

# Rubin & Hays

ATTORNEYS AT LAW

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

June 15, 2010

RECEIVED

JUN 17 2010

PUBLIC SERVICE  
COMMISSION

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

**Re: North Mercer Water District PSC Case No. 2010-00154**

Dear Mr. Derouen:

In accordance with paragraphs No. 3 and 4 of the PSC Order dated May 12, 2010 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 June 10, 2010.

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

Sincerely,

Rubin & Hays

By   
W. Randall Jones

WRJ:jl  
Enclosures

cc: Ms. Mischell Lee, North Mercer Water District

**\$1,790,000**

*North Mercer Water District  
Refunding of Series 1994 Loan  
through the Kentucky Rural Water Finance Corporation*

**Sources & Uses**

**Dated 06/10/2010 | Delivered 06/10/2010**

**Sources Of Funds**

Par Amount of Bonds.....	\$1,790,000.00
Transfers from Prior Issue Debt Service Funds.....	67,170.32
Transfers from Prior Issue DSR Funds.....	95,040.00

**Total Sources..... \$1,952,210.32**

**Uses Of Funds**

Original Issue Discount (OID).....	15,966.40
Total Underwriter's Discount (0.737%).....	13,197.30
Costs of Issuance.....	33,640.00
Deposit to Current Refunding Fund.....	1,888,700.25
Rounding Amount.....	706.37

**Total Uses..... \$1,952,210.32**

**\$1,790,000**

*North Mercer Water District  
Refunding of Series 1994 Loan  
through the Kentucky Rural Water Finance Corporation*

**Debt Service Comparison**

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/30/2010	-	-	-	50,104.38	50,104.38
12/30/2011	118,712.06	450.00	119,162.06	159,569.38	40,407.32
12/30/2012	148,577.50	450.00	149,027.50	162,129.38	13,101.88
12/30/2013	146,597.50	450.00	147,047.50	165,340.01	18,292.51
12/30/2014	144,617.50	450.00	145,067.50	163,308.76	18,241.26
12/30/2015	147,523.13	450.00	147,973.13	165,062.51	17,089.38
12/30/2016	150,068.76	450.00	150,518.76	168,440.01	17,921.25
12/30/2017	147,118.76	450.00	147,568.76	164,508.13	16,939.37
12/30/2018	148,838.76	450.00	149,288.76	167,261.25	17,972.49
12/30/2019	150,261.26	450.00	150,711.26	168,600.00	17,888.74
12/30/2020	146,397.51	450.00	146,847.51	165,664.38	18,816.87
12/30/2021	147,303.76	450.00	147,753.76	166,454.38	18,700.62
12/30/2022	147,881.26	450.00	148,331.26	167,830.00	19,498.74
12/30/2023	153,018.76	450.00	153,468.76	173,624.38	20,155.62
12/30/2024	59,661.26	450.00	60,111.26	82,470.63	22,359.37
12/30/2025	62,954.38	450.00	63,404.38	82,648.75	19,244.37
12/30/2026	65,987.50	450.00	66,437.50	83,638.75	17,201.25
12/30/2027	63,887.50	450.00	64,337.50	84,413.75	20,076.25
12/30/2028	66,682.50	450.00	67,132.50	85,946.88	18,814.38
12/30/2029	64,372.50	450.00	64,822.50	87,211.26	22,388.76
12/30/2030	66,920.00	450.00	67,370.00	88,206.88	20,836.88
12/30/2031	69,216.88	450.00	69,666.88	89,906.88	20,240.00
12/30/2032	66,405.63	450.00	66,855.63	89,338.13	22,482.50
<b>TOTAL</b>	<b>\$2,483,004.67</b>	<b>\$9,900.00</b>	<b>\$2,492,904.67</b>	<b>\$2,981,678.86</b>	<b>\$488,774.19</b>

Gross FV Debt Service Savings.....	488,774.19
Transfers from Prior Issue Debt Service Fund.....	(67,170.32)
Transfers from Prior Issue DSR Fund.....	(95,040.00)
Contingency or Rounding Amount.....	706.37
Net Benefit.....	\$327,270.24

