



MATTHEW G. BEVIN
Governor

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

WILLIAM M. LANDRUM III
Secretary

RYAN BARROW
Executive Director

November 6, 2018

The Honorable Senator Stan Humphries, Co-Chair
The Honorable Representative Larry Brown, Co-Chair
Capital Projects and Bond Oversight Committee
Legislative Research Commission
Capitol Annex Building
Frankfort, Kentucky 40601

Dear Senator Humphries and Representative Brown:

Listed below is information regarding various projects and reports that will be presented to the Capital Projects and Bond Oversight Committee (“CPBO”) at the November 20, 2018, meeting.

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

Fund A Loan

City of Butler	\$1,080,574
City of Murray	\$1,450,000

Fund B Loan

City of Murray	\$1,500,000
Laurel County Water District #2	\$445,000

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

Kentucky Higher Education Student Loan Corporation Student Loan Backed Notes	\$325,000,000+
--	----------------

+Not to Exceed

The Office of Financial Management will present two (2) informational items for the Committee’s review:

Asset/Liability Commission Agency Fund Direct Loan 2018 Project Notes dated June 30, 2018	\$27,775,000
---	--------------

Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds Series 2018 (J.O. Blanton House Project) dated October 19, 2018	\$17,000,000
---	--------------

Senator Humphries
Representative Brown
November 6, 2018
Page 2

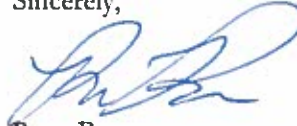
The School Facilities Construction Commission is submitting the following additional information for the Committee's approval:

Kenton County	\$3,620,000*
Mercer County	\$1,010,000*
Muhlenberg County	\$6,540,000*

*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
November 2018 Capital Projects Meeting**

- **Fund A Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Loan Amount</u>	<u>County</u>
A16-039	City of Butler (Increase)	\$ 1,080,574	Pendleton
A19-031	City of Murray	\$ 1,450,000	Calloway

- **Fund B Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Loan Amount</u>	<u>County</u>
B19-003	City of Murray	\$ 1,500,000	Calloway
B19-005	Laurel County Water District #2	\$ 445,000	Laurel

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND A, FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND		Reviewer	Meili Sun	
		Date	November 13, 2018	
		KIA Loan Number	A16-039 (Increase)	
		WRIS Number	SX21191007	
BORROWER		CITY OF BUTLER PENDLETON COUNTY		
BRIEF DESCRIPTION				
This request is for an increase in the amount of 93,331 to KIA loan A16-039 previously approved on June 2, 2016. The increase is necessary because contract bids had come in higher than originally budgeted.				
This project will correct serious and ongoing Infiltration and Inflow (I&I) issues with its collector system by rehabilitating 1 lift station and replacing 13,315 LF of 8inch PVC gravity lines.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$1,080,574	Administrative Expenses	RD Fee %	Actual %
CDBG	971,778	Legal Expenses		
	-	Eng - Design / Const	7.9%	8.0%
	-	Eng - Insp	4.8%	5.0%
	-	Eng - Other		
	-	Construction		
	-	Contingency		
TOTAL	\$2,052,352	TOTAL		\$2,052,352
REPAYMENT	Rate	1.75%	Est. Annual Payment	\$66,429
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	GRW		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Jan-17		
	Construction Start	May-17		
	Construction Stop	Nov-18		
DEBT PER CUSTOMER	Existing	\$117		
	Proposed	\$3,475		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	311	\$38.61	(for 4,000 gallons)
	Additional	0	\$38.61	(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 2015	31,528	19,534	11,994	1.6
Audited 2016	24,000	24,589	(589)	1.0
Audited 2017	67,148	22,489	44,659	3.0
Projected 2018	64,015	22,777	41,238	2.8
Projected 2019	70,370	50,743	19,628	1.4
Projected 2020	80,180	66,429	13,751	1.2
Projected 2021	76,855	66,429	10,426	1.2
Projected 2022	73,463	66,429	7,034	1.1

Reviewer: Meili Sun
Date: November 13, 2018
Loan Number: A16-039 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND A)
CITY OF BUTLER, PENDLETON COUNTY
PROJECT REVIEW
SX21191007**

I. PROJECT DESCRIPTION

This request is for an increase of \$93,331 to the Sewer System Rehabilitation project previously approved on June 2, 2016. The additional funding is needed to replace pavement damaged by the heavy equipment and or the actual construction work completed on the combined water and sewer project SX2119007/WX21191005. Below is the project description from the original loan request.

The City of Butler is requesting a Fund A loan in the amount of \$987,243 for the Sewer System Rehabilitation Project. This project will correct serious and ongoing Infiltration and Inflow (I&I) issues with its collector system by rehabilitating one lift station, replacing 13,315 LF of 8 inch PVC gravity lines and install a new plant flow meter and generator.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 55,000
Engineering Fees - Design / Const	140,705
Engineering Fees - Inspection	87,588
Engineering Fees – Other	12,340
Construction	1,702,725
Contingency	53,994
Total	\$ 2,052,352

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 1,080,574	53%
CDBG Grant	971,778	47%
Total	\$ 2,052,352	100%

IV. KIA DEBT SERVICE

Amortized Loan Amount	\$	1,080,574
Interest Rate		1.75%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	64,268
Administrative Fee (0.20%)		2,161
Total Estimated Annual Debt Service	\$	66,429

V. PROJECT SCHEDULE

Bid Opening	January 2017
Construction Start	May 2017
Construction Stop	November 2018

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Total
Residential	280
Commercial	21
Industrial	10
Total	311

B) Rates

	Sewer Inside City		
	Proposed	Current	Prior
Date of Last Rate Increase	07/01/19	07/01/18	07/01/17
Minimum (up to 2,000 Gallons)	\$24.41	\$23.41	\$22.46
Up to 50,000 Gallons	7.10	6.81	6.53
Cost for 4,000 gallons	\$38.61	\$37.03	\$35.52
Increase %	4.3%	4.2%	
Affordability Index (Rate/MHI)	1.2%	1.2%	1.1%

	Water Inside City		
	Proposed	Current	Prior
Date of Last Rate Increase	07/01/19	07/01/18	07/01/17
Minimum (up to 2,000 Gallons)	\$24.41	\$23.41	\$22.46
Up to 50,000 Gallons	7.10	6.81	6.53
Cost for 4,000 gallons	\$38.61	\$37.03	\$35.52
Increase %	4.3%	4.2%	
Affordability Index (Rate/MHI)	1.2%	1.2%	1.1%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the City's service area population was 741 with a Median Household Income (MHI) of \$37,809. The median household income for the Commonwealth is \$43,036. The project will qualify for a 1.75% interest rate.

Year	Population		County		County Unemployment	
	City	% Change	County	% Change	Date	Rate
1980	663		10,989		June 2005	5.7%
1990	625	-5.7%	12,036	9.5%	June 2010	11.7%
2000	613	-1.9%	14,390	19.6%	June 2015	5.4%
2010	612	-0.2%	14,877	3.4%	June 2018	4.5%
Current	515	-15.8%	14,509	-2.5%		
Cumulative %		-22.3%		32.0%		

VIII. 2016 CAPITALIZATION GRANT EQUIVALENCIES

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

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2015 through 2017. The City reports water and sewer services in a combined statement. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Combined operating revenues increased 16.6% from \$250,147 in 2015 to \$291,701 in 2016 due to previously approved rate increases. Combined operating expenses increased 2.7% during the same period. The debt coverage ratio was 1.6, 1.0, and 3.0 in 2015, 2016, and 2017 respectively.

The balance sheet reflects a current ratio of 2.6, a debt to equity ratio of 0.1, 20.1 days sales in accounts receivable, and 4.0 months operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer and water revenues will increase 4.2% in 2019 and 4.3% in 2020 based on City Ordinance number 322 passed on November 3, 2016.
- 2) Expenses will increase 2% annually for general inflation.
- 3) The City will pay off the existing debt obligations by 2019 when this project is completed.
- 4) Debt service coverage is 1.2 in 2020 when full year principal and interest repayments begin.

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

REPLACEMENT RESERVE

The annual replacement cost is \$2,700. This amount should be added to the replacement account each December 1 until the balance reaches \$27,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Capital Lease	\$ 36,335	2019
Total	<u>\$ 36,335</u>	

XI. CONTACTS

Legal Applicant	
Entity Name	City of Butler
Authorized Official	Greg McElfresh (Mayor)
County	Pendleton
Email	N/A
Phone	(859) 472-5015
Address	102 Front Street PO Box 41006 Butler, KY 41006

Project Administrator	
Name	Bill Mitchell
Organization	Pendleton County Economic Development Office
Email	bill.mitchell@nkadd.org
Phone	(859) 654-4567
Address	135 West Shelby Street, PO Box 171 Falmouth, KY 41040

Consulting Engineer	
PE Name	John Martin
Firm Name	GRW
Email	martin@grwinc.com
Phone	(859) 223-3999
Address	801 Corporate Drive Lexington, KY 40503

XII. RECOMMENDATIONS

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

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

	<u>Audited 2015</u>	<u>Audited 2016</u>	<u>Audited 2017</u>	<u>Projected 2018</u>	<u>Projected 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>
Balance Sheet								
Assets								
Current Assets	116,367	119,460	90,751	132,029	152,357	166,808	177,234	184,268
Other Assets	1,698,763	1,723,925	1,653,979	2,242,985	2,615,877	2,505,230	2,394,583	2,283,936
Total	1,815,130	1,843,385	1,744,730	2,375,014	2,768,234	2,672,038	2,571,817	2,468,204
Liabilities & Equity								
Current Liabilities	42,883	31,258	35,484	35,774	36,074	36,374	36,674	36,974
Long Term Liabilities	108,438	176,391	59,535	687,445	1,103,774	1,103,774	1,103,774	1,103,774
Total Liabilities	151,321	207,649	95,019	723,219	1,139,848	1,140,148	1,140,448	1,140,748
Net Assets	1,663,809	1,635,736	1,649,711	1,651,795	1,628,386	1,531,890	1,431,369	1,327,456
Cash Flow								
Revenues	250,147	261,129	291,701	291,701	303,952	317,022	317,022	317,022
Operating Expenses	218,744	237,646	224,693	227,826	233,722	236,982	240,307	243,699
Other Income	125	517	140	140	140	140	140	140
Cash Flow Before Debt Service	31,528	24,000	67,148	64,015	70,370	80,180	76,855	73,463
Debt Service								
Existing Debt Service	19,534	24,589	22,489	22,777	17,528	0	0	0
Proposed KIA Loan	0	0	0	0	33,215	66,429	66,429	66,429
Total Debt Service	19,534	24,589	22,489	22,777	50,743	66,429	66,429	66,429
Cash Flow After Debt Service	11,994	(589)	44,659	41,238	19,628	13,751	10,426	7,034
Ratios								
Current Ratio	2.7	3.8	2.6	3.7	4.2	4.6	4.8	5.0
Debt to Equity	0.1	0.1	0.1	0.4	0.7	0.7	0.8	0.9
Days Sales in Accounts Receivable	30.4	29.1	20.1	20.1	20.2	20.1	20.1	20.1
Months Operating Expenses in Unrestricted Cash	3.4	3.3	4.0	6.1	7.0	7.6	8.1	8.3
Debt Coverage Ratio	1.6	1.0	3.0	2.8	1.4	1.2	1.2	1.1

EXECUTIVE SUMMARY		Reviewer	Ashley Adams	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	November 13, 2018	
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A19-031	
REVOLVING LOAN FUND		WRIS Number	SX21035025	
BORROWER	CITY OF MURRAY CALLOWAY COUNTY			
BRIEF DESCRIPTION				
This project will reduce infiltration into the sewer system, eliminate an active SSO, and reduce pumping and operating costs for the wastewater system by replacing or re-routing approximately 5,200 linear feet of existing sewer and 28 brick manholes around the City of Murray.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$1,450,000	RD Fee %	Actual %	
Local Funds	126,500			
				Administrative Expenses \$10,000
				Legal Expenses 2,000
				Land, Easements 2,000
		Eng - Design / Const 8.4%	8.4%	115,000
		Eng - Insp 5.2%	4.7%	64,500
		Eng - Other		6,000
		Construction		1,252,000
		Contingency		120,000
		Other		5,000
TOTAL	\$1,576,500	TOTAL		\$1,576,500
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$79,176
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	HMB, Inc		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Feb-19		
	Construction Start	Apr-19		
	Construction Stop	Mar-20		
DEBT PER CUSTOMER	Existing	\$4,333		
	Proposed	\$6,844		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	9,679	\$42.84	(for 4,000 gallons)
	Additional	0	\$42.84	(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 2015	2,230,671	235,758	1,994,913	9.5
Audited 2016	3,731,442	231,849	3,499,593	16.1
Audited 2017	4,653,158	523,123	4,130,035	8.9
Projected 2018	4,959,779	212,069	4,747,710	23.4
Projected 2019	5,312,282	1,362,583	3,949,699	3.9
Projected 2020	4,756,908	3,694,480	1,062,428	1.3
Projected 2021	4,746,447	3,773,276	973,171	1.3
Projected 2022	4,738,513	3,773,928	964,585	1.3

Reviewer: Ashley Adams
 Date: November 13, 2018
 Loan Number: A19-031

**KENTUCKY INFRASTRUCTURE AUTHORITY
 WASTEWATER REVOLVING LOAN FUND (FUND A)
 CITY OF MURRAY, CALLOWAY COUNTY
 PROJECT REVIEW
 SX21035025**

