

**COMMONWEALTH OF KENTUCKY**

**BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY**

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF LARUE COUNTY)  
WATER DISTRICT No. 1 TO ISSUE SECURITIES )  
IN THE APPROXIMATE PRINCIPAL )  
AMOUNT OF \$1,895,000 FOR THE PURPOSE OF ) Case No. 2021-00464  
REFINANCING CERTAIN OUTSTANDING )  
OBLIGATIONS OF THE DISTRICT PURSUANT )  
TO THE PROVISIONS OF KRS 278.300 AND )  
807 KAR 5:001 )**

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

**APPLICATION**

The Applicant, Larue County Water District No. 1 ("Larue District"), files this electronic 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 Larue District to issue certain securities in the approximate principal amount of \$1.895,000 (subject to adjustment of up to 10%), for the purpose of refinancing certain outstanding indebtedness of Larue District. In support of this Application, and in compliance with the rules and regulations of the Commission, Larue District states as follows:

1. Larue 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 Larue County, Kentucky which Order is on file in the County Court Order Books in the office of the Clerk of Larue County, Kentucky. Larue District is now, and has been since its inception, regulated by the Commission, and all records and proceedings of the Commission with reference to Larue District

are incorporated in this Application by reference. Larue District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

2. The governing body of Larue 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 Larue District is as follows:

Larue County Water District No. 1  
c/o Mr. Tim Bartley, Manager  
6215 North L & N Turnpike  
Buffalo, Kentucky 42716  
Phone: (270) 325-3242  
Fax: (270) 325-3243  
email address: [tim@laruecountywater.com](mailto:tim@laruecountywater.com)

4. A general description of Larue District's system property, together with a statement of the original cost, is contained in Larue District's Annual Report for 2020 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. Larue District proposes to borrow funds from the Kentucky Rural Water Finance Corporation ("KRWFC") pursuant to an Assistance Agreement (the "KRWFC Loan"), in the estimated principal amount of \$1,895,000 (subject to adjustment of up to 10%) for the purpose of refinancing a loan from KRWFC designated as Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2012F, dated November 13, 2012, in the original principal amount of \$2,680,000 bearing interest at the rates set out in Exhibit D attached hereto (the "Prior Bonds"). The Prior Bonds are currently held in the open market.

6. The estimated debt service for the KRWFC Loan is shown in **Exhibit "A"**, which is attached hereto and incorporated herein by reference. The debt service schedule and estimated

interest rates are subject to change because of market conditions. The final terms and details of the KRWFC Loan vary from the present assumptions based upon market conditions and other business judgment factors.

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

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

9. It is anticipated that the proposed refinancing of the Prior Bonds will result in a net present value cashflow savings of approximately \$182,052.78. These savings are shown on the estimated 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. Larue District will not issue the securities if interest rates in the bond market shift to a point where Larue District will not achieve any debt service savings.

11. The Debt Service Schedules of the outstanding Prior Bonds are set forth in **Exhibit "D"**.

12. Larue District represents that the KRWFC Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of Larue District by producing substantial debt service savings. This is a lawful object within the corporate purposes of

Larue District's utility operations. The KRWFC Loan is necessary, appropriate for, and consistent with the proper performance by Larue District of its service to the public and will not impair its ability to perform that service.

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

14. The detailed Statement of Revenues, Expenses and Changes in Fund Net Position, Statement of Net Position, and Statement of Cash Flows for the twelve month periods ending on December 31, 2020 and 2019 are attached hereto and incorporated herein by reference as **Exhibit "E"** respectively.

