



ANDY BESHEAR
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

HOLLY M. JOHNSON
Secretary

RYAN BARROW
Executive Director

January 7, 2020

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 ("CPBOC") at the January 21, 2020 meeting.

The Kentucky Infrastructure Authority ("KIA") will present the following loans for the Committee's approval:

Fund A Loans

Lincoln County Sanitation District (Construction)	\$3,406,500
City of Sebree	\$ 910,828
Northern Madison County Sanitation District	\$ 730,000

Fund F Loans

Estill County Water District	\$2,399,450
City of Somerset	\$7,027,878

Senator Girdler
Representative Thomas
December 3, 2019
Page 2

The School Facilities Construction Commission is submitting the following additional information for the Committee's approval:

Russellville Ind.	\$1,715,000*
Union County	\$5,270,000*
Whitley County	\$1,335,000*

*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

**Kentucky Infrastructure Authority
Projects for
January 2020 Capital Projects Meeting**

- **Fund A Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Amount Requested</u>	<u>Loan Total</u>	<u>County</u>
A20-003	Lincoln County Sanitation District (Construction)	\$ 3,018,100	\$ 3,406,500	Lincoln
A20-033	City of Sebre	\$ 910,828	\$ 910,828	Webster
A20-049	Northern Madison County Sanitation District	\$ 730,000	\$ 730,000	Madison

- **Fund F Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Amount Requested</u>	<u>Loan Total</u>	<u>County</u>
F20-013	Estill County Water District	\$ 2,399,450	\$ 2,399,450	Estill
F20-019	City of Somerset	\$ 7,027,878	\$ 7,027,878	Pulaski

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND A, FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND		Reviewer Date KIA Loan Number WRIS Number	Ashley Adams December 5, 2019 A20-003 SX21137023	
BORROWER		LINCOLN COUNTY SANITATION DISTRICT LINCOLN COUNTY		
BRIEF DESCRIPTION This project is the second phase of a project to bring sanitary sewer to a section of Lincoln County that has seen rapid growth in residential development over the recent past and is currently unserved by sanitary sewer. This phase will bring service to virtually all the subdivisions on the east side of US 127 from Hustonville on the south to Junction City on the north which includes about 363 homes. Planning and design for this project was funded by previous KIA loan A19-048 which will be rolled into the new construction loan.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$3,018,100	Administrative Expenses	\$80,000	
KIA P&D Loan A19-048	388,400	Legal Expenses	45,000	
CDBG	1,000,000	Land, Easements	75,000	
ARC	500,000	Planning	20,000	
Local Funds	50,000	Eng - Design / Const	276,000	
		Eng - Insp	148,000	
		Construction	3,750,000	
		Contingency	562,500	
TOTAL	\$4,956,500	TOTAL	\$4,956,500	
REPAYMENT	Rate Term	0.50% 30 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw	
			\$91,296	
PROFESSIONAL SERVICES	Engineer Bond Counsel	AGE Engineering Services Rubin & Hayes		
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Jan-20 Apr-20 Feb-21		
DEBT PER CUSTOMER	Existing Proposed	\$5,420 \$6,736		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES	Current Additional	<u>Users</u> 585 363	<u>Avg. Bill</u> \$54.12 (for 4,000 gallons) \$54.12 (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 2017	(17,559)	0	(17,559)	n/a
Audited 2018	35,471	84,485	(49,014)	0.4
Audited 2019	204,937	128,401	76,536	1.6
Projected 2020	183,331	122,645	60,686	1.5
Projected 2021	184,698	122,341	62,357	1.5
Projected 2022	304,155	214,026	90,129	1.4
Projected 2023	301,708	213,913	87,795	1.4
Projected 2024	299,213	213,800	85,413	1.4

Reviewer: Ashley Adams
Date: December 5, 2019
Loan Number: A20-003

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

I. PROJECT DESCRIPTION

The Lincoln County Sanitation District is requesting a Fund A loan in the amount of \$3,018,100 for the construction of the US 127 Corridor Sanitary Sewer project. Prior KIA planning and design loan A19-048 will be rolled into this loan for a total of \$3,406,500. This project is the second phase of a project to bring sanitary sewer to a section of Lincoln County that has seen rapid residential growth over the past few years but remains unserved by sanitary sewer. 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 which includes approximately 363 homes both older and recently built.

Lincoln County Sanitation District currently serves approximately 412 customers with more expected to connect in the Phase 1 service area in the future along with the additional 363 Phase 2 customers. 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. 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.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 80,000
Legal Expenses	45,000
Land, Easements	75,000
Planning	20,000
Engineering Fees - Design	248,400
Engineering Fees - Construction	27,600
Engineering Fees - Inspection	148,000
Construction	3,750,000
Contingency	562,500
Total	\$ 4,956,500

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 3,018,100	61%
KIA P&D Loan A19-048	388,400	8%
CDBG	1,000,000	20%
ARC	500,000	10%
Local Funds	50,000	1%
Total	\$ 4,956,500	100%

IV. KIA DEBT SERVICE

Construction Loan + P&D Loan A19-048	\$ 3,406,500
Less: Principal Forgiveness	1,000,000
Amortized Loan Amount	<u>\$ 2,406,500</u>
Interest Rate	0.50%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$ 86,483
Administrative Fee (0.20%)	4,813
Total Estimated Annual Debt Service	\$ 91,296

V. PROJECT SCHEDULE

Bid Opening	January 2020
Construction Start	April 2020
Construction Stop	February 2021

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			
Total	585	363	948

B) Rates

	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	09/01/19	06/14/14
Minimum	\$ 27.68	\$ 25.00
Per 1,000 Gallons	6.61	6.50
Cost for 4,000 gallons	\$ 54.12	\$ 51.00
Increase %	6.1%	
Affordability Index (Rate/MHI)	1.7%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility’s service area population was 1,726 with a Median Household Income (MHI) of \$43,298 according to American Community Survey data. However, the District conducted a door-to-door income survey and demonstrated that the project area MHI was below the threshold of 80% of Kentucky’s MHI (\$37,228). The median household income for the Commonwealth is \$46,535. As a result of the income survey, the project will qualify for a 0.5% interest rate and a 30 year loan term.

Year	Population		County Unemployment	
	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 2019	5.6%
Current	24,413	-1.3%		
Cumulative %		28.1%		

VIII. 2019 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 50% of the assistance amount, not to exceed \$1,000,000 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2017 through June 30, 2019. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Revenues for the first full year of operations totaled \$326,000. Prior analysis estimated revenues in the neighborhood of \$308,000 as a conservative estimate. Billing began for all customers, regardless of whether they were connected, as of FY 2019. Treatment expense to the City of Danville totaled \$38,000 which was lower than anticipated. Other operating expenses for the District totaled \$83,000 leaving approximately \$205,000 in cash available for debt service.

The balance sheet reflects a current ratio of 1.0, debt to equity ratio of 0.7, 94.1 days sales in accounts receivable, and 1.6 months operating expenses in unrestricted cash. Accounts receivable for FY 2019 reflects several months of A/R at year-end as a new billing contract was being negotiated at the time therefore skewing the days sales in accounts receivable calculation.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase 6% for an already approved rate increase. Revenues were projected flat in the forecast thereafter to remain conservative and demonstrate the District's capacity to tolerate inflation and other expense fluctuations. However, each year the District will evaluate rates and adjust for inflation based on their ordinance effective June 30, 2019.
- 2) Expenses will increase 2% annually for inflation. During FY2020 and beyond expenses will increase for additional contract billing services which are subject to change annually.
- 3) Accounts receivable will normalize in 2020 based on current performance observations and a new billing contract.
- 4) Phase two revenues and expenses are anticipated in FY 2022 including approximately \$188,597 in additional revenues and around \$42,000 in added expenses excluding debt service.
- 5) Debt service coverage is 1.4 in 2022 when principal and interest repayments begin.

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% (\$170,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$8,500 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Revenue Bonds Series 2016	\$ 338,000	2055
KIA Loan (A13-020)	2,832,787	2047
KIA P&D Loan (A19-048 i/a/o \$388,400)		TBD
Total	\$ 3,170,787	

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 Stanford, KY 40484

Applicant Contact

Name	Jim Adams
Organization	Lincoln County Fiscal Court
Email	jadams@lincolnky.com
Phone	606-365-2534
Address	102 E Main Stanford, KY 40484

Project Administrator

Name	Karyn Leverenz
Organization	Bluegrass ADD
Email	kleverenz@bgadd.org
Phone	859-369-8021
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)

	Audited <u>2017</u>	Audited <u>2018</u>	Audited <u>2019</u>	Projected <u>2020</u>	Projected <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>	Projected <u>2024</u>
Balance Sheet								
Assets								
Current Assets	477,669	82,463	102,707	67,110	79,913	117,938	135,497	152,580
Other Assets	7,672,096	7,559,497	7,410,238	9,727,691	12,046,480	11,796,224	11,544,102	11,290,073
Total	8,149,765	7,641,960	7,512,945	9,794,801	12,126,393	11,914,163	11,679,599	11,442,654
Liabilities & Equity								
Current Liabilities	324,588	100,561	101,599	102,177	103,454	195,533	196,321	197,121
Long Term Liabilities	3,240,623	3,170,786	3,075,083	4,682,156	6,288,052	6,098,719	5,908,698	5,717,977
Total Liabilities	3,565,211	3,271,347	3,176,682	4,784,333	6,391,506	6,294,252	6,105,019	5,915,098
Net Assets	4,584,554	4,370,613	4,336,263	5,010,468	5,734,887	5,619,911	5,574,580	5,527,556
Cash Flow								
Revenues	0	113,716	326,087	342,391	345,815	534,412	534,412	534,412
Operating Expenses	17,559	78,245	121,150	159,060	161,117	230,258	232,704	235,199
Other Income	0	0	0	0	0	0	0	0
Cash Flow Before Debt Service	(17,559)	35,471	204,937	183,331	184,698	304,155	301,708	299,213
Debt Service								
Existing Debt Service	0	84,485	128,401	122,645	122,341	122,730	122,617	122,504
Proposed KIA Loan	0	0	0	0	0	91,296	91,296	91,296
Total Debt Service	0	84,485	128,401	122,645	122,341	214,026	213,913	213,800
Cash Flow After Debt Service	(17,559)	(49,014)	76,536	60,686	62,357	90,129	87,795	85,413
Ratios								
Current Ratio		0.8	1.0	0.7	0.8	0.6	0.7	0.8
Debt to Equity		0.7	0.7	1.0	1.1	1.1	1.1	1.1
Days Sales in Accounts Receivable		99.5	94.1	38.8	38.7	38.7	38.7	38.7
Months Operating Expenses in Unrestricted Cash		7.3	1.6	2.4	3.4	3.5	4.5	5.4
Debt Coverage Ratio		N/A	1.6	1.5	1.5	1.4	1.4	1.4

