



**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

February 5, 2019

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

Dear Senator Girdler and Representative Thomas:

Listed below is information regarding various projects and reports that will be presented to the Capital Projects and Bond Oversight Committee (“CPBO”) at the February 19, 2019, meeting.

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

<u>Fund A Loan</u>	
City of Lancaster	\$324,000
<u>Fund F Loans</u>	
City of Irvine F/B/O Irvine Municipal Utilities	\$1,200,000
City of Burnside	\$2,227,000
Green-Taylor Water District	\$564,600
City of Cynthiana	\$954,565
City of Hardinsburg	\$760,280

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

Eastern Kentucky University General Receipts Refunding Bonds, 2019 Series A	\$5,275,000*
---	--------------

\*Estimated

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

Kentucky Housing Corporation Multifamily Housing Revenue Notes, Series 2018 (SOCAYR Portfolio Project) dated December 11, 2018	\$12,611,842
--	--------------

Senator Girdler  
Representative Thomas  
February 5, 2019  
Page 2

Kentucky Housing Corporation Multifamily Housing Revenue \$23,860,221  
Notes Series 2018 (Puritan Apartments Project) dated  
December 31, 2018

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

Bellevue Independent	\$1,100,000*
Breathitt County	\$5,500,000*
Covington Independent	\$1,700,000*
Fulton Independent	\$705,000*
Jenkins County	\$2,075,000*
Jessamine County	\$30,735,000*
Marshall County	\$2,080,000*

\*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  
February 2019 Capital Projects Meeting**

- **Fund A Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Loan Amount</u>	<u>County</u>
A19-011	City of Lancaster	\$ 324,000	Garrard

- **Fund F Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Loan Amount</u>	<u>County</u>
F17-006	City of Irvine F/B/O Irvine Municipal Utilities (Increase)	\$ 1,200,000	Estill
F19-005	City of Burnside	\$ 2,227,000	Pulaski
F19-018	Green-Taylor Water District	\$ 564,600	Green
F19-020	City of Cynthiana	\$ 954,565	Harrison
F19-059	City of Hardinsburg	\$ 760,280	Breckinridge

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>FUND A, FEDERALLY ASSISTED WASTEWATER</b> <b>REVOLVING LOAN FUND</b>		Reviewer Date KIA Loan Number WRIS Number	Meili Sun January 8, 2019 A19-011 SX21079019	
BORROWER		CITY OF LANCASTER GARRARD COUNTY		
BRIEF DESCRIPTION				
This is the Planning and Design portion of the Sanitary Sewer Improvements project which will include 2 contracts. Contract 1 will remove the existing boat clarifiers located in the oxidation ditch which severely limit the organic capacity of the plant. This contract will also construct a new RAS/WAS station as well as rehabilitate the Gas Chlorine Dechlorination system and the sludge dewatering press. Contract 2 will line and/or replace approximately 29,000 feet of gravity sewer and 149 manholes in various portions of the system identified as high I and I areas. Trenchless technologies will be used to reduce costs. This contract will also rehabilitate the Hill Court wastewater pumping station which has the highest volume in town.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$324,000	RD Fee %	Actual %	
		Planning	20,000	
		Eng - Design / Const	304,000	
TOTAL	\$324,000	TOTAL	\$324,000	
REPAYMENT	Rate Term	3.00% 5 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw	
			\$70,913	
PROFESSIONAL SERVICES	Engineer Bond Counsel	Summit Engineering, Inc. Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening P&D Start P&D Completion	Dec-19 Feb-19 Nov-19		
DEBT PER CUSTOMER	Existing Proposed	\$2,658 \$4,683		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current Additional	<u>Users</u> 1,643 0	<u>Avg. Bill</u> \$37.74 (for 4,000 gallons) \$37.74 (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	431,570	366,484	65,086	1.2
Audited 2016	351,970	292,252	59,718	1.2
Audited 2017	507,930	266,522	241,408	1.9
Projected 2018	377,128	265,499	111,629	1.4
Projected 2019	550,823	271,386	279,438	2.0
Projected 2020	588,920	348,899	240,021	1.7
Projected 2021	641,047	592,359	48,688	1.1
Projected 2022	696,686	650,540	46,146	1.1

Reviewer: Meili Sun  
Date: January 8, 2019  
Loan Number: A19-011 P&D

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
CITY OF LANCASTER, GARRARD COUNTY  
PROJECT REVIEW  
SX21079019**

**I. PROJECT DESCRIPTION**

This is the Planning and Design portion of the Sanitary Sewer Improvements project which will include two contracts. Contract 1 will remove the existing boat clarifiers located in the oxidation ditch which severely limit the organic capacity of the plant. This contract will also construct a new RAS/WAS station as well as rehabilitate the Gas Chlorine Dechlorination system and the sludge dewatering press. Contract 2 will line and/or replace approximately 29,000 feet of gravity sewer and 149 manholes in various portions of the system identified as high I&I areas. Trenchless technologies will be used to reduce costs. This contract will also rehabilitate the Hill Court wastewater pumping station which has the highest volume in town.

Lancaster Water Works is a regional facility currently serving approximately 1,600 retail customers and supplying wholesale water to the Crab Orchard Water Works and the Garrard County Water Association which is a PSC regulated system.

**II. PROJECT BUDGET**

	<u>Total</u>
Planning	\$ 20,000
Engineering Fees – Design	<u>304,000</u>
<b>Total</b>	<b>\$ 324,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
KIA Fund A Loan	<b>\$ 324,000</b>	<b>100%</b>

#### IV. KIA DEBT SERVICE

Planning & Design Loan	\$ 324,000
Interest Rate	3.00%
Loan Term (Year)	5
Estimated Annual Debt Service	\$ 70,265
Administrative Fee (0.20%)	648
<b>Annual Debt Service</b>	<b>\$ 70,913</b>

#### V. PROJECT SCHEDULE

P&D Start	February 2019
P&D Completion	November 2019
Estimated Bid Date	December 2019
Construction Start	March 2020
Construction Completion	February 2021

#### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

##### Customers

Customers	
Residential	1,449
Commercial	156
Industrial	38
Total	1,643

##### B) Rates

<u>Water</u>	Proposed	Current
Date of Last Rate Increase	10/01/19	07/02/18
Minimum 1,000 Gallons	\$ 14.10	\$ 13.90
Next 3,000 Gallons	7.88	7.01
Cost for 4,000 gallons	<b>\$ 37.74</b>	<b>\$ 34.93</b>
Increase %	8.04%	
Affordability Index (Rate/MHI)	1.5%	1.4%

<u>Sewer</u>	Current	Prior
Date of Last Rate Increase	10/01/19	07/02/18
Per 1,000 Gallons	\$ 8.30	\$ 7.52
Cost for 4,000 gallons	<b>\$ 33.20</b>	<b>\$ 30.08</b>
Increase %	10.37%	
Affordability Index (Rate/MHI)	1.3%	1.2%

### **Wholesale Water**

Date	1/10/18	7/10/18	7/10/19	07/10/20	07/10/21
Per 1,000 Gallons	\$2.10	\$2.15	\$2.20	\$ 2.25	\$ 2.49
Increase %		2.4%	2.3%	2.3%	10.7%

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 3,992 with a Median Household Income (MHI) of \$30,793. The median household income for the Commonwealth is \$44,811. The project will qualify for a planning and design loan at 3.00% interest rate.

Year	Population		County	% Change	County Unemployment	
	City	% Change			Date	Rate
1980	3,365		10,853		June 2005	5.4%
1990	3,421	1.7%	11,579	6.7%	June 2010	14.4%
2000	3,734	9.1%	14,792	27.7%	June 2015	5.8%
2010	3,442	-7.8%	16,912	14.3%	June 2018	5.1%
Current	3,831	11.3%	17,051	0.8%		
Cumulative %		13.8%		57.1%		

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

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

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements combining both water and sewer operations for the years ended June 30, 2015 through June 30, 2017. An accounting error applying \$117,082 grant income to water revenues has been deducted from operating revenues. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has also been removed from fiscal year 2015, 2016, and 2017 operating expenses.

### **HISTORY**

Combined water and sewer revenues went up 10.6% from \$1.85 million in 2015 to \$2.05 million in 2017 due to rate and volume increases. Operating expenses increased 8.4% from \$1.43 million in 2015 to \$1.55 million in 2017 due to higher contractual expenses and general inflation. The debt coverage ratio was 1.2, 1.2, and 1.9 for 2015, 2016, and 2017 respectively.

The balance sheet reflects a current ratio of 5.7, debt to equity ratio of 0.8, 57.2 days sales in accounts receivable, and 2.4 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Total revenues reflect all previously approved rate increases. Retail water revenues will increase approximately 15% and sewer revenues increase 10.40% by October 1, 2019.
- 2) Wholesale rates will go up annually based on the rate schedule in the water purchase agreements. Wholesale volume to the Garrard County Water District will exceed the minimum purchase requirement of 325 million gallons when the New Water Treatment Plant project is completed in 2021. In 2018, the Garrard County Water District purchased approximately 253 million gallons.
- 3) Expenses will increase 2% annually for general inflation.
- 4) After 2019, the City will continue to automatically adjust retail water and sewer rates based on the Social Security Consumer Price Index (CPI-W).
- 5) Debt service coverage is 1.7 in 2020 when annual repayments begin.
- 6) Should the City decide to pursue a construction loan from KIA after the planning and Design phase is completed, additional \$120,000 revenues will be required to support a total loan amount of \$4.2 million.

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

## REPLACEMENT RESERVE

Replacement reserve is not required for a planning and design loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Water and Sewer Revenue Bonds Series 1988	\$ 638,000	2028
Water and Sewer Revenue Bonds Series 2000	467,500	2040
Water and Sewer Revenue Bonds Series 2005A	218,100	2045
Water and Sewer Revenue Bonds Series 2005B	147,300	2045
Water and Sewer Revenue Bonds Series 2009	897,000	2048
Water and Sewer Revenue Bonds Series 2010	1,505,500	2050
KIA Loan B08-002	288,900	2028
KIA Loan B16-013	204,890	TBD
RD Bonds i/a/o \$4.5 million		TBD
KIA Loan F18-017 i/a/o \$4.0 million		TBD
<b>Total</b>	<b>\$4,367,190</b>	



## **XI. CONTACTS**

<b>Legal Applicant</b>	
Name	City of Lancaster
Address	308 W Maple Ave, Suite 1 Lancaster, KY 40444
County	Garrard
Authorized Official	Chris Davis, Mayor
Phone	(859) 792-2241
Email	cdavis@cityoflancasterky.com

<b>Project Contact - Applicant</b>	
Name	Debbie Carrier, City Clerk
Organization	City of Lancaster
Address	308 W Maple Ave, Suite 1 Lancaster, KY 40444
Phone	(859) 792-2241
Email	dcarrier@cityoflancasterky.com

<b>Project Administrator</b>	
Name	Bob Casher
Organization	BGADD
Address	699 Perimeter Dr., Ste 100 Lexington, KY 40517
Contact	
Phone	(859) 269-8021
Email	bcasher@bgadd.org

<b>Consulting Engineer</b>	
Name	Kevin Michael Howard
Firm	Summit Engineering, Inc
Address	131 Summit Drive Pikeville, KY 41501
Phone	(859) 264-9860
Email	khoward@summit-engr.com

## **XII. RECOMMENDATIONS**

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

**CITY OF LANCASTER  
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>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	1,469,534	1,479,526	1,838,847	1,845,538	1,933,625	1,992,630	2,030,367	2,053,596
Other Assets	10,459,985	10,258,586	10,183,626	9,686,817	9,478,507	15,062,664	19,988,478	19,412,258
<b>Total</b>	<b>11,929,519</b>	<b>11,738,112</b>	<b>12,022,473</b>	<b>11,532,355</b>	<b>11,412,132</b>	<b>17,055,293</b>	<b>22,018,845</b>	<b>21,465,855</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	207,234	323,961	320,621	328,770	337,918	351,288	365,859	589,430
Long Term Liabilities	4,910,312	4,886,005	5,037,302	4,886,399	4,740,266	8,334,563	11,918,189	11,532,145
<b>Total Liabilities</b>	<b>5,117,546</b>	<b>5,209,966</b>	<b>5,357,923</b>	<b>5,215,169</b>	<b>5,078,184</b>	<b>8,685,851</b>	<b>12,284,048</b>	<b>12,121,574</b>
<b>Net Assets</b>	<b>6,811,973</b>	<b>6,528,146</b>	<b>6,664,550</b>	<b>6,317,186</b>	<b>6,333,948</b>	<b>8,369,442</b>	<b>9,734,797</b>	<b>9,344,280</b>
<b>Cash Flow</b>								
Revenues	1,852,941	1,821,842	2,049,621	1,949,734	2,155,474	2,225,735	2,404,393	2,493,495
Operating Expenses	1,425,693	1,474,044	1,545,746	1,576,661	1,608,706	1,640,870	1,767,401	1,800,864
Other Income	4,322	4,172	4,055	4,055	4,055	4,055	4,055	4,055
<b>Cash Flow Before Debt Service</b>	<b>431,570</b>	<b>351,970</b>	<b>507,930</b>	<b>377,128</b>	<b>550,823</b>	<b>588,920</b>	<b>641,047</b>	<b>696,686</b>
<b>Debt Service</b>								
Existing Debt Service	366,484	292,252	266,522	265,499	271,386	277,986	521,446	579,627
Proposed KIA Loan	0	0	0	0	0	70,913	70,913	70,913
<b>Total Debt Service</b>	<b>366,484</b>	<b>292,252</b>	<b>266,522</b>	<b>265,499</b>	<b>271,386</b>	<b>348,899</b>	<b>592,359</b>	<b>650,540</b>
<b>Cash Flow After Debt Service</b>	<b>65,086</b>	<b>59,718</b>	<b>241,408</b>	<b>111,629</b>	<b>279,438</b>	<b>240,021</b>	<b>48,688</b>	<b>46,146</b>
<b>Ratios</b>								
Current Ratio	7.1	4.6	5.7	5.6	5.7	5.7	5.5	3.5
Debt to Equity	0.8	0.8	0.8	0.8	0.8	1.0	1.3	1.3
Days Sales in Accounts Receivable	34.8	30.9	57.2	57.2	57.2	57.2	57.2	57.2
Months Operating Expenses in Unrestricted Cash	1.4	1.4	2.4	2.5	2.9	3.2	3.2	3.2
Debt Coverage Ratio	1.2	1.2	1.9	1.4	2.0	1.7	1.1	1.1

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b> <b>REVOLVING LOAN FUND</b>		Reviewer Date KIA Loan Number WRIS Number	Ashley Adams January 8, 2019 F17-006 (Increase) WX21065005
BORROWER	CITY OF IRVINE ESTILL COUNTY		
BRIEF DESCRIPTION			
This is a loan increase in the amount of \$1,200,000 to a loan previously approved by the KIA Board for \$5,732,000; the new loan total will be \$6,932,000. The loan will also change from a 20 year term to a 30 year term. The reason for the increase is due to bids coming in higher than estimated in the original project budget.			
Original Project Description: This project will include an array of plant modernization efforts to address water treatment issues by reducing disinfection byproducts and adding capacity to meet redundancy needs. The project also includes installation of approximately 20,100 LF of 12" PVC water main and replacement of a 200,000 gallon water storage tank with a 500,000 gallon tank.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
Fund F Loan	\$6,932,000	Planning	30,000
		Eng - Design / Const	6.6% 5.4% 338,000
		Eng - Insp	4.5% 4.6% 284,000
		Eng - Other	75,000
		Construction	5,750,000
		Contingency	455,000
TOTAL	\$6,932,000	TOTAL	\$6,932,000
REPAYMENT	Rate Term	0.25% 30 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw \$216,483
PROFESSIONAL SERVICES	Engineer Bond Counsel	GRW Engineers, Inc Dinsmore & Shohl, LLP	
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Jun-18 Oct-18 Oct-19	
DEBT PER CUSTOMER	Existing Proposed	\$2,592 \$5,659	
OTHER DEBT	See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached		
RESIDENTIAL RATES	Current Additional	<u>Users</u> 1,985 0	<u>Avg. Bill</u> \$27.80 (for 4,000 gallons) \$27.80 (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	462,070	471,222	(9,152) 1.0
Audited 2016	404,528	416,387	(11,859) 1.0
Audited 2017	414,319	419,371	(5,052) 1.0
Projected 2018	492,089	417,902	74,187 1.2
Projected 2019	687,292	359,672	327,620 1.9
Projected 2020	731,999	468,599	263,401 1.6
Projected 2021	702,457	476,477	225,980 1.5
Projected 2022	689,729	444,937	244,792 1.6

Reviewer: Ashley Adams  
Date: January 8, 2019  
Loan Number: F17-006 (Increase)

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
CITY OF IRVINE F/B/O IRVINE MUNICIPAL UTILITIES, ESTILL COUNTY  
PROJECT REVIEW  
WX21065005**

**I. PROJECT DESCRIPTION**

The City of Irvine for the benefit of Irvine Municipal Utilities is requesting a Fund F loan increase in the amount of \$1,200,000 to a loan previously approved by the KIA Board for \$5,732,000. The new loan total will be \$6,932,000 for the Water Plant Modernization project and the loan term will be extended from 20 years to 30 years. The increase is due to bids coming in higher than estimated in the original project budget.

**Original Project Description:** The Water Treatment Plant (WTP) will undergo an array of improvements including expansion of the existing filter buildings, upgrade of two existing filters, construction of a third new filter, as well as improvements to the existing raw water and treated water pumping facilities, chemical feed/storage facilities, and flocculation and sedimentation basins. In addition, the project will install approximately 20,100 LF of 12” PVC main, and add a 500,000 gallon water storage tank which will replace an existing 200,000 gallon tank. These improvements will address water quality issues at the WTP and in the distribution system by reducing disinfection byproducts, add needed capacity to meet current regulations and aid in maintenance and redundancy needs, eliminate existing water transmission hydraulic bottlenecks, and facilitate water storage tank turnover.

Irvine Municipal Utilities serves approximately 4,500 customers. They also provide Estill County Water District No. 1 with approximately 255 million gallons of water annually at a rate of \$2.94/1,000 gallons (approximately 50% of total water revenue).

**II. PROJECT BUDGET**

	<u>Total</u>
Planning	\$ 30,000
Engineering Fees - Design	270,400
Engineering Fees - Construction	67,600
Engineering Fees - Inspection	284,000
Engineering Fees - Other	75,000
Construction	5,750,000
Contingency	455,000
<b>Total</b>	<b>\$ 6,932,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 6,932,000	100%
<b>Total</b>	<b>\$ 6,932,000</b>	<b>100%</b>

**IV. KIA DEBT SERVICE**

Construction Loan	\$ 6,932,000
Less: Principal Forgiveness	<u>1,100,000</u>
Amortized Loan Amount	\$ 5,832,000
Interest Rate	0.25%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$ 201,903
Administrative Fee (0.25%)	<u>14,580</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 216,483</b>

**V. PROJECT SCHEDULE**

<b>Bid Opening</b>	June 2018
<b>Construction Start</b>	October 2018
<b>Construction Stop</b>	October 2019

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

	<u>Current</u>
Residential	1,820
Commercial	163
Industrial	<u>2</u>
<b>Total</b>	<b>1,985</b>

**B) Rates**

<b>Water</b>	<b>Inside City</b>		<b>Outside City</b>	
	<u>Current</u>	<u>Prior</u>	<u>Current</u>	<u>Prior</u>
Date of Last Rate Increase	07/01/18	03/01/17	07/01/18	03/01/17
Minimum (2,000 gallons)	15.90	\$10.71	17.90	\$14.08
All over 2,000 (per 1,000)	5.95	5.24	7.75	7.43
Cost for 4,000 gallons	\$27.80	\$21.19	\$33.40	\$28.95
Increase %	31.2%	2.1%	15.4%	2.1%
Affordability Index (Rate/MHI)	1.2%	0.9%	1.5%	1.3%

Sewer	Inside City		Outside City	
	Current	Prior	Current	Prior
Date of Last Rate Increase	07/01/18	03/01/17	07/01/18	03/01/17
Minimum (2,000 gallons)	\$15.58	\$15.45	\$21.57	\$21.38
All over 2,000 (per 1,000)	8.86	8.78	9.02	8.94
Cost for 4,000 gallons	\$33.30	\$33.01	\$39.61	\$39.27
Increase %	0.9%	2.1%	0.9%	2.1%
Affordability Index (Rate/MHI)	1.5%	1.5%	1.8%	1.8%

The City's Rate Ordinance contains a clause that allows them to evaluate and affect rate increases based on the Consumer Price Index (CPI-U) up to 3% annually.