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

- (i) Section 12(1)(b): Larue 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 Larue District's financial condition have occurred since the end of the twelve (12) month period contained in Larue District's most recent annual report on file with the Commission.
- (ii) Section 12(2)(a), (b) and (c) Stock: Larue District does not have any authorized, issued or outstanding stock as of the date hereof.
- (iii) Section 12(2)(d) Mortgages: Larue 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 Larue District is contained in the 2020 Annual Report on file with this Commission and the December 31, 2020 and 2019 Audit Report on file with this Commission.
  - (v) Section 12(2)(h) Dividends: Larue 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, Larue District hereby responds as follows:
- (i) Section 18(1)(a): Larue District has complied with the requirements of 807 KAR 5:001, Section 14.
  - (ii) Section 18(1)(b): A general description of Larue District's property, its field of operation and a statement of original cost of said property and the cost to Larue District is contained in Larue District's 2020 Annual Report on file with this Commission.
  - (iii) Section 18(1)(c): Larue 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 Larue District's water system.
  - (iv) Section 18(1)(d): The proceeds of the KRWFC Loan are being used to refinance the outstanding Prior Bonds.
  - (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 proposed refinancing 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): Larue 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 is being requested in this Application.


**WHEREFORE**, Larue 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 Larue District by taking full advantage of current low interest rates, Larue District requests that the Commission issued its Order as no later than **February 4, 2022**; and
  3. Process this Application without a formal hearing in order to save time and expense.
- Larue District will promptly respond to any information requests by the Commission's staff.

Larue County Water District No. 1

By   
John M. Detre, Chairman  
6215 North L & N Turnpike  
Buffalo, Kentucky 42716  
Phone: (270) 325-3242  
Fax: (270) 325-3243  
Email: [tim@laruecountywater.com](mailto:tim@laruecountywater.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 Larue County Water District No. 1

STATE OF KENTUCKY            )  
  ) SS  
COUNTY OF LARUE            )

The affiant, John M. Detre, being first duly sworn, states: That he is the Chairman of the Larue County Water District No. 1, 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 December 16, 2021.

  
\_\_\_\_\_  
John M. Detre, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by John M. Detre, Chairman of the Larue County Water District No. 1 on this December 16 2021.

My Commission expires: March 16, 2024.

  
\_\_\_\_\_  
NOTARY PUBLIC

643595  
\_\_\_\_\_  
NOTARY PUBLIC ID Number



# **EXHIBIT A**

## Estimated Debt Service Schedule

**\$1,895,000**

Potential Refunding through the  
Kentucky Rural Water Finance Corporation  
LaRue Water District #1

