

COMMONWEALTH OF KENTUCKY

BEFORE THE KENTUCKY PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF BRACKEN )  
 COUNTY WATER DISTRICT FOR THE ISSUANCE )  
 OF A CERTIFICATE OF PUBLIC CONVENIENCE )  
 AND NECESSITY TO CONSTRUCT A WATER ) CASE NO. 2020-00271  
 SYSTEM IMPROVEMENTS PROJECT AND AN )  
 ORDER AUTHORIZING THE ISSUANCE OF )  
 SECURITIES PURSUANT TO THE PROVISIONS )  
 OF KRS 278.020, KRS 278.300 AND 807 KAR 5:001 )

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**RESPONSE TO COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION**

The Applicant, Bracken County Water District ("Bracken District"), by Counsel, files this Response to the September 24, 2020 Commission Staff's Initial Request for Information set forth below.

The witnesses responsible for responding to all of the questions is: Ms. Kristen Millard, Senior Vice President, Raymond James Financial, Inc., Financial Advisors to the Kentucky Rural Water Finance Corporation and Ms. Diana Moran, Office Manager, Bracken County Water District.

**Request No. 1.** Confirm that Bracken District does not propose to increase its water service rates to its customers as a result of the proposed project.

**Response No. 1.** Confirmed.

**Request No. 2.** Provide Bracken District's depreciation schedule for all of its assets for the period ended December 31, 2019.

**Response No. 2.** See **Exhibit "A"** attached hereto.

**Request No. 3.** Provide a copy of Bracken District's general ledger for the calendar year ended December 31, 2019.

**Response No. 3.** Due to the size of the requested general ledger, same is being filed with this Response as a separate document.

**Request No. 4.** Provide Bracken District's adjusted trial balance showing unaudited account balances, audit adjustments, and audited balances for the calendar year ended December 31, 2019.

**Response No. 4.** See **Exhibit "B"** attached hereto. No adjustments or audited balances will be available until on or after the estimated completion date of the 2019 audit (currently October 15, 2020).

**Request No. 5.** Provide a copy of a current amortization schedule for each of Bracken District's outstanding bond issuances, promissory notes, and debt instruments.

**Response No. 5.** See **Exhibit "C"** attached hereto.

**Request No. 6.** Provide Bracken District's projected calculation of the debt service for the Kentucky Rural Water Finance Corporation (KRWFC) loan of \$1,000,000. Include all calculations, assumptions (interest rate and term), and workpapers used by Bracken District in its response.

**Response No. 6.** See **Exhibit "D"** attached hereto. Bracken District intends to borrow no more than \$1,000,000 from KRWFC. Bracken District will use available cash to fund any project costs not covered by the KRWFC loan.

**Request No. 7.** Provide a schedule in Excel spreadsheet format showing that Bracken District met the debt service coverage (DSC) requirements of its lending agencies in the calendar years 2017, 2018 and 2019.

**Response No. 7.** See **Exhibit "E"** attached hereto.

**Request No. 8.** Provide a schedule in Excel spreadsheet format showing DSC calculations that includes the annual depreciation expense for the calendar years 2017, 2018, 2019 and 2020.

**Response No. 8.** See **Exhibit "F"** attached hereto. No final calculations for the years 2019 and 2020 can be made until the final audits are received.

**Request No. 9.** Provide a schedule in Excel spreadsheet format showing that Bracken District will meet the DSC requirements (existing and proposed long-term debt) for the three years following the construction of its proposed construction project. Include all calculations, assumptions (customer growth and projected increases in operation expenses), and workpapers used by Bracken District in its response.

**Response No. 9.** See **Exhibit "G"** attached hereto.

**Verification of Response to Commission Staff's Initial Request for Information**

The undersigned, Diana Moran, being duly sworn, deposes and states that she is the Office Manager of the Bracken County Water District and that she has personal knowledge of the matters set forth in the Responses for which she is identified as the witness, and the answers contained in said Responses are true and accurate to the best of her knowledge, information, and belief formed after a reasonable inquiry.

Diana Moran  
Diana Moran, Office Manager  
Bracken County Water District

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Diana Moran, Office Manager of the Bracken County Water District, on this October 2, 2020.

My Commission expires: March 10, 2022.

Pam Hopkins  
NOTARY PUBLIC

595670  
NOTARY PUBLIC ID Number

Respectfully Submitted,  
Rubin & Hays

By 

W. Randall Jones, Esq.  
Rubin & Hays  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
Phone: (502) 569-7525  
Fax: (502) 569-7555  
Counsel for Bracken County Water District  
[wrjones@rubinhays.com](mailto:wrjones@rubinhays.com)

**CERTIFICATE OF SERVICE**

The undersigned, in accordance with 807 KAR 5:001, Section 8, hereby certifies that the Bracken County Water District's electronic filing of the foregoing Response is a true and accurate copy of the same document to be filed in paper medium; that the electronic filing was transmitted to the Kentucky Public Service Commission on October 2, 2020; that there are currently no parties that the Kentucky Public Service Commission has excused from participation by electronic means in this proceeding; and that within 30 days from the lifting of the current state of emergency, this Response in paper medium will be delivered to the offices of the Kentucky Public Service Commission in Frankfort, Kentucky.



W. Randall Jones, Esq.  
Rubin & Hays  
Kentucky Home Trust Building  
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Louisville, Kentucky 40202  
Phone: (502) 569-7525  
Fax: (502) 569-7555  
Counsel for Bracken County Water District

# **EXHIBIT A**

## Depreciation Schedule

BRACKEN COUNTY WATER DISTRICT  
 DECEMBER 31, 2019  
 UTILITY PLANT

| ACCT #                   |                            | ASSETS          |              |           |              | LIFE RATE     | ACCUMULATED DEPRECIATION |                |              |         | Book Value   |               |
|--------------------------|----------------------------|-----------------|--------------|-----------|--------------|---------------|--------------------------|----------------|--------------|---------|--------------|---------------|
|                          |                            | BALANCE 1-1-019 | ADDITIONS    | TRANSFERS | DISPOSITIONS |               | BALANCE 12-31-19         | BALANCE 1-1-19 | PROVISION    | DEDUCTS |              | DISPOSITIONS  |
| 301.1                    | ORGANIZATION               | \$ 1,122        |              |           |              | \$ 1,122      | \$ 884                   | \$ 22          |              |         | \$ 906       | \$ 216        |
| 303.5                    | LAND & LAND RIGHTS         | 17,990          | -            |           |              | 17,990        | 1,485                    | \$ 360         |              |         | 1,845        | 16,145        |
| 304.4                    | STRUCTURES & IMPRVMTS      | 397,798         |              |           | -            | 397,798       | 126,825                  | \$ 11,366      |              |         | 138,191      | 259,607       |
| 305.2                    | RESERVOIRS                 | 36,900          |              |           |              | 36,900        | 36,900                   | \$ -           |              |         | 36,900       | -             |
| 307.2                    | INTAKES                    | 110,873         |              |           |              | 110,873       | 110,873                  | \$ -           |              |         | 110,873      | -             |
| 310.2                    | POWER GENER. EQUIPMENT     | 360,010         | 16,732       |           |              | 376,742       | 326,472                  | \$ 10,764      |              |         | 337,236      | 39,506        |
| 320.3                    | PUMPING EQUIPMENT          | 4,060           |              |           |              | 4,060         | 4,060                    | \$ -           |              |         | 4,060        | -             |
| 331.4                    | TRANSMISSION, DISTR, MAINS | 14,359,906      | 38,645       |           |              | 14,398,551    | 4,529,522                | \$ 191,981     | (167,529)    |         | 4,553,974    | 9,844,577     |
| 334.4                    | METERS & INSTALL           | 877,255         | 18,522       |           |              | 895,777       | 578,195                  | \$ 44,789      |              |         | 622,984      | 272,793       |
| 336.4                    | BACKFLOW PREV EQUIP        | 3,260           |              |           |              | 3,260         | 1,141                    | \$ 163         |              |         | 1,304        | 1,956         |
| 339.4                    | OTHER PLANT                | 47,510          | 12,175       |           |              | 59,685        | 18,540                   | \$ 1,492       |              |         | 20,032       | 39,653        |
| 343.5                    | TOOLS, SHOP, EQUIPMENT     | 54,999          |              |           |              | 54,999        | 44,355                   | \$ 5,500       |              |         | 49,855       | 5,144         |
| 340.5                    | OFFICE FURNITURE & EQUIP   | 128,583         | 8,000        |           |              | 136,583       | 118,693                  | \$ 9,890       |              |         | 128,583      | 8,000         |
| 341.5                    | TRANSPORT. EQUIPMENT       | 38,949          |              |           |              | 38,949        | 23,328                   | \$ 3,895       |              |         | 27,223       | 11,726        |
| 330                      | DIST RES & STANDPIPES      | 539,552         |              |           |              | 539,552       | 174,588                  | \$ 15,416      |              |         | 190,004      | 349,548       |
| 346.5                    | OTHER COMM EQUIPMENT       | 110,779         |              |           |              | 110,779       | 92,397                   | \$ 5,539       |              |         | 97,936       | 12,843        |
| 344                      | BACKHOE                    | 81,643          |              |           |              | 81,643        | 81,643                   | \$ -           |              |         | 81,643       | -             |
| 3441                     | 2008 MINI EXCAVATOR        | 72,771          |              |           |              | 72,771        | 63,998                   | \$ 7,277       |              |         | 71,275       | 1,496         |
| 3450                     | CHEVY TRUCK 04             | 37,884          |              |           |              | 37,884        | 37,447                   | \$ 437         |              |         | 37,884       | -             |
|                          |                            | \$ 17,281,844   | \$ 94,074    | \$ -      | \$ -         | \$ 17,375,918 | \$ 6,371,346             | \$ 308,890     | \$ (167,529) | \$ -    | \$ 6,512,707 | \$ 10,863,211 |
| CONSTRUCTION IN PROGRESS |                            |                 |              |           |              |               |                          |                |              |         |              |               |
| 1071                     | HWY 1159 RELOCATION PROJ   | -               | -            |           |              | -             |                          |                |              |         |              |               |
| 1073                     | AC LINE PROJECT            | 573,250         | 2,626,333    |           |              | 3,199,583     |                          |                |              |         |              |               |
| 1074                     | Hillsdale/Feagan Rdg Proj  | 38,645          | -            |           | (38,645)     | -             |                          |                |              |         |              |               |
| 1051                     | New AC Line Project        | -               | 17,150       |           |              | 17,150        |                          |                |              |         |              |               |
|                          |                            | 611,895         | 2,643,483    |           | (38,645)     | 3,216,733     |                          |                |              |         |              |               |
| TOTAL                    |                            | \$ 17,893,739   | \$ 2,737,557 | \$ -      | \$ (38,645)  | \$ 20,592,651 |                          |                |              |         |              |               |

