

Preliminary

\$1,515,000

Kentucky Rural Water Finance Corporation
Public Projects Revenue Refunding Bonds
Lake Village Water Association

Debt Service Schedule

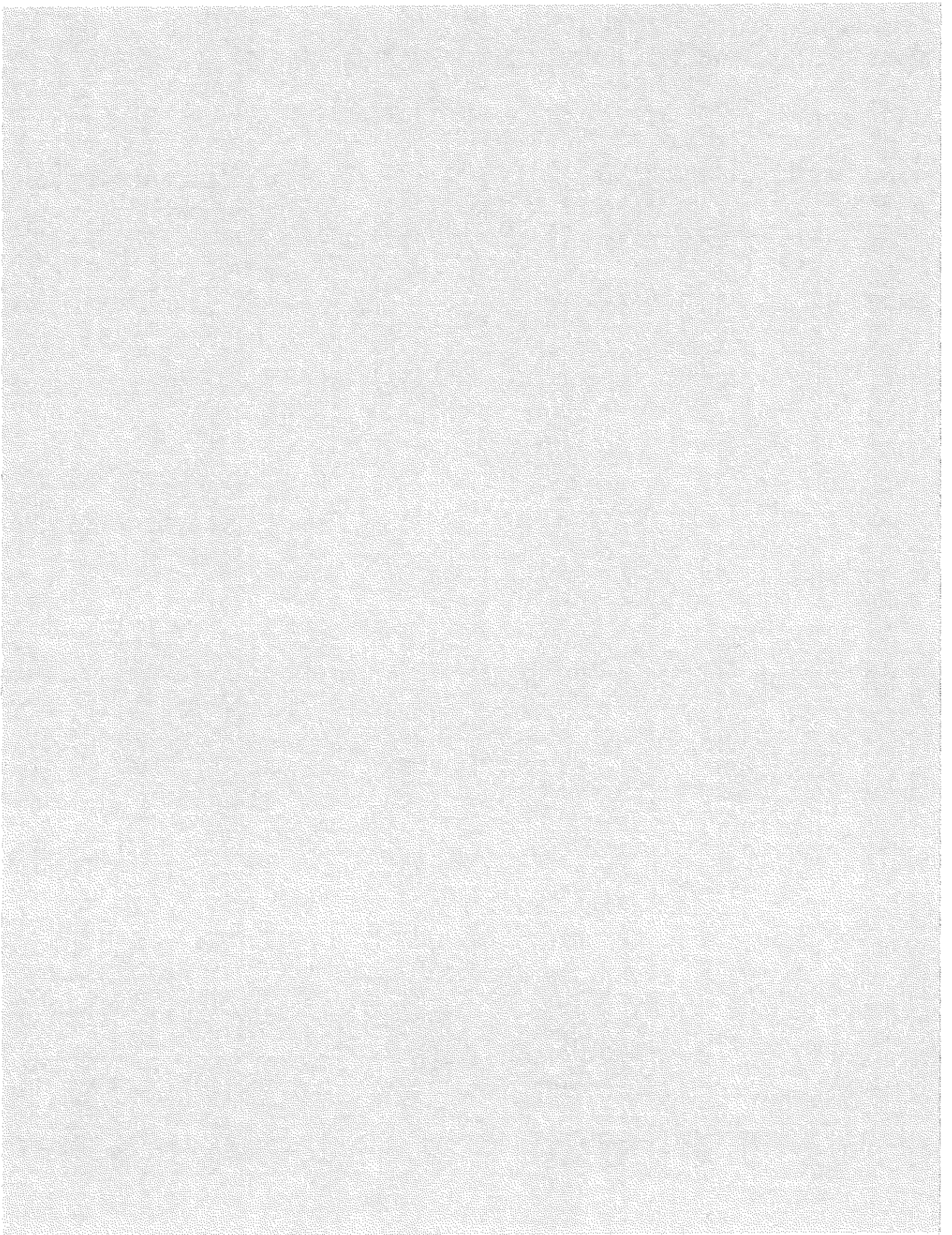
Date	Principal	Coupon	Interest	Total Pay	Fiscal Total
12/15/2014	-	-	-	-	-
06/15/2015	-	-	13,128.46	13,128.46	-
12/30/2015	-	-	-	-	31,318.46
07/31/2016	75,000.00	1.070%	26,345.50	101,345.50	-
04/31/2016	-	-	23,384.25	23,384.25	-
12/30/2016	-	-	-	-	127,359.71
02/01/2017	75,000.00	1.560%	25,844.25	100,844.25	-
04/01/2017	-	-	15,199.25	15,199.25	-
11/30/2017	-	-	-	-	126,343.50
01/30/2018	80,000.00	2.260%	15,199.25	105,199.25	-
04/01/2018	-	-	14,487.25	14,487.25	-
12/30/2018	-	-	-	-	129,884.50
03/01/2019	80,000.00	3.380%	14,487.25	104,487.25	-
04/01/2019	-	-	23,535.25	23,535.25	-
12/30/2019	-	-	-	-	138,022.50
03/31/2020	80,000.00	2.700%	13,515.25	103,515.25	-
04/01/2020	-	-	17,455.25	17,455.25	-
12/30/2020	-	-	-	-	123,599.50
01/31/2021	85,000.00	2.850%	12,455.25	107,455.25	-
04/31/2021	-	-	21,161.50	21,161.50	-
12/30/2021	-	-	-	-	118,456.75
01/01/2022	45,000.00	3.110%	11,201.50	106,201.50	-
04/01/2022	-	-	19,837.25	19,837.25	-
12/30/2022	-	-	-	-	118,038.75
01/01/2023	90,000.00	3.360%	19,837.25	109,837.25	-
04/01/2023	-	-	18,325.25	18,325.25	-
12/30/2023	-	-	-	-	118,183.50
01/01/2024	90,000.00	3.510%	18,325.25	108,325.25	-
04/01/2024	-	-	16,745.75	16,745.75	-
12/30/2024	-	-	-	-	121,071.00
01/01/2025	90,000.00	4.010%	16,745.75	111,745.75	-
04/01/2025	-	-	14,841.00	14,841.00	-
12/30/2025	-	-	-	-	116,516.75
01/01/2026	100,000.00	4.030%	14,841.00	114,841.00	-
04/01/2026	-	-	12,834.00	12,834.00	-
12/30/2026	-	-	-	-	117,677.00
01/01/2027	50,000.00	4.010%	12,834.00	87,834.00	-
04/01/2027	-	-	11,733.25	11,733.25	-
12/30/2027	-	-	-	-	73,569.25