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/20/2022	-	-	-	-	-
08/01/2022	-	-	23,469.10	23,469.10	-
12/31/2022	-	-	-	-	23,469.10
02/01/2023	115,000.00	3.000%	26,238.75	141,238.75	-
08/01/2023	-	-	24,513.75	24,513.75	-
12/31/2023	-	-	-	-	165,752.50
02/01/2024	120,000.00	3.000%	24,513.75	144,513.75	-
08/01/2024	-	-	22,713.75	22,713.75	-
12/31/2024	-	-	-	-	167,227.50
02/01/2025	125,000.00	3.000%	22,713.75	147,713.75	-
08/01/2025	-	-	20,838.75	20,838.75	-
12/31/2025	-	-	-	-	168,552.50
02/01/2026	130,000.00	3.000%	20,838.75	150,838.75	-
08/01/2026	-	-	18,888.75	18,888.75	-
12/31/2026	-	-	-	-	169,727.50
02/01/2027	130,000.00	3.000%	18,888.75	148,888.75	-
08/01/2027	-	-	16,938.75	16,938.75	-
12/31/2027	-	-	-	-	165,827.50
02/01/2028	135,000.00	3.000%	16,938.75	151,938.75	-
08/01/2028	-	-	14,913.75	14,913.75	-
12/31/2028	-	-	-	-	166,852.50
02/01/2029	145,000.00	3.000%	14,913.75	159,913.75	-
08/01/2029	-	-	12,738.75	12,738.75	-
12/31/2029	-	-	-	-	172,652.50
02/01/2030	105,000.00	3.000%	12,738.75	117,738.75	-
08/01/2030	-	-	11,163.75	11,163.75	-
12/31/2030	-	-	-	-	128,902.50
02/01/2031	115,000.00	2.750%	11,163.75	126,163.75	-
08/01/2031	-	-	9,582.50	9,582.50	-
12/31/2031	-	-	-	-	135,746.25
02/01/2032	120,000.00	2.750%	9,582.50	129,582.50	-
08/01/2032	-	-	7,932.50	7,932.50	-
12/31/2032	-	-	-	-	137,515.00
02/01/2033	120,000.00	2.600%	7,932.50	127,932.50	-
08/01/2033	-	-	6,372.50	6,372.50	-
12/31/2033	-	-	-	-	134,305.00
02/01/2034	120,000.00	2.550%	6,372.50	126,372.50	-
08/01/2034	-	-	4,842.50	4,842.50	-
12/31/2034	-	-	-	-	131,215.00
02/01/2035	125,000.00	2.400%	4,842.50	129,842.50	-
08/01/2035	-	-	3,342.50	3,342.50	-
12/31/2035	-	-	-	-	133,185.00
02/01/2036	130,000.00	2.350%	3,342.50	133,342.50	-
08/01/2036	-	-	1,815.00	1,815.00	-
12/31/2036	-	-	-	-	135,157.50
02/01/2037	75,000.00	2.250%	1,815.00	76,815.00	-
08/01/2037	-	-	971.25	971.25	-
12/31/2037	-	-	-	-	77,786.25
02/01/2038	25,000.00	2.250%	971.25	25,971.25	-
08/01/2038	-	-	690.00	690.00	-
12/31/2038	-	-	-	-	26,661.25
02/01/2039	30,000.00	2.300%	690.00	30,690.00	-
08/01/2039	-	-	345.00	345.00	-
12/31/2039	-	-	-	-	31,035.00
02/01/2040	30,000.00	2.300%	345.00	30,345.00	-
12/31/2040	-	-	-	-	30,345.00
<b>Total</b>	<b>\$1,895,000.00</b>	<b>-</b>	<b>\$406,915.35</b>	<b>\$2,301,915.35</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$15,479.99
Average Life	8.169 Years
Average Coupon	2.6286545%
Net Interest Cost (NIC)	2.3825225%
True Interest Cost (TIC)	2.3612155%
Bond Yield for Arbitrage Purposes	1.8459885%
All Inclusive Cost (AIC)	2.5841096%

**IRS Form 8038**

Net Interest Cost	2.1110277%
Weighted Average Maturity	8.086 Years

Refunding 2021 | LaRue County Water Distri | 11/30/2021 | 11:32 AM

Raymond James

# **EXHIBIT B**

## Sources and Uses

**\$1,895,000**

Potential Refunding through the  
Kentucky Rural Water Finance Corporation  
LaRue Water District #1

## Sources & Uses

**Dated 02/20/2022 | Delivered 02/20/2022**

### Sources Of Funds

Par Amount of Bonds	\$1,895,000.00
Reoffering Premium	71,263.70
<b>Total Sources</b>	<b>\$1,966,263.70</b>

### Uses Of Funds

Total Underwriter's Discount (1.750%)	33,162.50
Costs of Issuance	30,320.00
Deposit to Current Refunding Fund	1,898,852.98
Rounding Amount	3,928.22
<b>Total Uses</b>	<b>\$1,966,263.70</b>

# **EXHIBIT C**

## Debt Service Comparison

**\$1,895,000**

Potential Refunding through the  
Kentucky Rural Water Finance Corporation  
LaRue Water District #1