# **EXHIBIT B**

## **Adjusted Trial Balance**



10:00 AM  
 09/30/20  
 Accrual Basis

**BRACKEN COUNTY WATER DISTRICT**  
**Trial Balance**  
 As of December 31, 2019

|  | Dec 31, 19 |           |
|--|------------|-----------|
|  | Debit      | Credit    |
| 131. · CASH  | 0.00       |           |
| 131. · CASH:131.2 · CASH IN BANK 005-201-9                   | 235,157.60 |           |
| 131. · CASH:131.21 · CASH -78131413                          | 916,553.37 |           |
| 131. · CASH:131.22 · 78-138868                               | 101.18     |           |
| 131. · CASH:131.22 · 78-138868:131.22A · AUGUSTA BERLIN ...  | 59,505.71  |           |
| 131. · CASH:131.22 · 78-138868:131.22B · HWY 10&19/MM PI...  | 2,353.16   |           |
| 131. · CASH:131.23 · CASH - 874000619                        | 100,267.17 |           |
| 131. · CASH:1313 · CASH-CD# 2576700                          | 256,258.88 |           |
| 131. · CASH:1337 · ACCOUNT 78137586                          | 0.00       |           |
| 132. · SPECIAL DEPOSITS                                      | 0.00       |           |
| 132. · SPECIAL DEPOSITS:132.1 · RESERVE FOR KIA BOND         | 0.00       |           |
| 132. · SPECIAL DEPOSITS:132.2 · SINKING FUND KRWFC           | 137,832.73 |           |
| 132. · SPECIAL DEPOSITS:132.4 · CUSTOMER DEPOSITS 0...       | 73,619.09  |           |
| 132. · SPECIAL DEPOSITS:132.7 · CONSTRUCTION ACCOU...        | 104,580.33 |           |
| 132. · SPECIAL DEPOSITS:1321 · RESERVE KY INFRASTR...        | 0.00       |           |
| 132. · SPECIAL DEPOSITS:1322 · CASH-CD # 11310               | 0.00       |           |
| 132. · SPECIAL DEPOSITS:1323 · CASH-MAINT. RES.              | 0.00       |           |
| 132. · SPECIAL DEPOSITS:1325 · SOUTHWESTERN PROJE...         | 0.00       |           |
| 132. · SPECIAL DEPOSITS:1328 · KIA CONST. FUNDS AVAI...      | 0.00       |           |
| 132. · SPECIAL DEPOSITS:133.1 · SCHG DIV 1 78-13028-0        | 0.00       |           |
| 132. · SPECIAL DEPOSITS:133.3 · F02-10 SINKING FUND 87...    | 22,791.10  |           |
| 132. · SPECIAL DEPOSITS:133.4 · F02-10 DEPR.RESERVE 8...     | 37,539.66  |           |
| 132. · SPECIAL DEPOSITS:133.5 · USDA SINKING FUND 87...      | 47,698.08  |           |
| 132. · SPECIAL DEPOSITS:133.6 · USDA DEPR RESERVE 87...      | 56,480.90  |           |
| 132. · SPECIAL DEPOSITS:133.7 · 78-146895                    | 25.89      |           |
| 132. · SPECIAL DEPOSITS:133.7 · 78-146895:133.7A · DEPR....  | 11,654.24  |           |
| 132. · SPECIAL DEPOSITS:133.7 · 78-146895:133.7B · DEPR. ... | 3,300.00   |           |
| 132. · SPECIAL DEPOSITS:133.8 · DEPR. RES. SHORT RD 7...     | 12,028.66  |           |
| 1330 · OTHER SPECIAL DEPOSITS:1332 · SCHG DIV 2 78-1...      | 0.00       |           |
| 1330 · OTHER SPECIAL DEPOSITS:1338 · DELISLE CURVE...        | 0.00       |           |
| 134. · WORKING FUNDS   | 360.00     |           |
| 141. · ACCOUNTS RECEIVABLE                                   | 0.00       |           |
| 1000 · FIXED ASSETS:1013 · UTILITY TRUCK                     | 0.00       |           |
| 1000 · FIXED ASSETS:1014 · WATER TANK CHATHAM                | 0.00       |           |
| 1000 · FIXED ASSETS:1015 · WATER TOWER                       | 0.00       |           |
| 101. · UTILITY PLANT IN SERVICE                              | 0.00       |           |
| 1011 · WATER TREATMENT FACILITY                              | 0.00       |           |
| 141.2 · UNBILLED REVENUE                                     | 46,972.87  |           |
| 141.3 · A/R other  | 1,241.00   |           |
| 1411 · CUSTOMER ACCOUNTS RECEIVABLE                          | 151,965.83 |           |
| 143. · ACC.PROV./UNCOLLECTIBLE ACC--CR                       |            | 10,285.68 |
| 143. · ACC.PROV./UNCOLLECTIBLE ACC--CR:143.1 · RES...        | 0.00       |           |
| 1499 · Undeposited Funds                                     | 0.00       |           |
| 162 · Prepaid Insurance                                      | 15,478.21  |           |
| 1741 · A/R LINE EXT RIGGS                                    | 0.00       |           |
| 105. · CONSTRUCTION WORK IN PROGRESS                         | 0.00       |           |
| 105. · CONSTRUCTION WORK IN PROGRESS:1067 SNAG C...          | 0.00       |           |
| 105. · CONSTRUCTION WORK IN PROGRESS:1051 · 2020 A...        | 17,150.00  |           |
| 105. · CONSTRUCTION WORK IN PROGRESS:1052 · G-TO...          | 0.00       |           |
| 105. · CONSTRUCTION WORK IN PROGRESS:1053 · CROS...          | 0.00       |           |
| 105. · CONSTRUCTION WORK IN PROGRESS:1054 · COUR...          | 0.00       |           |
| 105. · CONSTRUCTION WORK IN PROGRESS:1055 · HWY ...          | 0.00       |           |

