COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

ELECTRONIC APPLICATION OF McCREARY COUNTY WATER DISTRICT TO ISSUE SECURITIES IN THE APPROXIMATE PRINCIPAL AMOUNT OF $3,450,000 FOR THE PURPOSE OF REFINANCING CERTAIN OUTSTANDING OBLIGATIONS OF THE DISTRICT PURSUANT TO THE PROVISIONS OF KRS 278.300 AND 807 KAR 5:001	)	**Case No. 2022-00009**

** *** **** ******* **** *** **

APPLICATION

The Applicant, McCreary County Water District ("McCreary 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 McCreary District to issue certain securities in the approximate principal amount of $3,450,000 (subject to adjustment of up to 10%), for the purpose of refinancing certain outstanding indebtedness of McCreary District. In support of this Application, and in compliance with the rules and regulations of the Commission, McCreary District states as follows:

1. McCreary District was established in accordance with the provisions of Chapter 74 of the Kentucky Revised Statutes pursuant to an Order of the County Judge/Executive of McCreary County, Kentucky which Order is on file in the County Court Order Books in the office of the Clerk of McCreary County, Kentucky. McCreary District is now, and has been since its inception, regulated by the Commission, and all records and proceedings of the Commission with reference

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

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

McCreary County Water District
c/o Mr. Stephen Whitaker, Superintendent/Manager
P.O. Box 488
Whitley City, Kentucky 42653
Phone: (606) 376-2540
Fax: (606) 376-5507
email address: stepwhitaker@gmail.com

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

5. McCreary 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 $3,450,000 (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 2012D, dated May 30, 2012, in the original principal amount of $4,800,000 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 McCreary 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 $388,529.02. 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. McCreary District will not issue the securities if interest rates in the bond market shift to a point where McCreary 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. McCreary District represents that the KRWFC Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of McCreary District by producing substantial debt service savings. This is a lawful object within the corporate purposes

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

13. McCreary 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, 2019 and 2020 are attached hereto and incorporated herein be reference as **Exhibit "E"** respectively.

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

(i) Section 12(1)(a): McCreary District states that it had $5,000,000 or more in gross annual revenue in the immediate past calendar year and accordingly, the detailed Balance Sheet and Summary of Revenue and Expense for the period ending not more than ninety (90) days prior to the date of this Application are attached hereto and incorporated herein be reference as **Exhibit "E"** respectively.

(ii) Section 12(2)(a), (b) and (c) Stock: McCreary District does not have any authorized, issued or outstanding stock as of the date hereof.

(iii) Section 12(2)(d) Mortgages: McCreary 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 McCreary District is contained in the 2020 Annual Report on file with this Commission and the December 31, 2019 and 2020 Audit Report on file with this Commission.

(v) Section 12(2)(h) Dividends: McCreary 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, McCreary District hereby responds as follows:

(i) Section 18(1)(a): McCreary District has complied with the requirements of 807 KAR 5:001, Section 14.

(ii) Section 18(1)(b): A general description of McCreary District's property, its field of operation and a statement of original cost of said property and the cost to McCreary District is contained in McCreary District's 2020 Annual Report on file with this Commission.

(iii) Section 18(1)(c): McCreary 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 McCreary District's water and sewer 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): McCreary 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, McCreary 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 McCreary District by taking full advantage of current low interest rates, McCreary District requests that the Commission issued its Order as no later than **February 25, 2022**; and

3. Process this Application without a formal hearing in order to save time and expense. McCreary District will promptly respond to any information requests by the Commission's staff.

McCreary County Water District

By _____

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

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
Counsel for McCreary County Water District

STATE OF KENTUCKY)
) SS
COUNTY OF McCREARY)

The affiant, Randy Kidd, being first duly sworn, states: That he is the Chairman of the McCreary County Water District, the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, he believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on January 12, 2022.

Randy Kidd

Randy Kidd, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Randy Kidd, Chairman of the McCreary County Water District on this January 12, 2022.

My Commission expires: 7/13/2022.

Kelly Ingell

NOTARY PUBLIC

603026

NOTARY PUBLIC ID Number

EXHIBIT A

Estimated Debt Service Schedule

$3,450,000

Potential Refunding through the
Kentucky Rural Water Finance Corporation
McCreary County Water District

