



**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

May 4, 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 May 2021 meeting.

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

<u>Fund A Loans</u>	
City of Marion	\$9,816,574
Greenup Joint Sewer Agency	\$2,715,000
City of Frenchburg	\$258,340
<u>Fund F Loans</u>	
City of Morehead F/B/O Morehead Utility Plant Board	\$21,873,800
Warren County Water District	\$2,100,000
City of Wilmore	\$994,648

The Office of Financial Management will present one (1) new bond issue report for the Committee’s approval:

Kentucky Housing Corporation Multifamily Revenue Bonds (Lone Oak Meadows Project), Series 2021	\$40,000,000+
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+Not to Exceed

Senator Girdler  
Representative Freeland  
May 4, 2021  
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The Office of Financial Management will present two (2) informational items for the Committee's review:

Northern Kentucky University General Receipts Bonds, 2021 Taxable Series A	\$205,450,000
Kentucky Higher Education Student Loan Corporation Student Loan Asset-Backed Notes, Senior Series 2021-1-A-1A, (Taxable Fixed Rate), Senior Series 2021-1-A-1B (Taxable Floating Rate), and Subordinate Series 2021-1-B (Taxable Floating Rate)	\$135,305,000

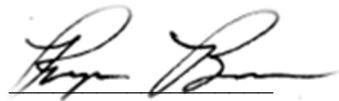
The School Facilities Construction Commission is submitting the following additional information for the Committee's approval:

Bellevue Independent	\$6,410,000*
Corbin Independent	\$4,155,000*
Gallatin County	\$3,730,000*
Laurel County	\$7,485,000*
Lyon County	\$5,090,000*
Rowan County	\$9,000,000*
Todd County	\$7,100,000*

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 May 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>
A18-003	City of Marion (Increase - Final Phase)	\$ 9,816,574	\$ 19,410,364	Crittenden
A20-029	Greenup Joint Sewer Agency	\$ 2,715,000	\$ 2,715,000	Greenup
A21-043	City of Frenchburg (Planning & Design)	\$ 258,340	\$ 258,340	Menifee

• **Fund F Loan**

<b>Loan #</b>	<b>Borrower</b>	<b>Amount Requested</b>	<b>Amount Loan Total</b>	<b>County</b>
F19-002	City of Morehead F/B/O Morehead Utility Plant Board (Increase)	\$ 21,873,800	\$ 28,428,000	Rowan
F21-027	Warren County Water District	\$ 2,100,000	\$ 2,100,000	Warren
F21-060	City of Wilmore	\$ 994,648	\$ 994,648	Jessamine

<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	Meili Sun May 6, 2021 A18-003 (Increase) SX21055006	
BORROWER	CITY OF MARION CRITTENDEN COUNTY			
BRIEF DESCRIPTION				
<p>This is the final of the four funding cycles that KIA has established with the City of Marion to provide incremental fundings through 2021 for the New Wastewater Treatment Plant project. The City obtained a KIA planning and design loan in the amount of \$587,200 in 2016 to complete the Facility Plan and design on the collection system and the wastewater treatment plant. The City was subsequently approved of 2 incremental fundings in 2018 and 2020 totaling \$9 million for the construction portion. This request and the remaining funds from the prior increments will fund the construction of the new wastewater treatment plant.</p> <p>This phase will construct a new 1.5 million gallon per day wastewater treatment plant adjacent to the current plant, which consists of influent pumping, screening, aeration, clarification, disinfection, return activated sludge/waste activated sludge pumping, solids processing, administration building, and maintenance garage. The existing WWTP will be decommissioned.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan 2016	\$587,200	Administrative Expenses	\$50,000	
Fund A Loan 2018	4,801,590	Planning	52,000	
Fund A Loan 2020	4,205,000	Eng - Design / Const	6.4% 6.7% 1,161,790	
Fund A Loan 2021	9,816,574	Eng - Insp	3.8% 3.4% 597,242	
		Eng - Other	311,000	
		Construction	16,197,812	
		Contingency	1,040,520	
TOTAL	\$19,410,364	TOTAL	\$19,410,364	
REPAYMENT	Rate Term	0.50% 30 Years	Est. Annual Payment \$314,645 1st Payment 6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer Bond Counsel	Eclipse Engineers, PLLC Rubin & Hays		
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Nov-18 Feb-19 Apr-23		
DEBT PER CUSTOMER	Existing Proposed	\$4,025 \$18,252		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current Additional	<u>Users</u> 1,335 0	<u>Avg. Bill</u> \$27.52 (for 4,000 gallons) \$27.52 (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	369,794	171,251	198,543	2.2
Audited 2019	468,748	172,080	296,668	2.7
Audited 2020	466,858	172,273	294,585	2.7
Projected 2021	545,894	173,323	372,571	3.1
Projected 2022	785,191	172,562	612,629	4.6
Projected 2023	764,074	171,752	592,322	4.4
Projected 2024	954,009	858,958	95,051	1.1
Projected 2025	932,039	859,008	73,031	1.1

Reviewer: Meili Sun  
Date: May 6, 2021  
Loan Number: A18-003 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
CITY OF MARION, CRITTENDEN COUNTY  
PROJECT REVIEW  
SX21055006**

**I. PROJECT DESCRIPTION**

The City of Marion is requesting an additional \$9,816,574 from the 2021 funding cycle to fund the New Wastewater Treatment Plant project for the construction of a 1.5 million-gallon per day (MGD) Oxidation Ditch (OD) wastewater treatment plant and collection system rehabilitation. This will bring the total funding to \$19,410,364. The new treatment facility will be located approximately half a mile from the existing treatment plant and will also include a new administration building and maintenance garage. The existing 0.66 MGD treatment facility was constructed in the 1970s and can no longer handle wet weather flows during moderate to heavy rains. The City considered alternatives for reducing flow and optimizing treatment as part of the Facility Plan, under review by the KY Division of Water, and has selected this project as the best alternative. The collection system work consists of the rehabilitation of approximately 43,336 linear feet of existing gravity sewer to reduce inflow and infiltration.

The City was under an Agreed Order with the KY Division of Water, mandating the completion of a Facility Plan and proper operation and maintenance of the wastewater treatment facilities and collection system. This project will fully satisfy the requirements of the Agreed Order.

KIA has established a multi-year funding strategy with the City to provide incremental funding through FY2021. The City obtained a KIA planning and design loan of \$587,200 in FY2016 to complete the Facility Plan and subsequent design on the collection system and the treatment plant. The approval of the planning and design loan allowed the City to receive priority funding for three increases to fund the construction portion of the collection system and the wastewater treatment plant. The loan outlay is as below:

Funding Cycle	Requested Amount	Cumulative Amount	Loan Type
FY 2016	\$587,200	\$587,200	Planning & Design
FY 2018	\$4,801,590	\$5,388,790	Construction
FY 2020	\$4,205,000	\$9,593,790	Construction
FY 2021	\$9,816,574	\$19,410,364	Construction

## II. PROJECT BUDGET

	Total
Administrative Expenses	\$ 50,000
Planning	52,000
Engineering Fees – Design	836,800
Engineering Fees – Construction	324,990
Engineering Fees – Inspection	597,242
Engineering Fees – Other	131,500
Construction	16,197,812
Contingency	1,220,020
	<b>\$ 19,410,364</b>

## III. PROJECT FUNDING

	Amount	%
KIA Fund A Loan 2016	\$ 587,200	3%
KIA Fund A Loan 2018	4,801,590	25%
KIA Fund A Loan 2020	4,205,000	22%
KIA Fund A Loan 2021	9,816,574	50%
	<b>\$ 19,410,364</b>	<b>100%</b>

## IV. KIA DEBT SERVICE

KIA Construction Loan A18-003 FY 2021	\$ 9,816,574
KIA Construction Loan A18-003 FY 2020	4,205,000
KIA Construction Loan A18-003 FY2018	4,801,590
KIA P&D Loan A16-074	587,200
Principal Forgiveness	(1,300,000)
Amortized Loan Amount	\$ 18,110,364
Interest Rate	0.50%
Loan Term (Years)	30
Estimated Annual Debt Service	\$ 650,839
Administrative Fee (0.20%)	36,221
<b>Total Estimated Annual Debt Service</b>	<b>\$ 687,060</b>

## V. PROJECT SCHEDULE

Bid Opening	November 2018
Construction Start	February 2019
Construction Stop	April 2023

## VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

### A) Customers

Customers	
Residential	1,152
Commercial	178
Industrial	5
Total	<u>1,335</u>

### B) Rates

	Sewer	
	Current	Prior
Date of Rate Increase	08/27/15	07/01/13
Minimum (to 1,500 Gallons)	\$14.32	\$13.68
Next 3,500 Gallons	5.28	5.03
Next 10,000 Gallons	4.22	4.02
Cost for 4,000 gallons	<b>\$27.52</b>	<b>\$26.26</b>
Increase %	4.8%	
Affordability Index (Rate/MHI)	1.1%	

	Water	
	Current	Prior
Date of Rate Increase	08/27/15	07/01/13
Minimum (to 1,500 Gallons)	\$19.13	\$18.21
Next 3,500 Gallons	7.04	6.71
Next 10,000 Gallons	5.63	5.35
Cost for 4,000 gallons	<b>\$36.73</b>	<b>\$34.99</b>
Increase %	5.0%	
Affordability Index (Rate/MHI)	1.5%	

Date of Rate Increase	Environmental Assessment Fee			
	Proposed 7/1/2021	Proposed 7/1/2022	Current 7/1/2019	Prior 7/1/2018
Up to 1,500 gallons	\$ 31.21	\$ 41.82	\$20.60	\$ 13.60
1,501 to 5,000 gallons	41.51	55.62	27.40	20.40
5,001 to 15,000 gallons	48.61	62.72	34.50	27.20
15,001 to 25,000 gallons	186.54	270.12	102.95	92.95
Over 25,000 gallons	347.00	497.00	197.00	187.00
Sewer customers not on City water	62.12	83.14	41.00	34.00
Increase % of 4,000 gallons	52%	34%	34%	

The City passed an ordinance in June, 2016 applying a flat-rate environmental assessment fee to all water and sewer customers to raise funds for capital projects. The rate has been reassessed and adjusted in 2018, 2019 and 2021. The latest rate increases approved in March, 2021 will take effect in July 2021 and July 2022.

## VII. DEMOGRAPHICS

Based on Census data from the American Community Survey 5-Year Estimate 2012-2017, the Utility's service area population was 3,175 with a Median Household Income (MHI) of \$29,068. The median household income for the Commonwealth is \$46,535. This project qualifies for a 0.50% interest rate because its MHI is below 80% of the Commonwealth.

## VIII. 2020 CAPITALIZATION GRANT EQUIVALENCIES

Additional Subsidization – This loan qualifies for a one-time subsidization in the amount of \$1.3 million for the entire project.

## IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements combining both water and sewer operations for the years ended June 30, 2018 through June 30, 2020. The pension and OPEB liabilities and related deferred inflows and outflows were reported under governmental activities. Percentage references in the History section below were based on whole dollar amounts and not the rounded amounts presented.

### HISTORY

Combined water and sewer revenues went up 14.5% from \$1.28 million in 2018 to \$1.47 million in 2020 due to previously approved environment assessment fees collected from all water and sewer customers. Operating expenses increased 7.3% from \$0.96 million in 2018 to \$1.03 million in 2020 as a result of higher contractual services and material & supplies costs. The debt coverage ratio was 2.2, 2.7, and 2.7 in 2018, 2019, and 2020 respectively.



The balance sheet reflected a current ratio of 2.9, debt to equity ratio of 0.4, 78.8 days of sales in accounts receivable, and 7.9 months of operating expenses in unrestricted cash. The accounts receivable turnaround time was noticeably higher in 2020 as compared with 45 days in 2018 due to financial impact from COVID on the customers.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) The City will raise additional \$500,000 revenues by FY 2024 from increases of the Environment Assessment Fees.
- 2) The City will recover \$16,500 delinquent payments and reduce insurance expenses by \$15,000 from changing distribution base.
- 3) Expenses will increase 2% annually for general inflation.
- 4) Debt service coverage is 1.1 in 2024 when full year principal and interest repayments begin. The ratio is calculated by applying the approved 52% increase on the Environmental Assessment Fee effective July 1, 2021 and another 34% increase effective July 1, 2022.

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% (\$970,000 total) of the final amount borrowed to be funded annually (\$48,500 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
1988 Water and Sewer Bond	\$ 204,000	2028
1993 Water and Sewer Bond	341,000	2033
KIA Loan A04-001	847,148	2025
KIA Loan B10-005	244,406	2034
<b>Total</b>	<b><u>\$1,636,554</u></b>	

## **XI. CONTACTS**

### **Legal Applicant**

Name	City of Marion
Address	217 South Main St Marion, KY 42064
County	Crittenden
Authorized Official	Jared Byford, Mayor
Phone	(270) 965-2266
Email	mayor@marionky.gov

### **Project Contact - Applicant**

Name	Adam Ledford, City Administrator
Organization	City of Marion
Address	217 South Main St. Marion, KY 42064
Phone	(270) 965-2266
Email	aledford@marionky.gov

### **Project Administrator**

Name	Kyle Cunningham
Organization	Pennyriple Area Development District
Address	300 Hammond Dr. Hopkinsville, KY 42240
Phone	(270) 886-9484
Email	kyle.cunningham@ky.gov

### **Consulting Engineer**

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

## **XII. RECOMMENDATIONS**

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

**CITY OF MARION  
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	456,668	807,462	1,134,541	1,120,337	1,298,963	1,417,428	1,492,538	1,507,144
Other Assets	7,487,892	7,586,363	10,480,685	10,523,636	10,758,634	30,387,750	29,771,951	29,138,537
<b>Total</b>	<b>7,944,560</b>	<b>8,393,825</b>	<b>11,615,226</b>	<b>11,643,973</b>	<b>12,057,597</b>	<b>31,805,177</b>	<b>31,264,489</b>	<b>30,645,680</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	239,005	310,347	397,603	388,287	393,401	675,985	682,220	662,673
Long Term Liabilities	2,063,117	2,282,804	5,236,846	5,097,731	4,956,602	23,946,353	23,522,706	23,121,905
<b>Total Liabilities</b>	<b>2,302,122</b>	<b>2,593,151</b>	<b>5,634,449</b>	<b>5,486,018</b>	<b>5,350,003</b>	<b>24,622,338</b>	<b>24,204,925</b>	<b>23,784,578</b>
<b>Net Assets</b>	<b>5,642,438</b>	<b>5,800,674</b>	<b>5,980,777</b>	<b>6,157,955</b>	<b>6,707,594</b>	<b>7,182,839</b>	<b>7,059,564</b>	<b>6,861,103</b>
<b>Cash Flow</b>								
Revenues	1,281,283	1,399,220	1,466,687	1,554,431	1,814,431	1,814,431	2,074,431	2,074,431
Operating Expenses	959,755	974,887	1,029,564	1,038,272	1,058,975	1,080,092	1,150,158	1,172,128
Other Income	48,266	44,415	29,735	29,735	29,735	29,735	29,735	29,735
<b>Cash Flow Before Debt Service</b>	<b>369,794</b>	<b>468,748</b>	<b>466,858</b>	<b>545,894</b>	<b>785,191</b>	<b>764,074</b>	<b>954,009</b>	<b>932,039</b>
<b>Debt Service</b>								
Existing Debt Service	171,251	172,080	172,273	173,323	172,562	171,752	171,898	171,948
Proposed KIA Loan	0	0	0	0	0	0	687,060	687,060
<b>Total Debt Service</b>	<b>171,251</b>	<b>172,080</b>	<b>172,273</b>	<b>173,323</b>	<b>172,562</b>	<b>171,752</b>	<b>858,958</b>	<b>859,008</b>
<b>Cash Flow After Debt Service</b>	<b>198,543</b>	<b>296,668</b>	<b>294,585</b>	<b>372,571</b>	<b>612,629</b>	<b>592,322</b>	<b>95,051</b>	<b>73,031</b>
<b>Ratios</b>								
Current Ratio	1.9	2.6	2.9	2.9	3.3	2.1	2.2	2.3
Debt to Equity	0.4	0.4	0.9	0.9	0.8	3.4	3.4	3.5
Days Sales in Accounts Receivable	45.0	58.6	78.8	78.8	78.8	78.8	78.8	78.8
Months Operating Expenses in Unrestricted Cash	2.2	5.4	7.9	8.8	10.0	11.1	11.1	11.0
Debt Coverage Ratio	2.2	2.7	2.7	3.1	4.6	4.4	1.1	1.1

<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	Linda Bridwell September 24, 2020 A20-029 SX21089111	
BORROWER		GREENUP JOINT SEWER AGENCY GREENUP COUNTY		
BRIEF DESCRIPTION				
This project will establish first time sanitary sewer service to approximately 363 customers in the community of Lloyd. The project will include the decommissioning and demolition of a package treatment plant currently serving the Greenup County School campus. Low pressure sewers will be connected to a new pump station and force main which will convey the wastewater from the Lloyd community to the existing Greenup Joint Sewer Agency Wastewater Treatment Plant in Wurtland.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$2,715,000	Administrative Expenses	\$50,000	
CDBG	1,000,000	Legal Expenses	25,000	
ARC	500,000	Land, Easements	-	
		Relocation Expense & Payments	-	
		Planning	-	
		Eng - Design / Const	240,100	
		Eng - Insp	128,000	
		Eng - Other	50,721	
		Construction	3,382,890	
		Equipment	-	
		Contingency	338,289	
		Other	-	
<b>TOTAL</b>	<b>\$4,215,000</b>	<b>TOTAL</b>	<b>\$4,215,000</b>	
REPAYMENT	Rate Term	0.50% 30 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw	
			\$76,064	
PROFESSIONAL SERVICES	Engineer Bond Counsel	Kenvirons, INC Rubin & Hays		
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	May-21 Jul-21 Jul-22		
DEBT PER CUSTOMER	Existing Proposed	\$0 \$11,332		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES	Current Additional	<u>Users</u> 0 363	<u>Avg. Bill</u> \$50.00 (for 4,000 gallons) \$50.00 (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	(14,660)	108,275	(122,935)	-0.1
Audited 2018	117,952	94,111	23,841	1.3
Audited 2019	123,363	153,527	(30,164)	0.8
Projected 2020	117,930	119,544	(1,614)	1.0
Projected 2021	174,569	119,544	55,025	1.5
Projected 2022	234,926	157,576	77,350	1.5
Projected 2023	225,845	195,608	30,237	1.2
Projected 2024	220,078	195,608	24,470	1.1

Reviewer: Linda Bridwell  
 Date: September 24, 2020  
 Loan Number: A20-029

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 WASTEWATER REVOLVING LOAN FUND (FUND A)  
 GREENUP JOINT SEWER AGENCY, GREENUP COUNTY  
 PROJECT REVIEW  
 SX21089111**

**I. PROJECT DESCRIPTION**

The Greenup Joint Sewer Agency (GJSA) is requesting a Fund A loan in the amount of \$2,715,000 for the Lloyd project. This project will involve providing sanitary sewer service to approximately 363 existing residential, commercial and school buildings which are only served through failing septic systems in the City of Lloyd. De-commissioning and demolition of a package wastewater treatment plant (WWTP) serving the Greenup County Schools campus is included in this Phase. Low pressure sewer will be connected to a new pump station and force main, which will convey the wastewater from the Lloyd community to the existing GJSA WWTP in Wurtland.

The GJSA is a relatively new agency, providing wholesale sewer treatment for two customers, the City of Greenup and the City of Wurtland, in Greenup County.

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 50,000
Legal Expenses	25,000
Engineering Fees - Design	240,100
Engineering Fees - Inspection	128,000
Engineering Fees - Other	50,721
Construction	3,382,890
Contingency	338,289
Other	0
<b>Total</b>	<b>\$4,215,000</b>

**III. PROJECT FUNDING**

	Amount	%
KIA	\$2,715,000	64%
CDBG	1,000,000	24%
ARC	500,000	12%
<b>Total</b>	<b>\$4,215,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

KIA Loan	\$2,715,000
Principal Forgiveness	710,000
Interest Rate	0.50%
Loan Term (Years)	30
Estimated Annual Debt Service	\$72,054
Administrative Fee (0.20%)	4,010
	<u>\$76,064</u>

**V. PROJECT SCHEDULE**

Bid Opening	May 2021
Construction Start	July 2021
Construction Stop	July 2022

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

	Current	Proposed	Total
Residential	0	356	356
Commercial	0	7	7
Industrial	0	0	0
Total	<u>0</u>	<u>363</u>	<u>363</u>

**B) Rates**

**Utility Rate Summary**

Current 4,000 Gallon Rate	\$50.00
Prior 4,000 Gallon Rate	\$0.00
Percent Change	-
Last Increase	Proposed

**VII. DEMOGRAPHICS**

Based on current Census data and Income survey data, the Utility's service area population was 827 with a Median Household Income (MHI) of \$37,228. The median household income for the Commonwealth is \$46,535. The project will qualify for a 0.50% interest rate.

Year	Population		Date	Unemployment	
	County	% Change		Rate	
1980	39,132		June 2005	6.0%	
1990	36,742	-6.1%	June 2010	9.7%	
2000	36,891	0.4%	June 2015	6.1%	
2010	36,910	0.1%	June 2018	5.1%	
Current	35,765	-3.1%			
Cumulative %		-8.6%			

**VIII. 2019 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 50% of the assistance amount, not to exceed \$710,000 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, 2016 through June 30, 2019 (identify specific funds if needed). Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

**HISTORY**

Greenup Joint Sewer Agency is a relatively new sewer utility which combined the City of Greenup and Wurtland sewer treatment operations. Both communities have significant I&I issues. Revenue has steadily increased with stabilized financial information, billing and operations.

A significant incident with an industrial customer created higher than normal treatment expenses in 2019.

Cash flow for debt service has increased with revenue increases

Debt coverage ratio has improved from a -3.76 to a 0.80 over the 2016-2019 time period, and will continue to improve with the economies of scale provided by the Lloyd project. The Debt to Equity ratio has reduced from -47.5 to -12.6 while the Sales in Accounts Receivable was 61.7 in 2019.

Cost changes (ditto) (just cash costs)



## PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will grow with the additional 378 customers from Lloyd. The City of Lloyd will also be a wholesale customer.
- 2) Expenses are expected to grow 1.5% with inflation, in addition to treatment costs for Lloyd.
- 3) Debt service coverage is 1.49 in 2022 when principal and interest repayments begin and will remain at 1.1 into 2025.