01/01/2028	60,000.00	4.010%	11,733.25	71,733.25	-
04/01/2028	-	-	10,530.25	10,530.25	-
12/30/2028	-	-	-	-	81,283.50
01/01/2029	60,000.00	4.010%	10,530.25	70,530.25	-
04/01/2029	-	-	9,337.25	9,337.25	-
12/30/2029	-	-	-	-	78,857.50
01/01/2030	65,000.00	4.010%	9,337.25	74,337.25	-
04/01/2030	-	-	8,074.00	8,074.00	-
12/30/2030	-	-	-	-	82,351.25
01/01/2031	65,000.00	4.720%	8,074.00	73,074.00	-
04/01/2031	-	-	6,450.50	6,450.50	-
12/30/2031	-	-	-	-	79,514.00
01/01/2032	70,000.00	4.720%	6,450.50	76,490.00	-
04/01/2032	-	-	4,838.00	4,838.00	-
12/30/2032	-	-	-	-	81,388.00
01/01/2033	75,000.00	4.720%	4,838.00	79,838.00	-
04/01/2033	-	-	3,064.00	3,064.00	-
12/30/2033	-	-	-	-	82,304.00
01/01/2034	75,000.00	4.720%	3,064.00	78,068.00	-
04/01/2034	-	-	1,258.00	1,258.00	-
12/30/2034	-	-	-	-	79,356.00
01/01/2035	5,000.00	4.720%	1,258.00	6,298.00	-
04/01/2035	-	-	1,180.00	1,180.00	-
12/30/2035	-	-	-	-	7,478.00
01/01/2036	5,000.00	4.720%	1,180.00	6,180.00	-
04/01/2036	-	-	1,062.00	1,062.00	-
12/30/2036	-	-	-	-	7,241.00
01/01/2037	5,000.00	4.720%	1,062.00	6,012.00	-
04/01/2037	-	-	844.00	844.00	-
12/30/2037	-	-	-	-	7,006.00
01/01/2038	5,000.00	4.720%	844.00	5,844.00	-
04/01/2038	-	-	816.00	816.00	-
12/30/2038	-	-	-	-	6,720.00
01/01/2039	5,000.00	4.720%	816.00	5,826.00	-
04/01/2039	-	-	704.00	704.00	-
12/30/2039	-	-	-	-	6,534.00
01/01/2040	5,000.00	4.720%	704.00	5,704.00	-
04/01/2040	-	-	590.00	590.00	-
12/30/2040	-	-	-	-	6,198.00
01/01/2041	5,000.00	4.720%	590.00	5,590.00	-
04/01/2041	-	-	472.00	472.00	-
12/30/2041	-	-	-	-	6,062.00
01/01/2042	10,000.00	4.720%	472.00	10,472.00	-
04/01/2042	-	-	236.00	236.00	-
12/30/2042	-	-	-	-	10,704.00
01/01/2043	10,000.00	4.720%	236.00	10,236.00	-
12/30/2043	-	-	-	-	10,236.00
Total	\$1,515,000.00	-	\$133,463.41	\$1,348,463.41	-

