

Rubin & Hays

ATTORNEYS AT LAW

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CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT

June 8, 2012

RECEIVED

JUN 12 2012

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen, Executive Director
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602

Re: Todd County Water District PSC Application

Dear Mr. Derouen:

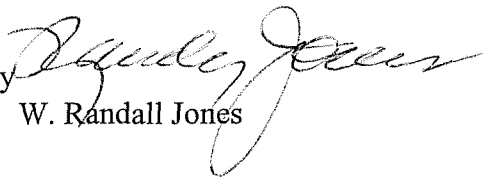
Enclosed please find the original and ten (10) copies of the Application of the Todd County Water District for an Order authorizing the District to issue securities pursuant to KRS 278.300.

This Application requests approval of the issuance of securities for the purpose of refunding certain high interest Bonds of the Applicant.

Thank you for your assistance and if you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By 
W. Randall Jones

WRJ:jlm
Enclosures

cc: Mr. John Haley, Todd County Water District
Ms. Kristen Curtis, Morgan Keegan

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

JUN 12 2012

PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF TODD COUNTY)
 WATER DISTRICT TO ISSUE SECURITIES IN)
 THE APPROXIMATE PRINCIPAL AMOUNT OF)
 \$2,145,000 FOR THE PURPOSE OF REFUNDING) CASE NO. 2012 - _____
 CERTAIN OUTSTANDING REVENUE BONDS OF)
 THE DISTRICT PURSUANT TO THE PROVISIONS)
 OF KRS 278.300 AND 807 KAR 5:001)

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

APPLICATION

The Applicant, Todd County Water District (the "District"), files this 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 the District to issue certain securities in the approximate principal amount of \$2,145,000 (subject to adjustment of up to 10%), for the purpose of refunding certain outstanding waterworks revenue bonds of the District. In support of this Application, and in compliance with the rules and regulations of the Commission, the District states as follows:

1. The 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 Todd County, which Order is on file in the County Court Order Books in the office of the Clerk of Todd County, Kentucky. The District is now, and has been since its inception, regulated by the Commission, and

all records and proceedings of the Commission with reference to the District are incorporated in this Application by reference. The District does not have any Articles of Incorporation due to the fact that it is a statutory entity.

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

Todd County Water District
c/o Ms. Kathy Conyea, Office Manager
P.O. Box 520
Elkton, Kentucky 42220
Telephone: (270) 265-2229

4. A general description of the District's water system property, together with a statement of the original cost, is contained in the District's Annual Report for 2011 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. The 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 \$2,145,000 (subject to adjustment of up to 10%) for the purpose of refunding the outstanding revenue bonds designated as (i) Todd County Water District Waterworks Revenue Bonds of 1987, dated June 14, 1988, in the original principal amount of \$647,000, bearing interest at the rate of 5.00% per annum (the "1987 Bonds"); (ii) Todd County Water District Waterworks Revenue Bonds, Series 1990, dated August 13, 1992, in the original principal amount of \$645,000, bearing interest at the rate of 5.00% per annum (the "1990 Bonds"); (iii) Todd County Water District Waterworks Revenue Bonds, Series 1992, dated March 2, 1993, in the original

principal amount of \$209,000, bearing interest at the rate of 5.00% per annum (the "1992 Bonds"); (iv) Todd County Water District Waterworks Revenue Bonds, Series 1996, dated September 25, 1996, in the original principal amount of \$528,000, bearing interest at the rate of 4.875% per annum (the "1996 Bonds"); and (v) Todd County Water District Waterworks Revenue Bonds, Series 2000, dated October 4, 2000, in the original principal amount of \$800,000, bearing interest at the rate of 4.750% per annum (the "2000 Bonds")(hereinafter, the 1987 Bonds, the 1990 Bonds, the 1992 Bonds, the 1996 Bonds and the 2000 Bonds shall be collectively referred to as the "Prior Bonds"). The Prior Bonds are held by the U.S. Department of Agriculture, acting through Rural Development.

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 may vary from the present assumptions based upon market conditions and other business judgment factors.