10:00 AM  
 09/30/20  
 Accrual Basis

**BRACKEN COUNTY WATER DISTRICT**  
**Trial Balance**  
 As of December 31, 2019

|  | Dec 31, 19   |              |
|--|--------------|--------------|
|  | Debit        | Credit       |
| 105 · CONSTRUCTION WORK IN PROGRESS:1056 · BILL ...    | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1057 · BERLI...    | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1058 · SOUT...     | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1059 · HWY ...     | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1060 · DELIS...    | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1061 · OFFIC...    | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1062 · BUSE...     | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1063 · DELIS...    | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1064 · WILS...     | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1065 · DELIS...    | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1066 · COOP...     | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1068 · SHOR...     | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1069 · WELL...     | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1070 · FLOR...     | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1071 · HWY ...     | 20.00        |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1071A · EAS...     | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1072 · KY 10...    | 0.00         |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1073 · A/C LI...   | 3,199,583.18 |              |
| 105 · CONSTRUCTION WORK IN PROGRESS:1074 · HILLS...    | 0.00         |              |
| 108 · ACCUMULATED DEPRECIATION                         | 24,075.00    |              |
| 108 · ACCUMULATED DEPRECIATION:108.1 · ACCUMUL...      |              | 6,536,778.00 |
| 108 · ACCUMULATED DEPRECIATION:3461 · SINKING F...     | 0.00         |              |
| 108 · ACCUMULATED DEPRECIATION:3462 · AUDIT REP...     | 0.00         |              |
| 301 · ORGANIZATION:301.1 · ORGANIZATION INTANGIB...    | 1,122.00     |              |
| 303 · LAND AND LAND RIGHTS:303.4 · LAND&LAND RIG...    | 3,500.00     |              |
| 303 · LAND AND LAND RIGHTS:303.5 · LAND &LAND RIG...   | 14,490.00    |              |
| 304 · STRUCTURES AND IMPROVEMENTS:304.4 · STRUC...     | 384,312.31   |              |
| 304 · STRUCTURES AND IMPROVEMENTS:304.5 · STRUC...     | 13,485.84    |              |
| 305 · COLLECTING&IMPOUNDING RESERVOIR:305.2 · C...     | 36,900.00    |              |
| 307 · WELLS AND SPRINGS:307.2 · WELLS & SPRINGS SO...  | 110,873.00   |              |
| 310 · POWER GENERATION EQUIP-SOURCE:310.2 · POW...     | 376,742.00   |              |
| 320 · WATER TREATMENT EQUIPMENT:320.3 · WATER T...     | 4,060.00     |              |
| 330 · DIST. RESERVOIRS & STANDPIPES                    | 539,051.70   |              |
| 331 · TRANSMISSION & DIST MAINS                        | 0.00         |              |
| 331 · TRANSMISSION & DIST MAINS:331.4 · TRANS & DIS... | 14399050.57  |              |
| 334 · METERS AND METER INSTALLS                        | 0.00         |              |
| 334 · METERS AND METER INSTALLS:334.4 · METERS & ...   | 895,779.96   |              |
| 336.4 · BACKFLOW PREVENTION DEVICES                    | 3,260.00     |              |
| 339 · OTHER PLANT & MISC. EQUIPMENT                    | 0.00         |              |
| 339 · OTHER PLANT & MISC. EQUIPMENT:339.4 · OTHER...   | 59,685.24    |              |
| 340 · OFFICE FURNITURE AND EQUIPMENT:340.5 · OFFL...   | 136,581.81   |              |
| 341 · TRANSPORTATION EQUIPMENT:341.5 · TRANSPOR...     | 133,388.86   |              |
| 343 · TOOLS,SHOP & GARAGE EQUIP.:343.5 · TOOLS,SH...   | 48,648.89    |              |
| 345 · POWER OPERATED EQUIPMENT:345.5 · POWER OP...     | 104,207.84   |              |
| 346 · COMMUNICATION EQUIPMENT:346.5 · COMMUNI...       | 110,779.10   |              |
| 151 · PLANT MATERIALS & SUPPLIES                       | 81,780.14    |              |
| 186 · MISC. DEFERRED DEBITS:1862 · BOND ISSUE COST     | 0.00         |              |
| 186 · MISC. DEFERRED DEBITS:1863 · MERGER COST         | 0.00         |              |
| 186 · MISC. DEFERRED DEBITS:1864 · KU LINE DEPOSIT ... | 0.00         |              |
| 231 · Accounts Payable                                 |              | 28.48        |
| 231 · Accounts Payable:2309 · OTHER PAYABLES           | 0.00         |              |
| 231.1 · OTHER. PAYABLES                                |              | 162,385.10   |

10:00 AM  
 09/30/20  
 Accrual Basis

**BRACKEN COUNTY WATER DISTRICT**  
**Trial Balance**  
 As of December 31, 2019

|  | Dec 31, 19 |              |
|--|------------|--------------|
|  | Debit      | Credit       |
| 231.1 · OTHER. PAYABLES:231.2 · DEPR RESERVE TREAT...    | 0.00       |              |
| 231.1 · OTHER. PAYABLES:231.4 · OUTSTANDING CHECKS       |            | 245.26       |
| 2313 · ROB MILLBORN TAP REFUND PAY.                      | 0.00       |              |
| 2315 · KBK PARTNERSHIP PIPE DEPOSIT                      | 0.00       |              |
| 2316 · WILSON FARM PROJECT PIPE DEP.                     | 0.00       |              |
| 2317 · HAROLD & JOYCE PERKINS PIPE DEP                   | 0.00       |              |
| 2318 · STEVE KLUMP PIPE DEPOSIT                          | 0.00       |              |
| 232. · NOTES PAYABLE:232.1 · KRWFC NOTE PAYABLE          | 0.00       |              |
| 235. · CUSTOMER DEPOSITS                                 |            | 71,850.00    |
| 236. · ACCRUED TAXES                                     | 0.00       |              |
| 236. · ACCRUED TAXES:236.6 · SALES TAX                   |            | 409.88       |
| 236. · ACCRUED TAXES:236.7 · UTILITY TAX                 |            | 3,663.47     |
| 236. · ACCRUED TAXES:236.8 · SOCIAL SECURITY EMPL...     | 0.01       |              |
| 236. · ACCRUED TAXES:236.9 · MEDICARE EMPLOYER           | 0.01       |              |
| 2365 · CITY TAX  | 0.00       |              |
| 237. · ACCRUED INTEREST:237.1 · ACCRUED INT ON LON...    |            | 56,063.75    |
| 2372 · DELISLE CURVE FUNDS                               | 0.00       |              |
| 2373 · OFFICE/STORAGE BLDG FUNDS                         | 0.00       |              |
| 2377 · 2009 CHEVY NOTE PAYABLE                           | 0.00       |              |
| 2378 · 2008 EXCAVATOR NOTE PAYABLE                       | 0.00       |              |
| 241. · TAX COLLECTIONS PAYABLE                           |            | 56.92        |
| 241. · TAX COLLECTIONS PAYABLE:236.1 · FICA TAX PA...    | 0.01       |              |
| 241. · TAX COLLECTIONS PAYABLE:236.2 · MED. TAX PA...    | 0.01       |              |
| 241. · TAX COLLECTIONS PAYABLE:236.3 · FEDERAL WI...     | 0.00       |              |
| 241. · TAX COLLECTIONS PAYABLE:236.4 · STATE WITH...     |            | 662.90       |
| 242. · MISC. CURRENT & ACCRUED LIAB.:242.1 · Accrued ... |            | 5,403.73     |
| 242. · MISC. CURRENT & ACCRUED LIAB.:242.2 · Accrued ... |            | 25,632.33    |
| 242. · MISC. CURRENT & ACCRUED LIAB.:242.3 · EMPLO...    | 0.00       |              |
| 224. · OTHER LONG TERM DEBT                              | 0.00       |              |
| 224. · OTHER LONG TERM DEBT:2241 · BONDS PAYABLE ...     | 0.00       |              |
| 224. · OTHER LONG TERM DEBT:2242 · BONDS PAYABLE ...     | 0.00       |              |
| 224. · OTHER LONG TERM DEBT:2243 · NOTE PAYABLE 1...     | 0.00       |              |
| 224. · OTHER LONG TERM DEBT:2244 · BOND ISSUE LOSS       | 0.00       |              |
| 224. · OTHER LONG TERM DEBT:2245 · BTADD NOTE PA...      | 0.00       |              |
| 224. · OTHER LONG TERM DEBT:2246 · BERLIN KIA NOT...     |            | 286,075.41   |
| 224. · OTHER LONG TERM DEBT:2248 · BACKHOE NOTE ...      | 0.00       |              |
| 224. · OTHER LONG TERM DEBT:2249 · RD NOTE PAYAB...      |            | 793,000.00   |
| 224. · OTHER LONG TERM DEBT:2250 · KRWFC INTERIM...      |            | 3,194,960.68 |
| 224. · OTHER LONG TERM DEBT:2251 · 91-08 RD NOTE PA...   | 0.00       |              |
| 224. · OTHER LONG TERM DEBT:2260 · KRWFC BONDS P...      |            | 1,685,000.00 |
| 224. · OTHER LONG TERM DEBT:2262 · CITY OF AUGUST...     | 0.00       |              |
| 224. · OTHER LONG TERM DEBT:2263 · C11-01 KIA -AUGU...   |            | 471,984.87   |
| 224. · OTHER LONG TERM DEBT:2264 · B10-10 KIA SHOR...    |            | 65,796.77    |
| 224. · OTHER LONG TERM DEBT:2265 · B15-002 HWY10&1...    |            | 304,003.66   |
| 252 · WELLSBURG CAMPGROUND                               | 0.00       |              |
| Opening Bal Equity                                       | 0.00       |              |
| 215. · UNAPPROPRIATED RETAINED EARNING                   | 0.00       |              |
| 215.1 · RETAINED EARNINGS BEFORE CONTRI                  |            | 4,391,786.72 |
| 215.2 · DONATED CAPITAL                                  |            | 43,450.99    |
| 215.2 · DONATED CAPITAL:2712 · FED. GRANTS IN AID O...   |            | 566,500.00   |
| 215.2 · DONATED CAPITAL:2721 · STATE GRANT IN AID O...   |            | 371,738.00   |
| 215.2 · DONATED CAPITAL:2722 · CUSTOMER CONTR. C...      |            | 550,539.00   |