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% (\$80,200 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$4,010 yearly) each December 1 for 20 years and maintained for the life of the loan. Additionally, GJSA will make additional \$600 per month reserve payments until the reserve account for current loans is replenished.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan (B14-013)	1,727,312	2036

## XI. CONTACTS

<b>Legal Applicant</b>	
Name	Greenup Joint Sewer Agency
Address	201 Main St Room 102 Greenup, KY 41144
County	Greenup
Authorized Official	Ralph Madden (Chairman)
Phone	606-473-6440
Email	dougcollins@zoominternet.net

<b>Project Contact - Applicant</b>	
Name	Phil Biggs
Representing	Greenup Joint Sewer Agency
Address	211 Wurts Road Wurtland, KY 41144
Phone	606-922-6848
Email	Diamond.biggs@zoominternet.net

<b>Project Administrator</b>	
Name	Patrick Kirby
Address	PO Box 855 Richmond, KY 40476
Contact	Patrick Kirby
Phone	859-624-3396
Email	patrick@cedainc.net

<b>Consulting Engineer</b>	
Name	Phil Meador
Firm	Kenvirons, Inc.
Address	770 Wilkinson Boulevard Frankfort, KY 40601
Phone	502-695-4357
Email	pmeador@kenvirons.com

**XII. RECOMMENDATIONS**

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

1. The GJSA will apply an additional \$600 per month to the reserve account to replenish the reserve funds for other debt obligations.

**GREENUP JOINT SEWER AGENCY  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited</u> <u>2016</u>	<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>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	36,979	162,151	157,398	99,552	92,065	122,870	158,140	164,188
Other Assets	1,938,959	1,767,895	1,691,141	1,632,074	1,556,172	3,633,081	5,622,475	5,466,679
Total	<u>1,975,938</u>	<u>1,930,046</u>	<u>1,848,539</u>	<u>1,731,626</u>	<u>1,648,237</u>	<u>3,755,951</u>	<u>5,780,616</u>	<u>5,630,867</u>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	68,035	215,060	214,380	173,473	132,989	135,145	175,360	215,603
Long Term Liabilities	1,950,404	1,882,298	1,795,316	1,706,804	1,618,293	2,885,726	4,113,544	3,944,219
Total Liabilities	<u>2,018,439</u>	<u>2,097,358</u>	<u>2,009,696</u>	<u>1,880,277</u>	<u>1,751,282</u>	<u>3,020,871</u>	<u>4,288,904</u>	<u>4,159,822</u>
Net Assets	<u>(42,501)</u>	<u>(167,312)</u>	<u>(161,157)</u>	<u>(148,651)</u>	<u>(103,045)</u>	735,081	1,491,712	1,471,045
<b>Cash Flow</b>								
Revenues	210,045	370,293	454,768	485,551	485,551	602,851	720,151	720,151
Operating Expenses	369,065	385,055	336,849	362,213	367,646	428,307	485,250	494,331
Other Income	480	102	33	25	25	25	25	25
Cash Flow Before Debt Service	<u>(158,540)</u>	<u>(14,660)</u>	<u>117,952</u>	<u>123,363</u>	<u>117,930</u>	<u>174,569</u>	<u>234,926</u>	<u>225,845</u>
<b>Debt Service</b>								
Existing Debt Service	42,185	108,275	94,111	153,527	119,544	119,544	119,544	119,544
Proposed KIA Loan	0	0	0	0	0	0	38,032	76,064
Total Debt Service	<u>42,185</u>	<u>108,275</u>	<u>94,111</u>	<u>153,527</u>	<u>119,544</u>	<u>119,544</u>	<u>157,576</u>	<u>195,608</u>
Cash Flow After Debt Service	<u>(200,725)</u>	<u>(122,935)</u>	<u>23,841</u>	<u>(30,164)</u>	<u>(1,614)</u>	<u>55,025</u>	<u>77,350</u>	<u>30,237</u>
<b>Ratios</b>								
Current Ratio	0.5	0.8	0.7	0.6	0.7	0.9	0.9	0.8
Debt to Equity	(47.5)	(12.5)	(12.5)	(12.6)	(17.0)	4.1	2.9	2.8
Days Sales in Accounts Receivable	32.6	122.9	112.2	61.7	61.7	61.7	61.7	61.7
Months Operating Expenses in Unrestricted Cash	0.6	1.2	0.4	0.2	0.2	0.6	1.1	1.2
Debt Coverage Ratio	(3.8)	(0.1)	1.3	0.8	1.0	1.5	1.5	1.2

**GREENUP JOINT SEWER AGENCY**

**A RESOLUTION ESTABLISHING A REPLACEMENT RESERVE POLICY FOR THE  
SANITARY SEWER COLLECTIONS SYSTEM FOR THE LLOYD SERVICE AREA OF  
THE GREENUP COUNTY, KY WASTEWATER DISTRICT**

WHEREAS the Board of Directors (“Board”) of the Greenup Joint Sewer Agency, Inc. (“GJSA”) recognizes the need to establish a Replacement Reserve for the 2021 Clean Water State Revolving Fund Loan# \_\_\_\_\_ via resolution for the Lloyd Service Area of the Greenup County, KY Wastewater District;

IT IS HEREBY RESOLVED:

The annual Replacement Reserve cost is \$5,012.50. This amount shall be added to the Replacement Reserve account each December 1<sup>st</sup> following the beginning of operation until the balance reaches \$100,250.00 and shall be maintained for the 30-year life of this loan on this date of March 19, 2021.

This Resolution having been adopted by the GJSA Board by a vote of 5 for, and 0 against, with No abstentions.

This Resolution shall stand adopted on this date, March 19, 2021.



GJSA Chairman, Chris G. Crum



Attest: Philip T. Biggs, PE, General Manager

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>FUND A, FEDERALLY ASSISTED WASTEWATER</b> <b>REVOLVING LOAN FUND</b>		Reviewer	Sarah Parsley	
		Date	May 6, 2021	
		KIA Loan Number	A21-043	
		WRIS Number	SX21165018	
BORROWER	CITY OF FRENCHBURG MENIFEE COUNTY			
BRIEF DESCRIPTION				
This is a planning and design loan to correct the inflow and infiltration (I&I) problems in the City of Frenchburg's wastewater system. The City proposes to rehabilitate the collection system. The City will first complete a Sanitary Sewer Evaluation Survey (SSES) to locate the areas of the collection system that need to be repaired and replaced to reduce I&I. Components that will be assessed in the SSES will include gravity sewer lines, manholes, and customer service lateral lines. It is estimated that up to 10,000 LF of existing sewer lines will need to be replaced. The project will also include the replacement of deteriorated manholes and repairs to lateral lines. A final determination of sewer line replacements cannot be made until the SSES is completed. The proposed project will include the SSES in a P&D phase and the locations for line replacements will be finalized for a construction phase of the project.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$258,340	RD Fee %	Actual %	
		Administrative Expenses		\$0
		Planning		67,100
		Eng - Design / Const	#DIV/0!	118,690
		Eng - Other		72,550
TOTAL	\$258,340	TOTAL		\$258,340
REPAYMENT	Rate	2.50%	Est. Annual Payment	\$55,803
	Term	5 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Kentucky Engineering Group PLLC		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Nov-21		
	Construction Start	Nov-21		
	Construction Stop	Aug-22		
DEBT PER CUSTOMER	Existing	\$4,041		
	Proposed	\$4,187		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	283	\$26.00	(for 4,000 gallons)
	Additional	0	\$26.00	(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	25,812	108,134	(82,322)	0.2
Audited 2019	83,544	93,954	(10,410)	0.9
Unaudited 2020	255,326	107,022	148,304	2.4
Projected 2021	242,867	107,758	135,109	2.3
Projected 2022	230,158	107,566	122,592	2.1
Projected 2023	217,195	136,043	81,153	1.6
Projected 2024	271,865	163,589	108,276	1.7
Projected 2025	329,666	163,172	166,494	2.0

Reviewer: Sarah Parsley  
Date: May 6, 2021  
Loan Number: A21-043

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
CITY OF FRENCHBURG, MENIFEE COUNTY  
PROJECT REVIEW  
SX21165018**

**I. PROJECT DESCRIPTION**

The City of Frenchburg is requesting a Fund A planning and design loan in the amount of \$258,340 for the City of Frenchburg Wastewater Collection System Rehab project. This project will correct the inflow and infiltration (I&I) problems in the City of Frenchburg's wastewater system. The City proposes to rehabilitate the collection system. The City will first complete a Sanitary Sewer Evaluation Survey (SSES) to locate the areas of the collection system that need to be repaired and replaced to reduce I&I. Components that will be assessed in the SSES will include gravity sewer lines, manholes, and customer service lateral lines. It is estimated that up to 10,000 LF of existing sewer lines will need to be replaced. The project will also include the replacement of deteriorated manholes and repairs to lateral lines. A final determination of sewer line replacements cannot be made until the SSES is completed. The proposed project will include the SSES in a P&D phase and the locations for line replacements will be finalized for a construction phase of the project.

The City of Frenchburg serves approximately 283 customers.

**II. PROJECT BUDGET**

	<u>Total</u>
Planning	\$ 67,100
Engineering Fees - Design	118,690
Engineering Fees - Other	72,550
<b>Total</b>	<b>\$ 258,340</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 258,340	100%
<b>Total</b>	<b>\$ 258,340</b>	<b>100%</b>

#### IV. KIA DEBT SERVICE

Construction Loan	\$ 258,340
Less: Principal Forgiveness	0
Amortized Loan Amount	<u>\$ 258,340</u>
Interest Rate	2.50%
Loan Term (Years)	<u>5</u>
Estimated Annual Debt Service	\$ 55,286
Administrative Fee (0.20%)	517
<b>Total Estimated Annual Debt Service</b>	<b>\$ 55,803</b>

#### V. PROJECT SCHEDULE

Bid Opening	November 1, 2021
Construction Start	November 22, 2021
Construction Stop	August 22, 2022

#### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

##### A) Customers

Customers	Current	Proposed	Total
Residential	232	0	232
Commercial	51	0	51
Industrial	0	0	0
Total	<u>283</u>	<u>0</u>	<u>283</u>

##### B) Rates

Sewer	Current	Prior
Date of Last Rate Increase	01/15/99	03/01/98
Minimum, 2000 gallons	\$14.00	\$9.16
Next 2,000 Gallons (per 1000)	6.00	4.31
Over 3,000 Gallons (per 1000)	5.75	4.03
Cost for 4,000 gallons	<u>\$26.00</u>	<u>\$17.78</u>
Increase %	46.2%	
Affordability Index (Rate/MHI)	0.9%	

Water	In City		Out of City	
	Current	Prior	Current	Prior
Date of Last Rate Increase	01/01/19	03/01/98	01/01/19	03/01/98
Minimum, 2000 gallons	\$22.16	\$14.00	\$27.00	\$14.00
Next 2,000 Gallons (per 1000)	4.31	6.75	6.57	6.75
Over 3,000 Gallons (per 1000)	4.03	6.15		6.15
Cost for 4,000 gallons	\$30.78	\$27.50	\$40.14	\$27.50
Increase %	11.9%		46.0%	
Affordability Index (Rate/MHI)	1.0%		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 749 with a Median Household Income (MHI) of \$35,966. The median household income for the Commonwealth is \$48,392. The project will qualify for a 2.50% 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 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 for 2018 and 2019. The City of Frenchburg was not required to have an audit for 2020 so those items were not calculated for 2020. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### HISTORY

Operating revenues increased 16.5% from \$1.16 million in 2018 to \$1.36 million in 2020 while operating expenses decreased 5.5% from \$659,000 million to \$623,000 during the same period. The debt coverage ratios from 2018 to 2020 were 0.2, 0.9, and 2.4, respectively.



The balance sheet reflects a current ratio of 5.3, a debt to equity ratio of 0.5, 50.3 days of sales in accounts receivable, and 4 months of operating expenses in unrestricted cash.

**PROJECTIONS**

Projections are based on the following assumptions:

- 1) Revenues will remain steady until 2024 when the City may need to implement a total 5% rate increase on water and sewer. The City has already signed a commitment to increase the rates up to 5% annually for up to 5 consecutive years to meet funding requirements for this total project. This increase may need to occur sooner depending on when construction begins.
- 2) Operating expenses will increase 2% each year for inflation.
- 3) Debt service coverage is 1.7 in 2024 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.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
KBC Revenue Bonds	\$ 1,055,806	2040
<b>Total</b>	<b>\$ 1,055,806</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Frenchburg
Authorized Official	Edward Bryant (Mayor)
County	Menifee
Email	mayor@mrtc.com
Phone	(606) 768-3457
Address	PO Box 113 28-B Bible Camp Lane Frenchburg, KY 40322

**Applicant Contact**

Name	Edward Bryant
Organization	City of Frenchburg
Email	mayor@mrtc.com
Phone	(606) 768-3457
Address	PO Box 113 Frenchburg, KY 40322

**Project Administrator**

Name	Jocelyn Gross
Organization	Gateway Area Development District
Email	jocelynr.gross@ky.gov
Phone	(606) 780-0090
Address	110 Lake Park Dr Morehead, KY 40351

**Consulting Engineer**

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

**XII. RECOMMENDATIONS**

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

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

	<u>Audited 2018</u>	<u>Audited 2019</u>	<u>Unaudited 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	528,088	403,767	554,098	689,034	811,627	892,780	1,010,456	1,186,751
Other Assets	6,005,740	5,681,450	5,737,119	5,101,611	4,631,727	4,413,724	3,937,381	3,461,038
<b>Total</b>	<b>6,533,828</b>	<b>6,085,217</b>	<b>6,291,218</b>	<b>5,790,646</b>	<b>5,443,354</b>	<b>5,306,504</b>	<b>4,947,838</b>	<b>4,647,789</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	146,746	149,003	104,317	107,083	110,700	113,483	116,266	118,996
Long Term Liabilities	2,005,424	2,026,933	1,897,446	1,001,642	926,642	1,107,899	1,028,733	947,537
<b>Total Liabilities</b>	<b>2,152,170</b>	<b>2,175,936</b>	<b>2,001,763</b>	<b>1,108,725</b>	<b>1,037,342</b>	<b>1,221,382</b>	<b>1,144,999</b>	<b>1,066,533</b>
<b>Net Assets</b>	<b>4,381,658</b>	<b>3,909,281</b>	<b>4,289,455</b>	<b>4,681,921</b>	<b>4,406,012</b>	<b>4,085,122</b>	<b>3,802,839</b>	<b>3,581,256</b>
<b>Cash Flow</b>								
Revenues	1,165,528	1,328,245	1,357,850	1,357,850	1,357,850	1,357,850	1,425,742	1,497,029
Operating Expenses	1,141,024	1,245,721	1,103,571	1,116,030	1,128,739	1,141,702	1,154,924	1,168,410
Other Income	1,308	1,020	1,047	1,047	1,047	1,047	1,047	1,047
<b>Cash Flow Before Debt Service</b>	<b>25,812</b>	<b>83,544</b>	<b>255,326</b>	<b>242,867</b>	<b>230,158</b>	<b>217,195</b>	<b>271,865</b>	<b>329,666</b>
<b>Debt Service</b>								
Existing Debt Service	108,134	93,954	107,022	107,758	107,566	108,141	107,786	107,369
Proposed KIA Loan	0	0	0	0	0	27,902	55,803	55,803
<b>Total Debt Service</b>	<b>108,134</b>	<b>93,954</b>	<b>107,022</b>	<b>107,758</b>	<b>107,566</b>	<b>136,043</b>	<b>163,589</b>	<b>163,172</b>
<b>Cash Flow After Debt Service</b>	<b>(82,322)</b>	<b>(10,410)</b>	<b>148,304</b>	<b>135,109</b>	<b>122,592</b>	<b>81,153</b>	<b>108,276</b>	<b>166,494</b>
<b>Ratios</b>								
Current Ratio	3.6	2.7	5.3	6.4	7.3	7.9	8.7	10.0
Debt to Equity	0.5	0.6	0.5	0.2	0.2	0.3	0.3	0.3
Days Sales in Accounts Receivable	33.2	50.3	50.3	50.3	50.3	50.3	50.3	50.3
Months Operating Expenses in Unrestricted Cash	4.3	2.5	4.0	5.4	6.6	7.4	8.5	10.1
Debt Coverage Ratio	0.2	0.9	2.4	2.3	2.1	1.6	1.7	2.0

<b>EXECUTIVE SUMMARY</b>		Reviewer	Sarah Parsley		
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	May 6, 2021		
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F19-002		
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21205048		
<b>BORROWER</b>		CITY OF MOREHEAD, F/B/O MOREHEAD UTILITY PLANT BOARD ROWAN COUNTY			
<b>BRIEF DESCRIPTION</b>					
This will be the second and final construction funding increment in a multi-phased funded loan for a major water treatment plant expansion project for the Morehead Utility Plant Board. KIA previously funded the planning and design of the project in FY 2018 with loan F18-004 which was rolled into the first construction increment for a total of \$6,554,200. This increase of \$21,873,800 will bring the total funding amount to \$28,428,000. The first phase of the project will include a new raw water intake and raw water transmission line. The remainder of the project will include the construction of a new water treatment plant, will construct a new ground storage tank, and a finished raw water line.					
<b>PROJECT FINANCING</b>		<b>PROJECT BUDGET</b>			
KIA Fund F Loan 2021	\$21,873,800	RD Fee %	Actual %		
KIA Fund F Loan 2019	5,257,000	Administrative Expenses	\$20,000		
KIA P&D Loan (F18-004)	1,297,200	Legal Expenses	10,000		
		Land, Easements	10,000		
		Planning	165,450		
		Eng - Design / Const	6.4%	5.5%	
		Eng - Insp	4.0%	3.1%	
		Eng - Other	165,450		
		Construction	24,800,000		
		Contingency	1,034,550		
<b>TOTAL</b>	<b>\$28,428,000</b>	<b>TOTAL</b>	<b>\$28,428,000</b>		
<b>REPAYMENT</b>		Rate	0.50%	Est. Annual Payment	
	Term	30 Years	1st Payment	6 Mo. after first draw	
				\$251,926	
<b>PROFESSIONAL SERVICES</b>		Engineer	Eclipse Engineers, PLLC		
	Bond Counsel	Rubin & Hays			
<b>PROJECT SCHEDULE</b>					
	Bid Opening	Jul-21			
	Construction Start	Aug-21			
	Construction Stop	Oct-24			
<b>DEBT PER CUSTOMER</b>		Existing	\$3,702		
		Proposed	\$8,875		
<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	3,453	\$39.63 (for 4,000 gallons)		
	Additional	0	\$39.63 (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	2,306,343	1,170,694	1,135,649	2.0	
Audited 2018	3,690,466	1,176,634	2,513,832	3.1	
Audited 2019	4,328,517	1,275,444	3,053,073	3.4	
Projected 2020	3,374,855	1,299,809	2,075,046	2.6	
Projected 2021	3,328,072	1,670,961	1,657,111	2.0	
Projected 2022	3,252,601	2,103,632	1,148,969	1.5	
Projected 2023	2,992,348	1,938,869	1,053,479	1.5	
Projected 2024	2,726,890	1,670,923	1,055,967	1.6	
Projected 2025	3,095,722	2,370,337	725,385	1.3	

Reviewer: Sarah Parsley  
Date: May 6, 2021  
Loan Number: F19-002 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
CITY OF MOREHEAD F/B/O MOREHEAD UTILITY  
PLANT BOARD, ROWAN COUNTY  
PROJECT REVIEW  
WX21205048**

**I. PROJECT DESCRIPTION**

The City of Morehead, for the benefit of Morehead Utility Plant Board, is requesting a Fund F loan increase in the amount of \$21,873,800 for the Regional Water Treatment Plant Construction project. This project will be the second and final construction funding increment in a multi-phased funded loan for a major water treatment plant expansion project for the Morehead Utility Plant Board. KIA previously funded the planning and design of the project in FY 2018 with loan F18-004 which was rolled into the first construction increment for a total of \$6,554,200. The first phase of the project will include a new raw water intake and raw water transmission line. The remainder of the project will include the construction of a new water treatment plant, will construct a new ground storage tank, and a finished raw water line.

The Morehead Utility Plant Board serves 3,453 customers.

**II. PROJECT BUDGET**

	<b>Estimated Project Total</b>
Administrative Expenses	\$ 20,000
Legal Expenses	10,000
Land, Easements	10,000
Planning	165,450
Engineering Fees - Design	1,131,750
Engineering Fees - Construction	301,800
Engineering Fees - Inspection	789,000
Engineering Fees - Other	165,450
Construction	24,800,000
Contingency	1,034,550
<b>Total</b>	<b>\$ 28,428,000</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
KIA Fund F Loan 2021	\$ 21,873,800	77%
KIA Fund F Loan 2019	5,257,000	18%
KIA P&D Loan (F18-004)	1,297,200	5%
<b>Total</b>	<b>\$ 28,428,000</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan + P&D Loan (F18-004)	\$ 6,554,200	\$ 28,428,000
Less: Principal Forgiveness	0	0
Amortized Loan Amount	\$ 6,554,200	\$ 28,428,000
Interest Rate	0.50%	0.50%
Loan Term (Years)	30	30
Estimated Annual Debt Service	\$ 235,541	\$ 1,021,628
Administrative Fee (0.25%)	16,386	71,070
<b>Total Estimated Annual Debt Service</b>	<b>\$ 251,926</b>	<b>\$ 1,092,698</b>

### V. PROJECT SCHEDULE

Bid Opening	July 15, 2021
Construction Start	August 15, 2021
Construction Stop	October 30, 2024

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

<u>Customers</u>	<u>Current</u>	<u>Proposed</u>	<u>Total</u>
Residential	2,824	0	2,824
Commercial	623	0	623
Industrial	6	0	6
<b>Total</b>	<b>3,453</b>	<b>0</b>	<b>3,453</b>

## B) Rates

<b>Water</b>	<b>Inside City</b>		<b>Outside City</b>	
	Current	Prior	Current	Prior
Date of Last Rate Increase	07/01/20	06/11/19	07/01/20	06/11/19
Minimum (First 2,000 gallons)	21.91	\$19.89	26.30	\$23.87
Next 4,000 Gallons (per 1,000)	8.86	8.04	10.62	9.64
Cost for 4,000 gallons	\$39.63	\$35.97	\$47.54	\$43.15
Increase %	10.2%		10.2%	
Affordability Index (Rate/MHI)	1.3%		1.6%	

<b>Sewer</b>	<b>Inside City</b>		<b>Outside City</b>	
	Current	Prior	Current	Prior
Date of Last Rate Increase	08/01/18	08/01/17	08/01/18	08/01/17
Minimum (First 2,000 gallons)	14.60	\$10.50	17.53	\$12.61
Next 4,000 Gallons (per 1,000)	7.58	5.45	8.78	6.32
Cost for 4,000 gallons	\$29.76	\$21.40	\$35.09	\$25.25
Increase %	39.1%		39.0%	
Affordability Index (Rate/MHI)	1.0%		1.2%	

## VII. DEMOGRAPHICS

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

## 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 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**

Total revenues including water, sewer, and gas have increased 33.3% from 2017 to 2019 mostly due to rate increases. Water revenues increased 21.6% during that period, sewer revenues increased 61.2%, and gas revenues increased 16%. Historically, water has contributed the majority of cash available for debt service to the operation while also making up for deficits in sewer. Rate increases in the beginning of fiscal year (FY) 2019 will bring water and sewer almost equal in terms of cash flow available for debt service and other capital improvements. Total operating expenses increased 15.6% from 2017 to 2019. Water, sewer, and gas share administrative expenses which saw a 27.6% increase during this time period while water saw a 11.9% increase, sewer had a 14.4% increase, and gas a 21% increase in operating expenses.

