



**Commonwealth of Kentucky**  
**FINANCE AND ADMINISTRATION CABINET**  
**Office of Financial Management**

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**Andy Beshear**  
 Governor

**Holly M. Johnson**  
 Secretary

**Ryan Barrow**  
 Executive Director

April 6, 2021

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

Dear Senator Girdler and Representative Freeland:

Listed below is information regarding various projects and reports that will be presented to the Capital Projects and Bond Oversight Committee (“CPBOC”) at the April 2021 meeting.

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

**Fund A Loans**

Lexington - Fayette Urban County Government	\$15,788,138
Paducah - McCracken County Joint Sewer Agency	\$2,046,410
City of Fleming - Neon	\$1,558,120
City of Russell Springs	\$682,000

**Fund F Loans**

City of Burnside	\$100,000
Adair County Water District	\$134,253
City of Fleming - Neon	\$1,191,114
Louisville Water Company	\$537,850
City of Augusta	\$80,000

The Cabinet for Economic Development will present one (1) Economic Development Fund (EDF) grant for the Committee’s approval:

City of Bowling Green on behalf of Ball Metal Beverage Container Corp.	\$500,000
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Senator Girdler  
Representative Freeland  
April 6, 2021  
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The Office of Financial Management will present one (1) new bond issue report for the Committee's approval:

State Property and Buildings Commission	\$195,000,000*
Revenue Refunding Bonds, Project No. 125 Series A	
Revenue Refunding Bonds, Project No. 125 Federally Taxable Series B	
Revenue Refunding Bonds, Project No. 125 Series C	
Revenue Refunding Bonds, Project No. 125 Series D	

\*Estimated

The Office of Financial Management will present three (3) informational items for the Committee's review:

Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Winterwood II Portfolio), Series 2021	\$16,835,000
Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Jefferson Landing Project), Series 2021	\$35,000,000
Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (New Hope Properties), Series 2021	\$36,000,000

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

Boyd County	\$449,000*
Calloway County	\$8,280,000*
Hardin County	\$46,220,000*
Scott County	\$69,920,000*

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 April 2021  
Capital Projects and Bond Oversight Committee**

▪ **Fund A Loan**

<b>Loan #</b>	<b>Borrower</b>	<b>Amount Requested</b>	<b>Amount Loan Total</b>	<b>County</b>
A15-026	Lexington-Fayette Urban County Government (Increase)	\$ 15,788,138	\$ 83,732,326	Fayette
A20-032	Paducah-McCracken County Joint Sewer Agency (Increase)	\$ 2,046,410	\$ 7,216,410	McCracken
A21-026	City of Fleming-Neon	\$ 1,558,120	\$ 1,558,120	Letcher
A21-034	City of Russell Springs	\$ 682,000	\$ 682,000	Russell

▪ **Fund F Loan**

<b>Loan #</b>	<b>Borrower</b>	<b>Amount Requested</b>	<b>Amount Loan Total</b>	<b>County</b>
F19-005	City of Burnside (Director Level Increase #2)	\$ 100,000	\$ 2,900,000	Pulaski
F20-009	Adair County Water District (Director Level Increase)	\$ 134,253	\$ 1,476,783	Adair
F21-004	City of Fleming-Neon	\$ 1,191,114	\$ 1,191,114	Letcher
F21-040	Louisville Water Company	\$ 537,850	\$ 537,850	Bullitt
F21-052	City of Augusta	\$ 80,000	\$ 80,000	Bracken

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>FUND A, FEDERALLY ASSISTED WASTEWATER</b> <b>REVOLVING LOAN FUND</b>		Reviewer Date KIA Loan Number WRIS Number	Alex Fisher April 1, 2021 A15-026 (Increase) SX21067048	
BORROWER		LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT FAYETTE COUNTY		
BRIEF DESCRIPTION				
<p>The Lexington-Fayette Urban County Government (LFUCG) is requesting a Fund A loan increase of \$15,788,138 as part of Phase 2 of the West Hickman WWTP Wet Weather Storage Tanks. This project was initially approved on December 4, 2014 and had one increase on April 9, 2018 that brought the total of Phase 1 to \$67,944,188. With this Phase 2 increase it will bring the total loan amount to \$83,732,326.</p> <p>Design and construct Phase 2 of the Consent Decree required wastewater storage facility located at West Hickman WWTP in Jessamine County. Phase 1 included a 22 million gallon (MG) above ground storage tank along the necessary pumping facilities, piping and site work needed to place Phase 1 into service and integrate Phase 2 into future service.</p> <p>Phase 2 will consist of a second 18 MG above ground storage tank along with infrastructure needed to operate Phase 1 and 2 in series. As recently as calendar year 2019, 13 sanitary sewer overflows (SSOs) were documented / reported on the trunk sewer immediately upstream from the Phase 1 tank. Completion of Phase 2 will further mitigate wet weather SSOs on this trunk sewer while at the same time providing sewer service for un-sewered parcels within Fayette / northern Jessamine counties.</p> <p>In parts of the existing sanitary sewer it lacks sufficient capacity to meet LFUCG's EPA mandated Capacity Assurance Program. This \$15.8 M project is listed in LFUCG's approved Remedial Measures Plan submitted to USEPA on October 12, 2011 with capital construction schedule with a full compliance completion date of 12/31/2023.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$83,732,326	RD Fee %	Actual %	
		Administrative Expenses	\$36,000	
		Eng - Design / Const	6.4% 7.3% 5,642,627	
		Eng - Inspection	3.0% 1.2% 907,501	
		Construction	75,116,762	
		Contingency	2,029,436	
TOTAL	\$83,732,326	TOTAL	\$83,732,326	
REPAYMENT	Rate	1.75%	Est. Annual Payment \$5,147,495	
	Term	20 Years	1st Payment 6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	Tetra Tech		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Jun-21		
	Construction Start	Sep-21		
	Construction Stop	Apr-23		
DEBT PER CUSTOMER	Existing	\$1,939		
	Proposed	\$2,343		
RESIDENTIAL RATES	Current	Users 109,411	Avg. Bill \$31.44 (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 2018	27,204,648	8,258,739	18,945,909	3.3
Audited 2019	33,166,894	10,595,289	22,571,605	3.1
Audited 2020	33,341,428	14,610,132	18,731,296	2.3
Projected 2021	33,408,585	20,712,683	12,695,902	1.6
Projected 2022	33,793,770	18,991,135	14,802,635	1.8
Projected 2023	34,236,070	18,993,983	15,242,087	1.8
Projected 2024	34,648,078	20,558,481	14,089,597	1.7
Projected 2025	35,108,248	20,609,092	14,499,156	1.7

Reviewer: Alex Fisher  
Date: April 1, 2021  
Loan Number: A15-026 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, FAYETTE COUNTY  
PROJECT REVIEW  
SX21067048**

**I. PROJECT DESCRIPTION**

The Lexington-Fayette Urban County Government (LFUCG) is requesting a Fund A loan increase of \$15,788,138 as part of Phase 2 of the West Hickman WWTP Wet Weather Storage Tanks. This project was initially approved on December 4, 2014 and had one increase on April 9, 2018 that brought the total of Phase 1 to \$67,944,188. With this Phase 2 increase it will bring the total loan amount to \$83,732,326.

This project is to design and construct Phase 2 of the Consent Decree required wastewater storage facility located at West Hickman WWTP in Jessamine County. Phase 1 included a 22 million gallon (MG) above ground storage tank along the necessary pumping facilities, piping and site work needed to place Phase 1 into service and integrate Phase 2 into future service.

Phase 2 will consist of a second 18 MG above ground storage tank along with infrastructure needed to operate Phase 1 and 2 in series. As recently as calendar year 2019, 13 sanitary sewer overflows (SSOs) were documented / reported on the trunk sewer immediately upstream from the Phase 1 tank. Completion of Phase 2 will further mitigate wet weather SSOs on this trunk sewer while at the same time providing sewer service to unserved customers within Fayette / northern Jessamine counties.

In parts of the existing sanitary sewer it lacks sufficient capacity to meet LFUCG's EPA mandated Capacity Assurance Program. This \$15.8 M project is listed in LFUCG's approved Remedial Measures Plan submitted to USEPA on October 12, 2011 with capital construction schedule with a full compliance completion date of 12/31/2023.

## II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 36,000
Engineering Fees - Design / Const.	5,642,627
Engineering Fees - Inspection	907,501
Construction	75,116,762
Contingency	<u>2,029,436</u>
<b>Total</b>	<b>\$ 83,732,326</b>

## III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 83,732,326	100%
<b>Total</b>	<b>\$ 83,732,326</b>	<b>100%</b>

## IV. KIA DEBT SERVICE

Construction Loan	\$ 83,732,326
Less: Principal Forgiveness	<u>0</u>
Amortized Loan Amount	\$ 83,732,326
Interest Rate	1.75%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 4,980,031
Administrative Fee (0.20%)	<u>167,465</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 5,147,495</b>

## V. PROJECT SCHEDULE

Bid Opening	June 2021
Construction Start	September 2021
Construction Stop	April 2023

## VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

### A) Customers

Customers	Current	Proposed	Total
Residential	101,454	0	101,454
Commercial	7,245	0	7,245
Industrial & Institutional	712	0	712
Total	109,411	0	109,411

### B) Rates

Residential	Current	Prior	Prior	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	07/01/18	07/01/17	07/01/16
First 100 Cubic Feet (CF)	\$7.36	\$7.01	\$6.68	\$6.52	\$6.38
Each Add'l 100 CF	5.54	5.28	5.03	4.91	4.80
Cost for 4,000 gallons	\$31.44	\$29.96	\$28.55	\$27.86	\$27.25
Increase %	4.9%	5.0%	2.4%	2.3%	
Affordability Index (Rate/MHI)	0.8%	0.7%	0.7%	0.7%	0.7%

Industrial & Institutional	Current	Prior	Prior	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	07/01/18	07/01/17	07/01/16
First 100 Cubic Feet (CF)	\$8.94	\$8.51	\$8.10	\$7.91	\$7.74
Each Add'l 100 CF	6.75	6.43	6.12	5.97	5.84
Cost for 4,000 gallons	\$38.28	\$36.46	\$34.70	\$33.86	\$33.13
Increase %	5.0%	5.1%	2.5%	2.2%	
Affordability Index (Rate/MHI)	0.9%	0.9%	0.9%	0.8%	0.8%

Rates are adjustable each July 1 based on the Consumer Price Index for All Urban Consumers for the prior twelve months ending in April before the adjustment.

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2018, the Utility's service area population was 311,529 with a Median Household Income (MHI) of \$48,779. The median household income for the Commonwealth was \$42,610. The project qualifies for a 1.75% interest rate as it is a component of the Remedial Measures Plan submitted to the U.S. Environmental Protection Agency to comply with the Consent Decree.

## **VIII. 2020 CAPITALIZATION GRANT EQUIVALENCIES**

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

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2018 through June 30, 2020. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Revenues increased 21.3% from \$63.7 million in 2018 to \$77.2 million in 2020 due to previously approved rate increases. Operating expenses increased 20.9% from \$37.1 million to \$44.9 million during the same period primarily due to administrative expenses. The debt coverage ratio was 3.3, 3.1 and 2.3 respectively for 2018, 2019, and 2020.

The LFUCG has adopted since 2014 a new Sewer Indenture that outlines parity provisions for the issuance of additional bonds for the acquisition or construction of sewer system facilities. The Net Revenues of the System, as defined in the bond ordinance, must provide coverage of 120% of Maximum Annual Debt Service.

The balance sheet reflects a current ratio of 5.1 and a debt to equity ratio of 0.9, 18.7 days sales in account receivables, and 9.1 months operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Revenues will increase approximately 2% annually based on the Consumer Price Index.
- 2) Expenses will increase 2% annually for inflation.
- 3) Debt service coverage is 1.7 in FY 2024 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 A loan.

## REPLACEMENT RESERVE

The replacement reserve will be 2.5% (\$2,090,000 total) of the final amount borrowed to be funded annually (\$209,000 yearly) each December 1 for 10 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
2014A Refunding Sewer Bond	\$ 21,890,000	2030
2019A Sewer Series	49,455,000	2031
KIA Loan (A209-08)	720,736	2030
KIA Loan (A209-09)	62,663	2030
KIA Loan (A09-01)	8,753,655	2031
KIA Loan (A10-08)	7,300,295	2035
KIA Loan (A12-16)	1,323,857	2036
KIA Loan (A13-002 i/a/o \$8.9M)	7,942,098	2038
KIA Loan (A13-003 i/a/o \$10.2M)	8,494,525	2036
KIA Loan (A13-015 i/a/o \$23.9M)	21,350,251	2038
KIA Loan (A13-018 i/a/o \$6.0M)	4,586,717	2037
KIA Loan (A14-001 i/a/o \$12.2M)	10,865,698	2038
KIA Loan (A15-026 i/a/o \$83.7M)	58,178,310	2038
KIA Loan (A17-003 i/a/o \$1.3M)	1,177,188	2037
KIA Loan (A17-005 i/a/o \$10M)	4,367,248	2040
<b>Total</b>	<b>\$206,468,241</b>	

## XI. CONTACTS

<b>Legal Applicant</b>	
Entity Name	Lexington-Fayette Urban County Government
Authorized Official	Linda Gorton (Mayor)
County	Fayette
Email	mayor@lexingtonky.gov
Phone	(859) 258-3100
Address	200 East Main Street Lexington, KY 40507

**Applicant Contact**

Name	Charles H. Martin, P.E.
Organization	Lexington-Fayette Urban County Government
Email	chmartin@lexingtonky.gov
Phone	(859) 425-2455
Address	125 Lisle Industrial Avenue, Suite 180 Lexington, KY 40511

**Consulting Engineer**

PE Name	Tetra Tech
Firm Name	Herb LeMaster
Email	herb.lemaster@tetrattech.com
Phone	(859) 223-8000
Address	424 Lewis Hargett Circle, Suite 110 Lexington, KY 40503

**XII. RECOMMENDATIONS**

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

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	90,439,582	51,081,487	38,040,927	40,644,350	43,671,377	46,790,195	49,679,914	52,652,945
Other Assets	369,051,891	410,638,325	488,371,713	440,966,955	439,469,538	522,056,009	520,027,300	518,326,239
<b>Total</b>	<b>459,491,473</b>	<b>461,719,812</b>	<b>526,412,640</b>	<b>481,611,306</b>	<b>483,140,916</b>	<b>568,846,204</b>	<b>569,707,215</b>	<b>570,979,185</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	7,367,642	7,702,677	7,522,851	7,673,000	7,814,249	7,963,249	8,114,249	8,269,249
Long Term Liabilities	177,600,664	195,531,904	247,545,640	236,441,053	222,685,486	292,004,296	278,857,612	265,285,409
<b>Total Liabilities</b>	<b>184,968,306</b>	<b>203,234,581</b>	<b>255,068,491</b>	<b>244,114,053</b>	<b>230,499,735</b>	<b>299,967,545</b>	<b>286,971,861</b>	<b>273,554,658</b>
<b>Net Assets</b>	<b>274,523,167</b>	<b>258,485,231</b>	<b>271,344,149</b>	<b>237,497,253</b>	<b>252,641,181</b>	<b>268,878,659</b>	<b>282,735,354</b>	<b>297,424,527</b>
<b>Cash Flow</b>								
Revenues	63,733,728	76,534,529	77,235,237	78,510,250	79,810,764	81,186,699	82,590,154	84,021,678
Operating Expenses	37,149,885	44,531,498	44,869,061	46,076,917	46,992,246	47,925,881	48,917,328	49,888,682
Other Income	620,805	1,163,863	975,252	975,252	975,252	975,252	975,252	975,252
<b>Cash Flow Before Debt Service</b>	<b>27,204,648</b>	<b>33,166,894</b>	<b>33,341,428</b>	<b>33,408,585</b>	<b>33,793,770</b>	<b>34,236,070</b>	<b>34,648,078</b>	<b>35,108,248</b>
<b>Debt Service</b>								
Existing Debt Service	8,258,739	10,595,289	14,610,132	20,712,683	18,991,135	18,993,983	18,987,532	19,038,143
Proposed KIA Loan	0	0	0	0	0	0	1,570,949	1,570,949
<b>Total Debt Service</b>	<b>8,258,739</b>	<b>10,595,289</b>	<b>14,610,132</b>	<b>20,712,683</b>	<b>18,991,135</b>	<b>18,993,983</b>	<b>20,558,481</b>	<b>20,609,092</b>
<b>Cash Flow After Debt Service</b>	<b>18,945,909</b>	<b>22,571,605</b>	<b>18,731,296</b>	<b>12,695,902</b>	<b>14,802,635</b>	<b>15,242,087</b>	<b>14,089,597</b>	<b>14,499,156</b>
<b>Ratios</b>								
Current Ratio	12.3	6.6	5.1	5.3	5.6	5.9	6.1	6.4
Debt to Equity	0.7	0.8	0.9	1.0	0.9	1.1	1.0	0.9
Days Sales in Accounts Receivable	26.0	19.4	18.7	18.7	18.7	18.7	18.7	18.7
Months Operating Expenses in Unrestricted Cash	26.9	12.6	9.1	9.6	10.2	10.7	11.2	11.7
Debt Coverage Ratio	3.3	3.1	2.3	1.6	1.8	1.8	1.7	1.7

<b>EXECUTIVE SUMMARY</b>		Reviewer	Alex Fisher		
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	April 1, 2021		
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A20-032 (Increase)		
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21145034		
BORROWER	PADUCAH MCCRACKEN COUNTY JOINT SEWER AGENCY MCCRACKEN COUNTY				
BRIEF DESCRIPTION					
<p>Paducah McCracken Joint Sewer Agency is requesting a loan increase of \$2,046,410 for the Fund A LTCP Project #3 – Outfall 003 Fine Screening Phase 1 project due to bids coming in higher than budgeted. This will bring the total loan amount for A20-032 to \$7,216,410. The project work and scope remain the same.</p> <p>Project is phase one of a multi-phase project related to Paducah's Long Term Control Plan and one of the combined sewer outfalls (Outfall 003) here at Paducah. During design of this first phase, all efforts were made to achieve the lowest overall project cost for all phases. Decisions were made to size the wet well for this project for future phases and purchase the pumps for future phases now, which will reduce future costs. In addition, the combination of the project's unique design, location in a Brownfield, and location in Paducah where no local contractors were able to bid on the project also made the project difficult to estimate.</p>					
PROJECT FINANCING		PROJECT BUDGET		RD Fee %	Actual %
Fund A Loan	\$7,216,410	Legal Expenses			\$5,000
		Planning			20,000
		Eng - Design / Const	6.6%	4.4%	300,000
		Eng - Insp	3.2%	1.8%	120,000
		Eng - Other			10,650
		Construction			6,146,760
		Contingency			614,000
TOTAL	\$7,216,410	TOTAL			\$7,216,410
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$394,045	
	Term	20 Years	1st Payment	6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	J.R. Wauford & Company			
	Bond Counsel	Rubin & Hays			
PROJECT SCHEDULE	Bid Opening	January 19, 2021			
	Construction Start	Jun-21			
	Construction Stop	Oct-22			
DEBT PER CUSTOMER	Existing	\$1,471			
	Proposed	\$2,062			
OTHER DEBT	See Attached				
RESIDENTIAL RATES	Current	<u>Users</u>	<u>Avg. Bill</u>		
		19,024	\$23.76	(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 2018	4,774,436	1,604,158	3,170,278	3.0	
Audited 2019	4,903,413	1,681,385	3,222,028	2.9	
Audited 2020	5,222,837	2,253,095	2,969,742	2.3	
Projected 2021	5,129,595	2,792,829	2,336,766	1.8	
Projected 2022	5,034,488	2,792,600	2,241,888	1.8	
Projected 2023	4,937,479	2,950,359	1,987,121	1.7	
Projected 2024	4,838,530	3,113,663	1,724,867	1.6	
Projected 2025	4,737,602	3,066,663	1,670,939	1.5	

Reviewer: Alex Fisher  
Date: April 1, 2021  
Loan Number: A20-032 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
PADUCAH-MCCRACKEN JOINT SEWER AGENCY, MCCRACKEN COUNTY  
PROJECT REVIEW  
SX21145034**

**I. PROJECT DESCRIPTION**

Paducah-McCracken Joint Sewer Agency is requesting a loan increase of \$2,046,410 for the Fund A LTCP Project #3 – Outfall 003 Fine Screening Phase 1 project due to bids coming in higher than budgeted. This will bring the total loan amount for A20-032 to \$7,216,410. The project work and scope remain the same.

Project is phase one of a multi-phase project related to Paducah's Long Term Control Plan and one of the combined sewer outfalls (Outfall 003) here at Paducah. During design of this first phase, all efforts were made to achieve the lowest overall project cost for all phases. Decisions were made to size the wet well for this project for future phases and purchase the pumps for future phases now, which will reduce future costs. In addition, the combination of the project's unique design, location in a Brownfield, and location in Paducah where no local contractors were able to bid on the project also made the project difficult to estimate.

**II. PROJECT BUDGET**

	<u>Total</u>
Legal Expenses	\$ 5,000
Planning	20,000
Engineering Fees - Design	255,000
Engineering Fees - Construction	45,000
Engineering Fees - Inspection	120,000
Engineering Fees - Other	10,650
Construction	6,146,760
Contingency	614,000
<b>Total</b>	<b>\$ 7,216,410</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 7,216,410	100%
<b>Total</b>	<b>\$ 7,216,410</b>	<b>100%</b>

#### IV. KIA DEBT SERVICE

Construction Loan	\$ 7,216,410
Less: Principal Forgiveness	0
Amortized Loan Amount	<u>\$ 7,216,410</u>
Interest Rate	0.50%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 379,613
Administrative Fee (0.20%)	<u>14,433</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 394,045</b>

#### V. PROJECT SCHEDULE

Bid Opening	Jan 2021
Construction Start	June 2021
Construction Stop	October 2022

Paducah-McCracken JSA has completed the design, bid the project, opened the bids, which confirmed higher costs with the project.

#### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

##### A) Customers

	Current
Residential/ Commercial/ Industrial	<u>19,024</u>
<b>Total</b>	<b>19,024</b>

##### B) Rates

	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	07/01/19	07/01/17
Minimum (3,000 gallons)	\$17.82	\$17.49
Each Additional (1,000 gallons)	5.94	5.83
<b>Cost for 4,000 gallons</b>	<b>\$23.76</b>	<b>\$23.32</b>
Increase %	1.9%	
Affordability Index (Rate/MHI)	0.8%	

The Board may elect to adjust rates according to CPI-U annually.

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility's service area population was 34,452 with a Median Household Income (MHI) of \$37,195. The median household income for the Commonwealth is \$46,535. This increase to the project will qualify for the initial loan 0.50% interest rate based on MHI.

## **VIII. 2020 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, 2018 through June 30, 2020. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2018-2020 operating expenses and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, has been removed from 2018 and 2020 operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### HISTORY

Revenues have increased 5.4% from \$9.14 million in 2018 to \$9.63 million in 2020 mostly due to rate increases. Expenses have increased 4.7% from \$4.45 million in 2018 to \$4.66 million in 2020. Debt coverage was 3.0, 2.9 and 2.3 in 2018, 2019 and 2020 respectively.

The balance sheet reflects a current ratio of 4.5, a debt to equity ratio of 0.6, 52.8 days sales in accounts receivable, and 15.5 months operating expenses in unrestricted cash.

### PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will remain flat throughout the forecast. The JSA Board has the ability to raise rates according to the CPI-U but does not do so automatically therefore this assumption was not made in the forecast.
- 2) Expenses will increase 2% based on inflation.
- 3) Debt service coverage is 1.7 in 2023 when full 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 Agency currently has designated reserves of \$3,000,000. The reserves are specifically for high dollar capital equipment purchases, for emergencies, or for rate stabilization in the event of a loss of a substantial revenue stream. No additional reserves will be required.