10:00 AM  
 09/30/20  
 Accrual Basis

**BRACKEN COUNTY WATER DISTRICT**  
**Trial Balance**  
 As of December 31, 2019

|  | Dec 31, 19 |              |
|--|------------|--------------|
|  | Debit      | Credit       |
| 215.2 · DONATED CAPITAL:2723 · RESERVES                |            | 62,555.00    |
| 215.2 · DONATED CAPITAL:2727 · DELISLE CURVE PHAS...   |            | 1,410,500.00 |
| 215.2 · DONATED CAPITAL:2728 · DELISLE CURVE PHAS...   |            | 1,250,000.00 |
| 215.2 · DONATED CAPITAL:2729 · KIA - SHORT ROADS PR... |            | 380,000.00   |
| 215.2 · DONATED CAPITAL:2730 · KIA-WEST END FEED P...  |            | 100,000.00   |
| 215.2 · DONATED CAPITAL:2731 · HWY 1159 DOT DONAT...   | 0.00       |              |
| 215.8 · PRIOR PERIOD ADJUSTMENT                        | 115,472.53 |              |
| 2651 · SINKING FUND RESERVE                            | 0.00       |              |
| 2652 · DEPRECIATION RESERVE                            | 0.00       |              |
| 2711 · TAP ON FEES - CUSTOMERS                         | 0.00       |              |
| 2713 · AA HIGHWAY GRANTS                               | 0.00       |              |
| 2714 · CROSS COUNTRY GRANT                             | 0.00       |              |
| 2715 · HWY 1159 RELOCATION FUNDS-STATE                 | 0.00       |              |
| 2716 · BILL WILSON/NEW ZION PROJECT                    | 0.00       |              |
| 2717 · SOUTHWESTERN PROJECT TAP FEES                   | 0.00       |              |
| 2718 · HWY 19 STATE PROJECT                            | 0.00       |              |
| 2720 · SOUTHWESTERN PROJECT FUNDS                      | 0.00       |              |
| 2724 · CONTIBUTED CAPITAL - KIA                        | 0.00       |              |
| 2725 · DELISLE CURVE TAP FEES                          | 0.00       |              |
| 2726 · DELISLE CURVE PHASE II TAP FEES                 | 0.00       |              |
| 419 · INTEREST AND DIVIDEND INCOME                     |            | 5,434.23     |
| 421 · NONUTILITY INCOME:421.8 · MISC. INCOME           |            | 2,339.79     |
| 461 · METERED WATER REVENUE:461.1 · METERED SAL...     |            | 1,593,914.28 |
| 461 · METERED WATER REVENUE:461.2 · METERED SAL...     |            | 35,472.01    |
| 461 · METERED WATER REVENUE:461.6 · LOADING STA...     |            | 2,391.60     |
| 466 · SALES FOR RESALE                                 |            | 73,620.53    |
| 471 · MISC. SERVICE REVENUE:4211 · PENALTIES           |            | 29,476.10    |
| 471 · MISC. SERVICE REVENUE:4212 · TURN ON FEE         |            | 10,240.00    |
| 471 · MISC. SERVICE REVENUE:4213 · RECONNECT FEE       |            | 5,160.00     |
| 471 · MISC. SERVICE REVENUE:4214 · METER TEST CHA...   |            | 40.00        |
| 471 · MISC. SERVICE REVENUE:4215 · RET.CHECK CHA...    |            | 960.00       |
| 471 · MISC. SERVICE REVENUE:4216 · FIELD CHARGE        |            | 200.00       |
| 471 · MISC. SERVICE REVENUE:4217 · DISCOUNTS EARN...   |            | 66.38        |
| 471 · MISC. SERVICE REVENUE:4218 · SERVICE TERM. F...  |            | 200.00       |
| 471 · MISC. SERVICE REVENUE:4219 · AFTER HOURS RE...   |            | 320.00       |
| 471 · MISC. SERVICE REVENUE:4221 · CUSTOMER TAP F...   |            | 20,698.17    |
| 403 · DEPRECIATION EXP.                                | 308,890.00 |              |
| 408 · TAXES OTHER THAN INCOME:408.12 · EMPLOYER ...    | 16,665.36  |              |
| 601 · SALARIES & WAGES                                 | 0.00       |              |
| 601 · SALARIES & WAGES:601.6 · DISTRIBUTION MAINT. ... | 114,511.14 |              |
| 601 · SALARIES & WAGES:601.7 · ACCOUNT & COLLECTI...   | 36,961.25  |              |
| 601 · SALARIES & WAGES:601.8 · ADMINISTRATION & G...   | 49,995.32  |              |
| 601 · SALARIES & WAGES:603.8 · OFFICERS SALARIES       | 18,200.00  |              |
| 604 · EMPLOYEE PENSIONS AND BENEFITS:604.6 · EMPL...   | 33,525.84  |              |
| 604 · EMPLOYEE PENSIONS AND BENEFITS:604.7 · EMPL...   | 14,576.12  |              |
| 604 · EMPLOYEE PENSIONS AND BENEFITS:604.8 · EMPL...   | 11,053.90  |              |
| 610.1 · PURCHASED WATER                                | 371,078.27 |              |
| 6105 · WESTERN MASON PURCHASE WATER                    | 2,044.07   |              |
| 615.0 · PURCHASED POWER:615.5 · ELECTRICITY            | 49,968.66  |              |
| 615.0 · PURCHASED POWER:615.7 · OFFICE ELECTRICITY     | 2,169.70   |              |
| 620 · MATERIALS AND SUPPLIES:620.2 · PUMPING EXP. -... | 1,870.00   |              |
| 620 · MATERIALS AND SUPPLIES:620.6 · MATERIALS & S...  | 96,029.13  |              |

10:00 AM  
 09/30/20  
 Accrual Basis

**BRACKEN COUNTY WATER DISTRICT**  
**Trial Balance**  
 As of December 31, 2019

|  | Dec 31, 19         |                    |
|--|--------------------|--------------------|
|  | Debit              | Credit             |
| 620. · MATERIALS AND SUPPLIES:620.7 · CUSTOMER AC...       | 15,982.29          |                    |
| 620. · MATERIALS AND SUPPLIES:620.8 · ADMIN & GENE...      | 36,327.51          |                    |
| 632. · CONTR SERVICES - ACCOUNTING:632.8 · ADMIN & ...     | 10,150.00          |                    |
| 633 · CONTRACTUAL SERVICES-LEGAL:633.8 · LEGAL SE...       | 958.05             |                    |
| 635.6 · WATER ANALYSIS FEE                                 | 5,148.00           |                    |
| 636 · CONTRACTUAL SERVICES - OTHER:636.5 · OPERAT...       | 350.00             |                    |
| 636 · CONTRACTUAL SERVICES - OTHER:636.6 · MAINTEN...      | 39,848.69          |                    |
| 636 · CONTRACTUAL SERVICES - OTHER:636.8 · ADMIN ...       | 32,881.34          |                    |
| 650. · TRANSPORTATION EXPENSE:650.6 · TRANS. EXP. - ...    | 19,726.03          |                    |
| 657. · INSURANCE - GENERAL LIABILITY:657.8 · ADMIN ...     | 22,158.06          |                    |
| 658. · INSURANCE-WORKER'S COMP.:658.6 · WORK COM...        | 5,677.56           |                    |
| 658. · INSURANCE-WORKER'S COMP.:658.7 · WORK COM...        | 230.76             |                    |
| 658. · INSURANCE-WORKER'S COMP.:658.8 · WORK COM...        | 329.52             |                    |
| 659. · INSURANCE - OTHER:659.7 · INSURANCE OTHER - ...     | 814.44             |                    |
| 659. · INSURANCE - OTHER:659.8 · INSURANCE OTHER - ...     | 2,336.94           |                    |
| 660.8 · ADVERTISING & PRINTING                             | 238.50             |                    |
| 667.8 · REGULATORY COMM. EXP.                              | 2,964.10           |                    |
| 415 · CIP FLOW THROUGH ACCOUNT REPORTABLE HEALTH COVERAGE  |                    | 18,534.78          |
| 416 · CIP EXPENSE FLOW THRU                                | 0.00               |                    |
| 427. · INTEREST EXPENSE                                    | 18,534.78          |                    |
| 427. · INTEREST EXPENSE:427.33 · KIA INT. EXP. F02-10      | 0.05               |                    |
| 427. · INTEREST EXPENSE:427.37 · 91-06 USDA INT.EXP. S/... | 10,574.93          |                    |
| 427. · INTEREST EXPENSE:427.39 · KRWFC INT. EXP.           | 35,685.00          |                    |
| 427. · INTEREST EXPENSE:427.4 · CUSTOMER DEP.INT. E...     | 80,203.75          |                    |
| 427. · INTEREST EXPENSE:427.41 · C11-01 KIA-AUG/BERLI...   | 63.28              |                    |
| 427. · INTEREST EXPENSE:427.42 · B10-10 KIA-SHORT RO...    | 15,569.00          |                    |
| 427. · INTEREST EXPENSE:427.43 · B15-002 INT EXP KY10 ...  | 2,208.49           |                    |
|  | 6,158.97           |                    |
| <b>TOTAL</b>   | <b>24600424.47</b> | <b>24600424.47</b> |