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

Gross PV Debt Service Savings.....	346,674.46
Effects of changes in Expenses.....	(6,423.63)
Net PV Cashflow Savings @ 4.243%(AIC).....	340,250.84
Transfers from Prior Issue Debt Service Fund.....	(67,170.32)
Transfers from Prior Issue DSR Fund.....	(95,040.00)
Contingency or Rounding Amount.....	786.07
Net Present Value Benefit.....	\$178,826.59

Net PV Benefit / \$1,843,000 Refunded Principal.....	9.703%
Net PV Benefit / \$1,790,000 Refunding Principal.....	9.990%

**Refunding Bond Information**

Refunding Dated Date.....	6/10/2010
Refunding Delivery Date.....	6/10/2010

**\$1,790,000**

*North Mercer Water District  
Refunding of Series 1994 Loan  
through the Kentucky Rural Water Finance Corporation*

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/10/2010	-	-	-	-	-
02/01/2011	50,000.00	2.200%	38,928.31	88,928.31	-
08/01/2011	-	-	29,783.75	29,783.75	-
12/30/2011	-	-	-	-	118,712.06
02/01/2012	90,000.00	2.200%	29,783.75	119,783.75	-
08/01/2012	-	-	28,793.75	28,793.75	-
12/30/2012	-	-	-	-	148,577.50
02/01/2013	90,000.00	2.200%	28,793.75	118,793.75	-
08/01/2013	-	-	27,803.75	27,803.75	-
12/30/2013	-	-	-	-	146,597.50
02/01/2014	90,000.00	2.200%	27,803.75	117,803.75	-
08/01/2014	-	-	26,813.75	26,813.75	-
12/30/2014	-	-	-	-	144,617.50
02/01/2015	95,000.00	2.325%	26,813.75	121,813.75	-
08/01/2015	-	-	25,709.38	25,709.38	-
12/30/2015	-	-	-	-	147,523.13
02/01/2016	100,000.00	2.700%	25,709.38	125,709.38	-
08/01/2016	-	-	24,359.38	24,359.38	-
12/30/2016	-	-	-	-	150,068.76
02/01/2017	100,000.00	3.200%	24,359.38	124,359.38	-
08/01/2017	-	-	22,759.38	22,759.38	-
12/30/2017	-	-	-	-	147,118.76
02/01/2018	105,000.00	3.200%	22,759.38	127,759.38	-
08/01/2018	-	-	21,079.38	21,079.38	-
12/30/2018	-	-	-	-	148,838.76
02/01/2019	110,000.00	3.450%	21,079.38	131,079.38	-
08/01/2019	-	-	19,181.88	19,181.88	-
12/30/2019	-	-	-	-	150,261.26
02/01/2020	110,000.00	3.575%	19,181.88	129,181.88	-
08/01/2020	-	-	17,215.63	17,215.63	-
12/30/2020	-	-	-	-	146,397.51
02/01/2021	115,000.00	3.700%	17,215.63	132,215.63	-
08/01/2021	-	-	15,088.13	15,088.13	-
12/30/2021	-	-	-	-	147,303.76
02/01/2022	120,000.00	3.825%	15,088.13	135,088.13	-
08/01/2022	-	-	12,793.13	12,793.13	-
12/30/2022	-	-	-	-	147,881.26
02/01/2023	130,000.00	3.950%	12,793.13	142,793.13	-
08/01/2023	-	-	10,225.63	10,225.63	-
12/30/2023	-	-	-	-	153,018.76
02/01/2024	40,000.00	3.950%	10,225.63	50,225.63	-
08/01/2024	-	-	9,435.63	9,435.63	-
12/30/2024	-	-	-	-	59,661.26
02/01/2025	45,000.00	4.075%	9,435.63	54,435.63	-
08/01/2025	-	-	8,518.75	8,518.75	-
12/30/2025	-	-	-	-	62,954.38
02/01/2026	50,000.00	4.200%	8,518.75	58,518.75	-
08/01/2026	-	-	7,468.75	7,468.75	-
12/30/2026	-	-	-	-	65,987.50
02/01/2027	50,000.00	4.200%	7,468.75	57,468.75	-
08/01/2027	-	-	6,418.75	6,418.75	-
12/30/2027	-	-	-	-	63,887.50
02/01/2028	55,000.00	4.200%	6,418.75	61,418.75	-
08/01/2028	-	-	5,263.75	5,263.75	-
12/30/2028	-	-	-	-	66,682.50
02/01/2029	55,000.00	4.200%	5,263.75	60,263.75	-
08/01/2029	-	-	4,108.75	4,108.75	-
12/30/2029	-	-	-	-	64,372.50
02/01/2030	60,000.00	4.325%	4,108.75	64,108.75	-
08/01/2030	-	-	2,811.25	2,811.25	-
12/30/2030	-	-	-	-	66,920.00
02/01/2031	65,000.00	4.325%	2,811.25	67,811.25	-
08/01/2031	-	-	1,405.63	1,405.63	-
12/30/2031	-	-	-	-	69,216.88
02/01/2032	65,000.00	4.325%	1,405.63	66,405.63	-
12/30/2032	-	-	-	-	66,405.63
<b>Total</b>	<b>\$1,790,000.00</b>	<b>-</b>	<b>\$693,004.67</b>	<b>\$2,483,004.67</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars.....	\$18,233.58
Average Life.....	10.186 Years
Average Coupon.....	3.8007048%
Net Interest Cost (NIC).....	3.9606497%
True Interest Cost (TIC).....	3.9538692%
Bond Yield for Arbitrage Purposes.....	3.9166907%
All Inclusive Cost (AIC).....	4.2428217%