**X. DEBT OBLIGATIONS**

	<b>Outstanding</b>	<b>Maturity</b>
Sewer Revenue Bonds (Series 2012)	\$ 3,866,500	2051
Sewer Revenue Bonds (Series 2014)	3,050,000	2031
KIA Loan A03-01	262,251	2023
KIA Loan A03-08	394,905	2026
KIA Loan A04-03	244,363	2025
KIA Loan A08-01	759,710	2029
KIA Loan A09-02	4,241,288	2033
KIA Loan A12-08	5,803,184	2035
KIA Loan A16-072	2,049,056	2038
KIA Loan A17-033 i/a/o \$9,100,000	7,059,493	TBD
KIA Loan A18-022 i/a/o \$511,206	255,724	TBD
KIA Loan A19-044 i/a/o \$2,314,500		TBD
KIA Loan A19-039 i/a/o \$5,193,000		TBD
<b>Total</b>	<b>\$27,986,474</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	Paducah McCracken County Joint Sewer Agency
Authorized Official	Justin Hancock (Board Chairman)
County	McCracken
Email	justin@hancocks-paducah.com
Phone	270-575-0056
Address	621 Northview St Paducah, KY 42001

**Project Administrator**

Name	John Hodges
Organization	Paducah McCracken County Joint Sewer Agency
Email	jhodges@jointsewer.com
Phone	270-575-0056
Address	621 Northview St Paducah, KY 42001

**Consulting Engineer**

PE Name	J. Gregory Davenport
Firm Name	J.R. Wauford & Company
Email	gregd@jrwauford.com
Phone	615-883-3242
Address	PO Box 140350 Nashville, TN 37214

**XII. RECOMMENDATIONS**

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

**PADUCAH MCCRACKEN COUNTY JOINT SEWER AGENCY  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited</u> <u>2018</u>	<u>Audited</u> <u>2019</u>	<u>Audited</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Projected</u> <u>2024</u>	<u>Projected</u> <u>2025</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	12,978,262	12,537,198	13,111,489	13,345,209	13,569,397	13,768,109	13,940,596	14,274,784
Other Assets	72,089,951	78,728,088	82,094,697	89,951,032	96,082,761	94,768,788	93,218,787	91,453,158
<b>Total</b>	<b>85,068,213</b>	<b>91,265,286</b>	<b>95,206,186</b>	<b>103,296,241</b>	<b>109,652,158</b>	<b>108,536,898</b>	<b>107,159,384</b>	<b>105,727,942</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	1,831,780	2,913,199	2,888,435	3,030,813	3,785,576	4,000,853	4,026,686	2,390,593
Long Term Liabilities	26,720,572	30,310,920	31,963,707	40,060,397	44,809,498	42,147,512	39,480,693	38,471,367
<b>Total Liabilities</b>	<b>28,552,352</b>	<b>33,224,119</b>	<b>34,852,142</b>	<b>43,091,209</b>	<b>48,595,074</b>	<b>46,148,365</b>	<b>43,507,379</b>	<b>40,861,960</b>
<b>Net Assets</b>	<b>56,515,861</b>	<b>58,041,167</b>	<b>60,354,044</b>	<b>60,205,032</b>	<b>61,057,085</b>	<b>62,388,533</b>	<b>63,652,005</b>	<b>64,865,982</b>
<b>Cash Flow</b>								
Revenues	9,142,934	9,192,706	9,634,138	9,634,138	9,634,138	9,634,138	9,634,138	9,634,138
Operating Expenses	4,454,330	4,519,970	4,662,113	4,755,355	4,850,462	4,947,471	5,046,420	5,147,348
Other Income	85,832	230,677	250,812	250,812	250,812	250,812	250,812	250,812
<b>Cash Flow Before Debt Service</b>	<b>4,774,436</b>	<b>4,903,413</b>	<b>5,222,837</b>	<b>5,129,595</b>	<b>5,034,488</b>	<b>4,937,479</b>	<b>4,838,530</b>	<b>4,737,602</b>
<b>Debt Service</b>								
Existing Debt Service	1,604,158	1,681,385	2,253,095	2,792,829	2,792,600	2,753,336	2,719,618	2,672,618
Proposed KIA Loan	0	0	0	0	0	197,023	394,045	394,045
<b>Total Debt Service</b>	<b>1,604,158</b>	<b>1,681,385</b>	<b>2,253,095</b>	<b>2,792,829</b>	<b>2,792,600</b>	<b>2,950,359</b>	<b>3,113,663</b>	<b>3,066,663</b>
<b>Cash Flow After Debt Service</b>	<b>3,170,278</b>	<b>3,222,028</b>	<b>2,969,742</b>	<b>2,336,766</b>	<b>2,241,888</b>	<b>1,987,121</b>	<b>1,724,867</b>	<b>1,670,939</b>
<b>Ratios</b>								
Current Ratio	7.1	4.3	4.5	4.4	3.6	3.4	3.5	6.0
Debt to Equity	0.5	0.6	0.6	0.7	0.8	0.7	0.7	0.6
Days Sales in Accounts Receivable	51.7	49.8	52.8	52.8	52.8	52.8	52.8	52.8
Months Operating Expenses in Unrestricted Cash	13.1	18.3	15.5	15.8	16.0	16.2	16.3	16.7
Debt Coverage Ratio	3.0	2.9	2.3	1.8	1.8	1.7	1.6	1.5

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>FUND A, FEDERALLY ASSISTED WASTEWATER</b> <b>REVOLVING LOAN FUND</b>		Reviewer Date KIA Loan Number WRIS Number	Alex Fisher April 1, 2021 A21-026 SX21133015	
BORROWER		CITY OF FLEMING-NEON LETCHER COUNTY		
BRIEF DESCRIPTION				
<p>The City of Fleming Neon ("City") is requesting a Fund A loan in the amount of \$1,558,120 for the Fleming Neon Sewer Rehabilitation project. This project will create a working map of the sewer system suitable for a flow study and for use during construction. Flow monitoring at 3 to 5 key locations in the sewer system to determine where Inflow and Infiltration (I/I) is excessive will be conducted. This project will televise and smoke test the sewers which are found to have excessive I/I and repair sewer sections and manholes. The city will be assessing presently mapped areas which will focus on vitrified clay pipe that is known to be leaking.</p> <p>The existing sewer system experiences high flows during and after rainfall events that wash out the wastewater treatment plant making it very difficult to meet the KPDES permit. During rainfall-induced high flow periods the main pump station often runs continuously. This pump station affects two other pump stations which pump into the same force main and cannot overcome the pressure from the mains pump station and must be turned off. If the pumps in the other stations are allowed to run, the motors sometimes burn up because there is no flow through the pumps for an extended period.</p> <p>Currently the City of Fleming Neon serves 755 residential and 15 commercial customers.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$1,558,120	RD Fee %	Actual %	
		Administrative Expenses	\$40,000	
		Legal Expenses	5,000	
		Planning	5,000	
		Eng - Design / Const	103,320	
		Eng - Insp	64,800	
		Eng - Other	20,000	
		Construction	1,200,000	
		Contingency	120,000	
TOTAL	\$1,558,120	TOTAL	\$1,558,120	
REPAYMENT	Rate Term	0.25% 30 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw	
			\$28,529	
PROFESSIONAL SERVICES	Engineer Bond Counsel	Nesbitt Engineering, Inc. Rubin & Hays		
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Oct-21 Nov-21 Nov-22		
DEBT PER CUSTOMER	Existing Proposed	\$2,115 \$3,370		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	Users 770	Avg. Bill \$33.13 (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	168,727	77,800	90,927	2.2
Audited 2018	21,790	86,906	(65,116)	0.3
Audited 2019	130,920	92,783	38,137	1.4
Projected 2020	138,213	132,463	5,750	1.0
Projected 2021	143,136	152,888	(9,752)	0.9
Projected 2022	151,999	100,878	51,121	1.5
Projected 2023	160,467	126,420	34,048	1.3
Projected 2024	173,359	147,702	25,657	1.2

Reviewer: Alex Fisher  
Date: April 1, 2021  
Loan Number: A21-026

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
CITY OF FLEMING NEON, LETCHER COUNTY  
PROJECT REVIEW  
SX21133015**

**I. PROJECT DESCRIPTION**

The City of Fleming Neon (“City”) is requesting a Fund A loan in the amount of \$1,558,120 for the Fleming Neon Sewer Rehabilitation project. This project will create a working map of the sewer system suitable for a flow study and for use during construction. Flow monitoring at 3 to 5 key locations in the sewer system to determine where Inflow and Infiltration (I/I) is excessive will be conducted. This project will televise and smoke test the sewers which are found to have excessive I/I and repair sewer sections and manholes. The city will be assessing presently mapped areas which will focus on vitrified clay pipe that is known to be leaking.

The existing sewer system experiences high flows during and after rainfall events that wash out the wastewater treatment plant making it very difficult to meet the KPDES permit. During rainfall-induced high flow periods the main pump station often runs continuously. This pump station affects two other pump stations which pump into the same force main and cannot overcome the pressure from the mains pump station and must be turned off. If the pumps in the other stations are allowed to run, the motors sometimes burn up because there is no flow through the pumps for an extended period.

Currently the City of Fleming Neon serves 755 residential and 15 commercial customers.

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 40,000
Legal Expenses	5,000
Planning	5,000
Engineering Fees - Design	103,320
Engineering Fees - Inspection	64,800
Engineering Fees - Other	20,000
Construction	1,200,000
Contingency	120,000
<b>Total</b>	<b>\$ 1,558,120</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 1,558,120	100%
<b>Total</b>	<b>\$ 1,558,120</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 1,558,120
Less: Principal Forgiveness	779,060
Amortized Loan Amount	<u>\$ 779,060</u>
Interest Rate	0.25%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$ 26,971
Administrative Fee (0.20%)	1,558
<b>Total Estimated Annual Debt Service</b>	<b>\$ 28,529</b>

### V. PROJECT SCHEDULE

Bid Opening	October 2021
Construction Start	November 2021
Construction Stop	November 2022

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

<u>Customers</u>	<u>Current</u>
Residential	755
Commercial	15
Industrial	<u>0</u>
<b>Total</b>	<b>770</b>

## B) Rates

<b>In City - Water</b>	Current	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	7/1/2018
Minimum (1st 2,000 gallons)	\$19.77	\$19.19	18.63
Additional 1,000 Gallons	6.68	6.68	6.48
Cost for 4,000 gallons	\$33.13	\$32.55	\$31.59
Increase %	1.8%	3.0%	
Affordability Index (Rate/MHI)	1.4%	1.3%	

<b>Out of City - Water</b>	Current	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	7/1/2018
Minimum (1st 2,000 gallons)	\$23.01	\$22.34	\$21.69
Additional 1,000 Gallons	6.68	6.68	6.48
Cost for 4,000 gallons	\$36.37	\$35.70	\$34.65
Increase %	1.9%	3.0%	
Affordability Index (Rate/MHI)	1.5%	1.5%	

<b>In City - Sewer</b>	Current	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	7/1/2018
Minimum (1st 2,000 gallons)	\$17.36	\$16.86	15.86
Additional 1,000 Gallons	5.75	5.51	5.51
Cost for 4,000 gallons	\$28.86	\$27.88	\$26.88
Increase %	3.5%	3.7%	
Affordability Index (Rate/MHI)	1.2%	1.1%	

<b>Out of City - Sewer</b>	Current	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	7/1/2018
Minimum (1st 2,000 gallons)	\$17.36	\$16.86	\$15.86
Additional 1,000 Gallons	5.75	5.51	5.51
Cost for 4,000 gallons	\$28.86	\$27.88	\$26.88
Increase %	3.5%	3.7%	
Affordability Index (Rate/MHI)	1.2%	1.1%	

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2014-2018, the Utility's service area population was 2,696 with a Median Household Income (MHI) of \$29,440. The median household income for the Commonwealth is \$48,392. The project will qualify for a 0.25% interest rate.

**VIII. 2020 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 \$779,060 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 increased 32.1% from \$642 thousand in 2017 to \$848 in 2019 while operating expenses increased 51.5% from \$473 thousand to \$717 during the same period primarily due to cost increases in materials, supplies and service charges. The debt coverage ratio was 2.2, 0.3, and 1.4 in 2017, 2018, and 2019 respectively.

The balance sheet reflects a current ratio of 0.8, a debt to equity ratio of 0.2, 29.1 days of sales in accounts receivable, and 0.6 months of operating expenses in unrestricted cash.

**PROJECTIONS**

Projections are based on the following assumptions:

- 1) Revenues for both water and sewer will increase as shown below as already approved in ordinance by the city:

	2020	2021	2022	2023	2024
Water	3.0%	1.8%	3.0%	3.0%	3.0%
Sewer	3.0%	3.5%	3.0%	3.0%	3.0%

- 2) Expenses will rise 2% annually for inflation.
- 3) Both city loans A21-026 and F21-004 are factored into the debt service coverage.
- 4) Debt service coverage is 1.2 in 2023 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% (\$78,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$3,900 yearly) each December 1 for 20 years and maintained for the life of the loan.

#### X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Water Bonds 1983	\$ 34,534	2021
Water Bonds 1997	184,860	2035
Water Bonds 2001	315,585	2041
Sewer Bonds 1987	63,899	2024
Sewer Bonds 1985	65,864	2021
Sewer Bonds 2010	206,935	2044
KIA Loan F17-003	756,884	2048
KIA Loan F21-004 (i.a.o \$1.2M)		TBD
<b>Total</b>	<b>\$ 1,628,561</b>	

#### XI. CONTACTS

<b>Legal Applicant</b>	
Entity Name	City of Fleming-Neon
Authorized Official	Susan Polis (Mayor)
County	Letcher
Email	flemingneon@hotmail.com
Phone	(606) 855-7900
Address	PO Box 66 Fleming-Neon, KY 41840

**Applicant Contact**

Name	Janice Banks
Organization	City of Fleming-Neon
Email	flemingneon@hotmail.com
Phone	(606) 855-7900
Address	PO Box 66 Neon, KY 41840

**Project Administrator**

Name	Angelia Hall
Organization	Kentucky River Area Development District
Email	angelia@kradd.org
Phone	(606) 436-3158
Address	941 N Main St. Hazard, KY 41702

**Consulting Engineer**

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

**XII. RECOMMENDATIONS**

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

**CITY OF FLEMING-NEON  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited</u> <u>2017</u>	<u>Audited</u> <u>2018</u>	<u>Audited</u> <u>2019</u>	<u>Projected</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Projected</u> <u>2024</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	91,430	113,116	101,070	108,849	100,697	153,918	190,166	218,123
Other Assets	8,891,484	10,034,689	10,636,271	10,141,440	9,646,609	10,306,939	11,338,175	10,811,291
<b>Total</b>	<b>8,982,914</b>	<b>10,147,805</b>	<b>10,737,341</b>	<b>10,250,289</b>	<b>9,747,306</b>	<b>10,460,857</b>	<b>11,528,341</b>	<b>11,029,414</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	247,281	627,314	125,778	126,185	126,685	149,292	178,321	178,821
Long Term Liabilities	994,027	918,227	1,576,631	1,480,176	1,383,721	1,860,716	2,492,685	2,345,594
<b>Total Liabilities</b>	<b>1,241,308</b>	<b>1,545,541</b>	<b>1,702,409</b>	<b>1,606,361</b>	<b>1,510,406</b>	<b>2,010,008</b>	<b>2,671,006</b>	<b>2,524,415</b>
<b>Net Assets</b>	<b>7,741,606</b>	<b>8,602,264</b>	<b>9,034,932</b>	<b>8,643,928</b>	<b>8,236,900</b>	<b>8,450,849</b>	<b>8,857,335</b>	<b>8,504,999</b>
<b>Cash Flow</b>								
Revenues	641,650	671,695	847,671	873,101	892,648	919,428	947,011	975,422
Operating Expenses	472,978	649,993	716,866	735,003	749,627	767,544	786,659	802,178
Other Income	55	88	115	115	115	115	115	115
<b>Cash Flow Before Debt Service</b>	<b>168,727</b>	<b>21,790</b>	<b>130,920</b>	<b>138,213</b>	<b>143,136</b>	<b>151,999</b>	<b>160,467</b>	<b>173,359</b>
<b>Debt Service</b>								
Existing Debt Service	77,800	86,906	92,783	132,463	152,888	89,824	90,048	97,066
Proposed KIA Loans	0	0	0	0	0	11,054	36,372	50,636
<b>Total Debt Service</b>	<b>77,800</b>	<b>86,906</b>	<b>92,783</b>	<b>132,463</b>	<b>152,888</b>	<b>100,878</b>	<b>126,420</b>	<b>147,702</b>
<b>Cash Flow After Debt Service</b>	<b>90,927</b>	<b>(65,116)</b>	<b>38,137</b>	<b>5,750</b>	<b>(9,752)</b>	<b>51,121</b>	<b>34,048</b>	<b>25,657</b>
<b>Ratios</b>								
Current Ratio	0.4	0.2	0.8	0.9	0.8	1.0	1.1	1.2
Debt to Equity	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3
Days Sales in Accounts Receivable	28.6	30.6	29.1	29.1	29.1	29.1	29.1	29.1
Months Operating Expenses in Unrestricted Cash	1.0	1.0	0.6	0.6	0.5	1.3	1.8	2.1
Debt Coverage Ratio	2.2	0.3	1.4	1.0	0.9	1.5	1.3	1.2

<b>EXECUTIVE SUMMARY</b>		Reviewer	Alex Fisher	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	April 1, 2021	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A21-034	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21207019	
BORROWER	CITY OF RUSSELL SPRINGS RUSSELL COUNTY			
BRIEF DESCRIPTION				
<p>The City of Russell Springs ("City") is requesting a Fund A loan in the amount of \$682,000 for the KY 80 Gravity Sewer Rehab project. The City of Russell Springs plans to rehabilitate existing sanitary sewer lines to reduce the infiltration and inflow in portions of the sewer system along KY 80, Butler Drive and Roy Drive, including manhole rehabs, point repairs, sewer line repairs and reconnection of lateral lines. Slip line approximately 5,900 LF of 8" VCP and reconnect 50 existing customers.</p> <p>Currently the City of Russell Springs serves over 1,300 residential and 220 commercial customers.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$682,000	RD Fee %	Actual %	
		Administrative Expenses		\$15,000
		Eng - Design / Const	9.9%	9.3%
		Eng - Insp	7.0%	6.6%
		Eng - Other		8,000
		Construction		516,750
		Contingency		51,850
TOTAL	\$682,000	TOTAL		\$682,000
REPAYMENT	Rate	0.25%	Est. Annual Payment	\$18,172
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Kenvirons, Inc.		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Jul-21		
	Construction Start	Sep-21		
	Construction Stop	Nov-21		
DEBT PER CUSTOMER	Existing	\$1,489		
	Proposed	\$1,415		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	<u>Users</u>	<u>Avg. Bill</u>	
		1,525	\$38.67	(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	299,276	219,259	80,017	1.4
Audited 2018	383,868	210,887	172,981	1.8
Audited 2019	411,586	212,958	198,628	1.9
Projected 2020	419,429	209,621	209,808	2.0
Projected 2021	444,569	210,965	233,604	2.1
Projected 2022	468,512	196,071	272,441	2.4
Projected 2023	494,668	194,683	299,985	2.5
Projected 2024	521,348	194,295	327,053	2.7

Reviewer: Alex Fisher  
Date: April 1, 2021  
Loan Number: A21-034

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
CITY OF RUSSELL SPRINGS, RUSSELL COUNTY  
PROJECT REVIEW  
SX21207019**

**I. PROJECT DESCRIPTION**

The City of Russell Springs ("City") is requesting a Fund A loan in the amount of \$682,000 for the KY 80 Gravity Sewer Rehab project. The City of Russell Springs plans to rehabilitate existing sanitary sewer lines to reduce the infiltration and inflow in portions of the sewer system along KY 80, Butler Drive and Roy Drive, including manhole rehabs, point repairs, sewer line repairs and reconnection of lateral lines. Slip line approximately 5,900 LF of 8" VCP and reconnect 50 existing customers.

Currently the City of Russell Springs serves over 1,300 residential and 220 commercial customers.

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 15,000
Engineering Fees - Design	52,700
Engineering Fees - Inspection	37,700
Engineering Fees - Other	8,000
Construction	516,750
Contingency	51,850
<b>Total</b>	<b>\$ 682,000</b>

**III. PROJECT FUNDING**

	<b>Amount</b>	<b>%</b>
Fund A Loan	\$ 682,000	100%
<b>Total</b>	<b>\$ 682,000</b>	<b>100%</b>

#### IV. KIA DEBT SERVICE

Construction Loan	\$ 682,000
Less: Principal Forgiveness	341,000
Amortized Loan Amount	<u>\$ 341,000</u>
Interest Rate	0.25%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 17,490
Administrative Fee (0.20%)	682
<b>Total Estimated Annual Debt Service</b>	<b>\$ 18,172</b>

#### V. PROJECT SCHEDULE

Bid Opening	July 2021
Construction Start	September 2021
Construction Stop	November 2021

#### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

##### A) Customers

Customers	Current
Residential	1,305
Commercial	220
Industrial	0
Total	<u>1,525</u>

##### B) Rates

<b>Sewer In City</b>	Current	Prior	Prior
Date of Last Rate Increase	1/1/2021	1/1/2020	3/15/2018
Minimum (2,000 Gallons)	\$21.01	\$20.60	20.20
Next 2,000 Gallons	8.83	8.66	8.49
Cost for 4,000 gallons	<u>\$38.67</u>	<u>\$37.92</u>	<u>\$37.18</u>
Increase %	2.0%	2.0%	
Affordability Index (Rate/MHI)	1.2%	1.2%	

**Sewer Out of City**

	Current	Prior	Prior
Date of Last Rate Increase	1/1/2021	1/1/2020	3/15/2018
Minimum (2,000 Gallons)	\$23.70	\$23.24	22.78
Next 2,000 Gallons	9.11	8.93	8.75
Cost for 4,000 gallons	\$41.92	\$41.10	\$40.28
Increase %	2.0%	2.0%	
Affordability Index (Rate/MHI)	1.3%	1.3%	

**Water In City**

	Current	Prior	Prior
Date of Last Rate Increase	1/1/2021	1/1/2020	3/15/2018
Minimum (2,000 Gallons)	\$15.06	\$14.77	14.48
Next 2,000 Gallons	5.25	5.15	5.05
Cost for 4,000 gallons	\$25.56	\$25.07	\$24.58
Increase %	2.0%	2.0%	
Affordability Index (Rate/MHI)	0.8%	0.8%	

**Water Out of City**

	Current	Prior	Prior
Date of Last Rate Increase	1/1/2021	1/1/2020	3/15/2018
Minimum (2,000 Gallons)	\$26.18	\$25.67	25.70
Next 2,000 Gallons	7.59	7.44	7.03
Cost for 4,000 gallons	\$41.36	\$40.55	\$39.75
Increase %	2.0%	2.0%	
Affordability Index (Rate/MHI)	1.3%	1.3%	

**VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2014-2018, the Utility's service area population was 4,218 with a Median Household Income (MHI) of \$37,880. The median household income for the Commonwealth is \$48,392. The project will qualify for a 0.25% interest rate.

**VIII. 2020 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 \$341,000 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. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Combined water, sewer and sanitation revenues increased 15.6% from \$2.95 million in 2017 to \$3.41 in 2019 while operating expenses increased 12.8% from \$1.93 million to \$2.18 million during the same period primarily due to a 13.9% increase in sanitation expenses. Since sanitation is factored into the water and sewer fund the large increase in sanitation expenses has been a major contributor to overall operating expense increases from 2017 to 2019. The debt coverage ratio was 1.4, 1.8, and 1.9 in 2017, 2018, and 2019 respectively.

The balance sheet reflects a current ratio of 2.4, a debt to equity ratio of 0.7, 61.6 days of sales in accounts receivable, and 1.2 months of operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Revenues for sewer and water are set to increase according to city ordinance based upon the consumer price index for urban wage earners and clerical workers (CPI-W). The annual increase will be at least 2% and not to exceed 6%. The projection years reflect 2% annual rate increases.
- 2) Expenses are to increase 2% annually due to inflation.
- 3) Debt service coverage is 2.4 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% (\$34,000 total) of the final amount borrowed prior to principal forgiveness to be funded annually (\$1,700 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
1981 Revenue Bonds	\$ 47,999	*
1986 Revenue Bonds	102,000	*
1996A Revenue Bonds	386,000	*
1996B Revenue Bonds	871,000	*
2001 Revenue Bonds	238,600	*
2004 Revenue Bonds	99,000	*
Equipment & Vehicle Loans	526,830	2024
<b>Total</b>	<b>\$ 2,271,429</b>	

The maturities with an asterisk (\*) have various maturities from years 2020 to 2044.

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Russell Springs
Authorized Official	Eddie Thomas (Mayor)
County	Russell
Email	ethomas@russellsprings.net
Phone	(270) 866-3981
Address	PO Box 247 Russell Springs, KY 42642

<b>Applicant Contact</b>	
Name	Terry Russell
Organization	City of Russell Springs
Email	trussell@russellsprings.net
Phone	(270) 866-3981
Address	487 Main St Russell Springs, KY 42642

**Project Administrator**

Name	Judy Hachey
Organization	LCADD
Email	judyh@lcadd.org
Phone	(270) 866-4200
Address	PO Box 1570 Russell Springs, KY 42642

**Consulting Engineer**

PE Name	Eddie W Brown
Firm Name	Kenvirons, Inc.
Email	ebrown@kenvirons.com
Phone	(502) 695-4357
Address	770 Wilkinson Blvd. Frankfort, KY 40601

**XII. RECOMMENDATIONS**

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

**CITY OF RUSSELL SPRINGS  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited 2017</u>	<u>Audited 2018</u>	<u>Audited 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>	<u>Projected 2023</u>	<u>Projected 2024</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	747,703	868,075	925,219	1,146,543	1,391,846	1,676,287	1,988,471	2,328,024
Other Assets	9,210,428	9,317,204	8,944,021	8,493,399	8,042,777	8,258,805	7,792,833	7,326,861
<b>Total</b>	<b>9,958,131</b>	<b>10,185,279</b>	<b>9,869,240</b>	<b>9,639,942</b>	<b>9,434,623</b>	<b>9,935,092</b>	<b>9,781,304</b>	<b>9,654,885</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	384,816	487,644	391,968	439,094	413,574	437,437	444,355	450,474
Long Term Liabilities	3,397,559	3,807,364	3,751,228	3,575,278	3,427,948	3,600,955	3,429,344	3,254,914
<b>Total Liabilities</b>	<b>3,782,375</b>	<b>4,295,008</b>	<b>4,143,196</b>	<b>4,014,372</b>	<b>3,841,522</b>	<b>4,038,392</b>	<b>3,873,699</b>	<b>3,705,388</b>
<b>Net Assets</b>	<b>6,175,756</b>	<b>5,890,271</b>	<b>5,726,044</b>	<b>5,625,570</b>	<b>5,593,101</b>	<b>5,896,700</b>	<b>5,907,605</b>	<b>5,949,497</b>
<b>Cash Flow</b>								
Revenues	2,948,946	3,246,990	3,409,618	3,477,810	3,547,366	3,618,313	3,690,679	3,764,493
Operating Expenses	2,724,344	2,942,325	3,082,932	3,126,477	3,170,893	3,217,897	3,264,107	3,311,241
Other Income	74,674	79,203	84,900	68,096	68,096	68,096	68,096	68,096
<b>Cash Flow Before Debt Service</b>	<b>299,276</b>	<b>383,868</b>	<b>411,586</b>	<b>419,429</b>	<b>444,569</b>	<b>468,512</b>	<b>494,668</b>	<b>521,348</b>
<b>Debt Service</b>								
Existing Debt Service	219,259	210,887	212,958	209,621	210,965	177,899	176,511	176,123
Proposed KIA Loan	0	0	0	0	0	18,172	18,172	18,172
<b>Total Debt Service</b>	<b>219,259</b>	<b>210,887</b>	<b>212,958</b>	<b>209,621</b>	<b>210,965</b>	<b>196,071</b>	<b>194,683</b>	<b>194,295</b>
<b>Cash Flow After Debt Service</b>	<b>80,017</b>	<b>172,981</b>	<b>198,628</b>	<b>209,808</b>	<b>233,604</b>	<b>272,441</b>	<b>299,985</b>	<b>327,053</b>
<b>Ratios</b>								
Current Ratio	1.9	1.8	2.4	2.6	3.4	3.8	4.5	5.2
Debt to Equity	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.6
Days Sales in Accounts Receivable	49.4	63.9	61.6	61.6	61.6	61.6	61.6	61.6
Months Operating Expenses in Unrestricted Cash	1.3	1.0	1.2	2.0	2.8	3.8	4.9	6.0
Debt Coverage Ratio	1.4	1.8	1.9	2.0	2.1	2.4	2.5	2.7

<b>EXECUTIVE SUMMARY</b>		Reviewer	Sarah Parsley	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	Director Level Increase	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>			3/10/2021	
<b>REVOLVING LOAN FUND</b>		KIA Loan Number	F19-005 (Increase)	
		WRIS Number	WX21199128	
BORROWER	CITY OF BURNSIDE PULASKI COUNTY			
BRIEF DESCRIPTION				
A loan increase of \$100,000 is requested to fund original portions of the project previously deleted by a change order. This will include a portion of Line H and switching meters from existing 4" cast iron line to 8" PVC line on a portion of East Lakeshore Drive. This will bring the total loan amount to \$2,900,000.				
The proposed project will replace approximately 28,375 LF of waterline, along with valves and fire hydrants in residential and commercial areas within the Burnside Water System. The replacement lines will be 6" PVC. The completion of the project will restore proper fire protection by upsizing lines and replacing fire hydrants. It will also improve domestic service and reduce water loss eliminating leaks as well as provide a direct connection between the WTP and old Burnside.				
u				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$2,900,000	RD Fee %	Actual %	
		Administrative Expenses		\$65,000
		Legal Expenses		10,000
		Planning		15,000
		Eng - Design / Const	7.4%	5.4%
		Eng - Insp	4.3%	3.3%
		Eng - Other		6,500
		Construction		2,356,290
		Contingency		223,210
TOTAL	\$2,900,000	TOTAL		\$2,900,000
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$68,668
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	HMB, Inc		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Nov-19		
	Construction Start	May-20		
	Construction Stop	Feb-21		
DEBT PER CUSTOMER	Existing	\$2,608		
	Proposed	\$5,452		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		Users	Avg. Bill	
	Current	597	\$53.58 (for 4,000 gallons)	
	Additional	0	\$53.58 (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 2017	91,775	65,635	26,140	1.4
Audited 2018	147,995	92,634	55,361	1.6
Audited 2019	69,051	92,249	(23,198)	0.7
Projected 2020	100,910	90,284	10,626	1.1
Projected 2021	122,136	90,418	31,718	1.4
Projected 2022	177,485	154,973	22,512	1.1
Projected 2023	181,367	153,168	28,199	1.2
Projected 2024	185,308	149,668	35,640	1.2

Reviewer: Sarah Parsley  
Date: March 10, 2021  
Loan Number: F19-005 2<sup>nd</sup> increase

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
CITY OF BURNSIDE, PULASKI COUNTY  
PROJECT REVIEW  
WX21199128**

**I. PROJECT DESCRIPTION**

The City of Burnside is requesting a Fund F loan additional increase amount of \$100,000, bringing the total amount to \$2,900,000 for the Burnside Combined Waterline Improvements project. This project will replace approximately 28,375 LF of waterline with valves and fire hydrants in residential and commercial areas in the Burnside Water System. The replacement lines will be 6" PVC. The completion of the project will restore proper fire protection by upsizing lines and replacing fire hydrants. It will also improve domestic service and reduce water loss to Burnside's customers by eliminating leaks as well as provide a direct connection between the WTP and old Burnside.