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 4,642 with a Median Household Income (MHI) of \$26,909. Median household income for the Commonwealth is \$44,811. The project will retain its original interest rate of 0.25% which was based on its Disadvantaged Community status.

Year	Population				County Unemployment	
	City	% Change	County	% Change	Date	Rate
1980	2,889		14,495		June 2005	6.7%
1990	2,836	-1.8%	14,614	0.8%	June 2010	12.7%
2000	2,843	0.2%	15,307	4.7%	June 2015	6.1%
2010	2,715	-4.5%	14,672	-4.1%	June 2018	6.1%
Current	2,257	-16.9%	14,406	-1.8%		
Cumulative %		-21.9%		-0.6%		

## VIII. 2016 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a "green" requirement.
- 2) Additional Subsidization – This project qualifies for additional subsidization in the amount of 50%, not to exceed \$1,100,000.

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for Irvine Municipal Utilities combined water and sewer fund, 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. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Consolidated water and sewer revenues increased 8% from \$2 million in 2015 to \$2.2 million in 2017 while operating expenses increased 15% from \$1.6 million to \$1.8 million during the same time period. Increases in water revenue were due largely to the City's CPI clause. Sewer revenue increases can be attributed to CPI rate increases as well as the acquisition of Estill County Sewer District No. 1 in 2014 and the realization of that revenue stream in Fiscal 2016. Operating expense increases can also be attributed to normal inflation as well as the acquisition.

The balance sheet reflects a current ratio of 0.8, debt to equity ratio of 0.6, 41.9 days sales in accounts receivable, and 2.9 months operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Water revenues will increase approximately \$250,000 by 2019 due to previously approved rate increases for the original loan and CPI adjustments.
- 2) Sewer revenues will experience an increase in 2020 as service for approximately 200 customers is completed through the Wisemantown Sewer Project. The anticipated debt (RD) for this project will be offset by the additional customer revenue and is included in this analysis.
- 3) Indirect operating expenses will normalize in 2018/2019 upon completion of the Wisemantown Sewer project.
- 4) Overall expenses will increase 2% annually for inflation but will be offset by the City's CPI clause.
- 5) Debt service coverage is 1.5 in 2021 when full principal and interest repayments begin.

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

### **REPLACEMENT RESERVE**

The annual replacement cost is \$17,300. This amount should be added to the replacement account each December 1 until the balance reaches \$346,000 and maintained for the life of the loan.



**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan (A95-08)	\$ 88,556	2018
KRWFC Bond 2013C	355,000	2021
RD Bond 2010	4,672,000	2049
Citizens Guaranty Bank	298,575	2018
RD Bond (Wisemantown Project i/a/o \$900,000)	-	TBD
Line of Credit	85,519	2018
<b>Total</b>	<b>\$ 5,499,650</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Name	City of Irvine
Address	101 Chestnut Street Irvine, KY 40336
County	Estill
Authorized Official	M.J. Noland, Mayor
Phone	606-723-2554
Email	mayornoland@irvineonline.net

<b>Project Contact - Applicant</b>	
Name	Billy Williams
Representing	Irvine Municipal Utilities
Address	238 Broadway St Irvine, KY 40336
Phone	606-723-2197
Email	irvinewater@irvineonline.net

<b>Consulting Engineer/ Project Administrator</b>	
Name	Bob Smallwood, Vice President
Firm	GRW Engineers, Inc
Address	801 Corporate Drive Lexington, KY 40503
Phone	859-223-3999 x250
Email	bsmallwood@grwinc.com

## **XII. RECOMMENDATIONS**

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

**CITY OF IRVINE  
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>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	446,230	415,356	689,908	707,399	799,323	861,203	909,199	960,958
Other Assets	18,438,043	18,416,304	17,812,900	16,973,333	20,145,974	27,084,540	26,553,869	26,020,947
<b>Total</b>	<b>18,884,273</b>	<b>18,831,660</b>	<b>18,502,808</b>	<b>17,680,733</b>	<b>20,945,298</b>	<b>27,945,743</b>	<b>27,463,068</b>	<b>26,981,905</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	488,512	851,399	897,616	748,568	659,660	347,222	353,403	359,730
Long Term Liabilities	6,249,841	6,218,226	6,089,887	5,521,791	8,311,791	12,019,291	11,908,291	11,794,791
<b>Total Liabilities</b>	<b>6,738,353</b>	<b>7,069,625</b>	<b>6,987,503</b>	<b>6,270,359</b>	<b>8,971,451</b>	<b>12,366,513</b>	<b>12,261,694</b>	<b>12,154,521</b>
<b>Net Assets</b>	<b>12,145,920</b>	<b>11,762,035</b>	<b>11,515,305</b>	<b>11,410,374</b>	<b>11,973,846</b>	<b>15,579,231</b>	<b>15,201,374</b>	<b>14,827,384</b>
<b>Cash Flow</b>								
Revenues	2,043,769	2,132,591	2,215,971	2,239,523	2,469,755	2,550,191	2,574,393	2,598,838
Operating Expenses	1,582,144	1,728,420	1,815,131	1,751,434	1,786,463	1,822,192	1,875,936	1,913,109
Other Income	445	357	13,479	4,000	4,000	4,000	4,000	4,000
<b>Cash Flow Before Debt Service</b>	<b>462,070</b>	<b>404,528</b>	<b>414,319</b>	<b>492,089</b>	<b>687,292</b>	<b>731,999</b>	<b>702,457</b>	<b>689,729</b>
<b>Debt Service</b>								
Existing Debt Service	471,222	416,387	419,371	417,902	359,672	360,357	259,994	228,454
Proposed KIA Loan	0	0	0	0	0	108,242	216,483	216,483
<b>Total Debt Service</b>	<b>471,222</b>	<b>416,387</b>	<b>419,371</b>	<b>417,902</b>	<b>359,672</b>	<b>468,599</b>	<b>476,477</b>	<b>444,937</b>
<b>Cash Flow After Debt Service</b>	<b>(9,152)</b>	<b>(11,859)</b>	<b>(5,052)</b>	<b>74,187</b>	<b>327,620</b>	<b>263,401</b>	<b>225,980</b>	<b>244,792</b>
<b>Ratios</b>								
Current Ratio	0.9	0.5	0.8	0.9	1.2	2.5	2.6	2.7
Debt to Equity	0.6	0.6	0.6	0.5	0.7	0.8	0.8	0.8
Days Sales in Accounts Receivable	44.4	47.3	41.9	41.9	41.9	41.9	41.9	41.9
Months Operating Expenses in Unrestricted Cash	1.5	1.0	2.9	3.1	3.5	3.7	4.0	4.2
Debt Coverage Ratio	1.0	1.0	1.0	1.2	1.9	1.6	1.5	1.6

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b> <b>REVOLVING LOAN FUND</b>		Reviewer	Meili Sun	
		Date	January 8, 2019	
		KIA Loan Number	F19-005	
		WRIS Number	WX21199128	
BORROWER	CITY OF BURNSIDE PULASKI COUNTY			
BRIEF DESCRIPTION				
The proposed project will replace approximately 28,375 LF of waterline, along with valves and fire hydrants in residential and commercial areas within the Burnside Water System.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$2,227,000	RD Fee %	Actual %	
		Administrative Expenses		\$65,000
		Legal Expenses		10,000
		Planning		15,000
		Eng - Design / Const	7.8% 7.3%	139,125
		Eng - Insp	4.7% 4.5%	84,875
		Eng - Other		6,500
		Construction		1,768,080
		Contingency		138,420
TOTAL	\$2,227,000	TOTAL		\$2,227,000
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$42,800
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	HMB, Inc		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Oct-19		
	Construction Start	Jan-20		
	Construction Stop	Nov-20		
DEBT PER CUSTOMER	Existing	\$2,889		
	Proposed	\$4,461		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	597	\$47.47	(for 4,000 gallons)
	Additional	0	\$47.47	(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	64,487	82,400	(17,913)	0.8
Audited 2016	(4,894)	72,296	(77,190)	-0.1
Audited 2017	91,775	65,635	26,140	1.4
Projected 2018	95,729	92,634	3,095	1.0
Projected 2019	105,087	92,249	12,838	1.1
Projected 2020	148,186	92,984	55,202	1.6
Projected 2021	147,369	111,818	35,551	1.3
Projected 2022	152,655	132,405	20,250	1.2

Reviewer: Meili Sun  
 Date: January 8, 2019  
 Loan Number: F19-005

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

**I. PROJECT DESCRIPTION**

The City of Burnside is requesting a Fund F loan in the amount of \$2,227,000 for the Burnside Combined Waterline Improvements project. This project will replace approximately 28,375 LF of waterline with valves and fire hydrants in residential and commercial areas in the Burnside Water System. The replacement lines will be 6" PVC. The completion of the project will restore proper fire protection by upsizing lines and replacing fire hydrants. It will also improve domestic service and reduce water loss to Burnside's customers by eliminating leaks as well as provide a direct connection between the WTP and old Burnside.

The City of Burnside produces more than 80% and purchases around 15% of its water supply from the Southeastern Water Association to serve approximately 590 customers within the system. In a Town Hall meeting held on December 10, 2018 to address the need for the project and the KIA assistance, the City received full support from its residents to move forward with the project.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 65,000
Legal Expenses	10,000
Planning	15,000
Engineering Fees – Design	97,390
Engineering Fees – Construction	41,735
Engineering Fees – Inspection	84,875
Engineering Fees – Other	6,500
Contingency	<u>138,420</u>
<b>Total</b>	<b>\$ 2,227,000</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
KIA Fund F Loan	\$ 2,227,000	100%
<b>Total</b>	<b>\$ 2,227,000</b>	<b>100%</b>

#### IV. KIA DEBT SERVICE

Construction Loan	\$ 2,227,000
Principal Forgiveness (50%)	1,113,500
Amortized Loan Amount	<u>\$ 1,113,500</u>
Interest Rate	0.50%
Loan Term (Years)	<u>30</u>
Estimated Annual Debt Service	\$ 40,016
Administrative Fee (0.25%)	<u>2,784</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 42,800</b>

#### V. PROJECT SCHEDULE

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

#### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

##### A) Customers

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

##### B) Rates

Date of Last Rate Increase	Water		
	<u>Proposed</u>	<u>Current</u>	<u>Prior</u>
First 1,000 Gallons	\$21.14	\$19.22	\$18.67
1,000 Gallons and Above	11.52	10.47	10.17
3,000 Gallons and Above	8.04	7.31	7.10
Cost for 4,000 gallons	\$52.22	\$47.47	\$46.11
Increase %	10.0%	2.9%	
Affordability Index (Rate/MHI)	1.8%	1.6%	1.5%

Date of Last Rate Increase	Sewer		
	Proposed	Current	Prior
	07/01/19	07/01/18	07/01/17
First 1,000 Gallons	\$19.51	\$17.74	\$17.23
1,000 Gallons and Above	10.04	9.13	8.87
3,000 Gallons and Above			
Cost for 4,000 gallons	\$49.64	\$45.13	\$43.84
Increase %	10.0%	2.9%	
Affordability Index (Rate/MHI)	1.7%	1.5%	1.5%

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

## VII. DEMOGRAPHICS

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

Year	Population		County		County Unemployment	
	City	% Change	County	% Change	Date	Rate
1980	775		45,803		June 2005	5.4%
1990	695	-10.3%	49,489	8.0%	June 2010	14.4%
2000	637	-8.3%	56,217	13.6%	June 2015	5.8%
2010	611	-4.1%	63,063	12.2%	June 2018	5.1%
Current	1,270	107.9%	63,772	1.1%		
Cumulative %		63.9%		39.2%		

## VIII. 2018 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a "green" requirement.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 50% of the assistance amount, not to exceed \$1,113,500 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 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.

### **HISTORY**

Combined water and sewer revenues increased 9.0% from \$545,221 in 2015 to \$594,558 in 2017 due to annual CPI increases while operating expenses increased 2.5% during the same period. The debt coverage ratio was 0.8 in 2015 and 1.4 in 2017. The ratio fell below zero in 2016 due to significantly higher maintenance and treatment costs for renovation of the water treatment plant and serious water leaks.

The balance sheet reflects a current ratio of 0.5, a debt to equity ratio of 0.4, 39.7 days sales in accounts receivable, and 0.3 month operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Combined water and sewer revenues will increase 10% or \$55,000 in fiscal year 2020 after the City implements necessary rate increases effective July 1, 2019.
- 2) The City will deposit \$5,000 additionally into the Reserve and Sinking Fund accounts starting 2020 for 4 years to replenish the minimum fund balances. This will be subject to annual KIA administrative compliance monitoring.
- 3) The City will continue to adjust rates based on the Consumer Price Index in 2020 and going forward.
- 4) Expenses will increase 2% annually for general inflation.
- 5) Debt coverage ratio is 1.2 in 2022 when full year principal and interest repayments begin.

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

### **REPLACEMENT RESERVE**

The replacement reserve will be 5% (\$112,000 total) of the final amount borrowed prior to principal forgiveness to be funded annually (\$5,600 yearly) each December 1 for 20 years and maintained for the life of the loan. As of June 30, 2017, the Reserve and Sinking Fund balances were under funded by approximately \$20,000. The City will set aside additional cash to fund the balances appropriately.



**X. DEBT OBLIGATIONS**

	Outstanding	Maturity
2005 Sewer Revenue Bonds	501,500	2047
KRWFC Series 2013D	636,700	2035
2015A Waterworks Bonds	446,800	2055
2015B Waterworks Bonds	140,000	2055
<b>Total</b>	<b>\$ 1,725,000</b>	

**XI. CONTACTS**

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

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

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

**Consulting Engineer**

Name	Joseph Forrest Grider
Firm	HMB, Inc
Address	3 HMB Circle Frankfort, KY 40601
Phone	(502) 695-9800
Email	jgrider@hmbpe.com

**XII. RECOMMENDATIONS**

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

1. The City shall raise additional revenues in the amount of \$55,000 or 10% by July 1, 2019 with an ordinance passed for the necessary rate increases prior to March 1, 2019.

**CITY OF BURNSIDE  
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>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	147,303	119,782	174,224	178,429	192,967	254,169	291,020	312,570
Other Assets	9,038,779	8,828,921	8,565,742	8,211,713	7,922,500	8,751,787	9,531,399	9,197,511
<b>Total</b>	<b>9,186,082</b>	<b>8,948,703</b>	<b>8,739,966</b>	<b>8,390,142</b>	<b>8,115,467</b>	<b>9,005,956</b>	<b>9,822,419</b>	<b>9,510,081</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	260,139	333,837	376,864	378,225	382,325	383,725	388,525	422,025
Long Term Liabilities	1,753,700	1,956,111	1,973,240	1,930,740	1,885,540	2,397,090	2,905,340	2,824,840
<b>Total Liabilities</b>	<b>2,013,839</b>	<b>2,289,948</b>	<b>2,350,104</b>	<b>2,308,965</b>	<b>2,267,865</b>	<b>2,780,815</b>	<b>3,293,865</b>	<b>3,246,865</b>
<b>Net Assets</b>	<b>7,172,243</b>	<b>6,658,755</b>	<b>6,389,862</b>	<b>6,081,177</b>	<b>5,847,602</b>	<b>6,225,141</b>	<b>6,528,554</b>	<b>6,263,216</b>
<b>Cash Flow</b>								
Revenues	545,221	587,978	594,558	604,999	620,974	675,822	687,889	700,197
Operating Expenses	480,734	592,872	502,783	509,270	515,887	527,636	540,520	547,542
Other Income	0	0	0	0	0	0	0	0
<b>Cash Flow Before Debt Service</b>	<b>64,487</b>	<b>(4,894)</b>	<b>91,775</b>	<b>95,729</b>	<b>105,087</b>	<b>148,186</b>	<b>147,369</b>	<b>152,655</b>
<b>Debt Service</b>								
Existing Debt Service	82,400	72,296	65,635	92,634	92,249	92,984	90,418	89,605
Proposed KIA Loan	0	0	0	0	0	0	21,400	42,800
<b>Total Debt Service</b>	<b>82,400</b>	<b>72,296</b>	<b>65,635</b>	<b>92,634</b>	<b>92,249</b>	<b>92,984</b>	<b>111,818</b>	<b>132,405</b>
<b>Cash Flow After Debt Service</b>	<b>(17,913)</b>	<b>(77,190)</b>	<b>26,140</b>	<b>3,095</b>	<b>12,838</b>	<b>55,202</b>	<b>35,551</b>	<b>20,250</b>
<b>Ratios</b>								
Current Ratio	0.6	0.4	0.5	0.5	0.5	0.7	0.7	0.7
Debt to Equity	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.5
Days Sales in Accounts Receivable	34.9	14.3	39.7	39.6	39.6	39.6	39.6	39.6
Months Operating Expenses in Unrestricted Cash	0.5	0.3	0.3	0.3	0.6	1.9	2.7	3.1
Debt Coverage Ratio	0.8	(0.1)	1.4	1.0	1.1	1.6	1.3	1.2

<b>EXECUTIVE SUMMARY</b> <b>KENTUCKY INFRASTRUCTURE AUTHORITY</b> <b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b> <b>REVOLVING LOAN FUND</b>		Reviewer Date KIA Loan Number WRIS Number	Ashley Adams January 8, 2019 F19-018 WX21087022
BORROWER	GREEN-TAYLOR WATER DISTRICT GREEN COUNTY		
BRIEF DESCRIPTION This project will improve water quality and reduce disinfection byproducts in the District's water supply by installing mixing stations in four of the District's elevated storage tanks, rehabilitating four pump stations and retrofitting them with Variable Frequency Drives, and establishing an interconnect with Adair County Water district.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
Fund F Loan	\$564,600	Legal Expenses Planning Eng - Design / Const Eng - Insp Construction Contingency	5,000 5,000 45,660 33,740 432,000 43,200
TOTAL	\$564,600	TOTAL	\$564,600
REPAYMENT	Rate Term	2.00% 20 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw \$35,802
PROFESSIONAL SERVICES	Engineer Bond Counsel	Cann-Tech, LLC Dinsmore & Shohl, LLP	
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Feb-19 Mar-19 Sep-19	
DEBT PER CUSTOMER	Existing Proposed	\$683 \$1,097	
OTHER DEBT	See Attached		
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached		
RESIDENTIAL RATES	Current Additional	<u>Users</u> 5,013 0	<u>Avg. Bill</u> \$40.73 (for 4,000 gallons) \$40.73 (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	370,054	348,498	21,556 1.1
Audited 2016	457,813	352,823	104,990 1.3
Audited 2017	529,596	365,685	163,911 1.4
Projected 2018	577,091	371,351	205,740 1.6
Projected 2019	662,444	333,990	328,454 2.0
Projected 2020	616,772	493,524	123,248 1.2
Projected 2021	576,613	481,923	94,690 1.2
Projected 2022	535,651	482,423	53,228 1.1

Reviewer: Ashley Adams  
Date: January 8, 2019  
Loan Number: F19-018

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
GREEN-TAYLOR WATER DISTRICT, GREEN COUNTY  
PROJECT REVIEW  
WX21087022**

**I. PROJECT DESCRIPTION**

The Green-Taylor Water District is requesting a Fund F loan in the amount of \$564,600 for the Distribution Upgrades project. The primary goal of this project is to improve water service and quality to the entire system served by Green-Taylor Water District. The District is currently struggling to keep their disinfectant byproducts within regulated standards due to elevated levels received from one of their current suppliers among other issues.

This project will add mixing stations to the Mell Ridge, Pierce, Sandy Y, and Summersville tanks in order to help remedy issues with stagnant water, high levels of disinfection byproducts, and inconsistent contact time resulting in varying levels of disinfectant throughout the distribution system. There will also be rehabilitation of four pump stations including Donansburg, Exie, Mac-Pittman, and Pikeview pump stations. Rehab of the stations will include the installation of new Variable Frequency Drive (VFD) controls to help improve energy efficiency.