# **EXHIBIT C**

## Amortization Schedules on Outstanding Debt

**\$3,427,000**

Bracken Co WD - RD 2019

## Debt Service Schedule

| Date         | Principal             | Coupon   | Interest              | Total P+I             |
|--------------|-----------------------|----------|-----------------------|-----------------------|
| 12/31/2020   | -                     | -        | 35,126.75             | 35,126.75             |
| 12/31/2021   | 48,000.00             | 2.250%   | 76,567.50             | 124,567.50            |
| 12/31/2022   | 49,500.00             | 2.250%   | 75,470.63             | 124,970.63            |
| 12/31/2023   | 51,000.00             | 2.250%   | 74,340.01             | 125,340.01            |
| 12/31/2024   | 52,000.00             | 2.250%   | 73,181.26             | 125,181.26            |
| 12/31/2025   | 53,500.00             | 2.250%   | 71,994.38             | 125,494.38            |
| 12/31/2026   | 55,000.00             | 2.250%   | 70,773.75             | 125,773.75            |
| 12/31/2027   | 56,500.00             | 2.250%   | 69,519.38             | 126,019.38            |
| 12/31/2028   | 58,000.00             | 2.250%   | 68,231.26             | 126,231.26            |
| 12/31/2029   | 60,000.00             | 2.250%   | 66,903.76             | 126,903.76            |
| 12/31/2030   | 61,500.00             | 2.250%   | 65,536.88             | 127,036.88            |
| 12/31/2031   | 63,000.00             | 2.250%   | 64,136.25             | 127,136.25            |
| 12/31/2032   | 65,000.00             | 2.250%   | 62,696.25             | 127,696.25            |
| 12/31/2033   | 66,500.00             | 2.250%   | 61,216.88             | 127,716.88            |
| 12/31/2034   | 68,500.00             | 2.250%   | 59,698.13             | 128,198.13            |
| 12/31/2035   | 70,500.00             | 2.250%   | 58,134.38             | 128,634.38            |
| 12/31/2036   | 72,500.00             | 2.250%   | 56,525.63             | 129,025.63            |
| 12/31/2037   | 74,500.00             | 2.250%   | 54,871.88             | 129,371.88            |
| 12/31/2038   | 76,500.00             | 2.250%   | 53,173.13             | 129,673.13            |
| 12/31/2039   | 78,500.00             | 2.250%   | 51,429.38             | 129,929.38            |
| 12/31/2040   | 80,500.00             | 2.250%   | 49,640.63             | 130,140.63            |
| 12/31/2041   | 83,000.00             | 2.250%   | 47,801.25             | 130,801.25            |
| 12/31/2042   | 85,000.00             | 2.250%   | 45,911.25             | 130,911.25            |
| 12/31/2043   | 87,500.00             | 2.250%   | 43,970.63             | 131,470.63            |
| 12/31/2044   | 90,000.00             | 2.250%   | 41,973.76             | 131,973.76            |
| 12/31/2045   | 92,500.00             | 2.250%   | 39,920.63             | 132,420.63            |
| 12/31/2046   | 95,000.00             | 2.250%   | 37,811.25             | 132,811.25            |
| 12/31/2047   | 97,500.00             | 2.250%   | 35,645.63             | 133,145.63            |
| 12/31/2048   | 100,000.00            | 2.250%   | 33,423.76             | 133,423.76            |
| 12/31/2049   | 103,000.00            | 2.250%   | 31,140.01             | 134,140.01            |
| 12/31/2050   | 105,500.00            | 2.250%   | 28,794.38             | 134,294.38            |
| 12/31/2051   | 108,500.00            | 2.250%   | 26,386.88             | 134,886.88            |
| 12/31/2052   | 111,500.00            | 2.250%   | 23,911.88             | 135,411.88            |
| 12/31/2053   | 114,500.00            | 2.250%   | 21,369.38             | 135,869.38            |
| 12/31/2054   | 118,000.00            | 2.250%   | 18,753.76             | 136,753.76            |
| 12/31/2055   | 121,000.00            | 2.250%   | 16,065.01             | 137,065.01            |
| 12/31/2056   | 124,500.00            | 2.250%   | 13,303.13             | 137,803.13            |
| 12/31/2057   | 128,000.00            | 2.250%   | 10,462.50             | 138,462.50            |
| 12/31/2058   | 131,500.00            | 2.250%   | 7,543.13              | 139,043.13            |
| 12/31/2059   | 135,000.00            | 2.250%   | 4,545.01              | 139,545.01            |
| 12/31/2060   | 134,500.00            | 2.250%   | 1,513.13              | 136,013.13            |
| <b>Total</b> | <b>\$3,427,000.00</b> | <b>-</b> | <b>\$1,849,414.46</b> | <b>\$5,276,414.46</b> |

### Yield Statistics

|                                   |              |
|-----------------------------------|--------------|
| Bond Year Dollars                 | \$82,196.19  |
| Average Life                      | 23.985 Years |
| Average Coupon                    | 2.2500003%   |
| Net Interest Cost (NIC)           | 2.2500003%   |
| True Interest Cost (TIC)          | 2.2500289%   |
| Bond Yield for Arbitrage Purposes | 2.2500289%   |
| All Inclusive Cost (AIC)          | 2.2500289%   |

### IRS Form 8038

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 2.2500003%   |
| Weighted Average Maturity | 23.985 Years |

