



**MATTHEW G. BEVIN**  
Governor

**Commonwealth of Kentucky**  
**FINANCE AND ADMINISTRATION CABINET**  
**Office of Financial Management**  
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**WILLIAM M. LANDRUM III**  
Secretary

**RYAN BARROW**  
Executive Director

April 2, 2019

The Honorable Senator Rick Girdler, Co-Chair  
The Honorable Representative Walker Thomas, Co-Chair  
Capital Projects and Bond Oversight Committee  
Legislative Research Commission  
Capitol Annex Building  
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Thomas:

Listed below is information regarding various projects and reports that will be presented to the Capital Projects and Bond Oversight Committee (“CPBO”) at the April 16, 2019, meeting. Also, included pursuant to KRS 56.863(11) is the ALCo Semi-Annual Report as of December 31, 2018.

The Kentucky Infrastructure Authority (“KIA”) will present the following loans for the Committee’s approval:

Fund A Loans

City of Morehead	\$3,650,000
Lincoln County Sanitary District (P&D)	\$388,400

Fund F Loan

City of Morehead	\$6,554,200
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The Cabinet for Economic Development will present one (1) Economic Development Bond (EDB) grant for the Committee’s approval:

EDB Grant to the Todd County Fiscal Court for the benefit of Novelis Corporation	\$750,000
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The Office of Financial Management will present one (1) new bond issue report for the Committee’s approval:

Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (McDeane Apartments Project), Series 2019	\$18,500,000*
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\*Not to Exceed

Senator Girdler  
Representative Thomas  
April 16, 2019  
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The Office of Financial Management will present one (1) informational item for the Committee's review:

Kentucky Housing Corporation Multifamily Housing Revenue Bonds, (Beecher Phase 1 Project) Series 2019, dated March 5, 2019	\$15,500,000
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The School Facilities Construction Commission is submitting the following additional information for the Committee's approval:

Bell County	\$4,620,000*
Bell County	\$735,000*
Burgin Independent	\$4,110,000*
Covington Independent	\$565,000*
Covington Independent	\$760,000*
Dayton Independent	\$1,400,000*
Eminence Independent	\$5,000,000*
Estill County	\$7,790,000*
Fayette County	\$26,910,000*
Hardin County	\$46,120,000*
Mason County	\$7,020,000*
Meade County	\$6,705,000*
Morgan County	\$7,690,000*
Ohio County	\$346,000*
Pikeville Independent	\$905,000*
Russell Independent	\$4,750,000*
Taylor County	\$500,000*
Warren County	\$16,060,000*
Webster County	\$2,665,000*

\*Estimated

An OFM staff member will attend the CPBO meeting to answer any questions regarding this information. Please contact me if there are any questions or should your staff require additional information.

Sincerely,



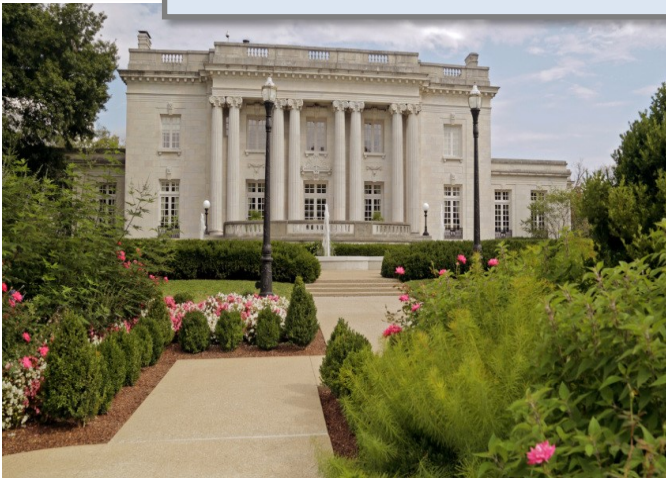
Ryan Barrow  
Executive Director

Attachments

*COMMONWEALTH OF KENTUCKY*  
**KENTUCKY ASSET/LIABILITY COMMISSION**  
**SEMI-ANNUAL REPORT**

*For the period ending December 31, 2018*

**44th Edition**



**Matthew G. Bevin, Governor, Commonwealth of Kentucky**

William M. Landrum III, Secretary, Finance and Administration Cabinet

Ryan Barrow, Executive Director, Office of Financial Management



An electronic copy of this report  
may be viewed at:

<http://finance.ky.gov/services/ofm/Pages/semi-annualreports.aspx>

The Commonwealth's Comprehensive Annual Financial Report (CAFR)  
may be viewed at:

<http://finance.ky.gov/services/statewideacct/Pages/ReportsandPublications.aspx>

The Municipal Securities Rulemaking Board (MSRB)  
Electronic Municipal Market Access (EMMA)

website is located at:

<http://emma.msrb.org/>

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## INTRODUCTION

The Kentucky Asset/Liability Commission (ALCo or the Commission) presents its 44<sup>th</sup> semi-annual report to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue pursuant to KRS 56.863 (11) for the period beginning July 1, 2018 through December 31, 2018.

Provided in the report is the current structure of the Commonwealth's investment and debt portfolios and the strategy used to reduce both the impact of variable revenue receipts on the budget of the Commonwealth and fluctuating interest rates on the interest-sensitive assets and interest-sensitive liabilities of the Commonwealth. Additionally, an analysis of the Commonwealth's outstanding debt is provided as well as a description of all ALCo financial agreements entered into during the reporting period. And finally, the report makes available a summary of gains and losses associated with outstanding ALCo financial agreements

Several factors on both the state and national level had an impact on activity during the reporting period. The most significant factors were:

### On the national level

- On December 19, 2018 the Federal Reserve Board of Governors voted unanimously to raise the target range for the federal funds rate by 25 basis points to 2.25% - 2.50%.
- The unemployment rate continued the trend lower ending 2018 at 3.9% from 4.0% in June and 4.1% in December 2017.
- The annual rate of economic growth as measured by GDP grew during the second half of 2018. The seasonally adjusted rate for the third and fourth quarter was 3.4% and 2.6%, respectively.
- Inflation increased during 2018 but remained muted for the second half of the year with the core rate (ex-energy and food) ending at 2.2%.

### On the state level

- General Fund receipts totaled \$5.6 billion for the first six months of Fiscal Year (FY) 2019, representing a 3.7% increase over the same period in 2018. The official General Fund revenue estimate for FY19 calls for revenue to grow 3.3% compared to FY18 actual receipts. Based on the first half results, General Fund revenues must increase 3.0% for

the remainder of the FY to meet the official estimate of \$11.198 billion.

- Road Fund receipts totaled \$771.3 million for the first six months of FY 2019, representing a 4.3% increase over the same period in 2018. The official Road Fund revenue estimate for FY19 calls for revenue to fall 0.3% compared to FY18 actual receipts. Based on the first half results, Road Fund revenues can decrease 4.7% for the remainder of the FY and meet the official estimate of \$1.506 billion.
- Kentucky personal income grew by 3.7% in the second quarter of FY19 which is near the 3.5% average for the last eight quarters.
- Wages and salaries grew by 3.5% in the second quarter, but nonfarm employment was slow, growing only 1% in the second quarter.
- Kentucky's seasonally adjusted unemployment rate stood at 4.4% at the end of December 2018 down slightly from 4.5% a year ago.
- Large unfunded pension liabilities continue to put stress on the Commonwealth's credit rating.
- Implementation of bond authorizations from prior-year sessions of the General Assembly continued. Bond issues for the period are discussed later in the report.

## INVESTMENT MANAGEMENT

### *Market Overview*

Economic activity in the United States appears to have increased at a solid pace over the second half of 2018, and the labor market strengthened further. Inflation has been near the Federal Open Market Committee's (FOMC) longer-run objective of 2%, aside from the transitory effects of recent energy price movements. In this environment, the FOMC judged that current and prospective economic conditions called for a further gradual removal of policy accommodation. In particular, the FOMC raised the target range for the federal funds rate twice in the second half of 2018, putting its target rate at 2.25% to 2.50% following the December meeting. In light of softer global economic and financial conditions late in the year and muted inflation pressures, the FOMC indicated it will be patient as it determines what future adjustments to the federal funds rate may be appropriate to support the Committee's congressionally mandated objectives of maximum employment and price stability.

### **Employment**

The labor market has continued to strengthen since the middle of 2018. Nonfarm Payroll employment growth has remained strong, averaging 224,000 per month since June 2018. The unemployment rate has been relatively unchanged over this period, averaging just under 4%, a low level by historical standards, while the labor force participation rate has moved up despite the ongoing downward influence from an aging population. Wage growth has also picked up recently.

### **Inflation**

Consumer price inflation, as measured by the 12-month change in the price index for

personal consumption expenditures, moved down from a little above the FOMC's objective of 2% in the middle of 2018 to an estimated 1.7% in December, restrained by recent declines in consumer energy prices. The 12-month measure of inflation that excludes food and energy items (core inflation), which historically has been a better indicator of where overall inflation will be in the future than the headline measure that includes those items, is estimated to have been 1.9% in December, up 0.25% point from a year ago. Survey-based measures of longer-run inflation expectations have generally been stable, though market-based measures of inflation compensation have moved down some since the first half of 2018.

### **Economic Growth**

Available indicators suggest that real gross domestic product (GDP) increased at a solid rate in the second half of last year and rose a little under 3% for the year as a whole, a noticeable pickup from the pace in recent years. Consumer spending expanded at a strong rate for most of the second half, supported by robust job gains, past increases in household wealth, and higher disposable income due in part to the Tax Cuts and Jobs Act, though spending appears to have weakened toward year-end. Business investment grew as well, though growth seems to have slowed somewhat from a sizable gain in the first half. However, housing market activity declined in 2018 amid rising mortgage interest rates and higher material and labor costs. Indicators of both consumer and business sentiment remain at favorable levels, but some measures have softened since mid-year, likely a reflection of financial market volatility and increased concerns about the global outlook.

## INVESTMENT MANAGEMENT

Financial conditions for businesses and households have become less supportive of economic growth since July. Financial market participants' appetite for risk deteriorated markedly in the latter part of last year amid investor concerns about downside risks to the growth outlook and rising trade tensions between the United States and China. As a result, Treasury yields and risky asset prices declined substantially between early October and late December in the midst of heightened volatility. Since July the expected path of the federal funds rate over the next several years shifted down, long-term Treasury yields and mortgage rates moved lower, broad measures of U.S. equity prices increased somewhat, and spreads of yields on corporate bonds over those on comparable-maturity Treasury securities widened modestly. Credit to large nonfinancial firms remained solid in the second half of 2018; corporate bond issuance slowed considerably toward the end of the year. Despite increases in interest rates for consumer loans, consumer credit expanded at a solid pace, and financing conditions for consumers largely remain supportive of growth in household spending.

### Interest Rates

As the labor market continued to strengthen and economic activity expanded at a strong rate, the FOMC increased the target range for the federal funds rate gradually over the second half of 2018. Specifically, the FOMC decided to raise the federal funds rate in September and in December, bringing it to the range of 2.25% to 2.50%.

In December, against the backdrop of increased concerns about global growth, trade tensions, and volatility in financial markets, the Committee indicated it would monitor global

economic and financial developments and assess their implications for the economic outlook. Nonetheless, the Committee noted that it will be patient as it determines what future adjustments to the target range for the federal funds rate may be appropriate to support these outcomes. FOMC communications continued to emphasize that the Committee's approach to setting the stance of policy should be guided by the implications of incoming data for the economic outlook. In particular, the timing and size of future adjustments to the target range for the federal funds rate will depend on the Committee's assessment of realized and expected economic conditions relative to its maximum-employment objective and its 2% inflation objective.

### Equities

Broad U.S. stock market indexes increased somewhat since the middle of last year amid substantial volatility. Concerns over the sustainability of corporate earnings growth, the global growth outlook, international trade tensions, and some Federal Reserve communications that were perceived as less accommodative than expected weighed on investor sentiment. There were considerable differences in stock returns across sectors, reflecting their varying degrees of sensitivities to energy price declines, trade tensions, and rising interest rates. In particular, stock prices of companies in the utilities sector, which tend to benefit from falling interest rates, and in the health-care sector outperformed broader indexes. Conversely, stock prices in the energy sector underperformed the broad indexes, as oil prices dropped sharply. Basic materials, a sector that was particularly sensitive to concerns about the global growth outlook and trade tensions, also underperformed. Bank



## INVESTMENT MANAGEMENT

stock prices declined slightly, as the yield curve flattened and funding costs rose. Measures of implied and realized stock price volatility for the S&P 500 index, the VIX and the 20-day realized volatility, increased sharply in the fourth quarter of 2018 to near the high levels observed in early February 2018 amid sharp equity price declines.

### Outlook

With some stronger than expected incoming data on economic activity and the recent tightening in financial conditions, particularly the decline in equity prices, the U.S. economic forecast prepared by the staff for the December FOMC meeting was little revised. The staff continued to expect that real GDP growth would be strong, although somewhat slower than the rapid pace of growth in 2018. Over the 2019-20 period, real GDP was forecast to rise at a rate above the staff's estimate of potential output growth and then

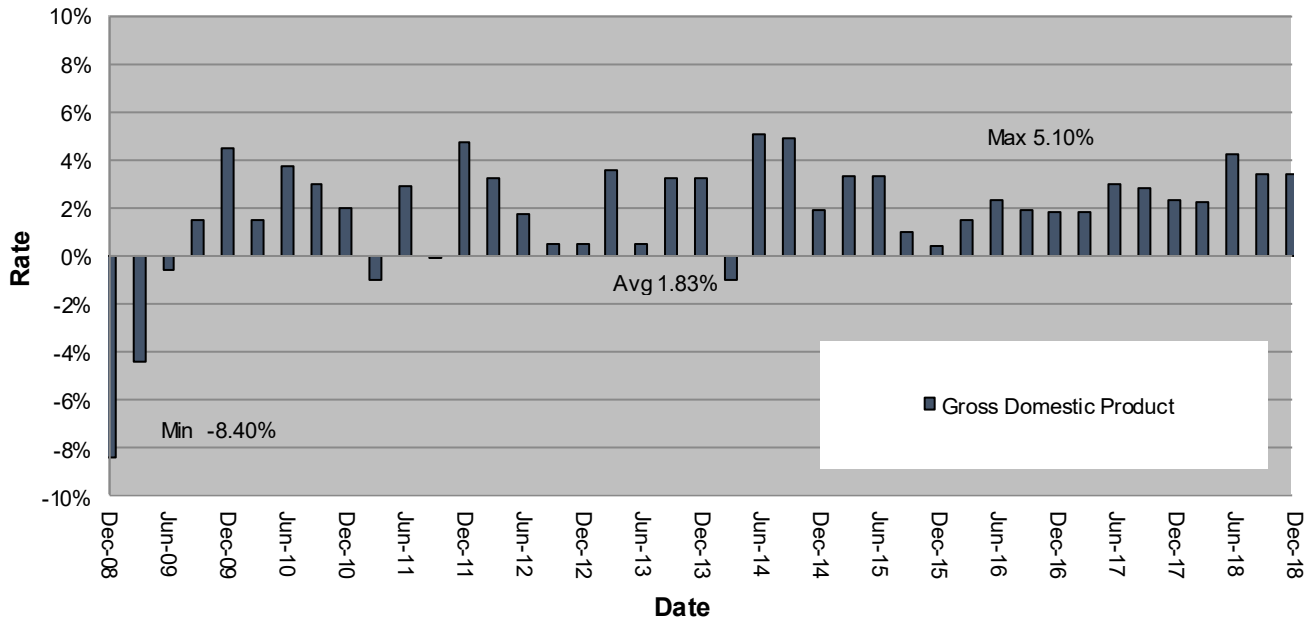
slow to a pace below it in 2021. The unemployment rate was projected to decline further below the staff's estimate of its longer-run natural rate but to bottom out by 2020 and begin to edge up in 2021. With labor market conditions already tight, the staff continued to assume that projected employment gains would manifest in smaller than usual downward pressure on the unemployment rate and in larger than usual upward pressure on the labor force participation rate.

Core Personal Consumption Expenditures (PCE) price inflation was forecast to move up to 2% in 2019 and remain at that level through the medium term; total inflation was forecast to be a little below core inflation in 2019, reflecting projected declines in energy prices, and then to run at the same level as core inflation over the following two years. The staff's medium-term projections for both total and core PCE price inflation were little revised.

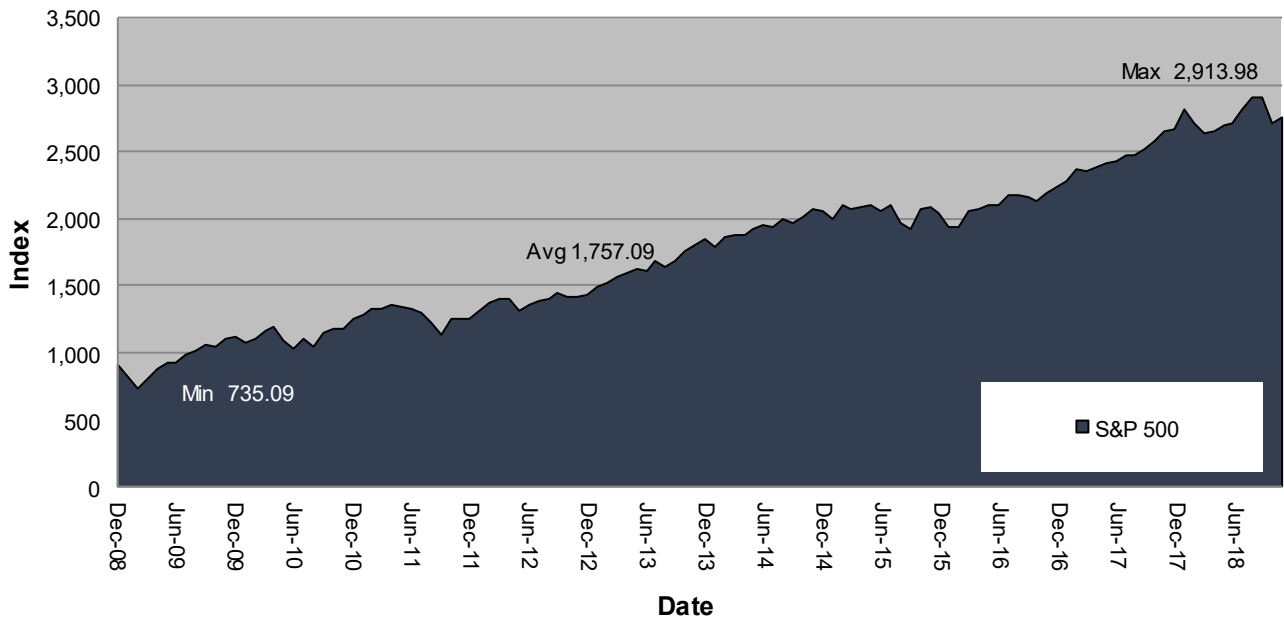
## INVESTMENT MANAGEMENT

### Real Gross Domestic Product & Standard & Poor's 500

**Real Gross Domestic Product**  
 Quarter Over Quarter  
 Range 01/01/2009-12/31/2018  
 GDP CQOQ Index

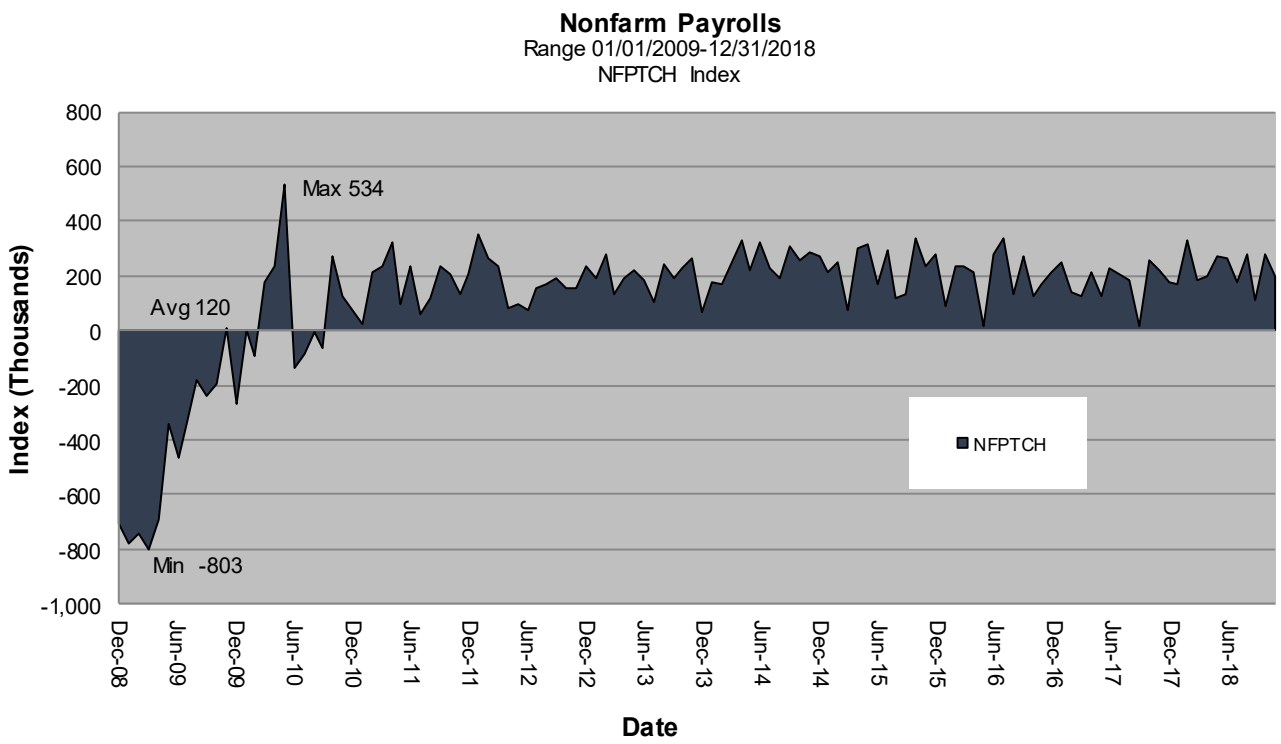
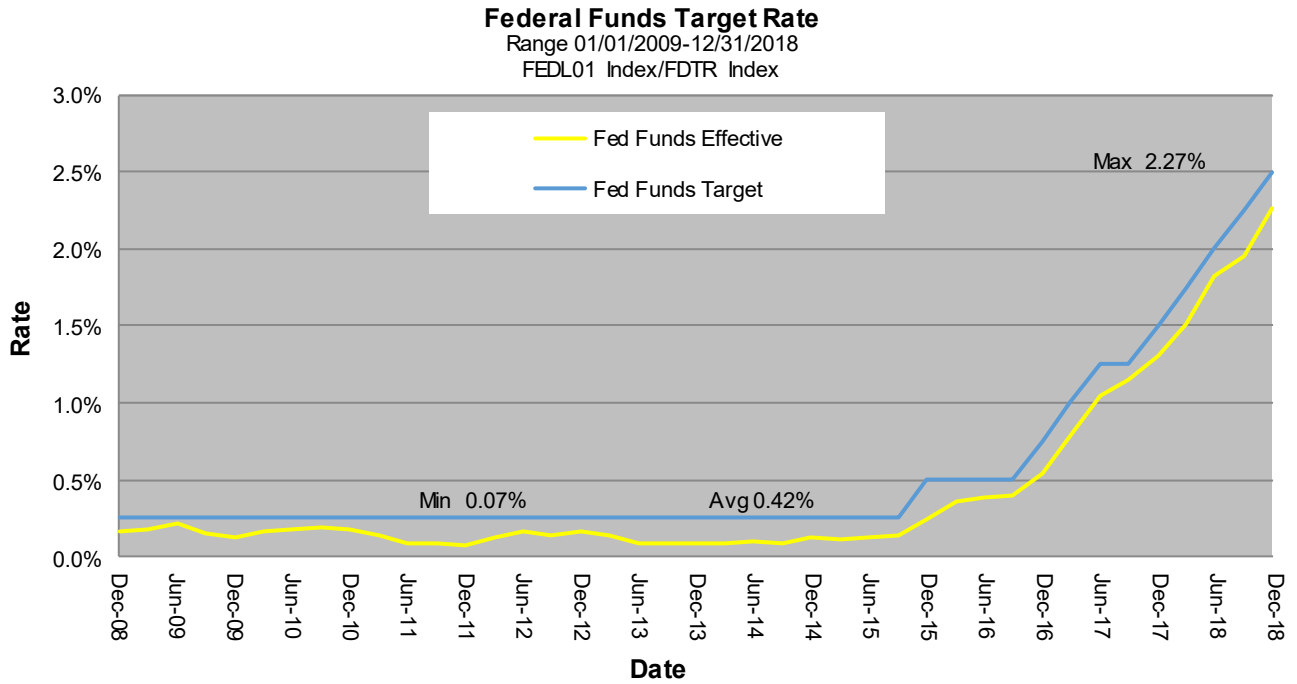


**Standard & Poor's 500**  
 Range 01/01/2009-12/31/2018  
 SPX Index



# INVESTMENT MANAGEMENT

## Federal Funds Target Rate & NonFarm Payrolls



## INVESTMENT MANAGEMENT

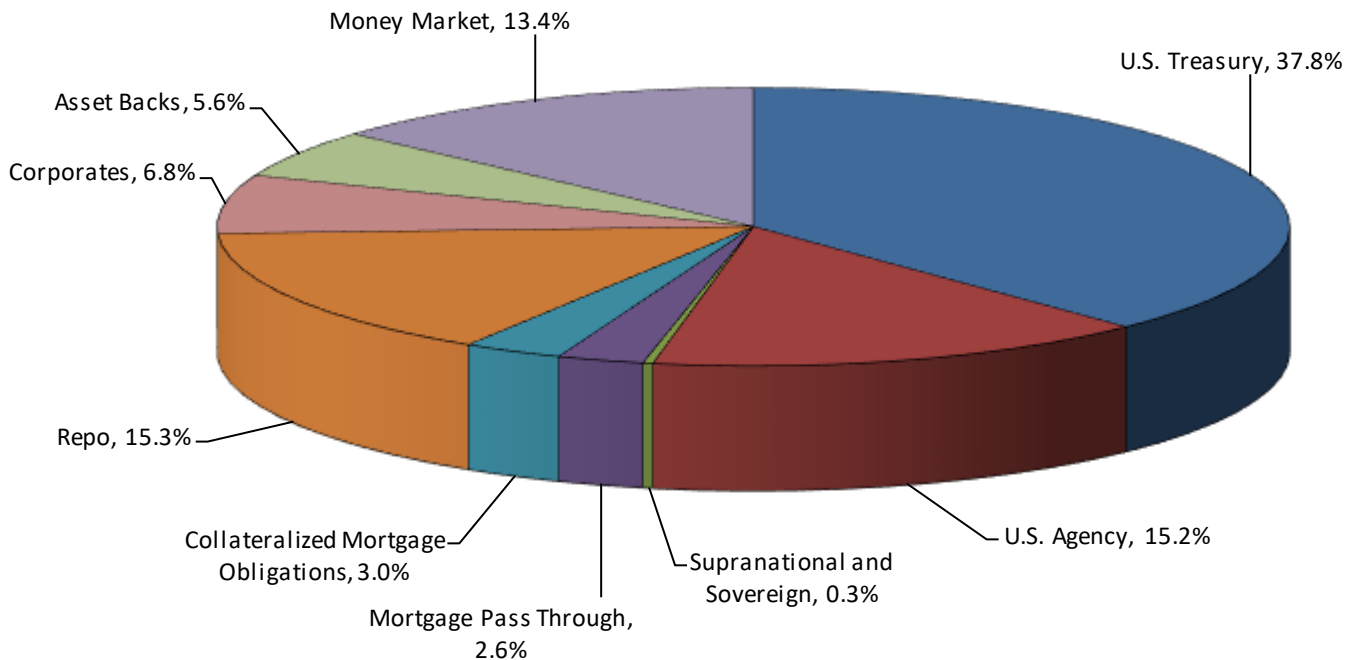
### *Portfolio Management*

For six months ended December 31, 2018, the Commonwealth’s investment portfolio was approximately \$3.5 billion. The portfolio was invested in U.S. Treasury Securities (37.8%), U.S. Agency Securities (15.2%), Sovereign (0.3%), Mortgage Pass Through Securities (2.6%), Collateralized Mortgage Obligations (3.0%), Repurchase Agreements (Repo) (15.3%), Corporate Securities (6.8%), Asset

Backed Securities (5.6%), and Money Market Securities (13.4%). The portfolio had a market yield of 2.50% and an effective duration of 0.42 years.

The total portfolio is broken down into three investment pools. The pool balances as of December 31, 2018 was -\$259.5 million (Short Term Pool), \$1.7 billion (Limited Term Pool) and \$2.1 billion (Intermediate Term Pool).

### Distribution of Investments as of December 31, 2018



## INVESTMENT MANAGEMENT

### *Tax-Exempt Interest Rates and Relationships*

The Bond Buyer 20-year General Obligation Index averaged 3.96% for Calendar Year 2018. The high was 4.37% in mid-October and the low was 3.44% at the beginning of January.

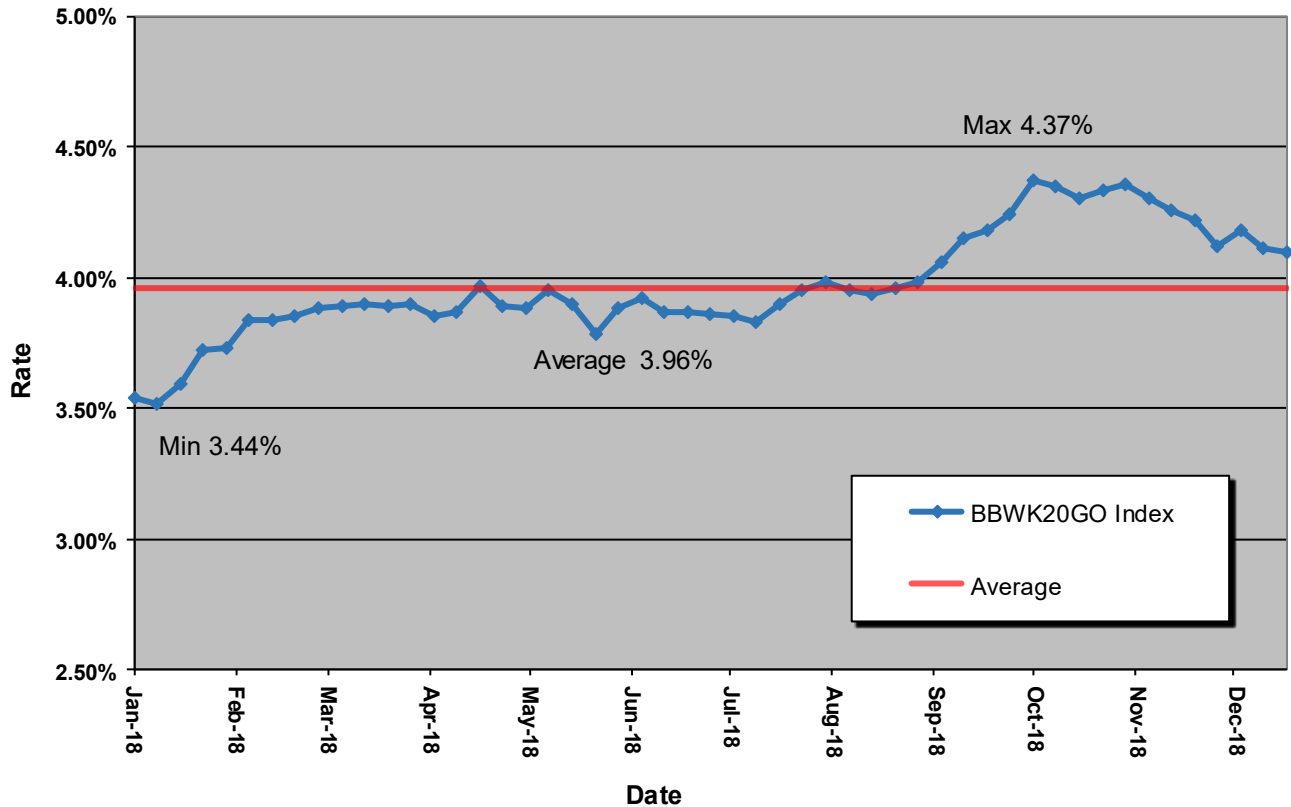
The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index averaged 1.42% for Calendar Year 2018. The

high was 1.81% in December; the low was 0.94% in July. The 30-day USD London Interbank Offered Rate (LIBOR) averaged 2.03% for Calendar Year 2018. The high was 2.52% at the end of December and the low was 1.55% in January. During the Calendar Year, SIFMA traded at a high of 95.42% of the 30-day LIBOR near the end of April, at a low of 45.26% at the end of July, and at an average of 70.00%.

**Bond Buyer 20 General Obligation Index**

Range 01/01/2018 - 12/31/2018

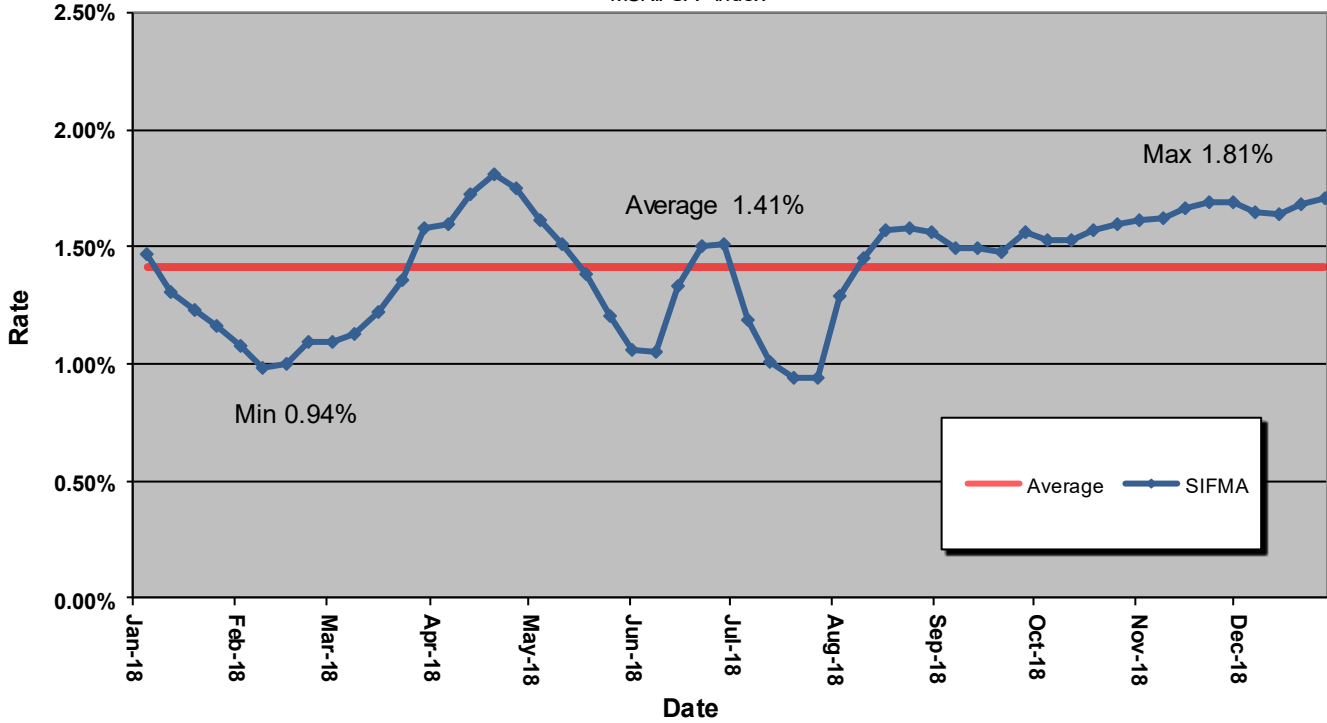
BBWK20GO Index



### SIFMA & SIFMA/LIBOR Ratio

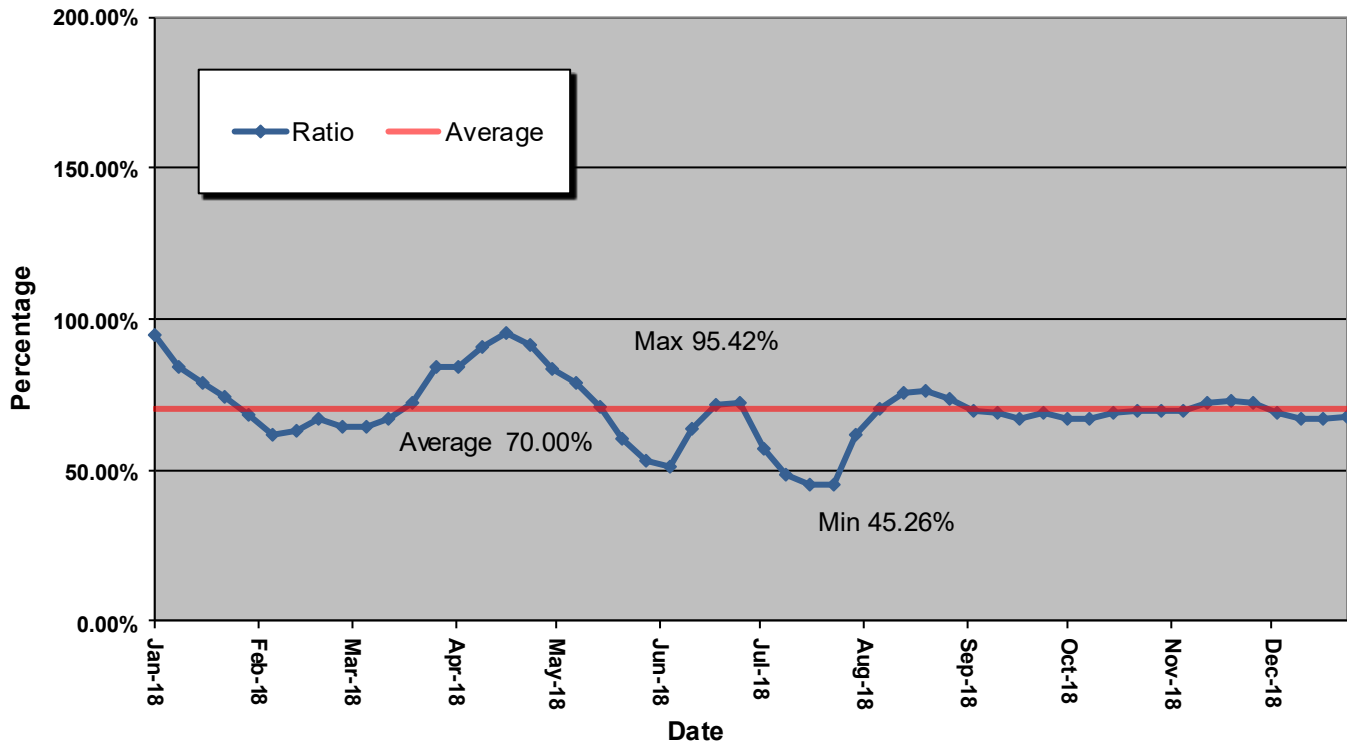
#### SIFMA Rate

Range 01/01/2018 - 12/31/2018  
MUNIPSA Index



#### SIFMA / LIBOR Ratio

Range 01/01/2018 - 12/31/2018



## CREDIT MANAGEMENT

### *2018 Recap and 2019 Outlook*

Business investment growth has moderated after strong gains early in 2018 as corporate financing conditions tightened somewhat but remained accommodative overall. The apparent slowdown reflects, in part, more moderate growth in investment in equipment and intangibles as well as a likely decline in investment in nonresidential structures after strong gains earlier in the year. Forward-looking indicators of business spending, such as business sentiment, capital spending plans, and profit expectations from industry analysts, have softened recently but remain positive overall. And while new orders of capital goods flattened out toward the end of last year, the backlog of unfilled orders for this equipment has continued to rise.

Spreads of yields on nonfinancial corporate bonds over those on comparable maturity Treasury securities widened modestly, since the middle of 2018 as investors' risk appetite appeared to recede. Nonetheless, a net decrease in Treasury yields has left interest rates on corporate bonds still low by historical standards, and financing conditions appear to have remained accommodative overall. Aggregate net flows of credit to large nonfinancial firms remained solid in the third quarter. The gross issuance of corporate bonds and new issuance of leveraged loans both fell considerably toward the end of the year, mirroring movements in financial market volatility.

Respondents to the Senior Loan Officer Opinion Survey on Bank Lending Practices, or SLOOS, reported that lending standards for commercial and industrial (C&I) loans remained basically unchanged in the fourth quarter after having reported easing standards over the past several quarters. However, banks

reported tightening lending standards on all categories of commercial real estate (CRE) loans in the fourth quarter on net.

Meanwhile, financing conditions for small businesses have remained generally accommodative. Lending volumes to small businesses rebounded a bit in recent months, and indicators of recent loan performance stayed strong.

The most significant credit event was the downgrade of General Electric by the three major credit rating agencies (Moody's, S&P and Fitch) during the third quarter. As a result, General Electric was removed from the Corporate Credit Approved list due to the company falling below the minimum credit rating of A3/A-/A- or better. No General Electric positions were held as the impending downgrade was expected.

### *Credit Process*

Our credit strategy invests in creditworthy corporate issuers having a long-term rating of A3/A-/A- or better as rated by Moody's, S&P, or Fitch. The strategy focuses on adding value through a disciplined approach in the credit selection process. With independent research and prudent diversification with respect to industries and issuers, our goal is to deliver consistent longer-term investment performance over U.S. Treasuries.

### *Default Monitoring*

The Bloomberg credit risk model is OFM's main tool for default monitoring. The default likelihood model is based on the Merton distance-to-default (DD) measure, along with additional economically and statistically relevant factors. Firms are assigned a default risk measure as a high-level summary of their credit health using an explicit mapping from default likelihood to default risk.

## CREDIT MANAGEMENT

A daily report is generated using our approved list and their peers enabling us to track market activity in selected names including Credit Default Swaps (CDS).

### **Industry/Company Analysis**

We use a combination top-down and bottom-up approach for investing. The top-down approach refers to understanding the current (and future) business cycle or the “big picture” of the economy and financial world in order to identify attractive industries. Once industries are identified, a bottom-up approach is utilized where we focus on specific company fundamentals, picking the strongest companies within a sector.

Fundamental analysis is then performed looking at competitive position, market share, operating history/trends, management strategy/execution, and financial statement ratio analysis.

### **Approved List**

Once analysis has been completed, the State Investment Commission approves the list on a

quarterly basis. During the second half of 2018, the only change was removing General Electric from the approval list. The Corporate Credits Approved list as of December 2018 is found in Appendix A.

### **State Investment Commission**

The State Investment Commission (SIC) is responsible for investment oversight with members of the Commission being the Governor (Chair), the State Treasurer (Vice Chair), the Finance and Administration Cabinet Secretary and two Gubernatorial Appointees. The investment objectives are three-fold: preservation of principal, maintain liquidity to meet cash needs and maximization of returns. The Office of Financial Management is staff to the SIC and follows KRS 42.500, 200 KAR 14.011, 14.081, 14.091 and 14.200 when making investment decisions.



## DEBT MANAGEMENT

### *Authorized But Unissued Debt*

As of December 31, 2018, the Commonwealth's 2018-2020 budget includes authorized debt service for over \$1.28 billion of projects supported by the General Fund, Agency Funds, and the Road Fund, which were approved during prior sessions of the General Assembly. This pipeline of projects is anticipated to be financed over a number of future biennia bond transactions. The speed at which this financing takes place is dependent upon factors managed by and between the project sponsors, the Office of the State Budget Director and the Office of Financial Management.

### **2010 Extraordinary (Special) Session**

The 2010 Extraordinary (Special) Session of the General Assembly delivered House Bill 1 (Executive Branch Budget other than Transportation Cabinet) and House Bill 3 (Kentucky Transportation Cabinet Budget) to the Governor on May 29, 2010, establishing an Executive Branch Budget for the biennium ending June 30, 2012. The Governor took final action on the bills on June 4, 2010. Together, the bills authorized bond financing for projects totaling \$1,980.2 million to support various capital initiatives of the Commonwealth. Of the total authorization, \$507.4 million is General Fund supported, \$515.3 million is Agency Restricted Fund supported, \$522.5 million is supported by Road Fund appropriations and \$435 million is Federal Highway Trust Fund supported through Grant Anticipation Revenue Vehicle Bonds designated for the US-68/KY-80 Lake Barkley and Kentucky Lake Bridges Project and the Louisville-Southern Indiana Ohio River Bridges Project. A portion of the General Fund, Agency Restricted Fund, Road

Fund and Federal Highway Trust Fund authorizations have been permanently financed.

### **2012 Regular Session**

The 2012 Regular Session of the General Assembly delivered House Bill 265 (Executive Branch Budget other than Transportation Cabinet) to the Governor on March 30, 2012 and House Bill 2 (Kentucky Transportation Cabinet Budget) to the Governor on April 20, 2012, establishing an Executive Branch Budget for the biennium ending June 30, 2014. The Governor took final action on House Bill 265 on April 13, 2012 and took final action on House Bill 2 on May 2, 2012. Together, the bills authorized bond financing for projects totaling \$238.86 million to support various capital initiatives of the Commonwealth. Of the total authorization, \$182.86 million is General Fund supported, \$12.5 million is supported by Road Fund appropriations, and \$43.5 million is Agency Restricted Fund supported. A portion of the General Fund authorization and the total Agency Restricted Fund authorizations listed above have been permanently financed.

### **2014 Regular Session**

The 2014 Regular Session of the General Assembly delivered House Bill 235 (Executive Branch Budget other than Transportation Cabinet) to the Governor on March 31, 2014 and House Bill 236 (Kentucky Transportation Cabinet Budget) to the Governor on April 15, 2014, establishing an Executive Branch Budget for the biennium ending June 30, 2016. The Governor took final action on House Bill 235 on April 11, 2014 and took final action on House Bill 236 on April 25, 2014. Together, the bills authorize bond financing for projects

## DEBT MANAGEMENT

totaling a net amount of \$1,364.05 million to support various capital initiatives of the Commonwealth due to \$105 million in previously authorized debt that was de-authorized in House Bill 235. Of the total authorization, \$742.77 million is General Fund supported, \$721.28 million is supported by Agency Restricted Fund appropriations, and \$5.0 million is Road Fund supported. A portion of the General Fund and Agency Restricted Fund, and all of the Road Fund authorizations listed above have been permanently financed.

### 2016 Regular Session

The 2016 Regular Session of the General Assembly delivered House Bill 303 (Executive Branch Budget other than the Transportation Cabinet) and House Bill 304 (Kentucky Transportation Cabinet Budget) to the Governor on April 15, 2016, establishing an Executive Branch Budget for the biennium ending June 30, 2018. The Governor took final action on House Bill 303 and House Bill 304 on April 27, 2016. Together, the bills authorize bond financing for projects totaling a net amount of \$1,251.24 million to support various capital initiatives of the Commonwealth with \$9.0 million of previously authorized debt de-authorized in House Bill 303. Of the total authorization, \$582.99 million is General Fund supported and \$677.25 million is supported by Agency Restricted Fund appropriations. No additional Road Fund supported authorizations were appropriated. A portion of the General Fund and Agency Restricted Fund authorizations listed have been permanently financed.

### 2017 Regular Session

The 2017 Regular Session of the General Assembly delivered House Bill 13 and House Bill 482 to the Governor on March 30, 2017.