**IRS Form 8038**

Net Interest Cost.....	3.9413039%
Weighted Average Maturity.....	10.140 Years

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**\$1,790,000**

*North Mercer Water District  
Refunding of Series 1994 Loan  
through the Kentucky Rural Water Finance Corporation*

**Net Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Expenses	Net New D/S
12/30/2010	-	-	-	-	-	-
12/30/2011	50,000.00	2.200%	68,712.06	118,712.06	450.00	119,162.06
12/30/2012	90,000.00	2.200%	58,577.50	148,577.50	450.00	149,027.50
12/30/2013	90,000.00	2.200%	56,597.50	146,597.50	450.00	147,047.50
12/30/2014	90,000.00	2.200%	54,617.50	144,617.50	450.00	145,067.50
12/30/2015	95,000.00	2.325%	52,523.13	147,523.13	450.00	147,973.13
12/30/2016	100,000.00	2.700%	50,068.76	150,068.76	450.00	150,518.76
12/30/2017	100,000.00	3.200%	47,118.76	147,118.76	450.00	147,568.76
12/30/2018	105,000.00	3.200%	43,838.76	148,838.76	450.00	149,288.76
12/30/2019	110,000.00	3.450%	40,261.26	150,261.26	450.00	150,711.26
12/30/2020	110,000.00	3.575%	36,397.51	146,397.51	450.00	146,847.51
12/30/2021	115,000.00	3.700%	32,303.76	147,303.76	450.00	147,753.76
12/30/2022	120,000.00	3.825%	27,881.26	147,881.26	450.00	148,331.26
12/30/2023	130,000.00	3.950%	23,018.76	153,018.76	450.00	153,468.76
12/30/2024	40,000.00	3.950%	19,661.26	59,661.26	450.00	60,111.26
12/30/2025	45,000.00	4.075%	17,954.38	62,954.38	450.00	63,404.38
12/30/2026	50,000.00	4.200%	15,987.50	65,987.50	450.00	66,437.50
12/30/2027	50,000.00	4.200%	13,887.50	63,887.50	450.00	64,337.50
12/30/2028	55,000.00	4.200%	11,682.50	66,682.50	450.00	67,132.50
12/30/2029	55,000.00	4.200%	9,372.50	64,372.50	450.00	64,822.50
12/30/2030	60,000.00	4.325%	6,920.00	66,920.00	450.00	67,370.00
12/30/2031	65,000.00	4.325%	4,216.88	69,216.88	450.00	69,666.88
12/30/2032	65,000.00	4.325%	1,405.63	66,405.63	450.00	66,855.63
<b>Total</b>	<b>\$1,790,000.00</b>	<b>-</b>	<b>\$693,004.67</b>	<b>\$2,483,004.67</b>	<b>\$9,900.00</b>	<b>\$2,492,904.67</b>