Yield Statistics

Bond Year Dollars	\$15,878.58
Average Life	10.348 Years
Average Coupon	6.0403154%
Net Interest Cost (NIC)	4.1872331%
True Interest Cost (TIC)	4.1572087%
Bond Yield for Anonymous Purchaser	4.15544851%
All Inclusive Cost (AIC)	4.4262174%
IAS Form 8038	
Net Interest Cost	4.0403154%
Weighted Average Maturity	10.348 Years

Raymond James

Public Finance



Preliminary

\$1,515,000

Kentucky Rural Water Finance Corporation
Public Projects Revenue Refunding Bonds
Lake Village Water Association

Sources & Uses

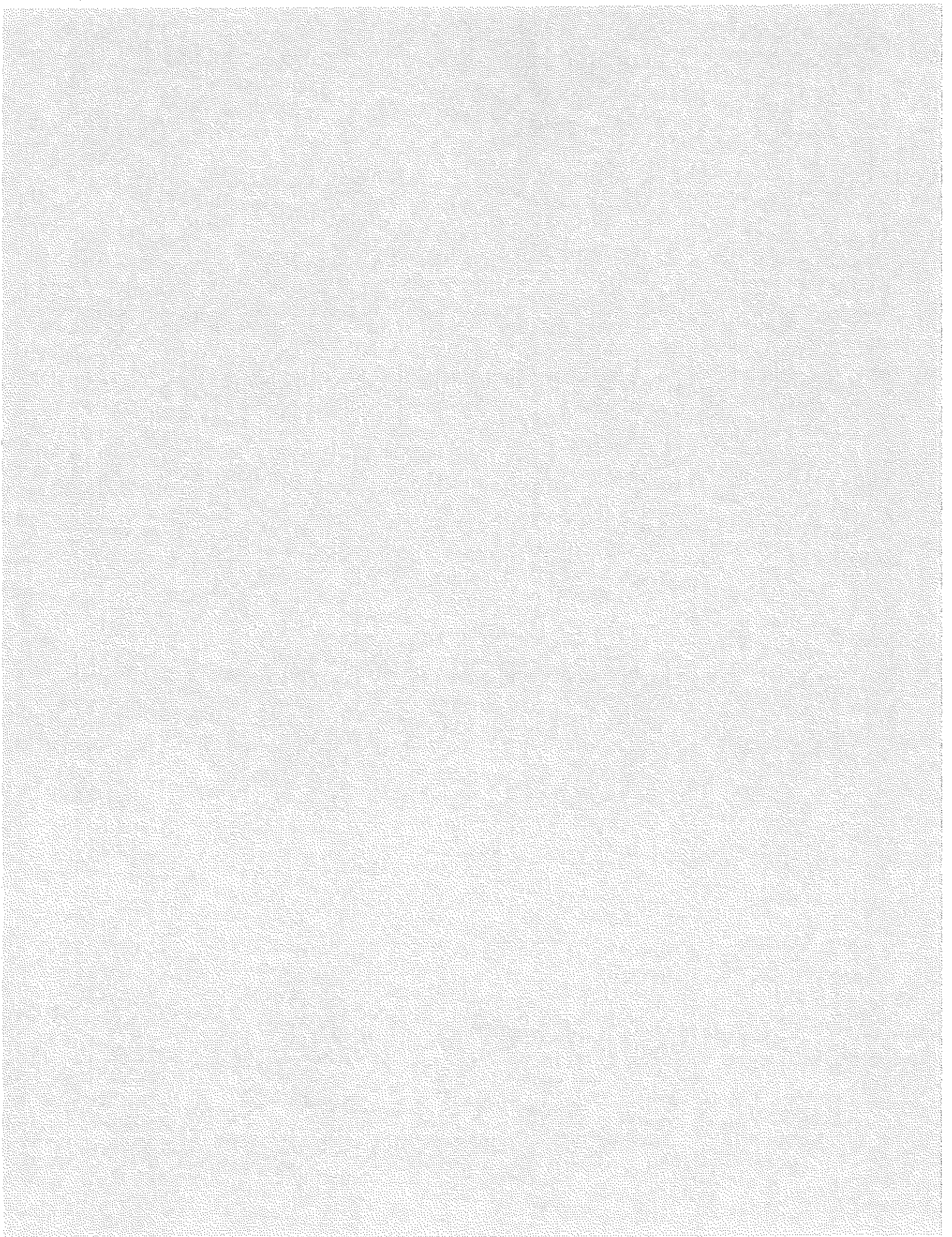
Dated 12/15/2014 | Delivered 12/15/2014

Sources Of Funds

Par Amount of Bonds	\$1,515,000.00
Transfers from Prior Issue Debt Service Funds	87,204.57
Total Sources	\$1,602,204.57

Uses Of Funds

Total Underwriter's Discount (1.500%)	22,725.00
Costs of Issuance	31,740.00
Deposit to Current Refunding Fund	1,543,586.42
Rounding Amount	4,153.15
Total Uses	\$1,602,204.57



Preliminary

\$1,515,000

Kentucky Rural Water Finance Corporation
Public Projects Revenue Refunding Bonds
Lake Village Water Association

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/30/2014	-	-	-	-
12/30/2015	33,128.46	33,128.46	136,198.25	103,069.79
12/30/2016	127,369.75	127,369.75	136,198.63	8,828.88
12/30/2017	126,383.50	126,383.50	136,198.15	9,814.65
12/30/2018	129,886.50	129,886.50	136,200.07	6,313.57
12/30/2019	128,022.50	128,022.50	136,198.30	8,175.80
12/30/2020	125,990.50	125,990.50	136,198.97	10,208.47
12/30/2021	128,656.75	128,656.75	136,200.52	7,543.77
12/30/2022	126,038.75	126,038.75	136,199.13	10,160.38
12/30/2023	128,162.50	128,162.50	136,198.72	8,036.22
12/30/2024	125,071.00	125,071.00	136,199.36	11,128.36
12/30/2025	126,586.75	126,586.75	136,198.38	9,611.63
12/30/2026	127,677.00	127,677.00	136,198.45	8,521.45
12/30/2027	79,569.25	79,569.25	90,498.01	10,928.76
12/30/2028	82,263.50	82,263.50	90,497.85	8,234.35
12/30/2029	79,857.50	79,857.50	90,498.14	10,640.64
12/30/2030	82,351.25	82,351.25	90,498.22	8,146.97
12/30/2031	79,514.00	79,514.00	90,497.97	10,983.97
12/30/2032	81,328.00	81,328.00	90,497.80	9,169.80
12/30/2033	82,906.00	82,906.00	90,498.59	7,592.59
12/30/2034	79,366.00	79,366.00	90,497.59	11,131.59
12/30/2035	7,478.00	7,478.00	16,816.65	9,338.65
12/30/2036	7,242.00	7,242.00	16,817.45	9,575.45
12/30/2037	7,006.00	7,006.00	16,816.80	9,810.80
12/30/2038	6,770.00	6,770.00	16,816.60	10,046.60
12/30/2039	6,534.00	6,534.00	16,816.60	10,282.60
12/30/2040	6,298.00	6,298.00	16,817.50	10,519.50
12/30/2041	6,062.00	6,062.00	16,816.90	10,754.90
12/30/2042	10,708.00	10,708.00	16,817.45	6,109.45
12/30/2043	10,236.00	10,236.00	16,816.60	6,580.60
12/30/2044	-	-	16,816.85	16,816.85
12/30/2045	-	-	16,817.50	16,817.50
12/30/2046	-	-	16,816.80	16,816.80
Total	\$2,148,463.46	\$2,148,463.46	\$2,560,174.80	\$411,711.34

