

# Rubin & Hays

ATTORNEYS AT LAW

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CHARLES S. MUSSON  
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June 18, 2012

RECEIVED  
JUN 20 2012  
PUBLIC SERVICE  
COMMISSION

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

Re: McCreary County Water District **PSC Case No. 2012-00172**

Dear Mr. Derouen:

In accordance with paragraphs No. 2 and 3 of the PSC Order dated May 25, 2012 relating to the above case, enclosed please find the final refunding schedules which include the actual gross and net present value savings and the final loan debt service, including the final principal amount and the interest rates. The Kentucky Rural Water Finance Corporation loan to the District was dated May 30, 2012.

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

Sincerely,

Rubin & Hays

By

  
W. Randall Jones

WRJ:ilm  
Enclosures

Final

**\$4,800,000**

McCreary County Water District  
Kentucky Rural Water Finance Corporation  
Public Projects Refunding Revenue Bonds, Series 2012 D

## Sources & Uses

Dated 05/30/2012 | Delivered 05/30/2012

### Sources Of Funds

Par Amount of Bonds	\$4,800,000.00
Reoffering Premium	1,823.30
Transfers from Prior Issue Debt Service Funds	50,543.96
<b>Total Sources</b>	<b>\$4,852,367.26</b>

### Uses Of Funds

Total Underwriter's Discount (1.680%)	80,644.66
Costs of Issuance	69,700.00
Deposit to Current Refunding Fund	4,697,756.25
Rounding Amount	4,266.35
<b>Total Uses</b>	<b>\$4,852,367.26</b>

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Final

**\$4,800,000**

McCreary County Water District

Kentucky Rural Water Finance Corporation

Public Projects Refunding Revenue Bonds, Series 2012 D

**Debt Service Comparison**

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/30/2012	-	-	-	104,523.75	104,523.75
12/30/2013	296,347.13	450.00	296,797.13	302,398.75	5,601.62
12/30/2014	296,660.00	450.00	297,110.00	303,477.50	6,367.50
12/30/2015	296,305.00	450.00	296,755.00	300,887.50	4,132.50
12/30/2016	296,415.00	450.00	296,865.00	303,583.75	6,718.75
12/30/2017	292,770.00	450.00	293,220.00	302,032.50	8,812.50
12/30/2018	294,045.00	450.00	294,495.00	303,256.25	8,761.25
12/30/2019	294,485.00	450.00	294,935.00	302,232.50	7,297.50
12/30/2020	294,765.00	450.00	295,215.00	303,450.00	8,235.00
12/30/2021	295,078.75	450.00	295,528.75	302,397.50	6,868.75
12/30/2022	295,232.50	450.00	295,682.50	302,097.50	6,415.00
12/30/2023	294,950.00	450.00	295,400.00	304,460.00	9,060.00
12/30/2024	289,422.50	450.00	289,872.50	301,530.00	11,657.50
12/30/2025	293,467.50	450.00	293,917.50	304,285.00	10,367.50
12/30/2026	292,077.50	450.00	292,527.50	302,191.25	9,663.75
12/30/2027	290,415.00	450.00	290,865.00	302,782.50	11,917.50
12/30/2028	293,385.00	450.00	293,835.00	302,013.75	8,178.75
12/30/2029	291,077.50	450.00	291,527.50	303,351.25	11,823.75
12/30/2030	293,361.25	450.00	293,811.25	302,772.50	8,961.25
12/30/2031	290,233.13	450.00	290,683.13	301,811.25	11,128.12
12/30/2032	291,677.51	450.00	292,127.51	302,911.25	10,783.74
12/30/2033	292,592.51	450.00	293,042.51	304,005.00	10,962.49
12/30/2034	244,100.01	450.00	244,550.01	256,195.00	11,644.99
12/30/2035	241,298.76	450.00	241,748.76	254,082.50	12,333.74
12/30/2036	238,043.76	450.00	238,493.76	252,143.75	13,649.99
12/30/2037	219,643.76	450.00	220,093.76	233,250.00	13,156.24
12/30/2038	167,398.76	450.00	167,848.76	182,037.50	14,188.74
12/30/2039	165,993.76	450.00	166,443.76	181,635.00	15,191.24
12/30/2040	164,378.76	450.00	164,828.76	181,895.00	17,066.24
12/30/2041	25,509.38	450.00	25,509.38	43,967.50	18,458.12
<b>Total</b>	<b>\$7,631,129.73</b>	<b>\$13,050.00</b>	<b>\$7,643,729.73</b>	<b>\$8,047,657.50</b>	<b>\$403,927.77</b>