In addition to the above-mentioned system improvements, the District will construct an interconnect with the Adair County Water District which will allow for another source of water on the Southern side of Green County along Highway 1913.

Green-Taylor Water District is a PSC regulated regional provider currently serving nearly 5,000 residents and businesses mainly in Green and Taylor counties. The District purchases approximately 350 MG of water annually from three providers including Campbellsville Municipal Water & Sewer System, Green River Valley Water District, and the Greensburg Water Department.

**II. PROJECT BUDGET**

	<u>Total</u>
Legal Expenses	5,000
Planning	5,000
Engineering Fees - Design	36,530
Engineering Fees - Construction	9,130
Engineering Fees - Inspection	33,740
Construction	432,000
Contingency	43,200
<b>Total</b>	<b>\$ 564,600</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 564,600	100%
<b>Total</b>	<b>\$ 564,600</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 564,600
Less: Principal Forgiveness	0
Amortized Loan Amount	<u>\$ 564,600</u>
Interest Rate	2%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 34,390
Administrative Fee (0.25%)	<u>1,412</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 35,802</b>

### V. PROJECT SCHEDULE

<b>Bid Opening</b>	February 2019
<b>Construction Start</b>	March 2019
<b>Construction Stop</b>	September 2019

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

	<u>Current</u>
Residential	4,941
Commercial	72
<b>Total</b>	<b>5,013</b>

#### B) Rates

	<b>Current</b>	<b>Prior</b>	<b>Prior</b>
Date of Last Rate Increase	08/17/18	12/01/10	08/01/08
Minimum (2,000 Gallons)	\$22.21	\$20.40	\$16.80
Next 3,000 Gallons	9.26	8.50	6.95
Next 5,000 Gallons	7.40	6.80	5.50
Over 10,000 Gallons	4.71	4.33	3.40
<b>Cost for 4,000 gallons</b>	<b>\$40.73</b>	<b>\$37.40</b>	<b>\$30.70</b>
Increase %	9%	22%	
Affordability Index (Rate/MHI)	1.3%	1.2%	

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 11,334 with a Median Household Income (MHI) of \$37,272. The median household income for the Commonwealth is \$44,811. The project will qualify for a 2% interest rate based on their regional provider status and work being done to assuage an Agreed Order.

Year	Population		County	% Change	County Unemployment	
	City	% Change			Date	Rate
1980	2,377		11,043		June 2005	6.2%
1990	1,990	-16.3%	10,371	-6.1%	June 2010	12.0%
2000	2,396	20.4%	11,518	11.1%	June 2015	7.2%
2010	2,163	-9.7%	11,258	-2.3%	June 2018	4.9%
Current	2,243	3.7%	11,123	-1.2%		
Cumulative %		-5.6%		0.7%		

## VIII. 2018 CAPITALIZATION GRANT EQUIVALENCIES

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

## IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2015 through December 31, 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 increased 3.3% from \$2.3 million in 2015 to \$2.4 million in 2017. Operating expenses decreased 4.1% from \$1.9 million to \$1.8 million during the same time period. The debt coverage ratio was 1.1 in 2015, 1.3 in 2016, and 1.4 in 2017.

The 2017 balance sheet reflects a current ratio of 5.1, a debt to equity ratio of 0.6, 69.1 days sales in accounts receivable, and 4.1 months operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase 9% in 2019 as a result of a rate increase approved by PSC on August 17, 2018.
- 2) Operating expenses will increase 2% for inflation.
- 3) Debt service for both this loan and a previously approved KIA Loan (F18-005) has been considered in this analysis.
- 4) Debt service coverage is 1.3 in 2020 when principal and interest repayments begin.

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

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$28,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$1,400 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
1979 Revenue Bond	\$ 75,000	2019
1994 Revenue Bond	312,000	2034
1995 Revenue Bond	473,000	2035
2001 Revenue Bond	205,000	2041
2004 Series A Revenue Bond	568,000	2044
2004 Series B Revenue Bond	248,000	2044
2004 Refinance Bonds	1,487,000	2027
Bank Loan (Capital Purchases)	53,619	2021
KIA Loan F18-005 (i/a/o \$1,842,071)	-	TBD
<b>Total</b>	<b>\$ 3,421,619</b>	

## XI. CONTACTS

<b>Legal Applicant</b>	
Entity Name	Green-Taylor Water District
Authorized Official	Bill Netherlands (Chairman)
County	Green
Email	josh.pedigo.greentaylorwater@hotmail.com
Phone	270-932-4947
Address	PO Box 168 Greensburg, KY 42743



**Applicant Contact**

Name	Josh Pedigo
Organization	Green-Taylor Water District
Email	josh.pedigo.greentaylorwater@hotmail.com
Phone	270-932-4947
Address	250 Industrial Park Rd Greensburg, KY 42743

**Project Administrator**

Name	Adam Scott
Organization	Cann-Tech, LLC
Email	ascott@kih.net
Phone	502-859-0907
Address	1100 Glensboro Rd Lawrenceburg, KY 40342

**Consulting Engineer**

PE Name	Matt Baker
Firm Name	Cann-Tech, LLC
Email	mbaker@kih.net
Phone	502-859-0907
Address	1100 Glensboro Rd Lawrenceburg, KY 40342

**XII. RECOMMENDATIONS**

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

**GREEN-TAYLOR WATER DISTRICT  
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>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	1,062,218	1,343,863	1,224,494	1,269,681	1,358,872	1,383,521	1,402,459	1,455,687
Other Assets	11,858,101	11,782,360	12,223,681	14,033,044	13,955,776	13,714,344	13,450,065	13,110,034
<b>Total</b>	<b>12,920,319</b>	<b>13,126,223</b>	<b>13,448,175</b>	<b>15,302,725</b>	<b>15,314,648</b>	<b>15,097,865</b>	<b>14,852,524</b>	<b>14,565,721</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	227,206	252,075	242,302	244,195	246,540	248,993	251,411	239,705
Long Term Liabilities	4,664,472	4,631,262	4,585,113	6,255,737	6,025,002	5,822,414	5,609,008	5,620,508
<b>Total Liabilities</b>	<b>4,891,678</b>	<b>4,883,337</b>	<b>4,827,415</b>	<b>6,499,932</b>	<b>6,271,542</b>	<b>6,071,407</b>	<b>5,860,419</b>	<b>5,860,213</b>
<b>Net Assets</b>	<b>8,028,641</b>	<b>8,242,886</b>	<b>8,620,760</b>	<b>8,802,793</b>	<b>9,043,106</b>	<b>9,026,458</b>	<b>8,992,105</b>	<b>8,705,508</b>
<b>Cash Flow</b>								
Revenues	2,313,573	2,349,976	2,389,718	2,475,056	2,599,009	2,599,009	2,599,009	2,599,009
Operating Expenses	1,973,527	1,928,351	1,892,138	1,929,981	1,968,581	2,014,253	2,054,412	2,095,374
Other Income	30,008	36,188	32,016	32,016	32,016	32,016	32,016	32,016
<b>Cash Flow Before Debt Service</b>	<b>370,054</b>	<b>457,813</b>	<b>529,596</b>	<b>577,091</b>	<b>662,444</b>	<b>616,772</b>	<b>576,613</b>	<b>535,651</b>
<b>Debt Service</b>								
Existing Debt Service	348,498	352,823	365,685	371,351	333,990	457,722	446,121	446,621
Proposed KIA Loan	0	0	0	0	0	35,802	35,802	35,802
<b>Total Debt Service</b>	<b>348,498</b>	<b>352,823</b>	<b>365,685</b>	<b>371,351</b>	<b>333,990</b>	<b>493,524</b>	<b>481,923</b>	<b>482,423</b>
<b>Cash Flow After Debt Service</b>	<b>21,556</b>	<b>104,990</b>	<b>163,911</b>	<b>205,740</b>	<b>328,454</b>	<b>123,248</b>	<b>94,690</b>	<b>53,228</b>
<b>Ratios</b>								
Current Ratio	4.7	5.3	5.1	5.2	5.5	5.6	5.6	6.1
Debt to Equity	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7
Days Sales in Accounts Receivable	57.7	70.5	69.1	69.1	69.1	69.1	69.1	69.1
Months Operating Expenses in Unrestricted Cash	3.6	4.9	4.1	4.3	4.6	4.7	4.7	4.9
Debt Coverage Ratio	1.1	1.3	1.4	1.6	2.0	1.2	1.2	1.1

<b>EXECUTIVE SUMMARY</b>		Reviewer	Meili Sun	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	November 13, 2018	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F19-020	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21097026	
BORROWER		CITY OF CYNTHIANA HARRISON COUNTY		
BRIEF DESCRIPTION				
The City of Cynthiana plans to construct a booster pump station adjacent to the existing one million gallon standpipe located near Harrison County High School. The proposed project will be designed to increase pressure to residential and institutional customers by a minimum of 25 PSI during static conditions. It will also include a large pump that will provide fire flows for the Harrison Memorial Hospital (HMH) and surrounding areas.				
PROJECT FINANCING		PROJECT BUDGET		RD Fee %    Actual %
Fund F Loan	\$954,565	Legal Expenses		5,000
		Planning		7,500
		Eng - Design / Const	9.2%    8.5%	69,260
		Eng - Insp	6.0%    5.7%	46,205
		Eng - Other		11,500
		Construction		741,000
		Contingency		74,100
TOTAL	\$954,565	TOTAL		\$954,565
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$52,600
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	HDR, Inc		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Mar-19		
	Construction Start	Apr-19		
	Construction Stop	Sep-19		
DEBT PER CUSTOMER	Existing	\$3,116		
	Proposed	\$3,240		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	2,475	\$16.05	(for 4,000 gallons)
	Additional	0	\$16.05	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASH FLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2015	499,977	384,763	115,214	1.3
Audited 2016	599,956	361,242	238,714	1.7
Audited 2017	772,322	494,028	278,294	1.6
Projected 2018	623,919	518,679	105,240	1.2
Projected 2019	642,920	550,246	92,674	1.2
Projected 2020	763,262	577,025	186,237	1.3
Projected 2021	712,635	603,914	108,721	1.2
Projected 2022	662,219	603,706	58,513	1.1

Reviewer: Meili Sun  
 Date: November 13, 2018  
 Loan Number: F19-020

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 DRINKING WATER STATE REVOLVING FUND (FUND F)  
 CITY OF CYNTHIANA, HARRISON COUNTY  
 PROJECT REVIEW  
 WX21097026**

**I. PROJECT DESCRIPTION**

The City of Cynthiana is requesting a Fund F loan in the amount of \$954,565 for the New Booster Pump Station project. This project will construct a new booster pump station adjacent to the existing one million gallon standpipe located near Harrison County High School. A new pressure zone will be created to serve the east side of the City. Water from the existing standpipe will be used to feed only the new pressure zone, which will improve the turnover of the tank and will reduce water age. The proposed project will be designed to increase pressure to residential and institutional customers by a minimum of 25 PSI during static conditions. In the event that the pump station is temporarily out of service, a valve will be opened and the existing tank will be used to supply water to the area by using the tank head. The pump station will also include a large pump that will provide fire flows for the Harrison Memorial Hospital and adjacent areas.

The utility currently serves 2,503 retail customers and supply wholesale water to the Harrison County Water Association which is a PSC regulated entity. The wholesale revenues account for approximately 35% of the total revenues.

**II. PROJECT BUDGET**

	<u>Total</u>
Legal Expenses	\$ 5,000
Planning	7,500
Engineering Fees - Design/Const	69,260
Engineering Fees - Inspection	46,205
Engineering Fees - Other	11,500
Construction	741,000
Contingency	74,100
<b>Total</b>	<b>\$ 954,565</b>

**III. PROJECT FUNDING**

	<u>Amount</u>	<u>%</u>
KIA Fund F Loan	\$ 954,565	100%
	<b>\$ 954,565</b>	<b>100%</b>

#### IV. KIA DEBT SERVICE

Construction Loan	\$ 954,565
Principal Forgiveness	0
Amortized Loan Amount	954,565
Interest Rate	0.50%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 50,214
Administrative Fee (0.25%)	2,386
<b>Total Estimated Annual Debt Service</b>	<b>\$ 52,600</b>

#### V. PROJECT SCHEDULE

Bid Opening	March, 2019
Construction Start	April, 2019
Construction Stop	September, 2019

#### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

##### A) Customers

Customers	Current
Residential	2,249
Commercial	217
Industrial/Institutional	37
<b>Total</b>	<b>2,503</b>

##### B) Rates

<b>Water</b>	Current	Prior
Date of Last Rate Increase	01/01/16	01/01/15
Minimum 2,000 Gallons	\$ 9.05	\$ 9.05
2,001 to 10,000 Gallons	3.50	3.50
Over 10,000 Gallons	2.85	2.63
Cost for 4,000 gallons	<b>\$ 16.05</b>	<b>\$ 16.05</b>
Increase %	0.0%	
Affordability Index (Rate/MHI)	0.6%	0.6%

<b>Sewer</b>	Current	Prior
Date of Last Rate Increase	09/05/17	01/06/11
2,001 to 10,000 Gallons	\$ 18.56	\$ 16.50
Over 10,000 Gallons	5.79	5.15
Cost for 4,000 gallons	<b>\$ 30.14</b>	<b>\$ 26.80</b>
Increase %	12.5%	
Affordability Index (Rate/MHI)	1.2%	1.1%

<b>Wholesale Water</b>	Current	Prior
Date of Last Rate Increase	01/01/16	01/01/15
Per 1,000 Gallons	<b>\$ 2.85</b>	<b>\$ 2.63</b>
Increase %	8.4%	

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 6,641 with a Median Household Income (MHI) of \$30,502. The median household income for the Commonwealth is \$44,811. The project qualifies for a 0.5% interest rate as its MHI is below 80% of the State MHI.

Year	Population		County	% Change	County Unemployment	
	City	% Change			Date	Rate
1980	5,881		15,166		June 2005	6.4%
1990	6,497	10.5%	16,248	7.1%	June 2010	10.7%
2000	6,258	-3.7%	17,983	10.7%	June 2015	4.7%
2010	6,402	2.3%	18,846	4.8%	June 2018	4.8%
Current	6,376	-0.4%	18,629	-1.2%		
Cumulative %		8.4%		22.8%		

## VIII. 2019 CAPITALIZATION GRANT EQUIVALENCIES

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

## IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 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

Combined water and sewer revenues increased 2.7% from \$2.85 million in 2015 to \$2.93 million in 2017 due to previously approved sewer and wholesale water rate increases. Other Operating Revenues including \$147,528 from KYTC garage reimbursement and \$23,889 from miscellaneous revenues were reclassified to Other Non-Operating Income. Operating expenses remained flat during the same period. The debt coverage ratio was 1.3, 1.7, and 1.6 in 2015 through 2017 respectively.

The balance sheet reflects a current ratio of 0.6, a debt to equity ratio of 0.7, 46.3 days sales in accounts receivable, and 0.1 month operating expenses in unrestricted cash.

**PROJECTIONS**

Projections are based on the following assumptions:

- 1) Revenues will grow approximately \$170,000 or 7.0% by 2020 after the City implements necessary rate increases to meet the special condition assigned to this loan.
- 2) Expenses will increase 2% annually for general inflation.
- 3) Debt service coverage ratio is 1.2 in 2021 when full year principal and interest repayments begin.

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

**REPLACEMENT RESERVE**

The replacement reserve will be 5% (\$48,000 total) of the final amount borrowed to be funded annually (\$2,400 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	Outstanding	Maturity
2000 Series Revenue Bonds	\$ 213,600	2040
2005 Series Revenue Bonds	785,000	2033
KIA Loan A05-06	3,123,422	2027
2015 Series Revenue Bonds	3,590,000	2055
KIA Loan F16-041 i.a.o. \$565,903	0	TBD
	<b>\$ 7,712,022</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Name	City of Cynthiana
Address	PO Box 67 Cynthiana, KY 41030
County	Harrison
Authorized Official	James D Smith, Mayor
Phone	(859) 234-7150
Email	jassmithsog@gmail.com

<b>Project Contact - Applicant</b>	
Name	Gary Royalty
Representing	City of Cynthiana
Address	PO Box 67 Cynthiana, KY 41031
Phone	(859) 234-7153
Email	cityofcynthiana@bellsouth.net

<b>Project Administrator</b>	
Name	HDR, Inc.
Address	2517 Sir Barton Way Lexington, KY 40509
Contact	Bob Sturdivant
Phone	(859) 629-4826
Email	bob.sturdivant@hdrinc.com

<b>Consulting Engineer</b>	
Name	Richard Smith
Firm	HDR, Inc.
Address	2517 Sir Barton Way Lexington, KY 40509
Phone	(859) 223-3755
Email	rich.smith@hdrinc.com

## **XII. RECOMMENDATIONS**

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

1. The City shall raise additional revenues in the amount of \$170,000 or 7% by July 1, 2019 with an ordinance passed for the necessary rate increases prior to January 31, 2019.



**CITY OF CYNTHIANA  
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>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	824,875	922,834	385,198	415,047	442,282	501,029	522,773	534,476
Other Assets	19,318,306	23,017,204	22,720,210	21,588,546	21,516,787	21,697,240	20,862,315	19,987,224
<b>Total</b>	<b>20,143,181</b>	<b>23,940,038</b>	<b>23,105,408</b>	<b>22,003,593</b>	<b>21,959,069</b>	<b>22,198,269</b>	<b>21,385,088</b>	<b>20,521,700</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	680,007	924,587	625,414	632,279	640,051	648,151	655,580	665,962
Long Term Liabilities	6,563,368	9,060,800	8,848,894	8,414,591	8,561,905	9,067,081	8,612,563	8,150,063
<b>Total Liabilities</b>	<b>7,243,375</b>	<b>9,985,387</b>	<b>9,474,308</b>	<b>9,046,870</b>	<b>9,201,956</b>	<b>9,715,232</b>	<b>9,268,143</b>	<b>8,816,025</b>
<b>Net Assets</b>	<b>12,899,806</b>	<b>13,954,651</b>	<b>13,631,100</b>	<b>12,956,723</b>	<b>12,757,113</b>	<b>12,483,037</b>	<b>12,116,945</b>	<b>11,705,675</b>
<b>Cash Flow</b>								
Revenues	2,849,025	2,878,165	2,927,905	2,997,495	3,065,890	3,235,890	3,235,890	3,235,890
Operating Expenses	2,351,423	2,279,067	2,328,821	2,375,397	2,424,791	2,474,449	2,525,076	2,575,492
Other Income	2,375	858	173,238	1,821	1,821	1,821	1,821	1,821
<b>Cash Flow Before Debt Service</b>	<b>499,977</b>	<b>599,956</b>	<b>772,322</b>	<b>623,919</b>	<b>642,920</b>	<b>763,262</b>	<b>712,635</b>	<b>662,219</b>
<b>Debt Service</b>								
Existing Debt Service	384,763	361,242	494,028	518,679	550,246	550,725	551,314	551,106
Proposed KIA Loan	0	0	0	0	0	26,300	52,600	52,600
<b>Total Debt Service</b>	<b>384,763</b>	<b>361,242</b>	<b>494,028</b>	<b>518,679</b>	<b>550,246</b>	<b>577,025</b>	<b>603,914</b>	<b>603,706</b>
<b>Cash Flow After Debt Service</b>	<b>115,214</b>	<b>238,714</b>	<b>278,294</b>	<b>105,240</b>	<b>92,674</b>	<b>186,237</b>	<b>108,721</b>	<b>58,513</b>
<b>Ratios</b>								
Current Ratio	1.2	1.0	0.6	0.7	0.7	0.8	0.8	0.8
Debt to Equity	0.6	0.7	0.7	0.7	0.7	0.8	0.8	0.8
Days Sales in Accounts Receivable	50.6	52.7	46.3	46.3	46.3	46.3	46.3	46.3
Months Operating Expenses in Unrestricted Cash	1.4	0.6	0.1	0.2	0.3	0.4	0.5	0.6
Debt Coverage Ratio	1.3	1.7	1.6	1.2	1.2	1.3	1.2	1.1

<b>EXECUTIVE SUMMARY</b>		Reviewer	Meili Sun	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	January 8, 2019	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F19-059	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21027053	
BORROWER	CITY OF HARDINBURG BRECKINRIDGE COUNTY			
BRIEF DESCRIPTION				
The proposed project will replace an existing water booster pump station at Harned in the Hardinsburg Water System and will extend approximately 13,000 LF of 4" waterlines on Morton Brown Road and Brown's Hideaway Road to add about 60 unserved households to the system. The booster station is near the end of its useful life and often operates at maximum capacity during peak demand. The existing pumps will be replaced with newer and more efficient models.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$760,280	RD Fee %	Actual %	
		Administrative Expenses		\$17,395
		Eng - Design / Const	9.6% 8.9%	57,510
		Eng - Insp	6.6% 6.3%	40,400
		Construction		586,375
		Contingency		58,600
TOTAL	\$760,280	TOTAL		\$760,280
REPAYMENT	Rate	2.00%	Est. Annual Payment	\$48,210
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Kentucky Engineering Group, PLLC		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Mar-19		
	Construction Start	May-19		
	Construction Stop	Dec-19		
DEBT PER CUSTOMER	Existing			\$3,458
	Proposed			\$2,944
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	5,903	\$35.24	(for 4,000 gallons)
	Additional	60	\$35.24	(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	1,503,880	1,388,494	115,386	1.1
Audited 2016	1,529,365	1,493,067	36,298	1.0
Audited 2017	1,579,204	1,679,623	(100,419)	0.9
Projected 2018	1,605,754	1,440,106	165,648	1.1
Projected 2019	1,664,359	1,439,825	224,534	1.2
Projected 2020	1,717,984	1,435,633	282,351	1.2
Projected 2021	1,744,902	1,490,677	254,225	1.2
Projected 2022	1,774,296	1,490,261	284,035	1.2

Reviewer: Meili Sun  
 Date: January 8, 2019  
 Loan Number: F19-059

**KENTUCKY INFRASTRUCTURE AUTHORITY  
 DRINKING WATER STATE REVOLVING FUND (FUND F)  
 CITY OF HARDINSBURG, BRECKINRIDGE COUNTY  
 PROJECT REVIEW  
 WX21027053**

**I. PROJECT DESCRIPTION**

The City of Hardinsburg is requesting a Fund F loan in the amount of \$760,280 for the Harned Pump Station Replacement project. The proposed project will replace an existing water booster pump station at Harned in the Hardinsburg Water System and will extend approximately 13,000 FL of 4" waterlines on Morton Brown Road and Brown's Hideaway Road to add about 60 unserved households to the System. The existing pumps will be replaced with newer and more efficient models.