House Bill 13 authorized a general fund bond supported project for the Kentucky Department of Veterans' Affairs for the financing of the Bowling Green Veterans Center totaling \$10.5 million. House Bill 482 authorized a general fund bond supported project for the Kentucky Economic Development Finance Authority Loan Pool to support programs administered by the Kentucky Economic Development Finance Authority for the sole purpose of facilitating a private sector investment of not less than \$1 billion in one or more locations in the Commonwealth. The Governor took final action on House Bill 13 and House Bill 482 on April 11, 2017. The total authorization under House Bill 482 has been permanently financed.

### 2018 Regular Session

The 2018 Regular Session of the General Assembly delivered House Bill 200 (Executive Branch Budget other than Transportation Cabinet) to the Governor on April 2, 2018 and House Bill 201 (Kentucky Transportation Cabinet Budget) to the Governor on April 14, 2018, establishing an Executive Branch Budget for the biennium ending June 30, 2020. The Governor vetoed House Bill 200 on April 9, 2018 and on April 13, 2018 the General Assembly enacted House Bill 200 over the Governor's veto. On April 14, 2018, the General Assembly delivered House Bill 265 (amending the 2018-2020 Executive Branch Budget Bill) to the Governor. The Governor took final action on House Bill 201 on April 26, 2018. House Bill 265 became law without the Governor's signature on April 27, 2018. Together, the bills authorize bond financing for projects totaling a net amount of \$972.7 million to support various capital initiatives of the Commonwealth whereas \$26.62 million in previously authorized debt was de-authorized.

## DEBT MANAGEMENT

in House Bill 200 and House Bill 201. Of the total authorization, \$377.69 million is General Fund supported, \$602.89 million is supported by Agency Fund appropriations, and \$18.75 million is Road Fund supported.

### Authorized but Unissued

The balance of prior bond authorizations of the General Assembly dating from 2006 through 2018 totals \$1,285.64 million. Of these prior authorizations, \$560.41 million is

General Fund supported, \$662.73 million is Agency Restricted Fund supported, \$62.50 million is supported by Road Fund appropriations. HB 201 from the 2018 Regular Session de-authorized the remaining \$59.50 million which was authorized for the Federal Highway Trust Fund.

The following table summarizes, in aggregate, the information in connection with authorized but unissued debt of the Commonwealth as described in this section.

**Summary of Authorized but Unissued Debt by Fund Type  
As of December 31, 2018**

Legislative Session (Year)	General Fund (millions)	Agency Fund (millions)	Road Fund (millions)	TOTAL (millions)
2010 and prior*	40.88	17.50	50.00	108.38
2012	13.35	-	12.50	25.85
2014	163.54	9.01	-	172.55
2016	262.32	93.34	-	355.66
2017	10.50	-	-	10.50
2018	369.82	542.89	-	912.70
Bond Pool Proceeds**	(300.00)	-	-	(300.00)
<b>TOTAL</b>	<b>560.41</b>	<b>662.73</b>	<b>62.50</b>	<b>1,285.64</b>

\*Prior authorization is from the 2006 Session of the General Assembly.

\*\* SPBC No. 119 bond proceeds.

### Looking Forward

The Commission continues to monitor the municipal bond interest rate market and uses this information together with other relevant

market data to evaluate whether or not the interim financing program would be an economical tool to begin using once again in conjunction with the fixed rate bonds.

## DEBT MANAGEMENT

### *Ratings Update*

The rating agencies continually monitor the Commonwealth's budgetary policies and actual performance in areas such as revenue, the economy, pensions, and debt management. Pension unfunded liabilities high fixed cost and low reserves have continued to put downward pressure on the Commonwealth's credit ratings.

During the reporting period, S&P downgraded the Road Fund Appropriation

rating from AA- to A-. The rating downgrade was due in large part to the application of S&P's new rating criteria. Additionally, increasing financial pressures from pension contributions were cited.

The remaining ratings below were either affirmed or remained unchanged from the previous reporting period.

The ratings picture at December 31, 2018 was:

	Moody's	S & P	Fitch
General Obligation Issuer Rating (GO Implied)	Aa3	A	AA-
General Fund Appropriation Rating (GF)	A1	A-	A+
Road Fund Appropriation Rating (RF)	Aa3	A-	A+
Federal Highway Trust Fund Appropriation Rating	A2	AA	A+

## DEBT MANAGEMENT

### *Cash Management Strategies*

All cash management strategies are market and interest rate dependent. Historical alternatives are listed below:

### **Tax and Revenue Anticipation Notes (TRAN)**

There were no General Fund TRANs issued during Calendar Year 2018. As in the previous nine fiscal years, current reinvestment yields on TRAN proceeds would not be significantly higher than the cost of funds for a TRAN. At this time, borrowing internally from the state investment pools continues to be the most efficient and cost-effective way to provide short-term liquidity to the General Fund.

### **Inter-Fund Borrowing**

Cash in one fund is loaned to another fund which is experiencing a short-term cash flow shortfall. Historically, funds are loaned to the short-term fund (General Fund).

As of December 31, 2018 the total available liquid resources available to the General Fund was \$3.549 billion.

### **Bond Anticipation Notes (BAN)**

A short-term interest-bearing security issued in advance of a larger, future bond issue. Bond anticipation notes are smaller short-term bonds that are issued to generate funds for upcoming projects.

No BANs were issued during the reporting period

### **Notes (Direct Loans)**

"Funding notes" means notes issued under the provisions of KRS 56.860 to 56.869 by the commission for the purpose of funding:

(a) Judgments, with a final maturity of not more than ten (10) years; and

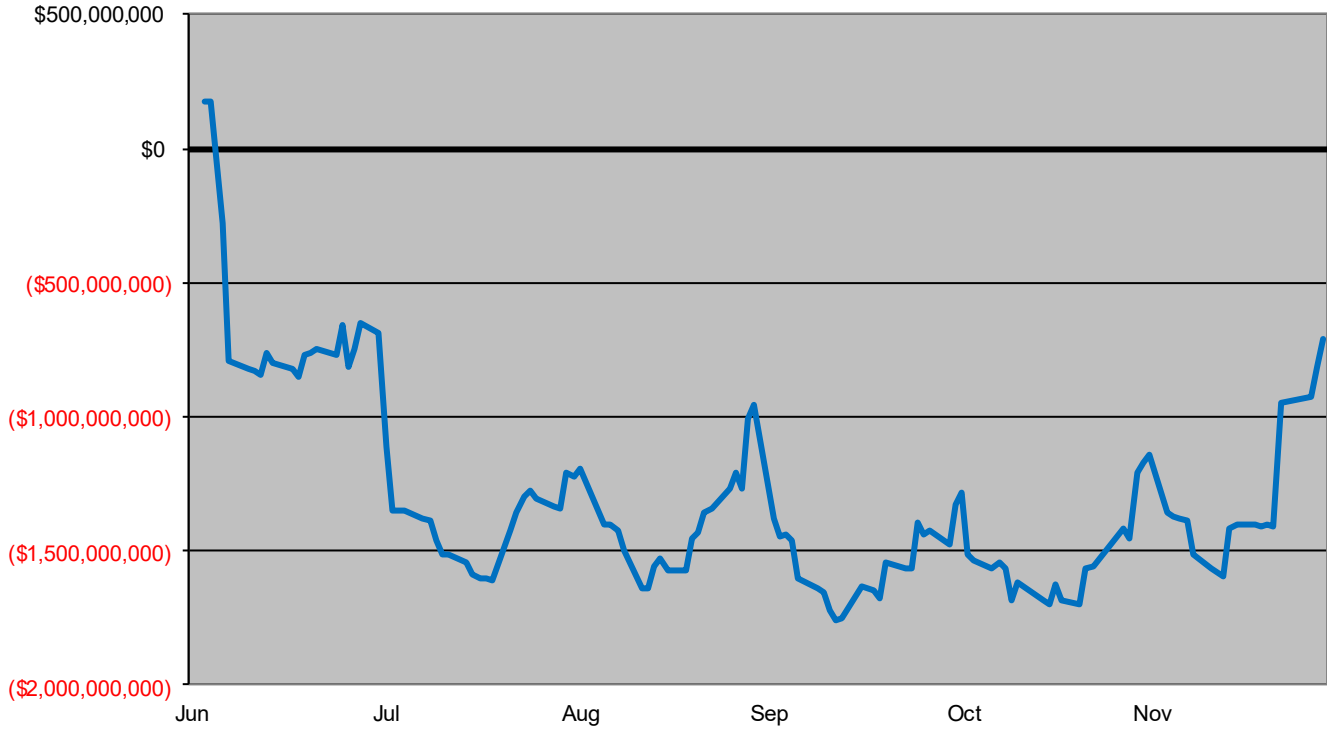
(b) The finance or refinance of obligations owed under KRS 161.550(2) or 161.553(2)

"Project notes" means notes issued under the provisions of KRS 56.860 to 56.869 by the commission with a final maturity of not more than twenty (20) years for the purpose of funding authorized projects, which may include bond anticipation notes.

No Notes were issued during the reporting period.

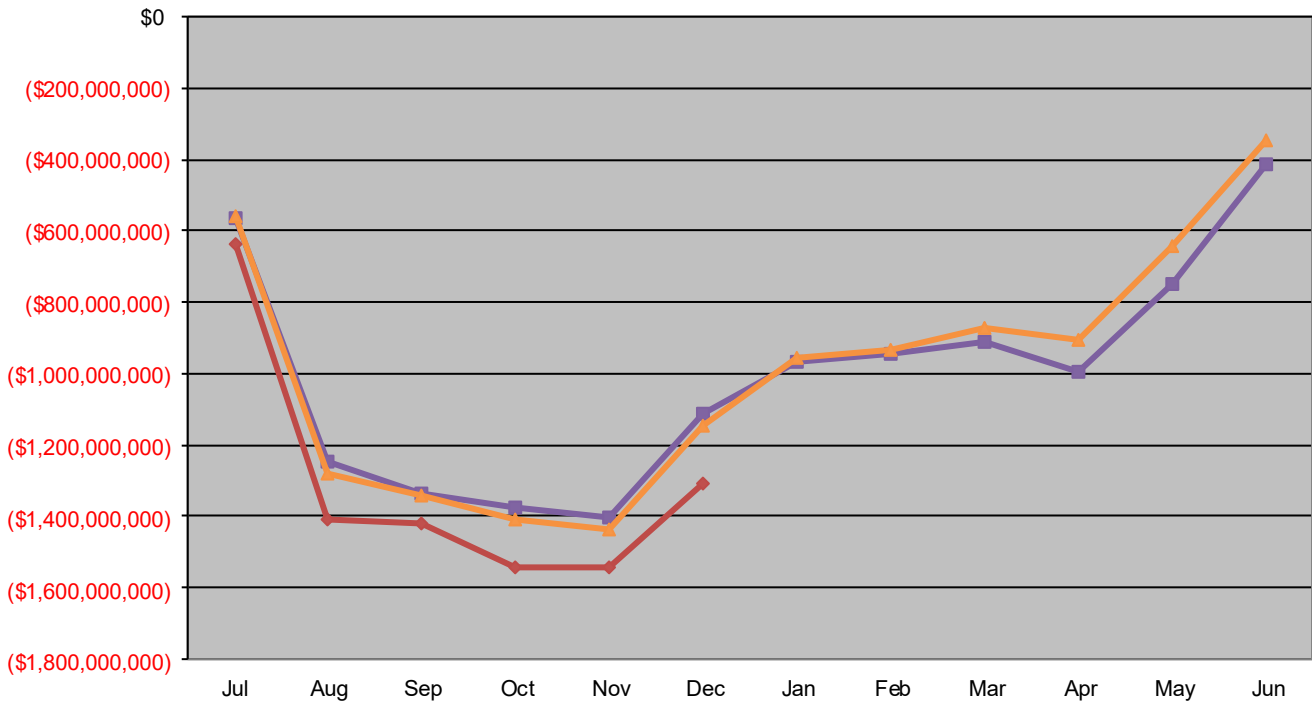
## DEBT MANAGEMENT

**GENERAL FUND CASH BALANCE**  
Fiscal Year 2019



**GENERAL FUND MONTHLY AVERAGE**  
(Excluding TRAN Proceeds)

—◆— FY2019    
 —■— 5-YR AVERAGE    
 —▲— 3-YR AVERAGE



## DEBT MANAGEMENT

### *ALCo Financial Agreements*

As of December 31, 2018, ALCo had three financial agreements outstanding, with a net notional exposure amount of \$151,555,000. These financial agreements are described in the section below and the terms of these transactions are detailed in Appendix B. No additional ALCo financial agreements were executed during the reporting period.

### **General Fund – Floating Rate Note Hedges**

In May, 2007, ALCo issued \$243.08 million of Floating Rate Notes (FRNs) to permanently finance \$100 million of General Fund bond supported projects and to advance refund certain outstanding State Property and Buildings Commission (SPBC) bonds for present value savings. The transaction entailed ALCo issuing four FRNs, each paying a rate of interest indexed to 3-Month LIBOR plus a fixed spread. Integrated into the transaction were four separate interest rate swaps which perfectly hedge the floating rates on the FRNs and lock in a fixed rate payable by ALCo on the transaction. The terms of the four interest rate swaps exactly match the notional amount, interest rate, and amortization schedule of the four FRNs and allowed ALCo to elect “super-integrated” tax status on the transaction, whereby it receives similar tax treatment as a fixed rate bond issue under IRS rules.

Under the FRN transaction, the Notes and interest rate swaps were each insured under separate policies by FGIC, which maintained an Aaa/AAA credit rating at the time from Moody’s and S&P. Under the terms of the original interest rate swaps, the counterparty (Citibank) could optionally terminate the agreements if the insurer’s claims paying rating fell below an A3/A-level. Subsequent to the transaction, FGIC was downgraded multiple times by the credit rating agencies and currently are no longer rated. In December 2008, MBIA (rated A2 by Moody’s at

the time) reinsured FGIC’s municipal insurance portfolio providing additional coverage on the transaction. However, MBIA Insurance Corporation’s credit rating was also subsequently downgraded on multiple occasions and is currently rated Caa1 by Moody’s and is no longer rated by S&P. In February of 2009, MBIA established a new U.S. public finance financial guaranty insurance company known as National Guaranty Public Finance Corporation (National). National, at no additional charge, provided reinsurance on the FRNs and related swaps. However, on December 22, 2010, S&P downgraded National from A to BBB leaving both of National’s claims paying ratings below the required A3/A- level.

In early 2011, ALCo spent considerable time working with Citibank and other parties analyzing a variety of remedies that would prevent the potential early termination of the interest rate swaps. After much consideration, ALCo determined the preferred remedy was one offered by Citibank whereby the remaining notional amount of each interest rate swap would be assigned to a new counterparty under the existing financial terms and at no cost to ALCo or the Commonwealth. On February 14, 2011, ALCo, Citibank and the new counterparty, Deutsche Bank AG, executed the assignment of the remaining notional balances of each swap to Deutsche Bank. The terms of the new interest rate swaps with Deutsche Bank were identical to the original swaps, with two exceptions; 1) the new swaps were not insured and there were no insurer provisions contained in the new agreements, and 2) the credit rating triggers under the automatic termination provisions were now symmetrical for both counterparties (ALCo and Deutsche Bank) at A3/A-. Under the original swaps, ALCo’s credit rating triggers were Baa2/BBB, but rating recalibrations by the rating agencies caused municipal issuers to be rated on the same scale as corporations and other debt issuing entities, which facilitated the need for equal credit rating

## DEBT MANAGEMENT

triggers for both parties. On July 10, 2014, the credit rating triggers were lowered to Baa3/BBB- for both counterparties. On January 25 2016, Moody's downgraded Deutsche Bank from A3 to Baa1 reflecting changes in Germany's insolvency legislation which took effect in January 2017. The changes resulted in protection from the subordination of certain senior unsecured debt obligations relative to other senior liabilities, including deposits. Moody's downgraded Deutsche Bank once again on May 23, 2016 from Baa1 to Baa2

### *Asset/Liability Model*

The total SPBC debt portfolio as of December 31, 2018 had \$3.579 billion of bonds outstanding with a weighted average coupon of 5.00% and a weighted average life of 6.82 years. The average coupon reflects an amount of taxable bonds issued under the Build America Bond Program during 2009 and 2010 as well as continued investor preference for tax-exempt callable premium bonds in the current market at a yield lower than par or discount coupon bonds. The \$1.218 billion callable portion had a weighted average coupon of 4.75%.

The SPBC debt structure has 46% of principal maturing in 5-years and 72% of principal maturing in 10-years. The ratios are above the rating agencies' proposed target of 27-30% due in 5 years and 55-60% maturing within 10-years, primarily influenced by debt restructuring and the minimal amount of long-term new money permanent financings within the last several years.

reflecting "the increased execution challenges Deutsche Bank faces in achieving its strategic plan." Even with two downgrades, Deutsche Bank continues to be in compliance with the swap agreement credit rating threshold of not falling below Baa3. ALCo continues to monitor the credit of our counterparty for compliance with terms of the agreement.

Details related to the interest rate swaps as of December 31, 2018 are presented in Appendix B.

The General Fund had a maximum balance of \$175.985 million for the first half of Fiscal Year 2019 and a low of negative \$1.761 billion on October 11, 2018.

The average and median balances were a negative \$1.314 billion and a negative \$1.408 billion, respectively. Since the General Fund continued to have a negative available cash balance for the fiscal year, there is little, if anything, that can be done from an asset management point of view beyond current actions.

From a liability management perspective, total General Fund debt service, net of credits is expected to be \$710.932 million for Fiscal Year 2019. In addition, General Fund debt service of \$8.291 million is expected to be provided for the Eastern State Hospital financing that was issued through the Lexington-Fayette Urban County Government in 2011. Net interest margin will continue to be negative due to low cash balances versus outstanding fixed rate debt, low level of interest rates, and the callability of the debt portfolio.



## DEBT MANAGEMENT

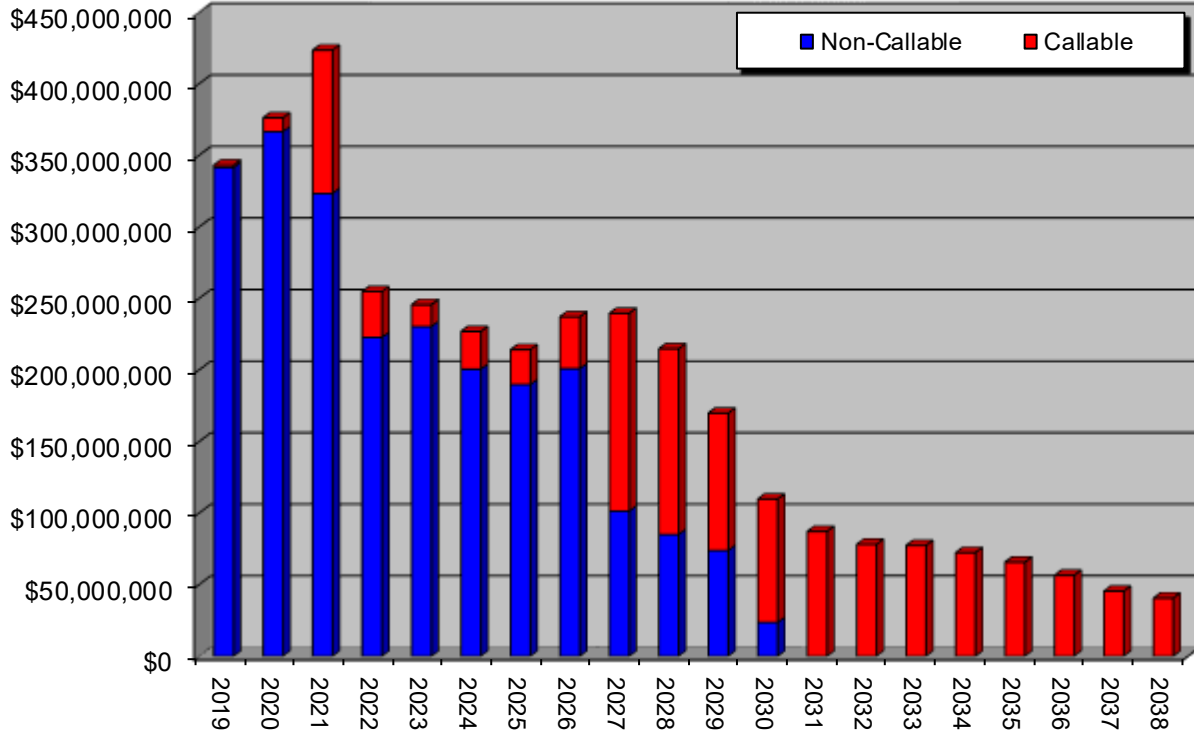
### Looking Foward

In light of the January 1, 2018 federal tax law change that tightened the parameters by which tax-exempt municipal bonds could be advanced refunded, the Commonwealth has added to the methods of evaluation for examining potential refunding candidates. Since tax advantaged bonds are no longer eligible to be advance refunded on a tax-exempt basis, the

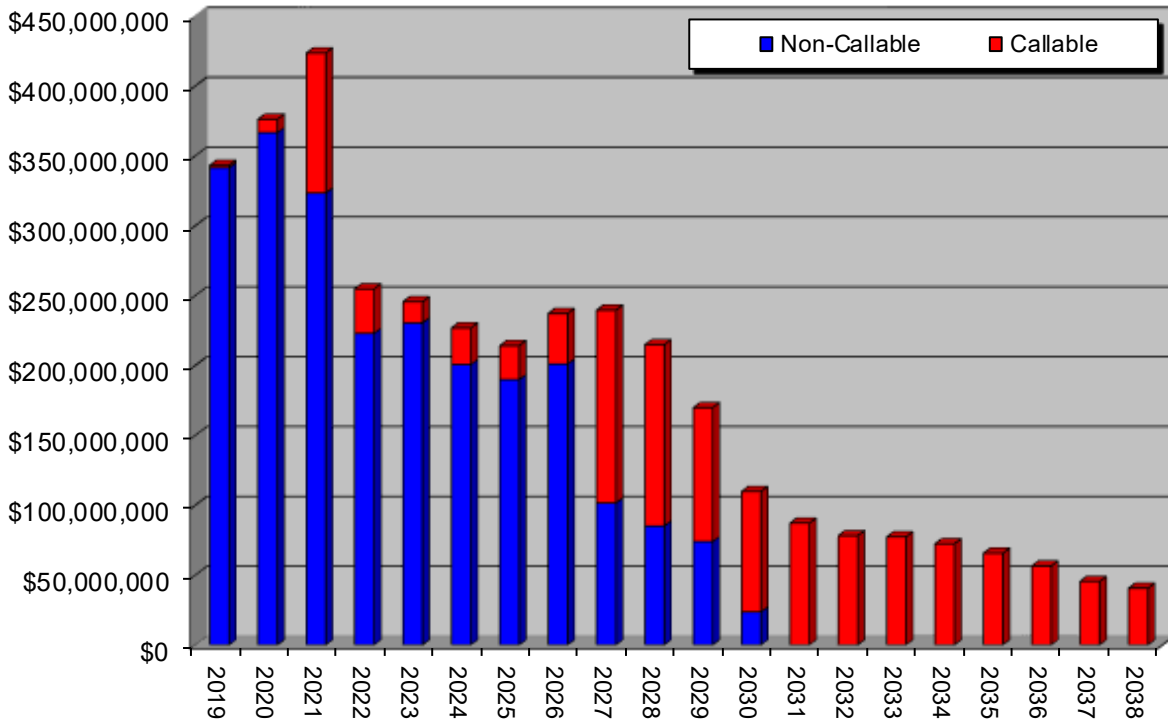
Commonwealth now gives consideration to advance refunding its municipal bonds on a taxable basis or through a forward delivery of tax-exempt bonds, however these strategies most often do not produce economic savings. The Commonwealth will continue to refund on a current basis the maturities of bonds which do produce economic savings.

## DEBT MANAGEMENT

### Call Analysis by Maturity Date State Property and Buildings Commission Bonds



### Call Analysis by Maturity Date State Property and Buildings Commission Bonds



## DEBT MANAGEMENT

### *Road Fund*

The Road Fund average daily cash balance for the first half of Fiscal Year 2019 was \$303 million compared to \$236 million for the first half of Fiscal Year 2018. The Road Fund cash was invested in the Intermediate Term Investment Pool which had a duration of 0.68 years as of December 31, 2018. The Road Fund earned a positive \$3.799 million on a cash basis for the first half of Fiscal Year 2018 versus a positive \$1.038 million for the first half of Fiscal Year 2018. The continued relatively low level of investable balances at certain times during the fiscal year limits the investment opportunities.

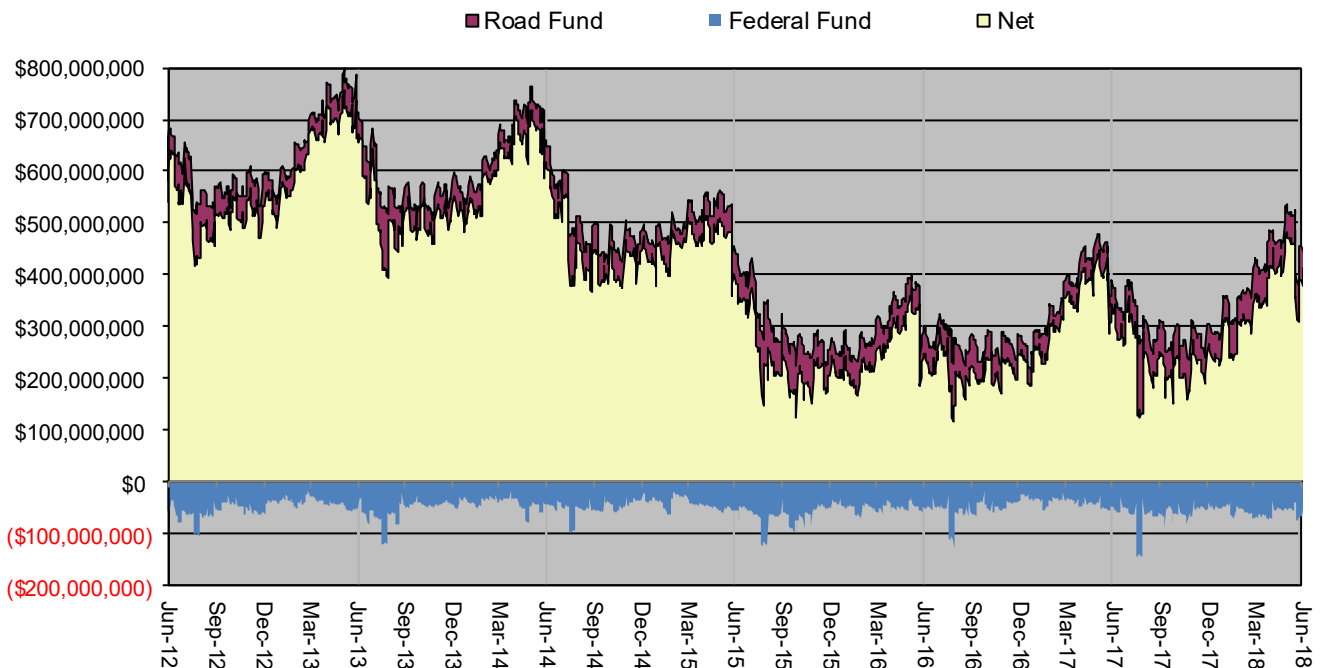
As of December 31, 2018, the Turnpike Authority of Kentucky (TAK) had \$1.204 billion of

bonds outstanding with a weighted average coupon of 4.85% and an average life of 6.63 years.

Road Fund debt service paid in Fiscal Year 2019 is expected to be \$166.39 million, resulting in a net interest margin (investment income earned year-to-date less debt service paid) of negative \$162.59 million. The negative amount stems from the level of investable balances and a general low level of interest rates on the investment side in addition to the limited callability of fixed rate obligations on the liability side.

No debt related to the road fund was issued or refunded during the reporting period.

**Road Fund Available Balance**  
Fiscal Year 2013-2018 as of 12/31/2018



## SUMMARY

ALCo's approach to managing the Commonwealth's interest-sensitive assets and interest-sensitive liabilities has provided tremendous flexibility and savings in financing the Commonwealth's capital construction program.

Since its inception, ALCo has been instrumental in adding incremental returns on investment income to the Commonwealth's investment portfolio. ALCo has continued to manage General Fund intra-year cashflow deficits through its TRAN program when cost effective. Until Fiscal Year 2010, ALCo had issued a General Fund TRAN each fiscal year since 1998 (with the exception of FY 2004), providing millions of dollars of incremental gains for the General Fund over this time (see Debt Management TRAN section for details). In addition, ALCo's management approach to project funding has allowed the Commonwealth to take advantage of short-term yields and achieve

millions of dollars in budgetary savings through debt service lapses, issuance of BANs, and commercial paper when economically feasible.

Over the past ten years, the high cost of acquiring credit/liquidity support for short-term borrowing programs when compared to the low cost of long-term financing favored long-term financing structures. However, ALCo does and will continue to analyze the cost effectiveness of potential interim financing options during near term.

As always, ALCo continues to analyze potential opportunities for savings and to evaluate new financing structures which offer the Commonwealth the ability to diversify risk within its portfolio while taking advantage of market demand for various new or unique products.

# APPENDIX

## APPENDIX A

### STATE INVESTMENT COMMISSION Corporate Credits Approved For Purchase as of December 18, 2018

Company Name	Repurchase			Company Name	Repurchase		
	<u>Agreements</u>	<u>Debt</u>	<u>Notes</u>		<u>Agreements</u>	<u>Debt</u>	<u>Notes</u>
Apple Inc		Yes	Yes	Microsoft Corp		Yes	Yes
Bank of Montreal	Yes	Yes	Yes	MUFG Bank LTD/NY		Yes	Yes
Bank of Nova Scotia	Yes	Yes	Yes	MUFG Securities Americas Inc	Yes	No	No
Berkshire Hathaway Inc		Yes	Yes	Natixis SA/New York		Yes	Yes
BNP Paribas Securities Corp	Yes	Yes	Yes	Nestle Finance International		Yes	Yes
BNY Mellon NA		Yes	Yes	Oracle Corp		Yes	Yes
Boeing Co/The		Yes	Yes	PepsiCo Inc		Yes	Yes
Canadian Imperial Bank of Comm		Yes	Yes	Pfizer Inc		Yes	Yes
Chevron Corp		Yes	Yes	PNC Bank NA		Yes	Yes
Cisco Systems Inc		Yes	Yes	Praxair Inc		Yes	Yes
Cooperatieve Rabobank		Yes	Yes	Procter & Gamble Co/The		Yes	Yes
Cornell University		Yes	No	Royal Bank of Canada	Yes	Yes	Yes
Costco Wholesale Corp		Yes	Yes	Royal Dutch Shell PLC		Yes	Yes
Deere & Co		Yes	Yes	Salvation Army		Yes	No
Exxon Mobil Corp		Yes	Yes	State Street Corp		Yes	Yes
Exxon Mobil Corp		Yes	Yes	Sumitomo Mitsui Trust Bank		Yes	Yes
Guggenheim Securities, LLC	Yes	No	No	Swedbank AB		Yes	Yes
Home Depot Inc		Yes	Yes	Texas Instruments Inc.		Yes	Yes
Honda Motor Co Ltd		Yes	Yes	Toronto-Dominion Bank/The		Yes	Yes
HSBC Bank USA NA		Yes	Yes	Total SA		Yes	Yes
IBRD - World Bank		Yes	Yes	Toyota Motor Corp		Yes	Yes
Intel Corp		Yes	Yes	UBS AG (U.S.)		Yes	Yes
Intl Business Machines Corp		Yes	Yes	US Bank NA		Yes	Yes
Johnson & Johnson		Yes	Yes	Wal-Mart Stores Inc		Yes	Yes
Lloyds Bank PLC		Yes	Yes	Walt Disney Co/The		Yes	Yes
Merck & Co. Inc.		Yes	Yes	Wells Fargo & Co		Yes	Yes

\*Addition:

Removed:

General Electric Co. 10.02.2018

## APPENDIX A

**STATE INVESTMENT COMMISSION**  
**Securities Lending Agent Approved Counterparties**  
**as of September 25, 2018**

<u>Company Name</u>	<u>Securities Lending</u>	<u>REPO</u>
Alaska USA Federal Credit Union	Yes	Yes
Alaska USA Trust Company	Yes	Yes
BMO Capital Markets Corp	Yes	No
Bank of Nova Scotia	Yes	No
Barclays Capital, Inc	Yes	Yes
BNP Paribas Prime Brokerage, Inc.	Yes	No
BNP Paribas Securities Corp.	Yes	No
Cantor Fitzgerald & Co.	Yes	Yes
Citigroup Global Markets Inc	Yes	Yes
Credit Suisse Securities (USA) LLC	Yes	Yes
CYS Investments, Inc.	Yes	Yes
Daiwa Capital Markets America Inc	Yes	Yes
Deutsche Bank Securities Inc.	Yes	Yes
Dynex Capital Inc.	Yes	Yes
Goldman Sachs and Company	Yes	Yes
Hatteras Financial Corp	Yes	Yes
HSBC Securities (USA) Inc	Yes	Yes
ING Financial Markets LLC	Yes	Yes
Jefferies LLC	Yes	Yes
JP Morgan Securities LLC	Yes	No
Merrill Lynch Pierce Fenner & Smith Inc	Yes	Yes
Mizuho Securities USA, Inc	Yes	Yes
Morgan Stanley & Co. LLC	Yes	Yes
NatWest Markets Securities Inc.*	Yes	Yes
Nomura Securities International Inc	Yes	Yes
Pershing LLC	Yes	Yes
Redwood Trust	Yes	Yes
RBC Capital Markets LLC	Yes	No
SG Americas Securities LLC	Yes	Yes
Societe Generale	Yes	Yes
TD Securities (USA), Inc	Yes	Yes
Two Harbors Investment Corp	Yes	Yes
UBS Securities LLC	Yes	Yes
Wells Fargo Securities LLC	Yes	Yes

## APPENDIX B

ALCo Financial Agreements	ALCo FRN Series A Hedge	ALCo FRN Series A Hedge	ALCo FRN Series B Hedge	ALCo FRN Series B Hedge
Fund Source	General Fund	General Fund	General Fund	General Fund
Hedge	2017 FRN	2027 FRN	2021 FRN	2025 FRN
Counter-Party	Deutsche Bank AG	Deutsche Bank AG	Deutsche Bank AG	Deutsche Bank AG
Long-Term Senior Debt Ratings (Moody's / S&P / Fitch)		A3/BBB+/BBB+	A3/BBB+/BBB+	A3/BBB+/BBB+
Termination Trigger (Moody's / S&P)	Baa3/BBB-	Baa3/BBB-	Baa3/BBB-	Baa3/BBB-
Swap Type	Fixed Pay	Fixed Pay	Fixed Pay	Fixed Pay
Benchmark	67% 3M LIBOR + 40	67% 3M LIBOR + 53	67% 3M LIBOR + 52	67% 3M LIBOR + 55
Reset	Quarterly	Quarterly	Quarterly	Quarterly
Notional Amount	Expired 11/1/17	40,230,000	40,390,000	70,935,000
Amortize (yes/no)	yes	yes	yes	yes
Original Execution Date	5/16/2007	5/16/2007	5/16/2007	5/16/2007
Start Date	5/31/2007	5/31/2007	5/31/2007	5/31/2007
Assignment Date	2/14/2011	2/14/2011	2/14/2011	2/14/2011
Mandatory Early Termination				
End Date	11/1/2017	11/1/2027	11/1/2021	11/1/2025
Fixed Rate pay-(rec)	3.839%	4.066%	4.042%	4.125%
Day Count	30/360	30/360	30/360	30/360
Payment Dates		February 1, May 1, August 1, November 1		
Security Provisions		General Fund Debt Service Appropriations		
Current Market Valuation December 31, 2018 (negative indicates payment owed by ALCo if terminated)	Expired 11/1/17	(3,532,208)	(1,421,382)	(6,696,213)
Interest Earnings (not applicable)				
Total	not applicable	not applicable	not applicable	not applicable

## Swap Summary

As of December 31, 2018:

Total Notional Amount Executed

<u>General Fund</u>	<u>Road Fund</u>
243,080,000	0

Net Exposure Notional Amount

<u>General Fund</u>	<u>Road Fund</u>
151,555,000	0

Total Notional Amount Executed by Counter Party

Deutsche Bank (assigned from Citibank on 2/14/2011)

243,080,000

Debt

	<u>General Fund</u>	<u>Road Fund</u>	<u>General Fund</u>	<u>Road Fund</u>
Bonds Outstanding	3,717,515,000	1,241,310,000	371,751,500	124,131,000
Authorized but Unissued	<u>560,413,100</u>	<u>62,500,000</u>	<u>56,041,310</u>	<u>6,250,000</u>
Total	4,277,928,100	1,303,810,000	427,792,810	130,381,000

Investment Pool Balance

<u>Other Funds</u>	<u>Net Road Fund</u>
3,549,411,923	387,906,656

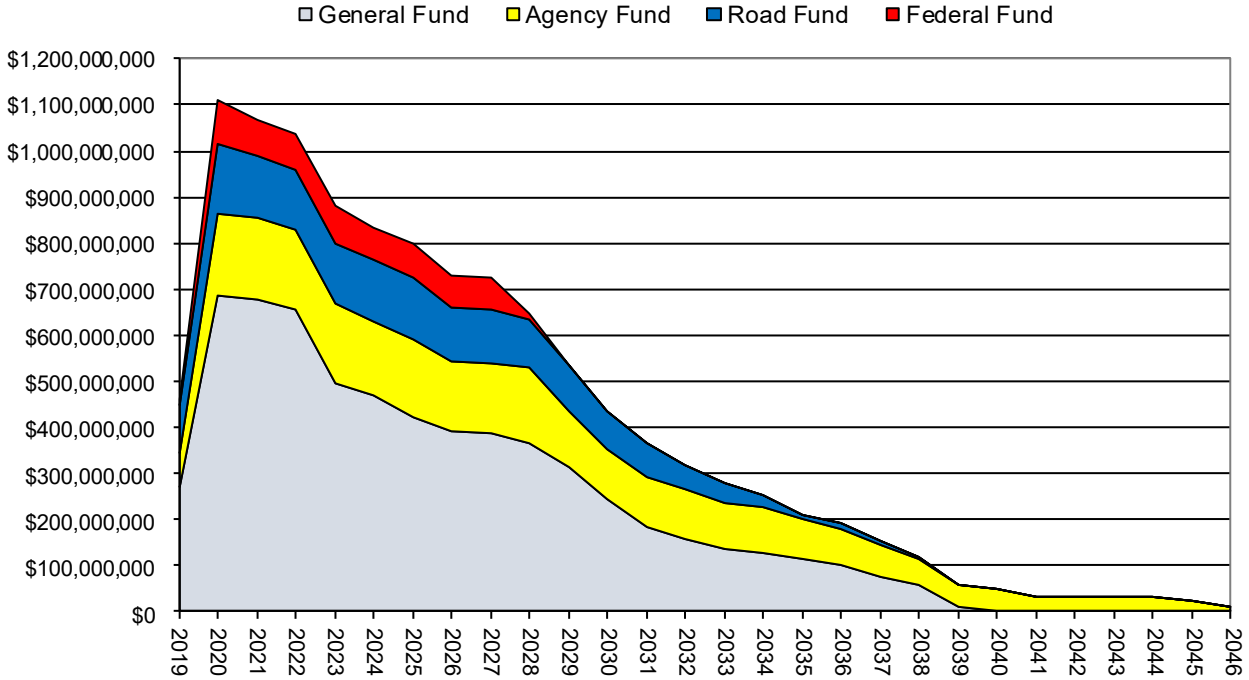
10 Percent Investment Portfolio

<u>Other Funds</u>	<u>Net Road Fund</u>
354,941,192	38,790,666

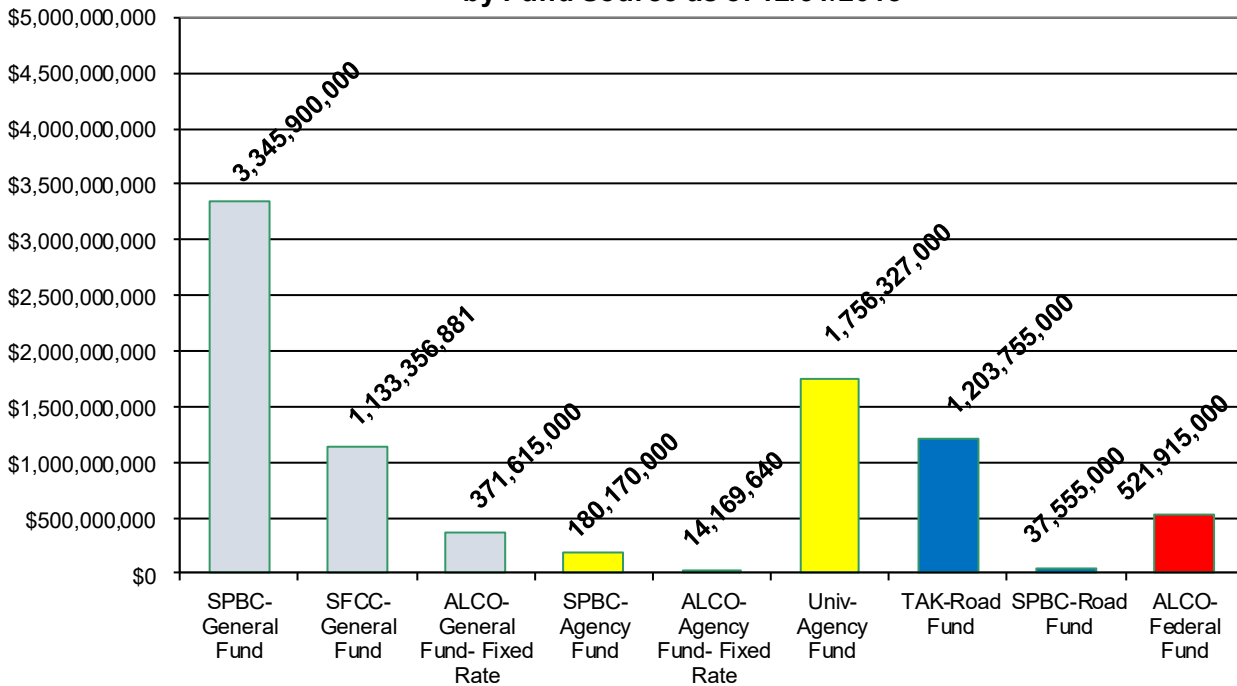


### APPENDIX C

**Appropriation Supported Debt Service  
by Fund Source as of 12/31/2018**



**Appropriation Debt Principal Outstanding  
by Fund Source as of 12/31/2018**



\*This data does not include debt issued for judicial center projects and paid for by the Administrative Office of the Courts in the Court of Justice or debt issued by the Lexington -Fayette Urban County Government for the Eastern State Hospital.

## APPENDIX D

**COMMONWEALTH OF KENTUCKY  
ASSET/LIABILITY COMMISSION  
SCHEDULE OF NOTES OUTSTANDING  
AS OF 12/31/2018**

FUND TYPE SERIES TITLE	AMOUNT ISSUED	DATE OF ISSUE	MATURITY DATE	PRINCIPAL OUTSTANDING
<b>General Fund Project &amp; Funding Notes</b>				
2007 A, B Series	\$243,080,000	5/2007	11/2027	\$151,555,000
2010 1st Series-KTRS Funding Notes	\$467,555,000	8/2010	4/2020	\$34,350,000
2011 1st Series-KTRS Funding Notes	\$269,815,000	3/2011	4/2022	\$105,605,000
2013 1st Series-KTRS Funding Notes	\$153,290,000	2/2013	4/2023	\$80,105,000
<b>FUND TOTAL</b>	<b>\$1,133,740,000</b>			<b>\$371,615,000</b>
<b>Agency Fund Project Notes</b>				
2018 Agency Fund Project Note (KCTCS)	\$27,775,000	6/2018	10/2023	\$14,169,640
<b>FUND TOTAL</b>	<b>\$27,775,000</b>			<b>\$14,169,640</b>
<b>Federal Hwy Trust Fund Project Notes</b>				
2007 1st Series	\$277,910,000	9/2007	9/2019	\$42,395,000
2010 1st Series	\$89,710,000	3/2010	9/2022	\$89,710,000
2013 1st Series	\$212,545,000	8/2013	9/2025	\$172,640,000
2014 1st Series	\$171,940,000	3/2014	9/2026	\$132,175,000
2015 1st Series	\$106,850,000	10/2015	9/2027	\$84,995,000
<b>FUND TOTAL</b>	<b>\$858,955,000</b>			<b>\$521,915,000</b>
<b>ALCo NOTES TOTAL</b>	<b>\$2,020,470,000</b>			<b>\$907,699,640</b>

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REPORT PREPARED BY:



OFFICE OF FINANCIAL  
MANAGEMENT

Commonwealth of Kentucky

702 Capital Ave Ste 76

Frankfort, KY 40601

Phone: 502-564-2924

Fax: 502-564-7416

*Creating Financial Value for the Commonwealth*



**Kentucky Infrastructure Authority  
Projects for  
April 2019 Capital Projects Meeting**

- **Fund A Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Loan Amount</u>	<u>County</u>
A19-032	City of Morehead	\$ 3,650,000	Rowan
A19-048	Lincoln County Sanitary District (P&D)	\$ 388,400	Lincoln

- **Fund F Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Loan Amount</u>	<u>County</u>
F19-002	City of Morehead	\$ 6,554,200	Rowan

<b>EXECUTIVE SUMMARY</b>		Reviewer	Ashley Adams	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 7, 2019	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A19-032	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21205037	
BORROWER	CITY OF MOREHEAD ROWAN COUNTY			
BRIEF DESCRIPTION				
This project will address capacity issues and sanitary sewer overflows (SSO) throughout sections of the US 60 West and KY 801 sections of Morehead Utility Plant Board's collection system. This will be accomplished by rehabilitating over 65,000 linear feet (LF) of line and 5 different lift stations. Some of the lift station rehabilitation will include increasing capacity as well as installing energy efficient VFD devices and SCADA. Approximately 62% of the recorded 396 SSO events that have occurred since 1998 in the collection system have occurred in the proposed project area.				
PROJECT FINANCING		PROJECT BUDGET		
KIA Fund A Loan	\$3,650,000	RD Fee %	Actual %	
				10,000
				15,000
		Eng - Design / Const	7.1%	6.5%
		Eng - Insp	3.9%	3.6%
		Eng - Other		20,600
		Construction		2,936,000
		Contingency		337,000
TOTAL	\$3,650,000	TOTAL		\$3,650,000
REPAYMENT	Rate	2.00%	Est. Annual Payment \$229,626	
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Bluegrass Engineering, PLLC		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Oct-19		
	Construction Start	Jan-20		
	Construction Stop	Oct-20		
DEBT PER CUSTOMER	Existing	\$2,352		
	Proposed	\$5,738		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	5,581	\$29.76 (for 4,000 gallons)	
	Additional	0	\$29.76 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2016	2,382,274	1,171,067	1,211,207	2.0
Audited 2017	2,306,343	1,170,694	1,135,649	2.0
Audited 2018	2,685,132	1,176,634	1,508,498	2.3
Projected 2019	3,984,006	1,300,087	2,683,919	3.1
Projected 2020	3,746,848	1,284,214	2,462,634	2.9
Projected 2021	3,504,947	1,397,964	2,106,983	2.5
Projected 2022	3,200,308	2,260,825	939,483	1.4
Projected 2023	2,948,635	2,096,061	852,574	1.4

Reviewer: Ashley Adams  
Date: March 7, 2019  
Loan Number: A19-032

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
CITY OF MOREHEAD, ROWAN COUNTY  
PROJECT REVIEW  
SX21205037**

**I. PROJECT DESCRIPTION**

The Morehead Plant Utility Board is requesting a Fund A loan in the amount of \$3,650,000 for the US 60 West and KY 801 SSO Correction project. This project will improve the sanitary sewer collection system in order to address capacity issues and sanitary system overflows (SSO). MUPB began recording SSO events circa 1998. In 2000, MUPB was released from their Agreed Order with the Kentucky Division of Water. Since 1998, MUPB has recorded 396 SSO events throughout their collection system; 245 of the recorded 396 SSO events, approximately 62%, have occurred in the proposed capital improvement project area. Currently, the majority of the SSO events occur at the lift station wet wells in the proposed project area. However, the manholes found in lower elevation areas, such as Salt Lick, often overflow when the pump stations become backed up. Increasing the line capacity will alleviate the bottleneck and allow the lift stations to pump at their designed capacity, thus reducing SSO events. Approximately 65,500 linear feet of line will be rehabilitated as well as 5 lift stations and related appurtenances. Two of the lift stations will be equipped with SCADA and three will be equipped with VFD devices to increase energy efficiency.

