

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF MCCREARY )  
COUNTY WATER DISTRICT TO ISSUE )  
SECURITIES IN THE APPROXIMATE PRINCIPAL )  
AMOUNT OF \$1,702,000 FOR THE PURPOSE )  
OF REFUNDING CERTAIN OUTSTANDING ) CASE NO. 2020 - 00151  
OBLIGATIONS OF THE DISTRICT AND )  
REFINANCING A SHORT TERM OBLIGATION )  
PURSUANT TO THE PROVISIONS OF )  
KRS 278.300 AND 807 KAR 5:001 )**

**\*\*      \*\*\*      \*\*\*\*      \*\*\*\*\*      \*\*\*\*      \*\*\*      \*\***

**APPLICATION**

The Applicant, McCreary 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 amount of \$1,702,000 (subject to adjustment of up to 10%), for the purpose of refunding certain outstanding revenue bonds and refinancing a short term obligation. 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 McCreary County, which Order is on file in the County Court Order Books in the office of the Clerk of

McCreary 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 and email address of the District is as follows:

McCreary County Water District  
c/o Mr. Stephen Whitaker, Superintendent  
P.O. Box 488  
Whitley City, Kentucky 42653  
Telephone: (606) 376-2540  
Fax: (606) 376-5507  
email: [stepwhitaker@gmail.net](mailto:stepwhitaker@gmail.net)

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 2018 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. The District proposes to borrow funds from KRWFC pursuant to an Assistance Agreement (the "KRWFC Loan"), in the estimated principal amount of \$1,702,000 (subject to adjustment of up to 10%) for the purpose of (a) refunding certain outstanding revenue bonds of the District designated as (i) McCreary County Water District Sewer System Revenue Bonds, Series 2005, dated August 31, 2005, in the original principal amount of \$290,000, bearing interest at the rate of 4.125% per annum (the "2005 Sewer Bonds") currently held by the United States Department of Agriculture, acting through Rural Development ("RD"); (ii) McCreary County Water District

Water System Revenue Bonds, Series 2005, dated August 31, 2005, in the original principal amount of \$750,000, bearing interest at the rate of 4.125% per annum (the "2005 Water Bonds") currently held by RD; (iii) McCreary County Water District Water System Revenue Bonds, Series 2008 (Cumberland Falls Project), dated October 29, 2008, in the original principal amount of \$150,000, bearing interest at the rate of 4.125% per annum (the "2008 Cumberland Falls Bonds") currently held by RD; (iv) McCreary County Water District Water System Revenue Bonds, Series 2008 (New Liberty Project), dated October 29, 2008, in the original principal amount of \$325,000, bearing interest at the rate of 4.125% per annum (the "2008 New Liberty Bonds") currently held by RD; (hereinafter, the 2005 Sewer Bonds, the 2005 Water Bonds, the 2008 Cumberland Falls Bonds and the 2008 New Liberty shall be collectively referred to as the "Prior Bonds"); (b) refinancing a short term loan with the United Cumberland Bank, dated December 28, 2018, in the original principal amount of \$495,000, which matures on December 28, 2020 (the "Bank Loan"), the proceeds of which were used to acquire an existing building for use as the District's office; and (c) paying the costs of issuance of the KRWFC Loan.

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 of the KRWFC Loan vary from the present assumptions based upon market conditions and other judgment factors.

7. The KRWFC Loan will provide the District with the funds necessary to (i) refund the Prior Bonds; (ii) refinance the Bank Loan; and (iii) pay the costs of 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 refunding of the Prior Bonds will result in a net present value cash flow savings of approximately \$139,213.66. These savings are shown on the Debt Service Comparison which is attached hereto and incorporated herein by reference as **Exhibit "C"**.

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

11. The Debt Service Schedules of the outstanding Prior Bonds are set forth in **Exhibit "D"**. The Bank Loan is a term loan that matures on December 28, 2020.

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 Statements of Revenues, Expenses and Changes in Fund Net Position, Statements of Net Position, and Statements of Cash Flows for the twelve month periods ending on December 31, 2017 and 2018 are attached hereto and incorporated herein by reference as **Exhibit "E"** respectively.

15. Pursuant to 807 KAR 5:001, Section 12 - Financial Exhibit; the District hereby responds as follows:

- (i) Section 12(1)(b): The District states that it had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and that no material changes to the District's financial condition have occurred since the end of the twelve (12) month period contained in the District's most recent annual report on file with the Commission.
- (ii) Section 12(2)(a), (b) and (c) Stock: The District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: The District does not have any outstanding mortgages as of the date hereof.
- (iv) Section 12(2)(e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of the District is contained in the 2018 Annual Report on file with this Commission.
- (v) Section 12(2)(h) Dividends: The District has no outstanding stock and therefore pays no dividends.
- (vi) Section 12(2)(i) Financial Statements: See paragraph #14 above.

16. Pursuant to 807 KAR 5:001, Section 18, the District hereby responds as follows:

- (i) Section 18(1)(a): The District has complied with the requirements of 807 KAR 5:001, Section 14.
- (ii) Section 18(1)(b): A general description of the District's property, its field of operation and a statement of original cost of said property and the cost to the District is contained in the District's 2018 Annual Report on file with this Commission.
- (iii) Section 18(1)(c): The District is not issuing any stock as part of this financing. The information concerning the proposed KRWFC Loan is contained in this Application. The KRWFC Loan will be secured by and payable from the gross revenues of the District's water system.
- (iv) Section 18(1)(d): The proceeds of the KRWFC Loan are being used to refund the outstanding Prior Bonds and pay the costs of issuance thereof.
- (v) Section 18(1)(e): No property is being acquired with the proceeds of the KRWFC Loan.
- (vi) Section 18(1)(f): The details of the refunding are contained in this Application and the Exhibits hereto.
- (vii) Section 18(1)(g): Written notification of the proposed issuance of the KRWFC Loan is being provided to the State Local Debt Officer (see **Exhibit "F"** attached hereto).
- (viii) Section 18(2)(a): See paragraph #15 above.
- (ix) Section 18(2)(b): The District does not have any outstanding trust deeds or mortgages.

(x) Section 18(2)(c): No property is being acquired with the proceeds of the  
KRWFC Loan.

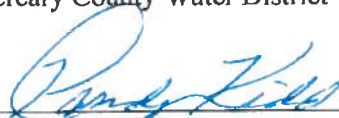
17. No rate adjustment will be necessary.

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


1. Authorize the issuance of the securities requested in the Application;
2. Due to the volatility of the present bond market and in order to achieve substantial interest cost savings to the District by taking full advantage of current low interest rates, the District requests that the Commission issued its Order as soon as possible; 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.