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/20/2022	-	-	-	-	-
08/01/2022	-	-	41,919.26	41,919.26	-
12/31/2022	-	-	-	-	41,919.26
02/01/2023	180,000.00	3.000%	46,866.25	226,866.25	-
08/01/2023	-	-	44,166.25	44,166.25	-
12/31/2023	-	-	-	-	271,032.50
02/01/2024	180,000.00	3.000%	44,166.25	224,166.25	-
08/01/2024	-	-	41,466.25	41,466.25	-
12/31/2024	-	-	-	-	265,632.50
02/01/2025	190,000.00	3.000%	41,466.25	231,466.25	-
08/01/2025	-	-	38,616.25	38,616.25	-
12/31/2025	-	-	-	-	270,082.50
02/01/2026	195,000.00	3.000%	38,616.25	233,616.25	-
08/01/2026	-	-	35,691.25	35,691.25	-
12/31/2026	-	-	-	-	269,307.50
02/01/2027	195,000.00	3.000%	35,691.25	230,691.25	-
08/01/2027	-	-	32,766.25	32,766.25	-
12/31/2027	-	-	-	-	263,457.50
02/01/2028	205,000.00	3.000%	32,766.25	237,766.25	-
08/01/2028	-	-	29,691.25	29,691.25	-
12/31/2028	-	-	-	-	267,457.50
02/01/2029	210,000.00	3.000%	29,691.25	239,691.25	-
08/01/2029	-	-	26,541.25	26,541.25	-
12/31/2029	-	-	-	-	266,232.50
02/01/2030	220,000.00	3.000%	26,541.25	246,541.25	-
08/01/2030	-	-	23,241.25	23,241.25	-
12/31/2030	-	-	-	-	269,782.50
02/01/2031	220,000.00	2.750%	23,241.25	243,241.25	-
08/01/2031	-	-	20,216.25	20,216.25	-
12/31/2031	-	-	-	-	263,457.50
02/01/2032	230,000.00	2.750%	20,216.25	250,216.25	-
08/01/2032	-	-	17,053.75	17,053.75	-
12/31/2032	-	-	-	-	267,270.00
02/01/2033	235,000.00	2.600%	17,053.75	252,053.75	-
08/01/2033	-	-	13,998.75	13,998.75	-
12/31/2033	-	-	-	-	266,052.50
02/01/2034	195,000.00	2.550%	13,998.75	208,998.75	-
08/01/2034	-	-	11,512.50	11,512.50	-
12/31/2034	-	-	-	-	220,511.25
02/01/2035	195,000.00	2.400%	11,512.50	206,512.50	-
08/01/2035	-	-	9,172.50	9,172.50	-
12/31/2035	-	-	-	-	215,685.00
02/01/2036	195,000.00	2.350%	9,172.50	204,172.50	-
08/01/2036	-	-	6,881.25	6,881.25	-
12/31/2036	-	-	-	-	211,053.75
02/01/2037	185,000.00	2.250%	6,881.25	191,881.25	-
08/01/2037	-	-	4,800.00	4,800.00	-
12/31/2037	-	-	-	-	196,681.25
02/01/2038	135,000.00	2.250%	4,800.00	139,800.00	-
08/01/2038	-	-	3,281.25	3,281.25	-
12/31/2038	-	-	-	-	143,081.25
02/01/2039	135,000.00	2.300%	3,281.25	138,281.25	-
08/01/2039	-	-	1,728.75	1,728.75	-
12/31/2039	-	-	-	-	140,010.00
02/01/2040	135,000.00	2.300%	1,728.75	136,728.75	-
08/01/2040	-	-	176.25	176.25	-
12/31/2040	-	-	-	-	136,905.00
02/01/2041	15,000.00	2.350%	176.25	15,176.25	-
12/31/2041	-	-	-	-	15,176.25
Total	**$3,450,000.00**	-	**$810,788.01**	**$4,260,788.01**	-

Yield Statistics

Bond Year Dollars	$31,557.92
Average Life	9.147 Years
Average Coupon	2.5692064%
Net Interest Cost (NIC)	2.4072408%
True Interest Cost (TIC)	2.3957749%
Bond Yield for Arbitrage Purposes	1.8459885%
All Inclusive Cost (AIC)	2.6115059%

IRS Form 8038

Net Interest Cost	2.1723087%
Weighted Average Maturity	9.039 Years

Raymond James

EXHIBIT B

Sources and Uses

$3,450,000

Potential Refunding through the
Kentucky Rural Water Finance Corporation
McCreary County Water District

Sources & Uses

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

Sources Of Funds	
Par Amount of Bonds	$3,450,000.00
Reoffering Premium	111,487.95
Total Sources	**$3,561,487.95**

Uses Of Funds	
Total Underwriter's Discount (1.750%)	60,375.00
Costs of Issuance	58,700.00
Deposit to Current Refunding Fund	3,442,002.16
Rounding Amount	410.79
Total Uses	**$3,561,487.95**

EXHIBIT C

Debt Service Comparison

$3,450,000

Potential Refunding through the
Kentucky Rural Water Finance Corporation
McCreary County Water District

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2022	41,919.26	41,919.26	66,336.25	24,416.99
12/31/2023	271,032.50	271,032.50	295,400.00	24,367.50
12/31/2024	265,632.50	265,632.50	289,872.50	24,240.00
12/31/2025	270,082.50	270,082.50	293,917.50	23,835.00
12/31/2026	269,307.50	269,307.50	292,527.50	23,220.00
12/31/2027	263,457.50	263,457.50	290,865.00	27,407.50
12/31/2028	267,457.50	267,457.50	293,835.00	26,377.50
12/31/2029	266,232.50	266,232.50	291,527.50	25,295.00
12/31/2030	269,782.50	269,782.50	293,811.25	24,028.75
12/31/2031	263,457.50	263,457.50	290,683.13	27,225.63
12/31/2032	267,270.00	267,270.00	292,127.51	24,857.51
12/31/2033	266,052.50	266,052.50	293,042.51	26,990.01
12/31/2034	220,511.25	220,511.25	244,550.01	24,038.76
12/31/2035	215,685.00	215,685.00	241,748.76	26,063.76
12/31/2036	211,053.75	211,053.75	238,493.76	27,440.01
12/31/2037	196,681.25	196,681.25	220,093.76	23,412.51
12/31/2038	143,081.25	143,081.25	167,848.76	24,767.51
12/31/2039	140,010.00	140,010.00	166,443.76	26,433.76
12/31/2040	136,905.00	136,905.00	164,828.76	27,923.76
12/31/2041	15,176.25	15,176.25	25,509.38	10,333.13
TOTAL	**$4,260,788.01**	**$4,260,788.01**	**$4,753,462.60**	**$492,674.59**

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	382,132.27
Effects of changes in Expenses	6,396.75
Net PV Cashflow Savings @ 2.612%(AIC)	388,529.02
Contingency or Rounding Amount	410.79
Net Benefit	493,085.38
Net Present Value Benefit	$388,939.81
Net PV Benefit / $3,435,000 Refunded Principal	11.323%
Net PV Benefit / $3,450,000 Refunding Principal	11.274%
Average Annual Cash Flow Savings	25,930.24

Refunding Bond Information

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

EXHIBIT D

Prior Bonds Debt Service

$4,800,000

McCreary County Water District
Kentucky Rural Water Finance Corporation
Public Projects Refunding Revenue Bonds, Series 2012 D

