



MATTHEW G. BEVIN
Governor

Commonwealth of Kentucky
FINANCE AND ADMINISTRATION CABINET
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WILLIAM M. LANDRUM III
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RYAN BARROW
Executive Director

May 1, 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 May 14, 2019, meeting.

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

| | |
|---|--------------|
| <u>Fund A Loan</u> | |
| Louisville & Jefferson County Metropolitan Sewer District - (Crestwood Wastewater System Assumption) | \$1,103,340 |
| City of Richmond | \$10,142,000 |
| <u>Fund B Loan</u> | |
| City of Hickman | \$397,000 |
| <u>Fund F Loan</u> | |
| City of Danville | \$4,918,257 |

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

| | |
|--|--|
| Kentucky Housing Corporation Multifamily Housing Revenue Bonds, Series 2019 (Westminster Village Apartments Project), dated March 22, 2019 | \$8,500,000 |
| Kentucky Higher Education Student Loan Corporation Student Loan Revenue Bonds, Senior Series 2019A-1; Student Loan Revenue Bonds, Senior Series 2019A-2; and Student Loan Revenue Bonds, Subordinate Series 2019B-1; dated April 11, 2019 | \$17,100,000 \$60,985,000 \$17,250,000 |

Senator Girdler
Representative Thomas
May 1, 2019
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The School Facilities Construction Commission is submitting the following additional information for the Committee's approval:

| | |
|-----------------------|---------------|
| Bracken County | \$350,000* |
| Harlan County | \$5,385,000* |
| Leslie County | \$800,000* |
| Metcalfe County | \$2,620,000* |
| Owensboro Independent | \$11,125,000* |
| Rowan County | \$6,555,000* |

*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,



Sandy Williams
Deputy Executive Director

Attachments

**Kentucky Infrastructure Authority
Projects for
May 2019 Capital Projects Meeting**

- **Fund A Loan**

| <u>Loan #</u> | <u>Borrower</u> | <u>Loan Amount</u> | <u>County</u> |
|---------------|---|--------------------|---------------|
| A98-04A | Louisville & Jefferson County Metropolitan Sewer District (Crestwood Wastewater System Assumption) | \$ 1,103,340 | Jefferson |
| A19-050 | City of Richmond | \$ 10,142,000 | Madison |

- **Fund B Loan**

| <u>Loan #</u> | <u>Borrower</u> | <u>Loan Amount</u> | <u>County</u> |
|---------------|-----------------|--------------------|---------------|
| B19-009 | City of Hickman | \$ 397,000 | Fulton |

- **Fund F Loan**

| <u>Loan #</u> | <u>Borrower</u> | <u>Loan Amount</u> | <u>County</u> |
|---------------|------------------|--------------------|---------------|
| F19-042 | City of Danville | \$ 4,918,257 | Boyle |

| | | | | |
|---|---|-----------------------|------------------------------|---------------------|
| EXECUTIVE SUMMARY | | Reviewer | Ashley Adams | |
| KENTUCKY INFRASTRUCTURE AUTHORITY | | Date | April 4, 2019 | |
| FUND A, FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND | | KIA Loan Number | A98-04A | |
| BORROWER | LOUISVILLE & JEFFERSON COUNTY METROPOLITAN SEWER DISTRICT JEFFERSON COUNTY | | | |
| BRIEF DESCRIPTION | | | | |
| Louisville Metropolitan Sanitation District (MSD) has a pending acquisition for the City of Crestwood's sanitary sewer assets and customers. One KIA Fund A wastewater loan will be assumed by MSD as part of the transaction. This acquisition is pending Attorney General approval which is expected in time for a potential April 30, 2019 closing date. | | | | |
| PROJECT FINANCING | | PROJECT BUDGET | | |
| A98-04 Assumption | \$1,103,340 | Loan Assumption | \$1,103,340 | |
| TOTAL | \$1,103,340 | TOTAL | \$1,103,340 | |
| REPAYMENT | Rate | 3.80% | Est. Annual Payment | \$243,466 |
| | Term | 2.5 Years | 1st Payment | Jun-19 |
| PROFESSIONAL SERVICES | Engineer | N/A | | |
| | Bond Counsel | Dinsmore & Shohl, LLP | | |
| PROJECT SCHEDULE | | | | |
| | Estimated Closing | Apr-19 | | |
| DEBT PER CUSTOMER | Existing | \$8,967 | | |
| | Proposed | \$8,761 | | |
| OTHER DEBT | See Attached | | | |
| OTHER STATE-FUNDED PROJECTS LAST 5 YRS | See Attached | | | |
| RESIDENTIAL RATES | | | | |
| | | <u>Users</u> | <u>Avg. Bill</u> | |
| | Current | 258,237 | \$45.82 | (for 4,000 gallons) |
| | Additional | 1,700 | \$45.82 | (for 4,000 gallons) |
| REGIONAL COORDINATION | This project is consistent with regional planning recommendations. | | | |
| CASHFLOW (in thousands) | Cash Flow Before Debt Service | Debt Service | Cash Flow After Debt Service | Coverage Ratio |
| Audited 2016 | 174,026 | 115,735 | 58,291 | 1.5 |
| Audited 2017 | 186,270 | 122,034 | 64,236 | 1.5 |
| Audited 2018 | 201,878 | 124,787 | 77,091 | 1.6 |
| Projected 2019 | 217,067 | 136,329 | 80,738 | 1.6 |
| Projected 2020 | 233,413 | 140,891 | 92,522 | 1.7 |
| Projected 2021 | 251,000 | 146,080 | 104,920 | 1.7 |
| Projected 2022 | 269,766 | 152,507 | 117,259 | 1.8 |
| Projected 2023 | 290,112 | 156,855 | 133,257 | 1.8 |

Reviewer: Ashley Adams
 Date: April 4, 2019
 Loan Number: A98-04A

**KENTUCKY INFRASTRUCTURE AUTHORITY
 WASTEWATER REVOLVING LOAN FUND (FUND A)
 LOUISVILLE AND JEFFERSON COUNTY
 METROPOLITAN SEWER DISTRICT
 LOAN ASSUMPTION**

I. DESCRIPTION

Louisville and Jefferson County Metropolitan Sewer District (“MSD”) plans to assume a Fund A wastewater loan (A98-04) from the City of Crestwood in Oldham County as part of MSD’s acquisition of the Crestwood wastewater system and all of its assets. The original loan to Crestwood included a sewer collection system for the residents of Crestwood and Park Lake which transported waste to MSD’s Hite Creek Plant. The original loan was approved by the KIA Board on April 28th, 1998. MSD entered into an Interlocal Agreement with the City of Crestwood on September 3, 1996. Since then MSD has provided operational and maintenance services to Crestwood for wastewater collection and treatment, responded to customer calls, provided billing services, and managed regulatory programs such as the Consent Decree. Kentucky Revised Statutes changed in 2018 allowing for an acquisition of the Crestwood system by MSD. This acquisition is attractive to both parties in order to continue a high level of service while maintaining a competitive billing rate for existing Crestwood customers. For MSD, the acquisition gives MSD the opportunity to provide wastewater services to potential development in the area and achieve greater economies of scale.

II. ASSUMED DEBT FROM CRESTWOOD

| | Total |
|-------------------|---------------------|
| KIA Loan (A98-04) | \$ 1,103,340 |
| Total | \$ 1,103,340 |

III. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

| | MSD | Crestwood | MSD /Crestwood Combined |
|--------------|----------------|------------------|------------------------------------|
| Residential | 233,775 | 1,549 | 235,324 |
| Commercial | 22,332 | 151 | 22,483 |
| Industrial | 430 | 0 | 430 |
| Total | 258,237 | 1,700 | 258,237 |

B) Rates

| MSD Rates | <u>Current</u> | <u>Prior</u> |
|--------------------------------|-----------------|-----------------|
| Date of Last Rate Increase | 08/01/18 | 08/01/17 |
| Minimum | \$ 15.75 | \$ 14.73 |
| Per 1,000 Gallons | 4.30 | 4.02 |
| Consent Decree Surcharge | 12.87 | 12.04 |
| <hr/> | | |
| Cost for 4,000 gallons | \$ 45.82 | \$ 42.85 |
| Increase % | 6.9% | |
| Affordability Index (Rate/MHI) | 1.2% | |
| | | |
| Crestwood Rates | <u>Current</u> | |
| Date of Last Rate Increase | 08/01/18 | |
| Minimum | \$ 15.75 | |
| Per 1,000 Gallons | 4.30 | |
| Consent Decree Surcharge | 12.87 | |
| Debt Service Surcharge | 12.14 | |
| <hr/> | | |
| Cost for 4,000 gallons | \$ 57.96 | |

When the transfer of assets is complete, Crestwood customers will transition to the normal MSD rate structure above resulting in savings for the customer as the existing debt service surcharge for Crestwood customers will be eliminated.

IV. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for Louisville MSD for the years ended June 30, 2016 through June 30, 2018 from the combined wastewater and stormwater funds. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2016-2018 operating expenses and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, has been removed from 2018 operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Total revenues increased 14.7% from \$243 million in 2016 to \$279 million in 2018. MSD's board can approve rate increases up to 7% without needed approval from Louisville Metro Council which they have done each audited year observed (2016-18) driving the annual increases in revenue. Wastewater service charges totaled \$210.6 million in 2018 while stormwater service charges totaled \$63.8 million. Operating expenses increased 7.6% during the same time period from \$87 million to \$94 million.

Expense increases were attributed mostly to increased labor expense as well as various weather events (flooding) that occurred during the audited period observed. The debt coverage ratio for 2016-2018 was 1.5, 1.5, and 1.6 respectively (includes only net operating income).

The 1993 Sewer and Drainage System Revenue Bond Resolution requires MSD to provide available revenues sufficient to pay 110% of each year's aggregate net debt service on revenue bonds and 100% of operating expenses. Each year MSD's audit contains a Comparative Schedule of Debt Service Coverage which includes net operating income as well as other sources of revenue including investment income and current period payments of property owner assessments. When factoring in those additional revenue streams, MSD's debt coverage ratio from 2016-2018 was 1.9, 1.8, and 1.9 respectively. Moody's Investors Service affirmed an Aa3 rating for MSD on June 27, 2018 for outstanding senior revenue bonds with a stable outlook. S&P Global affirmed an AA rating and stable outlook on April 24, 2018.

The 2018 balance sheet reflects a current ratio of 1.1, a debt to equity ratio of 3.7, 34.4 days sales in accounts receivable, and 6.4 months operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase 6.9% each forecasted year due to rate increases anticipated from MSD's Board.
- 2) Expenses will increase 4% for inflation and expected increases in general operational expenses for pending projects.
- 3) The forecast includes debt service for both recently approved KIA loans A19-015 and A19-028 (total of \$25,870,000).
- 4) MSD will make the June 1, 2019 debt service payment for the existing KIA loan.
- 5) MSD will pay off an existing loan with PNC bank held by Crestwood upon execution of the acquisition. Payoff is currently estimated at \$750,000 and has been included in the forecast.
- 6) Debt service coverage is 1.6 in 2019 when principal and interest repayments begin.

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

REPLACEMENT RESERVE

MSD maintains Debt Reserve Accounts equal to the maximum annual debt service requirements on its senior lien obligations (currently \$152 million). No additional replacement reserves will be required for this loan.