**PV Analysis Summary (Net to Net)**

Net FV Cashflow Savings	403,927.77
Gross PV Debt Service Savings	260,181.33
Effects of changes in Expenses	(7,823.50)
Net PV Cashflow Savings @ 3.705%(Bond Yield)	252,357.83
Transfers from Prior Issue Debt Service Fund	(50,543.96)
Contingency or Rounding Amount	4,266.35
Net Future Value Benefit	\$357,650.16
Net Present Value Benefit	\$206,080.22
Net PV Benefit / \$4,645,500 Refunded Principal	4.436%
Net PV Benefit / \$4,800,000 Refunding Principal	4.293%

**Refunding Bond Information**

Refunding Dated Date	5/30/2012
Refunding Delivery Date	5/30/2012
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**Morgan Keegan & Company, Inc.**

Public Finance

Final  
**\$4,800,000**  
 McCreary County Water District  
 Kentucky Rural Water Finance Corporation  
 Public Projects Refunding Revenue Bonds, Series 2012 D

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/30/2012	-	-	-	-	-
02/01/2013	90,000.00	4.200%	119,204.63	209,204.63	-
08/01/2013	-	-	87,142.50	87,142.50	-
12/30/2013	-	-	-	-	296,347.13
02/01/2014	125,000.00	4.200%	87,142.50	212,142.50	-
08/01/2014	-	-	84,517.50	84,517.50	-
12/30/2014	-	-	-	-	296,660.00
02/01/2015	130,000.00	4.200%	84,517.50	214,517.50	-
08/01/2015	-	-	81,787.50	81,787.50	-
12/30/2015	-	-	-	-	296,305.00
02/01/2016	135,000.00	3.200%	81,787.50	216,787.50	-
08/01/2016	-	-	79,627.50	79,627.50	-
12/30/2016	-	-	-	-	296,415.00
02/01/2017	135,000.00	2.200%	79,627.50	214,627.50	-
08/01/2017	-	-	78,142.50	78,142.50	-
12/30/2017	-	-	-	-	292,770.00
02/01/2018	140,000.00	3.200%	78,142.50	218,142.50	-
08/01/2018	-	-	75,902.50	75,902.50	-
12/30/2018	-	-	-	-	294,045.00
02/01/2019	145,000.00	3.200%	75,902.50	220,902.50	-
08/01/2019	-	-	73,582.50	73,582.50	-
12/30/2019	-	-	-	-	294,485.00
02/01/2020	150,000.00	3.200%	73,582.50	223,582.50	-
08/01/2020	-	-	71,182.50	71,182.50	-
12/30/2020	-	-	-	-	294,765.00
02/01/2021	155,000.00	2.950%	71,182.50	226,182.50	-
08/01/2021	-	-	68,896.25	68,896.25	-
12/30/2021	-	-	-	-	295,078.75
02/01/2022	160,000.00	3.200%	68,896.25	228,896.25	-
08/01/2022	-	-	66,336.25	66,336.25	-
12/30/2022	-	-	-	-	295,232.50
02/01/2023	165,000.00	3.300%	66,336.25	231,336.25	-
08/01/2023	-	-	63,613.75	63,613.75	-
12/30/2023	-	-	-	-	294,950.00
02/01/2024	165,000.00	3.400%	63,613.75	228,613.75	-
08/01/2024	-	-	60,808.75	60,808.75	-
12/30/2024	-	-	-	-	289,422.50
02/01/2025	175,000.00	3.600%	60,808.75	235,808.75	-
08/01/2025	-	-	57,658.75	57,658.75	-
