

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY.

RECEIVED

APR 16 2008

PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF CRITTENDEN-)
LIVINGSTON COUNTY WATER DISTRICT)
TO ISSUE SECURITIES IN THE APPROXI-)
MATE PRINCIPAL AMOUNT OF \$1,935,000)
FOR THE PURPOSE OF REFUNDING CERTAIN)
OUTSTANDING REVENUE BONDS OF THE)
DISTRICT PURSUANT TO THE PROVISIONS)
OF KRS 278.300 AND 807 KAR 5:001)

CASE NO. 141

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

APPLICATION

The Applicant, Crittenden-Livingston County Water District (the "District"), files this Application pursuant to KRS 278.300, 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") enter an Order authorizing the District to issue certain securities in the approximate principal sum \$1,935,000 (subject to adjustment of up to 10%), for the purpose of refunding certain outstanding waterworks revenue bonds of the District. In support of this Application, and in compliance with the rules and regulations of the Commission, the District states as follows:

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

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

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

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

Crittenden-Livingston County Water District
c/o Mr. Donnie Beavers, Superintendent
P.O. Box 495
Salem, Kentucky 42078
Telephone: (270) 988-2680

4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's Annual Report for 2007 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. The District proposes to borrow funds from the Kentucky Rural Water Finance Corporation ("KRWFC") pursuant to an Assistance Agreement (the "KRWFC Loan"), in the estimated principal amount of \$1,935,000 (subject to adjustment of up to 10%) for the purpose of refunding the outstanding revenue bonds designated as the (i) Crittenden-Livingston County Water District Waterworks Revenue Bonds of 1988, dated May 30, 1989, in the original principal amount of \$634,000 (the "1988 Bonds"); (ii) Crittenden-Livingston County Water District Waterworks Revenue Bonds of 1991, dated November 7, 1991, in the original principal amount of \$358,000 (the "1991 Bonds"); (iii) Crittenden-Livingston County Water District Waterworks Revenue Bonds, Series 1994, dated February 11, 1994, in the original principal amount of \$190,000 (the "1994 Bonds"); and (iv) Crittenden-Livingston County Water District Waterworks Refunding Revenue

Bonds, Series 1996, dated October 15, 1996, in the original principal amount of \$1,460,000 (the "1996 Bonds") (hereinafter the 1988 Bonds, 1991 Bonds, 1994 Bonds and 1996 Bonds shall be collectively referred to as the "Prior Bonds"). Said 1988 Bonds, 1991 Bonds and 1994 Bonds are currently held by the U.S. Department of Agriculture, acting through Rural Development ("RD") and all bear interest at the rate of 5.00% per annum. The 1996 Bonds are currently held in the open market.

6. The estimated debt service for the KRWFC Loan is shown in **Exhibit A**, which is attached hereto and incorporated herein by reference. The debt service schedule and estimated interest rates are subject to change because of market conditions. The final terms and details of the KRWFC Loan may vary from the present assumptions based upon market conditions and other business judgment factors.

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

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

9. It is anticipated that the proposed refinancing will result in total gross savings of approximately \$234,410.94. These savings are shown on the Debt Service Comparison, which is attached hereto and incorporated herein by reference as **Exhibit C**.

10. The final principal amount of the KRWFC Loan will be adjusted, based upon final interest rates which will be known on or about April 24, 2008, in order to provide funds sufficient to redeem, in full, the Prior Bonds. Final financial figures will be submitted to the Commission in a timely manner. The Applicant will not issue the securities if interest rates in the bond market shift to a point where the Applicant will not achieve any savings.

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

12. The District represents that the KRWFC Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of the District by producing substantial debt service savings. This is a lawful object within the corporate purposes of the District's utility operations. The KRWFC Loan is necessary, appropriate for, and consistent with the proper performance by the District of its service to the public and will not impair its ability to perform that service.

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

14. The detailed Statement of Revenue and Expenses, Balance Sheet and Statement of Cash Flows for the twelve month period ending on December 31, 2006 are attached hereto and incorporated herein by reference as **Exhibit E** respectively.

15. The remaining financial schedules and other information necessary for the Financial Exhibit required by 807 KAR 5:001, Section 6 and Section 11 (2) (a) are contained in the 2007 Annual Report which is on file with the Commission. The Annual Report is incorporated herein by reference.

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

- (a) Section 6(4) Mortgages: The District does not have any mortgages in effect as of the date hereof.