The Morehead Utility Plant Board currently serves 5,581 sewer customers, 3,453 water customers, and also provides natural gas to customers in Rowan County.

**II. PROJECT BUDGET**

	<u>Total</u>
Legal Expenses	10,000
Planning	15,000
Engineering Fees - Design	149,000
Engineering Fees - Construction	63,800
Engineering Fees - Inspection	118,600
Engineering Fees - Other	20,600
Construction	2,936,000
Contingency	337,000
<b>Total</b>	<b>\$ 3,650,000</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
KIA Fund A Loan	\$ 3,650,000	100%
<b>Total</b>	<b>\$ 3,650,000</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 3,650,000
Less: Principal Forgiveness	<u>0</u>
Amortized Loan Amount	\$ 3,650,000
Interest Rate	2.00%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 222,326
Administrative Fee (0.20%)	<u>7,300</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 229,626</b>

### V. PROJECT SCHEDULE

Bid Opening	October 1, 2019
Construction Start	January 2, 2020
Construction Stop	October 1, 2020

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

	<u>Current</u>
Residential	4,783
Commercial	792
Industrial	<u>6</u>
<b>Total</b>	<b>5,581</b>

#### B) Rates

<b>Water</b>	<b>Inside City</b>		<b>Outside City</b>	
	Current	Prior	Current	Prior
Date of Last Rate Increase	08/01/18	08/01/17	08/01/18	08/01/17
Minimum (First 2,000 gallons)	\$17.40	\$14.95	\$20.88	\$17.94
Next 4,000 Gallons (per 1,000)	7.03	6.04	8.43	7.24
Cost for 4,000 gallons	\$31.46	\$27.03	\$37.74	\$32.42
Increase %	16.4%		16.4%	
Affordability Index (Rate/MHI)	1.0%		1.2%	



Sewer	Inside City		Outside City	
	Current	Prior	Current	Prior
Date of Last Rate Increase	08/01/18	08/01/17	08/01/18	08/01/17
Minimum (First 2,000 gallons)	\$14.60	\$10.50	\$17.53	\$12.61
Next 4,000 Gallons (per 1,000)	7.58	5.45	8.78	6.32
Cost for 4,000 gallons	\$29.76	\$21.40	\$35.09	\$25.25
Increase %	39.1%		39.0%	
Affordability Index (Rate/MHI)	0.9%		1.1%	

Water rates will be evaluated and adjusted on an annual basis for the next few years based on pending capital projects in the system. The Utility is exploring the implementation of a CPI clause in the future to keep up with inflation.

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 15,128 with a Median Household Income (MHI) of \$38,498. The median household income for the Commonwealth is \$44,811. The project will qualify for the non-standard interest rate of 2% because the MHI of the system is between 80-100% of Kentucky's MHI.

Year	City	Population		County Unemployment		
		% Change	County	% Change	Date	Rate
1980	7,789		19,049		June 2005	6.6%
1990	8,357	7.3%	20,353	6.8%	June 2010	10.4%
2000	5,914	-29.2%	22,094	8.6%	June 2015	6.6%
2010	6,845	15.7%	23,333	5.6%	June 2018	6.3%
Current	7,615	11.2%	24,302	4.2%		
Cumulative %		-2.2%		27.6%		

## VIII. 2018 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project does not qualify for additional subsidization.

## IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2016 through June 30, 2018. Morehead Plant Utility Board is comprised of water, sewer, and gas operations and has limited segregation in their financial statements. The non-cash impact of GASB 68, Accounting and Financial

Reporting for Pensions, has been removed from fiscal 2016-2018 operating expenses and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, has been removed from 2018 operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

## HISTORY

Total revenues including water, sewer, and gas have increased 20% from 2016 to 2018 mostly due to rate increases. Water revenues increased 15% during that period, sewer revenues increased 18%, and gas revenues increased 33%. Historically, water has contributed the majority of cash available for debt service to the operation while also making up for deficits in sewer. Rate increases in the beginning of fiscal year (FY) 2019 will bring water and sewer almost equal in terms of cash flow available for debt service and other capital improvements. Total operating expenses increased 20% from 2016 to 2018. Water, sewer, and gas share administrative expenses which saw a 20% increase during this time period while water saw a 6% increase, sewer an 11% increase, and gas a 42% increase in operating expenses.

The 2018 balance sheet reflects a current ratio of 1.9, a debt to equity ratio of 0.4, 51.8 days sales in accounts receivable, and 1.6 months operating expenses in unrestricted cash. The debt coverage ratio from 2016 to 2018 was 2.0, 2.0, and 2.3, respectively.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Water revenues for both residential and wholesale customers will increase approximately 16% in FY 2019 as a result of a rate increase. Water revenues will continue to increase in the five year forecast according to planned rate increases by the Utility based on their capital improvements plan and updated annually with KIA. Residential water rates are anticipated to increase an average of 16% from FY 2019-2021 while wholesale rates will be adjusted based on the wholesale customer's responsibility for debt service coverage for plant expansion projects. Only the currently known 2019 increase is factored into this analysis.
- 2) Sewer revenues will increase approximately 39% due to a rate increase in FY 2019 and remain flat thereafter.
- 3) Expenses will increase 2% annually for inflation.
- 4) Debt coverage is 1.4 in 2022 when full principal and interest payments for loan A19-032 and the first four increments of pending KIA loan F19-002 go into repayment.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan.

**REPLACEMENT RESERVE**

The replacement reserve will be 5% (\$182,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$9,100 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
Bond Series 1966	\$ 15,000	2019
RD Series 2001A	3,427,000	2042
RD Series 2004	1,258,000	2044
KIA Loan (F00-05)	1,414,667	2023
KIA Loan (A04-02)	3,048,765	2026
KIA Loan (A10-16)	1,462,043	2033
KIA Loan (A209-36)	248,751	2031
KIA Loan (A209-37)	431,449	2032
KIA Loan (A16-065 i/a/o \$1,800,000)	1,482,651	2038
KIA Loan (F18-004 P&D i/a/o \$1,297,200)	0	TBD
KIA Loan (F19-002 i/a/o \$26,428,000)	0	TBD
<b>Total</b>	<b>\$ 12,788,326</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Morehead
Authorized Official	Laura White-Brown (Mayor)
County	Rowan
Email	mayor.whitebrown@morehead-ky.gov
Phone	606-784-8505
Address	314 Bridge Street Morehead, KY 40351

<b>Applicant Contact</b>	
Name	Holly McGrath- Rosas
Organization	Morehead Utility Plant Board
Email	hrosas@mupb.com
Phone	606-784-8313
Address	135 S Wilson Ave Morehead, KY 40351

<b>Project Administrator</b>	
Name	Jocelyn R. Gross
Organization	Gateway ADD
Email	jocelynr.gross@ky.gov
Phone	606-780-0090
Address	110 Lake Park Dr. Morehead, KY 40351

<b>Consulting Engineer</b>	
PE Name	Matthew Ray Curtis
Firm Name	Bluegrass Engineering, PLLC
Email	mcurtis@bludgrassengineering.net
Phone	502-370-6551
Address	222 East Main St, Suite 1 Georgetown, KY 40324

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**CITY OF MOREHEAD  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited 2016</u>	<u>Audited 2017</u>	<u>Audited 2018</u>	<u>Projected 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>	<u>Projected 2023</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	2,293,408	3,010,960	2,910,114	3,479,774	3,726,037	3,936,736	4,030,684	4,115,941
Other Assets	41,790,087	40,104,332	42,181,210	45,382,497	51,805,677	57,488,985	60,509,254	59,066,577
<b>Total</b>	<b>44,083,495</b>	<b>43,115,292</b>	<b>45,091,324</b>	<b>48,862,271</b>	<b>55,531,714</b>	<b>61,425,721</b>	<b>64,539,938</b>	<b>63,182,518</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	1,408,302	1,393,732	1,819,172	1,829,761	1,855,229	1,880,554	1,743,395	1,601,149
Long Term Liabilities	15,194,771	16,084,456	18,298,424	18,298,108	25,231,198	31,314,313	37,019,337	38,580,857
<b>Total Liabilities</b>	<b>16,603,073</b>	<b>17,478,188</b>	<b>20,117,596</b>	<b>20,127,869</b>	<b>27,086,427</b>	<b>33,194,867</b>	<b>38,762,732</b>	<b>40,182,006</b>
<b>Net Assets</b>	<b>27,480,422</b>	<b>25,637,104</b>	<b>24,973,728</b>	<b>28,734,402</b>	<b>28,445,287</b>	<b>28,230,854</b>	<b>25,777,206</b>	<b>23,000,512</b>
<b>Cash Flow</b>								
Revenues	9,403,121	9,990,829	11,271,041	13,394,448	13,394,448	13,394,448	13,394,448	13,394,448
Operating Expenses	7,150,384	7,657,223	8,591,321	9,415,854	9,653,012	9,894,913	10,199,552	10,451,225
Other Income	129,537	(27,263)	5,412	5,412	5,412	5,412	5,412	5,412
<b>Cash Flow Before Debt Service</b>	<b>2,382,274</b>	<b>2,306,343</b>	<b>2,685,132</b>	<b>3,984,006</b>	<b>3,746,848</b>	<b>3,504,947</b>	<b>3,200,308</b>	<b>2,948,635</b>
<b>Debt Service</b>								
Existing Debt Service*	1,171,067	1,170,694	1,176,634	1,300,087	1,284,214	1,283,151	2,031,199	1,866,435
Proposed KIA Loan	0	0	0	0	0	114,813	229,626	229,626
<b>Total Debt Service</b>	<b>1,171,067</b>	<b>1,170,694</b>	<b>1,176,634</b>	<b>1,300,087</b>	<b>1,284,214</b>	<b>1,397,964</b>	<b>2,260,825</b>	<b>2,096,061</b>
<b>Cash Flow After Debt Service</b>	<b>1,211,207</b>	<b>1,135,649</b>	<b>1,508,498</b>	<b>2,683,919</b>	<b>2,462,634</b>	<b>2,106,983</b>	<b>939,483</b>	<b>852,574</b>
<b>Ratios</b>								
Current Ratio	1.6	2.2	1.6	1.9	2.0	2.1	2.3	2.6
Debt to Equity	0.6	0.7	0.8	0.7	1.0	1.2	1.5	1.7
Days Sales in Accounts Receivable	45.7	51.0	51.8	51.8	51.8	51.8	51.8	51.8
Months Operating Expenses in Unrestricted Cash	1.6	3.3	1.6	2.3	2.8	3.3	3.5	3.6
Debt Coverage Ratio	2.0	2.0	2.3	3.1	2.9	2.5	1.4	1.4

\* Existing debt service in 2022-2023 includes the first four funding increments of pending KIA loan F19-022

<b>EXECUTIVE SUMMARY</b>		Reviewer	Ashley Adams	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	February 7, 2019	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A19-048	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21137023	
<b>BORROWER</b>		LINCOLN COUNTY SANITATION DISTRICT LINCOLN COUNTY		
<b>BRIEF DESCRIPTION</b>				
This loan will be for the planning and design of the second phase of a project bringing sanitary sewer service to the central Moreland area and an area south of KY Hwy 1194 in Lincoln County. The project area has seen rapid residential development and will serve almost all subdivisions (both old and new) on the east side of US 127 from Hustonville by bringing sewer service to approximately 355 households and 8 commercial customers.				
<b>PROJECT FINANCING</b>		<b>PROJECT BUDGET</b>		
Fund A Planning & Design Loan	\$388,400	RD Fee %	Actual %	
		Legal Expenses		45,000
		Land, Easements		75,000
		Planning		20,000
		Eng - Design		248,400
<b>TOTAL</b>	<u>\$388,400</u>	<b>TOTAL</b>		<u>\$388,400</u>
<b>REPAYMENT</b>	Rate	3.00%	Est. Annual Payment	\$85,008
	Term	5 Years	1st Payment	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	AGE Engineering Services		
	Bond Counsel	Dinsmore & Shohl, LLP		
<b>PROJECT SCHEDULE</b>	Bid Opening	Oct-19		
	Construction Start	Jan-20		
	Construction Stop	Dec-20		
<b>DEBT PER CUSTOMER</b>	Existing	\$1,372		
	Proposed	\$5,271		
<b>OTHER DEBT</b>	See Attached			
<b>OTHER STATE-FUNDED PROJECTS LAST 5 YRS</b>	See Attached			
<b>RESIDENTIAL RATES</b>		<u>Users</u>	<u>Avg. Bill</u>	
	Current	585	\$51.00	(for 4,000 gallons)
	Additional	363	\$51.00	(for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2015	41,927	0	41,927	n/a
Audited 2016	(3,314)	0	(3,314)	n/a
Audited 2017	(17,559)	0	(17,559)	n/a
Projected 2018	67,614	61,347	6,268	1.1
Projected 2019	153,678	123,206	30,472	1.2
Projected 2020	152,187	123,088	29,099	1.2
Projected 2021	150,666	123,478	27,188	1.2
Projected 2022	295,647	208,365	87,281	1.4

Reviewer: Ashley Adams  
Date: March 7, 2019  
Loan Number: A19-048

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
LINCOLN COUNTY SANITATION DISTRICT, LINCOLN COUNTY  
PROJECT REVIEW  
SX21137023**

**I. PROJECT DESCRIPTION**

The Lincoln County Sanitation District is requesting a Fund A Planning and Design loan in the amount of \$388,400 for the US 127 Corridor Sanitary Sewer Phase 2 project. This project will fund the planning and design of a project that will bring sanitary sewer to approximately 355 homes and 8 commercial customers that are currently on private septic systems nearing the end of their useful life. The area has seen rapid residential growth over the recent past and is currently underserved. This second phase will complete service to virtually all subdivisions on the east and west side of US 127 from the Norfolk Southern Railroad North to KY Hwy 1194.

The District has received national recognition from US EPA for their accomplishments with Phase 1 of this project including an Honorable Mention for the 2018 PISCES award. The first phase brought service to over 600 households and commercial customers in Lincoln County. The District is still in process of bringing all of those customers online and should have that completed somewhere near the end of 2019 per their estimated timeline. Connection delays have been experienced due to a shortage of plumbers able to perform the work and poor weather conditions, but the District will continue to push forward.

The District was established on May 10, 2011 by the Lincoln County Fiscal Court. It is governed by five directors who are appointed by the County Judge Executive and approved by the fiscal court. Connection to the public wastewater system is mandatory within four months of the date that a property owner is notified that service is available.

**II. PROJECT BUDGET**

	<b>Total</b>
Legal Expenses	\$ 45,000
Land, Easements	75,000
Planning	20,000
Engineering Fees - Design	248,400
<b>Total</b>	<b>\$ 388,400</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund A Planning & Design Loan	\$ 388,400	100%
<b>Total</b>	<b>\$ 388,400</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Planning & Design Loan	\$ 388,400
Interest Rate	3.00%
Loan Term (Years)	5
Estimated Annual Debt Service	\$ 84,232
Administrative Fee (0.20%)	777
<b>Total Estimated Annual Debt Service</b>	<b>\$ 85,008</b>

**V. PROJECT SCHEDULE**

Bid Opening	November 2019
Construction Start	January 2020
Construction Stop	December 2020

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

	<u>Current</u>	<u>Proposed</u>	<u>Total</u>
Residential	535	355	890
Commercial	50	8	58
Industrial			
<b>Total</b>	<b>585</b>	<b>363</b>	<b>948</b>

**B) Rates**

	<u>Current</u>
Date of Last Rate Increase	06/14/14
Minimum	\$25.00
Per 1,000 Gallons	6.50
<b>Cost for 4,000 gallons</b>	<b>\$51.00</b>
Affordability Index (Rate/MHI)	1.5%

The District has a CPI clause which states they shall raise rates each year for inflation.



## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 1,726 with a Median Household Income (MHI) of \$40,887. The median household income for the Commonwealth is \$44,811. The current interest rate for Planning and Design loans is 3%; however, the District conducted an income survey to better represent the actual income of the project area in anticipation of pursuing future construction funding with KIA and has qualified as a Disadvantaged Community for future construction funding at this time.

County Population			County Unemployment	
Year	County	% Change	Date	Rate
1980	19,053		June 2005	6.6%
1990	20,045	5.2%	June 2010	12.3%
2000	23,361	16.5%	June 2015	6.6%
2010	24,742	5.9%	June 2018	5.5%
Current	24,424	-1.3%		
Cumulative %		28.2%		

## **VIII. 2018 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project does not qualify for additional subsidization.

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2015 through June 30, 2017. During this time period the District was not fully operational, only managing the construction of the collection system. Phase 1 of the project was funded by a Fund A loan (A13-030) from KIA, an RD loan/grant, CDBG, ARC, and local funds (Lincoln County Fiscal Court, City of Houstonville, Lincoln County Industrial Authority). Loans totaled \$4,715,793 with \$3,208,500 in grant and local source funding for a project total of \$7,924,293.

During FY 2018 the District started collecting revenues from customers and inspection fees. As of January 2019, the District has 378 customers fully online with the rest of the Phase 1 project area estimated to be connected by the end of 2019. All eligible connections are being billed regardless of connection status based on provisions in the District's ordinance at this time. Based on financial data obtained from the District, average annual revenues for Phase 1 will total around \$308,000. Treatment expenses to the City of Danville will be around \$50,000 annually in addition to another \$84,000 in additional operating expenses. The District made their first debt service payment in

FY 2018 to KIA.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will remain flat for growth and volume for Phase 1 and average \$308,000 annually.
- 2) Treatment costs will remain flat per the current contract with Danville at around \$60,000 annually while other operating expenses will increase 2% annually for inflation.
- 3) Phase 2 will be completed in approximately 2022 with anticipated construction costs being \$4,956,500. Debt service for the full construction project will begin the same year.
  - o The District will pursue at least \$1.5 million in grant funding for the project.
  - o Construction project assumptions are based on debt service being approximately \$130,000 per year with grant funding (CDBG, ARC) and no principal forgiveness associated with the loan. Debt service will increase approximately \$54,000 with no grant funding.
  - o At this time, it is estimated that revenues will need to increase approximately \$60,000 above Phase 2 expected revenues to support inflation, additional operating expense, and debt service if no grant funding is secured.
- 4) Debt service coverage is 1.4 in 2022 when principal and interest repayments begin. If, for any reason, Phase 2 construction does not occur and anticipated Phase 2 revenues are not added, The District will need to increase revenues approximately \$80,000 annually to repay the P&D loan.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund A loan when Phase 2 has become operational.

## REPLACEMENT RESERVE

There are no replacement reserve requirements for this loan because it is only funding Planning and Design.

## X. DEBT OBLIGATIONS

	<u>Outstanding Maturity</u>	
USDA Revenue Bond Series 2016	\$	350,000 2056
KIA Loan (A13-020)		4,365,793 2047
<b>Total</b>	<b>\$</b>	<b>4,715,793</b>

## **XI. CONTACTS**

### **Legal Applicant**

Entity Name	Lincoln County Sanitation District
Authorized Official	Bill Payne (Chairman)
County	Lincoln
Email	brpayne77@att.net
Phone	859-583-9626
Address	102 E Main St Stanford, KY 40484

### **Applicant Contact**

Name	Bill Payne
Organization	Lincoln County Sanitation District
Email	brpayne77@att.net
Phone	859-854-6169
Address	102 E Main St Stanford, KY 40484

### **Project Administrator**

Name	Karyn Leverenz
Organization	Bluegrass ADD
Email	kleverenz@bgadd.org
Phone	859-269-8021
Address	699 Perimeter Dr. Lexington, KY 40517

### **Consulting Engineer**

PE Name	Luther Galloway
Firm Name	AGE Engineering Services
Email	lgalloway@ageengineering.com
Phone	606-365-8362
Address	165 Foster Lane Stanford, KY 40484

## **XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**LINCOLN COUNTY SANITATION DISTRICT  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited</u> <u>2015</u>	<u>Audited</u> <u>2016</u>	<u>Audited</u> <u>2017</u>	<u>Projected</u> <u>2018</u>	<u>Projected</u> <u>2019</u>	<u>Projected</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	18,607	443,924	477,669	81,553	87,647	93,467	106,896	150,835
Other Assets	0	2,946,576	7,672,096	7,799,013	7,872,412	7,912,128	10,040,165	17,048,864
<b>Total</b>	<b>18,607</b>	<b>3,390,500</b>	<b>8,149,765</b>	<b>7,880,566</b>	<b>7,960,060</b>	<b>8,005,595</b>	<b>10,147,061</b>	<b>17,199,700</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	40,000	807,586	624,418	50,170	120,336	121,500	123,176	124,354
Long Term Liabilities	0	735,373	3,290,793	3,265,623	3,364,487	3,462,687	4,899,561	6,335,757
<b>Total Liabilities</b>	<b>40,000</b>	<b>1,542,959</b>	<b>3,915,211</b>	<b>3,315,793</b>	<b>3,484,823</b>	<b>3,584,187</b>	<b>5,022,737</b>	<b>6,460,111</b>
<b>Net Assets</b>	<b>(21,393)</b>	<b>1,847,541</b>	<b>4,234,554</b>	<b>4,564,773</b>	<b>4,475,236</b>	<b>4,421,408</b>	<b>5,124,323</b>	<b>10,739,588</b>
<b>Cash Flow</b>								
Revenues	0	0	0	80,638	308,160	308,160	308,160	508,100
Operating Expenses	3,073	3,314	17,559	73,762	154,482	155,973	157,494	212,454
Other Income	45,000	0	0	60,738	0	0	0	0
<b>Cash Flow Before Debt Service</b>	<b>41,927</b>	<b>(3,314)</b>	<b>(17,559)</b>	<b>67,614</b>	<b>153,678</b>	<b>152,187</b>	<b>150,666</b>	<b>295,647</b>
<b>Debt Service</b>								
Existing Debt Service	0	0	0	61,347	123,206	123,088	123,478	123,357
Proposed KIA Loan	0	0	0	0	0	0	0	85,008
<b>Total Debt Service</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>61,347</b>	<b>123,206</b>	<b>123,088</b>	<b>123,478</b>	<b>208,365</b>
<b>Cash Flow After Debt Service</b>	<b>41,927</b>	<b>(3,314)</b>	<b>(17,559)</b>	<b>6,268</b>	<b>30,472</b>	<b>29,099</b>	<b>27,188</b>	<b>87,281</b>
<b>Ratios</b>								
Current Ratio	0.5	0.5	0.8	1.6	0.7	0.8	0.9	1.2
Debt to Equity	1.0	0.8	0.9	0.7	0.8	0.8	1.0	0.6
Days Sales in Accounts Receivable	N/A	N/A	N/A	N/A	40.0	40.0	49.5	49.0
Months Operating Expenses in Unrestricted Cash	N/A	N/A	N/A	N/A	4.8	5.3	5.7	5.2
Debt Coverage Ratio	N/A	N/A	N/A	1.1	1.2	1.2	1.2	1.4

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b> <b>REVOLVING LOAN FUND</b>		Reviewer Date KIA Loan Number WRIS Number	Ashley Adams March 7, 2019 F19-002 WX21205048
BORROWER	CITY OF MOREHEAD ROWAN COUNTY		
BRIEF DESCRIPTION			
This will be the first construction funding increment in a multi-phased funded loan for a major water treatment plant expansion project for the Morehead Utility Plant Board. KIA previously funded the planning and design of the project in FY 2018 with loan F18-004 which will be rolled into the first construction increment. The first phase of the project will include a new raw water intake and raw water transmission line. The second phase of the project will span three funding cycles and will include the construction of a new water treatment plant. The third and final phase will begin in the fifth year and will construct a new ground storage tank and finished raw water line.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee %      Actual %
KIA Fund F Loan 2019	\$5,257,000	Administrative Expenses	\$20,000
KIA P&D Loan (F18-004)	1,297,200	Legal Expenses	10,000
ARC (2020)	500,000	Land, Easements	10,000
CDBG (2021)	1,000,000	Planning	165,450
ARC (2023)	500,000	Eng - Design / Const	6.4%      5.5%      1,433,550
KIA Fund F (2020-2023)	19,873,800	Eng - Insp	4.0%      3.1%      789,000
		Eng - Other	165,450
		Construction	24,800,000
		Contingency	1,034,550
<b>TOTAL</b>	<b>\$28,428,000</b>	<b>TOTAL</b>	<b>\$28,428,000</b>
REPAYMENT	Rate Term	0.50% 30 Years	Est. Annual Payment 1st Payment      6 Mo. after first draw \$251,926
PROFESSIONAL SERVICES	Engineer Bond Counsel	Eclipse Engineers, PLLC Dinsmore & Shohl, LLP	
PROJECT SCHEDULE		<u>Phase 1</u>	<u>Phase 2</u> <u>Phase 3</u>
	Bid Opening	Jun-19	Feb-20      Feb-22
	Construction Start	Aug-19	Apr-20      Apr-22
	Construction Stop	Aug-20	Jun-22      Apr-23
DEBT PER CUSTOMER	Existing Proposed	\$3,801 \$9,275	
OTHER DEBT	See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached		
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
	Current	3,453	\$31.46 (for 4,000 gallons)
	Additional	0	\$31.46 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service      Coverage Ratio
Audited 2016	2,382,274	1,171,067	1,211,207      2.0
Audited 2017	2,306,343	1,170,694	1,135,649      2.0
Audited 2018	2,685,132	1,176,634	1,508,498      2.3
Projected 2019	3,984,006	1,300,087	2,683,919      3.1
Projected 2020	3,746,848	1,284,214	2,462,634      2.9
Projected 2021	3,504,947	1,397,964	2,106,983      2.5
Projected 2022	3,200,308	2,260,825	939,483      1.4
Projected 2023	2,948,635	2,096,061	852,574      1.4

Reviewer: Ashley Adams  
Date: March 7, 2019  
Loan Number: F19-002

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
CITY OF MOREHEAD, ROWAN COUNTY  
PROJECT REVIEW  
WX21205048**

**I. PROJECT DESCRIPTION**

The Morehead Utility Plant Board is requesting the first increment of a Multi-Phased Fund F loan in the amount of \$5,257,000 for the Regional Water Treatment Plant Construction project. Prior KIA Loan F18-004 (\$1,297,200) which funded the planning and design of this project will be rolled into this increment of the loan for a total of \$6,554,200. KIA plans to fund this major project in annual increments from the 2019 funding cycle through 2023. Each year the Utility will undergo a financial analysis and reapply to KIA for authorization of supplemental funding. Project progress and finances will be reviewed with each supplemental application.

Phase One will be completed in the first year (2019) and will include a new raw water intake and raw water transmission line. Phase Two will begin in the second year and be completed in the fourth year (2020-2022); the second phase will include the construction of the new water treatment plant. The final phase of the project will begin in the fourth year and be completed in the fifth year (2023) and will include the construction of a new ground storage tank and a finished water line.

The new raw water intake will replace the existing intake structure located approximately three miles below the Cave Run Lake Dam on the Licking River. It will be a fixed structure on Cave Run Lake and will include variable intake depths. The new Cave Run Lake raw water intake structure will include a new 1,000 kW standby diesel generator. The intake structure will feature security fencing to encompass the site. Approximately 6,500 LF of 24" DI pipe will be installed to connect the intake structure to the water treatment plant. The relocation of the intake is expected to significantly improve raw water quality with a much better turbidity.

The new 12 million gallons per day (MGD) regional water treatment plant (WTP) will replace the existing 8 MGD WTP. The proposed 12 MGD regional WTP will feature new and improved technologies that have been introduced to the treatment process since the last major expansion of the existing plant in 2002. The plant will employ pre-treatment flocculation using flash mix and a flocculation basin, a membrane pressure filtration system, and a granular activated carbon (GAC) adsorption system for treatment. The new WTP will include all new treatment and administration facilities on a site near the existing WTP, upgraded SCADA/telemetry for the WTP and distribution system sites along with an increased clearwell capacity of 1,800,000 gallons (currently 1,237,000 gallons). Three 1 MG earthen lagoons will be constructed (for a total capacity of 3 MG) for residual sludge containment of the washwater generated from

membrane backwashes, flux maintenance, enhanced flux maintenance, and clean-in-place operations. The site will be secured through the construction of security fencing to surround the facility.

Approximately 4,500 LF of finished waterline will be extended to a new million gallon ground storage tank. The existing US 60 tank will be decommissioned (621,000 gallons) and the new tank will serve as its replacement. The project will increase the net storage volume of the utility by 379,000 gallons once the increased clearwell capacity is obtained and the US 60 tank is decommissioned. Given the demand for potable water in the area, no issues are anticipated with respect to mixing or turnover for the new tank. To reduce the risk of disinfection by-product (DBP) formation, this issue will be taken into consideration during the design phase and site identification of the storage tank.

The Morehead Utility Plant Board currently serves 5,581 sewer customers, 3,453 water customers, and also provides natural gas to customers in Rowan County. In addition, they sell approximately 434 MG of water to the Bath County Water District and approximately 620 MG to Rowan Water, Inc. annually. Both of these systems will contribute to debt service for this project through wholesale rate increases which will be passed on to customers of those systems. Both Bath County Water District and Rowan Water are PSC regulated.

## II. PROJECT BUDGET

	<b>2019 KIA Increment + P&amp;D Loan</b>	<b>Estimated Project Total</b>
Administrative Expenses	\$ 20,000	\$ 20,000
Legal Expenses	10,000	10,000
Land, Easements	10,000	10,000
Planning	165,450	165,450
Engineering Fees - Design	1,131,750	1,131,750
Engineering Fees - Construction	55,200	301,800
Engineering Fees - Inspection	148,000	789,000
Engineering Fees - Other	13,800	165,450
Construction	4,800,000	24,800,000
Contingency	200,000	1,034,550
<b>Total</b>	<b>\$ 6,554,200</b>	<b>\$ 28,428,000</b>



### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
KIA Fund F Loan 2019	\$ 5,257,000	18%
KIA P&D Loan (F18-004)	1,297,200	5%
ARC (2020)	500,000	2%
CDBG (2021)	1,000,000	4%
ARC (2023)	500,000	2%
KIA Fund F (2020-2023)	19,873,800	70%
<b>Total</b>	<b>\$ 28,428,000</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

		<b>Total Project*</b>
Construction Loan (P1 + P&D Loan)	\$ 6,554,200	\$ 28,428,000
Less: Principal Forgiveness	0	0
Amortized Loan Amount	\$ 6,554,200	\$ 28,428,000
Interest Rate	0.50%	0.50%
Loan Term (Years)	30	30
Estimated Annual Debt Service	\$ 235,541	\$ 1,021,628
Administrative Fee (0.25%)	16,386	71,070
<b>Total Estimated Annual Debt Service</b>	<b>\$ 251,926</b>	<b>\$ 1,092,698</b>

\*Estimated total debt service if no grant funding is received.

### V. PROJECT SCHEDULE

	<b>Phase 1</b>	<b>Phase 2</b>	<b>Phase 3</b>
<b>Bid Opening</b>	June 2019	February 2020	February 2022
<b>Construction Start</b>	August 2019	April 2020	April 2022
<b>Construction Stop</b>	August 2020	June 2022	April 2023

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

	<u>Current</u>
Residential	2,824
Commercial	623
Industrial	6
<b>Total</b>	<b>3,453</b>

**B) Rates**

<b>Water</b>	<b>Inside City</b>		<b>Outside City</b>	
	Current	Prior	Current	Prior
Date of Last Rate Increase	08/01/18	08/01/17	08/01/18	08/01/17
Minimum (First 2,000 gallons)	\$17.40	\$14.95	\$20.88	\$17.94
Next 4,000 Gallons (per 1,000)	7.03	6.04	8.43	7.24
Cost for 4,000 gallons	\$31.46	\$27.03	\$37.74	\$32.42
Increase %	16.4%		16.4%	
Affordability Index (Rate/MHI)	1.0%		1.2%	

Water rates will be evaluated and adjusted on an annual basis for the next few years based on pending capital projects in the system. The Utility is exploring the implementation of a CPI clause in the future to keep up with inflation.

<b>Sewer</b>	<b>Inside City</b>		<b>Outside City</b>	
	Current	Prior	Current	Prior
Date of Last Rate Increase	08/01/18	08/01/17	08/01/18	08/01/17
Minimum (First 2,000 gallons)	\$14.60	\$10.50	\$17.53	\$12.61
Next 4,000 Gallons (per 1,000)	7.58	5.45	8.78	6.32
Cost for 4,000 gallons	\$29.76	\$21.40	\$35.09	\$25.25
Increase %	39.1%		39.0%	
Affordability Index (Rate/MHI)	0.9%		1.1%	

**VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey (ACS) 5-Year Estimate 2012-2016, the Utility’s service area population was 34,827 with a Median Household Income (MHI) of \$36,586 according to WRIS. The median household income for the Commonwealth is \$44,811. Morehead’s water system has historically qualified for KIA’s Disadvantaged Community status and subsequent loan terms, however, as ACS data estimates have become more skewed in recent years, the Utility elected to conduct a Modified Weighted Proximity Analysis (MWPA) to better identify the community’s MHI. The MWPA demonstrated that the MHI of the water system service area is actually \$35,387. As a result, the Utility will qualify for Disadvantaged Community status and a 0.50% interest rate for the entirety of the multi-phased funded loan.

Year	Population		County		County Unemployment	
	City	% Change			Date	Rate
1980	7,789		19,049		June 2005	6.6%
1990	8,357	7.3%	20,353	6.8%	June 2010	10.4%
2000	5,914	-29.2%	22,094	8.6%	June 2015	6.6%
2010	6,845	15.7%	23,333	5.6%	June 2018	6.3%
Current	7,615	11.2%	24,302	4.2%		
Cumulative %		-2.2%		27.6%		

**VIII. 2018 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.
- 2) Additional Subsidization – This project was not allocated principal forgiveness in this funding cycle. The project could be eligible for principal forgiveness in other funding cycles.

**IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2016 through June 30, 2018. Morehead Plant Utility Board is comprised of water, sewer, and gas operations and has limited segregation in their financial statements. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2016-2018 operating expenses and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, has been removed from 2018 operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

**HISTORY**

Total revenues including water, sewer, and gas have increased 20% from 2016 to 2018 mostly due to rate increases. Water revenues increased 15% during that period, sewer revenues increased 18%, and gas revenues increased 33%. Historically, water has contributed the majority of cash available for debt service to the operation while also making up for deficits in sewer. Rate increases in the beginning of fiscal year (FY) 2019 will bring water and sewer almost equal in terms of cash flow available for debt service and other capital improvements. Total operating expenses increased 20% from 2016 to 2018. Water, sewer, and gas share administrative expenses which saw a 20% increase during this time period while water saw a 6% increase, sewer an 11% increase, and gas a 42% increase in operating expenses.

The 2018 balance sheet reflects a current ratio of 1.9, a debt to equity ratio of 0.4, 51.8 days sales in accounts receivable, and 1.6 months operating expenses in unrestricted cash. The debt coverage ratio from 2016 to 2018 was 2.0, 2.0, and 2.3, respectively.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Water revenues for both residential and wholesale customers will increase approximately 16% in FY 2019 as a result of a rate increase. Water revenues will continue to increase in the five year forecast according to planned rate increases by the Utility based on their capital improvements plan and updated annually with KIA. Residential water rates are anticipated to increase an average of 16% from FY 2019-2021 while wholesale rates will be adjusted based on the wholesale customer's responsibility for debt service coverage for plant expansion projects. Only the currently known 2019 increase is factored into this analysis.
- 2) Sewer revenues will increase approximately 39% due to a rate increase in FY 2019 and remain flat thereafter.
- 3) Expenses will increase 2% annually for inflation.
- 4) Debt coverage is 1.4 in 2022 when full principal and interest payments for loan A19-032 and the first four increments of F19-002 go into repayment.
- 5) Debt coverage is 1.2 in 2024 when full principal and interest payments for the final two increments of F19-002 go into repayment.

Based on the pro forma assumptions, the utility shows adequate cash flow to repay the KIA Fund F loan.

## REPLACEMENT RESERVE

The replacement reserve for this loan increment will be 5% (\$262,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$13,100 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<b>Outstanding</b>	<b>Maturity</b>
Bond Series 1966	\$ 15,000	2019
RD Series 2001A	3,427,000	2042
RD Series 2004	1,258,000	2044
KIA Loan (F00-05)	1,414,667	2023
KIA Loan (A04-02)	3,048,765	2026
KIA Loan (A10-16)	1,462,043	2033
KIA Loan (A209-36)	248,751	2031
KIA Loan (A209-37)	431,449	2032
KIA Loan (A16-065 i/a/o \$1,800,000)	1,482,651	2038
KIA Loan (F18-004 P&D i/a/o \$1,297,200)	0	TBD
KIA Loan (F19-002 i/a/o \$26,428,000)	0	TBD
<b>Total</b>	<b>\$ 12,788,326</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Morehead
Authorized Official	Laura White-Brown (Mayor)
County	Rowan
Email	mayor.whitebrown@morehead-ky.gov
Phone	606-784-8505
Address	314 Bridge Street Morehead, KY 40351

<b>Applicant Contact</b>	
Name	Holly McGrath- Rosas
Organization	Morehead Utility Plant Board
Email	hrosas@mupb.com
Phone	606-784-8313
Address	135 S Wilson Ave Morehead, KY 40351

**Project Administrator**

Name	Jocelyn R. Gross
Organization	Gateway ADD
Email	jocelynr.gross@ky.gov
Phone	606-780-0090
Address	110 Lake Park Dr. Morehead, KY 40351

**Consulting Engineer**

PE Name	Alan Ray Robinson
Firm Name	Eclipse Engineers, PLLC
Email	arobinson@eclipseengineers.net
Phone	859-433-9585
Address	113 W Mount Vernon St Somerset, KY 42501

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions.

**CITY OF MOREHEAD  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<b>Audited 2016</b>	<b>Audited 2017</b>	<b>Audited 2018</b>	<b>Projected 2019</b>	<b>Projected 2020</b>	<b>Projected 2021</b>	<b>Projected 2022</b>	<b>Projected 2023</b>	<b>Projected 2024</b>
<b>Balance Sheet</b>									
<b>Assets</b>									
Current Assets	2,293,408	3,010,960	2,910,114	3,479,774	3,726,037	3,936,736	4,030,684	4,115,941	4,376,717
Other Assets	41,790,087	40,104,332	42,181,210	45,382,497	51,805,677	57,488,985	60,509,254	59,066,577	52,909,209
<b>Total</b>	<b>44,083,495</b>	<b>43,115,292</b>	<b>45,091,324</b>	<b>48,862,271</b>	<b>55,531,714</b>	<b>61,425,721</b>	<b>64,539,938</b>	<b>63,182,518</b>	<b>57,285,926</b>
<b>Liabilities &amp; Equity</b>									
Current Liabilities	1,408,302	1,393,732	1,819,172	1,829,761	1,855,229	1,880,554	1,743,395	1,601,149	860,569
Long Term Liabilities	15,194,771	16,084,456	18,298,424	18,298,108	25,231,198	31,314,313	37,019,337	38,580,857	38,580,857
<b>Total Liabilities</b>	<b>16,603,073</b>	<b>17,478,188</b>	<b>20,117,596</b>	<b>20,127,869</b>	<b>27,086,427</b>	<b>33,194,867</b>	<b>38,762,732</b>	<b>40,182,006</b>	<b>39,441,426</b>
<b>Net Assets</b>	<b>27,480,422</b>	<b>25,637,104</b>	<b>24,973,728</b>	<b>28,734,402</b>	<b>28,445,287</b>	<b>28,230,854</b>	<b>25,777,206</b>	<b>23,000,512</b>	<b>17,844,500</b>
<b>Cash Flow</b>									
Revenues	9,403,121	9,990,829	11,271,041	13,394,448	13,394,448	13,394,448	13,394,448	13,394,448	13,394,448
Operating Expenses	7,150,384	7,657,223	8,591,321	9,415,854	9,653,012	9,894,913	10,199,552	10,451,225	6,094,886
Other Income	129,537	(27,263)	5,412	5,412	5,412	5,412	5,412	5,412	5,412
<b>Cash Flow Before Debt Service</b>	<b>2,382,274</b>	<b>2,306,343</b>	<b>2,685,132</b>	<b>3,984,006</b>	<b>3,746,848</b>	<b>3,504,947</b>	<b>3,200,308</b>	<b>2,948,635</b>	<b>7,304,974</b>
<b>Debt Service</b>									
Existing Debt Service*	1,171,067	1,170,694	1,176,634	1,300,087	1,284,214	1,397,964	2,008,899	1,844,135	2,021,704
Proposed KIA Loan (Phase 1)	0	0	0	0	0	0	251,926	251,926	251,926
Proposed KIA Loan (Phase 2)	0	0	0	0	0	0	497,862	497,862	497,862
Proposed KIA Loan (Phase 3)	0	0	0	0	0	0	0	0	342,909
<b>Total Debt Service</b>	<b>1,171,067</b>	<b>1,170,694</b>	<b>1,176,634</b>	<b>1,300,087</b>	<b>1,284,214</b>	<b>1,397,964</b>	<b>2,260,825</b>	<b>2,096,061</b>	<b>2,273,630</b>
<b>Cash Flow After Debt Service</b>	<b>1,211,207</b>	<b>1,135,649</b>	<b>1,508,498</b>	<b>2,683,919</b>	<b>2,462,634</b>	<b>2,106,983</b>	<b>939,483</b>	<b>852,574</b>	<b>5,031,344</b>
<b>Ratios</b>									
Current Ratio	1.6	2.2	1.6	1.9	2.0	2.1	2.3	2.6	5.1
Debt to Equity	0.6	0.7	0.8	0.7	1.0	1.2	1.5	1.7	2.2
Days Sales in Accounts Receivable	45.7	51.0	51.8	51.8	51.8	51.8	51.8	51.8	51.8
Months Operating Expenses in Unrestricted Cash	1.6	3.3	1.6	2.3	2.8	3.3	3.5	3.6	4.7
Debt Coverage Ratio	2.0	2.0	2.3	3.1	2.9	2.5	1.4	1.4	1.2

\* Existing debt service includes pending loan A19-032 starting in 2022



## CABINET FOR ECONOMIC DEVELOPMENT

**Matthew G. Bevin**  
Governor

Old Capitol Annex  
300 West Broadway  
Frankfort, Kentucky 40601  
ThinkKentucky.com

**Terry R. Gill, Jr.**  
Secretary

**Vivek K. Sarin**  
Executive Officer

March 22, 2019

William M. Landrum III, Secretary  
Finance and Administration Cabinet  
Room 383, Capitol Annex  
Frankfort, KY 40601

**RE: Economic Development Bond Grant - \$750,000 to the Todd County Fiscal Court on behalf of Novelis Corporation**

Dear Secretary Landrum:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$750,000 in Economic Development Bond (EDB) funds for the purpose of making a grant to the Todd County Fiscal Court for the benefit of Novelis Corporation.

Novelis is the global leader in aluminum rolled products and the world's largest recycler of aluminum. The company has selected Guthrie for its new manufacturing facility. The proposed EDB grant funds will be used to meet market demands from the automotive markets.

In consideration of this EDB grant, Novelis Corporation will be required to make investment and create new, full-time Kentucky resident jobs (excluding contract or temporary employees) in Todd County in accordance with the following schedule:

Compliance Date	Full-Time Kentucky-Resident Jobs Required	Job Type	Annual Average Hourly Wage Required	Average Hourly Wage
December 31, 2022	100	Create	38.50	Total Hourly Compensation (includes benefits)
December 31, 2023	100	Create	38.50	Total Hourly Compensation (includes benefits)
December 31, 2024	100	Create	38.50	Total Hourly Compensation (includes benefits)
December 31, 2025	100	Create	38.50	Total Hourly Compensation (includes benefits)
December 31, 2026	100	Create	38.80	Total Hourly Compensation (includes benefits)



Secretary William M. Landrum III  
March 22, 2019  
Page Two

Novelis Corporation will be required to pay the new jobs an average hourly wage of not less than \$38.50, including benefits.

Under the terms of the EDB grant agreement, if Novelis Corporation fails to created or maintain 100 new, full-time jobs, then Novelis Corporation will be required to pay to the Todd County Fiscal Court the sum of \$1,500 for each new full-time job not created or maintained by the company at each of the five annual measurement dates. Furthermore, if Novelis Corporation fails to pay these jobs the average hourly wage of \$38.50, including benefits, it will be required to pay to the Todd County Fiscal Court a pro rata portion of the EDB grant based on a formula to be outlined in the EDB grant agreement. If the company closes, shuts down or ceases operation at any time during the term of the EDB agreement, then the entire amount of the grant will be due and payable to the Todd County Fiscal Court.

Any funds repaid to the Todd County Fiscal Court by Novelis Corporation must be used for economic development purposes as approved by the Cabinet for Economic Development (Cabinet). In no event will the repayment of EDB grant proceeds exceed the EDB grant amount of \$750,000. Novelis Corporation will be required to provide a letter of credit or other form of collateral satisfactory to the Cabinet as security for the repayment of EDB grant proceeds to the Todd County Fiscal Court.

I respectfully request your concurrence in the funding of this project. If KEDFA approves this proposal, I would ask that you place this project on the next agenda of the State Property and Buildings Commission. Please feel free to contact me if you have any questions.

Sincerely,



Terry R. Gill  
Secretary



Vivek Sarin  
Executive Officer

cc: Erran Persley  
Katie Smith

AGREED TO AND APPROVED BY:



Secretary, Finance and Administration Cabinet

27 March 2019

Date

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT BOND (EDB) PROJECT REPORT**

**Date:** March 28, 2019  
**Grantee:** Todd County Fiscal Court  
**Beneficiary:** Novelis Corporation  
**City:** Guthrie **County:** Todd  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** L. Witt **OFS Staff:** M. Elder

**Project Description:** Novelis is the global leader in aluminum rolled products and the world's largest recycler of aluminum. Novelis is considering locating a manufacturing operation in Guthrie, KY to meet market demands from the automotive markets. The proposed project anticipates the creation of at least 125 new, full-time jobs (including non-Kentucky residents).