7. The KRWFC Loan will provide the District with the funds necessary to (i) refund the Prior Bonds; and (iii) 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 will result in a net present value benefit of approximately \$248,068.66. These savings are shown on the 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. The Applicant will not issue the securities if interest rates in the bond market shift to a point where the Applicant will not achieve any debt service savings.

11. The Debt Service Schedule of the outstanding Prior Bonds being refunded is set forth in **Exhibit "D"**.

12. The District represents that the KRWFC Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of the District by producing substantial debt service savings. This is a lawful object within the corporate purposes of the District's utility operations. The KRWFC Loan is necessary, appropriate for, and consistent with the proper performance by the District of its service to the public and will not impair its ability to perform that service.

13. The 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 and Expenses and Changes in Net Assets, Balance Sheet and Statement of Cash Flows for the twelve month period ending on December 31, 2011 are attached hereto and incorporated herein by reference as **Exhibit E** respectively.

15. The remaining financial schedules and other information necessary for the Financial Exhibit required by 807 KAR 5:001, Section 6 and Section 11 (2) (a) are contained in the 2011 Annual Report which is on file with the Commission. The Annual Report is incorporated herein by reference.

16. Pursuant to 807 KAR 5:001, the District hereby responds as follows:

- (a) Section 6(4) Mortgages: The District does not have any mortgages in effect as of the date hereof.
- (b) Section 6(5) Bonds: The KRWFC Loan will be secured by a pledge of the revenues of the District's Water System.
- (c) Section 11(2)(b): The District does not have any trust deeds in effect as of the date hereof.
- (d) Section 11(2)(c): No property is being acquired as the proceeds of the securities are being used for the refunding of the Prior Bonds.

17. The District hereby requests and moves for a deviation, pursuant to 807 KAR 5:001, Section 14, from the requirements of 807 KAR 5:001, Section 6, which requires that the financial data filed with the Application be for a twelve (12) month period ending within ninety (90) days of the filing of the application. The District states that there has been no change that is material in nature in the financial condition or operation of the District since December 31, 2011. The financial data filed with this Application is for the twelve (12) month period ending December 31, 2011. This is the most recent published financial data available. Because of the volatility of the bond market, the District cannot run the risk of delaying the closing of the KRWFC Loan while more current financial data is compiled.

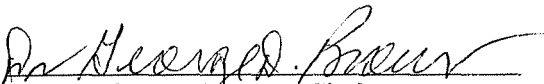
18. No rate adjustment will be necessary.

WHEREFORE, the District respectfully requests that the Commission take the following actions:

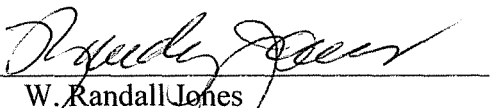
1. Authorize the issuance of the securities requested in the Application;
2. Grant the District a deviation from 807 KAR 5:001, Section 6 to allow the submission of the District's 2011 Annual Report and 2011 audited financial statements in lieu of more recent financial data as there has been no change that is material in nature in the financial condition or operation of the District since December 31, 2011, and due to the volatility of the present bond market; and
3. Process this Application without a formal hearing in order to save time and expense.

The District will promptly respond to any information requests by the Commission's staff.

Todd County Water District

By 
Dr. George Brown, Chairman
P.O. Box 520
Elkton, Kentucky 42220
Phone: (270) 265-2229

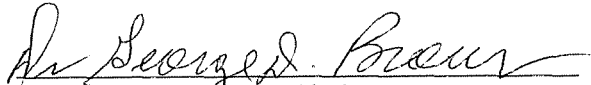
Rubin & Hays

By 
W. Randall Jones
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Counsel for Todd County Water
District

STATE OF KENTUCKY)
) SS
COUNTY OF TODD)

The affiant, Dr. George Brown, being first duly sworn, states: That he is the Chairman of the Todd 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 the 1 day of June, 2012.



Dr. George Brown, Chairman

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by Dr. George Brown, Chairman of the Todd County Water District, on this the 1 day of June, 2012.