12/30/2025	-	-	-	-	293,467.50
02/01/2026	180,000.00	3.600%	57,658.75	237,658.75	-
08/01/2026	-	-	54,418.75	54,418.75	-
12/30/2026	-	-	-	-	292,077.50
02/01/2027	185,000.00	3.700%	54,418.75	239,418.75	-
08/01/2027	-	-	50,996.25	50,996.25	-
12/30/2027	-	-	-	-	290,415.00
02/01/2028	195,000.00	3.700%	50,996.25	245,996.25	-
08/01/2028	-	-	47,388.75	47,388.75	-
12/30/2028	-	-	-	-	293,385.00
02/01/2029	200,000.00	3.700%	47,388.75	247,388.75	-
08/01/2029	-	-	43,688.75	43,688.75	-
12/30/2029	-	-	-	-	291,077.50
02/01/2030	210,000.00	3.825%	43,688.75	253,688.75	-
08/01/2030	-	-	39,672.50	39,672.50	-
12/30/2030	-	-	-	-	293,361.25
02/01/2031	215,000.00	3.825%	39,672.50	254,672.50	-
08/01/2031	-	-	35,560.63	35,560.63	-
12/30/2031	-	-	-	-	290,233.13
02/01/2032	225,000.00	3.950%	35,560.63	260,560.63	-
08/01/2032	-	-	31,116.88	31,116.88	-
12/30/2032	-	-	-	-	291,677.51
02/01/2033	235,000.00	3.950%	31,116.88	266,116.88	-
08/01/2033	-	-	26,475.63	26,475.63	-
12/30/2033	-	-	-	-	292,592.51
02/01/2034	195,000.00	3.950%	26,475.63	221,475.63	-
08/01/2034	-	-	22,624.38	22,624.38	-
12/30/2034	-	-	-	-	244,100.01
02/01/2035	200,000.00	3.950%	22,624.38	222,624.38	-
08/01/2035	-	-	18,674.38	18,674.38	-
12/30/2035	-	-	-	-	241,298.76
02/01/2036	205,000.00	4.200%	18,674.38	223,674.38	-
08/01/2036	-	-	14,369.38	14,369.38	-
12/30/2036	-	-	-	-	238,043.76
02/01/2037	195,000.00	4.200%	14,369.38	209,369.38	-
08/01/2037	-	-	10,274.38	10,274.38	-
12/30/2037	-	-	-	-	219,643.76
02/01/2038	150,000.00	4.200%	10,274.38	160,274.38	-
08/01/2038	-	-	7,124.38	7,124.38	-
12/30/2038	-	-	-	-	167,398.76
02/01/2039	155,000.00	4.200%	7,124.38	162,124.38	-
08/01/2039	-	-	3,869.38	3,869.38	-
12/30/2039	-	-	-	-	165,993.76
02/01/2040	160,000.00	4.200%	3,869.38	163,869.38	-
08/01/2040	-	-	509.38	509.38	-
12/30/2040	-	-	-	-	164,378.76
02/01/2041	25,000.00	4.075%	509.38	25,509.38	-
12/30/2041	-	-	-	-	25,509.38
<b>Total</b>	<b>\$4,800,000.00</b>	<b>-</b>	<b>\$2,831,129.73</b>	<b>\$7,631,129.73</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	573,568.33
Average Life	15.327 Years
Average Coupon	3.8482994%
Net Interest Cost (NIC)	3.9554397%
True Interest Cost (TIC)	3.9649333%
Bond Yield for Arbitrage Purposes	3.7048046%
All Inclusive Cost (AIC)	4.1167577%

**IRS Form 8038**

Net Interest Cost	3.8766626%
Weighted Average Maturity	15.199 Years

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**Morgan Keegan & Company, Inc.**

Public Finance