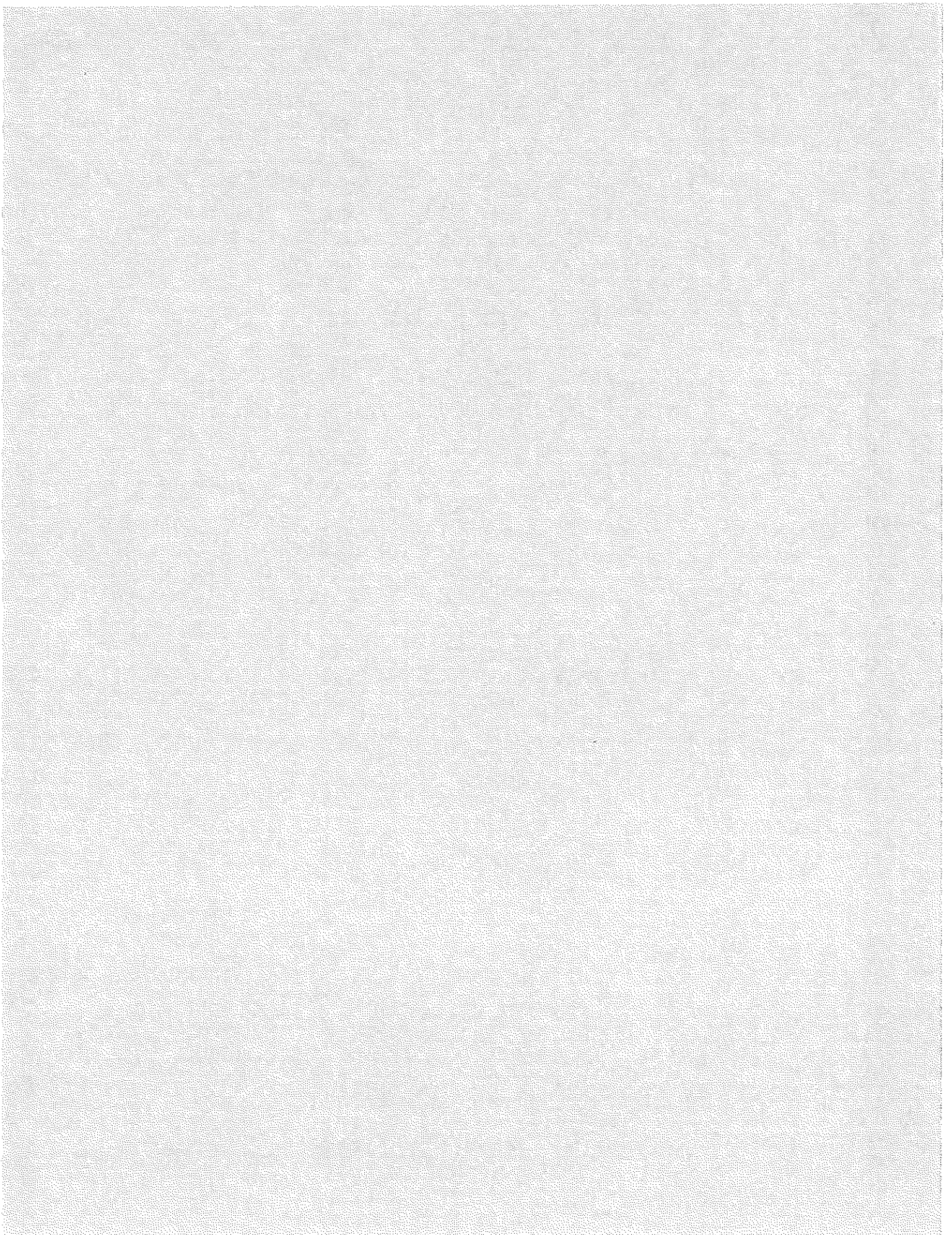
PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	411,711.34
Gross PV Debt Service Savings	221,547.57
Net PV Cashflow Savings @ 4.426%(AIC)	221,547.57
Transfers from Prior Issue Debt Service Fund	(78,736.14)
Contingency or Rounding Amount	3,749.84
Net Present Value Benefit	\$146,561.27
Net PV Benefit / \$1,486,766 Refunded Principal	9.858%
Net Future Value Benefit	\$336,725.04
Net PV Benefit / \$1,515,000 Refunding Principal	9.674%
Average Annual Cash Flow Savings	12,476.10

Refunding Bond Information

Refunding Dated Date	12/15/2014
Refunding Delivery Date	12/15/2014

Raymond James



Preliminary

\$825,000

Lake Village Water Association
Series 1992 (Loan 91-06)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+i
04/12/2015	17,890.00	5.500%	34,309.22	52,199.22
04/12/2016	18,874.00	5.500%	33,325.27	52,199.27
04/12/2017	19,912.00	5.500%	32,287.20	52,199.20
04/12/2018	21,008.00	5.500%	31,192.04	52,200.04
04/12/2019	22,163.00	5.500%	30,036.60	52,199.60
04/12/2020	23,382.00	5.500%	28,817.64	52,199.64
04/12/2021	24,668.00	5.500%	27,531.63	52,199.63
04/12/2022	26,025.00	5.500%	26,174.89	52,199.89
04/12/2023	27,456.00	5.500%	24,743.51	52,199.51
04/12/2024	28,966.00	5.500%	23,233.43	52,199.43
04/12/2025	30,559.00	5.500%	21,640.30	52,199.30
04/12/2026	32,240.00	5.500%	19,959.56	52,199.56
04/12/2027	34,013.00	5.500%	18,186.36	52,199.36
04/12/2028	35,884.00	5.500%	16,315.64	52,199.64
04/12/2029	37,857.00	5.500%	14,342.02	52,199.02
04/12/2030	39,940.00	5.500%	12,259.89	52,199.89
04/12/2031	42,136.00	5.500%	10,063.19	52,199.19
04/12/2032	44,454.00	5.500%	7,745.71	52,199.71
04/12/2033	46,899.00	5.500%	5,300.74	52,199.74
04/12/2034	49,478.00	5.500%	2,721.29	52,199.29
Total	\$623,804.00	-	\$420,186.13	\$1,043,990.13

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/15/2014
Average Life	11.572 Years
Average Coupon	5.5000005%
Weighted Average Maturity (Par Basis)	11.572 Years

Refunding Bond Information

Refunding Dated Date	12/15/2014
Refunding Delivery Date	12/15/2014

Preliminary

\$520,000

Lake Village Water Association

Series 1983 (Loan 91-05)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+i
02/13/2015	17,409.00	8.375%	28,291.84	45,700.84
02/13/2016	18,867.00	8.375%	26,833.84	45,700.84
02/13/2017	20,447.00	8.375%	25,253.72	45,700.72
02/13/2018	22,160.00	8.375%	23,541.29	45,701.29
02/13/2019	24,015.00	8.375%	21,685.39	45,700.39
02/13/2020	26,027.00	8.375%	19,674.13	45,701.13
02/13/2021	28,207.00	8.375%	17,494.37	45,701.37
02/13/2022	30,569.00	8.375%	15,132.03	45,701.03
02/13/2023	33,129.00	8.375%	12,571.88	45,700.88
02/13/2024	35,904.00	8.375%	9,797.33	45,701.33
02/13/2025	38,910.00	8.375%	6,790.37	45,700.37
02/13/2026	42,169.00	8.375%	3,531.65	45,700.65
Total	\$337,813.00	-	\$210,597.84	\$548,410.84

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/15/2014
Average Life	6.605 Years
Average Coupon	8.3750002%
Weighted Average Maturity (Par Basis)	6.605 Years

Refunding Bond Information

Refunding Dated Date	12/15/2014
Refunding Delivery Date	12/15/2014

Preliminary

\$345,000

Lake Village Water Association
Series 1994 B (Loan 91-07)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
04/12/2015	7,539.00	5.375%	13,942.59	21,481.59
04/12/2016	7,944.00	5.375%	13,537.37	21,481.37
04/12/2017	8,371.00	5.375%	13,110.38	21,481.38
04/12/2018	8,821.00	5.375%	12,660.44	21,481.44
04/12/2019	9,295.00	5.375%	12,186.31	21,481.31
04/12/2020	9,795.00	5.375%	11,686.70	21,481.70
04/12/2021	10,322.00	5.375%	11,160.22	21,482.22
04/12/2022	10,876.00	5.375%	10,605.41	21,481.41
04/12/2023	11,461.00	5.375%	10,020.83	21,481.83
04/12/2024	12,077.00	5.375%	9,404.80	21,481.80
04/12/2025	12,726.00	5.375%	8,755.66	21,481.66
04/12/2026	13,410.00	5.375%	8,071.64	21,481.64
04/12/2027	14,131.00	5.375%	7,350.85	21,481.85
04/12/2028	14,890.00	5.375%	6,591.31	21,481.31
04/12/2029	15,691.00	5.375%	5,790.97	21,481.97
04/12/2030	16,534.00	5.375%	4,947.58	21,481.58
04/12/2031	17,423.00	5.375%	4,058.88	21,481.88
04/12/2032	18,359.00	5.375%	3,122.39	21,481.39
04/12/2033	19,346.00	5.375%	2,135.60	21,481.60
04/12/2034	20,386.00	5.375%	1,095.75	21,481.75
Total	\$259,397.00		\$170,235.68	\$429,632.68