My Commission expires: March 16, 2013 .



NOTARY PUBLIC

Preliminary

\$2,145,000

Todd County Water District
 Kentucky Rural Water Finance Corporation
 Public Projects Refunding Bonds, Series 2012 E

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
06/23/2012	-	-	-	-	-
02/01/2013	-	-	45,362.17	45,362.17	-
08/01/2013	65,000.00	2.900%	37,455.00	102,455.00	-
12/30/2013	-	-	-	-	147,817.17
02/01/2014	-	-	36,512.50	36,512.50	-
08/01/2014	90,000.00	3.600%	36,512.50	126,512.50	-
12/30/2014	-	-	-	-	163,025.00
02/01/2015	-	-	34,892.50	34,892.50	-
08/01/2015	90,000.00	3.850%	34,892.50	124,892.50	-
12/30/2015	-	-	-	-	159,785.00
02/01/2016	-	-	33,160.00	33,160.00	-
08/01/2016	95,000.00	3.150%	33,160.00	128,160.00	-
12/30/2016	-	-	-	-	161,320.00
02/01/2017	-	-	31,663.75	31,663.75	-
08/01/2017	100,000.00	2.300%	31,663.75	131,663.75	-
12/30/2017	-	-	-	-	163,327.50
02/01/2018	-	-	30,513.75	30,513.75	-
08/01/2018	100,000.00	3.250%	30,513.75	130,513.75	-
12/30/2018	-	-	-	-	161,027.50
02/01/2019	-	-	28,888.75	28,888.75	-
08/01/2019	105,000.00	3.250%	28,888.75	133,888.75	-
12/30/2019	-	-	-	-	162,777.50
02/01/2020	-	-	27,182.50	27,182.50	-
08/01/2020	105,000.00	3.250%	27,182.50	132,182.50	-
12/30/2020	-	-	-	-	159,365.00
02/01/2021	-	-	25,476.25	25,476.25	-
08/01/2021	110,000.00	3.250%	25,476.25	135,476.25	-
12/30/2021	-	-	-	-	160,952.50
02/01/2022	-	-	23,688.75	23,688.75	-
08/01/2022	115,000.00	3.300%	23,688.75	138,688.75	-
12/30/2022	-	-	-	-	162,377.50
02/01/2023	-	-	21,791.25	21,791.25	-
08/01/2023	115,000.00	3.400%	21,791.25	136,791.25	-
12/30/2023	-	-	-	-	158,582.50
02/01/2024	-	-	19,836.25	19,836.25	-
08/01/2024	120,000.00	3.500%	19,836.25	139,836.25	-
12/30/2024	-	-	-	-	159,672.50
02/01/2025	-	-	17,736.25	17,736.25	-
08/01/2025	125,000.00	3.400%	17,736.25	142,736.25	-
12/30/2025	-	-	-	-	160,472.50
02/01/2026	-	-	15,611.25	15,611.25	-
08/01/2026	130,000.00	3.700%	15,611.25	145,611.25	-
12/30/2026	-	-	-	-	161,222.50
02/01/2027	-	-	13,206.25	13,206.25	-
08/01/2027	135,000.00	3.800%	13,206.25	148,206.25	-
12/30/2027	-	-	-	-	161,412.50
02/01/2028	-	-	10,641.25	10,641.25	-
08/01/2028	100,000.00	3.800%	10,641.25	110,641.25	-
12/30/2028	-	-	-	-	121,282.50
02/01/2029	-	-	8,741.25	8,741.25	-
08/01/2029	105,000.00	3.800%	8,741.25	113,741.25	-
12/30/2029	-	-	-	-	122,482.50
02/01/2030	-	-	6,746.25	6,746.25	-
08/01/2030	110,000.00	3.900%	6,746.25	116,746.25	-
12/30/2030	-	-	-	-	123,492.50
02/01/2031	-	-	4,601.25	4,601.25	-
08/01/2031	75,000.00	3.900%	4,601.25	79,601.25	-
12/30/2031	-	-	-	-	84,202.50
02/01/2032	-	-	3,138.75	3,138.75	-
08/01/2032	80,000.00	4.050%	3,138.75	83,138.75	-
12/30/2032	-	-	-	-	86,277.50
02/01/2033	-	-	1,518.75	1,518.75	-
08/01/2033	70,000.00	4.050%	1,518.75	71,518.75	-
12/30/2033	-	-	-	-	73,037.50
02/01/2034	-	-	101.25	101.25	-
08/01/2034	5,000.00	4.050%	101.25	5,101.25	-
12/30/2034	-	-	-	-	5,202.50
Total	\$2,145,000.00	-	\$874,114.67	\$3,019,114.67	-