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	3,435,000.00	7,002.16	3,442,002.16	-	-	-	-
08/01/2022	-	-	-	-	-	66,336.25	66,336.25
02/01/2023	-	-	-	165,000.00	3.300%	66,336.25	231,336.25
08/01/2023	-	-	-	-	-	63,613.75	63,613.75
02/01/2024	-	-	-	165,000.00	3.400%	63,613.75	228,613.75
08/01/2024	-	-	-	-	-	60,808.75	60,808.75
02/01/2025	-	-	-	175,000.00	3.600%	60,808.75	235,808.75
08/01/2025	-	-	-	-	-	57,658.75	57,658.75
02/01/2026	-	-	-	180,000.00	3.600%	57,658.75	237,658.75
08/01/2026	-	-	-	-	-	54,418.75	54,418.75
02/01/2027	-	-	-	185,000.00	3.700%	54,418.75	239,418.75
08/01/2027	-	-	-	-	-	50,996.25	50,996.25
02/01/2028	-	-	-	195,000.00	3.700%	50,996.25	245,996.25
08/01/2028	-	-	-	-	-	47,388.75	47,388.75
02/01/2029	-	-	-	200,000.00	3.700%	47,388.75	247,388.75
08/01/2029	-	-	-	-	-	43,688.75	43,688.75
02/01/2030	-	-	-	210,000.00	3.825%	43,688.75	253,688.75
08/01/2030	-	-	-	-	-	39,672.50	39,672.50
02/01/2031	-	-	-	215,000.00	3.825%	39,672.50	254,672.50
08/01/2031	-	-	-	-	-	35,560.63	35,560.63
02/01/2032	-	-	-	225,000.00	3.950%	35,560.63	260,560.63
08/01/2032	-	-	-	-	-	31,116.88	31,116.88
02/01/2033	-	-	-	235,000.00	3.950%	31,116.88	266,116.88
08/01/2033	-	-	-	-	-	26,475.63	26,475.63
02/01/2034	-	-	-	195,000.00	3.950%	26,475.63	221,475.63
08/01/2034	-	-	-	-	-	22,624.38	22,624.38
02/01/2035	-	-	-	200,000.00	3.950%	22,624.38	222,624.38
08/01/2035	-	-	-	-	-	18,674.38	18,674.38
02/01/2036	-	-	-	205,000.00	4.200%	18,674.38	223,674.38
08/01/2036	-	-	-	-	-	14,369.38	14,369.38
02/01/2037	-	-	-	195,000.00	4.200%	14,369.38	209,369.38
08/01/2037	-	-	-	-	-	10,274.38	10,274.38
02/01/2038	-	-	-	150,000.00	4.200%	10,274.38	160,274.38
08/01/2038	-	-	-	-	-	7,124.38	7,124.38
02/01/2039	-	-	-	155,000.00	4.200%	7,124.38	162,124.38
08/01/2039	-	-	-	-	-	3,869.38	3,869.38
02/01/2040	-	-	-	160,000.00	4.200%	3,869.38	163,869.38
08/01/2040	-	-	-	-	-	509.38	509.38
02/01/2041	-	-	-	25,000.00	4.075%	509.38	25,509.38
Total	**$3,435,000.00**	**$7,002.16**	**$3,442,002.16**	**$3,435,000.00**	-	**$1,310,362.60**	**$4,745,362.60**

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	2/20/2022
Average Life	9.499 Years
Average Coupon	3.9945205%
Weighted Average Maturity (Par Basis)	9.499 Years
Weighted Average Maturity (Original Price Basis)	9.495 Years

Refunding Bond Information

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

EXHIBIT E

Financial Statements

McCreary County Water District
Balance Sheet
As of December 31, 2021

			Dec 31, 21
ASSETS			
Current Assets			
Checking/Savings			
126 · SINKING FUNDS			
FMHA SINKING FUND		92,333.89	
KIA SINKING FUND		28,173.45	
KRW-SINKING FUND		3,971.48	
KRW SINKING #2		12,393.75	
KRW Sinking #3		14,062.30	
Regions 2012D		239,882.84	
Regions 2013B		123,160.98	
Regions 2020E		77,714.54	
Total 126 · SINKING FUNDS			591,693.23
132 · SPECIAL DEPOSITS			
BBT Escrow		1,723.91	
Deposit Account		43,158.73	
Health Insurance-FSA Accoun		23,514.93	
KIA Depreciation		45,086.89	
O & M DEPRECIATION		40,636.91	
Payment Service Network		42,924.36	
PSN DEPOSIT PMT ACCT		1,046.73	
PSN MISC PAYMENT ACCOUNT 46406		1,326.81	
R D DEPRECIATION		16,992.43	
Stearns to Smithtown 3409		25,692.43	
UTILITY PAYMENT ACCOUNT		2,644.58	
Water Plant Phase II 7024776		62,721.80	
Water Capital Improvement 41507		190,006.81	
Total 132 · SPECIAL DEPOSITS			497,477.32
134 · WORKING FUND			
Bank of McCreary County O & M		99,865.79	
Bank of McCreary County Revenue		71,229.75	
Total 134 · WORKING FUND			171,095.54
Total Checking/Savings			1,260,266.09
Other Current Assets			
ACCOUNTS AND NOTES RECEIVABLE			
CUSTOMER ACCOUNT RECEIVABLE			
Allowance For Doubtfull Accoun	-225,500.00		
CUSTOMER ACCOUNT RECEIVABLE - Othe	648,813.49		
Total CUSTOMER ACCOUNT RECEIVABLE		423,313.49	
NR TAPS & EXTENSIONS		12,781.47	
Project Receivable			
Marsh Creek	43,516.88		
Stearns to Smithtown	54,838.92		
Total Project Receivable		98,355.80	
Rent Receivable		2,818.80	
RETURNED CHECKS		119.05	
UNBILLED REVENUE		234,311.30	
Total ACCOUNTS AND NOTES RECEIVABLE			771,699.91
131 · CASH			
CASH ON HAND		800.00	
PETTY CASH FUND		200.00	
Total 131 · CASH			1,000.00