**Anticipated Project Investment - Owned**

	<b>Total Investment</b>
Land	\$0
Building/Improvements	\$113,968,998
Equipment	\$185,381,508
Other Start-up Costs	\$5,500,248
<b>TOTAL</b>	<b>\$304,850,754</b>

**Anticipated Project Funding**

	<b>Amount</b>	<b>% of Total</b>
Economic Development Bond Grant (State)	\$750,000	0.2%
Bank Loan		0.0%
Local Grant		0.0%
Company Equity	\$304,100,754	99.8%
Other		0.0%
<b>TOTAL</b>	<b>\$304,850,754</b>	<b>100.0%</b>

**Job and Wage Requirement Table**

Compliance Date	Full-time, Kentucky-Resident Jobs Required	Job Type	Average Wage Required	Average Wage Type
December 31, 2022	100	Create	\$38.50	Total Hourly Compensation (includes benefits)
December 31, 2023	100	Create	\$38.50	Total Hourly Compensation (includes benefits)
December 31, 2024	100	Create	\$38.50	Total Hourly Compensation (includes benefits)
December 31, 2025	100	Create	\$38.50	Total Hourly Compensation (includes benefits)
December 31, 2026	100	Create	\$38.50	Total Hourly Compensation (includes benefits)

\* Compliance periods will be annually and first compliance period may be accelerated. Subsequent compliance periods will be adjusted if acceleration occurs.

**Collateral Required:** Letter of credit, certificate of deposit or other collateral satisfactory to the Cabinet

**Job Penalty Provision:** \$1,500 per job not created or maintained

**Wage Penalty Provision:** Pro rata portion of EDB grant based on a formula outlined in the EDB grant agreement

**Repayment:** Repayment provisions will be included in the grant agreement if the company fails to create or maintain the jobs and pay the required wage by the required measurement dates. Any repaid funds will be due and payable to the Grantee/local government and may only be used by the Grantee/local government for economic development projects authorized by the Cabinet.

**Disbursement:** Grant funds will be disbursed on a reimbursement basis through the Grantee/local government entity after collateral is received by the Cabinet and the investment begins. Funds will flow through the Grantee/local government entity to the Beneficiary/company.

**RECOMMENDED ECONOMIC DEVELOPMENT BOND AMOUNT:**

**\$750,000**

**Ownership (20% or more):**

Novelis Corporation Atlanta, GA

**Active State Participation at the Project Site:**

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jan 23, 2018	KBI	Approve/Prelim	\$8,500,000
Jan 23, 2018	KEIA	Approve/Final	\$3,000,000

**Unemployment Rate:**

County: 3.1%

Kentucky: 3.8%

**Recommendation:**

Staff recommends approval of this EDB grant subject to the terms set forth in this report and the recommendation letter from the Secretary of the Cabinet for Economic Development (CED). In accordance with KRS 154.12-100, KEDFA's approval of this EDB grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the EDB funds for this project.

## NEW BOND ISSUE REPORT

Name of Bond Issue:	Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (McDeane Apartments Project), Series 2019
Purpose of Issue:	The bonds will be used to finance the acquisition, construction and equipping of the McDeane Apartments Project, a one hundred and ninety eight unit property located at 5618 McDeane Road, Louisville, Kentucky 40216. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on March 28, 2019 following the delivery of notice to the public on or prior to March 13, 2019.
Name of Project:	McDeane Apartments Project
Date of Sale:	May 25, 2019
Date of Issuance:	May 25, 2019
Anticipated Ratings:	Moody's (Aaa)
Anticipated Net Proceeds:	\$18,500,000
Cost of Issuance:	See Exhibit A attached (costs of issuance paid from owner equity)
Debt Service Reserve Fund:	\$0, but a \$897,619 operating reserve and \$100,000 lease up reserve will be funded from equity.
Insurance Premium:	N/A
Total Project Cost:	\$32,564,299
Term:	20 years
Net Interest Rate:	4.50%
Average Debt Service:	\$1,023,038
Gross Debt Service:	\$20,460,760
First Call Date:	May 2024
Premium at First Call:	No premium
Method of Sale:	Public Offering
Bond Counsel:	Dinsmore & Shohl LLP
Financial Advisor:	N/A
Underwriter Counsel:	Tiber Hudson, LLC
Underwriter:	OREC Securities, LLC (formerly, RED Capital Markets, LLC)
Trustee:	The Huntington National Bank
Developer:	Winterwood Development, LLC

**Exhibit A**

**Project Funding Sources:**

Fannie Mae Loan (M-TEB)	\$ 18,500,000
Tax Credit Proceeds	8,069,602
LAHTF Trust Funds	2,000,000
Reimbursement of COI (Fannie Mae)	135,000
Deferred Developer Fee	<u>3,859,697</u>
<b>TOTAL</b>	<b>\$ 32,564,299</b>

**Costs of Issuance:**

OREC Underwriting Fee	\$ 180,000
Underwriter Counsel	65,000
Bond Counsel	70,000
Fannie Mae Bond Counsel	35,000
KHC Issuer Counsel	18,000
KHC Issuer Fee	45,000
KHC Annual Fee	45,000
KHC Admin Fee	5,000
Bond Clearance (DTC, CUSIP)	5,000
Rating Agency	13,000
Trustee Fees	15,000
Misc/Contingency	<u>5,000</u>
<b>TOTAL</b>	<b>\$ 501,000</b>



**Winterwood Inc. was founded in 1979 with 115 units under management. Over the past 39+ years we have grown to manage more than 9,000 units in Kentucky, Tennessee, West Virginia and Indiana. The dedication to safe and affordable housing along with our passion for hard work has made us the outstanding Management and Development Company we are today.**

### **Property Types under Management**

- HUD Insured
- Conventional financed
- Rural Development 515
- Public Housing
- BMIR
- 221 d(4)
- LIHTC financed properties under IRS Code 42

### **Achievements and Recognition**

HUD, Lifetime Achievement Award, 2008

CAHEC, Outstanding Property Management Company, 2009

2015, 2016, 2017 & 2018 *Best Places to Work in Kentucky*

### **Management Statistics**

225 Properties Managed  
1395 Elderly Units Managed  
7247 Family Units Managed  
3855 Rental Assisted Units Managed

22 year average length of management for properties

98% retention rate of properties

90% of reviews rated 'Above Average' by Government standards

94% average occupancy rate.



## **Areas of Expertise**

### **Accounting**

Two Certified Public Accountants on the Accounting Team  
Process monthly financial statements for in excess of 200 entities  
Prepare financial statements for RD and HUD and Housing Agencies that are mirrored after those agency's required reports  
Maintain a full receivable and payable system for all properties under management  
Complete the budgets each year for 200+ entities

### **Affordable Housing Development**

Bond Transactions: 19 Properties 891 Units	\$73,400,000.00
USDA MPR Transaction: 12 Properties 332 Units	\$8,400,000.00
Tax Credit Transactions: 16 Properties 498 Units	\$52,000,000.00
Total Development in the past 9 Years:	\$134,000,000.00
Total Development Units in the past 9 Years:	1,721

### **Property Maintenance and REAC Prep**

Over 700 Inspections completed  
Over 300 REAC Inspections completed  
Maintaining a 90% + Average on all Inspection Scores  
Train 150 Techs yearly to maintain Properties

### **Compliance**

In the last year 78 file reviews of which 68 received a Superior rating. That indicates no file findings. The remaining 10 scored an Above Average.

15,950 files were reviewed and approved

Monitor HOME, Tax Credit, HUD, PHA, Smal, AHTF, Risk Sharing, Tax Exempt Bonds and Rural Development property types.

Created a central location/process for all managers to locate forms, income/rent limits, manuals, processes and procedures.

Conduct training's for various types of affordable housing across a vast portfolio.

### **Human Resources**

Excellence in processes and procedures in accordance with governmental laws and partner with Third Party Administrators to meet these requirements.



Employee Benefits, Payroll and Taxes, Employee Relations and Recruiting for 365 employees in KY, IN, WV and TN.

### **IT/TRAINING**

Established a learning management program which fosters fun, fast paced courses designed for our employees' personal growth and professional development.

Provide one-on-one mentoring and training to equip every employee with the skills and knowledge to conduct business in a fair, effective manner which enables us to give our residents the quality housing they deserve while protecting our owners investments.

Created an immense library of standard operating procedures, forms and valuable learning tools for our employees to access and refer to as needed

Migrating projects, data bases and business tools to a Google cloud platform for continuous work flow, flexibility and security of our information for employees and clients





**MATTHEW G. BEVIN**  
Governor

**Commonwealth of Kentucky**  
**FINANCE AND ADMINISTRATION CABINET**  
**Office of Financial Management**  
702 Capital Avenue  
Suite 76  
Frankfort, Kentucky 40601  
(502) 564-2924  
(502) 564-7416 Facsimile

**WILLIAM M. LANDRUM III**  
Secretary

**RYAN BARROW**  
Executive Director

March 15, 2019

William E. Summers, V  
Chairman  
Kentucky Housing Corporation  
1231 Louisville Road  
Frankfort, KY 40601-6191

Dear Chairman Summers:

This letter will advise that the Office of Financial Management (“OFM”) of the Finance and Administration Cabinet has reviewed and is hereby approving the issuance of the Kentucky Housing Corporation Multifamily Housing Revenue Bonds (Beecher Phase 1 Project), Series 2019 in a principal amount of \$15,500,000 (the “Bonds”). The Bonds, by their terms, provide that payment of principal and interest thereon are not an obligation of the Commonwealth of Kentucky or its departments or agencies.

Pursuant to OAG 83-453, OFM has restricted its review and approval process to reviewing certain documents incidental to the issue and to obtaining assurance that the documents include language which provides that the Bonds and interest thereon shall not be deemed to constitute a debt, liability or obligation of the Kentucky Housing Corporation (“KHC”) or the Commonwealth of Kentucky or any political subdivision thereof. OFM notes that the material was submitted to the Capital Projects and Bond Oversight Committee for review at the meeting scheduled for May 15, 2018. The meeting was cancelled, therefore the Secretary of the Finance and Administration Cabinet decided to proceed with the transaction in a letter to the Committee dated May 17, 2018. The attached includes a finalized listing of costs related to the issuance of the Bonds pursuant to KRS 45.816.

Sincerely,

Ryan Barrow  
Executive Director

Attachments

## FINAL BOND ISSUE REPORT

Name of Bond Issue: Short-Term Bond: Kentucky Housing Corporation Multifamily Housing Revenue Bonds, Series 2019; and

Long-Term Bond: Kentucky Housing Corporation Multifamily Mortgage-Backed Bonds, Series 2019

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation and equipping of the Beecher Phase I Project, a one hundred and seventeen unit property located at 434 S. 10th Street, Louisville, Kentucky 40203. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on May 7, 2018 following the delivery of notice to the public on April 22, 2018. A second public hearing occurred on February 2, 2019 following at least fourteen days of prior public notice.

Name of Project: Beecher Phase I Apartments

Date of Sale: February 28, 2019

Date of Issuance: March 5, 2019

Net Proceeds: \$15,500,000

Cost of Issuance: See Exhibit A attached (costs of issuance paid from owner equity)

Debt Service Reserve Fund: \$0, but a \$463,000 operating reserve and \$335,000 lease up reserve will be funded from equity.

Total Project Cost: \$45,040,939

	<u>Short-Term</u>	<u>Long-Term</u>
Ratings:	MIG1 (Moody's)	Aaa (Moody's)
Net Interest Rate:	2.00%	3.59%
Term:	March 1, 2022	March 1, 2040
Average Debt Service:	\$124,800	\$112,032
Gross Debt Service:	\$621,227	\$2,085,547

First Call Date: March 1, 2021

Method of Sale: Public Offering

Bond Counsel: Dinsmore & Shohl LLP

Underwriter: OREC Securities, LLC

Underwriter Counsel: Tiber Hudson, LLC

Trustee: The Huntington National Bank

## Exhibit A

### Project Funding Sources:

Proceeds of the Bonds	\$ 12,480,000
Proceeds of the Long-Term Bonds	3,020,000
Tax Credit Equity	11,826,000
LMHA Subordinate Loan	17,380,839
Deferred Developer Fee	334,000
GP Equity	<u>100</u>
<b>TOTAL</b>	<b>\$ 45,040,939</b>

### Costs of Issuance:

Underwriting Fee	\$ 93,000
Underwriter's Counsel	65,000
Bond Counsel	70,000
Fannie Mae Counsel	35,000
KHC Admin Fee	5,000
KHC Issuer Fee	38,750
KHC Annual Fee	38,750
KHC Issuer Counsel	12,500
Bond Clearance	3,600
Rating Agency	18,500
Trustee Fees	<u>20,000</u>
<b>TOTAL</b>	<b>\$ 400,100</b>



## School Facilities Construction Commission

Finance and Administration Cabinet

700 Louisville Rd

Carriage House

Frankfort, Kentucky 40601

(502) 564-5582

(888) 979-6152 Fax

[www.sfcc.ky.gov](http://www.sfcc.ky.gov)

**MATT BEVIN**

Governor

**MR. WILLIAM LANDRUM III**

Secretary

**DAVID PRATER**

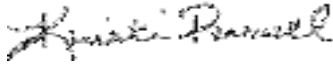
Chairman

**CHELSEY BIZZLE**

Executive Director

### **MEMORANDUM**

**TO:** Ryan Barrow  
Office of Financial Management

**FROM:** Kristi Russell, SFCC 

**DATE:** April 1, 2019

**SUBJECT:** Capital Projects and Bond Oversight Committee (CPBO)

The following information is submitted for consideration by CPBO at their next meeting tentatively scheduled for April 16, 2019:

Bell County- \$4,620,000 estimated – Refunding of the 2008A bonds are planned. State estimated annual debt service is \$280,412 and local is \$284,140. No tax increase is necessary to finance this project.

Bell County- \$735,000 estimated – Refunding of the 2008B bonds are planned. State estimated annual debt service is \$1,011 and local is \$88,685. No tax increase is necessary to finance this project.

Burgin Independent- \$4,110,000 estimated – Improvements at Burgin school are planned. State estimated annual debt service is \$1,368 and local is \$326,051. No tax increase is necessary to finance this project.

Covington Independent- \$565,000 estimated – Refunding of the 2008B bonds are planned. State estimated annual debt service is \$71,547 and local is \$0. No tax increase is necessary to finance this project.

Covington Independent- \$760,000 estimated – Refunding of the 2009 bonds are planned. State estimated annual debt service is \$74,799 and local is \$13,263. No tax increase is necessary to finance this project.

Dayton Independent- \$1,400,000 estimated – Refunding of the 2009 bonds are planned. State estimated annual debt service is \$42,417 and local is \$116,939. No tax increase is necessary to finance this project.

Eminence Independent- \$5,000,000 estimated – Warrior Activity Center renovation and new replacement gym are planned. State estimated annual debt service is \$4,981 and local is \$390,563. A recallable nickel was levied in 2013 and is necessary to finance this project.



Estill County- \$7,790,000 estimated – Construction of new ATC and bus garage is planned. State estimated annual debt service is \$22,046 and local is \$556,956. No tax increase is necessary to finance this project. A Work Ready Skills Grant has been awarded for this project.

Fayette County- \$26,910,000 estimated – Renovation of Steam Academy and Success Academy are planned. State estimated annual debt service is \$228,754 and local is \$1,591,655. No tax increase is necessary to finance this project.

Hardin County- \$46,120,000 estimated – Construction of a new Middle school and Elementary school are planned. State estimated annual debt service is \$187,610 and local is \$3,676,466. No tax increase is necessary to finance this project.

Mason County- \$7,020,000 estimated – District wide improvements are planned. State estimated annual debt service is \$68,454 and local is \$464,859. No tax increase is necessary to finance this project.

Meade County- \$6,705,000 estimated – Elementary school renovations are planned. State estimated annual debt service is \$2,834 and local is \$470,548. No tax increase is necessary to finance this project.

Morgan County- \$7,690,000 estimated – Renovation of ATC is planned. State estimated annual debt service is \$7,817 and local is \$548,320. No tax increase is necessary to finance this project.

Ohio County- \$346,000 estimated – Refunding of the 2009 bonds is planned. State estimated annual debt service is \$11,170 and local is \$42,439. No tax increase is necessary to finance this project.

Pikeville Independent- \$905,000 estimated – Refunding of the 2009 bonds is planned. State estimated annual debt service is \$16,920 and local is \$88,959. No tax increase is necessary to finance this project.

Russell Independent- \$4,750,000 estimated – District wide HVAC improvements are planned. State estimated annual debt service is \$121,097 and local is \$226,102. No tax increase is necessary to finance this project.

Taylor County- \$500,000 estimated – Improvements at the Career Academy are planned. State estimated annual debt service is \$985 and local is \$716,019. No tax increase is necessary to finance this project.

Warren County- \$16,060,000 estimated – Warren Central renovations are planned. State estimated annual debt service is \$34,320 and local is \$1,108,986. No tax increase is necessary to finance this project.

Webster County- \$2,665,000 estimated – High School renovations are planned. State estimated annual debt service is \$6,469 and local is \$210,765. No tax increase is necessary to finance this project.

If you or the Committee needs any additional information please feel free to contact me.



An Equal Opportunity Employer M/F/D

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form –Bell County School District Series 2019  
**Date:** March 20, 2019  
**cc:** File

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Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Bell County School District. Please process this issue at the next meeting of the Capital Projects and Bond Oversight Committee.

If you should have any questions or require any additional information, please do not hesitate to contact our office.

# BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 4,620,000**  
 Issue Name: Bell County School District Finance Corporation School Building Refunding Revenue Bonds, Series 2019  
 Purpose: Refinance Series 2008A  
 Projected Sale Date of Bonds: 20-Jun-19  
 First Call Date: 6/1/19 @ 100  
 Method of Sale: Competitive Bids  
 Place/time of sale: SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.  
 Bond Rating: Moodys: "A1"  
 Bond Counsel: Steptoe & Johnson, Louisville, KY  
 Fiscal Agent: Ross, Sinclair & Associates, Lexington, Kentucky  
 Date received by SFCC:  *To be filled in by SFCC*  
 Date scheduled for Committee review:  *To be filled in by SFCC*

Month Day Year

Estimated par amount of Bonds:  
 % Share of total Bonds:  
 Estimated average annual debt service:  
 Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$ 2,294,749	\$ 2,325,251	\$ 4,620,000
49.67%	50.33%	
\$ 280,412	\$ 284,140	\$ 564,552
\$ 0	\$ 0	\$ 0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc.  
 Special Tax Counsel  
 Number verifications  
 Bond Rating  
 Underwriter's Discount  
 Bank Fee  
 Total Cost of Issuance:

\$ 15,636	\$ 15,844	\$ 31,480
\$ 0	\$ 0	\$ 0
\$ 993	\$ 1,007	\$ 2,000
\$ 4,719	\$ 4,781	\$ 9,500
\$ 45,895	\$ 46,505	\$ 92,400
\$ 1,738	\$ 1,762	\$ 3,500
\$ 68,982	\$ 69,898	\$ 138,880

**Anticipated Interest Rates:**

5 Years 1.950% 10 Years 2.350% 15 Years:  
 20 Years: N/A

**Note: No Local Tax increase is required.**

# Bell County School District

## Projected Plan of Refinancing

Date of Report: March 20, 2019

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<b>Prior Bonds Call Reports</b>	
2008 Call Report.....	1
<b>2019 Series Refunding Bonds</b>	
Total Savings Report.....	2



**BELL COUNTY SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REVENUE BONDS, SERIES 2008**

**Debt Service To Maturity And To Call**

Part 1 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
05/01/2019	4,490,000.00	39,848.75	4,529,848.75	-	-	-	-
08/01/2019	-	-	-	-	-	79,697.50	79,697.50
02/01/2020	-	-	-	415,000.00	3.550%	79,697.50	494,697.50
08/01/2020	-	-	-	-	-	72,331.25	72,331.25
02/01/2021	-	-	-	430,000.00	3.550%	72,331.25	502,331.25
08/01/2021	-	-	-	-	-	64,698.75	64,698.75
02/01/2022	-	-	-	460,000.00	3.550%	64,698.75	524,698.75
08/01/2022	-	-	-	-	-	56,533.75	56,533.75
02/01/2023	-	-	-	480,000.00	3.550%	56,533.75	536,533.75
08/01/2023	-	-	-	-	-	48,013.75	48,013.75
02/01/2024	-	-	-	500,000.00	3.550%	48,013.75	548,013.75
08/01/2024	-	-	-	-	-	39,138.75	39,138.75
02/01/2025	-	-	-	520,000.00	3.550%	39,138.75	559,138.75
08/01/2025	-	-	-	-	-	29,908.75	29,908.75
02/01/2026	-	-	-	540,000.00	3.550%	29,908.75	569,908.75
08/01/2026	-	-	-	-	-	20,323.75	20,323.75
02/01/2027	-	-	-	560,000.00	3.550%	20,323.75	580,323.75
08/01/2027	-	-	-	-	-	10,383.75	10,383.75
02/01/2028	-	-	-	585,000.00	3.550%	10,383.75	595,383.75
<b>Total</b>	<b>\$4,490,000.00</b>	<b>\$39,848.75</b>	<b>\$4,529,848.75</b>	<b>\$4,490,000.00</b>	-	<b>\$842,060.00</b>	<b>\$5,332,060.00</b>

**BELL COUNTY SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2019**  
**REFINANCING OF 2008**

**Debt Service Comparison**

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2019	-	-	-	-
06/30/2020	546,480.00	546,480.00	574,395.00	27,915.00
06/30/2021	546,200.00	546,200.00	574,662.50	28,462.50
06/30/2022	563,527.50	563,527.50	589,397.50	25,870.00
06/30/2023	564,952.50	564,952.50	593,067.50	28,115.00
06/30/2024	565,702.50	565,702.50	596,027.50	30,325.00
06/30/2025	570,757.50	570,757.50	598,277.50	27,520.00
06/30/2026	570,520.00	570,520.00	599,817.50	29,297.50
06/30/2027	574,552.50	574,552.50	600,647.50	26,095.00
06/30/2028	578,277.50	578,277.50	605,767.50	27,490.00
<b>Total</b>	<b>\$5,080,970.00</b>	<b>\$5,080,970.00</b>	<b>\$5,332,060.00</b>	<b>\$251,090.00</b>

**PV Analysis Summary (Net to Net)**

Gross PV Debt Service Savings	226,447.23
Net PV Cashflow Savings @ 2.450%(AIC)	226,447.23
Contingency or Rounding Amount	2,451.25
Net Present Value Benefit	\$228,898.48

Net PV Benefit / \$4,490,000 Refunded Principal	5.098%
Net PV Benefit / \$4,620,000 Refunding Principal	4.955%

**Refunding Bond Information**

Refunding Dated Date	5/01/2019
Refunding Delivery Date	5/01/2019

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form –Bell County School District Series 2019  
**Date:** March 20, 2019  
**cc:** File

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Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Bell County School District. Please process this issue at the next meeting of the Capital Projects and Bond Oversight Committee.

If you should have any questions or require any additional information, please do not hesitate to contact our office.

# BOND PAYEE DISCLOSURE FORM

Par Amount:	\$ 735,000
Issue Name:	Bell County School District Finance Corporation School Building Refunding Revenue Bonds, Series 2019
Purpose:	Refinance Series 2008B
Projected Sale Date of Bonds:	20-Jun-19
First Call Date:	6/1/19 @ 100
Method of Sale:	Competitive Bids
Place/time of sale:	SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.
Bond Rating:	Moody's: "A1"
Bond Counsel:	Step toe & Johnson, Louisville, KY
Fiscal Agent:	Ross, Sinclair & Associates, Lexington, Kentucky
Date received by SFCC:	<input style="width: 100px; height: 15px;" type="text"/> To be filled in by SFCC
Date scheduled for Committee review:	<input style="width: 100px; height: 15px;" type="text"/> To be filled in by SFCC

Month Day Year

Estimated par amount of Bonds:  
 % Share of total Bonds:  
 Estimated average annual debt service:  
 Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$ 8,285	\$ 726,715	\$ 735,000
1.13%	98.87%	
\$ 1,011	\$ 88,685	\$ 89,696
\$ 0	\$ 0	\$ 0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc.  
 Special Tax Counsel  
 Number verifications  
 Bond Rating  
 Underwriter's Discount  
 Bank Fee  
 Total Cost of Issuance:

\$ 23	\$ 1,977	\$ 2,000
\$ 0	\$ 0	\$ 0
\$ 6	\$ 494	\$ 500
\$ 11	\$ 989	\$ 1,000
\$ 166	\$ 14,534	\$ 14,700
\$ 11	\$ 989	\$ 1,000
\$ 216	\$ 18,984	\$ 19,200

**Anticipated Interest Rates:**

5 Years 1.950% 10 Years 2.350% 15 Years:  
 20 Years: N/A

**Note: No Local Tax increase is required.**

# Bell County School District

## Projected Plan of Refinancing

Date of Report: March 20, 2019

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<b>Prior Bonds Call Reports</b>	
2008B Call Report.....	1
<b>2019 Series Refunding Bonds</b>	
Total Savings Report.....	2

**BELL COUNTY SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REVENUE BONDS, SERIES 2008**

**Debt Service To Maturity And To Call**

Part 1 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
04/01/2019	695,000.00	16,162.50	711,162.50	-	-	16,162.50	16,162.50
10/01/2019	-	-	-	35,000.00	4.500%	16,162.50	51,162.50
04/01/2020	-	-	-	-	-	15,375.00	15,375.00
10/01/2020	-	-	-	40,000.00	4.500%	15,375.00	55,375.00
04/01/2021	-	-	-	-	-	14,475.00	14,475.00
10/01/2021	-	-	-	70,000.00	4.500%	14,475.00	84,475.00
04/01/2022	-	-	-	-	-	12,900.00	12,900.00
10/01/2022	-	-	-	70,000.00	4.600%	12,900.00	82,900.00
04/01/2023	-	-	-	-	-	11,290.00	11,290.00
10/01/2023	-	-	-	75,000.00	4.600%	11,290.00	86,290.00
04/01/2024	-	-	-	-	-	9,565.00	9,565.00
10/01/2024	-	-	-	75,000.00	4.600%	9,565.00	84,565.00
04/01/2025	-	-	-	-	-	7,840.00	7,840.00
10/01/2025	-	-	-	80,000.00	4.600%	7,840.00	87,840.00
04/01/2026	-	-	-	-	-	6,000.00	6,000.00
10/01/2026	-	-	-	80,000.00	4.800%	6,000.00	86,000.00
04/01/2027	-	-	-	-	-	4,080.00	4,080.00
10/01/2027	-	-	-	85,000.00	4.800%	4,080.00	89,080.00
04/01/2028	-	-	-	-	-	2,040.00	2,040.00
10/01/2028	-	-	-	85,000.00	4.800%	2,040.00	87,040.00
<b>Total</b>	<b>\$695,000.00</b>	<b>\$16,162.50</b>	<b>\$711,162.50</b>	<b>\$695,000.00</b>	-	<b>\$199,455.00</b>	<b>\$894,455.00</b>

**BELL COUNTY SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2019**  
**REFINANCING OF 2008B**

**Debt Service Comparison**

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2019	-	-	16,162.50	16,162.50
06/30/2020	64,818.75	64,818.75	66,537.50	1,718.75
06/30/2021	68,702.50	68,702.50	69,850.00	1,147.50
06/30/2022	92,233.75	92,233.75	97,375.00	5,141.25
06/30/2023	90,471.25	90,471.25	94,190.00	3,718.75
06/30/2024	93,650.00	93,650.00	95,855.00	2,205.00
06/30/2025	91,470.00	91,470.00	92,405.00	935.00
06/30/2026	88,990.00	88,990.00	93,840.00	4,850.00
06/30/2027	86,510.00	86,510.00	90,080.00	3,570.00
06/30/2028	88,952.50	88,952.50	91,120.00	2,167.50
06/30/2029	86,317.50	86,317.50	87,040.00	722.50
<b>Total</b>	<b>\$852,116.25</b>	<b>\$852,116.25</b>	<b>\$894,455.00</b>	<b>\$42,338.75</b>

**PV Analysis Summary (Net to Net)**

Gross PV Debt Service Savings	37,822.78
Net PV Cashflow Savings @ 3.568%(AIC)	37,822.78
Contingency or Rounding Amount	987.50
Net Present Value Benefit	\$38,810.28
Net PV Benefit / \$695,000 Refunded Principal	5.584%
Net PV Benefit / \$735,000 Refunding Principal	5.280%

**Refunding Bond Information**

Refunding Dated Date	4/01/2019
Refunding Delivery Date	4/01/2019

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form – Burgin Independent School District Series 2019  
**Date:** March 28, 2019  
**cc:** File

---

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Burgin Independent School District. Please process this issue at the next meeting of the Capital Projects and Bond Oversight Committee.

If you should have any questions or require any additional information, please do not hesitate to contact our office.



# BOND PAYEE DISCLOSURE FORM

Par Amount:	\$ 4,110,000
Issue Name:	Burgin Independent School District Finance Corporation School Building Revenue Bonds, Series 2019
Purpose:	Improvements at Burgin School
Projected Sale Date of Bonds:	11-Jun-19
First Call Date:	6/1/26 @ 100
Method of Sale:	Competitive Bids
Place/time of sale:	SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.
Bond Rating:	Moodys: "A1"
Bond Counsel:	Steptoe & Johnson, Louisville, KY
Fiscal Agent:	Ross, Sinclair & Associates, Lexington, Kentucky
Date received by SFCC:	<input type="text"/> To be filled in by SFCC
Date scheduled for Committee review:	<input type="text"/> To be filled in by SFCC

Month Day Year

Estimated par amount of Bonds:  
 % Share of total Bonds:  
 Estimated average annual debt service:  
 Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$ 17,172	\$ 4,092,828	\$ 4,110,000
0.42%	99.58%	
\$ 1,368	\$ 326,051	\$ 327,419
\$ 0	\$ 0	\$ 0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc.  
 Special Tax Counsel  
 Number verifications  
 Bond Rating  
 Underwriter's Discount  
 Bank Fee  
 Total Cost of Issuance:

\$ 123	\$ 29,317	\$ 29,440
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 19	\$ 4,481	\$ 4,500
\$ 343	\$ 81,857	\$ 82,200
\$ 15	\$ 3,485	\$ 3,500
\$ 500	\$ 119,140	\$ 119,640

**Anticipated Interest Rates:**

5 Years: 3.000% 10 Years: 3.500% 15 Years: 3.750%  
 20 Years: 3.900%

**Note: No Local Tax increase is required.**

# BURGIN IND. SCHOOL DISTRICT

## Plan of Financing

Date of Report: 3/28/2019

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Local Bond Payments Outstanding .....	1
Summary of Funds for Bond Payments .....	2
Projected Bonding Potential.....	3

**BURGIN IND. SCHOOL DISTRICT  
OUTSTANDING NET LOCAL DEBT SERVICE**

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
FYE	Series 2011	Series 2012-REF	Series 2012	Series	Series	Total
2018	\$139,167	\$129,785	\$51,743			\$320,694
2019	\$137,443	\$127,085	\$56,269			\$320,796
2020	\$140,717	\$129,384	\$50,668			\$320,769
2021	\$138,849	\$126,584	\$60,020			\$325,453
2022	\$141,574	\$128,784	\$54,326			\$324,685
2023	\$139,123	\$125,702	\$58,563			\$323,387
2024	\$136,324	\$132,440	\$52,738			\$321,502
2025	\$183,524	\$87,550	\$51,968			\$323,041
2026	\$273,724		\$51,198			\$324,921
2027	\$275,123		\$50,331			\$325,454
2028	\$271,124		\$54,300			\$325,424
2029	\$271,635		\$53,200			\$324,835
2030	\$271,736		\$52,100			\$323,836
2031	\$270,986		\$51,000			\$321,986
2032			\$192,906			\$192,906
2033			\$197,681			\$197,681
<b>Totals:</b>	<b>\$2,791,048</b>	<b>\$987,315</b>	<b>\$1,139,009</b>	<b>\$0</b>		<b>\$4,917,371</b>

# BURGIN IND. SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A FYE	B Local Nickel	C Recallable Nickel	D Recallable Nickel	E Capital Outlay @ 80%	F FSPK	G Addtl. FSPK	H Addtl. FSPK	I Total Local Funds	J Less Current Payments	K Local Funds Available	L 2014 SFCC Offier	M Total Funds Available
2018	\$127,836	\$127,836	\$131,088	\$36,328	\$49,943	\$49,943	\$15,375	\$391,886	(\$320,694)	\$71,191		\$71,191
2019	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$320,796)	\$247,793		\$247,793
2020	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$320,769)	\$247,820	\$1,368	\$249,188
2021	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$325,453)	\$243,136	\$1,368	\$244,504
2022	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$324,685)	\$243,904	\$1,368	\$245,272
2023	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$323,387)	\$245,201	\$1,368	\$246,569
2024	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$321,502)	\$247,087	\$1,368	\$248,455
2025	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$323,041)	\$245,547	\$1,368	\$246,915
2026	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$324,921)	\$243,668	\$1,368	\$245,036
2027	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$325,454)	\$243,135	\$1,368	\$244,503
2028	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$325,424)	\$243,165	\$1,368	\$244,533
2029	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$324,835)	\$243,753	\$1,368	\$245,121
2030	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$323,836)	\$244,752	\$1,368	\$246,120
2031	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$321,986)	\$246,603	\$1,368	\$247,971
2032	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$192,906)	\$375,682	\$1,368	\$377,050
2033	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589	(\$197,681)	\$370,907	\$1,368	\$372,275
2034	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589		\$568,589	\$1,368	\$569,957
2035	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589		\$568,589	\$1,368	\$569,957
2036	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589		\$568,589	\$1,368	\$569,957
2037	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589		\$568,589	\$1,368	\$569,957
2038	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$568,589		\$568,589	\$1,368	\$569,957
2039	\$131,088	\$131,088	\$131,088	\$36,947	\$61,501	\$61,501	\$15,375	\$553,213		\$553,213	\$1,368	\$554,581
<b>Totals:</b>	<b>\$2,880,684</b>	<b>\$2,880,684</b>	<b>\$2,752,848</b>	<b>\$812,224</b>	<b>\$1,341,464</b>	<b>\$1,341,464</b>	<b>\$307,505</b>	<b>\$12,316,873</b>	<b>(\$4,917,371)</b>	<b>\$7,399,502</b>	<b>\$27,360</b>	<b>\$7,426,862</b>

**NOTES:** Data based on assessments of \$255,671,317 and ADA of 454.097 per KDE SEEK Website (FY 2017-18)  
Data based on assessments of \$262,175,790 and ADA of 461.843 per KDE SEEK Website (FY 2018-19)

# BURGIN IND. SCHOOL DISTRICT PROJECTED 2019 BOND ISSUE

A	B	C	D	E	F	G	H	I	J	K
Current Payments	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
			----- Estimated New Bond Issue -----							
\$320,769	2020	\$65,000	2.000%	\$158,088	\$223,088	\$1,368	\$221,720	\$542,488	\$568,589	\$26,100
\$325,453	2021	\$60,000	2.000%	\$156,138	\$216,138	\$1,368	\$214,770	\$540,222	\$568,589	\$28,366
\$324,685	2022	\$65,000	2.000%	\$154,338	\$219,338	\$1,368	\$217,970	\$542,654	\$568,589	\$25,934
\$323,387	2023	\$65,000	2.000%	\$152,388	\$217,388	\$1,368	\$216,020	\$539,407	\$568,589	\$29,182
\$321,502	2024	\$70,000	3.000%	\$150,438	\$220,438	\$1,368	\$219,070	\$540,571	\$568,589	\$28,017
\$323,041	2025	\$70,000	3.000%	\$148,338	\$218,338	\$1,368	\$216,970	\$540,011	\$568,589	\$28,578
\$324,921	2026	\$70,000	3.000%	\$146,063	\$216,063	\$1,368	\$214,695	\$539,616	\$568,589	\$28,973
\$325,454	2027	\$75,000	3.000%	\$143,788	\$218,788	\$1,368	\$217,420	\$542,873	\$568,589	\$25,715
\$325,424	2028	\$75,000	3.000%	\$141,350	\$216,350	\$1,368	\$214,982	\$540,406	\$568,589	\$28,183
\$324,835	2029	\$80,000	3.000%	\$138,913	\$218,913	\$1,368	\$217,545	\$542,380	\$568,589	\$26,209
\$323,836	2030	\$80,000	3.500%	\$136,313	\$216,313	\$1,368	\$214,945	\$538,781	\$568,589	\$29,808
\$321,986	2031	\$85,000	3.500%	\$133,513	\$218,513	\$1,368	\$217,145	\$539,131	\$568,589	\$29,458
\$192,906	2032	\$220,000	3.500%	\$130,538	\$350,538	\$1,368	\$349,170	\$542,076	\$568,589	\$26,513
\$197,681	2033	\$220,000	3.500%	\$122,838	\$342,838	\$1,368	\$341,470	\$539,151	\$568,589	\$29,438
	2034	\$425,000	3.750%	\$115,138	\$540,138	\$1,368	\$538,770	\$538,770	\$568,589	\$29,819
	2035	\$440,000	3.750%	\$100,263	\$540,263	\$1,368	\$538,895	\$538,895	\$568,589	\$29,694
	2036	\$460,000	3.750%	\$82,663	\$542,663	\$1,368	\$541,295	\$541,295	\$568,589	\$27,294
	2037	\$480,000	3.750%	\$63,113	\$543,113	\$1,368	\$541,745	\$541,745	\$568,589	\$26,844
	2038	\$500,000	3.750%	\$42,713	\$542,713	\$1,368	\$541,345	\$541,345	\$568,589	\$27,244
	2039	\$505,000	3.750%	\$21,463	\$526,463	\$1,368	\$525,095	\$525,095	\$553,213	\$28,119
\$4,275,881	<b>Totals:</b>	\$4,110,000		\$2,438,388	\$6,548,388	\$27,360	\$6,521,028	\$10,796,909	\$11,356,399	\$559,490

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form – Covington Independent School District Series 2019  
**Date:** March 27, 2019  
**cc:** File

---

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Covington Independent School District. Please process this issue at the next meeting of the Capital Projects and Bond Oversight Committee.

If you should have any questions or require any additional information, please do not hesitate to contact our office.

# BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 565,000**  
 Issue Name: Covington Independent School District Finance Corporation School Building Refunding Revenue Bonds, Series 2019  
 Purpose: Refinance Series 2008B  
 Projected Sale Date of Bonds: 20-Jun-19  
 First Call Date: 6/1/19 @ 100  
 Method of Sale: Competitive Bids  
 Place/time of sale: SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.  
 Bond Rating: Moodys: "A1"  
 Bond Counsel: Steptoe & Johnson, Louisville, KY  
 Fiscal Agent: Ross, Sinclair & Associates, Lexington, Kentucky  
 Date received by SFCC:  *To be filled in by SFCC*  
 Date scheduled for Committee review:  *To be filled in by SFCC*  
Month Day Year

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	\$ 565,000	\$ 0	\$ 565,000
% Share of total Bonds:	100.00%	0.00%	
Estimated average annual debt service:	\$ 71,547	\$ 0	\$ 71,547
Estimated debt service reserve:	\$ 0	\$ 0	\$ 0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc.	\$ 5,000	\$ 0	\$ 5,000
Special Tax Counsel	\$ 0	\$ 0	\$ 0
Number verifications	\$ 1,500	\$ 0	\$ 1,500
Bond Rating	\$ 2,000	\$ 0	\$ 2,000
Underwriter's Discount	\$ 11,300	\$ 0	\$ 11,300
Bank Fee	\$ 3,500	\$ 0	\$ 3,500
Total Cost of Issuance:	\$ 23,300	\$ 0	\$ 23,300

**Anticipated Interest Rates:**

5 Years 2.25% 10 Years 3.00% 15 Years:  
20 Years: N/A

**Note: No Local Tax increase is required.**

# Covington Independent School District

## Projected Plan of Refinancing

Date of Report: March 28, 2019

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<b>Prior Bonds Call Reports</b>	
2008B Call Report.....	1
<b>2019 Series Refunding Bonds</b>	
Total Savings Report.....	2



**COVINGTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION**

SCHOOL BUILDING REVENUE BONDS, SERIES 2008 (100% SFCC)

FINAL: SOLD TO ROSS, SINCLAIRE ON 4/24/8 (DELIVER 5/15/8)

**Debt Service To Maturity And To Call**

Part 1 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/02/2019	550,000.00	3,634.58	553,634.58	-	-	-	-
10/01/2019	-	-	-	-	-	10,725.00	10,725.00
04/01/2020	-	-	-	50,000.00	3.750%	10,725.00	60,725.00
10/01/2020	-	-	-	-	-	9,787.50	9,787.50
04/01/2021	-	-	-	55,000.00	3.750%	9,787.50	64,787.50
10/01/2021	-	-	-	-	-	8,756.25	8,756.25
04/01/2022	-	-	-	55,000.00	3.750%	8,756.25	63,756.25
10/01/2022	-	-	-	-	-	7,725.00	7,725.00
04/01/2023	-	-	-	60,000.00	3.750%	7,725.00	67,725.00
10/01/2023	-	-	-	-	-	6,600.00	6,600.00
04/01/2024	-	-	-	60,000.00	4.000%	6,600.00	66,600.00
10/01/2024	-	-	-	-	-	5,400.00	5,400.00
04/01/2025	-	-	-	65,000.00	4.000%	5,400.00	70,400.00
10/01/2025	-	-	-	-	-	4,100.00	4,100.00
04/01/2026	-	-	-	65,000.00	4.000%	4,100.00	69,100.00
10/01/2026	-	-	-	-	-	2,800.00	2,800.00
04/01/2027	-	-	-	70,000.00	4.000%	2,800.00	72,800.00
10/01/2027	-	-	-	-	-	1,400.00	1,400.00
04/01/2028	-	-	-	70,000.00	4.000%	1,400.00	71,400.00
<b>Total</b>	<b>\$550,000.00</b>	<b>\$3,634.58</b>	<b>\$553,634.58</b>	<b>\$550,000.00</b>	-	<b>\$114,587.50</b>	<b>\$664,587.50</b>

**COVINGTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2017**  
**REFINANCING OF 2008B**

**Debt Service Comparison**

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2019	-	(2,410.70)	-	2,410.70
06/30/2020	67,375.28	67,375.28	71,450.00	4,074.72
06/30/2021	73,690.00	73,690.00	74,575.00	885.00
06/30/2022	72,310.00	72,310.00	72,512.50	202.50
06/30/2023	70,870.00	70,870.00	75,450.00	4,580.00
06/30/2024	69,370.00	69,370.00	73,200.00	3,830.00
06/30/2025	72,810.00	72,810.00	75,800.00	2,990.00
06/30/2026	71,055.00	71,055.00	73,200.00	2,145.00
06/30/2027	74,235.00	74,235.00	75,600.00	1,365.00
06/30/2028	72,205.00	72,205.00	72,800.00	595.00
<b>Total</b>	<b>\$643,920.28</b>	<b>\$641,509.58</b>	<b>\$664,587.50</b>	<b>\$23,077.92</b>

**PV Analysis Summary (Net to Net)**

Gross PV Debt Service Savings	18,583.72
Net PV Cashflow Savings @ 2.826%(Bond Yield)	18,583.72
Contingency or Rounding Amount	2,410.70
Net Present Value Benefit	\$20,994.42
Net PV Benefit / \$550,000 Refunded Principal	3.817%
Net PV Benefit / \$565,000 Refunding Principal	3.716%

**Refunding Bond Information**

Refunding Dated Date	6/02/2019
Refunding Delivery Date	6/02/2019

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form – Covington Independent School District Series 2019  
**Date:** March 27, 2019  
**cc:** File

---

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Covington Independent School District. Please process this issue at the next meeting of the Capital Projects and Bond Oversight Committee.

If you should have any questions or require any additional information, please do not hesitate to contact our office.

# BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 760,000**  
 Issue Name: Covington Independent School District Finance Corporation School Building Refunding Revenue Bonds, Series 2019  
 Purpose: Refinance Series 2009  
 Projected Sale Date of Bonds: 20-Jun-19  
 First Call Date: 6/1/19 @ 100  
 Method of Sale: Competitive Bids  
 Place/time of sale: SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.  
 Bond Rating: Moodys: "A1"  
 Bond Counsel: Steptoe & Johnson, Louisville, KY  
 Fiscal Agent: Ross, Sinclair & Associates, Lexington, Kentucky  
 Date received by SFCC:   *To be filled in by SFCC*  
 Date scheduled for Committee review:   *To be filled in by SFCC*  
Month Day Year

Estimated par amount of Bonds:  
 % Share of total Bonds:  
 Estimated average annual debt service:  
 Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$ 645,538	\$ 114,462	\$ 760,000
84.94%	15.06%	
\$ 74,799	\$ 13,263	\$ 88,061
\$ 0	\$ 0	\$ 0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc.  
 Special Tax Counsel  
 Number verifications  
 Bond Rating  
 Underwriter's Discount  
 Bank Fee  
 Total Cost of Issuance:

\$ 6,370	\$ 1,130	\$ 7,500
\$ 0	\$ 0	\$ 0
\$ 1,274	\$ 226	\$ 1,500
\$ 3,822	\$ 678	\$ 4,500
\$ 12,911	\$ 2,289	\$ 15,200
\$ 2,973	\$ 527	\$ 3,500
\$ 27,350	\$ 4,850	\$ 32,200

**Anticipated Interest Rates:**

5 Years 2.250% 10 Years 3.000% 15 Years:  
 20 Years: N/A

**Note: No Local Tax increase is required.**

# Covington Independent School District

## Projected Plan of Refinancing

Date of Report: March 28, 2019

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### Prior Bonds Call Reports

2009 Call Report..... 1

### 2019 Series Refunding Bonds

Total Savings Report..... 2

**COVINGTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REVENUE BONDS, SERIES 2009**

**Debt Service To Maturity And To Call**

Part 1 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded DIS
06/02/2019	740,000.00	88.36	740,088.36	-	-	-	-
12/01/2019	-	-	-	-	-	15,905.00	15,905.00
06/01/2020	-	-	-	60,000.00	4.100%	15,905.00	75,905.00
12/01/2020	-	-	-	-	-	14,675.00	14,675.00
06/01/2021	-	-	-	65,000.00	4.100%	14,675.00	79,675.00
12/01/2021	-	-	-	-	-	13,342.50	13,342.50
06/01/2022	-	-	-	65,000.00	4.100%	13,342.50	78,342.50
12/01/2022	-	-	-	-	-	12,010.00	12,010.00
06/01/2023	-	-	-	70,000.00	4.100%	12,010.00	82,010.00
12/01/2023	-	-	-	-	-	10,575.00	10,575.00
06/01/2024	-	-	-	70,000.00	4.300%	10,575.00	80,575.00
12/01/2024	-	-	-	-	-	9,070.00	9,070.00
06/01/2025	-	-	-	75,000.00	4.300%	9,070.00	84,070.00
12/01/2025	-	-	-	-	-	7,457.50	7,457.50
06/01/2026	-	-	-	80,000.00	4.300%	7,457.50	87,457.50
12/01/2026	-	-	-	-	-	5,737.50	5,737.50
06/01/2027	-	-	-	80,000.00	4.500%	5,737.50	85,737.50
12/01/2027	-	-	-	-	-	3,937.50	3,937.50
06/01/2028	-	-	-	85,000.00	4.500%	3,937.50	88,937.50
12/01/2028	-	-	-	-	-	2,025.00	2,025.00
06/01/2029	-	-	-	90,000.00	4.500%	2,025.00	92,025.00
<b>Total</b>	<b>\$740,000.00</b>	<b>\$88.36</b>	<b>\$740,088.36</b>	<b>\$740,000.00</b>	-	<b>\$189,470.00</b>	<b>\$929,470.00</b>

**COVINGTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2017**  
**REFINANCING OF 2009**

**Debt Service Comparison**

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2019	-	(421.36)	-	421.36
06/30/2020	87,032.62	87,032.62	91,810.00	4,777.38
06/30/2021	88,967.50	88,967.50	94,350.00	5,382.50
06/30/2022	87,357.50	87,357.50	91,685.00	4,327.50
06/30/2023	90,677.50	90,677.50	94,020.00	3,342.50
06/30/2024	83,802.50	83,802.50	91,150.00	7,347.50
06/30/2025	86,982.50	86,982.50	93,140.00	6,157.50
06/30/2026	89,957.50	89,957.50	94,915.00	4,957.50
06/30/2027	87,717.50	87,717.50	91,475.00	3,757.50
06/30/2028	90,397.50	90,397.50	92,875.00	2,477.50
06/30/2029	87,720.00	87,720.00	94,050.00	6,330.00
<b>Total</b>	<b>\$880,612.62</b>	<b>\$880,191.26</b>	<b>\$929,470.00</b>	<b>\$49,278.74</b>

**PV Analysis Summary (Net to Net)**

Gross PV Debt Service Savings	38,981.88
Net PV Cashflow Savings @ 2.826%(Bond Yield)	38,981.88
Contingency or Rounding Amount	421.36
Net Present Value Benefit	\$39,403.24
Net PV Benefit / \$740,000 Refunded Principal	5.325%
Net PV Benefit / \$760,000 Refunding Principal	5.185%

**Refunding Bond Information**

Refunding Dated Date	6/02/2019
Refunding Delivery Date	6/02/2019

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form – Dayton Independent School District Series 2019  
**Date:** March 26, 2019  
**cc:** File

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Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Dayton Independent School District. Please process this issue at the next meeting of the Capital Projects and Bond Oversight Committee.