The City of Hardinsburg supplies water to municipal customers within the City limits as well as Breckinridge County residents and wholesale finished water to the Cities of Cloverport and Irvington.

**II. PROJECT BUDGET**

	Total
Administrative Expenses	\$ 17,395
Engineering Fees – Design	46,000
Engineering Fees – Construction	11,510
Engineering Fees – Inspection	40,400
Construction	586,375
Contingency	58,600
<b>Total</b>	<b>\$ 760,280</b>

**III. PROJECT FUNDING**

	Amount	%
KIA Fund F Loan	<b>\$ 760,280</b>	<b>100%</b>

#### IV. KIA DEBT SERVICE

Construction Loan	\$	760,280
Interest Rate		2.00%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	46,310
Administrative Fee (0.25%)		1,901
Total Estimated Annual Debt Service	\$	<b>48,211</b>

#### V. PROJECT SCHEDULE

Bid Opening	March 2019
Construction Start	May 2019
Construction Stop	December 2019

#### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

##### A) Customers

Customers	Current	Proposed	Total
Residential	5,491	60	5,551
Commercial	398		398
Institutional	7		7
Industrial	7		7
Total	5,903	60	5,963

##### B) Rates

	Current	Prior	Prior
Date of Last Rate Increase	07/01/18	07/01/17	07/01/16
Minimum 2,000 Gallons	\$17.04	\$16.56	\$16.22
Additional 1,000 Gallons	9.10	8.84	8.66
Cost for 4,000 gallons	\$35.24	\$34.24	\$33.54
Increase %	2.9%	2.1%	
Affordability Index (Rate/MHI)	0.95%	0.93%	0.91%

The City adopted a CPI clause in the 2014 rate ordinance to automatically adjust water rates annually based on the Consumer Price Index.

#### VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 12,469 with a Median Household Income (MHI) of \$44,301. The median household income for the Commonwealth is \$44,811. The project will qualify for a 2.00% interest rate as its Median Household Income is below 100% but above 80% of the State average.

Year	Population				County Unemployment	
	City	% Change	County	% Change	Date	Rate
1980	2,211		16,861		June 2005	6.6%
1990	1,906	-13.8%	16,312	-3.3%	June 2010	12.4%
2000	2,345	23.0%	18,648	14.3%	June 2015	5.8%
2010	2,343	-0.1%	20,059	7.6%	June 2018	5.4%
Current	2,212	-5.6%	20,000	-0.3%		
Cumulative %		0.0%		18.6%		

**VIII. 2018 CAPITALIZATION GRANT EQUIVALENCIES**

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

**IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2015 through June 30, 2017. 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**

Water revenues increased 3.7% from \$3.14 million in 2015 to \$3.25 million in 2017 due to annual CPI increases while operating expenses increased 3.4% from \$1.70 million to \$1.76 million during the same period. The debt coverage ratio was 1.1, 1.0 in 2015 and 2016. In 2017, the ratio dropped to 0.9 because the City paid off an existing KIA loan (C89-023).

The balance sheet reflects a current ratio of 0.7, a debt to equity ratio of 1.5, 41.6 days sales in accounts receivable, and 3.8 months operating expenses in unrestricted cash.

**PROJECTIONS**

Projections are based on the following assumptions:

- 1) Water revenues will grow 2% to 3% each year based on the Consumer Price Index.
- 2) The line extension will add 60 new customers to the system when the project is completed in 2020.
- 3) Expenses will increase 2% annually for general inflation.

- 4) The debt coverage ratio is 1.2 in 2021 when full year principal and interest repayments begin.

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

**REPLACEMENT RESERVE**

The replacement reserve will be 5% (\$38,000 total) of the final amount borrowed to be funded annually (\$1,900 yearly) each December 1 for 20 years and maintained for the life of the loan.

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
2015 Refunding*	\$ 2,020,000	2033
2006A RD Loan	4,147,000	2045
2006B RD Loan	2,303,000	2045
2009 RD Loan	1,216,700	2048
2011 RD Loan	1,846,500	2051
KIA Loan B98-03*	14,581	2019
KIA Loan F00-03	155,084	2022
KIA Loan F05-03	2,419,817	2027
KIA Loan F07-10	1,344,396	2030
KIA Loan F11-01	2,125,523	2034
KIA Loan F09-03	2,685,404	2033
KIA Loan F14-014	552,997	2035
<b>Total</b>	<b>\$ 20,831,722</b>	

\* Includes portion of debt that is allocated to Wastewater Treatment Fund.

**XI. CONTACTS**

<b>Legal Applicant</b>	
Name	City of Hardinsburg
Address	220 South Main Street, PO BOX 149 Hardinsburg, KY 40143
County	Breckinridge
Authorized Official	Wayne Macy, Mayor
Phone	(270) 756-2213
Email	rwmacy@yahoo.com

<b>Project Contact - Applicant</b>	
Name	David Wakefield
Organization	City of Hardinsburg
Address	220 South Main Street, PO Box 149 Hardinsburg, KY 40143
Phone	(270) 756-9091
Email	David.wakefield@veoliawaterna.com

<b>Project Administrator</b>	
Name	Holly Nicholas
Organization	Kentucky Engineering Group, PLLC
Address	PO Box 1034 Versailles, KY 40383
Phone	(859) 333-9742
Email	hnicholas@kyengr.com

<b>Consulting Engineer</b>	
Name	James C Thompson
Firm	Kentucky Engineering Group, PLLC
Address	161 North Locust Street Versailles, KY 40383
Phone	(859) 251-4127
Email	jthompson@kyengr.com

**XII. RECOMMENDATIONS**

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

**CITY OF HARDINSBURG  
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>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	703,551	817,712	934,446	974,575	1,030,281	1,097,051	1,155,396	1,219,903
Other Assets	36,048,008	35,836,705	34,608,175	33,532,564	32,569,569	31,633,821	31,437,751	30,505,250
<b>Total</b>	<b>36,751,559</b>	<b>36,654,417</b>	<b>35,542,621</b>	<b>34,507,139</b>	<b>33,599,850</b>	<b>32,730,872</b>	<b>32,593,148</b>	<b>31,725,153</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	1,206,288	1,712,758	1,426,716	1,450,970	1,468,154	1,493,844	1,515,856	1,476,146
Long Term Liabilities	21,988,832	21,000,502	20,145,873	19,158,748	18,186,934	17,190,331	16,932,996	15,956,091
<b>Total Liabilities</b>	<b>23,195,120</b>	<b>22,713,260</b>	<b>21,572,589</b>	<b>20,609,718</b>	<b>19,655,089</b>	<b>18,684,175</b>	<b>18,448,852</b>	<b>17,432,237</b>
<b>Net Assets</b>	<b>13,556,439</b>	<b>13,941,157</b>	<b>13,970,032</b>	<b>13,897,421</b>	<b>13,944,762</b>	<b>14,046,697</b>	<b>14,144,296</b>	<b>14,292,916</b>
<b>Cash Flow</b>								
Revenues	3,135,240	3,155,381	3,251,530	3,313,342	3,407,914	3,498,226	3,564,464	3,632,027
Operating Expenses	1,704,756	1,702,786	1,763,102	1,798,364	1,834,331	1,871,018	1,910,338	1,948,507
Other Income	73,396	76,770	90,776	90,776	90,776	90,776	90,776	90,776
<b>Cash Flow Before Debt Service</b>	<b>1,503,880</b>	<b>1,529,365</b>	<b>1,579,204</b>	<b>1,605,754</b>	<b>1,664,359</b>	<b>1,717,984</b>	<b>1,744,902</b>	<b>1,774,296</b>
<b>Debt Service</b>								
Existing Debt Service	1,388,494	1,493,067	1,679,623	1,440,106	1,439,825	1,435,633	1,442,467	1,442,051
Proposed KIA Loan	0	0	0	0	0	0	48,210	48,210
<b>Total Debt Service</b>	<b>1,388,494</b>	<b>1,493,067</b>	<b>1,679,623</b>	<b>1,440,106</b>	<b>1,439,825</b>	<b>1,435,633</b>	<b>1,490,677</b>	<b>1,490,261</b>
<b>Cash Flow After Debt Service</b>	<b>115,386</b>	<b>36,298</b>	<b>(100,419)</b>	<b>165,648</b>	<b>224,534</b>	<b>282,351</b>	<b>254,225</b>	<b>284,035</b>
<b>Ratios</b>								
Current Ratio	0.6	0.5	0.7	0.7	0.7	0.7	0.8	0.8
Debt to Equity	1.7	1.6	1.5	1.5	1.4	1.3	1.3	1.2
Days Sales in Accounts Receivable	32.1	30.7	41.6	41.6	41.6	41.6	41.6	41.6
Months Operating Expenses in Unrestricted Cash	2.9	3.9	3.8	4.0	4.2	4.5	4.7	4.9
Debt Coverage Ratio	1.1	1.0	0.9	1.1	1.2	1.2	1.2	1.2



## Preliminary New Bond Issue Report

Issue: \$5,275,000 (est.) Eastern Kentucky University General Receipts Refunding Bonds, 2019 Series A

Purpose of Issue: Bond proceeds of the 2019 Series A will be used to 1.) currently refund certain outstanding Eastern Kentucky University General Receipts Bonds, 2009 Series A; and 2.) pay associated costs of issuance.

Proposed Date of Sale: TBD

Proposed Date of Delivery: TBD

Ratings:

Moody's TBD

### **Sources:**

Par amount of bonds: \$5,275,000.00

Premium: \$125,671.45

Total Sources: \$5,400,671.45

### **Uses:**

Refunding Escrow Deposits: \$5,249,114.19

Cost of Issuance: \$72,432.26

Underwriter Discount: \$79,125.00

Total Uses: \$5,400,671.45

All-in True Interest Cost: 3.081%

Final Maturity Date: 5/1/2028

Average Annual Debt Service: \$676,749.70

Total Debt Service: \$6,177,220.83

Average Life (years): 5.701

### **Refunding Summary:**

Bond Issue Being Refinanced: See Summary of Bonds Refunded (attached)

Par Amount of Refunded Bonds: \$5,160,000

Net PV Savings: \$278,570.77

Percentage Savings of Refunded Bonds: 5.399%

Method of Sale: Competitive

Bond Counsel: Dinsmore & Shohl, LLP

Financial Advisor: Hilliard Lyons

Trustee: U.S. Bank

Based off cashflows as of 1/22/2018

*Preliminary Subject to Change*

**BOND DEBT SERVICE**

Eastern Kentucky University  
Refunding of Series 2009

Dated Date 03/15/2019  
Delivery Date 03/15/2019

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
05/01/2019	55,000	3.000%	20,220.83	75,220.83	
06/30/2019					75,220.83
11/01/2019			78,300.00	78,300.00	
05/01/2020	25,000	3.000%	78,300.00	103,300.00	
06/30/2020					181,600.00
11/01/2020			77,925.00	77,925.00	
05/01/2021	585,000	3.000%	77,925.00	662,925.00	
06/30/2021					740,850.00
11/01/2021			69,150.00	69,150.00	
05/01/2022	600,000	3.000%	69,150.00	669,150.00	
06/30/2022					738,300.00
11/01/2022			60,150.00	60,150.00	
05/01/2023	620,000	3.000%	60,150.00	680,150.00	
06/30/2023					740,300.00
11/01/2023			50,850.00	50,850.00	
05/01/2024	640,000	3.000%	50,850.00	690,850.00	
06/30/2024					741,700.00
11/01/2024			41,250.00	41,250.00	
05/01/2025	660,000	3.000%	41,250.00	701,250.00	
06/30/2025					742,500.00
11/01/2025			31,350.00	31,350.00	
05/01/2026	675,000	3.000%	31,350.00	706,350.00	
06/30/2026					737,700.00
11/01/2026			21,225.00	21,225.00	
05/01/2027	695,000	3.000%	21,225.00	716,225.00	
06/30/2027					737,450.00
11/01/2027			10,800.00	10,800.00	
05/01/2028	720,000	3.000%	10,800.00	730,800.00	
06/30/2028					741,600.00
	5,275,000		902,220.83	6,177,220.83	6,177,220.83

**SAVINGS**Eastern Kentucky University  
Refunding of Series 2009

<b>Date</b>	<b>Prior Debt Service</b>	<b>Refunding Debt Service</b>	<b>Savings</b>	<b>Present Value to 03/15/2019 @ 2.5435169%</b>
06/30/2019	105,224.38	75,220.83	30,003.55	29,906.81
06/30/2020	210,448.76	181,600.00	28,848.76	28,370.84
06/30/2021	770,448.76	740,850.00	29,598.76	28,378.01
06/30/2022	769,448.76	738,300.00	31,148.76	29,081.67
06/30/2023	771,248.76	740,300.00	30,948.76	28,145.87
06/30/2024	772,048.76	741,700.00	30,348.76	26,885.06
06/30/2025	771,848.76	742,500.00	29,348.76	25,324.86
06/30/2026	769,830.00	737,700.00	32,130.00	26,977.20
06/30/2027	771,270.00	737,450.00	33,820.00	27,637.04
06/30/2028	771,450.00	741,600.00	29,850.00	23,749.90
	6,483,266.94	6,177,220.83	306,046.11	274,457.26

Savings Summary

PV of savings from cash flow	274,457.26
Plus: Refunding funds on hand	4,113.51
	<hr/>
Net PV Savings	278,570.77

**SUMMARY OF BONDS REFUNDED**

Eastern Kentucky University  
Refunding of Series 2009

<b>Bond</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Par Amount</b>	<b>Call Date</b>	<b>Call Price</b>
General Receipts Bonds, 2009 Series A, 2009:					
SERIAL	05/01/2022	4.000%	580,000.00	05/01/2019	100.000
	05/01/2023	4.000%	605,000.00	05/01/2019	100.000
	05/01/2024	4.000%	630,000.00	05/01/2019	100.000
	05/01/2025	4.125%	655,000.00	05/01/2019	100.000
	05/01/2026	4.200%	680,000.00	05/01/2019	100.000
	05/01/2027	4.200%	710,000.00	05/01/2019	100.000
	05/01/2028	4.250%	740,000.00	05/01/2019	100.000
TERM	05/01/2021	3.750%	560,000.00	05/01/2019	100.000
			5,160,000.00		



**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

December 11, 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 Notes (SOCAYR Portfolio Project), Series 2018 in a principal amount of \$12,611,842 (the "Notes"). The Notes, by their terms, provide that payment of principal and interest thereon are not an obligation of the Commonwealth of Kentucky or its departments or agencies.

Pursuant to OAG 83-453, OFM has restricted its review and approval process to reviewing certain documents incidental to the issue and to obtaining assurance that the documents include language which provides that the 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 approval of this issue by the Capital Projects and Bond Oversight Committee ("CPBO") occurred on November 21, 2017. The attached includes a finalized listing of costs related to the issuance of the Notes pursuant to KRS 45.816.

Sincerely,

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

Ryan Barrow  
Executive Director

Attachments

**FINAL BOND ISSUE  
REPORT**

Name of Bond Issue:	Kentucky Housing Corporation Multifamily Housing Revenue Notes (Series 2018)
Purpose of Issue:	The proceeds of the bonds will be used to make a loan to SOCAYR Portfolio, LLLP, or an affiliate thereof, and York Towers, LLLP, or an affiliate thereof, to finance the acquisition, rehabilitation and equipping of the multifamily residential rental facilities described in Exhibit A.
Name of Project:	SOCAYR Portfolio
Developer:	SOCAYR, Inc. for the SOCAYR LLCs and The Housing Partnership, Inc. for York Towers
Date of Sale:	December 2018
Date of Issuance:	December 2018
Gross Proceeds:	\$12,611,842
Costs of Issuance:	See Exhibit B, attached (All paid from equity)
Insurance Premium:	N/A
Total Project Cost:	\$23,733,022
Interest Rate:	5.80%
Annual Debt Service:	\$399,719
Gross Debt Service:	\$11,991,570
First Call Date:	April 1, 2020
Premium at First Call:	No premium
Method of Sale:	Private Placement
Bond Counsel:	Stites & Harbison PLLC
Financial Advisor:	The Housing Partnership, Inc.
Lender's Counsel:	Reed Weiskamp Schell & Vice PLLC
Trustee:	N/A

**Exhibit A**

SOCAYR LLCs

Prince Hall Village Apartments

1100 Prince Hall Village  
Frankfort, KY 40601  
100 Units  
(10 1BR, 70 2BR, 20 3BR)

Adairville Arms Apartments

125 Staggers Ave  
Adairville, KY 42202  
30 Units  
(8 1BR, 12 2BR, 10 3BR)

Staggers Manor Apartments

216 E Gallatin St  
Adairville, KY 42202  
20 Units  
(20 1BR)

York Towers

York Towers Apartments

201 York St  
Louisville, KY 40203  
89 Units  
(50 Studios, 39 1BR)

## Exhibit B

### Project Funding Sources:

LIHTC Equity	6,140,882
Federal History Tax Credit Equity	1,044,405
Tax-Exempt Bond Financing*	5,674,000
Seller Note	1,535,379
Assumed Second Mortgages	443,325
KHC HOME	1,830,575
HOME Match	104,029
KHC AHTF	500,000
Louisville Metro HOME	2,950,000
Louisville AHTF	724,200
GP Equity	500,000
Cashflow from Operations	218,630
State Historic Tax Credit Equity	198,548
Deferred Developer Fee	1,869,048
<b>Total</b>	<b>23,733,022</b>

\*Total tax-exempt bonds will be \$12,611,842, of which \$6,937,842 will be retired at the end of construction, and the remaining \$5,674,000 representing permanent financing thereafter.