Cash Basis. General Journal entries to be made

		Dec 31, 21
145 · NOTES RECEIVABLE SEWER		
2020E	6,259.39	
941	5,176.29	
Adm Accrued Vac/Sick	5,998.56	
Adm GASB	7,849.74	
Administrative Payroll	647,885.00	
EMPLOYEE INSURANCE	52,795.56	
INSURANCE	11,327.23	
Loan	10,000.00	
Other	2,057.04	
Revelo to Stearns	181,405.20	
SALARIES & WAGES		
RETIREMENT	366,903.56	
Total SALARIES & WAGES	366,903.56	
Unemployment	592.32	
Williamsburg Street 25% Match	204,590.39	
Workers Compensation	18,117.49	
145 · NOTES RECEIVABLE SEWER - Other	-2,000.00	
Total 145 · NOTES RECEIVABLE SEWER		1,518,957.77
151 · MATERIALS AND SUPPLIES		114,090.33
162 · PREPAYMENTS		
INSURANCE	1,131.63	
Total 162 · PREPAYMENTS		1,131.63
Total Other Current Assets		2,406,879.64
Total Current Assets		3,667,145.73
Fixed Assets		
Unamortized LOSS on Meters No I		
Accumulated Amortizatior	-139,973.48	
Unamortized LOSS on Meters No I - Other	215,345.00	
Total Unamortized LOSS on Meters No		75,371.52
101 · UTILITY PLANT		
Telemetry Equip	84,888.00	
303 · LAND AND LAND RIGHTS	430,269.46	
304 · STRUCTURE AND IMPROVEMENTS	12,360,575.21	
305 · COLLECTING RESERVOIRS	678,634.00	
306 · LAKE & OTHER INTAKES	11,360.00	
309 · SUPPLY MAINS	86,114.00	
310 · Power Generator Equipment	225,000.00	
311 · PUMPING EQUIPMENT	1,651,453.74	
313 · LAKE , RIVER AND OTHER INPUT	3,070,460.59	
320 · WATER TREATMENT EQUIF	3,246,627.97	
330 · DISTRIBUTION STANDPIPES	3,385,134.14	
331 · TRANS AND DIST MAINS	14,300,661.14	
333 · SERVICES	1,344,171.75	
334 · METERS/METER INST	938,939.44	
335 · HYDRANTS	230,503.67	
339 · OTHER PLANT AND MISC EQUIF	979,539.15	
340 · OFFICE FURNITURE AND FIXTURES	137,891.53	
341 · TRANSPORTATION EQUIPMENT	358,430.28	
343 · TOOLS, SHOP AND GARAGE EQUIF	49,552.18	
344 · LABORATORY EQUIPMENT	78,000.00	
345 · POWER OPERATED EQUIPMENT	549,957.14	
Total 101 · UTILITY PLANT		44,198,163.39

			Dec 31, 21
105 · Work In Process			
Marsh Creek to Hwy 92		483,531.66	
Marsh Creek Waterline Replaceme		44,238.76	
Marshes Creek		40,600.00	
Stearns to Smithtown		2,260,993.03	
Total 105 · Work In Process			2,829,363.45
108 · A/D UTILITY PLANT			-20,144,938.90
Total Fixed Assets			26,957,959.46
Other Assets			
DEFERRED OUTFLOWS OF RESOURCES			382,698.65
Deferred Outflows OPEB			377,986.00
Total Other Assets			760,684.65
TOTAL ASSETS			**31,385,789.84**
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Other Current Liabilities			
CURRENT PORTION OF LONG TERM DE			
Govt Capital (BBT)		71,665.48	
232 · CURRENT PORTION BONDS			
2013B 1,415,000	100,000.00		
93-38 Stearns $1324000	20,000.00		
Kia F04-03	76,365.08		
RD 2012D (3,205,000)	105,000.00		
RD 91-33 !,300,000	24,000.00		
RD 91-355 $635,000	12,500.00		
RD 93-37 $1,1158,000	17,500.00		
Total 232 · CURRENT PORTION BONDS		355,365.08	
Total CURRENT PORTION OF LONG TERM DE			427,030.56
Deferred Revenue			
Prepaid Tap Fee		2,400.00	
Rent		12,618.67	
Total Deferred Revenue			15,018.67
Due to Sewer (2012D Bond Issue			86,806.90
Govt Capital Corp Current Port			1,605.00
Implicit Subsidy OPEB			20,100.00
MISC CURRENT & ACCRUED LIABILIT			
ACCR VAC, SICK & RELATED LIAE		95,328.97	
Total MISC CURRENT & ACCRUED LIABILIT			95,328.97
Unrecognized Acturial (Gain)Los			15,574.00
2100 · Payroll Liabilities			
Child Support		30.69	
McCreary County Tax W/H		4,768.59	
RETIREMENT PAYABLE			
Retirement Employer	32,270.12		
RETIREMENT PAYABLE - Other	6,569.28		
Total RETIREMENT PAYABLE		38,839.40	
STATE INCOME TAX WITHHELD		2,779.03	
Total 2100 · Payroll Liabilities			46,417.71