I. PROJECT DESCRIPTION

The City of Murray is requesting a Fund A loan in the amount of \$1,450,000 for the Combined Sewer Project. The project will replace or re-route the existing sewer which flows into the new East Fork Clark’s River Interceptor from manhole (MH) 5-11 to MH 5-44. It consists of upgrading approximately 3,600 linear feet (LF) of 12” VCP sewer main with 18” PVC, 300 LF with 10” PVC, and replacing 22 brick manholes with reinforced concrete manholes. The Project will then replace or re-route the existing sewer which flows into the new East Fork Clark’s River Interceptor from MH 2-3 to MH 2-8. It consists of upgrading approximately 1,600 LF of 12” VCP sewer main with 18” PVC sewer main and replacing 6 brick manholes with reinforced concrete manholes.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 10,000
Legal Expenses	2,000
Land, Easements	2,000
Engineering Fees - Design	85,000
Engineering Fees - Construction	30,000
Engineering Fees - Inspection	64,500
Engineering Fees - Other	6,000
Construction	1,252,000
Contingency	120,000
Other	5,000
Total	\$ 1,576,500

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 1,450,000	92%
Local Funds	126,500	8%
Total	\$ 1,576,500	100%

IV. KIA DEBT SERVICE

Construction Loan	\$	1,450,000
Less: Principal Forgiveness		0
Amortized Loan Amount	\$	1,450,000
Interest Rate		0.50%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	76,276
Administrative Fee (0.20%)		2,900
Total Estimated Annual Debt Service	\$	79,176

V. PROJECT SCHEDULE

Bid Opening	February 2019
Construction Start	April 2019
Construction Stop	March 2020

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

	<u>Current</u>
Residential	8,154
Commercial	1,514
Industrial	11
Total	9,679

B) Rates

Sewer	Inside City		Outside City	
	Current	Prior	Current	Prior
Date of Last Rate Increase	07/01/18	01/01/18	07/01/18	01/01/18
Minimum (2,000 gallons)	\$25.14	\$23.33	\$39.85	\$38.04
Next 2,000 Gallons (per 1,000)	8.85	8.21	14.02	13.38
Cost for 4,000 gallons	\$42.84	\$39.75	\$67.89	\$64.80
Increase %	7.8%		4.8%	
Affordability Index (Rate/MHI)	1.9%		3.0%	

Water	Inside City		Outside City	
	Current	Prior	Current	Prior
Date of Last Rate Increase	07/01/18	01/01/18	07/01/18	01/01/18
Minimum (2,000 gallons)	\$13.45	\$12.23	\$20.54	\$19.32
Next 2,000 Gallons (per 1,000)	3.76	3.42	5.77	5.43
Cost for 4,000 gallons	\$20.97	\$19.07	\$32.08	\$30.18
Increase %	10.0%		6.3%	
Affordability Index (Rate/MHI)	0.9%		1.4%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Murray Water and Wastewater System service area population was 19,390 with a Median Household Income (MHI) of \$25,556. The median household income for the Commonwealth is \$44,811. The project will qualify for a 0.5% interest rate based on MHI.

Year	Population		County	% Change	County Unemployment	
	City	% Change			Date	Rate
1980	14,248		30,031		June 2005	6.2%
1990	14,439	1.3%	30,735	2.3%	June 2010	7.9%
2000	14,950	3.5%	34,177	11.2%	June 2015	5.1%
2010	17,741	18.7%	37,191	8.8%	June 2018	4.7%
Current	18,726	5.6%	38,302	3.0%		
Cumulative %		31.4%		27.5%		

VIII. 2018 CAPITALIZATION GRANT EQUIVALENCIES

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

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2015 through June 30, 2017. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2016 and 2017 operating expenses. The audit includes a combined balance sheet and income statement for water and sewer. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Combined water and sewer revenues increased 37% from 2015 to 2017 due to ongoing rate increases that started in 2012 in anticipation of a major sewer treatment plant project funded by KIA (A12-012) and other capital improvements. Operating expenses for water and sewer have remained relatively flat at 1% for the same time period. The debt coverage ratio was 9.5, 16.1, and 8.9 from 2015 through 2017, respectively. The City paid off their 2001 Revenue Bond series in FY 2017.

The balance sheet reflects a current ratio of 2.7, a debt to equity ratio of 1.6, 21.1 days sales in accounts receivable, and 13.9 months operating expenses in unrestricted cash. Cash is expected to decrease significantly when debt service payments begin for KIA loan A12-12 which is currently targeted for FY 2020.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase approximately 5% in 2018 and 5% in 2019 due to a mid-year rate increase which is the last of expected increases established by prior ordinance. Past that, revenues will increase approximately 1% annually for growth.
- 2) Expenses will increase 2% annually for inflation. When the sewer treatment plant expansion funded by KIA Loan A12-12 becomes fully operational in 2020, operating expenses are expected to increase approximately \$400,000 annually.
- 3) Proposed debt service and replacement reserves for KIA loans B19-003 and A19-031 have been included in this analysis.
- 4) Debt service coverage is 1.3 in 2020 when full year principal and interest repayments begin.

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

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$72,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$3,600 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding Maturity</u>	
KY ADD Financing Trust	\$ 585,000	2023
2001 Revenue Bonds	434,000	2041
KIA Loan A07-06	765,819	2029
KIA Loan A12-12 (\$21,360,527 remaining to draw)	40,154,473	TBD
Total	\$ 41,939,292	

XI. CONTACTS

Legal Applicant	
Entity Name	City of Murray
Authorized Official	Jack Rose (Mayor)
County	Calloway
Email	jack.rose@murrayky.gov
Phone	270-762-0300
Address	500 Main Street Murray, KY 42071

Applicant Contact	
Name	David Roberts
Organization	City of Murray
Email	david.roberts@murrayky.gov
Phone	270-762-0350
Address	500 Main St Murray, KY 42071

Project Administrator	
Name	Marisa Stewart
Organization	City of Murray
Email	marisa.stewart@murrayky.gov
Phone	270-762-0350
Address	500 Main St Murray, KY 42071

Consulting Engineer

PE Name	Jeff Reynolds
Firm Name	HMB, INC
Email	jdreynolds@hmbpe.com
Phone	502-695-9800
Address	3 HMB Circle Frankfort, KY 40601

XII. RECOMMENDATIONS

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

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

	<u>Audited 2015</u>	<u>Audited 2016</u>	<u>Audited 2017</u>	<u>Projected 2018</u>	<u>Projected 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>
Balance Sheet								
Assets								
Current Assets	811,229	4,659,707	5,829,541	6,328,637	6,749,107	3,360,750	3,463,467	3,565,425
Other Assets	33,367,156	48,633,563	71,062,109	85,995,996	101,826,825	102,043,307	101,391,208	100,731,382
Total	34,178,385	53,293,270	76,891,650	92,324,633	108,575,932	105,404,057	104,854,675	104,296,807
Liabilities & Equity								
Current Liabilities	879,584	3,811,382	2,154,012	3,104,563	4,070,455	4,131,442	4,194,418	4,257,918
Long Term Liabilities	8,264,564	22,679,684	45,633,656	56,582,954	68,347,702	67,112,073	65,063,018	62,988,963
Total Liabilities	9,144,148	26,491,066	47,787,668	59,687,517	72,418,157	71,243,515	69,257,436	67,246,881
Net Assets	25,034,237	26,802,204	29,103,982	32,637,116	36,157,775	34,160,542	35,597,239	37,049,926
Cash Flow								
Revenues	6,522,408	7,708,251	8,953,835	9,374,208	9,815,600	9,908,292	10,001,911	10,096,466
Operating Expenses	4,307,175	4,005,978	4,357,283	4,444,429	4,533,318	5,181,384	5,285,464	5,387,953
Other Income	15,438	29,169	56,606	30,000	30,000	30,000	30,000	30,000
Cash Flow Before Debt Service	2,230,671	3,731,442	4,653,158	4,959,779	5,312,282	4,756,908	4,746,447	4,738,513
Debt Service								
Existing Debt Service	235,758	231,849	523,123	212,069	1,322,995	3,615,304	3,615,194	3,615,846
Proposed KIA Loan(s)	0	0	0	0	39,588	79,176	158,082	158,082
Total Debt Service	235,758	231,849	523,123	212,069	1,362,583	3,694,480	3,773,276	3,773,928
Cash Flow After Debt Service	1,994,913	3,499,593	4,130,035	4,747,710	3,949,699	1,062,428	973,171	964,585
Ratios								
Current Ratio	0.9	1.2	2.7	2.0	1.7	0.8	0.8	0.8
Debt to Equity	0.4	1.0	1.6	1.8	2.0	2.1	1.9	1.8
Days Sales in Accounts Receivable	22.7	21.4	21.1	21.1	21.1	21.1	21.1	21.1
Months Operating Expenses in Unrestricted Cash	0.2	11.7	13.9	14.9	15.7	6.0	6.2	6.3
Debt Coverage Ratio	9.5	16.1	8.9	23.4	3.9	1.3	1.3	1.3

EXECUTIVE SUMMARY		Reviewer	Ashley Adams	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	November 13, 2018	
FUND B, INFRASTRUCTURE		KIA Loan Number	B19-003	
REVOLVING LOAN FUND		WRIS Number	WX21035037	
BORROWER	CITY OF MURRAY CALLOWAY COUNTY			
BRIEF DESCRIPTION				
This project will demolish an existing 1 million gallon below-grade, cast-in-place concrete clearwell which has structural problems including a collapsing roof and a significantly cracked bottom slab. A new 1 million gallon clearwell will be constructed to replace the one currently out of service. In addition, a new high service pump station will be installed. Construction is already underway with an anticipated construction completion of January 2019. KIA will be reimbursing the City for a portion of the project construction costs.				
PROJECT FINANCING		PROJECT BUDGET		
Fund B Loan	\$1,500,000	Eng - Design / Const	RD Fee % 6.9%	Actual % 3.4%
Local Funds	3,092,253	Eng - Insp	3.6%	4.7%
		Construction		
TOTAL	<u>\$4,592,253</u>	TOTAL		<u>4,250,453</u>
				<u>\$4,592,253</u>
REPAYMENT	Rate	0.50%	Est. Annual Payment \$81,906	
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Strand Associates, Inc.		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Apr-17		
	Construction Start	Jul-17		
	Construction Stop	Jan-19		
DEBT PER CUSTOMER	Existing	\$4,417		
	Proposed	\$7,138		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	9,496	\$20.97 (for 4,000 gallons)	
	Additional	0	\$20.97 (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 2015	2,230,671	235,758	1,994,913	9.5
Audited 2016	3,731,442	231,849	3,499,593	16.1
Audited 2017	4,653,158	523,123	4,130,035	8.9
Projected 2018	4,959,779	212,069	4,747,710	23.4
Projected 2019	5,312,282	1,363,948	3,948,334	3.9
Projected 2020	4,756,708	3,697,210	1,059,498	1.3
Projected 2021	4,746,247	3,773,376	972,871	1.3
Projected 2022	4,738,313	3,774,028	964,285	1.3

Reviewer: Ashley Adams
Date: November 13, 2018
Loan Number: B19-003

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)
CITY OF MURRAY, CALLOWAY COUNTY
PROJECT REVIEW
WX21035037**

I. PROJECT DESCRIPTION

The City of Murray is requesting a Fund B loan in the amount of \$1,500,000 for the Clearwell at Water Treatment Plant project. The project includes demolition of an existing 1,000,000 gallon below-grade cast-in-place concrete clearwell, which has structural problems including a subsiding roof and a significantly cracked bottom slab with a new 1,000,000 gallon below grade cast-in-place clearwell. Site piping improvements are also included in the project to allow the City to operate either clearwell individually or both at the same time.

In addition to the clearwell replacement, a new high service pump station will be installed. The new pump station will include three new high service pumps as part of this project to match the existing capacity of the WTP with space for a fourth high service pump for future expansion. The new high service pump station will also include two new backwash pumps.

This project was originally going to be fully funded by the City but they have requested a partial reimbursement of their funds from KIA. Construction is already near completion.

II. PROJECT BUDGET

	<u>Total</u>
Engineering Fees - Design	\$ 86,000
Engineering Fees - Construction	57,800
Engineering Fees - Inspection	198,000
Construction	4,250,453
Total	\$ 4,592,253

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 1,500,000	33%
Local Funds	3,092,253	67%
Total	\$ 4,592,253	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 1,500,000
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 1,500,000
Interest Rate	0.50%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 78,906
Administrative Fee (0.20%)	3,000
Total Estimated Annual Debt Service	\$ 81,906

V. PROJECT SCHEDULE

Bid Opening:	April 2017
Construction Start:	July 2017
Construction Stop:	January 2019

VI. RATE STRUCTURE

A. Customers

	<u>Current</u>
Residential	8,060
Commercial	1,424
Industrial	12
Total	9,496

B. Rates

Water	Inside City		Outside City	
	Current	Prior	Current	Prior
Date of Last Rate Increase	07/01/18	01/01/18	07/01/18	01/01/18
Minimum (2,000 gallons)	\$13.45	\$12.23	\$20.54	\$19.32
Next 2,000 Gallons (per 1,000)	3.76	3.42	5.77	5.43
Cost for 4,000 gallons	\$20.97	\$19.07	\$32.08	\$30.18
Increase %	10.0%		6.3%	
Affordability Index (Rate/MHI)	0.9%		1.4%	

Sewer	Inside City		Outside City	
	Current	Prior	Current	Prior
Date of Last Rate Increase	07/01/18	01/01/18	07/01/18	01/01/18
Minimum (2,000 gallons)	\$25.14	\$23.33	\$39.85	\$38.04
Next 2,000 Gallons (per 1,000)	8.85	8.21	14.02	13.38
Cost for 4,000 gallons	\$42.84	\$39.75	\$67.89	\$64.80
Increase %	7.8%		4.8%	
Affordability Index (Rate/MHI)	1.9%		3.0%	

The City implemented biannual rate increases beginning January 2012 and ending in July 2018. All expected rate increases have been implemented at this time.

DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Murray Water System's service area population was 21,763 with a Median Household Income (MHI) of \$27,487. The median household income for the Commonwealth is \$44,811. The project will qualify for a 0.5% interest rate based on MHI.

Year	Population		County		County Unemployment	
	City	% Change	County	% Change	Date	Rate
1980	14,248		30,031		June 2005	6.2%
1990	14,439	1.3%	30,735	2.3%	June 2010	7.9%
2000	14,950	3.5%	34,177	11.2%	June 2015	5.1%
2010	17,741	18.7%	37,191	8.8%	June 2018	4.7%
Current	18,726	5.6%	38,302	3.0%		
Cumulative %		31.4%		27.5%		

VII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2015 through June 30, 2017. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2016 and 2017 operating expenses. The audit includes a combined balance sheet and income statement for water and sewer. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented

HISTORY

Combined water and sewer revenues increased 37% from 2015 to 2017 due to ongoing rate increases that started in 2012 in anticipation of a major sewer treatment plant project funded by KIA (A12-012) and other capital improvements. Operating expenses for water and sewer have remained relatively flat at 1% for the same time period. The debt coverage ratio was 9.5, 16.1, and 8.9 from 2015 through 2017, respectively. The City paid off their 2001 Revenue Bond series in FY 2017.

The balance sheet reflects a current ratio of 2.7, a debt to equity ratio of 1.6, 21.1 days sales in accounts receivable, and 13.9 months operating expenses in unrestricted cash. Cash is expected to decrease significantly when debt service payments begin for KIA loan A12-12 which is currently targeted for FY 2020.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase approximately 5% in 2018 and 5% in 2019 due to a mid-year rate increase which is the last of expected increases established by prior ordinance. Past that, revenues will increase approximately 1% annually for growth.
- 2) Expenses will increase 2% annually for inflation. When the sewer treatment plant expansion funded by KIA Loan A12-12 becomes fully operational in 2020, operating expenses are expected to increase approximately \$400,000 annually.
- 3) Proposed debt service and replacement reserves for KIA loans B19-003 and A19-031 have been included in this analysis.
- 4) Debt service coverage is 1.3 in 2020 when full year principal and interest repayments begin.

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

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$76,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$3,800 yearly) each December 1 for 20 years and maintained for the life of the loan.

VIII. DEBT OBLIGATIONS

	Outstanding	Maturity
KY ADD Financing Trust	\$ 585,000	2023
2001 Revenue Bonds (Paid off)	434,000	2041
KIA Loan A07-06	765,819	2029
KIA Loan A12-12 (\$21,360,527 remaining to draw)	40,154,473	TBD
Total	\$41,939,292	

IX. CONTACTS

Legal Applicant	
Entity Name	City of Murray
Authorized Official	Jack Rose (Mayor)
County	Calloway
Email	jack.rose@murrayky.gov
Phone	270-762-0300
Address	500 Main Street Murray, KY 42071

Project Administrator	
Name	Marisa Stewart
Organization	City of Murray
Email	marisa.stewart@murrayky.gov
Phone	270-762-0350
Address	500 Main St Murray, KY 42071

Consulting Engineer	
PE Name	Andrew Esarey
Firm Name	Strand Associates, Inc.
Email	andrew.esarey@strand.com
Phone	502-583-7020
Address	325 West Main Street, Suite 710 Louisville, KY 40202

X. RECOMMENDATIONS

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

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

	<u>Audited 2015</u>	<u>Audited 2016</u>	<u>Audited 2017</u>	<u>Projected 2018</u>	<u>Projected 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>
Balance Sheet								
Assets								
Current Assets	811,229	4,659,707	5,829,541	6,328,637	6,748,970	3,360,320	3,463,007	3,564,936
Other Assets	33,367,156	48,633,563	71,062,109	85,995,995	102,152,346	102,617,548	101,889,786	101,154,296
Total	34,178,385	53,293,270	76,891,650	92,324,632	108,901,316	105,977,868	105,352,793	104,719,232
Liabilities & Equity								
Current Liabilities	879,584	3,811,382	2,154,012	3,104,563	4,070,455	4,131,442	4,194,418	4,257,918
Long Term Liabilities	8,264,564	22,679,684	45,633,656	56,582,953	68,674,451	67,765,572	65,716,517	63,642,462
Total Liabilities	9,144,148	26,491,066	47,787,668	59,687,516	72,744,906	71,897,014	69,910,935	67,900,380
Net Assets	25,034,237	26,802,204	29,103,982	32,637,116	36,156,410	34,080,854	35,441,858	36,818,852
Cash Flow								
Revenues	6,522,408	7,708,251	8,953,835	9,374,208	9,815,600	9,908,292	10,001,911	10,096,466
Operating Expenses	4,307,175	4,005,978	4,357,283	4,444,429	4,533,318	5,181,584	5,285,664	5,388,153
Other Income	15,438	29,169	56,606	30,000	30,000	30,000	30,000	30,000
Cash Flow Before Debt Service	2,230,671	3,731,442	4,653,158	4,959,779	5,312,282	4,756,708	4,746,247	4,738,313
Debt Service								
Existing Debt Service	235,758	231,849	523,123	212,069	1,322,995	3,615,304	3,615,194	3,615,846
Proposed KIA Loan(s)	0	0	0	0	40,953	81,906	158,182	158,182
Total Debt Service	235,758	231,849	523,123	212,069	1,363,948	3,697,210	3,773,376	3,774,028
Cash Flow After Debt Service	1,994,913	3,499,593	4,130,035	4,747,710	3,948,334	1,059,498	972,871	964,285
Ratios								
Current Ratio	0.9	1.2	2.7	2.0	1.7	0.8	0.8	0.8
Debt to Equity	0.4	1.0	1.6	1.8	2.0	2.1	2.0	1.8
Days Sales in Accounts Receivable	22.7	21.4	21.1	21.1	21.1	21.1	21.1	21.1
Months Operating Expenses in Unrestricted Cash	0.2	11.7	13.9	14.9	15.7	6.0	6.2	6.3
Debt Coverage Ratio	9.5	16.1	8.9	23.4	3.9	1.3	1.3	1.3

EXECUTIVE SUMMARY		Reviewer	Meili Sun		
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	November 13, 2018		
FUND B, INFRASTRUCTURE		KIA Loan Number	B19-005		
REVOLVING LOAN FUND		WRIS Number	WX21125020		
BORROWER		LAUREL COUNTY WATER DISTRICT #2 LAUREL COUNTY			
BRIEF DESCRIPTION					
The proposed project will construct a new 500,000 gallon elevated water storage tank. The multi-column type storage tank will be built on a site within the Greer Industrial Park located just south of London, KY. The new storage tank will provide excess capacity to supply anticipated demand growth associated with new residential developments and industry. In addition, the new tank will increase water pressure during periods of peak demand, which will improve service for up to 1,200 existing customers and enhance the level of fire protection in the area.					
PROJECT FINANCING		PROJECT BUDGET			
Fund B Loan	\$445,000	Administrative Expenses	RD Fee %	Actual %	
USACOE Sec 531	1,300,000	Legal Expenses		\$15,000	
Local Fund	30,000	Land, Easements		5,000	
	-	Eng - Design / Const	8.2%	7.6%	
	-	Eng - Insp	5.1%	4.7%	
	-	Eng - Other		117,000	
	-	Construction		73,000	
	-	Contingency		25,000	
TOTAL	\$1,775,000	TOTAL		\$1,775,000	
REPAYMENT		Rate	0.50%	Est. Annual Payment	
		Term	30 Years	\$16,882	
			1st Payment	6 Mo. after first draw	
PROFESSIONAL SERVICES		Engineer	Monarch Engineering, Inc.		
		Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE		Bid Opening	Feb-19		
		Construction Start	Mar-19		
		Construction Stop	Mar-20		
DEBT PER CUSTOMER		Existing	\$1,402		
		Proposed	\$1,781		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>		
	Current	5,997	\$31.33 (for 4,000 gallons)		
	Additional	0	\$31.33 (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 2015	744,988	566,026	178,962	1.3	
Audited 2016	996,842	650,046	346,796	1.5	
Audited 2017	637,665	524,172	113,493	1.2	
Projected 2018	600,894	502,187	98,707	1.2	
Projected 2019	847,942	493,130	354,812	1.7	
Projected 2020	1,040,638	608,562	432,076	1.7	
Projected 2021	1,000,517	617,068	383,449	1.6	
Projected 2022	960,715	617,416	343,299	1.6	

Reviewer: Meili Sun
Date: November 13, 2018
Loan Number: B19-005

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)
LAUREL COUNTY WATER DISTRICT #2, LAUREL COUNTY
PROJECT REVIEW
WX21125020**

I. PROJECT DESCRIPTION

The Laurel County Water District #2 is requesting a Fund B loan in the amount of \$445,000 for the Fariston Water Storage Tank project. The proposed project will construct a new 500,000 gallon elevated water storage tank. The multi-column type storage will be built on a site within the Greer Industrial Park. The new storage tank will provide excess capacity to supply anticipated demand growth associated with new residential developments and industries. In addition, the water pressure will be increased during periods of peak demand, which will improve service for up to 1,200 existing customers and enhance the level of fire protection in the area.

The Public Service Commission has jurisdiction over this project. The District must obtain a Certificate of Public Convenience and Necessity in order to construct and finance the project. The PSC review and approval will occur after bids are received and is expected to take approximately 60 days.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 15,000
Legal Expenses	5,000
Engineering Fees – Design	117,000
Engineering Fees – Inspection	73,000
Engineering Fees – Other	25,000
Construction	1,400,000
Contingency	140,000
Total	\$ 1,775,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
KIA Fund B Loan	\$ 445,000	25%
USACOE Sec 531	1,300,000	73%
Local Fund	30,000	2%
Total	\$1,775,000	100%

IV. KIA DEBT SERVICE

Amortized Loan Amount	\$	445,000
Interest Rate		0.50%
Loan Term		30
Estimated Annual Debt Service	\$	15,992
Administrative Fee (0.20%)		890
Annual Debt Service	\$	16,882

V. PROJECT SCHEDULE

Bid Opening	February 2019
Construction Start	March 2019
Construction Stop	March 2020

VI. RATE STRUCTURE

A. Customers

Customers	Current
Residential	5,635
Commercial	362
Industrial	
Total	5,997

B. Rates

	Proposed	Current	Prior
Date of Rate Increase	Pending	03/14/16	04/20/10
First 1,000 Gallons	\$21.60	\$20.71	24.17
Over 1,000 Gallons	5.52	5.20	6.87
Cost for 4,000 Gallons	\$31.33	\$25.08	\$22.49
Increase Percent	24.9%	11.5%	
Affordability Index (Rate/MHI)	1.2%	1.0%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 14,649 with a Median Household Income (MHI) of \$31,670. The median household income for the Commonwealth is \$44,811. The project will qualify for a 0.50% interest rate with a 30 year loan term because its Median Household Income is below 80% of the State average.

Year	Population		County	% Change	County Unemployment	
	City	% Change			Date	Rate
1980	4,002		38,982		June 2005	5.8%
1990	5,757	43.9%	43,438	11.4%	June 2010	10.8%
2000	5,692	-1.1%	52,715	21.4%	June 2015	6.4%
2010	7,993	40.4%	58,849	11.6%	June 2018	5.7%
Current	8,111	1.5%	59,950	1.9%		
Cumulative %		102.7%		53.8%		

VIII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2015 through June 30, 2017. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2015, 2016, and 2017 operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Revenues went up 5.5% from \$2.3 million in 2015 to \$2.5 million in 2017. Operating expenses increased 15.1% from \$1.6 million to \$1.9 million during the same period as a result of higher personnel costs in 2017. Based on the salary scale published by the Kentucky Rural Water Association, the District's employees had been paid well below the median rates. A decision was made in 2017 to increase all employee salaries to at or near the median level. Debt coverage ratio was 1.3, 1.5, and 1.2 in 2015, 2016, and 2017 respectively.

The balance sheet reflects a current ratio of 5.2, debt to equity ratio of 1.5, 49.5 days sales in accounts receivable, and 8.2 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will go up 25% by 2020 based on the proposed rate increase pending PSC approval.
- 2) Operating expenses will increase 2% annually for general inflation.
- 3) Debt Coverage Ratio is 1.7 in 2020 when full year principal and interest repayments begin.