**\$1,790,000**

*North Mercer Water District  
Refunding of Series 1994 Loan  
through the Kentucky Rural Water Finance Corporation*

**Pricing Summary**

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/01/2011	Serial Coupon	2.200%	1.199%	50,000.00	100.637%	50,318.50
02/01/2012	Serial Coupon	2.200%	1.449%	90,000.00	101.214%	91,092.60
02/01/2013	Serial Coupon	2.200%	1.799%	90,000.00	101.029%	90,926.10
02/01/2014	Serial Coupon	2.200%	2.200%	90,000.00	100.000%	90,000.00
02/01/2015	Serial Coupon	2.325%	2.501%	95,000.00	99.232%	94,270.40
02/01/2016	Serial Coupon	2.700%	2.901%	100,000.00	98.958%	98,958.00
02/01/2017	Serial Coupon	3.200%	3.200%	100,000.00	100.000%	100,000.00
02/01/2018	Serial Coupon	3.200%	3.402%	105,000.00	98.651%	103,583.55
02/01/2019	Serial Coupon	3.450%	3.601%	110,000.00	98.882%	108,770.20
02/01/2020	Serial Coupon	3.575%	3.701%	110,000.00	98.981%	108,879.10
02/01/2021	Serial Coupon	3.700%	3.852%	115,000.00	98.683%	113,485.45
02/01/2022	Serial Coupon	3.825%	3.951%	120,000.00	98.826%	118,591.20
02/01/2023	Serial Coupon	3.950%	4.051%	130,000.00	99.002%	128,702.60
02/01/2024	Serial Coupon	3.950%	4.102%	40,000.00	98.421%	39,368.40
02/01/2025	Serial Coupon	4.075%	4.202%	45,000.00	98.620%	44,379.00
02/01/2026	Serial Coupon	4.200%	4.251%	50,000.00	99.420%	49,710.00
02/01/2027	Serial Coupon	4.200%	4.301%	50,000.00	98.798%	49,399.00
02/01/2028	Serial Coupon	4.200%	4.352%	55,000.00	98.132%	53,972.60
02/01/2029	Serial Coupon	4.200%	4.393%	55,000.00	97.554%	53,654.70
02/01/2030	Serial Coupon	4.325%	4.432%	60,000.00	98.604%	59,162.40
02/01/2032	Term 1 Coupon	4.325%	4.503%	130,000.00	97.546%	126,809.80
<b>Total</b>	-	-	-	<b>\$1,790,000.00</b>	-	<b>\$1,774,033.60</b>

**Bid Information**

Par Amount of Bonds.....	\$1,790,000.00
Reoffering Premium or (Discount).....	(15,966.40)
Gross Production.....	\$1,774,033.60
Total Underwriter's Discount (0.737%).....	\$(13,197.30)
Bid (98.371%).....	1,760,836.30
Total Purchase Price.....	\$1,760,836.30
Bond Year Dollars.....	\$18,233.58
Average Life.....	10.186 Years
Average Coupon.....	3.8007048%
Net Interest Cost (NIC).....	3.9606497%
True Interest Cost (TIC).....	3.9538692%