The City of Burnside produces more than 80% and purchases around 15% of its water supply from the Southeastern Water Association to serve approximately 570 customers within the system. In a Town Hall meeting held on December 10, 2018 to address the need for the project and the KIA assistance, the City received full support from its residents to move forward with the project.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 65,000
Legal Expenses	10,000
Planning	15,000
Engineering Fees - Design	111,300
Engineering Fees - Construction	27,825
Engineering Fees - Inspection	84,875
Engineering Fees - Other	6,500
Construction	2,356,290
Contingency	223,210
<b>Total</b>	<b><u>\$ 2,900,000</u></b>

### III. PROJECT FUNDING

	Amount	%
KIA Fund F Loan	\$ 2,900,000	100%
<b>Total</b>	<b>\$ 2,900,000</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 2,900,000
Principal Forgiveness (50%)	1,113,500
Amortized Loan Amount	\$ 1,786,500
Interest Rate	0.50%
Loan Term (Years)	30
Estimated Annual Debt Service	\$ 64,202
Administrative Fee (0.25%)	4,466
<b>Total Estimated Annual Debt Service</b>	<b>\$ 68,668</b>

### V. PROJECT SCHEDULE

Bid Opening	November 2019
Construction Start	May 2020
Construction Stop	February 2021

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

Customers	Current
Residential	538
Commercial/Institutional	44
Other	15
<b>Total</b>	<b>597</b>

#### B) Rates

Date of Last Rate Increase	Water Inside City			Water Outside City		
	Current	Prior	Prior	Current	Prior	Prior
	07/01/20	07/01/19	07/01/18	07/01/20	07/01/19	07/01/18
First 1,000 Gallons	\$21.69	\$21.14	\$19.22	\$26.22	\$25.55	\$23.23
1,000 Gallons and Above	11.82	11.52	10.47	14.71	14.33	
3,000 Gallons and Above	8.25	8.04	7.31	10.21	9.96	
Cost for 4,000 gallons	\$53.58	\$52.22	\$47.47	\$65.85	\$64.17	\$58.34
Increase %	2.6%	10.0%		2.6%	9.1%	
Affordability Index (Rate/MHI)	1.8%	1.8%		2.2%	2.2%	

	Sewer		
	Current	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	07/01/18
First 1,000 Gallons	\$20.03	\$9.58	\$9.13
Debt Service		\$8.22	\$8.22
1,000 Gallons and Above	\$10.30	\$9.58	\$9.13
Cost for 4,000 gallons	\$50.93	\$46.54	\$44.74
Increase %	9.4%	4.0%	
Affordability Index (Rate/MHI)	1.7%	1.6%	

The City adopted a CPI clause in the 2014 rate ordinance to automatically adjust both water and sewer rates each year based on the Consumer Price Index.

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 1,388 with a Median Household Income (MHI) of \$35,706. The median household income for the Commonwealth is \$44,811. The project will qualify for a 0.5% interest rate with a below 80% of the State MHI.

Year	Population		County	% Change	County Unemployment	
	City	% Change			Date	Rate
1980	775		45,803		June 2005	5.4%
1990	695	-10.3%	49,489	8.0%	June 2010	14.4%
2000	637	-8.3%	56,217	13.6%	June 2015	5.8%
2010	611	-4.1%	63,063	12.2%	June 2018	5.1%
Current	1,270	93.9%	63,772	1.4%		
Cumulative %		52.9%		39.7%		

## 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 qualifies for additional subsidization. Principal forgiveness of 50% of the assistance amount, not to exceed \$1,113,500 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. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2016 and 2017 operating expenses.

### **HISTORY**

Combined water and sewer revenues decreased 6.5% from \$594,558 in 2017 to \$556,128 in 2019 due to lost customer base and issues with the Burnside marina, while operating expenses increased 2.6% during the same period. The debt coverage ratio was 1.4, 1.6, and 0.75 in 2017 to 2019, respectively.

The balance sheet reflects a current ratio of 0.4, a debt to equity ratio of 0.5, 32 days sales in accounts receivable, and 0.7 month operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Water revenues will increase 9.5% in 2020 and 4.5% in 2021 while sewer revenues will increase 4% in fiscal year 2020 and 9.5% in 2021 with the implemented rate increases by the City effective July 1, 2019.
- 2) The City will deposit \$5,000 additionally into the Reserve and Sinking Fund accounts starting 2020 for 4 years to replenish the minimum fund balances. This will be subject to annual KIA administrative compliance monitoring.
- 3) The City will continue to adjust rates based on the Consumer Price Index in 2022 and going forward.
- 4) Expenses will increase 2% annually for general inflation.
- 5) Debt coverage ratio is 1.15 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% (\$146,000 total) of the final amount borrowed prior to principal forgiveness to be funded annually (\$7,300 yearly) each December 1 for 20 years and maintained for the life of the loan. As of June 30, 2017, the Reserve and Sinking Fund balances were under funded by approximately \$20,000. The City will set aside additional cash to fund the balances appropriately.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
Sewer Revenue and Waterworks Bonds	\$ 1,108,000	2055
<b>Total</b>	<b>\$ 1,108,000</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Name	City of Burnside
Address	7929 S Hwy 27, PO Box 8 Burnside, KY 42519
County	Pulaski
Authorized Official	Robert Lawson, Mayor
Phone	(606) 561-4113
Email	mayor@burnsidecitygovernment.com

<b>Project Contact - Applicant</b>	
Name	Crissa Morris
Organization	City of Burnside
Address	7929 S Hwy 27, PO Box 8 Burnside, KY 42519
Phone	(606) 561-4113
Email	clerk@burnsidecitygovernment.com

<b>Project Administrator</b>	
Name	Stephanie Smith
Organization	Lake Cumberland Area Development District
Address	2384 Lakeway Dr, PO Box 1570 Russell Springs, KY 42642
Phone	(270) 866-4200
Email	stephanie@lcadd.org

**Consulting Engineer**

Name	Barry Cloyd
Firm	HMB, Inc
Address	3 HMB Circle Frankfort, KY 40601
Phone	(502) 695-9800
Email	bcloyd@hmbpe.com

**XII. RECOMMENDATIONS**

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

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

	<u>Audited</u> <u>2017</u>	<u>Audited</u> <u>2018</u>	<u>Audited</u> <u>2019</u>	<u>Projected</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Projected</u> <u>2024</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	174,224	198,133	183,507	189,573	198,817	205,719	212,259	220,287
Other Assets	8,565,742	8,333,898	8,072,766	7,756,897	10,323,926	9,920,891	9,522,405	9,129,872
Total	<u>8,739,966</u>	<u>8,532,031</u>	<u>8,256,273</u>	<u>7,946,470</u>	<u>10,522,743</u>	<u>10,126,610</u>	<u>9,734,664</u>	<u>9,350,159</u>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	376,864	359,718	474,148	450,331	453,131	515,548	519,948	524,448
Long Term Liabilities	1,973,240	1,962,339	2,097,835	2,052,635	3,793,935	3,689,218	3,583,002	3,475,285
Total Liabilities	<u>2,350,104</u>	<u>2,322,057</u>	<u>2,571,983</u>	<u>2,502,966</u>	<u>4,247,066</u>	<u>4,204,766</u>	<u>4,102,949</u>	<u>3,999,733</u>
Net Assets	<u>6,389,862</u>	<u>6,209,974</u>	<u>5,684,290</u>	<u>5,443,504</u>	<u>6,275,677</u>	<u>5,921,844</u>	<u>5,631,715</u>	<u>5,350,427</u>
<b>Cash Flow</b>								
Revenues	594,558	593,956	556,128	594,641	627,654	655,226	665,330	675,617
Operating Expenses	502,783	445,961	487,077	493,731	505,518	477,741	483,963	490,309
Other Income	0	0	0	0	0	0	0	0
Cash Flow Before Debt Service	<u>91,775</u>	<u>147,995</u>	<u>69,051</u>	<u>100,910</u>	<u>122,136</u>	<u>177,485</u>	<u>181,367</u>	<u>185,308</u>
<b>Debt Service</b>								
Existing Debt Service	65,635	92,634	92,249	90,284	90,418	86,305	84,500	81,000
Proposed KIA Loan	0	0	0	0	0	68,668	68,668	68,668
Total Debt Service	<u>65,635</u>	<u>92,634</u>	<u>92,249</u>	<u>90,284</u>	<u>90,418</u>	<u>154,973</u>	<u>153,168</u>	<u>149,668</u>
Cash Flow After Debt Service	<u>26,140</u>	<u>55,361</u>	<u>(23,198)</u>	<u>10,626</u>	<u>31,718</u>	<u>22,512</u>	<u>28,199</u>	<u>35,640</u>
<b>Ratios</b>								
Current Ratio	0.5	0.6	0.4	0.4	0.4	0.4	0.4	0.4
Debt to Equity	0.4	0.4	0.5	0.5	0.7	0.7	0.7	0.7
Days Sales in Accounts Receivable	39.7	20.7	32.0	32.0	32.0	32.0	32.0	32.0
Months Operating Expenses in Unrestricted Cash	0.3	1.7	0.7	0.7	0.9	1.1	1.2	1.4
Debt Coverage Ratio	1.4	1.6	0.7	1.1	1.4	1.1	1.2	1.2

<b>EXECUTIVE SUMMARY</b>		Reviewer	Meili Sun	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	April 5, 2021	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F20-009 (Increase)	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21001029	
BORROWER	ADAIR COUNTY WATER DISTRICT ADAIR COUNTY			
BRIEF DESCRIPTION				
The Adair County Water District is requesting to increase the loan amount for the Water Main Replacement Project from \$1,342,530 to \$1,476,783 due to higher bids than estimated.				
This project consists of construction of 7,400 linear feet of 8-inch water main to replace existing undersized asbestos cement waterlines along Tutt Street and Bomar Heights and 5,250 linear feet of 6-inch water main in the area. The construction will require replacement of approximately 89 customer services along the new water main route. Additionally, the project will renovate and repaint the elevated 300,000 gallon City Industrial Tank and demolish the elevated 500,000 gallon Paige Street and the elevated 200,000 gallon Bomar Heights Tanks.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$1,476,783	RD Fee %	Actual %	
		Administrative Expenses		\$7,500
		Legal Expenses		2,500
		Planning		25,000
		Eng - Design / Const	8.6%	7.2%
		Eng - Insp	5.4%	4.5%
		Eng - Other		20,000
		Construction		1,180,394
		Contingency		92,609
TOTAL	\$1,476,783	TOTAL		\$1,476,783
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$30,962
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Kentucky Engineering Group, PLLC		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Mar-21		
	Construction Start	May-21		
	Construction Stop	Feb-22		
DEBT PER CUSTOMER	Existing	\$2,699		
	Proposed	\$2,834		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	7,943	\$40.90	(for 4,000 gallons)
	Additional	0	\$40.90	(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	1,520,068	1,767,710	(247,642)	0.9
Audited 2018	1,493,692	1,985,357	(491,665)	0.8
Audited 2019	1,634,648	1,613,445	21,203	1.0
Projected 2020	1,484,913	1,663,835	(178,922)	0.9
Projected 2021	2,361,782	1,564,091	797,691	1.5
Projected 2022	2,298,583	1,629,293	669,290	1.4
Projected 2023	2,220,303	1,685,876	534,427	1.3
Projected 2024	2,154,550	1,721,819	432,731	1.3

Reviewer: Meili Sun  
Date: April 5, 2021  
Loan Number: F20-009 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND F)  
ADAIR COUNTY WATER DISTRICT, ADAIR COUNTY  
PROJECT REVIEW  
WX21001029**

**I. PROJECT DESCRIPTION**

The Adair County Water District (ACWD) is requesting an increase of \$134,253 to the initial loan of \$1,342,530 approved in March, 2020 for the Water Main Replacement Project. The reason for the loan increase is due to higher pipe prices and less competition for the elevated storage tank contract. The increase has been approved on the executive director level as it is not more than 10 percent of the total loan amount.

This project will construct 7,400 linear feet of 8-inch water main to replace existing undersized asbestos-cement waterlines along Tutt Street and Bomar Heights and 5,250 linear feet of 6-inch water main on some cross streets in the area, which will require replacement of approximately 89 customer services along the new water main route. Additionally, the project will renovate and repaint the 300,000-gallon City Industrial Tank and demolish the 500,000 gallon Paige Street and the 200,000 gallon Bomar Heights Tanks.

The aging asbestos-cement waterlines are considered hazardous as they become brittle and prone to breaking. They must be removed for protection of public health. The City Industrial Tank is in poor condition and overdue for renovation and repainting. The other two tanks were taken out of service when a new tank was constructed in the past. They are no longer useful and have become a liability to ACWD.

ACWD is a Public Service Commission (PSC) regulated utility producing 93% of the water supply and purchasing the remainder to serve approximately 1,700 retail customers in Adair County and 3 wholesale customers. All retail and wholesale rate adjustments are subject to PSC approval.

## II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 7,500
Legal Expenses	2,500
Planning	25,000
Engineering Fees – Design	63,826
Engineering Fees – Construction	27,354
Engineering Fees – Inspection	57,600
Engineering Fees – Other	20,000
Construction	1,180,394
Contingency	92,609
<b>Total</b>	<b>\$ 1,476,783</b>

## III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
<b>KIA Fund F Loan</b>	<b>\$ 1,476,783</b>	<b>100%</b>

## IV. KIA DEBT SERVICE

Construction Loan	\$ 1,476,783
Principal Forgiveness	671,265
Amortized Loan Amount	\$ 805,518
Interest Rate	0.50%
Loan Term (Year)	30
Estimated Annual Debt Service	\$ 28,948
Administrative Fee (0.25%)	2,014
<b>Total Estimated Annual Debt Service</b>	<b>\$ 30,962</b>

## V. PROJECT SCHEDULE

Bid Opening	March 2021
Construction Start	May 2021
Construction Stop	February 2022

## VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

### A) Customers

	Current
Residential	7,391
Commercial	481
Industrial	71
Total	<u>7,943</u>

### B) Rates

	Sewer	
	Current	Prior
Date of Last Rate Increase	10/21/20	07/23/14
Minimum (No Usage)	\$7.00	\$5.00
All Usage per 1,000 Gallons	7.20	5.20
Cost for 4,000 gallons	\$35.80	\$25.80
Increase %	38.8%	
Affordability Index (Rate/MHI)	1.6%	1.1%

	Water	
	Current	Prior
Date of Last Rate Increase	10/21/20	02/03/12
First 1,000 Gallons	19.90	
Next 4,000 Gallons	7.00	
First 2,000 Gallons		\$19.90
Next 3,000 Gallons		7.00
Next 5,000 Gallons	\$6.25	6.25
Cost for 4,000 gallons	\$40.90	\$33.90
Increase %	20.6%	
Affordability Index (Rate/MHI)	1.4%	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 16,785 with a Median Household Income (MHI) of \$34,172. The median household income for the Commonwealth is \$46,535. The project will qualify for a 30 year loan at 0.50% interest rate.

Year	Population		County	% Change	County Unemployment	
	City	% Change			Date	Rate
1980	3,710		15,233		June 2005	5.7%
1990	3,845	3.6%	15,360	0.8%	June 2010	11.8%
2000	4,014	4.4%	17,244	12.3%	June 2015	7.6%
2010	4,452	10.9%	18,656	8.2%	June 2019	6.0%
Current	4,852	9.0%	19,304	3.5%		
Cumulative %		30.8%		26.7%		

### **VIII. 2019 CAPITALIZATION GRANT EQUIVALENCIES**

Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 50% of the assistance amount, not to exceed \$671,265 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, 2017 through December 31, 2019. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

#### **HISTORY**

Revenues increased 4.0% from \$4.49 million in 2017 to \$4.67 million in 2019 while operating expenses increased 2.3% from \$2.97 million to \$3.04 million during the same period. The debt coverage ratios of 2017, 2018, and 2019 were 0.9, 0.8, and 1.0 respectively.

The balance sheet reflects a current ratio of 1.9, a debt to equity ratio of 1.2, 34.1 days of sales in accounts receivable, and 0.7 month of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Combined water and sewer revenues will increase approximately \$900,000 based on the rate increases approved by the PSC in October, 2020.
- 2) Combined operating expenses including water purchase will increase 2% annually for inflation.
- 3) Debt coverage ratio is 1.3 in 2023 for the first principal and interest 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% (\$74,000 total) of the final amount borrowed to be funded annually (\$3,700 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
2004 Utilities Revenue Bonds	\$ 393,500	2043
2005 Water Revenue Bonds	994,000	2045
2006 Water Revenue Bonds	2943,500	2045
2007 Water Revenue Bonds	639,000	2046
2008 Water Revenue Bonds	265,400	2048
2008 Utilities Revenue Bonds	99,200	2047
2009 Water Revenue Bonds	972,500	2050
2011 Water Revenue Bonds	1,072,500	2051
2012 Water Revenue Bonds	1,333,000	2052
2013D Water Revenue Bonds (Refunding)	2,515,000	2040
2014 Water Revenue Bonds	655,500	2054
KIA Loan F06-01	2,032,831	2028
KIA Loan F07-01	474,750	2028
KIA Loan F10-01	2,689,800	2032
KIA Loan F10-02	1,097,995	2032
KIA Loan F11-10	743,437	2034
KIA Loan F12-04	2,417,516	2044
Bank of Columbia Note	121,210	2019
KIA Loan A20-016 i.a.o. \$2,104,870		TBD
RD Loan i.a.o. \$1,945,000		TBD
<b>Total</b>	<b>\$ 21,440,639</b>	

## **XI. CONTACTS**

### **Legal Applicant**

Name	Adair County Water District DBA Columbia/Adair Utilities District
Address	109 Grant Lane, PO Box 567 Columbia, KY 42728
County	Adair
Authorized Official	William Harris
Phone	(270) 384-2181
Email	utility@caud.net

### **Project Contact - Applicant**

Name	Lenny Stone, Manager
Organization	Columbia/Adair Utilities District
Address	109 Grant Lane, PO Box 567 Columbia, KY 42728
Phone	(270) 384-2181
Email	lenny.stone@caud.net

### **Project Administrator**

Name	Holly Nicholas
Organization	Kentucky Engineering Group, PLLC
Address	161 North Locust St, PO Box 1034 Versailles, KY 40383
Phone	(859) 333-9742
Email	hnicholas@kyengr.com

### **Consulting Engineer**

Name	James C Thompson
Firm	Kentucky Engineering Group, PLLC
Address	161 North Locust St, PO Box 1034 Versailles, KY 40383
Phone	(859) 251-4127
Email	jthompson@kyengr.com

## **XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions and two special conditions related to the PSC regulations:

1. ACWD shall apply to the Public Service Commission (PSC), pursuant to KRS 278.300, for debt authorization for KIA loan A20-016, F20-009, and the pending RD loan. This debt authorization application should include a forecast meeting debt service projected through 2025.
2. Prior to the assistance agreement being executed, ACWD must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020, from the PSC for any portion of the project that may require it, or provide an opinion from legal counsel or the staff of the PSC, or a declaratory order from the PSC, that a CPCN is not required for any portion of the assets to be constructed as part of the loan agreement.

**ADAIR COUNTY WATER DISTRICT  
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited 2017</u>	<u>Audited 2018</u>	<u>Audited 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>	<u>Projected 2023</u>	<u>Projected 2024</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	890,914	760,210	869,865	681,824	1,567,315	2,236,605	2,771,032	3,203,764
Other Assets	50,935,078	49,753,410	48,018,817	45,908,179	44,034,692	47,924,885	45,927,048	43,929,212
Total	<u>51,825,992</u>	<u>50,513,620</u>	<u>48,888,682</u>	<u>46,590,003</u>	<u>45,602,007</u>	<u>50,161,490</u>	<u>48,698,081</u>	<u>47,132,975</u>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	343,040	445,105	458,084	463,341	468,741	474,241	479,841	485,541
Long Term Liabilities	26,053,948	26,495,332	25,844,846	24,293,102	23,218,715	26,517,462	25,360,992	24,088,028
Total Liabilities	<u>26,396,988</u>	<u>26,940,437</u>	<u>26,302,930</u>	<u>24,756,443</u>	<u>23,687,456</u>	<u>26,991,703</u>	<u>25,840,833</u>	<u>24,573,569</u>
Net Assets	<u>25,429,004</u>	<u>23,573,183</u>	<u>22,585,752</u>	<u>21,833,560</u>	<u>21,914,551</u>	<u>23,169,787</u>	<u>22,857,248</u>	<u>22,559,406</u>
<b>Cash Flow</b>								
Revenues	4,486,762	4,557,728	4,668,345	4,668,345	5,607,174	5,607,174	5,607,174	5,607,174
Operating Expenses	2,970,140	3,083,669	3,037,262	3,186,997	3,248,957	3,312,156	3,390,436	3,456,189
Other Income	3,446	19,633	3,565	3,565	3,565	3,565	3,565	3,565
Cash Flow Before Debt Service	<u>1,520,068</u>	<u>1,493,692</u>	<u>1,634,648</u>	<u>1,484,913</u>	<u>2,361,782</u>	<u>2,298,583</u>	<u>2,220,303</u>	<u>2,154,550</u>
<b>Debt Service</b>								
Existing Debt Service	1,767,710	1,985,357	1,613,445	1,663,835	1,564,091	1,629,293	1,654,914	1,690,857
Proposed KIA Loan	0	0	0	0	0	0	30,962	30,962
Total Debt Service	<u>1,767,710</u>	<u>1,985,357</u>	<u>1,613,445</u>	<u>1,663,835</u>	<u>1,564,091</u>	<u>1,629,293</u>	<u>1,685,876</u>	<u>1,721,819</u>
Cash Flow After Debt Service	<u>(247,642)</u>	<u>(491,665)</u>	<u>21,203</u>	<u>(178,922)</u>	<u>797,691</u>	<u>669,290</u>	<u>534,427</u>	<u>432,731</u>
<b>Ratios</b>								
Current Ratio	2.6	1.7	1.9	1.5	3.3	4.7	5.8	6.6
Debt to Equity	1.0	1.1	1.2	1.1	1.1	1.2	1.1	1.1
Days Sales in Accounts Receivable	34.8	32.3	34.1	34.1	34.1	34.1	34.1	34.1
Months Operating Expenses in Unrestricted Cash	0.9	0.4	0.7	0.0	3.1	5.5	7.3	8.7
Debt Coverage Ratio	0.9	0.8	1.0	0.9	1.5	1.4	1.3	1.3

<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	Alex Fisher April 1, 2021 F21-004 WX21133034	
BORROWER	CITY OF FLEMING-NEON LETCHER COUNTY			
BRIEF DESCRIPTION				
<p>The City of Fleming-Neon is requesting a Fund F loan in the amount of \$1,191,114 for the Fleming-Neon Waterline Improvement Project Phase 1. In order to combat high water loss due to aging water lines, the City of Fleming-Neon is planning to replace and modernize their water system. When the original system was created, GIS mapping was not available and data and information as to locations, line size and material have been lost over the years, making it almost impossible to detect or prevent breaks.</p> <p>Phase 1 will replace approximately 10,200 feet of 8" PVC and 4,400 feet of PVC waterlines from the water treatment plant on Shea Fork to the Neon city limits on Hwy 343 and Northeast along Hwy 343 to its intersection with Chopping Branch in the McRoberts area and any side roads. The project will address lines from the water treatment plant along Shea Fork to its end. The McRoberts area has been deemed the worst in the system. This phase will enhance the systems conversion to radio read meters by adding 149 new meters and provide flow-leak detectors in the system. Creek crossings will be directionally drilled to prevent biological disturbance. Trenchless/low-impact technology will be used when applicable.</p> <p>The City of Fleming- Neon currently serves over 1,000 residential customers in Letcher county.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$1,191,114	RD Fee %	Actual %	
		Administrative Expenses	\$50,000	
		Legal Expenses	5,000	
		Planning	5,000	
		Eng - Design / Const	7.5% 8.9% 87,000	
		Eng - Insp	4.3% 5.6% 55,000	
		Eng - Other	5,000	
		Construction	979,214	
TOTAL	\$1,191,114	TOTAL	\$1,191,114	
REPAYMENT	Rate	0.25%	Est. Annual Payment \$22,107	
	Term	30 Years	1st Payment 6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	Nesbitt Engineering, Inc.		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Jul-21		
	Construction Start	Aug-21		
	Construction Stop	Feb-22		
DEBT PER CUSTOMER	Existing	\$1,256		
	Proposed	\$1,492		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	Users	Avg. Bill	
		1,297	\$33.13 (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	168,727	77,800	90,927	2.2
Audited 2018	21,790	86,906	(65,116)	0.3
Audited 2019	130,920	92,783	38,137	1.4
Projected 2020	138,213	132,463	5,750	1.0
Projected 2021	143,136	152,888	(9,752)	0.9
Projected 2022	151,999	100,878	51,122	1.5
Projected 2023	160,467	126,420	34,047	1.3
Projected 2024	173,359	147,702	25,657	1.2

Reviewer: Alex Fisher  
Date: April 1, 2021  
Loan Number: F21-004

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
CITY OF FLEMING NEON, LETCHER COUNTY  
PROJECT REVIEW  
WX21133034**

**I. PROJECT DESCRIPTION**

The City of Fleming-Neon is requesting a Fund F loan in the amount of \$1,191,114 for the Fleming-Neon Waterline Improvement Project Phase 1. In order to combat high water loss due to aging water lines, the City of Fleming-Neon is planning to replace and modernize their water system. When the original system was created, GIS mapping was not available and data and information as to locations, line size and material have been lost over the years, making it almost impossible to detect or prevent breaks.