If you should have any questions or require any additional information, please do not hesitate to contact our office.



# BOND PAYEE DISCLOSURE FORM

Par Amount:	\$ 1,400,000
Issue Name:	Dayton Independent School District Finance Corporation School Building Refunding Revenue Bonds, Series 2019
Purpose:	Refinance Series 2009
Projected Sale Date of Bonds:	20-Jun-19
First Call Date:	6/1/19 @ 100
Method of Sale:	Competitive Bids
Place/time of sale:	SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.
Bond Rating:	Moodys: "A1"
Bond Counsel:	Steptoe & Johnson, Louisville, KY
Fiscal Agent:	Ross, Sinclair & Associates, Lexington, Kentucky
Date received by SFCC:	<div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div> <i>To be filled in by SFCC</i>
Date scheduled for Committee review:	<div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div> <i>To be filled in by SFCC</i>

Month Day Year

Estimated par amount of Bonds:  
 % Share of total Bonds:  
 Estimated average annual debt service:  
 Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$ 372,650	\$ 1,027,350	\$ 1,400,000
26.62%	73.38%	
\$ 42,417	\$ 116,939	\$ 159,356
\$ 0	\$ 0	\$ 0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc.  
 Special Tax Counsel  
 Number verifications  
 Bond Rating  
 Underwriter's Discount  
 Bank Fee  
 Total Cost of Issuance:

\$ 3,993	\$ 11,007	\$ 15,000
\$ 0	\$ 0	\$ 0
\$ 532	\$ 1,468	\$ 2,000
\$ 2,263	\$ 6,237	\$ 8,500
\$ 7,453	\$ 20,547	\$ 28,000
\$ 932	\$ 2,568	\$ 3,500
\$ 15,172	\$ 41,828	\$ 57,000

**Anticipated Interest Rates:**

5 Years 2.250% 10 Years 3.100% 15 Years:  
 20 Years: N/A

**Note: No Local Tax increase is required.**

# Dayton Independent School District

## Projected Plan of Refinancing

Date of Report: March 28, 2019

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<b>Prior Bonds Call Reports</b>	
2009 Call Report.....	1
<b>2019 Series Refunding Bonds</b>	
Total Savings Report.....	2

**DAYTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REVENUE BONDS, SERIES 2009**

**Debt Service To Maturity And To Call**

Part 1 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
08/01/2019	1,335,000.00	27,992.50	1,362,992.50	-	-	27,992.50	27,992.50
02/01/2020	-	-	-	115,000.00	4.000%	27,992.50	142,992.50
08/01/2020	-	-	-	-	-	25,692.50	25,692.50
02/01/2021	-	-	-	120,000.00	4.000%	25,692.50	145,692.50
08/01/2021	-	-	-	-	-	23,292.50	23,292.50
02/01/2022	-	-	-	125,000.00	4.000%	23,292.50	148,292.50
08/01/2022	-	-	-	-	-	20,792.50	20,792.50
02/01/2023	-	-	-	125,000.00	4.000%	20,792.50	145,792.50
08/01/2023	-	-	-	-	-	18,292.50	18,292.50
02/01/2024	-	-	-	130,000.00	4.200%	18,292.50	148,292.50
08/01/2024	-	-	-	-	-	15,562.50	15,562.50
02/01/2025	-	-	-	135,000.00	4.200%	15,562.50	150,562.50
08/01/2025	-	-	-	-	-	12,727.50	12,727.50
02/01/2026	-	-	-	140,000.00	4.300%	12,727.50	152,727.50
08/01/2026	-	-	-	-	-	9,717.50	9,717.50
02/01/2027	-	-	-	145,000.00	4.300%	9,717.50	154,717.50
08/01/2027	-	-	-	-	-	6,600.00	6,600.00
02/01/2028	-	-	-	150,000.00	4.400%	6,600.00	156,600.00
08/01/2028	-	-	-	-	-	3,300.00	3,300.00
02/01/2029	-	-	-	150,000.00	4.400%	3,300.00	153,300.00
<b>Total</b>	<b>\$1,335,000.00</b>	<b>\$27,992.50</b>	<b>\$1,362,992.50</b>	<b>\$1,335,000.00</b>	-	<b>\$327,940.00</b>	<b>\$1,662,940.00</b>

**DAYTON INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2016**  
**PROJECTED REFINANCING OF 2009**

**Debt Service Comparison**

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2019	-	-	-	-
06/30/2020	165,293.75	165,293.75	170,985.00	5,691.25
06/30/2021	165,925.00	165,925.00	171,385.00	5,460.00
06/30/2022	163,157.50	163,157.50	171,585.00	8,427.50
06/30/2023	160,322.50	160,322.50	166,585.00	6,262.50
06/30/2024	157,352.50	157,352.50	166,585.00	9,232.50
06/30/2025	159,315.00	159,315.00	166,125.00	6,810.00
06/30/2026	161,095.00	161,095.00	165,455.00	4,360.00
06/30/2027	157,615.00	157,615.00	164,435.00	6,820.00
06/30/2028	153,990.00	153,990.00	163,200.00	9,210.00
06/30/2029	149,495.00	149,495.00	156,600.00	7,105.00
<b>Total</b>	<b>\$1,593,561.25</b>	<b>\$1,593,561.25</b>	<b>\$1,662,940.00</b>	<b>\$69,378.75</b>

**PV Analysis Summary (Net to Net)**

Gross PV Debt Service Savings	59,644.81
Net PV Cashflow Savings @ 3.216%(AIC)	59,644.81
Contingency or Rounding Amount	3,246.98
Net Present Value Benefit	\$62,891.79
Net PV Benefit / \$1,335,000 Refunded Principal	4.711%
Net PV Benefit / \$1,400,000 Refunding Principal	4.492%

**Refunding Bond Information**

Refunding Dated Date	5/01/2019
Refunding Delivery Date	5/01/2019



Ross, Sinclair & Associates, LLC

One Riverfront Plaza  
401 West Main Street,  
Suite 2110  
Louisville, KY  
40202

March 29, 2019

502/491-3939  
fax: 502/491-9979

School Facilities Construction Commission  
Attn: Chelsey Bizzle  
Carriage House  
700 Louisville Road  
Frankfort, KY 40601

INVESTMENT  
BANKING

FINANCIAL  
ADVISORY

PUBLIC  
FINANCE

BROKERAGE  
SERVICES

RE: \$5,000,000 Eminence Independent School District Finance  
Corporation Revenue Bonds, Series of 2019

Dear Ms. Bizzle:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to finance the construction of a replacement gym and renovations to the Warrior Activity center.

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming months. The Bonds will be funded with both Local and SFCC Funds.

Please process this bond disclosure form for review by the Bond Oversight Committee at the next meeting. Should you have any questions or require any additional information, please contact our office.

Sincerely,

Dwight G. Salsbury

Enclosures

Cincinnati, OH  
Lexington, KY  
Owensboro, KY  
Columbus, OH  
Indianapolis, IN  
Columbia, SC  
Brentwood, TN  
Pittsburgh, PA  
St. Petersburg, FL  
Alameda, CA



# BOND PAYEE DISCLOSURE FORM

Par Amount:

**\$5,000,000**

Issue Name:

Eminence Independent School District Finance Corporation School Building Revenue Bonds, Series of 2019

Purpose:

Construction of a replacement gym and renovations to Warrior Activity Center

Projected Sale Date of Bonds:

June 2019

First Call Date:

8 years at par

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC, Frankfort, Ky.

Bond Rating:

Moody's: "A1"

Bond Counsel:

Step toe and Johnson, Louisville, KY

Fiscal Agent:

Ross, Sinclaire & Associates LLC, Louisville, Kentucky

Date received by SFCC:

/ / To be filled in by SFCC

Date scheduled for Committee review:

/ / To be filled in by SFCC

Month Day Year

Estimated par amount of Bonds:

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$69,734	\$4,930,266	\$5,000,000
1.39%	98.61%	100.00%
\$4,981	\$390,563	\$395,544
\$0	\$0	\$0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc)

Special Tax Counsel

Number verifications

Bond Rating & Bank Fee

Underwriter's Discount

Credit Enhancement

Total Cost of Issuance:

\$460	\$32,540	\$33,000
\$0	\$0	\$0
\$0	\$0	\$0
\$237	\$16,763	\$17,000
\$1,395	\$98,605	\$100,000
\$0	\$0	\$0
\$2,092	\$147,908	\$150,000

**Anticipated Interest Rates:**

5 Years: 2.700%    10 Years: 3.400%    15 Years: 3.850%  
20 Years: 4.050%

**Note: District has passed a recallable nickel August 2013**

# Eminence Independent School District

## Plan of Financing - Series 2019

Date of Report: March 18, 2019

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<b>Local Bond Payments Outstanding .....</b>	<b>1</b>
<b>Summary of Funds for Bond Payments .....</b>	<b>2</b>
<b>Projected Bonding Potential .....</b>	<b>3</b>
<b>Summary of Projected Bonding Potential.....</b>	<b>4</b>
<b>Disclosures.....</b>	<b>5</b>

## Eminence Independent School District -- Local Bond Debt

Fiscal Year End	Series 2005-REF	Series 2007-REF	100% SFCC Series 2010	100% SFCC Series 2010B	100% SFCC Series 2012	Series 2015	Total Local Payments	Less: Series 05 General Fund	Total Net Local Payments
2019	12,640	88,652				418,363	519,655	(12,640)	507,015
2020	12,200	89,027				421,144	522,371	(12,200)	510,171
2021	11,760	81,778				428,777	522,316	(11,760)	510,556
2022	11,320					510,980	522,300	(11,320)	510,980
2023	10,880					506,271	517,151	(10,880)	506,271
2024	10,440					511,353	521,793	(10,440)	511,353
2025						507,033	507,033		507,033
2026						512,413	512,413		512,413
2027						512,238	512,238		512,238
2028						511,613	511,613		511,613
2029						510,539	510,539		510,539
2030						513,914	513,914		513,914
2031						513,434	513,434		513,434
2032						510,426	510,426		510,426
2033						511,153	511,153		511,153
2034						512,550	512,550		512,550
2035						509,526	509,526		509,526
<b>TOTALS:</b>	69,240	259,457	0	0	0	8,421,729	8,750,426	(69,240)	8,681,186

<u>Issue</u>	<u>Original Amount</u>	<u>Project Description</u>
Series 2005-REF	910,000	Construct Central Office and refund prior Series 96 bonds (various improvements)
Series 2007-REF	815,000	Refund Prior Series 2000 Bonds -- purchase of land for parking lot and Eminence School Improvements
Series 2010	300,000	Window and Roof Replacement at Eminence Elementary School
Series 2010B	420,000	HVAC Replacement at Eminence Elementary School
Series 2012	820,000	Renovations to Kitchen and Cafeteria at Elementary/High School
Series 2015	7,820,000	Addition and Renovations to Eminence ISD Education Hub



## Eminence Independent School District Summary of Funds Available

FYE	LOCAL NICKEL	ADDTL NICKEL	CAPITAL OUTLAY @ 80%	FSPK	ADDTL FSPK	TOTAL LOCAL FUNDS	LESS CURRENT PAYMENTS	LOCAL FUNDS AVAILABLE	EXISTING SFCC OFFERS	TOTAL FUNDS AVAILABLE
2019	88,134	88,134	70,221	277,894	277,894	802,277	(507,015)	295,262	0	295,262
2020	88,134	88,134	70,221	277,894	277,894	802,277	(510,171)	292,106	4,981	297,087
2021	88,134	88,134	70,221	277,894	277,894	802,277	(510,556)	291,722	4,981	296,703
2022	88,134	88,134	70,221	277,894	277,894	802,277	(510,980)	291,297	4,981	296,278
2023	88,134	88,134	70,221	277,894	277,894	802,277	(506,271)	296,006	4,981	300,987
2024	88,134	88,134	70,221	277,894	277,894	802,277	(511,353)	290,924	4,981	295,905
2025	88,134	88,134	70,221	277,894	277,894	802,277	(507,033)	295,244	4,981	300,225
2026	88,134	88,134	70,221	277,894	277,894	802,277	(512,413)	289,864	4,981	294,845
2027	88,134	88,134	70,221	277,894	277,894	802,277	(512,238)	290,039	4,981	295,020
2028	88,134	88,134	70,221	277,894	277,894	802,277	(511,613)	290,664	4,981	295,645
2029	88,134	88,134	70,221	277,894	277,894	802,277	(510,539)	291,738	4,981	296,719
2030	88,134	88,134	70,221	277,894	277,894	802,277	(513,914)	288,363	4,981	293,344
2031	88,134	88,134	70,221	277,894	277,894	802,277	(513,434)	288,843	4,981	293,824
2032	88,134	88,134	70,221	277,894	277,894	802,277	(510,426)	291,851	4,981	296,832
2033	88,134	88,134	70,221	277,894	277,894	802,277	(511,153)	291,124	4,981	296,105
2034	88,134	88,134	70,221	277,894	277,894	802,277	(512,550)	289,727	4,981	294,708
2035	88,134	88,134	70,221	277,894	277,894	802,277	(509,526)	292,751	4,981	297,732
2036	88,134	88,134	70,221	277,894	277,894	802,277	0	802,277	4,981	807,258
2037	88,134	88,134	70,221	277,894	277,894	802,277	0	802,277	4,981	807,258
2038	88,134	88,134	70,221	277,894	277,894	802,277	0	802,277	4,981	807,258
2039	88,134	88,134	70,221	277,894	277,894	802,277	0	802,277	4,981	807,258
2040	88,134	88,134	70,221	277,894	277,894	802,277	0	802,277	0	802,277

**NOTE:** Figures based on SEEK Final 2017-2018 data for FY 2018 and Tentative 2018-2019 thereafter  
SFCC offers are outstanding offer + Adjusted 2016 offer

## Eminence Independent School District Projected Series 2019

FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Current Payments	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
2020	105,000	2.100%	190,150	295,150	4,981	290,169	510,171	800,340	802,277	1,937
2021	105,000	2.200%	187,578	292,578	4,981	287,597	510,556	798,152	802,277	4,125
2022	110,000	2.350%	184,848	294,848	4,981	289,867	510,980	800,846	802,277	1,431
2023	115,000	2.500%	181,823	296,823	4,981	291,842	506,271	798,112	802,277	4,165
2024	115,000	2.700%	178,545	293,545	4,981	288,564	511,353	799,917	802,277	2,360
2025	120,000	2.900%	175,153	295,153	4,981	290,172	507,033	797,204	802,277	5,073
2026	120,000	3.100%	171,493	291,493	4,981	286,512	512,413	798,925	802,277	3,352
2027	125,000	3.200%	167,593	292,593	4,981	287,612	512,238	799,850	802,277	2,427
2028	130,000	3.250%	163,530	293,530	4,981	288,549	511,613	800,162	802,277	2,115
2029	135,000	3.400%	159,045	294,045	4,981	289,064	510,539	799,603	802,277	2,674
2030	135,000	3.400%	154,388	289,388	4,981	284,407	513,914	798,321	802,277	3,957
2031	140,000	3.600%	149,460	289,460	4,981	284,479	513,434	797,913	802,277	4,364
2032	150,000	3.600%	144,350	294,350	4,981	289,369	510,426	799,795	802,277	2,482
2033	155,000	3.750%	138,575	293,575	4,981	288,594	511,153	799,747	802,277	2,530
2034	160,000	3.800%	132,608	292,608	4,981	287,627	512,550	800,177	802,277	2,100
2035	170,000	3.850%	126,288	296,288	4,981	291,307	509,526	800,833	802,277	1,444
2036	685,000	3.900%	119,573	804,573	4,981	799,592	0	799,592	802,277	2,686
2037	715,000	3.950%	91,830	806,830	4,981	801,849	0	801,849	802,277	428
2038	740,000	4.050%	62,873	802,873	4,981	797,892	0	797,892	802,277	4,386
2039	770,000	4.050%	31,185	801,185	4,981	796,204	0	796,204	802,277	6,073
<b>Totals</b>	5,000,000		2,910,883	7,910,883	99,620	7,811,263	8,174,170	15,985,433		60,109

**NOTE:** Information based on an issue dated 5/1/19 with coupons dated 5/1 and 11/1 and principal payments on 5/1

## Eminence Independent School District Summary of Projected Bonding Potential

❖ Current Local Bonding Potential	\$4,930,266
❖ Current SFCC Bonding Potential	<u>\$69,734</u>
❖ Total Current Bonding Potential	\$5,000,000
<hr/>	
❖ SFCC Cash Requirement*	\$72,036
<hr/>	
❖ Total Bonding Potential	\$5,072,036

## **Municipal Advisor Disclosure of Conflicts of Interest and Other Information**

Ross, Sinclair and Associates, LLC (“RSA”)

### **Introduction**

RSA is a registered municipal advisory firm registered with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”). In accordance with MSRB rules, this disclosure statement is provided by RSA to each client prior to the execution of its advisory agreement with written disclosures of any material conflicts of interest and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii).

RSA employs a number of resources, which we have outlined below to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest.

- Code of Ethics
- Policies and Procedures
- Supervisory Structure
- Disclosure

### **General Conflict of Interest Disclosures**

As a registered municipal advisory firm registered with the “SEC” and the “MSRB”, our disciplinary events are required to be disclosed on our forms MA and MA-I filed with the SEC. To review the disclosures on these forms, you may access them electronically via the SEC’s Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) at: <https://www.sec.gov/cgi-bin/browse-edgar?company=ROSS%2C+SINCLAIRE+%26+ASSOCIATES%2C+LLC&owner=exclude&action=getcompany>

RSA is a registered Broker Dealer with the Financial Industry Regulatory Authority (“FINRA”) and a registered Investment Advisory Firm with the Securities and Exchange Commission (the “SEC”) that engages in other securities related activities to service its clients. Such securities related activities, which may include but are not limited to the buying and selling of new issue and secondary market securities, may include the securities offering of the client to which RSA is serving as Municipal Advisor.

Upon request, RSA may provide sponsorships and donations to various municipal organizations to which you may be a member.

To our knowledge, following reasonable inquiry, we are not aware of any actual or potential conflicts of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the client in accordance with the applicable standards of conduct of MSRB Rule G-42.



March 15, 2019

Ms. Chelsey Bizzle  
Schools Facilities Construction Commission  
229 West Main Street, Ste. 102  
Frankfort, Kentucky 40601

Re: Reporting of Bond Issuance Costs to the Capital Projects and Bond Oversight  
Committee ("Bond Oversight Committee")

Dear Ms. Bizzle:

Enclosed please find a Bond Payee Disclosure form for the following bond issue:

\$7,790,000 (est.)  
Estill County  
School District Finance Corporation  
School Building Revenue Bonds,  
Series 2019

Please be advised that the enclosed costs are estimated. Actual costs will not be known until the bonds are sold. Please be advised that no tax increases are necessary to support this financing. Additionally, the District has received a Work Ready Skills Initiative grant of \$5,700,000 that will be applied towards this project.

We hereby request that the above bond issue be considered by the Bond Oversight Committee at its next meeting.

If you need any additional information, please do not hesitate to call me at 502.588.8695.

Sincerely,

*/s/ Bobby Koch*

Bobby Koch  
Analyst

## BOND PAYEE DISCLOSURE FORM

Par Amount:	\$7,790,000
Issue Name:	Estill County School District Finance Corporation School Building Revenue Bonds, Series 2019
Purpose:	Construction of new Area Technology Center and construction of new bus garage
Projected Sale Date of Bonds:	June 2019
First Call Date:	2027
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "A1" – Moody's
Bond Counsel:	Steptoe & Johnson
Fiscal Agent:	J.J.B. Hilliard, W.L. Lyons, LLC
Construction Manager/General Contractor:	N/A
Architect/Engineer:	Ross Tarrant

Date Received by SFCC:	/ /	<i>To be filled in by SFCC</i>
Date Scheduled for Committee Review:	/ /	<i>To be filled in by SFCC</i>

	<b>SFCC Portion</b>	<b>Local Portion</b>	<b>Total</b>
Estimated par amount of Bonds:	319,329	7,470,671	\$7,790,000
% Share of total Bonds:	4.1%	95.9%	100.0%
Estimated average annual debt service:	22,046	556,956	579,002
Estimated debt service reserve:	-0-	-0-	-0-
<b>Estimated Costs of Issuance (1):</b>			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	1,810	42,350	44,160
Special Tax Counsel	-0-	-0-	-0-
Number Verifications	-0-	-0-	-0-
Bond Rating	512	11,988	12,500
Underwriter's Discount	4,790	112,060	116,850
Paying Agent/Escrow Agent Bank	164	3,836	4,000
<b>Total Cost of Issuance:</b>	<b>7,276</b>	<b>170,234</b>	<b>177,510</b>

<b>Anticipated Interest Rates:</b>	5 Years: 2.310%	10 Years: 2.860%
	15 Years: 3.500%	20 Years: 3.770%

(1) Actual costs will not be known until the bonds are sold.

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Estill County School District  
Series of 2019  
25% Equalization Through 2038  
Add'l GF Contribution

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**SOURCES AND USES OF FUNDS**

Estill County School District  
 Series of 2019  
 25% Equalization Through 2038  
 Add'l GF Contribution

Dated Date 06/15/2019  
 Delivery Date 06/15/2019

<b>Sources:</b>	<b>SFCC Portion</b>	<b>District Portion</b>	<b>Total</b>
Bond Proceeds:			
Par Amount	319,329.00	7,470,671.00	7,790,000.00
Other Sources of Funds:			
Building Fund and Capital Outlay Fund Cash		600,000.00	600,000.00
Estimated Investment Earnings		75,000.00	75,000.00
Work Force Grant		5,700,000.00	5,700,000.00
		<u>6,375,000.00</u>	<u>6,375,000.00</u>
	319,329.00	13,845,671.00	14,165,000.00

<b>Uses:</b>	<b>SFCC Portion</b>	<b>District Portion</b>	<b>Total</b>
Project Fund Deposits:			
ATC Architect	21,073.25	493,006.75	514,080.00
ATC Construction	376,308.12	8,803,691.88	9,180,000.00
ATC Construction Manager	19,944.33	466,595.67	486,540.00
ATC Contingencies	18,815.41	440,184.59	459,000.00
ATC Equipment	61,488.25	1,438,511.75	1,500,000.00
ATC Other	9,284.73	217,215.27	226,500.00
Bus Architect/Engineer	3,980.50	93,123.50	97,104.00
Bus Construction	58,536.82	1,369,463.18	1,428,000.00
Bus Contingencies	2,926.84	68,473.16	71,400.00
Bus Other	821.89	19,228.11	20,050.00
	<u>573,180.14</u>	<u>13,409,493.86</u>	<u>13,982,674.00</u>
Cost of Issuance:			
FA/BC	1,810.21	42,349.79	44,160.00
Rating	512.40	11,987.60	12,500.00
Paying Agent	163.97	3,836.03	4,000.00
	<u>2,486.58</u>	<u>58,173.42</u>	<u>60,660.00</u>
Underwriter's Discount:			
Underwriter's Discount	4,789.94	112,060.06	116,850.00
Other Uses of Funds:			
Additional Proceeds	-261,127.66	265,943.66	4,816.00
	319,329.00	13,845,671.00	14,165,000.00



**BOND DEBT SERVICE**

Estill County School District  
 Series of 2019  
 25% Equalization Through 2038  
 Addt'l GF Contribution

Dated Date 06/15/2019  
 Delivery Date 06/15/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2020	140,000	1.900%	158,439.34	298,439.34	
06/30/2020					298,439.34
08/01/2020	200,000	1.950%	124,860.63	324,860.63	
02/01/2021			122,910.62	122,910.62	
06/30/2021					447,771.25
08/01/2021	205,000	2.050%	122,910.62	327,910.62	
02/01/2022			120,809.37	120,809.37	
06/30/2022					448,719.99
08/01/2022	210,000	2.150%	120,809.37	330,809.37	
02/01/2023			118,551.87	118,551.87	
06/30/2023					449,361.24
08/01/2023	210,000	2.230%	118,551.87	328,551.87	
02/01/2024			116,210.38	116,210.38	
06/30/2024					444,762.25
08/01/2024	220,000	2.310%	116,210.38	336,210.38	
02/01/2025			113,669.37	113,669.37	
06/30/2025					449,879.75
08/01/2025	220,000	2.430%	113,669.37	333,669.37	
02/01/2026			110,996.37	110,996.37	
06/30/2026					444,665.74
08/01/2026	225,000	2.540%	110,996.37	335,996.37	
02/01/2027			108,138.87	108,138.87	
06/30/2027					444,135.24
08/01/2027	240,000	2.650%	108,138.87	348,138.87	
02/01/2028			104,958.88	104,958.88	
06/30/2028					453,097.75
08/01/2028	245,000	2.750%	104,958.88	349,958.88	
02/01/2029			101,590.12	101,590.12	
06/30/2029					451,549.00
08/01/2029	250,000	2.860%	101,590.12	351,590.12	
02/01/2030			98,015.12	98,015.12	
06/30/2030					449,605.24
08/01/2030	260,000	3.150%	98,015.12	358,015.12	
02/01/2031			93,920.13	93,920.13	
06/30/2031					451,935.25
08/01/2031	280,000	3.250%	93,920.13	373,920.13	
02/01/2032			89,370.13	89,370.13	
06/30/2032					463,290.26
08/01/2032	285,000	3.345%	89,370.13	374,370.13	
02/01/2033			84,603.50	84,603.50	
06/30/2033					458,973.63
08/01/2033	300,000	3.390%	84,603.50	384,603.50	
02/01/2034			79,518.50	79,518.50	
06/30/2034					464,122.00
08/01/2034	305,000	3.500%	79,518.50	384,518.50	
02/01/2035			74,181.00	74,181.00	
06/30/2035					458,699.50
08/01/2035	320,000	3.560%	74,181.00	394,181.00	
02/01/2036			68,485.00	68,485.00	
06/30/2036					462,666.00
08/01/2036	330,000	3.620%	68,485.00	398,485.00	
02/01/2037			62,512.00	62,512.00	
06/30/2037					460,997.00
08/01/2037	345,000	3.670%	62,512.00	407,512.00	
02/01/2038			56,181.25	56,181.25	
06/30/2038					463,693.25
08/01/2038	1,475,000	3.720%	56,181.25	1,531,181.25	



**BOND DEBT SERVICE**

Estill County School District  
 Series of 2019  
 25% Equalization Through 2038  
 Addt'l GF Contribution

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
02/01/2039			28,746.25	28,746.25	
06/30/2039					1,559,927.50
08/01/2039	1,525,000	3.770%	28,746.25	1,553,746.25	
06/30/2040					1,553,746.25
	7,790,000		3,790,037.43	11,580,037.43	11,580,037.43

**BOND DEBT SERVICE**

Estill County School District  
 Series of 2019  
 25% Equalization Through 2038  
 Addt'l GF Contribution

Dated Date 06/15/2019  
 Delivery Date 06/15/2019

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>
06/30/2020	140,000	1.900%	158,439.34	298,439.34
06/30/2021	200,000	1.950%	247,771.25	447,771.25
06/30/2022	205,000	2.050%	243,719.99	448,719.99
06/30/2023	210,000	2.150%	239,361.24	449,361.24
06/30/2024	210,000	2.230%	234,762.25	444,762.25
06/30/2025	220,000	2.310%	229,879.75	449,879.75
06/30/2026	220,000	2.430%	224,665.74	444,665.74
06/30/2027	225,000	2.540%	219,135.24	444,135.24
06/30/2028	240,000	2.650%	213,097.75	453,097.75
06/30/2029	245,000	2.750%	206,549.00	451,549.00
06/30/2030	250,000	2.860%	199,605.24	449,605.24
06/30/2031	260,000	3.150%	191,935.25	451,935.25
06/30/2032	280,000	3.250%	183,290.26	463,290.26
06/30/2033	285,000	3.345%	173,973.63	458,973.63
06/30/2034	300,000	3.390%	164,122.00	464,122.00
06/30/2035	305,000	3.500%	153,699.50	458,699.50
06/30/2036	320,000	3.560%	142,666.00	462,666.00
06/30/2037	330,000	3.620%	130,997.00	460,997.00
06/30/2038	345,000	3.670%	118,693.25	463,693.25
06/30/2039	1,475,000	3.720%	84,927.50	1,559,927.50
06/30/2040	1,525,000	3.770%	28,746.25	1,553,746.25
	7,790,000		3,790,037.43	11,580,037.43

**BOND SUMMARY STATISTICS**

Estill County School District  
 Series of 2019  
 25% Equalization Through 2038  
 Addt'l GF Contribution

Dated Date	06/15/2019
Delivery Date	06/15/2019
Last Maturity	08/01/2039
Arbitrage Yield	3.482354%
True Interest Cost (TIC)	3.625825%
Net Interest Cost (NIC)	3.619822%
All-In TIC	3.701532%
Average Coupon	3.511557%
Average Life (years)	13.855
Duration of Issue (years)	10.692
Par Amount	7,790,000.00
Bond Proceeds	7,790,000.00
Total Interest	3,790,037.43
Net Interest	3,906,887.43
Total Debt Service	11,580,037.43
Maximum Annual Debt Service	1,559,927.50
Average Annual Debt Service	575,326.18
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	15.000000
Total Underwriter's Discount	15.000000
Bid Price	98.500000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	7,790,000.00	100.000	3.512%	13.855	8,106.10
	7,790,000.00			13.855	8,106.10

	TIC	All-In TIC	Arbitrage Yield
Par Value	7,790,000.00	7,790,000.00	7,790,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-116,850.00	-116,850.00	
- Cost of Issuance Expense		-60,660.00	
- Other Amounts			
Target Value	7,673,150.00	7,612,490.00	7,790,000.00
Target Date	06/15/2019	06/15/2019	06/15/2019
Yield	3.625825%	3.701532%	3.482354%

**BOND PRICING**

Estill County School District  
 Series of 2019  
 25% Equalization Through 2038  
 Addt'l GF Contribution

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Principal per \$5,000 at Maturity
Bond Component:						
	02/01/2020	140,000	1.900%	1.900%	100.000	
	08/01/2020	200,000	1.950%	1.950%	100.000	
	08/01/2021	205,000	2.050%	2.050%	100.000	
	08/01/2022	210,000	2.150%	2.150%	100.000	
	08/01/2023	210,000	2.230%	2.230%	100.000	
	08/01/2024	220,000	2.310%	2.310%	100.000	
	08/01/2025	220,000	2.430%	2.430%	100.000	
	08/01/2026	225,000	2.540%	2.540%	100.000	
	08/01/2027	240,000	2.650%	2.650%	100.000	
	08/01/2028	245,000	2.750%	2.750%	100.000	
	08/01/2029	250,000	2.860%	2.860%	100.000	
	08/01/2030	260,000	3.150%	3.150%	100.000	
	08/01/2031	280,000	3.250%	3.250%	100.000	
	08/01/2032	285,000	3.345%	3.345%	100.000	
	08/01/2033	300,000	3.390%	3.390%	100.000	
	08/01/2034	305,000	3.500%	3.500%	100.000	
	08/01/2035	320,000	3.560%	3.560%	100.000	
	08/01/2036	330,000	3.620%	3.620%	100.000	
	08/01/2037	345,000	3.670%	3.670%	100.000	
	08/01/2038	1,475,000	3.720%	3.720%	100.000	
	08/01/2039	1,525,000	3.770%	3.770%	100.000	
		<u>7,790,000</u>				
Capital Appreciation Bonds:						
	08/01/2038		4.000%	4.000%	46.880	2,344.00
	08/01/2039		4.100%	4.100%	44.180	2,209.00
		<u>7,790,000</u>				

Dated Date	06/15/2019	
Delivery Date	06/15/2019	
First Coupon	02/01/2020	
Par Amount	7,790,000.00	
Original Issue Discount		
Production	7,790,000.00	100.000000%
Underwriter's Discount	<u>-116,850.00</u>	<u>-1.500000%</u>
Purchase Price	7,673,150.00	98.500000%
Accrued Interest		
Net Proceeds	<u>7,673,150.00</u>	

**BOND SOLUTION**Estill County School District  
District Portion

<b>Period Ending</b>	<b>Proposed Principal</b>	<b>Proposed Debt Service</b>	<b>Existing Debt Service</b>	<b>Total Adj Debt Service</b>	<b>Revenue Constraints</b>	<b>Unused Revenues</b>	<b>Debt Serv Coverage</b>
06/30/2019			1,100,874	1,100,874	1,423,224	322,349	129.28119%
06/30/2020	140,000	292,360	1,118,257	1,410,617	1,423,224	12,607	100.89370%
06/30/2021	187,509	425,719	1,112,758	1,538,477	1,543,224	4,747	100.30856%
06/30/2022	192,256	426,667	1,112,545	1,539,212	1,543,224	4,012	100.26063%
06/30/2023	196,986	427,309	1,111,812	1,539,120	1,543,224	4,103	100.26659%
06/30/2024	196,697	422,709	1,113,089	1,535,798	1,543,224	7,426	100.48351%
06/30/2025	206,392	427,827	1,107,485	1,535,311	1,543,224	7,912	100.51534%
06/30/2026	206,065	422,612	1,116,262	1,538,874	1,543,224	4,350	100.28265%
06/30/2027	210,715	422,083	1,114,823	1,536,905	1,543,224	6,318	100.41111%
06/30/2028	225,339	431,045	1,104,669	1,535,714	1,543,224	7,510	100.48900%
06/30/2029	229,938	429,496	1,110,467	1,539,963	1,543,224	3,261	100.21174%
06/30/2030	234,509	427,552	1,110,320	1,537,873	1,543,224	5,351	100.34796%
06/30/2031	244,036	429,882	1,109,382	1,539,264	1,543,224	3,960	100.25724%
06/30/2032	263,517	441,237	1,098,654	1,539,892	1,543,224	3,332	100.21638%
06/30/2033	267,964	436,921	1,098,338	1,535,259	1,543,224	7,965	100.51881%
06/30/2034	282,380	442,069	1,096,118	1,538,187	1,543,224	5,037	100.32747%
06/30/2035	286,763	436,647	1,098,832	1,535,479	1,543,224	7,745	100.50437%
06/30/2036	301,107	440,613	1,098,293	1,538,906	1,543,224	4,318	100.28059%
06/30/2037	310,416	438,944	1,097,676	1,536,619	1,543,224	6,605	100.42981%
06/30/2038	324,689	441,640	1,097,289	1,538,929	1,543,224	4,295	100.27906%
06/30/2039	1,453,925	1,537,875		1,537,875	1,543,224	5,349	100.34780%
06/30/2040	1,509,468	1,537,921		1,537,921	1,543,224	5,302	100.34476%
	7,470,671	11,139,127	22,127,942	33,267,068	33,710,919	443,851	



March 26, 2019

Ms. Chelsey Bizzle  
Schools Facilities Construction Commission  
229 West Main Street, Ste. 102  
Frankfort, Kentucky 40601

Re: Reporting of Bond Issuance Costs to the Capital Projects and Bond Oversight  
Committee ("Bond Oversight Committee")

Dear Ms. Bizzle:

Enclosed please find a Bond Payee Disclosure form for the following bond issue:

\$26,910,000 (est.)  
Fayette County  
School District Finance Corporation  
School Building Revenue Bonds,  
Series 2019

Please be advised that the enclosed costs are estimated. Actual costs will not be known until the bonds are sold. Please be advised that no tax increases are necessary to support this financing.

We hereby request that the above bond issue be considered by the Bond Oversight Committee at its next meeting.

If you need any additional information, please do not hesitate to call me at 502.588.8695.

Sincerely,

*/s/ Bobby Koch*

Bobby Koch  
Analyst

## BOND PAYEE DISCLOSURE FORM

Par Amount:	\$26,910,000
Issue Name:	Fayette County School District Finance Corporation School Building Revenue Bonds, Series 2019
Purpose:	Renovation of STEAM Academy and Renovation of Success Academy
Projected Sale Date of Bonds:	July 2019
First Call Date:	2026
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected: "Aa3" – Moody's "AA-" – S&P
Bond Counsel:	Stoll Keenon Ogden
Fiscal Agent:	J.J.B. Hilliard, W.L. Lyons, LLC
Construction Manager/General Contractor:	N/A
Architect/Engineer:	Ross Tarrant Architects

Date Received by SFCC: / / *To be filled in by SFCC*  
 Date Scheduled for Committee Review: / / *To be filled in by SFCC*

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	3,268,605	23,641,395	\$26,910,000
% Share of total Bonds:	12.1%	87.9%	100.0%
Estimated average annual debt service:	228,754	1,591,695	1,820,449
Estimated debt service reserve:	-0-	-0-	-0-
<b>Estimated Costs of Issuance (1):</b>			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	9,869.28	71,383.22	81,252.50
Special Tax Counsel	-0-	-0-	-0-
Number Verifications	-0-	-0-	-0-
Bond Rating	7,105.66	51,394.34	58,500
Underwriter's Discount	65,372.10	472,827.90	538,200
Paying Agent/Escrow Agent Bank	485.86	3,514.14	4,000
Total Cost of Issuance:	82,832.90	599,119.60	681,952.50

**Anticipated Interest Rates:**  
 5 Years: 2.700%    10 Years: 3.240%  
 15 Years: 3.570%    20 Years: 3.850%

(1) Actual costs will not be known until the bonds are sold.



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Series 2019  
STEAM Academy Preliminary Financing Scenario

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**SOURCES AND USES OF FUNDS**

Fayette County Public School District  
 Series 2019  
 STEAM Academy Preliminary Financing Scenario

Dated Date 04/15/2019  
 Delivery Date 04/15/2019

<b>Sources:</b>	<b>SFCC Portion</b>	<b>District Portion</b>	<b>Total</b>
Bond Proceeds:			
Par Amount	3,268,605.00	23,641,395.00	26,910,000.00
Other Sources of Funds:			
Construction Fund Residuals		100,125.53	100,125.53
	3,268,605.00	23,741,520.53	27,010,125.53

<b>Uses:</b>	<b>SFCC Portion</b>	<b>District Portion</b>	<b>Total</b>
Project Fund Deposits:			
Architect/Engineer Fee	175,732.76	1,271,052.24	1,446,785.00
Equipment/Computers	34,677.46	250,817.54	285,495.00
Construction Cost	2,623,629.43	18,976,370.57	21,600,000.00
Contingencies	131,181.47	948,818.53	1,080,000.00
Equipment/Furnishings	179,159.88	1,295,840.12	1,475,000.00
HVAC Balance & Asbestos	1,457.57	10,542.43	12,000.00
Professional Services	9,109.82	65,890.18	75,000.00
Special Inspections	14,575.72	105,424.28	120,000.00
Surveys/Printing	2,429.29	17,570.71	20,000.00
Technology Network System	25,738.29	186,161.71	211,900.00
	3,197,691.69	23,128,488.31	26,326,180.00
Cost of Issuance:			
Fiscal Agent	9,869.28	71,383.22	81,252.50
Moody's Fee	4,008.32	28,991.68	33,000.00
S&P Fee	3,097.34	22,402.66	25,500.00
Paying Agent	485.86	3,514.14	4,000.00
	17,460.80	126,291.70	143,752.50
Underwriter's Discount:			
Underwriter's Discount	65,372.10	472,827.90	538,200.00
Other Uses of Funds:			
Additional Proceeds	-11,919.59	13,912.62	1,993.03
	3,268,605.00	23,741,520.53	27,010,125.53

**BOND DEBT SERVICE**

Fayette County Public School District  
 Series 2019  
 STEAM Academy Preliminary Financing Scenario

Dated Date 04/15/2019  
 Delivery Date 04/15/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2019			397,753.06	397,753.06	
04/01/2020	600,000	2.270%	431,298.50	1,031,298.50	
06/30/2020					1,429,051.56
10/01/2020			424,488.50	424,488.50	
04/01/2021	600,000	2.360%	424,488.50	1,024,488.50	
06/30/2021					1,448,977.00
10/01/2021			417,408.50	417,408.50	
04/01/2022	600,000	2.520%	417,408.50	1,017,408.50	
06/30/2022					1,434,817.00
10/01/2022			409,848.50	409,848.50	
04/01/2023	535,000	2.610%	409,848.50	944,848.50	
06/30/2023					1,354,697.00
10/01/2023			402,866.75	402,866.75	
04/01/2024	690,000	2.700%	402,866.75	1,092,866.75	
06/30/2024					1,495,733.50
10/01/2024			393,551.75	393,551.75	
04/01/2025	740,000	2.790%	393,551.75	1,133,551.75	
06/30/2025					1,527,103.50
10/01/2025			383,228.75	383,228.75	
04/01/2026	795,000	2.880%	383,228.75	1,178,228.75	
06/30/2026					1,561,457.50
10/01/2026			371,780.75	371,780.75	
04/01/2027	800,000	2.960%	371,780.75	1,171,780.75	
06/30/2027					1,543,561.50
10/01/2027			359,940.75	359,940.75	
04/01/2028	3,655,000	3.050%	359,940.75	4,014,940.75	
06/30/2028					4,374,881.50
10/01/2028			304,202.00	304,202.00	
04/01/2029	3,360,000	3.240%	304,202.00	3,664,202.00	
06/30/2029					3,968,404.00
10/01/2029			249,770.00	249,770.00	
04/01/2030	4,665,000	3.270%	249,770.00	4,914,770.00	
06/30/2030					5,164,540.00
10/01/2030			173,497.25	173,497.25	
04/01/2031	4,470,000	3.360%	173,497.25	4,643,497.25	
06/30/2031					4,816,994.50
10/01/2031			98,401.25	98,401.25	
04/01/2032	700,000	3.410%	98,401.25	798,401.25	
06/30/2032					896,802.50
10/01/2032			86,466.25	86,466.25	
04/01/2033	705,000	3.510%	86,466.25	791,466.25	
06/30/2033					877,932.50
10/01/2033			74,093.50	74,093.50	
04/01/2034	710,000	3.570%	74,093.50	784,093.50	
06/30/2034					858,187.00
10/01/2034			61,420.00	61,420.00	
04/01/2035	670,000	3.630%	61,420.00	731,420.00	
06/30/2035					792,840.00
10/01/2035			49,259.50	49,259.50	
04/01/2036	650,000	3.690%	49,259.50	699,259.50	
06/30/2036					748,519.00
10/01/2036			37,267.00	37,267.00	
04/01/2037	655,000	3.730%	37,267.00	692,267.00	
06/30/2037					729,534.00
10/01/2037			25,051.25	25,051.25	
04/01/2038	665,000	3.800%	25,051.25	690,051.25	

**BOND DEBT SERVICE**

Fayette County Public School District  
 Series 2019  
 STEAM Academy Preliminary Financing Scenario

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
06/30/2038					715,102.50
10/01/2038			12,416.25	12,416.25	
04/01/2039	645,000	3.850%	12,416.25	657,416.25	
06/30/2039					669,832.50
	26,910,000		9,498,968.56	36,408,968.56	36,408,968.56

**BOND SUMMARY STATISTICS**

Fayette County Public School District  
 Series 2019  
 STEAM Academy Preliminary Financing Scenario

Dated Date	04/15/2019
Delivery Date	04/15/2019
Last Maturity	04/01/2039
Arbitrage Yield	3.320367%
True Interest Cost (TIC)	3.553101%
Net Interest Cost (NIC)	3.525357%
All-In TIC	3.616320%
Average Coupon	3.336325%
Average Life (years)	10.580
Duration of Issue (years)	8.807
Par Amount	26,910,000.00
Bond Proceeds	26,910,000.00
Total Interest	9,498,968.56
Net Interest	10,037,168.56
Total Debt Service	36,408,968.56
Maximum Annual Debt Service	5,164,540.00
Average Annual Debt Service	1,823,995.09
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	26,910,000.00	100.000	3.336%	10.580	23,229.30
	26,910,000.00			10.580	23,229.30

	TIC	All-In TIC	Arbitrage Yield
Par Value	26,910,000.00	26,910,000.00	26,910,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-538,200.00	-538,200.00	
- Cost of Issuance Expense		-143,752.50	
- Other Amounts			
Target Value	26,371,800.00	26,228,047.50	26,910,000.00
Target Date	04/15/2019	04/15/2019	04/15/2019
Yield	3.553101%	3.616320%	3.320367%

**BOND PRICING**

Fayette County Public School District  
Series 2019  
STEAM Academy Preliminary Financing Scenario

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	04/01/2020	600,000	2.270%	2.270%	100.000
	04/01/2021	600,000	2.360%	2.360%	100.000
	04/01/2022	600,000	2.520%	2.520%	100.000
	04/01/2023	535,000	2.610%	2.610%	100.000
	04/01/2024	690,000	2.700%	2.700%	100.000
	04/01/2025	740,000	2.790%	2.790%	100.000
	04/01/2026	795,000	2.880%	2.880%	100.000
	04/01/2027	800,000	2.960%	2.960%	100.000
	04/01/2028	3,655,000	3.050%	3.050%	100.000
	04/01/2029	3,360,000	3.240%	3.240%	100.000
	04/01/2030	4,665,000	3.270%	3.270%	100.000
	04/01/2031	4,470,000	3.360%	3.360%	100.000
	04/01/2032	700,000	3.410%	3.410%	100.000
	04/01/2033	705,000	3.510%	3.510%	100.000
	04/01/2034	710,000	3.570%	3.570%	100.000
	04/01/2035	670,000	3.630%	3.630%	100.000
	04/01/2036	650,000	3.690%	3.690%	100.000
	04/01/2037	655,000	3.730%	3.730%	100.000
	04/01/2038	665,000	3.800%	3.800%	100.000
	04/01/2039	645,000	3.850%	3.850%	100.000
		26,910,000			

Dated Date	04/15/2019	
Delivery Date	04/15/2019	
First Coupon	10/01/2019	
Par Amount	26,910,000.00	
Original Issue Discount		
Production	26,910,000.00	100.000000%
Underwriter's Discount	-538,200.00	-2.000000%
Purchase Price	26,371,800.00	98.000000%
Accrued Interest		
Net Proceeds	26,371,800.00	

**BOND SOLUTION**

Fayette County Public School District  
District Portion

<b>Period Ending</b>	<b>Proposed Principal</b>	<b>Proposed Debt Service</b>	<b>Existing Debt Service</b>	<b>Total Adj Debt Service</b>
06/30/2019			36,109,407	36,109,407
06/30/2020	473,157	1,200,298	36,826,892	38,027,190
06/30/2021	474,401	1,220,224	35,742,128	36,962,352
06/30/2022	471,437	1,206,064	35,747,378	36,953,442
06/30/2023	403,197	1,125,944	35,823,603	36,949,547
06/30/2024	554,757	1,266,980	34,564,485	35,831,465
06/30/2025	601,106	1,298,351	34,522,809	35,821,160
06/30/2026	652,230	1,332,704	34,457,955	35,790,659
06/30/2027	653,119	1,314,809	34,456,430	35,771,239
06/30/2028	3,503,771	4,146,128	28,400,564	32,546,692
06/30/2029	3,204,158	3,739,650	28,435,733	32,175,383
06/30/2030	4,504,109	4,935,786	26,120,785	31,056,571
06/30/2031	4,303,848	4,588,241	26,392,410	30,980,651
06/30/2032	528,265	668,049	28,834,606	29,502,655
06/30/2033	527,409	649,179	28,678,480	29,327,659
06/30/2034	526,176	629,434	24,804,370	25,433,804
06/30/2035	479,613	564,086	20,302,457	20,866,543
06/30/2036	452,702	519,766	16,534,930	17,054,696
06/30/2037	450,422	500,781	10,551,439	11,052,220
06/30/2038	452,791	486,349	10,556,440	11,042,789
06/30/2039	424,727	441,079		441,079
	23,641,395	31,833,901	567,863,301	599,697,202

## DISCLOSURE REPORT

Fayette County Public School District  
Series 2019  
STEAM Academy Preliminary Financing Scenario

### SEC REQUIRED DISCLOSURES as a potential Municipal Advisor

Hilliard Lyons may seek the position of Municipal Advisor with you. (The activities to be discussed herein will meet the SEC's definition of Municipal Advisor activities.) Therefore, we are legally required to make certain disclosures at the very beginning of this process.