**\$1,220,000**

*North Mercer Water District  
Series 1996*

**Debt Service To Maturity And To Call**

Date	Refunded Bonds	Interest to Call	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/10/2010	-	-	-	-	-	-	-
06/16/2010	810,000.00	20,480.63	830,480.63	-	-	-	-
07/01/2010	-	-	-	-	-	22,342.50	22,342.50
01/01/2011	-	-	-	40,000.00	5.375%	22,342.50	62,342.50
07/01/2011	-	-	-	-	-	21,267.50	21,267.50
01/01/2012	-	-	-	45,000.00	5.375%	21,267.50	66,267.50
07/01/2012	-	-	-	-	-	20,058.13	20,058.13
01/01/2013	-	-	-	50,000.00	5.375%	20,058.13	70,058.13
07/01/2013	-	-	-	-	-	18,714.38	18,714.38
01/01/2014	-	-	-	50,000.00	5.375%	18,714.38	68,714.38
07/01/2014	-	-	-	-	-	17,370.63	17,370.63
01/01/2015	-	-	-	55,000.00	5.375%	17,370.63	72,370.63
07/01/2015	-	-	-	-	-	15,892.50	15,892.50
01/01/2016	-	-	-	60,000.00	5.375%	15,892.50	75,892.50
07/01/2016	-	-	-	-	-	14,280.00	14,280.00
01/01/2017	-	-	-	60,000.00	5.600%	14,280.00	74,280.00
07/01/2017	-	-	-	-	-	12,600.00	12,600.00
01/01/2018	-	-	-	65,000.00	5.600%	12,600.00	77,600.00
07/01/2018	-	-	-	-	-	10,780.00	10,780.00
01/01/2019	-	-	-	70,000.00	5.600%	10,780.00	80,780.00
07/01/2019	-	-	-	-	-	8,820.00	8,820.00
01/01/2020	-	-	-	70,000.00	5.600%	8,820.00	78,820.00
07/01/2020	-	-	-	-	-	6,860.00	6,860.00
01/01/2021	-	-	-	75,000.00	5.600%	6,860.00	81,860.00
07/01/2021	-	-	-	-	-	4,760.00	4,760.00
01/01/2022	-	-	-	80,000.00	5.600%	4,760.00	84,760.00
07/01/2022	-	-	-	-	-	2,520.00	2,520.00
01/01/2023	-	-	-	90,000.00	5.600%	2,520.00	92,520.00
<b>Total</b>	<b>\$810,000.00</b>	<b>\$20,480.63</b>	<b>\$830,480.63</b>	<b>\$810,000.00</b>	<b>-</b>	<b>\$352,531.28</b>	<b>\$1,162,531.28</b>

**Yield Statistics**

Average Life.....	7.385 Years
Weighted Average Maturity (Par Basis).....	7.385 Years
Average Coupon.....	5.5630474%