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

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$22,000 total) of the final amount borrowed to be funded annually (\$1,100 yearly) each December 1 for 20 years and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	Outstanding	Maturity
KIA B294-02 Loan	\$ 150,008	2025
RD Bond 1998 Issue	381,000	2036
RD Bond 2012A Issue	5,719,500	2051
RD Bond 2012B Issue	2,150,000	2051
KRWFC Loan	9,075	2018
Total	\$ 8,409,583	

X. CONTACTS

Legal Applicant	
Name	Laurel County Water District #2
Address	PO Box 2598, 3910 S Laurel Road London, KY 40744
County	Laurel
Authorized Official	Roy Wayne Jenkins
Phone	(606) 878-2494

Project Contact - Applicant	
Name	Kenneth Fisher
Representing	Laurel County Water District #2
Address	PO Box 2598, 3910 S Laurel Road London, KY 40744
Phone	(606) 878-2494
Email	kfisher@laurelwater.com

Project Administrator/Consulting Engineer

Name	James Mudd
Representing	Monarch Engineering, Inc
Address	556 Carlton Drive Lawrenceburg, KY 40342
Phone	(502) 839-1310
Email	lmudd@monarchengineering.net

XI. RECOMMENDATIONS

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

LAUREL COUNTY WATER DISTRICT #2
FINANCIAL SUMMARY (DECEMBER YEAR END)

	<u>Audited</u> <u>2015</u>	<u>Audited</u> <u>2016</u>	<u>Audited</u> <u>2017</u>	<u>Projected</u> <u>2018</u>	<u>Projected</u> <u>2019</u>	<u>Projected</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>
Balance Sheet								
Assets								
Current Assets	2,029,974	1,972,874	1,709,143	1,728,888	1,838,451	1,968,266	2,044,956	2,113,616
Other Assets	15,352,441	15,393,524	15,494,113	14,713,124	15,530,113	17,985,375	18,982,909	18,773,323
Total	17,382,415	17,366,398	17,203,256	16,442,012	17,368,564	19,953,641	21,027,865	20,886,939
Liabilities & Equity								
Current Liabilities	516,009	420,596	327,604	325,569	334,240	341,915	350,095	357,390
Long Term Liabilities	9,715,729	9,644,038	9,874,203	9,576,759	10,101,609	11,990,684	12,745,979	12,570,979
Total Liabilities	10,231,738	10,064,634	10,201,807	9,902,328	10,435,849	12,332,599	13,096,074	12,928,369
Net Assets	7,150,677	7,301,764	7,001,449	6,539,684	6,932,715	7,621,042	7,931,791	7,958,570
Cash Flow								
Revenues	2,328,501	2,583,036	2,458,021	2,458,021	2,742,575	3,062,699	3,062,699	3,062,699
Operating Expenses	1,595,885	1,603,460	1,838,540	1,875,311	1,912,817	2,040,245	2,080,366	2,120,168
Other Income	12,372	17,266	18,184	18,184	18,184	18,184	18,184	18,184
Cash Flow Before Debt Service	744,988	996,842	637,665	600,894	847,942	1,040,638	1,000,517	960,715
Debt Service								
Existing Debt Service	566,026	650,046	524,172	502,187	493,130	600,121	600,186	600,534
Proposed KIA Loan	0	0	0	0	0	8,441	16,882	16,882
Total Debt Service	566,026	650,046	524,172	502,187	493,130	608,562	617,068	617,416
Cash Flow After Debt Service	178,962	346,796	113,493	98,707	354,812	432,076	383,449	343,299
Ratios								
Current Ratio	3.9	4.7	5.2	5.3	5.5	5.8	5.8	5.9
Debt to Equity	1.4	1.4	1.5	1.5	1.5	1.6	1.7	1.6
Days Sales in Accounts Receivable	41.0	47.5	49.5	49.5	49.5	49.5	49.5	49.5
Months Operating Expenses in Unrestricted Cash	12.2	11.4	8.2	8.2	8.4	8.8	9.1	9.3
Debt Coverage Ratio	1.3	1.5	1.2	1.2	1.7	1.7	1.6	1.6

NEW BOND ISSUE REPORT

Name of Issue:	\$325,000,000 Kentucky Higher Education Student Loan Corporation (“KHESLC”) Student Loan Backed Notes to be issued in one or more tranches in an interim or permanent mode	
Purpose of Issue:	The LIBOR Indexed Student Loan Backed Notes are being issued in one or more tranches in an interim or permanent mode for the purpose of financing Federal Family Education Loan Program (“FFELP”) Student Loans and rehabilitated FFELP loans. The Student Loan Backed Notes will be either Directly Placed Notes (“DPNs”) or Floating Rate Notes (“FRNs”), will bear interest on the basis of a fixed spread to LIBOR (as do the FFELP Loans to be financed) and will be issued on a taxable and/or tax-exempt basis. KHESLC’s Board of Directors has provided preliminary bond issuance authorization and approval of up to \$460 million through June 30, 2019. \$325 million of the \$460 million was estimated for potential FFELP loans.	
Proposed Date of Sale:	[Various dates on or prior to June 30, 2019]	
Proposed Date of Issue:	[Various dates on or prior to June 30, 2019]	
Rating (Anticipated):	TBD	
Estimated Net Proceeds For Project⁽¹⁾:	Estimated Net Proceeds	\$ 325,000,000
	Debt Service Reserve Fund	1,137,500
	<u>Cost of Issuance</u>	<u>1,670,000</u>
	Gross Proceeds	\$ 327,807,500
Expected Initial Interest Rates⁽¹⁾:	One Month LIBOR + 0.75%	
Length of Term⁽¹⁾:	Final Maturity Date: January 1, 2049	
Gross Debt Service⁽¹⁾:	\$ 407,124,082	
Average Annual Debt Service⁽¹⁾:	\$ 27,141,605	
First Call:	TBD	

(1) Assuming a single \$325,000,000 issuance, typical FFELP portfolio characteristics and current market conditions

Method of Sale:	DPNs: Direct Placed; FRNs: Negotiated
Bond Counsel:	Hawkins Delafield & Wood LLP
Purchaser:	For any DPNs, Bank of America, N.A. and/or an affiliate of Bank of America Corporation
Purchaser's Counsel:	For any DPNs, Chapman and Cutler LLP
Underwriter:	For any FRNs, Bank of America Merrill Lynch
Underwriter's Counsel:	For any FRNs, Kutak Rock LLP
Financial Advisor:	SL Capital Strategies LLC
Trustee:	TBD

**Kentucky Higher Education Student Loan Corporation (KHESLC)
LIBOR Indexed Student Loan Backed Notes⁽¹⁾**

Date	Annual Gross Debt Service		
	Interest	Principal	Total
1/23/2019	\$ -	\$ -	\$ -
1/1/2020	10,460,723	26,292,622	36,753,345
1/1/2021	11,164,468	27,182,442	38,346,910
1/1/2022	10,236,833	25,400,233	35,637,066
1/1/2023	9,051,413	28,612,467	37,663,880
1/1/2024	7,823,631	32,543,640	40,367,271
1/1/2025	6,632,070	31,354,823	37,986,893
1/1/2026	5,515,206	29,776,042	35,291,248
1/1/2027	4,408,742	28,230,802	32,639,544
1/1/2028	3,350,992	26,013,936	29,364,928
1/1/2029	2,471,670	17,784,205	20,255,875
1/1/2030	4,479,945	13,204,387	17,684,332
1/1/2031	3,407,678	12,708,872	16,116,550
1/1/2032	2,120,382	11,904,179	14,024,561
1/1/2033	937,042	10,723,330	11,660,372
1/1/2034	63,286	3,268,020	3,331,306
Total	\$ 82,124,082	\$ 325,000,000	\$ 407,124,082

(1) Assuming a single \$325,000,000 issuance, typical FFELP portfolio characteristics and current market conditions



MATTHEW G. BEVIN
Governor

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

WILLIAM M. LANDRUM III
Secretary

RYAN BARROW
Executive Director

June 20, 2018

William M. Landrum III
Secretary
Finance and Administration Cabinet
Executive Director
Kentucky Asset/Liability Commission
702 Capital Annex
Frankfort, KY 40601

Dear Secretary Landrum:

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 \$27,775,000 Asset/Liability Commission Agency Fund Direct Loan 2018 Project Note dated June 20, 2018.

Sincerely,

A handwritten signature in blue ink, appearing to read "R. Barrow".

Ryan Barrow
Executive Director
Office of Financial Management

Attachments

OFM APPROVAL PURSUANT TO KRS 42.420
\$27,775,000
COMMONWEALTH OF KENTUCKY
ASSET/LIABILITY COMMISSION
AGENCY FUND PROJECT NOTES,
2018 PROJECT NOTE

DESCRIPTION:

The note is being issued to provide funds with which to (i) provide permanent financing for approximately \$27.7 million of Agency Fund supported capital projects, commonly and collectively referred to as the BuildSmart project, authorized by the General Assembly of the Commonwealth of Kentucky in H.B. 235 (2014 Session); and, (ii) pay costs of issuance.

NOTE SUMMARY STATISTICS:

Note Amount:	\$27,775,000
Closing Date:	June 20, 2018
Final Maturity:	October 1, 2023
Loan Terms:	70% of the 3 month LIBOR Index Rate plus one percent (1.0%) of the outstanding principal with a quarterly reset, 5 year term, payment requirement of interest only, prepayment schedule on attached term sheet
Method of Sale:	Direct Placement
Underwriter:	Morgan Stanley

RATINGS:

No rating were required for this transaction

SOURCES AND USES OF FUNDS:

SOURCES OF FUNDS:

Note Amount	\$ 27,775,000
-------------	---------------

USES OF FUNDS:

Deposit to the Construction Fund	\$ 27,720,000
Costs of Issuance*	55,000
TOTAL USES	\$ 27,775,000

*Includes legal fees, financial advisor fees and miscellaneous costs.

PROFESSIONAL SERVICES:

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

Firm	Service	Fee
Kutak Rock LLP	Borrower's Counsel & Fees*	\$ 16,000
Katten Muchin Rosenman LLP	Lender's Counsel	25,000
OFM	Financial Advisor	7,000
	Contingency/Misc.	<u>7,000</u>
TOTAL COST OF ISSUANCE		\$ 55,000

*Fees include: fee for new indenture, printing and binding of the transcript

ATTACHMENTS:

Copy of the Note
Term Sheet

COMMONWEALTH OF KENTUCKY
KENTUCKY ASSET/LIABILITY COMMISSION
AGENCY FUND PROJECT NOTE
2018 PROJECT NOTE

<u>Interest Rate:</u>	<u>Maturity Date:</u>	<u>Dated:</u>	<u>Principal Amount:</u>
LIBOR-Based Interest Rate as set forth in the Loan Agreement	October 1, 2023	June 20, 2018	\$27,775,000.00

REFERENCE IS HEREBY MADE to the Loan Agreement dated as of June 1, 2018 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") between the Kentucky Asset/Liability Commission (the "Commission"), an independent agency and constituted authority of the Commonwealth of Kentucky, as borrower, and MORGAN STANLEY BANK N.A., a national banking association, as lender (the "Lender").

FOR VALUE RECEIVED, the Commission hereby promises to pay, but only out of the special funds pledged for that purpose as hereinafter provided, and not otherwise, to the order of MORGAN STANLEY BANK N.A., via wire transfer credit to ABA# 021-000-089, Account No. 3044-0947, Ref: Kentucky Asset/Liability Commission 2018 Direct Loan, Attn: Morgan Stanley Loan Servicing, or at such other place as the holder hereof may from time to time authorize in writing, the principal sum of TWENTY-SEVEN MILLION SEVEN HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$27,775,000) on the above-stated Maturity Date. The Commission hereby promises to pay interest, from the same sources, on each April 1 and October 1, commencing October 1, 2018 (at said office or such other place as aforesaid) on the balance of principal remaining from time to time unpaid hereon at the Interest Rate as defined in the Loan Agreement.

This Note has been executed and delivered pursuant to the Constitution and laws of the Commonwealth of Kentucky, particularly Section 56.860 et seq. of the Kentucky Revised Statutes (the "Act"). Neither this Note nor the interest hereon shall constitute a debt or obligation of the Commonwealth, the Commission, or any other agency or political subdivision of the Commonwealth within the meaning of the Constitution or the Statutes of Kentucky, and neither the faith and credit, nor the taxing power, of any of the foregoing are pledged to the payment of the principal of or interest on this Note. This Note and any interest due thereon are payable solely and only from payments received by the Commission from the Finance and Administration Cabinet of the Commonwealth of Kentucky (the "Cabinet") arising under the terms of a Financing/Lease Agreement, dated as of June 1, 2018 (the "Financing Agreement").

Reference is hereby made to the Loan Agreement and the Act for a more specific identification of the security pledged for the payment of this Note, and the nature and extent of the security, the rights and duties of the Commission, and the rights of the Lender with respect to the security thereof, and for a statement of the manner, extent, conditions and restrictions under which the Loan Agreement may be modified, amended and supplemented.

This Note shall bear interest, payable in lawful money of the United States of America, at the Interest Rate determined pursuant to Section 2.04 of the Loan Agreement, from and including

its dated date set forth above until payment of the principal hereof shall have been made or provided for in accordance with the provisions of the Loan Agreement, whether at maturity, upon redemption or otherwise. All computations of interest shall be based on a 360-day year, and the actual number of days elapsed.

This Note is issued under the terms and provisions of the Loan Agreement, and this Note and the holder hereof are entitled to all of the benefits provided for by the Loan Agreement or referred to therein, to which Loan Agreement reference is hereby made for a statement thereof. The principal and interest hereon may be declared due prior to their expressed maturity and voluntary prepayments may be made hereon, subject to certain prepayment fees, all as specified in the Loan Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Kentucky Asset/Liability Commission, under the authority aforesaid, has caused this to be executed with the official signature of the Chairman of the Commission and to be attested by the manual signature of the Secretary of the Commission.