Yield Statistics

Bond Year Dollars	\$24,081.42
Average Life	11.227 Years
Average Coupon	3.6298308%
Net Interest Cost (NIC)	3.5603973%
True Interest Cost (TIC)	3.5184423%
Bond Yield for Arbitrage Purposes	3.5835106%
All Inclusive Cost (AIC)	3.7147652%
IRS Form 8038	
Net Interest Cost	3.5708902%
Weighted Average Maturity	11.107 Years
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Morgan Keegan & Company, Inc.

Public Finance

Preliminary

\$2,145,000

Todd County Water District

Kentucky Rural Water Finance Corporation

Public Projects Refunding Bonds, Series 2012 E

Sources & Uses

Dated 06/23/2012 | Delivered 06/23/2012

Sources Of Funds

Par Amount of Bonds	\$2,145,000.00
Reoffering Premium	16,720.55
Transfers from Prior Issue Debt Service Funds	68,732.09
Total Sources	\$2,230,452.64

Uses Of Funds

Costs of Issuance	37,175.00
Deposit to Current Refunding Fund	2,191,550.57
Rounding Amount	1,727.07
Total Uses	\$2,230,452.64

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Preliminary

\$2,145,000

Todd County Water District

Kentucky Rural Water Finance Corporation

Public Projects Refunding Bonds, Series 2012 E

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/30/2012	-	-	52,378.50	52,378.50
12/30/2013	147,817.17	147,817.17	163,472.94	15,655.77
12/30/2014	163,025.00	163,025.00	163,820.88	795.88
12/30/2015	159,785.00	159,785.00	164,000.95	4,215.95
12/30/2016	161,320.00	161,320.00	163,915.64	2,595.64
12/30/2017	163,327.50	163,327.50	163,960.13	632.63
12/30/2018	161,027.50	161,027.50	163,827.13	2,799.63
12/30/2019	162,777.50	162,777.50	163,419.14	641.64
12/30/2020	159,365.00	159,365.00	163,033.64	3,668.64
12/30/2021	160,952.50	160,952.50	163,440.76	2,488.26
12/30/2022	162,377.50	162,377.50	163,810.69	1,433.19
12/30/2023	158,582.50	158,582.50	163,061.19	4,478.69
12/30/2024	159,672.50	159,672.50	163,089.89	3,417.39
12/30/2025	160,472.50	160,472.50	162,969.27	2,496.77
12/30/2026	161,222.50	161,222.50	162,792.08	1,569.58
12/30/2027	161,412.50	161,412.50	163,523.63	2,111.13
12/30/2028	121,282.50	121,282.50	124,836.56	3,554.06
12/30/2029	122,482.50	122,482.50	124,005.88	1,523.38
12/30/2030	123,492.50	123,492.50	124,271.82	779.32
12/30/2031	84,202.50	84,202.50	87,252.07	3,049.57
12/30/2032	86,277.50	86,277.50	86,801.76	524.26
12/30/2033	73,037.50	73,037.50	75,013.76	1,976.26
12/30/2034	5,202.50	5,202.50	74,888.26	69,685.76
12/30/2035	-	-	74,930.57	74,930.57
12/30/2036	-	-	74,833.44	74,833.44
12/30/2037	-	-	45,035.50	45,035.50
12/30/2038	-	-	44,966.13	44,966.13
12/30/2039	-	-	44,913.63	44,913.63
12/30/2040	-	-	44,873.25	44,873.25
12/30/2041	-	-	44,840.25	44,840.25
Total	\$3,019,114.67	\$3,019,114.67	\$3,575,979.34	\$556,864.67

PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	556,864.67
Gross PV Debt Service Savings	315,073.68
Net PV Cashflow Savings @ 3.584%(Bond Yield)	315,073.68
Transfers from Prior Issue Debt Service Fund	(68,732.09)
Contingency or Rounding Amount	1,727.07
Net Future Value Benefit	\$489,859.65
Net Present Value Benefit	\$248,068.66
Net PV Benefit / \$2,141,500 Refunded Principal	11.584%
Net PV Benefit / \$2,145,000 Refunding Principal	11.565%

Refunding Bond Information

Refunding Dated Date	6/23/2012
Refunding Delivery Date	6/23/2012
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Morgan Keegan & Company, Inc.

Public Finance

Preliminary

\$399,000

Todd County Water District

Series 1987

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/30/2012	-	-	9,975.00	9,975.00
12/30/2013	18,000.00	-	19,500.00	37,500.00
12/30/2014	19,000.00	-	18,575.00	37,575.00
12/30/2015	20,000.00	-	17,600.00	37,600.00
12/30/2016	21,000.00	-	16,575.00	37,575.00
12/30/2017	22,000.00	-	15,500.00	37,500.00
12/30/2018	24,000.00	-	14,350.00	38,350.00
12/30/2019	25,000.00	-	13,125.00	38,125.00
12/30/2020	26,000.00	-	11,850.00	37,850.00
12/30/2021	27,000.00	-	10,525.00	37,525.00
12/30/2022	29,000.00	-	9,125.00	38,125.00
12/30/2023	30,000.00	-	7,650.00	37,650.00
12/30/2024	32,000.00	-	6,100.00	38,100.00
12/30/2025	33,000.00	-	4,475.00	37,475.00
12/30/2026	35,000.00	-	2,775.00	37,775.00
12/30/2027	38,000.00	5.000%	950.00	38,950.00
Total	\$399,000.00	-	\$178,650.00	\$577,650.00

Yield Statistics

Base date for Avg Life & Avg Coupon Calculation	6/23/2012
Average Life	8.477 Years
Average Coupon	5.2818047%
Weighted Average Maturity (Par Basis)	8.477 Years

Refunding Bond Information

Refunding Dated Date	6/23/2012
Refunding Delivery Date	6/23/2012

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Morgan Keegan & Company, Inc.

Public Finance

Preliminary

\$448,000

Todd County Water District

Sreis 1990

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/30/2012	-	-	11,200.00	11,200.00
12/30/2013	16,000.00	-	22,000.00	38,000.00
12/30/2014	17,000.00	-	21,175.00	38,175.00
12/30/2015	18,000.00	-	20,300.00	38,300.00
12/30/2016	19,000.00	-	19,375.00	38,375.00
12/30/2017	20,000.00	-	18,400.00	38,400.00
12/30/2018	20,000.00	-	17,400.00	37,400.00
12/30/2019	21,000.00	-	16,375.00	37,375.00
12/30/2020	22,000.00	-	15,300.00	37,300.00
12/30/2021	24,000.00	-	14,150.00	38,150.00
12/30/2022	25,000.00	-	12,925.00	37,925.00
12/30/2023	26,000.00	-	11,650.00	37,650.00
12/30/2024	27,000.00	-	10,325.00	37,325.00
12/30/2025	29,000.00	-	8,925.00	37,925.00
12/30/2026	30,000.00	-	7,450.00	37,450.00
12/30/2027	31,000.00	-	5,925.00	36,925.00
12/30/2028	33,000.00	-	4,325.00	37,325.00
12/30/2029	34,000.00	-	2,650.00	36,650.00
12/30/2030	36,000.00	5.000%	900.00	36,900.00
Total	\$448,000.00	-	\$240,750.00	\$688,750.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	6/23/2012
Average Life	10.270 Years
Average Coupon	5.2326087%
Weighted Average Maturity (Par Basis)	10.270 Years

Refunding Bond Information

Refunding Dated Date	6/23/2012
Refunding Delivery Date	6/23/2012

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Morgan Keegan & Company, Inc.