McCreary County Water District

By   
Randy Kidd, Chairman  
P.O. Box 488  
Whitley City, Kentucky 42653  
Phone: (606) 376-2540  
Fax: (606) 376-5507  
Email: [stepwhitaker@gmail.com](mailto:stepwhitaker@gmail.com)

Rubin & Hays

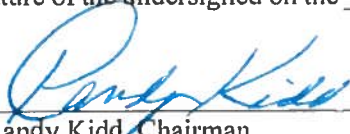
By   
W. Randall Jones  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
Phone: (502) 569-7534  
Email: [wrjones@rubinhays.com](mailto:wrjones@rubinhays.com)  
Counsel for Applicant



STATE OF KENTUCKY            )  
  ) SS  
COUNTY OF MCCREARY        )


The affiant, Randy Kidd, being first duly sworn, states: That he is the Chairman of the McCreary 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 8 day of May, 2020.

  
\_\_\_\_\_  
Randy Kidd, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Randy Kidd, Chairman of the McCreary County Water District, on this the 8 day of May, 2020.

My Commission expires: 7/13/2022.

  
\_\_\_\_\_  
NOTARY PUBLIC  
603026  
\_\_\_\_\_  
Notary Public ID Number

**EXHIBIT A-1**

Debt Service Schedule on Refunding of RD Bonds

Preliminary

**\$1,220,000**

McCreary County Water District  
Refunding of RD Loans

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/15/2020	-	-	-	-	-
08/01/2020	-	-	5,729.56	5,729.56	-
12/31/2020	-	-	-	-	5,729.56
02/01/2021	25,000.00	5.200%	22,420.00	47,420.00	-
08/01/2021	-	-	21,770.00	21,770.00	-
12/31/2021	-	-	-	-	69,190.00
02/01/2022	25,000.00	5.200%	21,770.00	46,770.00	-
08/01/2022	-	-	21,120.00	21,120.00	-
12/31/2022	-	-	-	-	67,890.00
02/01/2023	25,000.00	5.200%	21,120.00	46,120.00	-
08/01/2023	-	-	20,470.00	20,470.00	-
12/31/2023	-	-	-	-	66,590.00
02/01/2024	30,000.00	5.200%	20,470.00	50,470.00	-
08/01/2024	-	-	19,690.00	19,690.00	-
12/31/2024	-	-	-	-	70,160.00
02/01/2025	30,000.00	5.200%	19,690.00	49,690.00	-
08/01/2025	-	-	18,910.00	18,910.00	-
12/31/2025	-	-	-	-	68,600.00
02/01/2026	30,000.00	5.200%	18,910.00	48,910.00	-
08/01/2026	-	-	18,130.00	18,130.00	-
12/31/2026	-	-	-	-	67,040.00
02/01/2027	35,000.00	5.200%	18,130.00	53,130.00	-
08/01/2027	-	-	17,220.00	17,220.00	-
12/31/2027	-	-	-	-	70,350.00
02/01/2028	45,000.00	5.200%	17,220.00	62,220.00	-
08/01/2028	-	-	16,050.00	16,050.00	-
12/31/2028	-	-	-	-	78,270.00
02/01/2029	45,000.00	4.200%	16,050.00	61,050.00	-
08/01/2029	-	-	15,105.00	15,105.00	-
12/31/2029	-	-	-	-	76,155.00
02/01/2030	45,000.00	4.200%	15,105.00	60,105.00	-
08/01/2030	-	-	14,160.00	14,160.00	-
12/31/2030	-	-	-	-	74,265.00
02/01/2031	45,000.00	3.200%	14,160.00	59,160.00	-
08/01/2031	-	-	13,440.00	13,440.00	-
12/31/2031	-	-	-	-	72,600.00
02/01/2032	50,000.00	3.200%	13,440.00	63,440.00	-
08/01/2032	-	-	12,640.00	12,640.00	-
12/31/2032	-	-	-	-	76,080.00
02/01/2033	50,000.00	3.200%	12,640.00	62,640.00	-
08/01/2033	-	-	11,840.00	11,840.00	-
12/31/2033	-	-	-	-	74,480.00
02/01/2034	50,000.00	3.200%	11,840.00	61,840.00	-
08/01/2034	-	-	11,040.00	11,040.00	-
12/31/2034	-	-	-	-	72,880.00
02/01/2035	50,000.00	3.200%	11,040.00	61,040.00	-
08/01/2035	-	-	10,240.00	10,240.00	-
12/31/2035	-	-	-	-	71,280.00
02/01/2036	50,000.00	3.200%	10,240.00	60,240.00	-
08/01/2036	-	-	9,440.00	9,440.00	-
12/31/2036	-	-	-	-	69,680.00
02/01/2037	50,000.00	3.200%	9,440.00	59,440.00	-
08/01/2037	-	-	8,640.00	8,640.00	-
12/31/2037	-	-	-	-	68,080.00
02/01/2038	50,000.00	3.200%	8,640.00	58,640.00	-
08/01/2038	-	-	7,840.00	7,840.00	-
12/31/2038	-	-	-	-	66,480.00

02/01/2039	55,000.00	3.200%	7,840.00	62,840.00	-
08/01/2039	-	-	6,960.00	6,960.00	-
12/31/2039	-	-	-	-	69,800.00
02/01/2040	55,000.00	3.200%	6,960.00	61,960.00	-
08/01/2040	-	-	6,080.00	6,080.00	-
12/31/2040	-	-	-	-	68,040.00
02/01/2041	55,000.00	3.200%	6,080.00	61,080.00	-
08/01/2041	-	-	5,200.00	5,200.00	-
12/31/2041	-	-	-	-	66,280.00
02/01/2042	55,000.00	3.200%	5,200.00	60,200.00	-
08/01/2042	-	-	4,320.00	4,320.00	-
12/31/2042	-	-	-	-	64,520.00
02/01/2043	70,000.00	3.200%	4,320.00	74,320.00	-
08/01/2043	-	-	3,200.00	3,200.00	-
12/31/2043	-	-	-	-	77,520.00
02/01/2044	70,000.00	3.200%	3,200.00	73,200.00	-
08/01/2044	-	-	2,080.00	2,080.00	-
12/31/2044	-	-	-	-	75,280.00
02/01/2045	70,000.00	3.200%	2,080.00	72,080.00	-
08/01/2045	-	-	960.00	960.00	-
12/31/2045	-	-	-	-	73,040.00
02/01/2046	20,000.00	3.200%	960.00	20,960.00	-
08/01/2046	-	-	640.00	640.00	-
12/31/2046	-	-	-	-	21,600.00
02/01/2047	20,000.00	3.200%	640.00	20,640.00	-
08/01/2047	-	-	320.00	320.00	-
12/31/2047	-	-	-	-	20,960.00
02/01/2048	20,000.00	3.200%	320.00	20,320.00	-
12/31/2048	-	-	-	-	20,320.00
<b>Total</b>	<b>\$1,220,000.00</b>	<b>-</b>	<b>\$623,159.56</b>	<b>\$1,843,159.56</b>	<b>-</b>