### Costs of Issuance, Breakdown\*:

KHC Upfront Issuer Fee	63,059
KHC Reservation Fee	63,713
KHC Application Fee & Expenses	62,974
KHC Admin Fee	5,000
KHC Issuer's Counsel	12,500
Bond Counsel	152,366
Borrower's Counsel**	71,850
Lender's Counsel**	58,365
<b>Total</b>	<b>489,827</b>

\*All Costs of Issuance paid from equity.

\*\*75% of Borrower's Counsel, or \$53,887.50, and 75% of Lender's Counsel, or \$43,773.75, considered costs of the project.





**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

December 31, 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 Notes (Puritan Apartments Project), Series 2018 in a principal amount of \$23,860,221 (the "Notes"). The Notes, by their terms, provide that payment of principal and interest thereon are not an obligation of the Commonwealth of Kentucky or its departments or agencies.

Pursuant to OAG 83-453, OFM has restricted its review and approval process to reviewing certain documents incidental to the issue and to obtaining assurance that the documents include language which provides that the 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 approval of this issue by the Capital Projects and Bond Oversight Committee ("CPBO") occurred on October 16, 2018. The attached includes a finalized listing of costs related to the issuance of the Notes pursuant to KRS 45.816.

Sincerely,

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

Ryan Barrow  
Executive Director

Attachments

## FINAL BOND ISSUE REPORT

Name of Bond Issue:	Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Notes (The Puritan Apartments), Series 2018
Purpose of Issue:	The proceeds will be used to finance the acquisition, rehabilitation and equipping of the multifamily residential rental facility listed in Exhibit A.
Name of Project:	The Puritan Apartments
Date of Sale:	December 2018
Date of Issuance:	December 2018
Gross Proceeds:	\$23,860,221
Costs of Issuance:	See Exhibit B, attached (All paid from equity)
Insurance Premium:	N/A
Total Project Cost:	\$47,825,882
Interest Rate:	5.75%
Term:	30 years
Annual Debt Service:	\$734,697
Gross Debt Service:	\$22,040,910
First Call Date:	July 1, 2020
Premium at First Call:	No premium
Method of Sale:	Private Placement
Bond Counsel:	Stites & Harbison PLLC
Financial Advisor:	The Housing Partnership, Inc.
Lender's Counsel:	Reed Weitkamp Schell & Vice PLLC
Trustee:	N/A
Developer:	SOCAYR, Inc.

**EXHIBIT A**

The Puritan Apartments

1244 S 4th St

Louisville, KY 40203

247 Units

(84 Efficiencies, 163 One-Bedrooms)

## EXHIBIT B

### Project Funding Sources:

LIHTC Equity	18,616,000
Tax-Exempt Bond Financing*	10,491,370
Seller Note	14,671,793
Existing Reserves	342,202
General Partner Contribution	100
Cash Flow from Operations	617,693
Deferred Developer Fee	3,086,724
<b>Total</b>	<b>47,825,882</b>

\*Total tax-exempt bonds will be \$23,860,221, of which \$13,368,851 will be retired at the end of construction, and the remaining \$10,491,370 representing permanent financing thereafter.

### Costs of Issuance, Breakdown:\*

KHC Upfront Issuer Fee	120,000
KHC Reservation Fee	137,705
KHC Pre-App, App, Inspection, Extension, and Market Study Review Fee	18,026
KHC Admin Fee	5,000
KHC Issuer's Counsel	18,000
Bond Counsel	88,610
Borrower's Counsel**	27,500
Lender's Counsel**	25,500
<b>Total</b>	<b>440,341</b>

\*All Costs of Issuance paid from equity.

\*\*75% of Borrower's Counsel, or \$20,625, and 75% of Lender's Counsel, or \$19,125, considered costs of the project.



## School Facilities Construction Commission

Finance and Administration Cabinet

700 Louisville Rd

Carriage House

Frankfort, Kentucky 40601

(502) 564-5582

(888) 979-6152 Fax

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

**MATT BEVIN**

Governor

**MR. WILLIAM LANDRUM III**

Secretary

**DAVID PRATER**

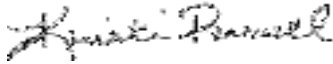
Chairman

**CHELSEY BIZZLE**

Executive Director

### **MEMORANDUM**

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

**FROM:** Kristi Russell, SFCC 

**DATE:** February 4, 2019

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

The following information is submitted for consideration by CPBO at their next meeting tentatively scheduled for February 19, 2019:

Bellevue Independent- \$1,100,000 estimated – Improvements at Bellevue High school. State estimated annual debt service is \$39,490 and local is \$39,213. No tax increase is necessary to finance this project.

Breathitt County- \$5,500,000 estimated – Phase I construction of the new ATC. State estimated annual debt service is \$64,915 and local is \$329,786. A recallable nickel was levied in 2017 and is necessary to finance this project.

Covington Independent- \$1,700,000 estimated – District wide security upgrades. State estimated annual debt service is \$17,249 and local is \$104,320. No tax increase is necessary to finance this project.

Fulton Independent- \$705,000 estimated – Refunding of the 2009 bonds is planned. State estimated annual debt service is \$1,742 and local is \$76,568. No tax increase is necessary to finance this project.

Jenkins County- \$2,075,000 estimated – Middle and High School renovations. State estimated annual debt service is \$124,169 and local is \$24,916. No tax increase is necessary to finance this project.

Jessamine County- \$30,735,000 estimated – District wide renovations. State estimated annual debt service is \$3,898 and local is \$2,468,885. No tax increase is necessary to finance this project.

Marshall County- \$2,080,000 estimated – District wide renovations. State estimated annual debt service is \$9,650 and local is \$137,093. No tax increase is necessary to finance this project.

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



An Equal Opportunity Employer M/F/D

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form – Bellevue Independent School District Series 2019  
**Date:** January 29, 2019  
**cc:** File

---

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

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

# BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 1,100,000**  
 Issue Name: Bellevue Independent School District Finance Corporation School Building Revenue Bonds, Series 2019  
 Purpose: Bellevue High School - ADA Access  
 Projected Sale Date of Bond: 7-Mar-19  
 First Call Date: 3/1/26 @ 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
\$ 551,934	\$ 548,066	\$ 1,100,000
50.18%	49.82%	
\$ 39,490	\$ 39,213	\$ 78,703
\$ 0	\$ 0	\$ 0

**Estimated Cost of Issuance:**

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

\$ 6,021	\$ 5,979	\$ 12,000
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 4,265	\$ 4,235	\$ 8,500
\$ 11,039	\$ 10,961	\$ 22,000
\$ 1,756	\$ 1,744	\$ 3,500
\$ 23,081	\$ 22,919	\$ 46,000

**Anticipated Interest Rates:**

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

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

# BELLEVUE IND. SCHOOL DISTRICT

## Plan of Financing

Date of Report: 1/29/2019

---

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



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

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
	Series	Series	Series	Series	Series	Total
FYE	2007-REF	2008	2009-REF	2009-REF KISTA	2011	
2018	\$140,026	\$15,903	\$86,391	\$21,196	\$36,586	\$300,102
2019	\$158,239	\$19,464		\$21,103	\$45,985	\$244,792
2020	\$172,503	\$17,564			\$50,084	\$240,151
2021	\$169,250	\$15,664			\$49,034	\$233,948
2022		\$18,764			\$52,530	\$71,294
2023		\$16,673			\$50,809	\$67,483
2024		\$19,584			\$49,089	\$68,673
2025		\$17,304			\$52,370	\$69,674
2026		\$15,024			\$50,435	\$65,458
2027		\$17,744			\$48,501	\$66,244
2028		\$20,273			\$46,566	\$66,839
2029					\$49,630	\$49,630
2030					\$47,480	\$47,480
2031					\$50,331	\$50,331
2032					\$0	\$0
2033					\$0	\$0
<b>Totals:</b>	<b>\$640,019</b>	<b>\$193,960</b>	<b>\$86,391</b>	<b>\$42,300</b>	<b>\$679,430</b>	<b>\$1,642,099</b>

# BELLEVUE IND. SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A FYE	B Local Nickel	C Additional Nickel	D Capital Outlay @ 80%	E FSPK	F Addtl. FSPK	G Total Local Funds	H Less Current Payments	I Local Funds Available	J		K		L		M		N Total Funds Available
									SFCC	Offier	SFCC	Offier	SFCC	Offier	SFCC	Offier	
2018	\$208,936	\$0	\$51,520	\$43,190	\$0	\$303,646	(\$300,102)	\$3,544									\$3,544
2019	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$244,792)	\$51,963									\$51,963
2020	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$240,151)	\$56,603		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$96,093
2021	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$233,948)	\$62,806		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$102,296
2022	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$71,294)	\$225,461		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$264,951
2023	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$67,483)	\$229,272		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$268,762
2024	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$68,673)	\$228,081		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$267,571
2025	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$69,674)	\$227,080		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$266,570
2026	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$65,458)	\$231,296		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$270,786
2027	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$66,244)	\$230,510		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$270,000
2028	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$66,839)	\$229,915		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$269,405
2029	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$49,630)	\$247,124		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$286,614
2030	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$47,480)	\$249,274		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$288,764
2031	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	(\$50,331)	\$246,423		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$285,913
2032	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	\$0	\$296,754		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$336,244
2033	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	\$0	\$296,754		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$336,244
2034	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	\$0	\$296,754		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$336,244
2035	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	\$0	\$296,754		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$336,244
2036	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	\$0	\$296,754		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$336,244
2037	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	\$0	\$296,754		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$336,244
2038	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	\$0	\$296,754		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$336,244
2039	\$209,696	\$0	\$47,767	\$39,291	\$0	\$296,754	\$0	\$296,754		\$12,721	\$8,945	\$9,420	\$8,404	\$9,420	\$9,420	\$9,420	\$336,244
Totals:	\$4,612,552	\$0	\$1,054,635	\$868,301	\$0	\$6,535,488	(\$1,642,099)	\$4,893,388		\$254,420	\$178,900	\$188,400	\$168,080	\$188,400	\$188,400	\$188,400	\$5,683,188

**NOTES:** Data based on assessments of \$417,871,401 and ADA of 644,000 per KDE SEEK Website (FY 2017-18)  
Data based on assessments of \$419,392,789 and ADA of 597,092 per KDE SEEK Website (FY 2018-19)

# BELLEVUE IND. SCHOOL DISTRICT PROJECTED 2019 BOND ISSUE

A	B	C	D	E	F	G	H	I	J	K
Current Payments	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
		----- Estimated New Bond Issue -----								
\$240,151	2020	\$40,000	3.000%	\$39,118	\$79,118	\$39,490	\$39,628	\$279,779	\$296,754	\$16,975
\$233,948	2021	\$40,000	3.000%	\$37,918	\$77,918	\$39,490	\$38,428	\$272,375	\$296,754	\$24,379
\$71,294	2022	\$40,000	3.000%	\$36,718	\$76,718	\$39,490	\$37,228	\$108,521	\$296,754	\$188,233
\$67,483	2023	\$45,000	3.000%	\$35,518	\$80,518	\$39,490	\$41,028	\$108,510	\$296,754	\$188,244
\$68,673	2024	\$45,000	3.000%	\$34,168	\$79,168	\$39,490	\$39,678	\$108,351	\$296,754	\$188,404
\$69,674	2025	\$45,000	3.500%	\$32,818	\$77,818	\$39,490	\$38,328	\$108,002	\$296,754	\$188,753
\$65,458	2026	\$45,000	3.500%	\$31,243	\$76,243	\$39,490	\$36,753	\$102,211	\$296,754	\$194,544
\$66,244	2027	\$50,000	3.500%	\$29,668	\$79,668	\$39,490	\$40,178	\$106,422	\$296,754	\$190,333
\$66,839	2028	\$50,000	3.500%	\$27,918	\$77,918	\$39,490	\$38,428	\$105,266	\$296,754	\$191,488
\$49,630	2029	\$55,000	3.500%	\$26,168	\$81,168	\$39,490	\$41,678	\$91,308	\$296,754	\$205,447
\$47,480	2030	\$55,000	3.500%	\$24,243	\$79,243	\$39,490	\$39,753	\$87,232	\$296,754	\$209,522
\$50,331	2031	\$55,000	3.500%	\$22,318	\$77,318	\$39,490	\$37,828	\$88,159	\$296,754	\$208,596
\$0	2032	\$60,000	3.750%	\$20,393	\$80,393	\$39,490	\$40,903	\$40,903	\$296,754	\$255,852
\$0	2033	\$60,000	3.750%	\$18,143	\$78,143	\$39,490	\$38,653	\$38,653	\$296,754	\$258,102
\$0	2034	\$65,000	3.750%	\$15,893	\$80,893	\$39,490	\$41,403	\$41,403	\$296,754	\$255,352
\$0	2035	\$65,000	3.750%	\$13,455	\$78,455	\$39,490	\$38,965	\$38,965	\$296,754	\$257,789
	2036	\$65,000	3.750%	\$11,018	\$76,018	\$39,490	\$36,528	\$36,528	\$296,754	\$260,227
	2037	\$70,000	3.900%	\$8,580	\$78,580	\$39,490	\$39,090	\$39,090	\$296,754	\$257,664
	2038	\$75,000	3.900%	\$5,850	\$80,850	\$39,490	\$41,360	\$41,360	\$296,754	\$255,394
	2039	\$75,000	3.900%	\$2,925	\$77,925	\$39,490	\$38,435	\$38,435	\$296,754	\$258,319
\$1,097,206	<b>Totals:</b>	\$1,100,000		\$474,065	\$1,574,065	\$789,800	\$784,265	\$1,881,471	\$5,935,087	\$4,053,616

R | S | A  
Ross, Sinclair & Associates, LLC

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

January 25, 2019

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

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

INVESTMENT  
BANKING

FINANCIAL  
ADVISORY

RE: \$5,500,000 Breathitt County School District Finance Corporation  
School Building Revenue Bonds, Series of 2019

PUBLIC  
FINANCE

Dear Ms. Bizzle:

BROKERAGE  
SERVICES

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to finance Phase I of the Construction of a new ATC center.

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

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

Cincinnati, OH

Lexington, KY

Owensboro, KY

Sincerely,

Columbus, OH

Indianapolis, IN

Columbia, SC

Dwight G. Salsbury

Brentwood, TN

Pittsburgh, PA

Enclosures

St. Petersburg, FL

Alameda, CA



## BOND PAYEE DISCLOSURE FORM

Par Amount:	<b>\$5,500,000</b>	
Issue Name:	Breathitt County School District Finance Corporation School Building Revenue Bonds, Series of 2019	
Purpose:	Phase I Construction of a new ATC	
Projected Sale Date of Bonds:	Mid-May 2019	
First Call Date:	8 Years at par	
Method of Sale:	Competitive Bids	
Place/time of sale:	Parity/SFCC, Frankfort, Ky. / TBD	
Bond Rating:	Moody's: "Aa3"	
Bond Counsel:	Steptoe and Johnson, Louisville, KY	
Fiscal Agent:	Ross, Sinclaire & Associates LLC, Louisville, Kentucky	
Date received by SFCC:	/ /	<i>To be filled in by SFCC</i>
Date scheduled for Committee review:	/ /	<i>To be filled in by SFCC</i>
	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
\$908,810	\$4,591,190	\$5,500,000
16.52%	83.48%	100.00%
\$64,915	\$329,786	\$394,701
\$0	\$0	\$0

**Estimated Cost of Issuance:**

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

\$5,783	\$29,217	\$35,000
\$0	\$0	\$0
\$0	\$0	\$0
\$3,305	\$16,695	\$20,000
\$18,176	\$91,824	\$110,000
\$0	\$0	\$0
\$27,264	\$137,736	\$165,000

**Anticipated Interest Rates:**

5 Years: 2.650%      10 Years: 3.350%      15 Years: 3.750%  
 20 Years: 4.000%

**Notes: The District levied a recallable Nickel in Summer 2017**

# Breathitt County School District

## Plan of Financing -- Projected Series 2019

Date of Report: 1/25/2019

---

Local Bond Payments Outstanding .....	1
Summary of Funds for Bond Payments .....	2
Projected Series 2019 .....	3
Disclosures .....	4



## Breathitt County School District -- Local Bond Debt

<u>Fiscal Year End</u>	<u>Series 2007-Ref</u>	<u>Series 2012-REF</u>	<u>Series 2013-REF*</u>	<u>KISTA 2014</u>	<u>Series 2014</u>	<u>Series 2015 Energy</u>	<u>Series 2015-R</u>	<u>Series 2015</u>	<u>Series 2016-R*</u>	<u>Total Local Payments</u>
2019	6,935	12,748	29,835	4,700	36,150	11,380	615,550	23,485	42,928	783,711
2020	6,720	11,735	29,513	11,095	35,550	13,526	611,663	23,175	40,927	783,903
2021	6,505	10,722	29,190	11,095	39,725	9,679	616,100	22,865	43,927	789,808
2022	11,290	109,710	163,868	11,095	38,675	9,917		47,168	141,827	533,548
2023	10,860	106,267	155,643	11,095	37,625	9,106		51,005	142,728	524,328
2024	10,430	107,822	157,525	11,094	36,575	12,222		49,765	138,529	523,962
2025			204,300	11,095	35,525	13,726		48,525	134,328	447,500
2026				11,095		18,527		47,285	305,128	382,035
2027				11,095		25,933		46,045	292,429	375,501
2028				11,094		44,586		44,805	286,027	386,512
2029				11,094		40,900		48,488		100,482
2030				11,094		40,439		47,093		98,626
2031				11,094		33,012		45,698		89,804
2032				11,095		13,728				24,823
2033				11,095		37,121				48,216
2034				11,094		42,440				53,534
2035						39,237				39,237
<b>Totals</b>	52,740	359,004	769,873	104,552	259,825	415,479	1,843,313	545,400	1,568,776	5,985,528

<u>Issue</u>	<u>Original Amount</u>	<u>Project Description</u>
2007 REF Series	\$2,690,000	Refinanced Prior Series 97 Bonds and Prior 2004 KADD COPS (Improvements to LBJ ES and Sebastian MS)
2012 REF Series	\$765,000	Refinanced Prior Series 2004 Bonds which were issued to finance renovations at Sebastian Middle School
2013 REF Series	\$765,000	Refinanced Prior Series 2005 Bonds which were issued to finance renovations at LBJ Elementary School
2014 KISTA	\$213,648	Energy Improvements (Restricted Fund Portion Only)
2015 Energy	\$7,990,000	Energy Improvements (Restricted Fund Portion Only)
2015 REF Series	\$2,150,000	Refinanced Prior Series 2005 Bonds which were issued to finance renovations at Breathitt HS
2015 Series	\$530,000	Water Water Treatment plants at Marie Roberts ES and Highland Turner ES
2016 REF Series	\$2,350,000	Refinanced Prior Series 2008 Bonds which financed an addition and renovations to Sebastian ES

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

FYE	LOCAL NICKEL	RECALLABLE NICKEL	CAPITAL OUTLAY @ 80%	FSPK	EQUAL FSPK	TOTAL LOCAL FUNDS	LESS CURRENT PAYMENTS	LOCAL FUNDS AVAILABLE	SFCC OFFERS	TOTAL FUNDS AVAILABLE
2020	210,355	210,355	136,846	468,513	117,128	1,143,197	(783,903)	359,293	48,166	407,459
2021	210,355	210,355	136,846	468,513	117,128	1,143,197	(789,808)	353,389	48,166	401,555
2022	210,355	210,355	136,846	468,513	117,128	1,143,197	(533,548)	609,648	48,166	657,814
2023	210,355	210,355	136,846	468,513	117,128	1,143,197	(524,328)	618,869	48,166	667,035
2024	210,355	210,355	136,846	468,513	117,128	1,143,197	(523,962)	619,234	48,166	667,400
2025	210,355	210,355	136,846	468,513	117,128	1,143,197	(447,500)	695,697	48,166	743,863
2026	210,355	210,355	136,846	468,513	117,128	1,143,197	(382,035)	761,162	48,166	809,328
2027	210,355	210,355	136,846	468,513	117,128	1,143,197	(375,501)	767,695	48,166	815,861
2028	210,355	210,355	136,846	468,513	117,128	1,143,197	(386,512)	756,685	48,166	804,851
2029	210,355	210,355	136,846	468,513	117,128	1,143,197	(100,482)	1,042,715	48,166	1,090,881
2030	210,355	210,355	136,846	468,513	117,128	1,143,197	(98,626)	1,044,571	48,166	1,092,737
2031	210,355	210,355	136,846	468,513	117,128	1,143,197	(89,804)	1,053,393	48,166	1,101,559
2032	210,355	210,355	136,846	468,513	117,128	1,143,197	(24,823)	1,118,374	48,166	1,166,540
2033	210,355	210,355	136,846	468,513	117,128	1,143,197	(48,216)	1,094,981	48,166	1,143,147
2034	210,355	210,355	136,846	468,513	117,128	1,143,197	(53,534)	1,089,662	48,166	1,137,828
2035	210,355	210,355	136,846	468,513	117,128	1,143,197	(39,237)	1,103,960	48,166	1,152,126
2036	210,355	210,355	136,846	468,513	117,128	1,143,197	0	1,143,197	48,166	1,191,363
2037	210,355	210,355	136,846	468,513	117,128	1,143,197	0	1,143,197	48,166	1,191,363
2038	210,355	210,355	136,846	468,513	117,128	1,143,197	0	1,143,197	48,166	1,191,363
2039	210,355	210,355	136,846	468,513	117,128	1,143,197	0	1,143,197	48,166	1,191,363
2040	210,355	210,355	136,846	468,513	117,128	1,143,197	0	1,143,197	0	1,143,197