Phase 1 will replace approximately 10,200 feet of 8" PVC and 4,400 feet of PVC waterlines from the water treatment plant on Shea Fork to the Neon city limits on Hwy 343 and Northeast along Hwy 343 to its intersection with Chopping Branch in the McRoberts area and any side roads. The project will address lines from the water treatment plant along Shea Fork to its end. The McRoberts area has been deemed the worst in the system. This phase will enhance the systems conversion to radio read meters by adding 149 new meters and provide flow-leak detectors in the system. Creek crossings will be directionally drilled to prevent biological disturbance. Trenchless/low-impact technology will be used when applicable.

The City of Fleming- Neon currently serves over 1,000 residential customers in Letcher county.

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 50,000
Legal Expenses	5,000
Land, Easements	4,900
Planning	5,000
Engineering Fees - Design	69,000
Engineering Fees - Construction	18,000
Engineering Fees - Inspection	55,000
Engineering Fees - Other	5,000
Construction	979,214
<b>Total</b>	<b>\$ 1,191,114</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 1,191,114	100%
<b>Total</b>	<b>\$ 1,191,114</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 1,191,114
Less: Principal Forgiveness	<u>595,557</u>
Amortized Loan Amount	\$ 595,557
Interest Rate	0.25%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$ 20,618
Administrative Fee (0.25%)	<u>1,489</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 22,107</b>

### V. PROJECT SCHEDULE

Bid Opening	July 2021
Construction Start	August 2021
Construction Stop	February 2022

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

<u>Customers</u>	<u>Current</u>
Residential	1,297
Commercial	0
Industrial	<u>0</u>
Total	1,297

#### B) Rates

<u>In City - Water</u>	<u>Current</u>	<u>Prior</u>	<u>Prior</u>
Date of Last Rate Increase	07/01/20	07/01/19	7/1/2018
Minimum (1st 2,000 gallons)	\$19.77	\$19.19	18.63
Additional 1,000 Gallons	6.68	6.68	6.48
Cost for 4,000 gallons	<u>\$33.13</u>	<u>\$32.55</u>	<u>\$31.59</u>
Increase %	1.8%	3.0%	
Affordability Index (Rate/MHI)	1.4%	1.3%	

<b>Out of City - Water</b>	Current	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	7/1/2018
Minimum (1st 2,000 gallons)	\$23.01	\$22.34	\$21.69
Additional 1,000 Gallons	6.68	6.68	6.48
Cost for 4,000 gallons	\$36.37	\$35.70	\$34.65
Increase %	1.9%	3.0%	
Affordability Index (Rate/MHI)	1.5%	1.5%	

<b>In City - Sewer</b>	Current	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	7/1/2018
Minimum (1st 2,000 gallons)	\$17.36	\$16.86	15.86
Additional 1,000 Gallons	5.75	5.51	5.51
Cost for 4,000 gallons	\$28.86	\$27.88	\$26.88
Increase %	3.5%	3.7%	
Affordability Index (Rate/MHI)	1.2%	1.1%	

<b>Out of City - Sewer</b>	Current	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	7/1/2018
Minimum (1st 2,000 gallons)	\$17.36	\$16.86	\$15.86
Additional 1,000 Gallons	5.75	5.51	5.51
Cost for 4,000 gallons	\$28.86	\$27.88	\$26.88
Increase %	3.5%	3.7%	
Affordability Index (Rate/MHI)	1.2%	1.1%	

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2014-2018, the Utility's service area population was 3,081 with a Median Household Income (MHI) of \$29,478. The median household income for the Commonwealth is \$48,392. The project will qualify for a 0.25% interest rate on the 30-year loan.

## **VIII. 2020 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a "green" requirement.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 50% of the assistance amount, not to exceed \$595,557 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 increased 32.1% from \$642 thousand in 2017 to \$848 in 2019 while operating expenses increased 51.5% from \$473 thousand to \$717 during the same period primarily due to cost increases in materials, supplies and service charges. The debt coverage ratio was 2.2, 0.3, and 1.4 in 2017, 2018, and 2019 respectively.

The balance sheet reflects a current ratio of 0.8, a debt to equity ratio of 0.2, 29.1 days of sales in accounts receivable, and 0.7 months of operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Revenues for both water and sewer will increase as shown below as already approved in ordinance by the city:

	2020	2021	2022	2023	2024
Water	3.0%	1.8%	3.0%	3.0%	3.0%
Sewer	3.0%	3.5%	3.0%	3.0%	3.0%

- 2) Expenses will rise 2% annually for inflation.
- 3) Both city loans A21-026 and F21-004 are factored into the debt service coverage.
- 4) Debt service coverage is 1.2 in 2023 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% (\$60,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$3,000 yearly) each December 1 for 20 years and maintained for the life of the loan.

## **X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
Water Bonds 1983	\$ 34,534	2021
Water Bonds 1997	184,860	2035
Water Bonds 2001	315,585	2041
Sewer Bonds 1987	63,899	2024
Sewer Bonds 1985	65,864	2021
Sewer Bonds 2010	206,935	2044
KIA Loan F17-003	756,884	2048
KIA Loan A21-026 (i.a.o. \$1.56M)		TBD
<b>Total</b>	<b>\$ 1,628,561</b>	

## XI. CONTACTS

<b>Legal Applicant</b>	
Entity Name	City of Fleming-Neon
Authorized Official	Susan Polis (Mayor)
County	Letcher
Email	flemingneon@hotmail.com
Phone	(606) 855-7900
Address	PO Box 66 Fleming-Neon, KY 41840

<b>Applicant Contact</b>	
Name	Janice Banks
Organization	City of Fleming-Neon
Email	flemingneon@hotmail.com
Phone	(606) 855-7900
Address	PO Box 66 Neon, KY 41840

<b>Project Administrator</b>	
Name	Angelia Hall
Organization	Kentucky River Area Development District
Email	angelia@kradd.org
Phone	(606) 436-3158
Address	941 N Main St. Hazard, KY 41702

**Consulting Engineer**

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

**XII. RECOMMENDATIONS**

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

**CITY OF FLEMING-NEON  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited 2017</u>	<u>Audited 2018</u>	<u>Audited 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>	<u>Projected 2023</u>	<u>Projected 2024</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	91,430	113,116	101,070	108,849	100,697	153,919	190,166	218,123
Other Assets	8,891,484	10,034,689	10,636,271	10,141,440	9,646,609	10,316,114	11,356,525	10,838,816
<b>Total</b>	<b>8,982,914</b>	<b>10,147,805</b>	<b>10,737,341</b>	<b>10,250,289</b>	<b>9,747,306</b>	<b>10,470,033</b>	<b>11,546,691</b>	<b>11,056,939</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	247,281	627,314	125,778	126,185	126,685	149,292	178,321	178,821
Long Term Liabilities	994,027	918,227	1,576,631	1,480,176	1,383,721	1,860,716	2,492,685	2,345,594
<b>Total Liabilities</b>	<b>1,241,308</b>	<b>1,545,541</b>	<b>1,702,409</b>	<b>1,606,361</b>	<b>1,510,406</b>	<b>2,010,008</b>	<b>2,671,006</b>	<b>2,524,415</b>
<b>Net Assets</b>	<b>7,741,606</b>	<b>8,602,264</b>	<b>9,034,932</b>	<b>8,643,928</b>	<b>8,236,900</b>	<b>8,460,025</b>	<b>8,875,685</b>	<b>8,532,524</b>
<b>Cash Flow</b>								
Revenues	641,650	671,695	847,671	873,101	892,648	919,428	947,011	975,422
Operating Expenses	472,978	649,993	716,866	735,003	749,627	767,544	786,659	802,178
Other Income	55	88	115	115	115	115	115	115
<b>Cash Flow Before Debt Service</b>	<b>168,727</b>	<b>21,790</b>	<b>130,920</b>	<b>138,213</b>	<b>143,136</b>	<b>151,999</b>	<b>160,467</b>	<b>173,359</b>
<b>Debt Service</b>								
Existing Debt Service	77,800	86,906	92,783	132,463	152,888	89,824	90,048	97,066
Proposed KIA Loans	0	0	0	0	0	11,054	36,372	50,636
<b>Total Debt Service</b>	<b>77,800</b>	<b>86,906</b>	<b>92,783</b>	<b>132,463</b>	<b>152,888</b>	<b>100,878</b>	<b>126,420</b>	<b>147,702</b>
<b>Cash Flow After Debt Service</b>	<b>90,927</b>	<b>(65,116)</b>	<b>38,137</b>	<b>5,750</b>	<b>(9,752)</b>	<b>51,122</b>	<b>34,047</b>	<b>25,657</b>
<b>Ratios</b>								
Current Ratio	0.4	0.2	0.8	0.9	0.8	1.0	1.1	1.2
Debt to Equity	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.3
Days Sales in Accounts Receivable	28.6	30.6	29.1	29.1	29.1	29.1	29.1	29.1
Months Operating Expenses in Unrestricted Cash	1.0	1.0	0.6	0.6	0.5	1.3	1.8	2.1
Debt Coverage Ratio	2.2	0.3	1.4	1.0	0.9	1.5	1.3	1.2

<b>EXECUTIVE SUMMARY</b>		Reviewer	Alex Fisher	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	April 1, 2021	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F21-040	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21029166	
<b>BORROWER</b>	LOUISVILLE WATER COMPANY BULLITT COUNTY			
<b>BRIEF DESCRIPTION</b>				
The Louisville Water Company is requesting a Fund F loan in the amount of \$537,850 for the Roe Hill Road Area Water Main Extension and Pump Station project.				
This project will install 12,040 feet of 4-inch water main and a booster pump station to provide potable water to 37 unserved residences on Roe Hill Road, Kerr Lane, P'Poole Lane and Perkins Court in Bullitt County, Kentucky for an estimated project cost of \$1,075,700.				
The project will construct a booster pump station at the bottom of Roe Hill Road, providing the capability to pump water up the hill to the residences. The booster pump station will be a 100 gallons per minute (GPM) unit and will utilize Variable Frequency Drive (VFD) motor control systems.				
The project will then install a water main along Roe Hill Road beginning 1,200 feet northwest of Highway 1526 to the end of Roe Hill Road in Bullitt County, Kentucky and to residents along Kerr Lane, P'Poole Lane and Perkins Court, which all branch off of Roe Hill Road. There will be 2,500 linear feet of 4-inch ductile iron water main laid along Roe Hill Road from the existing dead end water line to an elevation of 795 feet and then 5,370 linear feet of PVC 4-inch water main will be laid from the 795 elevation point to the end of Roe Hill Road. Once on top of the knob that Roe Hill Road traverses, the project will install 2,100 linear feet of 4-inch PVC water main along Kerr Lane from Roe Hill Road to the end of Kerr Lane. There will be 1,420 linear feet of 4-inch PVC water main installed along P'Poole Lane starting at the intersection of Roe Hill Road to the end of P'Poole Lane and then 650 linear feet of 4-inch PVC water main will be installed along Perkins Court starting at the intersection of Roe Hill Road and ending at the end of Perkins Court.				
Currently the Louisville Water Company serves over 250,000 residential and over 23,500 commercial and industrial customers.				
<b>PROJECT FINANCING</b>		<b>PROJECT BUDGET</b>		
Fund F Loan	\$537,850	Administrative Expenses	RD Fee %	Actual %
CDBG	537,850	Eng - Design / Const	9.0%	7.4%
TOTAL	\$1,075,700	Eng - Insp	5.8%	3.3%
		Construction		
		Other		
		TOTAL		\$1,075,700
<b>REPAYMENT</b>	Rate	0.25%	Est. Annual Payment	
	Term	20 Years	1st Payment	6 Mo. after first draw
				\$14,466
<b>PROFESSIONAL SERVICES</b>	Engineer	Louisville Water Company		
	Bond Counsel	Rubin & Hays		
<b>PROJECT SCHEDULE</b>	Bid Opening	Sep-21		
	Construction Start	Nov-21		
	Construction Stop	Sep-22		
<b>DEBT PER CUSTOMER</b>	Existing	\$1,155		
	Proposed	\$1,099		
<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	275,751	\$24.91 (for 4,000 gallons)	
	Additional	37	\$24.91 (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 2017	93,599,394	28,840,134	64,759,260	3.2
Audited 2018	96,385,165	30,068,291	66,316,874	3.2
Audited 2019	98,389,672	28,565,974	69,823,698	3.4
Projected 2020	96,290,174	28,393,869	67,896,305	3.4
Projected 2021	94,159,396	28,301,131	65,858,265	3.3
Projected 2022	91,996,503	29,102,643	62,893,860	3.2
Projected 2023	89,790,183	29,364,043	60,426,140	3.1
Projected 2024	87,540,826	28,464,693	59,076,133	3.1

Reviewer: Alex Fisher  
Date: April 1, 2021  
Loan Number: F21-040

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
LOUISVILLE WATER COMPANY, BULLITT COUNTY  
PROJECT REVIEW  
WX21029166**

**I. PROJECT DESCRIPTION**

The Louisville Water Company is requesting a Fund F loan in the amount of \$537,850 for the Roe Hill Road Area Water Main Extension and Pump Station project.

This project will install 12,040 feet of 4-inch water main and a booster pump station to provide potable water to 37 unserved residences on Roe Hill Road, Kerr Lane, P'Poole Lane and Perkins Court in Bullitt County, Kentucky for an estimated project cost of \$1,075,700.

The project will construct a booster pump station at the bottom of Roe Hill Road, providing the capability to pump water up the hill to the residences. The booster pump station will be a 100 gallons per minute (GPM) unit and will utilize Variable Frequency Drive (VFD) motor control systems.

The project will then install a water main along Roe Hill Road beginning 1,200 feet northwest of Highway 1526 to the end of Roe Hill Road in Bullitt County, Kentucky and to residents along Kerr Lane, P'Poole Lane and Perkins Court, which all branch off of Roe Hill Road. There will be 2,500 linear feet of 4-inch ductile iron water main laid along Roe Hill Road from the existing dead end water line to an elevation of 795 feet and then 5,370 linear feet of PVC 4-inch water main will be laid from the 795 elevation point to the end of Roe Hill Road. Once on top of the knob that Roe Hill Road traverses, the project will install 2,100 linear feet of 4-inch PVC water main along Kerr Lane from Roe Hill Road to the end of Kerr Lane. There will be 1,420 linear feet of 4-inch PVC water main installed along P'Poole Lane starting at the intersection of Roe Hill Road to the end of P'Poole Lane and then 650 linear feet of 4-inch PVC water main will be installed along Perkins Court starting at the intersection of Roe Hill Road and ending at the end of Perkins Court.

Currently the Louisville Water Company serves over 250,000 residential and over 23,500 commercial and industrial customers.

## II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 50,000
Land, Easements	2,000
Engineering Fees - Design	51,700
Engineering Fees - Construction	15,000
Engineering Fees - Inspection	29,700
Construction	896,100
Other	31,200
<b>Total</b>	<b>\$ 1,075,700</b>

## III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 537,850	50%
CDBG	537,850	50%
<b>Total</b>	<b>\$ 1,075,700</b>	<b>100%</b>

## IV. KIA DEBT SERVICE

Construction Loan	\$ 537,850
Less: Principal Forgiveness	268,925
Amortized Loan Amount	\$ 268,925
Interest Rate	0.25%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 13,794
Administrative Fee (0.25%)	672
<b>Total Estimated Annual Debt Service</b>	<b>\$ 14,466</b>

## V. PROJECT SCHEDULE

Bid Opening	September 2021
Construction Start	November 2021
Construction Stop	September 2022

## VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

### A) Customers

Customers	Current	Proposed	Total
Residential	252,133	37	252,170
Commercial	23,183	0	23,183
Industrial	435	0	435
<b>Total</b>	<b>275,751</b>	<b>37</b>	<b>275,788</b>

### B) Rates

	Water Inside City		
	Current	Prior	Prior
<b>Last Rate Increase</b>	<b>01/01/21</b>	<b>01/01/20</b>	<b>01/01/19</b>
Minimum	\$13.79	\$12.89	\$12.04
First 2,000 Gallons (Min.)	3.56	3.90	4.24
Next 2,000	7.56	7.22	6.88
<b>Cost for 4,000 gallons</b>	<b>24.91</b>	<b>24.01</b>	<b>23.16</b>
Increase %	3.75%	3.67%	
Affordability Index	0.52%	0.50%	

	Water In Elevated Areas			Roe Hill Rd
	Current	Prior	Prior	Projected
<b>Last Rate Increase</b>	<b>01/01/21</b>	<b>01/01/20</b>	<b>01/01/19</b>	<b>1/1/2021</b>
Minimum	13.79	12.89	12.04	13.79
First 2,000 Gallons (Min.)	4.44	4.72	5.02	4.44
Next 2,000	8.44	8.04	7.66	8.44
Financed Tapping Fee				12.61
<b>Cost for 4,000 gallons</b>	<b>26.67</b>	<b>25.65</b>	<b>24.72</b>	<b>39.28</b>
Increase %	3.98%	3.76%		
Affordability Index	0.91%	0.88%		1.35%

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2014-2018, the Utility's county population was 807,578 and a service area of 275,788 with a Median Household Income (MHI) of the Roe Hill Road area is \$35,000. The median household income for the Commonwealth is \$48,392. The project will qualify for a 20-year loan term at a 0.25% interest rate.

## **VIII. 2020 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.
- 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 December 31, 2017 through December 31, 2019. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Revenues increased 8.6% from \$184.6 million in 2017 to \$200.4 million in 2019 while operating expenses increased 11.9% from \$93.3 million to \$104.4 million during the same period primarily due to operating and maintenance expenses. The debt coverage ratio was 3.2, 3.2, and 3.4 in 2017, 2018, and 2019 respectively.

The balance sheet reflects a current ratio of 2.5, a debt to equity ratio of 0.5, 22.4 days of sales in accounts receivable, and 4.1 months of operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Revenues are projected flat during the projected years.
- 2) The pending CDBG grant funding will provide the other 50% of the project cost of \$537,850.
- 3) Expenses are expected to increase 2% annually for inflation.
- 4) Debt service coverage is 3.1 in 2023 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% (\$26,000 total) of the final amount borrowed to be funded annually (\$1,300 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
2014A Water Revenue Bonds	\$ 52,360,000	2031
2015 Water Revenue Bonds	109,375,000	2035
2019 Water Revenue Bonds	155,540,000	2039
KIA F209-06 (ARRA)	1,240,699	2031
<b>Total</b>	<b>\$ 318,515,699</b>	

## XI. CONTACTS

<b>Legal Applicant</b>	
Entity Name	Louisville Water Company
Authorized Official	Spencer Bruce (President)
County	Bullitt
Email	sbruce@lwcky.com
Phone	502-569-3675
Address	550 S Third St Louisville, KY 40202

<b>Applicant Contact</b>	
Name	James Grunow
Organization	Louisville Water Company
Email	jgrunow@lwcky.com
Phone	502-533-5096
Address	550 S Third St Louisville, KY 40202

**Project Administrator**

Name	Justin Carter
Organization	Kentuckiana Regional Planning & Development Agency (KIPDA)
Email	justin.carter@kipda.org
Phone	502-266-6084
Address	11520 Commonwealth Dr. Louisville , KY 40299

**Consulting Engineer**

PE Name	Joseph Keith Bentley
Firm Name	Louisville Water Company
Email	jbentley@lwcky.com
Phone	502-548-0852
Address	550 S 3rd St Louisville , KY 40202

**XII. RECOMMENDATIONS**

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

**LOUISVILLE WATER COMPANY**  
**FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2017</u>	<u>Audited</u> <u>2018</u>	<u>Audited</u> <u>2019</u>	<u>Projected</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Projected</u> <u>2024</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	114,675,771	92,963,707	94,521,147	110,610,011	123,414,777	130,449,678	136,559,475	142,949,696
Other Assets	1,233,933,387	1,277,620,109	1,385,325,399	1,360,786,018	1,372,460,841	1,387,989,931	1,400,874,513	1,412,101,770
Total	<u>1,348,609,158</u>	<u>1,370,583,816</u>	<u>1,479,846,546</u>	<u>1,471,396,029</u>	<u>1,495,875,618</u>	<u>1,518,439,609</u>	<u>1,537,433,987</u>	<u>1,555,051,466</u>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	41,535,944	41,018,363	37,549,242	22,055,623	22,329,823	22,609,523	22,909,289	23,200,289
Long Term Liabilities	370,212,789	379,752,349	460,775,787	460,775,787	460,775,787	461,044,712	461,030,246	461,015,780
Total Liabilities	<u>411,748,733</u>	<u>420,770,712</u>	<u>498,325,029</u>	<u>482,831,410</u>	<u>483,105,610</u>	<u>483,654,235</u>	<u>483,939,535</u>	<u>484,216,069</u>
Net Assets	<u>936,860,425</u>	<u>949,813,104</u>	<u>981,521,517</u>	<u>988,564,619</u>	<u>1,012,770,008</u>	<u>1,034,785,374</u>	<u>1,053,494,452</u>	<u>1,070,835,397</u>
<b>Cash Flow</b>								
Revenues	184,565,198	191,958,588	200,368,668	200,368,668	200,368,668	200,368,668	200,380,509	200,392,350
Operating Expenses	93,322,802	98,607,959	104,449,894	106,549,392	108,680,170	110,843,063	113,061,224	115,322,422
Other Income	2,356,998	3,034,536	2,470,898	2,470,898	2,470,898	2,470,898	2,470,898	2,470,898
Cash Flow Before Debt Service	<u>93,599,394</u>	<u>96,385,165</u>	<u>98,389,672</u>	<u>96,290,174</u>	<u>94,159,396</u>	<u>91,996,503</u>	<u>89,790,183</u>	<u>87,540,826</u>
<b>Debt Service</b>								
Existing Debt Service	28,840,134	30,068,291	28,565,974	28,393,869	28,301,131	29,102,643	29,349,577	28,450,227
Proposed KIA Loan	0	0	0	0	0	0	14,466	14,466
Total Debt Service	<u>28,840,134</u>	<u>30,068,291</u>	<u>28,565,974</u>	<u>28,393,869</u>	<u>28,301,131</u>	<u>29,102,643</u>	<u>29,364,043</u>	<u>28,464,693</u>
Cash Flow After Debt Service	<u>64,759,260</u>	<u>66,316,874</u>	<u>69,823,698</u>	<u>67,896,305</u>	<u>65,858,265</u>	<u>62,893,860</u>	<u>60,426,140</u>	<u>59,076,133</u>
<b>Ratios</b>								
Current Ratio	2.8	2.3	2.5	5.0	5.5	5.8	6.0	6.2
Debt to Equity	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Days Sales in Accounts Receivable	26.3	24.8	22.4	22.4	22.4	22.4	22.4	22.4
Months Operating Expenses in Unrestricted Cash	1.2	1.8	4.1	5.8	7.1	7.7	8.2	8.7
Debt Coverage Ratio	3.2	3.2	3.4	3.4	3.3	3.2	3.1	3.1

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b> <b>REVOLVING LOAN FUND</b>		Reviewer	Sarah Parsley	
		Date	April 1, 2021	
		KIA Loan Number	F21-052	
		WRIS Number	WX21023039	
BORROWER	CITY OF AUGUSTA BRACKEN COUNTY			
BRIEF DESCRIPTION				
This project will clean out the two lagoons the system has. Due to accumulated solids, the lagoons have become very shallow and are not functioning at a required level. The system has findings on their Sanitary Survey and has an NOV due to the lagoons. The Water Treatment Plant provides water to the City of Augusta and Bracken County Water District. Bracken County Water District sells water to the City of Brooksville and East Pendleton Water District.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$80,000	Administrative Expenses	\$4,000	
		Construction	76,000	
TOTAL	\$80,000	TOTAL	\$80,000	
REPAYMENT	Rate	1.00%	Est. Annual Payment \$4,623	
	Term	20 Years	1st Payment 6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	NA		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Oct-21		
	Construction Start	Dec-21		
	Construction Stop	May-22		
DEBT PER CUSTOMER	Existing	\$2,021		
	Proposed	\$1,964		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	575	\$21.16 (for 4,000 gallons)	
	Additional	0	\$21.16 (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 2018	202,532	93,809	108,723	2.2
Audited 2019	240,411	89,281	151,130	2.7
Audited 2020	226,492	89,293	137,199	2.5
Projected 2021	208,050	94,584	113,466	2.2
Projected 2022	189,239	93,542	95,697	2.0
Projected 2023	169,852	101,789	68,063	1.7
Projected 2024	150,281	100,082	50,199	1.5
Projected 2025	130,319	98,372	31,947	1.3

Reviewer: Sarah Parsley  
 Date: April 1, 2021  
 Loan Number: F21-052

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 DRINKING WATER STATE REVOLVING FUND (FUND F)  
 CITY OF AUGUSTA, BRACKEN COUNTY  
 PROJECT REVIEW  
 WX21023039**

**I. PROJECT DESCRIPTION**

The City of Augusta is requesting a Fund F loan in the amount of \$80,000 for the Augusta Lagoon Cleaning project. This project will involve cleaning out the two lagoons the system has. Due to accumulated solids, the lagoons have become very shallow and are not functioning at a required level. The system has findings on their Sanitary Survey and has an NOV due to the lagoons. The Water Treatment Plant provides water to the City of Augusta and Bracken County Water District. Bracken County Water District sells water to the City of Brooksville and East Pendleton Water District. Due to the scope of a lagoon cleanup, an engineer is not needed for this project.