The 2019 balance sheet reflects a current ratio of 1.9, a debt to equity ratio of 0.8, 53.0 days sales in accounts receivable, and 1.9 months operating expenses in unrestricted cash. The debt coverage ratio from 2017 to 2019 was 2.0, 3.14, and 3.4, respectively.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Water revenues for both residential and wholesale customers will increase approximately 16% in FY 2019 as a result of a rate increase. Water revenues will continue to increase in the five year forecast according to planned rate increases by the Utility based on their capital improvements plan and updated annually with KIA. Residential water rates increased 10.2% in FY2021 and expect to increase another 9.23% in FY2022 while wholesale rates will be adjusted based on the wholesale customer's responsibility for debt service coverage for plant expansion projects.
- 2) Sewer revenues will remain flat.
- 3) Expenses will increase 2% annually for inflation.
- 4) Debt coverage is 1.3 in 2025 when full principal and interest payments for the F19-002 full loan go into repayment.



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

**REPLACEMENT RESERVE**

The replacement reserve will be 5% (\$1,422,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$71,100 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
Bond Series 1966	\$ 15,000	2019
RD Series 2001A	3,331,000	2042
RD Series 2004	1,231,500	2023
KIA Loan (F00-05)	1,110,080	2026
KIA Loan (A04-02)	2,680,841	2033
KIA Loan (A10-16)	1,371,231	2031
KIA Loan (A209-36)	229,972	2032
KIA Loan (A209-37)	401,444	2038
KIA Loan (A16-065 i/a/o \$1,800,000)	1,722,805	2038
KIA Loan (A19-032 i/a/o \$4,500,000)	0	TBD
KIA Loan (A20-020 i/a/o \$1,363,200)	0	0
<b>Total</b>	<b>\$ 12,093,873</b>	

**XI. CONTACTS**

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

**Applicant Contact**

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

**Project Administrator**

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

**Consulting Engineer**

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

**XII. RECOMMENDATIONS**

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

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

	<b>Audited 2017</b>	<b>Audited 2018</b>	<b>Audited 2019</b>	<b>Projected 2020</b>	<b>Projected 2021</b>	<b>Projected 2022</b>	<b>Projected 2023</b>	<b>Projected 2024</b>	<b>Projected 2025</b>
<b>Balance Sheet</b>									
<b>Assets</b>									
Current Assets	3,010,960	2,910,114	3,521,512	3,729,039	3,924,250	4,067,047	4,172,394	4,277,991	4,350,529
Other Assets	40,025,123	42,181,210	42,767,771	40,883,774	40,108,549	36,535,663	32,784,696	28,941,987	46,579,692
<b>Total</b>	<b>43,036,083</b>	<b>45,091,324</b>	<b>46,289,283</b>	<b>44,612,813</b>	<b>44,032,798</b>	<b>40,602,709</b>	<b>36,957,091</b>	<b>33,219,978</b>	<b>50,930,222</b>
<b>Liabilities &amp; Equity</b>									
Current Liabilities	1,393,732	1,819,172	1,816,978	2,020,817	2,406,335	2,524,192	2,282,582	2,172,224	2,901,196
Long Term Liabilities	14,999,913	18,298,424	18,187,697	13,081,063	13,706,451	11,971,683	10,486,424	9,119,524	28,899,624
<b>Total Liabilities</b>	<b>16,393,645</b>	<b>20,117,596</b>	<b>20,004,675</b>	<b>15,101,880</b>	<b>16,112,786</b>	<b>14,495,874</b>	<b>12,769,006</b>	<b>11,291,747</b>	<b>31,800,820</b>
<b>Net Assets</b>	<b>26,642,438</b>	<b>24,973,728</b>	<b>26,284,608</b>	<b>29,510,933</b>	<b>27,920,012</b>	<b>26,106,835</b>	<b>24,188,085</b>	<b>21,928,231</b>	<b>19,129,402</b>
<b>Cash Flow</b>									
Revenues	9,990,829	11,271,041	13,312,938	13,312,938	13,516,302	13,708,481	13,708,481	13,708,481	13,708,481
Operating Expenses	7,657,223	7,585,987	9,106,436	9,948,083	10,198,230	10,465,880	10,726,133	10,991,591	5,733,818
Other Income	(27,263)	5,412	122,015	10,000	10,000	10,000	10,000	10,000	10,000
<b>Cash Flow Before Debt Service</b>	<b>2,306,343</b>	<b>3,690,466</b>	<b>4,328,517</b>	<b>3,374,855</b>	<b>3,328,072</b>	<b>3,252,601</b>	<b>2,992,348</b>	<b>2,726,890</b>	<b>7,984,663</b>
<b>Debt Service</b>									
Existing Debt Service*	1,170,694	1,176,634	1,275,444	1,299,809	1,670,961	1,851,706	1,686,943	1,418,997	1,277,639
Proposed KIA Loan (Phase 1)	0	0	0	0	0	251,926	251,926	251,926	0
Proposed KIA Loan (Phase 2)	0	0	0	0	0	0	0	0	1,092,698
<b>Total Debt Service</b>	<b>1,170,694</b>	<b>1,176,634</b>	<b>1,275,444</b>	<b>1,299,809</b>	<b>1,670,961</b>	<b>2,103,632</b>	<b>1,938,869</b>	<b>1,670,923</b>	<b>2,370,337</b>
<b>Cash Flow After Debt Service</b>	<b>1,135,649</b>	<b>2,513,832</b>	<b>3,053,073</b>	<b>2,075,046</b>	<b>1,657,111</b>	<b>1,148,969</b>	<b>1,053,479</b>	<b>1,055,967</b>	<b>725,385</b>
<b>Ratios</b>									
Current Ratio	2.2	1.6	1.9	1.8	1.6	1.6	1.8	2.0	1.5
Debt to Equity	0.6	0.8	0.8	0.5	0.6	0.6	0.5	0.5	1.7
Days Sales in Accounts Receivable	51.0	51.8	53.0	53.0	53.0	53.0	53.0	53.0	53.0
Months Operating Expenses in Unrestricted Cash	3.3	1.6	1.9	2.4	2.8	3.0	3.2	3.4	3.5
Debt Coverage Ratio	2.0	3.1	3.4	2.6	2.0	1.5	1.5	1.6	1.3

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

<b>EXECUTIVE SUMMARY</b>		Reviewer	Alex Fisher	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	May 6th, 2021	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F21-027	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21227083	
BORROWER	WARREN COUNTY WATER DISTRICT WARREN COUNTY			
BRIEF DESCRIPTION				
The Warren County Water District (WCWD) is requesting a Fund F loan in the amount of \$2,100,000 for the WCWD – Woodburn Tank Replacement & Hwy 68W Reservoir project.				
This project consists of:				
1. The design and construction of a new 300,000-gallon tank to replace the existing 150,000 gallon Woodburn tank, which will reach the end of its service life. As a result of this project the capacity of the tank will be increased and the storage configuration will be improved.				
2. The design and construction of a 1,000,000 gallon ground storage tank, a 1,000 GPM booster pump station, and approximately 2,500 LF 12" PVC water line to improve emergency storage, flow capacity, and reliability of the system.				
Currently the Warren County Water District serves 27,745 residential and over 2,400 commercial customers.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	2,100,000	RD Fee %	Actual %	
				Legal Expenses 5,000
				Land, Easements 40,000
		7.8%	6.5%	Eng - Design / Const 121,000
		4.7%	3.4%	Eng - Insp 64,000
				Construction 1,730,000
				Contingency 140,000
TOTAL	\$2,100,000	TOTAL		\$2,100,000
REPAYMENT	Rate	2.00%	Est. Annual Payment	\$133,164
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Warren County Water District		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Aug-21		
	Construction Start	Sep-21		
	Construction Stop	Jun-22		
DEBT PER CUSTOMER	Existing	\$277		
	Proposed	\$287		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	Users	Avg. Bill	
		30,147	\$21.42 (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	4,746,478	942,531	3,803,947	5.0
Audited 2018	4,752,876	951,352	3,801,524	5.0
Audited 2019	5,402,787	858,924	4,543,863	6.3
Projected 2020	5,198,193	870,746	4,327,447	6.0
Projected 2021	5,052,966	861,792	4,191,174	5.9
Projected 2022	4,904,834	857,315	4,047,519	5.7
Projected 2023	4,748,440	1,000,735	3,747,705	4.7
Projected 2024	4,594,324	994,560	3,599,764	4.6

Reviewer: Alex Fisher  
Date: May 6, 2021  
Loan Number: F21-027

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
WARREN COUNTY WATER DISTRICT, WARREN COUNTY  
PROJECT REVIEW  
WX21227083**

**I. PROJECT DESCRIPTION**

The Warren County Water District (WCWD) is requesting a Fund F loan in the amount of \$2,100,000 for the WCWD – Woodburn Tank Replacement & Hwy 68W Reservoir project.

This project consists of:

1. The design and construction of a new 300,000-gallon tank to replace the existing 150,000 gallon Woodburn tank, which will reach the end of its service life. As a result of this project the capacity of the tank will be increased and the storage configuration will be improved.

2. The design and construction of a 1,000,000 gallon ground storage tank, a 1,000 GPM booster pump station, and approximately 2,500 LF 12" PVC water line to improve emergency storage, flow capacity, and reliability of the system.

Currently the Warren County Water District serves 27,745 residential and over 2,400 commercial customers.

**II. PROJECT BUDGET**

	<u>Total</u>
Legal Expenses	5,000
Land, Easements	40,000
Engineering Fees - Design	104,000
Engineering Fees - Construction	17,000
Engineering Fees - Inspection	64,000
Construction	1,730,000
Contingency	140,000
<b>Total</b>	<b>\$ 2,100,000</b>

**III. PROJECT FUNDING**

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

#### IV. KIA DEBT SERVICE

Construction Loan	\$ 2,100,000
Less: Principal Forgiveness	0
Amortized Loan Amount	<u>\$ 2,100,000</u>
Interest Rate	2.00%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 127,914
Administrative Fee (0.25%)	<u>5,250</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 133,164</b>

#### V. PROJECT SCHEDULE

Bid Opening	August 2021
Construction Start	September 2021
Construction Stop	June 2022

#### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

##### A) Customers

<u>Customers</u>	<u>Current</u>
Residential	27,745
Commercial	2,402
Industrial	<u>0</u>
Total	30,147

##### B) Rates

<b>Water</b>	<u>Current</u>	<u>Prior</u>	<u>Prior</u>
Date of Last Rate Increase	07/01/20	07/01/19	7/1/2017
Minimum (2,000 gallons)	\$12.88	\$12.60	11.86
Next 2,000 Gallons	<u>4.27</u>	<u>4.13</u>	<u>3.76</u>
Cost for 4,000 gallons	\$21.42	\$20.86	\$19.38
Increase %	2.7%	7.6%	
Affordability Index (Rate/MHI)	0.4%	0.4%	

<b>Sewer</b>	<u>Current</u>	<u>Prior</u>	<u>Prior</u>
Date of Last Rate Increase	07/01/20	07/01/19	7/1/2017
Minimum (2,000 gallons)	\$11.83	\$11.77	10.78
Next 2,000 Gallons	<u>5.09</u>	<u>5.06</u>	<u>4.59</u>
Cost for 4,000 gallons	\$22.01	\$21.89	\$19.96
Increase %	0.5%	9.7%	
Affordability Index (Rate/MHI)	0.4%	0.4%	

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2014-2018, the Utility's service area population was 61,636 with a Median Household Income (MHI) of \$59,496. The median household income for the Commonwealth is \$48,392. The increase will qualify for the initial 20-year loan term at 2.00% 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. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Revenues increased 13.6% from \$14.83 million in 2017 to \$16.85 in 2019 while operating expenses increased 11.1% from \$6.41 million to \$7.12 million during the same period primarily due to administrative and transmission expenses. The debt coverage ratio was 5.0, 5.0, and 6.3 in 2017, 2018, and 2019 respectively.

The balance sheet reflects a current ratio of 2.8, a debt to equity ratio of 0.1, 34.4 days of sales in accounts receivable, and 8.3 months of operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Revenues are calculated to remain flat for the projection years.
- 2) Expenses will increase 2% annually due to inflation.
- 3) Debt service coverage is 4.7 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% (\$106,000 total) of the final amount borrowed to be funded annually (\$5,300 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
USDA 1993	\$ 446,500	2033
Series 2004A Revenue Bonds	765,000	2025
USDA 2005A	1,026,000	2045
KIA C11-02	608,061	2033
KIA C15-003	964,920	2036
KY Rural Water 2012B	1,490,000	2039
KY Rural Water 2013B	1,200,000	2028
KY Rural Water 2016B	1,885,000	2030
Unamortized Premium (discount)	(22,986)	
<b>Total</b>	<b>\$ 8,362,495</b>	

## XI. CONTACTS

<b>Legal Applicant</b>	
Entity Name	Warren County Water District
Authorized Official	Glen Johnson (Chairman)
County	Warren
Email	info@warrenwater.com
Phone	(270) 842-0052
Address	PO Box 10180 Bowling Green, KY 42102

<b>Applicant Contact</b>	
Name	John Dix
Organization	Warren County Water District
Email	johnd@warrenwater.com
Phone	(270) 842-0052
Address	PO Box 10180 Bowling Green, KY 42102



**Project Administrator**

Name	Ryan Leisey
Organization	Warren County Water District
Email	ryanl@warrenwater.com
Phone	(270) 842-0052
Address	PO Box 10180 Bowling Green, KY 42102

**Consulting Engineer**

PE Name	Ryan Leisey
Firm Name	Warren County Water District
Email	ryanl@warrenwater.com
Phone	(270) 842-0052
Address	PO Box 10180 Bowling Green, KY 42102

**XII. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions and the following PSC conditions.

- 1) The District will need to apply to the Public Service Commission (PSC), pursuant to KRS 278.300, for debt authorization for the \$2,100,000 loan. This debt authorization application should include a forecast for meeting debt service projected through no less than (2025).
- 2) Prior to the assistance agreement being executed, the District 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.

**WARREN COUNTY WATER DISTRICT  
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	9,900,341	11,069,221	10,678,629	11,498,397	12,355,670	13,167,711	13,909,215	14,633,680
Other Assets	127,663,624	132,006,351	143,139,720	142,861,713	142,339,639	143,757,069	142,956,406	141,953,909
Total	<u>137,563,965</u>	<u>143,075,572</u>	<u>153,818,349</u>	<u>154,360,110</u>	<u>154,695,309</u>	<u>156,924,780</u>	<u>156,865,621</u>	<u>156,587,589</u>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	2,192,434	2,227,897	3,874,572	3,925,145	3,981,086	4,053,404	4,111,200	4,275,090
Long Term Liabilities	17,572,768	16,053,012	13,021,493	12,419,673	11,803,312	13,256,833	12,595,658	11,814,493
Total Liabilities	<u>19,765,202</u>	<u>18,280,909</u>	<u>16,896,065</u>	<u>16,344,818</u>	<u>15,784,398</u>	<u>17,310,237</u>	<u>16,706,858</u>	<u>16,089,583</u>
Net Assets	<u>117,798,763</u>	<u>124,794,663</u>	<u>136,922,284</u>	<u>138,015,292</u>	<u>138,910,911</u>	<u>139,614,543</u>	<u>140,158,763</u>	<u>140,498,006</u>
<b>Cash Flow</b>								
Revenues	14,825,629	15,432,003	16,847,974	16,847,974	16,847,974	16,847,974	16,847,974	16,847,974
Operating Expenses	10,478,441	11,168,089	11,980,382	12,122,761	12,267,988	12,416,120	12,572,514	12,726,630
Other Income	399,290	488,962	535,195	472,980	472,980	472,980	472,980	472,980
Cash Flow Before Debt Service	<u>4,746,478</u>	<u>4,752,876</u>	<u>5,402,787</u>	<u>5,198,193</u>	<u>5,052,966</u>	<u>4,904,834</u>	<u>4,748,440</u>	<u>4,594,324</u>
<b>Debt Service</b>								
Existing Debt Service	942,531	951,352	858,924	870,746	861,792	857,315	867,571	861,396
Proposed KIA Loan	0	0	0	0	0	0	133,164	133,164
Total Debt Service	<u>942,531</u>	<u>951,352</u>	<u>858,924</u>	<u>870,746</u>	<u>861,792</u>	<u>857,315</u>	<u>1,000,735</u>	<u>994,560</u>
Cash Flow After Debt Service	<u>3,803,947</u>	<u>3,801,524</u>	<u>4,543,863</u>	<u>4,327,447</u>	<u>4,191,174</u>	<u>4,047,519</u>	<u>3,747,705</u>	<u>3,599,764</u>
<b>Ratios</b>								
Current Ratio	4.5	5.0	2.8	2.9	3.1	3.2	3.4	3.4
Debt to Equity	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Days Sales in Accounts Receivable	26.3	25.6	34.4	34.4	34.4	34.4	34.4	34.4
Months Operating Expenses in Unrestricted Cash	8.3	9.9	8.3	9.1	9.8	10.5	11.1	11.6
Debt Coverage Ratio	5.0	5.0	6.3	6.0	5.9	5.7	4.7	4.6

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b> <b>REVOLVING LOAN FUND</b>		Reviewer	Alex Fisher	
		Date	May 6, 2021	
		KIA Loan Number	F21-060	
		WRIS Number	WX21113037	
BORROWER	CITY OF WILMORE JESSAMINE COUNTY			
BRIEF DESCRIPTION				
The City of Wilmore ("City") is requesting a Fund F loan in the amount of \$994,648 for the Wilmore Elevated Storage Tank Rehabilitation project.				
The project consists of the inspection and rehabilitation of the 500,000 gallon elevated Asbury Tank and inspection and repair of the 500,000 gallon elevated Thomas-Hood Veterans Center Tank for the City of Wilmore, KY. Work is anticipated to include removal/application of interior and exterior coating systems, structural repairs and OSHA complaint upgrades. It is further anticipated that the Asbury Tank will require lead paint abatement.				
Currently the City of Wilmore serves 1,944 residential and over 84 commercial customers.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$994,648	RD Fee %	Actual %	
TOTAL	\$994,648	TOTAL		\$994,648
REPAYMENT	Rate	2.00%	Est. Annual Payment	\$63,072
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	GRW Engineers, Inc.		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Jan-22		
	Construction Start	Mar-22		
	Construction Stop	Jan-23		
DEBT PER CUSTOMER	Existing	\$1,751		
	Proposed	\$2,246		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	<u>Users</u>	<u>Avg. Bill</u>	
		2,028	\$25.23	(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	1,431,628	2,242,253	(810,625)	0.6
Audited 2019	1,474,631	159,469	1,315,162	9.2
Audited 2020	1,471,028	160,392	1,310,636	9.2
Projected 2021	1,449,567	196,356	1,253,211	7.4
Projected 2022	1,435,996	197,722	1,238,274	7.3
Projected 2023	1,422,153	196,943	1,225,210	7.2
Projected 2024	1,405,533	259,637	1,145,896	5.4
Projected 2025	1,388,631	260,125	1,128,506	5.3

Reviewer: Alex Fisher  
Date: May 6, 2021  
Loan Number: F21-060

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
CITY OF WILMORE, JESSAMINE COUNTY  
PROJECT REVIEW  
WX21113037**

**I. PROJECT DESCRIPTION**

The City of Wilmore (“City”) is requesting a Fund F loan in the amount of \$994,648 for the Wilmore Elevated Storage Tank Rehabilitation project.

The project consists of the inspection and rehabilitation of the 500,000 gallon elevated Asbury Tank and inspection and repair of the 500,000 gallon elevated Thomas-Hood Veterans Center Tank for the City of Wilmore, KY. Work is anticipated to include removal/application of interior and exterior coating systems, structural repairs and OSHA complaint upgrades. It is further anticipated that the Asbury Tank will require lead paint abatement.

Currently the City of Wilmore serves 1,944 residential and over 84 commercial customers.

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 11,000
Legal Expenses	5,000
Planning	5,000
Engineering Fees - Design	51,098
Engineering Fees - Construction	12,775
Engineering Fees - Inspection	42,275
Engineering Fees - Other	10,000
Construction	775,000
Contingency	77,500
Other	5,000
<b>Total</b>	<b>\$ 994,648</b>

**III. PROJECT FUNDING**

	<b>Amount</b>	<b>%</b>
Fund F Loan	\$ 994,648	100%
<b>Total</b>	<b>\$ 994,648</b>	<b>100%</b>

#### IV. KIA DEBT SERVICE

Construction Loan	\$ 994,648
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 994,648
Interest Rate	2.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 60,585
Administrative Fee (0.25%)	2,487
<b>Total Estimated Annual Debt Service</b>	<b>\$ 63,072</b>

#### V. PROJECT SCHEDULE

Bid Opening	January 2022
Construction Start	March 2022
Construction Stop	January 2023

#### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

##### A) Customers

Customers	Current
Residential	1,944
Commercial	84
Industrial	0
Total	2,028

##### B) Rates

In City Water	Current	Prior
Date of Last Rate Increase	07/15/20	07/15/19
Minimum (2,000 Gallons)	\$11.29	\$11.07
Next 2,000 Gallons	6.97	6.83
Cost for 4,000 gallons	\$25.23	\$24.73
Increase %	2.0%	
Affordability Index (Rate/MHI)	0.6%	

Out of City Water	Current	Prior
Date of Last Rate Increase	07/15/20	N/A
Minimum (2,000 Gallons)	\$17.41	
Next 2,000 Gallons	7.28	
Cost for 4,000 gallons	\$31.97	
Affordability Index (Rate/MHI)	0.8%	

<b>Sewer</b>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	07/15/20	07/15/19
Minimum (2,000 Gallons)	\$14.47	\$14.19
Next 2,000 Gallons	7.82	7.67
Cost for 4,000 gallons	\$30.11	\$29.53
Increase %	2.0%	
Affordability Index (Rate/MHI)	0.7%	

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2014-2018, the Utility's service area population was 6,428 with a Median Household Income (MHI) of \$49,386. The median household income for the Commonwealth is \$48,392. The loan will qualify for the initial 20-year loan term at 2.00% 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 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 8.7% from \$1.74 million in 2018 to \$1.89 in 2020 while operating expenses increased 7.2% from \$1.58 million to \$1.69 million during the same period primarily due to the increased utility expenses for both water and sewer. The debt coverage ratio was 0.6, 9.2, and 9.2 in 2018, 2019, and 2020 respectively.