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND A, FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND		Reviewer Date KIA Loan Number WRIS Number	Michael Dant November 7, 2019 A20-033 SX21233027	
BORROWER	CITY OF SEBREE WEBSTER COUNTY			
BRIEF DESCRIPTION				
This project entails: replacing approximately 8,900 linear feet of existing 8-inch clay pipe, extending an 8 inch gravity sewer 101 linear feet to add five new customers, lowering a main that is currently exposed in a creek, and replacement of a retaining wall that protects a 12 inch main.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$910,828	Administrative Expenses	\$50,000	
CDBG Grant	910,827	Legal Expenses	5,000	
	-	Land, Easements	5,000	
		Planning	81,425	
		Eng - Design / Const	47,215	
		Eng - Insp	72,315	
		Eng - Other	37,300	
		Construction	1,523,400	
TOTAL	\$1,821,655	TOTAL	\$1,821,655	
REPAYMENT	Rate Term	0.50% 30 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw \$34,554	
PROFESSIONAL SERVICES	Engineer Bond Counsel	Strand Associates, Inc. Rubin & Hays		
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Jun-20 Sep-20 Jan-21		
DEBT PER CUSTOMER	Existing Proposed	\$23 \$1,548		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES	Current Additional	Users 587 5	Avg. Bill \$43.58 (for 4,000 gallons) \$43.58 (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	42,024	8,472	33,552	5.0
Audited 2017	19,642	8,472	11,170	2.3
Audited 2018	18,592	8,472	10,120	2.2
Projected 2019	13,138	8,474	4,664	1.6
Projected 2020	7,575	5,649	1,926	1.3
Projected 2021	54,120	17,277	36,843	3.1
Projected 2022	46,032	34,554	11,478	1.3
Projected 2023	40,129	34,554	5,575	1.2

Reviewer: Linda Bridwell
Date: November 7, 2019
Loan Number: A20-033

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND A)
CITY OF SEBREE, WEBSTER COUNTY
PROJECT REVIEW
SX21233027**

I. PROJECT DESCRIPTION

The City of Sebree (the "City") is requesting a Fund A loan in the amount of \$910,828 for the Sebree Sanitary Sewer Replacement project. This project will include replacing approximately 8,900 linear feet of existing 8-inch clay pipe, extending an 8 inch gravity sewer 101 linear feet to add five new customers, lowering a main that is currently exposed in a creek, and replacement of a retaining wall that protects a 12 inch main.

The City serves 592 customers sanitary service in Webster County.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 50,000
Legal Expenses	5,000
Land, Easements	5,000
Planning	81,425
Engineering Fees - Design	20,000
Engineering Fees - Construction	27,215
Engineering Fees - Inspection	72,315
Engineering Fees - Other	37,300
Construction	1,523,400
Total	\$ 1,821,655

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 910,828	50%
CDBG Grant	910,827	50%
Total	\$ 1,821,655	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 910,828
Less: Principal Forgiveness	0
Amortized Loan Amount	<u>\$ 910,828</u>
Interest Rate	0.50%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$ 32,733
Administrative Fee (0.20%)	<u>1,822</u>
Total Estimated Annual Debt Service	\$ 34,554

V. PROJECT SCHEDULE

Estimated Bid Opening Date	June, 2020
Estimated Construction Start	September, 2020
Estimated Construction Completion	January, 2021

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current	Proposed	Total
Residential	505	5	510
Commercial	82	0	82
Industrial	0	0	0
Total	<u>587</u>	<u>5</u>	<u>592</u>

B) Rates

	Inside City		Outside City	
	Proposed	Current	Proposed	Current
Date of Last Rate Increase	05/05/20	05/04/15	05/05/20	05/04/15
Minimum (2,000 gallons)	\$25.78	\$21.85	\$25.78	\$21.85
Over 2,000	8.90	7.54	8.90	7.54
Surcharge			20.00	20.00
Cost for 4,000 gallons	<u>\$43.58</u>	<u>\$36.93</u>	<u>\$63.58</u>	<u>\$56.93</u>
Increase %	18.0%		11.7%	
Affordability Index (Rate/MHI)	1.6%		2.3%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility's service area population was 1,471 with a Median Household Income (MHI) of \$33,171. The median household income for the Commonwealth is \$46,535. Based on the MHI of the service area of the utility, the project will qualify for a 30 year loan at a non-standard 0.50% interest rate.

Year	Population		County		County Unemployment	
	City	% Change			Date	Rate
1980	1,516		14,832		June 2005	5.5%
1990	1,510	-0.4%	13,955	-5.9%	June 2010	9.6%
2000	1,558	3.2%	14,120	1.2%	June 2015	5.4%
2010	1,603	2.9%	13,621	-3.5%	June 2019	4.6%
Current	1,501	-6.4%	13,180	-3.2%		
Cumulative %		-1.0%		-11.1%		

VIII. 2019 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 for the sewer fund. 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

The City has experienced nearly flat revenues between 2016 and 2018, while experiencing an increase in operating expenses of \$24,591 or 9.9%. This has resulted in an overall reduction in cash available for debt service over the same period. The debt coverage ratio was 5.0 in 2016, and dropped to a current 2.2 based on the reduction in cash.

Balance sheet current ratio ranged from 0.8 to 2.0 over this period, with a debt to equity of 0.2, and 1.7 months operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues for volume and growth will remain flat until 2021, and will grow with a projected 18% rate increase.
- 2) Expenses are projected to increase 2% annually for inflation.
- 3) Debt service coverage is 1.2 in 2022 when principal and interest repayments begin in full.

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% (\$46,000 total) of the final amount borrowed to be funded annually (\$2,300 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity (Fiscal Year)
Sewer Note Payable 3/4/2015	\$ 13,785	2020

XI. CONTACTS

Legal Applicant	
Entity Name	City of Sebree
Authorized Official	Oscar O'Nan (Mayor)
County	Webster
Email	cityofsebree@gmail.com
Phone	270-835-7501
Address	36 S Spring St. PO Box 245 Sebree, KY 42455

Applicant Contact	
Name	Emery Thomas
Organization	City of Sebree
Email	emerymary@bellsouth.net
Phone	270-835-7501
Address	36 S. Spring Street Sebree, KY 42455-245

Project Administrator	
Name	Skyler Stewart
Organization	Green River Area Development District
Email	skylerstewart@gradd.com
Phone	270-926-4433
Address	300 Gradd Way Owensboro, KY 42301

Consulting Engineer	
PE Name	Mark Christopher Askin
Firm Name	Strand Associates, Inc.
Email	mark.askin@strand.com
Phone	502-583-7020
Address	325 W. Main St., Ste. 710 Louisville, KY 40202

XII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions and the following special conditions:

- 1) The City of Sebree shall pass a sewer rate ordinance, no later than December 31, 2019, to increase sewer revenues by a projected 18% overall, effective no later than July 1, 2020.

CITY OF SEBREE
FINANCIAL SUMMARY (JUNE YEAR END)

	Audited <u>2016</u>	Audited <u>2017</u>	Audited <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>	Projected <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>
Balance Sheet								
Assets								
Current Assets	27,514	41,105	70,315	74,981	76,907	119,550	131,028	136,603
Other Assets	1,121,547	1,031,090	942,087	822,735	2,549,413	2,408,895	2,268,377	2,127,859
Total	1,149,061	1,072,195	1,012,402	897,716	2,626,320	2,528,445	2,399,405	2,264,462
Liabilities & Equity								
Current Liabilities	34,054	36,611	34,389	26,498	26,798	27,098	27,398	27,698
Long Term Liabilities	79,643	84,479	121,317	5,591	916,419	916,419	916,419	916,419
Total Liabilities	113,697	121,090	155,706	32,089	943,217	943,517	943,817	944,117
Net Assets	1,035,364	951,105	856,696	865,627	1,683,103	1,584,928	1,455,588	1,320,345
Cash Flow								
Revenues	290,125	289,058	291,284	291,284	291,284	343,503	343,503	343,503
Operating Expenses	248,101	269,416	272,692	278,146	283,709	289,383	297,471	303,374
Other Income	0	0	0	0	0	0	0	0
Cash Flow Before Debt Service	42,024	19,642	18,592	13,138	7,575	54,120	46,032	40,129
Debt Service								
Existing Debt Service	8,472	8,472	8,472	8,474	5,649	0	0	0
Proposed KIA Loan	0	0	0	0	0	17,277	34,554	34,554
Total Debt Service	8,472	8,472	8,472	8,474	5,649	17,277	34,554	34,554
Cash Flow After Debt Service	33,552	11,170	10,120	4,664	1,926	36,843	11,478	5,575
Ratios								
Current Ratio	0.8	1.1	2.0	2.8	2.9	4.4	4.8	4.9
Debt to Equity	0.1	0.1	0.2	0.0	0.6	0.6	0.6	0.7
Days Sales in Accounts Receivable	10.8	2.8	40.6	40.6	40.6	40.6	40.6	40.6
Months Operating Expenses in Unrestricted Cash	0.9	1.7	1.7	1.8	1.9	3.4	3.8	3.9
Debt Coverage Ratio	5.0	2.3	2.2	1.6	1.3	3.1	1.3	1.2