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2022	23,469.10	23,469.10	36,501.88	13,032.78
12/31/2023	165,752.50	165,752.50	176,468.13	10,715.63
12/31/2024	167,227.50	167,227.50	178,255.00	11,027.50
12/31/2025	168,552.50	168,552.50	179,823.75	11,271.25
12/31/2026	169,727.50	169,727.50	180,490.00	10,762.50
12/31/2027	165,827.50	165,827.50	180,222.50	14,395.00
12/31/2028	166,852.50	166,852.50	179,740.00	12,887.50
12/31/2029	172,652.50	172,652.50	183,935.00	11,282.50
12/31/2030	128,902.50	128,902.50	143,667.50	14,765.00
12/31/2031	135,746.25	135,746.25	148,937.50	13,191.25
12/31/2032	137,515.00	137,515.00	148,885.00	11,370.00
12/31/2033	134,305.00	134,305.00	144,250.00	9,945.00
12/31/2034	131,215.00	131,215.00	144,976.25	13,761.25
12/31/2035	133,185.00	133,185.00	145,368.75	12,183.75
12/31/2036	135,157.50	135,157.50	145,415.00	10,257.50
12/31/2037	77,786.25	77,786.25	91,181.88	13,395.63
12/31/2038	26,661.25	26,661.25	38,826.88	12,165.63
12/31/2039	31,035.00	31,035.00	42,355.00	11,320.00
12/31/2040	30,345.00	30,345.00	40,785.00	10,440.00
<b>TOTAL</b>	<b>\$2,301,915.35</b>	<b>\$2,301,915.35</b>	<b>\$2,530,085.02</b>	<b>\$228,169.67</b>

### PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	182,052.78
Net PV Cashflow Savings @ 2.584%(AIC)	182,052.78
Contingency or Rounding Amount	3,928.22
<b>Net Benefit</b>	<b>232,097.89</b>
<b>Net Present Value Benefit</b>	<b>\$185,981.00</b>
Net PV Benefit / \$1,895,000 Refunded Principal	9.814%
Net PV Benefit / \$1,895,000 Refunding Principal	9.814%
Average Annual Cash Flow Savings	12,676.09

### Refunding Bond Information

Refunding Dated Date	2/20/2022
Refunding Delivery Date	2/20/2022

# **EXHIBIT D**

## Prior Bonds Debt Service

**\$2,680,000**

Ketucky Rural Water Finance Corporation  
Public Projects Refunding Bonds, Series 2012 F  
LaRue Water District #1

### Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
02/20/2022	1,895,000.00	3,852.98	1,898,852.98	-	-	-	-
08/01/2022	-	-	-	-	-	36,501.88	36,501.88
02/01/2023	-	-	-	105,000.00	2.925%	36,501.88	141,501.88
08/01/2023	-	-	-	-	-	34,966.25	34,966.25
02/01/2024	-	-	-	110,000.00	3.050%	34,966.25	144,966.25
08/01/2024	-	-	-	-	-	33,288.75	33,288.75
02/01/2025	-	-	-	115,000.00	3.050%	33,288.75	148,288.75
08/01/2025	-	-	-	-	-	31,535.00	31,535.00
02/01/2026	-	-	-	120,000.00	4.300%	31,535.00	151,535.00
08/01/2026	-	-	-	-	-	28,955.00	28,955.00
02/01/2027	-	-	-	125,000.00	4.300%	28,955.00	153,955.00
08/01/2027	-	-	-	-	-	26,267.50	26,267.50
02/01/2028	-	-	-	130,000.00	4.300%	26,267.50	156,267.50
08/01/2028	-	-	-	-	-	23,472.50	23,472.50
02/01/2029	-	-	-	140,000.00	4.300%	23,472.50	163,472.50
08/01/2029	-	-	-	-	-	20,462.50	20,462.50
02/01/2030	-	-	-	105,000.00	4.300%	20,462.50	125,462.50
08/01/2030	-	-	-	-	-	18,205.00	18,205.00
02/01/2031	-	-	-	115,000.00	4.300%	18,205.00	133,205.00
08/01/2031	-	-	-	-	-	15,732.50	15,732.50
02/01/2032	-	-	-	120,000.00	4.300%	15,732.50	135,732.50
08/01/2032	-	-	-	-	-	13,152.50	13,152.50
02/01/2033	-	-	-	120,000.00	3.425%	13,152.50	133,152.50
08/01/2033	-	-	-	-	-	11,097.50	11,097.50
02/01/2034	-	-	-	125,000.00	3.550%	11,097.50	136,097.50
08/01/2034	-	-	-	-	-	8,878.75	8,878.75
02/01/2035	-	-	-	130,000.00	3.675%	8,878.75	138,878.75
08/01/2035	-	-	-	-	-	6,490.00	6,490.00
02/01/2036	-	-	-	135,000.00	3.800%	6,490.00	141,490.00
08/01/2036	-	-	-	-	-	3,925.00	3,925.00
02/01/2037	-	-	-	85,000.00	3.925%	3,925.00	88,925.00
08/01/2037	-	-	-	-	-	2,256.88	2,256.88
02/01/2038	-	-	-	35,000.00	3.925%	2,256.88	37,256.88
08/01/2038	-	-	-	-	-	1,570.00	1,570.00
02/01/2039	-	-	-	40,000.00	3.925%	1,570.00	41,570.00
08/01/2039	-	-	-	-	-	785.00	785.00
02/01/2040	-	-	-	40,000.00	3.925%	785.00	40,785.00
<b>Total</b>	<b>\$1,895,000.00</b>	<b>\$3,852.98</b>	<b>\$1,898,852.98</b>	<b>\$1,895,000.00</b>	<b>-</b>	<b>\$635,085.02</b>	<b>\$2,530,085.02</b>

#### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	2/20/2022
Average Life	8.520 Years
Average Coupon	3.9097713%
Weighted Average Maturity (Par Basis)	8.520 Years
Weighted Average Maturity (Original Price Basis)	8.423 Years

#### Refunding Bond Information

Refunding Dated Date	2/20/2022
Refunding Delivery Date	2/20/2022

LaRue Water District #1 | SINGLE PURPOSE | 11/30/2021 | 11:32 AM

Raymond James



# **EXHIBIT E**

## Financial Statements

LARUE COUNTY WATER DISTRICT NO. 1STATEMENTS OF NET POSITIONDECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 360,214	\$ 325,644
Unrestricted investments	217,802	211,895
Accounts receivable, net	128,019	102,936
Unbilled receivables	76,680	62,007
Prepaid loan payment	14,532	14,532
Prepaid expenses	23,726	23,726
Materials and supplies	12,440	21,912
<b>TOTAL CURRENT ASSETS</b>	<b>833,413</b>	<b>762,652</b>
<b>NONCURRENT ASSETS:</b>		
Restricted cash and cash equivalents	497,337	278,819
Restricted investments	999,573	980,005
Regulatory asset- CERS Pension	720,019	725,069
Regulatory asset- CERS OPEB	227,625	227,482
Non-depreciable capital assets	1,172,506	300,861
Depreciable capital assets, net of accumulated depreciation	7,705,930	8,033,004
<b>TOTAL NONCURRENT ASSETS</b>	<b>11,322,990</b>	<b>10,545,240</b>
<b>TOTAL ASSETS</b>	<b>12,156,403</b>	<b>11,307,892</b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>		
CERS Pension	74,461	103,586
CERS OPEB	86,179	48,126
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>160,640</b>	<b>151,712</b>
<b><u>LIABILITIES</u></b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	34,922	28,977
Construction costs payable	213,300	-
Payroll and other accrued liabilities	6,415	23,897
Accrued vacation	58,227	51,842
Accrued interest	284	284
Customer deposits	22,040	20,641
Note and bond payable	104,000	103,583
<b>TOTAL CURRENT LIABILITIES</b>	<b>439,188</b>	<b>229,224</b>
<b>NONCURRENT LIABILITIES:</b>		
Customer deposits	124,892	116,963
Net pension liability- CERS Pension	693,744	665,396
Net pension liability- CERS OPEB	218,361	159,096
Construction loan payable	657,845	-
Note and bond payable	2,128,325	2,233,137
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>3,823,167</b>	<b>3,174,592</b>
<b>TOTAL LIABILITIES</b>	<b>4,262,355</b>	<b>3,403,816</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
CERS Pension	100,736	163,259
CERS OPEB	95,443	116,512
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>196,179</b>	<b>279,771</b>
<b><u>NET POSITION</u></b>		
Net investment in capital assets	5,988,266	5,997,145
Restricted net position	1,496,910	1,258,824
Unrestricted	373,333	520,048
<b>TOTAL NET POSITION</b>	<b>\$ 7,858,509</b>	<b>\$ 7,776,017</b>