	Dec 31, 21		
231 · ACCOUNTS PAYABLE			
ACCOUNTS PAYABLE			
insurance payable	6,080.29		
ACCOUNTS PAYABLE - Other	117,081.56		
Total ACCOUNTS PAYABLE		123,161.85	
Construction Accts Payable			
Marsh Creek	262.50		
Total Construction Accts Payable		262.50	
Total 231 · ACCOUNTS PAYABLE			123,424.35
235 · CUSTOMER DEPOSITS			17,411.55
237 · ACCRUED INTEREST			
BBT		8,142.95	
BONDS			
2012D	47,435.63		
2013B	11,374.38		
2020E Bond	10,263.99		
91-33 $1,300,000	5,407.88		
91-35 $635,000	2,626.29		
93-37 1,158,000	6,851.99		
93-38 Stearns 1324000	4,538.78		
KIA F04-06	354.06		
Total BONDS		88,853.00	
Total 237 · ACCRUED INTEREST			96,995.95
241 · TAX COLLECTIONS PAYABLE			
SALES TAX PAYABLE		1,748.51	
SCHOOL UTILITY TAX		3,151.12	
Total 241 · TAX COLLECTIONS PAYABLE			4,899.63
Total Other Current Liabilities			950,613.29
Total Current Liabilities			950,613.29
Long Term Liabilities			
DEFERRED INFLOWS OF REVENUES			151,078.88
Deferred Inflows of Revenues OF			200,719.00
Net Pension Liability			2,810,735.97
Net pension liability OPEB			821,543.00
Reoffering Premium			61,875.23
221 · BONDS			
KY Rural Water 2020E		1,479,537.34	
RD Loan Water Plant Upgrade Ser			
Less Current Portion	-24,000.00		
RD Loan Water Plant Upgrade Ser - Other	1,154,000.00		
Total RD Loan Water Plant Upgrade Ser		1,130,000.00	
RD Series 2012 D Bond			
Less Current Portion 2012D	-105,000.00		
RD Series 2012 D Bond - Other	2,395,000.00		
Total RD Series 2012 D Bond		2,290,000.00	
Series 2019 Bond			
Less Current Portion	-20,000.00		
Series 2019 Bond - Other	1,304,000.00		
Total Series 2019 Bond		1,284,000.00	

	Dec 31, 21		
USDA Water Upgrade 91-35			
Less Current Portion	-12,500.00		
USDA Water Upgrade 91-35 - Other	542,500.00		
Total USDA Water Upgrade 91-35		530,000.00	
Water Plant Upgrade 2015 93-37			
Less Current Portion	-17,500.00		
Water Plant Upgrade 2015 93-37 - Other	1,091,000.00		
Total Water Plant Upgrade 2015 93-37		1,073,500.00	
2013 · 2013B			
Less Current Portion	-100,000.00		
2013 · 2013B - Other	660,000.00		
Total 2013 · 2013B		560,000.00	
221 · BONDS - Other		524,131.66	
Total 221 · BONDS			8,871,169.00
224 · OTHER LONG TERM DEBT			
Government Capital Corp (BBT			
Less Current Portion	-71,665.48		
Government Capital Corp (BBT) - Other	590,109.54		
Total Government Capital Corp (BBT		518,444.06	
KIA Fund F			
Less Current Portion	-76,365.08		
KIA Fund F - Other	353,228.18		
Total KIA Fund F		276,863.10	
Total 224 · OTHER LONG TERM DEBT			795,307.16
Total Long Term Liabilities			13,712,428.24
Total Liabilities			14,663,041.53
Equity			
Invested in capital assets, net			17,247,360.62
Restricted for debt service and			525,175.53
3900 · Retained Earnings			-1,097,399.92
Net Income			47,612.08
Total Equity			16,722,748.31
TOTAL LIABILITIES & EQUITY			31,385,789.84

McCreary County Water District
Profit & Loss
January through December 2021

		Jan - Dec 21
Ordinary Income/Expense		
Income		
METERED WATER REVENUE		
461.1 · RESIDENTUAL SALES		2,662,329.14
461.2 · COMMERCIAL SALES		270,679.01
461.3 · INDUSTRIAL SALES		50,563.02
461.4 · GOVERNMENTAL SALES		
SCHOOL SALES	50,681.11	
461.4 · GOVERNMENTAL SALES - Other	934,476.33	
Total 461.4 · GOVERNMENTAL SALES		985,157.44
METERED WATER REVENUE - Other		1,801.84
Total METERED WATER REVENUE		3,970,530.45
471 · MISCELLANEOUS SERVICE REVENUE		
Bad Debt Collections		4,177.07
Contract		1,933.89
Cost Estimate		2,625.00
INVOICE		61,862.88
MISC INCOME		206,771.23
Move Meter		3,577.50
RECONNECT FEES		38,700.00
Total 471 · MISCELLANEOUS SERVICE REVENUE		319,647.57
472 · RENT INCOME		
472.1 · Office Rent		21,600.00
472 · RENT INCOME - Other		33,918.98
Total 472 · RENT INCOME		55,518.98
Total Income		4,345,697.00
Gross Profit		4,345,697.00
Expense		
TAXES OTHER THAN INCOME		
408.12 · PAYROLL TAX		81,448.01
Total TAXES OTHER THAN INCOME		81,448.01
403 · DEPRECIATION		1,092,600.96
407 · AMORTIZATION Meters		43,068.84
601 · SALARIES & WAGES-EMPLOYEES		1,052,490.76
603 · SALARIES & WAGES-OFFICER,COMMIS		27,600.00
604 · EMPLOYEE PENSIONS & BENEFITS		
Empoyee Insurance		278,904.56
Medical		754.45
Payroll Expenses (Uniform)		9,224.77
RETIREMENT		
GASB 68 Retirement	164,089.20	
OPEB Retirement Expense	33,844.20	
RETIREMENT - Other	244,954.89	
Total RETIREMENT		442,888.29
604 · EMPLOYEE PENSIONS & BENEFITS - Other		1,344.67
Total 604 · EMPLOYEE PENSIONS & BENEFITS		733,116.74
615 · PURCHASED POWER		339,662.63
618 · CHEMICALS		142,488.87
620 · MATERIALS & SUPPLIES		345,368.07

