

BARKLEY LAKE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019

9. Interest Expense

The District incurred interest costs in 2019 of \$338,310. The entire amount has been recognized as a current non-operating expense.

10. Long-Term Debt

The original amount of each bond issue, the bond issue dates, interest rates, and maturity dates are summarized below:

Issue	Original Amount	Interest Rates	Maturity Date
2005	\$ 1,185,000	4.000% - 6.000%	2044
2008C	3,060,000	2.350% - 4.550%	2037
2010A	4,002,000	3.375%	2051
2010B	1,837,000	3.000%	2049
2012E	1,465,000	2.200% - 3.550%	2033
2014	825,000	2.750%	2055

Changes in the long-term liability accounts during the year are summarized below:

	Balance January 1, 2019	Proceeds	Repayments	Balance December 31, 2019	Current Amount Due
Revenue Bonds 2005	\$ 990,500	\$ -	\$ 21,000	\$ 969,500	\$ 22,000
Revenue Bonds 2008C	2,040,000	-	130,000	1,910,000	135,000
Revenue Bonds 2010A	3,756,500	-	55,500	3,701,000	57,500
Revenue Bonds 2010B	1,654,985	-	30,000	1,624,985	30,500
Revenue Bonds 2012E	1,090,000	-	55,000	1,035,000	60,000
Revenue Bonds 2014	799,500	-	13,500	786,000	13,500
Premium on Bond 2012E	10,528	-	718	9,810	718
Total Bond Obligation	10,342,013	-	305,718	10,036,295	319,218
Compensated Absences	18,955	-	404	18,551	-
Customer Deposits	328,939	60,757	54,021	335,675	-
Net Pension Liability	1,784,398	-	25,152	1,759,246	-
Net OPEB	520,180	-	99,574	420,606	-
	<u>\$ 12,994,485</u>	<u>\$ 60,757</u>	<u>\$ 484,869</u>	<u>\$ 12,570,373</u>	<u>\$ 319,218</u>

**BARKLEY LAKE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2019**

10. Long-Term Debt, Continued

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District at December 31, 2019 for debt service (principal and interest) are as follows:

Maturity	Principal	Interest	Total
2020	\$ 318,500	\$ 354,055	\$ 672,555
2021	324,000	342,447	666,447
2022	339,000	330,359	669,359
2023	354,500	317,700	672,200
2024	364,500	304,398	668,898
2025-2029	1,808,000	1,311,434	3,119,434
2030-2034	1,670,000	1,003,262	2,673,262
2035-2039	1,430,000	712,715	2,142,715
2040-2044	1,451,000	473,473	1,924,473
2045-2049	1,406,985	223,103	1,630,088
2050-2054	560,000	29,442	589,442
	<u>\$ 10,026,485</u>	<u>\$ 5,402,388</u>	<u>\$ 15,428,873</u>

By a resolution of the Commission on August 26, 2014, the District authorized an \$825,000 Bond Anticipation note through Kentucky Rural Water Finance Corporation, Interim Finance Program. The Interim financing was for the Cerulean Area Water System Improvements and was secured through a bond issuance in 2015. The District issued \$825,000 of revenue bonds (Series 2014). These bonds carry an interest rate of 2.75% and mature between January 1, 2015 and January 1, 2035.

The District issued \$4,002,000 of revenue bonds (Series 2010A) for the purpose of financing construction projects. The bonds carry an interest rate of 3.375% and mature between November 1, 2014 and November 1, 2051.

The District completed a current refunding of the 1976 and 1993 bond issues, dated August 29, 2012. The par amount of the 2012E refunding issue is \$1,465,000 and it has a total debt service requirement of \$2,031,446. The combined remaining total debt service requirement of the 1976 and 1993 bond issues at the date of refunding was \$2,271,305, which produces a cash flow savings of \$197,120. The net present value of the economic gain on the combined refunding of 1976 and 1993 bond issues is \$185,180.

The District issued the Series 2010B bonds through the Build America Bond Program that provides 35% in federal subsidies on the total interest requirements. The interest is paid directly to the District's bond escrow account on a semi-annual basis corresponding with the interest payment dates to the bond holders. Total subsidy payments received at December 31, 2019 were \$16,346.

All the Revenue Bonds are payable solely from, and secured by, a first pledge of the water revenues. So long as any of the bonds are outstanding and unpaid, the District shall continuously be maintained and operated in good condition. Rates and charges for services rendered will be imposed and collected so that gross revenues will be sufficient at all times, to provide for the payment of the