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND A, FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND		Reviewer Date KIA Loan Number WRIS Number	Meili Sun December 5, 2019 A20-049 SX21151022	
BORROWER		NORTHERN MADISON COUNTY SANITATION DISTRICT MADISON COUNTY		
BRIEF DESCRIPTION This project proposes to install approximately 7,701 LF of gravity sewers, thirty-five manholes, two submersible pump stations, and approximately 4,700 LF of 4" diameter force main to collect and transport wastewater from seventy residential customers and one commercial establishment to the existing Northern Madison County Sanitation District system. The flow will ultimately be treated at the District's regional wastewater treatment plant.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$730,000	RD Fee %	Actual %	
Local Fund	198,000	Administrative Expenses	\$20,000	
		Legal Expenses	5,000	
		Planning	5,000	
		Eng - Design / Const	68,000	
		Eng - Insp	45,000	
		Construction	675,000	
		Contingency	67,500	
		Other	42,500	
TOTAL	\$928,000	TOTAL	\$928,000	
REPAYMENT	Rate Term	2.50% 20 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw	
			\$48,065	
PROFESSIONAL SERVICES	Engineer Bond Counsel	Nesbitt Engineering, Inc Rubin & Hays		
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Mar-20 Apr-20 Nov-20		
DEBT PER CUSTOMER	Existing Proposed	\$6,629 \$5,481		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current Additional	<u>Users</u> 993 71	<u>Avg. Bill</u> \$61.03 (for 4,000 gallons) \$61.03 (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	557,038	519,168	37,870	1.1
Audited 2017	624,032	541,680	82,352	1.2
Audited 2018	755,995	569,042	186,953	1.3
Projected 2019	751,436	593,888	157,548	1.3
Projected 2020	746,670	603,527	143,143	1.2
Projected 2021	739,893	607,187	132,707	1.2
Projected 2022	734,700	630,831	103,869	1.2
Projected 2023	729,286	630,430	98,856	1.2

Reviewer: Meili Sun
 Date: December 5, 2019
 Loan Number: A20-049

**KENTUCKY INFRASTRUCTURE AUTHORITY
 WASTEWATER REVOLVING LOAN FUND (FUND A)
 NORTHERN MADISON COUNTY SANITATION DISTRICT, MADISON COUNTY
 PROJECT REVIEW
 SX21151022**

I. PROJECT DESCRIPTION

The Northern Madison County Sanitation District ("District") is requesting a Fund A loan in the amount of \$730,000 for the Boone Village Wastewater Collection System project. The project proposes to install approximately 7,701 LF of gravity sewers, thirty-five manholes, two submersible pump stations, and approximately 4,700 LF of 4" diameter force main to collect and transport wastewater from 70 residential customers and 1 commercial establishment to the existing District system. The flow will ultimately be treated at the District's regional wastewater treatment plant. The purpose of this project is to eliminate sewage overflow caused by septic tanks and improve public health.

Upon completion of this project, the District will add 71 new customers to the 1,000 existing customers in Madison County.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 20,000
Legal Expenses	5,000
Planning	5,000
Engineering Fees – Design	55,000
Engineering Fees – Construction	13,000
Engineering Fees – Inspection	45,000
Construction	675,000
Contingency	67,500
Other	42,500
Total	\$ 928,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
KIA Fund A Loan	\$ 730,000	79%
Local Funds	198,000	21%
Total	\$ 928,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 730,000
Principal Forgiveness	0
Amortized Loan Amount	<u>\$ 730,000</u>
Interest Rate	2.50%
Loan Term (Year)	<u>20</u>
Estimated Annual Debt Service	\$ 46,605
Administrative Fee (0.20%)	1,460
Annual Debt Service	\$ 48,605

V. PROJECT SCHEDULE

Bid Opening	March 2020
Construction Start	April 2020
Construction Stop	November 2020

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

	Current	Proposed	Total
Residential	957	70	1,027
Commercial	36	1	37
Total	<u>993</u>	<u>71</u>	<u>1,064</u>

B) Rates

	Sewer	
	Current	Prior
Date of Last Rate Increase	01/01/19	01/01/18
First 280 Cubic Feet	\$41.75	\$41.75
Per 100 Cubic Feet	7.57	7.43
Cost for 5,453 gallons	<u>\$61.03</u>	<u>\$60.68</u>
Increase %	0.6%	
Affordability Index (Rate/MHI)	1.2%	1.2%

Beginning in January, 2014, all rates shall be adjusted annually to reflect the District's increase in cost for operations. This annual adjustment shall be equal to average percentage change in the Consumer Price Index for all urban consumers (U.S. City Average) published by the U.S. Department of Labor, Bureau of Labor Statistics.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility's service area population was 4,958 with a Median Household Income (MHI) of \$61,653. The median household income for the Commonwealth is \$46,535. A 20 year loan term at 2.50% interest rate will be applied to this loan as the project's MHI does not qualify for the non-standard rate.

Year	Population		County Unemployment	
	County	% Change	Date	Rate
1980	53,352		June 2005	5.6%
1990	57,508	7.8%	June 2010	8.6%
2000	70,872	23.2%	June 2015	4.9%
2010	82,916	17.0%	June 2019	4.7%
Current	88,376	6.6%		
Cumulative %		65.6%		

VIII. 2019 CAPITALIZATION GRANT EQUIVALENCIES

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. The non-cash element of GASB 68, Accounting and Financial Reporting for Pensions and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions is not applicable as the District does not participate in the County Employees Retirement System (CERS). Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Total sewer revenues went up 5.3% from \$1.32 million in 2016 to \$1.39 million in 2018 due to population growth and annual CPI rate adjustments. Operating expenses decreased 16.6% as a result of high utilities cost and non-recurring repair, maintenance, and equipment expenses reported in 2016. Prior to 2017, the District paid the Richmond Utilities \$150,000 annually to treat sewage from the Greens Crossing. The utilities cost had been cut in half after the District's Muddy Creek Wastewater Treatment Plant assumed the treatment services since 2017. The debt coverage ratio was 1.1, 1.2, and 1.3 for 2016, 2017, and 2018 respectively.

The balance sheet reflected a current ratio of 1.0, debt to equity ratio of 0.5, 75.2 days sales in accounts receivable, and 4.4 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer revenue will increase based on the Consumer Price Index.
- 2) When the project is completed in FY 2021, the District will add 71 new customers to the sewer services.
- 3) Expenses will go up 2% each year for inflation.
- 4) Debt service coverage is 1.2 in 2021 when principal and interest repayments begin.

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% (\$36,000 total) of the final amount borrowed to be funded annually (\$1,800 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan A06-03	\$ 161,649	2028
KIA Loan A06-05	5,055,356	2030
KIA Loan A209-15 (ARRA)	158,051	2030
KIA Loan C15-001	\$ 1,177,887	2037
City of Richmond Loan	30,000	2020
Total	\$ 6,582,943	

XI. CONTACTS

Legal Applicant	
Name	Northern Madison County Sanitation District
Address	201 Aqueduct Dr, Suite B-9, PO Box 674 Richmond, KY 40475
County	Madison
Authorized Official	James D Rowe, Chairman
Phone	(859) 623-0736
Email	jrowe@roadrunner.com

Project Contact - Applicant

Name	Elliott Turner
Organization	Northern Madison County Sanitation District
Address	201 Aqueduct Dr, Suite B-9, PO Box 674 Richmond, KY 40475
Phone	(859) 626-0431
Email	nmcsdelliott@bellsouth.net

Project Administrator

Name	Patrick Kirby
Organization	Ceda, Inc
Address	PO Box 855 Richmond, KY 40476
Phone	(859) 624-3396
Email	patrick@cedainc.net

Consulting Engineer

Name	Paul D Nesbitt
Firm	Nesbitt Engineering, Inc
Address	227 North Upper Street Lexington, KY 40507
Phone	(859) 233-3111
Email	pnesbitt@nei-ky.com

XII. RECOMMENDATIONS

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

NORTHERN MADISON COUNTY SANITATION DISTRICT
FINANCIAL SUMMARY (JUNE YEAR END)

	Audited <u>2016</u>	Audited <u>2017</u>	Audited <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>	Projected <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>
Balance Sheet								
Assets								
Current Assets	431,646	395,759	522,900	556,111	586,439	614,681	637,154	658,626
Other Assets	19,315,861	18,878,443	18,694,000	18,244,174	17,782,825	18,219,726	17,705,557	17,187,378
Total	19,747,507	19,274,202	19,216,900	18,800,285	18,369,264	18,834,407	18,342,712	17,846,004
Liabilities & Equity								
Current Liabilities	496,393	546,386	537,189	569,437	592,879	599,910	607,033	613,578
Long Term Liabilities	6,819,879	6,327,906	6,124,543	5,627,784	5,108,683	5,313,651	4,782,596	4,246,096
Total Liabilities	7,316,272	6,874,292	6,661,732	6,197,221	5,701,562	5,913,561	5,389,629	4,859,674
Net Assets	12,431,235	12,399,910	12,555,168	12,603,064	12,667,702	12,920,846	12,953,083	12,986,330
Cash Flow								
Revenues	1,322,929	1,341,794	1,394,211	1,402,443	1,410,724	1,419,055	1,427,436	1,435,867
Operating Expenses	767,197	719,043	639,540	652,331	665,378	680,486	694,060	707,905
Other Income	1,306	1,281	1,324	1,324	1,324	1,324	1,324	1,324
Cash Flow Before Debt Service	557,038	624,032	755,995	751,436	746,670	739,893	734,700	729,286
Debt Service								
Existing Debt Service	519,168	541,680	569,042	593,888	603,527	583,154	582,766	582,365
Proposed KIA Loan	0	0	0	0	0	24,033	48,065	48,065
Total Debt Service	519,168	541,680	569,042	593,888	603,527	607,187	630,831	630,430
Cash Flow After Debt Service	37,870	82,352	186,953	157,548	143,143	132,707	103,869	98,856
Ratios								
Current Ratio	0.9	0.7	1.0	1.0	1.0	1.0	1.0	1.1
Debt to Equity	0.6	0.6	0.5	0.5	0.5	0.5	0.4	0.4
Days Sales in Accounts Receivable	86.9	70.9	75.2	75.2	75.2	75.2	75.2	75.2
Months Operating Expenses in Unrestricted Cash	1.4	2.2	4.4	4.9	5.3	5.7	5.9	6.2
Debt Coverage Ratio	1.1	1.2	1.3	1.3	1.2	1.2	1.2	1.2

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND F, FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND	Reviewer Date KIA Loan Number WRIS Number	Meili Sun December 5, 2019 F20-013 WX21065009
--------------------------------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------	--------------------------------------------------------

BORROWER	ESTILL COUNTY WATER DISTRICT #1 ESTILL COUNTY
-----------------	----------------------------------------------------------------

BRIEF DESCRIPTION

This project will implement improvements designed to help reduce unaccounted for water in the system. It will install flow metering and backflow prevention devices, develop a hydraulic model, and relocate or replace 6 substandard existing river crossings.