The balance sheet reflects a current ratio of 4.4, a debt to equity ratio of 0.6, 46.4 days of sales in accounts receivable, and 6.0 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Water revenues will continue to rise 2% annually, which is consistent with the past 10 years that rates have continued to increase 2% each year.
- 2) Expenses will increase 2% annually due to inflation.
- 3) Debt service coverage is 5.4 in 2024 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% (\$50,000 total) of the final amount borrowed to be funded annually (\$2,500 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Revenue Bond 2000A	\$ 1,286,000	2040
RD Loan #1	1,875,000	2057
RD Loan #2	390,000	2057
<b>Total</b>	<b>\$ 3,551,000</b>	

## XI. CONTACTS

### **Legal Applicant**

Entity Name	City of Wilmore
Authorized Official	Harold Rainwater (Mayor)
County	Jessamine
Email	hrainwater@wilmore.org
Phone	(859) 858-4411
Address	210 S Lexington Ave Wilmore, KY 40390

**Applicant Contact**

Name	Dave Carlstedt
Organization	City of Wilmore
Email	dcarlstedt@wilmore.org
Phone	(859) 277-2565
Address	335 East Main St. Wilmore, KY 40390

**Project Administrator**

Name	Robert Casher
Organization	Bluegrass Area Development District
Email	bcasher@bgadd.org
Phone	(859) 269-8021
Address	699 Perimeter Dr. Lexington, KY 40517

**Consulting Engineer**

PE Name	Joe Henry
Firm Name	GRW Engineers, Inc.
Email	jhenry@grwinc.com
Phone	(859) 223-3999
Address	801 Corporate Dr. Lexington, KY 40503

**XII. RECOMMENDATIONS**

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



**CITY OF WILMORE  
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	1,371,065	1,348,257	1,475,958	2,338,281	3,579,255	4,807,165	5,955,861	7,087,167
Other Assets	15,318,698	14,477,380	14,064,274	13,614,969	13,165,664	13,686,141	13,214,470	12,742,799
<b>Total</b>	<b>16,689,763</b>	<b>15,825,637</b>	<b>15,540,232</b>	<b>15,953,250</b>	<b>16,744,919</b>	<b>18,493,306</b>	<b>19,170,331</b>	<b>19,829,966</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	456,267	311,484	335,851	341,695	345,595	349,995	405,127	410,627
Long Term Liabilities	5,354,185	5,283,027	5,473,005	5,473,005	5,473,005	6,467,653	6,368,188	6,268,723
<b>Total Liabilities</b>	<b>5,810,452</b>	<b>5,594,511</b>	<b>5,808,856</b>	<b>5,814,700</b>	<b>5,818,600</b>	<b>6,817,648</b>	<b>6,773,316</b>	<b>6,679,351</b>
<b>Net Assets</b>	<b>10,879,311</b>	<b>10,231,126</b>	<b>9,731,376</b>	<b>10,138,550</b>	<b>10,926,319</b>	<b>11,675,658</b>	<b>12,397,015</b>	<b>13,150,615</b>
<b>Cash Flow</b>								
Revenues	1,735,805	1,756,973	1,886,707	1,907,164	1,928,031	1,949,315	1,971,025	1,993,169
Operating Expenses	1,575,257	1,547,171	1,688,151	1,721,914	1,756,352	1,791,479	1,829,809	1,868,855
Other Income	1,271,080	1,264,829	1,272,472	1,264,317	1,264,317	1,264,317	1,264,317	1,264,317
<b>Cash Flow Before Debt Service</b>	<b>1,431,628</b>	<b>1,474,631</b>	<b>1,471,028</b>	<b>1,449,567</b>	<b>1,435,996</b>	<b>1,422,153</b>	<b>1,405,533</b>	<b>1,388,631</b>
<b>Debt Service</b>								
Existing Debt Service	2,242,253	159,469	160,392	196,356	197,722	196,943	196,565	197,053
Proposed KIA Loan	0	0	0	0	0	0	63,072	63,072
<b>Total Debt Service</b>	<b>2,242,253</b>	<b>159,469</b>	<b>160,392</b>	<b>196,356</b>	<b>197,722</b>	<b>196,943</b>	<b>259,637</b>	<b>260,125</b>
<b>Cash Flow After Debt Service</b>	<b>(810,625)</b>	<b>1,315,162</b>	<b>1,310,636</b>	<b>1,253,211</b>	<b>1,238,274</b>	<b>1,225,210</b>	<b>1,145,896</b>	<b>1,128,506</b>
<b>Ratios</b>								
Current Ratio	3.0	4.3	4.4	6.8	10.4	13.7	14.7	17.3
Debt to Equity	0.5	0.5	0.6	0.6	0.5	0.6	0.5	0.5
Days Sales in Accounts Receivable	51.3	48.4	46.4	46.4	46.4	46.4	46.4	46.4
Months Operating Expenses in Unrestricted Cash	4.4	5.7	6.0	14.6	22.8	30.5	37.4	44.0
Debt Coverage Ratio	0.6	9.2	9.2	7.4	7.3	7.2	5.4	5.3

## NEW BOND ISSUE REPORT\*

### NEW BOND ISSUE

Name of Bond Issue:	Kentucky Housing Corporation Multifamily Revenue Bonds (Lone Oak Meadows Project), Series 2021	
Purpose of Issue:	The Bonds will be used to finance the acquisition, construction and equipping of a multifamily residential rental project containing approximately 312 units, located on multiple parcels at 4011 and 4201 South Park Road and 9007 Blue Lick Road, Louisville, Kentucky 40219 (the "Project") to be owned by Lone Oak Meadows, LP a Kentucky limited partnership or its successors and assigns (the "Borrower"). The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on Monday, May 3, 2021, following the delivery of notice to the public in the <i>State Journal</i> and in <i>The Courier Journal</i> . The Bonds, if approved, will be the sole obligations of the Borrower.	
Name of Project:	Lone Oak Meadows	
Date of Sale:	Summer 2021	
Date of Issuance:	Summer 2021	
Anticipated Ratings:	Private Placement - No rating currently anticipated	
Anticipated Net Proceeds:	\$40,000,000	
Cost of Issuance:	See Exhibit A attached (costs of issuance paid from owner equity)	
Bond Discount:	\$0	
Debt Service Reserve Fund:	\$0, but \$1,614,597 estimated operating reserve to be funded from equity.	
Insurance Premium:	Insurance not currently anticipated	
Total Project Cost:	\$67,320,955	
Terms of Issue:	Anticipated net interest rate:	4.30%
	Anticipated term:	40 years
	Anticipated average annual debt service:	\$1,765,847 (anticipated annual principal and interest debt service on permanent mortgage loan)
	Anticipated gross debt service:	\$70,633,800
First Call Date:	To be determined	
Premium at First Call:	To be determined	
Method of Sale:	Private Placement	
Bond Counsel:	Frost Brown Todd LLC	
Underwriter Counsel:	N/A	
Financial Advisor:	N/A	
Underwriter:	N/A	
Trustee:	The Huntington National Bank	

\* Preliminary (as of 4/6/21) and subject to change.

**Exhibit A\***

**Project Funding Sources:**

Permanent Mortgage Loan**	\$34,448,000
Deferred Developer Fee	\$7,975,445
LIHTC Anticipated Net Syndication Proceeds (4%)	<u>\$26,897,510</u>
Total	\$67,320,955

**Costs of Issuance:**

Origination Fee	\$218,985
KHC Counsel	\$48,000
KHC Financing Fee	\$200,000
KHC Application Fee & Expenses	\$310,918
KHC Admin Fee	\$5,000
Bond Counsel	\$100,000
Trustee Counsel	\$8,500
Placement Agent Counsel	\$75,000
Borrowers Counsel	\$35,000
Letter of Credit Providers Counsel	\$35,000
Syndicator Counsel	\$75,000
Trustee Fee	\$8,500
TEFRA/Publication/Print	\$5,000
Cost of Issuance Contingency	<u>\$25,000</u>
Total:	<u>\$1,149,903</u>

\* All amounts are preliminary estimates (as of 4/6/21) and subject to change.

\*\* An additional \$5,500,000 in short-term bridge financing is expected to be necessary during the construction period.

# About LDG

LDG was founded by Chris Dischinger and Mark Lechner in 1994 based on their shared belief that “Everyone deserves a quality place to live.”

Since 2002, the company has focused on developing rental housing as well as affordable housing communities using 9 percent housing credits and 4 percent

Tax- Exempt Bonds. Using this model, LDG has developed over 15,000 units of affordable housing for working families and seniors in dozens of communities located in 17 states including Kentucky, Texas, Louisiana, Tennessee and Georgia.

To support its work and continued growth, LDG has three main divisions all focused on maximizing returns and maintaining the high-quality standards of each community long after construction has ended. This “full-service” model ensures LDG’s partners have a “one-stop shopping experience” when working to bring more affordable housing options to their respective communities.

LDG prides itself in being a part of the communities it serves and has more than 100 employees in its offices located in Louisville, Austin, Nashville and Atlanta.



Everyone deserves a quality place to live.





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 20, 2021

Mr. Russ Kerdolff, Comptroller  
Northern Kentucky University  
605 Administration Center  
Highland Heights, KY 41099

Dear Mr. Kerdolff,

Pursuant to KRS 42.420, the Office of Financial Management is required to review and approve the issuance of debt by all state agencies. The attached constitutes the review and approval of the recent Northern Kentucky University debt issuance of the \$205,450,000 General Receipts Bonds, 2021 Taxable Series A.

Sincerely,

Ryan Barrow  
Executive Director

Attachments

**FINAL BOND ISSUE REPORT**

OFM APPROVAL PURSUANT TO KRS 42.420

Northern Kentucky University

\$205,450,000

2021 Taxable Series A General Receipts Bonds

**DESCRIPTION:**

The Bonds are being issued To (i) pay amounts required to be paid by the University under the Pension Cessation Act (KRS 61.522) in order to cease participation in the Kentucky Employees Retirement System non-hazardous pension and other post-employment benefits payment system that includes certain current and former employees of the University as beneficiaries and (ii) pay the costs of issuing the Bonds.

**BOND SUMMARY STATISTICS:**

Par Amount:	\$205,450,000.00
Pricing Date:	April 6, 2021
Closing Date:	April 20, 2021
Dated Date:	April 20, 2021
Final Maturity:	September 1, 2050
Arbitrage Yield:	3.123%
TIC:	3.156%
NIC:	3.180%
All-In TIC:	3.170%
Benchmark (BBWK20GO April 8, 2021):	2.300%

**RATINGS:**

Moody's	A1
S&P	AA

**SOURCES AND USES OF FUNDS:**

	<u>Series 2021 A (\$)</u>
<b>SOURCES OF FUNDS:</b>	
Par amount of bonds:	205,450,000.00
<b>TOTAL SOURCES</b>	<u>205,450,000.00</u>
<b>USES OF FUNDS:</b>	
Deposit to the Project Fund	204,000,000.00
Costs of Issuance*	1,450,000.00
<b>TOTAL USES</b>	<u>205,450,000.00</u>

\* Includes underwriter’s discount, legal, printing, rating agency fees, and other expenses of the issuance and offering of the Bonds.

All-in True Interest Cost:	3.170%
Final Maturity Date:	September 1, 2050
Average Annual Debt Service:	\$10,719,397.24
Total Debt Service:	\$314,763,189.54
Average Life (years):	16.861

## FINAL BOND ISSUE REPORT

Method of Sale:	Negotiated
Bond Counsel:	Dinsmore & Shohl, LLP
Underwriter:	Morgan Stanley
Underwriters' Counsel:	Frost Brown Todd
Trustee:	U.S. Bank
Financial Advisor:	Commonwealth Economics & OFM

Final Cashflows as of April 6, 2021

Pursuant to KRS Chapter 45, the Issuer is providing information on all costs associated, either directly or indirectly, with this bond issuance. Costs are actual or estimated as of the date of closing of the issue.

**PROFESSIONAL SERVICES:**

<u>Firm</u>	<u>Service</u>	<u>Fee</u>
Dinsmore & Shohl	Bond Counsel	\$ 86,500.00
Commonwealth Economics	Financial Advisor	98,540.00
Moody's	Rating Service	115,000.00
US Bank	Trustee	7,000.00
OFM	Financial Advisor	25,681.25
ImageMaster	Printer	4,296.89
Build America Mutual Assurance	Bond Insurance	250,848.86
	Misc./Contingency	16,533.66
TOTAL		<u>\$ 604,400.66</u>

**GROSS SPREAD/UNDERWRITER'S DISCOUNT:**

	<u>Per Bond</u>	<u>Total</u>
Underwriter's Average Takedown	3.75	\$ 770,437.50
Underwriter's Other Fee	0.13829	28,411.84
Underwriter's Counsel	0.22755	46,750.00
TOTAL	<u>4.11584</u>	<u>\$ 845,599.34</u>

**COST OF ISSUANCE GRAND TOTAL:** \$ 1,450,000.00



**NEW ISSUE****Book-Entry-Only****RATING: Moody's: "A1" (stable)  
S&P (Insured Bonds): "AA"  
(See "Rating" herein)**

*In the opinion of Bond Counsel for the Bonds, based upon an analysis of laws, regulations, rulings and court decisions, interest on the Bonds is includable in gross income of the holders thereof for purposes of federal income taxation. Interest on the Bonds is exempt from Kentucky income tax and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions. See "TAX MATTERS" herein for a more complete discussion, and APPENDIX D – "FORM OF BOND COUNSEL OPINION FOR THE BONDS."*



**\$205,450,000 NORTHERN KENTUCKY UNIVERSITY  
GENERAL RECEIPTS BONDS, 2021 TAXABLE SERIES A**

**Dated: Date of delivery****Due: As shown on inside cover**

The Northern Kentucky University General Receipts Bonds, 2021 Taxable Series A (the "Bonds") will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds purchased. So long as DTC or its nominee is the registered owner of the Bonds, payments of the principal of and interest due on the Bonds will be made directly to DTC.

The Bonds are in the denomination of \$5,000 or integral multiples thereof and bear interest from their dated date, payable on each March 1 and September 1, commencing September 1, 2021, in amounts, having maturities, interest rates, yields, and CUSIPs as set forth on the inside cover. Certain of the Bonds are subject to redemption prior to maturity as described herein. Principal of, and interest on the Bonds will be paid directly to DTC by U.S. Bank, National Association, having offices in Louisville, Kentucky, as Trustee and Paying Agent (the "Trustee"). The Bonds shall be issued only as fully registered bonds.

The Bonds are being issued by Northern Kentucky University (the "University"), a state university of the Commonwealth of Kentucky (the "Commonwealth"), pursuant to a Series Resolution adopted by the University's Board of Regents on January 20, 2021 to (i) pay a portion of the amount required in order to cease participation in the Kentucky Employees Retirement System non-hazardous pension and other post-employment benefits payment system that includes certain current and former employees of the University as beneficiaries, and (ii) pay the costs of issuing the Bonds.

The scheduled payment of principal of and interest on the Bonds maturing on September 1 of the years 2032 through 2050, inclusive, with the base CUSIP# 665304 and ending in HY0, HZ7, JA0, JB8, JC6, JD4, JE2, JF9, JG7, JH5 and JJ1 (collectively, the "Insured Bonds"), when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY. See "BOND INSURANCE."



The Bonds constitute special obligations of Northern Kentucky University and do not constitute a debt, liability, or obligation of the Commonwealth nor a pledge of the full faith and credit of the Commonwealth. The Bonds constitute Obligations under the Trust Agreement dated as of May 1, 2007 between the University and the Trustee, as supplemented by certain supplemental trust agreements including the Twelfth Supplemental Trust Agreement dated as of April 1, 2021 between the University and the Trustee (collectively, the "Trust Agreement"), and the payment of the principal of, premium, if any, and interest on Bonds is secured by a pledge of the University's General Receipts, as defined in the Trust Agreement. See "SECURITY FOR THE BONDS."

The Bonds are issued subject to the approval of legality by Dinsmore & Shohl LLP, Covington, Kentucky, Bond Counsel. Certain legal matters will be passed on for the Underwriters by their counsel, Frost Brown Todd, LLC, Louisville, Kentucky. Delivery of the Bonds is expected on April 20, 2021, in New York, New York, through the facilities of DTC.

**MORGAN STANLEY****Baird****PNC Capital Markets LLC**

Dated: April 6, 2021

**\$205,450,000 NORTHERN KENTUCKY UNIVERSITY  
GENERAL RECEIPTS BONDS, 2021 TAXABLE SERIES A**

<u>Date</u> <u>September 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u> <sup>1</sup> <u>665304</u>	<u>Date</u> <u>September 1</u>	<u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price</u>	<u>CUSIP</u> <sup>1</sup> <u>665304</u>
2021	\$5,660,000	0.361%	100.00%	HM6	2032 <sup>+</sup>	\$5,825,000	2.538%	100.00%	HY0
2022	4,915,000	0.461	100.00	HN4	2033 <sup>+</sup>	5,980,000	2.638	100.00	HZ7
2023	4,940,000	0.611	100.00	HP9	2034 <sup>+</sup>	6,140,000	2.738	100.00	JA0
2024	4,980,000	0.886	100.00	HQ7	2035 <sup>+</sup>	6,315,000	2.838	100.00	JB8
2025	5,035,000	1.352	100.00	HR5	2036 <sup>+</sup>	6,500,000	2.938	100.00	JC6
2026	5,110,000	1.522	100.00	HS3	2037 <sup>+</sup>	6,695,000	3.038	100.00	JD4
2027	5,195,000	1.862	100.00	HT1	2038 <sup>+</sup>	6,905,000	3.068	100.00	JE2
2028	5,300,000	2.062	100.00	HU8	2039 <sup>+</sup>	7,120,000	3.108	100.00	JF9
2029	5,415,000	2.278	100.00	HV6	2040 <sup>+</sup>	7,350,000	3.158	100.00	JG7
2030	5,545,000	2.408	100.00	HW4	2041 <sup>+</sup>	7,585,000	3.208	100.00	JH5
2031	5,680,000	2.488	100.00	HX2					

\$81,260,000 3.427% 2021 Taxable Series A Term Bonds, due September 1, 2050, Price 100.00%, CUSIP 665304 JJ1<sup>+</sup>

<sup>+</sup> Insured by Build America Mutual Assurance Company

<sup>1</sup> Copyright 2021, American Bankers Association. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of holders only at the time of issuance of the Bonds and the University and the Underwriters do not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

BOND DEBT SERVICE

Northern Kentucky University - General Receipts Bonds  
2021 Taxable Series A (Pension Financing)

\*\*Assumes Full Taxable Transaction\*\*

\*Soft Exit w/Level Bonded Debt Service\*\*

\*\*Assumes \$204.0MM Net Proceeds Requirement\*\*

\*\*FINAL\*\*

\*\*2032-2050 BAM Insured\*\*

	Dated Date	04/20/2021			
	Delivery Date	04/20/2021			
Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2021			2,040,725.22	7,700,725.22	
03/01/2022	5,660,000	0.361%	2,793,833.63	2,793,833.63	
06/30/2022					10,494,558.85
09/01/2022	4,915,000	0.461%	2,793,833.63	7,708,833.63	
03/01/2023			2,782,504.55	2,782,504.55	
06/30/2023					10,491,338.18
09/01/2023	4,940,000	0.611%	2,782,504.55	7,722,504.55	
03/01/2024			2,767,412.85	2,767,412.85	
06/30/2024					10,489,917.40
09/01/2024	4,980,000	0.886%	2,767,412.85	7,747,412.85	
03/01/2025			2,745,351.45	2,745,351.45	
06/30/2025					10,492,764.30
09/01/2025	5,035,000	1.352%	2,745,351.45	7,780,351.45	
03/01/2026			2,711,314.85	2,711,314.85	
06/30/2026					10,491,666.30
09/01/2026	5,110,000	1.522%	2,711,314.85	7,821,314.85	
03/01/2027			2,672,427.75	2,672,427.75	
06/30/2027					10,493,742.60
09/01/2027	5,195,000	1.862%	2,672,427.75	7,867,427.75	
03/01/2028			2,624,062.30	2,624,062.30	
06/30/2028					10,491,490.05
09/01/2028	5,300,000	2.062%	2,624,062.30	7,924,062.30	
03/01/2029			2,569,419.30	2,569,419.30	
06/30/2029					10,493,481.60
09/01/2029	5,415,000	2.278%	2,569,419.30	7,984,419.30	
03/01/2030			2,507,742.45	2,507,742.45	
06/30/2030					10,492,161.75
09/01/2030	5,545,000	2.408%	2,507,742.45	8,052,742.45	
03/01/2031			2,440,980.65	2,440,980.65	
06/30/2031					10,493,723.10
09/01/2031	5,680,000	2.488%	2,440,980.65	8,120,980.65	
03/01/2032			2,370,321.45	2,370,321.45	
06/30/2032					10,491,302.10
09/01/2032	5,825,000	2.538%	2,370,321.45	8,195,321.45	
03/01/2033			2,296,402.20	2,296,402.20	
06/30/2033					10,491,723.65
09/01/2033	5,980,000	2.638%	2,296,402.20	8,276,402.20	
03/01/2034			2,217,526.00	2,217,526.00	
06/30/2034					10,493,928.20
09/01/2034	6,140,000	2.738%	2,217,526.00	8,357,526.00	
03/01/2035			2,133,469.40	2,133,469.40	
06/30/2035					10,490,995.40
09/01/2035	6,315,000	2.838%	2,133,469.40	8,448,469.40	
03/01/2036			2,043,859.55	2,043,859.55	
06/30/2036					10,492,328.95
09/01/2036	6,500,000	2.938%	2,043,859.55	8,543,859.55	
03/01/2037			1,948,374.55	1,948,374.55	
06/30/2037					10,492,234.10
09/01/2037	6,695,000	3.038%	1,948,374.55	8,643,374.55	
03/01/2038			1,846,677.50	1,846,677.50	
06/30/2038					10,490,052.05
09/01/2038	6,905,000	3.068%	1,846,677.50	8,751,677.50	
03/01/2039			1,740,754.80	1,740,754.80	
06/30/2039					10,492,432.30
09/01/2039	7,120,000	3.108%	1,740,754.80	8,860,754.80	
03/01/2040			1,630,110.00	1,630,110.00	
06/30/2040					10,490,864.80
09/01/2040	7,350,000	3.158%	1,630,110.00	8,980,110.00	
03/01/2041			1,514,053.50	1,514,053.50	
06/30/2041					10,494,163.50
09/01/2041	7,585,000	3.208%	1,514,053.50	9,099,053.50	
03/01/2042			1,392,390.10	1,392,390.10	
06/30/2042					10,491,443.60
09/01/2042	7,840,000	3.427%	1,392,390.10	9,232,390.10	
03/01/2043			1,258,051.70	1,258,051.70	
06/30/2043					10,490,441.80
09/01/2043	8,115,000	3.427%	1,258,051.70	9,373,051.70	
03/01/2044			1,119,001.18	1,119,001.18	
06/30/2044					10,492,052.88
09/01/2044	8,400,000	3.427%	1,119,001.18	9,519,001.18	
03/01/2045			975,067.18	975,067.18	
06/30/2045					10,494,068.36
09/01/2045	8,690,000	3.427%	975,067.18	9,665,067.18	
03/01/2046			826,164.03	826,164.03	
06/30/2046					10,491,231.21
09/01/2046	8,995,000	3.427%	826,164.03	9,821,164.03	
03/01/2047			672,034.70	672,034.70	
06/30/2047					10,493,198.73
09/01/2047	9,305,000	3.427%	672,034.70	9,977,034.70	
03/01/2048			512,593.53	512,593.53	
06/30/2048					10,489,628.23
09/01/2048	9,630,000	3.427%	512,593.53	10,142,593.53	
03/01/2049			347,583.48	347,583.48	
06/30/2049					10,490,177.01
09/01/2049	9,970,000	3.427%	347,583.48	10,317,583.48	
03/01/2050			176,747.53	176,747.53	
06/30/2050					10,494,331.01
09/01/2050	10,315,000	3.427%	176,747.53	10,491,747.53	
06/30/2051					10,491,747.53
	205,450,000		109,313,189.54	314,763,189.54	314,763,189.54



**ANDY BESHEAR**  
Governor

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

**HOLLY M. JOHNSON**  
Secretary

**RYAN BARROW**  
Executive Director

March 18, 2021

Mr. Eugene Hutchins  
Executive Director & Chief Executive Officer  
Kentucky Higher Education Assistance Authority/  
Kentucky Higher Education Student Loan Corporation  
P.O. Box 798  
Frankfort, KY 40602-0798

Dear Mr. Hutchins:

Pursuant to KRS 42.420, the Office of Financial Management is required to review and approve the issuance of bonds by all state agencies. The attached information constitutes our review and approval of the issuance by the Kentucky Higher Education Student Loan Corporation of its \$30,575,000 Student Loan Asset-Backed Notes (Fixed Rate), Series 2021-1-A-1A, \$102,730,000 Student Loan Asset-Backed Notes (Senior Notes, Floating Rate), Series 2021-1-A-1B and \$2,000,000 Student Loan Asset-Backed Notes (Subordinate Notes, Floating Rate), Series 2021-1-B.