The City of Augusta serves 575 customers.

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 4,000
Construction	76,000
<b>Total</b>	<b>\$ 80,000</b>

**III. PROJECT FUNDING**

	<b>Amount</b>	<b>%</b>
Fund F Loan	\$ 80,000	100%
<b>Total</b>	<b>\$ 80,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 80,000
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 80,000
Interest Rate	1.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 4,423
Administrative Fee (0.25%)	200
<b>Total Estimated Annual Debt Service</b>	<b>\$ 4,623</b>

**V. PROJECT SCHEDULE**

Bid Opening                    October 2021  
Construction Start        December 2021  
Construction Stop        May 2022

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

<u>Customers</u>	<u>Current</u>	<u>Proposed</u>	<u>Total</u>
Residential	525	0	525
Commercial	41	0	41
Industrial	9	0	9
Total	575	0	575

**B) Rates**

<u>Water and Sewer In-City</u>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	05/10/12	07/15/08
Minimum, 1000 Gallons	\$12.79	\$12.57
Next 3,000 Gallons	2.79	2.57
Cost for 4,000 gallons	\$21.16	\$20.28
Increase %	4.3%	
Affordability Index (Rate/MHI)	0.6%	

<u>Water and Sewer Out-of-City</u>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	05/10/12	07/15/08
Minimum, 1000 Gallons	\$15.79	\$15.57
Next 3,000 Gallons	3.29	3.07
Cost for 4,000 gallons	\$25.66	\$24.78
Increase %	3.6%	
Affordability Index (Rate/MHI)	0.7%	

## **VII. 2020 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a “green” requirement.
- 2) Additional Subsidization – This project does not qualify for additional subsidization.

## **VIII. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2018 through June 30, 2020. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### HISTORY

Revenues are from combined water, sewer, and gas operations. Revenues remained steady from \$1,143,644 in 2018 to \$1,148,013 in 2020. Operating expenses decreased 2.1% from \$941,479 in 2018 to \$922,103 in 2020.

The 2020 balance sheet reflects a current ratio of 2.6, a debt to equity ratio of 0.8, 29.7 days sales in accounts receivable, and 10.7 months operating expense in unrestricted cash.

### PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will remain constant with gas revenues pledged for debt repayment of this loan.
- 2) Expenses will increase 2% for inflation.
- 3) Debt service coverage is 1.7 in 2023 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% (\$4,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$200 yearly) each December 1 for 20 years and maintained for the life of the loan.

**IX. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
KRWFC 2016 Series C	1,005,000	2035
RD 2004 Series	80,600	2044
BTADD-refinance well	76,462	2028
<b>Total</b>	<b>\$ 1,162,062</b>	

**X. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Augusta
Authorized Official	Michael C. Taylor (Mayor)
County	Bracken
Email	gengland@augustaky.com
Phone	(606) 756-2183
Address	PO Box 85, 219 Main St Augusta, KY 41002

<b>Applicant Contact</b>	
Name	Doug Padgett
Organization	City of Augusta
Email	dpadgett@augustaky.com
Phone	(606) 756-3305
Address	203 Ferry St Augusta, KY 41002

<b>Project Administrator</b>	
Name	Cindy Ring
Organization	Buffalo Trace ADD
Email	cring@btadd.com
Phone	(606) 564-6894
Address	PO Box 460, 201 Government St Maysville, KY 41056

**XI. RECOMMENDATIONS**

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

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

	<u>Audited 2018</u>	<u>Audited 2019</u>	<u>Audited 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>	<u>Projected 2023</u>	<u>Projected 2024</u>	<u>Projected 2025</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	1,496,435	1,729,929	1,988,776	2,011,463	2,030,603	2,044,215	2,054,255	2,060,644
Other Assets	2,357,268	2,288,706	2,195,615	2,114,812	2,099,793	1,980,668	1,847,251	1,699,233
<b>Total</b>	<b>3,853,703</b>	<b>4,018,635</b>	<b>4,184,391</b>	<b>4,126,275</b>	<b>4,130,396</b>	<b>4,024,883</b>	<b>3,901,506</b>	<b>3,759,877</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	583,367	662,242	770,427	779,530	789,728	790,307	790,890	796,512
Long Term Liabilities	1,246,046	1,204,423	1,135,882	1,075,184	1,084,588	1,013,713	942,555	866,075
<b>Total Liabilities</b>	<b>1,829,413</b>	<b>1,866,665</b>	<b>1,906,309</b>	<b>1,854,714</b>	<b>1,874,316</b>	<b>1,804,020</b>	<b>1,733,445</b>	<b>1,662,587</b>
<b>Net Assets</b>	<b>2,024,290</b>	<b>2,151,970</b>	<b>2,278,082</b>	<b>2,271,561</b>	<b>2,256,080</b>	<b>2,220,863</b>	<b>2,168,061</b>	<b>2,097,290</b>
<b>Cash Flow</b>								
Revenues	1,143,644	1,236,906	1,148,014	1,148,014	1,148,014	1,148,014	1,148,014	1,148,014
Operating Expenses	941,479	997,309	922,103	940,545	959,356	978,743	998,314	1,018,276
Other Income	367	814	581	581	581	581	581	581
<b>Cash Flow Before Debt Service</b>	<b>202,532</b>	<b>240,411</b>	<b>226,492</b>	<b>208,050</b>	<b>189,239</b>	<b>169,852</b>	<b>150,281</b>	<b>130,319</b>
<b>Debt Service</b>								
Existing Debt Service	93,809	89,281	89,293	94,584	93,542	97,166	95,459	93,749
Proposed KIA Loan	0	0	0	0	0	4,623	4,623	4,623
<b>Total Debt Service</b>	<b>93,809</b>	<b>89,281</b>	<b>89,293</b>	<b>94,584</b>	<b>93,542</b>	<b>101,789</b>	<b>100,082</b>	<b>98,372</b>
<b>Cash Flow After Debt Service</b>	<b>108,723</b>	<b>151,130</b>	<b>137,199</b>	<b>113,466</b>	<b>95,697</b>	<b>68,063</b>	<b>50,199</b>	<b>31,947</b>
<b>Ratios</b>								
Current Ratio	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Debt to Equity	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8
Days Sales in Accounts Receivable	24.5	24.5	29.7	29.7	29.7	29.7	29.7	29.7
Months Operating Expenses in Unrestricted Cash	5.9	7.8	10.7	10.8	10.8	10.7	10.7	10.5
Debt Coverage Ratio	2.2	2.7	2.5	2.2	2.0	1.7	1.5	1.3



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Larry Hayes
Interim Secretary

March 17, 2021

Holly M. Johnson, Secretary
Finance and Administration Cabinet
Room 383, Capitol Annex
Frankfort, KY 40601

RE: Economic Development Fund Grant - \$500,000 to the City of Bowling Green on behalf of Ball Metal Beverage Container Corp

Dear Secretary Johnson:

In accordance with KRS 154.12-100, this letter shall serve as notice of my recommendation for the use of \$500,000 in Economic Development Fund (EDF) funds for the purpose of making a grant to the City of Bowling Green on behalf of Ball Metal Beverage Container Corp.

Founded over 100 years ago, the Ball Corporation is one of the world's leading suppliers of aluminum packaging for beverages, foods, and household products. In 2019, the company produced and shipped approximately 48 billion recyclable aluminum beverage containers across North America, accounting for nearly 42% of all aluminum beverage containers produced on the continent that year. Today the company has more than 100 locations and 10,000 employees worldwide. Ball Metal Beverage Container Corp., a wholly owned subsidiary of Ball Corporation, is considering constructing a new production plant in Bowling Green. The proposed EDF grant funds will be used to offset the cost associated with this project.

In consideration of this EDF grant, Ball Metal Beverage Corp will be required to make investment and create new, full-time Kentucky resident jobs (excluding contract or temporary employees) paying the following wages in Bowling Green in accordance with the following compliance schedule:

Table with 5 columns: Compliance Date, Full-time, Kentucky-Resident Jobs Required, Job Type, Average Wage Required, and Average Wage Type. Rows show compliance dates from 2024 to 2027 with 198 jobs required and a \$45.00 average wage.

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

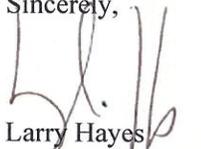
Secretary Holly M. Johnson  
March 17, 2021  
Page Two

Under the terms of the EDB grant agreement, if Ball Metal Beverage Container Corp fails to create or maintain 198 new, full-time jobs, then Ball Metal Beverage Container Corp will be required to pay to the City of Bowling Green the sum of \$631 for each new full-time job not created or maintained by the company at each of the four annual measurement dates. Furthermore, if Ball Metal Beverage Container Corp fails to pay these jobs the average hourly wage of \$45.00, including benefits, it will be required to pay to the City of Bowling Green 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 City of Bowling Green.

Any funds repaid to the City of Bowling Green by Ball Metal Beverage Container Corp must be used for economic development purposes as approved by the Cabinet for Economic Development (Cabinet). In no event will the repayment of EDF grant proceeds exceed the EDF grant amount of \$500,000. Ball Metal Beverage Container Corp 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 City of Bowling Green.

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,

  
Larry Hayes  
Interim Secretary

**AGREED TO AND APPROVED BY:**

 3-18-2021  
Secretary, Finance and Administration Cabinet Date

cc: Jeff Taylor  
Kristina Slattery  
Katie Smith

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
ECONOMIC DEVELOPMENT FUND (EDF) PROJECT REPORT**

**Date:**  
**Grantee:** City of Bowling Green  
**Beneficiary:** Ball Metal Beverage Container Corp  
**City:** Bowling Green **County:** Warren  
**Activity:** Manufacturing  
**Bus. Dev. Contact:** C. Peek **OFS Staff:** M. Elder

**Project Description:** Founded over 100 years ago, the Ball Corporation is one of the world's leading suppliers of aluminum packaging for beverages, foods, and household products. In 2019, the company produced and shipped approximately 48 billion recyclable aluminum beverage containers across North America, accounting for nearly 42% of all aluminum beverage containers produced on the continent that year. Today the company has more than 100 locations and 10,000 employees worldwide. Ball Metal Beverage Container Corp., a wholly owned subsidiary of Ball Corporation, is considering constructing a new production plant in Bowling Green.

Select Owned or Leased	Total Investment
Land	\$0
Building/Improvements	\$60,000,000
Equipment	\$240,002,500
Other Start-up Costs	\$4,997,500
<b>TOTAL</b>	<b>\$305,000,000</b>

Anticipated Project Funding	Amount	% of Total
Economic Development Fund Grant (State)	\$500,000	0.2%
Other	\$304,500,000	99.8%
<b>TOTAL</b>	<b>\$305,000,000</b>	<b>100.0%</b>

**Job and Wage Requirement Table**

Compliance Date	Kentucky-Resident Jobs Required	Job Type	Average Wage Required	Average Wage Type
12/30/2024	198	Create	\$45.00	Total Hourly Compensation (includes benefits)
12/30/2025	198	Create	\$45.00	Total Hourly Compensation (includes benefits)
12/30/2026	198	Create	\$45.00	Total Hourly Compensation (includes benefits)
12/30/2027	198	Create	\$45.00	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:** \$631 per job not created or maintained

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

**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.

**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. The maximum job and wage penalty repayment for any compliance year will be \$125,000.

**RECOMMENDED ECONOMIC DEVELOPMENT FUND AMOUNT:** **\$500,000**

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

Publicly Traded

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

<u>Date</u>	<u>Program</u>	<u>Status</u>	<u>Amount</u>
Jan 07, 2021	KBI	Approve/Prelim	\$6,000,000
Jan 07, 2021	KEIA	Approve/Final	\$1,300,000

**Unemployment Rate:**

County:

Kentucky:

**Recommendation:**

Staff recommends approval of this EDF 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 EDF grant is subject to CED's receipt of the Secretary of the Finance and Administration Cabinet's concurrence to CED's use of the EDF funds for this project.

## Preliminary New Bond Issue Report

Issue: State Property & Buildings Commission  
 Revenue Refunding Bonds, Project No. 125 Series A  
 Revenue Refunding Bonds, Project No. 125 Federally Taxable Series B  
 Revenue Refunding Bonds, Project No. 125 Series C  
 Revenue Refunding Bonds, Project No. 125 Series D

Purpose of Issue: To (i) refund certain outstanding SPBC Bonds for present value savings; and, (ii) pay costs of issuance.

Proposed Date of Sale: June 3, 2021  
 Proposed Date of Delivery: July 1, 2021

Ratings:  
 Moody's TBD  
 Fitch TBD

	Option 1		Option 2	
	Series A: Refunding	Series B: Taxable Refunding without Tender	Series B: Taxable Refunding	Series C: Refunding (Tender)
<b>Sources:</b>				
Par amount of bonds:	\$ 44,080,000	\$ 79,625,000	\$ 45,415,000	\$ 27,165,000
Premium:	2,104,957			7,510,333
Total Sources:	\$ 46,184,957	\$ 79,625,000	\$ 45,415,000	\$ 34,675,333
<b>Uses:</b>				
Refunding Escrow Deposit:	45,931,958	\$ 79,166,358	\$ 45,145,932	\$ 34,418,717
Issuance Cost:	252,999	458,642	269,068	256,616
Total Uses:	\$ 46,184,957	\$ 79,625,000	\$ 45,415,000	\$ 34,675,333

All-in True Interest Cost:	2.517%	2.185%
Final Maturity Date:	9/1/2033	9/1/2033
Average Annual Debt Service:	\$11,730,317	\$11,562,539
Total Debt Service:	\$142,718,862	\$140,677,562
Average Life (years):	5.615	5.576

**Refunding Summary:**

Bond Issue Being Refinanced:			See Summary of Bonds Refunded (attached)	
Par Amount of Refunded Bonds:	\$45,100,000	\$70,695,000	\$40,315,000	\$30,380,000
Net PV Savings:	\$1,501,401	\$5,525,087	\$2,951,418	\$4,779,209
Percentage Savings of Refunded Bonds:	3.329%	7.815%	7.321%	15.731%

Method of Sale: Negotiated  
 Bond Counsel: Kutak Rock LLP  
 Underwriter: Citigroup  
 Underwriters' Counsel: Stites & Harbison PLLC  
 Trustee: TBD  
 Financial Advisor: Office of Financial Management

Based off cashflows as of 4/5/2021  
 Preliminary Subject to Change

## BOND DEBT SERVICE

Kentucky State Property and Buildings Commission  
Project 125 Refunding Update

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	18,250,000	** %	2,741,218.66	20,991,218.66
06/30/2023	26,545,000	** %	2,633,310.00	29,178,310.00
06/30/2024	1,145,000	0.920%	1,988,139.50	3,133,139.50
06/30/2025	3,330,000	** %	1,921,452.00	5,251,452.00
06/30/2026	1,175,000	1.740%	1,849,809.00	3,024,809.00
06/30/2027	8,795,000	1.840%	1,758,672.50	10,553,672.50
06/30/2028	8,970,000	2.200%	1,579,088.50	10,549,088.50
06/30/2029	9,175,000	2.300%	1,374,906.00	10,549,906.00
06/30/2030	9,390,000	2.530%	1,150,610.00	10,540,610.00
06/30/2031	9,640,000	2.630%	905,060.50	10,545,060.50
06/30/2032	9,905,000	2.730%	643,091.25	10,548,091.25
06/30/2033	10,185,000	2.880%	361,224.00	10,546,224.00
06/30/2034	7,200,000	2.980%	107,280.00	7,307,280.00
	123,705,000		19,013,861.91	142,718,861.91

## Notes:

Preliminary, Subject to Change  
Rates as of April 5, 2021

## SAVINGS

Kentucky State Property and Buildings Commission  
Project 125 Refunding Update

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 07/01/2021 @ 2.4049624%
08/01/2021	694,037.50		694,037.50		692,656.23
10/01/2021	1,767,375.00		1,767,375.00		1,756,843.71
11/01/2021	17,025,250.00		17,025,250.00		16,890,119.58
02/01/2022	694,037.50		694,037.50		684,426.13
03/01/2022		20,991,218.66	-20,991,218.66		-20,659,323.95
04/01/2022	1,767,375.00		1,767,375.00		1,735,969.01
06/30/2022				956,856.34	
08/01/2022	26,554,037.50		26,554,037.50		25,875,160.38
09/01/2022		28,181,606.75	-28,181,606.75		-27,406,466.33
10/01/2022	1,767,375.00		1,767,375.00		1,715,342.34
02/01/2023	52,600.00		52,600.00		50,646.22
03/01/2023		996,703.25	-996,703.25		-957,771.71
04/01/2023	1,767,375.00		1,767,375.00		1,694,960.75
06/30/2023				963,077.50	
08/01/2023	52,600.00		52,600.00		50,044.45
09/01/2023		2,141,703.25	-2,141,703.25		-2,033,594.08
10/01/2023	1,767,375.00		1,767,375.00		1,674,821.34
02/01/2024	52,600.00		52,600.00		49,449.82
03/01/2024		991,436.25	-991,436.25		-930,204.86
04/01/2024	1,767,375.00		1,767,375.00		1,654,921.23
06/30/2024				506,810.50	
08/01/2024	2,682,600.00		2,682,600.00		2,491,975.48
09/01/2024		4,321,436.25	-4,321,436.25		-4,006,367.30
10/01/2024	1,767,375.00		1,767,375.00		1,635,257.56
03/01/2025		930,015.75	-930,015.75		-851,965.08
04/01/2025	1,767,375.00		1,767,375.00		1,615,827.54
06/30/2025				965,898.00	
09/01/2025		2,105,015.75	-2,105,015.75		-1,905,441.77
10/01/2025	1,767,375.00		1,767,375.00		1,596,628.38
03/01/2026		919,793.25	-919,793.25		-822,696.01
04/01/2026	1,767,375.00		1,767,375.00		1,577,657.35
06/30/2026				509,941.00	
09/01/2026		9,714,793.25	-9,714,793.25		-8,586,013.62
10/01/2026	9,487,375.00		9,487,375.00		8,368,331.66
03/01/2027		838,879.25	-838,879.25		-732,598.97
04/01/2027	1,574,375.00		1,574,375.00		1,372,176.07
06/30/2027				508,077.50	
09/01/2027		9,808,879.25	-9,808,879.25		-8,464,378.56
10/01/2027	9,689,375.00		9,689,375.00		8,344,614.18
03/01/2028		740,209.25	-740,209.25		-631,159.38
04/01/2028	1,371,500.00		1,371,500.00		1,167,119.03
06/30/2028				511,786.50	
09/01/2028		9,915,209.25	-9,915,209.25		-8,354,015.06
10/01/2028	9,901,500.00		9,901,500.00		8,325,861.23
03/01/2029		634,696.75	-634,696.75		-528,406.90
04/01/2029	1,158,250.00		1,158,250.00		962,363.90
06/30/2029				509,844.00	
09/01/2029		10,024,696.75	-10,024,696.75		-8,246,739.82
10/01/2029	10,118,250.00		10,118,250.00		8,307,134.87
03/01/2030		515,913.25	-515,913.25		-419,369.24
04/01/2030	934,250.00		934,250.00		757,910.29
06/30/2030				511,890.00	
09/01/2030		10,155,913.25	-10,155,913.25		-8,157,323.98
10/01/2030	10,354,250.00		10,354,250.00		8,300,078.16

## SAVINGS

Kentucky State Property and Buildings Commission  
Project 125 Refunding Update

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 07/01/2021 @ 2.4049624%
03/01/2031		389,147.25	-389,147.25		-308,852.79
04/01/2031	698,750.00		698,750.00		553,470.14
06/30/2031				507,939.50	
09/01/2031		10,294,147.25	-10,294,147.25		-8,073,034.05
10/01/2031	10,608,750.00		10,608,750.00		8,303,198.68
03/01/2032		253,944.00	-253,944.00		-196,785.55
04/01/2032	451,000.00		451,000.00		348,792.07
06/30/2032				511,658.75	
09/01/2032		10,438,944.00	-10,438,944.00		-7,993,199.56
10/01/2032	10,866,000.00		10,866,000.00		8,303,641.58
03/01/2033		107,280.00	-107,280.00		-81,169.28
04/01/2033	190,625.00		190,625.00		143,942.02
06/30/2033				510,401.00	
09/01/2033		7,307,280.00	-7,307,280.00		-5,463,079.45
10/01/2033	7,815,625.00		7,815,625.00		5,831,500.10
06/30/2034				508,345.00	
	150,701,387.50	142,718,861.91	7,982,525.59	7,982,525.59	7,022,884.19

Savings Summary

PV of savings from cash flow	7,022,884.19
Plus: Refunding funds on hand	3,604.53
Net PV Savings	7,026,488.72

Notes:  
Preliminary, Subject to Change  
Rates as of April 5, 2021

## SUMMARY OF BONDS REFUNDED

Kentucky State Property and Buildings Commission  
Project 125 Refunding Update

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Project No. 100A (Tax-Exempt), PROJ100A:					
RETAIL3	08/01/2022	3.750%	810,000.00	08/01/2021	100.000
RETAIL4	08/01/2024	4.000%	2,630,000.00	08/01/2021	100.000
INSTIT	08/01/2022	5.000%	25,050,000.00	08/01/2021	100.000
			<u>28,490,000.00</u>		
Project 106A, PROJ106A:					
2013A	10/01/2026	5.000%	7,720,000.00	10/01/2023	100.000
	10/01/2027	5.000%	8,115,000.00	10/01/2023	100.000
	10/01/2028	5.000%	8,530,000.00	10/01/2023	100.000
	10/01/2029	5.000%	8,960,000.00	10/01/2023	100.000
	10/01/2030	5.000%	9,420,000.00	10/01/2023	100.000
	10/01/2031	5.000%	9,910,000.00	10/01/2023	100.000
	10/01/2032	5.000%	10,415,000.00	10/01/2023	100.000
	10/01/2033	5.000%	7,625,000.00	10/01/2023	100.000
			<u>70,695,000.00</u>		
Project No. 99 (Tax-Exempt), PROJ99A:					
SERIAL	11/01/2021	5.000%	16,610,000.00	07/01/2021	100.000
			<u>115,795,000.00</u>		

## Notes:

Preliminary, Subject to Change  
Rates as of April 5, 2021



Commonwealth of Kentucky  
Finance and Administration Cabinet  
**OFFICE OF FINANCIAL MANAGEMENT**  
Room 76, Capitol Annex  
702 Capital Avenue  
Frankfort, KY 40601-3462  
(502) 564-2924

**Andy Beshear**  
Governor

**Holly M. Johnson**  
Secretary

**Ryan Barrow**  
Executive Director

April 5, 2021

M. B. Denham Jr.  
Board Chair  
Kentucky Housing Corporation  
1231 Louisville Road  
Frankfort, KY 40601-6191

Dear Board Chair Denham:

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 (Winterwood II Portfolio), Series 2021 in a principal amount of \$16,835,000 (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 approval of this issue by the Capital Projects and Bond Oversight Committee (“CPBO”) occurred on August 27, 2019. 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

### BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Winterwood Portfolio II) Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation and equipping of the properties listed in Exhibit A. The properties are currently financed by the United States Department of Agriculture, Rural Development and utilized as rural affordable housing. The rehabilitation of the units will not displace any existing tenant and will improve the quality of housing for the residents. A public hearing was held and state and local officials were notified of this project prior to the New Bond Issue Report.