The scope of work also includes purchase and installation of new residential meters throughout the service area. The Estill County Water District currently serves approximately 3,800 residential and commercial customers in Estill County.

PROJECT FINANCING		PROJECT BUDGET		RD Fee %	Actual %
Fund F Loan	\$2,399,450	Administrative Expenses			\$65,000
ARC Grant	500,000	Legal Expenses			25,000
		Land, Easements			10,000
		Eng - Design / Const	7.4%	5.9%	148,500
		Eng - Insp	4.3%	4.2%	106,000
		Eng - Other			20,000
		Construction			2,300,000
		Contingency			199,950
		Other			25,000
TOTAL	\$2,899,450	TOTAL			\$2,899,450

REPAYMENT	Rate Term	0.50% 30 Years	Est. Annual Payment 1st Payment	\$53,791 6 Mo. after first draw
------------------	--------------	-------------------	------------------------------------	------------------------------------

PROFESSIONAL SERVICES	Engineer Bond Counsel	Bell Engineering Rubin & Hays
------------------------------	--------------------------	----------------------------------

PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Apr-20 May-20 Oct-20
-------------------------	--------------------------------------------------------	----------------------------

DEBT PER CUSTOMER	Existing Proposed	\$1,138 \$1,112
--------------------------	----------------------	--------------------

OTHER DEBT See Attached

RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>
Current		3,815	\$46.18 (for 4,000 gallons)
Additional		0	\$46.18 (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	105,355	273,816	(168,461)	0.4
Audited 2017	95,300	253,314	(158,014)	0.4
Audited 2018	191,584	252,039	(60,455)	0.8
Projected 2019	204,619	204,819	(200)	1.0
Projected 2020	301,599	204,020	97,579	1.5
Projected 2021	278,349	233,513	44,836	1.2
Projected 2022	260,754	212,433	48,321	1.2
Projected 2023	242,807	212,433	30,374	1.1

Reviewer: Meili Sun
Date: December 5, 2019
Loan Number: F20-013

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
ESTILL COUNTY WATER DISTRICT #1, ESTILL COUNTY
PROJECT REVIEW
WX21065009**

I. PROJECT DESCRIPTION

The Estill County Water District #1 ("ECWD") is requesting a Fund F loan in the amount of \$2,399,450 for the System Improvement and Meter Replacement project. This project will implement improvements designed to help reduce unaccounted for water in the system. It will install flow metering and backflow prevention devices, develop a hydraulic model, and relocate or replace five substandard existing creek crossings. The ECWD has taken an active approach to minimizing unaccounted for water loss through pump stations and telemetry upgrades, valve replacements, installation of test meter assemblies within the system, utilization of leak detection services, and purchase of a hydraulic model for the system. The scope of work also includes purchase and installation of new residential meters throughout the service area. On site testing indicates that the current meters are rapidly reaching the end of the useful life and inaccurate in measuring low "trickle" flows.

The ECWD is a PSC regulated system serving approximately 3,800 residential and commercial customers in Estill County. All rate changes related to retail and water purchase are subject to PSC approval.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 65,000
Legal Expenses	25,000
Land, Easements	10,000
Engineering Fees – Design	106,950
Engineering Fees – Construction	41,550
Engineering Fees – Inspection	106,000
Engineering Fees – Other	20,000
Construction	2,300,000
Contingency	199,950
Other	25,000
Total	\$ 2,899,450

III. PROJECT FUNDING

	Amount	%
KIA Fund F Loan	\$ 2,399,450	83%
ARC Grant	500,000	17%
Total	\$ 2,899,450	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 2,399,450
Principal Forgiveness	1,000,000
Amortized Loan Amount	\$ 1,399,450
Interest Rate	0.50%
Loan Term (Year)	30
Estimated Annual Debt Service	\$ 50,293
Administrative Fee (0.25%)	3,499
Annual Debt Service	\$ 53,791

V. PROJECT SCHEDULE

Bid Opening	April 2020
Construction Start	May 2020
Construction Stop	October 2020

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	3,600
Commercial	215
Total	3,815

B) Rates

	Current	Prior	Prior	Prior
Date of Last Rate Increase	08/22/19	08/20/18	11/07/17	09/18/17
Minimum 2,000 Gallons	\$21.58	\$21.58	\$21.18	\$18.98
Next 3,000 Gallons	10.53	10.53	10.33	9.26
Next 5,000 Gallons	10.31	10.31	10.11	9.06
Water Loss Control Program Surcharge	3.54			
Cost for 4,000 gallons	\$46.18	\$42.64	\$41.84	\$37.50
Increase %	8.3%	1.9%	11.6%	
Affordability Index (Rate/MHI)	1.8%	1.7%	1.7%	1.5%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility’s service area population was 9,378 with a Median Household Income (MHI) of \$30,080. The median household income for the Commonwealth is \$46,535. The ECWD’s disadvantaged community status will qualify the project for a 30 year term at 0.5% interest rate and \$1,000,000 in principal forgiveness.

Year	Population		County Unemployment	
	County	% Change	Date	Rate
1980	14,495		June 2005	6.7%
1990	14,614	0.8%	June 2010	12.7%
2000	15,307	4.7%	June 2015	6.1%
2010	14,672	-4.1%	June 2019	5.6%
Current	14,382	-2.0%		
Cumulative %		-0.8%		

VIII. 2019 CAPITALIZATION GRANT EQUIVALENCIES

Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 50% of the assistance amount, not to exceed \$1,000,000 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2016 through December 31, 2018. ECWD omitted to report GASB 68 - Accounting and Financial Reporting for Pensions and GASB 75 - Other Postemployment Benefit in 2016 and 2017. The non-cash impact of pension and OPEB liabilities had been removed from 2018 operating expenses. Percentage references in the History section below were based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Total revenues went up 20.3% from \$1.57 million in 2016 to \$1.89 million in 2018 due to the surcharges collected for water loss control program while operating expenses increased 16.0% from \$1.47 million to \$1.70 million during the same period. A total of \$74,200 non-recurring expenses associated with past-due audit fees, legal fees for PSC approval of water loss surcharge, and unplanned maintenance and repair work had been removed from the projections in order to more objectively present ECWD’s financial position. The debt service, replacement, and depreciation reserve accounts were underfunded by \$310,000 as of October 31, 2019. The debt coverage ratio was 0.4, 0.4, and 0.8 for 2016, 2017, and 2018 respectively.

The balance sheet reflected a current ratio of 1.2, debt to equity ratio of 1.8, 42.4 days sales in accounts receivable, and 0.7 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) The monthly water loss surcharge will be discontinued once the goal of the water loss control program is achieved with the help of this loan. However, the revenue decrease will be offset by the savings of water purchase cost.
- 2) ECWD will set aside \$45,000 annually for 7 years to replenish the underfunded reserve accounts, subject to KIA annual administrative compliance monitoring.
- 3) Expenses will increase 2% each year for inflation.
- 4) Debt service coverage is 1.2 in 2022 when full year principal and interest repayments begin.

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

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$120,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$6,000 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Citizens Guaranty Promissory Note	\$ 241,440	2029
RD Bonds 2018 Issue	4,100,693	2058
Total	\$ 4,342,133	

XI. CONTACTS

Legal Applicant	
Name	Estill County Water District #1
Address	76 Cedar Grove Road Irvine, KY 40336
County	Estill
Authorized Official	Blain Click
Phone	(606) 723-3795

Project Contact - Applicant

Name	Audrea Miller
Representing	Estill County Water District #1
Address	76 Cedar Grove Road Irvine, KY 40336
Phone	(606) 723-3795
Email	a.miller@estillcountywater.com

Project Administrator

Name	Karyn Leverenz
Organization	Bluegrass Area Development District
Address	699 Perimeter Drive Lexington, KY 40517
Phone	(859) 269-8021
Email	kleverenz@bgadd.org

Consulting Engineer

Name	Robert Alan Bowman
Firm	Bell Engineering
Address	2480 Fortune Drive Stanford, KY 40484
Phone	(606) 365-2534
Email	abowman@hkbell.com

XII. RECOMMENDATIONS

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

ESTILL COUNTY WATER DISTRICT #1
FINANCIAL SUMMARY (DECEMBER YEAR END)