#### Yield Statistics

Bond Year Dollars	\$18,520.89
Average Life	15.181 Years
Average Coupon	3.3646310%
Net Interest Cost (NIC)	3.1941710%
True Interest Cost (TIC)	3.1697983%
Bond Yield for Arbitrage Purposes	3.0206421%
All Inclusive Cost (AIC)	3.3875397%

#### IRS Form 8038

Net Interest Cost	3.0445633%
Weighted Average Maturity	14.828 Years

McCreary County Water Dis | Issue Summary | 4/24/2020 | 2:30 PM

Raymond James

## **EXHIBIT A-2**

Debt Service Schedule on Refinancing of Bank Loan

Preliminary  
**\$500,000**

McCreary County Water District  
 Potential loan through the Kentucky Rural Water Finance Corporation  
 Thirty Year Term

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/15/2020	-	-	-	-	-
02/01/2021	5,000.00	5.200%	11,300.00	16,300.00	-
08/01/2021	-	-	8,870.00	8,870.00	-
12/30/2021	-	-	-	-	25,170.00
02/01/2022	10,000.00	5.200%	8,870.00	18,870.00	-
08/01/2022	-	-	8,610.00	8,610.00	-
12/30/2022	-	-	-	-	27,480.00
02/01/2023	10,000.00	5.200%	8,610.00	18,610.00	-
08/01/2023	-	-	8,350.00	8,350.00	-
12/30/2023	-	-	-	-	26,960.00
02/01/2024	10,000.00	5.200%	8,350.00	18,350.00	-
08/01/2024	-	-	8,090.00	8,090.00	-
12/30/2024	-	-	-	-	26,440.00
02/01/2025	10,000.00	5.200%	8,090.00	18,090.00	-
08/01/2025	-	-	7,830.00	7,830.00	-
12/30/2025	-	-	-	-	25,920.00
02/01/2026	10,000.00	5.200%	7,830.00	17,830.00	-
08/01/2026	-	-	7,570.00	7,570.00	-
12/30/2026	-	-	-	-	25,400.00
02/01/2027	15,000.00	5.200%	7,570.00	22,570.00	-
08/01/2027	-	-	7,180.00	7,180.00	-
12/30/2027	-	-	-	-	29,750.00
02/01/2028	15,000.00	5.200%	7,180.00	22,180.00	-
08/01/2028	-	-	6,790.00	6,790.00	-
12/30/2028	-	-	-	-	28,970.00
02/01/2029	15,000.00	4.200%	6,790.00	21,790.00	-
08/01/2029	-	-	6,475.00	6,475.00	-
12/30/2029	-	-	-	-	28,265.00
02/01/2030	15,000.00	4.200%	6,475.00	21,475.00	-
08/01/2030	-	-	6,160.00	6,160.00	-
12/30/2030	-	-	-	-	27,635.00
02/01/2031	15,000.00	3.200%	6,160.00	21,160.00	-
08/01/2031	-	-	5,920.00	5,920.00	-
12/30/2031	-	-	-	-	27,080.00
02/01/2032	15,000.00	3.200%	5,920.00	20,920.00	-
08/01/2032	-	-	5,680.00	5,680.00	-
12/30/2032	-	-	-	-	26,600.00
02/01/2033	15,000.00	3.200%	5,680.00	20,680.00	-
08/01/2033	-	-	5,440.00	5,440.00	-
12/30/2033	-	-	-	-	26,120.00
02/01/2034	15,000.00	3.200%	5,440.00	20,440.00	-
08/01/2034	-	-	5,200.00	5,200.00	-
12/30/2034	-	-	-	-	25,640.00
02/01/2035	15,000.00	3.200%	5,200.00	20,200.00	-
08/01/2035	-	-	4,960.00	4,960.00	-
12/30/2035	-	-	-	-	25,160.00
02/01/2036	20,000.00	3.200%	4,960.00	24,960.00	-
08/01/2036	-	-	4,640.00	4,640.00	-
12/30/2036	-	-	-	-	29,600.00
02/01/2037	20,000.00	3.200%	4,640.00	24,640.00	-
08/01/2037	-	-	4,320.00	4,320.00	-
12/30/2037	-	-	-	-	28,960.00
02/01/2038	20,000.00	3.200%	4,320.00	24,320.00	-
08/01/2038	-	-	4,000.00	4,000.00	-
12/30/2038	-	-	-	-	28,320.00
02/01/2039	20,000.00	3.200%	4,000.00	24,000.00	-
08/01/2039	-	-	3,680.00	3,680.00	-

12/30/2039	-	-	-	-	27,680.00
02/01/2040	20,000.00	3.200%	3,680.00	23,680.00	-
08/01/2040	-	-	3,360.00	3,360.00	-
12/30/2040	-	-	-	-	27,040.00
02/01/2041	20,000.00	3.200%	3,360.00	23,360.00	-
08/01/2041	-	-	3,040.00	3,040.00	-
12/30/2041	-	-	-	-	26,400.00
02/01/2042	20,000.00	3.200%	3,040.00	23,040.00	-
08/01/2042	-	-	2,720.00	2,720.00	-
12/30/2042	-	-	-	-	25,760.00
02/01/2043	20,000.00	3.200%	2,720.00	22,720.00	-
08/01/2043	-	-	2,400.00	2,400.00	-
12/30/2043	-	-	-	-	25,120.00
02/01/2044	25,000.00	3.200%	2,400.00	27,400.00	-
08/01/2044	-	-	2,000.00	2,000.00	-
12/30/2044	-	-	-	-	29,400.00
02/01/2045	25,000.00	3.200%	2,000.00	27,000.00	-
08/01/2045	-	-	1,600.00	1,600.00	-
12/30/2045	-	-	-	-	28,600.00
02/01/2046	25,000.00	3.200%	1,600.00	26,600.00	-
08/01/2046	-	-	1,200.00	1,200.00	-
12/30/2046	-	-	-	-	27,800.00
02/01/2047	25,000.00	3.200%	1,200.00	26,200.00	-
08/01/2047	-	-	800.00	800.00	-
12/30/2047	-	-	-	-	27,000.00
02/01/2048	25,000.00	3.200%	800.00	25,800.00	-
08/01/2048	-	-	400.00	400.00	-
12/30/2048	-	-	-	-	26,200.00
02/01/2049	25,000.00	3.200%	400.00	25,400.00	-
12/30/2049	-	-	-	-	25,400.00
<b>Total</b>	<b>\$500,000.00</b>	<b>-</b>	<b>\$285,870.00</b>	<b>\$785,870.00</b>	<b>-</b>

#### Yield Statistics

Bond Year Dollars	\$8,598.89
Average Life	17.198 Years
Average Coupon	3.3244993%
Net Interest Cost (NIC)	3.1893964%
True Interest Cost (TIC)	3.1675447%
Bond Yield for Arbitrage Purposes	3.0699447%
All Inclusive Cost (AIC)	3.4919067%