KENTUCKY ASSET/LIABILITY
COMMISSION

Chairman, Kentucky Asset/Liability
Commission

Attest:

Secretary, Kentucky Asset/Liability Commission

[Signature Page to 2018 Project Note]

Kentucky Community and Technical College System Tax-Exempt Variable Rate Notes Preliminary Terms and Conditions for Purchase

NOTE: This Term Sheet constitutes a brief summary of certain, but not all, transaction terms and conditions for discussion purposes only. The summary that follows is subject to credit approval and does not constitute an offer or commitment. Terms not defined herein shall have the meanings in the Issuer's Resolution provided by Kutak.

Transaction Overview

Issuer	Kentucky Asset/Liability Commission (the "Issuer")
Lessee	Finance and Administration Cabinet (the "Cabinet").
SubLessee	Kentucky Community and Technical College System ("State Agency").
Lender	Morgan Stanley Bank NA ("MSBNA"), or an affiliate.
Description	The Lender(s) will make the above-captioned loan to the Issuer (the "Loan"), on or before Closing Date.
Security	The Loan/Notes will be secured by rental payments under the Financing/Lease Agreement (the "Financing Agreement") among the Cabinet, the SPBC and the Issuer, that will be assigned to the Lender. The Financing Agreement shall be secured by: 1) Assignment of Lessors' rights under the Sublease from the Cabinet, as Lessor, to the State Agency, as lessee, including rental payments under the Sublease and a pledge of General Receipts (as defined in the Original SPBC Lease) by the State Agency; and 2) lien on all assets, funds and accounts of the State Agency pledged under the Sublease and Lease. Security for Loan/Notes must be on a parity with the security granted for SPBC Bonds. Rental payments are subject to appropriation by the legislature.
Use of Proceeds	Proceeds of the Loan/Notes will be used to fund remaining portion of Project authorized under Budget Act.
Proposal Date	April 25, 2018.

Terms of Loan/Notes and Fees

Principal Amount of Loan/Notes	\$30,250,000, subject to approval by bond counsel of terms of additional \$13 million piece.
Closing Date	On or about May 23, 2018
Tax Status	Tax-Exempt
Form	Loan evidenced by Certificated Note, registered to MSBNA, or an affiliate.
CUSIP	None
Credit Ratings	None required
Disclosure	Continuing disclosure covenant in Loan Agreement acceptable to the Lender and similar to prior undertakings of Issuer and SPBC, including annual audited financials.
Maturity	10/1/2023
Interest Rate	Lesser of: (i) 70% * 3-month LIBOR + 1.00% and (ii) 9.50% reset quarterly. If LIBOR is no longer used, another replacement index will be selected by a mechanism acceptable to the parties.
Price	100%
Optional Prepayment	Not more than 50% of the initial aggregate principal amount of the Bonds issued may be optionally prepaid at par on and after the 31 st day following closing.

Kentucky Community and Technical College System Tax-Exempt Variable Rate Notes Preliminary Terms and Conditions for Purchase

NOTE: This Term Sheet constitutes a brief summary of certain, but not all, transaction terms and conditions for discussion purposes only. The summary that follows is subject to credit approval and does not constitute an offer or commitment. Terms not defined herein shall have the meanings in the Issuer's Resolution provided by Kutak.

	Not more than 60% of the initial aggregate principal amount of the Bonds issued may be prepaid at par after the 1 st anniversary of the issuance date.
	Not more than 70% of the initial aggregate principal amount of the Bonds issued may be prepaid at par after the 2 nd anniversary of the issuance date.
	Not more than 80% of the initial aggregate principal amount of the Bonds issued may be prepaid at par after the 3 rd anniversary of the issuance date.
	Not more than 90% of the initial aggregate principal amount of the Bonds issued may be prepaid at par after the 4 th anniversary of the issuance date.
	Amounts in excess of the above, may be prepaid as follows:
	On 10/1/2019 but prior to 10/1/2020, @ 104%
	On 10/1/2020 but prior to 10/1/2021 @ 103%,
	On 10/1/2021 but prior to 10/1/2022 @ 102%
	On 10/1/2022 but prior to 10/1/2023 @ 101%
	On or after 10/1/2023 @ 100%
Prepayment Notice	Five Business Days in advance of prepayment date
Interest Payment Dates	April 1 & October 1 each year, commencing October 1, 2018
Day Count	Actual/360
<u>Terms and Covenants</u>	
Transaction Documentation	Documentation (inter-creditor agreement, if deemed necessary) to provide Lender with security on a parity with the 2016 and 2017 SPBC Bonds, Loan Agreement, Financing Agreement/Lease, Sublease, Project Note and Assignments of Lease and Sublease ("Loan Documents"). In addition to the Loan Documents, the authorization documents, a bond counsel opinion acceptable to the Lender as to the validity and enforceability and tax-exemption of the Loan/Notes and each of the Issuer's Loan Documents. An opinion of Bond Counsel or State Agency's Counsel to the effect that that the Sublease is secured on a parity with the pledge under the SPBC Lease of the Agency's General Receipts and rentals, opinions of other participant counsel acceptable to Lender's Counsel as to the validity and enforceability of the Loan Documents, as appropriate, against the State Agency, Cabinet, and SPBC.
Conditions & Representations	<ul style="list-style-type: none">• Customary for Loan/Notes of this type, including but not limited to no material litigation or Event of Default and cross default to defaults under the Original Lease.• Customary Events of Default and Remedies in Loan Documents• Delivery of all required legal opinions including opinions of Bond Counsel and State Agency's Counsel in form and substance satisfactory to Lender(s) and their counsel• Delivery of executed or certified copies, as applicable, of all Transaction Documents• Delivery of a certificate evidencing that (a) no Default or Event of Default shall have occurred, (b) all representations, warranties, and covenants shall be true and correct, (c) no material litigation is pending or threatened and (d) no material adverse change has occurred with respect to the Borrower
Covenants	<ul style="list-style-type: none">• Borrower covenants to pay the principal and interest on the Loan pursuant to the

Kentucky Community and Technical College System Tax-Exempt Variable Rate Notes Preliminary Terms and Conditions for Purchase

NOTE: This Term Sheet constitutes a brief summary of certain, but not all, transaction terms and conditions for discussion purposes only. The summary that follows is subject to credit approval and does not constitute an offer or commitment. Terms not defined herein shall have the meanings in the Issuer's Resolution provided by Kutak.

	Transaction Documents				
	<ul style="list-style-type: none">• Similar to existing documents in Original Lease for parity obligations				
Due Diligence	Lender shall be given the opportunity to conduct due diligence of the Borrower				
Municipal Advisor	<p>(a) Morgan Stanley & Co. LLC ("Morgan Stanley") is not recommending an action to you; (b) Morgan Stanley is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to you with respect to the information and material contained in this communication; (c) Morgan Stanley is acting for its own interests; (d) you should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material; and (e) Morgan Stanley seeks to serve as an investor or an underwriter on a future transaction and not as a financial advisor or municipal advisor. The information provided is for discussion purposes only in anticipation of being engaged to serve as an investor or underwriter. The primary role of an underwriter is to purchase securities with a view to distribution in an arm's-length commercial transaction with the issuer. The underwriter has financial and other interests that differ from those of the issuer and obligated persons.</p> <p>Any non-historical interest rates used herein are hypothetical and take into consideration conditions in today's market and other factual information such as the issuer's or obligated person's credit rating, geographic location and market sector. As such, these rates should not be viewed as rates that Morgan Stanley guarantees to achieve for the transaction should we be selected to act as underwriter. Any information about interest rates and terms for SLGS is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Morgan Stanley guarantees to achieve for the transaction should we be selected to act as underwriter.</p>				
Transfer Restrictions	Transfer is limited to bank's affiliates, commercial banks or other Qualified Institutional Buyers unless Issuer consents.				
Confidentiality	This document is intended for the internal use of the recipient only and may not be distributed externally or reproduced for external distribution in any form without express written permission from Morgan Stanley or as required by law and with notice to the Lender.				
<u>Counsel and Documents</u>					
Acceptance of Terms	<p>The pricing and terms indicated herein remains subject to market conditions until the Term Sheet is executed by both the Borrower and the Lender.</p> <p>The proposal remains subject to additional due diligence and credit approval of the Lender. Upon acceptance of the proposal by both the Borrower and the Lender, documentation will be created which will include these terms and conditions as well as warranties and covenants specific to this transaction. The contents herein provide an indication of terms and are not a contract, commitment or intent to be bound.</p>				
Lender's Counsel	Katten Muchin Rosenman LLP				
Legal Fees	The State Agency shall be responsible for all reasonable fees incurred by the Lender with respect to Lender's Counsel, capped at \$25,000.				
Contacts:	<table><tr><td>Morgan Stanley & Co, LLC 440 South LaSalle St. Chicago, IL 60605</td><td>Morgan Stanley & Co, LLC 1585 Broadway, 2nd Floor New York, NY 10036</td></tr><tr><td>Bill Mack Executive Director Phone: 312.706.4266 William.Mack@morganstanley.com</td><td>Chris Cost Executive Director Phone: 212.761.6928 Christopher.Cost@morganstanley.com</td></tr></table>	Morgan Stanley & Co, LLC 440 South LaSalle St. Chicago, IL 60605	Morgan Stanley & Co, LLC 1585 Broadway, 2 nd Floor New York, NY 10036	Bill Mack Executive Director Phone: 312.706.4266 William.Mack@morganstanley.com	Chris Cost Executive Director Phone: 212.761.6928 Christopher.Cost@morganstanley.com
Morgan Stanley & Co, LLC 440 South LaSalle St. Chicago, IL 60605	Morgan Stanley & Co, LLC 1585 Broadway, 2 nd Floor New York, NY 10036				
Bill Mack Executive Director Phone: 312.706.4266 William.Mack@morganstanley.com	Chris Cost Executive Director Phone: 212.761.6928 Christopher.Cost@morganstanley.com				

Kentucky Community and Technical College System Tax-Exempt Variable Rate Notes Preliminary Terms and Conditions for Purchase

NOTE: This Term Sheet constitutes a brief summary of certain, but not all, transaction terms and conditions for discussion purposes only. The summary that follows is subject to credit approval and does not constitute an offer or commitment. Terms not defined herein shall have the meanings in the Issuer's Resolution provided by Kutak.

Disclaimer

The information in this material was prepared by sales, trading, or other non-research personnel of Morgan Stanley for institutional investors. This is not a research report, and unless otherwise indicated, the views herein (if any) are the author's and may differ from those of our Research Department or others in the Firm. This material is not independent of the interests of our trading and other activities, which may conflict with your interests. We may deal in any of the markets, issuers, or instruments mentioned herein before or after providing this information, as principal, market maker, or liquidity provider and may also seek to advise issuers or other market participants.

Where you provide us with information relating to an order, inquiry, or potential transaction, we may use that information to facilitate execution and in managing our market making and hedging activities.

This material does not provide investment advice or offer tax, regulatory, accounting, or legal advice. By submitting this document to you, Morgan Stanley is not your fiduciary, municipal, or any other type of advisor.

This material is not based on a consideration of any individual client circumstances and thus should not be considered a recommendation to any recipient or group of recipients. This material is an invitation to consider entering into derivatives transactions under CFTC Rules 1.71 and 23.605 (where applicable) but is not a binding offer to buy or sell any instrument or enter into any transaction.

Unless otherwise specifically indicated, all information in these materials with respect to any third party entity not affiliated with Morgan Stanley has been provided by, and is the sole responsibility of, such third party and has not been independently verified by Morgan Stanley, our affiliates or any other independent third party. We make no express or implied representation or warranty with respect to the accuracy or completeness of this material, nor will we undertake to provide updated information or notify recipients when information contained herein becomes stale.

Any prices contained herein are indicative only and should not be relied upon for valuation or for any use with third parties.

All financial information is taken from company disclosures and presentations (including 10Q, 10K and 8K filings and other public announcements), unless otherwise noted. Any securities referred to in this material may not have been registered under the U.S. Securities Act of 1933, as amended and, if not, may not be offered or sold absent an exemption therefrom. In relation to any member state of the European Economic Area, a prospectus may not have been published pursuant to measures implementing the Prospectus Directive (2003/71/EC) and any securities referred to herein may not be offered in circumstances that would require such publication. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights, or performance of obligations under any instrument or otherwise applicable to any transaction. In addition, a secondary market may not exist for certain of the instruments referenced herein.

The value of and income from investments may vary because of, among other things, changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities, prices of instruments or securities, market indexes, operational, or financial conditions of companies or other factors. There may be time limitations on the exercise of options or other rights in instruments (or related derivatives) transactions. Past performance is not necessarily a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed, and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect any projections or estimates. Certain assumptions may have been made for modeling purposes only to simplify the presentation or calculation of any projections or estimates, and Morgan Stanley does not represent that any such assumptions will reflect actual future events or that all assumptions have been considered or stated. Accordingly, there can be no assurance that any hypothetical estimated returns or projections will be realized or that actual returns or performance results will not materially differ. Some of the information contained in this document may be aggregated data of transactions executed by Morgan Stanley that has been compiled so as not to identify the underlying transactions of any particular customer.