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2020 E

Borrower: Bracken County Water District - aggregate  
 Closing Date: 09/23/20

**Borrower Payment Schedule**

| Payment Date | Principal           | Interest Rate | Interest          | Trustee Fees     | Total               | Fiscal Total        |
|--------------|---------------------|---------------|-------------------|------------------|---------------------|---------------------|
| 01/01/20     |                     |               |                   |                  |                     |                     |
| 07/01/20     |                     |               |                   |                  |                     |                     |
| 01/01/21     | 150,000.00          | 4.250%        | 29,217.78         | 450.00           | 179,667.78          |                     |
| 07/01/21     |                     |               | 37,900.00         |                  | 37,900.00           | 217,567.78          |
| 01/01/22     | 220,000.00          | 4.250%        | 37,900.00         | 450.00           | 258,350.00          |                     |
| 07/01/22     |                     |               | 33,225.00         |                  | 33,225.00           | 291,575.00          |
| 01/01/23     | 230,000.00          | 4.250%        | 33,225.00         | 450.00           | 263,675.00          |                     |
| 07/01/23     |                     |               | 28,337.50         |                  | 28,337.50           | 292,012.50          |
| 01/01/24     | 240,000.00          | 4.250%        | 28,337.50         | 450.00           | 268,787.50          |                     |
| 07/01/24     |                     |               | 23,237.50         |                  | 23,237.50           | 292,025.00          |
| 01/01/25     | 250,000.00          | 4.250%        | 23,237.50         | 450.00           | 273,687.50          |                     |
| 07/01/25     |                     |               | 17,925.00         |                  | 17,925.00           | 291,612.50          |
| 01/01/26     | 260,000.00          | 4.250%        | 17,925.00         | 450.00           | 278,375.00          |                     |
| 07/01/26     |                     |               | 12,400.00         |                  | 12,400.00           | 290,775.00          |
| 01/01/27     | 270,000.00          | 4.250%        | 12,400.00         | 450.00           | 282,850.00          |                     |
| 07/01/27     |                     |               | 6,662.50          |                  | 6,662.50            | 289,512.50          |
| 01/01/28     | 20,000.00           | 4.250%        | 6,662.50          | 450.00           | 27,112.50           |                     |
| 07/01/28     |                     |               | 6,237.50          |                  | 6,237.50            | 33,350.00           |
| 01/01/29     | 25,000.00           | 4.250%        | 6,237.50          | 450.00           | 31,687.50           |                     |
| 07/01/29     |                     |               | 5,706.25          |                  | 5,706.25            | 37,393.75           |
| 01/01/30     | 25,000.00           | 4.250%        | 5,706.25          | 450.00           | 31,156.25           |                     |
| 07/01/30     |                     |               | 5,175.00          |                  | 5,175.00            | 36,331.25           |
| 01/01/31     | 25,000.00           | 3.250%        | 5,175.00          | 450.00           | 30,625.00           |                     |
| 07/01/31     |                     |               | 4,768.75          |                  | 4,768.75            | 35,393.75           |
| 01/01/32     | 25,000.00           | 3.250%        | 4,768.75          | 450.00           | 30,218.75           |                     |
| 07/01/32     |                     |               | 4,362.50          |                  | 4,362.50            | 34,581.25           |
| 01/01/33     | 25,000.00           | 3.250%        | 4,362.50          | 450.00           | 29,812.50           |                     |
| 07/01/33     |                     |               | 3,956.25          |                  | 3,956.25            | 33,768.75           |
| 01/01/34     | 25,000.00           | 2.250%        | 3,956.25          | 450.00           | 29,406.25           |                     |
| 07/01/34     |                     |               | 3,675.00          |                  | 3,675.00            | 33,081.25           |
| 01/01/35     | 25,000.00           | 2.250%        | 3,675.00          | 450.00           | 29,125.00           |                     |
| 07/01/35     |                     |               | 3,393.75          |                  | 3,393.75            | 32,518.75           |
| 01/01/36     | 25,000.00           | 2.250%        | 3,393.75          | 450.00           | 28,843.75           |                     |
| 07/01/36     |                     |               | 3,112.50          |                  | 3,112.50            | 31,956.25           |
| 01/01/37     | 30,000.00           | 2.250%        | 3,112.50          | 450.00           | 33,562.50           |                     |
| 07/01/37     |                     |               | 2,775.00          |                  | 2,775.00            | 36,337.50           |
| 01/01/38     | 30,000.00           | 2.375%        | 2,775.00          | 450.00           | 33,225.00           |                     |
| 07/01/38     |                     |               | 2,418.75          |                  | 2,418.75            | 35,643.75           |
| 01/01/39     | 30,000.00           | 2.375%        | 2,418.75          | 450.00           | 32,868.75           |                     |
| 07/01/39     |                     |               | 2,062.50          |                  | 2,062.50            | 34,931.25           |
| 01/01/40     | 30,000.00           | 2.375%        | 2,062.50          | 450.00           | 32,512.50           |                     |
| 07/01/40     |                     |               | 1,706.25          |                  | 1,706.25            | 34,218.75           |
| 01/01/41     | 30,000.00           | 2.625%        | 1,706.25          | 450.00           | 32,156.25           |                     |
| 07/01/41     |                     |               | 1,312.50          |                  | 1,312.50            | 33,468.75           |
| 01/01/42     | 30,000.00           | 2.625%        | 1,312.50          | 450.00           | 31,762.50           |                     |
| 07/01/42     |                     |               | 918.75            |                  | 918.75              | 32,681.25           |
| 01/01/43     | 35,000.00           | 2.625%        | 918.75            | 450.00           | 36,368.75           |                     |
| 07/01/43     |                     |               | 459.38            |                  | 459.38              | 36,828.13           |
| 01/01/44     | 35,000.00           | 2.625%        | 459.38            | 450.00           | 35,909.38           |                     |
| 07/01/44     |                     |               |                   |                  |                     | 35,909.38           |
| Totals       | <u>2,090,000.00</u> |               | <u>452,674.04</u> | <u>10,800.00</u> | <u>2,553,474.04</u> | <u>2,553,474.04</u> |



BRACKEN COUNTY WATER DISTRICT  
DEBT MATURITIES  
12/31/2019

*Bid off*

*Reamortized*

*KIA*

|        | BT5-002   |          | KIA B10-10 |          | RD 2004   |          | KIA F02-10 |          | KRWFC 2007-D |          | Augusta Berlin |          | TOTALS    |           |
|--------|-----------|----------|------------|----------|-----------|----------|------------|----------|--------------|----------|----------------|----------|-----------|-----------|
|        | PRINCIPAL | INTEREST | PRINCIPAL  | INTEREST | PRINCIPAL | INTEREST | PRINCIPAL  | INTEREST | PRINCIPAL    | INTEREST | PRINCIPAL      | INTEREST | PRINCIPAL | INTEREST  |
| 2020   | 16,042    | 5,250    | 4,410      | 1,941    | 19,000    | 35,258   | 53,859     | 8,181    | 180,000      | 76,442   | 27,546         | 13789    | 300,857   | 140,855   |
| 2021   | 16,324    | 4,988    | 4,543      | 1,808    | 19,000    | 34,403   | 55,487     | 6,553    | 185,000      | 68,478   | 28,384         | 12945    | 308,738   | 129,165   |
| 2022   | 16,611    | 4,681    | 4,681      | 1,670    | 20,000    | 33,525   | 57,164     | 4,876    | 195,000      | 60,060   | 29,247         | 12082    | 322,703   | 116,894   |
| 2023   | 16,903    | 4,389    | 4,822      | 1,529    | 21,000    | 32,603   | 58,892     | 3,149    | 205,000      | 51,187   | 30,136         | 11192    | 336,763   | 104,049   |
| 2024   | 17,200    | 4,092    | 4,988      | 1,383    | 22,000    | 31,636   | 60,673     | 1,389    | 215,000      | 41,880   | 31,053         | 10275    | 350,894   | 89,614    |
| 2025   | 17,502    | 3,790    | 5,118      | 1,233    | 23,000    | 30,622   | 62,500     | 0        | 225,000      | 32,078   | 31,988         | 9331     | 302,618   | 77,054    |
| 2026   | 17,810    | 3,482    | 5,273      | 1,078    | 24,000    | 29,565   | 64,375     | 0        | 235,000      | 21,840   | 32,971         | 8358     | 315,054   | 64,323    |
| 2027   | 18,123    | 3,169    | 5,432      | 919      | 26,000    | 28,440   | 66,250     | 0        | 245,000      | 11,418   | 33,874         | 7355     | 328,529   | 51,301    |
| 2028   | 18,442    | 2,851    | 5,596      | 755      | 27,000    | 27,248   | 68,125     | 0        | 255,000      | 0        | 34,781         | 6322     | 341,910   | 37,176    |
| 2029   | 18,766    | 2,527    | 5,765      | 586      | 28,000    | 26,010   | 70,000     | 0        | 265,000      | 0        | 35,672         | 5257     | 355,672   | 34,380    |
| 2030   | 19,096    | 2,197    | 5,940      | 411      | 29,000    | 24,728   | 71,875     | 0        | 275,000      | 0        | 36,563         | 4180     | 370,438   | 31,496    |
| 2031   | 19,431    | 1,861    | 6,119      | 232      | 31,000    | 23,378   | 73,750     | 0        | 285,000      | 0        | 37,454         | 3029     | 385,902   | 28,600    |
| 2032   | 19,773    | 1,520    | 6,300      | 47       | 32,000    | 21,960   | 75,625     | 0        | 295,000      | 0        | 38,345         | 1864     | 401,347   | 25,391    |
| 2033   | 20,120    | 1,172    | 6,485      | 0        | 34,000    | 20,475   | 77,500     | 0        | 305,000      | 0        | 39,236         | 665      | 417,183   | 22,312    |
| 2034   | 20,474    | 818      | 6,675      | 0        | 35,000    | 18,923   | 79,375     | 0        | 315,000      | 0        | 40,127         | 0        | 433,310   | 19,741    |
| 2035   | 20,834    | 459      | 6,870      | 0        | 37,000    | 17,303   | 81,250     | 0        | 325,000      | 0        | 41,018         | 0        | 449,528   | 17,762    |
| 2036   | 10,553    | 92       | 7,070      | 0        | 39,000    | 15,593   | 83,125     | 0        | 335,000      | 0        | 41,909         | 0        | 466,047   | 15,685    |
| 2037   |           |          | 7,275      | 0        | 41,000    | 13,793   | 85,000     | 0        | 345,000      | 0        | 42,800         | 0        | 482,666   | 13,793    |
| 2038   |           |          | 7,480      | 0        | 43,000    | 11,903   | 86,875     | 0        | 355,000      | 0        | 43,691         | 0        | 500,000   | 11,903    |
| 2039   |           |          | 7,685      | 0        | 45,000    | 9,923    | 88,750     | 0        | 365,000      | 0        | 44,582         | 0        | 517,500   | 9,923     |
| 2040   |           |          | 7,890      | 0        | 47,000    | 7,853    | 90,625     | 0        | 375,000      | 0        | 45,473         | 0        | 535,000   | 7,853     |
| 2041   |           |          | 8,100      | 0        | 49,000    | 5,693    | 92,500     | 0        | 385,000      | 0        | 46,364         | 0        | 552,500   | 5,693     |
| 2042   |           |          | 8,315      | 0        | 51,000    | 3,443    | 94,375     | 0        | 395,000      | 0        | 47,255         | 0        | 570,000   | 3,443     |
| 2043   |           |          | 8,535      | 0        | 53,000    | 1,193    | 96,250     | 0        | 405,000      | 0        | 48,146         | 0        | 587,500   | 1,193     |
| 2044   |           |          |            | 0        |           |          |            | 0        |              |          |                |          |           |           |
| 2045   |           |          |            | 0        |           |          |            | 0        |              |          |                |          |           |           |
| TOTALS | 304,004   | 47,318   | 65,787     | 13,592   | 793,000   | 508,732  | 286,075    | 24,128   | 1,885,000    | 363,363  | 471,985        | 106,618  | 3,605,861 | 1,063,751 |