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/15/2014
Average Life	11.535 Years
Average Coupon	5.3750008%
Weighted Average Maturity (Par Basis)	11.535 Years

Refunding Bond Information

Refunding Dated Date	12/15/2014
Refunding Delivery Date	12/15/2014

Preliminary

\$284,000

Lake Village Water Association

Series 1997 (Loan 91-08)

Total Refunded Debt Service

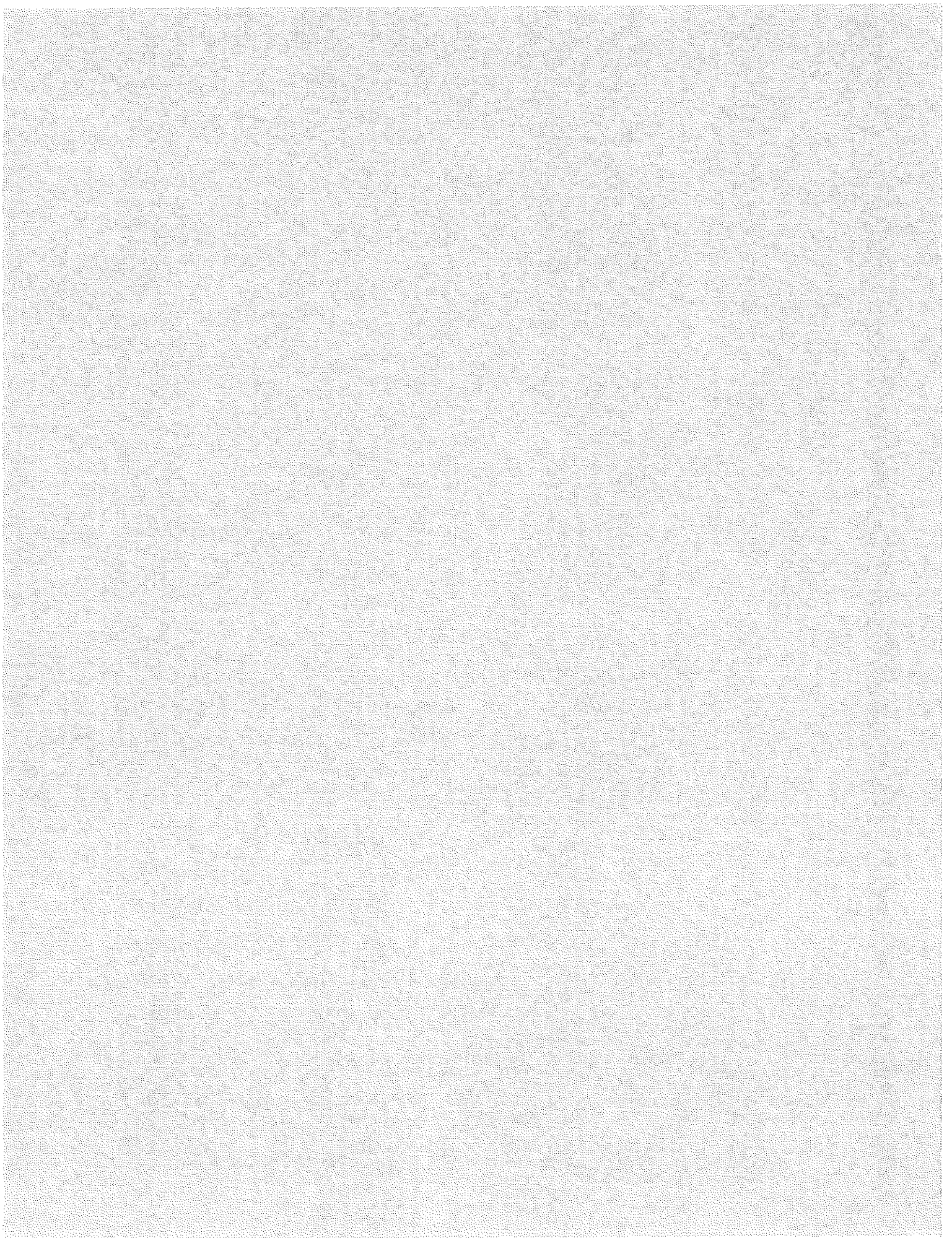
Date	Principal	Coupon	Interest	Total P+I
12/01/2015	3,529.00	5.000%	13,287.60	16,816.60
12/01/2016	3,706.00	5.000%	13,111.15	16,817.15
12/01/2017	3,891.00	5.000%	12,925.85	16,816.85
12/01/2018	4,086.00	5.000%	12,731.30	16,817.30
12/01/2019	4,290.00	5.000%	12,527.00	16,817.00
12/01/2020	4,504.00	5.000%	12,312.50	16,816.50
12/01/2021	4,730.00	5.000%	12,087.30	16,817.30
12/01/2022	4,966.00	5.000%	11,850.80	16,816.80
12/01/2023	5,214.00	5.000%	11,602.50	16,816.50
12/01/2024	5,475.00	5.000%	11,341.80	16,816.80
12/01/2025	5,749.00	5.000%	11,068.05	16,817.05
12/01/2026	6,036.00	5.000%	10,780.60	16,816.60
12/01/2027	6,338.00	5.000%	10,478.80	16,816.80
12/01/2028	6,655.00	5.000%	10,161.90	16,816.90
12/01/2029	6,988.00	5.000%	9,829.15	16,817.15
12/01/2030	7,337.00	5.000%	9,479.75	16,816.75
12/01/2031	7,704.00	5.000%	9,112.90	16,816.90
12/01/2032	8,089.00	5.000%	8,727.70	16,816.70
12/01/2033	8,494.00	5.000%	8,323.25	16,817.25
12/01/2034	8,918.00	5.000%	7,898.55	16,816.55
12/01/2035	9,364.00	5.000%	7,452.65	16,816.65
12/01/2036	9,833.00	5.000%	6,984.45	16,817.45
12/01/2037	10,324.00	5.000%	6,492.80	16,816.80
12/01/2038	10,840.00	5.000%	5,976.60	16,816.60
12/01/2039	11,382.00	5.000%	5,434.60	16,816.60
12/01/2040	11,952.00	5.000%	4,865.50	16,817.50
12/01/2041	12,549.00	5.000%	4,267.90	16,816.90
12/01/2042	13,177.00	5.000%	3,640.45	16,817.45
12/01/2043	13,835.00	5.000%	2,981.60	16,816.60
12/01/2044	14,527.00	5.000%	2,289.85	16,816.85
12/01/2045	15,254.00	5.000%	1,563.50	16,817.50
12/01/2046	16,016.00	5.000%	800.80	16,816.80
Total	\$265,752.00	-	\$272,389.15	\$538,141.15