	Audited 2016	Audited 2017	Audited 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023
Balance Sheet								
Assets								
Current Assets	269,775	283,468	354,109	354,082	386,798	395,765	405,429	411,504
Other Assets	8,993,620	8,554,723	8,309,017	7,773,279	10,399,578	10,017,747	9,638,704	9,245,303
Total	9,263,395	8,838,191	8,663,126	8,127,361	10,786,376	10,413,512	10,044,133	9,656,807
Liabilities & Equity								
Current Liabilities	386,966	333,895	306,418	312,085	368,058	331,282	336,963	342,903
Long Term Liabilities	4,178,791	4,204,188	5,292,537	5,051,701	6,297,148	6,183,920	6,069,112	5,952,464
Total Liabilities	4,565,757	4,538,083	5,598,955	5,363,786	6,665,206	6,515,203	6,406,075	6,295,367
Net Assets	4,697,638	4,300,108	3,064,171	2,763,575	4,121,170	3,898,309	3,638,057	3,361,440
Cash Flow								
Revenues	1,572,899	1,611,195	1,892,791	1,894,661	2,008,553	2,008,553	2,008,553	2,008,553
Operating Expenses	1,466,506	1,514,590	1,701,479	1,690,314	1,707,226	1,730,476	1,748,071	1,766,018
Other Income	(1,038)	(1,305)	272	272	272	272	272	272
Cash Flow Before Debt Service	105,355	95,300	191,584	204,619	301,599	278,349	260,754	242,807
Debt Service								
Existing Debt Service	273,816	253,314	252,039	204,819	204,020	206,618	158,642	158,642
Proposed KIA Loan	0	0	0	0	0	26,896	53,791	53,791
Total Debt Service	273,816	253,314	252,039	204,819	204,020	233,513	212,433	212,433
Cash Flow After Debt Service	(168,461)	(158,014)	(60,455)	(200)	97,579	44,836	48,321	30,374
Ratios								
Current Ratio	0.7	0.8	1.2	1.1	1.1	1.2	1.2	1.2
Debt to Equity	1.0	1.1	1.8	1.9	1.6	1.7	1.8	1.9
Days Sales in Accounts Receivable	45.6	47.9	42.4	42.3	42.3	42.3	42.3	42.3
Months Operating Expenses in Unrestricted Cash	0.0	0.0	0.7	0.8	0.9	1.0	1.0	1.1
Debt Coverage Ratio	0.4	0.4	0.8	1.0	1.5	1.2	1.2	1.1

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND F, FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND		Reviewer Date KIA Loan Number WRIS Number	Meili Sun December 5, 2019 F20-019 WX21199002	
BORROWER		CITY OF SOMERSET PULASKI COUNTY		
BRIEF DESCRIPTION				
<p>This project consists of two contracts. Contract 1 - Oak Hill Storage Tank Replacement, 5 MG Booster Station, and Water Main Extension will replace an existing one million gallon storage tank with a new tank of the same storage capacity. It will also build a new booster pump station with 5 million gallon capacity and SCADA, add Variable Frequency Drives at the water treatment plant, and install an eight inch water main near the Lake Cumberland Regional Hospital to balance pressure in the system. The KY Pipe Model estimates that Contract 1 will serve approximately 80% of Pulaski County.</p> <p>Contract 2 - Valley Oak Industrial Park Water System Improvements will construct a 1,000 gallon per minute water booster pumping station to facilitate filling of the Sugar Hill Water Storage Tank, install a new water mixing system in the same tank, reconfigure piping that feeds the tank, and build a Chlorination Booster Station to improve water quality for the Valley Oak Industrial Park and Southeastern Water Association.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$7,027,878	RD Fee %	Actual %	
		Administrative Expenses	\$90,000	
		Legal Expenses	25,000	
		Land, Easements	30,000	
		Planning	75,000	
		Eng - Design / Const	6.6% 6.6% 402,000	
		Eng - Insp	3.3% 3.6% 220,000	
		Eng - Other	93,000	
		Construction	5,575,000	
		Contingency	517,878	
TOTAL	\$7,027,878	TOTAL	\$7,027,878	
REPAYMENT	Rate Term	0.50% 30 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw \$270,133	
PROFESSIONAL SERVICES	Engineer Bond Counsel	Bell Engineering Rubin & Hays		
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Apr-20 Jun-20 Jun-21		
DEBT PER CUSTOMER	Existing Proposed	\$1,951 \$2,510		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current Additional	<u>Users</u> 9,123 0	<u>Avg. Bill</u> \$17.16 (for 4,000 gallons) \$17.16 (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	3,966,394	1,255,139	2,711,255	3.2
Audited 2017	3,900,902	1,255,139	2,645,763	3.1
Audited 2018	3,801,394	1,333,667	2,467,727	2.9
Projected 2019	3,731,502	1,341,582	2,389,920	2.8
Projected 2020	3,660,212	946,612	2,713,600	3.9
Projected 2021	3,569,896	946,612	2,623,284	3.8
Projected 2022	3,495,726	1,081,678	2,414,048	3.2
Projected 2023	3,420,073	1,131,485	2,288,588	3.0

Reviewer: Meili Sun
Date: December 5, 2019
Loan Number: F20-019

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
CITY OF SOMERSET, PULASKI COUNTY
PROJECT REVIEW
WX21199002**

I. PROJECT DESCRIPTION

The City of Somerset ("City") is requesting a Fund F loan in the amount of \$7,027,878 for the Storage Tank, Booster Stations, and Water Main Extension project, which is consisted of 2 contracts.

Contract 1 – Oak Hill Storage Tank Replacement, 5 MG Booster Station, and Water Main Extension will replace an existing one million gallon storage tank with a new one of the same storage capacity. It will also build a new booster pump station with 5 million gallon capacity and SCADA, add Variable Frequency Drives at the water treatment plant, and install an eight inch water main near the Lake Cumberland Regional Hospital to balance pressure in the system. Contract 2 – Valley Oak Industrial Park Water System Improvements will construct a 1,000 gallon per minute water booster pumping station to facilitate filling of the Sugar Hill Water Storage Tank, install a new water mixing system in the same tank, reconfigure piping that feeds the tank, and build a Chlorination Booster Station to improve water quality for the Valley Oak Industrial Park and Southeastern Water Association.

The City is a regional provider currently serving approximately 9,000 retail and 4 wholesale customers in Somerset and the surrounding area. Of the 4 wholesale customers, Southeastern Water Association and Western Pulaski County Water District are PSC regulated systems.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 90,000
Legal Expenses	25,000
Land, Easements	30,000
Planning	75,000
Engineering Fees – Design	321,000
Engineering Fees – Construction	81,000
Engineering Fees – Inspection	220,000
Engineering Fees – Other	93,000
Construction	5,575,000
Contingency	517,878
Total	\$ 7,027,878

III. PROJECT FUNDING

	Amount	%
KIA Fund F Loan	\$ 7,027,878	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 7,027,878
Principal Forgiveness	0
Amortized Loan Amount	\$ 7,027,878
Interest Rate	0.5%
Loan Term (Year)	30
Estimated Annual Debt Service	\$ 252,564
Administrative Fee (0.25%)	17,570
Annual Debt Service	\$ 270,133

V. PROJECT SCHEDULE

Bid Opening	April 2020
Construction Start	June 2020
Construction Stop	June 2021

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	6,870
Commercial	2,239
Industrial	14
Total	9,123

B) Rates

Date of Last Rate Increase	Inside City		Outside City	
	Current	Prior	Current	Prior
	07/01/17	07/01/15	07/01/17	07/01/15
Minimum 1,000 Gallons	\$8.10	\$7.94	\$14.07	\$13.80
Next 9,000 Gallons (per 100 Gallons)	\$0.30	\$0.30	\$0.53	\$0.52
Cost for 4,000 gallons	\$17.16	\$16.82	\$29.97	\$29.40
Increase %	2.0%		1.9%	
Affordability Index (Rate/MHI)	0.7%		1.2%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility's service area population was 17,537 with a Median Household Income (MHI) of \$28,906. The median household income for the Commonwealth is \$46,535. Being a disadvantaged community, the City qualifies for a 30 year loan term at 0.5% interest rate.

Year	Population		County		County Unemployment	
	City	% Change	County	% Change	Date	Rate
1980	10,649		45,803		June 2005	6.1%
1990	10,733	0.8%	49,489	8.0%	June 2010	9.8%
2000	11,352	5.8%	56,217	13.6%	June 2015	5.9%
2010	11,196	-1.4%	63,063	12.2%	June 2019	5.5%
Current	11,334	1.2%	63,974	1.4%		
Cumulative %		6.4%		39.7%		

VIII. 2019 CAPITALIZATION GRANT EQUIVALENCIES

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. The non-cash impacts of GASB 68 - Accounting and Financial Reporting for Pensions and GASB 75 - Other Postemployment Benefit had been removed from operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Water revenues increased 3.6% from \$7.01 million in 2016 to \$7.27 million in 2018 due to a rate increase approved in FY 2018 and population growth. Operating expenses went up 14.2% during the same period as a result of higher personnel costs associated with new hires and pay raises as well as unplanned repair and maintenance work. The debt coverage ratio was 3.2, 3.1, and 2.9 for 2016, 2017, and 2018 respectively.

The balance sheet of business-type activity reflected a current ratio of 7.1, debt to equity ratio of 0.6, 33.9 days sales in accounts receivable, and 11.7 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase slightly for population growth.
- 2) Expenses will go up 2% each year for inflation.
- 3) Debt service coverage is 3.2 in 2022 when principal and interest repayments begin.