V. DEBT OBLIGATIONS

Amounts in thousands

| | Outstanding | Maturity |
|---------------------------------|---------------------|-----------------|
| <u>Senior Debt</u> | | |
| 2009B Series Revenue Bonds | \$ 6,640 | 2022 |
| 2009A Series Revenue Bonds | 52,975 | 2023 |
| 2009C Series Revenue Bonds | 180,000 | 2040 |
| 2010A Series Revenue Bonds | 330,000 | 2043 |
| 2011A Series Revenue Bonds | 250,565 | 2034 |
| 2013A Series Revenue Bonds | 115,790 | 2036 |
| 2013B Series Revenue Bonds | 115,550 | 2038 |
| 2013C Series Revenue Bonds | 99,500 | 2044 |
| 2014A Series Revenue Bonds | 79,850 | 2045 |
| 2015A Series Revenue Bonds | 173,735 | 2046 |
| 2015B Series Revenue Bonds | 76,685 | 2038 |
| 2016A Series Revenue Bonds | 149,760 | 2047 |
| 2016B Series Revenue Bonds | 28,095 | 2036 |
| 2016C Series Revenue Bonds | 67,685 | 2023 |
| 2017A Series Revenue Bonds | 175,000 | 2048 |
| 2017B Series Revenue Bonds | 34,520 | 2025 |
| 2018A Series Revenue Bonds | 60,380 | 2038 |
| <u>Subordinated Debt</u> | | |
| BAN Series 2018A | 226,340 | 2019 |
| KIA Loan (A209-41 ARRA) | 1,871 | 2032 |
| Total | \$ 2,224,941 | |

VI. CONTACTS

| Legal Applicant | |
|------------------------|---|
| Entity Name | Louisville & Jefferson County Metropolitan Sewer District |
| Authorized Official | Tony Parrott (Executive Director) |
| County | Jefferson |
| Email | tony.parrott@louisvillemtd.org |
| Phone | 502-540-6533 |
| Address | PO Box 740011 Louisville, KY 40201 |

VII. RECOMMENDATIONS

KIA staff recommends approval of the loan assumption.

LOUISVILLE & JEFFERSON COUNTY METROPOLITAN SEWER DISTRICT
 FINANCIAL SUMMARY (JUNE YEAR END)

DOLLARS IN THOUSANDS

| | Audited 2016 | Audited 2017 | Audited 2018 | Projected 2019 | Projected 2020 | Projected 2021 | Projected 2022 | Projected 2023 |
|--|------------------|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Balance Sheet | | | | | | | | |
| Assets | | | | | | | | |
| Current Assets | 124,049 | 125,214 | 139,927 | 149,769 | 160,921 | 173,413 | 187,339 | 202,965 |
| Other Assets | 2,775,732 | 2,934,908 | 3,164,908 | 3,124,538 | 3,159,504 | 3,162,618 | 3,163,902 | 3,179,585 |
| Total | <u>2,899,781</u> | <u>3,060,122</u> | <u>3,304,835</u> | <u>3,274,307</u> | <u>3,320,425</u> | <u>3,336,031</u> | <u>3,351,241</u> | <u>3,382,549</u> |
| Liabilities & Equity | | | | | | | | |
| Current Liabilities | 102,606 | 99,204 | 125,320 | 138,589 | 141,936 | 145,855 | 148,817 | 150,217 |
| Long Term Liabilities | 2,196,595 | 2,292,430 | 2,470,841 | 2,291,035 | 2,249,750 | 2,205,846 | 2,147,445 | 2,089,045 |
| Total Liabilities | <u>2,299,201</u> | <u>2,391,634</u> | <u>2,596,161</u> | <u>2,429,624</u> | <u>2,391,686</u> | <u>2,351,701</u> | <u>2,296,262</u> | <u>2,239,261</u> |
| Net Assets | <u>600,580</u> | <u>668,488</u> | <u>708,674</u> | <u>844,683</u> | <u>928,739</u> | <u>984,330</u> | <u>1,054,979</u> | <u>1,143,288</u> |
| Cash Flow | | | | | | | | |
| Revenues | 243,290 | 259,634 | 279,149 | 298,090 | 318,338 | 339,983 | 363,121 | 387,856 |
| Operating Expenses | 87,155 | 87,637 | 93,800 | 97,552 | 101,454 | 105,512 | 109,884 | 114,273 |
| Other Income | 17,891 | 14,273 | 16,529 | 16,529 | 16,529 | 16,529 | 16,529 | 16,529 |
| Cash Flow Before Debt Service | <u>174,026</u> | <u>186,270</u> | <u>201,878</u> | <u>217,067</u> | <u>233,413</u> | <u>251,000</u> | <u>269,766</u> | <u>290,112</u> |
| Debt Service | | | | | | | | |
| Existing Debt Service | 115,735 | 122,034 | 124,787 | 136,096 | 140,424 | 145,613 | 152,507 | 156,855 |
| Crestwood Assumption A98-04A | 0 | 0 | 0 | 233 | 467 | 467 | 0 | 0 |
| Crestwood PNC Bank Loan Payoff | 0 | 0 | 0 | 750 | 0 | 0 | 0 | 0 |
| Total Debt Service | <u>115,735</u> | <u>122,034</u> | <u>124,787</u> | <u>136,329</u> | <u>140,891</u> | <u>146,080</u> | <u>152,507</u> | <u>156,855</u> |
| Cash Flow After Debt Service | <u>58,291</u> | <u>64,236</u> | <u>77,091</u> | <u>80,738</u> | <u>92,522</u> | <u>104,920</u> | <u>117,259</u> | <u>133,257</u> |
| Ratios | | | | | | | | |
| Current Ratio | 1.2 | 1.3 | 1.1 | 1.1 | 1.1 | 1.2 | 1.3 | 1.4 |
| Debt to Equity | 3.8 | 3.6 | 3.7 | 2.9 | 2.6 | 2.4 | 2.2 | 2.0 |
| Days Sales in Accounts Receivable | 40.1 | 33.0 | 34.4 | 34.4 | 34.4 | 34.4 | 34.4 | 34.3 |
| Months Operating Expenses in Unrestricted Cash | 9.6 | 5.8 | 6.4 | 7.2 | 8.0 | 8.9 | 9.8 | 10.8 |
| Debt Coverage Ratio | 1.5 | 1.5 | 1.6 | 1.6 | 1.7 | 1.7 | 1.8 | 1.8 |

| | | | | |
|---|--|-------------------------|------------------------------|------------------------|
| EXECUTIVE SUMMARY | | Reviewer | Ashley Adams | |
| KENTUCKY INFRASTRUCTURE AUTHORITY | | Date | April 4, 2019 | |
| FUND A, FEDERALLY ASSISTED WASTEWATER | | KIA Loan Number | A19-050 | |
| REVOLVING LOAN FUND | | WRIS Number | SX21151054 | |
| BORROWER | CITY OF RICHMOND MADISON COUNTY | | | |
| BRIEF DESCRIPTION | | | | |
| The project will address capacity issues within the Silver Creek sewer shed and three sanitary sewer overflows (SSO's) within the TC-15 sub-basin of the Silver Creek sewer shed as well as provide additional capacity for future growth. This will be accomplished by constructing a new 1,500 gpm pump station at Silver Creek WWTP and pumping flows through 14,500 lf of 16 – inch PVC force main to 3,500 lf of 30 – inch and 11,500 lf of 24 – inch gravity sewer. This new gravity sewer will collect flows from 2,550 lf of 12 – inch and 1,500 lf of 15 – inch gravity sewers within the TC-15 sewer basin and discharge flows to the Wilgreen pump station. A new parallel 12 – inch force main will increase capacity at the pump station to handle the new flows from Taylor Fork. | | | | |
| PROJECT FINANCING | | PROJECT BUDGET | | |
| Fund A Loan | \$10,142,000 | RD Fee % | Actual % | |
| | | Administrative Expenses | | \$25,000 |
| | | Legal Expenses | | 50,000 |
| | | Land, Easements | | 100,000 |
| | | Planning | | 50,000 |
| | | Eng - Design / Const | 6.4% | 5.9% |
| | | Eng - Insp | 3.0% | 2.7% |
| | | Eng - Other | | 70,000 |
| | | Construction | | 8,287,000 |
| | | Contingency | | 780,000 |
| TOTAL | \$10,142,000 | TOTAL | | \$10,142,000 |
| REPAYMENT | Rate | 0.50% | Est. Annual Payment | \$517,756 |
| | Term | 20 Years | 1st Payment | 6 Mo. after first draw |
| PROFESSIONAL SERVICES | Engineer | Bell Engineering | | |
| | Bond Counsel | Dinsmore & Shohl, LLP | | |
| PROJECT SCHEDULE | Bid Opening | Jul-19 | | |
| | Construction Start | Aug-19 | | |
| | Construction Stop | Aug-20 | | |
| DEBT PER CUSTOMER | Existing | \$5,436 | | |
| | Proposed | \$5,020 | | |
| OTHER DEBT | See Attached | | | |
| OTHER STATE-FUNDED PROJECTS LAST 5 YRS | See Attached | | | |
| RESIDENTIAL RATES | | <u>Users</u> | <u>Avg. Bill</u> | |
| | Current | 11,778 | \$45.24 (for 4,000 gallons) | |
| | Additional | 0 | \$45.24 (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 2016 | 10,389,166 | 4,379,585 | 6,009,581 | 2.4 |
| Audited 2017 | 9,991,008 | 8,051,335 | 1,939,673 | 1.2 |
| Audited 2018 | 10,337,798 | 5,783,370 | 4,554,428 | 1.8 |
| Projected 2019 | 9,364,117 | 5,780,849 | 3,583,268 | 1.6 |
| Projected 2020 | 9,559,216 | 5,766,622 | 3,792,594 | 1.7 |
| Projected 2021 | 9,807,817 | 5,884,358 | 3,923,459 | 1.7 |
| Projected 2022 | 9,990,290 | 5,945,455 | 4,044,835 | 1.7 |
| Projected 2023 | 10,176,107 | 5,935,787 | 4,240,320 | 1.7 |

Reviewer: Ashley Adams
Date: April 4, 2019
Loan Number: A19-050

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND A)
CITY OF RICHMOND, MADISON COUNTY
PROJECT REVIEW
SX21151054**

I. PROJECT DESCRIPTION

The City of Richmond is requesting a Fund A loan in the amount of \$10,142,000 for the Silver Creek Outfall Sewer Phase 1 project. The purpose of this project is to eliminate known overflows and provide additional capacity in the collection system for future growth. In 2009, soon after the construction of the Otter Creek Waste Water Treatment Plant (WWTP), two existing WWTP's (Dreaming Creek and Tates Creek) were taken off-line with flows directed to this new large WWTP. The other large WWTP (Silver Creek), was built in the summer of 1999 to treat waste generated on the south side of Richmond, primarily the area along Duncannon Road and the new industrial park. This project will eliminate this Kentucky Pollutant Discharge Elimination System (KPDES) permit and convey flows through the existing conveyance system to the Otter Creek WWTP.

Division A - Silver Creek WWTP to Existing Pavilion Force Main

The existing Silver Creek WWTP will be used as an equalization basin to store wet weather flows. A new 1,500 gallon per minute (gpm) pump station will be built at the Silver Creek WWTP site along with 14,500 linear feet (lf) of 16 - inch force main that will discharge into an existing 14 - inch force main for approximately 10,500 lf to a point of discharge at the existing Pavilion pump station. The Pavilion pump station will be de-commissioned and all flows will be diverted to the new Taylor Fork gravity Sewer (Division B).

Division B – Taylor Fork Gravity Sewer

Flows from the Silver Creek and Pavilion pump stations will be diverted to approximately 3,500 lf of 30 inch, 11,500 lf of 24 inch gravity sewer and approximately 49 manholes along Taylor Fork. This line will discharge into the existing Wilgreen pump station on the west side of Interstate 75.

Division C – TC-15 Collector Sewers

The TC15 drainage basin of the Richmond Utilities Sanitary Sewer Collection System is subject to frequent wet weather induced overflows at three primary locations: TC15-M4- 11, TC15-M8-18, and TC15-M10-3. This division of the project will replace

approximately 1,500 lf of 15 inch and 2,550 lf of 12 inch gravity sewer along with 25 manhole replacements.

Division D – Wilgreen Parallel Force Main

The existing Wilgreen pump station is capable of pumping a peak flow of approximately 2,500 gpm through the existing 12 inch force main. This project will extend a second 12 inch force main parallel to the existing force main for approximately 4,900 lf. The new force main will add approximately 1,100 gpm of peak capacity to the Wilgreen pump station for a total peak flow of 3,600 gpm.

Richmond Water, Gas, and Sewerage Works provides sanitary sewer service to almost 12,000 residential, commercial, and industrial customers in Madison County.