Sincerely,

*Ryan Barrow*

Ryan Barrow  
Executive Director  
Office of Financial Management

Attachments

cc: David Carlsen  
Kentucky Higher Education Student Loan Corporation  
  
Kenneth Roberts  
Hawkins Delafield & Wood LLP

**OFM APPROVAL PURSUANT TO KRS 42.420**  
**\$135,305,000**  
**KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION**  
**STUDENT LOAN ASSET-BACKED NOTES**

**SERIES:** Senior Series 2021-1-A-1A (Taxable Fixed Rate), Senior Series 2021-1-A-1B (Taxable Floating Rate), and Subordinate Series 2021-1-B (Taxable Floating Rate)

**DESCRIPTION:** Bond proceeds will be used to purchase Federal Family Education Loan Program (FFELP) Loans, and pay the associated costs with that purchase.

**PAR AMOUNT:** \$135,305,000  
**PRICING DATE:** 3/18/2021  
**CLOSING DATE:** 3/25/2021  
**FINAL MATURITY:** 3/25/2051  
**TIC\*:** 1.93%  
**NIC\*:** 1.97%  
**ALL-IN-TIC\*:** 2.09%  
**METHOD OF SALE:** Negotiated  
**UNDERWRITER:** BofA Securities, Inc.  
**RATING:** DBRS (Sr/Sub): AAA (sf)/A (sf)  
 S&P (Sr/Sub): AA+ (sf)/AA (sf)

\* Based upon the first Optional Redemption date

**SOURCES AND USES OF FUNDS:**

**SOURCES OF FUNDS:**

Bond Par	\$ 135,305,000
Original Issue Discount	(15,313)
Underwriter's Discount	<u>(877,000)</u>
<b>Total Sources</b>	<b>\$ 134,412,687</b>

**USES OF FUNDS:**

Corporation Contribution of Eligible Loans	\$ 125,634,572
Debt Service Reserve Subaccount	8,160,712
Costs of Issuance	567,403
Deposit to Trustee	<u>50,000</u>
<b>Total Uses</b>	<b>\$ 134,412,687</b>

**GROSS SPREAD/UNDERWRITER'S DISCOUNT:**

		<b>\$/Bond</b>		<b>Amount</b>
Takedown	\$	4.800	\$	649,464
Management Fee		0.995		134,577
Expenses		0.077		10,459
Underwriter Counsel Fee		0.610		82,500
<b>Total Gross Spread</b>	\$	6.482	\$	<b>877,000</b>

**PROFESSIONAL SERVICES:**

Pursuant to KRS Chapter 45, the Issuer is providing information on all costs associated, either directly or indirectly, with this bond issuance. Costs are actual or estimated as of the date of closing of the issue.

<u><b>Firm</b></u>	<u><b>Service</b></u>	<u><b>Fee</b></u>
Hawkins, Delafield & Wood	Bond Counsel	\$ 150,000
SL Capital Strategies	Financial Advisor	100,000
Standard & Poors	Rating Services	102,500
DBRS	Rating Services	78,500
Office of Financial Management	OFM Fee	16,913
Trustee	Acceptance Fee	5,000
	Counsel Fee	25,000
Imagemaster	Printer Fee	4,490
AUP	Accountant	50,000
Miscellaneous	Corporation Costs	30,000
PNC Counsel Fee		<u>5,000</u>
<b>TOTAL</b>		<b>\$ 567,403</b>



**\$135,305,000**  
**KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION**  
**Student Loan Asset-Backed Notes, Series 2021-1**

The Kentucky Higher Education Student Loan Corporation (the “Corporation”), an independent *de jure* municipal corporation and political subdivision of the Commonwealth of Kentucky (the “Commonwealth”), is issuing \$135,305,000 aggregate principal amount of its Student Loan Asset-Backed Notes, Series 2021-1 (the “Notes”), consisting of fixed rate senior obligations (referred to herein as “Series A-1A Notes”), variable rate senior obligations (referred to herein as “Series A-1B Notes”) and variable rate subordinate obligations (referred to herein as “Series B Notes”), as set forth below:

Series	Original Principal Amount	Interest Rate	Price to Public	Final Maturity Date	Expected Ratings DBRS//S&P <sup>(1)</sup>
Series A-1A (Fixed Rate)	\$30,575,000	1.65%	99.97461%	March 25, 2051	AAA (sf)//AA+ (sf)
Series A-1B (Floating Rate)	\$102,730,000	One-Month LIBOR plus 0.78%	100.00000%	March 25, 2051	AAA (sf)//AA+ (sf)
Series B (Floating Rate)	\$2,000,000	One-Month LIBOR plus 1.50%	99.62251%	March 25, 2051	A (sf)//AA (sf)

<sup>(1)</sup> See the caption “RATINGS” herein.

The Notes are limited obligations of the Corporation and are secured primarily by a pool of student loans originated under the Federal Family Education Loan Program. Credit enhancement for the Notes will consist of overcollateralization, excess spread, cash on deposit in certain funds created under the Indenture (as defined herein), and, for the Class A Notes, the subordination of the Series B Notes, as described in this Offering Memorandum.

The Notes shall be issued in fully registered form only, without coupons, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. DTC is to act as securities depository for the Notes. Individual purchases of the Notes are to be made in book-entry form only, in the principal amount of \$100,000 and integral multiples of \$1,000 in excess thereof. Purchasers of the Notes will not receive certificates representing their interest in the Notes purchased. The Notes will receive monthly distributions of principal and interest on the twenty-fifth day (or the next business day if it is not a business day) of each calendar month as described in this Offering Memorandum, commencing May 25, 2021. Each class of floating rate notes will accrue interest at a floating rate based on a benchmark, which will initially be One-Month LIBOR. However, the benchmark may change in certain situations. For more information on how One-Month LIBOR is determined and the circumstances under which the benchmark may change, see the caption “DESCRIPTION OF THE NOTES—Calculation of LIBOR” and “—Benchmark Transition Event” within this Offering Memorandum. Receipts of principal and certain other payments received on the student loans held in the trust estate established under the Indenture will generally be allocated for payment of principal: first, to the Series A-1A Notes and the Series A-1B Notes, pro rata, until each such series is paid in full; and then, to the Series B Notes until paid in full. The Indenture provides that DTC, in accordance with its rules and procedures, will be instructed to treat all distributions of principal on the Notes as “Pro Rata Pass-Through Distribution of Principal.”

Investors should consider carefully the risks involved in purchasing the Notes, including those described under the caption “RISK FACTORS” herein.

**THE NOTES ARE SPECIAL AND LIMITED OBLIGATIONS OF THE CORPORATION, SECURED BY AND PAYABLE FROM SPECIFIC REVENUES, FUNDS AND OTHER ASSETS PLEDGED THEREFOR AS HEREIN DESCRIBED. THE NOTES DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF. THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE NOTES IS NOT SECURED BY A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF. KENTUCKY’S NAME IS ON THE NOTES FOR THE BENEFIT AND CONVENIENCE OF OTHER ENTITIES IN THE COMMONWEALTH. HOWEVER, THE ONLY SECURITY WHICH IS PLEDGED FOR THE NOTES IS THE INDEPENDENT REVENUES AND ASSETS EXPRESSLY PLEDGED FOR SUCH PURPOSE IN THE INDENTURE. THE GENERAL ASSEMBLY DOES NOT INTEND TO APPROPRIATE ANY COMMONWEALTH FUNDS TO FULFILL THE FINANCIAL OBLIGATION REPRESENTED BY THE NOTES. THE CORPORATION HAS NO TAXING POWER.**

**THE NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY OTHER STATE SECURITIES OR BLUE SKY LAWS, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS SET FORTH IN SUCH ACTS. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THESE SECURITIES OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFERING MEMORANDUM.**

The Corporation is not registered or required to be registered as an “investment company” under the Investment Company Act of 1940, as amended, pursuant to Section 2(b) thereof, and is therefore not a “covered fund” for purposes of the Volcker Rule under the Dodd-Frank Act. See the caption “CERTAIN INVESTMENT COMPANY ACT CONSIDERATIONS” herein.

*Interest on the Notes is not excludable from gross income for federal income tax purposes. In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation, under existing statutes and court decisions, all of the Notes and the income thereon and the transfer thereof, including any profit made on the sale thereof, shall at all times be exempt from taxation or assessment of any type by the Commonwealth, its agencies and departments and by all political subdivisions within the Commonwealth. See the captions “CERTAIN UNITED STATES FEDERAL TAX CONSIDERATIONS” and “STATE TAX EXEMPTION” herein.*

*The Notes are being offered through the underwriter named below (the “Underwriter”), subject to prior sale and to the right of the Corporation or the Underwriter to withdraw, cancel or modify such offer and to reject orders in whole or in part. The Notes are offered when, as and if issued by the Corporation and received by the Underwriter, subject to prior sale, withdrawal or modification of the offer without notice, to the approval of legality by Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation, and to certain other conditions. Certain legal matters will be passed upon for the Corporation by its General Counsel and for the Underwriter by its counsel, Kutak Rock LLP. It is expected that the Notes in definitive form will be available for delivery through the facilities of DTC on or about March 31, 2021.*

**BofA Securities**

March 18, 2021



## 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**

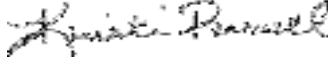
Chairman

**CHELSEY COUCH**

Executive Director

### **MEMORANDUM**

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

**FROM:** Kristi Russell, SFCC 

**DATE:** April 30, 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 May 18, 2021:

Bellevue independent-\$6,410,000 estimated – District wide renovations. State estimated annual debt service is \$11,169 and local is \$387,343. No tax increase is necessary to finance this project.

Corbin Independent- \$4,155,000 estimated – Corbin career center improvements. State estimated annual debt service is \$22,805 and local is \$277,506. No tax increase is necessary to finance this project

Gallatin County- \$3,730,000 estimated – Refunding of 2012 bonds. State estimated annual debt service is \$27,221 and local is \$335,240. No tax increase is necessary to finance this project.

Laurel County- \$7,485,000 estimated – New day treatment center. State estimated annual debt service is \$40,957 and local is \$492,391. No tax increase is necessary to finance this project

Lyon County- \$5,090,000 estimated – High & Elementary school renovations. State estimated annual debt service is \$42,629 and local is \$313,516. No tax increase is necessary to finance this project

Rowan County- \$9,000,000 estimated – Urgent Needs project for Clearfield Elementary renovations. State estimated annual debt service is \$519,863 and local is \$115,870. No tax increase is necessary to finance this project.

Todd County- \$7,100,000 estimated – District wide improvements. State estimated annual debt service is \$23,625 and local is \$454,365. No tax increase is necessary to finance this project

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







April 29, 2021

**VIA ELECTRONIC MAIL**

Ms. Chelsey Bizzle Couch, Executive Director  
Kentucky School Facilities Construction Commission  
700 Louisville Road  
Frankfort, Kentucky 40601

RE: Reporting of Bond Issuance Costs to the Capital Projects and Bond Oversight Committee

Dear Ms. Couch:

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

\$6,410,000 (estimated)  
Bellevue Independent School District Finance Corporation  
School Building Revenue Bonds, Series 2021

Please be advised that the enclosed costs are estimates. Actual costs will not be known until the bonds have been sold. A tax increase will not be necessary to support debt service on this financing.

We hereby request that the above bond issue be reported to the Bond Oversight Committee at its next regularly scheduled meeting.

If you need any additional information, please do not hesitate to call me at (859) 361-5611.

Sincerely

A handwritten signature in black ink, appearing to read "Keith Brock", is written over a light blue horizontal line.

Keith Brock  
Senior Vice President

Enclosure

cc: Ms. Kristi Russell  
Mr. Jeff Coulter  
Mr. Robb Smith  
Ms. Jennifer Pierce  
Roger Perterman, Esq.  
Elizabeth Younger, Esq.  
Dr. Anthony Strong



**Bellevue Independent School District Finance Corporation**

School Building Revenue Bonds, Series 2021B

DRAFT: Sold to \_\_\_\_\_ on 07.01.21; Dated & Delivery 07.22.21

( Combined Schedules )

**Net Debt Service Schedule**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total P+i</b>	<b>Net New D/S</b>
06/30/2022	245,000.00	2.000%	115,048.86	360,048.86	360,048.86
06/30/2023	245,000.00	2.000%	129,137.50	374,137.50	374,137.50
06/30/2024	245,000.00	2.000%	124,237.50	369,237.50	369,237.50
06/30/2025	250,000.00	2.000%	119,337.50	369,337.50	369,337.50
06/30/2026	265,000.00	2.000%	114,337.50	379,337.50	379,337.50
06/30/2027	270,000.00	2.000%	109,037.50	379,037.50	379,037.50
06/30/2028	270,000.00	2.000%	103,637.50	373,637.50	373,637.50
06/30/2029	285,000.00	2.000%	98,237.50	383,237.50	383,237.50
06/30/2030	290,000.00	2.000%	92,537.50	382,537.50	382,537.50
06/30/2031	295,000.00	2.000%	86,737.50	381,737.50	381,737.50
06/30/2032	345,000.00	2.000%	80,837.50	425,837.50	425,837.50
06/30/2033	350,000.00	2.000%	73,937.50	423,937.50	423,937.50
06/30/2034	355,000.00	2.000%	66,937.50	421,937.50	421,937.50
06/30/2035	365,000.00	2.000%	59,837.50	424,837.50	424,837.50
06/30/2036	375,000.00	2.250%	52,537.50	427,537.50	427,537.50
06/30/2037	380,000.00	2.250%	44,100.00	424,100.00	424,100.00
06/30/2038	390,000.00	2.250%	35,550.00	425,550.00	425,550.00
06/30/2039	380,000.00	2.250%	26,775.00	406,775.00	406,775.00
06/30/2040	400,000.00	2.250%	18,225.00	418,225.00	418,225.00
06/30/2041	410,000.00	2.250%	9,225.02	419,225.02	419,225.02
<b>Total</b>	<b>\$6,410,000.00</b>	<b>-</b>	<b>\$1,560,248.88</b>	<b>\$7,970,248.88</b>	<b>\$7,970,248.88</b>

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**Compass Municipal Advisors, LLC**  
Public Finance - KBrock

**Bellevue Independent School District Finance Corporation**

School Building Revenue Bonds, Series 2021B

( SFCC Portion )

**Net Debt Service Schedule**

<b>Date</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Total P+I</b>	<b>Net New D/S</b>
06/30/2022	7,931.00	2.000%	3,238.34	11,169.34	11,169.34
06/30/2023	7,555.00	2.000%	3,614.20	11,169.20	11,169.20
06/30/2024	7,706.00	2.000%	3,463.10	11,169.10	11,169.10
06/30/2025	7,861.00	2.000%	3,308.98	11,169.98	11,169.98
06/30/2026	8,018.00	2.000%	3,151.76	11,169.76	11,169.76
06/30/2027	8,178.00	2.000%	2,991.40	11,169.40	11,169.40
06/30/2028	8,342.00	2.000%	2,827.84	11,169.84	11,169.84
06/30/2029	8,509.00	2.000%	2,661.00	11,170.00	11,170.00
06/30/2030	8,679.00	2.000%	2,490.82	11,169.82	11,169.82
06/30/2031	8,852.00	2.000%	2,317.24	11,169.24	11,169.24
06/30/2032	9,029.00	2.000%	2,140.20	11,169.20	11,169.20
06/30/2033	9,210.00	2.000%	1,959.62	11,169.62	11,169.62
06/30/2034	9,394.00	2.000%	1,775.42	11,169.42	11,169.42
06/30/2035	9,582.00	2.000%	1,587.54	11,169.54	11,169.54
06/30/2036	9,774.00	2.250%	1,395.90	11,169.90	11,169.90
06/30/2037	9,993.00	2.250%	1,175.98	11,168.98	11,168.98
06/30/2038	10,218.00	2.250%	951.14	11,169.14	11,169.14
06/30/2039	10,448.00	2.250%	721.24	11,169.24	11,169.24
06/30/2040	10,683.00	2.250%	486.16	11,169.16	11,169.16
06/30/2041	10,924.00	2.250%	245.80	11,169.80	11,169.80
<b>Total</b>	<b>\$180,886.00</b>	<b>-</b>	<b>\$42,503.68</b>	<b>\$223,389.68</b>	<b>\$223,389.68</b>

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Compass Municipal Advisors, LLC  
Public Finance - KBrock

## Bellevue Independent School District Finance Corporation

School Building Revenue Bonds, Series 2021B

( District Portion )

### Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+i	Net New D/S
06/30/2022	237,069.00	2.000%	111,810.52	348,879.52	348,879.52
06/30/2023	237,445.00	2.000%	125,523.30	362,968.30	362,968.30
06/30/2024	237,294.00	2.000%	120,774.40	358,068.40	358,068.40
06/30/2025	242,139.00	2.000%	116,028.52	358,167.52	358,167.52
06/30/2026	256,982.00	2.000%	111,185.74	368,167.74	368,167.74
06/30/2027	261,822.00	2.000%	106,046.10	367,868.10	367,868.10
06/30/2028	261,658.00	2.000%	100,809.66	362,467.66	362,467.66
06/30/2029	276,491.00	2.000%	95,576.50	372,067.50	372,067.50
06/30/2030	281,321.00	2.000%	90,046.68	371,367.68	371,367.68
06/30/2031	286,148.00	2.000%	84,420.26	370,568.26	370,568.26
06/30/2032	335,971.00	2.000%	78,697.30	414,668.30	414,668.30
06/30/2033	340,790.00	2.000%	71,977.88	412,767.88	412,767.88
06/30/2034	345,606.00	2.000%	65,162.08	410,768.08	410,768.08
06/30/2035	355,418.00	2.000%	58,249.96	413,667.96	413,667.96
06/30/2036	365,226.00	2.250%	51,141.60	416,367.60	416,367.60
06/30/2037	370,007.00	2.250%	42,924.02	412,931.02	412,931.02
06/30/2038	379,782.00	2.250%	34,598.86	414,380.86	414,380.86
06/30/2039	369,552.00	2.250%	26,053.76	395,605.76	395,605.76
06/30/2040	389,317.00	2.250%	17,738.84	407,055.84	407,055.84
06/30/2041	399,076.00	2.250%	8,979.22	408,055.22	408,055.22
<b>Total</b>	<b>\$6,229,114.00</b>	<b>-</b>	<b>\$1,517,745.20</b>	<b>\$7,746,859.20</b>	<b>\$7,746,859.20</b>

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Compass Municipal Advisors, LLC  
Public Finance - KBrock

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form –Corbin Independent School District Series 2021  
**Date:** April 22, 2021  
**cc:** File

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

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

# BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 4,155,000**  
 Issue Name: Corbin Independent School District Finance Corporation School Building Revenue Bonds, Series 2021  
 Purpose: Corbin Career Center  
 Projected Sale Date of Bond: 29-Jun-21  
 First Call Date: 6/1/28 @ 100  
 Method of Sale: Competitive Bids  
 Place/time of sale: SFCC/Parity  
 Bond Rating: Moodys: "A1"  
 Bond Counsel: Steptoe & Johnson, Louisville, KY  
 Fiscal Agent: RSA Advisors, Lexington, Kentucky  
 Date received by SFCC:  *To be filled in by SFCC*  
 Date scheduled for Committee review:  *To be filled in by SFCC*

Month Day Year

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

SFCC Portion	Local Portion	Total
\$ 315,523	\$ 3,839,477	\$ 4,155,000
7.59%	92.41%	
\$ 22,805	\$ 277,506	\$ 300,311
\$ 0	\$ 0	\$ 0
\$ 2,249	\$ 27,371	\$ 29,620
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 797	\$ 9,703	\$ 10,500
\$ 6,310	\$ 76,790	\$ 83,100
\$ 285	\$ 3,465	\$ 3,750
\$ 9,642	\$ 117,328	\$ 126,970