**NOTE:** Figures based on 2018-2019 SEE Tentative Data



**BREATHITT COUNTY SCHOOL DISTRICT  
PROJECTED SERIES 2019**

FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Current Payments	Projected All Local Payments Outstanding	Total Funds Available	Funds Available For Future Projects
2020	105,000	2.050%	186,465	291,465	48,166	243,299	783,903	1,027,202	1,143,197	115,994
2021	105,000	2.150%	184,313	289,313	48,166	241,147	789,808	1,030,954	1,143,197	112,242
2022	225,000	2.300%	182,055	407,055	48,166	358,889	533,548	892,437	1,143,197	250,759
2023	230,000	2.450%	176,880	406,880	48,166	358,714	524,328	883,042	1,143,197	260,155
2024	235,000	2.650%	171,245	406,245	48,166	358,079	523,962	882,041	1,143,197	261,155
2025	240,000	2.850%	165,018	405,018	48,166	356,852	447,500	804,351	1,143,197	338,846
2026	250,000	3.050%	158,178	408,178	48,166	360,012	382,035	742,046	1,143,197	401,150
2027	255,000	3.150%	150,553	405,553	48,166	357,387	375,501	732,888	1,143,197	410,309
2028	265,000	3.200%	142,520	407,520	48,166	359,354	386,512	745,866	1,143,197	397,331
2029	275,000	3.350%	134,040	409,040	48,166	360,874	100,482	461,356	1,143,197	681,841
2030	280,000	3.350%	124,828	404,828	48,166	356,662	98,626	455,287	1,143,197	687,909
2031	290,000	3.550%	115,448	405,448	48,166	357,282	89,804	447,085	1,143,197	696,111
2032	300,000	3.550%	105,153	405,153	48,166	356,987	24,823	381,809	1,143,197	761,387
2033	310,000	3.700%	94,503	404,503	48,166	356,337	48,216	404,552	1,143,197	738,644
2034	325,000	3.750%	83,033	408,033	48,166	359,867	53,534	413,401	1,143,197	729,796
2035	335,000	3.800%	70,845	405,845	48,166	357,679	39,237	396,916	1,143,197	746,281
2036	350,000	3.850%	58,115	408,115	48,166	359,949	0	359,949	1,143,197	783,248
2037	360,000	3.900%	44,640	404,640	48,166	356,474	0	356,474	1,143,197	786,723
2038	375,000	4.000%	30,600	405,600	48,166	357,434	0	357,434	1,143,197	785,763
2039	390,000	4.000%	15,600	405,600	48,166	357,434	0	357,434	1,143,197	785,763
<b>Totals</b>	5,500,000		2,394,028	7,894,028	963,320	6,930,708	5,201,818	12,132,525		10,731,407

Based on a bond issue dated April 1, 2019 with interest payments starting on 10/1/19.

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

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

### **Introduction**

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

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

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

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

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

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

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

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

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

# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form – Covington Independent School District Series 2019  
**Date:** January 29, 2019  
**cc:** File

---

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

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

# BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 1,700,000**  
 Issue Name: Covington Independent School District Finance Corporation School Building Revenue Bonds, Series 2019  
 Purpose: District Wide Security Upgrades  
 Projected Sale Date of Bond: 7-Mar-19  
 First Call Date: 3/1/26 @ 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
\$ 241,208	\$ 1,458,792	\$ 1,700,000
14.19%	85.81%	
\$ 17,249	\$ 104,320	\$ 121,569
\$ 0	\$ 0	\$ 0

**Estimated Cost of Issuance:**

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

\$ 2,554	\$ 15,446	\$ 18,000
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 1,206	\$ 7,294	\$ 8,500
\$ 4,824	\$ 29,176	\$ 34,000
\$ 497	\$ 3,003	\$ 3,500
\$ 9,081	\$ 54,919	\$ 64,000

**Anticipated Interest Rates:**

5 Years: 3.250% 10 Years: 3.500% 15 Years: 3.750  
 20 Years: 4.000%

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

# COVINGTON INDEPENDENT SCHOOL DISTRICT

## Plan of Financing

Date of Report: 1/29/2019

---

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

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

	A	B	C	D	E	F	G	H	I	J	K	L
	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series	Series
FYE	2007-REF	2008-REF	2008	2009	2012	2012-REF	2014-REF	2015-REF	2016 Energy	2016B	2017	Total
			100% SFCC		100% SFCC				B.F. Portion			
2018	\$549,918	\$631,859		\$20,061		\$24,064	\$30,322	\$148,790	\$74,932	\$46,800	\$16,006	\$1,542,752
2019	\$1,212,758			\$8,702		\$22,064	\$33,274	\$122,690	\$76,742	\$46,700	\$60,493	\$1,583,422
2020				\$17,327		\$68,250	\$156,375	\$147,190	\$76,016	\$160,450	\$92,693	\$718,302
2021				\$20,190		\$66,788	\$156,975	\$141,190	\$223,359	\$88,750	\$59,843	\$757,094
2022				\$17,489			\$132,474	\$145,465	\$218,763	\$107,550	\$91,944	\$713,685
2023				\$19,611			\$128,375	\$144,715	\$223,620	\$111,100	\$93,644	\$721,065
2024				\$16,236			\$134,018	\$138,583	\$222,876	\$109,600	\$94,950	\$716,263
2025				\$22,361			\$134,180	\$142,661	\$221,569	\$108,100	\$95,772	\$724,642
2026				\$16,379			\$132,581	\$145,685	\$224,644	\$111,550	\$101,344	\$732,183
2027				\$16,022			\$100,830	\$146,350	\$222,093	\$109,950	\$101,656	\$696,901
2028				18,366			\$94,829	\$147,450	\$228,857	\$113,300	\$101,763	\$704,566
2029				17,504			\$83,831	\$148,400	\$229,591	\$116,100	\$101,436	\$696,862
2030							\$57,981	\$144,200	\$219,144	\$113,400	\$105,609	\$640,334
2031							\$62,512		\$227,340	\$115,625	\$104,152	\$509,630
2032									\$228,946	\$112,775	\$102,122	\$443,843
2033									\$229,289	\$114,850	\$103,614	\$447,753
2034									\$233,245	\$116,775	\$103,047	\$453,067
2035									\$235,720	\$118,550	\$101,255	\$455,525
2036									\$241,582	\$120,175	\$104,098	\$465,855
2037									\$240,800	\$116,725	\$106,669	\$464,194
2038											\$103,909	\$103,909
Totals:	\$1,762,676	\$631,859	\$0	\$210,248	\$0	\$181,166	\$1,438,556	\$1,863,370	\$4,099,128	\$2,158,825	\$1,946,019	\$14,291,846

# COVINGTON INDEPENDENT SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L	M
FYE	Local Nickel	Addtl. Nickel	Capital Outlay @ 80%	FSPK	Addtl. FSPK	Total Local Funds	Less Current Payments	Local Funds Available	2016 SFCC	K	L	Total Funds Available
2018	\$827,724		\$274,816	\$517,157	\$0	\$1,619,697	(\$1,542,752)	\$76,945				\$76,945
2019	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$1,583,422)	\$62,938				\$62,938
2020	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$718,302)	\$928,059	\$17,249			\$945,308
2021	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$757,094)	\$889,267	\$17,249			\$906,516
2022	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$713,685)	\$932,676	\$17,249			\$949,925
2023	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$721,065)	\$925,296	\$17,249			\$942,545
2024	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$716,263)	\$930,098	\$17,249			\$947,347
2025	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$724,642)	\$921,719	\$17,249			\$938,968
2026	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$732,183)	\$914,178	\$17,249			\$931,427
2027	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$696,901)	\$949,460	\$17,249			\$966,709
2028	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$704,566)	\$941,795	\$17,249			\$959,044
2029	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$696,862)	\$949,499	\$17,249			\$966,748
2030	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$640,334)	\$1,006,027	\$17,249			\$1,023,276
2031	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$509,630)	\$1,136,731	\$17,249			\$1,153,980
2032	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$443,843)	\$1,202,517	\$17,249			\$1,219,766
2033	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$447,753)	\$1,198,608	\$17,249			\$1,215,857
2034	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$453,067)	\$1,193,294	\$17,249			\$1,210,543
2035	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$455,525)	\$1,190,836	\$17,249			\$1,208,085
2036	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$465,855)	\$1,180,505	\$17,249			\$1,197,754
2037	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	(\$464,194)	\$1,182,167	\$17,249			\$1,199,416
2038	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	\$0	\$1,646,361	\$17,249			\$1,663,610
2039	\$858,640		\$265,008	\$522,713	\$0	\$1,646,361	\$0	\$1,646,361	\$17,249			\$1,663,610
<b>Totals:</b>	<b>\$18,859,164</b>	<b>\$0</b>	<b>\$5,839,979</b>	<b>\$11,494,130</b>	<b>\$0</b>	<b>\$36,193,273</b>	<b>(\$14,187,937)</b>	<b>\$22,005,336</b>	<b>\$344,980</b>	<b>\$0</b>	<b>\$0</b>	<b>\$22,350,316</b>

**NOTES:** Data based on assessments of \$1,655,447,648 and ADA of 3,435.199 per KDE SEEK Website  
Data based on assessments of \$1,717,280,747 and ADA of 3,312.597 per KDE SEEK Website

# COVINGTON INDEPENDENT SCHOOL DISTRICT PROJECTED 2019 BOND ISSUE

A Current Payments	B FY June 30	C Principal Payment	D Coupon	E Interest Payments	F Total Payments	G Estimated New Bond Issue -----			H Local Portion	I Projected All Local Payments Outstanding	J Local Funds Available	K Funds Available For Future Projects
						Principal Payment	Coupon	Interest Payments				
\$718,302	2020	\$60,000	3.000%	\$60,133	\$120,133	\$17,249	\$102,884	\$821,185	\$1,646,361	\$825,176		
\$757,094	2021	\$65,000	3.000%	\$58,333	\$123,333	\$17,249	\$106,084	\$863,177	\$1,646,361	\$783,183		
\$713,685	2022	\$65,000	3.000%	\$56,383	\$121,383	\$17,249	\$104,134	\$817,818	\$1,646,361	\$828,543		
\$721,065	2023	\$65,000	3.000%	\$54,433	\$119,433	\$17,249	\$102,184	\$823,248	\$1,646,361	\$823,113		
\$716,263	2024	\$70,000	3.250%	\$52,483	\$122,483	\$17,249	\$105,234	\$821,496	\$1,646,361	\$824,864		
\$724,642	2025	\$70,000	3.250%	\$50,208	\$120,208	\$17,249	\$102,959	\$827,601	\$1,646,361	\$818,760		
\$732,183	2026	\$75,000	3.250%	\$47,933	\$122,933	\$17,249	\$105,684	\$837,866	\$1,646,361	\$808,494		
\$696,901	2027	\$75,000	3.250%	\$45,495	\$120,495	\$17,249	\$103,246	\$800,147	\$1,646,361	\$846,214		
\$704,566	2028	\$80,000	3.500%	\$43,058	\$123,058	\$17,249	\$105,809	\$810,374	\$1,646,361	\$835,987		
\$696,862	2029	\$80,000	3.500%	\$40,258	\$120,258	\$17,249	\$103,009	\$799,870	\$1,646,361	\$846,490		
\$640,334	2030	\$85,000	3.500%	\$37,458	\$122,458	\$17,249	\$105,209	\$745,543	\$1,646,361	\$900,818		
\$509,630	2031	\$85,000	3.500%	\$34,483	\$119,483	\$17,249	\$102,234	\$611,863	\$1,646,361	\$1,034,498		
\$443,843	2032	\$90,000	3.500%	\$31,508	\$121,508	\$17,249	\$104,259	\$548,102	\$1,646,361	\$1,098,259		
\$447,753	2033	\$95,000	3.750%	\$28,358	\$123,358	\$17,249	\$106,109	\$553,862	\$1,646,361	\$1,092,499		
\$453,067	2034	\$95,000	3.750%	\$24,795	\$119,795	\$17,249	\$102,546	\$555,613	\$1,646,361	\$1,090,748		
\$455,525	2035	\$100,000	3.750%	\$21,233	\$121,233	\$17,249	\$103,984	\$559,508	\$1,646,361	\$1,086,852		
\$465,855	2036	\$105,000	3.750%	\$17,483	\$122,483	\$17,249	\$105,234	\$571,089	\$1,646,361	\$1,075,272		
\$464,194	2037	\$110,000	3.950%	\$13,545	\$123,545	\$17,249	\$106,296	\$570,490	\$1,646,361	\$1,075,871		
\$103,909	2038	\$115,000	4.000%	\$9,200	\$124,200	\$17,249	\$106,951	\$210,860	\$1,646,361	\$1,435,501		
	2039	\$115,000	4.000%	\$4,600	\$119,600	\$17,249	\$102,351	\$102,351	\$1,646,361	\$1,544,010		
	<b>Totals:</b>	<b>\$1,700,000</b>		<b>\$731,373</b>	<b>\$2,431,373</b>	<b>\$344,980</b>	<b>\$2,086,393</b>	<b>\$13,252,064</b>	<b>\$32,927,215</b>	<b>\$19,675,151</b>		





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

January 7, 2019

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

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

INVESTMENT  
BANKING

FINANCIAL  
ADVISORY

PUBLIC  
FINANCE

BROKERAGE  
SERVICES

RE: \$705,000 Fulton Independent School District Finance Corporation  
Refunding Revenue Bonds, Series of 2016

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to refund the Series 2009 Bonds.

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

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

Cincinnati, OH

Lexington, KY

Owensboro, KY

Columbus, OH

Indianapolis, IN

Columbia, SC

Brentwood, TN

Pittsburgh, PA

St. Petersburg, FL

Alameda, CA

Sincerely,

Dwight G. Salsbury

Enclosures



# BOND PAYEE DISCLOSURE FORM

Par Amount:

**\$705,000**

Issue Name:

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

Purpose:

Refund Series 2009 Bonds

Projected Sale Date of Bonds:

March 2019

First Call Date:

N/A

Method of Sale:

Competitive Bids

Place/Time of sale:

Parity/SFCC Frankfort, Ky.

Bond Rating:

Moodys: "A1"

Bond Counsel:

Step toe and Johnson, Louisville KY

Fiscal Agent:

Ross, Sinclair & Associates, LLC, Lexington, KY

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
\$15,683	\$689,317	\$705,000
2.22%	97.78%	100.00%
\$1,742	\$76,568	\$78,310
\$0	\$0	\$0

**Estimated Cost of Issuance:**

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

Special Tax Counsel

Bond Rating & Bank Fee

Underwriter's Discount

Total Cost of Issuance:

\$133	\$5,867	\$6,000
\$0	\$0	\$0
\$89	\$3,911	\$4,000
\$157	\$6,893	\$7,050
\$379	\$16,671	\$17,050

**Anticipated Interest Rates:**

5 Years: 2.600%    10 Years: 3.000%    15 Years: N/A

Fulton Independent School District Finance Corporation  
 School Building Refunding Revenue Bonds, Series 2019  
 Estimated Refunding of Prior Series 2009 Bonds - Dated Date of 03.01.19

Fiscal Year	(A) Current Bond Payments			(B) Estimated New Bond Payments			(C) Savings
	-----Series 2009 Bonds-----			-----Series 2019 Bonds-----			Annual Savings
	Principal Portion	Interest Portion	Payment Totals	Principal Portion	Interest Portion	Payment Totals	
Closing							
2019	\$25,000	\$13,938	\$38,938	\$30,000	\$4,087	\$31,722	\$7,216
2020	\$25,000	\$27,000	\$52,000	\$30,000	\$18,715	\$48,715	\$3,285
2021	\$25,000	\$26,000	\$51,000	\$30,000	\$18,040	\$48,040	\$2,960
2022	\$65,000	\$25,000	\$90,000	\$70,000	\$17,335	\$87,335	\$2,665
2023	\$65,000	\$22,400	\$87,400	\$70,000	\$15,620	\$85,620	\$1,780
2024	\$70,000	\$19,800	\$89,800	\$75,000	\$13,800	\$88,800	\$1,000
2025	\$75,000	\$17,000	\$92,000	\$75,000	\$11,775	\$86,775	\$5,225
2026	\$75,000	\$13,813	\$88,813	\$75,000	\$9,675	\$84,675	\$4,138
2027	\$80,000	\$10,625	\$90,625	\$80,000	\$7,500	\$87,500	\$3,125
2028	\$85,000	\$7,225	\$92,225	\$85,000	\$5,100	\$90,100	\$2,125
2029	\$85,000	\$3,613	\$88,613	\$85,000	\$2,550	\$87,550	\$1,063
<b>Totals:</b>	<b>\$675,000</b>	<b>\$186,413</b>	<b>\$861,413</b>	<b>\$705,000</b>	<b>\$124,197</b>	<b>\$826,832</b>	<b>\$34,581</b>

**Net Savings Summary**

Gross Savings Amount:	\$34,581
Present Value Savings Amount:	\$31,003
NPV Savings % of Prior:	<u>4.593%</u>

**Interest Rate Reduction Summary**

Series 2009 Average Coupon:	4.194%
Series 2019 Net Interest Cost:	<u>2.861%</u>
Interest Rate Reduction:	1.333%



February 4, 2019

Ms. Chelsey Bizzle  
Schools Facilities Construction Commission  
700 Louisville Road – Carriage House  
Frankfort, Kentucky 40601

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

Dear Ms. Bizzle:

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

\$2,075,000 (est.)  
Jenkins Independent  
School District Finance Corporation  
School Building Revenue Bonds,  
Series 2019

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

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

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

Sincerely,

*/s/ Michael Oldiges*

Michael Oldiges

## BOND PAYEE DISCLOSURE FORM

Par Amount:	\$2,075,000
Issue Name:	Jenkins Independent School District Finance Corporation School Building Revenue Bonds, Series 2019
Purpose:	Various renovations and improvements to Middle School and High School
Projected Sale Date of Bonds:	February 2019
First Call Date:	2026
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "A1" – Moody's
Bond Counsel:	Rubin & Hays
Fiscal Agent:	J.J.B. Hilliard, W.L. Lyons, LLC
Construction Manager/General Contractor:	N/A
Architect/Engineer:	alt32 Architecture/Design

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

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	\$1,752,122	\$322,878	\$2,075,000
% Share of total Bonds:	83.0%	17.0%	16.7%
Estimated average annual debt service:	124,169	24,916	149,085
Estimated debt service reserve:	-	-	-
<b>Estimated Costs of Issuance (1):</b>	-	-	-
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	17,986	3,314	21,300
Special Tax Counsel	-	-	-
Number Verifications	-	-	-
Bond Rating	6,755	1,245	8,000
Underwriter's Discount	35,042	6,458	41,500
Paying Agent/Escrow Agent Bank	2,533	467	3,000
Total Cost of Issuance:	62,316	11,484	73,800

<b>Anticipated Interest Rates:</b>	5 Years: 2.700%	10 Years: 3.200%
	15 Years: 3.760%	20 Years: 3.980%