Public Finance

Preliminary

\$154,300

Todd County Water District

Sreis 1992

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/30/2012	-	-	3,857.50	3,857.50
12/30/2013	4,600.00	-	7,600.00	12,200.00
12/30/2014	4,900.00	-	7,362.50	12,262.50
12/30/2015	5,200.00	-	7,110.00	12,310.00
12/30/2016	5,400.00	-	6,845.00	12,245.00
12/30/2017	5,700.00	-	6,567.50	12,267.50
12/30/2018	6,000.00	-	6,275.00	12,275.00
12/30/2019	6,200.00	-	5,970.00	12,170.00
12/30/2020	6,600.00	-	5,650.00	12,250.00
12/30/2021	6,900.00	-	5,312.50	12,212.50
12/30/2022	7,300.00	-	4,957.50	12,257.50
12/30/2023	7,600.00	-	4,585.00	12,185.00
12/30/2024	8,000.00	-	4,195.00	12,195.00
12/30/2025	8,400.00	-	3,785.00	12,185.00
12/30/2026	8,800.00	-	3,355.00	12,155.00
12/30/2027	9,300.00	-	2,902.50	12,202.50
12/30/2028	9,700.00	-	2,427.50	12,127.50
12/30/2029	10,200.00	-	1,930.00	12,130.00
12/30/2030	10,700.00	-	1,407.50	12,107.50
12/30/2031	11,300.00	-	857.50	12,157.50
12/30/2032	11,500.00	5.000%	287.50	11,787.50
Total	\$154,300.00	-	\$93,240.00	\$247,540.00

Yield Statistics

Base date for Avg Life & Avg Coupon Calculation	6/23/2012
Average Life	11.608 Years
Average Coupon	5.2058008%
Weighted Average Maturity (Par Basis)	11.608 Years

Refunding Bond Information

Refunding Dated Date	6/23/2012
Refunding Delivery Date	6/23/2012

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Morgan Keegan & Company, Inc.

Public Finance

Preliminary

~~\$528,000~~

426,000

Todd County Water District

Series 1996 (ESTIMATED)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/30/2012	-	-	10,383.75	10,383.75
12/30/2013	9,700.00	-	20,531.06	30,231.06
12/30/2014	10,200.00	-	20,046.00	30,246.00
12/30/2015	10,700.00	-	19,536.57	30,236.57
12/30/2016	11,200.00	-	19,002.76	30,202.76
12/30/2017	11,800.00	-	18,442.13	30,242.13
12/30/2018	12,400.00	-	17,852.25	30,252.25
12/30/2019	13,000.00	-	17,233.13	30,233.13
12/30/2020	13,600.00	-	16,584.76	30,184.76
12/30/2021	14,200.00	-	15,907.13	30,107.13
12/30/2022	14,900.00	-	15,197.81	30,097.81
12/30/2023	15,700.00	-	14,451.94	30,151.94
12/30/2024	16,400.00	-	13,669.51	30,069.51
12/30/2025	17,200.00	-	12,850.51	30,050.51
12/30/2026	18,100.00	-	11,990.07	30,090.07
12/30/2027	19,000.00	-	11,085.75	30,085.75
12/30/2028	19,900.00	-	10,137.56	30,037.56
12/30/2029	20,800.00	-	9,145.50	29,945.50
12/30/2030	21,900.00	-	8,104.69	30,004.69
12/30/2031	22,900.00	-	7,012.69	29,912.69
12/30/2032	24,000.00	-	5,869.50	29,869.50
12/30/2033	25,200.00	-	4,670.25	29,870.25
12/30/2034	26,400.00	-	3,412.50	29,812.50
12/30/2035	27,700.00	-	2,093.81	29,793.81
12/30/2036	29,100.00	4.875%	709.31	29,809.31
Total	\$426,000.00	-	\$305,920.94	\$731,920.94

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	6/23/2012
Average Life	14.253 Years
Average Coupon	4.8750011%
Weighted Average Maturity (Par Basis)	14.253 Years

Refunding Bond Information

Refunding Dated Date	6/23/2012
Refunding Delivery Date	6/23/2012

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Morgan Keegan & Company, Inc.