# **EXHIBIT D**

## Projected Debt Service on New KRWFC Loan

Preliminary

**\$1,000,000**

Kentucky Rural Water Finance Corporation

Public Projects Refunding and Improvement Revenue Bonds, Series 2020 G

## Pricing Summary

| Maturity     | Type of Bond  | Coupon | Yield  | Maturity Value        | Price    | Dollar Price          |
|--------------|---------------|--------|--------|-----------------------|----------|-----------------------|
| 08/01/2021   | Serial Coupon | 4.000% | 0.780% | 40,000.00             | 102.562% | 41,024.80             |
| 08/01/2022   | Serial Coupon | 4.000% | 0.850% | 35,000.00             | 105.613% | 36,964.55             |
| 08/01/2023   | Serial Coupon | 4.000% | 1.220% | 40,000.00             | 107.628% | 43,051.20             |
| 08/01/2024   | Serial Coupon | 4.000% | 1.410% | 40,000.00             | 109.548% | 43,819.20             |
| 08/01/2025   | Serial Coupon | 4.000% | 1.530% | 40,000.00             | 111.387% | 44,554.80             |
| 08/01/2026   | Serial Coupon | 4.000% | 1.650% | 45,000.00             | 112.945% | 50,825.25             |
| 08/01/2027   | Serial Coupon | 4.000% | 1.890% | 45,000.00             | 113.402% | 51,030.90             |
| 08/01/2028   | Serial Coupon | 4.000% | 1.980% | 45,000.00             | 114.530% | 51,538.50             |
| 08/01/2029   | Serial Coupon | 2.500% | 2.050% | 50,000.00             | 103.604% | 51,802.00             |
| 08/01/2030   | Serial Coupon | 2.400% | 2.120% | 50,000.00             | 102.464% | 51,232.00             |
| 08/01/2031   | Serial Coupon | 2.400% | 2.270% | 50,000.00             | 101.237% | 50,618.50             |
| 08/01/2032   | Serial Coupon | 2.400% | 2.320% | 50,000.00             | 100.820% | 50,410.00             |
| 08/01/2033   | Serial Coupon | 2.400% | 2.380% | 55,000.00             | 100.217% | 55,119.35             |
| 08/01/2034   | Serial Coupon | 2.400% | 2.400% | 55,000.00             | 100.000% | 55,000.00             |
| 08/01/2035   | Serial Coupon | 2.400% | 2.440% | 55,000.00             | 99.503%  | 54,726.65             |
| 08/01/2036   | Serial Coupon | 2.400% | 2.480% | 60,000.00             | 98.957%  | 59,374.20             |
| 08/01/2037   | Serial Coupon | 2.400% | 2.520% | 60,000.00             | 98.362%  | 59,017.20             |
| 08/01/2038   | Serial Coupon | 2.400% | 2.570% | 60,000.00             | 97.582%  | 58,549.20             |
| 08/01/2039   | Serial Coupon | 2.450% | 2.610% | 60,000.00             | 97.632%  | 58,579.20             |
| 08/01/2040   | Serial Coupon | 2.500% | 2.650% | 65,000.00             | 97.698%  | 63,503.70             |
| <b>Total</b> | -             | -      | -      | <b>\$1,000,000.00</b> | -        | <b>\$1,030,741.20</b> |

### Bid Information

|                                       |                |
|---------------------------------------|----------------|
| Par Amount of Bonds                   | \$1,000,000.00 |
| Reoffering Premium or (Discount)      | 30,741.20      |
| Gross Production                      | \$1,030,741.20 |
| Total Underwriter's Discount (1.550%) | \$(15,500.00)  |
| Bid (101.524%)                        | 1,015,241.20   |
| Total Purchase Price                  | \$1,015,241.20 |
| Bond Year Dollars                     | \$11,245.00    |
| Average Life                          | 11.245 Years   |
| Average Coupon                        | 2.6293908%     |
| Net Interest Cost (NIC)               | 2.4938533%     |
| True Interest Cost (TIC)              | 2.4882120%     |

# **EXHIBIT E**

## Debt Service Coverage Calculations

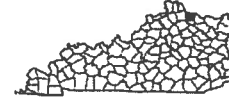
**BRACKEN COUNTY WATER DISTRICT**

Bracken County Water District, is located in Brooksville, Kentucky. Bracken County had an estimated population of 8,180 people in the year 2006. Augusta, the county seat of Bracken County, is 70 miles from Lexington, Kentucky, 127 miles from Louisville, Kentucky, 283 miles from Nashville, Tennessee, and 42 miles from Cincinnati, Ohio.

**Economic Statistics for the year 2020**

|                                  |          |                      |       |
|----------------------------------|----------|----------------------|-------|
| Per Capita Income <sup>(1)</sup> | \$36,758 | Employment           |       |
| Median Family Income             | \$45,116 | Civilian Labor Force | 3,865 |
|                                  |          | Unemployment Rate    |       |

<sup>(1)</sup> Data from 2018  
 Source: Kentucky Department of Economic Development  
 and the Census Bureau



**Customer Breakdown**

| WATER |             |                      |       |
|-------|-------------|----------------------|-------|
| Year  | Residential | Commercial/<br>Other | Total |
| 2019  | 2,516       | 102                  | 2,618 |
| 2018  | 2,452       | 101                  | 2,553 |
| 2017  | 2,431       | 104                  | 2,535 |
| 2016  | 2,401       | 108                  | 2,509 |
| 2015  | 2,373       | 119                  | 2,492 |

**Five Largest Customers**

| WATER                   |                    |                   |                  |
|-------------------------|--------------------|-------------------|------------------|
| Customer                | Annual Sales       | Annual Usage*     | % of Total Usage |
| Brooksville Utilities   | \$64,440.00        | 15,950,000        |                  |
| American Municipal      | \$14,809.00        | 1,611,300         |                  |
| East Pendleton Water    | \$3,478.00         | 860,900           |                  |
| Signature Health Care   | \$6,752.00         | 666,300           |                  |
| Bracken Co. High School | \$5,605.00         | 55,300            |                  |
| <b>Totals:</b>          | <b>\$95,084.00</b> | <b>19,143,800</b> | <b>19.996%</b>   |

\* gallons

**Rate Schedule**

| Water                                   |                           |
|---|---------------------------|
|   | Monthly Rate              |
| First 2,000 gallons and minimum bill    | \$27.85 per 1,000 gallons |
| Next 38,000 gallosn                     | \$10.63 per 1,000 gallons |
| Over 40,000 gallons                     | \$8.43 per 1,000 gallons  |
| Bulk Sales (Loading Station Division 1) | \$9.50 per 1,000 gallons  |
| Wholesale (Brooksville)                 | \$4.04 per 1,000 gallons  |