This information is not intended to be provided to and may not be used by any person or entity in any jurisdiction where the provision or use thereof would be contrary to applicable laws, rules, or regulations.

This communication is directed to and meant for sophisticated investors, including specifically, institutional investors in the U.S and those persons who are eligible counterparties or professional clients in the European Economic Area. It must not be re-distributed to or relied upon by retail clients.

This information is being disseminated in Hong Kong by Morgan Stanley Asia Limited and is intended for professional investors (as defined in the Securities and Futures Ordinance) and is not directed at the public of Hong Kong. This information is being disseminated in Singapore by Morgan Stanley Asia (Singapore) Pte. This information has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this information and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of this security may not be circulated or distributed, nor may this security be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA. Any offering of this security in Singapore would be through Morgan Stanley Asia (Singapore) Pte, an entity regulated by the Monetary Authority of Singapore.

This information is being disseminated in Japan by Morgan Stanley MUFG Securities Co., Ltd. Any securities referred to herein may not have been and/or will not be registered under the Financial Instruments Exchange Law of Japan (Law No. 25 of 1948, as amended, hereinafter referred to as the "Financial Instruments Exchange Law of Japan"). Such securities may not be offered, sold, or transferred, directly or indirectly, to or for the benefit of any resident of Japan unless pursuant to an exemption from the registration requirements of and otherwise in compliance with the Financial Instruments Exchange Law and other relevant laws and regulations of Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organized or engaged in business under the laws of Japan. If you reside in Japan, please contact Morgan Stanley MUFG Securities for further details at +613-5424-5000.

This information is distributed in Australia by Morgan Stanley Australia Limited A.B.N. 67 003 734 576, holder of Australian financial services license No. 233742, which accepts responsibility for its contents, and arranges for it to be provided to potential clients. In Australia, this report, and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act.

For additional information and important disclosures see <http://www.morganstanley.com/disclaimers>. The trademarks and service marks contained herein are the property of their respective owners. Third-party data providers make no warranties or representations of any kind relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data.

This material may not be redistributed without the prior written consent of Morgan Stanley.

© 2017 Morgan Stanley



MATTHEW G. BEVIN
Governor

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

WILLIAM M. LANDRUM III
Secretary

RYAN BARROW
Executive Director

October 24, 2018

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

Dear Chairman Summers:

This letter will advise that the Office of Financial Management ("OFM") of the Finance and Administration Cabinet has reviewed and is hereby approving the issuance of the Kentucky Housing Corporation Multifamily Housing Revenue Bonds (J.O. Blanton House Project), Series 2018 in a principal amount of \$17,000,000 (the "Bonds"). The Bonds, by its terms, provide that payment of principal and interest thereon are not an obligation of the Commonwealth of Kentucky or its departments or agencies.

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

Sincerely,

Ryan Barrow
Executive Director

Attachments

FINAL BOND ISSUE REPORT

Name of Bond Issue: Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (J.O. Blanton House Project), Series 2018

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation and equipping of a multifamily residential rental facility containing 256 units (including two (2) manager units), located in Louisville, Kentucky, at 850 W. Muhammed Ali Boulevard (the "Project"). The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on Tuesday, April 10, 2018 following the delivery of notice to the public on Sunday, March 25, 2018.

Name of Project: J.O. Blanton House

Date of Sale: October 11, 2018

Date of Issuance: October 19, 2018

Ratings: Moody's Investors Service – MIG-I

Net Proceeds: \$17,000,000

Cost of Issuance: \$312,050 (Issuance costs will be paid from equity)

Bond Discount: \$0

Debt Service Reserve Fund: None

Insurance Premium: N/A

Total Project Cost: \$51,111,778

Net Interest Rate: 2.45%

Term: 30 months (4/1/2021)

Average Debt Service: \$416,500/year (est.)

Gross Debt Service: \$1,041,250 over 30 mo. (est.)

First Call Date: Mandatory Tender 10/1/2020, no optional redemptions expected

Premium at First Call: No premium

Method of Sale: Public Offering/Negotiation

Bond Counsel: Dinsmore & Shohl LLP

Underwriter: The Sturges Company

Underwriter Counsel: Tiber Hudson LLC

Financial Advisor: N/A

Trustee: The Huntington National Bank

Sources of Funds:

Short-Term Tax-Exempt Bonds	\$	17,000,000
FHA Insured Mortgage Loan		7,300,000
Seller Note		14,033,636
LIHTC Equity		10,573,241
Existing Reserves		494,134
Accrued Seller Note Construction Interest		635,715
Deferred Development Fee		<u>1,075,052</u>
TOTAL	\$	51,111,778

Uses of Funds:

Redemption Short-term Bonds	\$	17,000,000
Acquisition		14,820,000
Hard Costs & Contingency		10,037,001
Developer Fees		5,685,290
Reserves		1,517,550
Soft Costs		<u>2,051,947</u>
TOTAL	\$	51,111,788

Costs of Issuance:

Bond Counsel	\$	58,500
Issuer Counsel		12,500
Underwriter Counsel		40,000
Issuer Fee		67,250
Underwriter Fee		112,500
Printing, Rating, Trustee, Misc.		<u>21,300</u>
TOTAL	\$	312,050



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

MATT BEVIN

Governor

MR. WILLIAM LANDRUM III

Secretary

DAVID PRATER

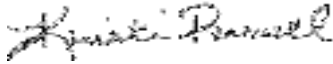
Chairman

CHELSEY BIZZLE

Executive Director

MEMORANDUM

TO: Ryan Barrow
Office of Financial Management

FROM: Kristi Russell, SFCC 

DATE: November 5, 2018

SUBJECT: Capital Projects and Bond Oversight Committee (CPBO)

The following information is submitted for consideration by CPBO at their next meeting tentatively scheduled for November 20, 2018:

Kenton County- \$3,620,000 estimated – Elementary school renovations and improvements at the Academy of Innovation. State estimated annual debt service is \$123,156 and local is \$145,813. No tax increase is necessary to finance this project.

Mercer County- \$1,010,000 estimated – District wide improvements are planned. State estimated annual debt service is \$60,643 and local is \$13,366. No tax increase is necessary to finance this project.

Muhlenberg County- \$6,540,000 estimated – Energy improvements and HVAC upgrades at East & West High School. State estimated annual debt service is \$137,261 and local is \$344,716. No tax increase is necessary to finance this project.

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



Memo

To: KSFCC
From: Lincoln Theinert
Subject: Bond Payee Disclosure Form –Kenton County School District Series 2018
Date: November 02, 2018
cc: File

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Kenton 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:

\$ 3,620,000

Issue Name:

Kenton County School District Finance Corporation School Building Revenue Bonds, Series 2018

Purpose:

Improvements at Ryland Heights Elementary, River Ridge Elementary and Kenton Co. Academy of Innovation & Techno

Projected Sale Date of Bond:

9-Jan-19

First Call Date:

2/1/26 @ 100

Method of Sale:

Competitive Bids

Place/time of sale:

SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.

Bond Rating:

Moody's: "A1"

Bond Counsel:

Step toe & Johnson, Louisville, KY

Fiscal Agent:

Ross, Sinclair & Associates, Lexington, Kentucky

Date received by SFCC:

 To be filled in by SFCC

Date scheduled for Committee review:

 To be filled in by SFCC

Month Day Year

Estimated par amount of Bonds:

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$ 1,657,534	\$ 1,962,466	\$ 3,620,000
45.79%	54.21%	
\$ 123,156	\$ 145,813	\$ 268,969
\$ 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:

\$ 12,583	\$ 14,897	\$ 27,480
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 4,121	\$ 4,879	\$ 9,000
\$ 33,151	\$ 39,249	\$ 72,400
\$ 1,603	\$ 1,897	\$ 3,500
\$ 51,457	\$ 60,923	\$ 112,380

Anticipated Interest Rates:

5 Years: 3.00% 10 Years: 3.50% 15 Years: 3.75%
20 Years: 3.95%

Note: No Local Tax increase is required.

KENTON COUNTY SCHOOL DISTRICT

Plan of Financing

Date of Report: 11/1/2018

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

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

FYE	Series 2006C	Series 2009	Series 2009C	Series 2010-REF	Series 2011	Series 2012-REF	Series 2013-REF	Series 2013	Series 2015A-REF*	Series 2015B-REF*	Series 2015	Series 2016-REF*	Series 2016	Series 2017E	Series 2018	Total
2019		\$631,091	\$805,560	\$2,146,943	\$549,250	\$3,996,067	\$2,970,413	\$383,305	\$562,400	\$910,484	\$1,094,044	\$852,491	\$169,213	\$29,090	\$432,228	\$15,532,577
2020			\$801,265	\$2,135,144	\$551,550	\$3,983,692	\$2,978,513	\$406,104	\$560,550	\$909,135	\$1,094,394	\$1,483,203	\$167,613	\$24,771	\$453,929	\$15,549,862
2021			\$804,220	\$2,125,518	\$552,350	\$3,884,068	\$2,985,513	\$508,305	\$553,650	\$912,434	\$1,094,143	\$1,482,910	\$165,813	\$25,114	\$453,428	\$15,547,466
2022				\$2,129,863	\$537,750	\$3,874,319	\$3,841,413	\$508,305	\$525,325	\$911,009	\$1,083,292	\$1,490,689	\$168,813	\$25,237	\$452,930	\$15,548,974
2023					\$363,350	\$3,877,192	\$5,200,013	\$511,831	\$530,350	\$1,776,485	\$1,087,143	\$1,557,588	\$165,363	\$24,908	\$452,366	\$15,546,588
2024					\$370,550	\$3,877,317	\$5,211,250	\$504,362	\$525,075	\$1,767,709	\$1,090,243	\$1,557,788	\$166,463	\$29,120	\$456,741	\$15,556,618
2025					\$997,350		\$5,108,800	\$511,773	\$938,275	\$2,255,008	\$1,087,594	\$4,007,488	\$161,963	\$26,263	\$455,992	\$15,550,506
2026					\$1,133,950		\$713,024	\$713,024	\$1,087,400	\$2,420,458	\$1,184,342	\$4,212,789	\$557,012	\$82,829	\$1,275,204	\$12,667,009
2027					\$1,137,856		\$712,369	\$712,369	\$1,083,525	\$1,172,913	\$1,182,494	\$4,228,788	\$559,613	\$82,010	\$1,274,704	\$11,434,271
2028					\$1,148,969		\$715,388	\$715,388	\$1,083,825		\$1,198,744	\$4,465,888	\$556,162	\$85,445	\$1,283,453	\$10,537,874
2029					\$1,131,750		\$721,089	\$721,089	\$1,093,075		\$1,187,863	\$4,479,488	\$556,813	\$82,974	\$1,286,154	\$10,539,206
2030					\$1,142,200		\$725,889	\$725,889	\$1,096,200		\$1,255,851	\$4,479,488	\$556,413	\$84,737	\$1,297,953	\$6,159,243
2031					\$1,165,175		\$729,789	\$729,789			\$1,247,875	\$559,963	\$559,963	\$75,574	\$1,303,555	\$5,081,931
2032							\$732,788	\$732,788			\$1,188,851	\$562,313	\$562,313	\$75,774	\$1,308,103	\$3,867,830
2033							\$734,888	\$734,888			\$1,180,526	\$563,463	\$563,463	\$80,023	\$1,310,291	\$3,869,191
2034											\$1,146,151	\$568,413	\$568,413	\$72,721	\$1,315,028	\$3,102,313
2035											\$1,135,188	\$580,287	\$580,287	\$69,115	\$1,315,655	\$3,100,246
2036												\$588,651	\$588,651	\$74,473	\$1,319,880	\$1,983,004
2037														\$77,935	\$1,316,479	\$1,394,414
2038															\$1,311,280	\$1,311,280
Totals:	\$0	\$631,091	\$2,411,045	\$6,537,497	\$10,782,050	\$23,492,654	\$28,295,913	\$9,119,209	\$9,639,650	\$13,035,636	\$19,538,738	\$29,819,109	\$7,374,344	\$1,128,113	\$20,075,352	\$183,880,401