- Our compensation may be contingent on the closing of a transaction
- We may be advising other clients who could seek to go to market at the same time as you, if a public offering is planned
- Our firm is also a broker-dealer and provides advisory services to clients who may buy or sell your securities; we have duties to them as well
- As a broker-dealer, we may participate in principal transactions (we trade on our own behalf) in your securities. [If you were to select an underwriting firm via a negotiated process, we might be involved in a syndicate with that underwriting firm for an unrelated transaction during the time we serve as your Municipal Advisor.]

We also disclose relevant and material regulatory or legal matters that involve our firm.

Please review the complete statement containing our disclosures.





March 29, 2019

Ms. Chelsey Bizzle  
Schools Facilities Construction Commission  
229 West Main Street, Ste. 102  
Frankfort, Kentucky 40601

Re: Reporting of Bond Issuance Costs to the Capital Projects and Bond Oversight  
Committee ("Bond Oversight Committee")

Dear Ms. Bizzle:

Enclosed please find a Bond Payee Disclosure form for the following bond issue:

\$46,120,000 (est.)  
Hardin County  
School District Finance Corporation  
School Building Revenue Bonds,  
Series 2019

Please be advised that the enclosed costs are estimated. Actual costs will not be known until the bonds are sold. Please be advised that no tax increases are necessary to support this financing.

We hereby request that the above bond issue be considered by the Bond Oversight Committee at its next meeting.

If you need any additional information, please do not hesitate to call me at 502.588.8476.

Sincerely,

*/s/ Michael Oldiges*

Michael Oldiges  
Public Finance

## BOND PAYEE DISCLOSURE FORM

Par Amount:	\$46,120,000
Issue Name:	Hardin County School District Finance Corporation School Building Revenue Bonds, Series 2019
Purpose:	Construction of East Hardin Middle School and Lincoln Trail Elementary
Projected Sale Date of Bonds:	April 2019
First Call Date:	2026
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "A1" – Moody's
Bond Counsel:	Steptoe & Johnson
Fiscal Agent:	J.J.B. Hilliard, W.L. Lyons, LLC
Construction Manager/General Contractor:	Alliance
Architect/Engineer:	JRA

Date Received by SFCC: 

/ /
-----

*To be filled in by SFCC*

Date Scheduled for Committee Review: 

/ /
-----

*To be filled in by SFCC*

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	2,658,157	43,461,843	\$46,120,000
% Share of total Bonds:	6%	94%	100%
Estimated average annual debt service:	187,610	3,676,466	3,864,076
Estimated debt service reserve:	-0-	-0-	-0-
<b>Estimated Costs of Issuance (1):</b>			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	11,382	186,098	197,480
Special Tax Counsel	-0-	-0-	-0-
Number Verifications	-0-	-0-	-0-
Bond Rating	1,960	32,040	34,000
Underwriter's Discount	53,163	869,237	922,400
Paying Agent/Escrow Agent Bank	231	3,769	4,000
<b>Total Cost of Issuance:</b>	<b>66,735</b>	<b>1,091,145</b>	<b>1,157,880</b>

**Anticipated Interest Rates:**      5 Years: 2.650%      10 Years: 3.150%  
    15 Years: 3.71%      20 Years: 3.930%

(1) Actual costs will not be known until the bonds are sold.

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**SOURCES AND USES OF FUNDS**

Hardin County Schools  
2019 Projects  
East Hardin Middle/Lincoln Trail Elementary

Dated Date            05/15/2019  
Delivery Date        05/15/2019

<b>Sources:</b>	<b>SFCC</b>	<b>District</b>	<b>Total</b>
<b>Bond Proceeds:</b>			
Par Amount	2,658,157.00	43,461,843.00	46,120,000.00
<b>Other Sources of Funds:</b>			
General Fund Cash		568,309.51	568,309.51
Building Fund Cash		2,619,006.38	2,619,006.38
Prior Construction Project Cash		2,338,407.49	2,338,407.49
		<u>5,525,723.38</u>	<u>5,525,723.38</u>
	<u>2,658,157.00</u>	<u>48,987,566.38</u>	<u>51,645,723.38</u>

<b>Uses:</b>	<b>SFCC</b>	<b>District</b>	<b>Total</b>
<b>Project Fund Deposits:</b>			
East Hardin Middle School	1,671,434.37	27,328,565.63	29,000,000.00
Lincoln Trail Elementary - Arch/Engineer Fee	52,240.62	854,153.38	906,394.00
Lincoln Trail Elementary - CM Fee	29,255.82	478,343.42	507,599.24
Lincoln Trail Elementary - Construction Cost	1,024,325.81	16,748,103.15	17,772,428.96
Lincoln Trail Elementary - Contingency	51,216.26	837,404.74	888,621.00
Lincoln Trail Elementary - Equipment/Computers	12,968.03	212,031.97	225,000.00
Lincoln Trail Elementary - Equipment/Furnishing	25,936.05	424,063.95	450,000.00
Lincoln Trail Elementary - Other	9,509.89	155,490.11	165,000.00
Lincoln Trail Elementary - Site Acquisition	32,754.90	535,554.61	568,309.51
	<u>2,909,641.75</u>	<u>47,573,710.96</u>	<u>50,483,352.71</u>
<b>Cost of Issuance:</b>			
Fiscal Agent Fee	11,381.89	186,098.11	197,480.00
Moody's Fee	1,959.61	32,040.39	34,000.00
Paying Agent Fee	230.54	3,769.46	4,000.00
	<u>13,572.04</u>	<u>221,907.96</u>	<u>235,480.00</u>
<b>Underwriter's Discount:</b>			
Underwriter's Discount	53,163.14	869,236.86	922,400.00
<b>Other Uses of Funds:</b>			
Additional Proceeds	-318,219.93	322,710.60	4,490.67
	<u>2,658,157.00</u>	<u>48,987,566.38</u>	<u>51,645,723.38</u>

**BOND DEBT SERVICE**

Hardin County Schools  
 2019 Projects  
 East Hardin Middle/Lincoln Trail Elementary

Dated Date 05/15/2019  
 Delivery Date 05/15/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2019			815,022.88	815,022.88	
05/01/2020	105,000	2.250%	883,759.75	988,759.75	
06/30/2020					1,803,782.63
11/01/2020			882,578.50	882,578.50	
05/01/2021	105,000	2.350%	882,578.50	987,578.50	
06/30/2021					1,870,157.00
11/01/2021			881,344.75	881,344.75	
05/01/2022	105,000	2.450%	881,344.75	986,344.75	
06/30/2022					1,867,689.50
11/01/2022			880,058.50	880,058.50	
05/01/2023	110,000	2.550%	880,058.50	990,058.50	
06/30/2023					1,870,117.00
11/01/2023			878,656.00	878,656.00	
05/01/2024	110,000	2.650%	878,656.00	988,656.00	
06/30/2024					1,867,312.00
11/01/2024			877,198.50	877,198.50	
05/01/2025	115,000	2.750%	877,198.50	992,198.50	
06/30/2025					1,869,397.00
11/01/2025			875,617.25	875,617.25	
05/01/2026	120,000	2.850%	875,617.25	995,617.25	
06/30/2026					1,871,234.50
11/01/2026			873,907.25	873,907.25	
05/01/2027	120,000	2.950%	873,907.25	993,907.25	
06/30/2027					1,867,814.50
11/01/2027			872,137.25	872,137.25	
05/01/2028	125,000	3.050%	872,137.25	997,137.25	
06/30/2028					1,869,274.50
11/01/2028			870,231.00	870,231.00	
05/01/2029	130,000	3.150%	870,231.00	1,000,231.00	
06/30/2029					1,870,462.00
11/01/2029			868,183.50	868,183.50	
05/01/2030	810,000	3.250%	868,183.50	1,678,183.50	
06/30/2030					2,546,367.00
11/01/2030			855,021.00	855,021.00	
05/01/2031	840,000	3.530%	855,021.00	1,695,021.00	
06/30/2031					2,550,042.00
11/01/2031			840,195.00	840,195.00	
05/01/2032	840,000	3.600%	840,195.00	1,680,195.00	
06/30/2032					2,520,390.00
11/01/2032			825,075.00	825,075.00	
05/01/2033	875,000	3.650%	825,075.00	1,700,075.00	
06/30/2033					2,525,150.00
11/01/2033			809,106.25	809,106.25	
05/01/2034	905,000	3.710%	809,106.25	1,714,106.25	
06/30/2034					2,523,212.50
11/01/2034			792,318.50	792,318.50	
05/01/2035	5,670,000	3.780%	792,318.50	6,462,318.50	
06/30/2035					7,254,637.00
11/01/2035			685,155.50	685,155.50	
05/01/2036	7,085,000	3.830%	685,155.50	7,770,155.50	
06/30/2036					8,455,311.00
11/01/2036			549,477.75	549,477.75	
05/01/2037	7,355,000	3.880%	549,477.75	7,904,477.75	
06/30/2037					8,453,955.50
11/01/2037			406,790.75	406,790.75	
05/01/2038	10,100,000	3.930%	406,790.75	10,506,790.75	

**BOND DEBT SERVICE**

Hardin County Schools  
 2019 Projects  
 East Hardin Middle/Lincoln Trail Elementary

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
06/30/2038					10,913,581.50
11/01/2038			208,325.75	208,325.75	
05/01/2039	10,495,000	3.970%	208,325.75	10,703,325.75	
06/30/2039					10,911,651.50
	46,120,000		31,161,538.63	77,281,538.63	77,281,538.63

**BOND SUMMARY STATISTICS**

Hardin County Schools  
 2019 Projects  
 East Hardin Middle/Lincoln Trail Elementary

Dated Date	05/15/2019
Delivery Date	05/15/2019
Last Maturity	05/01/2039
Arbitrage Yield	3.861699%
True Interest Cost (TIC)	4.023087%
Net Interest Cost (NIC)	3.981470%
All-In TIC	4.064963%
Average Coupon	3.867005%
Average Life (years)	17.472
Weighted Average Maturity (years)	17.472
Duration of Issue (years)	12.734
Par Amount	46,120,000.00
Bond Proceeds	46,120,000.00
Total Interest	31,161,538.63
Net Interest	32,083,938.63
Total Debt Service	77,281,538.63
Maximum Annual Debt Service	10,913,581.50
Average Annual Debt Service	3,871,605.05
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial bonds	46,120,000.00	100.000	3.867%	17.472	57,726.60
	46,120,000.00			17.472	57,726.60

	TIC	All-In TIC	Arbitrage Yield
Par Value	46,120,000.00	46,120,000.00	46,120,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-922,400.00	-922,400.00	
- Cost of Issuance Expense		-235,480.00	
- Other Amounts			
Target Value	45,197,600.00	44,962,120.00	46,120,000.00
Target Date	05/15/2019	05/15/2019	05/15/2019
Yield	4.023087%	4.064963%	3.861699%

**BOND PRICING**

Hardin County Schools  
 2019 Projects  
 East Hardin Middle/Lincoln Trail Elementary

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial bonds:					
	05/01/2020	105,000	2.250%	2.250%	100.000
	05/01/2021	105,000	2.350%	2.350%	100.000
	05/01/2022	105,000	2.450%	2.450%	100.000
	05/01/2023	110,000	2.550%	2.550%	100.000
	05/01/2024	110,000	2.650%	2.650%	100.000
	05/01/2025	115,000	2.750%	2.750%	100.000
	05/01/2026	120,000	2.850%	2.850%	100.000
	05/01/2027	120,000	2.950%	2.950%	100.000
	05/01/2028	125,000	3.050%	3.050%	100.000
	05/01/2029	130,000	3.150%	3.150%	100.000
	05/01/2030	810,000	3.250%	3.250%	100.000
	05/01/2031	840,000	3.530%	3.530%	100.000
	05/01/2032	840,000	3.600%	3.600%	100.000
	05/01/2033	875,000	3.650%	3.650%	100.000
	05/01/2034	905,000	3.710%	3.710%	100.000
	05/01/2035	5,670,000	3.780%	3.780%	100.000
	05/01/2036	7,085,000	3.830%	3.830%	100.000
	05/01/2037	7,355,000	3.880%	3.880%	100.000
	05/01/2038	10,100,000	3.930%	3.930%	100.000
	05/01/2039	10,495,000	3.970%	3.970%	100.000
		46,120,000			

Dated Date	05/15/2019	
Delivery Date	05/15/2019	
First Coupon	11/01/2019	
Par Amount	46,120,000.00	
Original Issue Discount		
Production	46,120,000.00	100.000000%
Underwriter's Discount	-922,400.00	-2.000000%
Purchase Price	45,197,600.00	98.000000%
Accrued Interest		
Net Proceeds	45,197,600.00	



**AGGREGATE DEBT SERVICE**

Hardin County Schools  
2019 Projects  
East Hardin Middle/Lincoln Trail Elementary

Period Ending	SFCC	District	Current Existing Debt Service	Aggregate Debt Service
06/30/2019			11,085,215.98	11,085,215.98
06/30/2020	187,610.28	1,616,172.35	11,489,563.88	13,293,346.51
06/30/2021	187,609.74	1,682,547.26	10,907,251.69	12,777,408.69
06/30/2022	187,610.04	1,680,079.46	10,909,902.04	12,777,591.54
06/30/2023	187,610.50	1,682,506.50	10,906,697.43	12,776,814.43
06/30/2024	187,610.22	1,679,701.78	10,782,190.17	12,649,502.17
06/30/2025	187,610.58	1,681,786.42	10,921,048.35	12,790,445.35
06/30/2026	187,610.18	1,683,624.32	10,913,591.90	12,784,826.40
06/30/2027	187,610.82	1,680,203.68	10,909,841.71	12,777,656.21
06/30/2028	187,610.34	1,681,664.16	10,909,945.22	12,779,219.72
06/30/2029	187,610.68	1,682,851.32	10,914,205.49	12,784,667.49
06/30/2030	187,610.66	2,358,756.34	8,362,645.35	10,909,012.35
06/30/2031	187,610.02	2,362,431.98	8,362,173.04	10,912,215.04
06/30/2032	187,610.08	2,332,779.92	8,392,528.76	10,912,918.76
06/30/2033	187,610.00	2,337,540.00	8,386,822.51	10,911,972.51
06/30/2034	187,611.26	2,335,601.24	8,389,710.01	10,912,922.51
06/30/2035	187,610.50	7,067,026.50	3,657,218.75	10,911,855.75
06/30/2036	187,609.36	8,267,701.64	2,454,631.25	10,909,942.25
06/30/2037	187,610.12	8,266,345.38	2,456,828.13	10,910,783.63
06/30/2038	187,611.16	10,725,970.34		10,913,581.50
06/30/2039	187,610.74	10,724,040.76		10,911,651.50
	3,752,207.28	73,529,331.35	171,112,011.66	248,393,550.29

## DISCLOSURE REPORT

Hardin County Schools  
2019 Projects  
East Hardin Middle/Lincoln Trail Elementary

### SEC REQUIRED DISCLOSURES as a potential Municipal Advisor

Hilliard Lyons may seek the position of Municipal Advisor with you. (The activities to be discussed herein will meet the SEC's definition of Municipal Advisor activities.) Therefore, we are legally required to make certain disclosures at the very beginning of this process.

- Our compensation may be contingent on the closing of a transaction
- We may be advising other clients who could seek to go to market at the same time as you, if a public offering is planned
- Our firm is also a broker-dealer and provides advisory services to clients who may buy or sell your securities; we have duties to them as well
- As a broker-dealer, we may participate in principal transactions (we trade on our own behalf) in your securities. [If you were to select an underwriting firm via a negotiated process, we might be involved in a syndicate with that underwriting firm for an unrelated transaction during the time we serve as your Municipal Advisor.]

We also disclose relevant and material regulatory or legal matters that involve our firm.

Please review the complete statement containing our disclosures.

**DETAILED BOND DEBT SERVICE**

Hardin County Schools  
SFCC

Dated Date 05/15/2019  
Delivery Date 05/15/2019

Serial bonds (SERIAL)

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>
06/30/2020	103,168	2.250%	84,442.28	187,610.28
06/30/2021	102,072	2.350%	85,537.74	187,609.74
06/30/2022	104,471	2.450%	83,139.04	187,610.04
06/30/2023	107,031	2.550%	80,579.50	187,610.50
06/30/2024	109,760	2.650%	77,850.22	187,610.22
06/30/2025	112,669	2.750%	74,941.58	187,610.58
06/30/2026	115,767	2.850%	71,843.18	187,610.18
06/30/2027	119,067	2.950%	68,543.82	187,610.82
06/30/2028	122,579	3.050%	65,031.34	187,610.34
06/30/2029	126,318	3.150%	61,292.68	187,610.68
06/30/2030	130,297	3.250%	57,313.66	187,610.66
06/30/2031	134,531	3.530%	53,079.02	187,610.02
06/30/2032	139,280	3.600%	48,330.08	187,610.08
06/30/2033	144,294	3.650%	43,316.00	187,610.00
06/30/2034	149,562	3.710%	38,049.26	187,611.26
06/30/2035	155,110	3.780%	32,500.50	187,610.50
06/30/2036	160,972	3.830%	26,637.36	187,609.36
06/30/2037	167,138	3.880%	20,472.12	187,610.12
06/30/2038	173,624	3.930%	13,987.16	187,611.16
06/30/2039	180,447	3.970%	7,163.74	187,610.74
	2,658,157		1,094,050.28	3,752,207.28

**BOND SOLUTION**

Hardin County Schools  
SFCC

<b>Period Ending</b>	<b>Proposed Principal</b>	<b>Proposed Debt Service</b>	<b>Total Adj Debt Service</b>	<b>Revenue Constraints</b>	<b>Unused Revenues</b>	<b>Debt Serv Coverage</b>
06/30/2019						
06/30/2020	103,168	187,610	187,610	187,611	1	100.00040%
06/30/2021	102,072	187,610	187,610	187,611	1	100.00041%
06/30/2022	104,471	187,610	187,610	187,611	1	100.00028%
06/30/2023	107,031	187,611	187,611	187,611	1	100.00053%
06/30/2024	109,760	187,610	187,610	187,610	0	100.00014%
06/30/2025	112,669	187,611	187,611	187,611	0	100.00012%
06/30/2026	115,767	187,610	187,610	187,610	0	100.00009%
06/30/2027	119,067	187,611	187,611	187,611	1	100.00034%
06/30/2028	122,579	187,610	187,610	187,611	1	100.00049%
06/30/2029	126,318	187,611	187,611	187,611	1	100.00043%
06/30/2030	130,297	187,611	187,611	187,611	0	100.00012%
06/30/2031	134,531	187,610	187,610	187,611	1	100.00041%
06/30/2032	139,280	187,610	187,610	187,611	1	100.00030%
06/30/2033	144,294	187,610	187,610	187,610	0	100.00019%
06/30/2034	149,562	187,611	187,611	187,611	0	100.00005%
06/30/2035	155,110	187,611	187,611	187,611	0	100.00007%
06/30/2036	160,972	187,609	187,609	187,610	1	100.00046%
06/30/2037	167,138	187,610	187,610	187,611	1	100.00028%
06/30/2038	173,624	187,611	187,611	187,611	0	100.00018%
06/30/2039	180,447	187,611	187,611	187,611	1	100.00033%
	2,658,157	3,752,207	3,752,207	3,752,218	11	

**DETAILED BOND DEBT SERVICE**

Hardin County Schools  
District

Dated Date 05/15/2019  
Delivery Date 05/15/2019

Serial bonds (SERIAL)

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>
06/30/2020	1,832	2.250%	1,614,340.35	1,616,172.35
06/30/2021	2,928	2.350%	1,679,619.26	1,682,547.26
06/30/2022	529	2.450%	1,679,550.46	1,680,079.46
06/30/2023	2,969	2.550%	1,679,537.50	1,682,506.50
06/30/2024	240	2.650%	1,679,461.78	1,679,701.78
06/30/2025	2,331	2.750%	1,679,455.42	1,681,786.42
06/30/2026	4,233	2.850%	1,679,391.32	1,683,624.32
06/30/2027	933	2.950%	1,679,270.68	1,680,203.68
06/30/2028	2,421	3.050%	1,679,243.16	1,681,664.16
06/30/2029	3,682	3.150%	1,679,169.32	1,682,851.32
06/30/2030	679,703	3.250%	1,679,053.34	2,358,756.34
06/30/2031	705,469	3.530%	1,656,962.98	2,362,431.98
06/30/2032	700,720	3.600%	1,632,059.92	2,332,779.92
06/30/2033	730,706	3.650%	1,606,834.00	2,337,540.00
06/30/2034	755,438	3.710%	1,580,163.24	2,335,601.24
06/30/2035	5,514,890	3.780%	1,552,136.50	7,067,026.50
06/30/2036	6,924,028	3.830%	1,343,673.64	8,267,701.64
06/30/2037	7,187,862	3.880%	1,078,483.38	8,266,345.38
06/30/2038	9,926,376	3.930%	799,594.34	10,725,970.34
06/30/2039	10,314,553	3.970%	409,487.76	10,724,040.76
	43,461,843		30,067,488.35	73,529,331.35

**BOND SOLUTION**Hardin County Schools  
District

<b>Period Ending</b>	<b>Proposed Principal</b>	<b>Proposed Debt Service</b>	<b>Existing Debt Service</b>	<b>Total Adj Debt Service</b>	<b>Revenue Constraints</b>	<b>Unused Revenues</b>	<b>Debt Serv Coverage</b>
06/30/2019			11,085,216	11,085,216	14,178,626	3,093,410	127.90573%
06/30/2020	1,832	1,616,172	11,489,564	13,105,736	14,178,626	1,072,890	108.18642%
06/30/2021	2,928	1,682,547	10,907,252	12,589,799	14,178,626	1,588,827	112.61996%
06/30/2022	529	1,680,079	10,909,902	12,589,982	14,178,626	1,588,645	112.61833%
06/30/2023	2,969	1,682,507	10,906,697	12,589,204	14,178,626	1,589,423	112.62528%
06/30/2024	240	1,679,702	10,782,190	12,461,892	14,178,626	1,716,734	113.77587%
06/30/2025	2,331	1,681,786	10,921,048	12,602,835	14,178,626	1,575,792	112.50347%
06/30/2026	4,233	1,683,624	10,913,592	12,597,216	14,178,626	1,581,410	112.55365%
06/30/2027	933	1,680,204	10,909,842	12,590,045	14,178,626	1,588,581	112.61775%
06/30/2028	2,421	1,681,664	10,909,945	12,591,609	14,178,626	1,587,017	112.60377%
06/30/2029	3,682	1,682,851	10,914,205	12,597,057	14,178,626	1,581,570	112.55507%
06/30/2030	679,703	2,358,756	8,362,645	10,721,402	14,178,626	3,457,225	132.24601%
06/30/2031	705,469	2,362,432	8,362,173	10,724,605	14,178,626	3,454,021	132.20651%
06/30/2032	700,720	2,332,780	8,392,529	10,725,309	14,178,626	3,453,318	132.19784%
06/30/2033	730,706	2,337,540	8,386,823	10,724,363	14,178,626	3,454,264	132.20950%
06/30/2034	755,438	2,335,601	8,389,710	10,725,311	14,178,626	3,453,315	132.19781%
06/30/2035	5,514,890	7,067,027	3,657,219	10,724,245	14,178,626	3,454,381	132.21095%
06/30/2036	6,924,028	8,267,702	2,454,631	10,722,333	14,178,626	3,456,294	132.23453%
06/30/2037	7,187,862	8,266,345	2,456,828	10,723,174	14,178,626	3,455,453	132.22416%
06/30/2038	9,926,376	10,725,970		10,725,970	14,178,626	3,452,656	132.18969%
06/30/2039	10,314,553	10,724,041		10,724,041	14,178,626	3,454,586	132.21347%
	43,461,843	73,529,331	171,112,012	244,641,343	297,751,155	53,109,812	

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form – Mason County School District Series 2019  
**Date:** March 28, 2019  
**cc:** File

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Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Mason County School District. Please process this issue at the next meeting of the Capital Projects and Bond Oversight Committee.

If you should have any questions or require any additional information, please do not hesitate to contact our office.

# BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 7,020,000**  
 Issue Name: Mason County School District Finance Corporation School Building Revenue Bonds, Series 2019  
 Purpose: Improvements at Mason Co. High, Middle, Straub Elementary, and ATC  
 Projected Sale Date of Bond: 11-Jun-19  
 First Call Date: 6/1/26 @ 100  
 Method of Sale: Competitive Bids  
 Place/time of sale: SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.  
 Bond Rating: Moodys: "A1"  
 Bond Counsel: Steptoe & Johnson, Louisville, KY  
 Fiscal Agent: Ross, Sinclaire & Associates, Lexington, Kentucky  
 Date received by SFCC:  *To be filled in by SFCC*  
 Date scheduled for Committee review:  *To be filled in by SFCC*  
Month Day Year

Estimated par amount of Bonds:  
 % Share of total Bonds:  
 Estimated average annual debt service:  
 Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$ 901,060	\$ 6,118,940	\$ 7,020,000
12.84%	87.16%	
\$ 68,454	\$ 464,859	\$ 533,313
\$ 0	\$ 0	\$ 0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc.  
 Special Tax Counsel  
 Number verifications  
 Bond Rating  
 Underwriter's Discount  
 Bank Fee  
 Total Cost of Issuance:

\$ 5,273	\$ 35,807	\$ 41,080
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 1,604	\$ 10,896	\$ 12,500
\$ 18,021	\$ 122,379	\$ 140,400
\$ 449	\$ 3,051	\$ 3,500
<b>\$ 25,348</b>	<b>\$ 172,132</b>	<b>\$ 197,480</b>

**Anticipated Interest Rates:**

5 Years 3.000% 10 Years 3.500% 15 Years: 3.750  
 20 Years: 3.900%

**Note: No Local Tax increase is required.**



# MASON COUNTY SCHOOL DISTRICT

## Plan of Financing

Date of Report: 3/28/2019

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Local Bond Payments Outstanding .....	1
Summary of Funds for Bond Payments .....	2
Projected 2019 Bond Issue .....	3

**MASON COUNTY SCHOOL DISTRICT  
OUTSTANDING NET LOCAL DEBT SERVICE**

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	
Series 2004	Series 2009-REF	Series 2012-REF	100% SFCC				Series 2018	Total
FYE	Series 2013	Series 2014	Series 2016	Series 2018	Series 2018	Series 2018	Series 2018	Total
2019		\$764,120	\$102,125	\$46,356	\$68,825	\$68,825	\$68,825	\$981,426
2020		\$766,382	\$98,876	\$46,156	\$188,369	\$188,369	\$188,369	\$1,099,783
2021		\$768,119	\$100,577	\$40,956	\$187,319	\$187,319	\$187,319	\$1,096,971
2022		\$767,917	\$97,200	\$45,856	\$191,194	\$191,194	\$191,194	\$1,102,167
2023		\$765,722	\$103,434	\$40,656	\$189,994	\$189,994	\$189,994	\$1,099,807
2024		\$766,476	\$99,188	\$45,556	\$188,794	\$188,794	\$188,794	\$1,100,015
2025			\$340,472	\$130,356	\$369,819	\$369,819	\$369,819	\$840,647
2026			\$332,209	\$138,456	\$372,919	\$372,919	\$372,919	\$843,584
2027			\$333,491	\$136,225	\$375,719	\$375,719	\$375,719	\$845,435
2028			\$334,153	\$133,994	\$373,294	\$373,294	\$373,294	\$841,440
2029			\$334,178	\$136,763	\$375,644	\$375,644	\$375,644	\$846,585
2030			\$333,559	\$134,425	\$377,525	\$377,525	\$377,525	\$845,509
2031			\$337,204	\$136,675	\$373,838	\$373,838	\$373,838	\$847,717
2032			\$340,028	\$128,800	\$374,738	\$374,738	\$374,738	\$843,566
2033			\$332,354	\$141,050	\$380,044	\$380,044	\$380,044	\$853,448
2034			\$337,287	\$132,300	\$379,556	\$379,556	\$379,556	\$849,143
2035			\$315,130	\$153,700	\$378,531	\$378,531	\$378,531	\$847,361
2036				\$149,350	\$376,950	\$376,950	\$376,950	\$526,300
2037					\$379,500	\$379,500	\$379,500	\$379,500
2038					\$381,281	\$381,281	\$381,281	\$381,281
2039					\$382,266	\$382,266	\$382,266	\$382,266
<b>Totals:</b>			\$0	\$4,271,466	\$1,917,631	\$6,666,116	\$6,666,116	\$17,453,950

# MASON COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L
FYE	Local Nickel	Additional Nickel	Capital Outlay @ 80%	FSPK	Addtl. FSPK	Total Local Funds	Less Current Payments	Local Funds Available	2014 SFCC Offer	2016 SFCC Offer	Total Funds Available
2019	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$981,426)	\$980,854			\$980,854
2020	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$1,099,783)	\$862,497	\$44,846	\$23,608	\$930,951
2021	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$1,096,971)	\$865,308	\$44,846	\$23,608	\$933,762
2022	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$1,102,167)	\$860,113	\$44,846	\$23,608	\$928,567
2023	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$1,099,807)	\$862,473	\$44,846	\$23,608	\$930,927
2024	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$1,100,015)	\$862,265	\$44,846	\$23,608	\$930,719
2025	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$840,647)	\$1,121,633	\$44,846	\$23,608	\$1,190,087
2026	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$843,584)	\$1,118,696	\$44,846	\$23,608	\$1,187,150
2027	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$845,435)	\$1,116,845	\$44,846	\$23,608	\$1,185,299
2028	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$841,440)	\$1,120,840	\$44,846	\$23,608	\$1,189,294
2029	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$846,585)	\$1,115,695	\$44,846	\$23,608	\$1,184,149
2030	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$845,509)	\$1,116,771	\$44,846	\$23,608	\$1,185,225
2031	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$847,717)	\$1,114,563	\$44,846	\$23,608	\$1,183,017
2032	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$843,566)	\$1,118,714	\$44,846	\$23,608	\$1,187,168
2033	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$853,448)	\$1,108,832	\$44,846	\$23,608	\$1,177,286
2034	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$849,143)	\$1,113,136	\$44,846	\$23,608	\$1,181,590
2035	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$847,361)	\$1,114,918	\$44,846	\$23,608	\$1,183,372
2036	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	(\$526,300)	\$1,435,980	\$44,846	\$23,608	\$1,504,434
2037	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	\$0	\$1,962,280	\$44,846	\$23,608	\$2,030,734
2038	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280	\$0	\$1,962,280	\$44,846	\$23,608	\$2,030,734
2039	\$699,488	\$699,488	\$191,290	\$297,611	\$74,403	\$1,962,280		\$1,962,280	\$44,846	\$23,608	\$2,030,734
<b>Totals:</b>	\$14,689,248	\$14,689,248	\$4,017,090	\$6,249,831	\$1,562,458	\$41,207,875	(\$16,310,903)	\$24,896,972	\$896,920	\$472,160	\$26,266,052

**NOTES:** Data based on assessments of \$1,398,976,896 and ADA of 2,391.125 per KDE SEEK Website(FY 2018-19)

# MASON COUNTY SCHOOL DISTRICT PROJECTED 2019 BOND ISSUE

A Current Payments	B FY June 30	C Principal Payment	D Coupon	E Interest Payments	F Total Payments	G SFCC Portion	H Local Portion	I Projected		J Local Funds Available		K Funds Available For Future Projects
								All Local Payments	Outstanding	Funds Available	Projects	
					----- Estimated New Bond Issue -----							
\$1,099,783	2020	\$55,000	3.000%	\$262,758	\$317,758	\$68,454	\$249,304	\$1,349,087	\$1,349,087	\$1,962,280	\$613,193	
\$1,099,783	2021	\$60,000	3.000%	\$261,108	\$321,108	\$68,454	\$252,654	\$1,352,437	\$1,352,437	\$1,962,280	\$609,843	
\$1,096,971	2022	\$55,000	3.000%	\$259,308	\$314,308	\$68,454	\$245,854	\$1,342,825	\$1,342,825	\$1,962,280	\$619,455	
\$1,102,167	2023	\$60,000	3.000%	\$257,658	\$317,658	\$68,454	\$249,204	\$1,351,370	\$1,351,370	\$1,962,280	\$610,909	
\$1,099,807	2024	\$60,000	3.000%	\$255,858	\$315,858	\$68,454	\$247,404	\$1,347,210	\$1,347,210	\$1,962,280	\$615,069	
\$1,100,015	2025	\$325,000	3.500%	\$254,058	\$579,058	\$68,454	\$510,604	\$1,610,618	\$1,610,618	\$1,962,280	\$351,661	
\$840,647	2026	\$330,000	3.500%	\$242,683	\$572,683	\$68,454	\$504,229	\$1,344,875	\$1,344,875	\$1,962,280	\$617,405	
\$843,584	2027	\$340,000	3.500%	\$231,133	\$571,133	\$68,454	\$502,679	\$1,346,263	\$1,346,263	\$1,962,280	\$616,017	
\$845,435	2028	\$355,000	3.500%	\$219,233	\$574,233	\$68,454	\$505,779	\$1,351,213	\$1,351,213	\$1,962,280	\$611,067	
\$841,440	2029	\$365,000	3.500%	\$206,808	\$571,808	\$68,454	\$503,354	\$1,344,794	\$1,344,794	\$1,962,280	\$617,486	
\$846,585	2030	\$380,000	3.750%	\$194,033	\$574,033	\$68,454	\$505,579	\$1,352,163	\$1,352,163	\$1,962,280	\$610,117	
\$845,509	2031	\$390,000	3.750%	\$179,783	\$569,783	\$68,454	\$501,329	\$1,346,837	\$1,346,837	\$1,962,280	\$615,442	
\$847,717	2032	\$410,000	3.750%	\$165,158	\$575,158	\$68,454	\$506,704	\$1,354,420	\$1,354,420	\$1,962,280	\$607,860	
\$843,566	2033	\$415,000	3.750%	\$149,783	\$564,783	\$68,454	\$496,329	\$1,339,894	\$1,339,894	\$1,962,280	\$622,386	
\$853,448	2034	\$435,000	3.750%	\$134,220	\$569,220	\$68,454	\$500,766	\$1,354,214	\$1,354,214	\$1,962,280	\$608,066	
\$849,143	2035	\$455,000	3.950%	\$117,908	\$572,908	\$68,454	\$504,454	\$1,353,597	\$1,353,597	\$1,962,280	\$608,683	
\$847,361	2036	\$595,000	3.950%	\$99,935	\$694,935	\$68,454	\$626,481	\$1,473,842	\$1,473,842	\$1,962,280	\$488,437	
\$526,300	2037	\$620,000	3.950%	\$76,433	\$696,433	\$68,454	\$627,979	\$1,154,279	\$1,154,279	\$1,962,280	\$808,001	
\$0	2038	\$645,000	3.950%	\$51,943	\$696,943	\$68,454	\$628,489	\$628,489	\$628,489	\$1,962,280	\$1,333,791	
\$0	2039	\$670,000	3.950%	\$26,465	\$696,465	\$68,454	\$628,011	\$628,011	\$628,011	\$1,962,280	\$1,334,269	
\$16,429,260	<b>Totals:</b>	\$7,020,000		\$3,646,258	\$10,666,258	\$1,369,080	\$9,297,178	\$25,726,437	\$25,726,437	\$39,245,595	\$13,519,158	



One Riverfront Plaza  
401 West Main Street,  
Suite 2110  
Louisville, KY  
40202

March 29, 2019

502/491-3939  
fax: 502/491-9979

School Facilities Construction Commission  
Attn: Chelsey Bizzle  
Carriage House  
700 Louisville Road  
Frankfort, KY 40601

INVESTMENT  
BANKING

FINANCIAL  
ADVISORY

PUBLIC  
FINANCE

BROKERAGE  
SERVICES

RE: \$6,705,000 Meade County School District Finance Corporation  
Revenue Bonds, Series of 2019

Dear Ms. Bizzle:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to finance improvements to Payneville Elementary School.

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming weeks. The Bonds will be funded with both Local and SFCC Funds.

Please process this bond disclosure form for review by the Bond Oversight Committee at the next meeting. Should you have any questions or require any additional information, please contact our office.

Sincerely,

Dwight G. Salsbury

Enclosures

Cincinnati, OH  
Lexington, KY  
Owensboro, KY  
Columbus, OH  
Indianapolis, IN  
Columbia, SC  
Brentwood, TN  
Pittsburgh, PA  
St. Petersburg, FL  
Alameda, CA



# BOND PAYEE DISCLOSURE FORM

Par Amount:

**\$6,705,000**

Issue Name:

Meade County School District Finance Corporation School Building Revenue Bonds, Series 2019

Purpose:

Renovations to Payneville Elementary School

Projected Sale Date of Bonds:

May 2019

First Call Date:

8 Years at Par

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC Frankfort, Ky.

Bond Rating:

Moodys: "A1"

Bond Counsel:

Step toe and Johnson, Louisville, KY

Fiscal Agent:

Ross, Sinclaire & Associates LLC, Lexington, Kentucky

Date received by SFCC:

/ / To be filled in by SFCC

Date scheduled for Committee review:

/ / To be filled in by SFCC

Month Day Year

Estimated par amount of Bonds:

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$41,093	\$6,663,907	\$6,705,000
0.61%	99.39%	100.00%
\$2,834	\$470,548	\$473,382
\$0	\$0	\$0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc)

Special Tax Counsel

Number verifications

Bond Rating & Bank Fee

Underwriter's Discount

Credit Enhancement

Total Cost of Issuance:

\$244	\$39,576	\$39,820
\$0	\$0	\$0
\$0	\$0	\$0
\$83	\$13,417	\$13,500
\$822	\$133,278	\$134,100
\$0	\$0	\$0
\$1,149	\$186,271	\$187,420

**Anticipated Interest Rates:**

5 Years: 2.75%    10 Years: 3.35%    15 Years: 3.70%  
20 Years: 3.85%

**Issue does not require a tax increase**

# Meade County School District

## Plan of Financing -- Projected Series 2019

Date of Report: March 29, 2019

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# Meade County School District -- Local Bond Debt

Fiscal Year End	100% SFCC								
	Series 2011-REF	Series 2012	Series 2013-REF	Series 2015-REF	Series 2016-REF	Series 2016	Series 2017-REF	Series 2018	Total Local Payments
2019		709,017	788,087	787,546	1,376,475	423,587	393,495	745,504	5,223,711
2020		700,072	782,675	787,496	1,387,974	425,737	393,620	788,469	5,266,042
2021		697,099	784,503	777,371	1,376,975	432,736	388,670	793,169	5,250,523
2022		688,489	779,344	776,486	1,378,599	439,537	393,720	792,719	5,248,893
2023		680,611	767,596	774,235	1,366,199	450,187	393,620	797,269	5,229,717
2024		671,813	763,802	769,434	1,368,975	454,637	396,030	796,669	5,221,360
2025		662,862	763,448	767,063	1,367,475	463,711	398,220	796,069	5,218,847
2026		278,762	42,238	763,875	1,358,101	629,936	400,190	1,725,469	5,198,571
2027		275,761	40,818	759,844	1,271,851	790,911	396,940	1,661,969	5,198,094
2028		1,332,762	393,007			1,345,561	398,580	1,734,519	5,204,429
2029		1,316,802	373,700			1,439,562		2,004,069	5,134,133
2030		1,309,042	368,599			1,426,236		2,029,619	5,133,496
2031		1,279,112				1,412,161		2,346,494	5,037,767
2032		1,241,114				1,402,262		2,399,944	5,043,320
2033						1,386,537		2,529,819	3,916,355
2034						1,374,986		2,548,519	3,923,505
2035						1,357,611		2,551,800	3,909,411
2036						1,344,411		2,489,800	3,834,211
2037						1,301,661		2,441,200	3,742,861
2038						0		2,496,000	2,496,000
<b>TOTALS:</b>		11,843,317	6,647,818	6,963,351	12,252,622	18,301,967	3,953,085	34,469,085	94,431,246

<u>Issue</u>	<u>Original Amount</u>	<u>Project Description</u>
2011-REF Series	\$590,000	Refinanced Series 2002 Bonds (100% SFCC)
2012 Series	\$11,420,000	Financed Renovations to High School
2013-REF Series	\$9,015,000	Refinanced Series 2009-BABs
2015-REF Series	\$7,080,000	Refinanced Series 2006B Bonds
2016-REF Series	\$11,825,000	Refinanced Series 2006 Bonds
2016 Series	\$15,665,000	Financed Renovation & Addition to ATC
2017-REF Series	\$3,590,000	Refinanced Series 2008 Bonds (Renovations to Ekron ES)
2018 Series	\$22,510,000	Renovations to Stuart Pepper MS



## Meade County School District Summary of Funds Available

FYE	LOCAL NICKEL	GROWTH NICKEL	RECALL NICKEL	CAPITAL OUTLAY @ 80%	FSPK	EQUALIZED FUNDING	EQUALIZED FACILITY FUNDING*	TOTAL LOCAL FUNDS	LESS CURRENT PAYMENTS	LOCAL FUNDS AVAILABLE	SFCC FUNDS	TOTAL FUNDS AVAILABLE
2019	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,223,711)	703,414	1,106	704,520
2020	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,266,042)	661,083	4,422	665,505
2021	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,250,523)	676,602	4,422	681,024
2022	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,248,893)	678,232	4,422	682,654
2023	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,229,717)	697,408	4,422	701,830
2024	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,221,360)	705,765	4,422	710,187
2025	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,218,847)	708,277	4,422	712,699
2026	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,198,571)	728,554	4,422	732,976
2027	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,198,094)	729,031	4,422	733,453
2028	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,204,429)	722,696	4,422	727,118
2029	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,134,133)	792,992	4,422	797,414
2030	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,133,496)	793,629	4,422	798,051
2031	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,037,767)	889,358	4,422	893,780
2032	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(5,043,320)	883,805	4,422	888,227
2033	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(3,916,355)	2,010,769	4,422	2,015,191
2034	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(3,923,505)	2,003,620	4,422	2,008,042
2035	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(3,909,411)	2,017,714	4,422	2,022,136
2036	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(3,834,211)	2,092,914	4,422	2,097,336
2037	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(3,742,861)	2,184,264	4,422	2,188,686
2038	841,151	841,151	841,151	356,251	1,015,807	1,015,807	1,015,807	5,927,125	(2,496,000)	3,431,125	4,422	3,435,547
2039	841,151	841,151	841,151	356,251	1,015,807	1,015,807	0	4,911,318	0	4,911,318	3,317	4,914,634

**NOTE:** Figures based on KDE 2018-19 SEEK Forecast figures

\* Equalized Facility funds only funded through FY2038

## Meade County School District Projected Series 2019

FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Current Payments	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
2020	250,000	2.300%	223,685	473,685	2,820	470,865	5,266,042	5,736,908	5,927,125	190,217
2021	255,000	2.400%	217,935	472,935	2,819	470,116	5,250,523	5,720,639	5,927,125	206,486
2022	260,000	2.500%	211,815	471,815	2,819	468,996	5,248,893	5,717,889	5,927,125	209,236
2023	270,000	2.600%	205,315	475,315	2,819	472,496	5,229,717	5,702,213	5,927,125	224,912
2024	275,000	2.750%	198,295	473,295	2,819	470,476	5,221,360	5,691,835	5,927,125	235,290
2025	285,000	2.900%	190,733	475,733	2,819	472,913	5,218,847	5,691,761	5,927,125	235,364
2026	290,000	3.050%	182,468	472,468	2,819	469,648	5,198,571	5,668,219	5,927,125	258,906
2027	300,000	3.200%	173,623	473,623	2,818	470,804	5,198,094	5,668,898	5,927,125	258,227
2028	310,000	3.200%	164,023	474,023	2,819	471,204	5,204,429	5,675,633	5,927,125	251,492
2029	320,000	3.350%	154,103	474,103	2,820	471,283	5,134,133	5,605,415	5,927,125	321,710
2030	330,000	3.350%	143,383	473,383	2,819	470,563	5,133,496	5,604,060	5,927,125	323,065
2031	340,000	3.450%	132,328	472,328	2,819	469,509	5,037,767	5,507,276	5,927,125	419,849
2032	355,000	3.550%	120,598	475,598	2,820	472,778	5,043,320	5,516,097	5,927,125	411,027
2033	365,000	3.650%	107,995	472,995	3,120	469,875	3,916,355	4,386,230	5,927,125	1,540,895
2034	380,000	3.700%	94,673	474,673	2,818	471,854	3,923,505	4,395,359	5,927,125	1,531,766
2035	395,000	3.700%	80,613	475,613	2,819	472,794	3,909,411	4,382,205	5,927,125	1,544,920
2036	405,000	3.800%	65,998	470,998	2,819	468,179	3,834,211	4,302,390	5,927,125	1,624,735
2037	425,000	3.800%	50,608	475,608	2,819	472,788	3,742,861	4,215,649	5,927,125	1,711,476
2038	440,000	3.850%	34,458	474,458	2,819	471,638	2,496,000	2,967,638	5,927,125	2,959,486
2039	455,000	3.850%	17,518	472,518	2,819	469,698	0	469,698	4,911,318	4,441,619
<b>TOTALS:</b>	6,705,000		2,770,160	9,475,160	56,682	9,418,478	89,207,535	98,626,013		18,900,677

## **Municipal Advisor Disclosure of Conflicts of Interest and Other Information**

Ross, Sinclaire and Associates, LLC (“RSA”)

### **Introduction**

RSA is a registered municipal advisory firm registered with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”). In accordance with MSRB rules, this disclosure statement is provided by RSA to each client prior to the execution of its advisory agreement with written disclosures of any material conflicts of interest and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii).