Name of Project: Winterwood Portfolio II

Date of Sale: February 23, 2021

Date of Issuance: March 4, 2021

Ratings: Moody's Aaa/VMIG 1

Net Proceeds: \$16,835,000

Cost of Issuance: \$395,471.50 (Issuance costs will be paid from equity; See Exhibit B)

Bond Discount: \$0

Debt Service Reserve Fund: \$0 but a \$1,183,726 operating reserve and replacement reserves will be funded from equity

Insurance Premium: N/A

Total Project Cost: \$51,001,928.89 (See Exhibit B)

Terms of Issue: Net interest rate: .37%  
Term: 42 months  
Average debt service: \$62,636.06  
Gross debt service: \$17,053,078

First Call Date: October 1, 2023

Premium at First Call: No premium

Method of Sale: Public Offering

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: Tiber Hudson LLC

Financial Advisor: N/A

Underwriter: Stifel, Nicolaus & Company, Incorporated

Trustee: U.S. Bank National Association

**Exhibit A**

<b>NAME OF BORROWER</b>	<b>PROJECT</b>	<b>UNITS</b>	<b>ADDRESS</b>	<b>COUNTY</b>	<b>BOND LOAN AMOUNT</b>
Bardstown Place, LLC	Bardstown Greens Apartments	24	210 Bourbon Ct., Bardstown, KY 40004	Nelson	\$1,144,000
Columbia Place, LLC	Columbia Greens Apartments	24	305 Trabue St., Columbia, KY 42728	Adair	\$1,262,000
Cumberland Place Apartments, LLC	Cumberland Court Apartments	24	101 Cumberland Ct., Monticello, KY 42633	Wayne	\$1,193,000
Elkton Place, LLC	Elkton Arms Apartments	24	609 S. Main St., Elkton, KY 42220	Todd	\$1,055,000
Elmwood Place, LLC	Eminence Elmwood Apartments	8	100 Elm Street, Eminence, KY 40019	Henry	\$405,000
Glades II Place, LLC	Glades Village II Apartments	24	192 Glades Rd, Berea, KY 40403	Madison	\$1,084,000
Shelby House Apartments, LLC	Shelby House Apartments	24	101 Willowood Dr., Shelbyville, KY 40065	Shelby	\$1,202,000
Shelby Heights, LLC	Shelby Place Apartments	28	70 and 201 Willowood Dr., Shelbyville, KY 40065	Shelby	\$1,118,000
Pembroke Senior Place, LLC	Pembroke Senior Apartments	16	113 E. Cherry St., Pembroke, KY 42266	Christian	\$725,000
Poplar Place Apartments, LLC	Poplar Village Apartments	36	51 Mastin Dr., Cumberland, KY 40823	Harlan	\$1,799,000
Rosedale Place, LLC	Rosedale Court Apartments	40	45 Rosedale Ct, Dawson Springs, KY 42408	Hopkins	\$1,572,000
Silver Creek Heights, LLC	Silver Creek I Apartments	36	100 Miracle St., Berea, KY 40403	Madison	\$1,813,000
Town Branch Heights, LLC	Town Branch Apartments	24	70 Crawford St., Mt. Vernon, KY 40456	Rockcastle	\$1,017,000
Wells Hill Place, LLC	Wells Hill Apartments	32	939 Liberty Rd, West Liberty, KY 41472	Morgan	\$1,446,000

**Exhibit B**

**Project Funding Sources**

Rural Development Loan	\$	8,270,709.84
TE Bonds (MBS Takeout)	\$	16,835,000.00
TE Bonds (TC Backed)	\$	-
TE Bonds - Total	\$	16,835,000.00
Tax Credit Equity	\$	10,569,212.00
Differed Development Fee	\$	84,807.05
Existing Reserves	\$	12,717,200.00
Permament Loan	\$	4,525,000.00
TOTAL	\$	53,001,928.89

**Cost of Issuance**

Bond UW Fee & Expenses	\$	80,757.50
Bond UW Counsel	\$	90,000.00
Remarketing Fee	\$	-
Bond Counsel & Expenses	\$	93,000.00
Issuer Fee	\$	42,500.00
Other Issuer Costs - Issuer's Counsel	\$	12,628.00
Trustee Fee	\$	9,500.00
Trustee Legal	\$	5,000.00
Rebate Analysis/ Dissemination Fee	\$	5,000.00
Financial Advisor	\$	2,500.00
Rating Agency Fee	\$	5,500.00
Annual Issuers Fee	\$	42,086.00
Other (TEFRA, etc)	\$	7,000.00
	\$	395,471.50



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**Holly M. Johnson**  
Secretary

**Ryan Barrow**  
Executive Director

April 5, 2021

M. B. Denham Jr.  
Board Chair  
Kentucky Housing Corporation  
1231 Louisville Road  
Frankfort, KY 40601-6191

Dear Board Chair Denham:

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 (Jefferson Landing Project), Series 2021 in a principal amount of \$35,000,000 (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 approval of this issue by the Capital Projects and Bond Oversight Committee (“CPBO”) occurred on December 16, 2020. 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

### BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Conduit Revenue Bonds (Jefferson Landing), Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, Construction and equipping of the Jefferson Landing, a multifamily residential rental facility consisting of two hundred and forty (240) units, located in Jefferson County, Kentucky, at 1014 Jefferson View Way, Louisville, 40219. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on December 14, 2020 following the delivery of notice to the public at least seven day prior to such hearing.

Name of Project: Jefferson Landing

Date of Sale: March 25, 2021

Date of Issuance: March 25, 2021

Ratings: Private Placement

Net Proceeds: \$35,000,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$1,205,717 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$62,105,495

Terms of Issue: Net interest rate: 4.51% during construction; 4.36% thereafter  
Term: March 1, 2061  
Average debt service: \$1,718,622.78  
Gross debt service: \$68,744,911.35

First Call Date: October 1, 2026

Premium at First Call: No premium

Method of Sale: Public Offering

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: N/A

Financial Advisor: N/A

Bond Purchaser: R4 Capital Funding (or a designated affiliate)

Trustee: Huntington National Bank

## Exhibit A

### Project Funding Sources:

KHC Tax-Exempt Bonds	\$35,000,000
Tax Credit Equity	\$18,339,000
Soft Funds	\$2,000,000
Income From Operations	\$550,000
Deferred Developer Fee	<u>\$6,216,495</u>
	\$62,105,495

### Costs of Issuance:

Origination Fee	\$175,000
KHC Counsel	\$26,250
KHC Financing Fee	\$175,000
KHC Application Fee & Expenses	\$3,500
KHC Admin Fee	\$5,000
Bond Counsel	\$105,000
Trustee Counsel	\$8,500
Borrowers Counsel	\$10,000
TEFRA/Publication/Print	<u>\$5,000</u>
	\$513,250



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Secretary

**Ryan Barrow**  
Executive Director

April 5, 2021

M. B. Denham Jr.  
Board Chair  
Kentucky Housing Corporation  
1231 Louisville Road  
Frankfort, KY 40601-6191

Dear Board Chair Denham:

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 (New Hope Properties), Series 2021 in a principal amount of \$36,000,000 (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 approval of this issue by the Capital Projects and Bond Oversight Committee ("CPBO") occurred on July 22, 2020. 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

### BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Conduit Revenue Bonds (New Hope Properties), Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation and equipping of the New Hope Properties, nine (9) multifamily residential rental facilities containing an aggregate of approximately four hundred fifty-four (454) units located at (i) 403 Moore Drive, (ii) 300 Waddell Circle, (iii) 887 Honeysuckle Drive, (iv) 309 Rozelle Court, (v) 1301 Honeysuckle Drive, (vi) 400 North Elm Street, (vii) Riverfront Drive & 4th Street, and (viii) Hayes & Lewis Streets, each in Hopkinsville, Christian County, Kentucky 42240, each in Hopkinsville, Christian County, Kentucky 42240. A public hearing was held and state and local officials were notified of this project prior to the New Bond Issue Report.

Name of Project: New Hope Properties Portfolio

Date of Sale: February 25, 2021

Date of Issuance: March 5, 2021

Ratings: Moody's (Aaa/VMIG 1)

Net Proceeds: \$36,000,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$2,032,000 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$76,005,923

Terms of Issue: Net interest rate: 0.41%  
Term: 36 months  
Average debt service: \$147,600  
Gross debt service: \$36,442,800

First Call Date: April 1, 2024

Premium at First Call: No premium

Method of Sale: Public Offering

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: Tiber Hudson LLC

Financial Advisor: N/A

Underwriter: Stifel, Nicolaus & Company, Incorporated

Trustee: The Huntington National Bank

**Exhibit A**

**Project Funding Sources:**

Bond Proceeds	\$36,000,000
Mortgage Loan	28,650,000
Kentucky Housing NHTF Loan	2,700,000
Tax Credit Equity <sup>1</sup>	27,544,890
Ground Lessor Loan	10,900,000
HAH Loans	3,446,014
HAH Grant Funds	85,950
Interim Income	372,657
Deferred Developer Fee	<u>\$2,306,412</u>
<b>Total</b>	<u><u>\$112,005,923</u></u>

**Costs of Issuance:**

KHC Pre-App Fee	\$ 8,000
KHC Issuer Fee	90,000
KHC Annual Issuer Fee	90,000
KHC Issuer Adm Fee	36,000
Issuer Counsel	36,000
Bond Counsel	90,000
Underwriter's Discount	162,000
Underwriter's Counsel	40,000
Rating Agency	5,500
Trustee	6,500
Trustee Counsel	5,000
Verification Agent	1,500
Closing Admin Fee	5,000
Negative Arbitrage	-
	<u>\$ 567,500</u>



## 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)

**ANDY BESHEAR**

Governor

**MS. HOLLY M. JOHNSON**

Secretary

**HEATHER OVERBY**

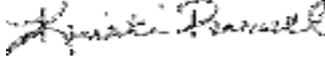
Chairman

**CHELSEY COUCH**

Executive Director

### **MEMORANDUM**

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

**FROM:** Kristi Russell, SFCC 

**DATE:** March 29, 2021

**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 14, 2021:

Boyd County- \$449,000 estimated – Refunding of 2009 bonds. State estimated annual debt service is \$56,156 and local is \$0. No tax increase is necessary to finance this project.

Calloway County- \$8,280,000 estimated – District wide energy conservation improvements. State estimated annual debt service is \$87,330 and local is \$442,598. No tax increase is necessary to finance this project

Hardin County- \$46,220,000 estimated – High School renovations. State estimated annual debt service is \$70,415 and local is \$3,220,941. No tax increase is necessary to finance this project

Scott County- \$69,920,000 estimated – Construct a new high school. State estimated annual debt service is \$93,550 and local is \$4,396,261. No tax increase is necessary to finance this project.

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



# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form –Boyd County School District Series 2021  
**Date:** March 12, 2021  
**cc:** File

---

Please find enclosed a Bond Payee Disclosure Form and Plan of Refinancing for the Boyd 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:	<b>\$ 449,000</b>	
Issue Name:	Boyd County School District Finance Corporation School Building Refunding Revenue Bonds, Series 2021	
Purpose:	Refinance Series 2009	
Projected Sale Date of Bonds:	13-May-21	
First Call Date:	6/17/21 @ 100	
Method of Sale:	Competitive Bids	
Place/time of sale:	PARITY/SFCC	
Bond Rating:	Moody's: "A1"	
Bond Counsel:	Steptoe & Johnson, Louisville, KY	
Fiscal Agent:	RSA Advisors, LLC	
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
\$ 449,000	\$ 0	\$ 449,000
100.00%	0.00%	
\$ 56,156	\$ 0	\$ 56,156
\$ 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:

\$ 3,500	\$ 0	\$ 3,500
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 3,500	\$ 0	\$ 3,500
\$ 4,490	\$ 0	\$ 4,490
\$ 3,750	\$ 0	\$ 3,750
<b>\$ 15,240</b>	<b>\$ 0</b>	<b>\$ 15,240</b>

**Anticipated Interest Rates:**

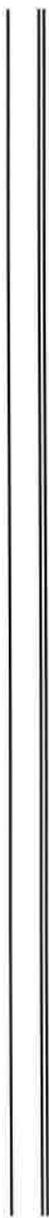
5 Years 1.450% 10 Years N/A% 15 Years:  
 20 Years: N/A

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

# Boyd County School District

## Projected Plan of Refinancing

Date of Report: March 12, 2021



### Prior Bonds Call Reports

2009 Call Report..... 1

### 2021 Series Refunding Bonds

Savings Summary..... 2

**BOYD COUNTY 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
06/17/2021	430,000.00	787.11	430,787.11	-	-	-	-
12/01/2021	-	-	-	40,000.00	4.000%	8,855.00	48,855.00
06/01/2022	-	-	-	-	-	8,055.00	8,055.00
12/01/2022	-	-	-	45,000.00	4.000%	8,055.00	53,055.00
06/01/2023	-	-	-	-	-	7,155.00	7,155.00
12/01/2023	-	-	-	45,000.00	4.000%	7,155.00	52,155.00
06/01/2024	-	-	-	-	-	6,255.00	6,255.00
12/01/2024	-	-	-	45,000.00	4.000%	6,255.00	51,255.00
06/01/2025	-	-	-	-	-	5,355.00	5,355.00
12/01/2025	-	-	-	50,000.00	4.200%	5,355.00	55,355.00
06/01/2026	-	-	-	-	-	4,305.00	4,305.00
12/01/2026	-	-	-	50,000.00	4.200%	4,305.00	54,305.00
06/01/2027	-	-	-	-	-	3,255.00	3,255.00
12/01/2027	-	-	-	55,000.00	4.200%	3,255.00	58,255.00
06/01/2028	-	-	-	-	-	2,100.00	2,100.00
12/01/2028	-	-	-	55,000.00	4.200%	2,100.00	57,100.00
06/01/2029	-	-	-	-	-	945.00	945.00
12/01/2029	-	-	-	45,000.00	4.200%	945.00	45,945.00
<b>Total</b>	<b>\$430,000.00</b>	<b>\$787.11</b>	<b>\$430,787.11</b>	<b>\$430,000.00</b>	-	<b>\$83,705.00</b>	<b>\$513,705.00</b>

**BOYD COUNTY SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2021**  
**PROJECTED REFINANCING OF 2009**

**Debt Service Comparison**

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2021	-	(972.89)	-	972.89
06/30/2022	52,723.01	52,723.01	56,910.00	4,186.99
06/30/2023	56,318.50	56,318.50	60,210.00	3,891.50
06/30/2024	54,611.50	54,611.50	58,410.00	3,798.50
06/30/2025	52,918.50	52,918.50	56,610.00	3,691.50
06/30/2026	55,211.50	55,211.50	59,660.00	4,448.50
06/30/2027	53,490.50	53,490.50	57,560.00	4,069.50
06/30/2028	55,755.50	55,755.50	60,355.00	4,599.50
06/30/2029	53,993.25	53,993.25	58,045.00	4,051.75
06/30/2030	42,304.50	42,304.50	45,945.00	3,640.50
<b>Total</b>	<b>\$477,326.76</b>	<b>\$476,353.87</b>	<b>\$513,705.00</b>	<b>\$37,351.13</b>

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

Gross PV Debt Service Savings	32,569.49
Net PV Cashflow Savings @ 2.348%(AIC)	32,569.49
Contingency or Rounding Amount	972.89
Net Present Value Benefit	\$33,542.38

Net PV Benefit / \$430,000 Refunded Principal	7.801%
Net PV Benefit / \$449,000 Refunding Principal	7.470%

**Refunding Bond Information**

Refunding Dated Date	6/17/2021
Refunding Delivery Date	6/17/2021



March 12, 2021

Ms. Chelsey Couch  
Schools Facilities Construction Commission  
700 Louisville Road  
Frankfort, Kentucky 40601

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

Dear Ms. Couch:

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

\$8,280,000 (est.)  
Calloway County  
School District Finance Corporation  
Energy Conservation Revenue Bonds,  
Series of 2021

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/ Maria Long*

Maria Long  
Public Finance

## BOND PAYEE DISCLOSURE FORM

Par Amount:	\$8,280,000
Issue Name:	Calloway County School District Finance Corporation Energy Conservation Revenue Bonds, Series of 2021
Purpose:	Fund energy conservation measures at various schools across the District
Projected Sale Date of Bonds:	Summer 2021
First Call Date:	TBD
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "A1" – Moody's
Bond Counsel:	Steptoe & Johnson
Fiscal Agent:	Baird

Date Received by SFCC:

/	/	/
/	/	/

*To be filled in by SFCC*

Date Scheduled for Committee Review:

/	/	/
/	/	/

*To be filled in by SFCC*

	<b>SFCC Portion</b>	<b>Local Portion</b>	<b>Total</b>
Estimated par amount of Bonds:	\$1,406,606	\$6,873,394	\$8,280,000
% Share of total Bonds:	16.48%	83.52%	100.00%
Estimated average annual debt service:	87,330	442,598	529,928
Estimated debt service reserve:	-	-	-
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	7,835	38,285	46,120
Special Tax Counsel	-	-	-
Number Verifications	-	-	-
Bond Rating	3,058	14,942	18,000
Underwriter's Discount	28,132	137,468	165,600
Paying Agent/Escrow Agent Bank	680	3,320	4,000
<b>Total Cost of Issuance:</b>	<b>\$39,705</b>	<b>\$194,015</b>	<b>\$233,720</b>

**Anticipated Interest Rates:**

1 Years: 0.73%	5 Years: 1.04%
10 Years: 1.78%	20 Years: 2.66%

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

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Project Development Scenario- For BG1 (TRANE)

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## SOURCES AND USES OF FUNDS

Calloway County School District Finance Corporation  
Project Development Scenario- For BG1 (TRANE)Dated Date 06/01/2021  
Delivery Date 06/01/2021

Sources:	General Fund (Savings)	SFCC Portion	Restricted Fund	Total
Bond Proceeds:				
Par Amount	4,648,685.00	1,406,606.00	2,224,709.00	8,280,000.00
Other Sources of Funds:				
SFCC Cash Requirements			287,015.00	287,015.00
	4,648,685.00	1,406,606.00	2,511,724.00	8,567,015.00
Uses:	General Fund (Savings)	SFCC Portion	Restricted Fund	Total
Project Fund Deposits:				
Project Deposit	4,676,195.33	1,414,930.12	2,237,874.55	8,329,000.00
Cost of Issuance:				
FA/BC	25,893.40	7,834.86	12,391.74	46,120.00
Rating	10,105.84	3,057.84	4,836.32	18,000.00
Paying Agent	2,245.74	679.52	1,074.74	4,000.00
	38,244.98	11,572.22	18,302.80	68,120.00
Underwriter's Discount:				
Total Discount	92,973.70	28,132.12	44,494.18	165,600.00
Other Uses of Funds:				
Additional Proceeds	-158,729.01	-48,028.46	211,052.47	4,295.00
	4,648,685.00	1,406,606.00	2,511,724.00	8,567,015.00

BOND DEBT SERVICE

Calloway County School District Finance Corporation  
Project Development Scenario- For BG1 (TRANE)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2021			81,752.74	81,752.74	
06/01/2022	280,000	0.730%	81,752.74	361,752.74	
06/30/2022					443,505.48
12/01/2022			80,730.75	80,730.75	
06/01/2023	265,000	0.770%	80,730.75	345,730.75	
06/30/2023					426,461.50
12/01/2023			79,710.50	79,710.50	
06/01/2024	265,000	0.820%	79,710.50	344,710.50	
06/30/2024					424,421.00
12/01/2024			78,624.00	78,624.00	
06/01/2025	290,000	0.910%	78,624.00	368,624.00	
06/30/2025					447,248.00
12/01/2025			77,304.49	77,304.49	
06/01/2026	300,000	1.040%	77,304.49	377,304.49	
06/30/2026					454,608.98
12/01/2026			75,744.50	75,744.50	
06/01/2027	310,000	1.210%	75,744.50	385,744.50	
06/30/2027					461,489.00
12/01/2027			73,869.00	73,869.00	
06/01/2028	325,000	1.380%	73,869.00	398,869.00	
06/30/2028					472,738.00
12/01/2028			71,626.50	71,626.50	
06/01/2029	335,000	1.530%	71,626.50	406,626.50	
06/30/2029					478,253.00
12/01/2029			69,063.75	69,063.75	
06/01/2030	350,000	1.680%	69,063.75	419,063.75	
06/30/2030					488,127.50
12/01/2030			66,123.75	66,123.75	
06/01/2031	325,000	1.780%	66,123.75	391,123.75	
06/30/2031					457,247.50
12/01/2031			63,231.25	63,231.25	
06/01/2032	335,000	1.940%	63,231.25	398,231.25	
06/30/2032					461,462.50
12/01/2032			59,981.74	59,981.74	
06/01/2033	350,000	2.050%	59,981.74	409,981.74	
06/30/2033					469,963.48
12/01/2033			56,394.25	56,394.25	
06/01/2034	365,000	2.160%	56,394.25	421,394.25	
06/30/2034					477,788.50
12/01/2034			52,452.26	52,452.26	
06/01/2035	520,000	2.260%	52,452.26	572,452.26	
06/30/2035					624,904.52
12/01/2035			46,576.25	46,576.25	
06/01/2036	540,000	2.350%	46,576.25	586,576.25	
06/30/2036					633,152.50
12/01/2036			40,231.25	40,231.25	
06/01/2037	565,000	2.450%	40,231.25	605,231.25	
06/30/2037					645,462.50
12/01/2037			33,310.00	33,310.00	
06/01/2038	595,000	2.540%	33,310.00	628,310.00	
06/30/2038					661,620.00
12/01/2038			25,753.50	25,753.50	
06/01/2039	625,000	2.580%	25,753.50	650,753.50	
06/30/2039					676,507.00
12/01/2039			17,691.00	17,691.00	
06/01/2040	655,000	2.620%	17,691.00	672,691.00	
06/30/2040					690,382.00
12/01/2040			9,110.50	9,110.50	
06/01/2041	685,000	2.660%	9,110.50	694,110.50	
06/30/2041					703,221.00
	8,280,000		2,318,563.96	10,598,563.96	10,598,563.96



## BOND DEBT SERVICE

Calloway County School District Finance Corporation  
Project Development Scenario- For BG1 (TRANE)

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	280,000	0.730%	163,505.48	443,505.48
06/30/2023	265,000	0.770%	161,461.50	426,461.50
06/30/2024	265,000	0.820%	159,421.00	424,421.00
06/30/2025	290,000	0.910%	157,248.00	447,248.00
06/30/2026	300,000	1.040%	154,608.98	454,608.98
06/30/2027	310,000	1.210%	151,489.00	461,489.00
06/30/2028	325,000	1.380%	147,738.00	472,738.00
06/30/2029	335,000	1.530%	143,253.00	478,253.00
06/30/2030	350,000	1.680%	138,127.50	488,127.50
06/30/2031	325,000	1.780%	132,247.50	457,247.50
06/30/2032	335,000	1.940%	126,462.50	461,462.50
06/30/2033	350,000	2.050%	119,963.48	469,963.48
06/30/2034	365,000	2.160%	112,788.50	477,788.50
06/30/2035	520,000	2.260%	104,904.52	624,904.52
06/30/2036	540,000	2.350%	93,152.50	633,152.50
06/30/2037	565,000	2.450%	80,462.50	645,462.50
06/30/2038	595,000	2.540%	66,620.00	661,620.00
06/30/2039	625,000	2.580%	51,507.00	676,507.00
06/30/2040	655,000	2.620%	35,382.00	690,382.00
06/30/2041	685,000	2.660%	18,221.00	703,221.00
	8,280,000		2,318,563.96	10,598,563.96

## BOND DEBT SERVICE

Calloway County School District Finance Corporation  
General Fund (Savings)

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	164,395	0.730%	92,804.08	257,199.08
06/30/2023	122,916	0.770%	91,604.00	214,520.00
06/30/2024	131,466	0.820%	90,657.54	222,123.54
06/30/2025	140,439	0.910%	89,579.52	230,018.52
06/30/2026	149,918	1.040%	88,301.52	238,219.52
06/30/2027	159,995	1.210%	86,742.38	246,737.38
06/30/2028	170,779	1.380%	84,806.44	255,585.44
06/30/2029	182,327	1.530%	82,449.70	264,776.70
06/30/2030	194,666	1.680%	79,660.08	274,326.08
06/30/2031	207,858	1.780%	76,389.70	284,247.70
06/30/2032	221,866	1.940%	72,689.82	294,555.82
06/30/2033	236,881	2.050%	68,385.62	305,266.62
06/30/2034	252,868	2.160%	63,529.56	316,397.56
06/30/2035	269,897	2.260%	58,067.62	327,964.62
06/30/2036	288,018	2.350%	51,967.94	339,985.94
06/30/2037	307,281	2.450%	45,199.52	352,480.52
06/30/2038	327,796	2.540%	37,671.14	365,467.14
06/30/2039	349,621	2.580%	29,345.12	378,966.12
06/30/2040	372,673	2.620%	20,324.90	392,997.90
06/30/2041	397,025	2.660%	10,560.86	407,585.86
	4,648,685		1,320,737.06	5,969,422.06

## BOND DEBT SERVICE

Calloway County School District Finance Corporation  
SFCC Portion

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	61,476	0.730%	25,855.12	87,331.12
06/30/2023	61,922	0.770%	25,406.36	87,328.36
06/30/2024	62,402	0.820%	24,929.56	87,331.56
06/30/2025	62,911	0.910%	24,417.86	87,328.86
06/30/2026	63,485	1.040%	23,845.36	87,330.36
06/30/2027	64,145	1.210%	23,185.12	87,330.12
06/30/2028	64,921	1.380%	22,408.98	87,329.98
06/30/2029	65,817	1.530%	21,513.06	87,330.06
06/30/2030	66,824	1.680%	20,506.06	87,330.06
06/30/2031	67,945	1.780%	19,383.42	87,328.42
06/30/2032	69,155	1.940%	18,174.00	87,329.00
06/30/2033	70,497	2.050%	16,832.38	87,329.38
06/30/2034	71,944	2.160%	15,387.20	87,331.20
06/30/2035	73,497	2.260%	13,833.22	87,330.22
06/30/2036	75,159	2.350%	12,172.18	87,331.18
06/30/2037	76,924	2.450%	10,405.94	87,329.94
06/30/2038	78,809	2.540%	8,521.30	87,330.30
06/30/2039	80,810	2.580%	6,519.56	87,329.56
06/30/2040	82,896	2.620%	4,434.66	87,330.66
06/30/2041	85,067	2.660%	2,262.78	87,329.78
	1,406,606		339,994.12	1,746,600.12

## BOND DEBT SERVICE

Calloway County School District Finance Corporation  
Restricted Fund

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	54,129	0.730%	44,846.28	98,975.28
06/30/2023	80,162	0.770%	44,451.14	124,613.14
06/30/2024	71,132	0.820%	43,833.90	114,965.90
06/30/2025	86,650	0.910%	43,250.62	129,900.62
06/30/2026	86,597	1.040%	42,462.10	129,059.10
06/30/2027	85,860	1.210%	41,561.50	127,421.50
06/30/2028	89,300	1.380%	40,522.58	129,822.58
06/30/2029	86,856	1.530%	39,290.24	126,146.24
06/30/2030	88,510	1.680%	37,961.36	126,471.36
06/30/2031	49,197	1.780%	36,474.38	85,671.38
06/30/2032	43,979	1.940%	35,598.68	79,577.68
06/30/2033	42,622	2.050%	34,745.48	77,367.48
06/30/2034	40,188	2.160%	33,871.74	74,059.74
06/30/2035	176,606	2.260%	33,003.68	209,609.68
06/30/2036	176,823	2.350%	29,012.38	205,835.38
06/30/2037	180,795	2.450%	24,857.04	205,652.04
06/30/2038	188,395	2.540%	20,427.56	208,822.56
06/30/2039	194,569	2.580%	15,642.32	210,211.32
06/30/2040	199,431	2.620%	10,622.44	210,053.44
06/30/2041	202,908	2.660%	5,397.36	208,305.36
	2,224,709		657,832.78	2,882,541.78

BOND PRICING

Calloway County School District Finance Corporation  
Project Development Scenario- For BG1 (TRANE)