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

17. The District hereby requests and moves for a deviation, pursuant to 807 KAR 5:001, Section 14, from the requirements of 807 KAR 5:001, Section 6, which requires that the financial data filed with the Application be for a twelve (12) month period ending within ninety (90) days of the filing of the application. The District states that there has been no change that is material in nature in the financial condition or operation of the District since December 31, 2006. The financial data filed with this Application is for the twelve (12) month period ending December 31, 2006. This is the most recent published financial data available. Because of the volatility of the bond market, the District cannot run the risk of delaying the closing of the KRWFC Loan while more current financial data is compiled.

18. No rate adjustment will be necessary.

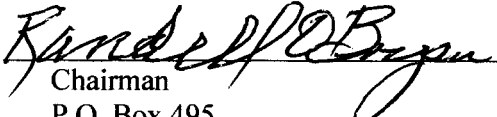
WHEREFORE, the District respectfully requests that the Commission take the following actions:

1. Authorize the issuance of the securities requested in the Application prior to the closing date of **May 22, 2008**;


2. Grant the District a deviation, to the extent necessary, from 807 KAR 5:001, Section 6 to allow the submission of the District's 2007 Annual Report and 2006 audit in lieu of more recent financial data, there being no material change in the data in 2007 and due to the volatility of the present bond market; and

3. Process this Application without a formal hearing in order to save time and expense. The District will promptly respond to any information requests by the Commission's staff.

Crittenden-Livingston County Water District

By 
Chairman
P.O. Box 495
Salem, Kentucky 42078
Phone: (270) 988-2680
Fax: (270) 988-4892


Rubin & Hays

By 
W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Fax: (502) 569-7555
Counsel for Crittenden-Livingston
County Water District

STATE OF KENTUCKY)
) SS
COUNTY OF CRITTENDEN)

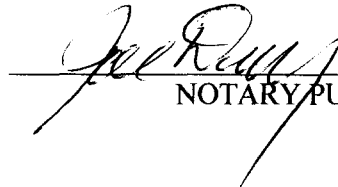
The affiant, Randell O'Bryan, being first duly sworn, states: That he is the Chairman of the Crittenden-Livingston County Water District, the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, he believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on the 4th day of April, 2008.


Randell O'Bryan, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Randell O'Bryan, Chairman of the Crittenden-Livingston County Water District, on this the 4th day of April, 2008.

My Commission expires: 6/22/11.


NOTARY PUBLIC

\$1,935,000

*Crittenden-Livingston Water District
Proposed Refunding of Series 1996 through the
Kentucky Rural Water Finance Corporation*