**Refunding Bond Information**

Refunding Dated Date.....	6/10/2010
Refunding Delivery Date.....	6/10/2010

**\$1,231,000**

North Mercer Water District

USDA-RD Loan

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
06/10/2010	-	-	-	-	-	-	-
06/14/2010	1,033,000.00	25,219.62	1,058,219.62	-	-	-	-
07/01/2010	-	-	-	-	-	27,761.88	27,761.88
01/01/2011	-	-	-	21,000.00	5.375%	27,761.88	48,761.88
07/01/2011	-	-	-	-	-	27,197.50	27,197.50
01/01/2012	-	-	-	22,000.00	5.375%	27,197.50	49,197.50
07/01/2012	-	-	-	-	-	26,606.25	26,606.25
01/01/2013	-	-	-	24,000.00	5.375%	26,606.25	50,606.25
07/01/2013	-	-	-	-	-	25,961.25	25,961.25
01/01/2014	-	-	-	26,000.00	5.375%	25,961.25	51,961.25
07/01/2014	-	-	-	-	-	25,262.50	25,262.50
01/01/2015	-	-	-	27,000.00	5.375%	25,262.50	52,262.50
07/01/2015	-	-	-	-	-	24,536.88	24,536.88
01/01/2016	-	-	-	30,000.00	5.375%	24,536.88	54,536.88
07/01/2016	-	-	-	-	-	23,730.63	23,730.63
01/01/2017	-	-	-	31,000.00	5.375%	23,730.63	54,730.63
07/01/2017	-	-	-	-	-	22,897.50	22,897.50
01/01/2018	-	-	-	34,000.00	5.375%	22,897.50	56,897.50
07/01/2018	-	-	-	-	-	21,983.75	21,983.75
01/01/2019	-	-	-	36,000.00	5.375%	21,983.75	57,983.75
07/01/2019	-	-	-	-	-	21,016.25	21,016.25
01/01/2020	-	-	-	39,000.00	5.375%	21,016.25	60,016.25
07/01/2020	-	-	-	-	-	19,968.13	19,968.13
01/01/2021	-	-	-	41,000.00	5.375%	19,968.13	60,968.13
07/01/2021	-	-	-	-	-	18,866.25	18,866.25
01/01/2022	-	-	-	44,000.00	5.375%	18,866.25	62,866.25
07/01/2022	-	-	-	-	-	17,683.75	17,683.75
01/01/2023	-	-	-	47,000.00	5.375%	17,683.75	64,683.75
07/01/2023	-	-	-	-	-	16,420.63	16,420.63
01/01/2024	-	-	-	51,000.00	5.375%	16,420.63	67,420.63
07/01/2024	-	-	-	-	-	15,050.00	15,050.00
01/01/2025	-	-	-	54,000.00	5.375%	15,050.00	69,050.00
07/01/2025	-	-	-	-	-	13,598.75	13,598.75
01/01/2026	-	-	-	58,000.00	5.375%	13,598.75	71,598.75
07/01/2026	-	-	-	-	-	12,040.00	12,040.00
01/01/2027	-	-	-	62,000.00	5.375%	12,040.00	74,040.00
07/01/2027	-	-	-	-	-	10,373.75	10,373.75
01/01/2028	-	-	-	67,000.00	5.375%	10,373.75	77,373.75
07/01/2028	-	-	-	-	-	8,573.13	8,573.13
01/01/2029	-	-	-	72,000.00	5.375%	8,573.13	80,573.13
07/01/2029	-	-	-	-	-	6,638.13	6,638.13
01/01/2030	-	-	-	77,000.00	5.375%	6,638.13	83,638.13
07/01/2030	-	-	-	-	-	4,568.75	4,568.75
01/01/2031	-	-	-	83,000.00	5.375%	4,568.75	87,568.75
07/01/2031	-	-	-	-	-	2,338.13	2,338.13
01/01/2032	-	-	-	87,000.00	5.375%	2,338.13	89,338.13
<b>Total</b>	<b>\$1,033,000.00</b>	<b>\$25,139.92</b>	<b>\$1,058,139.92</b>	<b>\$1,033,000.00</b>	<b>-</b>	<b>\$786,147.58</b>	<b>\$1,819,147.58</b>

**Yield Statistics**

Average Life.....	13.717 Years
Weighted Average Maturity (Par Basis).....	13.717 Years
Average Coupon.....	5.3750005%

**Refunding Bond Information**

Refunding Dated Date.....	6/10/2010
Refunding Delivery Date.....	6/10/2010

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**\$1,220,000**

*North Mercer Water District  
Series 1996*

**Total Refunded Debt Service**

Date	Principal	Coupon	Interest	Total P+I
12/30/2010	-	-	22,342.50	22,342.50
12/30/2011	40,000.00	-	43,610.00	83,610.00
12/30/2012	45,000.00	-	41,325.63	86,325.63
12/30/2013	50,000.00	-	38,772.51	88,772.51
12/30/2014	50,000.00	-	36,085.01	86,085.01
12/30/2015	55,000.00	-	33,263.13	88,263.13
12/30/2016	60,000.00	-	30,172.50	90,172.50
12/30/2017	60,000.00	-	26,880.00	86,880.00
12/30/2018	65,000.00	-	23,380.00	88,380.00
12/30/2019	70,000.00	-	19,600.00	89,600.00
12/30/2020	70,000.00	-	15,680.00	85,680.00
12/30/2021	75,000.00	-	11,620.00	86,620.00
12/30/2022	80,000.00	-	7,280.00	87,280.00
12/30/2023	90,000.00	5.600%	2,520.00	92,520.00
Total	\$810,000.00	-	\$352,531.28	\$1,162,531.28