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	06/01/2022	280,000	0.730%	0.730%	100.000
	06/01/2023	265,000	0.770%	0.770%	100.000
	06/01/2024	265,000	0.820%	0.820%	100.000
	06/01/2025	290,000	0.910%	0.910%	100.000
	06/01/2026	300,000	1.040%	1.040%	100.000
	06/01/2027	310,000	1.210%	1.210%	100.000
	06/01/2028	325,000	1.380%	1.380%	100.000
	06/01/2029	335,000	1.530%	1.530%	100.000
	06/01/2030	350,000	1.680%	1.680%	100.000
	06/01/2031	325,000	1.780%	1.780%	100.000
	06/01/2032	335,000	1.940%	1.940%	100.000
	06/01/2033	350,000	2.050%	2.050%	100.000
	06/01/2034	365,000	2.160%	2.160%	100.000
	06/01/2035	520,000	2.260%	2.260%	100.000
	06/01/2036	540,000	2.350%	2.350%	100.000
	06/01/2037	565,000	2.450%	2.450%	100.000
	06/01/2038	595,000	2.540%	2.540%	100.000
	06/01/2039	625,000	2.580%	2.580%	100.000
	06/01/2040	655,000	2.620%	2.620%	100.000
	06/01/2041	685,000	2.660%	2.660%	100.000
		8,280,000			

Dated Date	06/01/2021	
Delivery Date	06/01/2021	
First Coupon	12/01/2021	
Par Amount	8,280,000.00	
Original Issue Discount		
Production	8,280,000.00	100.000000%
Underwriter's Discount	-165,600.00	-2.000000%
Purchase Price	8,114,400.00	98.000000%
Accrued Interest		
Net Proceeds	8,114,400.00	



BOND SUMMARY STATISTICS

Calloway County School District Finance Corporation  
Project Development Scenario- For BG1 (TRANE)

Dated Date	06/01/2021
Delivery Date	06/01/2021
Last Maturity	06/01/2041
Arbitrage Yield	2.250347%
True Interest Cost (TIC)	2.443003%
Net Interest Cost (NIC)	2.434500%
All-In TIC	2.523811%
Average Coupon	2.272211%
Average Life (years)	12.324
Duration of Issue (years)	10.576
Par Amount	8,280,000.00
Bond Proceeds	8,280,000.00
Total Interest	2,318,563.96
Net Interest	2,484,163.96
Total Debt Service	10,598,563.96
Maximum Annual Debt Service	703,221.00
Average Annual Debt Service	529,928.20
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	8,280,000.00	100.000	2.272%	12.324	8,589.40
	8,280,000.00			12.324	8,589.40

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,280,000.00	8,280,000.00	8,280,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-165,600.00	-165,600.00	
- Cost of Issuance Expense		-68,120.00	
- Other Amounts			
Target Value	8,114,400.00	8,046,280.00	8,280,000.00
Target Date	06/01/2021	06/01/2021	06/01/2021
Yield	2.443003%	2.523811%	2.250347%



BOND SOLUTION

Calloway County School District Finance Corporation  
General Fund (Savings)

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2021						
06/30/2022	164,395	257,199	257,199	257,200	1	100.00036%
06/30/2023	122,916	214,520	214,520	214,521	1	100.00047%
06/30/2024	131,466	222,124	222,124	222,124	0	100.00006%
06/30/2025	140,439	230,019	230,019	230,019	1	100.00038%
06/30/2026	149,918	238,220	238,220	238,220	1	100.00021%
06/30/2027	159,995	246,737	246,737	246,738	1	100.00023%
06/30/2028	170,779	255,585	255,585	255,586	1	100.00021%
06/30/2029	182,327	264,777	264,777	264,778	1	100.00032%
06/30/2030	194,666	274,326	274,326	274,327	1	100.00020%
06/30/2031	207,858	284,248	284,248	284,248	0	100.00002%
06/30/2032	221,866	294,556	294,556	294,556	0	100.00007%
06/30/2033	236,881	305,267	305,267	305,267	1	100.00021%
06/30/2034	252,868	316,398	316,398	316,398	0	100.00010%
06/30/2035	269,897	327,965	327,965	327,965	0	100.00012%
06/30/2036	288,018	339,986	339,986	339,986	1	100.00015%
06/30/2037	307,281	352,481	352,481	352,481	0	100.00007%
06/30/2038	327,796	365,467	365,467	365,467	0	100.00007%
06/30/2039	349,621	378,966	378,966	378,966	0	100.00007%
06/30/2040	372,673	392,998	392,998	392,999	1	100.00022%
06/30/2041	397,025	407,586	407,586	407,586	1	100.00014%
	4,648,685	5,969,422	5,969,422	5,969,432	10	



BOND SOLUTION

Calloway County School District Finance Corporation  
SFCC Portion

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2021						
06/30/2022	61,476	87,331	87,331	87,331	0	100.00015%
06/30/2023	61,922	87,328	87,328	87,329	1	100.00078%
06/30/2024	62,402	87,332	87,332	87,332	1	100.00072%
06/30/2025	62,911	87,329	87,329	87,330	1	100.00109%
06/30/2026	63,485	87,330	87,330	87,330	0	100.00014%
06/30/2027	64,145	87,330	87,330	87,331	0	100.00056%
06/30/2028	64,921	87,330	87,330	87,330	0	100.00053%
06/30/2029	65,817	87,330	87,330	87,331	1	100.00098%
06/30/2030	66,824	87,330	87,330	87,331	1	100.00069%
06/30/2031	67,945	87,328	87,328	87,329	0	100.00054%
06/30/2032	69,155	87,329	87,329	87,330	1	100.00113%
06/30/2033	70,497	87,329	87,329	87,330	1	100.00094%
06/30/2034	71,944	87,331	87,331	87,332	1	100.00069%
06/30/2035	73,497	87,330	87,330	87,330	0	100.00022%
06/30/2036	75,159	87,331	87,331	87,332	1	100.00077%
06/30/2037	76,924	87,330	87,330	87,331	1	100.00078%
06/30/2038	78,809	87,330	87,330	87,330	0	100.00003%
06/30/2039	80,810	87,330	87,330	87,330	0	100.00042%
06/30/2040	82,896	87,331	87,331	87,332	1	100.00115%
06/30/2041	85,067	87,330	87,330	87,331	1	100.00094%
	1,406,606	1,746,600	1,746,600	1,746,612	12	



BOND SOLUTION

Calloway County School District Finance Corporation  
Restricted Fund

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2021			1,124,200	1,124,200		-1,124,200	
06/30/2022	54,129	98,975	1,073,970	1,172,945	1,416,571	243,626	120.77043%
06/30/2023	80,162	124,613	491,329	615,942	1,416,571	800,629	229.98443%
06/30/2024	71,132	114,966	496,369	611,335	1,416,571	805,236	231.71767%
06/30/2025	86,650	129,901	488,327	618,228	1,416,571	798,343	229.13421%
06/30/2026	86,597	129,059	487,846	616,905	1,416,571	799,666	229.62543%
06/30/2027	85,860	127,422	488,556	615,978	1,416,571	800,594	229.97122%
06/30/2028	89,300	129,823	489,176	618,999	1,416,571	797,572	228.84883%
06/30/2029	86,856	126,146	485,225	611,371	1,416,571	805,200	231.70390%
06/30/2030	88,510	126,471	297,411	423,882	1,416,571	992,689	334.18966%
06/30/2031	49,197	85,671	123,770	209,441	1,416,571	1,207,130	676.35679%
06/30/2032	43,979	79,578	126,771	206,349	1,416,571	1,210,222	686.49385%
06/30/2033	42,622	77,367	131,393	208,760	1,416,571	1,207,811	678.56282%
06/30/2034	40,188	74,060	131,535	205,595	1,416,571	1,210,976	689.01130%
06/30/2035	176,606	209,610		209,610	1,416,571	1,206,961	675.81373%
06/30/2036	176,823	205,835		205,835	1,416,571	1,210,736	688.20579%
06/30/2037	180,795	205,652		205,652	1,416,571	1,210,919	688.81933%
06/30/2038	188,395	208,823		208,823	1,416,571	1,207,748	678.36109%
06/30/2039	194,569	210,211		210,211	1,416,571	1,206,360	673.87950%
06/30/2040	199,431	210,053		210,053	1,416,571	1,206,518	674.38600%
06/30/2041	202,908	208,305		208,305	1,416,571	1,208,266	680.04539%
	2,224,709	2,882,542	6,435,878	9,318,420	28,331,420	19,013,000	



AGGREGATE DEBT SERVICE

Calloway County School District Finance Corporation  
General Fund (Savings)

Period Ending	General Fund (Savings)	Aggregate Debt Service
06/30/2022	257,199.08	257,199.08
06/30/2023	214,520.00	214,520.00
06/30/2024	222,123.54	222,123.54
06/30/2025	230,018.52	230,018.52
06/30/2026	238,219.52	238,219.52
06/30/2027	246,737.38	246,737.38
06/30/2028	255,585.44	255,585.44
06/30/2029	264,776.70	264,776.70
06/30/2030	274,326.08	274,326.08
06/30/2031	284,247.70	284,247.70
06/30/2032	294,555.82	294,555.82
06/30/2033	305,266.62	305,266.62
06/30/2034	316,397.56	316,397.56
06/30/2035	327,964.62	327,964.62
06/30/2036	339,985.94	339,985.94
06/30/2037	352,480.52	352,480.52
06/30/2038	365,467.14	365,467.14
06/30/2039	378,966.12	378,966.12
06/30/2040	392,997.90	392,997.90
06/30/2041	407,585.86	407,585.86
	5,969,422.06	5,969,422.06

AGGREGATE DEBT SERVICE

Calloway County School District Finance Corporation  
SFCC Portion

Period Ending	SFCC Portion	Aggregate Debt Service
06/30/2022	87,331.12	87,331.12
06/30/2023	87,328.36	87,328.36
06/30/2024	87,331.56	87,331.56
06/30/2025	87,328.86	87,328.86
06/30/2026	87,330.36	87,330.36
06/30/2027	87,330.12	87,330.12
06/30/2028	87,329.98	87,329.98
06/30/2029	87,330.06	87,330.06
06/30/2030	87,330.06	87,330.06
06/30/2031	87,328.42	87,328.42
06/30/2032	87,329.00	87,329.00
06/30/2033	87,329.38	87,329.38
06/30/2034	87,331.20	87,331.20
06/30/2035	87,330.22	87,330.22
06/30/2036	87,331.18	87,331.18
06/30/2037	87,329.94	87,329.94
06/30/2038	87,330.30	87,330.30
06/30/2039	87,329.56	87,329.56
06/30/2040	87,330.66	87,330.66
06/30/2041	87,329.78	87,329.78
	1,746,600.12	1,746,600.12



## AGGREGATE DEBT SERVICE

Calloway County School District Finance Corporation  
Restricted Fund

Period Ending	Restricted Fund	Other D/S	Aggregate Debt Service
06/30/2021		1,124,200	1,124,200.00
06/30/2022	98,975.28	1,073,970	1,172,945.28
06/30/2023	124,613.14	491,329	615,942.14
06/30/2024	114,965.90	496,369	611,334.90
06/30/2025	129,900.62	488,327	618,227.62
06/30/2026	129,059.10	487,846	616,905.10
06/30/2027	127,421.50	488,556	615,977.50
06/30/2028	129,822.58	489,176	618,998.58
06/30/2029	126,146.24	485,225	611,371.24
06/30/2030	126,471.36	297,411	423,882.36
06/30/2031	85,671.38	123,770	209,441.38
06/30/2032	79,577.68	126,771	206,348.68
06/30/2033	77,367.48	131,393	208,760.48
06/30/2034	74,059.74	131,535	205,594.74
06/30/2035	209,609.68		209,609.68
06/30/2036	205,835.38		205,835.38
06/30/2037	205,652.04		205,652.04
06/30/2038	208,822.56		208,822.56
06/30/2039	210,211.32		210,211.32
06/30/2040	210,053.44		210,053.44
06/30/2041	208,305.36		208,305.36
	2,882,541.78	6,435,878	9,318,419.78



March 26, 2021

Ms. Chelsey Couch  
School Facilities Construction Commission  
700 Louisville Road  
Carriage House  
Frankfort, Kentucky 40601

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

Dear Ms. Couch:

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

\$46,220,000 (est.)  
Hardin County  
School District Finance Corporation  
School Building Revenue Bonds,  
Series of 2021

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/ Maria Long*

Maria Long  
Public Finance



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## SOURCES AND USES OF FUNDS

Hardin County Schools District Finance Corp  
 Hardin County School District Finance Corporation School Building Revenue Bonds Series 2021  
 2020-21 Final SEEK Calculations  
 Hardin County SFCC Offer of \$40,492 and West Point SFCC Offers of \$29,923

Dated Date           06/01/2021  
 Delivery Date       06/01/2021

Sources:	SFCC Portion	District Portion	Total
<hr/>			
Bond Proceeds:			
Par Amount	1,141,902.00	45,078,098.00	46,220,000.00
	<hr/>	<hr/>	<hr/>
	1,141,902.00	45,078,098.00	46,220,000.00
<hr/> <hr/>			
Uses:	SFCC Portion	District Portion	Total
<hr/>			
Project Fund Deposits:			
Construction Cost	963,032.02	38,016,967.98	38,980,000.00
Architect/Engineer Fee	46,707.05	1,843,822.95	1,890,530.00
Construction Manager Fee	16,313.24	643,986.76	660,300.00
Construction Contingencies	48,151.60	1,900,848.40	1,949,000.00
Equipment/Furnishings	22,235.22	877,764.78	900,000.00
Equipment/Computers	12,352.90	487,647.10	500,000.00
Special Inspections	2,223.52	87,776.48	90,000.00
Printing	617.64	24,382.36	25,000.00
Permits	370.59	14,629.41	15,000.00
Surveys, Geotech, Environ	1,111.76	43,888.24	45,000.00
	<hr/>	<hr/>	<hr/>
	1,113,115.54	43,941,714.46	45,054,830.00
Cost of Issuance:			
Fiscal Agent/Bond Counsel	4,888.78	192,991.22	197,880.00
Moody's	877.06	34,622.94	35,500.00
Paying Agent	86.47	3,413.53	3,500.00
	<hr/>	<hr/>	<hr/>
	5,852.31	231,027.69	236,880.00
Delivery Date Expenses:			
Underwriter's Discount	22,838.04	901,561.96	924,400.00
Other Uses of Funds:			
Additional Proceeds	96.11	3,793.89	3,890.00
	<hr/>	<hr/>	<hr/>
	1,141,902.00	45,078,098.00	46,220,000.00
<hr/> <hr/>			

BOND DEBT SERVICE

Hardin County Schools District Finance Corp  
 Hardin County School District Finance Corporation School Building Revenue Bonds Series 2021  
 2020-21 Final SEEK Calculations  
 Hardin County SFCC Offer of \$40,492 and West Point SFCC Offers of \$29,923

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2021			542,624.25	542,624.25	
06/01/2022	55,000	1.010%	542,624.25	597,624.25	
06/30/2022					1,140,248.50
12/01/2022			542,346.50	542,346.50	
06/01/2023	55,000	1.090%	542,346.50	597,346.50	
06/30/2023					1,139,693.00
12/01/2023			542,046.75	542,046.75	
06/01/2024	55,000	1.140%	542,046.75	597,046.75	
06/30/2024					1,139,093.50
12/01/2024			541,733.25	541,733.25	
06/01/2025	50,000	1.220%	541,733.25	591,733.25	
06/30/2025					1,133,466.50
12/01/2025			541,428.25	541,428.25	
06/01/2026	55,000	1.310%	541,428.25	596,428.25	
06/30/2026					1,137,856.50
12/01/2026			541,068.00	541,068.00	
06/01/2027	55,000	1.470%	541,068.00	596,068.00	
06/30/2027					1,137,136.00
12/01/2027			540,663.75	540,663.75	
06/01/2028	55,000	1.590%	540,663.75	595,663.75	
06/30/2028					1,136,327.50
12/01/2028			540,226.50	540,226.50	
06/01/2029	55,000	1.680%	540,226.50	595,226.50	
06/30/2029					1,135,453.00
12/01/2029			539,764.50	539,764.50	
06/01/2030	285,000	1.740%	539,764.50	824,764.50	
06/30/2030					1,364,529.00
12/01/2030			537,285.00	537,285.00	
06/01/2031	285,000	1.840%	537,285.00	822,285.00	
06/30/2031					1,359,570.00
12/01/2031			534,663.00	534,663.00	
06/01/2032	290,000	1.940%	534,663.00	824,663.00	
06/30/2032					1,359,326.00
12/01/2032			531,850.00	531,850.00	
06/01/2033	295,000	2.040%	531,850.00	826,850.00	
06/30/2033					1,358,700.00
12/01/2033			528,841.00	528,841.00	
06/01/2034	305,000	2.140%	528,841.00	833,841.00	
06/30/2034					1,362,682.00
12/01/2034			525,577.50	525,577.50	
06/01/2035	2,165,000	2.180%	525,577.50	2,690,577.50	
06/30/2035					3,216,155.00
12/01/2035			501,979.00	501,979.00	
06/01/2036	2,630,000	2.230%	501,979.00	3,131,979.00	
06/30/2036					3,633,958.00
12/01/2036			472,654.50	472,654.50	
06/01/2037	2,685,000	2.270%	472,654.50	3,157,654.50	
06/30/2037					3,630,309.00
12/01/2037			442,179.75	442,179.75	
06/01/2038	3,655,000	2.320%	442,179.75	4,097,179.75	
06/30/2038					4,539,359.50
12/01/2038			399,781.75	399,781.75	
06/01/2039	8,260,000	2.360%	399,781.75	8,659,781.75	
06/30/2039					9,059,563.50
12/01/2039			302,313.75	302,313.75	
06/01/2040	12,315,000	2.400%	302,313.75	12,617,313.75	
06/30/2040					12,919,627.50
12/01/2040			154,533.75	154,533.75	
06/01/2041	12,615,000	2.450%	154,533.75	12,769,533.75	
06/30/2041					12,924,067.50
	46,220,000		19,607,121.50	65,827,121.50	65,827,121.50

## BOND DEBT SERVICE

Hardin County Schools District Finance Corp  
 Hardin County School District Finance Corporation School Building Revenue Bonds Series 2021  
 2020-21 Final SEEK Calculations  
 Hardin County SFCC Offer of \$40,492 and West Point SFCC Offers of \$29,923

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	55,000	1.010%	1,085,248.50	1,140,248.50
06/30/2023	55,000	1.090%	1,084,693.00	1,139,693.00
06/30/2024	55,000	1.140%	1,084,093.50	1,139,093.50
06/30/2025	50,000	1.220%	1,083,466.50	1,133,466.50
06/30/2026	55,000	1.310%	1,082,856.50	1,137,856.50
06/30/2027	55,000	1.470%	1,082,136.00	1,137,136.00
06/30/2028	55,000	1.590%	1,081,327.50	1,136,327.50
06/30/2029	55,000	1.680%	1,080,453.00	1,135,453.00
06/30/2030	285,000	1.740%	1,079,529.00	1,364,529.00
06/30/2031	285,000	1.840%	1,074,570.00	1,359,570.00
06/30/2032	290,000	1.940%	1,069,326.00	1,359,326.00
06/30/2033	295,000	2.040%	1,063,700.00	1,358,700.00
06/30/2034	305,000	2.140%	1,057,682.00	1,362,682.00
06/30/2035	2,165,000	2.180%	1,051,155.00	3,216,155.00
06/30/2036	2,630,000	2.230%	1,003,958.00	3,633,958.00
06/30/2037	2,685,000	2.270%	945,309.00	3,630,309.00
06/30/2038	3,655,000	2.320%	884,359.50	4,539,359.50
06/30/2039	8,260,000	2.360%	799,563.50	9,059,563.50
06/30/2040	12,315,000	2.400%	604,627.50	12,919,627.50
06/30/2041	12,615,000	2.450%	309,067.50	12,924,067.50
	46,220,000		19,607,121.50	65,827,121.50

BOND DEBT SERVICE

Hardin County Schools District Finance Corp  
SFCC Portion

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2021			10,655.41	10,655.41	
06/01/2022	50,043	1.010%	10,655.41	60,698.41	
06/30/2022					71,353.82
12/01/2022			10,402.69	10,402.69	
06/01/2023	51,188	1.090%	10,402.69	61,590.69	
06/30/2023					71,993.38
12/01/2023			10,123.72	10,123.72	
06/01/2024	52,386	1.140%	10,123.72	62,509.72	
06/30/2024					72,633.44
12/01/2024			9,825.12	9,825.12	
06/01/2025	48,623	1.220%	9,825.12	58,448.12	
06/30/2025					68,273.24
12/01/2025			9,528.52	9,528.52	
06/01/2026	50,016	1.310%	9,528.52	59,544.52	
06/30/2026					69,073.04
12/01/2026			9,200.91	9,200.91	
06/01/2027	51,472	1.470%	9,200.91	60,672.91	
06/30/2027					69,873.82
12/01/2027			8,822.59	8,822.59	
06/01/2028	53,028	1.590%	8,822.59	61,850.59	
06/30/2028					70,673.18
12/01/2028			8,401.02	8,401.02	
06/01/2029	54,671	1.680%	8,401.02	63,072.02	
06/30/2029					71,473.04
12/01/2029			7,941.78	7,941.78	
06/01/2030	56,390	1.740%	7,941.78	64,331.78	
06/30/2030					72,273.56
12/01/2030			7,451.19	7,451.19	
06/01/2031	53,171	1.840%	7,451.19	60,622.19	
06/30/2031					68,073.38
12/01/2031			6,962.02	6,962.02	
06/01/2032	55,109	1.940%	6,962.02	62,071.02	
06/30/2032					69,033.04
12/01/2032			6,427.46	6,427.46	
06/01/2033	57,139	2.040%	6,427.46	63,566.46	
06/30/2033					69,993.92
12/01/2033			5,844.64	5,844.64	
06/01/2034	59,264	2.140%	5,844.64	65,108.64	
06/30/2034					70,953.28
12/01/2034			5,210.52	5,210.52	
06/01/2035	61,492	2.180%	5,210.52	66,702.52	
06/30/2035					71,913.04
12/01/2035			4,540.25	4,540.25	
06/01/2036	63,793	2.230%	4,540.25	68,333.25	
06/30/2036					72,873.50
12/01/2036			3,828.96	3,828.96	
06/01/2037	61,176	2.270%	3,828.96	65,004.96	
06/30/2037					68,833.92
12/01/2037			3,134.61	3,134.61	
06/01/2038	62,524	2.320%	3,134.61	65,658.61	
06/30/2038					68,793.22
12/01/2038			2,409.34	2,409.34	
06/01/2039	64,615	2.360%	2,409.34	67,024.34	
06/30/2039					69,433.68
12/01/2039			1,646.88	1,646.88	
06/01/2040	66,780	2.400%	1,646.88	68,426.88	
06/30/2040					70,073.76
12/01/2040			845.52	845.52	
06/01/2041	69,022	2.450%	845.52	69,867.52	
06/30/2041					70,713.04
	1,141,902		266,406.30	1,408,308.30	1,408,308.30

BOND DEBT SERVICE

Hardin County Schools District Finance Corp  
District Portion

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2021			531,968.84	531,968.84	
06/01/2022	4,957	1.010%	531,968.84	536,925.84	
06/30/2022					1,068,894.68
12/01/2022			531,943.81	531,943.81	
06/01/2023	3,812	1.090%	531,943.81	535,755.81	
06/30/2023					1,067,699.62
12/01/2023			531,923.03	531,923.03	
06/01/2024	2,614	1.140%	531,923.03	534,537.03	
06/30/2024					1,066,460.06
12/01/2024			531,908.13	531,908.13	
06/01/2025	1,377	1.220%	531,908.13	533,285.13	
06/30/2025					1,065,193.26
12/01/2025			531,899.73	531,899.73	
06/01/2026	4,984	1.310%	531,899.73	536,883.73	
06/30/2026					1,068,783.46
12/01/2026			531,867.09	531,867.09	
06/01/2027	3,528	1.470%	531,867.09	535,395.09	
06/30/2027					1,067,262.18
12/01/2027			531,841.16	531,841.16	
06/01/2028	1,972	1.590%	531,841.16	533,813.16	
06/30/2028					1,065,654.32
12/01/2028			531,825.48	531,825.48	
06/01/2029	329	1.680%	531,825.48	532,154.48	
06/30/2029					1,063,979.96
12/01/2029			531,822.72	531,822.72	
06/01/2030	228,610	1.740%	531,822.72	760,432.72	
06/30/2030					1,292,255.44
12/01/2030			529,833.81	529,833.81	
06/01/2031	231,829	1.840%	529,833.81	761,662.81	
06/30/2031					1,291,496.62
12/01/2031			527,700.98	527,700.98	
06/01/2032	234,891	1.940%	527,700.98	762,591.98	
06/30/2032					1,290,292.96
12/01/2032			525,422.54	525,422.54	
06/01/2033	237,861	2.040%	525,422.54	763,283.54	
06/30/2033					1,288,706.08
12/01/2033			522,996.36	522,996.36	
06/01/2034	245,736	2.140%	522,996.36	768,732.36	
06/30/2034					1,291,728.72
12/01/2034			520,366.98	520,366.98	
06/01/2035	2,103,508	2.180%	520,366.98	2,623,874.98	
06/30/2035					3,144,241.96
12/01/2035			497,438.75	497,438.75	
06/01/2036	2,566,207	2.230%	497,438.75	3,063,645.75	
06/30/2036					3,561,084.50
12/01/2036			468,825.54	468,825.54	
06/01/2037	2,623,824	2.270%	468,825.54	3,092,649.54	
06/30/2037					3,561,475.08
12/01/2037			439,045.14	439,045.14	
06/01/2038	3,592,476	2.320%	439,045.14	4,031,521.14	
06/30/2038					4,470,566.28
12/01/2038			397,372.41	397,372.41	
06/01/2039	8,195,385	2.360%	397,372.41	8,592,757.41	
06/30/2039					8,990,129.82
12/01/2039			300,666.87	300,666.87	
06/01/2040	12,248,220	2.400%	300,666.87	12,548,886.87	
06/30/2040					12,849,553.74
12/01/2040			153,688.23	153,688.23	
06/01/2041	12,545,978	2.450%	153,688.23	12,699,666.23	
06/30/2041					12,853,354.46
	45,078,098		19,340,715.20	64,418,813.20	64,418,813.20