II. PROJECT BUDGET

| | <u>Total</u> |
|---------------------------------|----------------------|
| Administrative Expenses | \$ 25,000 |
| Legal Expenses | 50,000 |
| Land, Easements | 100,000 |
| Planning | 50,000 |
| Engineering Fees - Design | 385,000 |
| Engineering Fees - Construction | 150,000 |
| Engineering Fees - Inspection | 245,000 |
| Engineering Fees - Other | 70,000 |
| Construction | 8,287,000 |
| Contingency | 780,000 |
| Total | \$ 10,142,000 |

III. PROJECT FUNDING

| | <u>Amount</u> | <u>%</u> |
|--------------|----------------------|-------------|
| Fund A Loan | \$ 10,142,000 | 100% |
| Total | \$ 10,142,000 | 100% |

IV. KIA DEBT SERVICE

| | |
|--|-------------------|
| Construction Loan | \$ 10,142,000 |
| Less: Principal Forgiveness | 660,000 |
| Amortized Loan Amount | \$ 9,482,000 |
| Interest Rate | 0.50% |
| Loan Term (Years) | 20 |
| Estimated Annual Debt Service | \$ 498,792 |
| Administrative Fee (0.20%) | 18,964 |
| Total Estimated Annual Debt Service | \$ 517,756 |

V. PROJECT SCHEDULE

| | |
|--------------------|-------------|
| Bid Opening | July 2019 |
| Construction Start | August 2019 |
| Construction Stop | August 2020 |

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

| | Current |
|--------------|----------------|
| Residential | 10,586 |
| Commercial | 1,167 |
| Industrial | 25 |
| Total | 11,778 |

B) Rates

| | Inside City | | Outside City | |
|--------------------------------|--------------------|----------------|---------------------|----------------|
| | Current | Prior | Current | Prior |
| Sewer | | | | |
| Date of Last Rate Increase | 07/01/18 | 07/01/17 | 07/01/18 | 07/01/17 |
| First 300 CF (min. bill) | \$26.51 | \$25.96 | \$53.03 | \$51.94 |
| Next 400 CF (per 100 CF) | 7.98 | 7.82 | 15.96 | 15.63 |
| Next 5,000 CF (per 100 CF) | 7.21 | 7.06 | 14.42 | 14.15 |
| Next 5,000 CF (per 100 CF) | 6.45 | 6.32 | 12.85 | 12.59 |
| Cost for 4,000 gallons | \$45.24 | \$44.32 | \$90.49 | \$88.63 |
| Increase % | 2.1% | | 2.1% | |
| Affordability Index (Rate/MHI) | 1.6% | | 3.3% | |
| Water | | | | |
| Date of Last Rate Increase | 07/01/18 | 07/01/17 | 07/01/18 | 07/01/17 |
| First 300 CF (min. bill) | \$11.12 | \$10.89 | \$14.07 | \$13.78 |
| Next 400 CF (per 100 CF) | 3.31 | 3.24 | 4.18 | 4.10 |
| Next 5,000 CF (per 100 CF) | 3.27 | 3.20 | 3.80 | 3.72 |
| Next 5,000 CF (per 100 CF) | 2.46 | 2.41 | 3.17 | 3.10 |
| Cost for 4,000 gallons | \$18.89 | \$18.49 | \$23.88 | \$23.40 |
| Increase % | 2.1% | | 2.0% | |
| Affordability Index (Rate/MHI) | 0.7% | | 0.9% | |

The Utility adjusts both water and sewer rates annually for inflation based on the Consumer Price Index for all Urban Consumers (CPI-U).

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 32,243 with a Median Household Income (MHI) of \$34,112. The median household income for the Commonwealth is \$44,811. The project will qualify for a 0.50% interest rate based on MHI.

| Year | Population | | County | % Change | County Unemployment | |
|--------------|------------|----------|--------|----------|---------------------|------|
| | City | % Change | | | Date | Rate |
| 1980 | 21,705 | | 53,352 | | June 2005 | 5.6% |
| 1990 | 21,155 | -2.5% | 57,508 | 7.8% | June 2010 | 8.6% |
| 2000 | 27,152 | 28.3% | 70,872 | 23.2% | June 2015 | 4.9% |
| 2010 | 31,364 | 15.5% | 82,916 | 17.0% | June 2018 | 4.9% |
| Current | 33,583 | 7.1% | 87,324 | 5.3% | | |
| Cumulative % | | 54.7% | | 63.7% | | |

VIII. 2018 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of approximately 6.5% of the assistance amount, not to exceed \$660,000 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for Richmond Water, Gas, and Sewerage Works the years ended June 30, 2016 through June 30, 2018. The balance sheet and income statement include water, sewer, and gas operations. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2016-2018 operating expenses and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, has been removed from 2018 operating expense totals. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Total revenues for water, sewer, and gas increased 5% from \$19.2 million in 2016 to \$20.1 million in 2018 while total operating expenses increased 11% from \$9.8 million to \$10.9 million during the same time period. Sewer revenues increased 1% from \$6.9

million to \$7.1 million from 2016-2018 and sewer expenses increased 9% from \$3.5 million to \$3.8 million. Water revenues increased 3% from \$6.9 million to \$7.1 million and water expenses increased 22% from \$3.8 million to \$4.6 million during the same time period. Operating expense increases in the respective funds are primarily attributed to changes in pension and benefit reporting requirements. Gas revenues and expenses moved in tandem with both increasing 22% from 2016-2018 as gas is mostly a pass-through service to customers of the Utility.

The 2018 balance sheet reflects a 2.0 current ratio, a 0.9 debt to equity ratio, 56.2 days sales in accounts receivable and 11.2 months operating expenses in unrestricted cash. The debt coverage ratio from 2016-2018 was 2.4, 1.2, and 1.8, respectively.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Water and sewer revenues will increase approximately 2% annually for both growth and inflation adjustments via the City's CPI clause.
- 2) Expenses will increase 2% annually for inflation.
- 3) Debt service coverage is 1.7 in 2022 when full principal and interest repayments begin.

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

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$508,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$25,400 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

| | <u>Outstanding</u> | <u>Maturity</u> |
|----------------------|----------------------|-----------------|
| 2010 B Revenue Bonds | \$ 637,167 | 2021 |
| 2010 Revenue Bonds | 1,495,000 | 2030 |
| 2013 Revenue Bonds | 4,180,000 | 2025 |
| 2016 Revenue Bonds | 2,025,000 | 2027 |
| KLC Loan | 140,000 | 2021 |
| KIA Loan (F05-02) | 4,591,525 | 2028 |
| KIA Loan (F07-03) | 2,199,385 | 2028 |
| KIA Loan (A07-07) | 48,032,193 | 2033 |
| KIA Loan (A209-30) | 38,809 | 2030 |
| KIA Loan (C15-002) | 909,877 | 2036 |
| Total | \$ 64,248,956 | |

XI. CONTACTS

| | |
|------------------------|----------------------------------|
| Legal Applicant | |
| Entity Name | City of Richmond |
| Authorized Official | Robert Blythe (Mayor) |
| County | Madison |
| Email | rblythe@richmond.ky.us |
| Phone | 859-661-0289 |
| Address | PO Box 250 Richmond, KY 40475 |

| | |
|--------------------------|--|
| Applicant Contact | |
| Name | Scott Althaus |
| Organization | Richmond Water, Gas, and Sewerage Works |
| Email | salthaus@richmondutilities.com |
| Phone | 859-623-2323 |
| Address | 300 Hallie Irvine St Richmond, KY 40476 |

| | |
|--|--|
| Project Administrator / Consulting Engineer | |
| Name | David Schrader |
| Organization | Bell Engineering |
| Email | dschrader@hkbell.com |
| Phone | 859-278-5412 |
| Address | 2480 Fortune Drive, Suite 350 Lexington, KY 40509 |

XII. RECOMMENDATIONS

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

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

| | <u>Audited 2016</u> | <u>Audited 2017</u> | <u>Audited 2018</u> | <u>Projected 2019</u> | <u>Projected 2020</u> | <u>Projected 2021</u> | <u>Projected 2022</u> | <u>Projected 2023</u> |
|--|-------------------------|-------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Balance Sheet | | | | | | | | |
| Assets | | | | | | | | |
| Current Assets | 10,875,174 | 10,594,133 | 12,415,706 | 12,826,290 | 13,258,849 | 13,705,495 | 14,165,379 | 14,645,911 |
| Other Assets | 147,672,087 | 150,004,140 | 148,839,182 | 143,095,600 | 145,955,261 | 148,679,150 | 146,441,277 | 144,379,341 |
| Total | 158,547,261 | 160,598,273 | 161,254,888 | 155,921,890 | 159,214,110 | 162,384,645 | 160,606,656 | 159,025,252 |
| Liabilities & Equity | | | | | | | | |
| Current Liabilities | 5,906,381 | 6,093,907 | 6,285,982 | 6,296,657 | 6,377,619 | 6,334,268 | 6,230,017 | 6,308,886 |
| Long Term Liabilities | 73,583,320 | 72,779,376 | 70,717,849 | 54,452,180 | 54,332,224 | 54,321,719 | 49,635,765 | 44,882,442 |
| Total Liabilities | 79,489,701 | 78,873,283 | 77,003,831 | 60,748,837 | 60,709,843 | 60,655,987 | 55,865,782 | 51,191,328 |
| Net Assets | 79,057,560 | 81,724,990 | 84,251,057 | 95,173,053 | 98,504,267 | 101,728,658 | 104,740,874 | 107,833,924 |
| Cash Flow | | | | | | | | |
| Revenues | 19,209,269 | 19,257,955 | 20,106,913 | 20,445,934 | 20,791,736 | 21,144,454 | 21,504,226 | 21,871,194 |
| Operating Expenses | 9,831,847 | 10,177,590 | 10,873,618 | 12,186,320 | 12,337,023 | 12,441,140 | 12,618,439 | 12,799,590 |
| Other Income | 1,011,744 | 910,643 | 1,104,503 | 1,104,503 | 1,104,503 | 1,104,503 | 1,104,503 | 1,104,503 |
| Cash Flow Before Debt Service | 10,389,166 | 9,991,008 | 10,337,798 | 9,364,117 | 9,559,216 | 9,807,817 | 9,990,290 | 10,176,107 |
| Debt Service | | | | | | | | |
| Existing Debt Service | 4,379,585 | 8,051,335 | 5,783,370 | 5,780,849 | 5,766,622 | 5,625,480 | 5,427,699 | 5,418,031 |
| Proposed KIA Loan | 0 | 0 | 0 | 0 | 0 | 258,878 | 517,756 | 517,756 |
| Total Debt Service | 4,379,585 | 8,051,335 | 5,783,370 | 5,780,849 | 5,766,622 | 5,884,358 | 5,945,455 | 5,935,787 |
| Cash Flow After Debt Service | 6,009,581 | 1,939,673 | 4,554,428 | 3,583,268 | 3,792,594 | 3,923,459 | 4,044,835 | 4,240,320 |
| Ratios | | | | | | | | |
| Current Ratio | 1.8 | 1.7 | 2.0 | 2.0 | 2.1 | 2.2 | 2.3 | 2.3 |
| Debt to Equity | 1.0 | 0.9 | 0.9 | 0.6 | 0.6 | 0.6 | 0.5 | 0.5 |
| Days Sales in Accounts Receivable | 59.5 | 59.2 | 56.2 | 56.2 | 56.2 | 56.2 | 56.2 | 56.2 |
| Months Operating Expenses in Unrestricted Cash | 11.6 | 10.7 | 11.2 | 11.4 | 11.7 | 12.0 | 12.3 | 12.6 |
| Debt Coverage Ratio | 2.4 | 1.2 | 1.8 | 1.6 | 1.7 | 1.7 | 1.7 | 1.7 |