		Jan - Dec 21
632 · CONTRACTUAL SERVICES-ACCT		41,455.56
633 · CONTRACTUAL SERVICES- LEGAL		85,743.13
634 · CONTRACTUAL SERVICES-MGT FEES		1,112.74
635 · CONTRACTUAL SERVICES WATER TEST		1,762.40
636 · CONTRACTUAL SERVICES OTHER		396,689.20
650 · TRANSPORTATION EXPENSES		88,578.31
657 · INSURANCE GENL LIABILITY		33,308.09
658 · INSURANCE WORKERS COMP		11,782.94
659 · INSURANCE OTHER		29,276.03
660 · ADVERTISING EXPENSE		16,005.36
665 · UTILITY REGULATORY ASSESS FEE		10,368.30
675 · MISCELLANEOUS EXPENSE		
675.2 · Utility		
675.21 · Gas	13,580.81	
675.22 · Water/Sewer	576.85	
675.24 · Telephone	43,895.70	
675.25 · Garbage	3,767.20	
Total 675.2 · Utility		61,820.56
675 · MISCELLANEOUS EXPENSE - Other		34,661.25
Total 675 · MISCELLANEOUS EXPENSE		96,481.81
Total Expense		4,670,408.75
Net Ordinary Income		-324,711.75
Other Income/Expense		
Other Income		
Questions Income		40,950.00
414 · Gain on Sell of Equipment/Vehic		7,031.00
419 · Interest & Dividend Inc		
INTEREST INCOME	5,089.46	
Total 419 · Interest & Dividend Inc		5,089.46
432 · Proceeds from Capital Contribut		
GRANT	97,240.66	
SYSTEM DEVELOPMENT CHARGE - TAF	52,000.00	
SYSTEM DEVELOPMENT CHARGE LINE	31,797.18	
432 · Proceeds from Capital Contribut - Other	401,765.44	
Total 432 · Proceeds from Capital Contribu		582,803.28
Total Other Income		635,873.74
Other Expense		
427.3 · INTEREST ON LONG TERM DEBT		
2012D	93,322.50	
2013 B Interest	21,348.76	
2020E Bond	38,322.11	
91-33	21,646.86	
91-35	10,504.68	
93-37	27,493.75	
93-38	18,067.50	
Govt Capital (BBT)	28,721.36	
Kia	4,105.50	
Total 427.3 · INTEREST ON LONG TERM DEBT		263,533.02

	Jan - Dec 21
427.4 · INTEREST ON CUSTOMER DEPOSITS	16.89
Total Other Expense	263,549.91
Net Other Income	372,323.83
Net Income	**47,612.08**

MCCREARY CO WATER DISTRICT SEWER SYSTEM
Balance Sheet
As of December 31, 2021

		Dec 31, 21
ASSETS		
Current Assets		
Checking/Savings		
McCreary Co Sewer Capital Imprc		67,554.60
131A · SINKING FUND		79,429.13
131B · SPECIAL DEPOSITS		
Sanitary Sewer Extension Projec	268.94	
Total 131B · SPECIAL DEPOSITS		268.94
131C · WORKING FUND		
O & M FUND	78,052.95	
REVENUE FUND	18,720.12	
Total 131C · WORKING FUND		96,773.07
Total Checking/Savings		244,025.74
Other Current Assets		
KRW Sinking #2 Due from Water		183,713.15
UNBILLED REVENUE		92,949.18
141 · CUSTOMER ACCOUNTS RECEIVABLE		
Allowance For Doubtful Accounts	-59,460.00	
141 · CUSTOMER ACCOUNTS RECEIVABLE - Othe	247,233.07	
Total 141 · CUSTOMER ACCOUNTS RECEIVABLE		187,773.07
143 · OTHER ACCOUNTS RECEIVABLE		7,341.94
Total Other Current Assets		471,777.34
Total Current Assets		715,803.08
Fixed Assets		
CONSTRUCTION WORK IN PROGRESS		
Sanitary Sewer Extensions Proje	1,616,435.82	
Total CONSTRUCTION WORK IN PROGRESS		1,616,435.82
110 · ACCUMULATED DEPRECIATION		-9,167,855.16
305 · COLLECTION SEWER-FORCE		7,185,569.73
311 · STRUCTURES AND IMPROVEMENTS		10,108,729.56
354 · SERVICES TO CUSTOMERS		1,490,888.97
355 · FLOW MEASURING DEVICES		8,000.00
363 · PUMPING EQUIPMENT DIESEL		40,238.20
363A · PUMPING EQUIPMENT ELECTRIC		253,663.08
376 · LABORATORY EQUIPMENT		7,403.86
391 · OFFICE FURNITURE AND EQUIP		5,777.93
392 · TRANSPORTATION EQUIPMENT		119,259.00
393 · OTHER GENERAL EQUIPMENT		15,459.97
Total Fixed Assets		11,683,570.96
Other Assets		
DEFERRED OUTFLOWS OF RESOURCES		85,741.39
Deferred Outlfow of Resources C		86,043.00
150 · Inventory-MATERIALS & SUPPLIES		50,508.87
Total Other Assets		222,293.26
TOTAL ASSETS		**12,621,667.30**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
Current Portion Bond		
2012D	50,000.00	
Total Current Portion Bonc		50,000.00