**Yield Statistics**

Average Life.....	7.385 Years
Weighted Average Maturity (Par Basis).....	7.385 Years
Average Coupon.....	5.5630474%

**Refunding Bond Information**

Refunding Dated Date.....	6/10/2010
Refunding Delivery Date.....	6/10/2010

**\$1,231,000***North Mercer Water District**USDA-RD Loan**Series 1994***Total Refunded Debt Service**

Date	Principal	Coupon	Interest	Total P+I
12/30/2010	-	-	27,761.88	27,761.88
12/30/2011	21,000.00	-	54,959.38	75,959.38
12/30/2012	22,000.00	-	53,803.75	75,803.75
12/30/2013	24,000.00	-	52,567.50	76,567.50
12/30/2014	26,000.00	-	51,223.75	77,223.75
12/30/2015	27,000.00	-	49,799.38	76,799.38
12/30/2016	30,000.00	-	48,267.51	78,267.51
12/30/2017	31,000.00	-	46,628.13	77,628.13
12/30/2018	34,000.00	-	44,881.25	78,881.25
12/30/2019	36,000.00	-	43,000.00	79,000.00
12/30/2020	39,000.00	-	40,984.38	79,984.38
12/30/2021	41,000.00	-	38,834.38	79,834.38
12/30/2022	44,000.00	-	36,550.00	80,550.00
12/30/2023	47,000.00	-	34,104.38	81,104.38
12/30/2024	51,000.00	-	31,470.63	82,470.63
12/30/2025	54,000.00	-	28,648.75	82,648.75
12/30/2026	58,000.00	-	25,638.75	83,638.75
12/30/2027	62,000.00	-	22,413.75	84,413.75
12/30/2028	67,000.00	-	18,946.88	85,946.88
12/30/2029	72,000.00	-	15,211.26	87,211.26
12/30/2030	77,000.00	-	11,206.88	88,206.88
12/30/2031	83,000.00	-	6,906.88	89,906.88
12/30/2032	87,000.00	5.375%	2,338.13	89,338.13
Total	\$1,033,000.00	-	\$786,147.58	\$1,819,147.58

**Yield Statistics**

Average Life.....	13.717 Years
Weighted Average Maturity (Par Basis).....	13.717 Years
Average Coupon.....	5.3750005%

**Refunding Bond Information**

Refunding Dated Date.....	6/10/2010
Refunding Delivery Date.....	6/10/2010

**\$1,790,000**

*North Mercer Water District  
Refunding of Series 1994 Loan  
through the Kentucky Rural Water Finance Corporation*