| | | | | |
|---|--|-----------------------|------------------------------|------------------------|
| EXECUTIVE SUMMARY | | Reviewer | Meili Sun | |
| KENTUCKY INFRASTRUCTURE AUTHORITY | | Date | April 4, 2019 | |
| FUND B, INFRASTRUCTURE | | KIA Loan Number | B19-009 | |
| REVOLVING LOAN FUND | | WRIS Number | WX21075020 | |
| BORROWER | CITY OF HICKMAN FULTON COUNTY | | | |
| BRIEF DESCRIPTION | | | | |
| Install piping and pumps to utilize the sediment and flocculation basins in the old water treatment plant to add detention time prior to the filters for iron and manganese removal. Repair and/or replace the aerators in the existing plant to improve oxidation of iron and manganese. | | | | |
| PROJECT FINANCING | | PROJECT BUDGET | | |
| Fund B Loan | \$397,000 | RD Fee % | Actual % | |
| | | Eng - Design / Const | 10.9% | 9.8% |
| | | Eng - Insp | 8.3% | 1.4% |
| | | Construction | | 308,350 |
| | | Contingency | | 48,650 |
| TOTAL | \$397,000 | TOTAL | | \$397,000 |
| REPAYMENT | Rate | 0.50% | Est. Annual Payment | \$21,678 |
| | Term | 20 Years | 1st Payment | 6 Mo. after first draw |
| PROFESSIONAL SERVICES | Engineer | Bell Engineering | | |
| | Bond Counsel | Dinsmore & Shohl, LLP | | |
| PROJECT SCHEDULE | Bid Opening | Oct-18 | | |
| | Construction Start | Jan-19 | | |
| | Construction Stop | Jul-19 | | |
| DEBT PER CUSTOMER | Existing | \$75 | | |
| | Proposed | \$1,383 | | |
| OTHER DEBT | See Attached | | | |
| RESIDENTIAL RATES | | <u>Users</u> | <u>Avg. Bill</u> | |
| | Current | 1,310 | \$21.50 | (for 4,000 gallons) |
| | Additional | 0 | \$21.50 | (for 4,000 gallons) |
| REGIONAL COORDINATION | This project is consistent with regional planning recommendations. | | | |
| CASHFLOW | Cash Flow Before Debt Service | Debt Service | Cash Flow After Debt Service | Coverage Ratio |
| Audited 2016 | 124,713 | 1,093 | 123,620 | 114.1 |
| Audited 2017 | 101,547 | 88,155 | 13,392 | 1.2 |
| Audited 2018 | 100,839 | 115,958 | (15,119) | 0.9 |
| Projected 2019 | 88,181 | 189,237 | (101,056) | 0.5 |
| Projected 2020 | 132,270 | 113,358 | 18,912 | 1.2 |
| Projected 2021 | 134,750 | 116,883 | 17,867 | 1.2 |
| Projected 2022 | 137,280 | 122,119 | 15,161 | 1.1 |
| Projected 2023 | 139,860 | 127,187 | 12,673 | 1.1 |

Reviewer: Meili Sun
Date: April 4, 2019
Loan Number: B19-009

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)
CITY OF HICKMAN, FULTON COUNTY
PROJECT REVIEW
WX21075020**

I. PROJECT DESCRIPTION

The City of Hickman is requesting a Fund B loan in the amount of \$397,000 for the Water Treatment Plant Modification project. This project will repurpose the currently idle old plant with its basins sitting empty. The scope of work includes installing piping and pumps to utilize the sediment and flocculation basins in the old water treatment plant to add detention time prior to the filters for iron and manganese removal. It will also repair and/or replace the aerators in the existing plant to improve oxidation of iron and manganese.

The purpose of this project is to improve drinking water quality for approximately 1,300 customers while addressing the requirements of an agreed order issued by the Division of Water.

II. PROJECT BUDGET

| | <u>Total</u> |
|---------------------------------|-------------------|
| Engineering Fees – Design | \$ 28,000 |
| Engineering Fees – Construction | 7,000 |
| Engineering Fees – Inspection | 5,000 |
| Construction | 308,350 |
| Contingency* | 48,650 |
| Total | \$ 397,000 |

* Contingency is more than 10% of the construction cost in anticipation of additional work required by the agreed order.

III. PROJECT FUNDING

| | <u>Amount</u> | <u>%</u> |
|------------------------|-------------------|-------------|
| KIA Fund B Loan | \$ 397,000 | 100% |

IV. KIA DEBT SERVICE

| | | |
|--|-----------|---------------|
| Amortized Loan Amount | \$ | 397,000 |
| Interest Rate | | 0.50% |
| Loan Term (Years) | | 20 |
| Estimated Annual Debt Service | \$ | 20,884 |
| Administrative Fee (0.20%) | | 794 |
| Total Estimated Annual Debt Service | \$ | 21,678 |

V. PROJECT SCHEDULE

| | |
|--------------------|--------------|
| Bid Opening | October 2018 |
| Construction Start | January 2019 |
| Construction Stop | July 2019 |

VI. RATE STRUCTURE

A. Customers

| | Current |
|-------------|---------|
| Residential | 1,193 |
| Commercial | 114 |
| Industrial | 3 |
| Total | 1,310 |

B. Rates

| | Water Inside City | | Water Outside City | |
|--------------------------------|-------------------|----------|--------------------|----------|
| | Current | Prior | Current | Prior |
| Date of Last Rate Increase | 07/01/17 | 08/15/13 | 07/01/17 | 08/15/13 |
| First 2,000 Gallons | \$12.50 | \$12.00 | \$19.75 | \$19.00 |
| Next 8,000 Gallons | 4.50 | 4.50 | 6.00 | 6.00 |
| Next 15,000 Gallons | 4.00 | 4.00 | 4.50 | 4.50 |
| Cost for 4,000 gallons | \$21.50 | \$21.00 | \$31.75 | \$31.00 |
| Increase % | 2.4% | | 2.4% | |
| Affordability Index (Rate/MHI) | 1.2% | | 1.8% | |

| Date of Last Rate Increase | Sewer | |
|------------------------------------|----------|----------|
| | Current | Prior |
| | 07/01/17 | 08/15/13 |
| First 2,000 Gallons Residential | \$14.90 | \$14.40 |
| Over 2,000 Gallons Residential | 4.50 | 4.50 |
| Cost for 4,000 gallons Residential | \$23.90 | \$23.40 |
| Increase % | 2.1% | |
| Affordability Index (Rate/MHI) | 1.4% | |

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 2,868 with a Median Household Income (MHI) of \$20,801. The median household income for the Commonwealth was \$44,811. The project's median household income qualifies for a 0.50% interest rate as it is below 80% of the State MHI.

| Year | Population | | County | % Change | County Unemployment | |
|--------------|------------|----------|--------|----------|---------------------|-------|
| | City | % Change | | | Date | Rate |
| 1980 | 2,894 | | 6,065 | | June 2005 | 7.3% |
| 1990 | 2,689 | -7.1% | 5,566 | -8.2% | June 2010 | 12.2% |
| 2000 | 2,560 | -4.8% | 5,262 | -5.5% | June 2015 | 7.9% |
| 2010 | 2,395 | -6.4% | 4,902 | -6.8% | June 2018 | 6.0% |
| Current | 2,321 | -3.1% | 6,323 | 29.0% | | |
| Cumulative % | | -19.8% | | 4.3% | | |

VIII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2016 through June 30, 2018. The City's Enterprise Funds account for Gas, Water, and Sewer operations. The Gas portion has been extracted from the Enterprise Funds and therefore is not part of this analysis. The non-cash impact of GASB 68 - Accounting and Financial Reporting for Pensions and GASB 75 - Other Postemployment Benefit has been removed from the operating expenses.

HISTORY

Combined water and sewer revenues declined 3.8% from \$762,943 in 2016 to \$733,524 in 2018 due to population loss while operating expenses decreased less than 1% from \$638,450 to \$632,909 during the same period. The debt coverage ratio was 114.1 in 2016 due to the absence of existing debt and declined to 1.2 in 2016, and 0.9 in 2018 after debt service began.

The balance sheet reflects a current ratio of 2.6, debt to equity ratio of 0.5, 28.8 days sales in accounts receivable, and 4.1 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Total water and sewer revenues will go up 8% through rate increase in 2020 as required by the Special Condition.
- 2) From 2021 on, an estimated 2% increase will be mandatorily applied to both water and sewer rates each year based on the Cost of Living Adjustment, subject to annual KIA administrative compliance monitoring.
- 3) Operating expenses will increase 2% for general inflation.
- 4) The City is seeking funding assistance from RD for the WWTP Improvement (Phase II) & Sanitary Sewer Rehab project. The potential increase of debt obligation is not included in the projections due to the application's pending status. If the debt service increases after RD funding is committed, RD will set new rates to ensure that the City can afford the additional debt.
- 5) Debt service coverage is 1.2 in 2021 after the special condition is met.

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

REPLACEMENT RESERVE

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

IX. DEBT OBLIGATIONS

| | <u>Outstanding</u> | <u>Maturity</u> |
|----------------------------|---------------------|-----------------|
| Kentucky Bond Corporation* | \$ 2,609,167 | 2037 |
| Citizens Deposit Bank LOC | 98,270 | 2019 |
| Total | \$ 2,707,437 | |

* Split among 3 funds – 12% General, 62% Water, and 26% Gas

X. CONTACTS

| | |
|------------------------|--|
| Legal Applicant | |
| Name | City of Hickman |
| Address | 1812 South 7 th Street Hickman, KY 42050 |
| County | Fulton |
| Authorized Official | David Heath Carlton |
| Phone | (270) 627-1821 |
| Email | heathcarlton@hotmail.com |

| | |
|------------------------------------|--|
| Project Contact - Applicant | |
| Name | Donna Haney |
| Organization | City of Hickman |
| Address | 1812 South 7 th Street Hickman, KY 42050 |
| Phone | (270) 236-2535 |
| Email | hickman_haney@att.net |

| | |
|---|---|
| Project Administrator / Engineer | |
| Name | Robert Pickerill |
| Organization | Bell Engineering |
| Address | 107 Forbes Dr, PO Box 661 Hopkinsville, KY 42240 |
| Phone | (270) 886-5466 |
| Email | bpickerill@hkbell.com |

XI. RECOMMENDATIONS

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

1. The City shall pass an ordinance by May 31, 2019 to increase both water and sewer rates. The new rates shall raise additional \$58,000 or 8% of the total revenues, effective July 1, 2019.

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

| | <u>Audited 2016</u> | <u>Audited 2017</u> | <u>Audited 2018</u> | <u>Projected 2019</u> | <u>Projected 2020</u> | <u>Projected 2021</u> | <u>Projected 2022</u> | <u>Projected 2023</u> |
|--|-------------------------|-------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Balance Sheet | | | | | | | | |
| Assets | | | | | | | | |
| Current Assets | 219,334 | 209,062 | 272,698 | 171,679 | 195,191 | 214,258 | 230,719 | 244,692 |
| Other Assets | 5,635,041 | 6,541,080 | 6,426,080 | 6,449,202 | 6,207,705 | 5,956,283 | 5,704,861 | 5,453,439 |
| Total | 5,854,375 | 6,750,142 | 6,698,778 | 6,620,881 | 6,402,896 | 6,170,541 | 5,935,580 | 5,698,131 |
| Liabilities & Equity | | | | | | | | |
| Current Liabilities | 1,476 | 128,959 | 105,136 | 98,546 | 121,921 | 127,157 | 132,175 | 134,546 |
| Long Term Liabilities | 622,279 | 1,761,012 | 1,991,159 | 2,250,758 | 2,135,703 | 2,015,412 | 1,890,103 | 1,762,423 |
| Total Liabilities | 623,756 | 1,889,971 | 2,096,295 | 2,349,304 | 2,257,624 | 2,142,569 | 2,022,278 | 1,896,969 |
| Net Assets | 5,230,619 | 4,860,171 | 4,602,483 | 4,271,577 | 4,145,272 | 4,027,972 | 3,913,302 | 3,801,162 |
| Cash Flow | | | | | | | | |
| Revenues | 762,943 | 749,132 | 733,524 | 733,524 | 791,524 | 807,174 | 823,137 | 839,419 |
| Operating Expenses | 638,450 | 647,730 | 632,909 | 645,567 | 659,478 | 672,648 | 686,081 | 699,783 |
| Other Income | 220 | 145 | 224 | 224 | 224 | 224 | 224 | 224 |
| Cash Flow Before Debt Service | 124,713 | 101,547 | 100,839 | 88,181 | 132,270 | 134,750 | 137,280 | 139,860 |
| Debt Service | | | | | | | | |
| Existing Debt Service | 1,093 | 88,155 | 115,958 | 189,237 | 91,680 | 95,205 | 100,441 | 105,509 |
| Proposed KIA Loan | 0 | 0 | 0 | 0 | 21,678 | 21,678 | 21,678 | 21,678 |
| Total Debt Service | 1,093 | 88,155 | 115,958 | 189,237 | 113,358 | 116,883 | 122,119 | 127,187 |
| Cash Flow After Debt Service | 123,620 | 13,392 | (15,119) | (101,056) | 18,912 | 17,867 | 15,161 | 12,673 |
| Ratios | | | | | | | | |
| Current Ratio | 148.6 | 1.6 | 2.6 | 1.7 | 1.6 | 1.7 | 1.7 | 1.8 |
| Debt to Equity | 0.1 | 0.4 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Days Sales in Accounts Receivable | 27.5 | 28.8 | 28.8 | 28.8 | 28.8 | 28.8 | 28.8 | 28.8 |
| Months Operating Expenses in Unrestricted Cash | 3.0 | 2.8 | 4.1 | 2.1 | 2.4 | 2.7 | 2.9 | 3.1 |
| Debt Coverage Ratio | 114.1 | 1.2 | 0.9 | 0.5 | 1.2 | 1.2 | 1.1 | 1.1 |