#### IRS Form 8038

Net Interest Cost	3.0847101%
Weighted Average Maturity	16.777 Years

McCreary Co 30 year | SINGLE PURPOSE | 4/24/2020 | 2:48 PM

Raymond James

# **EXHIBIT B-1**

## Sources and Uses on Refunding of RD Bonds



Preliminary

**\$1,220,000**

McCreary County Water District  
Refunding of RD Loans

## Total Issue Sources And Uses

Dated 06/15/2020 | Delivered 06/15/2020

	Ref of 2005A	Ref of 2005B	Ref of 2008A	Ref of 2008B	Issue Summary
<b>Sources Of Funds</b>					
Par Amount of Bonds	\$230,000.00	\$590,000.00	\$275,000.00	\$125,000.00	\$1,220,000.00
Reoffering Premium	9,866.05	25,035.20	9,071.50	5,897.95	49,870.70
Transfers from Prior Issue Debt Service Funds	6,286.05	16,145.83	7,064.64	3,243.39	32,739.91
<b>Total Sources</b>	<b>\$246,152.10</b>	<b>\$631,181.03</b>	<b>\$291,136.14</b>	<b>\$134,141.34</b>	<b>\$1,302,610.61</b>
<b>Uses Of Funds</b>					
Total Underwriter's Discount (1.500%)	3,450.00	8,850.00	4,125.00	1,875.00	18,300.00
Costs of Issuance	4,151.31	10,649.02	4,963.52	2,256.15	22,020.00
Deposit to Current Refunding Fund	236,767.18	611,275.00	282,918.45	130,507.21	1,261,467.84
Rounding Amount	1,783.61	407.01	(870.83)	(497.02)	822.77
<b>Total Uses</b>	<b>\$246,152.10</b>	<b>\$631,181.03</b>	<b>\$291,136.14</b>	<b>\$134,141.34</b>	<b>\$1,302,610.61</b>

Raymond James

## **EXHIBIT B-2**

Sources and Uses on Refinancing of Bank Loan

Preliminary  
**\$500,000**

McCreary County Water District  
Potential loan through the Kentucky Rural Water Finance Corporation  
Thirty Year Term

## Sources & Uses

Dated 06/15/2020 | Delivered 06/15/2020

### Sources Of Funds

Par Amount of Bonds	\$500,000.00
Reoffering Premium	17,867.35

**Total Sources** **\$517,867.35**

### Uses Of Funds

Total Underwriter's Discount (1.250%)	6,250.00
Costs of Issuance	20,000.00
Deposit to Project Construction Fund	490,000.00
Rounding Amount	1,617.35

**Total Uses** **\$517,867.35**

Raymond James

# **EXHIBIT C**

## Debt Service Comparison

Preliminary

**\$1,220,000**

McCreary County Water District  
Refunding of RD Loans

## Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/31/2020	5,729.56	-	5,729.56	25,537.87	19,808.31
12/31/2021	69,190.00	450.00	69,640.00	78,008.56	8,368.56
12/31/2022	67,890.00	450.00	68,340.00	78,343.26	10,003.26
12/31/2023	66,590.00	450.00	67,040.00	77,636.70	10,596.70
12/31/2024	70,160.00	450.00	70,610.00	78,084.76	7,474.76
12/31/2025	68,600.00	450.00	69,050.00	78,364.76	9,314.76
12/31/2026	67,040.00	450.00	67,490.00	77,697.32	10,207.32
12/31/2027	70,350.00	450.00	70,800.00	77,882.45	7,082.45
12/31/2028	78,270.00	450.00	78,720.00	78,099.51	(620.49)
12/31/2029	76,155.00	450.00	76,605.00	78,344.38	1,739.38
12/31/2030	74,265.00	450.00	74,715.00	77,437.71	2,722.71
12/31/2031	72,600.00	450.00	73,050.00	77,677.39	4,627.39
12/31/2032	76,080.00	450.00	76,530.00	77,740.75	1,210.75
12/31/2033	74,480.00	450.00	74,930.00	77,827.82	2,897.82
12/31/2034	72,880.00	450.00	73,330.00	77,836.51	4,506.51
12/31/2035	71,280.00	450.00	71,730.00	77,766.82	6,036.82
12/31/2036	69,680.00	450.00	70,130.00	77,716.70	7,586.70
12/31/2037	68,080.00	450.00	68,530.00	77,584.08	9,054.08
12/31/2038	66,480.00	450.00	66,930.00	77,368.95	10,438.95
12/31/2039	69,800.00	450.00	70,250.00	77,267.20	7,017.20
12/31/2040	68,040.00	450.00	68,490.00	77,956.14	9,466.14
12/31/2041	66,280.00	450.00	66,730.00	77,635.77	10,905.77
12/31/2042	64,520.00	450.00	64,970.00	77,224.64	12,254.64
12/31/2043	77,520.00	450.00	77,970.00	77,800.08	(169.92)
12/31/2044	75,280.00	450.00	75,730.00	77,357.96	1,627.96
12/31/2045	73,040.00	450.00	73,490.00	76,816.82	3,326.82
12/31/2046	21,600.00	450.00	22,050.00	24,269.82	2,219.82
12/31/2047	20,960.00	450.00	21,410.00	24,247.89	2,837.89
12/31/2048	20,320.00	450.00	20,770.00	24,188.82	3,418.82
-	-	-	-	-	-
Sub Totals	1,843,159.56	12,600.00	1,855,759.56	2,041,721.44	185,961.88
Accrued Interest	-	-	-	-	-
D/S Fund	-	-	-	-	(32,739.91)
Equity Contribution	-	-	-	-	-
Rounding Amount	-	-	-	-	822.77
TOTALS	1,843,159.56	12,600.00	1,855,759.56	2,041,721.44	154,044.74

### PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	147,728.33
Effects of changes in Expenses	(8,514.67)
Net PV Cashflow Savings @ 3.021%(Bond Yield)	139,213.66
Transfers from Prior Issue Debt Service Fund	(32,739.91)
Contingency or Rounding Amount	822.77
Net Present Value Benefit	\$107,296.52
Net PV Benefit / \$1,238,200 Refunded Principal	8.666%
Net PV Benefit / \$1,220,000 Refunding Principal	8.795%

### Refunding Bond Information

Refunding Dated Date	6/15/2020
Refunding Delivery Date	6/15/2020

# **EXHIBIT D**

## Prior Bonds Debt Service

Preliminary

**\$290,000**

McCreary County Water District

RD - 2005A

(Bonds to be Refunded)