**Proof of Prior Debt Service Fund Transfers**

	Issue	Maturity	Coupon	Principal	Months or Interest	Interest Accrued	Months or Principal	Principal Accrued
17,562.50								
North Mercer Water District 1996	01/01/2011	5.375%	40,000.00	5/6 Months	895.83	5/12 Months	16,666.67	
1,007.81								
North Mercer Water District 1996	01/01/2012	5.375%	45,000.00	5/6 Months	1,007.81			-
1,119.79								
North Mercer Water District 1996	01/01/2013	5.375%	50,000.00	5/6 Months	1,119.79			-
North Mercer Water District 1996	01/01/2014	5.375%	50,000.00	5/6 Months	1,119.79			-
1,231.77								
North Mercer Water District 1996	01/01/2015	5.375%	55,000.00	5/6 Months	1,231.77			-
1,343.75								
North Mercer Water District 1996	01/01/2016	5.375%	60,000.00	5/6 Months	1,343.75			-
1,400.00								
North Mercer Water District 1996	01/01/2017	5.600%	60,000.00	5/6 Months	1,400.00			-
1,516.67								
North Mercer Water District 1996	01/01/2018	5.600%	65,000.00	5/6 Months	1,516.67			-
1,633.33								
North Mercer Water District 1996	01/01/2019	5.600%	70,000.00	5/6 Months	1,633.33			-
North Mercer Water District 1996	01/01/2020	5.600%	70,000.00	5/6 Months	1,633.33			-
1,750.00								
North Mercer Water District 1996	01/01/2021	5.600%	75,000.00	5/6 Months	1,750.00			-
1,866.67								
North Mercer Water District 1996	01/01/2022	5.600%	80,000.00	5/6 Months	1,866.67			-
2,100.00								
North Mercer Water District 1996	01/01/2023	5.600%	90,000.00	5/6 Months	2,100.00			-
\$35,285.42								
	Subtotal	-	-	\$810,000.00		\$18,618.75		\$16,666.67
-								
9,220.31								
North Mercer WD1994	01/01/2011	5.375%	21,000.00	5/6 Months	470.31	5/12 Months	8,750.00	
492.71								
North Mercer WD1994	01/01/2012	5.375%	22,000.00	5/6 Months	492.71			-
537.50								
North Mercer WD1994	01/01/2013	5.375%	24,000.00	5/6 Months	537.50			-
582.29								
North Mercer WD1994	01/01/2014	5.375%	26,000.00	5/6 Months	582.29			-
604.69								
North Mercer WD1994	01/01/2015	5.375%	27,000.00	5/6 Months	604.69			-
671.88								
North Mercer WD1994	01/01/2016	5.375%	30,000.00	5/6 Months	671.88			-
694.27								
North Mercer WD1994	01/01/2017	5.375%	31,000.00	5/6 Months	694.27			-
761.46								
North Mercer WD1994	01/01/2018	5.375%	34,000.00	5/6 Months	761.46			-
806.25								
North Mercer WD1994	01/01/2019	5.375%	36,000.00	5/6 Months	806.25			-
873.44								
North Mercer WD1994	01/01/2020	5.375%	39,000.00	5/6 Months	873.44			-
918.23								
North Mercer WD1994	01/01/2021	5.375%	41,000.00	5/6 Months	918.23			-
985.42								
North Mercer WD1994	01/01/2022	5.375%	44,000.00	5/6 Months	985.42			-
1,052.60								
North Mercer WD1994	01/01/2023	5.375%	47,000.00	5/6 Months	1,052.60			-
1,142.19								
North Mercer WD1994	01/01/2024	5.375%	51,000.00	5/6 Months	1,142.19			-
1,209.38								
North Mercer WD1994	01/01/2025	5.375%	54,000.00	5/6 Months	1,209.38			-
1,298.96								
North Mercer WD1994	01/01/2026	5.375%	58,000.00	5/6 Months	1,298.96			-
1,388.54								
North Mercer WD1994	01/01/2027	5.375%	62,000.00	5/6 Months	1,388.54			-
1,500.52								
North Mercer WD1994	01/01/2028	5.375%	67,000.00	5/6 Months	1,500.52			-
1,612.50								
North Mercer WD1994	01/01/2029	5.375%	72,000.00	5/6 Months	1,612.50			-
1,724.48								
North Mercer WD1994	01/01/2030	5.375%	77,000.00	5/6 Months	1,724.48			-
1,858.85								
North Mercer WD1994	01/01/2031	5.375%	83,000.00	5/6 Months	1,858.85			-
1,948.44								
North Mercer WD1994	01/01/2032	5.375%	87,000.00	5/6 Months	1,948.44			-
\$31,884.90								
	Subtotal	-	-	\$1,033,000.00		\$23,134.90		\$8,750.00
\$67,170.31								
	Total	-	-	\$1,843,000.00		\$41,753.65		\$25,416.67