Cash Basis. General Journal entries to be made

		Dec 31, 21
Implicit subsidy OPEB		4,636.00
N/P MCCREARY COUNTY WATER		
Accr Vac/Sick Admin	5,998.56	
Admin Gasb 68	7,849.74	
Due To Water 25% Williamsburg M	204,590.39	
Empl Insurance	52,795.56	
Insurance	11,327.23	
Loan	10,000.00	
N/P Water 2020E	6,259.39	
OTHER	592.02	
Payroll admin	647,885.00	
Retirement	366,903.56	
Revelo to Stearns	181,405.20	
Sales Tax	2,057.34	
Workers Compensation	18,117.49	
941 · Pd by Water	5,176.29	
N/P MCCREARY COUNTY WATER - Other	-2,000.00	
Total N/P MCCREARY COUNTY WATER		1,518,957.77
Unrecognized (Gain) Loss		4,675.00
2100 · Payroll Liabilities		
Kentucky W/H	605.51	
McCreary Co	834.46	
Retirement Employer	5,033.41	
Retirement W/H	10,447.92	
2100 · Payroll Liabilities - Other	2,640.96	
Total 2100 · Payroll Liabilities		19,562.26
232 · ACCOUNTS PAYABLE		43,103.45
236A · TAXES ACCRUED		
SALES	1,288.78	
SCHOOL	1,310.94	
Total 236A · TAXES ACCRUED		2,599.72
237 · INTEREST ACCRUED		
2012D	23,745.88	
2020E	1,559.82	
United Cumberland Bank	979.17	
Total 237 · INTEREST ACCRUED		26,284.87
238 · MISC CURRENT/ACCR LIAB		
Accrued Compensation	39,142.79	
Total 238 · MISC CURRENT/ACCR LIAB		39,142.79
Total Other Current Liabilities		1,708,961.86
Total Current Liabilities		1,708,961.86
Long Term Liabilities		
2020E		225,462.66
Bond Payable 2012D		
Less Current Portion 2012D	-50,000.00	
Bond Payable 2012D - Other	1,250,000.00	
Total Bond Payable 2012D		1,200,000.00
Deferred Inflows of Res OPEB		45,092.00
DEFERRED INFLOWS OF Resources		34,143.16

	Dec 31, 21
KIA Loan Sanitary Sewer Extens	1,616,375.82
Net OPEB LIABILITY	186,350.00
Net Pension Liability	644,318.43
Note Payable United Cumberlanc	65,000.00
Reoffering Premium	10,542.77
Total Long Term Liabilities	4,027,284.84
Total Liabilities	5,736,246.70
Equity	
INVESTMENT IN CAPITAL ASSETS	9,501,690.55
RESTRICTED FOR BOND & INTEREST	49,195.73
UNRESTRICTED	-317,575.13
3900 · Retained Earnings	-1,970,398.19
Net Income	-377,492.36
Total Equity	6,885,420.60
TOTAL LIABILITIES & EQUITY	12,621,667.30

MCCREARY CO WATER DISTRICT SEWER SYSTEM
Profit & Loss
January through December 2021

		Jan - Dec 21
Ordinary Income/Expense		
Income		
522.1 · RESIDENTIAL REVENUES		388,146.19
522.2 · COMMERCIAL REVENUES		200,674.20
522.3 · INDUSTRIAL REVENUE		46,283.07
522.4 · GOVERNMENTAL REVENUES		
EDUCATIONAL	168,314.37	
522.4 · GOVERNMENTAL REVENUES - Other	557,722.97	
Total 522.4 · GOVERNMENTAL REVENUES		726,037.34
526 · MISCELLANEOUS SEWAGE REVENUES		22,404.97
Total Income		1,383,545.77
Gross Profit		1,383,545.77
Expense		
DEPRECIATION		533,165.16
Questions-expense		2,249.05
WAGES		203,598.56
236 · PAYROLL TAXES		15,961.62
6560 · Payroll Expenses		
Insurance	8,569.96	
6560 · Payroll Expenses - Other	5,556.56	
Total 6560 · Payroll Expenses		14,126.52
701A · COLLECTION LABOR, MATL EXP		63,224.18
703 · PURCHASED POWER		124,949.48
704 · CHEMICALS		145,303.50
712 · MAINTENANCE-COLLECTION SYSTEM		425.60
713 · MAINTENANCE-PUMPIMG SYSTEM		333,348.25
715 · MAINTENANCE OF GENERAL PLANT		31,772.74
921 · OFFICE AND OTHER EXPENSES		28,088.48
923 · OUTSIDE SERVICES EMPLOYEED		112,348.37
924 · Insurance		675.57
926 · EMPLOYEE PENSIONS & BENEFITS		
Gasb 68 Expense	45,410.04	
OPEB Expense	9,366.96	
Retirement	61,466.49	
Uniforms	2,074.65	
926 · EMPLOYEE PENSIONS & BENEFITS - Other	4,700.00	
Total 926 · EMPLOYEE PENSIONS & BENEFITS		123,018.14
929 · TRANSPORTATION EXPENSE		50,491.09
930 · MISCELLANEOUS GENERAL EXPENSE		8,254.23
Total Expense		1,791,000.54
Net Ordinary Income		-407,454.77
Other Income/Expense		
Other Income		
Contributed Capital Tap Fee		36,000.00
INTEREST INCOME		1,169.98
Total Other Income		37,169.98
Other Expense		
INTEREST EXPENSE		
2020E	6,172.13	
Total INTEREST EXPENSE		6,172.13

Cash Basis. General Journal entires to be made

	Jan - Dec 21
United Cumberland	1,035.44
Total Other Expense	7,207.57
Net Other Income	29,962.41
Net Income	-377,492.36