| | | | | |
|--|--|----------------------------------|-------------------------------|------------------------|
| EXECUTIVE SUMMARY | | Reviewer | Meili Sun | |
| KENTUCKY INFRASTRUCTURE AUTHORITY | | Date | April 4, 2019 | |
| FUND F, FEDERALLY ASSISTED DRINKING WATER | | KIA Loan Number | F19-042 | |
| REVOLVING LOAN FUND | | WRIS Number | WX21021010 | |
| BORROWER | | CITY OF DANVILLE BOYLE COUNTY | | |
| BRIEF DESCRIPTION | | | | |
| This project will replace the 100,000 gallon standpipe on the east side of Perryville with 750,000 gallon elevated tank. The current standpipe is outdated, undersized, and does not have adequate turnover. The elevated tank will provide additional storage to meet the current and future demands. | | | | |
| PROJECT FINANCING | | PROJECT BUDGET | | |
| Fund F Loan | \$4,918,257 | RD Fee % | Actual % | |
| | | Administrative Expenses | | \$15,000 |
| | | Legal Expenses | | 10,000 |
| | | Land, Easements | | 15,000 |
| | | Planning | | 10,000 |
| | | Eng - Design / Const | 6.8% | 4.2% |
| | | Eng - Other | | 193,745 |
| | | Construction | | 25,000 |
| | | Contingency | | 4,240,512 |
| | | | | 409,000 |
| TOTAL | \$4,918,257 | TOTAL | | \$4,918,257 |
| REPAYMENT | Rate | 2.00% | Est. Annual Payment \$311,873 | |
| | Term | 20 Years | 1st Payment | 6 Mo. after first draw |
| PROFESSIONAL SERVICES | Engineer | HDR, Inc. | | |
| | Bond Counsel | Dinsmore & Shohl, LLP | | |
| PROJECT SCHEDULE | Bid Opening | Sep-19 | | |
| | Construction Start | Nov-19 | | |
| | Construction Stop | Nov-20 | | |
| DEBT PER CUSTOMER | Existing | \$3,662 | | |
| | Proposed | \$3,237 | | |
| OTHER DEBT | See Attached | | | |
| RESIDENTIAL RATES | | <u>Users</u> | <u>Avg. Bill</u> | |
| | Current | 11,121 | \$19.84 (for 4,000 gallons) | |
| | Additional | 0 | \$19.84 (for 4,000 gallons) | |
| REGIONAL COORDINATION | This project is consistent with regional planning recommendations. | | | |
| CASHFLOW | Cash Flow Before Debt Service | Debt Service | Cash Flow After Debt Service | Coverage Ratio |
| Audited 2016 | 2,097,366 | 944,663 | 1,152,703 | 2.2 |
| Audited 2017 | 1,829,355 | 730,950 | 1,098,405 | 2.5 |
| Audited 2018 | 2,428,489 | 2,150,048 | 278,441 | 1.1 |
| Projected 2019 | 2,789,646 | 2,427,874 | 361,772 | 1.1 |
| Projected 2020 | 2,800,932 | 2,427,665 | 373,267 | 1.2 |
| Projected 2021 | 2,799,713 | 2,326,998 | 472,716 | 1.2 |
| Projected 2022 | 2,810,580 | 2,487,549 | 323,031 | 1.1 |
| Projected 2023 | 2,821,224 | 2,489,140 | 332,084 | 1.1 |

Reviewer: Meili Sun
Date: April 4, 2019
Loan Number: F19-042

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
CITY OF DANVILLE, BOYLE COUNTY
PROJECT REVIEW
WX21021010**

I. PROJECT DESCRIPTION

The City of Danville is requesting a Drinking Water SRF loan in the amount of \$4,918,257 for the Danville – Perryville Standpipe Replacement and Water Main project. The project will replace the 100,000 gallon standpipe on the east side of Perryville with a 750,000 gallon elevated tank, and construct an 800 GPM pump station that will be located on Perryville Road near Locklin Lane. The current standpipe is outdated, undersized, and does not have adequate turnover. The new elevated tank will be fed by approximately 17,500 LF of new 12-inch water main that will start at Coldwell Road and will parallel Perryville Road West to the new tank site. It will provide additional storage capacity to meet both current and future demands.

Approximately 35% (470 million gallons) of water produced by the utility is sold to wholesale customers including four PSC regulated entities (Garrard County Water Association, Lake Village Water Association, Parksville Water District, and North Mercer Water District) and three municipals (City of Hustonville, City of Springfield, and City of Stanford).

II. PROJECT BUDGET

| | <u>Total</u> |
|---------------------------------|---------------------|
| Administrative Expenses | \$ 15,000 |
| Legal Expenses | 10,000 |
| Land, Easements | 15,000 |
| Planning | 10,000 |
| Engineering Fees – Design | 154,997 |
| Engineering Fees – Construction | 38,748 |
| Engineering Fees – Other | 25,000 |
| Construction | 4,240,512 |
| Contingency | 409,000 |
| Total | \$ 4,918,257 |

III. PROJECT FUNDING

| | | |
|-----------------|--------------|------|
| | Amount | % |
| KIA Fund F Loan | \$ 4,918,257 | 100% |

IV. KIA DEBT SERVICE

| | |
|-------------------------------|-------------------|
| Construction | \$ 4,918,257 |
| Principal Forgiveness (0%) | 0 |
| Amortized Loan Amount | \$ 4,918,257 |
| Interest Rate | 2.00% |
| Loan Term (Year) | 20 |
| Estimated Annual Debt Service | \$ 299,577 |
| Administrative Fee (0.25%) | 12,296 |
| Annual Debt Service | \$ 311,873 |

V. PROJECT SCHEDULE

| | |
|--------------------|----------------|
| Bid Opening | September 2019 |
| Construction Start | November 2019 |
| Construction Stop | November 2020 |

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

| | |
|--------------|---------------|
| Customers | Current |
| Residential | 10,172 |
| Commercial | 933 |
| Industrial | 16 |
| Total | 11,121 |

B) Rates

| | Water Inside City | | Water Outside City | |
|--------------------------------|-------------------|----------|--------------------|----------|
| | Current | Prior | Current | Prior |
| Date of Last Rate Increase | 07/28/18 | 07/27/17 | 07/28/18 | 07/27/17 |
| First 100 cu. ft. (min. bill) | \$ 8.80 | \$ 8.62 | \$ 14.35 | \$14.17 |
| Next 200 | 2.94 | 2.88 | 4.78 | 4.72 |
| Next 1,500 | 2.20 | 2.15 | 3.58 | 3.54 |
| All Over 1,800 | 1.90 | 1.83 | 3.05 | 3.01 |
| Cost for 4,000 gallons | \$19.84 | \$19.43 | \$32.31 | \$31.92 |
| Increase % | 2.15% | | 1.23% | |
| Affordability Index (Rate/MHI) | 0.62% | 0.61% | 1.01% | 0.99% |

| | Sewer Inside City | | |
|-----------------------------------|-------------------|----------|----------|
| | Current | Prior | Prior |
| Date of Last Rate Increase | 07/28/18 | 07/27/17 | 07/17/14 |
| Minimum Monthly | 4.20 | 4.12 | 4.08 |
| Per 100 cu. ft. | \$4.62 | \$4.52 | \$2.63 |
| Cost for 4,000 gallons | 28.90 | 28.29 | 18.15 |
| Increase % | 2.17% | 55.86% | |
| Affordability Index (Rate/MHI) | 0.90% | 0.88% | 0.57% |

| | Sewer Perryville | | |
|-----------------------------------|------------------|----------|----------|
| | Current | Prior | Prior |
| Date of Last Rate Increase | 07/28/18 | 07/27/17 | 07/17/14 |
| Minimum Monthly | 4.20 | 4.12 | 4.08 |
| Per 100 cu. ft. | \$12.96 | \$12.69 | \$6.75 |
| Cost for 4,000 gallons | 73.54 | 72.01 | 40.19 |
| Increase % | 2.12% | 79.17% | |
| Affordability Index (Rate/MHI) | 2.29% | 2.24% | 1.25% |

| | Sewer Junction City | | |
|-----------------------------------|---------------------|----------|----------|
| | Current | Prior | Prior |
| Date of Last Rate Increase | 07/28/18 | 07/27/17 | 07/17/14 |
| Minimum Monthly | 4.20 | 4.12 | 4.08 |
| Per 100 cu. ft. | \$9.60 | \$9.40 | 5.87 |
| Cost for 4,000 gallons | 55.56 | 54.41 | 35.48 |
| Increase % | 2.11% | 53.33% | |
| Affordability Index (Rate/MHI) | 1.73% | 1.70% | 1.11% |

The City's water and sewer rate ordinances require that rates be adjusted each July 1 for cost of living adjustment (COLA) as published by the Commonwealth.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 23,575 with a Median Household Income (MHI) of \$38,499. The median household income for the Commonwealth was \$44,811. The project will qualify for a 2.00% interest rate with its median household income below 100% but above 80% of the state MHI.

| Year | Population | | County | | County Unemployment | |
|--------------|------------|----------|--------|----------|---------------------|-------|
| | City | % Change | County | % Change | Date | Rate |
| 1980 | 12,942 | | 25,066 | | June 2005 | 7.0% |
| 1990 | 12,420 | -4.0% | 25,641 | 2.3% | June 2010 | 11.3% |
| 2000 | 15,477 | 24.6% | 27,697 | 8.0% | June 2015 | 6.0% |
| 2010 | 16,218 | 4.8% | 28,432 | 2.7% | June 2018 | 5.1% |
| Current | 16,645 | 2.6% | 29,650 | 4.3% | | |
| Cumulative % | | 28.6% | | 18.3% | | |

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, 2016 through June 30, 2018. The Utilities Fund accounts for the activities of the water and sewer services provided to residents of the City and surrounding areas. The City also has a storm water fund which is reported separately and therefore is not part of this analysis. The non-cash impact of GASB 68 - Accounting and Financial Reporting for Pensions and GASB 75 - Other Postemployment Benefit has been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Combined water and sewer revenues went up 16.5% from \$7.98 million in 2016 to \$9.30 million in 2018 as a result of a 56% sewer rate increase effective July 24, 2017. Operating expenses increased 17.2% from \$5.92 million to \$6.94 million during the same period due to operation and personnel costs associated with the new water treatment plant. The debt coverage ratio was 2.2, 2.5, and 1.1 for 2016, 2017, and 2018 respectively.

The balance sheet reflects a current ratio of 1.8, debt to equity ratio of 1.8, 32.3 days sales in accounts receivable, and 7.3 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Water revenues will increase approximately 1.3% each year for cost of living adjustment (COLA) while wholesale remains flat.
- 2) Sewer revenues will reflect a full year increase of 56% from the July 24, 2017 rates and a 2% COLA adjustment.
- 3) Expenses will increase 2% for inflation.
- 4) Debt service coverage is 1.2 in 2021 when principal and interest repayments begin.

