$60,197.12	0.636732	\$38,329.44
2/1/2036	-\$137,862.50	\$0.00	-\$137,862.50	0.635260	-\$87,578.51
7/1/2036	\$6,468.17	\$0.00	\$6,468.17	0.627949	\$4,061.68
1/1/2037	\$62,039.24	\$0.00	\$62,039.24	0.619288	\$38,420.15
7/1/2037	\$5,228.55	\$0.00	\$5,228.55	0.610746	\$3,193.31
1/1/2038	\$62,815.20	\$0.00	\$62,815.20	0.602322	\$37,834.95
7/1/2038	\$3,981.07	\$0.00	\$3,981.07	0.594013	\$2,364.81
1/1/2039	\$64,547.05	\$0.00	\$64,547.05	0.585820	\$37,812.95
7/1/2039	\$2,668.51	\$0.00	\$2,668.51	0.577740	\$1,541.70
1/1/2040	\$41,712.74	\$0.00	\$41,712.74	0.569771	\$23,766.69
7/1/2040	\$1,832.47	\$0.00	\$1,832.47	0.561911	\$1,029.69
1/1/2041	\$42,852.60	\$0.00	\$42,852.60	0.554161	\$23,747.23
7/1/2041	\$932.89	\$0.00	\$932.89	0.546517	\$509.84
1/1/2042	\$43,948.36	\$0.00	\$43,948.36	0.538979	\$23,687.23
Total	\$313,674.40	-\$47,800.00	\$265,874.40	---	\$203,324.53

NPV
Net
Cashflow

\$0.00
\$103,513.48
-\$105,245.94
\$38,565.33
-\$33,661.68
\$102,138.15
-\$100,242.55
\$35,866.37
-\$31,195.15
\$100,693.19
-\$100,507.13
\$33,393.54
-\$28,722.96
\$100,100.32
-\$100,556.64
\$30,945.11
-\$26,250.45
\$98,935.86
-\$100,406.08
\$28,670.81
-\$23,782.56
\$98,120.78
-\$100,069.74
\$26,152.49
-\$21,323.89
\$95,935.53
-\$99,561.14
\$23,830.15
-\$18,878.70
\$95,790.79
-\$98,893.14
\$21,521.29
-\$16,450.93
\$94,692.74
-\$98,077.94
\$19,342.67
-\$14,044.21
\$93,123.02
-\$97,127.07
\$17,020.42
-\$11,661.90
\$93,010.46
-\$96,051.50
\$14,805.99
-\$9,714.13
\$92,373.79
-\$95,263.06
\$12,615.88
-\$7,792.35

NPV
Net
Cashflow

\$91,618.05
-\$94,365.86
\$10,507.05
-\$5,898.56
\$91,443.59
-\$93,368.64
\$8,300.22
-\$4,034.60
\$73,612.95
-\$92,279.68
\$6,595.21
-\$2,632.60
\$74,042.82
-\$88,265.61
\$4,888.53
-\$1,304.39
\$38,329.44
-\$87,578.51
\$4,061.68
\$38,420.15
\$3,193.31
\$37,834.95
\$2,364.81
\$37,812.95
\$1,541.70
\$23,766.69
\$1,029.69
\$23,747.23
\$509.84
\$23,687.23

\$163,256.96