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/15/2020	232,400.00	4,367.18	236,767.18	-	-	-	-
07/01/2020	-	-	-	-	-	4,793.25	4,793.25
01/01/2021	-	-	-	5,500.00	4.125%	4,793.25	10,293.25
07/01/2021	-	-	-	-	-	4,679.81	4,679.81
01/01/2022	-	-	-	5,700.00	4.125%	4,679.81	10,379.81
07/01/2022	-	-	-	-	-	4,562.25	4,562.25
01/01/2023	-	-	-	5,900.00	4.125%	4,562.25	10,462.25
07/01/2023	-	-	-	-	-	4,440.56	4,440.56
01/01/2024	-	-	-	6,200.00	4.125%	4,440.56	10,640.56
07/01/2024	-	-	-	-	-	4,312.69	4,312.69
01/01/2025	-	-	-	6,400.00	4.125%	4,312.69	10,712.69
07/01/2025	-	-	-	-	-	4,180.69	4,180.69
01/01/2026	-	-	-	6,700.00	4.125%	4,180.69	10,880.69
07/01/2026	-	-	-	-	-	4,042.50	4,042.50
01/01/2027	-	-	-	7,000.00	4.125%	4,042.50	11,042.50
07/01/2027	-	-	-	-	-	3,898.13	3,898.13
01/01/2028	-	-	-	7,300.00	4.125%	3,898.13	11,198.13
07/01/2028	-	-	-	-	-	3,747.56	3,747.56
01/01/2029	-	-	-	7,600.00	4.125%	3,747.56	11,347.56
07/01/2029	-	-	-	-	-	3,590.81	3,590.81
01/01/2030	-	-	-	7,900.00	4.125%	3,590.81	11,490.81
07/01/2030	-	-	-	-	-	3,427.88	3,427.88
01/01/2031	-	-	-	8,200.00	4.125%	3,427.88	11,627.88
07/01/2031	-	-	-	-	-	3,258.75	3,258.75
01/01/2032	-	-	-	8,600.00	4.125%	3,258.75	11,858.75
07/01/2032	-	-	-	-	-	3,081.38	3,081.38
01/01/2033	-	-	-	8,900.00	4.125%	3,081.38	11,981.38
07/01/2033	-	-	-	-	-	2,897.81	2,897.81
01/01/2034	-	-	-	9,300.00	4.125%	2,897.81	12,197.81
07/01/2034	-	-	-	-	-	2,706.00	2,706.00
01/01/2035	-	-	-	9,700.00	4.125%	2,706.00	12,406.00
07/01/2035	-	-	-	-	-	2,505.94	2,505.94
01/01/2036	-	-	-	10,100.00	4.125%	2,505.94	12,605.94
07/01/2036	-	-	-	-	-	2,297.63	2,297.63
01/01/2037	-	-	-	10,500.00	4.125%	2,297.63	12,797.63
07/01/2037	-	-	-	-	-	2,081.06	2,081.06
01/01/2038	-	-	-	10,900.00	4.125%	2,081.06	12,981.06
07/01/2038	-	-	-	-	-	1,856.25	1,856.25
01/01/2039	-	-	-	11,400.00	4.125%	1,856.25	13,256.25
07/01/2039	-	-	-	-	-	1,621.13	1,621.13
01/01/2040	-	-	-	11,800.00	4.125%	1,621.13	13,421.13
07/01/2040	-	-	-	-	-	1,377.75	1,377.75
01/01/2041	-	-	-	12,300.00	4.125%	1,377.75	13,677.75
07/01/2041	-	-	-	-	-	1,124.06	1,124.06
01/01/2042	-	-	-	12,800.00	4.125%	1,124.06	13,924.06
07/01/2042	-	-	-	-	-	860.06	860.06
01/01/2043	-	-	-	13,300.00	4.125%	860.06	14,160.06
07/01/2043	-	-	-	-	-	585.75	585.75
01/01/2044	-	-	-	13,900.00	4.125%	585.75	14,485.75
07/01/2044	-	-	-	-	-	299.06	299.06
01/01/2045	-	-	-	14,500.00	4.125%	299.06	14,799.06
<b>Total</b>	<b>\$232,400.00</b>	<b>\$4,367.18</b>	<b>\$236,767.18</b>	<b>\$232,400.00</b>	<b>-</b>	<b>\$144,457.52</b>	<b>\$376,857.52</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation

6/15/2020

Average Life	14.613 Years
Average Coupon	4.1250007%
Weighted Average Maturity (Par Basis)	14.613 Years
Weighted Average Maturity (Original Price Basis)	14.613 Years

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**Refunding Bond Information**

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Refunding Dated Date	6/15/2020
Refunding Delivery Date	6/15/2020

McCreary County Water Dis | SINGLE PURPOSE | 4/24/2020 | 2:30 PM

**Raymond James**



Preliminary

**\$750,000**

McCreary County Water District

RD - 2005B

(Bonds to be Refunded)

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/15/2020	600,000.00	11,275.00	611,275.00	-	-	-	-
07/01/2020	-	-	-	-	-	12,375.00	12,375.00
01/01/2021	-	-	-	14,000.00	4.125%	12,375.00	26,375.00
07/01/2021	-	-	-	-	-	12,086.25	12,086.25
01/01/2022	-	-	-	15,000.00	4.125%	12,086.25	27,086.25
07/01/2022	-	-	-	-	-	11,776.88	11,776.88
01/01/2023	-	-	-	15,000.00	4.125%	11,776.88	26,776.88
07/01/2023	-	-	-	-	-	11,467.50	11,467.50
01/01/2024	-	-	-	16,000.00	4.125%	11,467.50	27,467.50
07/01/2024	-	-	-	-	-	11,137.50	11,137.50
01/01/2025	-	-	-	17,000.00	4.125%	11,137.50	28,137.50
07/01/2025	-	-	-	-	-	10,786.88	10,786.88
01/01/2026	-	-	-	17,000.00	4.125%	10,786.88	27,786.88
07/01/2026	-	-	-	-	-	10,436.25	10,436.25
01/01/2027	-	-	-	18,000.00	4.125%	10,436.25	28,436.25
07/01/2027	-	-	-	-	-	10,065.00	10,065.00
01/01/2028	-	-	-	19,000.00	4.125%	10,065.00	29,065.00
07/01/2028	-	-	-	-	-	9,673.13	9,673.13
01/01/2029	-	-	-	20,000.00	4.125%	9,673.13	29,673.13
07/01/2029	-	-	-	-	-	9,260.63	9,260.63
01/01/2030	-	-	-	20,000.00	4.125%	9,260.63	29,260.63
07/01/2030	-	-	-	-	-	8,848.13	8,848.13
01/01/2031	-	-	-	21,000.00	4.125%	8,848.13	29,848.13
07/01/2031	-	-	-	-	-	8,415.00	8,415.00
01/01/2032	-	-	-	22,000.00	4.125%	8,415.00	30,415.00
07/01/2032	-	-	-	-	-	7,961.25	7,961.25
01/01/2033	-	-	-	23,000.00	4.125%	7,961.25	30,961.25
07/01/2033	-	-	-	-	-	7,486.88	7,486.88
01/01/2034	-	-	-	24,000.00	4.125%	7,486.88	31,486.88
07/01/2034	-	-	-	-	-	6,991.88	6,991.88
01/01/2035	-	-	-	25,000.00	4.125%	6,991.88	31,991.88
07/01/2035	-	-	-	-	-	6,476.25	6,476.25
01/01/2036	-	-	-	26,000.00	4.125%	6,476.25	32,476.25
07/01/2036	-	-	-	-	-	5,940.00	5,940.00
01/01/2037	-	-	-	27,000.00	4.125%	5,940.00	32,940.00
07/01/2037	-	-	-	-	-	5,383.13	5,383.13
01/01/2038	-	-	-	28,000.00	4.125%	5,383.13	33,383.13
07/01/2038	-	-	-	-	-	4,805.63	4,805.63
01/01/2039	-	-	-	29,000.00	4.125%	4,805.63	33,805.63
07/01/2039	-	-	-	-	-	4,207.50	4,207.50
01/01/2040	-	-	-	31,000.00	4.125%	4,207.50	35,207.50
07/01/2040	-	-	-	-	-	3,568.13	3,568.13
01/01/2041	-	-	-	32,000.00	4.125%	3,568.13	35,568.13
07/01/2041	-	-	-	-	-	2,908.13	2,908.13
01/01/2042	-	-	-	33,000.00	4.125%	2,908.13	35,908.13
07/01/2042	-	-	-	-	-	2,227.50	2,227.50
01/01/2043	-	-	-	35,000.00	4.125%	2,227.50	37,227.50
07/01/2043	-	-	-	-	-	1,505.63	1,505.63
01/01/2044	-	-	-	36,000.00	4.125%	1,505.63	37,505.63
07/01/2044	-	-	-	-	-	763.13	763.13
01/01/2045	-	-	-	37,000.00	4.125%	763.13	37,763.13
<b>Total</b>	<b>\$600,000.00</b>	<b>\$11,275.00</b>	<b>\$611,275.00</b>	<b>\$600,000.00</b>	<b>-</b>	<b>\$373,106.38</b>	<b>\$973,106.38</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation

6/15/2020

Average Life	14.619 Years
Average Coupon	4.1250015%
Weighted Average Maturity (Par Basis)	14.619 Years
Weighted Average Maturity (Original Price Basis)	14.619 Years

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**Refunding Bond Information**

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Refunding Dated Date	6/15/2020
Refunding Delivery Date	6/15/2020

McCreary County Water Dis | SINGLE PURPOSE | 4/24/2020 | 2:30 PM

**Raymond James**

Preliminary

**\$325,000**

McCreary County Water District

RD - 2008A

(Bonds to be Refunded)

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/15/2020	277,700.00	5,218.45	282,918.45	-	-	-	-
07/01/2020	-	-	-	-	-	5,727.56	5,727.56
01/01/2021	-	-	-	5,500.00	4.125%	5,727.56	11,227.56
07/01/2021	-	-	-	-	-	5,614.13	5,614.13
01/01/2022	-	-	-	5,700.00	4.125%	5,614.13	11,314.13
07/01/2022	-	-	-	-	-	5,496.56	5,496.56
01/01/2023	-	-	-	5,900.00	4.125%	5,496.56	11,396.56
07/01/2023	-	-	-	-	-	5,374.88	5,374.88
01/01/2024	-	-	-	6,200.00	4.125%	5,374.88	11,574.88
07/01/2024	-	-	-	-	-	5,247.00	5,247.00
01/01/2025	-	-	-	6,400.00	4.125%	5,247.00	11,647.00
07/01/2025	-	-	-	-	-	5,115.00	5,115.00
01/01/2026	-	-	-	6,700.00	4.125%	5,115.00	11,815.00
07/01/2026	-	-	-	-	-	4,976.81	4,976.81
01/01/2027	-	-	-	6,900.00	4.125%	4,976.81	11,876.81
07/01/2027	-	-	-	-	-	4,834.50	4,834.50
01/01/2028	-	-	-	7,200.00	4.125%	4,834.50	12,034.50
07/01/2028	-	-	-	-	-	4,686.00	4,686.00
01/01/2029	-	-	-	7,500.00	4.125%	4,686.00	12,186.00
07/01/2029	-	-	-	-	-	4,531.31	4,531.31
01/01/2030	-	-	-	7,800.00	4.125%	4,531.31	12,331.31
07/01/2030	-	-	-	-	-	4,370.44	4,370.44
01/01/2031	-	-	-	8,200.00	4.125%	4,370.44	12,570.44
07/01/2031	-	-	-	-	-	4,201.31	4,201.31
01/01/2032	-	-	-	8,500.00	4.125%	4,201.31	12,701.31
07/01/2032	-	-	-	-	-	4,026.00	4,026.00
01/01/2033	-	-	-	8,900.00	4.125%	4,026.00	12,926.00
07/01/2033	-	-	-	-	-	3,842.44	3,842.44
01/01/2034	-	-	-	9,200.00	4.125%	3,842.44	13,042.44
07/01/2034	-	-	-	-	-	3,652.69	3,652.69
01/01/2035	-	-	-	9,600.00	4.125%	3,652.69	13,252.69
07/01/2035	-	-	-	-	-	3,454.69	3,454.69
01/01/2036	-	-	-	10,000.00	4.125%	3,454.69	13,454.69
07/01/2036	-	-	-	-	-	3,248.44	3,248.44
01/01/2037	-	-	-	10,400.00	4.125%	3,248.44	13,648.44
07/01/2037	-	-	-	-	-	3,033.94	3,033.94
01/01/2038	-	-	-	10,800.00	4.125%	3,033.94	13,833.94
07/01/2038	-	-	-	-	-	2,811.19	2,811.19
01/01/2039	-	-	-	11,300.00	4.125%	2,811.19	14,111.19
07/01/2039	-	-	-	-	-	2,578.13	2,578.13
01/01/2040	-	-	-	11,800.00	4.125%	2,578.13	14,378.13
07/01/2040	-	-	-	-	-	2,334.75	2,334.75
01/01/2041	-	-	-	12,200.00	4.125%	2,334.75	14,534.75
07/01/2041	-	-	-	-	-	2,083.13	2,083.13
01/01/2042	-	-	-	12,700.00	4.125%	2,083.13	14,783.13
07/01/2042	-	-	-	-	-	1,821.19	1,821.19
01/01/2043	-	-	-	13,300.00	4.125%	1,821.19	15,121.19
07/01/2043	-	-	-	-	-	1,546.88	1,546.88
01/01/2044	-	-	-	13,800.00	4.125%	1,546.88	15,346.88
07/01/2044	-	-	-	-	-	1,262.25	1,262.25
01/01/2045	-	-	-	14,400.00	4.125%	1,262.25	15,662.25
07/01/2045	-	-	-	-	-	965.25	965.25
01/01/2046	-	-	-	15,000.00	4.125%	965.25	15,965.25
07/01/2046	-	-	-	-	-	655.88	655.88
01/01/2047	-	-	-	15,600.00	4.125%	655.88	16,255.88
07/01/2047	-	-	-	-	-	334.13	334.13
01/01/2048	-	-	-	16,200.00	4.125%	334.13	16,534.13