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

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$246,000 total) of the final amount borrowed to be funded annually (\$12,300 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

| | Outstanding | Maturity |
|---------------------------|-------------------|----------|
| Series 1995 Revenue Bonds | \$ 345,000 | 2034 |
| Series 2000 Revenue Bonds | 350,400 | 2040 |
| Series 2008 RD Bonds | 1,339,700 | 2049 |
| Series 2010 RD Bonds | 547,500 | 2050 |
| KIA Loan F14-010 | 11,814,571 | 2037 |
| Series 2014A GO | 2,700,000 | 2035 |
| Series 2014B GO | 1,235,000 | 2021 |
| Series 2015A | 8,479,000 | 2055 |
| Series 2015B | 4,924,000 | 2055 |
| Series 2017A GO | 7,160,000 | 2036 |
| Deferred Amounts | 1,170,737 | |
| Total | 40,065,908 | |

XI. CONTACTS

| Legal Applicant | |
|------------------------|---|
| Name | City of Danville |
| Address | PO Box 670, 445 W Main St Danville, KY 40422 |
| County | Boyle |
| Authorized Official | G Michael Perros, Mayor |
| Phone | (859) 238-1200 |
| Email | mperros@danvilleky.org |

| Project Contact - Applicant | |
|------------------------------------|----------------------------------|
| Name | Earl W Coffey |
| Organization | City of Danville |
| Address | PO Box 670 Danville, KY 40423 |
| Phone | (859) 238-1200 |
| Email | ecoffey@danvilleky.org |

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

| Consulting Engineer | |
|----------------------------|--|
| 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.

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

| | <u>Audited 2016</u> | <u>Audited 2017</u> | <u>Audited 2018</u> | <u>Projected 2019</u> | <u>Projected 2020</u> | <u>Projected 2021</u> | <u>Projected 2022</u> | <u>Projected 2023</u> |
|--|-------------------------|-------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Balance Sheet | | | | | | | | |
| Assets | | | | | | | | |
| Current Assets | 2,867,155 | 3,290,182 | 5,222,808 | 5,632,483 | 6,019,250 | 6,505,766 | 6,842,797 | 7,189,081 |
| Other Assets | 60,764,746 | 62,043,659 | 67,146,235 | 64,582,196 | 63,269,319 | 64,384,474 | 65,379,882 | 63,923,403 |
| Total | 63,631,901 | 65,333,841 | 72,369,043 | 70,214,679 | 69,288,569 | 70,890,240 | 72,222,678 | 71,112,483 |
| Liabilities & Equity | | | | | | | | |
| Current Liabilities | 2,801,752 | 2,950,883 | 2,910,290 | 2,859,461 | 2,659,339 | 2,966,393 | 3,032,699 | 3,091,930 |
| Long Term Liabilities | 35,670,853 | 35,624,719 | 44,022,221 | 41,897,760 | 40,680,938 | 39,184,362 | 37,649,280 | 36,083,367 |
| Total Liabilities | 38,472,605 | 38,575,602 | 46,932,511 | 44,757,221 | 43,340,277 | 42,150,755 | 40,681,979 | 39,175,297 |
| Net Assets | 25,159,296 | 26,758,239 | 25,436,532 | 25,457,458 | 25,948,292 | 28,739,485 | 31,540,699 | 31,937,186 |
| Cash Flow | | | | | | | | |
| Revenues | 7,976,865 | 8,069,684 | 9,298,659 | 9,839,948 | 9,992,840 | 10,148,359 | 10,306,553 | 10,467,470 |
| Operating Expenses | 5,919,948 | 6,274,416 | 6,941,473 | 7,080,302 | 7,221,908 | 7,378,646 | 7,525,973 | 7,676,246 |
| Other Income | 40,449 | 34,087 | 71,303 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Cash Flow Before Debt Service | 2,097,366 | 1,829,355 | 2,428,489 | 2,789,646 | 2,800,932 | 2,799,713 | 2,810,580 | 2,821,224 |
| Debt Service | | | | | | | | |
| Existing Debt Service | 944,663 | 730,950 | 2,150,048 | 2,427,874 | 2,427,665 | 2,171,061 | 2,175,676 | 2,177,267 |
| Proposed KIA Loan | 0 | 0 | 0 | 0 | 0 | 155,937 | 311,873 | 311,873 |
| Total Debt Service | 944,663 | 730,950 | 2,150,048 | 2,427,874 | 2,427,665 | 2,326,998 | 2,487,549 | 2,489,140 |
| Cash Flow After Debt Service | 1,152,703 | 1,098,405 | 278,441 | 361,772 | 373,267 | 472,716 | 323,031 | 332,084 |
| Ratios | | | | | | | | |
| Current Ratio | 1.0 | 1.1 | 1.8 | 2.0 | 2.3 | 2.2 | 2.3 | 2.3 |
| Debt to Equity | 1.5 | 1.4 | 1.8 | 1.8 | 1.7 | 1.5 | 1.3 | 1.2 |
| Days Sales in Accounts Receivable | 40.2 | 89.8 | 32.3 | 32.3 | 32.3 | 32.3 | 32.3 | 32.3 |
| Months Operating Expenses in Unrestricted Cash | 3.6 | 2.1 | 7.3 | 7.8 | 8.2 | 8.9 | 9.2 | 9.5 |
| Debt Coverage Ratio | 2.2 | 2.5 | 1.1 | 1.1 | 1.2 | 1.2 | 1.1 | 1.1 |



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

April 22, 2019

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

Dear Chairman Summers:

This letter will advise that the Office of Financial Management ("OFM") of the Finance and Administration Cabinet has reviewed and is hereby approving the issuance of the Kentucky Housing Corporation Multifamily Housing Revenue Bonds (Westminster Village Apartments Project), Series 2019 in a principal amount of \$8,500,000 (the "Bonds"). The Bonds, by their terms, provide that payment of principal and interest thereon are not an obligation of the Commonwealth of Kentucky or its departments or agencies.

Pursuant to OAG 83-453, OFM has restricted its review and approval process to reviewing certain documents incidental to the issue and to obtaining assurance that the documents include language which provides that the Bonds and interest thereon shall not be deemed to constitute a debt, liability or obligation of the Kentucky Housing Corporation ("KHC") or the Commonwealth of Kentucky or any political subdivision thereof. OFM notes that the approval of this issue by the Capital Projects and Bond Oversight Committee ("CPBO") occurred on October 16, 2018. The closing documentation was received from KHC on April 22, 2019. The attached includes a finalized listing of costs related to the issuance of the Bonds pursuant to KRS 45.816.

Sincerely,

A handwritten signature in blue ink that reads "Sandy Williams".

Sandy Williams
Deputy Executive Director

Attachments

FINAL BOND ISSUE REPORT

Name of Bond Issue: Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Westminster Village), Series 2019

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation and equipping of the Westminster Village Project, a one hundred and thirty-two unit property located at 1501 Versailles Road, Lexington, Kentucky 40504. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on October 11, 2018 following the delivery of notice to the public on September 26, 2018.

Name of Project: Westminster Village Apartments

Date of Sale: March 19, 2019

Date of Issuance: March 22, 2019

Rating: Standard & Poor's (AA+)

Net Proceeds: \$8,500,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$634,629 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$17,837,196

Term: April 1, 2022

Net Interest Rate: 2.00%

Average Debt Service: \$190,000

Gross Debt Service: \$9,010,000

First Call Date: April 1, 2021

Premium at First Call: No premium

Method of Sale: Public Offering

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: Norris George & Ostrow PLLC

Financial Advisor: N/A

Underwriter: Citigroup Global Markets, Inc.

Trustee: U.S. Bank National Association

Developer: Allied Real Estate Partners, LLC

EXHIBIT A

Project Funding Sources:

| | |
|--|----------------------|
| Mortgage Loan | \$ 7,061,000 |
| Tax Credit Equity | 5,368,955 |
| HUD Flex Subsidy Loan | 1,687,806 |
| Lexington AHTF - Residual Receipts | 200,000 |
| Lexington AHTF - Deferred Payment Loan | 200,000 |
| City of Lexington HOME Loan | 138,479 |
| Seller Loan | 3,027,444 |
| Deferred Developer Fee | <u>153,512</u> |
| TOTAL | \$ 17,837,196 |

Costs of Issuance:

| | |
|-------------------------|-------------------|
| Origination Fee | \$ 51,377 |
| KHC Counsel | 12,500 |
| KHC Financing Fee | 56,634 |
| KHC Application Fee | 3,500 |
| KHC Admin Fee | 5,000 |
| Bond Counsel | 63,500 |
| Lender Counsel | 35,000 |
| Borrowers Counsel | 12,000 |
| TEFRA/Publication/Print | <u>5,000</u> |
| TOTAL | \$ 244,511 |



MATTHEW G. BEVIN
Governor

Commonwealth of Kentucky
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WILLIAM M. LANDRUM III
Secretary

RYAN BARROW
Executive Director

April 9, 2019

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

Dear Mr. Hutchins:

Pursuant to KRS 42.420, the Office of Financial Management is required to review and approve the issuance of bonds by all state agencies. The attached information constitutes our review and approval of the issuance by the Kentucky Higher Education Student Loan Corporation of its \$17,100,000 Student Loan Revenue Bonds, Senior Series 2019A-1, \$60,985,000 Student Loan Revenue Bonds, Senior Series 2019A-2 and \$17,250,000 Student Loan Revenue Bonds, Senior Series 2019B-1.

Sincerely,

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

Ryan Barrow
Executive Director
Office of Financial Management

Attachments

c: David Carlsen
Kentucky Higher Education Student Loan Corporation

Kenneth Roberts
Hawkins Delafield & Wood LLP

OFM APPROVAL PURSUANT TO KRS 42.420
\$95,335,000
KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION
STUDENT LOAN REVENUE BONDS

SERIES: Senior Series 2019A-1 (Tax-Exempt Fixed Rate), Senior Series 2019A-2 (Taxable Fixed Rate), and Subordinate Series 2019B-1 (Tax-Exempt Fixed Rate)

DESCRIPTION: Bond proceeds will be used to purchase, originate, and finance Kentucky Advantage Education Loans.

PAR AMOUNT: \$95,335,000

PRICING DATE: 04/04/2019

CLOSING DATE: 04/11/2019

FINAL MATURITY: 06/01/2036

TIC: 3.56%

NIC: 3.67%

ALL-IN-TIC: 3.56%

METHOD OF SALE: Negotiated

UNDERWRITER: Bank of America Merrill Lynch

RATING: S&P: A (sf)/ BBB (sf)
 Fitch: Asf/BBBsf

SOURCES AND USES OF FUNDS:

SOURCES OF FUNDS:

| | |
|--------------------------|-----------------------|
| Bond Proceeds | \$ 99,466,646 |
| Corporation Contribution | <u>11,272,428</u> |
| Total Sources | \$ 110,739,074 |

USES OF FUNDS:

| | |
|--|-----------------------|
| Corporation Contribution of Eligible Loans | \$ 11,272,428 |
| Eligible Loans to be Financed | 25,538,878 |
| Pre-Funding Amount | 70,358,068 |
| Tax-Exempt Debt Service Reserve Subaccount | 1,100,000 |
| Taxable Debt Service Reserve Subaccount | <u>2,469,700</u> |
| Total Uses | \$ 110,739,074 |

GROSS SPREAD/UNDERWRITER'S DISCOUNT:

| | \$/Bond | Amount |
|---------------------------|-----------------|-------------------|
| Takedown | \$ 5.850 | \$ 557,694 |
| Management Fee | 3.350 | 319,372 |
| Expenses | 0.130 | 12,394 |
| Underwriter Counsel Fee | <u>0.550</u> | <u>52,434</u> |
| Total Gross Spread | \$ 9.880 | \$ 941,894 |

PROFESSIONAL SERVICES:

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

| <u>Firm</u> | <u>Service</u> | <u>Fee</u> |
|--------------------------------|-------------------|-------------------|
| Hawkins, Delafield & Wood | Bond Counsel | \$ 95,335 |
| SL Capital Strategies | Financial Advisor | 100,000 |
| Standard & Poors | Rating Services | 100,000 |
| Fitch | Rating Services | 110,000 |
| Office of Financial Management | OFM Fee | 23,834 |
| Bank of New York | Acceptance Fee | 2,500 |
| | First Year Fee | 7,150 |
| | Counsel Fee | 25,000 |
| Imagemaster | Printer Fee | 4,250 |
| Courier Journal | TEFRA Notice | 1,613 |
| State Journal | TEFRA Notice | 150 |
| Misc Corporation Costs | | 10,000 |
| Misc. Trustee Expense Deposit | | <u>50,000</u> |
| TOTAL | | \$ 529,832 |

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation (“Bond Counsel”), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series 2019A-1 Bonds and the Series 2019B-1 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), (ii) interest on the Series 2019A-1 Bonds and the Series 2019B-1 Bonds, however, is treated as a preference item in calculating the alternative minimum tax under the Code, and (iii) interest on the Series 2019A-2 Bonds is included in gross income for federal income tax purposes pursuant to the Code. In addition, in the opinion of Bond Counsel, under existing statutes and court decisions, all of the Offered Bonds and the income thereon and the transfer thereof, including any profit made on the sale thereof, shall at all times be exempt from taxation or assessment of any type by the Commonwealth of Kentucky, its agencies and departments and by all political subdivisions within the Commonwealth of Kentucky. See “TAX MATTERS” herein.