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
05/01/2008	-	-	-	-	-
07/01/2008	-	-	12,852.08	12,852.08	-
12/31/2008	-	-	-	-	12,852.08
01/01/2009	85,000.00	3.000%	38,556.25	123,556.25	-
07/01/2009	-	-	37,281.25	37,281.25	-
12/31/2009	-	-	-	-	160,837.50
01/01/2010	90,000.00	3.000%	37,281.25	127,281.25	-
07/01/2010	-	-	35,931.25	35,931.25	-
12/31/2010	-	-	-	-	163,212.50
01/01/2011	90,000.00	3.000%	35,931.25	125,931.25	-
07/01/2011	-	-	34,581.25	34,581.25	-
12/31/2011	-	-	-	-	160,512.50
01/01/2012	95,000.00	3.250%	34,581.25	129,581.25	-
07/01/2012	-	-	33,037.50	33,037.50	-
12/31/2012	-	-	-	-	162,618.75
01/01/2013	100,000.00	3.500%	33,037.50	133,037.50	-
07/01/2013	-	-	31,287.50	31,287.50	-
12/31/2013	-	-	-	-	164,325.00
01/01/2014	100,000.00	3.500%	31,287.50	131,287.50	-
07/01/2014	-	-	29,537.50	29,537.50	-
12/31/2014	-	-	-	-	160,825.00
01/01/2015	105,000.00	3.750%	29,537.50	134,537.50	-
07/01/2015	-	-	27,568.75	27,568.75	-
12/31/2015	-	-	-	-	162,106.25
01/01/2016	110,000.00	3.750%	27,568.75	137,568.75	-
07/01/2016	-	-	25,506.25	25,506.25	-
12/31/2016	-	-	-	-	163,075.00
01/01/2017	110,000.00	3.875%	25,506.25	135,506.25	-
07/01/2017	-	-	23,375.00	23,375.00	-
12/31/2017	-	-	-	-	158,881.25
01/01/2018	115,000.00	4.000%	23,375.00	138,375.00	-
07/01/2018	-	-	21,075.00	21,075.00	-
12/31/2018	-	-	-	-	159,450.00
01/01/2019	120,000.00	4.125%	21,075.00	141,075.00	-
07/01/2019	-	-	18,600.00	18,600.00	-
12/31/2019	-	-	-	-	159,675.00
01/01/2020	125,000.00	4.250%	18,600.00	143,600.00	-
07/01/2020	-	-	15,943.75	15,943.75	-
12/31/2020	-	-	-	-	159,543.75
01/01/2021	130,000.00	4.500%	15,943.75	145,943.75	-
07/01/2021	-	-	13,018.75	13,018.75	-
12/31/2021	-	-	-	-	158,962.50
01/01/2022	135,000.00	4.500%	13,018.75	148,018.75	-
07/01/2022	-	-	9,981.25	9,981.25	-
12/31/2022	-	-	-	-	158,000.00
01/01/2023	145,000.00	4.625%	9,981.25	154,981.25	-
07/01/2023	-	-	6,628.13	6,628.13	-
12/31/2023	-	-	-	-	161,609.38
01/01/2024	45,000.00	4.625%	6,628.13	51,628.13	-
07/01/2024	-	-	5,587.50	5,587.50	-
12/31/2024	-	-	-	-	57,215.63
01/01/2025	45,000.00	4.625%	5,587.50	50,587.50	-
07/01/2025	-	-	4,546.88	4,546.88	-
12/31/2025	-	-	-	-	55,134.38
01/01/2026	50,000.00	4.750%	4,546.88	54,546.88	-
07/01/2026	-	-	3,359.38	3,359.38	-
12/31/2026	-	-	-	-	57,906.26
01/01/2027	50,000.00	4.750%	3,359.38	53,359.38	-
07/01/2027	-	-	2,171.88	2,171.88	-
12/31/2027	-	-	-	-	55,531.26
01/01/2028	55,000.00	4.750%	2,171.88	57,171.88	-
07/01/2028	-	-	865.63	865.63	-
12/31/2028	-	-	-	-	58,037.51
01/01/2029	15,000.00	4.875%	865.63	15,865.63	-
07/01/2029	-	-	500.00	500.00	-
12/31/2029	-	-	-	-	16,365.63
01/01/2030	20,000.00	5.000%	500.00	20,500.00	-
12/31/2030	-	-	-	-	20,500.00
Total	\$1,935,000.00	-	\$812,177.13	\$2,747,177.13	-

Yield Statistics

Bond Year Dollars.....	\$18,890.00
Average Life.....	9.762 Years
Average Coupon.....	4.2995084%
Net Interest Cost (NIC).....	4.4531611%
True Interest Cost (TIC).....	4.4592268%
Bond Yield for Arbitrage Purposes.....	4.2484538%
All Inclusive Cost (AIC).....	4.7600618%
IRS Form 8038	
Net Interest Cost.....	4.3750024%
Weighted Average Maturity.....	9.702 Years
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\$1,935,000

*Crittenden-Livingston Water District
Proposed Refunding of Series 1996 through the
Kentucky Rural Water Finance Corporation*

Sources & Uses

Dated 05/01/2008 | Delivered 05/01/2008

Sources Of Funds

Par Amount of Bonds.....	\$1,935,000.00
Transfers from Prior Issue Debt Service Funds.....	52,374.15
Transfers from Prior Issue BCF Funds.....	108,930.00

Total Sources..... \$2,096,304.15

Uses Of Funds

Original Issue Discount (OID).....	6,412.50
Total Underwriter's Discount (1.169%).....	22,612.50
Costs of Issuance.....	36,362.50
Deposit to Current Refunding Fund.....	2,027,057.49
Rounding Amount.....	3,859.16

Total Uses..... \$2,096,304.15

\$1,935,000

*Crittenden-Livingston Water District
Proposed Refunding of Series 1996 through the
Kentucky Rural Water Finance Corporation*

Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/31/2008	12,852.08	-	12,852.08	76,317.50	63,465.42
12/31/2009	160,837.50	450.00	161,287.50	173,770.00	12,482.50
12/31/2010	163,212.50	450.00	163,662.50	176,980.00	13,317.50
12/31/2011	160,512.50	450.00	160,962.50	173,905.00	12,942.50
12/31/2012	162,618.75	450.00	163,068.75	176,090.00	13,021.25
12/31/2013	164,325.00	450.00	164,775.00	177,405.00	12,630.00
12/31/2014	160,825.00	450.00	161,275.00	174,015.00	12,740.00
12/31/2015	162,106.25	450.00	162,556.25	175,892.50	13,336.25
12/31/2016	163,075.00	450.00	163,525.00	176,370.00	12,845.00
12/31/2017	158,881.25	450.00	159,331.25	173,120.00	13,788.75
12/31/2018	159,450.00	450.00	159,900.00	173,065.00	13,165.00
12/31/2019	159,675.00	450.00	160,125.00	174,170.00	14,045.00
12/31/2020	159,543.75	450.00	159,993.75	174,360.00	14,366.25
12/31/2021	158,962.50	450.00	159,412.50	173,660.00	14,247.50
12/31/2022	158,000.00	450.00	158,450.00	173,595.00	15,145.00
12/31/2023	161,609.38	450.00	162,059.38	177,470.00	15,410.62
12/31/2024	57,215.63	450.00	57,665.63	69,500.00	11,834.37
12/31/2025	55,134.38	450.00	55,584.38	69,450.00	13,865.62
12/31/2026	57,906.26	450.00	58,356.26	69,775.00	11,418.74
12/31/2027	55,531.26	450.00	55,981.26	69,450.00	13,468.74
12/31/2028	58,037.51	450.00	58,487.51	71,000.00	12,512.49
12/31/2029	16,365.63	450.00	16,815.63	32,325.00	15,509.37
12/31/2030	20,500.00	450.00	20,950.00	32,425.00	11,475.00
12/31/2031	-	-	-	10,950.00	10,950.00
12/31/2032	-	-	-	11,475.00	11,475.00
12/31/2033	-	-	-	9,450.00	9,450.00
Total	\$2,747,177.13	\$9,900.00	\$2,757,077.13	\$3,145,985.00	\$388,907.87

FV Analysis Summary (Net to Net)

Net FV Cashflow Savings.....	388,907.87
Transfers from Prior Issue Debt Service Fund.....	(52,374.15)
Transfers from Prior Issue DSR Fund.....	(108,930.00)
Contingency or Rounding Amount.....	3,859.16
Net Benefit.....	\$231,462.88
Gross FV Debt Service Savings.....	234,410.94
Transfers from Prior Issue Debt Service Fund.....	(52,374.15)
Transfers from Prior Issue DSR Fund.....	(108,930.00)
Contingency or Rounding Amount.....	3,859.16
Net Present Value Benefit.....	\$76,965.95
Net FV Benefit / \$1,982,000 Refunded Principal.....	3.883%
Net FV Benefit / \$1,935,000 Refunding Principal.....	3.978%

Refunding Bond Information

Refunding Dated Date.....	5/01/2008
Refunding Delivery Date.....	5/01/2008

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\$616,000

*Crittenden-Livingston Water District
USDA-RD Series 1989*

Debt Service To Maturity And To Call

Date	Refunded Bonds	Interest to Call	D/S To Call	Principal	Coupon	Interest	Refunded D/S
12/31/2008	482,000.00	2,008.33	484,008.33	13,000.00	5.000%	12,050.00	25,050.00
12/31/2009	-	-	-	14,000.00	5.000%	23,450.00	37,450.00
12/31/2010	-	-	-	15,000.00	5.000%	22,750.00	37,750.00
12/31/2011	-	-	-	16,000.00	5.000%	22,000.00	38,000.00
12/31/2012	-	-	-	16,000.00	5.000%	21,200.00	37,200.00
12/31/2013	-	-	-	17,000.00	5.000%	20,400.00	37,400.00
12/31/2014	-	-	-	18,000.00	5.000%	19,550.00	37,550.00
12/31/2015	-	-	-	19,000.00	5.000%	18,650.00	37,650.00
12/31/2016	-	-	-	20,000.00	5.000%	17,700.00	37,700.00
12/31/2017	-	-	-	21,000.00	5.000%	16,700.00	37,700.00
12/31/2018	-	-	-	22,000.00	5.000%	15,650.00	37,650.00
12/31/2019	-	-	-	23,000.00	5.000%	14,550.00	37,550.00
12/31/2020	-	-	-	24,000.00	5.000%	13,400.00	37,400.00
12/31/2021	-	-	-	25,000.00	5.000%	12,200.00	37,200.00
12/31/2022	-	-	-	27,950.00	5.000%	10,950.00	37,950.00
12/31/2023	-	-	-	28,000.00	5.000%	9,600.00	37,600.00
12/31/2024	-	-	-	29,000.00	5.000%	8,200.00	37,200.00
12/31/2025	-	-	-	31,000.00	5.000%	6,750.00	37,750.00
12/31/2026	-	-	-	33,000.00	5.000%	5,200.00	38,200.00
12/31/2027	-	-	-	34,000.00	5.000%	3,550.00	37,550.00
12/31/2028	-	-	-	37,000.00	5.000%	1,850.00	38,850.00
Total	\$482,000.00	\$2,008.33	\$484,008.33	\$482,000.00	-	\$296,350.00	\$778,350.00