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

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$352,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$17,600 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Series 2012 GO	\$ 385,000	2019
Series 2012A	8,384,500	2052
Series 2012B	4,658,000	2052
Cumberland Valley Note	320,745	2022
Kentucky Rural Water Note	4,035,000	2036
Total	\$ 17,783,245	

XI. CONTACTS

Legal Applicant	
Name	City of Somerset
Address	400 E Mount Vernon St, PO Box 989 Somerset, KY 42502
County	Pulaski
Authorized Official	Alan Keck, Mayor
Phone	(606) 679-6366
Email	akeck@cityofsomerset.com

Project Contact - Applicant	
Name	Dana Whitis, Manager
Organization	City of Somerset
Address	306 E Mount Vernon, PO Box 989 Somerset, KY 42501
Phone	(606) 425-5364
Email	dwhitis@cityofsomerset.com

Project Administrator	
Name	Judy Keltner
Organization	Lake Cumberland Area Development District
Address	2384 Lakeway Dr, PO Box 1570 Russell Springs, KY 42642
Contact	
Phone	(270) 866-4200
Email	judy@lcadd.org

Consulting Engineer	
Name	Kelly Gillespie
Firm	Bell Engineering
Address	2488 Fortune Drive, Suite 350 Lexington, KY 40509
Phone	(859) 278-5412
Email	kgillespie@hkbell.com

XII. RECOMMENDATIONS

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

CITY OF SOMERSET
FINANCIAL SUMMARY (JUNE YEAR END)

	Audited <u>2016</u>	Audited <u>2017</u>	Audited <u>2018</u>	Projected <u>2019</u>	Projected <u>2020</u>	Projected <u>2021</u>	Projected <u>2022</u>	Projected <u>2023</u>
Balance Sheet								
Assets								
Current Assets	7,522,246	10,033,482	9,678,307	10,156,287	10,699,007	11,223,664	11,706,473	12,164,191
Other Assets	54,653,471	52,029,070	51,178,719	50,804,059	51,519,776	59,033,021	59,350,999	59,568,610
Total	62,175,717	62,062,552	60,857,026	60,960,346	62,218,783	70,256,685	71,057,473	71,732,801
Liabilities & Equity								
Current Liabilities	1,702,734	1,763,740	1,355,431	984,121	1,000,606	1,251,788	1,183,996	1,199,794
Long Term Liabilities	20,128,981	19,850,486	20,253,414	19,590,751	19,062,560	25,313,265	24,606,184	23,885,605
Total Liabilities	21,831,715	21,614,226	21,608,845	20,574,872	20,063,166	26,565,053	25,790,180	25,085,399
Net Assets	40,344,002	40,448,326	39,248,181	40,385,474	42,155,617	43,691,632	45,267,293	46,647,401
Cash Flow								
Revenues	7,012,247	7,053,228	7,269,316	7,269,316	7,269,316	7,269,316	7,269,316	7,269,316
Operating Expenses	3,059,858	3,172,163	3,494,603	3,564,495	3,635,785	3,726,101	3,800,271	3,875,924
Other Income	14,005	19,837	26,681	26,681	26,681	26,681	26,681	26,681
Cash Flow Before Debt Service	3,966,394	3,900,902	3,801,394	3,731,502	3,660,212	3,569,896	3,495,726	3,420,073
Debt Service								
Existing Debt Service	1,255,139	1,255,139	1,333,667	1,341,582	946,612	946,612	946,612	861,352
Proposed KIA Loan	0	0	0	0	0	0	135,067	270,133
Total Debt Service	1,255,139	1,255,139	1,333,667	1,341,582	946,612	946,612	1,081,678	1,131,485
Cash Flow After Debt Service	2,711,255	2,645,763	2,467,727	2,389,920	2,713,600	2,623,284	2,414,048	2,288,588
Ratios								
Current Ratio	4.4	5.7	7.1	10.3	10.7	9.0	9.9	10.1
Debt to Equity	0.5	0.5	0.6	0.5	0.5	0.6	0.6	0.5
Days Sales in Accounts Receivable	33.2	30.6	33.9	33.9	33.9	33.9	33.9	33.9
Months Operating Expenses in Unrestricted Cash	2.6	12.3	11.7	13.1	14.6	16.0	17.3	18.3
Debt Coverage Ratio	3.2	3.1	2.9	2.8	3.9	3.8	3.2	3.0



School Facilities Construction Commission

Finance and Administration Cabinet

700 Louisville Rd

Carriage House

Frankfort, Kentucky 40601

(502) 564-5582

(888) 979-6152 Fax

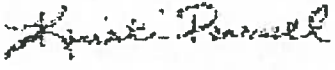
www.sfcc.ky.gov

ANDY BESHEAR
Governor
HOLLY M. JOHNSON
Secretary

DAVID PRATER
Chairman
CHELSEY BIZZLE
Executive Director

MEMORANDUM

TO: Ryan Barrow
Office of Financial Management

FROM: Kristi Russell, SFCC 

DATE: January 6, 2020

SUBJECT: Capital Projects and Bond Oversight Committee (CPBO)

The following information is submitted for consideration by CPBO at their next meeting tentatively scheduled for January 21, 2020:

Russellville Ind.- \$1,715,000 estimated – Elementary and ATC improvements. State estimated annual debt service is \$17,169 and local is \$112,299. No tax increase is necessary to finance this project.

Union County- \$5,270,000 estimated – District wide improvements. State estimated annual debt service is \$93,060 and local is \$268,571. No tax increase is necessary to finance this project.

Whitley County- \$1,335,000 estimated – Middle school improvements. State estimated annual debt service is \$92,391 and local is \$0. 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 –Russellville Independent School District Series 2020
Date: January 02, 2020
cc: File

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Russellville 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: **\$ 1,715,000**
 Issue Name: Russellville Independent School District Finance Corporation School Building Revenue Bonds, Series 2020
 Purpose: Improvements at RE Stevenson Elementary and Russellville Area Technology Center
 Projected Sale Date of Bond: 24-Mar-20
 First Call Date: 3/1/27 @ 100
 Method of Sale: Competitive Bids
 Place/time of sale: SFCC/Parity
 Bond Rating: Moody's: "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
\$ 227,430	\$ 1,487,570	\$ 1,715,000
13.26%	86.74%	
\$ 17,169	\$ 112,299	\$ 129,468
\$ 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:

\$ 2,407	\$ 15,743	\$ 18,150
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 1,194	\$ 7,806	\$ 9,000
\$ 4,549	\$ 29,751	\$ 34,300
\$ 464	\$ 3,036	\$ 3,500
\$ 8,613	\$ 56,337	\$ 64,950

Anticipated Interest Rates:

5 Years 3.000% 10 Years 3.000% 15 Years: 4.000
 20 Years: 4.0000%

Note: No Local Tax increase is required.

RUSSELLVILLE IND. SCHOOL DISTRICT

Plan of Financing

Date of Report: 1/2/2020

Local Bond Payments Outstanding	1
Summary of Funds for Bond Payments	2
Projected 2020 Bond Issue	3

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

	A	B	C	D	E
	100% SFCC				
FYE	Series 2015	Series 2016-REF*	Series 2018	Total	
2020		\$617,030	\$10,302		\$627,332
2021		\$619,330	\$9,375		\$628,705
2022		\$621,330	\$8,447		\$629,777
2023		\$618,031	\$7,520		\$625,550
2024		\$614,530	\$11,556		\$626,086
2025		\$615,830	\$10,416		\$626,246
2026		\$616,830	\$9,274		\$626,105
2027		\$612,530	\$12,875		\$625,405
2028		\$618,029	\$11,300		\$629,330
2029			\$9,725		\$9,725
2030			\$8,151		\$8,151
2031			\$6,574		\$6,574
2032			\$10,000		\$10,000
2033			\$8,250		\$8,250
2034			\$11,499		\$11,499
2035			\$9,575		\$9,575
2036			\$9,204		\$9,204
2037			\$14,436		\$14,436
2038			\$12,915		\$12,915
2039					\$0
Totals:		\$5,553,470	\$191,394		\$5,744,864

RUSSELLVILLE IND. SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K
FYE	Local Nickel	Additional Nickel	Capital Outlay @ 80%	FSPK	Addtl. FSPK	Total Local Funds	Less Current Payments	Local Funds Available	2016 SFCC Officer	Total Funds Available
2020	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$627,332)	\$167,488	\$17,169	\$167,488
2021	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$628,705)	\$166,116	\$17,169	\$183,284
2022	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$629,777)	\$165,043	\$17,169	\$182,212
2023	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$625,550)	\$169,270	\$17,169	\$186,439
2024	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$626,086)	\$168,735	\$17,169	\$185,904
2025	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$626,246)	\$168,575	\$17,169	\$185,743
2026	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$626,105)	\$168,716	\$17,169	\$185,885
2027	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$625,405)	\$169,416	\$17,169	\$186,584
2028	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$629,330)	\$165,491	\$17,169	\$182,660
2029	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$9,725)	\$785,096	\$17,169	\$802,265
2030	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$8,151)	\$786,670	\$17,169	\$803,838
2031	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$6,574)	\$788,246	\$17,169	\$805,415
2032	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$10,000)	\$784,821	\$17,169	\$801,989
2033	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	(\$8,250)	\$786,571	\$17,169	\$803,740
2034	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	\$0	\$794,821	\$17,169	\$811,989
2035	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	\$0	\$794,821	\$17,169	\$811,989
2036	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	\$0	\$794,821	\$17,169	\$811,989
2037	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	\$0	\$794,821	\$17,169	\$811,989
2038	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	\$0	\$794,821	\$17,169	\$811,989
2039	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	\$0	\$794,821	\$17,169	\$811,989
2040	\$154,026	\$154,026	\$69,569	\$208,600	\$208,600	\$794,821	\$0	\$794,821	\$17,169	\$811,989
Totals:	\$3,234,546	\$3,234,546	\$1,460,940	\$4,380,600	\$4,380,600	\$16,691,232	(\$5,687,235)	\$11,003,997	\$343,374	\$11,347,371

NOTES: Data based on assessments of \$308,052,502 and ADA of 869,607 per KDE SEEK Website