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

**TABLE OF CONTENTS**

Jenkins Independent  
Series 2019 Bond Issue  
Revised BG-1 # 19-133

<b>Report</b>	<b>Page</b>
Sources and Uses of Funds . . . . .	1
Bond Debt Service . . . . .	2
Bond Summary Statistics . . . . .	6
Bond Pricing . . . . .	9
Bond Solution . . . . .	12
Disclosure Report . . . . .	14

**SOURCES AND USES OF FUNDS**

Jenkins Independent  
Series 2019 Bond Issue  
Revised BG-1 # 19-133

Dated Date 02/20/2019  
Delivery Date 02/20/2019

<b>Sources:</b>	<b>SFCC Component</b>	<b>District Component</b>	<b>Total</b>
Bond Proceeds:			
Par Amount	1,752,122.00	322,878.00	2,075,000.00
Other Sources of Funds:			
Capital Funds Request		96,341.00	96,341.00
SFCC Cash Requirements		224,722.00	224,722.00
		321,063.00	321,063.00
	1,752,122.00	643,941.00	2,396,063.00

<b>Uses:</b>	<b>SFCC Component</b>	<b>District Component</b>	<b>Total</b>
Project Fund Deposits:			
Architect Engineer Fee	147,259.31	27,136.69	174,396.00
Construction Cost	1,715,161.09	316,066.91	2,031,228.00
Construction Contingencies	85,758.05	15,803.35	101,561.40
Other	12,465.36	2,297.10	14,762.46
	1,960,643.81	361,304.05	2,321,947.86
Cost of Issuance:			
FA/ Bond Counsel	17,985.64	3,314.36	21,300.00
Rating Fee	6,755.17	1,244.83	8,000.00
Paying Agent	2,533.19	466.81	3,000.00
	27,274.00	5,026.00	32,300.00
Underwriter's Discount:			
Underwriter's Discount	35,042.44	6,457.56	41,500.00
Other Uses of Funds:			
Additional Proceeds	-270,838.25	271,153.39	315.14
	1,752,122.00	643,941.00	2,396,063.00

**BOND DEBT SERVICE**

Jenkins Independent  
Series 2019 Bond Issue  
Revised BG-1 # 19-133

Dated Date 02/20/2019  
Delivery Date 02/20/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2019			31,581.49	31,581.49	
02/01/2020	70,000	2.300%	35,308.50	105,308.50	
06/30/2020					136,889.99
08/01/2020			34,503.50	34,503.50	
02/01/2021	70,000	2.400%	34,503.50	104,503.50	
06/30/2021					139,007.00
08/01/2021			33,663.50	33,663.50	
02/01/2022	70,000	2.500%	33,663.50	103,663.50	
06/30/2022					137,327.00
08/01/2022			32,788.50	32,788.50	
02/01/2023	75,000	2.600%	32,788.50	107,788.50	
06/30/2023					140,577.00
08/01/2023			31,813.50	31,813.50	
02/01/2024	75,000	2.700%	31,813.50	106,813.50	
06/30/2024					138,627.00
08/01/2024			30,801.00	30,801.00	
02/01/2025	75,000	2.800%	30,801.00	105,801.00	
06/30/2025					136,602.00
08/01/2025			29,751.00	29,751.00	
02/01/2026	80,000	2.900%	29,751.00	109,751.00	
06/30/2026					139,502.00
08/01/2026			28,591.00	28,591.00	
02/01/2027	80,000	3.000%	28,591.00	108,591.00	
06/30/2027					137,182.00
08/01/2027			27,391.00	27,391.00	
02/01/2028	85,000	3.100%	27,391.00	112,391.00	
06/30/2028					139,782.00
08/01/2028			26,073.50	26,073.50	
02/01/2029	105,000	3.200%	26,073.50	131,073.50	
06/30/2029					157,147.00
08/01/2029			24,393.50	24,393.50	
02/01/2030	110,000	3.300%	24,393.50	134,393.50	
06/30/2030					158,787.00
08/01/2030			22,578.50	22,578.50	
02/01/2031	115,000	3.580%	22,578.50	137,578.50	
06/30/2031					160,157.00
08/01/2031			20,520.00	20,520.00	
02/01/2032	120,000	3.650%	20,520.00	140,520.00	
06/30/2032					161,040.00
08/01/2032			18,330.00	18,330.00	
02/01/2033	120,000	3.700%	18,330.00	138,330.00	
06/30/2033					156,660.00
08/01/2033			16,110.00	16,110.00	
02/01/2034	125,000	3.760%	16,110.00	141,110.00	
06/30/2034					157,220.00
08/01/2034			13,760.00	13,760.00	
02/01/2035	130,000	3.830%	13,760.00	143,760.00	
06/30/2035					157,520.00
08/01/2035			11,270.51	11,270.51	
02/01/2036	135,000	3.880%	11,270.51	146,270.51	
06/30/2036					157,541.02
08/01/2036			8,651.50	8,651.50	
02/01/2037	140,000	3.930%	8,651.50	148,651.50	
06/30/2037					157,303.00
08/01/2037			5,900.50	5,900.50	
02/01/2038	145,000	3.980%	5,900.50	150,900.50	



**BOND DEBT SERVICE**

Jenkins Independent  
 Series 2019 Bond Issue  
 Revised BG-1 # 19-133

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
06/30/2038					156,801.00
08/01/2038			3,015.00	3,015.00	
02/01/2039	150,000	4.020%	3,015.00	153,015.00	
06/30/2039					156,030.00
	2,075,000		906,702.01	2,981,702.01	2,981,702.01

**BOND DEBT SERVICE**

Jenkins Independent  
S FCC Component

Dated Date 02/20/2019  
Delivery Date 02/20/2019

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>
06/30/2020	68,467	2.300%	55,702.52	124,169.52
06/30/2021	66,938	2.400%	57,231.44	124,169.44
06/30/2022	68,544	2.500%	55,624.92	124,168.92
06/30/2023	70,258	2.600%	53,911.32	124,169.32
06/30/2024	72,085	2.700%	52,084.62	124,169.62
06/30/2025	74,031	2.800%	50,138.32	124,169.32
06/30/2026	76,104	2.900%	48,065.44	124,169.44
06/30/2027	78,311	3.000%	45,858.44	124,169.44
06/30/2028	80,660	3.100%	43,509.10	124,169.10
06/30/2029	83,161	3.200%	41,008.64	124,169.64
06/30/2030	85,822	3.300%	38,347.50	124,169.50
06/30/2031	88,654	3.580%	35,515.36	124,169.36
06/30/2032	91,828	3.650%	32,341.56	124,169.56
06/30/2033	95,179	3.700%	28,989.84	124,168.84
06/30/2034	98,701	3.760%	25,468.20	124,169.20
06/30/2035	102,412	3.830%	21,757.04	124,169.04
06/30/2036	106,335	3.880%	17,834.68	124,169.68
06/30/2037	110,460	3.930%	13,708.88	124,168.88
06/30/2038	114,801	3.980%	9,367.80	124,168.80
06/30/2039	119,371	4.020%	4,798.72	124,169.72
	1,752,122		731,264.34	2,483,386.34

**BOND DEBT SERVICE**

Jenkins Independent  
District Component

Dated Date 02/20/2019  
Delivery Date 02/20/2019

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>
06/30/2020	1,533	2.300%	11,187.47	12,720.47
06/30/2021	3,062	2.400%	11,775.56	14,837.56
06/30/2022	1,456	2.500%	11,702.08	13,158.08
06/30/2023	4,742	2.600%	11,665.68	16,407.68
06/30/2024	2,915	2.700%	11,542.38	14,457.38
06/30/2025	969	2.800%	11,463.68	12,432.68
06/30/2026	3,896	2.900%	11,436.56	15,332.56
06/30/2027	1,689	3.000%	11,323.56	13,012.56
06/30/2028	4,340	3.100%	11,272.90	15,612.90
06/30/2029	21,839	3.200%	11,138.36	32,977.36
06/30/2030	24,178	3.300%	10,439.50	34,617.50
06/30/2031	26,346	3.580%	9,641.64	35,987.64
06/30/2032	28,172	3.650%	8,698.44	36,870.44
06/30/2033	24,821	3.700%	7,670.16	32,491.16
06/30/2034	26,299	3.760%	6,751.80	33,050.80
06/30/2035	27,588	3.830%	5,762.96	33,350.96
06/30/2036	28,665	3.880%	4,706.34	33,371.34
06/30/2037	29,540	3.930%	3,594.12	33,134.12
06/30/2038	30,199	3.980%	2,433.20	32,632.20
06/30/2039	30,629	4.020%	1,231.28	31,860.28
	322,878		175,437.67	498,315.67

**BOND SUMMARY STATISTICS**

Jenkins Independent  
Series 2019 Bond Issue  
Revised BG-1 # 19-133

Dated Date	02/20/2019
Delivery Date	02/20/2019
Last Maturity	02/01/2039
Arbitrage Yield	3.625875%
True Interest Cost (TIC)	3.843486%
Net Interest Cost (NIC)	3.822550%
All-In TIC	4.017277%
Average Coupon	3.655248%
Average Life (years)	11.954
Duration of Issue (years)	9.422
Par Amount	2,075,000.00
Bond Proceeds	2,075,000.00
Total Interest	906,702.01
Net Interest	948,202.01
Total Debt Service	2,981,702.01
Maximum Annual Debt Service	161,040.00
Average Annual Debt Service	149,479.56
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	2,075,000.00	100.000	3.655%	11.954	1,906.70
	2,075,000.00			11.954	1,906.70

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,075,000.00	2,075,000.00	2,075,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-41,500.00	-41,500.00	
- Cost of Issuance Expense		-32,300.00	
- Other Amounts			
Target Value	2,033,500.00	2,001,200.00	2,075,000.00
Target Date	02/20/2019	02/20/2019	02/20/2019
Yield	3.843486%	4.017277%	3.625875%

**BOND PRICING**

Jenkins Independent  
Series 2019 Bond Issue  
Revised BG-1 # 19-133

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	02/01/2020	70,000	2.300%	2.300%	100.000
	02/01/2021	70,000	2.400%	2.400%	100.000
	02/01/2022	70,000	2.500%	2.500%	100.000
	02/01/2023	75,000	2.600%	2.600%	100.000
	02/01/2024	75,000	2.700%	2.700%	100.000
	02/01/2025	75,000	2.800%	2.800%	100.000
	02/01/2026	80,000	2.900%	2.900%	100.000
	02/01/2027	80,000	3.000%	3.000%	100.000
	02/01/2028	85,000	3.100%	3.100%	100.000
	02/01/2029	105,000	3.200%	3.200%	100.000
	02/01/2030	110,000	3.300%	3.300%	100.000
	02/01/2031	115,000	3.580%	3.580%	100.000
	02/01/2032	120,000	3.650%	3.650%	100.000
	02/01/2033	120,000	3.700%	3.700%	100.000
	02/01/2034	125,000	3.760%	3.760%	100.000
	02/01/2035	130,000	3.830%	3.830%	100.000
	02/01/2036	135,000	3.880%	3.880%	100.000
	02/01/2037	140,000	3.930%	3.930%	100.000
	02/01/2038	145,000	3.980%	3.980%	100.000
	02/01/2039	150,000	4.020%	4.020%	100.000
		2,075,000			

Dated Date	02/20/2019	
Delivery Date	02/20/2019	
First Coupon	08/01/2019	
Par Amount	2,075,000.00	
Original Issue Discount		
Production	2,075,000.00	100.000000%
Underwriter's Discount	-41,500.00	-2.000000%
Purchase Price	2,033,500.00	98.000000%
Accrued Interest		
Net Proceeds	2,033,500.00	

**BOND SOLUTION**

Jenkins Independent  
District Component

<b>Period Ending</b>	<b>Proposed Principal</b>	<b>Proposed Debt Service</b>	<b>Existing Debt Service</b>	<b>Total Adj Debt Service</b>	<b>Revenue Constraints</b>	<b>Unused Revenues</b>	<b>Debt Serv Coverage</b>
06/30/2019							
06/30/2020	1,533	12,720	126,536	139,256	182,864	43,608	131.31499%
06/30/2021	3,062	14,838	124,786	139,624	182,864	43,240	130.96908%
06/30/2022	1,456	13,158	127,873	141,031	182,864	41,833	129.66219%
06/30/2023	4,742	16,408	125,598	142,006	182,864	40,858	128.77201%
06/30/2024	2,915	14,457	127,949	142,406	182,864	40,458	128.41042%
06/30/2025	969	12,433	125,248	137,680	182,864	45,184	132.81787%
06/30/2026	3,896	15,333	122,548	137,880	182,864	44,984	132.62518%
06/30/2027	1,689	13,013	119,173	132,185	182,864	50,679	138.33928%
06/30/2028	4,340	15,613	120,007	135,619	182,864	47,245	134.83631%
06/30/2029	21,839	32,977		32,977	182,864	149,887	554.51437%
06/30/2030	24,178	34,618		34,618	182,864	148,247	528.24207%
06/30/2031	26,346	35,988		35,988	182,864	146,877	508.13057%
06/30/2032	28,172	36,870		36,870	182,864	145,994	495.96425%
06/30/2033	24,821	32,491		32,491	182,864	150,373	562.81216%
06/30/2034	26,299	33,051		33,051	182,864	149,813	553.28222%
06/30/2035	27,588	33,351		33,351	182,864	149,513	548.30266%
06/30/2036	28,665	33,371		33,371	182,864	149,493	547.96781%
06/30/2037	29,540	33,134		33,134	182,864	149,730	551.89092%
06/30/2038	30,199	32,632		32,632	182,864	150,232	560.37963%
06/30/2039	30,629	31,860		31,860	182,864	151,004	573.95666%
	<b>322,878</b>	<b>498,316</b>	<b>1,119,717</b>	<b>1,618,033</b>	<b>3,657,284</b>	<b>2,039,251</b>	

## DISCLOSURE REPORT

Jenkins Independent  
SFCC Component

### SEC REQUIRED DISCLOSURES as a potential Municipal Advisor

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

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

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

Please review the complete statement containing our disclosures.



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

January 15, 2019

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

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

INVESTMENT  
BANKING

FINANCIAL  
ADVISORY

PUBLIC  
FINANCE

BROKERAGE  
SERVICES

RE: \$30,735,000 Jessamine School District Finance Corporation  
Revenue Bonds, Series of 2019

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to fund renovations and improvements to West Jessamine HS, East Jessamine HS and JCTC.

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

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

Cincinnati, OH

Lexington, KY

Owensboro, KY

Columbus, OH

Indianapolis, IN

Columbia, SC

Brentwood, TN

Pittsburgh, PA

St. Petersburg, FL

Alameda, CA

Sincerely,

Dwight G. Salsbury

Enclosures





# BOND PAYEE DISCLOSURE FORM

Par Amount:

**\$30,735,000**

Issue Name:

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

Purpose:

Renovations to JCTC, West Jessamine HS and East Jessamine HS

Projected Sale Date of Bonds:

March 2019

First Call Date:

8 Years at Par

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC, 229 West Main Street, Suite 102, Frankfort, Ky. / 11:00am

Bond Rating:

Moodys: "A1"

Bond Counsel:

Steptoe and Johnson, Louisville, KY

Fiscal Agent:

Ross, Sinclaire & Associates LLC, Lexington, Kentucky

Date received by SFCC:

/ / To be filled in by SFCC

Date scheduled for Committee review:

/ / To be filled in by SFCC

Month Day Year

Estimated par amount of Bonds:

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$46,776	\$30,688,224	\$30,735,000
0.15%	99.85%	100.00%
\$3,898	\$2,468,885	\$2,472,648
\$0	\$0	\$0

**Estimated Cost of Issuance:**

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

Special Tax Counsel

Number verifications

Bond Rating & Bank Fee

Underwriter's Discount

Credit Enhancement

Total Cost of Issuance:

\$207	\$135,733	\$135,940
\$0	\$0	\$0
\$0	\$0	\$0
\$46	\$29,856	\$29,902
\$936	\$613,764	\$614,700
\$0	\$0	\$0
\$1,188	\$779,354	\$780,542

**Anticipated Interest Rates:**

5 Years: 2.45%    10 Years: 3.25%    15 Years: 3.80%  
20 Years: 4.00%

**Issue does not require a tax increase**

# Jessamine County School District

## Plan of Financing - Series 2019

Date of Report: 1/15/2019

---

---

Local Bond Payments Outstanding .....	1
Summary of Funds for Bond Payments .....	2
Projected Series 2019.....	3
Summary of Bond Issue & Available Cash.....	4
Disclosures.....	5

## Jessamine County School District -- Local Bond Debt

Fiscal Year End	Series 2009-REF	Series 2010-Ref	Series 2011-Ref	Series 2012	Second Series of 2012	QZAB 2012	Energy 2013	Series 2014-Ref	Series 2014	Second Series 2014-Ref*	Series 2015-REF	Series 2016-REF	Series 2017	Series 2018	Total Local Payments
2019	426,296	96,140	657,600	543,859	173,416	238,586	0	240,553	273,221	1,915,500	816,116	1,703,469	413,794	106,548	7,605,097
2020	426,473	94,580		505,410	173,219	238,586	0	246,953	266,577	2,576,250	837,416	1,705,669	420,994	230,294	7,722,420
2021	412,493	88,020		508,009	172,996	238,586	0	243,199	269,833	2,590,250	833,116	1,717,269	417,744	234,919	7,726,433
2022		1,246,590		470,460	177,688	238,586	0	421,677	272,658	788,000	1,818,481	1,723,069	334,344	234,469	7,726,022
2023				463,959	177,298	238,587	0	698,027	265,183	795,000	2,782,350	1,733,169	338,194	234,019	7,725,785
2024				462,610	176,846	238,586	0	729,278	262,783	795,000	2,738,550	1,742,469	346,744	233,569	7,726,434
2025				461,259	176,339	238,587	0	744,253	265,309	795,600	2,703,850	1,745,969	359,844	233,119	7,724,128
2026				584,909	175,833	238,586	0	758,178	277,534		3,362,950	1,753,769	337,344	232,669	7,721,772
2027				2,214,810	691,468	238,587	0	740,596	663,608			1,765,769	335,294	586,584	7,236,715
2028				2,210,660	678,090	238,587	0	711,663	678,309			1,771,869	333,094	589,388	7,211,659
2029				2,592,690	664,475	238,587	0	1,025,877	893,559				335,744	586,550	6,337,481
2030				2,578,103	650,413	238,587	0	1,045,164	938,196				338,094	587,788	6,376,343
2031				3,031,566	734,150	238,587	0		969,134				335,144	583,088	5,891,668
2032				2,935,590	719,200	238,587	0		992,021				337,044	582,675	5,805,117
2033					912,900				1,003,158				338,644	581,453	2,836,155
2034									1,037,283				339,944	584,300	1,961,527
2035									1,035,983				335,944	581,206	1,953,133
2036													341,031	582,456	923,488
2037													325,631	578,050	903,681
2038														577,647	577,647
2039														581,044	581,044
<b>Totals</b>	<b>1,265,262</b>	<b>1,525,330</b>	<b>657,600</b>	<b>19,563,892</b>	<b>6,454,329</b>	<b>3,340,211</b>	<b>0</b>	<b>7,605,418</b>	<b>10,364,350</b>	<b>10,255,600</b>	<b>15,892,830</b>	<b>17,362,488</b>	<b>6,664,606</b>	<b>9,321,832</b>	<b>110,273,749</b>

<u>Issue</u>	<u>Original Amount</u>	<u>Breakout</u>	<u>Project Description</u>
2009 Ref Series	\$5,395,000	Local / SFCC	Refund Prior Series 99 Bonds (Construction of Wilmore Elementary)
2010 Ref Series	\$1,815,000	100% Local	Refund Prior Series 2002 Bonds (Renovations to West Jessamine HS)
2011 Ref Series	\$4,815,000	100% Local	Refund Prior Series 2001 Bonds (Ref 94 Bonds -- West Jess MS addition)
2012 Series	\$15,305,000	Local / SFCC	Construct New Elementary School
2012B Series	\$4,570,000	100% Local	Renovations to Nicholasville Elementary School
2012QZAB	\$4,248,592	100% Local	Renovations to Nicholasville Elementary School
2013 Energy	\$3,350,000	General Funds	Energy Conservation Improvements
2014 Ref	\$7,375,000	Local / SFCC	Refinance Series 2009 BAB issue (Jessamine Early Learning Center)
2014 Series	\$8,470,000	Local / SFCC	Renovations and additions to Warner Elementary School
2014B-Ref Series	\$14,645,000	Local / SFCC	Refunded 2005-Ref (East Jessamine HS) & 2005A (Various Renovations)
2015-REF Series	\$14,925,000	100% Local	Refunded Second Series 2005 Bonds
2016-REF Series	\$18,420,000	100% Local	Refunded Series 2008 Bonds (East Jessamine ES)
2017 Series	\$5,290,000	100% Local	Finance Diesel Engine CTE Addition / Renovation
2018 Series	\$6,115,000	100% Local	Renovation of The Providence School