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	12/15/2014
Average Life	20.461 Years
Average Coupon	5.000000%
Weighted Average Maturity (Par Basis)	20.461 Years

Refunding Bond Information

Refunding Dated Date	12/15/2014
Refunding Delivery Date	12/15/2014



Lake Village Water Association, Inc.
Statement of Assets, Liabilities, and Members' Equity-Statutory Basis
December 31, 2013
(With comparative Totals for December 31, 2012)

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Current Assets:		
Cash (Note 3)	\$ 93,582	\$ 159,588
Accounts Receivable (Net of Allowance)	113,304	109,642
Inventory (Note 2)	18,914	19,928
Prepaid Expenses (Note 2)	<u>18,251</u>	<u>18,095</u>
Total Current Assets	244,051	307,253
Restricted Assets:		
Cash (Note 3)	273,555	322,124
Property & Equipment, net (Note 2 and 4)	<u>6,227,093</u>	<u>5,301,131</u>
 Total Assets	 <u>\$ 6,744,699</u>	 <u>\$ 5,930,508</u>

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

Lake Village Water Association, Inc.
Statement of Assets, Liabilities, and Members' Equity-Statutory Basis
December 31, 2013
(With comparative Totals for December 31, 2012)

	<u>2013</u>	<u>2012</u>
<u>Liabilities & Equity</u>		
Current Liabilities:		
Current Portion - Debt (Note 5)	\$ 98,723	\$ 93,100
Cash Overdraft (Note 3)	67,954	59,780
Accounts Payable	40,368	42,364
Due to Mercer Sanitation District	11,462	13,135
Accrued Interest	109,034	120,268
Other Current Liabilities	<u>38,677</u>	<u>37,083</u>
Total Current Liabilities	366,218	365,730
Long - Term Debt (Note 5)	<u>3,457,062</u>	<u>3,548,482</u>
Total Liabilities	3,823,280	3,914,212
Members' Equity:		
Memberships	679,551	675,951
Contributions in Aid of Construction	3,665,469	2,598,369
Retained Deficit	<u>(1,423,601)</u>	<u>(1,258,024)</u>
Total Equity	<u>2,921,419</u>	<u>2,016,296</u>
Total Liabilities & Members' Equity	<u>\$ 6,744,699</u>	<u>\$ 5,930,508</u>

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

Lake Village Water Association, Inc.
Statement of Operations-Statutory Basis
For the Year Ended December 31, 2013
(With Comparative Totals for the Year Ended December 31, 2012)

	<u>2013</u>	<u>2012</u>
Operating Revenue:		
Water Sales	\$ 1,219,580	\$ 1,108,639
Management Fee Income	25,000	25,000
Other Operating Revenue	<u>18,239</u>	<u>51,835</u>
Total Operating Revenue	1,262,819	1,185,474
Operating Expenses	<u>993,926</u>	<u>906,951</u>
Net Operating Income Before Depreciation	268,893	278,523
Depreciation (Note 2)	<u>267,332</u>	<u>262,053</u>
Net Operating Income	1,561	16,470
Non-Operating Income (Expenses):		
Interest Income	1,126	3,051
Interest Expense	<u>(168,264)</u>	<u>(173,080)</u>
Total Non-Operating Income (Expenses):	<u>(167,138)</u>	<u>(170,029)</u>
Net Income (Loss)	<u>\$ (165,577)</u>	<u>\$ (153,559)</u>

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

Lake Village Water Association, Inc.
Statement of Members' Equity-Statutory Basis
For the Years Ended December 31, 2013 and 2012

	<u>Memberships</u>	<u>Contributions in Aid of Construction</u>	<u>Retained Deficit</u>	<u>Total</u>
Balance at January 1, 2012	\$ 668,301	\$ 2,565,469	\$(1,104,465)	\$ 2,129,305
2012 Net Loss	-	-	(153,559)	(153,559)
Capital Contribution - Government	-	32,900	-	32,900
Memberships	<u>7,650</u>	<u>-</u>	<u>-</u>	<u>7,650</u>
Balance at December 31, 2012	675,951	2,598,369	(1,258,024)	2,016,296
2013 Net Loss	-	-	(165,577)	(165,577)
Capital Contribution - Government	-	317,100	-	317,100
Customers	-	750,000	-	750,000
Memberships	<u>3,600</u>	<u>-</u>	<u>-</u>	<u>3,600</u>
Balance at December 31, 2013	<u>\$ 679,551</u>	<u>\$ 3,665,469</u>	<u>\$(1,423,601)</u>	<u>\$ 2,921,419</u>

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

Lake Village Water Association, Inc.
Statement of Operating Expenses-Statutory Basis
For the Year Ended December 31, 2013
(With Comparative Totals for the Year Ended December 31, 2012)

	<u>2013</u>	<u>2012</u>
Source of Supply Expense:		
Water Purchases	\$ 421,605	\$ 348,485
Total	421,605	348,485
Transmission & Distribution Expense:		
Maintenance & Repairs	<u>28,483</u>	<u>33,937</u>
Total	28,483	33,937
Customer Accounts Expense:		
Uncollectible Accounts	100	-
Supplies & Postage	<u>14,902</u>	<u>12,784</u>
Total	15,002	12,784
Administrative & General:		
Salaries	288,839	270,360
Insurance	26,598	27,861
Utilities	24,205	24,107
Office Supplies & Expense	26,898	15,027
Transportation Expense	17,436	17,307
Payroll Taxes	23,591	21,784
Staff Benefits	73,242	75,586
Legal Expense	3,225	3,250
Audit & Accounting	4,850	4,850
Commissioners' Fees	24,000	24,000
Engineering Fees	2,201	2,256
Miscellaneous General Expense	11,635	23,395
Other Licenses & Taxes	<u>2,116</u>	<u>1,962</u>
Total Administrative & General	<u>528,836</u>	<u>511,745</u>
Total Operating Expenses	<u>\$ 993,926</u>	<u>\$ 906,951</u>