\$95,335,000
KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION
Student Loan Revenue Bonds, Series 2019

\$17,100,000
Senior Series 2019A-1
(Tax-Exempt AMT Fixed Rate Bonds)

\$60,985,000
Senior Series 2019A-2
(Taxable Fixed Rate Bonds)

\$17,250,000
Subordinate Series 2019B-1
(Tax-Exempt AMT Fixed Rate Bonds)

Dated: Date of Issuance

Price: As shown on inside cover page

Due: As shown on inside cover page

The Student Loan Revenue Bonds, Series 2019, consisting of \$17,100,000 Student Loan Revenue Bonds, Senior Series 2019A-1 (the “Series 2019A-1 Bonds”), \$60,985,000 Student Loan Revenue Bonds, Senior Series 2019A-2 (the “Series 2019A-2 Bonds,” and together with the Series 2019A-1 Bonds, the “Senior Offered Bonds”) and \$17,250,000 Student Loan Revenue Bonds, Subordinate Series 2019B-1 (the “Series 2019B-1 Bonds,” and together with the Senior Offered Bonds, the “Offered Bonds”) are being issued by the Kentucky Higher Education Student Loan Corporation (the “Corporation”), an independent *de jure* municipal corporation and political subdivision of the Commonwealth of Kentucky (the “Commonwealth”), pursuant to the provisions of the Indenture of Trust, dated as of May 1, 2014 (as previously supplemented and amended, the “Original Indenture”), and the Fourth Supplemental Indenture of Trust, dated as of April 1, 2019 (the “Fourth Supplemental Indenture” and, together with the Original Indenture, the “Indenture”), each between the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). The Senior Offered Bonds are being issued as senior bonds (and, together with two series of existing senior bonds outstanding under the Indenture and any other senior bonds issued under the Indenture in the future, are collectively referred to herein as “Senior Bonds”), and the Series 2019B-1 Bonds are being issued as the first series of subordinate bonds under the Indenture (and, together with any other subordinate bonds issued under the Indenture in the future on a parity therewith, are collectively referred to herein as “Subordinate Bonds”). See “DESCRIPTION OF THE OFFERED BONDS—Subordination of Series 2019B-1 Bonds” herein.

The Offered Bonds are issuable only as fully registered bonds and when issued shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which shall act as securities depository for the Offered Bonds. Purchasers of the Offered Bonds will not receive certificates representing their beneficial ownership interests in the Offered Bonds. Purchases and sales by the beneficial owners of the Offered Bonds shall be made in book-entry form in the principal amount of \$5,000 or any integral multiple thereof. Payments of principal, redemption price, and interest with respect to the Offered Bonds are to be made directly to DTC by the Trustee or its successor, so long as DTC or Cede & Co. is the registered owner of the Offered Bonds. Disbursement of such payments to Participants (as defined herein) in DTC is the responsibility of DTC and the disbursement of such payments to the beneficial owners is the responsibility of the Participants, as more fully described herein. See “DESCRIPTION OF THE OFFERED BONDS—Book-Entry-Only System” herein.

Interest on the Offered Bonds is payable semiannually on each June 1 and December 1, commencing December 1, 2019, as described herein, except that current payment of interest on the Series 2019B-1 Bonds may be suspended under certain circumstances while Senior Bonds remain Outstanding and, if suspended, would remain payable as Subordinate Carry-over Interest (as defined herein) to the extent provided in the Indenture. The Indenture provides that neither a failure to pay principal of or current interest on the Series 2019B-1 Bonds while Senior Bonds remain Outstanding, nor a failure to pay Subordinate Carry-over Interest, that results from an insufficiency of funds that are available under the Indenture for such purposes, from the nonoccurrence of a Subordinate Restoration Interest Date (as defined herein) or from prior principal payment of the related Series 2019B-1 Bond would constitute an Event of Default thereunder. See “DESCRIPTION OF THE OFFERED BONDS—Subordination of Series 2019B-1 Bonds” and “—Subordinate Carry-over Interest” herein and “CERTAIN INVESTMENT CONSIDERATIONS—Subordinate Status of the Series 2019B-1 Bonds; Subordinate Carry-over Interest” herein.

The Offered Bonds are subject to redemption without premium prior to maturity as described herein. See “DESCRIPTION OF THE OFFERED BONDS—Redemption Provisions” herein. The Offered Bonds are being issued for the purposes of: (a) financing Eligible Loans and (b) making deposits to the Debt Service Reserve Fund. The Offered Bonds, together with all Outstanding Bonds and any other Additional Bonds that may be issued under the Indenture, are payable solely from Revenues and other amounts pledged pursuant to the Indenture and from moneys and securities held in certain funds and accounts established therein. See “SECURITY AND SOURCES OF PAYMENT FOR THE OFFERED BONDS” herein. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meanings as assigned in the Indenture. See “APPENDIX B—SUMMARY OF CERTAIN PROVISIONS IN THE INDENTURE” hereto.

Potential investors should review this Official Statement in its entirety and should carefully consider the features of the Offered Bonds described herein and the considerations summarized under the caption “CERTAIN INVESTMENT CONSIDERATIONS” herein prior to determining whether the Offered Bonds are a suitable investment for them in light of their financial circumstances and investment objectives. Certain of such considerations apply differently to the Senior Offered Bonds and to the Series 2019B-1 Bonds and may affect the security or the full and timely payment of the Series 2019B-1 Bonds even if they do not so affect the Senior Offered Bonds.

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

The Project referred to in the immediately preceding paragraph, and in certain similar statements included elsewhere in this Official Statement, is the Corporation’s program for the financing of Eligible Loans through the application of moneys held or pledged pursuant to the Indenture as such terms are defined herein. See “SECURITY AND SOURCES OF PAYMENT FOR THE OFFERED BONDS” herein.

The Offered Bonds have not been registered under the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth in such acts. Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or passed upon the accuracy or adequacy of this Official Statement.

The Offered Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offering without notice, to the approval of legality by Hawkins Delafield & Wood LLP, Bond Counsel to the Corporation, and to certain other matters. Certain legal matters in connection with the Offered Bonds will be passed upon for the Corporation by its General Counsel and for the Underwriter by its counsel, Kutak Rock LLP. The Offered Bonds are expected to be available for delivery in New York, New York through the facilities of DTC on or about April 11, 2019.

BofA Merrill Lynch

April 5, 2019

MATURITY SCHEDULE

\$17,100,000
STUDENT LOAN REVENUE BONDS, SENIOR SERIES 2019A-1
(Tax-Exempt AMT Fixed Rate Bonds)

| Maturity Due June 1 | Principal Amount | Interest Rate | Yield | Price | CUSIP** |
|------------------------|------------------|---------------|-------|----------|-----------|
| 2022 | \$ 700,000 | 5.00% | 2.28% | 108.191% | 49130NEC9 |
| 2023 | 1,200,000 | 5.00 | 2.36 | 110.349 | 49130NED7 |
| 2024 | 2,000,000 | 5.00 | 2.46 | 112.188 | 49130NEE5 |
| 2025 | 2,100,000 | 5.00 | 2.57 | 113.715 | 49130NEF2 |
| 2026 | 3,000,000 | 5.00 | 2.69 | 114.909 | 49130NEG0 |
| 2027 | 3,000,000 | 5.00 | 2.79 | 115.988 | 49130NEH8 |
| 2028 | 3,000,000 | 5.00 | 2.88 | 116.924 | 49130NEJ4 |
| 2029 | 2,100,000 | 5.00 | 3.01 | 117.273 | 49130NEK1 |

\$60,985,000
STUDENT LOAN REVENUE BONDS, SENIOR SERIES 2019A-2
(Taxable Fixed Rate Bonds)

| Maturity Due June 1 | Principal Amount | Interest Rate | Price | CUSIP** |
|------------------------|------------------|---------------|---------|-----------|
| 2020 | \$1,975,000 | 3.003% | 100.00% | 49130NEL9 |
| 2021 | 2,000,000 | 3.153 | 100.00 | 49130NEM7 |
| 2022 | 3,300,000 | 3.142 | 100.00 | 49130NEN5 |
| 2023 | 3,100,000 | 3.215 | 100.00 | 49130NEP0 |
| 2024 | 3,485,000 | 3.365 | 100.00 | 49130NEQ8 |
| 2025 | 5,700,000 | 3.456 | 100.00 | 49130NER6 |
| 2026 | 6,560,000 | 3.556 | 100.00 | 49130NES4 |
| 2027 | 5,000,000 | 3.658 | 100.00 | 49130NET2 |
| 2028 | 4,000,000 | 3.758 | 100.00 | 49130NEU9 |
| 2029 | 2,500,000 | 3.858 | 100.00 | 49130NEV7 |

\$23,365,000 3.835% Term Bond Due June 1, 2034 - Yield 3.835%, Price 100.00%,
 CUSIP No. 49130NEW5**

\$17,250,000
STUDENT LOAN REVENUE BONDS, SUBORDINATE SERIES 2019B-1
(Tax-Exempt AMT Fixed Rate Bonds)

\$17,250,000 5.00% Term Bond Due June 1, 2036 - Yield 3.87%^c, Price 109.397%,
 CUSIP No. 49130NEX3**

** The CUSIP numbers have been assigned by an independent company not affiliated with the Corporation or the Underwriter and are included solely for the convenience of the owners of the Offered Bonds. Neither the Corporation nor the Underwriter is responsible for the selection or uses of the CUSIP numbers, and no representation is made as to their correctness on the Offered Bonds or as indicated above. The CUSIP numbers are subject to being changed after the issuance of the Offered Bonds as a result of various subsequent actions including, but not limited to, a refunding of a portion of the Offered Bonds.

^c Priced to the Optional Redemption Date.



School Facilities Construction Commission

Finance and Administration Cabinet

700 Louisville Rd

Carriage House

Frankfort, Kentucky 40601

(502) 564-5582

(888) 979-6152 Fax

www.sfcc.ky.gov

MATT BEVIN

Governor

MR. WILLIAM LANDRUM III

Secretary

DAVID PRATER

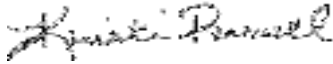
Chairman

CHELSEY BIZZLE

Executive Director

MEMORANDUM

TO: Ryan Barrow
Office of Financial Management

FROM: Kristi Russell, SFCC 

DATE: April 29, 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 May 14, 2019:

Bracken County- \$350,000 estimated – Renovations at Bracken Middle are planned. State estimated annual debt service is \$24,865 and local is \$0. No tax increase is necessary to finance this project.

Harlan County- \$5,385,000 estimated – Renovations at Wallins Elementary are planned. State estimated annual debt service is \$272,746 and local is \$112,887. No tax increase is necessary to finance this project.

Leslie County- \$800,000 estimated – Renovations at Stinnent Elementary are planned. State estimated annual debt service is \$53,684 and local is \$4,539. No tax increase is necessary to finance this project.

Metcalfe County- \$2,620,000 estimated – Renovations at the High School are planned. State estimated annual debt service is \$43,482 and local is \$160,317. No tax increase is necessary to finance this project.

Owensboro Ind.- \$11,125,000 estimated – Construction of new Innovation Academy is planned. State estimated annual debt service is \$36,881 and local is \$801,898. No tax increase is necessary to finance this project.

Rowan County- \$6,555,000 estimated – Construction of a new Multi Use facility is planned. State estimated annual debt service is \$57,251 and local is \$426,711. No tax increase is necessary to finance this project.