RUSSELLVILLE IND. SCHOOL DISTRICT PROJECTED 2020 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
\$628,705	2021	\$25,000	3.000%	\$62,050	\$87,050	\$17,169	\$69,881	\$698,586	\$794,821	\$96,234
\$629,777	2022	\$25,000	3.000%	\$61,300	\$86,300	\$17,169	\$69,131	\$698,909	\$794,821	\$95,912
\$625,550	2023	\$30,000	3.000%	\$60,550	\$90,550	\$17,169	\$73,381	\$698,932	\$794,821	\$95,889
\$626,086	2024	\$30,000	3.000%	\$59,650	\$89,650	\$17,169	\$72,481	\$698,567	\$794,821	\$96,254
\$626,246	2025	\$30,000	3.000%	\$58,750	\$88,750	\$17,169	\$71,581	\$697,827	\$794,821	\$96,993
\$626,105	2026	\$30,000	3.000%	\$57,850	\$87,850	\$17,169	\$70,681	\$696,786	\$794,821	\$98,035
\$625,405	2027	\$30,000	3.000%	\$56,950	\$86,950	\$17,169	\$69,781	\$695,186	\$794,821	\$99,634
\$629,330	2028	\$30,000	3.000%	\$56,050	\$86,050	\$17,169	\$68,881	\$698,211	\$794,821	\$96,610
\$9,725	2029	\$100,000	3.000%	\$55,150	\$155,150	\$17,169	\$137,981	\$147,706	\$794,821	\$647,115
\$8,151	2030	\$105,000	3.000%	\$52,150	\$157,150	\$17,169	\$139,981	\$148,132	\$794,821	\$646,688
\$6,574	2031	\$110,000	3.000%	\$49,000	\$159,000	\$17,169	\$141,831	\$148,405	\$794,821	\$646,415
\$10,000	2032	\$110,000	3.000%	\$45,700	\$155,700	\$17,169	\$138,531	\$148,531	\$794,821	\$646,289
\$8,250	2033	\$115,000	4.000%	\$42,400	\$157,400	\$17,169	\$140,231	\$148,481	\$794,821	\$646,340
\$11,499	2034	\$120,000	4.000%	\$37,800	\$157,800	\$17,169	\$140,631	\$152,130	\$794,821	\$642,690
\$9,575	2035	\$125,000	4.000%	\$33,000	\$158,000	\$17,169	\$140,831	\$150,407	\$794,821	\$644,414
\$9,204	2036	\$130,000	4.000%	\$28,000	\$158,000	\$17,169	\$140,831	\$150,035	\$794,821	\$644,785
\$14,436	2037	\$135,000	4.000%	\$22,800	\$157,800	\$17,169	\$140,631	\$155,067	\$794,821	\$639,753
\$12,915	2038	\$140,000	4.000%	\$17,400	\$157,400	\$17,169	\$140,231	\$153,146	\$794,821	\$641,674
\$0	2039	\$145,000	4.000%	\$11,800	\$156,800	\$17,169	\$139,631	\$139,631	\$794,821	\$655,189
	2040	\$150,000	4.000%	\$6,000	\$156,000	\$17,169	\$138,831	\$138,831	\$794,821	\$655,989
\$5,117,532	Totals:	\$1,715,000		\$874,350	\$2,589,350	\$343,374	\$2,245,976	\$7,363,508	\$15,896,411	\$8,532,903



Ross, Sinclair & Associates, LLC

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

December 23, 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: \$5,270,000 Union County School District Finance Corporation
School Building Revenue Bonds, Second Series of 2020

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 renovations to various facilities in the District.

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 SFCC funds and local funds.

Cincinnati, OH

Lexington, KY

Owensboro, KY

Columbus, OH

Indianapolis, IN

Columbia, SC

Brentwood, TN

Pittsburgh, PA

St. Petersburg, FL

Alameda, CA

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

Sincerely,

Dwight G. Salsbury

Enclosures



C
E
K
C
C
C
C
K
L
E
B
D
T
E
C
Z
T
U
Q
C
D

BOND PAYEE DISCLOSURE FORM

\$5,270,000
Union County School Building Revenue Bonds, Series of 2020
Renovations to Union County MS, Sturgis ES, Morganfield ES & Vocational School
Summer 2020
8 years
Competitive Bids
Perry/SFCC, Frankfort, Ky.
Moody's: "A1"
Stephoe and Johnson, Louisville, KY
Ross, Sinclair & Associates, LLC - Louisville, Kentucky

	/	/	/	/	/	/	/	/	/	
	<i>To be filled in by SFCC</i>		<i>To be filled in by SFCC</i>		<i>To be filled in by SFCC</i>		<i>To be filled in by SFCC</i>		<i>To be filled in by SFCC</i>	
	Month		Day		Year		Year		Year	

Par Amount: **\$5,270,000**

Issue Name: Union County School Building Revenue Bonds, Series of 2020

Purpose: Renovations to Union County MS, Sturgis ES, Morganfield ES & Vocational School

Projected Sale Date of Bonds: Summer 2020

First Call Date: 8 years

Method of Sale: Competitive Bids

Place/time of sale: Perry/SFCC, Frankfort, Ky.

Bond Rating: Moody's: "A1"

Bond Counsel: Steptoe and Johnson, Louisville, KY

Fiscal Agent: Ross, Sinclair & Associates, LLC - Louisville, Kentucky

Date received by SFCC: / /

Date scheduled for Committee review: / /

Estimated par amount of Bonds: \$1,345,000

% Share of total Bonds: 25.52%

Estimated average annual debt service: \$93,060

Estimated debt service reserve: \$0

Estimated Cost of Issuance:

Fiscal Agent, Bond Counsel, Advertisements, Printing, Etc) \$8,698

Special Tax Counsel \$0

Number verifications \$0

Bond Rating & Bank Fee \$3,701

Underwriter's Discount \$26,900

Credit Enhancement \$0

Total Cost of Issuance: \$39,299

Anticipated Interest Rates:

5 Years: 2.80% 10 Years: 2.80% 15 Years: 3.40%

20 Years: 3.50%

SFCC Portion	Local Portion	Total
\$1,345,000	\$3,925,000	\$5,270,000
25.52%	74.48%	100.00%
\$93,060	\$268,571	\$361,631
\$0	\$0	\$0

\$8,698	\$25,382	\$34,080
\$0	\$0	\$0
\$0	\$0	\$0
\$3,701	\$10,799	\$14,500
\$26,900	\$78,500	\$105,400
\$0	\$0	\$0
\$39,299	\$114,681	\$153,980

Issue does not involve a tax increase

Union County School District

Plan of Financing

Date of Report: 12/23/2019

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

UNION COUNTY SCHOOL DISTRICT
OUTSTANDING LOCAL DEBT SERVICE

	A	B	C	D	E	F	G
	Series 2009-REF	Series 2011-REF*	Series 2013-REF*	100% SFCC Series 2014	100% SFCC Series 2016		Total
2020		\$359,775	\$205,716				\$565,491
2021		\$360,700	\$206,117				\$566,817
2022		\$360,500	\$201,417				\$561,917
2023			\$201,717				\$201,717
2024			\$201,918				\$201,918
2025			\$202,016				\$202,016
2026			\$212,016				\$212,016
2027							\$0
2028							\$0
2029							\$0
2030							\$0
2031							\$0
2032							\$0
2033							\$0
2034							\$0
2035							\$0
2036							\$0
Totals:	\$0	\$1,080,975	\$1,430,917	\$0	\$0		\$2,511,892

Series	Par Amount	Purpose
2009-Ref	1,960,000	Refunded Prior Series 1999 Bonds (Renvoations to Sturgis ES and Morganfield ES)
2011-Ref	3,480,000	Refunded Prior Series 2002 Bonds (Renvoations to Union County HS)
2013-Ref	2,440,000	Refunded Prior Series 2006 Bonds (Renvoations to Union County HS)
2014	355,000	Improvements to Uniontown ES
2016	1,045,000	HVAC Improvements to various schools

UNION COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L
FYE	Local Nickel	Capital Outlay @ 80%	FSPK	Total Local Funds	Less Current Payments	Local Funds Available	SFCC Balance	SFCC Offier	2014 SFCC Offier	2016 SFCC Offier	Total Funds Available
2020	\$508,761	\$155,363	\$301,067	\$965,191	(\$565,491)	\$399,700	\$15,124	\$27,340	\$50,547	\$23,288	\$399,700
2021	\$508,761	\$155,363	\$301,067	\$965,191	(\$566,817)	\$398,374	\$16,417	\$27,340	\$50,547	\$23,288	\$514,673
2022	\$508,761	\$155,363	\$301,067	\$965,191	(\$561,917)	\$403,274	\$17,784	\$27,340	\$50,547	\$23,288	\$520,866
2023	\$508,761	\$155,363	\$301,067	\$965,191	(\$201,717)	\$763,474	\$19,241	\$27,340	\$50,547	\$23,288	\$882,433
2024	\$508,761	\$155,363	\$301,067	\$965,191	(\$201,918)	\$763,273	\$10,760	\$27,340	\$50,547	\$23,288	\$883,689
2025	\$508,761	\$155,363	\$301,067	\$965,191	(\$202,016)	\$763,175	\$12,628	\$27,340	\$50,547	\$23,288	\$875,110
2026	\$508,761	\$155,363	\$301,067	\$965,191	(\$212,016)	\$753,174	\$14,543	\$27,340	\$50,547	\$23,288	\$866,977
2027	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$16,783	\$27,340	\$50,547	\$23,288	\$1,080,908
2028	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$14,023	\$27,340	\$50,547	\$23,288	\$1,083,149
2029	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$16,413	\$27,340	\$50,547	\$23,288	\$1,080,389
2030	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$8,803	\$27,340	\$50,547	\$23,288	\$1,082,779
2031	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$11,528	\$27,340	\$50,547	\$23,288	\$1,075,169
2032	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$14,254	\$27,340	\$50,547	\$23,288	\$1,077,894
2033	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$14,100	\$27,340	\$50,547	\$23,288	\$1,080,619
2034	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$11,320	\$27,340	\$50,547	\$23,288	\$1,080,466
2035	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$13,905	\$27,340	\$50,547	\$23,288	\$1,077,686
2036	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$11,751	\$27,340	\$50,547	\$23,288	\$1,080,271
2037	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$11,681	\$27,340	\$50,547	\$23,288	\$1,078,117
2038	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$12,753	\$27,340	\$50,547	\$23,288	\$1,078,047
2039	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$13,893	\$27,340	\$50,547	\$23,288	\$1,079,119
2040	\$508,761	\$155,363	\$301,067	\$965,191	\$0	\$965,191	\$13,893	\$27,340	\$50,547	\$23,288	\$1,080,259
Totals:	\$10,683,981	\$3,262,619	\$6,322,407	\$20,269,007	(\$2,511,892)	\$17,757,115	\$277,704	\$546,800	\$1,010,940	\$465,760	\$20,058,319