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

Lake Village Water Association, Inc.
Statement of Cash Flows-Statutory Basis
For the Year Ended December 31, 2013
(With Comparative Totals for the Year Ended December 31, 2012)

	<u>2013</u>	<u>2012</u>
Cash Flows From Operating Activities		
Net Loss	\$ (165,577)	\$ (153,559)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities:		
Depreciation	267,332	262,053
Decrease (Increase) in Accounts Receivable	(3,662)	(18,082)
Decrease (Increase) in Inventory	1,014	1,304
Decrease (Increase) in Prepaid Expenses	(156)	3,808
Increase (Decrease) in Accounts Payable	(4,202)	(1,926)
Increase (Decrease) in Due to Sanitation District	(1,673)	6,774
Increase (Decrease) in Contractors Payable	2,206	10,660
Increase (Decrease) in Other Current Liabilities	1,594	453
Increase (Decrease) in Accrued Interest	<u>(11,234)</u>	<u>(2,226)</u>
Net Cash Provided By (Used In) Operating Activities	<u>85,642</u>	<u>109,259</u>
Cash Flows From Investing Activities		
Construction/Acquisition of Property & Equipment	<u>(443,294)</u>	<u>(76,972)</u>
Net Cash Used in Investing Activities	<u>(443,294)</u>	<u>(76,972)</u>
Cash Flows From Financing Activities		
Memberships (Tap Fees)	3,600	7,650
Cash Contributions - Government	317,100	32,900
Repayments of RD Loans	<u>(85,797)</u>	<u>(72,075)</u>
Net Cash Provided By (Used In) Financing Activities	<u>234,903</u>	<u>(31,525)</u>
Net Increase (Decrease) in Cash	(122,749)	762
Cash at Beginning of Year	<u>421,932</u>	<u>421,170</u>
Cash at End of Year	<u>\$ 299,183</u>	<u>\$ 421,932</u>

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

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE LAKE VILLAGE)	
WATER ASSOCIATION, INC., TO)	
ISSUE SECURITIES IN THE APPROXIMATE)	
PRINCIPAL AMOUNT OF \$1,515,000 FOR)	CASE NO.
THE PURPOSE OF REFUNDING CERTAIN)	2014-00445
OUTSTANDING INDEBTEDNESS OF THE)	
ASSOCIATION PURSUANT TO THE PROVISIONS)	
OF KRS 278.300 AND 807 KAR 5:001)	

ORDER

On December 23, 2014, Lake Village Water Association, Inc., ("Lake Village") applied to the Commission for approval to enter into an assistance agreement with the Kentucky Rural Water Finance Corporation ("KRWFC") to borrow \$1,515,000, subject to an adjustment of up to 10 percent, to refund existing indebtedness.

Having considered the record and being otherwise sufficiently advised, the Commission finds that:

1. Lake Village proposes to execute an assistance agreement with KRWFC to borrow \$1,515,000, subject to an adjustment of up to 10 percent. The proposed loan will have a 28-year term subject to interest rates of up to 4.72 percent.¹

2. Lake Village proposes to use the proceeds from the assistance agreement to fully refund outstanding promissory notes payable to the United States Department

¹ Application, Exhibit A.

of Agriculture Rural Development that are dated February 13, 1986, April 12, 1994 (Series A and B), and October 15, 1998.²

3. Lake Village estimates that its proposed refinancing will result in total gross savings and net present value savings of \$336,725 and \$146,561, respectively.³

4. Lake Village will expend \$1,602,204 to refund the outstanding bonds and to pay bond issuance costs.⁴

5. Lake Village's proposed loan is for a lawful object within its corporate purpose, is reasonably necessary and appropriate for and consistent with the proper performance of its service to the public, will not impair Lake Village's ability to perform that service, and is reasonably necessary and appropriate for such purpose.

IT IS THEREFORE ORDERED that:

1. Lake Village is authorized to enter into an agreement with KRWFC to borrow no more than \$1,666,500⁵ for the purpose of refunding the outstanding indebtedness, but only under such terms and conditions that will produce both positive gross savings and net present value savings.

² The principal balance for each loan was provided in the Application at Exhibit D as summarized below.

Loan Date	Principal Balance	Identified in App. at Exh. D as:
February 13, 1986	\$ 337,813	Series 1983
April 12, 1994, Series A	623,804	Series 1992
Series B	259,397	Series 1994 B
October 15, 1998	265,752	Series 1997

³ Application, Exhibit C. The utility identifies "gross savings" and "net present value savings" as "net future value benefit" and "net present value benefit," respectively.

⁴ Application, Exhibit B. \$22,725 (Total Underwriter's Discount) + \$31,740 (Cost of Issuance) + \$1,543,586 (Deposit to Current Refunding Fund) + \$4,153 (Rounding) = \$1,602,204. The Sources of the Funds are \$1,515,000 (Par Amount of Bonds) + \$87,204 (Existing Debt Service Funds) = \$1,602,204.

⁵ \$1,515,000 x 110% = \$1,666,500.

2. If the actual terms and conditions of the agreement with KRWFC differ from those set forth in its application, Lake Village shall, within 30 days of executing the loan agreement, file with the Commission amortization schedules and work papers showing the actual gross savings and net present value savings that will result from the refinancing.

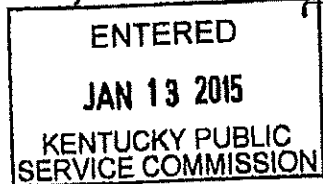
3. Within 30 days of executing the proposed agreement, Lake Village shall file a copy of the executed Assistance Agreement and any documents referenced in the executed Assistance Agreement that Lake Village has not previously filed with the Commission.

4. The proceeds from the Assistance Agreement shall be used only for the lawful purposes specified in Lake Village's application.