KENTON COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A FYE	B Local Nickel	C 1st Growth Nickel	D 2nd Growth Nickel	E Capital Outlay @ 80%	F FSPK	G Addit. FSPK	H		I Less Current Payments	J		K 2016 SFCC Offer	L Total Funds Available
							Total Local Funds	Total Local Funds		Local Funds Available	Total Local Funds Available		
2019	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$15,532,577)	\$792,844	\$158,953,452	\$123,156	\$792,844	
2020	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$15,549,862)	\$775,560	\$158,953,452	\$123,156	\$898,716	
2021	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$15,547,466)	\$777,955	\$158,953,452	\$123,156	\$901,111	
2022	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$15,548,974)	\$776,448	\$158,953,452	\$123,156	\$899,604	
2023	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$15,546,588)	\$778,834	\$158,953,452	\$123,156	\$901,990	
2024	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$15,556,618)	\$768,803	\$158,953,452	\$123,156	\$898,072	
2025	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$15,550,506)	\$774,916	\$158,953,452	\$123,156	\$891,959	
2026	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$12,667,009)	\$3,658,413	\$158,953,452	\$123,156	\$888,072	
2027	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$11,434,271)	\$4,891,150	\$158,953,452	\$123,156	\$3,781,569	
2028	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$10,537,874)	\$5,787,547	\$158,953,452	\$123,156	\$5,014,306	
2029	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$10,539,206)	\$5,786,216	\$158,953,452	\$123,156	\$5,910,703	
2030	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$6,159,243)	\$10,166,179	\$158,953,452	\$123,156	\$5,909,372	
2031	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$5,081,931)	\$11,243,491	\$158,953,452	\$123,156	\$10,289,335	
2032	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$3,867,830)	\$12,457,592	\$158,953,452	\$123,156	\$11,366,647	
2033	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$3,869,191)	\$12,456,231	\$158,953,452	\$123,156	\$12,580,748	
2034	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$3,102,313)	\$13,223,109	\$158,953,452	\$123,156	\$12,579,387	
2035	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$3,100,246)	\$13,225,176	\$158,953,452	\$123,156	\$13,346,265	
2036	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$1,983,004)	\$14,342,418	\$158,953,452	\$123,156	\$13,348,332	
2037	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$1,394,414)	\$14,931,007	\$158,953,452	\$123,156	\$14,465,574	
2038	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	(\$1,311,280)	\$15,014,142	\$158,953,452	\$123,156	\$15,054,163	
2039	\$4,511,404	\$4,511,404	\$4,511,404	\$1,034,050	\$878,580	\$878,580	\$16,325,422	\$0	\$16,325,422	\$158,953,452	\$123,156	\$15,137,298	
Totals:	\$94,739,484	\$94,739,484	\$94,739,484	\$21,715,042	\$18,450,180	\$18,450,180	\$342,833,854	(\$183,880,401)	\$158,953,452	\$2,463,120	\$161,416,572	\$161,416,572	

NOTES: Data based on assessments of \$9,022,807,779 and ADA of 12,925.62 (FY 2018-19)

KENTON COUNTY SCHOOL DISTRICT PROJECTED JANUARY 2019 BOND ISSUE

A	B	C	D	E	F	G	H	I	J	K
Current Payments	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
\$15,549,862	2020	\$70,000	3.000%	\$133,588	\$203,588	\$123,156	\$80,432	\$15,630,294	\$16,325,422	\$695,128
\$15,547,466	2021	\$70,000	3.000%	\$131,488	\$201,488	\$123,156	\$78,332	\$15,625,798	\$16,325,422	\$699,624
\$15,548,974	2022	\$75,000	3.000%	\$129,388	\$204,388	\$123,156	\$81,232	\$15,630,205	\$16,325,422	\$695,216
\$15,546,588	2023	\$75,000	3.000%	\$127,138	\$202,138	\$123,156	\$78,982	\$15,625,569	\$16,325,422	\$699,852
\$15,556,618	2024	\$75,000	3.000%	\$124,888	\$199,888	\$123,156	\$76,732	\$15,633,350	\$16,325,422	\$692,072
\$15,550,506	2025	\$80,000	3.500%	\$122,638	\$202,638	\$123,156	\$79,482	\$15,629,988	\$16,325,422	\$695,434
\$12,667,009	2026	\$180,000	3.500%	\$119,838	\$299,838	\$123,156	\$176,682	\$12,843,690	\$16,325,422	\$3,481,731
\$11,434,271	2027	\$185,000	3.500%	\$113,538	\$298,538	\$123,156	\$175,382	\$11,609,653	\$16,325,422	\$4,715,769
\$10,537,874	2028	\$190,000	3.500%	\$107,063	\$297,063	\$123,156	\$173,907	\$10,711,781	\$16,325,422	\$5,613,641
\$10,539,206	2029	\$195,000	3.500%	\$100,413	\$295,413	\$123,156	\$172,257	\$10,711,462	\$16,325,422	\$5,613,959
\$6,159,243	2030	\$205,000	3.750%	\$93,588	\$298,588	\$123,156	\$175,432	\$6,334,674	\$16,325,422	\$9,990,748
\$5,081,931	2031	\$210,000	3.750%	\$85,900	\$295,900	\$123,156	\$172,744	\$5,254,675	\$16,325,422	\$11,070,747
\$3,867,830	2032	\$220,000	3.750%	\$78,025	\$298,025	\$123,156	\$174,869	\$4,042,699	\$16,325,422	\$12,282,723
\$3,869,191	2033	\$230,000	3.750%	\$69,775	\$299,775	\$123,156	\$176,619	\$4,045,810	\$16,325,422	\$12,279,612
\$3,102,313	2034	\$235,000	3.750%	\$61,150	\$296,150	\$123,156	\$172,994	\$3,275,307	\$16,325,422	\$13,050,115
\$3,100,246	2035	\$245,000	3.950%	\$52,338	\$297,338	\$123,156	\$174,182	\$3,274,427	\$16,325,422	\$13,050,995
\$1,983,004	2036	\$255,000	3.950%	\$42,660	\$297,660	\$123,156	\$174,504	\$2,157,508	\$16,325,422	\$14,167,914
\$1,394,414	2037	\$265,000	3.950%	\$32,588	\$297,588	\$123,156	\$174,432	\$1,568,846	\$16,325,422	\$14,756,576
\$1,311,280	2038	\$275,000	3.950%	\$22,120	\$297,120	\$123,156	\$173,964	\$1,485,244	\$16,325,422	\$14,840,178
\$0	2039	\$285,000	3.950%	\$11,258	\$296,258	\$123,156	\$173,102	\$173,102	\$16,325,422	\$16,152,320
\$168,347,824	Totals:	\$3,620,000		\$1,759,375	\$5,379,375	\$2,463,120	\$2,916,255	\$171,264,079	\$326,508,432	\$155,244,353

Memo

To: KSFCC
From: Lincoln Theinert
Subject: Bond Payee Disclosure Form –Mercer County School District Series 2018
Date: November 02, 2018
cc: File

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

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

BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 1,010,000**
 Issue Name: Mercer County School District Finance Corporation School Building Revenue Bonds, Series 2018
 Purpose: Improvements at Middle School, Intermediate School, and Elementary School
 Projected Sale Date of Bonds: 9-Jan-19
 First Call Date: 2/1/26 @ 100
 Method of Sale: Competitive Bids
 Place/time of sale: SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.
 Bond Rating: Moodys: "A1"
 Bond Counsel: Steptoe & Johnson, Louisville, KY
 Fiscal Agent: Ross, Sinclair & Associates, Lexington, Kentucky
 Date received by SFCC: *To be filled in by SFCC*
 Date scheduled for Committee review: *To be filled in by SFCC*
Month Day Year

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

SFCC Portion	Local Portion	Total
\$ 827,594	\$ 182,406	\$ 1,010,000
81.94%	18.06%	
\$ 60,643	\$ 13,366	\$ 74,009
\$ 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:

\$ 17,240	\$ 3,800	\$ 21,040
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 3,278	\$ 722	\$ 4,000
\$ 16,552	\$ 3,648	\$ 20,200
\$ 2,868	\$ 632	\$ 3,500
\$ 39,938	\$ 8,802	\$ 48,740

Anticipated Interest Rates:

5 Years: 2.500% 10 Years: 3.250% 15 Years: 3.800%
 20 Years: 4.200%

Note: No Local Tax increase is required.

Mercer County School District

Plan of Financing

Date of Report: 10/30/2018

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

MERCER COUNTY SCHOOL DISTRICT
OUTSTANDING NET LOCAL DEBT SERVICE

	A	B	C	D	E	F	G	H	I	J
	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series
	2007	2008-R	2010-R	2012-R*	2013-R*	2013	2014-R*	2015	2016-R*	Total
FYE	Gen. Fund									
2018		\$300,283	\$185,998	\$189,948	\$107,485	\$83,788	\$174,230		\$1,639,343	\$2,681,075
2019			\$191,748	\$186,855	\$96,698	\$82,389	\$173,267		\$1,948,742	\$2,679,698
2020			\$192,220	\$172,617	\$175,543	\$80,988	\$172,305		\$1,886,443	\$2,680,116
2021			\$192,475	\$174,568	\$178,941	\$84,538	\$171,107		\$1,879,744	\$2,681,373
2022			\$197,535	\$171,337	\$177,314	\$78,001	\$164,742		\$1,887,474	\$2,676,403
2023				\$177,869	\$278,900	\$71,401	\$163,444		\$1,979,541	\$2,671,154
2024				\$174,972	\$288,550	\$74,642	\$162,144		\$1,974,044	\$2,674,352
2025					\$273,150	\$72,648	\$165,779		\$2,162,944	\$2,674,521
2026					\$277,750	\$70,548	\$164,203		\$2,167,044	\$2,679,545
2027						\$53,604	\$162,486		\$2,459,192	\$2,675,282
2028						\$184,623	\$923,657		\$1,108,281	\$1,108,281
2029						\$187,985	\$910,900		\$1,098,886	\$1,098,886
2030						\$185,797	\$910,800		\$1,096,597	\$1,096,597
2031						\$187,858	\$908,630		\$908,630	\$1,096,488
2032						\$189,058			\$189,058	\$189,058
2033						\$189,857			\$189,857	\$189,857
2034						\$202,160			\$202,160	\$202,160
Totals:	\$0	\$300,283	\$959,975	\$1,248,165	\$1,854,330	\$2,079,884	\$5,327,697		\$19,984,511	\$31,754,844

MERCER COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L	M	N
FYE	Local Nickel	First Growth Nickel	Second Growth Nickel	Capital Outlay @ 80%	FSPK	Addtl. FSPK	Total Local Funds	Less Current Payments	Local Funds Available	2012 SFCC Offer	2014 SFCC Offer	2016 SFCC Offer	Total Funds Available
2018	\$682,153	\$682,153	\$682,153	\$202,178	\$307,258	\$307,258	\$2,863,153	(\$2,681,075)	\$182,079				\$182,079
2019	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$2,679,698)	\$280,774				\$280,774
2020	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$2,680,116)	\$280,356	\$24,623	\$28,551	\$7,469	\$340,999
2021	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$2,681,373)	\$279,098	\$24,623	\$28,551	\$7,469	\$339,742
2022	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$2,676,403)	\$284,068	\$24,623	\$28,551	\$7,469	\$344,712
2023	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$2,671,154)	\$289,317	\$24,623	\$28,551	\$7,469	\$349,961
2024	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$2,674,352)	\$286,120	\$24,623	\$28,551	\$7,469	\$346,763
2025	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$2,674,521)	\$285,951	\$24,623	\$28,551	\$7,469	\$346,594
2026	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$2,679,545)	\$280,927	\$24,623	\$28,551	\$7,469	\$341,570
2027	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$2,675,282)	\$285,190	\$24,623	\$28,551	\$7,469	\$345,833
2028	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$1,108,281)	\$1,852,191	\$24,623	\$28,551	\$7,469	\$1,912,834
2029	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$1,098,886)	\$1,861,586	\$24,623	\$28,551	\$7,469	\$1,922,229
2030	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$1,096,597)	\$1,863,875	\$24,623	\$28,551	\$7,469	\$1,924,518
2031	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$1,096,488)	\$1,863,984	\$24,623	\$28,551	\$7,469	\$1,924,628
2032	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$189,058)	\$2,771,414	\$24,623	\$28,551	\$7,469	\$2,832,057
2033	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$189,857)	\$2,770,615	\$24,623	\$28,551	\$7,469	\$2,831,258
2034	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472	(\$202,160)	\$2,758,312	\$24,623	\$28,551	\$7,469	\$2,818,955
2035	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472		\$2,960,472	\$24,623	\$28,551	\$7,469	\$3,021,115
2036	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472		\$2,960,472	\$24,623	\$28,551	\$7,469	\$3,021,115
2037	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472		\$2,960,472	\$24,623	\$28,551	\$7,469	\$3,021,115
2038	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472		\$2,960,472	\$24,623	\$28,551	\$7,469	\$3,021,115
2039	\$685,234	\$685,234	\$685,234	\$199,146	\$352,812	\$352,812	\$2,960,472		\$2,960,472	\$24,623	\$28,551	\$7,469	\$3,021,115
Totals:	\$15,072,067	\$15,072,067	\$15,072,067	\$4,384,238	\$7,716,310	\$7,716,310	\$65,033,059	(\$31,754,844)	\$33,278,214	\$492,460	\$571,020	\$149,389	\$34,491,083

NOTES: Data based on assessments of \$1,364,305,103 and ADA of 2,527,229 per KDE website. (2017-18)

Data based on assessments of \$1,370,468,844 and ADA of 2,489,321 per KDE website. (2018-19)