Yield Statistics

Average Life.....	12.213 Years
Weighted Average Maturity (Par Basis).....	12.213 Years
Average Coupon.....	5.000000%

Refunding Bond Information

Refunding Dated Date.....	5/01/2008
Refunding Delivery Date.....	5/01/2008

\$347,000

*Crittenden-Livingston Water District
USDA-RD Series 1991*

Debt Service To Maturity And To Call

Date	Refunded Bonds	Interest to Call	D/S To Call	Principal	Coupon	Interest	Refunded D/S
12/31/2008	284,000.00	1,183.33	285,183.33	7,000.00	5.000%	7,100.00	14,100.00
12/31/2009	-	-	-	7,000.00	5.000%	13,850.00	20,850.00
12/31/2010	-	-	-	8,000.00	5.000%	13,500.00	21,500.00
12/31/2011	-	-	-	8,000.00	5.000%	13,100.00	21,100.00
12/31/2012	-	-	-	9,000.00	5.000%	12,700.00	21,700.00
12/31/2013	-	-	-	9,000.00	5.000%	12,250.00	21,250.00
12/31/2014	-	-	-	9,000.00	5.000%	11,800.00	20,800.00
12/31/2015	-	-	-	10,000.00	5.000%	11,350.00	21,350.00
12/31/2016	-	-	-	10,000.00	5.000%	10,850.00	20,850.00
12/31/2017	-	-	-	11,000.00	5.000%	10,350.00	21,350.00
12/31/2018	-	-	-	11,000.00	5.000%	9,800.00	20,800.00
12/31/2019	-	-	-	12,000.00	5.000%	9,250.00	21,250.00
12/31/2020	-	-	-	13,000.00	5.000%	8,650.00	21,650.00
12/31/2021	-	-	-	13,000.00	5.000%	8,000.00	21,000.00
12/31/2022	-	-	-	13,000.00	5.000%	7,350.00	20,350.00
12/31/2023	-	-	-	14,000.00	5.000%	6,700.00	20,700.00
12/31/2024	-	-	-	15,000.00	5.000%	6,000.00	21,000.00
12/31/2025	-	-	-	15,000.00	5.000%	5,250.00	20,250.00
12/31/2026	-	-	-	16,000.00	5.000%	4,500.00	20,500.00
12/31/2027	-	-	-	17,000.00	5.000%	3,700.00	20,700.00
12/31/2028	-	-	-	18,000.00	5.000%	2,850.00	20,850.00
12/31/2029	-	-	-	19,000.00	5.000%	1,950.00	20,950.00
12/31/2030	-	-	-	20,000.00	5.000%	1,000.00	21,000.00
Total	\$284,000.00	\$1,183.33	\$285,183.33	\$284,000.00	-	\$191,850.00	\$475,850.00

Yield Statistics

Average Life.....	13.427 Years
Weighted Average Maturity (Par Basis).....	13.427 Years
Average Coupon.....	5.000000%

Refunding Bond Information

Refunding Dated Date.....	5/01/2008
Refunding Delivery Date.....	5/01/2008

\$184,000*Crittenden-Livingston Water District**USDA-RD Series 1994***Debt Service To Maturity And To Call**