## JESSAMINE COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

FYE	LOCAL NICKEL	GROWTH NICKEL	H.B. 269 NICKEL	CAPITAL OUTLAY @ 80%	FSPK	ADDTL. FSPK	TOTAL LOCAL FUNDS	LESS CURRENT PAYMENTS	LOCAL FUNDS AVAILABLE	SFCC OFFERS	TOTAL FUNDS AVAILABLE
2019	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(7,605,097)	1,382,029	0	1,382,029
2020	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(7,722,420)	1,264,706	3,898	1,268,604
2021	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(7,726,433)	1,260,693	3,898	1,264,591
2022	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(7,726,022)	1,261,104	3,898	1,265,002
2023	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(7,725,785)	1,261,341	3,898	1,265,239
2024	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(7,726,434)	1,260,692	3,898	1,264,590
2025	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(7,724,128)	1,262,998	3,898	1,266,896
2026	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(7,721,772)	1,265,354	3,898	1,269,252
2027	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(7,236,715)	1,750,411	3,898	1,754,309
2028	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(7,211,659)	1,775,467	3,898	1,779,365
2029	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(6,337,481)	2,649,645	3,898	2,653,543
2030	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(6,376,343)	2,610,783	3,898	2,614,681
2031	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(5,891,668)	3,095,458	3,898	3,099,356
2032	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(5,805,117)	3,182,009	3,898	3,185,907
2033	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(2,836,155)	6,150,971	3,898	6,154,869
2034	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(1,961,527)	7,025,599	3,898	7,029,497
2035	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(1,953,133)	7,033,993	3,898	7,037,891
2036	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(923,488)	8,063,639	3,898	8,067,537
2037	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(903,681)	8,083,445	3,898	8,087,343
2038	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(577,647)	8,409,479	3,898	8,413,377
2039	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	(581,044)	8,406,082	3,898	8,409,980
2040	2,273,739	2,273,739	2,273,739	587,605	789,152	789,152	8,987,126	0	8,987,126	0	8,987,126

**NOTES:** Figures based on KDE SEEK Website ( Tentative 2018-2019 )

## JESSAMINE COUNTY SCHOOL DISTRICT PROJECTED SERIES 2019

FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Current Payments	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
2020	20,000	2.05%	1,159,803	1,179,803	3,898	1,175,905	7,722,420	8,898,325	8,987,126	88,801
2021	20,000	2.15%	1,159,393	1,179,393	3,898	1,175,495	7,726,433	8,901,928	8,987,126	85,198
2022	20,000	2.25%	1,158,963	1,178,963	3,898	1,175,065	7,726,022	8,901,086	8,987,126	86,040
2023	20,000	2.35%	1,158,513	1,178,513	3,898	1,174,615	7,725,785	8,900,399	8,987,126	86,727
2024	20,000	2.45%	1,158,043	1,178,043	3,898	1,174,145	7,726,434	8,900,578	8,987,126	86,548
2025	20,000	2.65%	1,157,553	1,177,553	3,898	1,173,655	7,724,128	8,897,783	8,987,126	89,343
2026	25,000	2.85%	1,157,023	1,182,023	3,898	1,178,125	7,721,772	8,899,896	8,987,126	87,230
2027	305,000	3.05%	1,156,310	1,461,310	3,898	1,457,412	7,236,715	8,694,127	8,987,126	292,999
2028	345,000	3.15%	1,147,008	1,492,008	3,898	1,488,110	7,211,659	8,699,768	8,987,126	287,358
2029	1,245,000	3.25%	1,136,140	2,381,140	3,898	2,377,242	6,337,481	8,714,723	8,987,126	272,403
2030	1,245,000	3.35%	1,095,678	2,340,678	3,898	2,336,780	6,376,343	8,713,122	8,987,126	274,004
2031	1,775,000	3.60%	1,053,970	2,828,970	3,898	2,825,072	5,891,668	8,716,740	8,987,126	270,386
2032	1,925,000	3.60%	990,070	2,915,070	3,898	2,911,172	5,805,117	8,716,289	8,987,126	270,837
2033	2,675,000	3.60%	920,770	3,595,770	3,898	3,591,872	2,836,155	6,428,027	8,987,126	2,559,099
2034	2,745,000	3.80%	824,470	3,569,470	3,898	3,565,572	1,961,527	5,527,099	8,987,126	3,460,027
2035	3,170,000	3.80%	720,160	3,890,160	3,898	3,886,262	1,953,133	5,839,395	8,987,126	3,147,731
2036	3,350,000	3.80%	599,700	3,949,700	3,898	3,945,802	923,488	4,869,290	8,987,126	4,117,837
2037	3,650,000	4.00%	472,400	4,122,400	3,898	4,118,502	903,681	5,022,183	8,987,126	3,964,943
2038	4,020,000	4.00%	326,400	4,346,400	3,898	4,342,502	577,647	4,920,149	8,987,126	4,066,977
2039	4,140,000	4.00%	165,600	4,305,600	3,898	4,301,702	581,044	4,882,746	8,987,126	4,104,380
<b>Totals</b>	<b>30,735,000</b>		<b>18,717,963</b>	<b>49,452,963</b>	<b>77,960</b>	<b>49,375,003</b>	<b>102,668,651</b>	<b>152,043,654</b>		<b>27,698,867</b>

**NOTES:** Information based on an issue dated 3/1/19 with coupons dated 3/1 and 9/1 and principal payments on 3/1

# Jessamine County School District Summary of Project Costs

	<u>Current</u>
❖ Local Portion of Bond Issue	\$30,688,224
❖ SFCC Portion of Bond Issue	<u>\$46,776</u>
❖ Total Projected Maximum Bonding Potential	\$30,735,000

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

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

### **Introduction**

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

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

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

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

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

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

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

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

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



January 29, 2019

Ms. Chelsey Bizzle  
Schools Facilities Construction Commission  
700 Louisville Road – Carriage House  
Frankfort, Kentucky 40601

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

Dear Ms. Bizzle:

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

\$2,080,000 (est.)  
Marshall County  
School District Finance Corporation  
School Building Revenue Bonds,  
Series 2019

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

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

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

Sincerely,

*/s/ Bobby Koch*

Bobby Koch  
Analyst



# BOND PAYEE DISCLOSURE FORM

Par Amount:	\$2,080,000
Issue Name:	Marshall County School District Finance Corporation School Building Revenue Bonds, Series 2019
Purpose:	Various projects within the District.
Projected Sale Date of Bonds:	April 2019
First Call Date:	2027
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected: Moody's "A1" – Enhanced / "A1" – Underlying
Bond Counsel:	Rubin & Hays
Fiscal Agent:	J.J.B. Hilliard, W.L. Lyons, LLC
Construction Manager/General Contractor:	
Architect/Engineer:	Baccus Oliver, Marcum Curt Swinford, CMS Architects

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

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	\$136,841	\$1,943,159	\$2,080,000
% Share of total Bonds:	6.6%	93.4%	100%
Estimated average annual debt service:	9,650	137,093	146,744
Estimated debt service reserve:	-0-	-0-	-0-
<b>Estimated Costs of Issuance (1):</b>			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	1,403	19,917	21,320
Special Tax Counsel	-0-	-0-	-0-
Number Verifications	-0-	-0-	-0-
Bond Rating	855	12,145	13,000
Underwriter's Discount	2,737	38,863	41,600
Paying Agent/Escrow Agent Bank	230	3,270	3,500
<b>Total Cost of Issuance:</b>	<b>5,225</b>	<b>74,195</b>	<b>79,420</b>

**Anticipated Interest Rates:**  
 5 Years: 2.540%      10 Years: 3.320%  
 15 Years: 3.800%      20 Years: 4.000%

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

**SOURCES AND USES OF FUNDS**Marshall County Schools  
Series 2019Dated Date 04/03/2019  
Delivery Date 04/03/2019

<b>Sources:</b>	<b>SFCC Component</b>	<b>District Component</b>	<b>Total</b>
Bond Proceeds:			
Par Amount	136,841.00	1,943,159.00	2,080,000.00
Other Sources of Funds:			
SFCC Cash Requirements		145,257.00	145,257.00
	136,841.00	2,088,416.00	2,225,257.00

<b>Uses:</b>	<b>SFCC Component</b>	<b>District Component</b>	<b>Total</b>
Project Fund Deposits:			
Architect/Engineer Fee	14,585.98	207,122.69	221,708.67
Construction	113,051.98	1,605,352.00	1,718,403.98
Contingencies	10,933.19	155,252.71	166,185.90
Other	2,467.09	35,032.91	37,500.00
	141,038.24	2,002,760.31	2,143,798.55
Cost of Issuance:			
FA/BC	1,402.62	19,917.38	21,320.00
Rating Fee	855.26	12,144.74	13,000.00
Paying Agent	230.26	3,269.74	3,500.00
	2,488.14	35,331.86	37,820.00
Underwriter's Discount:			
Underwriter's Discount	2,736.82	38,863.18	41,600.00
Other Uses of Funds:			
Additional Proceeds	-9,422.20	11,460.65	2,038.45
	136,841.00	2,088,416.00	2,225,257.00

**BOND DEBT SERVICE**

Marshall County Schools  
Series 2019

Dated Date 04/03/2019  
Delivery Date 04/03/2019

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2019			33,432.35	33,432.35	
04/01/2020	75,000	2.100%	33,808.00	108,808.00	
06/30/2020					142,240.35
10/01/2020			33,020.50	33,020.50	
04/01/2021	80,000	2.140%	33,020.50	113,020.50	
06/30/2021					146,041.00
10/01/2021			32,164.50	32,164.50	
04/01/2022	85,000	2.220%	32,164.50	117,164.50	
06/30/2022					149,329.00
10/01/2022			31,221.00	31,221.00	
04/01/2023	85,000	2.320%	31,221.00	116,221.00	
06/30/2023					147,442.00
10/01/2023			30,235.00	30,235.00	
04/01/2024	85,000	2.430%	30,235.00	115,235.00	
06/30/2024					145,470.00
10/01/2024			29,202.25	29,202.25	
04/01/2025	90,000	2.540%	29,202.25	119,202.25	
06/30/2025					148,404.50
10/01/2025			28,059.25	28,059.25	
04/01/2026	95,000	2.710%	28,059.25	123,059.25	
06/30/2026					151,118.50
10/01/2026			26,772.00	26,772.00	
04/01/2027	90,000	2.960%	26,772.00	116,772.00	
06/30/2027					143,544.00
10/01/2027			25,440.00	25,440.00	
04/01/2028	95,000	3.110%	25,440.00	120,440.00	
06/30/2028					145,880.00
10/01/2028			23,962.75	23,962.75	
04/01/2029	100,000	3.220%	23,962.75	123,962.75	
06/30/2029					147,925.50
10/01/2029			22,352.75	22,352.75	
04/01/2030	100,000	3.320%	22,352.75	122,352.75	
06/30/2030					144,705.50
10/01/2030			20,692.75	20,692.75	
04/01/2031	105,000	3.420%	20,692.75	125,692.75	
06/30/2031					146,385.50
10/01/2031			18,897.25	18,897.25	
04/01/2032	110,000	3.470%	18,897.25	128,897.25	
06/30/2032					147,794.50
10/01/2032			16,988.75	16,988.75	
04/01/2033	115,000	3.570%	16,988.75	131,988.75	
06/30/2033					148,977.50
10/01/2033			14,936.00	14,936.00	
04/01/2034	115,000	3.670%	14,936.00	129,936.00	
06/30/2034					144,872.00
10/01/2034			12,825.75	12,825.75	
04/01/2035	120,000	3.800%	12,825.75	132,825.75	
06/30/2035					145,651.50
10/01/2035			10,545.75	10,545.75	
04/01/2036	125,000	3.870%	10,545.75	135,545.75	
06/30/2036					146,091.50
10/01/2036			8,127.00	8,127.00	
04/01/2037	130,000	3.920%	8,127.00	138,127.00	
06/30/2037					146,254.00
10/01/2037			5,579.00	5,579.00	
04/01/2038	140,000	3.970%	5,579.00	145,579.00	

**BOND DEBT SERVICE**

Marshall County Schools  
Series 2019

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>	<b>Annual Debt Service</b>
06/30/2038					151,158.00
10/01/2038			2,800.00	2,800.00	
04/01/2039	140,000	4.000%	2,800.00	142,800.00	
06/30/2039					145,600.00
	2,080,000		854,884.85	2,934,884.85	2,934,884.85

**BOND DEBT SERVICE**

Marshall County Schools  
Series 2019

Dated Date 04/03/2019  
Delivery Date 04/03/2019

<b>Period Ending</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Debt Service</b>
06/30/2020	75,000	2.100%	67,240.35	142,240.35
06/30/2021	80,000	2.140%	66,041.00	146,041.00
06/30/2022	85,000	2.220%	64,329.00	149,329.00
06/30/2023	85,000	2.320%	62,442.00	147,442.00
06/30/2024	85,000	2.430%	60,470.00	145,470.00
06/30/2025	90,000	2.540%	58,404.50	148,404.50
06/30/2026	95,000	2.710%	56,118.50	151,118.50
06/30/2027	90,000	2.960%	53,544.00	143,544.00
06/30/2028	95,000	3.110%	50,880.00	145,880.00
06/30/2029	100,000	3.220%	47,925.50	147,925.50
06/30/2030	100,000	3.320%	44,705.50	144,705.50
06/30/2031	105,000	3.420%	41,385.50	146,385.50
06/30/2032	110,000	3.470%	37,794.50	147,794.50
06/30/2033	115,000	3.570%	33,977.50	148,977.50
06/30/2034	115,000	3.670%	29,872.00	144,872.00
06/30/2035	120,000	3.800%	25,651.50	145,651.50
06/30/2036	125,000	3.870%	21,091.50	146,091.50
06/30/2037	130,000	3.920%	16,254.00	146,254.00
06/30/2038	140,000	3.970%	11,158.00	151,158.00
06/30/2039	140,000	4.000%	5,600.00	145,600.00
	2,080,000		854,884.85	2,934,884.85

### BOND SUMMARY STATISTICS

Marshall County Schools  
Series 2019

Dated Date	04/03/2019
Delivery Date	04/03/2019
Last Maturity	04/01/2039
Arbitrage Yield	3.527122%
True Interest Cost (TIC)	3.749948%
Net Interest Cost (NIC)	3.736374%
All-In TIC	3.958287%
Average Coupon	3.562993%
Average Life (years)	11.535
Duration of Issue (years)	9.196
Par Amount	2,080,000.00
Bond Proceeds	2,080,000.00
Total Interest	854,884.85
Net Interest	896,484.85
Total Debt Service	2,934,884.85
Maximum Annual Debt Service	151,158.00
Average Annual Debt Service	146,785.02
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	2,080,000.00	100.000	3.563%	11.535	1,848.35
	2,080,000.00			11.535	1,848.35

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,080,000.00	2,080,000.00	2,080,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-41,600.00	-41,600.00	
- Cost of Issuance Expense		-37,820.00	
- Other Amounts			
Target Value	2,038,400.00	2,000,580.00	2,080,000.00
Target Date	04/03/2019	04/03/2019	04/03/2019
Yield	3.749948%	3.958287%	3.527122%

**BOND PRICING**

Marshall County Schools  
Series 2019

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	04/01/2020	75,000	2.100%	2.100%	100.000
	04/01/2021	80,000	2.140%	2.140%	100.000
	04/01/2022	85,000	2.220%	2.220%	100.000
	04/01/2023	85,000	2.320%	2.320%	100.000
	04/01/2024	85,000	2.430%	2.430%	100.000
	04/01/2025	90,000	2.540%	2.540%	100.000
	04/01/2026	95,000	2.710%	2.710%	100.000
	04/01/2027	90,000	2.960%	2.960%	100.000
	04/01/2028	95,000	3.110%	3.110%	100.000
	04/01/2029	100,000	3.220%	3.220%	100.000
	04/01/2030	100,000	3.320%	3.320%	100.000
	04/01/2031	105,000	3.420%	3.420%	100.000
	04/01/2032	110,000	3.470%	3.470%	100.000
	04/01/2033	115,000	3.570%	3.570%	100.000
	04/01/2034	115,000	3.670%	3.670%	100.000
	04/01/2035	120,000	3.800%	3.800%	100.000
	04/01/2036	125,000	3.870%	3.870%	100.000
	04/01/2037	130,000	3.920%	3.920%	100.000
	04/01/2038	140,000	3.970%	3.970%	100.000
	04/01/2039	140,000	4.000%	4.000%	100.000
		2,080,000			

Dated Date	04/03/2019	
Delivery Date	04/03/2019	
First Coupon	10/01/2019	
Par Amount	2,080,000.00	
Original Issue Discount		
Production	2,080,000.00	100.000000%
Underwriter's Discount	-41,600.00	-2.000000%
Purchase Price	2,038,400.00	98.000000%
Accrued Interest		
Net Proceeds	2,038,400.00	

**BOND SOLUTION**Marshall County Schools  
District Component

<b>Period Ending</b>	<b>Proposed Principal</b>	<b>Proposed Debt Service</b>	<b>Existing Debt Service</b>	<b>Total Adj Debt Service</b>	<b>Revenue Constraints</b>	<b>Unused Revenues</b>	<b>Debt Serv Coverage</b>
06/30/2019			2,959,117	2,959,117	3,858,372	899,255	130.38932%
06/30/2020	69,772	132,590	3,420,022	3,552,612	3,858,372	305,760	108.60663%
06/30/2021	74,686	136,390	3,417,499	3,553,889	3,858,372	304,483	108.56759%
06/30/2022	79,573	139,679	3,415,393	3,555,072	3,858,372	303,300	108.53149%
06/30/2023	79,452	137,791	3,415,061	3,552,852	3,858,372	305,520	108.59929%
06/30/2024	79,324	135,820	3,419,394	3,555,213	3,858,372	303,159	108.52716%
06/30/2025	84,186	138,754	3,416,831	3,555,586	3,858,372	302,786	108.51579%
06/30/2026	89,038	141,468	3,415,826	3,557,294	3,858,372	301,078	108.46369%
06/30/2027	83,876	133,893	3,418,861	3,552,754	3,858,372	305,618	108.60229%
06/30/2028	88,695	136,229	3,419,781	3,556,010	3,858,372	302,362	108.50284%
06/30/2029	93,499	138,275	3,418,756	3,557,030	3,858,372	301,342	108.47172%
06/30/2030	93,290	135,055	3,418,697	3,553,752	3,858,372	304,620	108.57179%
06/30/2031	98,067	136,735	3,416,791	3,553,526	3,858,372	304,846	108.57868%
06/30/2032	102,830	138,144	3,415,362	3,553,506	3,858,372	304,866	108.57932%
06/30/2033	107,581	139,327	3,417,360	3,556,687	3,858,372	301,685	108.48219%
06/30/2034	107,316	135,221	3,417,113	3,552,334	3,858,372	306,038	108.61512%
06/30/2035	112,034	136,001	3,417,489	3,553,490	3,858,372	304,882	108.57980%
06/30/2036	116,732	136,441	3,418,075	3,554,516	3,858,372	303,856	108.54844%
06/30/2037	121,412	136,604	3,419,555	3,556,159	3,858,372	302,213	108.49831%
06/30/2038	131,075	141,508	3,415,616	3,557,124	3,858,372	301,248	108.46887%
06/30/2039	130,721	135,950	3,416,697	3,552,647	3,858,372	305,725	108.60555%
	1,943,159	2,741,874	71,309,294	74,051,168	81,025,812	6,974,644	