RSA employs a number of resources, which we have outlined below to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest.

- Code of Ethics
- Policies and Procedures
- Supervisory Structure
- Disclosure

### **General Conflict of Interest Disclosures**

As a registered municipal advisory firm registered with the “SEC” and the “MSRB”, our disciplinary events are required to be disclosed on our forms MA and MA-I filed with the SEC. To review the disclosures on these forms, you may access them electronically via the SEC’s Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) at:

<https://www.sec.gov/cgi-bin/browse-edgar?company=ROSS%2C+SINCLAIRE+%26+ASSOCIATES%2C+LLC&owner=exclude&action=getcompany>

RSA is a registered Broker Dealer with the Financial Industry Regulatory Authority (“FINRA”) and a registered Investment Advisory Firm with the Securities and Exchange Commission (the “SEC”) that engages in other securities related activities to service its clients. Such securities related activities, which may include but are not limited to the buying and selling of new issue and secondary market securities, may include the securities offering of the client to which RSA is serving as Municipal Advisor.

Upon request, RSA may provide sponsorships and donations to various municipal organizations to which you may be a member.

To our knowledge, following reasonable inquiry, we are not aware of any actual or potential conflicts of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the client in accordance with the applicable standards of conduct of MSRB Rule G-42.



March 14, 2019

Ms. Chelsey Bizzle  
Schools Facilities Construction Commission  
229 West Main Street, Ste. 102  
Frankfort, Kentucky 40601

Re: Reporting of Bond Issuance Costs to the Capital Projects and Bond Oversight  
Committee ("Bond Oversight Committee")

Dear Ms. Bizzle:

Enclosed please find a Bond Payee Disclosure form for the following bond issue:

\$7,690,000 (est.)  
Morgan County  
School District Finance Corporation  
School Building Revenue Bonds,  
Series 2019

Please be advised that the enclosed costs are estimated. Actual costs will not be known until the bonds are sold. Please be advised that no tax increases are necessary to support this financing.

We hereby request that the above bond issue be considered by the Bond Oversight Committee at its next meeting.

If you need any additional information, please do not hesitate to call me at 502.588.8695.

Sincerely,

*/s/ Bobby Koch*

Bobby Koch  
Analyst

## BOND PAYEE DISCLOSURE FORM

Par Amount:	\$7,690,000
Issue Name:	Morgan County School District Finance Corporation School Building Revenue Bonds, Series 2019
Purpose:	Renovation of area technology center
Projected Sale Date of Bonds:	June 2019
First Call Date:	2027
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "A1" – Moody's
Bond Counsel:	Steptoe & Johnson
Fiscal Agent:	J.J.B. Hilliard, W.L. Lyons, LLC
Construction Manager/General Contractor:	N/A
Architect/Engineer:	Murphy Group

Date Received by SFCC: 

/ /
-----

*To be filled in by SFCC*

Date Scheduled for Committee Review: 

/ /
-----

*To be filled in by SFCC*

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	111,792	7,578,208	\$7,690,000
% Share of total Bonds:	1.5%	98.5%	100%
Estimated average annual debt service:	7,817	548,320	556,137
Estimated debt service reserve:	-0-	-0-	-0-
<b>Estimated Costs of Issuance (1):</b>			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	636	43,124	43,760
Special Tax Counsel	-0-	-0-	-0-
Number Verifications	-0-	-0-	-0-
Bond Rating	174	11,826	12,000
Underwriter's Discount	2,236	151,564	153,800
Paying Agent/Escrow Agent Bank	58	3,942	4,000
<b>Total Cost of Issuance:</b>	<b>3,104</b>	<b>210,456</b>	<b>213,560</b>

**Anticipated Interest Rates:**      5 Years: 2.330%      10 Years: 3.130%  
    15 Years: 3.580%      20 Years: 3.870%

(1) Actual costs will not be known until the bonds are sold.

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Morgan County School District Finance Corporation  
ATC Project  
Inclusive of Capital Outlay

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**SOURCES AND USES OF FUNDS**

Morgan County School District Finance Corporation  
 ATC Project  
 Inclusive of Capital Outlay

Dated Date 06/01/2019  
 Delivery Date 06/01/2019

<b>Sources:</b>	<b>SFCC Portion</b>	<b>District Portion</b>	<b>Total</b>
Bond Proceeds:			
Par Amount	111,792.00	7,578,208.00	7,690,000.00
Other Sources of Funds:			
SFCC Cash Requirements		307,917.00	307,917.00
	111,792.00	7,886,125.00	7,997,917.00

<b>Uses:</b>	<b>SFCC Portion</b>	<b>District Portion</b>	<b>Total</b>
Project Fund Deposits:			
Architect Engineer Fee	5,938.50	402,561.50	408,500.00
Construction Fund	92,311.99	6,257,688.01	6,350,000.00
Construction Contingencies	4,615.60	312,884.40	317,500.00
Equipment	6,905.23	468,094.77	475,000.00
Other	3,343.58	226,656.42	230,000.00
	113,114.90	7,667,885.10	7,781,000.00
Cost of Issuance:			
FA/BC	636.15	43,123.85	43,760.00
Rating	174.45	11,825.55	12,000.00
Paying Agent	58.15	3,941.85	4,000.00
	868.75	58,891.25	59,760.00
Underwriter's Discount:			
Underwriter's Discount	2,235.84	151,564.16	153,800.00
Other Uses of Funds:			
Additional Proceeds	-4,427.49	7,784.49	3,357.00
	111,792.00	7,886,125.00	7,997,917.00

### BOND DEBT SERVICE

Morgan County School District Finance Corporation  
 ATC Project  
 Inclusive of Capital Outlay

Dated Date 06/01/2019  
 Delivery Date 06/01/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2019			124,848.50	124,848.50	
06/01/2020	255,000	2.040%	124,848.50	379,848.50	
06/30/2020					504,697.00
12/01/2020			122,247.50	122,247.50	
06/01/2021	260,000	2.070%	122,247.50	382,247.50	
06/30/2021					504,495.00
12/01/2021			119,556.50	119,556.50	
06/01/2022	270,000	2.160%	119,556.50	389,556.50	
06/30/2022					509,113.00
12/01/2022			116,640.50	116,640.50	
06/01/2023	275,000	2.240%	116,640.50	391,640.50	
06/30/2023					508,281.00
12/01/2023			113,560.50	113,560.50	
06/01/2024	280,000	2.330%	113,560.50	393,560.50	
06/30/2024					507,121.00
12/01/2024			110,298.50	110,298.50	
06/01/2025	285,000	2.440%	110,298.50	395,298.50	
06/30/2025					505,597.00
12/01/2025			106,821.50	106,821.50	
06/01/2026	295,000	2.620%	106,821.50	401,821.50	
06/30/2026					508,643.00
12/01/2026			102,957.00	102,957.00	
06/01/2027	300,000	2.870%	102,957.00	402,957.00	
06/30/2027					505,914.00
12/01/2027			98,652.00	98,652.00	
06/01/2028	310,000	3.020%	98,652.00	408,652.00	
06/30/2028					507,304.00
12/01/2028			93,971.00	93,971.00	
06/01/2029	320,000	3.130%	93,971.00	413,971.00	
06/30/2029					507,942.00
12/01/2029			88,963.00	88,963.00	
06/01/2030	330,000	3.220%	88,963.00	418,963.00	
06/30/2030					507,926.00
12/01/2030			83,650.00	83,650.00	
06/01/2031	345,000	3.340%	83,650.00	428,650.00	
06/30/2031					512,300.00
12/01/2031			77,888.50	77,888.50	
06/01/2032	350,000	3.390%	77,888.50	427,888.50	
06/30/2032					505,777.00
12/01/2032			71,956.00	71,956.00	
06/01/2033	360,000	3.490%	71,956.00	431,956.00	
06/30/2033					503,912.00
12/01/2033			65,674.00	65,674.00	
06/01/2034	375,000	3.580%	65,674.00	440,674.00	
06/30/2034					506,348.00
12/01/2034			58,961.50	58,961.50	
06/01/2035	390,000	3.700%	58,961.50	448,961.50	
06/30/2035					507,923.00
12/01/2035			51,746.50	51,746.50	
06/01/2036	400,000	3.770%	51,746.50	451,746.50	
06/30/2036					503,493.00
12/01/2036			44,206.50	44,206.50	
06/01/2037	420,000	3.820%	44,206.50	464,206.50	
06/30/2037					508,413.00
12/01/2037			36,184.50	36,184.50	
06/01/2038	445,000	3.870%	36,184.50	481,184.50	
06/30/2038					517,369.00
12/01/2038			27,573.75	27,573.75	
06/01/2039	1,425,000	3.870%	27,573.75	1,452,573.75	
06/30/2039					1,480,147.50
	7,690,000		3,432,715.50	11,122,715.50	11,122,715.50



### BOND SUMMARY STATISTICS

Morgan County School District Finance Corporation  
 ATC Project  
 Inclusive of Capital Outlay

Dated Date	06/01/2019
Delivery Date	06/01/2019
Last Maturity	06/01/2039
Arbitrage Yield	3.512213%
True Interest Cost (TIC)	3.719923%
Net Interest Cost (NIC)	3.705461%
All-In TIC	3.802279%
Average Coupon	3.546560%
Average Life (years)	12.586
Duration of Issue (years)	9.864
Par Amount	7,690,000.00
Bond Proceeds	7,690,000.00
Total Interest	3,432,715.50
Net Interest	3,586,515.50
Total Debt Service	11,122,715.50
Maximum Annual Debt Service	1,480,147.50
Average Annual Debt Service	556,135.78
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	7,690,000.00	100.000	3.547%	12.586	7,410.85
	7,690,000.00			12.586	7,410.85

	TIC	All-In TIC	Arbitrage Yield
Par Value	7,690,000.00	7,690,000.00	7,690,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-153,800.00	-153,800.00	
- Cost of Issuance Expense		-59,760.00	
- Other Amounts			
Target Value	7,536,200.00	7,476,440.00	7,690,000.00
Target Date	06/01/2019	06/01/2019	06/01/2019
Yield	3.719923%	3.802279%	3.512213%

### BOND PRICING

Morgan County School District Finance Corporation  
 ATC Project  
 Inclusive of Capital Outlay

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	06/01/2020	255,000	2.040%	2.040%	100.000
	06/01/2021	260,000	2.070%	2.070%	100.000
	06/01/2022	270,000	2.160%	2.160%	100.000
	06/01/2023	275,000	2.240%	2.240%	100.000
	06/01/2024	280,000	2.330%	2.330%	100.000
	06/01/2025	285,000	2.440%	2.440%	100.000
	06/01/2026	295,000	2.620%	2.620%	100.000
	06/01/2027	300,000	2.870%	2.870%	100.000
	06/01/2028	310,000	3.020%	3.020%	100.000
	06/01/2029	320,000	3.130%	3.130%	100.000
	06/01/2030	330,000	3.220%	3.220%	100.000
	06/01/2031	345,000	3.340%	3.340%	100.000
	06/01/2032	350,000	3.390%	3.390%	100.000
	06/01/2033	360,000	3.490%	3.490%	100.000
	06/01/2034	375,000	3.580%	3.580%	100.000
	06/01/2035	390,000	3.700%	3.700%	100.000
	06/01/2036	400,000	3.770%	3.770%	100.000
	06/01/2037	420,000	3.820%	3.820%	100.000
	06/01/2038	445,000	3.870%	3.870%	100.000
	06/01/2039	1,425,000	3.870%	3.870%	100.000
		7,690,000			

Dated Date	06/01/2019	
Delivery Date	06/01/2019	
First Coupon	12/01/2019	
Par Amount	7,690,000.00	
Original Issue Discount		
Production	7,690,000.00	100.000000%
Underwriter's Discount	-153,800.00	-2.000000%
Purchase Price	7,536,200.00	98.000000%
Accrued Interest		
Net Proceeds	7,536,200.00	

### BOND SOLUTION

Morgan County School District Finance Corporation  
District Portion

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2019			985,387	985,387	1,576,650	591,263	160.00305%
06/30/2020	250,711	496,881	976,012	1,472,892	1,576,650	103,758	107.04449%
06/30/2021	255,624	496,679	976,020	1,472,699	1,576,650	103,951	107.05855%
06/30/2022	265,533	501,297	975,219	1,476,516	1,576,650	100,134	106.78179%
06/30/2023	270,437	500,465	975,260	1,475,725	1,576,650	100,925	106.83904%
06/30/2024	275,334	499,304	975,942	1,475,246	1,576,650	101,404	106.87368%
06/30/2025	280,226	497,781	976,662	1,474,443	1,576,650	102,207	106.93188%
06/30/2026	290,109	500,826	973,550	1,474,376	1,576,650	102,274	106.93675%
06/30/2027	294,981	498,098	976,845	1,474,943	1,576,650	101,707	106.89567%
06/30/2028	304,837	499,488	974,321	1,473,808	1,576,650	102,842	106.97795%
06/30/2029	314,681	500,126	974,200	1,474,326	1,576,650	102,324	106.94040%
06/30/2030	324,515	500,110	976,441	1,476,551	1,576,650	100,099	106.77921%
06/30/2031	339,338	504,484	972,231	1,476,715	1,576,650	99,935	106.76741%
06/30/2032	344,149	497,961	975,765	1,473,726	1,576,650	102,924	106.98395%
06/30/2033	353,951	496,096	976,302	1,472,398	1,576,650	104,252	107.08040%
06/30/2034	368,740	498,532	974,252	1,472,784	1,576,650	103,866	107.05236%
06/30/2035	383,515	500,106	975,929	1,476,035	1,576,650	100,615	106.81658%
06/30/2036	393,275	495,676	976,616	1,472,292	1,576,650	104,358	107.08813%
06/30/2037	413,022	500,597	976,032	1,476,629	1,576,650	100,021	106.77359%
06/30/2038	437,755	509,552	967,508	1,477,060	1,576,650	99,590	106.74245%
06/30/2039	1,417,475	1,472,331		1,472,331	1,576,650	104,319	107.08527%
	7,578,208	10,966,390	19,510,494	30,476,884	33,109,650	2,632,766	

## DISCLOSURE REPORT

Morgan County School District Finance Corporation  
SFCC Portion

### SEC REQUIRED DISCLOSURES as a potential Municipal Advisor

Hilliard Lyons may seek the position of Municipal Advisor with you. (The activities to be discussed herein will meet the SEC's definition of Municipal Advisor activities.) Therefore, we are legally required to make certain disclosures at the very beginning of this process.

- Our compensation may be contingent on the closing of a transaction
- We may be advising other clients who could seek to go to market at the same time as you, if a public offering is planned
- Our firm is also a broker-dealer and provides advisory services to clients who may buy or sell your securities; we have duties to them as well
- As a broker-dealer, we may participate in principal transactions (we trade on our own behalf) in your securities. [If you were to select an underwriting firm via a negotiated process, we might be involved in a syndicate with that underwriting firm for an unrelated transaction during the time we serve as your Municipal Advisor.]

We also disclose relevant and material regulatory or legal matters that involve our firm.

Please review the complete statement containing our disclosures.



March 19, 2019

Ms. Chelsey Bizzle  
Schools Facilities Construction Commission  
229 West Main Street, Ste. 102  
Frankfort, Kentucky 40601

Re: Reporting of Bond Issuance Costs to the Capital Projects and Bond Oversight  
Committee ("Bond Oversight Committee")

Dear Ms. Bizzle:

Enclosed please find a Bond Payee Disclosure form for the following bond issue:

\$346,000 (est.)  
Ohio County  
School District Finance Corporation  
School Building Revenue Bonds,  
Series 2019

Please be advised that the enclosed costs are estimated. Actual costs will not be known until the bonds are sold. Please be advised that no tax increases are necessary to support this financing.

We hereby request that the above bond issue be considered by the Bond Oversight Committee at its next meeting.

If you need any additional information, please do not hesitate to call me at 502.588.8695.

Sincerely,

*/s/ Bobby Koch*

Bobby Koch  
Analyst

## BOND PAYEE DISCLOSURE FORM

Par Amount:	\$346,000
Issue Name:	Ohio County School District Finance Corporation School Building Revenue Bonds, Series 2019
Purpose:	Refunding of Series 2009 Bonds
Projected Sale Date of Bonds:	May 2019
First Call Date:	2028
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "A1" – Moody's
Bond Counsel:	Steptoe & Johnson
Fiscal Agent:	J.J.B. Hilliard, W.L. Lyons, LLC
Construction Manager/General Contractor:	N/A
Architect/Engineer:	N/A

Date Received by SFCC: 

/ /
-----

*To be filled in by SFCC*

Date Scheduled for Committee Review: 

/ /
-----

*To be filled in by SFCC*

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	93,494	252,506	\$346,000
% Share of total Bonds:	27.1%	72.9%	100.0%
Estimated average annual debt service:	11,170	42,439	53,609
Estimated debt service reserve:	-0-	-0-	-0-
<b>Estimated Costs of Issuance (1):</b>			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	2,027	5,473	7,500
Special Tax Counsel	-0-	-0-	-0-
Number Verifications	-0-	-0-	-0-
Bond Rating	1,216	3,284	4,500
Underwriter's Discount	701	1,894	2,595
Paying Agent/Escrow Agent Bank	811	2,189	3,000
Total Cost of Issuance:	701	1,894	2,595

**Anticipated Interest Rates:**      5 Years: 3.000%      10 Years: 3.000%  
    15 Years: 3.000%      20 Years: 3.000%

(1) Actual costs will not be known until the bonds are sold.

**SOURCES AND USES OF FUNDS**

Ohio County Schools  
 School Building Refunding Revenue Bonds, Series 2019  
 Refunding of Series 2009

Dated Date            05/30/2019  
 Delivery Date        05/30/2019

<b>Sources:</b>	<b>SFCC (Ref '09)</b>	<b>District (Ref '09)</b>	<b>Total</b>
Bond Proceeds:			
Par Amount	93,494.00	252,506.00	346,000.00
Premium	3,630.74	9,722.74	13,353.48
	<u>97,124.74</u>	<u>262,228.74</u>	<u>359,353.48</u>
<b>Uses:</b>	<b>SFCC (Ref '09)</b>	<b>District (Ref '09)</b>	<b>Total</b>
Refunding Escrow Deposits:			
PV cost of cashflows	88,956.82	252,104.50	341,061.32
Cost of Issuance:			
FA/BC	2,026.60	5,473.40	7,500.00
Rating	1,215.96	3,284.04	4,500.00
Paying Agent	810.64	2,189.36	3,000.00
	<u>4,053.20</u>	<u>10,946.80</u>	<u>15,000.00</u>
Underwriter's Discount:			
Underwriter's Discount	701.21	1,893.79	2,595.00
Other Uses of Funds:			
Additional Proceeds	3,413.51	-2,716.35	697.16
	<u>97,124.74</u>	<u>262,228.74</u>	<u>359,353.48</u>

**BOND DEBT SERVICE**

Ohio County Schools  
 School Building Refunding Revenue Bonds, Series 2019  
 Refunding of Series 2009

Dated Date 05/30/2019  
 Delivery Date 05/30/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2019			4,353.84	4,353.84	
05/01/2020	2,000	3.000%	5,190.00	7,190.00	
06/30/2020					11,543.84
11/01/2020			5,160.01	5,160.01	
05/01/2021	1,000	3.000%	5,160.01	6,160.01	
06/30/2021					11,320.02
11/01/2021			5,145.00	5,145.00	
05/01/2022	26,000	3.000%	5,145.00	31,145.00	
06/30/2022					36,290.00
11/01/2022			4,755.01	4,755.01	
05/01/2023	31,000	3.000%	4,755.01	35,755.01	
06/30/2023					40,510.02
11/01/2023			4,290.01	4,290.01	
05/01/2024	26,000	3.000%	4,290.01	30,290.01	
06/30/2024					34,580.02
11/01/2024			3,900.01	3,900.01	
05/01/2025	31,000	3.000%	3,900.01	34,900.01	
06/30/2025					38,800.02
11/01/2025			3,435.00	3,435.00	
05/01/2026	30,000	3.000%	3,435.00	33,435.00	
06/30/2026					36,870.00
11/01/2026			2,985.00	2,985.00	
05/01/2027	25,000	3.000%	2,985.00	27,985.00	
06/30/2027					30,970.00
11/01/2027			2,610.01	2,610.01	
05/01/2028	145,000	3.000%	2,610.01	147,610.01	
06/30/2028					150,220.02
11/01/2028			435.00	435.00	
05/01/2029	29,000	3.000%	435.00	29,435.00	
06/30/2029					29,870.00
	346,000		74,973.94	420,973.94	420,973.94



### BOND SUMMARY STATISTICS

Ohio County Schools  
 School Building Refunding Revenue Bonds, Series 2019  
 Refunding of Series 2009

Dated Date	05/30/2019
Delivery Date	05/30/2019
Last Maturity	05/01/2029
Arbitrage Yield	2.385401%
True Interest Cost (TIC)	2.522692%
Net Interest Cost (NIC)	2.569515%
All-In TIC	3.193603%
Average Coupon	3.000004%
Average Life (years)	7.223
Duration of Issue (years)	6.517
Par Amount	346,000.00
Bond Proceeds	359,353.48
Total Interest	74,973.94
Net Interest	64,215.46
Total Debt Service	420,973.94
Maximum Annual Debt Service	150,220.02
Average Annual Debt Service	42,439.27
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	7.500000
	7.500000
Total Underwriter's Discount	7.500000
Bid Price	103.109387

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	346,000.00	103.859	3.000%	7.223	221.01
	346,000.00			7.223	221.01

	TIC	All-In TIC	Arbitrage Yield
Par Value	346,000.00	346,000.00	346,000.00
+ Accrued Interest			
+ Premium (Discount)	13,353.48	13,353.48	13,353.48
- Underwriter's Discount	-2,595.00	-2,595.00	
- Cost of Issuance Expense		-15,000.00	
- Other Amounts			
Target Value	356,758.48	341,758.48	359,353.48
Target Date	05/30/2019	05/30/2019	05/30/2019
Yield	2.522692%	3.193603%	2.385401%

### BOND PRICING

Ohio County Schools  
 School Building Refunding Revenue Bonds, Series 2019  
 Refunding of Series 2009

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)	
Bond Component:										
	05/01/2020	2,000	3.000%	2.000%	100.905				18.10	
	05/01/2021	1,000	3.000%	2.020%	101.834				18.34	
	05/01/2022	26,000	3.000%	2.030%	102.735				711.10	
	05/01/2023	31,000	3.000%	2.040%	103.597				1,115.07	
	05/01/2024	26,000	3.000%	2.050%	104.422				1,149.72	
	05/01/2025	31,000	3.000%	2.100%	104.984				1,545.04	
	05/01/2026	30,000	3.000%	2.250%	104.779				1,433.70	
	05/01/2027	25,000	3.000%	2.400%	104.302				1,075.50	
	05/01/2028	145,000	3.000%	2.500%	103.773 C	2.525%	11/01/2027	100.000	5,470.85	
	05/01/2029	29,000	3.000%	2.625%	102.814 C	2.675%	11/01/2027	100.000	816.06	
		346,000								13,353.48

Dated Date	05/30/2019	
Delivery Date	05/30/2019	
First Coupon	11/01/2019	
Par Amount	346,000.00	
Premium	13,353.48	
Production	359,353.48	103.859387%
Underwriter's Discount	-2,595.00	-0.750000%
Purchase Price	356,758.48	103.109387%
Accrued Interest		
Net Proceeds	356,758.48	

**SAVINGS**

Ohio County Schools  
 School Building Refunding Revenue Bonds, Series 2019  
 Refunding of Series 2009

<b>Date</b>	<b>Prior Debt Service</b>	<b>Refunding Debt Service</b>	<b>Savings</b>	<b>Present Value to 05/30/2019 @ 2.3854007%</b>
06/30/2020	13,175.02	11,543.84	1,631.18	1,622.07
06/30/2021	13,175.02	11,320.02	1,855.00	1,788.73
06/30/2022	38,175.02	36,290.00	1,885.02	1,774.99
06/30/2023	42,206.26	40,510.02	1,696.24	1,560.35
06/30/2024	36,043.74	34,580.02	1,463.72	1,315.63
06/30/2025	40,075.00	38,800.02	1,274.98	1,119.80
06/30/2026	38,912.50	36,870.00	2,042.50	1,743.75
06/30/2027	32,750.00	30,970.00	1,780.00	1,484.04
06/30/2028	151,781.26	150,220.02	1,561.24	1,271.15
06/30/2029	31,162.50	29,870.00	1,292.50	1,022.97
	437,456.32	420,973.94	16,482.38	14,703.47

Savings Summary

PV of savings from cash flow	14,703.47
Plus: Refunding funds on hand	697.16
	<hr/>
Net PV Savings	15,400.63

**SAVINGS**

Ohio County Schools  
SFCC (Ref '09)

<b>Date</b>	<b>Prior Debt Service</b>	<b>Refunding Debt Service</b>	<b>Savings</b>	<b>Present Value to 05/30/2019 @ 2.3854007%</b>
06/30/2020	3,436.36	3,435.88	0.48	6.79
06/30/2021	3,436.36	3,436.12	0.24	3.97
06/30/2022	13,103.36	13,102.40	0.96	4.66
06/30/2023	13,103.76	13,103.12	0.64	3.91
06/30/2024	13,103.62	13,103.50	0.12	2.99
06/30/2025	13,103.42	13,103.28	0.14	2.55
06/30/2026	13,103.56	13,103.18	0.38	2.28
06/30/2027	13,103.44	13,102.92	0.52	1.92
06/30/2028	13,103.42	13,103.20	0.22	1.18
06/30/2029	13,103.84	13,103.66	0.18	0.65
	111,701.14	111,697.26	3.88	30.90

Savings Summary

PV of savings from cash flow	30.90
Plus: Refunding funds on hand	3,413.51
Net PV Savings	3,444.41

**SAVINGS**Ohio County Schools  
District (Ref '09)

<b>Date</b>	<b>Prior Debt Service</b>	<b>Refunding Debt Service</b>	<b>Savings</b>	<b>Present Value to 05/30/2019 @ 2.3854007%</b>
06/30/2020	9,738.66	8,107.96	1,630.70	1,615.28
06/30/2021	9,738.66	7,883.90	1,854.76	1,784.76
06/30/2022	25,071.66	23,187.60	1,884.06	1,770.33
06/30/2023	29,102.50	27,406.90	1,695.60	1,556.43
06/30/2024	22,940.12	21,476.52	1,463.60	1,312.64
06/30/2025	26,971.58	25,696.74	1,274.84	1,117.25
06/30/2026	25,808.94	23,766.82	2,042.12	1,741.47
06/30/2027	19,646.56	17,867.08	1,779.48	1,482.12
06/30/2028	138,677.84	137,116.82	1,561.02	1,269.97
06/30/2029	18,058.66	16,766.34	1,292.32	1,022.32
	325,755.18	309,276.68	16,478.50	14,672.57

Savings Summary

PV of savings from cash flow	14,672.57
Plus: Refunding funds on hand	<u>-2,716.35</u>
Net PV Savings	11,956.22

**PRIOR BOND DEBT SERVICE**

Ohio County Schools  
SFCC (Ref '09)

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
11/01/2019			1,718.18	1,718.18	
05/01/2020			1,718.18	1,718.18	
06/30/2020					3,436.36
11/01/2020			1,718.18	1,718.18	
05/01/2021			1,718.18	1,718.18	
06/30/2021					3,436.36
11/01/2021			1,718.18	1,718.18	
05/01/2022	9,667	3.875%	1,718.18	11,385.18	
06/30/2022					13,103.36
11/01/2022			1,530.88	1,530.88	
05/01/2023	10,042	3.875%	1,530.88	11,572.88	
06/30/2023					13,103.76
11/01/2023			1,336.31	1,336.31	
05/01/2024	10,431	3.875%	1,336.31	11,767.31	
06/30/2024					13,103.62
11/01/2024			1,134.21	1,134.21	
05/01/2025	10,835	3.875%	1,134.21	11,969.21	
06/30/2025					13,103.42
11/01/2025			924.28	924.28	
05/01/2026	11,255	3.875%	924.28	12,179.28	
06/30/2026					13,103.56
11/01/2026			706.22	706.22	
05/01/2027	11,691	3.875%	706.22	12,397.22	
06/30/2027					13,103.44
11/01/2027			479.71	479.71	
05/01/2028	12,144	3.875%	479.71	12,623.71	
06/30/2028					13,103.42
11/01/2028			244.42	244.42	
05/01/2029	12,615	3.875%	244.42	12,859.42	
06/30/2029					13,103.84
	88,680		23,021.14	111,701.14	111,701.14

**PRIOR BOND DEBT SERVICE**

Ohio County Schools  
District (Ref '09)

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
11/01/2019			4,869.33	4,869.33	
05/01/2020			4,869.33	4,869.33	
06/30/2020					9,738.66
11/01/2020			4,869.33	4,869.33	
05/01/2021			4,869.33	4,869.33	
06/30/2021					9,738.66
11/01/2021			4,869.33	4,869.33	
05/01/2022	15,333	3.875%	4,869.33	20,202.33	
06/30/2022					25,071.66
11/01/2022			4,572.25	4,572.25	
05/01/2023	19,958	3.875%	4,572.25	24,530.25	
06/30/2023					29,102.50
11/01/2023			4,185.56	4,185.56	
05/01/2024	14,569	3.875%	4,185.56	18,754.56	
06/30/2024					22,940.12
11/01/2024			3,903.29	3,903.29	
05/01/2025	19,165	3.875%	3,903.29	23,068.29	
06/30/2025					26,971.58
11/01/2025			3,531.97	3,531.97	
05/01/2026	18,745	3.875%	3,531.97	22,276.97	
06/30/2026					25,808.94
11/01/2026			3,168.78	3,168.78	
05/01/2027	13,309	3.875%	3,168.78	16,477.78	
06/30/2027					19,646.56
11/01/2027			2,910.92	2,910.92	
05/01/2028	132,856	3.875%	2,910.92	135,766.92	
06/30/2028					138,677.84
11/01/2028			336.83	336.83	
05/01/2029	17,385	3.875%	336.83	17,721.83	
06/30/2029					18,058.66
	251,320		74,435.18	325,755.18	325,755.18

### BOND SOLUTION

Ohio County Schools  
District (Ref '09)

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2019						
06/30/2020	1,143	8,108	8,108	9,739	1,631	120.11233%
06/30/2021	343	7,884	7,884	9,739	1,855	123.52592%
06/30/2022	15,657	23,188	23,188	25,072	1,884	108.12529%
06/30/2023	20,346	27,407	27,407	29,103	1,696	106.18676%
06/30/2024	15,026	21,477	21,477	22,940	1,464	106.81488%
06/30/2025	19,697	25,697	25,697	26,972	1,275	104.96110%
06/30/2026	18,358	23,767	23,767	25,809	2,042	108.59231%
06/30/2027	13,009	17,867	17,867	19,647	1,779	109.95955%
06/30/2028	132,649	137,117	137,117	138,678	1,561	101.13846%
06/30/2029	16,278	16,766	16,766	18,059	1,292	107.70782%
	252,506	309,277	309,277	325,755	16,479	



# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form – Pikeville Independent School District  
Series 2019  
**Date:** March 28, 2019  
**cc:** File

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Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Pikeville Independent School District. Please process this issue at the next meeting of the Capital Projects and Bond Oversight Committee.

If you should have any questions or require any additional information, please do not hesitate to contact our office.

# BOND PAYEE DISCLOSURE FORM

Par Amount: Issue Name: Purpose: Projected Sale Date of Bonds: First Call Date: Method of Sale: Place/time of sale: Bond Rating: Bond Counsel: Fiscal Agent: Date received by SFCC: Date scheduled for Committee review:	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center; font-weight: bold; font-size: 1.2em;">\$ 905,000</td> </tr> <tr> <td style="font-size: 0.8em;">Pikeville Independent School District Finance Corporation School Building Refunding Revenue Bonds, Series 2019</td> </tr> <tr> <td style="font-size: 0.8em;">Refinance Series 2009</td> </tr> <tr> <td style="font-size: 0.8em;">20-Jun-19</td> </tr> <tr> <td style="font-size: 0.8em;">6/1/19 @ 100</td> </tr> <tr> <td style="font-size: 0.8em;">Competitive Bids</td> </tr> <tr> <td style="font-size: 0.8em;">SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.</td> </tr> <tr> <td style="font-size: 0.8em;">Moody's: "A1"</td> </tr> <tr> <td style="font-size: 0.8em;">Steptoe &amp; Johnson, Louisville, KY</td> </tr> <tr> <td style="font-size: 0.8em;">Ross, Sinclair &amp; Associates, Lexington, Kentucky</td> </tr> <tr> <td style="font-size: 0.8em; text-align: right;"><i>To be filled in by SFCC</i></td> </tr> <tr> <td style="font-size: 0.8em; text-align: right;"><i>To be filled in by SFCC</i></td> </tr> </table>	\$ 905,000	Pikeville Independent School District Finance Corporation School Building Refunding Revenue Bonds, Series 2019	Refinance Series 2009	20-Jun-19	6/1/19 @ 100	Competitive Bids	SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.	Moody's: "A1"	Steptoe & Johnson, Louisville, KY	Ross, Sinclair & Associates, Lexington, Kentucky	<i>To be filled in by SFCC</i>	<i>To be filled in by SFCC</i>
\$ 905,000													
Pikeville Independent School District Finance Corporation School Building Refunding Revenue Bonds, Series 2019													
Refinance Series 2009													
20-Jun-19													
6/1/19 @ 100													
Competitive Bids													
SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.													
Moody's: "A1"													
Steptoe & Johnson, Louisville, KY													
Ross, Sinclair & Associates, Lexington, Kentucky													
<i>To be filled in by SFCC</i>													
<i>To be filled in by SFCC</i>													

Month Day Year

Estimated par amount of Bonds:  
 % Share of total Bonds:  
 Estimated average annual debt service:  
 Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$ 144,624	\$ 760,376	\$ 905,000
15.98%	84.02%	
\$ 16,920	\$ 88,959	\$ 105,879
\$ 0	\$ 0	\$ 0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc.  
 Special Tax Counsel  
 Number verifications  
 Bond Rating  
 Underwriter's Discount  
 Bank Fee  
 Total Cost of Issuance:

\$ 1,438	\$ 7,562	\$ 9,000
\$ 0	\$ 0	\$ 0
\$ 240	\$ 1,260	\$ 1,500
\$ 719	\$ 3,781	\$ 4,500
\$ 2,892	\$ 15,208	\$ 18,100
\$ 559	\$ 2,941	\$ 3,500
\$ 5,849	\$ 30,751	\$ 36,600

**Anticipated Interest Rates:**

5 Years 2.250% 10 Years 3.000% 15 Years:  
 20 Years: N/A

**Note: No Local Tax increase is required.**

# Pikeville Independent School District

## Projected Plan of Refinancing

Date of Report: March 28, 2019

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### Prior Bonds Call Reports

2009 Call Report.....	1
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### 2019 Series Refunding Bonds

Total Savings Report.....	2
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**PIKEVILLE INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REVENUE BONDS, SERIES 2009**

**Debt Service To Maturity And To Call**

Part 1 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
06/01/2019	860,000.00	18,520.00	878,520.00	-	3.700%	18,520.00	18,520.00
12/01/2019	-	-	-	-	-	18,520.00	18,520.00
06/01/2020	-	-	-	55,000.00	3.850%	18,520.00	73,520.00
12/01/2020	-	-	-	-	-	17,461.25	17,461.25
06/01/2021	-	-	-	60,000.00	3.950%	17,461.25	77,461.25
12/01/2021	-	-	-	-	-	16,276.25	16,276.25
06/01/2022	-	-	-	60,000.00	4.050%	16,276.25	76,276.25
12/01/2022	-	-	-	-	-	15,061.25	15,061.25
06/01/2023	-	-	-	65,000.00	4.150%	15,061.25	80,061.25
12/01/2023	-	-	-	-	-	13,712.50	13,712.50
06/01/2024	-	-	-	95,000.00	4.250%	13,712.50	108,712.50
12/01/2024	-	-	-	-	-	11,693.75	11,693.75
06/01/2025	-	-	-	95,000.00	4.250%	11,693.75	106,693.75
12/01/2025	-	-	-	-	-	9,675.00	9,675.00
06/01/2026	-	-	-	100,000.00	4.500%	9,675.00	109,675.00
12/01/2026	-	-	-	-	-	7,425.00	7,425.00
06/01/2027	-	-	-	105,000.00	4.500%	7,425.00	112,425.00
12/01/2027	-	-	-	-	-	5,062.50	5,062.50
06/01/2028	-	-	-	110,000.00	4.500%	5,062.50	115,062.50
12/01/2028	-	-	-	-	-	2,587.50	2,587.50
06/01/2029	-	-	-	115,000.00	4.500%	2,587.50	117,587.50
<b>Total</b>	<b>\$860,000.00</b>	<b>\$18,520.00</b>	<b>\$878,520.00</b>	<b>\$860,000.00</b>		<b>\$253,470.00</b>	<b>\$1,113,470.00</b>

**PIKEVILLE INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2019**  
**PROJECTED REFINANCING OF 2009**

**Debt Service Comparison**

Date	Total P+I	Existing D/S	Net New D/S	Old Net D/S	Savings
06/30/2019	-	56,017.50	53,012.66	74,537.50	21,524.84
06/30/2020	90,269.61	-	90,269.61	92,040.00	1,770.39
06/30/2021	93,520.00	-	93,520.00	94,922.50	1,402.50
06/30/2022	86,560.00	-	86,560.00	92,552.50	5,992.50
06/30/2023	89,740.00	-	89,740.00	95,122.50	5,382.50
06/30/2024	117,780.00	-	117,780.00	122,425.00	4,645.00
06/30/2025	114,980.00	-	114,980.00	118,387.50	3,407.50
06/30/2026	117,180.00	-	117,180.00	119,350.00	2,170.00
06/30/2027	114,240.00	-	114,240.00	119,850.00	5,610.00
06/30/2028	116,300.00	-	116,300.00	120,125.00	3,825.00
06/30/2029	118,220.00	-	118,220.00	120,175.00	1,955.00
<b>Total</b>	<b>\$1,058,789.61</b>	<b>\$56,017.50</b>	<b>\$1,111,802.27</b>	<b>\$1,169,487.50</b>	<b>\$57,685.23</b>

**PV Analysis Summary (Net to Net)**

Gross PV Debt Service Savings	45,160.01
Net PV Cashflow Savings @ 2.800% (Bond Yield)	45,160.01
Contingency or Rounding Amount	2,835.50
Net Present Value Benefit	\$47,995.51
Net PV Benefit / \$860,000 Refunded Principal	5.581%
Net PV Benefit / \$905,000 Refunding Principal	5.303%

**Refunding Bond Information**

Refunding Dated Date	5/02/2019
Refunding Delivery Date	5/02/2019

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form – Russell Independent School District Series 2019  
**Date:** March 28, 2019  
**cc:** File

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Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Russell Independent School District. Please process this issue at the next meeting of the Capital Projects and Bond Oversight Committee.

If you should have any questions or require any additional information, please do not hesitate to contact our office.

# BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 4,750,000**  
 Issue Name: Russell Independent School District Finance Corporation School Building Revenue Bonds, Series 2019  
 Purpose: Major HVAC Improvements at High, Middle and Elementary School  
 Projected Sale Date of Bond: 11-Jun-19  
 First Call Date: 6/1/26 @ 100  
 Method of Sale: Competitive Bids  
 Place/time of sale: SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.  
 Bond Rating: Moodys: "A1"  
 Bond Counsel: Steptoe & Johnson, Louisville, KY  
 Fiscal Agent: Ross, Sinclair & Associates, Lexington, Kentucky  
 Date received by SFCC:  *To be filled in by SFCC*  
 Date scheduled for Committee review:  *To be filled in by SFCC*  
Month Day Year

Estimated par amount of Bonds:  
 % Share of total Bonds:  
 Estimated average annual debt service:  
 Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$ 1,656,713	\$ 3,093,287	\$ 4,750,000
34.88%	65.12%	
\$ 121,097	\$ 226,102	\$ 347,199
\$ 0	\$ 0	\$ 0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc.  
 Special Tax Counsel  
 Number verifications  
 Bond Rating  
 Underwriter's Discount  
 Bank Fee  
 Total Cost of Issuance:

\$ 11,161	\$ 20,839	\$ 32,000
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 3,313	\$ 6,187	\$ 9,500
\$ 33,134	\$ 61,866	\$ 95,000
\$ 1,221	\$ 2,279	\$ 3,500
\$ 48,829	\$ 91,171	\$ 140,000

**Anticipated Interest Rates:**

5 Years 3.000% 10 Years 3.500% 15 Years: 3.750  
 20 Years: 3.900%

**Note: No Local Tax increase is required.**

# RUSSELL IND. SCHOOL DISTRICT

## Plan of Financing

Date of Report: 3/28/2019

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Local Bond Payments Outstanding .....	1
Summary of Funds for Bond Payments .....	2
Projected 2019 Bond Issue .....	3



**RUSSELL IND. SCHOOL DISTRICT  
OUTSTANDING NET LOCAL DEBT SERVICE**

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
	Series	Series	Series	Series	Series	Series	Total
FYE	2010	2011*	2012-REF	2015	2015-REF	2016	
	100% SFCC						
2019	\$56,925	\$343,185	\$244,729		\$183,432	\$50,000	\$878,270
2020	\$60,950	\$346,231	\$245,329		\$182,903	\$49,900	\$885,312
2021	\$59,813	\$346,967	\$240,829		\$179,872	\$49,800	\$877,280
2022	\$58,588	\$342,381	\$246,048		\$182,495	\$49,700	\$879,211
2023	\$57,363	\$341,881	\$245,760		\$179,728	\$49,600	\$874,332
2024	\$80,625	\$350,642			\$191,711	\$128,275	\$751,253
2025	\$83,281	\$348,269			\$192,973	\$125,725	\$750,248
2026	\$80,844	\$350,093			\$193,086	\$128,100	\$752,123
2027	\$83,313	\$345,894			\$187,109	\$125,400	\$741,716
2028	\$80,600	\$340,838				\$127,625	\$549,063
2029	\$82,700	\$339,900				\$129,700	\$552,300
2030	\$79,700	\$338,030				\$126,700	\$544,430
2031	\$81,600	\$336,470				\$128,625	\$546,695
2032						\$130,400	\$130,400
2033						\$132,025	\$132,025
2034						\$133,500	\$133,500
2035						\$134,825	\$134,825
2036						\$136,000	\$136,000
2037						\$137,025	\$137,025
Totals:	\$946,300	\$4,470,780	\$1,222,694	\$0	\$1,673,309	\$2,072,925	\$10,386,007

# RUSSELL IND. SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L	M
FYE	Local Nickel	Additional Nickel	Capital Outlay @ 80%	FSPK	Addl. FSPK	Total Local Funds	Less Current Payments	Local Funds Available	2012 Balance Offer	2014 SFCC Offer	2016 SFCC Offer	Total Funds Available
2019	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$878,270)	\$135,487				\$135,487
2020	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$885,312)	\$128,445	\$31,282	\$65,157	\$23,390	\$248,274
2021	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$877,280)	\$136,477	\$32,238	\$65,157	\$23,390	\$257,262
2022	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$879,211)	\$134,546	\$33,194	\$65,157	\$23,390	\$256,287
2023	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$874,332)	\$139,426	\$34,151	\$65,157	\$23,390	\$262,123
2024	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$751,253)	\$262,504	\$30,276	\$65,157	\$23,390	\$381,327
2025	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$750,248)	\$263,510	\$31,526	\$65,157	\$23,390	\$383,582
2026	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$752,123)	\$261,635	\$32,776	\$65,157	\$23,390	\$382,957
2027	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$741,716)	\$272,042	\$34,151	\$65,157	\$23,390	\$394,739
2028	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$549,063)	\$464,695	\$30,526	\$65,157	\$23,390	\$583,767
2029	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$552,300)	\$461,457	\$32,286	\$65,157	\$23,390	\$582,290
2030	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$544,430)	\$469,327	\$34,046	\$65,157	\$23,390	\$591,920
2031	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$546,695)	\$467,063	\$30,806	\$65,157	\$23,390	\$586,415
2032	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$130,400)	\$883,357	\$32,726	\$65,157	\$23,390	\$1,004,630
2033	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$132,025)	\$881,732	\$34,901	\$65,157	\$23,390	\$1,005,180
2034	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$133,500)	\$880,257	\$32,076	\$65,157	\$23,390	\$1,000,880
2035	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$134,825)	\$878,932	\$34,432	\$65,157	\$23,390	\$1,001,911
2036	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$136,000)	\$877,757	\$34,685	\$65,157	\$23,390	\$1,000,990
2037	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	(\$137,025)	\$876,732	\$34,469	\$65,157	\$23,390	\$999,749
2038	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	\$0	\$1,013,757	\$29,909	\$65,157	\$23,390	\$1,132,214
2039	\$411,452	\$0	\$163,180	\$439,125	\$0	\$1,013,757	\$0	\$1,013,757	\$30,539	\$65,157	\$23,390	\$1,132,844
Totals:	\$8,640,492	\$0	\$3,426,788	\$9,221,625	\$0	\$21,288,905	(\$10,386,007)	\$10,902,898	\$650,990	\$1,303,140	\$467,800	\$13,324,828

**NOTES:** Data based on assessments of \$822,904,803 and ADA of 2,032.699 per KDE SEEK Website (FY 2018-19)

# RUSSELL IND. SCHOOL DISTRICT PROJECTED BONDING POTENTIAL

A Current Payments	B FY June 30	C Principal Payment	D Coupon	E Interest Payments	F Total Payments	G SFCC Portion	H Local Portion	I Projected All Local Payments Outstanding	J Local Funds Available	K Funds Available For Future Projects
\$885,312	2020	\$75,000	2.500%	\$163,890	\$238,890	\$119,829	\$119,061	\$1,004,373	\$1,013,757	\$9,384
\$877,280	2021	\$90,000	2.500%	\$162,015	\$252,015	\$120,785	\$131,230	\$1,008,510	\$1,013,757	\$5,247
\$879,211	2022	\$90,000	2.750%	\$159,765	\$249,765	\$121,741	\$128,024	\$1,007,235	\$1,013,757	\$6,522
\$874,332	2023	\$95,000	2.750%	\$157,290	\$252,290	\$122,698	\$129,593	\$1,003,924	\$1,013,757	\$9,833
\$751,253	2024	\$190,000	2.750%	\$154,678	\$344,678	\$118,823	\$225,855	\$977,108	\$1,013,757	\$36,649
\$750,248	2025	\$195,000	2.750%	\$149,453	\$344,453	\$120,073	\$224,380	\$974,628	\$1,013,757	\$39,130
\$752,123	2026	\$200,000	3.000%	\$144,090	\$344,090	\$121,323	\$222,768	\$974,890	\$1,013,757	\$38,867
\$741,716	2027	\$205,000	3.000%	\$138,090	\$343,090	\$122,698	\$220,393	\$962,108	\$1,013,757	\$51,649
\$549,063	2028	\$220,000	3.250%	\$131,940	\$351,940	\$119,073	\$232,868	\$781,930	\$1,013,757	\$231,827
\$552,300	2029	\$225,000	3.250%	\$124,790	\$349,790	\$120,833	\$228,958	\$781,258	\$1,013,757	\$232,500
\$544,430	2030	\$235,000	3.500%	\$117,478	\$352,478	\$122,593	\$229,885	\$774,315	\$1,013,757	\$239,442
\$546,695	2031	\$245,000	3.500%	\$109,253	\$354,253	\$119,353	\$234,900	\$781,595	\$1,013,757	\$232,163
\$130,400	2032	\$295,000	3.500%	\$100,678	\$395,678	\$121,273	\$274,405	\$404,805	\$1,013,757	\$608,952
\$132,025	2033	\$305,000	3.500%	\$90,353	\$395,353	\$123,448	\$271,905	\$403,930	\$1,013,757	\$609,827
\$133,500	2034	\$315,000	3.750%	\$79,678	\$394,678	\$120,623	\$274,055	\$407,555	\$1,013,757	\$606,202
\$134,825	2035	\$330,000	3.750%	\$67,865	\$397,865	\$122,979	\$274,886	\$409,711	\$1,013,757	\$604,046
\$136,000	2036	\$340,000	3.750%	\$55,490	\$395,490	\$123,232	\$272,258	\$408,258	\$1,013,757	\$605,500
\$137,025	2037	\$355,000	3.750%	\$42,740	\$397,740	\$123,016	\$274,724	\$411,749	\$1,013,757	\$602,009
\$0	2038	\$365,000	3.950%	\$29,428	\$394,428	\$118,456	\$275,971	\$275,971	\$1,013,757	\$737,786
\$0	2039	\$380,000	3.950%	\$15,010	\$395,010	\$119,086	\$275,924	\$275,924	\$1,013,757	\$737,834
\$9,507,737	<b>Totals:</b>	\$4,750,000		\$2,193,970	\$6,943,970	\$2,421,930	\$4,522,040	\$14,029,777	\$20,275,148	\$6,245,371

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form – Taylor County School District Series 2019  
**Date:** March 26, 2019  
**cc:** File

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Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Taylor County School District. Please process this issue at the next meeting of the Capital Projects and Bond Oversight Committee.