Total	\$277,700.00	\$5,218.45	\$282,918.45	\$277,700.00	-	\$195,652.96	\$473,352.96
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**Yield Statistics**

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Base date for Avg. Life & Avg. Coupon Calculation	6/15/2020
Average Life	16.624 Years
Average Coupon	4.1250020%
Weighted Average Maturity (Par Basis)	16.624 Years
Weighted Average Maturity (Original Price Basis)	16.624 Years

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**Refunding Bond Information**

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Refunding Dated Date	6/15/2020
Refunding Delivery Date	6/15/2020

McCreary County Water Dis | SINGLE PURPOSE | 4/24/2020 | 2:30 PM

Raymond James

Preliminary

**\$150,000**

McCreary County Water District

RD - 2008B

(Bonds to be Refunded)

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/15/2020	128,100.00	2,407.21	130,507.21	-	-	-	-
07/01/2020	-	-	-	-	-	2,642.06	2,642.06
01/01/2021	-	-	-	2,500.00	4.125%	2,642.06	5,142.06
07/01/2021	-	-	-	-	-	2,590.50	2,590.50
01/01/2022	-	-	-	2,600.00	4.125%	2,590.50	5,190.50
07/01/2022	-	-	-	-	-	2,536.88	2,536.88
01/01/2023	-	-	-	2,700.00	4.125%	2,536.88	5,236.88
07/01/2023	-	-	-	-	-	2,481.19	2,481.19
01/01/2024	-	-	-	2,800.00	4.125%	2,481.19	5,281.19
07/01/2024	-	-	-	-	-	2,423.44	2,423.44
01/01/2025	-	-	-	3,000.00	4.125%	2,423.44	5,423.44
07/01/2025	-	-	-	-	-	2,361.56	2,361.56
01/01/2026	-	-	-	3,100.00	4.125%	2,361.56	5,461.56
07/01/2026	-	-	-	-	-	2,297.63	2,297.63
01/01/2027	-	-	-	3,200.00	4.125%	2,297.63	5,497.63
07/01/2027	-	-	-	-	-	2,231.63	2,231.63
01/01/2028	-	-	-	3,300.00	4.125%	2,231.63	5,531.63
07/01/2028	-	-	-	-	-	2,163.56	2,163.56
01/01/2029	-	-	-	3,500.00	4.125%	2,163.56	5,663.56
07/01/2029	-	-	-	-	-	2,091.38	2,091.38
01/01/2030	-	-	-	3,600.00	4.125%	2,091.38	5,691.38
07/01/2030	-	-	-	-	-	2,017.13	2,017.13
01/01/2031	-	-	-	3,800.00	4.125%	2,017.13	5,817.13
07/01/2031	-	-	-	-	-	1,938.75	1,938.75
01/01/2032	-	-	-	3,900.00	4.125%	1,938.75	5,838.75
07/01/2032	-	-	-	-	-	1,858.31	1,858.31
01/01/2033	-	-	-	4,100.00	4.125%	1,858.31	5,958.31
07/01/2033	-	-	-	-	-	1,773.75	1,773.75
01/01/2034	-	-	-	4,300.00	4.125%	1,773.75	6,073.75
07/01/2034	-	-	-	-	-	1,685.06	1,685.06
01/01/2035	-	-	-	4,400.00	4.125%	1,685.06	6,085.06
07/01/2035	-	-	-	-	-	1,594.31	1,594.31
01/01/2036	-	-	-	4,600.00	4.125%	1,594.31	6,194.31
07/01/2036	-	-	-	-	-	1,499.44	1,499.44
01/01/2037	-	-	-	4,800.00	4.125%	1,499.44	6,299.44
07/01/2037	-	-	-	-	-	1,400.44	1,400.44
01/01/2038	-	-	-	5,000.00	4.125%	1,400.44	6,400.44
07/01/2038	-	-	-	-	-	1,297.31	1,297.31
01/01/2039	-	-	-	5,200.00	4.125%	1,297.31	6,497.31
07/01/2039	-	-	-	-	-	1,190.06	1,190.06
01/01/2040	-	-	-	5,400.00	4.125%	1,190.06	6,590.06
07/01/2040	-	-	-	-	-	1,078.69	1,078.69
01/01/2041	-	-	-	5,700.00	4.125%	1,078.69	6,778.69
07/01/2041	-	-	-	-	-	961.13	961.13
01/01/2042	-	-	-	5,900.00	4.125%	961.13	6,861.13
07/01/2042	-	-	-	-	-	839.44	839.44
01/01/2043	-	-	-	6,100.00	4.125%	839.44	6,939.44
07/01/2043	-	-	-	-	-	713.63	713.63
01/01/2044	-	-	-	6,400.00	4.125%	713.63	7,113.63
07/01/2044	-	-	-	-	-	581.63	581.63
01/01/2045	-	-	-	6,600.00	4.125%	581.63	7,181.63
07/01/2045	-	-	-	-	-	445.50	445.50
01/01/2046	-	-	-	6,900.00	4.125%	445.50	7,345.50
07/01/2046	-	-	-	-	-	303.19	303.19
01/01/2047	-	-	-	7,200.00	4.125%	303.19	7,503.19
07/01/2047	-	-	-	-	-	154.69	154.69
01/01/2048	-	-	-	7,500.00	4.125%	154.69	7,654.69

Total	\$128,100.00	\$2,407.21	\$130,507.21	\$128,100.00	-	\$90,304.58	\$218,404.58
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**Yield Statistics**

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Base date for Avg. Life & Avg. Coupon Calculation	6/15/2020
Average Life	16.634 Years
Average Coupon	4.1250039%
Weighted Average Maturity (Par Basis)	16.634 Years
Weighted Average Maturity (Original Price Basis)	16.634 Years

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**Refunding Bond Information**

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Refunding Dated Date	6/15/2020
Refunding Delivery Date	6/15/2020

McCreary County Water Dis | SINGLE PURPOSE | 4/24/2020 | 2:30 PM

Raymond James

# **EXHIBIT E**

## **Financial Statements**

**MCCLEARY COUNTY WATER DISTRICT  
WATER AND SEWER DIVISIONS  
COMBINED STATEMENTS OF NET POSITION  
DECEMBER 31, 2018 and 2017**