Date	Refunded Bonds	Interest to Call	D/S To Call	Principal	Coupon	Interest	Refunded D/S
12/31/2008	161,000.00	670.83	161,670.83	3,000.00	5.000%	4,025.00	7,025.00
12/31/2009	-	-	-	3,500.00	5.000%	7,900.00	11,400.00
12/31/2010	-	-	-	3,500.00	5.000%	7,725.00	11,225.00
12/31/2011	-	-	-	3,500.00	5.000%	7,550.00	11,050.00
12/31/2012	-	-	-	4,000.00	5.000%	7,375.00	11,375.00
12/31/2013	-	-	-	4,000.00	5.000%	7,175.00	11,175.00
12/31/2014	-	-	-	4,500.00	5.000%	6,975.00	11,475.00
12/31/2015	-	-	-	4,500.00	5.000%	6,750.00	11,250.00
12/31/2016	-	-	-	4,500.00	5.000%	6,525.00	11,025.00
12/31/2017	-	-	-	5,000.00	5.000%	6,300.00	11,300.00
12/31/2018	-	-	-	5,000.00	5.000%	6,050.00	11,050.00
12/31/2019	-	-	-	5,500.00	5.000%	5,800.00	11,300.00
12/31/2020	-	-	-	5,500.00	5.000%	5,525.00	11,025.00
12/31/2021	-	-	-	6,000.00	5.000%	5,250.00	11,250.00
12/31/2022	-	-	-	6,500.00	5.000%	4,950.00	11,450.00
12/31/2023	-	-	-	6,500.00	5.000%	4,625.00	11,125.00
12/31/2024	-	-	-	7,000.00	5.000%	4,300.00	11,300.00
12/31/2025	-	-	-	7,500.00	5.000%	3,950.00	11,450.00
12/31/2026	-	-	-	7,500.00	5.000%	3,575.00	11,075.00
12/31/2027	-	-	-	8,000.00	5.000%	3,200.00	11,200.00
12/31/2028	-	-	-	8,500.00	5.000%	2,800.00	11,300.00
12/31/2029	-	-	-	9,000.00	5.000%	2,375.00	11,375.00
12/31/2030	-	-	-	9,500.00	5.000%	1,925.00	11,425.00
12/31/2031	-	-	-	9,500.00	5.000%	1,450.00	10,950.00
12/31/2032	-	-	-	10,500.00	5.000%	975.00	11,475.00
12/31/2033	-	-	-	9,000.00	5.000%	450.00	9,450.00
Total	\$161,000.00	\$670.83	\$161,670.83	\$161,000.00	-	\$125,500.00	\$286,500.00

Yield Statistics

Average Life.....	15.507 Years
Weighted Average Maturity (Par Basis).....	15.507 Years
Average Coupon.....	5.000000%

Refunding Bond Information

Refunding Dated Date.....	5/01/2008
Refunding Delivery Date.....	5/01/2008

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\$1,460,000

*Crittenden-Livingston County Water District
Series 1996*

Debt Service To Maturity And To Call

Date	Refunded Bonds	Premium	Interest to Call	D/S To Call	Principal	Coupon	Interest	Refunded D/S
12/31/2008	1,055,000.00	21,100.00	20,095.00	1,096,195.00	-	-	30,142.50	30,142.50
12/31/2009	-	-	-	-	45,000.00	-	59,070.00	104,070.00
12/31/2010	-	-	-	-	50,000.00	-	56,505.00	106,505.00
12/31/2011	-	-	-	-	50,000.00	-	53,755.00	103,755.00
12/31/2012	-	-	-	-	55,000.00	-	50,815.00	105,815.00
12/31/2013	-	-	-	-	60,000.00	-	47,580.00	107,580.00
12/31/2014	-	-	-	-	60,000.00	-	44,190.00	104,190.00
12/31/2015	-	-	-	-	65,000.00	-	40,642.50	105,642.50
12/31/2016	-	-	-	-	70,000.00	-	36,795.00	106,795.00
12/31/2017	-	-	-	-	70,000.00	-	32,770.00	102,770.00
12/31/2018	-	-	-	-	75,000.00	-	28,565.00	103,565.00
12/31/2019	-	-	-	-	80,000.00	-	24,070.00	104,070.00
12/31/2020	-	-	-	-	85,000.00	-	19,285.00	104,285.00
12/31/2021	-	-	-	-	90,000.00	-	14,210.00	104,210.00
12/31/2022	-	-	-	-	95,000.00	-	8,845.00	103,845.00
12/31/2023	-	-	-	-	105,000.00	5.800%	3,045.00	108,045.00
Total	\$1,055,000.00	\$21,100.00	\$20,095.00	\$1,096,195.00	\$1,055,000.00	-	\$550,285.00	\$1,605,285.00