MERCER 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
----- Estimated New Bond Issue -----										
\$2,679,698	2019	\$30,000	2.500%	\$35,608	\$0	\$0	\$0	\$2,679,698	\$2,960,472	\$280,774
\$2,680,116	2020	\$30,000	2.500%	\$34,858	\$65,608	\$60,643	\$4,964	\$2,685,080	\$2,960,472	\$275,392
\$2,681,373	2021	\$30,000	2.500%	\$34,858	\$64,858	\$60,643	\$4,214	\$2,685,587	\$2,960,472	\$274,884
\$2,676,403	2022	\$30,000	2.500%	\$34,108	\$64,108	\$60,643	\$3,464	\$2,679,867	\$2,960,472	\$280,604
\$2,671,154	2023	\$30,000	2.500%	\$33,358	\$63,358	\$60,643	\$2,714	\$2,673,868	\$2,960,472	\$286,603
\$2,674,352	2024	\$30,000	2.500%	\$32,608	\$62,608	\$60,643	\$1,964	\$2,676,316	\$2,960,472	\$284,156
\$2,674,521	2025	\$35,000	3.000%	\$31,858	\$66,858	\$60,643	\$6,214	\$2,680,735	\$2,960,472	\$279,737
\$2,679,545	2026	\$35,000	3.000%	\$30,808	\$65,808	\$60,643	\$5,164	\$2,684,709	\$2,960,472	\$275,763
\$2,675,282	2027	\$35,000	3.000%	\$29,758	\$64,758	\$60,643	\$4,114	\$2,679,396	\$2,960,472	\$281,076
\$1,108,281	2028	\$50,000	3.250%	\$28,708	\$78,708	\$60,643	\$18,064	\$1,126,345	\$2,960,472	\$1,834,127
\$1,098,886	2029	\$55,000	3.250%	\$27,083	\$82,083	\$60,643	\$21,439	\$1,120,325	\$2,960,472	\$1,840,147
\$1,096,597	2030	\$55,000	3.500%	\$25,295	\$80,295	\$60,643	\$19,652	\$1,116,249	\$2,960,472	\$1,844,223
\$1,096,488	2031	\$55,000	3.500%	\$23,370	\$78,370	\$60,643	\$17,727	\$1,114,214	\$2,960,472	\$1,846,258
\$189,058	2032	\$60,000	3.600%	\$21,445	\$81,445	\$60,643	\$20,802	\$209,860	\$2,960,472	\$2,750,612
\$189,857	2033	\$60,000	3.750%	\$19,285	\$79,285	\$60,643	\$18,642	\$208,499	\$2,960,472	\$2,751,973
\$202,160	2034	\$65,000	3.800%	\$17,035	\$82,035	\$60,643	\$21,392	\$223,551	\$2,960,472	\$2,736,920
	2035	\$65,000	4.000%	\$14,565	\$79,565	\$60,643	\$18,922	\$18,922	\$2,960,472	\$2,941,550
	2036	\$70,000	4.100%	\$11,965	\$81,965	\$60,643	\$21,322	\$21,322	\$2,960,472	\$2,939,150
	2037	\$70,000	4.100%	\$9,095	\$79,095	\$60,643	\$18,452	\$18,452	\$2,960,472	\$2,942,020
	2038	\$75,000	4.100%	\$6,225	\$81,225	\$60,643	\$20,582	\$20,582	\$2,960,472	\$2,939,890
	2039	\$75,000	4.200%	\$3,150	\$78,150	\$60,643	\$17,507	\$17,507	\$2,960,472	\$2,942,965
\$29,073,770	Totals:	\$1,010,000		\$470,180	\$1,480,180	\$1,212,869	\$267,311	\$29,341,081	\$62,169,905	\$32,828,824

Memo

To: KSFCC
From: Lincoln Theinert
Subject: Bond Payee Disclosure Form –Muhlenberg County School District Series 2018
Date: November 02, 2018
cc: File

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Muhlenberg 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:	\$ 6,540,000
Issue Name:	Muhlenberg County Schools District Finance Corporation Energy Conservation Revenue Bonds, Series 2019
Purpose:	District Wide Energy Improvements
Projected Sale Date of Bond:	3-Jan-19
First Call Date:	1/1/26 @ 100
Method of Sale:	Competitive Bids
Place/time of sale:	SFCC, 267 Capitol Annex, Frankfort, Ky. / 11:00 A.M.
Bond Rating:	Moodys: "A1"
Bond Counsel:	Step toe & Johnson, Louisville, KY
Fiscal Agent:	Ross, Sinclair & Associates, Lexington, Kentucky
Date received by SFCC:	<input type="text"/> To be filled in by SFCC
Date scheduled for Committee review:	<input type="text"/> To be filled in by SFCC

To be filled in by SFCC
 To be filled in by SFCC
 Month Day Year

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

SFCC Portion	Local Portion	Total
\$ 1,862,508	\$ 4,677,492	\$ 6,540,000
28.48%	71.52%	
\$ 137,261	\$ 344,716	\$ 481,977
\$ 0	\$ 0	\$ 0

Estimated Cost of Issuance:

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

\$ 11,152	\$ 28,008	\$ 39,160
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 3,417	\$ 8,583	\$ 12,000
\$ 37,250	\$ 93,550	\$ 130,800
\$ 997	\$ 2,503	\$ 3,500
\$ 52,817	\$ 132,643	\$ 185,460

Anticipated Interest Rates:

5 Years: 2.000% 10 Years: 3.000% 15 Years: 3.750%
 20 Years: 4.000%

Note: No Local Tax increase is required.

MUHLENBERG COUNTY SCHOOL DISTRICT

Plan of Financing

Date of Report: 10/31/2018

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

MUHLENBERG COUNTY SCHOOL DISTRICT
 OUTSTANDING NET LOCAL DEBT SERVICE

	A	B	C	D	E	F	G
FYE	Series 2007-REF	Series 2011-REF	Series 2012-REF	Series 2013*	Series 2014	Series 2016-REF	Total
2018	\$397,198	\$668,232	\$196,637	\$128,711	\$108,825	\$570,644	\$2,070,246
2019	\$394,384	\$661,881	\$199,937	\$132,611	\$108,675	\$568,944	\$2,066,432
2020	\$390,985	\$669,025	\$192,836	\$141,410	\$108,525	\$562,095	\$2,064,876
2021		\$669,976	\$155,537	\$255,010	\$108,375	\$876,893	\$2,065,791
2022		\$665,676	\$158,637	\$256,310	\$108,225	\$878,193	\$2,067,042
2023		\$670,613	\$131,337	\$282,510	\$108,075	\$869,194	\$2,061,729
2024		\$666,996	\$119,237	\$288,110	\$107,925	\$879,794	\$2,062,063
2025				\$528,165	\$349,100	\$869,995	\$1,747,259
2026				\$527,003	\$351,450	\$874,845	\$1,753,298
2027				\$530,605	\$348,575	\$869,294	\$1,748,474
2028				\$528,855	\$350,475	\$795,160	\$1,674,490
2029				\$531,869	\$352,075	\$786,284	\$1,670,228
2030				\$533,220	\$353,375	\$785,113	\$1,671,708
2031				\$538,640	\$354,184	\$779,200	\$1,672,025
2032				\$537,960	\$354,300		\$892,260
2033				\$535,709	\$358,819		\$894,528
2034					\$357,719		\$357,719
2035					\$360,991		\$360,991
2036							
Totals:	\$1,182,566	\$4,672,398	\$1,154,160	\$6,276,699	\$4,649,688	\$10,965,648	\$28,901,158

MUHLENBERG COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A FYE	B Local Nickel	C Additional Nickel	D Capital Outlay @ 80%	E FSPK	F Total Local Funds	G Less Current Payments	H Local Funds Available	I 2012 SFCC Offer	J 2014 SFCC Offer	K 2016 SFCC Offer	L Total Funds Available
2019	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$2,066,432)	\$2,207		\$90,525	\$42,217	\$2,207
2020	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$2,064,876)	\$3,763	\$6,503	\$90,525	\$42,217	\$143,008
2021	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$2,065,791)	\$2,848	\$7,257	\$90,525	\$42,217	\$142,847
2022	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$2,067,042)	\$1,597	\$3,372	\$90,525	\$42,217	\$137,712
2023	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$2,061,729)	\$6,910	\$4,548	\$90,525	\$42,217	\$144,200
2024	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$2,062,063)	\$6,576	\$5,723	\$90,525	\$42,217	\$145,041
2025	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$1,747,259)	\$321,380	\$7,061	\$90,525	\$42,217	\$461,182
2026	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$1,753,298)	\$315,341	\$3,635	\$90,525	\$42,217	\$451,719
2027	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$1,748,474)	\$320,165	\$5,286	\$90,525	\$42,217	\$458,193
2028	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$1,674,490)	\$394,149	\$2,086	\$90,525	\$42,217	\$528,976
2029	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$1,670,228)	\$398,411	\$4,035	\$90,525	\$42,217	\$535,188
2030	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$1,671,708)	\$396,931	\$5,986	\$90,525	\$42,217	\$535,658
2031	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$1,672,025)	\$396,614	\$3,260	\$90,525	\$42,217	\$532,616
2032	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$892,260)	\$1,176,379	\$961	\$90,525	\$42,217	\$1,310,082
2033	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$894,528)	\$1,174,111	\$3,760	\$90,525	\$42,217	\$1,310,613
2034	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$357,719)	\$1,710,920	\$1,661	\$90,525	\$42,217	\$1,845,323
2035	\$829,578		\$332,980	\$906,081	\$2,068,639	(\$360,991)	\$1,707,648	\$3,732	\$90,525	\$42,217	\$1,844,123
2036	\$829,578		\$332,980	\$906,081	\$2,068,639	\$0	\$2,068,639	\$4,704	\$90,525	\$42,217	\$2,206,085
2037	\$829,578		\$332,980	\$906,081	\$2,068,639	\$0	\$2,068,639	\$5,153	\$90,525	\$42,217	\$2,206,534
2038	\$829,578		\$332,980	\$906,081	\$2,068,639	\$0	\$2,068,639	\$5,603	\$90,525	\$42,217	\$2,206,984
2039	\$829,578		\$332,980	\$906,081	\$2,068,639	\$0	\$2,068,639	\$6,053	\$90,525	\$42,217	\$2,207,434
Totals:	\$17,421,138	\$0	\$6,992,580	\$19,027,701	\$43,441,419	(\$26,830,913)	\$16,610,506	\$90,378	\$1,810,500	\$844,340	\$19,355,725

NOTES: Data based on assessments of \$1,679,621,686 and ADA of 4,299.084 per KDE Website (FY 2017-18)
Data based on assessments of \$1,659,155,141 and ADA of 4,162.25 per KDE Website (FY 2018-19)

MUHLENBERG COUNTY SCHOOL DISTRICT PROJECTED ENERGY CONSERVATION BONDS

A	B	C	D	E	F	G	H	I	J	K
Current Payments	FY June 30	Principal Payment	Estimated New Bond Issue Coupon	Interest Payments	Total Payments	SFCC Portion	General Fund Savings Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
\$2,064,876	2020	\$130,000	2.000%	\$238,829	\$368,829	\$139,245	\$229,584	\$2,064,876	\$2,068,639	\$3,763
\$2,065,791	2021	\$160,000	2.000%	\$217,858	\$377,858	\$139,999	\$237,859	\$2,065,791	\$2,068,639	\$2,848
\$2,067,042	2022	\$170,000	2.000%	\$214,658	\$384,658	\$136,114	\$248,543	\$2,067,042	\$2,068,639	\$1,597
\$2,061,729	2023	\$185,000	2.000%	\$211,258	\$396,258	\$137,290	\$258,968	\$2,061,729	\$2,068,639	\$6,910
\$2,062,063	2024	\$200,000	2.000%	\$207,558	\$407,558	\$138,465	\$269,092	\$2,062,063	\$2,068,639	\$6,576
\$1,747,259	2025	\$215,000	2.750%	\$203,558	\$418,558	\$139,803	\$278,755	\$1,747,259	\$2,068,639	\$321,380
\$1,753,298	2026	\$230,000	2.750%	\$197,645	\$427,645	\$136,377	\$291,268	\$1,753,298	\$2,068,639	\$315,341
\$1,748,474	2027	\$250,000	2.750%	\$191,320	\$441,320	\$138,028	\$303,292	\$1,748,474	\$2,068,639	\$320,165
\$1,674,490	2028	\$265,000	3.000%	\$184,445	\$449,445	\$134,828	\$314,617	\$1,674,490	\$2,068,639	\$394,149
\$1,670,228	2029	\$290,000	3.000%	\$176,495	\$466,495	\$136,777	\$329,718	\$1,670,228	\$2,068,639	\$398,411
\$1,671,708	2030	\$315,000	3.250%	\$167,795	\$482,795	\$138,728	\$344,067	\$1,671,708	\$2,068,639	\$396,931
\$1,672,025	2031	\$335,000	3.300%	\$157,558	\$492,558	\$136,002	\$356,555	\$1,672,025	\$2,068,639	\$396,614
\$892,260	2032	\$360,000	3.500%	\$146,503	\$506,503	\$133,703	\$372,799	\$892,260	\$2,068,639	\$1,176,379
\$894,528	2033	\$390,000	3.600%	\$133,903	\$523,903	\$136,502	\$387,401	\$894,528	\$2,068,639	\$1,174,111
\$357,719	2034	\$415,000	3.750%	\$119,863	\$534,863	\$134,403	\$400,460	\$357,719	\$2,068,639	\$1,710,920
\$360,991	2035	\$450,000	3.800%	\$104,300	\$554,300	\$136,474	\$417,826	\$360,991	\$2,068,639	\$1,707,648
	2036	\$485,000	4.000%	\$87,200	\$572,200	\$137,446	\$434,754	\$0	\$2,068,639	\$2,068,639
	2037	\$525,000	4.000%	\$67,800	\$592,800	\$137,895	\$454,905	\$0	\$2,068,639	\$2,068,639
	2038	\$565,000	4.000%	\$46,800	\$611,800	\$138,345	\$473,455	\$0	\$2,068,639	\$2,068,639
	2039	\$605,000	4.000%	\$24,200	\$629,200	\$138,795	\$490,405	\$0	\$2,068,639	\$2,068,639
\$24,764,481	Totals:	\$6,540,000		\$3,099,541	\$9,639,541	\$2,745,218	\$6,894,323	\$24,764,481	\$41,372,780	\$16,608,299