**Anticipated Interest Rates:**

5 Years: 2.000% 10 Years: 3.000% 15 Years: 3.300%  
 20 Years: 3.300%

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

# CORBIN INDEPENDENT SCHOOL DISTRICT

## Plan of Financing

Date of Report: 4/22/2021

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



**CORBIN INDEPENDENT SCHOOL DISTRICT  
OUTSTANDING NET LOCAL DEBT SERVICE**

	A	B	C	D	E	F	G	H	I	J	K	L
FYE	Series 2011	Series 2011-REF	Series 2011-QZAB	Series 2011-Rebate Shortfall	Series 2012	Series 2014-REF	Series 2014 QZAB	Series 2016	Series 2016-REF	Series 2018	Series 2018B	Total
2020	\$47,535	\$28	\$100,032	\$14,355	\$44,458	\$508,797	\$42,600	\$355,722	\$1,152,279	\$156,217	\$320,051	\$2,742,075
2021	\$42,063	\$1,602	\$100,032	\$14,355	\$42,795	\$507,148	\$42,300	\$362,151	\$1,152,180	\$152,593	\$325,251	\$2,742,469
2022	\$46,590		\$100,032	\$14,355	\$40,896	\$500,028	\$42,000	\$362,803	\$1,156,679	\$152,834	\$330,151	\$2,746,368
2023	\$46,065		\$100,032	\$14,355	\$43,945	\$510,935	\$41,700	\$353,915	\$1,155,680	\$154,925	\$324,900	\$2,746,452
2024	\$45,540		\$100,032	\$14,355	\$41,746	\$515,060	\$41,400	\$353,685	\$1,149,279	\$154,836	\$329,501	\$2,745,433
2025	\$45,015		\$100,032	\$14,355	\$39,345	\$508,885	\$41,100	\$363,894	\$1,151,729	\$155,629	\$323,950	\$2,743,935
2026	\$103,456		\$40,526	\$14,355	\$41,886	\$497,635	\$40,800	\$367,760	\$1,158,129	\$151,318	\$328,251	\$2,744,116
2027	\$145,178			\$14,355	\$39,247	\$505,591	\$40,500	\$355,389	\$1,158,329	\$156,970	\$332,251	\$2,747,809
2028	\$146,136			\$14,355	\$41,426	\$1,722,441	\$40,200	\$362,264		\$2,308	\$326,101	\$2,745,231
2029	\$146,943			\$14,355	\$38,538	\$1,720,960	\$39,900	\$367,801		\$88,596	\$329,801	\$2,746,894
2030	\$137,749			\$7,178	\$40,370	\$1,728,304	\$39,600	\$372,807		\$91,715	\$328,139	\$2,745,862
2031	\$10,520				\$219,145		\$103,975	\$1,305,581		\$207,371	\$473,607	\$2,320,198
2032	\$10,175				\$219,995		\$103,025	\$1,305,275		\$205,761	\$476,176	\$2,320,407
2033					\$232,171		\$102,075	\$1,309,497		\$208,201	\$473,338	\$2,325,282
2034							\$334,950	\$1,306,461		\$209,637	\$474,575	\$2,325,623
2035							\$331,650	\$1,309,001		\$206,687	\$474,789	\$2,322,127
2036								\$1,338,454		\$208,844	\$474,476	\$2,021,773
2037										\$208,421	\$478,551	\$686,972
2038										\$209,071	\$476,714	\$685,785
2039											\$479,588	\$479,588
Totals:	\$972,964	\$1,629	\$640,718	\$150,728	\$1,125,963	\$9,225,796	\$1,427,775	\$11,852,457	\$9,234,283	\$3,171,933	\$7,880,163	\$45,684,399

# CORBIN INDEPENDENT SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L	M
FYE	Local Nickel	Original Growth	Equalized Growth	Capital Outlay @ 80%	FSPK	Second FSPK	25% Third FSPK	Total Local Funds	Less Current Payments	Local Funds Available	SFCC Offer	Total Funds Available
2020	\$286,862	\$286,862	\$286,862	\$215,981	\$838,937	\$838,937		\$2,754,441	(\$2,742,075)	\$12,366		\$12,366
2021	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,742,469)	\$480,959		\$480,959
2022	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,746,368)	\$477,060	\$5,701	\$482,761
2023	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,746,452)	\$476,976	\$22,805	\$499,781
2024	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,745,433)	\$477,995	\$22,805	\$500,800
2025	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,743,935)	\$479,493	\$22,805	\$502,298
2026	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,744,116)	\$479,313	\$22,805	\$502,118
2027	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,747,809)	\$475,619	\$22,805	\$498,424
2028	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,745,231)	\$478,197	\$22,805	\$501,002
2029	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,746,894)	\$476,534	\$22,805	\$499,339
2030	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,745,862)	\$477,567	\$22,805	\$500,372
2031	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,745,198)	\$903,230	\$22,805	\$926,035
2032	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,320,407)	\$903,021	\$22,805	\$925,826
2033	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,325,282)	\$898,147	\$22,805	\$920,952
2034	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,325,623)	\$897,805	\$22,805	\$920,610
2035	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,322,127)	\$901,301	\$22,805	\$924,106
2036	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$2,021,773)	\$1,201,655	\$22,805	\$1,224,460
2037	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$686,972)	\$2,536,456	\$22,805	\$2,559,261
2038	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$3,223,428	(\$685,785)	\$2,537,643	\$22,805	\$2,560,448
2039	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$2,989,422	\$0	\$2,989,422	\$22,805	\$3,012,227
2040	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$2,989,422		\$2,989,422	\$22,805	\$3,012,227
2041	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$2,989,422		\$2,989,422	\$22,805	\$3,012,227
2042	\$300,463	\$300,463	\$300,463	\$215,981	\$936,026	\$936,026	\$234,007	\$2,989,422		\$2,989,422	\$17,104	\$3,006,525
<b>Totals:</b>	\$6,897,048	\$6,897,048	\$6,897,048	\$4,967,555	\$21,431,509	\$21,431,509	\$4,212,117	\$72,733,834	(\$45,204,811)	\$27,529,023	\$456,100	\$27,985,123

**NOTE:** Information based on current assessments of \$560,000,000 and ADA of 2,713 per KDE 2018-2019

Information based on current assessments of \$573,723,250 and ADA of 2,699.758 per KDE 2019-2020

Information based on current assessments of \$600,926,185 and ADA of 2,699.758 per KDE 2020-2021

# CORBIN INDEPENDENT SCHOOL DISTRICT PROJECTED 2021 BOND ISSUE

A	B	C	D	E	F	G	H	I	J	K
Current Payments	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
\$2,746,368	2022			64,275	\$64,275	\$5,701	\$58,574	\$2,804,942	\$3,223,428	\$418,486
\$2,746,452	2023	40,000	2.000%	128,150	\$168,150	\$22,805	\$145,345	\$2,891,797	\$3,223,428	\$331,631
\$2,745,433	2024	45,000	2.000%	127,300	\$172,300	\$22,805	\$149,495	\$2,894,928	\$3,223,428	\$328,500
\$2,743,935	2025	40,000	2.000%	126,450	\$166,450	\$22,805	\$143,645	\$2,887,580	\$3,223,428	\$335,848
\$2,744,116	2026	45,000	2.000%	125,600	\$170,600	\$22,805	\$147,795	\$2,891,911	\$3,223,428	\$331,518
\$2,747,809	2027	45,000	2.000%	124,700	\$169,700	\$22,805	\$146,895	\$2,894,704	\$3,223,428	\$328,724
\$2,745,231	2028	45,000	2.500%	123,688	\$168,688	\$22,805	\$145,883	\$2,891,114	\$3,223,428	\$332,314
\$2,746,894	2029	50,000	2.600%	122,475	\$172,475	\$22,805	\$149,670	\$2,896,564	\$3,223,428	\$326,864
\$2,745,862	2030	50,000	2.700%	121,150	\$171,150	\$22,805	\$148,345	\$2,894,207	\$3,223,428	\$329,222
\$2,320,198	2031	265,000	2.800%	116,765	\$381,765	\$22,805	\$358,960	\$2,679,158	\$3,223,428	\$544,270
\$2,320,407	2032	275,000	3.000%	108,930	\$383,930	\$22,805	\$361,125	\$2,681,532	\$3,223,428	\$541,896
\$2,325,282	2033	280,000	3.000%	100,605	\$380,605	\$22,805	\$357,800	\$2,683,082	\$3,223,428	\$540,347
\$2,325,623	2034	290,000	3.000%	92,055	\$382,055	\$22,805	\$359,250	\$2,684,873	\$3,223,428	\$538,555
\$2,322,127	2035	300,000	3.000%	83,205	\$383,205	\$22,805	\$360,400	\$2,682,527	\$3,223,428	\$540,901
\$2,021,773	2036	310,000	3.300%	73,590	\$383,590	\$22,805	\$360,785	\$2,382,558	\$3,223,428	\$840,870
\$686,972	2037	315,000	3.300%	63,278	\$378,278	\$22,805	\$355,473	\$1,042,445	\$3,223,428	\$2,180,983
\$685,785	2038	330,000	3.300%	52,635	\$382,635	\$22,805	\$359,830	\$1,045,615	\$3,223,428	\$2,177,813
\$479,588	2039	340,000	3.300%	41,580	\$381,580	\$22,805	\$358,775	\$838,363	\$3,223,428	\$2,385,065
\$0	2040	350,000	3.300%	30,195	\$380,195	\$22,805	\$357,390	\$357,390	\$2,989,422	\$2,632,032
\$0	2041	365,000	3.300%	18,398	\$383,398	\$22,805	\$360,593	\$360,593	\$2,989,422	\$2,628,829
	2042	375,000	3.300%	6,188	\$381,188	\$17,104	\$364,084	\$364,084	\$2,989,422	\$2,625,338
\$40,199,855	<b>Totals:</b>	\$4,155,000		\$1,851,210	\$6,006,210	\$456,100	\$5,550,110	\$45,749,965	\$66,989,971	\$21,240,006



April 14, 2021

School Facilities Construction Commission  
Attn: Chelsey Bizzle Executive Director  
Carriage House  
Frankfort, KY 40601

RE: \$3,730,000 Gallatin County School District Finance Corporation  
School Building Refunding Revenue Bonds, Taxable Series of 2021

Dear Ms. Bizzle:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to restructure and refinance the district's Series 2012 bonds.

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

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

Sincerely,

A handwritten signature in blue ink that reads 'Dwight G. Salsbury'.

Dwight G. Salsbury

325 West Main Street  
Suite 300  
Lexington, KY  
40507

859/977-6600  
fax: 859/381-1357  
[www.rsamuni.com](http://www.rsamuni.com)

Enclosures

# BOND PAYEE DISCLOSURE FORM

Par Amount:

**\$3,730,000**

Issue Name:

Gallatin County School Building Refunding Revenue Bonds, Taxable Series of 2021

Purpose:

Refinance Prior Series 2012 Bonds

Projected Sale Date of Bonds:

"May 2021

First Call Date:

8 years

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC, Frankfort, Ky.

Bond Rating:

Moodys: "A1"

Bond Counsel:

Step toe and Johnson, Louisville, KY

Fiscal Agent:

RSA Advisors, LLC - Lexington, Kentucky

Date received by SFCC:

/ / To be filled in by SFCC

Date scheduled for Committee review:

/ / To be filled in by SFCC

Month Day Year

Estimated par amount of Bonds:

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$293,648	\$3,436,352	\$3,730,000
7.87%	92.13%	100.00%
\$27,221	\$335,240	\$362,461
\$0	\$0	\$0

**Estimated Cost of Issuance:**

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

Special Tax Counsel

Number verifications

Bond Rating & Bank Fee

Underwriter's Discount

Credit Enhancement

Total Cost of Issuance:

\$1,023	\$11,977	\$13,000
\$0	\$0	\$0
\$0	\$0	\$0
\$709	\$8,291	\$9,000
\$2,936	\$34,364	\$37,300
\$0	\$0	\$0
\$4,668	\$54,632	\$59,300

**Anticipated Interest Rates:**

5 Years: 1.00%    10 Years: 1.85%    15 Years: N/A  
20 Years: N/A

**No Tax Increase Required**

# GALLATIN COUNTY SCHOOL DISTRICT

## Plan of Financing -- Series 2021 Refinancing of Prior 2012 Bonds

Date of Report: 4/21/2021

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Projected Restructuring of Series 2012 Bonds.....	1
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Projected Escrow Report .....	4
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Gallatin County School District Finance Corporation  
 School Building Refunding Revenue Taxable Bonds, Series 2021  
 Refunding of Prior Series 2012 Bonds - Dated Date of 06.16.21

	(A) Current Bond Payments			(B) New Bond Payments			(C) Savings
Fiscal Year	-----Series 2012 Bonds-----			-----Series 2021 Bonds-----			Annual Savings
	Principal Portion	Interest Portion	Total Payment	Principal Portion	Interest Portion	Payment Totals	
Closing							
2022	\$705,000	\$77,273	\$782,273	\$200,000	\$63,218	\$263,218	\$519,055
2023	\$35,000	\$71,988	\$106,988	\$45,000	\$62,955	\$107,955	(\$968)
2024	\$25,000	\$71,388	\$96,388	\$35,000	\$62,778	\$97,778	(\$1,390)
2025	\$25,000	\$70,888	\$95,888	\$35,000	\$62,576	\$97,576	(\$1,689)
2026	\$25,000	\$70,388	\$95,388	\$160,000	\$61,703	\$221,703	(\$126,315)
2027	\$105,000	\$69,088	\$174,088	\$275,000	\$59,293	\$334,293	(\$160,205)
2028	\$95,000	\$66,850	\$161,850	\$205,000	\$56,208	\$261,208	(\$99,358)
2029	\$80,000	\$64,663	\$144,663	\$190,000	\$53,253	\$243,253	(\$98,590)
2030	\$60,000	\$62,913	\$122,913	\$170,000	\$50,245	\$220,245	(\$97,333)
2031	\$775,000	\$52,475	\$827,475	\$780,000	\$41,348	\$821,348	\$6,128
2032	\$805,000	\$32,222	\$837,222	\$810,000	\$25,838	\$835,838	\$1,384
2033	\$825,000	\$10,828	\$835,828	\$825,000	\$8,869	\$833,869	\$1,959
Totals:	\$3,560,000	\$720,960	\$4,280,960	\$3,730,000	\$608,280	\$4,338,280	(\$57,320)

**Net Savings Summary**

Gross Savings Amount:	(\$57,320)
Present Value Savings Amo	\$7,619
NPV Savings % of Prior:	0.214%

**Interest Rate Reduction Summary**

Series 2012 Average Coupon:	2.550%
Series 2021 Total Interest Cost:	2.011%
Interest Rate Reduction:	0.539%

**GALLATIN COUNTY SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REFUNDING REVENUE BONDS, TAXABLE SERIES 2021**  
**REFUNDING PRIOR SERIES 2012 BONDS**

**Debt Service To Maturity And To Call**

Part 1 of 2

<b>Date</b>	<b>Refunded Bonds</b>	<b>Interest to Call</b>	<b>D/S To Call</b>	<b>Principal</b>	<b>Interest</b>	<b>Refunded D/S</b>
12/01/2021	705,000.00	41,103.75	746,103.75	705,000.00	41,103.75	746,103.75
06/01/2022	-	36,168.75	36,168.75	-	36,168.75	36,168.75
12/01/2022	2,855,000.00	36,168.75	2,891,168.75	35,000.00	36,168.75	71,168.75
06/01/2023	-	-	-	-	35,818.75	35,818.75
12/01/2023	-	-	-	25,000.00	35,818.75	60,818.75
06/01/2024	-	-	-	-	35,568.75	35,568.75
12/01/2024	-	-	-	25,000.00	35,568.75	60,568.75
06/01/2025	-	-	-	-	35,318.75	35,318.75
12/01/2025	-	-	-	25,000.00	35,318.75	60,318.75
06/01/2026	-	-	-	-	35,068.75	35,068.75
12/01/2026	-	-	-	105,000.00	35,068.75	140,068.75
06/01/2027	-	-	-	-	34,018.75	34,018.75
12/01/2027	-	-	-	95,000.00	34,018.75	129,018.75
06/01/2028	-	-	-	-	32,831.25	32,831.25
12/01/2028	-	-	-	80,000.00	32,831.25	112,831.25
06/01/2029	-	-	-	-	31,831.25	31,831.25
12/01/2029	-	-	-	60,000.00	31,831.25	91,831.25
06/01/2030	-	-	-	-	31,081.25	31,081.25
12/01/2030	-	-	-	775,000.00	31,081.25	806,081.25
06/01/2031	-	-	-	-	21,393.75	21,393.75
12/01/2031	-	-	-	805,000.00	21,393.75	826,393.75
06/01/2032	-	-	-	-	10,828.13	10,828.13
12/01/2032	-	-	-	825,000.00	10,828.13	835,828.13
<b>Total</b>	<b>\$3,560,000.00</b>	<b>\$113,441.25</b>	<b>\$3,673,441.25</b>	<b>\$3,560,000.00</b>	<b>\$720,960.01</b>	<b>\$4,280,960.01</b>



**GALLATIN COUNTY SCHOOL DISTRICT FINANCE CORPORATION**  
SCHOOL BUILDING REFUNDING REVENUE BONDS, TAXABLE SERIES 2021  
REFUNDING PRIOR SERIES 2012 BONDS

**Debt Service To Maturity And To Call**

Part 2 of 2

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation	6/16/2021
Average Life	7.901 Years
Average Coupon	2.5510833%
Weighted Average Maturity (Par Basis)	7.901 Years
Weighted Average Maturity (Original Price Basis)	7.901 Years

**Refunding Bond Information**

Refunding Dated Date	6/16/2021
Refunding Delivery Date	6/16/2021

**GALLATIN COUNTY SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REFUNDING REVENUE BONDS, TAXABLE SERIES 2021**  
**REFUNDING PRIOR SERIES 2012 BONDS**

**Escrow Fund Cashflow**

<b>Date</b>	<b>Principal</b>	<b>Rate</b>	<b>Interest</b>	<b>Receipts</b>	<b>Disbursements</b>	<b>Cash Balance</b>
06/16/2021	-	-	-	0.04	-	0.04
12/01/2021	744,773.00	0.040%	1,330.95	746,103.95	746,103.75	0.24
06/01/2022	34,845.00	0.070%	1,323.82	36,168.82	36,168.75	0.31
12/01/2022	2,889,868.00	0.090%	1,300.44	2,891,168.44	2,891,168.75	-
<b>Total</b>	<b>\$3,669,486.00</b>	<b>-</b>	<b>\$3,955.21</b>	<b>\$3,673,441.25</b>	<b>\$3,673,441.25</b>	<b>-</b>

**Investment Parameters**

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cash Deposit	0.04
Cost of Investments Purchased with Bond Proceeds	3,669,486.00
Total Cost of Investments	\$3,669,486.04
Target Cost of Investments at bond yield	\$3,586,521.25
Actual positive or (negative) arbitrage	(82,964.79)
Yield to Receipt	0.0861853%
Yield for Arbitrage Purposes	1.9268479%
State and Local Government Series (SLGS) rates for	3/04/2021

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

RSA Advisors, LLC (“RSA Advisors”)

### **Introduction**

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

RSA Advisors employs a number of resources to identify and subsequently manage actual or potential conflicts of interest. These resources include the implementation of policies and procedures and a supervisory structure.

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

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

**Compensation Based:** The fees due under a Municipal Advisor Agreement may be based on the size of the transaction and the payment of such fees shall be contingent upon the closing of the transaction. While this form of compensation is usual and customary in the municipal securities market, this may present a conflict of interest. RSA believes that this conflict of interest will not impair our ability to render unbiased advice or to fulfill our fiduciary duty to the client.

**Sponsorships and Donations:** Upon request, RSA Advisors may provide sponsorships or donations to various municipal organizations (to which you may be a member), charitable organizations or client sponsored events. RSA Advisors limits the size of any such sponsorship or donation to a reasonable level taking into consideration various matters such as the purpose of the organization, other sponsorships or donations made to the organization and RSA Advisors’ role and physical presence in the community and the state.

**Other Municipal Advisory Relationship:** RSA Advisors serves a wide variety of clients that may potentially have interests that could have a direct or indirect impact on the interests of the client. RSA Advisors could potentially face a conflict of interest arising from these competing client interests. None of these other relationships or engagements would impair RSA Advisors’ ability to fulfill its regulatory duties to the client. To our knowledge, following reasonable inquiry, we are not aware of any actual or potential conflicts of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the client in accordance with the applicable standards of conduct of MSRB Rule G-42. If RSA becomes aware of any potential or actual conflict of interest after this disclosure, we will disclose the detailed information in writing to the client in a timely manner including a plan for mitigation.