## BOND DEBT SERVICE

Hardin County Schools District Finance Corp  
SFCC Portion

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	50,043	1.010%	21,310.82	71,353.82
06/30/2023	51,188	1.090%	20,805.38	71,993.38
06/30/2024	52,386	1.140%	20,247.44	72,633.44
06/30/2025	48,623	1.220%	19,650.24	68,273.24
06/30/2026	50,016	1.310%	19,057.04	69,073.04
06/30/2027	51,472	1.470%	18,401.82	69,873.82
06/30/2028	53,028	1.590%	17,645.18	70,673.18
06/30/2029	54,671	1.680%	16,802.04	71,473.04
06/30/2030	56,390	1.740%	15,883.56	72,273.56
06/30/2031	53,171	1.840%	14,902.38	68,073.38
06/30/2032	55,109	1.940%	13,924.04	69,033.04
06/30/2033	57,139	2.040%	12,854.92	69,993.92
06/30/2034	59,264	2.140%	11,689.28	70,953.28
06/30/2035	61,492	2.180%	10,421.04	71,913.04
06/30/2036	63,793	2.230%	9,080.50	72,873.50
06/30/2037	61,176	2.270%	7,657.92	68,833.92
06/30/2038	62,524	2.320%	6,269.22	68,793.22
06/30/2039	64,615	2.360%	4,818.68	69,433.68
06/30/2040	66,780	2.400%	3,293.76	70,073.76
06/30/2041	69,022	2.450%	1,691.04	70,713.04
	1,141,902		266,406.30	1,408,308.30

## BOND DEBT SERVICE

Hardin County Schools District Finance Corp  
District Portion

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	4,957	1.010%	1,063,937.68	1,068,894.68
06/30/2023	3,812	1.090%	1,063,887.62	1,067,699.62
06/30/2024	2,614	1.140%	1,063,846.06	1,066,460.06
06/30/2025	1,377	1.220%	1,063,816.26	1,065,193.26
06/30/2026	4,984	1.310%	1,063,799.46	1,068,783.46
06/30/2027	3,528	1.470%	1,063,734.18	1,067,262.18
06/30/2028	1,972	1.590%	1,063,682.32	1,065,654.32
06/30/2029	329	1.680%	1,063,650.96	1,063,979.96
06/30/2030	228,610	1.740%	1,063,645.44	1,292,255.44
06/30/2031	231,829	1.840%	1,059,667.62	1,291,496.62
06/30/2032	234,891	1.940%	1,055,401.96	1,290,292.96
06/30/2033	237,861	2.040%	1,050,845.08	1,288,706.08
06/30/2034	245,736	2.140%	1,045,992.72	1,291,728.72
06/30/2035	2,103,508	2.180%	1,040,733.96	3,144,241.96
06/30/2036	2,566,207	2.230%	994,877.50	3,561,084.50
06/30/2037	2,623,824	2.270%	937,651.08	3,561,475.08
06/30/2038	3,592,476	2.320%	878,090.28	4,470,566.28
06/30/2039	8,195,385	2.360%	794,744.82	8,990,129.82
06/30/2040	12,248,220	2.400%	601,333.74	12,849,553.74
06/30/2041	12,545,978	2.450%	307,376.46	12,853,354.46
	45,078,098		19,340,715.20	64,418,813.20

BOND SUMMARY STATISTICS

Hardin County Schools District Finance Corp  
 Hardin County School District Finance Corporation School Building Revenue Bonds Series 2021  
 2020-21 Final SEEK Calculations  
 Hardin County SFCC Offer of \$40,492 and West Point SFCC Offers of \$29,923

Dated Date	06/01/2021
Delivery Date	06/01/2021
Last Maturity	06/01/2041
Arbitrage Yield	2.365991%
True Interest Cost (TIC)	2.505639%
Net Interest Cost (NIC)	2.479982%
All-In TIC	2.541970%
Average Coupon	2.368324%
Average Life (years)	17.912
Duration of Issue (years)	14.620
Par Amount	46,220,000.00
Bond Proceeds	46,220,000.00
Total Interest	19,607,121.50
Net Interest	20,531,521.50
Total Debt Service	65,827,121.50
Maximum Annual Debt Service	12,924,067.50
Average Annual Debt Service	3,291,356.08
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	46,220,000.00	100.000	2.368%	17.912	67,014.00
	46,220,000.00			17.912	67,014.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	46,220,000.00	46,220,000.00	46,220,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-924,400.00	-924,400.00	
- Cost of Issuance Expense		-236,880.00	
- Other Amounts			
Target Value	45,295,600.00	45,058,720.00	46,220,000.00
Target Date	06/01/2021	06/01/2021	06/01/2021
Yield	2.505639%	2.541970%	2.365991%

BOND PRICING

Hardin County Schools District Finance Corp  
 Hardin County School District Finance Corporation School Building Revenue Bonds Series 2021  
 2020-21 Final SEEK Calculations  
 Hardin County SFCC Offer of \$40,492 and West Point SFCC Offers of \$29,923

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	06/01/2022	55,000	1.010%	1.010%	100.000
	06/01/2023	55,000	1.090%	1.090%	100.000
	06/01/2024	55,000	1.140%	1.140%	100.000
	06/01/2025	50,000	1.220%	1.220%	100.000
	06/01/2026	55,000	1.310%	1.310%	100.000
	06/01/2027	55,000	1.470%	1.470%	100.000
	06/01/2028	55,000	1.590%	1.590%	100.000
	06/01/2029	55,000	1.680%	1.680%	100.000
	06/01/2030	285,000	1.740%	1.740%	100.000
	06/01/2031	285,000	1.840%	1.840%	100.000
	06/01/2032	290,000	1.940%	1.940%	100.000
	06/01/2033	295,000	2.040%	2.040%	100.000
	06/01/2034	305,000	2.140%	2.140%	100.000
	06/01/2035	2,165,000	2.180%	2.180%	100.000
	06/01/2036	2,630,000	2.230%	2.230%	100.000
	06/01/2037	2,685,000	2.270%	2.270%	100.000
	06/01/2038	3,655,000	2.320%	2.320%	100.000
	06/01/2039	8,260,000	2.360%	2.360%	100.000
	06/01/2040	12,315,000	2.400%	2.400%	100.000
	06/01/2041	12,615,000	2.450%	2.450%	100.000
		46,220,000			

Dated Date	06/01/2021	
Delivery Date	06/01/2021	
First Coupon	12/01/2021	
Par Amount	46,220,000.00	
Original Issue Discount		
Production	46,220,000.00	100.000000%
Underwriter's Discount	-924,400.00	-2.000000%
Purchase Price	45,295,600.00	98.000000%
Accrued Interest		
Net Proceeds	45,295,600.00	

BOND SOLUTION

Hardin County Schools District Finance Corp  
SFCC Portion

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2021						
06/30/2022	50,043	71,354	71,354	71,354	0	100.00025%
06/30/2023	51,188	71,993	71,993	71,994	1	100.00086%
06/30/2024	52,386	72,633	72,633	72,634	1	100.00077%
06/30/2025	48,623	68,273	68,273	68,274	1	100.00111%
06/30/2026	50,016	69,073	69,073	69,074	1	100.00139%
06/30/2027	51,472	69,874	69,874	69,874	0	100.00026%
06/30/2028	53,028	70,673	70,673	70,674	1	100.00116%
06/30/2029	54,671	71,473	71,473	71,474	1	100.00134%
06/30/2030	56,390	72,274	72,274	72,274	0	100.00061%
06/30/2031	53,171	68,073	68,073	68,074	1	100.00091%
06/30/2032	55,109	69,033	69,033	69,034	1	100.00139%
06/30/2033	57,139	69,994	69,994	69,994	0	100.00011%
06/30/2034	59,264	70,953	70,953	70,954	1	100.00101%
06/30/2035	61,492	71,913	71,913	71,914	1	100.00133%
06/30/2036	63,793	72,874	72,874	72,874	1	100.00069%
06/30/2037	61,176	68,834	68,834	68,834	0	100.00012%
06/30/2038	62,524	68,793	68,793	68,794	1	100.00113%
06/30/2039	64,615	69,434	69,434	69,434	0	100.00046%
06/30/2040	66,780	70,074	70,074	70,074	0	100.00034%
06/30/2041	69,022	70,713	70,713	70,714	1	100.00136%
	1,141,902	1,408,308	1,408,308	1,408,320	12	

## BOND SOLUTION

Hardin County Schools District Finance Corp  
District Portion

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2021			12,651,837	12,651,837	14,018,081	1,366,244	110.79878%
06/30/2022	4,957	1,068,895	12,650,038	13,718,932	14,018,081	299,149	102.18055%
06/30/2023	3,812	1,067,700	12,651,382	13,719,081	14,018,081	298,999	102.17944%
06/30/2024	2,614	1,066,460	12,615,076	13,681,536	14,018,081	336,545	102.45985%
06/30/2025	1,377	1,065,193	12,616,384	13,681,577	14,018,081	336,503	102.45954%
06/30/2026	4,984	1,068,783	12,611,778	13,680,561	14,018,081	337,520	102.46715%
06/30/2027	3,528	1,067,262	12,614,377	13,681,639	14,018,081	336,442	102.45907%
06/30/2028	1,972	1,065,654	12,584,680	13,650,335	14,018,081	367,746	102.69404%
06/30/2029	329	1,063,980	12,579,195	13,643,175	14,018,081	374,906	102.74794%
06/30/2030	228,610	1,292,255	11,560,035	12,852,291	14,018,081	1,165,790	109.07068%
06/30/2031	231,829	1,291,497	11,559,762	12,851,259	14,018,081	1,166,822	109.07944%
06/30/2032	234,891	1,290,293	11,558,969	12,849,262	14,018,081	1,168,819	109.09639%
06/30/2033	237,861	1,288,706	11,561,063	12,849,769	14,018,081	1,168,312	109.09209%
06/30/2034	245,736	1,291,729	11,559,499	12,851,228	14,018,081	1,166,853	109.07970%
06/30/2035	2,103,508	3,144,242	9,705,609	12,849,851	14,018,081	1,168,230	109.09139%
06/30/2036	2,566,207	3,561,085	9,288,121	12,849,206	14,018,081	1,168,875	109.09687%
06/30/2037	2,623,824	3,561,475	9,287,068	12,848,543	14,018,081	1,169,538	109.10249%
06/30/2038	3,592,476	4,470,566	8,381,439	12,852,006	14,018,081	1,166,075	109.07310%
06/30/2039	8,195,385	8,990,130	3,860,290	12,850,419	14,018,081	1,167,661	109.08656%
06/30/2040	12,248,220	12,849,554		12,849,554	14,018,081	1,168,527	109.09391%
06/30/2041	12,545,978	12,853,354		12,853,354	14,018,081	1,164,726	109.06165%
	45,078,098	64,418,813	211,896,603	276,315,416	294,379,697	18,064,282	



March 26, 2021

Ms. Chelsey Couch  
Schools Facilities Construction Commission  
700 Louisville Rd  
Carriage House  
Frankfort, KY

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

Dear Ms. Couch:

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

\$69,920,000 (est.)  
Scott County  
School District Finance Corporation  
School Building Revenue Bonds,  
Series of 2021

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/ Maria Long*

Maria Long  
Public Finance

## BOND PAYEE DISCLOSURE FORM

Par Amount:	\$69,920,000
Issue Name:	Scott County School District Finance Corporation School Building Revenue Bonds, Series of 2021
Purpose:	Finance construction of the new Scott County High School
Projected Sale Date of Bonds:	August 2021
First Call Date:	TBD
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "A1" – Moody's
Bond Counsel:	TBD
Fiscal Agent:	Baird

Date Received by SFCC: 

/ /
-----

*To be filled in by SFCC*

Date Scheduled for Committee Review: 

/ /
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*To be filled in by SFCC*

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	\$1,529,882	\$68,390,118	\$69,920,000
% Share of total Bonds:	2.2%	97.8%	100%
Estimated average annual debt service:	93,550	4,396,261	4,489,811
Estimated debt service reserve:	-	-	-
<b>Estimated Costs of Issuance (1):</b>			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	6,404	286,276	292,680
Special Tax Counsel	-	-	-
Number Verifications	-	-	-
Bond Rating	1,050	46,950	48,000
Underwriter's Discount	30,598	1,367,802	1,398,400
Paying Agent/Escrow Agent Bank	88	3,912	4,000
<b>Total Cost of Issuance:</b>	<b>\$38,140</b>	<b>\$1,704,940</b>	<b>\$1,743,080</b>

**Anticipated Interest Rates:**

5 Years: 1.000%	10 Years: 1.800%
15 Years: 2.200%	20 Years: 2.450%

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Scott County High School Project  
Rate Assumption: Hopkins Co Schools Sale (1/26/21) + 50 BPS

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SOURCES AND USES OF FUNDS

Scott County School District Finance Corporation  
 School Building Revenue Bonds, Series of 2021  
 Scott County High School Project  
 Rate Assumption: Hopkins Co Schools Sale (1/26/21) + 50 BPS

Dated Date 08/01/2021  
 Delivery Date 08/01/2021

Sources:	SFCC Portion	District Portion (Restricted Fund)	Total
Bond Proceeds:			
Par Amount	1,529,882.00	68,390,118.00	69,920,000.00
Other Sources of Funds:			
Funds Available - KYTC Reimbursement		500,000.00	500,000.00
	1,529,882.00	68,890,118.00	70,420,000.00

Uses:	SFCC Portion	District Portion (Restricted Fund)	Total
Project Fund Deposits:			
Total Construction Cost	1,356,588.73	60,643,411.27	62,000,000.00
Architect/Engineer Fee	67,829.44	3,032,170.56	3,100,000.00
Construction Contingencies	67,829.44	3,032,170.56	3,100,000.00
Other (Survey, Geotech, Inspection, Misc.)	10,406.13	465,183.87	475,590.00
	1,502,653.74	67,172,936.26	68,675,590.00
Cost of Issuance:			
Fiscal Agent (Baird/Stephoe)	6,403.97	286,276.03	292,680.00
Rating Agency (Moody's)	1,050.26	46,949.74	48,000.00
Paying Agent	87.52	3,912.48	4,000.00
	7,541.75	337,138.25	344,680.00
Underwriter's Discount:			
Est. Underwriter's Discount	30,597.64	1,367,802.36	1,398,400.00
Other Uses of Funds:			
Additional Proceeds	-10,911.13	12,241.13	1,330.00
	1,529,882.00	68,890,118.00	70,420,000.00



BOND DEBT SERVICE

Scott County School District Finance Corporation  
 School Building Revenue Bonds, Series of 2021  
 Scott County High School Project  
 Rate Assumption: Hopkins Co Schools Sale (1/26/21) + 50 BPS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2022			731,495.00	731,495.00	
06/30/2022					731,495.00
08/01/2022	1,370,000	0.750%	731,495.00	2,101,495.00	
02/01/2023			726,357.50	726,357.50	
06/30/2023					2,827,852.50
08/01/2023	1,380,000	0.800%	726,357.50	2,106,357.50	
02/01/2024			720,837.50	720,837.50	
06/30/2024					2,827,195.00
08/01/2024	1,420,000	0.850%	720,837.50	2,140,837.50	
02/01/2025			714,802.50	714,802.50	
06/30/2025					2,855,640.00
08/01/2025	1,430,000	0.900%	714,802.50	2,144,802.50	
02/01/2026			708,367.50	708,367.50	
06/30/2026					2,853,170.00
08/01/2026	1,445,000	1.000%	708,367.50	2,153,367.50	
02/01/2027			701,142.50	701,142.50	
06/30/2027					2,854,510.00
08/01/2027	1,460,000	1.150%	701,142.50	2,161,142.50	
02/01/2028			692,747.50	692,747.50	
06/30/2028					2,853,890.00
08/01/2028	1,475,000	1.300%	692,747.50	2,167,747.50	
02/01/2029			683,160.00	683,160.00	
06/30/2029					2,850,907.50
08/01/2029	1,515,000	1.450%	683,160.00	2,198,160.00	
02/01/2030			672,176.25	672,176.25	
06/30/2030					2,870,336.25
08/01/2030	1,540,000	1.550%	672,176.25	2,212,176.25	
02/01/2031			660,241.25	660,241.25	
06/30/2031					2,872,417.50
08/01/2031	1,565,000	1.800%	660,241.25	2,225,241.25	
02/01/2032			646,156.25	646,156.25	
06/30/2032					2,871,397.50
08/01/2032	1,595,000	1.900%	646,156.25	2,241,156.25	
02/01/2033			631,003.75	631,003.75	
06/30/2033					2,872,160.00
08/01/2033	1,625,000	1.950%	631,003.75	2,256,003.75	
02/01/2034			615,160.00	615,160.00	
06/30/2034					2,871,163.75
08/01/2034	1,675,000	2.050%	615,160.00	2,290,160.00	
02/01/2035			597,991.25	597,991.25	
06/30/2035					2,888,151.25
08/01/2035	1,710,000	2.150%	597,991.25	2,307,991.25	
02/01/2036			579,608.75	579,608.75	
06/30/2036					2,887,600.00
08/01/2036	1,750,000	2.200%	579,608.75	2,329,608.75	
02/01/2037			560,358.76	560,358.76	
06/30/2037					2,889,967.51
08/01/2037	1,790,000	2.250%	560,358.76	2,350,358.76	
02/01/2038			540,221.25	540,221.25	
06/30/2038					2,890,580.01
08/01/2038	4,080,000	2.300%	540,221.25	4,620,221.25	
02/01/2039			493,301.25	493,301.25	
06/30/2039					5,113,522.50
08/01/2039	13,375,000	2.350%	493,301.25	13,868,301.25	
02/01/2040			336,145.00	336,145.00	
06/30/2040					14,204,446.25
08/01/2040	13,700,000	2.400%	336,145.00	14,036,145.00	
02/01/2041			171,745.00	171,745.00	
06/30/2041					14,207,890.00
08/01/2041	14,020,000	2.450%	171,745.00	14,191,745.00	
06/30/2042					14,191,745.00
	69,920,000		24,366,037.52	94,286,037.52	94,286,037.52



BOND SUMMARY STATISTICS

Scott County School District Finance Corporation  
 School Building Revenue Bonds, Series of 2021  
 Scott County High School Project  
 Rate Assumption: Hopkins Co Schools Sale (1/26/21) + 50 BPS

Dated Date	08/01/2021
Delivery Date	08/01/2021
Last Maturity	08/01/2041
Arbitrage Yield	2.263975%
True Interest Cost (TIC)	2.423683%
Net Interest Cost (NIC)	2.406744%
All-In TIC	2.463695%
Average Coupon	2.276115%
Average Life (years)	15.310
Duration of Issue (years)	12.766
Par Amount	69,920,000.00
Bond Proceeds	69,920,000.00
Total Interest	24,366,037.52
Net Interest	25,764,437.52
Total Debt Service	94,286,037.52
Maximum Annual Debt Service	14,207,890.00
Average Annual Debt Service	4,714,301.88
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
Bond Component	69,920,000.00	100.000	2.276%	15.310
	69,920,000.00			15.310

	TIC	All-In TIC	Arbitrage Yield
Par Value	69,920,000.00	69,920,000.00	69,920,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-1,398,400.00	-1,398,400.00	
- Cost of Issuance Expense		-344,680.00	
- Other Amounts			
Target Value	68,521,600.00	68,176,920.00	69,920,000.00
Target Date	08/01/2021	08/01/2021	08/01/2021
Yield	2.423683%	2.463695%	2.263975%



BOND SOLUTION

Scott County School District Finance Corporation  
SFCC Portion

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2022		13,215	13,215	13,220	5	100.03693%
06/30/2023	67,374	93,552	93,552	93,553	1	100.00099%
06/30/2024	67,897	93,550	93,550	93,550	0	100.00009%
06/30/2025	68,460	93,551	93,551	93,552	1	100.00089%
06/30/2026	69,063	93,552	93,552	93,552	0	100.00010%
06/30/2027	69,721	93,551	93,551	93,551	0	100.00051%
06/30/2028	70,475	93,551	93,551	93,551	0	100.00006%
06/30/2029	71,343	93,550	93,550	93,550	0	100.00045%
06/30/2030	72,334	93,553	93,553	93,553	0	100.00029%
06/30/2031	73,427	93,552	93,552	93,552	0	100.00005%
06/30/2032	74,667	93,551	93,551	93,552	1	100.00057%
06/30/2033	76,060	93,550	93,550	93,550	1	100.00072%
06/30/2034	77,541	93,552	93,552	93,552	0	100.00029%
06/30/2035	79,108	93,552	93,552	93,553	0	100.00041%
06/30/2036	80,787	93,552	93,552	93,552	1	100.00068%
06/30/2037	82,564	93,552	93,552	93,552	0	100.00027%
06/30/2038	84,421	93,551	93,551	93,552	1	100.00057%
06/30/2039	86,364	93,551	93,551	93,551	0	100.00020%
06/30/2040	88,396	93,551	93,551	93,552	0	100.00020%
06/30/2041	90,521	93,552	93,552	93,552	1	100.00072%
06/30/2042	79,359	80,331	80,331	80,332	0	100.00054%
	1,529,882	1,871,022	1,871,022	1,871,035	13	



BOND SOLUTION

Scott County School District Finance Corporation  
District Portion (Restricted Fund)

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2022		718,280	12,273,008	12,991,288	15,122,187	2,130,899	116.40252%
06/30/2023	1,302,626	2,734,301	12,270,308	15,004,609	15,122,187	117,578	100.78361%
06/30/2024	1,312,103	2,733,645	12,270,136	15,003,781	15,122,187	118,406	100.78917%
06/30/2025	1,351,540	2,762,089	12,240,135	15,002,224	15,122,187	119,962	100.79963%
06/30/2026	1,360,937	2,759,618	12,243,085	15,002,703	15,122,187	119,484	100.79641%
06/30/2027	1,375,279	2,760,959	12,241,692	15,002,651	15,122,187	119,535	100.79676%
06/30/2028	1,389,525	2,760,339	12,242,214	15,002,553	15,122,187	119,633	100.79742%
06/30/2029	1,403,657	2,757,358	12,244,592	15,001,950	15,122,187	120,237	100.80148%
06/30/2030	1,442,666	2,776,784	12,225,288	15,002,072	15,122,187	120,115	100.80066%
06/30/2031	1,466,573	2,778,865	12,225,860	15,004,725	15,122,187	117,461	100.78283%
06/30/2032	1,490,333	2,777,846	12,224,458	15,002,304	15,122,187	119,882	100.79909%
06/30/2033	1,518,940	2,778,610	12,223,418	15,002,028	15,122,187	120,158	100.80095%
06/30/2034	1,547,459	2,777,612	12,226,760	15,004,372	15,122,187	117,815	100.78520%
06/30/2035	1,595,892	2,794,599	12,209,466	15,004,065	15,122,187	118,121	100.78726%
06/30/2036	1,629,213	2,794,048	12,208,241	15,002,289	15,122,187	119,897	100.79919%
06/30/2037	1,667,436	2,796,415	12,207,910	15,004,325	15,122,187	117,861	100.78552%
06/30/2038	1,705,579	2,797,029	12,207,577	15,004,606	15,122,187	117,581	100.78363%
06/30/2039	3,993,636	5,019,971	9,090,431	14,110,402	14,224,345	113,942	100.80751%
06/30/2040	13,286,604	14,110,895		14,110,895	14,224,345	113,450	100.80399%
06/30/2041	13,609,479	14,114,338		14,114,338	14,224,345	110,006	100.77939%
06/30/2042	13,940,641	14,111,414		14,111,414	14,224,345	112,931	100.80028%
	68,390,118	92,415,016	217,074,579	309,489,595	313,974,551	4,484,956	



## BOND DEBT SERVICE

Scott County School District Finance Corporation  
SFCC Portion

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022			13,215.12	13,215.12
06/30/2023	67,374	0.750%	26,177.59	93,551.59
06/30/2024	67,897	0.800%	25,653.35	93,550.35
06/30/2025	68,460	0.850%	25,090.80	93,550.80
06/30/2026	69,063	0.900%	24,489.06	93,552.06
06/30/2027	69,721	1.000%	23,829.68	93,550.68
06/30/2028	70,475	1.150%	23,075.84	93,550.84
06/30/2029	71,343	1.300%	22,206.87	93,549.87
06/30/2030	72,334	1.450%	21,218.72	93,552.72
06/30/2031	73,427	1.550%	20,125.24	93,552.24
06/30/2032	74,667	1.800%	18,884.18	93,551.18
06/30/2033	76,060	1.900%	17,489.61	93,549.61
06/30/2034	77,541	1.950%	16,011.02	93,552.02
06/30/2035	79,108	2.050%	14,444.14	93,552.14
06/30/2036	80,787	2.150%	12,764.82	93,551.82
06/30/2037	82,564	2.200%	10,988.16	93,552.16
06/30/2038	84,421	2.250%	9,130.22	93,551.22
06/30/2039	86,364	2.300%	7,187.29	93,551.29
06/30/2040	88,396	2.350%	5,155.45	93,551.45
06/30/2041	90,521	2.400%	3,030.55	93,551.55
06/30/2042	79,359	2.450%	972.15	80,331.15
	1,529,882		341,139.86	1,871,021.86

## BOND DEBT SERVICE

Scott County School District Finance Corporation  
District Portion (Restricted Fund)

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022			718,279.88	718,279.88
06/30/2023	1,302,626	0.750%	1,431,674.91	2,734,300.91
06/30/2024	1,312,103	0.800%	1,421,541.65	2,733,644.65
06/30/2025	1,351,540	0.850%	1,410,549.20	2,762,089.20
06/30/2026	1,360,937	0.900%	1,398,680.94	2,759,617.94
06/30/2027	1,375,279	1.000%	1,385,680.32	2,760,959.32
06/30/2028	1,389,525	1.150%	1,370,814.16	2,760,339.16
06/30/2029	1,403,657	1.300%	1,353,700.63	2,757,357.63
06/30/2030	1,442,666	1.450%	1,334,117.53	2,776,783.53
06/30/2031	1,466,573	1.550%	1,312,292.26	2,778,865.26
06/30/2032	1,490,333	1.800%	1,287,513.32	2,777,846.32
06/30/2033	1,518,940	1.900%	1,259,670.39	2,778,610.39
06/30/2034	1,547,459	1.950%	1,230,152.73	2,777,611.73
06/30/2035	1,595,892	2.050%	1,198,707.11	2,794,599.11
06/30/2036	1,629,213	2.150%	1,164,835.18	2,794,048.18
06/30/2037	1,667,436	2.200%	1,128,979.35	2,796,415.35
06/30/2038	1,705,579	2.250%	1,091,449.79	2,797,028.79
06/30/2039	3,993,636	2.300%	1,026,335.21	5,019,971.21
06/30/2040	13,286,604	2.350%	824,290.80	14,110,894.80
06/30/2041	13,609,479	2.400%	504,859.45	14,114,338.45
06/30/2042	13,940,641	2.450%	170,772.85	14,111,413.85
	68,390,118		24,024,897.66	92,415,015.66