If you should have any questions or require any additional information, please do not hesitate to contact our office.

# BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 500,000**  
 Issue Name: Taylor County School District Finance Corporation School Building Revenue Bonds, Series 2019  
 Purpose: Improvemnts at Central Kentucky Career Academy  
 Projected Sale Date of Bond: 11-Jun-19  
 First Call Date: 6/1/26 @ 100  
 Method of Sale: Competitive Bids  
 Place/time of sale: SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.  
 Bond Rating: Moodys: "A1"  
 Bond Counsel: Steptoe & Johnson, Louisville, KY  
 Fiscal Agent: Ross, Sinclair & Associates, Lexington, Kentucky

Date received by SFCC:  *To be filled in by SFCC*

Date scheduled for Committee review:  *To be filled in by SFCC*  
 Month Day Year

Estimated par amount of Bonds:  
 % Share of total Bonds:  
 Estimated average annual debt service:  
 Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$ 687	\$ 499,313	\$ 500,000
0.14%	99.86%	
\$ 985	\$ 716,019	\$ 717,004
\$ 0	\$ 0	\$ 0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc.  
 Special Tax Counsel  
 Number verifications  
 Bond Rating  
 Underwriter's Discount  
 Bank Fee  
 Total Cost of Issuance:

\$ 7	\$ 4,993	\$ 5,000
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 6	\$ 4,494	\$ 4,500
\$ 14	\$ 9,986	\$ 10,000
\$ 5	\$ 3,495	\$ 3,500
\$ 32	\$ 22,968	\$ 23,000

**Anticipated Interest Rates:**

5 Years 3.00% 10 Years 3.50% 15 Years: 3.750  
 20 Years: 3.900%

**Note: No Local Tax increase is required.**

# TAYLOR COUNTY SCHOOL DISTRICT

## Plan of Financing

Date of Report: 3/26/2019

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Local Bond Payments Outstanding .....	1
Summary of Funds for Bond Payments .....	2
Projected 2019 Central Kentucky Career Academy Bond Issue .....	3

**TAYLOR COUNTY SCHOOL DISTRICT  
OUTSTANDING NET LOCAL DEBT SERVICE**

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
FYE	Series 2007-REF	Series 2012-REF*	Series 2015	Series 2016	Total
2018	\$541,477	\$96,710	\$1,373,354	\$71,032	\$2,082,573
2019	\$539,972	\$97,853	\$1,364,554	\$80,632	\$2,083,011
2020		\$191,373	\$1,365,657	\$525,632	\$2,082,662
2021		\$188,135	\$1,810,603	\$85,484	\$2,084,222
2022		\$184,898	\$1,810,756	\$89,632	\$2,085,285
2023		\$186,660	\$1,809,104	\$88,734	\$2,084,497
2024		\$183,330	\$1,800,655	\$102,683	\$2,086,668
2025			\$1,800,552	\$284,633	\$2,085,186
2026			\$1,983,503	\$101,532	\$2,085,036
2027			\$1,968,954	\$115,083	\$2,084,037
2028			\$1,972,605	\$113,482	\$2,086,087
2029			\$1,973,854	\$111,882	\$2,085,736
2030			\$1,962,705	\$125,132	\$2,087,838
2031			\$1,964,455	\$122,995	\$2,087,450
2032			\$1,963,656	\$125,557	\$2,089,213
2033			\$1,961,623	\$123,058	\$2,084,681
2034			\$1,961,779	\$125,365	\$2,087,143
2035			\$1,960,056	\$127,407	\$2,087,463
2036				\$370,946	\$370,946
2037				\$366,693	\$366,693
<b>Totals:</b>	\$1,081,450	\$1,128,957	\$32,808,423	\$3,257,596	\$38,276,426

# TAYLOR COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A FYE	B Local Nickel	C Recallable Nickel	D Capital Outlay @ 80%	E FSPK	F Addtl. FSPK	G General Fund	H Total		I Less Current Payments	J Local Funds Available	K 2016 SFCC Offer	L Total Funds Available
							Local Funds	Funds				
2018	\$488,410	\$488,410	\$191,247	\$447,507	\$447,507	\$20,000	\$2,083,081	(\$2,082,573)	\$508	\$985	\$508	
2019	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,083,011)	\$215,744	\$985	\$216,729	
2020	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,082,662)	\$216,094	\$985	\$217,079	
2021	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,084,222)	\$214,533	\$985	\$215,518	
2022	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,085,285)	\$213,470	\$985	\$214,455	
2023	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,084,497)	\$214,258	\$985	\$215,243	
2024	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,086,668)	\$212,087	\$985	\$213,072	
2025	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,085,186)	\$213,570	\$985	\$214,555	
2026	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,085,036)	\$213,720	\$985	\$214,705	
2027	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,084,037)	\$214,718	\$985	\$215,703	
2028	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,086,087)	\$212,668	\$985	\$213,653	
2029	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,085,736)	\$213,019	\$985	\$214,004	
2030	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,087,838)	\$210,918	\$985	\$211,903	
2031	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,087,450)	\$211,305	\$985	\$212,290	
2032	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,089,213)	\$209,543	\$985	\$210,528	
2033	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,084,681)	\$214,075	\$985	\$215,060	
2034	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,087,143)	\$211,612	\$985	\$212,597	
2035	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$2,087,463)	\$211,292	\$985	\$212,277	
2036	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$370,946)	\$1,927,810	\$985	\$1,928,795	
2037	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	(\$366,693)	\$1,932,063	\$985	\$1,933,048	
2038	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	\$0	\$2,298,755	\$985	\$2,299,740	
2039	\$496,348	\$496,348	\$192,451	\$506,804	\$506,804	\$100,000	\$2,298,755	\$0	\$2,298,755	\$985	\$2,299,740	
<b>Totals:</b>	\$10,911,718	\$10,911,718	\$4,232,726	\$11,090,391	\$11,090,391	\$2,120,000	\$50,356,944	(\$38,276,426)	\$12,080,518	\$20,685	\$12,101,203	

**NOTES:** Data based on assessments of \$976,820,167 and ADA of 2,390.593 per KDE SEEK Website (FY 2017-18)  
Data based on assessments of \$992,696,828 and ADA of 2,405.642 per KDE SEEK Website (FY 2018-19)



# TAYLOR COUNTY SCHOOL DISTRICT PROJECTED CMTA 2019 ENERGY SAVINGS

A	B	B	C	D	E	F	G	H	J	K	L
Current Payments	Projected Energy Conservation Bond Issue	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
\$2,082,662	\$46,651	2020	\$18,002	3.000%	\$17,849	\$35,851	\$985	\$34,866	\$2,164,178	\$2,275,335	\$111,157
\$2,084,222	\$50,116	2021	\$18,542	3.000%	\$17,308	\$35,850	\$985	\$34,865	\$2,169,204	\$2,275,335	\$106,132
\$2,085,285	\$45,201	2022	\$19,098	3.000%	\$16,752	\$35,850	\$985	\$34,865	\$2,165,352	\$2,275,335	\$109,984
\$2,084,497	\$45,227	2023	\$19,671	3.000%	\$16,179	\$35,850	\$985	\$34,865	\$2,164,589	\$2,275,335	\$110,746
\$2,086,668	\$50,042	2024	\$20,261	3.000%	\$15,589	\$35,850	\$985	\$34,865	\$2,171,575	\$2,275,335	\$103,760
\$2,085,186	\$49,496	2025	\$20,869	3.250%	\$14,981	\$35,850	\$985	\$34,865	\$2,169,547	\$2,275,335	\$105,789
\$2,085,036	\$48,524	2026	\$21,547	3.400%	\$14,303	\$35,850	\$985	\$34,865	\$2,168,425	\$2,275,335	\$106,911
\$2,084,037	\$47,190	2027	\$22,280	3.400%	\$13,570	\$35,850	\$985	\$34,865	\$2,166,093	\$2,275,335	\$109,243
\$2,086,087	\$45,621	2028	\$23,037	3.500%	\$12,813	\$35,850	\$985	\$34,865	\$2,166,574	\$2,275,335	\$108,762
\$2,085,736	\$48,716	2029	\$23,844	3.500%	\$12,007	\$35,851	\$985	\$34,866	\$2,169,318	\$2,275,335	\$106,018
\$2,087,838	\$46,392	2030	\$24,678	3.600%	\$11,172	\$35,850	\$985	\$34,865	\$2,169,094	\$2,275,335	\$106,241
\$2,087,450	\$48,708	2031	\$25,566	3.700%	\$10,284	\$35,850	\$985	\$34,865	\$2,171,023	\$2,275,335	\$104,312
\$2,089,213	\$45,469	2032	\$26,512	3.750%	\$9,338	\$35,850	\$985	\$34,865	\$2,169,547	\$2,275,335	\$105,789
\$2,084,681	\$46,908	2033	\$27,507	3.750%	\$8,344	\$35,851	\$985	\$34,866	\$2,166,454	\$2,275,335	\$108,882
\$2,087,143	\$47,897	2034	\$28,538	3.750%	\$7,312	\$35,850	\$985	\$34,865	\$2,169,906	\$2,275,335	\$105,430
\$2,087,463	\$48,437	2035	\$29,608	3.900%	\$6,242	\$35,850	\$985	\$34,865	\$2,170,765	\$2,275,335	\$104,570
\$370,946	\$343,285	2036	\$30,763	3.900%	\$5,087	\$35,850	\$985	\$34,865	\$749,096	\$2,275,335	\$1,526,240
\$366,693	\$341,159	2037	\$31,963	3.900%	\$3,887	\$35,850	\$985	\$34,865	\$742,717	\$2,275,335	\$1,532,618
\$0	\$343,174	2038	\$33,209	3.900%	\$2,641	\$35,850	\$985	\$34,865	\$378,039	\$2,275,335	\$1,897,296
\$0	\$344,133	2039	\$34,505	3.900%	\$1,346	\$35,851	\$985	\$34,866	\$378,998	\$2,275,335	\$1,896,337
<b>Totals:</b>											
\$34,110,842	\$2,132,347		\$500,000		\$217,004	\$717,004	\$19,700	\$697,304	\$36,940,494	\$45,506,709	\$8,566,215



March 29, 2019

Ms. Chelsey Bizzle  
Schools Facilities Construction Commission  
229 West Main Street, Ste. 102  
Frankfort, Kentucky 40601

Re: Reporting of Bond Issuance Costs to the Capital Projects and Bond Oversight  
Committee ("Bond Oversight Committee")

Dear Ms. Bizzle:

Enclosed please find a Bond Payee Disclosure form for the following bond issue:

\$16,060,000 (est.)  
Warren County Schools  
School District Finance Corporation  
School Building Revenue Bonds,  
Series 2019

Please be advised that the enclosed costs are estimated. Actual costs will not be known until the bonds are sold. Please be advised that no tax increases are necessary to support this financing.

We hereby request that the above bond issue be considered by the Bond Oversight Committee at its next meeting.

If you need any additional information, please do not hesitate to call me at 502.588.8695.

Sincerely,

*/s/ Bobby Koch*

Bobby Koch  
Analyst

## BOND PAYEE DISCLOSURE FORM

Par Amount:	\$16,060,000
Issue Name:	Warren County School District Finance Corporation School Building Revenue Bonds, Series 2019
Purpose:	Renovations to Warren Central, including additions to cafeteria and kitchen
Projected Sale Date of Bonds:	June/July 2019
First Call Date:	2026
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "Aa3" – Moody's
Bond Counsel:	Steptoe & Johnson
Fiscal Agent:	J.J.B. Hilliard, W.L. Lyons, LLC
Architect/Engineer:	Sherman Carter Barnhart

Date Received by SFCC:

/ /

*To be filled in by SFCC*

Date Scheduled for Committee Review:

/ /

*To be filled in by SFCC*

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	500,198	15,559,802	\$16,060,000
% Share of total Bonds:	3.1%	96.9%	100%
Estimated average annual debt service:	34,320	1,108,986	1,143,306
Estimated debt service reserve:	-0-	-0-	-0-
<b>Estimated Costs of Issuance (1):</b>			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	1,925	59,867	61,792
Special Tax Counsel	-0-	-0-	-0-
Number Verifications	-0-	-0-	-0-
Bond Rating	779	24,221	25,000
Underwriter's Discount	10,004	311,196	321,200
Paying Agent/Escrow Agent Bank	109	3,391	3,500
<b>Total Cost of Issuance:</b>	<b>12,817</b>	<b>398,675</b>	<b>411,492</b>

**Anticipated Interest Rates:**

5 Years: 2.310%      10 Years: 2.990%  
15 Years: 3.390%    20 Years: 3.670%

(1) Actual costs will not be known until the bonds are sold.

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Warren County Schools  
Series 2019

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**SOURCES AND USES OF FUNDS**Warren County Schools  
Series 2019Dated Date 07/15/2019  
Delivery Date 07/15/2019

<b>Sources:</b>	<b>SFCC</b>	<b>District</b>	<b>Total</b>
Bond Proceeds:			
Par Amount	500,198.00	15,559,802.00	16,060,000.00
	500,198.00	15,559,802.00	16,060,000.00
<b>Uses:</b>	<b>SFCC</b>	<b>District</b>	<b>Total</b>
Project Fund Deposits:			
Asbestos Abatement	311.46	9,688.54	10,000.00
Architect/Engineer Fee	25,544.76	794,628.24	820,173.00
Construction Manager Fee	14,791.04	460,108.96	474,900.00
Commissioning	1,931.03	60,068.97	62,000.00
Construction Fund	421,871.43	13,123,275.07	13,545,146.50
Construction Contingency	21,093.58	656,163.92	677,257.50
Printing	763.07	23,736.93	24,500.00
Special Inspections	967.16	30,085.84	31,053.00
	487,273.53	15,157,756.47	15,645,030.00
Cost of Issuance:			
Financial Advisor / Bond Counsel	1,924.55	59,867.45	61,792.00
Paying Agent	109.01	3,390.99	3,500.00
Rating Agent	778.64	24,221.36	25,000.00
	2,812.20	87,479.80	90,292.00
Underwriter's Discount:			
Underwriter's Discount	10,003.96	311,196.04	321,200.00
Other Uses of Funds:			
Additional Proceeds	108.31	3,369.69	3,478.00
	500,198.00	15,559,802.00	16,060,000.00

### BOND DEBT SERVICE

Warren County Schools  
Series 2019

Dated Date 07/15/2019  
Delivery Date 07/15/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2020			289,875.56	289,875.56	
06/30/2020					289,875.56
08/01/2020	20,000	2.060%	266,212.25	286,212.25	
02/01/2021			266,006.25	266,006.25	
06/30/2021					552,218.50
08/01/2021	25,000	2.120%	266,006.25	291,006.25	
02/01/2022			265,741.25	265,741.25	
06/30/2022					556,747.50
08/01/2022	85,000	2.180%	265,741.25	350,741.25	
02/01/2023			264,814.75	264,814.75	
06/30/2023					615,556.00
08/01/2023	130,000	2.210%	264,814.75	394,814.75	
02/01/2024			263,378.25	263,378.25	
06/30/2024					658,193.00
08/01/2024	135,000	2.310%	263,378.25	398,378.25	
02/01/2025			261,819.00	261,819.00	
06/30/2025					660,197.25
08/01/2025	130,000	2.420%	261,819.00	391,819.00	
02/01/2026			260,246.00	260,246.00	
06/30/2026					652,065.00
08/01/2026	250,000	2.520%	260,246.00	510,246.00	
02/01/2027			257,096.00	257,096.00	
06/30/2027					767,342.00
08/01/2027	255,000	2.620%	257,096.00	512,096.00	
02/01/2028			253,755.50	253,755.50	
06/30/2028					765,851.50
08/01/2028	680,000	2.780%	253,755.50	933,755.50	
02/01/2029			244,303.50	244,303.50	
06/30/2029					1,178,059.00
08/01/2029	995,000	2.990%	244,303.50	1,239,303.50	
02/01/2030			229,428.25	229,428.25	
06/30/2030					1,468,731.75
08/01/2030	990,000	3.120%	229,428.25	1,219,428.25	
02/01/2031			213,984.25	213,984.25	
06/30/2031					1,433,412.50
08/01/2031	1,130,000	3.240%	213,984.25	1,343,984.25	
02/01/2032			195,678.25	195,678.25	
06/30/2032					1,539,662.50
08/01/2032	1,165,000	3.290%	195,678.25	1,360,678.25	
02/01/2033			176,514.00	176,514.00	
06/30/2033					1,537,192.25
08/01/2033	1,240,000	3.350%	176,514.00	1,416,514.00	
02/01/2034			155,744.00	155,744.00	
06/30/2034					1,572,258.00
08/01/2034	1,280,000	3.390%	155,744.00	1,435,744.00	
02/01/2035			134,048.00	134,048.00	
06/30/2035					1,569,792.00
08/01/2035	1,520,000	3.450%	134,048.00	1,654,048.00	
02/01/2036			107,828.00	107,828.00	
06/30/2036					1,761,876.00
08/01/2036	1,725,000	3.510%	107,828.00	1,832,828.00	
02/01/2037			77,554.25	77,554.25	
06/30/2037					1,910,382.25
08/01/2037	1,785,000	3.570%	77,554.25	1,862,554.25	
02/01/2038			45,692.00	45,692.00	
06/30/2038					1,908,246.25
08/01/2038	2,200,000	3.620%	45,692.00	2,245,692.00	
02/01/2039			5,872.00	5,872.00	
06/30/2039					2,251,564.00
08/01/2039	320,000	3.670%	5,872.00	325,872.00	
06/30/2040					325,872.00
	16,060,000		7,915,094.81	23,975,094.81	23,975,094.81

**BOND DEBT SERVICE**

Warren County Schools  
Series 2019

Dated Date 07/15/2019  
Delivery Date 07/15/2019

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>
06/30/2020			289,875.56	289,875.56
06/30/2021	20,000	2.060%	532,218.50	552,218.50
06/30/2022	25,000	2.120%	531,747.50	556,747.50
06/30/2023	85,000	2.180%	530,556.00	615,556.00
06/30/2024	130,000	2.210%	528,193.00	658,193.00
06/30/2025	135,000	2.310%	525,197.25	660,197.25
06/30/2026	130,000	2.420%	522,065.00	652,065.00
06/30/2027	250,000	2.520%	517,342.00	767,342.00
06/30/2028	255,000	2.620%	510,851.50	765,851.50
06/30/2029	680,000	2.780%	498,059.00	1,178,059.00
06/30/2030	995,000	2.990%	473,731.75	1,468,731.75
06/30/2031	990,000	3.120%	443,412.50	1,433,412.50
06/30/2032	1,130,000	3.240%	409,662.50	1,539,662.50
06/30/2033	1,165,000	3.290%	372,192.25	1,537,192.25
06/30/2034	1,240,000	3.350%	332,258.00	1,572,258.00
06/30/2035	1,280,000	3.390%	289,792.00	1,569,792.00
06/30/2036	1,520,000	3.450%	241,876.00	1,761,876.00
06/30/2037	1,725,000	3.510%	185,382.25	1,910,382.25
06/30/2038	1,785,000	3.570%	123,246.25	1,908,246.25
06/30/2039	2,200,000	3.620%	51,564.00	2,251,564.00
06/30/2040	320,000	3.670%	5,872.00	325,872.00
	16,060,000		7,915,094.81	23,975,094.81

### BOND DEBT SERVICE

Warren County Schools  
SFCC

Dated Date 07/15/2019  
Delivery Date 07/15/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2020			8,174.84	8,174.84	
06/30/2020					8,174.84
08/01/2020	19,505	2.060%	7,507.50	27,012.50	
02/01/2021			7,306.60	7,306.60	
06/30/2021					34,319.10
08/01/2021	19,917	2.120%	7,306.60	27,223.60	
02/01/2022			7,095.48	7,095.48	
06/30/2022					34,319.08
08/01/2022	20,350	2.180%	7,095.48	27,445.48	
02/01/2023			6,873.67	6,873.67	
06/30/2023					34,319.15
08/01/2023	20,802	2.210%	6,873.67	27,675.67	
02/01/2024			6,643.80	6,643.80	
06/30/2024					34,319.47
08/01/2024	21,278	2.310%	6,643.80	27,921.80	
02/01/2025			6,398.04	6,398.04	
06/30/2025					34,319.84
08/01/2025	21,787	2.420%	6,398.04	28,185.04	
02/01/2026			6,134.42	6,134.42	
06/30/2026					34,319.46
08/01/2026	22,332	2.520%	6,134.42	28,466.42	
02/01/2027			5,853.04	5,853.04	
06/30/2027					34,319.46
08/01/2027	22,913	2.620%	5,853.04	28,766.04	
02/01/2028			5,552.88	5,552.88	
06/30/2028					34,318.92
08/01/2028	23,541	2.780%	5,552.88	29,093.88	
02/01/2029			5,225.66	5,225.66	
06/30/2029					34,319.54
08/01/2029	24,230	2.990%	5,225.66	29,455.66	
02/01/2030			4,863.42	4,863.42	
06/30/2030					34,319.08
08/01/2030	24,982	3.120%	4,863.42	29,845.42	
02/01/2031			4,473.70	4,473.70	
06/30/2031					34,319.12
08/01/2031	25,790	3.240%	4,473.70	30,263.70	
02/01/2032			4,055.90	4,055.90	
06/30/2032					34,319.60
08/01/2032	26,646	3.290%	4,055.90	30,701.90	
02/01/2033			3,617.58	3,617.58	
06/30/2033					34,319.48
08/01/2033	27,546	3.350%	3,617.58	31,163.58	
02/01/2034			3,156.18	3,156.18	
06/30/2034					34,319.76
08/01/2034	28,490	3.390%	3,156.18	31,646.18	
02/01/2035			2,673.27	2,673.27	
06/30/2035					34,319.45
08/01/2035	29,481	3.450%	2,673.27	32,154.27	
02/01/2036			2,164.73	2,164.73	
06/30/2036					34,319.00
08/01/2036	30,526	3.510%	2,164.73	32,690.73	
02/01/2037			1,629.00	1,629.00	
06/30/2037					34,319.73
08/01/2037	31,626	3.570%	1,629.00	33,255.00	
02/01/2038			1,064.47	1,064.47	
06/30/2038					34,319.47
08/01/2038	32,784	3.620%	1,064.47	33,848.47	
02/01/2039			471.08	471.08	
06/30/2039					34,319.55
08/01/2039	25,672	3.670%	471.08	26,143.08	
06/30/2040					26,143.08
	500,198		186,188.18	686,386.18	686,386.18



### BOND DEBT SERVICE

Warren County Schools  
District

Dated Date 07/15/2019  
Delivery Date 07/15/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2020			281,700.72	281,700.72	
06/30/2020					281,700.72
08/01/2020	495	2.060%	258,704.75	259,199.75	
02/01/2021			258,699.65	258,699.65	
06/30/2021					517,899.40
08/01/2021	5,083	2.120%	258,699.65	263,782.65	
02/01/2022			258,645.77	258,645.77	
06/30/2022					522,428.42
08/01/2022	64,650	2.180%	258,645.77	323,295.77	
02/01/2023			257,941.08	257,941.08	
06/30/2023					581,236.85
08/01/2023	109,198	2.210%	257,941.08	367,139.08	
02/01/2024			256,734.45	256,734.45	
06/30/2024					623,873.53
08/01/2024	113,722	2.310%	256,734.45	370,456.45	
02/01/2025			255,420.96	255,420.96	
06/30/2025					625,877.41
08/01/2025	108,213	2.420%	255,420.96	363,633.96	
02/01/2026			254,111.58	254,111.58	
06/30/2026					617,745.54
08/01/2026	227,668	2.520%	254,111.58	481,779.58	
02/01/2027			251,242.96	251,242.96	
06/30/2027					733,022.54
08/01/2027	232,087	2.620%	251,242.96	483,329.96	
02/01/2028			248,202.62	248,202.62	
06/30/2028					731,532.58
08/01/2028	656,459	2.780%	248,202.62	904,661.62	
02/01/2029			239,077.84	239,077.84	
06/30/2029					1,143,739.46
08/01/2029	970,770	2.990%	239,077.84	1,209,847.84	
02/01/2030			224,564.83	224,564.83	
06/30/2030					1,434,412.67
08/01/2030	965,018	3.120%	224,564.83	1,189,582.83	
02/01/2031			209,510.55	209,510.55	
06/30/2031					1,399,093.38
08/01/2031	1,104,210	3.240%	209,510.55	1,313,720.55	
02/01/2032			191,622.35	191,622.35	
06/30/2032					1,505,342.90
08/01/2032	1,138,354	3.290%	191,622.35	1,329,976.35	
02/01/2033			172,896.42	172,896.42	
06/30/2033					1,502,872.77
08/01/2033	1,212,454	3.350%	172,896.42	1,385,350.42	
02/01/2034			152,587.82	152,587.82	
06/30/2034					1,537,938.24
08/01/2034	1,251,510	3.390%	152,587.82	1,404,097.82	
02/01/2035			131,374.73	131,374.73	
06/30/2035					1,535,472.55
08/01/2035	1,490,519	3.450%	131,374.73	1,621,893.73	
02/01/2036			105,663.27	105,663.27	
06/30/2036					1,727,557.00
08/01/2036	1,694,474	3.510%	105,663.27	1,800,137.27	
02/01/2037			75,925.25	75,925.25	
06/30/2037					1,876,062.52
08/01/2037	1,753,374	3.570%	75,925.25	1,829,299.25	
02/01/2038			44,627.53	44,627.53	
06/30/2038					1,873,926.78
08/01/2038	2,167,216	3.620%	44,627.53	2,211,843.53	
02/01/2039			5,400.92	5,400.92	
06/30/2039					2,217,244.45
08/01/2039	294,328	3.670%	5,400.92	299,728.92	
06/30/2040					299,728.92
	15,559,802		7,728,906.63	23,288,708.63	23,288,708.63

### BOND SUMMARY STATISTICS

Warren County Schools  
Series 2019

Dated Date	07/15/2019
Delivery Date	07/15/2019
Last Maturity	08/01/2039
Arbitrage Yield	3.384113%
True Interest Cost (TIC)	3.563743%
Net Interest Cost (NIC)	3.534833%
All-In TIC	3.615076%
Average Coupon	3.396981%
Average Life (years)	14.508
Duration of Issue (years)	11.417
Par Amount	16,060,000.00
Bond Proceeds	16,060,000.00
Total Interest	7,915,094.81
Net Interest	8,236,294.81
Total Debt Service	23,975,094.81
Maximum Annual Debt Service	2,251,564.00
Average Annual Debt Service	1,196,096.75
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	16,060,000.00	100.000	3.397%	14.508	17,951.75
	16,060,000.00			14.508	17,951.75

	TIC	All-In TIC	Arbitrage Yield
Par Value	16,060,000.00	16,060,000.00	16,060,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-321,200.00	-321,200.00	
- Cost of Issuance Expense		-90,292.00	
- Other Amounts			
Target Value	15,738,800.00	15,648,508.00	16,060,000.00
Target Date	07/15/2019	07/15/2019	07/15/2019
Yield	3.563743%	3.615076%	3.384113%

### BOND PRICING

Warren County Schools  
Series 2019

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	08/01/2020	20,000	2.060%	2.060%	100.000
	08/01/2021	25,000	2.120%	2.120%	100.000
	08/01/2022	85,000	2.180%	2.180%	100.000
	08/01/2023	130,000	2.210%	2.210%	100.000
	08/01/2024	135,000	2.310%	2.310%	100.000
	08/01/2025	130,000	2.420%	2.420%	100.000
	08/01/2026	250,000	2.520%	2.520%	100.000
	08/01/2027	255,000	2.620%	2.620%	100.000
	08/01/2028	680,000	2.780%	2.780%	100.000
	08/01/2029	995,000	2.990%	2.990%	100.000
	08/01/2030	990,000	3.120%	3.120%	100.000
	08/01/2031	1,130,000	3.240%	3.240%	100.000
	08/01/2032	1,165,000	3.290%	3.290%	100.000
	08/01/2033	1,240,000	3.350%	3.350%	100.000
	08/01/2034	1,280,000	3.390%	3.390%	100.000
	08/01/2035	1,520,000	3.450%	3.450%	100.000
	08/01/2036	1,725,000	3.510%	3.510%	100.000
	08/01/2037	1,785,000	3.570%	3.570%	100.000
	08/01/2038	2,200,000	3.620%	3.620%	100.000
	08/01/2039	320,000	3.670%	3.670%	100.000
		16,060,000			

Dated Date	07/15/2019	
Delivery Date	07/15/2019	
First Coupon	02/01/2020	
Par Amount	16,060,000.00	
Original Issue Discount		
Production	16,060,000.00	100.000000%
Underwriter's Discount	-321,200.00	-2.000000%
Purchase Price	15,738,800.00	98.000000%
Accrued Interest		
Net Proceeds	15,738,800.00	

### BOND SOLUTION

Warren County Schools  
SFCC

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2020		8,175	8,175	8,176	1	100.01419%
06/30/2021	19,505	34,319	34,319	34,320	1	100.00224%
06/30/2022	19,917	34,319	34,319	34,320	1	100.00230%
06/30/2023	20,350	34,319	34,319	34,320	1	100.00210%
06/30/2024	20,802	34,319	34,319	34,320	0	100.00117%
06/30/2025	21,278	34,320	34,320	34,320	0	100.00009%
06/30/2026	21,787	34,319	34,319	34,320	0	100.00119%
06/30/2027	22,332	34,319	34,319	34,320	0	100.00119%
06/30/2028	22,913	34,319	34,319	34,320	1	100.00277%
06/30/2029	23,541	34,320	34,320	34,320	0	100.00096%
06/30/2030	24,230	34,319	34,319	34,320	1	100.00230%
06/30/2031	24,982	34,319	34,319	34,320	1	100.00219%
06/30/2032	25,790	34,320	34,320	34,320	0	100.00079%
06/30/2033	26,646	34,319	34,319	34,320	0	100.00114%
06/30/2034	27,546	34,320	34,320	34,320	0	100.00032%
06/30/2035	28,490	34,319	34,319	34,320	0	100.00122%
06/30/2036	29,481	34,319	34,319	34,320	1	100.00254%
06/30/2037	30,526	34,320	34,320	34,320	0	100.00041%
06/30/2038	31,626	34,319	34,319	34,320	0	100.00117%
06/30/2039	32,784	34,320	34,320	34,320	0	100.00093%
06/30/2040	25,672	26,143	26,143	26,144	1	100.00302%
	500,198	686,386	686,386	686,397	11	

### BOND SOLUTION

Warren County Schools  
District

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2020		281,701	12,425,374	12,707,075	17,757,558	5,050,484	139.74545%
06/30/2021	495	517,899	13,603,042	14,120,942	17,757,558	3,636,617	125.75336%
06/30/2022	5,083	522,428	13,513,872	14,036,301	17,757,558	3,721,257	126.51167%
06/30/2023	64,650	581,237	13,071,678	13,652,915	17,757,558	4,104,643	130.06423%
06/30/2024	109,198	623,874	12,745,692	13,369,565	17,757,558	4,387,993	132.82076%
06/30/2025	113,722	625,877	12,739,676	13,365,553	17,757,558	4,392,005	132.86063%
06/30/2026	108,213	617,746	12,784,238	13,401,983	17,757,558	4,355,575	132.49948%
06/30/2027	227,668	733,023	11,878,661	12,611,684	17,757,558	5,145,875	140.80244%
06/30/2028	232,087	731,533	11,879,924	12,611,457	17,757,558	5,146,101	140.80497%
06/30/2029	656,459	1,143,739	8,574,641	9,718,381	17,757,558	8,039,177	182.72136%
06/30/2030	970,770	1,434,413	6,483,737	7,918,150	17,757,558	9,839,409	224.26399%
06/30/2031	965,018	1,399,093	6,495,643	7,894,736	17,757,558	9,862,822	224.92909%
06/30/2032	1,104,210	1,505,343	5,716,182	7,221,525	17,757,558	10,536,034	245.89764%
06/30/2033	1,138,354	1,502,873	5,724,086	7,226,959	17,757,558	10,530,599	245.71273%
06/30/2034	1,212,454	1,537,938	5,434,620	6,972,559	17,757,558	10,785,000	254.67779%
06/30/2035	1,251,510	1,535,473	5,440,226	6,975,698	17,757,558	10,781,860	254.56316%
06/30/2036	1,490,519	1,727,557	3,889,477	5,617,034	17,757,558	12,140,524	316.13763%
06/30/2037	1,694,474	1,876,063	2,742,114	4,618,176	17,757,558	13,139,382	384.51450%
06/30/2038	1,753,374	1,873,927	2,744,987	4,618,913	17,757,558	13,138,645	384.45315%
06/30/2039	2,167,216	2,217,244		2,217,244	17,757,558	15,540,314	800.88410%
06/30/2040	294,328	299,729		299,729	17,757,558	17,457,829	5924.53948%
	15,559,802	23,288,709	167,887,870	191,176,578	372,908,722	181,732,144	



Ross, Sinclaire & Associates, LLC

One Riverfront Plaza  
401 West Main Street,  
Suite 2110  
Louisville, KY  
40202

March 13, 2019

502/491-3939  
fax: 502/491-9979

School Facilities Construction Commission  
Attn: Chelsey Bizzle  
Carriage House  
700 Louisville Road  
Frankfort, KY 40601

INVESTMENT  
BANKING

FINANCIAL  
ADVISORY

PUBLIC  
FINANCE

BROKERAGE  
SERVICES

RE: \$2,665,000 Webster County School District Finance Corporation  
Revenue Bonds, Series of 2019

Dear Ms. Bizzle:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to finance improvements to Webster County High School.

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming weeks. The Bonds will be funded with both Local and SFCC Funds.

Please process this bond disclosure form for review by the Bond Oversight Committee at the next meeting. Should you have any questions or require any additional information, please contact our office.

Sincerely,

Dwight G. Salsbury

Enclosures

Cincinnati, OH  
Lexington, KY  
Owensboro, KY  
Columbus, OH  
Indianapolis, IN  
Columbia, SC  
Brentwood, TN  
Pittsburgh, PA  
St. Petersburg, FL  
Alameda, CA



# BOND PAYEE DISCLOSURE FORM

Par Amount:

**\$2,665,000**

Issue Name:

Webster County School District Finance Corporation School Building Revenue Bonds, Series 2019

Purpose:

Renovations to Webster County HS

Projected Sale Date of Bonds:

April 2019

First Call Date:

8 Years at Par

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC, Frankfort, Ky.

Bond Rating:

Moody's: "A1"

Bond Counsel:

Step toe and Johnson, Louisville, KY

Fiscal Agent:

Ross, Sinclaire & Associates LLC, Lexington, Kentucky

Date received by SFCC:

/ / To be filled in by SFCC

Date scheduled for Committee review:

/ / To be filled in by SFCC

Month Day Year

Estimated par amount of Bonds:

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

Local Portion	SFCC Portion	Total
\$2,571,199	\$93,801	\$2,665,000
96.48%	3.52%	100.00%
\$210,765	\$6,469	\$217,234
\$0	\$0	\$0

**Estimated Cost of Issuance:**

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc)

Special Tax Counsel

Number verifications

Bond Rating & Bank Fee

Underwriter's Discount

Credit Enhancement

Total Cost of Issuance:

\$22,827	\$833	\$23,660
\$0	\$0	\$0
\$0	\$0	\$0
\$13,025	\$475	\$13,500
\$51,424	\$1,876	\$53,300
\$0	\$0	\$0
\$87,276	\$3,184	\$90,460

**Anticipated Interest Rates:**

5 Years: 2.35%    10 Years: 3.20%    15 Years: 3.70%  
20 Years: 3.95%

**Issue does not require a tax increase**

**Webster County School District  
Projected Series 2019**

**Date of Report: March 12, 2019**

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<b>Current Outstanding Debt Service.....</b>	<b>1</b>
<b>Summary of Funds Available.....</b>	<b>2</b>
<b>Projected Bonding Potential.....</b>	<b>3</b>
<b>Summary of Bonding Potential.....</b>	<b>4</b>
<b>Disclosures.....</b>	<b>5</b>





## Webster County School District Outstanding Local Payments

FISCAL YEAR END	SERIES 2010R	Energy 2011	KISTA							Total
			Energy 2012	Series 2013	Series 2014R	Series 2015R	Series 2016R*	Series 2016	Series 2017	
2019	28,655	22,247	39,696	193,158	142,444	93,300	291,840	23,408	36,725	871,473
2020	31,188	21,647	33,305	193,205	144,994	86,750	299,040	22,709	36,275	869,112
2021	28,437	20,997	41,442	191,745	142,494	85,250	300,891	22,008	35,825	869,088
2022		18,808	63,777	190,185	149,894	83,750	307,390	21,309	35,375	870,488
2023			70,237	198,424	147,109	87,200	313,490	20,608	34,925	871,995
2024			70,814	196,514	149,013	80,650	314,241	19,908	34,475	865,615
2025			65,695	208,815	145,600	84,100	314,691	24,159	29,100	872,160
2026			60,222	220,401	141,925	82,500	309,891	23,334	33,725	871,998
2027			54,386	393,578		85,850	285,090	22,483	28,350	869,738
2028			48,176	403,252			269,472	36,439	91,888	849,227
2029			41,120	480,509			204,716	44,846	69,613	840,804
2030			33,197	554,609				47,820	77,513	713,139
2031			29,779	579,090				50,646	65,413	724,927
2032			20,854	597,090				53,321	63,488	734,753
2033			16,411	611,312				56,349	61,563	745,634
2034				682,710				57,719	15,425	755,854
2035								85,070	34,725	119,795
2036								86,396	38,588	124,984
2037								82,601	42,275	124,876
2038									45,788	45,788
<b>Totals</b>	<b>88,279</b>	<b>83,699</b>	<b>689,110</b>	<b>5,894,597</b>	<b>1,163,472</b>	<b>769,350</b>	<b>3,210,754</b>	<b>801,134</b>	<b>911,050</b>	<b>13,565,658</b>

<u>Issue</u>	<u>Original Amount</u>	<u>Project Description</u>
2010-Ref	\$1,020,000	Refunded Prior Srs 2001 Bonds (Addition to Dixon ES)
KISTA2011	\$178,485	Energy Savings Bonds
2012 Energy	\$3,005,000	Energy Savings Bonds
2013	\$4,650,000	Renovations to Webster County Middle School
2014-Ref	\$1,405,000	Refunded Series 2005 Bonds (HVAC Replacement at Clay ES)
2015-Ref	\$860,000	Refunded Series 2006 Bonds (Area Technology Center)
2016-Ref	\$8,840,000	Refunded Series 2008 Bonds (Renovations & Addition to Webster County HS)
2016	\$1,245,000	Renovations & Addition to Middle School
2017	\$645,000	Roof repairs at Providence and Clay ES

**WEBSTER COUNTY SCHOOL DISTRICT  
SUMMARY OF FUNDS AVAILABLE**

FYE	LOCAL NICKEL	CAPITAL OUTLAY @ 80%	FSPK	TOTAL LOCAL FUNDS	LESS CURRENT PAYMENTS	LOCAL FUNDS AVAILABLE	2016 SFCC OFFER	TOTAL FUNDS AVAILABLE
2019	370,218	158,953	458,325	987,496	(871,473)	116,023	0	116,023
2020	370,218	158,953	458,325	987,496	(869,112)	118,384	6,469	124,853
2021	370,218	158,953	458,325	987,496	(869,088)	118,408	6,469	124,877
2022	370,218	158,953	458,325	987,496	(870,488)	117,008	6,469	123,477
2023	370,218	158,953	458,325	987,496	(871,995)	115,502	6,469	121,971
2024	370,218	158,953	458,325	987,496	(865,615)	121,881	6,469	128,350
2025	370,218	158,953	458,325	987,496	(872,160)	115,336	6,469	121,805
2026	370,218	158,953	458,325	987,496	(871,998)	115,498	6,469	121,967
2027	370,218	158,953	458,325	987,496	(869,738)	117,758	6,469	124,227
2028	370,218	158,953	458,325	987,496	(849,227)	138,269	6,469	144,738
2029	370,218	158,953	458,325	987,496	(840,804)	146,692	6,469	153,161
2030	370,218	158,953	458,325	987,496	(713,139)	274,357	6,469	280,826
2031	370,218	158,953	458,325	987,496	(724,927)	262,569	6,469	269,038
2032	370,218	158,953	458,325	987,496	(734,753)	252,744	6,469	259,213
2033	370,218	158,953	458,325	987,496	(745,634)	241,862	6,469	248,331
2034	370,218	158,953	458,325	987,496	(755,854)	231,642	6,469	238,111
2035	370,218	158,953	458,325	987,496	(119,795)	867,701	6,469	874,170
2036	370,218	158,953	458,325	987,496	(124,984)	862,512	6,469	868,981
2037	370,218	158,953	458,325	987,496	(124,876)	862,620	6,469	869,089
2038	370,218	158,953	458,325	987,496	(45,788)	941,709	6,469	948,178
2039	370,218	158,953	458,325	987,496	0	987,496	6,469	993,965

**NOTES:** Figures as reported on SEEK Website (Final 2018-2019)

**WEBSTER COUNTY SCHOOL DISTRICT  
PROJECTED SERIES 2019**

FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Current Payments	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
2020	10,000	2.150%	98,825	108,825	6,469	102,356	869,112	971,468	987,496	16,028
2021	10,000	2.200%	98,610	108,610	6,469	102,141	869,088	971,229	987,496	16,267
2022	10,000	2.250%	98,390	108,390	6,469	101,921	870,488	972,409	987,496	15,087
2023	10,000	2.300%	98,165	108,165	6,469	101,696	871,995	973,691	987,496	13,806
2024	15,000	2.350%	97,935	112,935	6,469	106,466	865,615	972,081	987,496	15,415
2025	10,000	2.400%	97,583	107,583	6,469	101,114	872,160	973,273	987,496	14,223
2026	10,000	2.500%	97,343	107,343	6,469	100,874	871,998	972,871	987,496	14,625
2027	15,000	2.600%	97,093	112,093	6,469	105,624	869,738	975,361	987,496	12,135
2028	10,000	2.800%	96,703	106,703	6,469	100,234	849,227	949,460	987,496	38,036
2029	10,000	3.000%	96,423	106,423	6,469	99,954	840,804	940,758	987,496	46,738
2030	105,000	3.200%	96,123	201,123	6,469	194,654	713,139	907,792	987,496	79,704
2031	95,000	3.200%	92,763	187,763	6,469	181,294	724,927	906,220	987,496	81,276
2032	90,000	3.400%	89,723	179,723	6,469	173,254	734,753	908,006	987,496	79,490
2033	80,000	3.500%	86,663	166,663	6,469	160,194	745,634	905,828	987,496	81,668
2034	70,000	3.600%	83,863	153,863	6,469	147,394	755,854	903,248	987,496	84,248
2035	390,000	3.700%	81,343	471,343	6,469	464,874	119,795	584,669	987,496	402,827
2036	395,000	3.750%	66,913	461,913	6,469	455,444	124,984	580,427	987,496	407,069
2037	435,000	3.850%	52,100	487,100	6,469	480,631	124,876	605,507	987,496	381,989
2038	445,000	3.950%	35,353	480,353	6,469	473,884	45,788	519,671	987,496	467,825
2039	450,000	3.950%	17,775	467,775	6,469	461,306	0	461,306	987,496	526,190
<b>Totals</b>	2,665,000		1,679,683	4,344,683	129,380	4,215,303	12,739,973	16,955,275		2,794,646

**NOTE:** Information based on issue dated 5/1/19 with interest payments 5/1 & 11/1 and principal on 5/1

Nickel Building	370,218
Capital Outlay	158,953
FSPK	458,325
<b>Total</b>	<b>987,496</b>

**Webster County School District  
Summary of Bonding Potential & Available Cash**

**-----Projected Bonding Potential-----**

❖	Current Local Bonding Potential	\$2,571,200
❖	Current SFCC Bonding Potential	<u>\$93,801</u>
❖	Total Current Bonding Potential	\$2,665,000

## **Municipal Advisor Disclosure of Conflicts of Interest and Other Information**

Ross, Sinclaire and Associates, LLC (“RSA”)

### **Introduction**

RSA is a registered municipal advisory firm registered with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”). In accordance with MSRB rules, this disclosure statement is provided by RSA to each client prior to the execution of its advisory agreement with written disclosures of any material conflicts of interest and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii).

RSA employs a number of resources, which we have outlined below to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest.

- Code of Ethics
- Policies and Procedures
- Supervisory Structure
- Disclosure

### **General Conflict of Interest Disclosures**

As a registered municipal advisory firm registered with the “SEC” and the “MSRB”, our disciplinary events are required to be disclosed on our forms MA and MA-I filed with the SEC. To review the disclosures on these forms, you may access them electronically via the SEC’s Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) at:

<https://www.sec.gov/cgi-bin/browse-edgar?company=ROSS%2C+SINCLAIRE+%26+ASSOCIATES%2C+LLC&owner=exclude&action=getcompany>

RSA is a registered Broker Dealer with the Financial Industry Regulatory Authority (“FINRA”) and a registered Investment Advisory Firm with the Securities and Exchange Commission (the “SEC”) that engages in other securities related activities to service its clients. Such securities related activities, which may include but are not limited to the buying and selling of new issue and secondary market securities, may include the securities offering of the client to which RSA is serving as Municipal Advisor.

Upon request, RSA may provide sponsorships and donations to various municipal organizations to which you may be a member.

To our knowledge, following reasonable inquiry, we are not aware of any actual or potential conflicts of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the client in accordance with the applicable standards of conduct of MSRB Rule G-42.