Public Finance

Preliminary

\$800,000

Todd County Water District

Sreis 2001 (ESTIMATED)

Total Refunded Debt Service

Date	Principal	Coupon	Interest	Total P+I
12/30/2012	-	-	16,962.25	16,962.25
12/30/2013	11,900.00	-	33,641.88	45,541.88
12/30/2014	12,500.00	-	33,062.38	45,562.38
12/30/2015	13,100.00	-	32,454.38	45,554.38
12/30/2016	13,700.00	-	31,817.88	45,517.88
12/30/2017	14,400.00	-	31,150.50	45,550.50
12/30/2018	15,100.00	-	30,449.88	45,549.88
12/30/2019	15,800.00	-	29,716.01	45,516.01
12/30/2020	16,500.00	-	28,948.88	45,448.88
12/30/2021	17,300.00	-	28,146.13	45,446.13
12/30/2022	18,100.00	-	27,305.38	45,405.38
12/30/2023	19,000.00	-	26,424.25	45,424.25
12/30/2024	19,900.00	-	25,500.38	45,400.38
12/30/2025	20,800.00	-	24,533.76	45,333.76
12/30/2026	21,800.00	-	23,522.01	45,322.01
12/30/2027	22,900.00	-	22,460.38	45,360.38
12/30/2028	24,000.00	-	21,346.50	45,346.50
12/30/2029	25,100.00	-	20,180.38	45,280.38
12/30/2030	26,300.00	-	18,959.63	45,259.63
12/30/2031	27,500.00	-	17,681.88	45,181.88
12/30/2032	28,800.00	-	16,344.76	45,144.76
12/30/2033	30,200.00	-	14,943.51	45,143.51
12/30/2034	31,600.00	-	13,475.76	45,075.76
12/30/2035	33,200.00	-	11,936.76	45,136.76
12/30/2036	34,700.00	-	10,324.13	45,024.13
12/30/2037	36,400.00	-	8,635.50	45,035.50
12/30/2038	38,100.00	-	6,866.13	44,966.13
12/30/2039	39,900.00	-	5,013.63	44,913.63
12/30/2040	41,800.00	-	3,073.25	44,873.25
12/30/2041	43,800.00	4.750%	1,040.25	44,840.25
Total	\$714,200.00	-	\$615,918.40	\$1,330,118.40

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	6/23/2012
Average Life	17.678 Years
Average Coupon	4.7500012%
Weighted Average Maturity (Par Basis)	17.678 Years

Refunding Bond Information

Refunding Dated Date	6/23/2012
Refunding Delivery Date	6/23/2012

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Morgan Keegan & Company, Inc.

Public Finance

Todd County Water Distri
A Component Unit of Todd County, Kentuc
Statements of Net Asse

December 31,	2011	2010
Assets		
Current Assets		
Cash	\$ 337,215	\$ 380,921
Short-term investments	1,400,414	1,087,829
Accounts receivable – trade	142,364	149,438
Accounts receivable – other	19,130	0
Grant receivable	49,622	0
Supplies	41,013	44,575
Prepaid expenses	13,498	13,174
Total current assets	2,003,256	1,675,937
Cash – Restricted	568,239	475,909
Investments	0	50,000
Utility Plant		
Utility plant in service	15,301,739	14,192,936
Less: accumulated depreciation	(5,600,980)	(5,146,250)
Net utility plant	9,700,759	9,046,686
Total Assets	\$ 12,272,254	\$ 11,248,532

December 31,	2011	2010
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 164,567	\$ 77,863
Accrued liabilities	9,694	9,439
Accrued interest payable	132,413	113,723
Short-term notes payable	938,044	0
Current portion of notes payable	93,500	88,200
Total current liabilities	1,338,218	289,225
Long-Term Debt, net of current portion	4,933,800	5,027,300
Total liabilities	6,272,018	5,316,525
Net Assets		
Invested in capital assets, net of related debt	3,735,415	3,931,186
Restricted	568,239	475,909
Unrestricted	1,696,582	1,524,912
Total net assets	6,000,236	5,932,007
Total Liabilities and Net Assets	\$ 12,272,254	\$ 11,248,532

See accompanying notes to the financial statements.