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form –Laurel County School District Series 2021  
**Date:** April 22, 2021  
**cc:** File

---

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Laurel 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>\$ 7,485,000</b>
Issue Name:	Laurel County School District Finance Corporation School Building Revenue Bonds, Series 2021
Purpose:	New Day Treatment Center
Projected Sale Date of Bonds:	29-Jun-21
First Call Date:	6/1/28 @ 100
Method of Sale:	Competitive Bids
Place/time of sale:	SFCC/Parity
Bond Rating:	Moodys: "A1"
Bond Counsel:	Steptoe & Johnson, Louisville, KY
Fiscal Agent:	RSA Advisors, Lexington, Kentucky
Date received by SFCC:	<input type="text"/> <i>To be filled in by SFCC</i>
Date scheduled for Committee review:	<input type="text"/> <i>To be filled in by SFCC</i>

Month Day Year

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

SFCC Portion	Local Portion	Total
\$ 574,790	\$ 6,910,210	\$ 7,485,000
7.68%	92.32%	
\$ 40,957	\$ 492,391	\$ 533,348
\$ 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:

\$ 3,297	\$ 39,643	\$ 42,940
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 1,037	\$ 12,463	\$ 13,500
\$ 11,496	\$ 138,204	\$ 149,700
\$ 288	\$ 3,462	\$ 3,750
\$ 16,118	\$ 193,772	\$ 209,890

**Anticipated Interest Rates:**

5 Years: 2.300% 10 Years: 3.100% 15 Years: 3.100%  
 20 Years: 3.500%

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

# LAUREL COUNTY SCHOOL DISTRICT

## Plan of Financing

Date of Report: 4/22/2021

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

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

	A	B	C	D	E	F	G	H	I	J	K	L	M
FYE	Series 2005-REF	Series 2010-REF	Series 2011-REF	Series 2012	Series 2014-REF	Series 2014	Series 2015A-REF	Series 2015B-REF	Series 2015	Series 2016-REF	Series 2017	Series 2019	Total
2020	\$1,310,400	\$369,175	\$1,014,713	\$351,176	723,063	\$1,054,538	\$1,823,200	\$519,838	\$758,711	\$243,764	\$142,123	\$245,844	\$8,566,544
2021		\$1,700,513	\$998,952	\$355,577	725,250	\$1,053,938	\$1,820,800	\$510,113	\$761,486	\$232,912	\$150,223	\$261,586	\$8,571,349
2022			\$1,958,073	\$330,077	735,575	\$1,052,888	\$1,821,400	\$1,283,613	\$749,037	\$232,062	\$148,223	\$263,135	\$8,574,082
2023			\$1,954,972	\$334,504	729,075	\$1,051,388	\$1,819,800	\$1,279,939	\$751,361	\$236,061	\$151,173	\$264,535	\$8,572,808
2024			\$1,955,229	\$328,660	732,125	\$1,054,438	\$1,821,000	\$1,285,039	\$738,462	\$234,912	\$158,973	\$260,785	\$8,569,822
2025				\$283,242	734,575	\$1,051,888	\$2,069,800	\$3,042,538	\$735,412	\$233,663	\$161,473	\$257,035	\$8,569,626
2026				\$283,195	731,500	\$1,048,888	\$2,071,200	\$3,041,038	\$741,911	\$232,313	\$158,774	\$263,284	\$8,572,103
2027				\$277,946	732,113	\$1,055,438	\$2,069,600	\$3,036,451	\$737,961	\$235,812	\$165,798	\$264,235	\$8,575,353
2028				\$830,182	922,088	\$1,739,638			\$1,176,960	\$942,014	\$488,424	\$510,035	\$6,609,341
2029				\$829,807	921,988	\$1,744,244			\$1,178,011	\$940,143	\$481,861	\$513,335	\$6,609,389
2030				\$833,339	920,838	\$1,735,419			\$1,182,464	\$947,088	\$484,448	\$511,184	\$6,614,780
2031				\$860,370		\$1,758,400			\$1,185,180	\$934,839	\$485,423	\$513,735	\$5,737,947
2032				\$860,839		\$1,768,663			\$1,190,385		\$485,348	\$520,835	\$4,826,071
2033				\$848,454		\$1,779,600			\$1,188,683		\$489,749	\$522,335	\$4,828,820
2034						\$1,788,800			\$1,194,912		\$488,623	\$528,385	\$4,000,720
2035									\$1,193,962		\$491,973	\$528,834	\$2,214,770
2036									\$1,188,354		\$498,911	\$533,835	\$2,221,099
2037											\$499,411	\$538,236	\$1,037,646
2038											\$497,828	\$542,036	\$1,039,864
2039												\$550,234	\$550,234
2040													
Totals:	\$1,310,400	\$2,069,688	\$7,881,940	\$7,607,368	\$8,608,188	\$20,736,163	\$15,316,800	\$13,988,569	\$16,653,250	\$5,645,585	\$6,628,761	\$7,843,225	\$114,852,169

# LAUREL COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L	M	
FYE	Local Nickel	Original Growth Nickel	Equalized Growth Nickel	Capital Outlay @ 80%	FSPK	FSPK	Addtl. FSPK	3RD Match	Total Local Funds	Less Current Payments	Local Funds Available	2018 SFCC Offer	Total Funds Available
2020	\$1,704,715	\$1,704,715	\$1,704,715	\$635,479	\$1,607,718	\$1,607,718	\$1,607,718	\$456,380	\$8,965,060	(\$8,556,544)	\$408,516		\$408,516
2021	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$8,571,349)	\$1,497,985		\$1,497,985
2022	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$8,574,082)	\$1,495,252	\$10,239	\$1,505,491
2023	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$8,572,808)	\$1,496,526	\$40,957	\$1,537,483
2024	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$8,569,622)	\$1,499,712	\$40,957	\$1,540,669
2025	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$8,569,626)	\$1,499,709	\$40,957	\$1,540,666
2026	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$8,572,103)	\$1,497,231	\$40,957	\$1,538,188
2027	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$8,575,353)	\$1,493,982	\$40,957	\$1,534,939
2028	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$6,609,341)	\$3,459,993	\$40,957	\$3,500,950
2029	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$6,609,389)	\$3,459,946	\$40,957	\$3,500,903
2030	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$6,614,780)	\$3,454,555	\$40,957	\$3,495,512
2031	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$5,737,947)	\$4,331,388	\$40,957	\$4,372,345
2032	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$4,826,071)	\$5,243,264	\$40,957	\$5,284,221
2033	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$4,828,820)	\$5,240,514	\$40,957	\$5,281,471
2034	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$4,000,720)	\$6,068,615	\$40,957	\$6,109,572
2035	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$2,214,770)	\$7,854,565	\$40,957	\$7,895,522
2036	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$2,221,099)	\$7,848,235	\$40,957	\$7,889,192
2037	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$1,037,646)	\$9,031,688	\$40,957	\$9,072,645
2038	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$10,069,334	(\$1,039,864)	\$9,029,470	\$40,957	\$9,070,427
2039	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$9,612,954	(\$50,234)	\$9,062,720	\$40,957	\$9,103,677
2040	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$9,612,954	\$0	\$9,612,954	\$40,957	\$9,653,911
2041	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$9,612,954		\$9,612,954	\$40,957	\$9,653,911
2042	\$1,777,520	\$1,777,520	\$1,777,520	\$629,352	\$1,825,521	\$1,825,521	\$1,825,521	\$456,380	\$9,612,954		\$9,612,954	\$30,718	\$9,643,672
Totals:	\$40,810,155	\$40,810,155	\$40,810,155	\$14,481,224	\$41,769,180	\$41,769,180	\$41,769,180	\$8,214,845	\$228,664,894	(\$114,852,169)	\$113,612,725	\$819,140	\$114,631,865

**NOTES:** Data based on assessments of \$3,315,849,726 and ADA of 8,056,416 per KDE SEEK Website (FY 2018-19)  
 Data based on assessments of \$3,409,429,477 and ADA of 7,943,484 per KDE SEEK Website (FY 2019-20)  
 Data based on assessments of \$3,555,040,274 and ADA of 7,866,901 per KDE SEEK Website (FY 2020-21)



# LAUREL COUNTY SCHOOL DISTRICT PROJECTED CURRENT BONDING POTENTIAL

A	B	C	D	E	F	G	H	I	J	K
Current Payments	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
\$8,574,082	2022			\$115,946	\$115,946	\$10,239	\$105,707	\$8,679,789	\$10,069,334	\$1,389,545
\$8,572,808	2023	\$30,000	2.000%	\$231,593	\$261,593	\$40,957	\$220,636	\$8,793,444	\$10,069,334	\$1,275,891
\$8,569,622	2024	\$35,000	2.300%	\$230,890	\$265,890	\$40,957	\$224,933	\$8,794,555	\$10,069,334	\$1,274,779
\$8,569,626	2025	\$35,000	2.300%	\$230,085	\$265,085	\$40,957	\$224,128	\$8,793,754	\$10,069,334	\$1,275,581
\$8,572,103	2026	\$35,000	2.300%	\$229,280	\$264,280	\$40,957	\$223,323	\$8,795,426	\$10,069,334	\$1,273,908
\$8,575,353	2027	\$40,000	2.300%	\$228,418	\$268,418	\$40,957	\$227,461	\$8,802,813	\$10,069,334	\$1,266,521
\$6,609,341	2028	\$390,000	2.300%	\$223,473	\$613,473	\$40,957	\$572,516	\$7,181,857	\$10,069,334	\$2,887,478
\$6,609,389	2029	\$405,000	2.800%	\$213,318	\$618,318	\$40,957	\$577,361	\$7,186,749	\$10,069,334	\$2,882,585
\$6,614,780	2030	\$415,000	2.800%	\$201,838	\$616,838	\$40,957	\$575,881	\$7,190,660	\$10,069,334	\$2,878,674
\$5,737,947	2031	\$425,000	3.100%	\$189,440	\$614,440	\$40,957	\$573,483	\$6,311,430	\$10,069,334	\$3,757,905
\$4,826,071	2032	\$440,000	3.100%	\$176,033	\$616,033	\$40,957	\$575,076	\$5,401,146	\$10,069,334	\$4,668,188
\$4,828,820	2033	\$450,000	3.100%	\$162,238	\$612,238	\$40,957	\$571,281	\$5,400,101	\$10,069,334	\$4,669,233
\$4,000,720	2034	\$465,000	3.100%	\$148,055	\$613,055	\$40,957	\$572,098	\$4,572,818	\$10,069,334	\$5,496,517
\$2,214,770	2035	\$480,000	3.100%	\$133,408	\$613,408	\$40,957	\$572,451	\$2,787,220	\$10,069,334	\$7,282,114
\$2,221,099	2036	\$495,000	3.100%	\$118,295	\$613,295	\$40,957	\$572,338	\$2,793,437	\$10,069,334	\$7,275,897
\$1,037,646	2037	\$515,000	3.100%	\$102,640	\$617,640	\$40,957	\$576,683	\$1,614,329	\$10,069,334	\$8,455,005
\$1,039,864	2038	\$530,000	3.250%	\$86,045	\$616,045	\$40,957	\$575,088	\$1,614,952	\$10,069,334	\$8,454,382
\$550,234	2039	\$545,000	3.250%	\$68,576	\$613,576	\$40,957	\$572,619	\$1,122,853	\$9,612,954	\$8,490,101
\$0	2040	\$565,000	3.250%	\$50,539	\$615,539	\$40,957	\$574,582	\$574,582	\$9,612,954	\$9,038,372
	2041	\$585,000	3.450%	\$31,266	\$616,266	\$40,957	\$575,309	\$575,309	\$9,612,954	\$9,037,645
	2042	\$605,000	3.500%	\$10,588	\$615,588	\$30,718	\$584,870	\$584,870	\$9,612,954	\$9,028,084
	<b>Totals:</b>	<b>\$7,485,000</b>		<b>\$3,181,960</b>	<b>\$10,666,960</b>	<b>\$819,140</b>	<b>\$9,847,820</b>	<b>\$107,572,095</b>	<b>\$209,630,500</b>	<b>\$102,058,405</b>



April 15, 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:

\$5,090,000 (est.)  
Lyon 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:	\$5,090,000
Issue Name:	Lyon County School District Finance Corporation School Building Revenue Bonds, Series of 2021
Purpose:	Finance renovations and additions to the High School and Elementary School
Projected Sale Date of Bonds:	May/June 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*

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	\$647,548	\$4,442,452	\$5,090,000
% Share of total Bonds:	12.7%	87.3%	100%
Estimated average annual debt service:	42,629	313,516	356,145
Estimated debt service reserve:	-	-	-
<b>Estimated Costs of Issuance (1):</b>			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	4,244	29,116	33,360
Special Tax Counsel	-	-	-
Number Verifications	-	-	-
Bond Rating	1,654	11,346	13,000
Underwriter's Discount	12,951	88,849	101,800
Paying Agent/Escrow Agent Bank	509	3,491	4,000
<b>Total Cost of Issuance:</b>	<b>\$19,358</b>	<b>\$132,802</b>	<b>\$152,160</b>

**Anticipated Interest Rates:**

5 Years: 3.00%	10 Years: 3.00%	
15 Years: 3.00%	20 Years: 2.00%	

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

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School Building Revenue Bonds, Series of 2021

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## SOURCES AND USES OF FUNDS

Lyon County School District Finance Corporation  
 Bonding Capacity  
 School Building Revenue Bonds, Series of 2021

Dated Date 06/15/2021  
 Delivery Date 06/15/2021

Sources:	SFCC Potion	District Portion	Total
<b>Bond Proceeds:</b>			
Par Amount	647,548.00	4,442,452.00	5,090,000.00
Net Premium	51,709.67	302,648.63	354,358.30
	<u>699,257.67</u>	<u>4,745,100.63</u>	<u>5,444,358.30</u>
<b>Other Sources of Funds:</b>			
SFCC Cash Requirements		370,863.00	370,863.00
Cash- General Fund		166,289.02	166,289.02
Cash - Capital Outlay		82,708.00	82,708.00
Cash - Building Fund		75,598.64	75,598.64
Residual BG-1 #13-104		10,032.17	10,032.17
Residual BG-1 #11-268		304,268.01	304,268.01
Homeland Security Grant		79,000.00	79,000.00
Cash - Additional General Fund Contribution		390,805.86	390,805.86
		<u>1,479,564.70</u>	<u>1,479,564.70</u>
	<u>699,257.67</u>	<u>6,224,665.33</u>	<u>6,923,923.00</u>
<b>Uses:</b>			
<b>Project Fund Deposits:</b>			
Total Construction Costs	725,340.14	4,976,138.86	5,701,479.00
Architect/Engineering Fee	45,367.80	311,242.20	356,610.00
Contingecies	36,267.01	248,806.99	285,074.00
Other	54,526.34	374,073.66	428,600.00
	<u>861,501.29</u>	<u>5,910,261.71</u>	<u>6,771,763.00</u>
<b>Cost of Issuance:</b>			
FA/BC	4,244.05	29,115.95	33,360.00
Rating Agency	1,653.86	11,346.14	13,000.00
Paying Agent	508.88	3,491.12	4,000.00
	<u>6,406.79</u>	<u>43,953.21</u>	<u>50,360.00</u>
<b>Underwriter's Discount:</b>			
UW Discount	12,950.96	88,849.04	101,800.00
<b>Other Uses of Funds:</b>			
Additional Proceeds	-181,601.37	181,601.37	
	<u>699,257.67</u>	<u>6,224,665.33</u>	<u>6,923,923.00</u>

BOND DEBT SERVICE

Lyon County School District Finance Corporation  
 Bonding Capacity  
 School Building Revenue Bonds, Series of 2021

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2021			65,191.89	65,191.89	
06/01/2022	60,000	3.000%	70,690.00	130,690.00	
06/30/2022					195,881.89
12/01/2022			69,790.00	69,790.00	
06/01/2023	60,000	3.000%	69,790.00	129,790.00	
06/30/2023					199,580.00
12/01/2023			68,890.00	68,890.00	
06/01/2024	65,000	3.000%	68,890.00	133,890.00	
06/30/2024					202,780.00
12/01/2024			67,915.00	67,915.00	
06/01/2025	65,000	3.000%	67,915.00	132,915.00	
06/30/2025					200,830.00
12/01/2025			66,940.00	66,940.00	
06/01/2026	65,000	3.000%	66,940.00	131,940.00	
06/30/2026					198,880.00
12/01/2026			65,965.00	65,965.00	
06/01/2027	65,000	3.000%	65,965.00	130,965.00	
06/30/2027					196,930.00
12/01/2027			64,990.00	64,990.00	
06/01/2028	70,000	3.000%	64,990.00	134,990.00	
06/30/2028					199,980.00
12/01/2028			63,940.00	63,940.00	
06/01/2029	70,000	3.000%	63,940.00	133,940.00	
06/30/2029					197,880.00
12/01/2029			62,890.00	62,890.00	
06/01/2030	75,000	3.000%	62,890.00	137,890.00	
06/30/2030					200,780.00
12/01/2030			61,765.00	61,765.00	
06/01/2031	80,000	3.000%	61,765.00	141,765.00	
06/30/2031					203,530.00
12/01/2031			60,565.00	60,565.00	
06/01/2032	80,000	3.000%	60,565.00	140,565.00	
06/30/2032					201,130.00
12/01/2032			59,365.00	59,365.00	
06/01/2033	355,000	3.000%	59,365.00	414,365.00	
06/30/2033					473,730.00
12/01/2033			54,040.00	54,040.00	
06/01/2034	450,000	3.000%	54,040.00	504,040.00	
06/30/2034					558,080.00
12/01/2034			47,290.00	47,290.00	
06/01/2035	460,000	3.000%	47,290.00	507,290.00	
06/30/2035					554,580.00
12/01/2035			40,390.00	40,390.00	
06/01/2036	475,000	3.000%	40,390.00	515,390.00	
06/30/2036					555,780.00
12/01/2036			33,265.00	33,265.00	
06/01/2037	490,000	3.000%	33,265.00	523,265.00	
06/30/2037					556,530.00
12/01/2037			25,915.00	25,915.00	
06/01/2038	505,000	3.000%	25,915.00	530,915.00	
06/30/2038					556,830.00
12/01/2038			18,340.00	18,340.00	
06/01/2039	520,000	2.900%	18,340.00	538,340.00	
06/30/2039					556,680.00
12/01/2039			10,800.00	10,800.00	
06/01/2040	535,000	2.000%	10,800.00	545,800.00	
06/30/2040					556,600.00
12/01/2040			5,450.00	5,450.00	
06/01/2041	545,000	2.000%	5,450.00	550,450.00	
06/30/2041					555,900.00
	5,090,000		2,032,891.89	7,122,891.89	7,122,891.89



## BOND DEBT SERVICE

Lyon County School District Finance Corporation  
Bonding Capacity  
School Building Revenue Bonds, Series of 2021

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	60,000	3.000%	135,881.89	195,881.89
06/30/2023	60,000	3.000%	139,580.00	199,580.00
06/30/2024	65,000	3.000%	137,780.00	202,780.00
06/30/2025	65,000	3.000%	135,830.00	200,830.00
06/30/2026	65,000	3.000%	133,880.00	198,880.00
06/30/2027	65,000	3.000%	131,930.00	196,930.00
06/30/2028	70,000	3.000%	129,980.00	199,980.00
06/30/2029	70,000	3.000%	127,880.00	197,880.00
06/30/2030	75,000	3.000%	125,780.00	200,780.00
06/30/2031	80,000	3.000%	123,530.00	203,530.00
06/30/2032	80,000	3.000%	121,130.00	201,130.00
06/30/2033	355,000	3.000%	118,730.00	473,730.00
06/30/2034	450,000	3.000%	108,080.00	558,080.00
06/30/2035	460,000	3.000%	94,580.00	554,580.00
06/30/2036	475,000	3.000%	80,780.00	555,780.00
06/30/2037	490,000	3.000%	66,530.00	556,530.00
06/30/2038	505,000	3.000%	51,830.00	556,830.00
06/30/2039	520,000	2.900%	36,680.00	556,680.00
06/30/2040	535,000	2.000%	21,600.00	556,600.00
06/30/2041	545,000	2.000%	10,900.00	555,900.00
	5,090,000		2,032,891.89	7,122,891.89

## BOND SUMMARY STATISTICS

Lyon County School District Finance Corporation  
Bonding Capacity  
School Building Revenue Bonds, Series of 2021

Dated Date	06/15/2021
Delivery Date	06/15/2021
Last Maturity	06/01/2041
Arbitrage Yield	1.828585%
True Interest Cost (TIC)	2.313770%
Net Interest Cost (NIC)	2.371184%
All-In TIC	2.392779%
Average Coupon	2.707560%
Average Life (years)	14.751
Duration of Issue (years)	12.141
Par Amount	5,090,000.00
Bond Proceeds	5,444,358.30
Total Interest	2,032,891.89
Net Interest	1,780,333.59
Total Debt Service	7,122,891.89
Maximum Annual Debt Service	558,080.00
Average Annual Debt Service	356,838.45
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	104.961853

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	5,090,000.00	106.962	2.708%	14.751	4,226.20
	5,090,000.00			14.751	4,226.20

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,090,000.00	5,090,000.00	5,090,000.00
+ Accrued Interest			
+ Premium (Discount)	354,358.30	354,358.30	354,358.30
- Underwriter's Discount	-101,800.00	-101,800.00	
- Cost of Issuance Expense		-50,360.00	
- Other Amounts			
Target Value	5,342,558.30	5,292,198.30	5,444,358.30
Target Date	06/15/2021	06/15/2021	06/15/2021
Yield	2.313770%	2.392779%	1.828585%



BOND PRICING

Lyon County School District Finance Corporation  
 Bonding Capacity  
 School Building Revenue Bonds, Series of 2021

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity
Bond Component:						
	06/01/2022	60,000	3.000%	0.350%	102.540	
	06/01/2023	60,000	3.000%	0.410%	105.053	
	06/01/2024	65,000	3.000%	0.500%	107.339	
	06/01/2025	65,000	3.000%	0.670%	109.092	
	06/01/2026	65,000	3.000%	0.850%	110.422	
	06/01/2027	65,000	3.000%	1.030%	111.361	
	06/01/2028	70,000	3.000%	1.180%	112.128	
	06/01/2029	70,000	3.000%	1.340%	112.494	
	06/01/2030	75,000	3.000%	1.470%	111.454 C	1.621%
	06/01/2031	80,000	3.000%	1.570%	110.662 C	1.825%
	06/01/2032	80,000	3.000%	1.640%	110.110 C	1.970%
	06/01/2033	355,000	3.000%	1.680%	109.797 C	2.071%
	06/01/2034	450,000	3.000%	1.720%	109.484 C	2.157%
	06/01/2035	460,000	3.000%	1.760%	109.173 C	2.232%
	06/01/2036	475,000	3.000%	1.800%	108.862 C	2.297%
	06/01/2037	490,000	3.000%	1.840%	108.553 C	2.354%
	06/01/2038	505,000	3.000%	1.880%	108.244 C	2.405%
	06/01/2039	520,000	2.900%	1.920%	107.202 C	2.404%
	06/01/2040	535,000	2.000%	1.960%	100.293 C	1.981%
	06/01/2041	545,000	2.000%	2.020%	99.672	
		5,090,000				

Dated Date	06/15/2021	
Delivery Date	06/15/2021	
First Coupon	12/01/2021	
Par Amount	5,090,000.00	
Premium	354,358.30	
Production	5,444,358.30	106.961853%
Underwriter's Discount	-101,800.00	-2.000000%
Purchase Price	5,342,558.30	104.961853%
Accrued Interest		
Net Proceeds	5,342,558.30	



BOND SOLUTION

Lyon County School District Finance Corporation  
SFCC Potion

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2021						
06/30/2022	24,792	42,629	42,629	42,630	0	100.00077%
06/30/2023	24,814	42,629	42,629	42,630	1	100.00185%
06/30/2024	25,559	42,630	42,630	42,630	0	100.00019%
06/30/2025	26,325	42,629	42,629	42,629	0	100.00054%
06/30/2026	27,115	42,629	42,629	42,630	1	100.00141%
06/30/2027	27,928	42,629	42,629	42,629	1	100.00141%
06/30/2028	28,766	42,629	42,629	42,630	1	100.00228%
06/30/2029	29,630	42,630	42,630	42,630	0	100.00007%
06/30/2030	30,518	42,629	42,629	42,629	0	100.00005%
06/30/2031	31,433	42,629	42,629	42,629	1	100.00190%
06/30/2032	32,376	42,629	42,629	42,629	0	100.00049%
06/30/2033	33,348	42,629	42,629	42,629	0	100.00014%
06/30/2034	34,348	42,629	42,629	42,629	0	100.00012%
06/30/2035	35,378	42,628	42,628	42,629	1	100.00169%
06/30/2036	36,440	42,629	42,629	42,629	0	100.00101%
06/30/2037	37,534	42,630	42,630	42,630	0	100.00101%
06/30/2038	38,659	42,629	42,629	42,629	0	100.00007%
06/30/2039	39,818	42,628	42,628	42,629	1	100.00202%
06/30/2040	40,974	42,629	42,629	42,630	1	100.00237%
06/30/2041	41,793	42,629	42,629	42,630	1	100.00216%
	647,548	852,581	852,581	852,590	9	



BOND SOLUTION

Lyon County School District Finance Corporation  
District Portion

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2021							
06/30/2022	35,208	153,253	358,027	511,279	516,104	4,825	100.94368%
06/30/2023	35,186	156,951	356,518	513,468	516,104	2,636	100.51331%
06/30/2024	39,441	160,150	354,219	514,369	516,104	1,735	100.33726%
06/30/2025	38,675	158,201	356,269	514,470	516,104	1,634	100.31761%
06/30/2026	37,885	156,251	357,369	513,620	516,104	2,484	100.48368%
06/30/2027	37,072	154,301	357,800	512,101	516,104	4,003	100.78159%
06/30/2028	41,234	157,351	357,588	514,939	516,104	1,165	100.22628%
06/30/2029	40,370	155,250	356,288	511,538	516,104	4,566	100.89265%
06/30/2030	44,482	158,151	354,462	512,613	516,104	3,491	100.68109%
06/30/2031	48,567	160,901	352,346	513,247	516,104	2,857	100.55661%
06/30/2032	47,624	158,501	355,005	513,506	516,104	2,598	100.50585%
06/30/2033	321,652	431,101	83,064	514,165	516,104	1,939	100.37717%
06/30/2034	415,652	515,451		515,451	516,104	653	100.12665%
06/30/2035	424,622	511,952		511,952	516,104	4,152	100.81109%
06/30/2036	438,560	513,151		513,151	516,104	2,953	100.57548%
06/30/2037	452,466	513,900		513,900	516,104	2,204	100.42885%
06/30/2038	466,341	514,201		514,201	516,104	1,903	100.37006%
06/30/2039	480,182	514,052		514,052	516,104	2,052	100.39919%
06/30/2040	494,026	513,971		513,971	516,104	2,133	100.41507%
06/30/2041	503,207	513,271		513,271	516,104	2,833	100.55192%
	4,442,452	6,270,311	3,998,953	10,269,264	10,322,080	52,816	



# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form –Rowan County School District Series 2021  
**Date:** April 06, 2021  
**cc:** File

---

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Rowan 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.