NOTES: Data based on assessments of \$1,017,522,916 and ADA of 1,942.035 per KDE SEEK Website (2019-20 information)

UNION COUNTY SCHOOL DISTRICT PROJECTED SECOND SERIES OF 2020

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 -----										
\$566,817	2021	\$200,000	2.800%	\$163,410	\$363,410	\$94,299	\$269,111	\$835,928	\$965,191	\$129,263
\$561,917	2022	\$205,000	2.800%	\$157,810	\$362,810	\$95,592	\$267,218	\$829,135	\$965,191	\$136,056
\$201,717	2023	\$210,000	2.800%	\$152,070	\$362,070	\$96,959	\$265,111	\$466,828	\$965,191	\$498,363
\$201,918	2024	\$215,000	2.800%	\$146,190	\$361,190	\$98,416	\$262,774	\$464,692	\$965,191	\$500,499
\$202,016	2025	\$220,000	2.800%	\$140,170	\$360,170	\$89,935	\$270,235	\$472,251	\$965,191	\$492,940
\$212,016	2026	\$225,000	2.800%	\$134,010	\$359,010	\$91,803	\$267,207	\$479,224	\$965,191	\$485,967
\$0	2027	\$235,000	2.800%	\$127,710	\$362,710	\$93,718	\$268,992	\$268,992	\$965,191	\$696,198
\$0	2028	\$240,000	2.800%	\$121,130	\$361,130	\$95,958	\$265,172	\$265,172	\$965,191	\$700,019
\$0	2029	\$245,000	2.800%	\$114,410	\$359,410	\$93,198	\$266,212	\$266,212	\$965,191	\$698,979
\$0	2030	\$255,000	3.000%	\$107,550	\$362,550	\$95,588	\$266,962	\$266,962	\$965,191	\$698,229
\$0	2031	\$260,000	3.000%	\$99,900	\$359,900	\$87,979	\$271,922	\$271,922	\$965,191	\$693,269
\$0	2032	\$270,000	3.000%	\$92,100	\$362,100	\$90,703	\$271,397	\$271,397	\$965,191	\$693,794
\$0	2033	\$280,000	3.000%	\$84,000	\$364,000	\$93,429	\$270,571	\$270,571	\$965,191	\$694,619
\$0	2034	\$285,000	3.200%	\$75,600	\$360,600	\$93,275	\$267,325	\$267,325	\$965,191	\$697,866
\$0	2035	\$295,000	3.300%	\$66,480	\$361,480	\$90,495	\$270,985	\$270,985	\$965,191	\$694,206
\$0	2036	\$305,000	3.400%	\$56,745	\$361,745	\$93,080	\$268,665	\$268,665	\$965,191	\$696,526
\$0	2037	\$315,000	3.500%	\$46,375	\$361,375	\$90,926	\$270,449	\$270,449	\$965,191	\$694,742
\$0	2038	\$325,000	3.500%	\$35,350	\$360,350	\$90,856	\$269,494	\$269,494	\$965,191	\$695,697
\$0	2039	\$335,000	3.500%	\$23,975	\$358,975	\$91,928	\$267,047	\$267,047	\$965,191	\$698,144
\$0	2040	\$350,000	3.500%	\$12,250	\$362,250	\$93,068	\$269,182	\$269,182	\$965,191	\$696,009
\$1,946,401	Totals:	\$5,270,000		\$1,957,235	\$7,227,235	\$1,861,204	\$5,366,031	\$7,312,432	\$19,303,816	\$11,991,384

Union County School District Summary of Bonding Potential

❖	Local Bonding Potential	\$3,925,000
❖	SFCC Bonding Potential (2014 Offer)	<u>\$1,345,000</u>
❖	Total Bonding Potential	\$5,270,000

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) (iii).

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.

Memo

To: KSFCC
From: Lincoln Theinert
Subject: Bond Payee Disclosure Form –Whitley County School District Series 2020
Date: January 02, 2020
cc: File

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Whitley 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: **\$ 1,335,000**
 Issue Name: Whitley County School District Finance Corporation School Building Revenue Bonds, Series 2020
 Purpose: Improvements at Whitley County Middle School
 Projected Sale Date of Bond: 24-Mar-20
 First Call Date: 3/1/27 @ 100
 Method of Sale: Competitive Bids
 Place/time of sale: SFCC
 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
\$ 1,335,000	\$ 0	\$ 1,335,000
100.00%	0.00%	
\$ 92,391	\$ 0	\$ 92,391
\$ 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:

\$ 14,350	\$ 0	\$ 14,350
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 9,000	\$ 0	\$ 9,000
\$ 26,700	\$ 0	\$ 26,700
\$ 3,500	\$ 0	\$ 3,500
\$ 53,550	\$ 0	\$ 53,550

Anticipated Interest Rates:

5 Years 2.800% 10 Years 3.400% 15 Years: 3.400
 20 Years: 3.400%

Note: No Local Tax increase is required.

Whitley County School District

Projected Plan of Financing

Date of Report: January 02, 2020

Projected 2020 Bond Issue (100% SFCC)..... 1-3

WHITLEY COUNTY SCHOOL DISTRICT FINANCE CORPORATION
2020 BONDING POTENTIAL

Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/01/2020	-	-	-	-	-
08/01/2020	-	-	21,390.00	21,390.00	-
02/01/2021	50,000.00	2.800%	21,390.00	71,390.00	-
06/30/2021	-	-	-	-	92,780.00
08/01/2021	-	-	20,690.00	20,690.00	-
02/01/2022	50,000.00	2.800%	20,690.00	70,690.00	-
06/30/2022	-	-	-	-	91,380.00
08/01/2022	-	-	19,990.00	19,990.00	-
02/01/2023	50,000.00	2.800%	19,990.00	69,990.00	-
06/30/2023	-	-	-	-	89,980.00
08/01/2023	-	-	19,290.00	19,290.00	-
02/01/2024	55,000.00	2.800%	19,290.00	74,290.00	-
06/30/2024	-	-	-	-	93,580.00
08/01/2024	-	-	18,520.00	18,520.00	-
02/01/2025	55,000.00	2.800%	18,520.00	73,520.00	-
06/30/2025	-	-	-	-	92,040.00
08/01/2025	-	-	17,750.00	17,750.00	-
02/01/2026	55,000.00	2.800%	17,750.00	72,750.00	-
06/30/2026	-	-	-	-	90,500.00
08/01/2026	-	-	16,980.00	16,980.00	-
02/01/2027	60,000.00	2.800%	16,980.00	76,980.00	-
06/30/2027	-	-	-	-	93,960.00
08/01/2027	-	-	16,140.00	16,140.00	-
02/01/2028	60,000.00	2.800%	16,140.00	76,140.00	-
06/30/2028	-	-	-	-	92,280.00
08/01/2028	-	-	15,300.00	15,300.00	-
02/01/2029	60,000.00	3.400%	15,300.00	75,300.00	-
06/30/2029	-	-	-	-	90,600.00
08/01/2029	-	-	14,280.00	14,280.00	-
02/01/2030	65,000.00	3.400%	14,280.00	79,280.00	-
06/30/2030	-	-	-	-	93,560.00

WHITLEY COUNTY SCHOOL DISTRICT FINANCE CORPORATION
2020 BONDING POTENTIAL

Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2030	-	-	13,175.00	13,175.00	-
02/01/2031	65,000.00	3.400%	13,175.00	78,175.00	-
06/30/2031	-	-	-	-	91,350.00
08/01/2031	-	-	12,070.00	12,070.00	-
02/01/2032	70,000.00	3.400%	12,070.00	82,070.00	-
06/30/2032	-	-	-	-	94,140.00
08/01/2032	-	-	10,880.00	10,880.00	-
02/01/2033	70,000.00	3.400%	10,880.00	80,880.00	-
06/30/2033	-	-	-	-	91,760.00
08/01/2033	-	-	9,690.00	9,690.00	-
02/01/2034	75,000.00	3.400%	9,690.00	84,690.00	-
06/30/2034	-	-	-	-	94,380.00
08/01/2034	-	-	8,415.00	8,415.00	-
02/01/2035	75,000.00	3.400%	8,415.00	83,415.00	-
06/30/2035	-	-	-	-	91,830.00
08/01/2035	-	-	7,140.00	7,140.00	-
02/01/2036	80,000.00	3.400%	7,140.00	87,140.00	-
06/30/2036	-	-	-	-	94,280.00
08/01/2036	-	-	5,780.00	5,780.00	-
02/01/2037	80,000.00	3.400%	5,780.00	85,780.00	-
06/30/2037	-	-	-	-	91,560.00
08/01/2037	-	-	4,420.00	4,420.00	-
02/01/2038	85,000.00	3.400%	4,420.00	89,420.00	-
06/30/2038	-	-	-	-	93,840.00
08/01/2038	-	-	2,975.00	2,975.00	-
02/01/2039	85,000.00	3.400%	2,975.00	87,975.00	-
06/30/2039	-	-	-	-	90,950.00

WHITLEY COUNTY SCHOOL DISTRICT FINANCE CORPORATION
2020 BONDING POTENTIAL

Debt Service Schedule

Part 3 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2039	-	-	1,530.00	1,530.00	-
02/01/2040	90,000.00	3.400%	1,530.00	91,530.00	-
06/30/2040	-	-	-	-	93,060.00
Total	\$1,335,000.00	-	\$512,810.00	\$1,847,810.00	-

Yield Statistics

Bond Year Dollars	\$15,440.00
Average Life	11.566 Years
Average Coupon	3.3213083%
Net Interest Cost (NIC)	3.3213083%
True Interest Cost (TIC)	3.3103157%
Bond Yield for Arbitrage Purposes	3.3103157%
All Inclusive Cost (AIC)	3.3103157%

IRS Form 8038

Net Interest Cost	3.3213083%
Weighted Average Maturity	11.566 Years

2020 Bonding Potential.sfl | SINGLE PURPOSE | 1/22/2020 | 2:01 PM

Ross, Sinclair & Associates
 Lincoln Theinert - Financial Advisor