Rates went into effect December 7, 2018

**Debt Coverage Analysis**

|  | Proforma - Ongoing | UNAUDITED   |             |             |             |
|--|--------------------|-------------|-------------|-------------|-------------|
|  |                    | 2019        | 2018        | 2017        | 2016        |
| Operating Income                             | \$1,772,759        | \$1,772,759 | \$1,486,104 | \$1,560,059 | \$1,557,242 |
| Less: Operating Expenses                     | 1,014,771          | 1,014,771   | 812,175     | 846,269     | 851,312     |
| Operating Income                             | \$757,989          | \$757,989   | \$673,929   | \$713,790   | \$705,930   |
| Plus: Interest Income                        | 7,774              | \$7,774     | \$7,645     | \$4,146     | \$4,024     |
| Plus: Tap on Fees                            | -                  | -           | -           | -           | -           |
| Available Revenues                           | \$765,763          | \$765,763   | \$681,574   | \$717,936   | \$709,954   |
| Existing Debt Service (Max Annual)           | \$438,795          | \$438,795   | \$438,795   | \$438,795   | \$438,795   |
| New 2019 RD Debt Service (Average)           | 128,693            | -           | -           | -           | -           |
| Savings from refunding (KRWFC 2020 E)        | (15,145)           | (15,145)    | -           | -           | -           |
| Estimated New Debt Service with KRWFC 2020 G | 62,825             | 62,825      | -           | -           | -           |
|  | \$615,168          | \$486,475   | \$438,795   | \$438,795   | \$438,795   |
| <b>Parity Debt Coverage</b>                  | <b>1.24</b>        | <b>1.57</b> | <b>1.55</b> | <b>1.64</b> | <b>1.62</b> |

## **EXHIBIT F**

Debt Service Coverage Calculations  
(including depreciation expense)

**BRACKEN COUNTY WATER DISTRICT**

Bracken County Water District, is located in Brooksville, Kentucky. Bracken County had an estimated population of 8,180 people in the year 2005. Augusta, the county seat of Bracken County, is 70 miles from Lexington, Kentucky, 127 miles from Louisville, Kentucky, 283 miles from Nashville, Tennessee, and 42 miles from Cincinnati, Ohio.

**Economic Statistics for the year 2020**

|                                  |          |                      |       |
|----------------------------------|----------|----------------------|-------|
| Per Capita Income <sup>(1)</sup> | \$36,758 | Employment           |       |
| Median Family Income             | \$45,116 | Civilian Labor Force | 3,865 |
|                                  |          | Unemployment Rate    |       |



<sup>(1)</sup> Data from 2018  
Source: Kentucky Department of Economic Development and the Census Bureau

**Customer Breakdown**

| WATER |             |                      |       |
|-------|-------------|----------------------|-------|
| Year  | Residential | Commercial/<br>Other | Total |
| 2019  | 2,516       | 102                  | 2,618 |
| 2018  | 2,452       | 101                  | 2,553 |
| 2017  | 2,431       | 104                  | 2,535 |
| 2016  | 2,401       | 108                  | 2,509 |
| 2015  | 2,373       | 119                  | 2,492 |

**Five Largest Customers**

| WATER                   |                    |                   |                  |
|-------------------------|--------------------|-------------------|------------------|
| Customer                | Annual Sales       | Annual Usage*     | % of Total Usage |
| Brooksville Utilities   | \$64,440.00        | 15,950,000        |                  |
| American Municipal      | \$14,809.00        | 1,611,300         |                  |
| East Pendleton Water    | \$3,478.00         | 860,900           |                  |
| Signature Health Care   | \$6,752.00         | 666,300           |                  |
| Bracken Co. High School | \$5,605.00         | 55,300            |                  |
| <b>Totals:</b>          | <b>\$95,084.00</b> | <b>19,143,800</b> | <b>19.996%</b>   |

\* gallons

**Rate Schedule**

| Water                                   |                           |
|---|---------------------------|
|   | Monthly Rate              |
| First 2,000 gallons and minimum bill    | \$27.85 per 1,000 gallons |
| Next 38,000 gallons                     | \$10.63 per 1,000 gallons |
| Over 40,000 gallons                     | \$8.43 per 1,000 gallons  |
| Bulk Sales (Loading Station Division 1) | \$9.50 per 1,000 gallons  |
| Wholesale (Brooksville)                 | \$4.04 per 1,000 gallons  |

Rates went into effect December 7, 2018

**Debt Coverage Analysis**

|  | Proforma    | UNAUDITED   |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|
|  |             | 2019        | 2018        | 2017        | 2016        |
| Operating Income                             | \$1,772,759 | \$1,772,759 | \$1,486,104 | \$1,560,059 | \$1,557,242 |
| Less: Operating Expenses                     | 1,323,661   | 1,323,661   | 1,125,161   | 1,145,875   | 1,148,597   |
| Operating Income                             | \$449,099   | \$449,099   | \$360,943   | \$414,184   | \$408,645   |
| Plus: Interest Income                        | \$7,774     | \$7,774     | \$7,645     | \$4,146     | \$4,024     |
| Plus: Tap on Fees                            | -           | -           | -           | -           | -           |
| Available Revenues                           | \$456,873   | \$456,873   | \$368,588   | \$418,330   | \$412,669   |
| Existing Debt Service (Max Annual)           | \$438,795   | \$438,795   | \$438,795   | \$438,795   | \$438,795   |
| New RD Debt Service (Average)                | 128,693     | -           | -           | -           | -           |
| Savings from refunding (KRWFC 2020 E)        | (15,145)    | (15,145)    | -           | -           | -           |
| Estimated New Debt Service with KRWFC 2020 G | 62,825      | 62,825      | -           | -           | -           |
|  | \$615,168   | \$486,475   | \$438,795   | \$438,795   | \$438,795   |
| <b>Parity Debt Coverage</b>                  | <b>0.74</b> | <b>0.94</b> | <b>0.84</b> | <b>0.95</b> | <b>0.94</b> |

# **EXHIBIT G**

## **Projected Debt Service Coverage Calculations**



**XXXVII. PROPOSED OPERATING BUDGET - (WATER SYSTEM)**

| (1st Full Year of Operation)  | Year Ending 2021    | Year Ending 2022    | Year Ending 2023    |
|---|---------------------|---------------------|---------------------|
| <b>A. Operating Income:</b>   |                     |                     |                     |
| Water Sales   | \$ 1,600,000        | \$ 1,632,000        | \$ 1,664,640        |
| Disconnect/Reconnect/Late Charge Fees   | \$ 58,000           | \$ 59,160           | \$ 60,343           |
| Other (Describe) customer tap fees  | \$ 30,000           | \$ 30,600           | \$ 31,212           |
| Less Allowances and Deductions  |                     |                     |                     |
| <b>Total Operating Income</b>   | <u>\$ 1,688,000</u> | <u>\$ 1,721,760</u> | <u>\$ 1,756,195</u> |
| <b>B. Operation and Maintenance Expenses:</b><br>(Based on Uniform System of Accounts prescribed by National Association of Regulatory Utility Commissioners) |                     |                     |                     |
| Operation Expense   | \$ 607,000          | \$ 619,140          | \$ 631,523          |
| Maintenance Expense   | \$ 60,000           | \$ 61,200           | \$ 62,424           |
| Customer Accounts Expense   | \$ 12,000           | \$ 12,240           | \$ 12,485           |
| Administrative and General Expense  | \$ 281,000          | \$ 286,620          | \$ 292,352          |
| <b>Total Operating Expenses</b>   | <u>\$ 960,000</u>   | <u>\$ 979,200</u>   | <u>\$ 998,784</u>   |
| <b>Net Operating Income</b>   | <u>\$ 728,000</u>   | <u>\$ 742,560</u>   | <u>\$ 757,411</u>   |
| <b>C. Non-Operating Income:</b>   |                     |                     |                     |
| Interest on Deposits  | \$ 4,500            | \$ 4,590            | \$ 4,682            |
| Other (Identify)  |                     |                     |                     |
| <b>Total Non-Operating Income</b>   | <u>\$ 4,500</u>     | <u>\$ 4,590</u>     | <u>\$ 4,682</u>     |
| <b>D. Net Income</b>  | <u>\$ 732,500</u>   | <u>\$ 747,150</u>   | <u>\$ 762,093</u>   |
| <b>E. Debt Repayment:</b>   |                     |                     |                     |
| RUS Interest  | \$ 73,400           | \$ 72,100           | \$ 70,800           |
| RUS Principal   | \$ 57,400           | \$ 58,700           | \$ 60,000           |
| Non-RUS Interest  | \$ 94,511           | \$ 96,287           | \$ 86,837           |
| Non-RUS Principal   | \$ 324,738          | \$ 392,703          | \$ 405,753          |
| <b>Total Debt Repayment</b>   | <u>\$ 550,049</u>   | <u>\$ 619,790</u>   | <u>\$ 623,390</u>   |
| <b>F. Balance Available for Coverage</b>  | <u>\$ 182,451</u>   | <u>\$ 127,361</u>   | <u>\$ 138,704</u>   |
| Short Lived Assets  |                     |                     |                     |
| Debt Reserve  | \$ 14,240           | \$ 14,240           | \$ 14,240           |
| <b>Balance Available</b>  | <u>\$ 168,211</u>   | <u>\$ 113,121</u>   | <u>\$ 124,464</u>   |
| <b>Coverage Ratio</b>   | <u>1.33</u>         | <u>1.21</u>         | <u>1.22</u>         |