# ROWAN COUNTY SCHOOL DISTRICT

## Plan of Financing

Date of Report: 4/6/2021

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

**ROWAN COUNTY SCHOOL DISTRICT  
OUTSTANDING LOCAL DEBT SERVICE**

	A	B	C	D	E	F	G	H	I
	Series	Series	BF Portion	Series	Series	Series	Series	Series	Series
FYE	2009	2011R	2014R	2015	2015R	2016	2017R	2019	Total
2022	\$1,136,376	\$452,533	\$45,333	\$91,432	\$36,276	\$169,450	\$367,655	\$192,492	\$2,491,546
2023	\$1,056,994	\$450,534	\$42,205	\$94,823	\$33,090	\$173,980	\$449,452	\$190,991	\$2,492,069
2024		\$452,853	\$53,011	\$93,097	\$39,402	\$168,393	\$1,493,477	\$189,493	\$2,489,726
2025			\$117,799	\$161,373	\$35,402	\$182,923	\$1,800,277	\$192,942	\$2,490,715
2026			\$115,048	\$167,747	\$36,339	\$182,100	\$1,796,153	\$196,292	\$2,493,680
2027			\$120,729	\$163,872	\$38,578	\$181,138	\$1,795,602	\$194,592	\$2,494,511
2028			\$110,291	\$209,609		\$170,175	\$1,813,252	\$192,840	\$2,496,167
2029			\$114,173	\$208,973		\$169,488	\$1,808,608	\$195,979	\$2,497,220
2030			\$106,337	\$407,671		\$763,800		\$559,848	\$1,837,657
2031				\$424,703		\$776,750		\$564,330	\$1,765,783
2032				\$425,241		\$773,875		\$568,167	\$1,767,283
2033				\$419,716		\$778,925		\$571,035	\$1,769,676
2034				\$423,266		\$778,225		\$568,285	\$1,769,776
2035				\$420,503		\$776,925		\$573,823	\$1,771,251
2036						\$795,025		\$572,548	\$1,367,573
2037								\$575,748	\$575,748
2038								\$578,348	\$578,348
2039								\$580,349	\$580,349
2040								\$577,270	\$577,270
Totals:	\$2,193,369	\$1,355,920	\$824,926	\$3,712,025	\$219,089	\$6,841,170	\$11,324,477	\$5,523,657	\$31,994,632

# ROWAN COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A FYE	B Local Nickel	C Recallable Nickel	D Capital Outlay @ 80%	E FSPK	F Additi. FSPK	G Total Local Funds	H Less Current Payments	I Local Funds Available	J 2018 SFCC Offer	K SFCC Special Appropriation	L Total Funds Available
2022	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$2,491,546)	\$337,894	\$15,824	\$488,215	\$841,932
2023	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$2,492,069)	\$337,371	\$15,824	\$488,215	\$841,410
2024	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$2,489,726)	\$339,714	\$15,824	\$488,215	\$843,753
2025	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$2,490,715)	\$338,725	\$15,824	\$488,215	\$842,764
2026	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$2,493,680)	\$335,760	\$15,824	\$488,215	\$839,799
2027	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$2,494,511)	\$334,929	\$15,824	\$488,215	\$838,968
2028	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$2,496,167)	\$333,273	\$15,824	\$488,215	\$837,312
2029	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$2,497,220)	\$332,220	\$15,824	\$488,216	\$836,260
2030	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$1,837,657)	\$991,783	\$15,824	\$488,215	\$1,495,823
2031	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$1,765,783)	\$1,063,657	\$15,824	\$488,215	\$1,567,697
2032	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$1,767,283)	\$1,062,157	\$15,824	\$488,215	\$1,566,196
2033	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$1,769,676)	\$1,059,764	\$15,824	\$488,216	\$1,563,803
2034	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$1,769,776)	\$1,059,664	\$15,824	\$488,215	\$1,563,703
2035	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$1,771,251)	\$1,058,189	\$15,824	\$488,215	\$1,562,229
2036	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$1,367,573)	\$1,461,867	\$15,824	\$488,215	\$1,965,906
2037	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$575,748)	\$2,253,692	\$15,824	\$488,215	\$2,757,731
2038	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$578,348)	\$2,251,092	\$15,824	\$488,215	\$2,755,131
2039	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$580,349)	\$2,249,091	\$15,824	\$488,215	\$2,753,130
2040	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	(\$577,270)	\$2,252,170	\$15,824	\$488,215	\$2,756,209
2041	\$739,639	\$739,639	\$228,000	\$561,081	\$561,081	\$2,829,440	\$0	\$2,829,440	\$15,824	\$488,215	\$3,333,479
Totals:	\$14,792,780	\$14,792,780	\$4,560,000	\$11,221,620	\$11,221,620	\$56,588,800	(\$34,306,347)	\$22,282,453	\$316,480	\$9,764,302	\$32,363,234

**NOTES:** Data based on assessments of \$1,358,729,690 and ADA of 2,930,375 (FY 2018-19)

Data based on assessments of \$1,372,306,959 and ADA of 2,911,016 (FY 2019-20)

Data based on assessments of \$1,377,807,798 and ADA of 2,911,016 (FY 2020-21)



# ROWAN COUNTY SCHOOL DISTRICT PROJECTED 2021 BOND ISSUE

A	B	C	D	E	F	G	H	I	J	K
Current Payments	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
\$2,491,546	2022	\$341,042	2.000%	\$294,690	\$635,732	\$504,039	\$131,693	\$2,623,240	\$2,829,440	\$206,200
\$2,492,069	2023	\$349,910	2.000%	\$285,823	\$635,733	\$504,039	\$131,695	\$2,623,764	\$2,829,440	\$205,676
\$2,489,726	2024	\$359,007	2.000%	\$276,726	\$635,733	\$504,039	\$131,693	\$2,621,419	\$2,829,440	\$208,021
\$2,490,715	2025	\$368,341	2.000%	\$267,391	\$635,732	\$504,039	\$131,693	\$2,622,408	\$2,829,440	\$207,032
\$2,493,680	2026	\$377,918	2.000%	\$257,815	\$635,733	\$504,039	\$131,694	\$2,625,373	\$2,829,440	\$204,067
\$2,494,511	2027	\$387,744	2.000%	\$247,989	\$635,733	\$504,039	\$131,693	\$2,626,205	\$2,829,440	\$203,236
\$2,496,167	2028	\$397,825	2.500%	\$237,907	\$635,732	\$504,039	\$131,693	\$2,627,860	\$2,829,440	\$201,580
\$2,497,220	2029	\$408,169	2.500%	\$227,564	\$635,733	\$504,040	\$131,693	\$2,628,913	\$2,829,440	\$200,527
\$1,837,657	2030	\$419,598	2.500%	\$216,135	\$635,733	\$504,039	\$131,694	\$1,969,350	\$2,829,440	\$860,090
\$1,765,783	2031	\$431,346	2.600%	\$204,386	\$635,732	\$504,039	\$131,693	\$1,897,476	\$2,829,440	\$931,964
\$1,767,283	2032	\$443,424	2.800%	\$192,309	\$635,733	\$504,039	\$131,694	\$1,898,977	\$2,829,440	\$930,463
\$1,769,676	2033	\$456,283	2.800%	\$179,449	\$635,732	\$504,040	\$131,693	\$1,901,369	\$2,829,440	\$928,071
\$1,769,776	2034	\$469,516	2.900%	\$166,217	\$635,733	\$504,039	\$131,694	\$1,901,470	\$2,829,440	\$927,970
\$1,771,251	2035	\$483,601	2.900%	\$152,132	\$635,733	\$504,039	\$131,693	\$1,902,944	\$2,829,440	\$926,496
\$1,367,573	2036	\$498,109	2.900%	\$137,624	\$635,733	\$504,039	\$131,694	\$1,499,267	\$2,829,440	\$1,330,173
\$575,748	2037	\$518,033	3.000%	\$117,699	\$635,732	\$504,039	\$131,693	\$707,441	\$2,829,440	\$2,121,999
\$578,348	2038	\$538,755	3.000%	\$96,978	\$635,733	\$504,039	\$131,694	\$710,042	\$2,829,440	\$2,119,398
\$580,349	2039	\$560,305	3.200%	\$75,428	\$635,733	\$504,039	\$131,694	\$712,043	\$2,829,440	\$2,117,397
\$577,270	2040	\$582,717	3.200%	\$53,016	\$635,733	\$504,039	\$131,693	\$708,963	\$2,829,440	\$2,120,477
	2041	\$608,357	3.200%	\$27,376	\$635,733	\$504,039	\$131,694	\$131,694	\$2,829,440	\$2,697,746
<b>\$34,306,347</b>	<b>Totals:</b>	<b>\$9,000,000</b>		<b>\$3,714,654</b>	<b>\$12,714,654</b>	<b>\$10,080,782</b>	<b>\$2,633,872</b>	<b>\$36,940,220</b>	<b>\$56,588,800</b>	<b>\$19,648,580</b>



April 20, 2021

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

RE: \$7,100,000 Todd County School District Finance Corporation  
School Building Revenue Bonds, Series of 2021

Dear Ms. Bizzle:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to finance improvements to Todd County High School, Middle School, South Todd ES and North Todd ES. Please note that this project was submitted previously to Oversight and this revision is to adjust the par amount of bonds in accordance with the construction bids received for the project.

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

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

Sincerely,

A handwritten signature in blue ink that reads 'Dwight G. Salsbury'.

Dwight G. Salsbury

325 West Main Street  
Suite 300  
Lexington, KY  
40507

859/977-6600

fax: 859/381-1357

[www.rsamuni.com](http://www.rsamuni.com)

Enclosures

# BOND PAYEE DISCLOSURE FORM

Par Amount:

**\$7,100,000**

Issue Name:

Todd County School Building Revenue Bonds, Series of 2021

Purpose:

Improvements to Todd County HS, MS, South Todd ES and North Todd ES

Projected Sale Date of Bonds:

Late Spring 2021

First Call Date:

8 years

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC, Frankfort, Ky.

Bond Rating:

Moodys: "A1"

Bond Counsel:

Step toe and Johnson, Louisville, KY

Fiscal Agent:

RSA Advisors, LLC - Lexington, Kentucky

Date received by SFCC:

/ / *To be filled in by SFCC*

Date scheduled for Committee review:

/ / *To be filled in by SFCC*

Month Day Year

Estimated par amount of Bonds:

SFCC Portion	Local Portion	Total
\$339,706	\$6,760,294	\$7,100,000
4.78%	95.22%	100.00%
\$23,625	\$454,365	\$477,990
\$0	\$0	\$0

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

**Estimated Cost of Issuance:**

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

Special Tax Counsel

Number verifications

Bond Rating & Bank Fee

Underwriter's Discount

Credit Enhancement

Total Cost of Issuance:

\$1,981	\$39,419	\$41,400
\$0	\$0	\$0
\$0	\$0	\$0
\$861	\$17,139	\$18,000
\$6,794	\$135,206	\$142,000
\$0	\$0	\$0
\$9,636	\$191,764	\$201,400

**Anticipated Interest Rates:**

5 Years: 1.00%    10 Years: 2.50%    15 Years: 2.75%  
20 Years: 2.75%

**No Tax Increase Required**

# TODD COUNTY SCHOOL DISTRICT

## Plan of Financing -- Series 2021

Date of Report: 4/20/2021

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Local Bond Payments Outstanding .....	1
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Disclosures.....	5



## TODD COUNTY SCHOOL DISTRICT OUTSTANDING NET LOCAL DEBT SERVICE

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	<u>I</u>
FYE	Series 2010-REF	Series 2012-REF*	Series 2013-REF**	Series 2014-REF**	100% SFCC Series 2016			Total
2020	\$713,200	\$129,451	\$91,050	\$319,414				\$1,253,116
2021	\$707,263	\$137,551	\$88,251	\$321,764				\$1,254,829
2022		\$855,451	\$90,399	\$323,840				\$1,269,690
2023		\$856,889	\$87,500	\$325,452				\$1,269,841
2024			\$287,273	\$1,001,115				\$1,288,388
2025			\$294,511	\$1,005,614				\$1,300,124
2026			\$287,149	\$999,365				\$1,286,513
2027				\$903,864				\$903,864
2028				\$899,115				\$899,115
2029				\$903,616				\$903,616
2030				\$902,290				\$902,290
2031				\$898,124				\$898,124
2032								\$0
2033								\$0
2034								\$0
2035								\$0
2036								\$0
2037								\$0
2038								\$0
2039								\$0
Totals:	\$1,420,463	\$1,979,342	\$1,226,133	\$8,803,571	\$0	\$0	\$0	\$13,429,509

<u>Series</u>	<u>Par Amount</u>	<u>Description</u>
2010-Ref	1,675,000	Refinance Prior Series 2001 Bonds (Renovations to Todd Central HS)
2012-Ref	2,150,000	Refinance Prior 2003 Bonds (Renovations to Todd Central HS)
2013-Ref	2,720,000	Refinance Prior Series 2004 & 2005 Bonds (energy improvements and new auditorim at Todd Central HS)
2014-Ref	8,170,000	Refinance Prior Series 2010BAB Bonds (Renovations to North Todd and South Todd ES)
2016	815,000	Various renovations

## TODD COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L	M
FYE	Local Nickel	Additional Nickel	Capital Outlay @ 80%	FSPK	Addtl. FSPK	Total Local Funds	Less Current Payments	Local Funds Available	Balance 2014 Offier	2016 Offier	2018 Offier	Total Funds Available
2021	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	(\$1,253,116)	\$399,881	\$0	\$0	\$0	\$399,881
2022	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	(\$1,254,829)	\$398,168	\$1,121	\$8,122	\$13,497	\$420,908
2023	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	(\$1,269,690)	\$383,307	\$2,188	\$8,122	\$13,497	\$407,114
2024	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	(\$1,269,841)	\$383,155	\$3,256	\$8,122	\$13,497	\$408,030
2025	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	(\$1,288,388)	\$364,609	\$384	\$8,122	\$13,497	\$386,612
2026	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	(\$1,300,124)	\$352,872	\$589	\$8,122	\$13,497	\$375,080
2027	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	(\$1,286,513)	\$366,483	\$1,809	\$8,122	\$13,497	\$389,911
2028	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	(\$903,864)	\$749,133	\$3,029	\$8,122	\$13,497	\$773,781
2029	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	(\$899,115)	\$753,882	\$4,249	\$8,122	\$13,497	\$779,750
2030	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	(\$903,616)	\$749,381	\$545	\$8,122	\$13,497	\$771,545
2031	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	(\$902,290)	\$750,707	\$1,918	\$8,122	\$13,497	\$774,244
2032	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	(\$898,124)	\$754,873	\$3,290	\$8,122	\$13,497	\$779,782
2033	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	\$0	\$1,652,997	\$4,663	\$8,122	\$13,497	\$1,679,279
2034	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	\$0	\$1,652,997	\$1,112	\$8,122	\$13,497	\$1,675,727
2035	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	\$0	\$1,652,997	\$2,637	\$8,122	\$13,497	\$1,677,252
2036	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	\$0	\$1,652,997	\$4,162	\$8,122	\$13,497	\$1,678,777
2037	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	\$0	\$1,652,997	\$2,027	\$8,122	\$13,497	\$1,676,643
2038	\$379,526	\$379,526	\$132,771	\$380,587	\$380,587	\$1,652,997	\$0	\$1,652,997	\$1,064	\$8,122	\$13,497	\$1,675,680
2039	\$379,526	\$379,526	\$132,771	\$380,587	\$0	\$1,272,410	\$0	\$1,272,410	\$1,025	\$8,122	\$13,497	\$1,295,054
2040	\$379,526	\$379,526	\$132,771	\$380,587	\$0	\$1,272,410	\$0	\$1,272,410	\$1,016	\$8,122	\$13,497	\$1,295,045
2041	\$379,526	\$379,526	\$132,771	\$380,587	\$0	\$1,272,410	\$0	\$1,272,410	\$53	\$8,122	\$13,497	\$1,294,082
Totals:	\$7,970,046	\$7,970,046	\$2,788,187	\$7,992,327	\$6,850,566	\$33,571,172	(\$13,429,509)	\$20,141,663	\$40,136	\$162,440	\$269,940	\$20,614,179

**NOTES:**

# TODD COUNTY SCHOOL DISTRICT PROJECTED SERIES 2021

A	B	C	D	E	F	G	H	I	J	K	
Current Payments	FY June 30	----- Estimated New Bond Issue -----				Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
		Principal Payment	Coupon	Interest Payments							
\$1,269,690	2022	\$55,000	1.000%	\$171,414	\$226,414	\$22,740	\$203,674	\$1,473,364	\$1,652,997	\$179,632	
\$1,269,841	2023	\$50,000	1.000%	\$177,800	\$227,800	\$23,807	\$203,993	\$1,473,834	\$1,652,997	\$179,163	
\$1,288,388	2024	\$35,000	1.000%	\$177,300	\$212,300	\$24,875	\$187,425	\$1,475,813	\$1,652,997	\$177,183	
\$1,300,124	2025	\$20,000	1.000%	\$176,950	\$196,950	\$22,003	\$174,947	\$1,475,071	\$1,652,997	\$177,926	
\$1,286,513	2026	\$25,000	1.000%	\$176,750	\$201,750	\$22,208	\$179,542	\$1,466,055	\$1,652,997	\$186,941	
\$903,864	2027	\$275,000	2.000%	\$176,500	\$451,500	\$23,428	\$428,072	\$1,331,936	\$1,652,997	\$321,061	
\$899,115	2028	\$275,000	2.000%	\$171,000	\$446,000	\$24,648	\$421,352	\$1,320,467	\$1,652,997	\$332,530	
\$903,616	2029	\$280,000	2.000%	\$165,500	\$445,500	\$25,868	\$419,632	\$1,323,248	\$1,652,997	\$329,749	
\$902,290	2030	\$290,000	2.000%	\$159,900	\$449,900	\$22,164	\$427,736	\$1,330,025	\$1,652,997	\$322,971	
\$898,124	2031	\$290,000	2.500%	\$154,100	\$444,100	\$23,537	\$420,563	\$1,318,687	\$1,652,997	\$334,310	
\$0	2032	\$590,000	2.500%	\$146,850	\$736,850	\$24,909	\$711,941	\$711,941	\$1,652,997	\$941,056	
\$0	2033	\$605,000	2.500%	\$132,100	\$737,100	\$26,282	\$710,818	\$710,818	\$1,652,997	\$942,179	
\$0	2034	\$620,000	2.500%	\$116,975	\$736,975	\$22,731	\$714,245	\$714,245	\$1,652,997	\$938,752	
\$0	2035	\$635,000	2.750%	\$101,475	\$736,475	\$24,256	\$712,220	\$712,220	\$1,652,997	\$940,777	
\$0	2036	\$655,000	2.750%	\$84,013	\$739,013	\$25,781	\$713,232	\$713,232	\$1,652,997	\$939,765	
\$0	2037	\$670,000	2.750%	\$66,000	\$736,000	\$23,646	\$712,354	\$712,354	\$1,652,997	\$940,643	
\$0	2038	\$690,000	2.750%	\$47,575	\$737,575	\$22,683	\$714,892	\$714,892	\$1,652,997	\$938,105	
\$0	2039	\$340,000	2.750%	\$28,600	\$368,600	\$22,644	\$345,956	\$345,956	\$1,272,410	\$926,454	
\$0	2040	\$345,000	2.750%	\$19,250	\$364,250	\$22,635	\$341,615	\$341,615	\$1,272,410	\$930,795	
\$0	2041	\$355,000	2.750%	\$9,763	\$364,763	\$21,672	\$343,090	\$343,090	\$1,272,410	\$929,320	
\$10,921,565	<b>Totals:</b>	\$7,100,000		\$2,459,814	\$9,559,814	\$472,516	\$9,087,298	\$20,008,863		\$11,909,312	

# TODD COUNTY SCHOOL DISTRICT

## Summary of Bonding Potential

❖	Local Bonding Potential	\$6,760,294
❖	SFCC Bonding Potential	<u>\$339,706</u>
❖	Total Bonding Potential	\$7,100,000



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

RSA Advisors, LLC (“RSA Advisors”)

### **Introduction**

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

RSA Advisors employs a number of resources to identify and subsequently manage actual or potential conflicts of interest. These resources include the implementation of policies and procedures and a supervisory structure.

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

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

**Compensation Based:** The fees due under a Municipal Advisor Agreement may be based on the size of the transaction and the payment of such fees shall be contingent upon the closing of the transaction. While this form of compensation is usual and customary in the municipal securities market, this may present a conflict of interest. RSA believes that this conflict of interest will not impair our ability to render unbiased advice or to fulfill our fiduciary duty to the client.

**Sponsorships and Donations:** Upon request, RSA Advisors may provide sponsorships or donations to various municipal organizations (to which you may be a member), charitable organizations or client sponsored events. RSA Advisors limits the size of any such sponsorship or donation to a reasonable level taking into consideration various matters such as the purpose of the organization, other sponsorships or donations made to the organization and RSA Advisors' role and physical presence in the community and the state.

**Other Municipal Advisory Relationship:** RSA Advisors serves a wide variety of clients that may potentially have interests that could have a direct or indirect impact on the interests of the client. RSA Advisors could potentially face a conflict of interest arising from these competing client interests. None of these other relationships or engagements would impair RSA Advisors' ability to fulfill its regulatory duties to the client. To our knowledge, following reasonable inquiry, we are not aware of any actual or potential conflicts of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the client in accordance with the applicable standards of conduct of MSRB Rule G-42. If RSA becomes aware of any potential or actual conflict of interest after this disclosure, we will disclose the detailed information in writing to the client in a timely manner including a plan for mitigation.