	2018	2017
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 405,591	\$ 552,316
Unbilled revenues	242,315	229,813
Accounts receivable	359,356	359,658
Other receivables	9,940	8,971
Inventory	149,233	192,132
Prepaid expenses	22,644	26,935
Total current assets	<u>1,189,079</u>	<u>1,369,825</u>
<b>Non-current assets:</b>		
Restricted assets:		
Cash and cash equivalents	378,518	420,338
Investments	343,233	338,733
Capital assets:		
Utility plant	63,022,678	60,565,481
Less accumulated depreciation	(24,456,101)	(23,741,787)
Construction in process	-	1,887,007
Total non-current assets	<u>39,288,328</u>	<u>39,469,772</u>
<b>Deferred Outflows of Resources:</b>		
Deferred outflows - OPEB	225,152	229,761
Deferred outflows - pension	530,916	649,187
Total deferred outflows	<u>756,068</u>	<u>878,948</u>
Total assets and deferred outflows of resources	<u>\$ 41,233,475</u>	<u>\$ 41,718,545</u>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 156,448	\$ 158,509
Accrued interest	130,193	125,072
Taxes payable	17,516	23,254
Other accrued liabilities	148,475	113,619
Implicit subsidy - OPEB	13,030	10,744
Customer deposits	35,235	34,092
Notes payable - current	69,355	-
Revenue bonds - current portion	392,057	384,014
Total current liabilities	<u>962,309</u>	<u>849,304</u>
<b>Non-current liabilities:</b>		
Revenue bonds - net current portion	9,424,200	9,816,257
Notes payable	1,223,000	-
Net OPEB liability	807,737	879,002
Net pension liability	2,770,845	2,559,300
Total non-current liabilities	<u>14,225,782</u>	<u>13,254,559</u>
Total liabilities	<u>15,188,091</u>	<u>14,103,863</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows - OPEB	153,288	46,022
Deferred inflows - pension	73,184	75,440
Total deferred inflows	<u>227,072</u>	<u>121,462</u>
<b>NET POSITION</b>		
Invested in capital assets, net of related debt	27,457,965	28,510,430
Restricted for debt service and construction	721,751	759,071
Unrestricted	(2,361,404)	(1,776,281)
Total net position	<u>25,818,312</u>	<u>27,493,220</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 41,233,475</u>	<u>\$ 41,718,545</u>

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



MCCREARY COUNTY WATER DISTRICT  
 WATER AND SEWER DIVISIONS  
 COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

	2018	2017
<b>Operating revenues</b>		
Residential sales	\$ 2,568,952	\$ 2,505,558
Commercial sales	375,334	371,926
Industrial sales	9,817	12,230
Governmental sales	1,099,619	1,161,528
Other sales	110,282	128,357
<b>Total operating revenues</b>	<u>4,164,004</u>	<u>4,179,599</u>
<b>Operating expenses</b>		
General and administrative costs	252,560	263,844
Payroll and related expenses	2,449,977	2,294,868
Repairs and maintenance	165,590	119,125
Other supplies and expenses	1,254,313	1,370,896
Project costs	-	166,502
Depreciation and amortization	1,575,079	1,563,447
Total operating expenses	<u>5,697,519</u>	<u>5,778,682</u>
Operating loss	<u>(1,533,515)</u>	<u>(1,599,083)</u>
<b>Nonoperating revenues (expenses)</b>		
Interest income	9,800	8,454
Other income	95,284	400,907
Gain (Loss) on sale of fixed assets	(215,345)	(137,584)
Gain on sale of fixed assets	16,477	-
Interest expense	(310,521)	(310,926)
Net nonoperating expenses	<u>(404,305)</u>	<u>(39,149)</u>
Loss before contributions	(1,937,820)	(1,638,232)
Capital grants received	262,912	383,997
Change in net position	<u>(1,674,908)</u>	<u>(1,254,235)</u>
Total net position beginning of year	<u>27,493,220</u>	<u>28,747,455</u>
Total net position end of year	<u>\$ 25,818,312</u>	<u>\$ 27,493,220</u>

The accompanying notes are an integral part of the financial statements

MCCREARY COUNTY WATER DISTRICT  
WATER AND SEWER DIVISIONS  
COMBINED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 4,150,332	\$ 4,216,276
Operating expenses:		
General and administrative	(252,560)	(263,844)
Payroll and related expenses	(2,078,921)	(1,952,608)
Repairs and maintenance	(165,590)	(119,125)
Project costs	-	(166,502)
Other supplies and expenses	(1,178,923)	(1,384,631)
Net cash provided by operating activities	474,338	329,566
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition and construction of capital assets	(1,646,555)	(479,778)
Proceeds from sale of capital assets	16,642	-
Principal paid on debt	(384,014)	(373,556)
Proceeds from debt borrowings	1,292,355	-
Interest paid on debt	(305,400)	(314,233)
Capital contributions	262,912	383,997
Net cash used in capital and related financing activities	(764,060)	(783,570)
<b>Cash Flows from Investing Activities</b>		
Interest income from investments	10,393	8,454
Other cash receipts	95,284	400,907
Net cash provided by investing activities	105,677	409,361
Net decrease in cash and cash equivalents	(184,045)	(44,643)
Cash and cash equivalents, at beginning of year	1,311,387	1,356,030
Cash and cash equivalents, at end of year	\$ 1,127,342	\$ 1,311,387
Unrestricted cash and cash equivalents	\$ 405,591	\$ 552,316
Restricted cash and cash equivalents	721,751	759,071
Total cash and cash equivalents, at end of year	\$ 1,127,342	\$ 1,311,387

SUPPLEMENTAL CASH FLOW INFORMATION:

Non-cash transactions:

Donation of land from Fiscal Court

	\$ 70,000	\$ -
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The accompanying notes are an integral part of the financial statements.

MCCREARY COUNTY WATER DISTRICT  
 WATER AND SEWER DIVISIONS  
 COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)  
 FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (1,533,515)	\$ (1,599,083)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	1,575,079	1,563,447
Bad debt expense	8,860	32,182
Change in assets and liabilities:		
Decrease in receivables	(22,532)	4,495
Decrease in inventories	42,899	30,528
Decrease (increase) in prepaids	4,291	(246)
Decrease in accounts payable	(2,061)	(37,359)
Increase in customer deposits	1,143	3,470
Increase (decrease) in accrued expenses	29,118	(10,128)
Increase in net OPEB obligation	42,896	49,812
Increase in net pension obligation	328,160	292,448
<b>Net cash provided by operating activities</b>	<b>\$ 474,338</b>	<b>\$ 329,566</b>

# **EXHIBIT F**

Notification to State Local Debt Officer

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410  
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON  
W. RANDALL JONES  
CHRISTIAN L. JUCKETT  
NICHOLAS J. LOCOCO

May 8, 2020

Honorable Dennis Keene  
Commissioner and State Local Debt Officer  
100 Airport Road, Third Floor  
Frankfort, Kentucky 40601

Re: McCreary County Water District  
Notice of Intent to Issue Securities

Dear Commissioner Keene:

Pursuant to the regulations of the Kentucky Public Service Commission, specifically 807 KAR 5:001: Section 18(1)(g), please be advised that the McCreary County Water District (the "District") hereby notifies the State Local Debt Officer that the District intends on issuing securities in the form of a loan from the Kentucky Rural Water Finance Corporation ("KRWFC") for the purpose of refinancing certain outstanding indebtedness of the District in order to achieve substantial interest cost savings for the District.

We will file the appropriate documents with your office in accordance with the requirements of KRS 65.117 once the securities are issued.

Very truly yours,

Rubin & Hays

By

  
W. Randall Jones

WRJ:jlm  
Enclosures