Yield Statistics

Average Life.....	8.714 Years
Weighted Average Maturity (Par Basis).....	8.714 Years
Average Coupon.....	5.7671139%

Refunding Bond Information

Refunding Dated Date.....	5/01/2008
Refunding Delivery Date.....	5/01/2008

CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
DECEMBER 31, 2006

ASSETS

Current Assets:	
Cash on hand and in bank	29,174
Restricted assets:	
Bond and interest sinking fund-	
Cash in bank	255,666
Cash in bank-tenant deposits	14,786
Phase VI-B - cash in bank	2,362
Phase VII - cash in bank	
Phase VIII - cash in bank	6,564
Phase IX- cash in bank	19,566
Phase X- cash in bank	16,919
Phase XII- cash in bank	213
Phase XIII- cash in bank	3,990
Receivables, net of allowances for uncollectible:	
Customer	263,239
State Grant	7,873
Federal Grant	-
Investments	
Prepaid Expenses	13,828
Total current assets	634,181
Noncurrent Assets:	
Restricted assets:	
Bond and interest sinking fund:	
Certificates of Deposit	108,930
Depreciation Reserve fund -	
cash in bank	37,670
Utility deposits	275
Bond issuance costs, net	256,167
Net capital assets:	
Land and construction in progress	176,667
Depreciable capital assets	20,642,023
Total noncurrent assets	21,221,731
Total assets	21,855,912

See notes to financial statements

LIABILITIES

Current Liabilities:

Accounts payables	43,356
Construction payables	302,368
Accrued payroll and payroll taxes	13,984
Tenant deposit payable	20,086
Accrued interest	104,173
Notes payable due within one year	<u>232,269</u>

Total current liabilities 716,236

Noncurrent Liabilities:

Notes payable	1,331,574
Bonds payable	<u>11,921,800</u>

Total noncurrent liabilities 13,253,374

Total liabilities 13,969,610

NET ASSETS

Invested in capital assets, net of related debt	7,064,597
Restricted for:	
Debt service	402,266
Tenant deposits	14,786
Unrestricted	<u>404,653</u>
TOTAL NET ASSETS	<u><u>7,886,302</u></u>

See notes to financial statements

CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2006

Operating Revenues:	
Charges for services	1,838,705
Miscellaneous	49,836
	1,888,542
Expenses:	
Pumping Expense	15,053
Treatment Expense	147,913
Salaries	454,014
Payroll Taxes	35,358
Employee retirement	53,082
Utilities	15,718
Maintenance Expense	62,121
Professional fees	25,928
Commissioner fees	7,100
Depreciation	407,488
Amortization	12,351
Insurance	79,091
Office supplies and expenses	10,187
Taxes and licenses	15,260
Other administrative expenses	59,673
	1,400,337
Operating Income	488,205
Non-Operating Revenue (Expenses):	
Interest expense	(684,500)
Interest income	10,867
	(673,633)
Income (loss) before capital contributions	
Capital Contributions:	
Tap-on fees	51,700
Grant Receipts	963,781
	1,015,481
Increase in net assets	830,053
Net assets - beginning	7,056,249
NET ASSETS - ENDING	7,886,302

See notes to financial statements

CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2006

Cash Flows from Operating Activities:	
Receipts from customers	1,859,414
Payments to employees	(576,859)
Payments to suppliers for goods and services	(674,881)
	607,674
Cash Flows from Capital and Related Financing Activities:	
Acquisitions and construction of property, plant and equipment	(1,518,646)
Principal payments on long term debt	(210,363)
Interest paid on long-term debt	(580,327)
Customer tap-on fees	51,700
Loan costs	(9,165)
Grant receipts	1,143,461
	(1,123,340)
Cash Flows from Investing Activities	
Proceeds from Investment account	422,520
Earnings on investments	10,867
	433,387
Net decrease in cash and cash equivalents	(82,279)
Cash and cash equivalents at beginning of year	578,119
Cash and Cash Equivalents at End of Year	495,840
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	488,205
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation & Amortization	419,839
Change in assets and liabilities:	
Receivables	(30,568)
Prepaid expense	10,145
Accounts payable	(3,612)
Construction payable	(278,936)
Customer deposits	1,441
Accrued operating expenses	1,160
	607,674
NET CASH PROVIDED BY OPERATING ACTIVITIES	607,674

See notes to financial statements