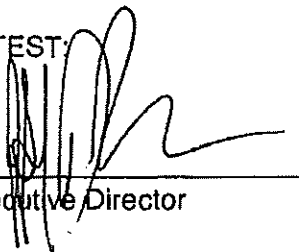
5. Any documents filed pursuant to ordering paragraphs 2 and 3 of this Order shall reference the number of this case and shall be retained in the utility's general correspondence file.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

By the Commission



ATTEST:



Executive Director

Honorable W. Randall Jones
Attorney at Law
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, KENTUCKY 40202

Mike Sanford
Executive Director
Lake Village Water Association, Inc.
801 Pleasant Hill Drive
P. O. Box 303
Burgin, KY 40310

**CERTIFICATE OF NOTEOWNER AS TO
CONSENT TO ISSUANCE OF A LOAN TO THE
LAKE VILLAGE WATER ASSOCIATION, INC.
RANKING ON A PARITY WITH
OTHER NOTES OF THE ASSOCIATION**

Re: Loan in the amount of \$1,160,000, dated March 10, 2015, to the Lake Village Water Association, Inc. from the Kentucky Rural Water Finance Corporation Public Projects Taxable Refunding Revenue Bonds (Flexible Term Program), Series 2015C.

The Rural Development (the "RD") of the Department of Agriculture of the United States of America hereby certifies that it is the owner of the following outstanding Notes (the "Prior Notes"):

1. Lake Village Water Association Promissory Note, dated November 8, 2007, in the original principal amount of \$885,000, bearing interest at the rate of 4.50% per annum, and
2. Lake Village Water Association Promissory Note, dated January 12, 2010, in the original principal amount of \$1,544,000, bearing interest at the rate of 4.00% per annum.

The RD consents to the issuance of the above-referenced Series 2015C Loan in the amount of \$1,160,000, maturing in 2041, ranking on a parity as to security and source of payment with the Prior Notes, without the necessity for establishing compliance with any of the terms and conditions for the issuance of parity notes, other than this consent of the owner of the outstanding Prior Notes; and the RD further consents to the affixing of a statement on the Prior Notes owned by the RD, reading substantially as follows:

The holder of this Note has consented to the issuance of
\$1,160,000 of Notes ranking on parity as to security and source of
payment with this Note.

IN TESTIMONY WHEREOF, witness the duly authorized signature of the Rural Development this March 10, 2015.

RURAL DEVELOPMENT

By _____

Signature

Thomas G. Fern

Title _____

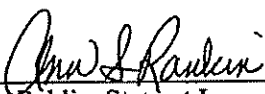
State Director

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF FAYETTE)

Subscribed and sworn to before me by Thomas G. Fern, as the duly
authorized official of the Rural Development on this March 10, 2015.

My Commission expires: November 29, 2015.

(Seal of Notary)



Notary Public, State at Large, Kentucky
Ann S. Rankin, State-at-Large
Notary ID: 455676



OFFICE OF THE GOVERNOR
DEPARTMENT FOR LOCAL GOVERNMENT

Steven L. Beshear
Governor

1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601
Phone (502) 573-2382
Fax (502) 573-2939
Toll Free (800) 346-5606
www.dlg.ky.gov

Tony Wilder
Commissioner

June 8, 2015

Mr. Christian L. Juckett
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, KY 40202-1410

RE: \$1,160,000 Kentucky Rural Water Finance Corporation Public Projects Taxable
Refunding Revenue Bonds (Flexible Term Program) Series 2015C loan to the Lake
Village Water Association, Inc., dated March 10, 2015

Dear Mr. Juckett:

This will acknowledge receipt of notification of the issuance of the above bonds in
conformity with KRS 65.117

The information received complies with the requirements of this office and the above
referenced statute.

If I can be of further assistance in this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads "Tony Wilder".

TONY WILDER
Commissioner and 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

March 10, 2015

Kentucky Rural Water Finance Corporation
3251 Springhollow Avenue
Bowling Green, Kentucky 42102-1424

Regions Bank
Corporate Trust Department
150 Fourth Avenue North, Suite 900
Nashville, Tennessee 37219

Re: Loan in the amount of \$1,160,000, dated March 10, 2015, to the Lake Village Water Association, Inc. from the Kentucky Rural Water Finance Corporation Public Projects Taxable Refunding Revenue Bonds (Flexible Term Program), Series 2015C.

We have examined a certified copy of the transcript of proceedings of the Lake Village Water Association, Inc., a non-profit corporation of the Commonwealth of Kentucky (the "Association") relating to the authorization and issuance of its Assistance Agreement, dated as of March 10, 2015, (the "Assistance Agreement") by and between the Association and the Kentucky Rural Water Finance Corporation, representing a loan in the aggregate principal amount of \$1,160,000 (the "Loan").

The Loan has been authorized and issued pursuant to the Constitution and laws of the Commonwealth of Kentucky (the "Commonwealth"), including particularly Chapters 273 of the Kentucky Revised Statutes (the "Act"), in accordance with the Assistance Agreement.

We have examined such portions of the Constitution, Statutes and laws of the United States, the Constitution, Statutes and laws of the Commonwealth, and such applicable court decisions, regulations, rulings and opinions as we have deemed necessary or relevant for the purposes of the opinions set forth below.

We have also made such investigation as we have deemed necessary for the purposes of such opinions, and relied upon certificates of officials of the Commonwealth and the Association as to certain factual matters.

Based upon the foregoing, it is our opinion, under the law existing on the date of this opinion, that:

1. The Association is a non-profit corporation, duly organized and validly organized and existing as a water association under the laws of the Commonwealth and has the legal right and authority to borrow the Loan.

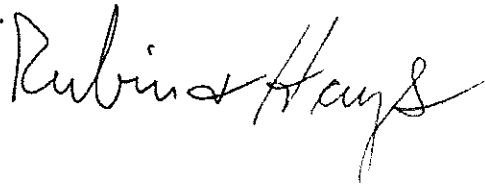
2. The Assistance Agreement has been duly authorized, executed and delivered by the Association and is a valid and binding obligation of the Association enforceable in accordance with its terms.

3. The Loan has been duly authorized by the Association and is a valid and binding limited and special obligation of the Association enforceable in accordance with its terms.

4. The Loan is payable as to principal, premium, if any, and interest from and is secured by a pledge of and a lien on the revenues of the Association's System, as defined in the Assistance Agreement.

Our opinion set forth above is subject to the qualification that the enforceability of the Assistance Agreement, the Loan and agreements relating thereto may be limited by bankruptcy, reorganization, moratorium, insolvency, or other similar laws relating to or affecting the enforcement of creditors' rights, and to the exercise of judicial discretion in accordance with general equitable principles.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

A handwritten signature in cursive script, appearing to read "Ruben Hays".