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

LARUE COUNTY WATER DISTRICT NO. 1STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITIONYEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES:		
Water sales	\$ 1,641,676	\$ 1,510,679
Other operating income	11,224	29,855
	<u>1,652,900</u>	<u>1,540,534</u>
TOTAL OPERATING REVENUES		
OPERATING EXPENSES:		
Water purchased	469,310	425,409
Power purchased	27,299	28,882
Meter labor and expense	312,302	298,810
Bad debt	4,136	4,184
Repairs and maintenance	56,963	108,448
General and administrative expenses	298,068	306,539
Depreciation	396,507	384,291
	<u>1,564,585</u>	<u>1,556,563</u>
TOTAL OPERATING EXPENSES		
OPERATING INCOME (LOSS)	88,315	(16,029)
NON-OPERATING REVENUES (EXPENSES):		
Interest income	26,109	25,256
Interest expense on long-term debt	(87,791)	(90,088)
	<u>(61,682)</u>	<u>(64,832)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)		
CAPITAL CONTRIBUTIONS	55,859	68,273
	<u>82,492</u>	<u>(12,588)</u>
CHANGE IN NET POSITION		
NET POSITION, beginning of year	7,776,017	7,788,605
	<u>7,776,017</u>	<u>7,788,605</u>
NET POSITION, end of year	<u>\$ 7,858,509</u>	<u>\$ 7,776,017</u>

The accompanying notes are integral part of these financial statements.

LARUE COUNTY WATER DISTRICT NO. 1STATEMENTS OF CASH FLOWSYEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 1,613,144	\$ 1,537,736
Payments to suppliers	(827,500)	(734,253)
Payments to employees	<u>(322,344)</u>	<u>(410,303)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>463,300</b>	<b>393,180</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Principal payments on debt	(103,583)	(98,583)
Acquisition and construction of capital assets	(971,954)	(398,054)
Capital contributions	55,859	15,352
Capital grant	657,845	-
Construction costs payable	213,300	-
Interest on long-term debt	<u>(87,791)</u>	<u>(90,088)</u>
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(236,324)</b>	<b>(571,373)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income	<u>26,112</u>	<u>25,256</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>26,112</b>	<b>25,256</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>253,088</b>	<b>(152,937)</b>
<b>CASH AND RESTRICTED CASH AND EQUIVALENTS, beginning of year</b>	<u>604,463</u>	<u>757,400</u>
<b>CASH AND RESTRICTED CASH AND EQUIVALENTS, end of year</b>	<u><u>\$ 857,551</u></u>	<u><u>\$ 604,463</u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ 88,315	\$ (16,029)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation	396,507	384,291
Provision for bad debts	4,136	4,181
(Decrease) in accounts receivable	(25,083)	(2,798)
Increase in unbilled receivables	(14,673)	(6,213)
(Decrease) in prepaid insurance	-	(6,219)
(Decrease) in materials and supplies	9,472	17,965
Increase in accounts payable	5,945	-
Increase in customer deposits	9,328	7,637
Increase (decrease) increase in accrued taxes payable	(17,482)	2,754
Increase in accrued vacation	<u>6,835</u>	<u>7,611</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u><u>\$ 463,300</u></u>	<u><u>\$ 393,180</u></u>

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

# **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

December 21, 2021

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

Re: Larue County Water District No. 1  
Notice of Intent to Issue Securities

Dear Commissioner Keene:

Pursuant to the regulations of the Kentucky Public Service 807 KAR 5:001: Section 18(1)(g), please be advised that the Larue County Water District No. 1 (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:jl  
Enclosures