Todd County Water District
A Component Unit of Todd County, Kentucky
Statements of Revenues, Expenses and Changes in Net Assets

Years Ended December 31,	2011	2010
Operating Revenues		
Water revenue	\$ 1,919,293	\$ 1,929,327
Late charges	35,321	31,783
Other	30,184	45,307
Total operating revenues	1,984,798	2,006,417
Operating Expenses		
Payroll	252,754	240,722
Retirement	44,269	35,546
Payroll taxes	18,962	17,938
Purchased water	773,438	801,645
Transmission and distribution	52,498	51,918
Contract services	20,080	39,643
Utilities	27,553	26,588
Telephone	7,180	6,882
Dues and subscriptions	2,837	1,782
Professional fees	12,637	17,091
Insurance	26,036	24,018
Commissioners' fees	18,000	18,000
Taxes and licenses	3,068	2,748
Office rent	6,500	5,500
Office supplies and postage	33,597	30,570
Depreciation	454,730	458,091
Travel	29,900	23,140
Bad debts	28,889	26,322
Miscellaneous	2,608	3,396
Total operating expenses	1,815,536	1,831,540
Operating income	169,262	174,877

Years Ended December 31,	2011	2010
Non-Operating Revenues (Expenses)		
Interest income	17,684	19,993
Gain on disposal of plant	0	5,462
Interest expense	(224,276)	(227,896)
Total non-operating revenues (expenses)	(206,592)	(202,441)
Loss before capital contributions	(37,330)	(27,564)
Capital Contributions		
Change in net assets	68,229	15,094
Net Assets – Beginning	5,932,007	5,916,913
Net Assets – Ending	\$ 6,000,236	\$ 5,932,007

See accompanying notes to the financial statements.

Todd County Water Distr
A Component Unit of Todd County, Kentuc
Statements of Cash Flo

Years Ended December 31,	2011	2010
Cash Flows From Operating Activities		
Cash received from customers	\$ 1,972,742	\$ 1,996,732
Cash payments to suppliers for goods and services	(987,734)	(1,174,271)
Cash paid to employees	(332,497)	(310,718)
Net cash flows provided by operating activities	652,511	511,743
Cash Flows From Capital And Related Financing Activities		
Interest paid on debt	(205,586)	(214,563)
Purchase of capital assets	(1,108,803)	(77,019)
Proceeds of equipment sold	0	10,755
Principal payments on long-term debt	(88,200)	(66,100)
Debt proceeds	938,044	0
Capital contributions	105,559	82,806
Net cash flows used in capital and related financing activities	(358,986)	(264,121)
Cash Flows From Investing Activities		
Interest income	17,684	19,993
Purchase of investments	(262,585)	(113,357)
Net cash flows used in investing activities	(244,901)	(93,364)
Net Increase In Cash	48,624	154,258
Cash – Beginning of Year	856,830	702,572
Cash – End of Year	\$ 905,454	\$ 856,830

Years Ended December 31,	2011	2010
Reconciliation of Operating Income to Net Cash Provided By Operating Activities		
Operating income	\$ 169,262	\$ 174,877
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	454,730	458,091
Change in:		
Accounts receivable	(61,678)	(15,147)
Supplies	3,562	(2,339)
Prepayments	(324)	(423)
Accounts payable	86,704	(104,340)
Other current liabilities	255	1,024
Net Cash Provided By Operating Activities	\$ 652,511	\$ 511,743

See accompanying notes to the financial statements.