McCREARY COUNTY WATER DISTRICT
WATER AND SEWER DIVISIONS
COMBINED STATEMENTS OF NET POSITION
DECEMBER 31, 2020 and 2019

	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 329,956	$ 268,058
Unbilled revenues	327,260	292,607
Accounts receivable	550,858	383,580
Other receivables	53,678	44,525
Inventory	164,599	134,164
Prepaid expenses	1,132	17,556
Total current assets	1,427,483	1,140,490
Non-current assets:		
Restricted assets:		
Cash and cash equivalents	380,833	343,969
Investments	381,886	354,178
Capital assets:		
Utility plant	63,361,437	63,112,598
Less accumulated depreciation	(27,687,028)	(26,061,117)
Construction in process	1,854,961	701,179
Total non-current assets	38,292,089	38,450,807
Deferred Outflows of Resources:		
Deferred outflows - OPEB	443,463	280,688
Deferred outflows - pension	409,763	541,414
Total deferred outflows	853,226	822,102
Total assets and deferred outflows of resources	$ 40,572,798	$ 40,413,399
LIABILITIES		
Current liabilities:		
Accounts payable	$ 166,527	$ 326,345
Accrued interest	123,281	131,668
Taxes payable	24,440	18,651
Other accrued liabilities	197,983	210,036
Customer deposits	39,511	37,385
Notes payable - current	71,665	563,945
Revenue bonds - current portion	405,365	405,607
Total current liabilities	1,028,772	1,693,637
Non-current liabilities:		
Revenue bonds - net current portion	10,469,728	9,018,593
Notes payable	652,389	1,176,973
Net OPEB liability	1,007,893	743,912
Net pension liability	3,202,344	3,111,418
Total non-current liabilities	15,332,354	14,050,896
Total liabilities	16,361,126	15,744,533
Deferred Inflows of Resources		
Deferred inflows - OPEB	225,244	281,476
Deferred inflows - pension	126,546	106,800
Total deferred inflows	351,790	388,276
NET POSITION		
Invested in capital assets, net of related debt	25,930,223	26,587,542
Restricted for debt service and construction	762,719	698,147
Unrestricted	(2,833,060)	(3,005,099)
Total net position	23,859,882	24,280,590
Total liabilities, deferred inflows of resources and net position	$ 40,572,798	$ 40,413,399

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

McCREARY COUNTY WATER DISTRICT
WATER AND SEWER DIVISIONS
COMBINED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2020 and 2019

	2020	2019
Operating revenues		
Residential sales	$ 2,884,899	$ 2,651,157
Commercial sales	450,965	420,078
Industrial sales	100,777	11,258
Governmental sales	1,492,531	1,233,977
Other sales	202,433	143,362
Total operating revenues	5,131,605	4,459,832
Operating expenses		
General and administrative costs	379,685	203,604
Payroll and related expenses	2,483,862	2,669,581
Repairs and maintenance	251,626	195,657
Other supplies and expenses	1,108,792	1,210,242
Depreciation and amortization	1,625,911	1,621,786
Total operating expenses	5,849,876	5,900,870
Operating loss	(718,271)	(1,441,038)
Nonoperating revenues (expenses)		
Interest income	11,982	13,376
Other income	108,769	203,118
Gain on sale of fixed assets	-	4,200
Interest expense	(315,709)	(351,232)
Net nonoperating expenses	(194,958)	(130,538)
Loss before contributions	(913,229)	(1,571,576)
Capital grants received	492,521	33,854
Change in net position	(420,708)	(1,537,722)
Total net position beginning of year	24,280,590	25,818,312
Total net position end of year	$ 23,859,882	$ 24,280,590

The accompanying notes are an integral part of the financial statements

McCREARY COUNTY WATER DISTRICT
WATER AND SEWER DIVISIONS
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash Flows from Operating Activities		
Cash received from customers	$ 4,920,521	$ 4,350,711
Operating expenses:		
General and administrative	(379,685)	(203,604)
Payroll and related expenses	(2,196,565)	(2,294,720)
Repairs and maintenance	(251,626)	(195,657)
Other supplies and expenses	(1,286,759)	(971,315)
Net cash provided by operating activities	805,886	685,415
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(1,402,621)	(807,869)
Proceeds from sale of capital assets	-	4,200
Principal paid on debt	(2,724,971)	(461,412)
Proceeds from debt borrowings	3,159,000	517,918
Interest paid on debt	(324,096)	(349,757)
Capital contributions	492,521	33,854
Net cash used in capital and related financing activities	(800,167)	(1,063,066)
Cash Flows from Investing Activities		
Interest income from investments	11,982	13,396
Other cash receipts	108,769	203,118
Net cash provided by investing activities	120,751	216,514
Net increase (decrease) in cash, cash equivalents, and restricted cash	126,470	(161,137)
Cash, cash equivalents, and restricted cash at beginning of year	966,205	1,127,342
Cash, cash equivalents, and restricted cash at end of year	$ 1,092,675	$ 966,205
Unrestricted cash and cash equivalents	$ 329,956	$ 268,058
Restricted cash and cash equivalents	762,719	698,147
Total cash and cash equivalents, at end of year	$ 1,092,675	$ 966,205

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

McCREARY COUNTY WATER DISTRICT
WATER AND SEWER DIVISIONS
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$ (718,271)	$ (1,441,038)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	1,625,911	1,621,786
Bad debt expense	66,160	-
Change in assets and liabilities:		
Increase in receivables	(277,244)	(109,121)
(Increase) decrease in inventories	(30,435)	15,069
Decrease in prepaids	16,424	5,088
(Decrease) increase in accounts payable	(159,818)	169,897
Increase in customer deposits	2,126	2,150
(Decrease) increase in accrued expenses	(6,264)	46,723
Increase in net OPEB obligation	44,974	11,770
Increase in net pension obligation	242,323	363,091
Net cash provided by operating activities	$ 805,886	$ 685,415

EXHIBIT F

Notification to State Local Debt Officer

Rubin & Hays

ATTORNEYS AT LAW

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

January 13, 2022

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

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

Dear Commissioner Keene:

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

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

Very truly yours,

Rubin & Hays

By
W. Randall Jones

WRJ:jlm
Enclosures