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



Memo

To: KSFCC
From: Lincoln Theinert
Subject: Bond Payee Disclosure Form – Bracken County School District Series 2019
Date: April 26, 2019
cc: File

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

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

BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 350,000**
 Issue Name: Bracken County School District Finance Corporation School Building Revenue Bonds, Series 2019
 Purpose: Improvements at Bracken County Middle School
 Projected Sale Date of Bond: 17-Jul-19
 First Call Date: 6/1/26 @ 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 |
|-----------------|------------------|------------|
| \$ 350,000 | \$ 0 | \$ 350,000 |
| 100.00% | 0.00% | |
| \$ 24,865 | \$ 0 | \$ 24,865 |
| \$ 0 | \$ 0 | \$ 0 |

Estimated Cost of Issuance:

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

| | | |
|-----------|------|-----------|
| \$ 3,850 | \$ 0 | \$ 3,850 |
| \$ 0 | \$ 0 | \$ 0 |
| \$ 0 | \$ 0 | \$ 0 |
| \$ 4,500 | \$ 0 | \$ 4,500 |
| \$ 7,000 | \$ 0 | \$ 7,000 |
| \$ 3,500 | \$ 0 | \$ 3,500 |
| \$ 18,850 | \$ 0 | \$ 18,850 |

Anticipated Interest Rates:

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

Note: No Local Tax increase is required.

Bracken County School District

Projected Plan of Financing

Date of Report: April 26, 2019

Projected 2019 Bond Issue (100% SFCC)..... 1-3

BRACKEN COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS, SERIES 2019

Debt Service Schedule

Part 1 of 3

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|------------|-----------|--------|----------|-----------|--------------|
| 06/01/2019 | - | - | - | - | - |
| 12/01/2019 | - | - | 6,062.50 | 6,062.50 | - |
| 06/01/2020 | 15,000.00 | 3.000% | 6,062.50 | 21,062.50 | - |
| 06/30/2020 | - | - | - | - | 27,125.00 |
| 12/01/2020 | - | - | 5,837.50 | 5,837.50 | - |
| 06/01/2021 | 15,000.00 | 3.000% | 5,837.50 | 20,837.50 | - |
| 06/30/2021 | - | - | - | - | 26,675.00 |
| 12/01/2021 | - | - | 5,612.50 | 5,612.50 | - |
| 06/01/2022 | 15,000.00 | 3.000% | 5,612.50 | 20,612.50 | - |
| 06/30/2022 | - | - | - | - | 26,225.00 |
| 12/01/2022 | - | - | 5,387.50 | 5,387.50 | - |
| 06/01/2023 | 15,000.00 | 3.000% | 5,387.50 | 20,387.50 | - |
| 06/30/2023 | - | - | - | - | 25,775.00 |
| 12/01/2023 | - | - | 5,162.50 | 5,162.50 | - |
| 06/01/2024 | 15,000.00 | 3.000% | 5,162.50 | 20,162.50 | - |
| 06/30/2024 | - | - | - | - | 25,325.00 |
| 12/01/2024 | - | - | 4,937.50 | 4,937.50 | - |
| 06/01/2025 | 15,000.00 | 3.000% | 4,937.50 | 19,937.50 | - |
| 06/30/2025 | - | - | - | - | 24,875.00 |
| 12/01/2025 | - | - | 4,712.50 | 4,712.50 | - |
| 06/01/2026 | 15,000.00 | 3.000% | 4,712.50 | 19,712.50 | - |
| 06/30/2026 | - | - | - | - | 24,425.00 |
| 12/01/2026 | - | - | 4,487.50 | 4,487.50 | - |
| 06/01/2027 | 15,000.00 | 3.000% | 4,487.50 | 19,487.50 | - |
| 06/30/2027 | - | - | - | - | 23,975.00 |
| 12/01/2027 | - | - | 4,262.50 | 4,262.50 | - |
| 06/01/2028 | 15,000.00 | 3.000% | 4,262.50 | 19,262.50 | - |
| 06/30/2028 | - | - | - | - | 23,525.00 |
| 12/01/2028 | - | - | 4,037.50 | 4,037.50 | - |
| 06/01/2029 | 15,000.00 | 3.000% | 4,037.50 | 19,037.50 | - |
| 06/30/2029 | - | - | - | - | 23,075.00 |

BRACKEN COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS, SERIES 2019

Debt Service Schedule

Part 2 of 3

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|------------|-----------|--------|----------|-----------|--------------|
| 12/01/2029 | - | - | 3,812.50 | 3,812.50 | - |
| 06/01/2030 | 15,000.00 | 3.300% | 3,812.50 | 18,812.50 | - |
| 06/30/2030 | - | - | - | - | 22,625.00 |
| 12/01/2030 | - | - | 3,565.00 | 3,565.00 | - |
| 06/01/2031 | 15,000.00 | 3.400% | 3,565.00 | 18,565.00 | - |
| 06/30/2031 | - | - | - | - | 22,130.00 |
| 12/01/2031 | - | - | 3,310.00 | 3,310.00 | - |
| 06/01/2032 | 20,000.00 | 3.500% | 3,310.00 | 23,310.00 | - |
| 06/30/2032 | - | - | - | - | 26,620.00 |
| 12/01/2032 | - | - | 2,960.00 | 2,960.00 | - |
| 06/01/2033 | 20,000.00 | 3.600% | 2,960.00 | 22,960.00 | - |
| 06/30/2033 | - | - | - | - | 25,920.00 |
| 12/01/2033 | - | - | 2,600.00 | 2,600.00 | - |
| 06/01/2034 | 20,000.00 | 4.000% | 2,600.00 | 22,600.00 | - |
| 06/30/2034 | - | - | - | - | 25,200.00 |
| 12/01/2034 | - | - | 2,200.00 | 2,200.00 | - |
| 06/01/2035 | 20,000.00 | 4.000% | 2,200.00 | 22,200.00 | - |
| 06/30/2035 | - | - | - | - | 24,400.00 |
| 12/01/2035 | - | - | 1,800.00 | 1,800.00 | - |
| 06/01/2036 | 20,000.00 | 4.000% | 1,800.00 | 21,800.00 | - |
| 06/30/2036 | - | - | - | - | 23,600.00 |
| 12/01/2036 | - | - | 1,400.00 | 1,400.00 | - |
| 06/01/2037 | 20,000.00 | 4.000% | 1,400.00 | 21,400.00 | - |
| 06/30/2037 | - | - | - | - | 22,800.00 |
| 12/01/2037 | - | - | 1,000.00 | 1,000.00 | - |
| 06/01/2038 | 25,000.00 | 4.000% | 1,000.00 | 26,000.00 | - |
| 06/30/2038 | - | - | - | - | 27,000.00 |

BRACKEN COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS, SERIES 2019

Debt Service Schedule

Part 3 of 3

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|--------------|---------------------|----------|---------------------|---------------------|--------------|
| 12/01/2038 | - | - | 500.00 | 500.00 | - |
| 06/01/2039 | 25,000.00 | 4.000% | 500.00 | 25,500.00 | - |
| 06/30/2039 | - | - | - | - | 26,000.00 |
| Total | \$350,000.00 | - | \$147,295.00 | \$497,295.00 | - |

Yield Statistics

| | |
|-----------------------------------|--------------|
| Bond Year Dollars | \$4,005.00 |
| Average Life | 11.443 Years |
| Average Coupon | 3.677778% |
| Net Interest Cost (NIC) | 3.677778% |
| True Interest Cost (TIC) | 3.6473947% |
| Bond Yield for Arbitrage Purposes | 3.6473947% |
| All Inclusive Cost (AIC) | 3.6473947% |
| IRS Form 8038 | |
| Net Interest Cost | 3.677778% |
| Weighted Average Maturity | 11.443 Years |



Ross, Sinclaire & Associates, LLC

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

April 16, 2019

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

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

INVESTMENT
BANKING

FINANCIAL
ADVISORY

PUBLIC
FINANCE

BROKERAGE
SERVICES

RE: \$5,385,000 Harlan County School District Finance Corporation
Revenue Bonds, Series of 2019

Dear Ms. Bizzle:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to finance renovations and additions to Wallins Elementary School.

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 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.

Sincerely,

Dwight G. Salsbury

Enclosures

Cincinnati, OH
Lexington, KY
Owensboro, KY
Columbus, OH
Indianapolis, IN
Columbia, SC
Brentwood, TN
Pittsburgh, PA
St. Petersburg, FL
Alameda, CA



BOND PAYEE DISCLOSURE FORM

Par Amount:

\$5,385,000

Issue Name:

Harlan County School District Finance Corporation School Building Revenue Bonds, Series of 2019

Purpose:

Renovations and addition to Wallins ES

Projected Sale Date of Bonds:

Fall 2019

First Call Date:

8 years at par

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC, Frankfort, Ky.

Bond Rating:

Moody's: "A1"

Bond Counsel:

Step toe and Johnson, Louisville, KY

Fiscal Agent:

Ross, Sinclaire & Associates LLC, Louisville, 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 |
|--------------|---------------|-------------|
| \$3,560,000 | \$1,825,000 | \$5,385,000 |
| 66.11% | 33.89% | 100.00% |
| \$272,746 | \$112,887 | \$385,633 |
| \$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:

| | | |
|------------------|-----------------|------------------|
| \$22,834 | \$11,706 | \$34,540 |
| \$0 | \$0 | \$0 |
| \$0 | \$0 | \$0 |
| \$9,255 | \$4,745 | \$14,000 |
| \$71,200 | \$36,500 | \$107,700 |
| \$0 | \$0 | \$0 |
| \$103,290 | \$52,950 | \$156,240 |

Anticipated Interest Rates:

5 Years: 2.450% 10 Years: 3.150% 15 Years: 3.700%
20 Years: 4.050%

Harlan County School District

Plan of Financing -- Series 2019

Date of Report: April 16, 2019

| | |
|---|---|
| Yearly Summary of Local Bond Payments Outstanding | 1 |
| Summary of Funds Available..... | 2 |
| Projected Series 2019..... | 3 |
| Disclosures..... | 4 |



Harlan County School District -- Local Bond Debt

| FYE | Series 2000B | Series 2008-Ref | Series 2009-Ref | KISTA Series 2009-Ref* | Series 2011 | Series 2012 | Series 2012B* | Series 2012-REF* | Series 2012B-REF | KISTA Series 2012-Ref* | Series 2015-REF | Series 2016-REF | Total Payments |
|----------------|--------------|------------------|------------------|------------------------|--------------------|--------------------|---------------|------------------|--------------------|------------------------|---------------------|--------------------|---------------------|
| 2019 | | \$360,680 | \$294,548 | | \$93,170 | \$83,300 | | | \$134,019 | | \$928,643 | \$57,465 | \$1,951,824 |
| 2020 | | | | | \$92,850 | \$83,131 | | | \$201,119 | | \$1,531,514 | \$46,210 | \$1,954,824 |
| 2021 | | | | | \$92,530 | \$82,963 | | | \$207,419 | | \$1,533,001 | \$46,853 | \$1,962,766 |
| 2022 | | | | | \$92,210 | \$82,794 | | | \$223,419 | | \$1,512,520 | \$47,590 | \$1,958,533 |
| 2023 | | | | | \$91,810 | \$82,625 | | | \$219,219 | | \$1,519,707 | \$48,483 | \$1,961,844 |
| 2024 | | | | | \$91,410 | \$82,456 | | | \$224,781 | | \$1,513,871 | \$44,582 | \$1,957,101 |
| 2025 | | | | | \$91,010 | \$82,288 | | | \$116,222 | | \$1,622,599 | \$45,834 | \$1,957,952 |
| 2026 | | | | | \$90,610 | \$87,119 | | | | | \$1,756,230 | \$47,183 | \$1,981,141 |
| 2027 | | | | | \$90,210 | \$86,781 | | | | | \$1,740,415 | \$51,871 | \$1,969,278 |
| 2028 | | | | | \$539,810 | \$356,444 | | | | | | \$525,283 | \$1,421,537 |
| 2029 | | | | | \$551,410 | \$406,994 | | | | | | \$510,208 | \$1,468,612 |
| 2030 | | | | | \$521,198 | \$415,519 | | | | | | \$489,970 | \$1,426,686 |
| 2031 | | | | | \$516,038 | \$453,369 | | | | | | \$492,203 | \$1,461,609 |
| 2032 | | | | | | \$454,531 | | | | | | | \$454,531 |
| 2033 | | | | | | \$465,188 | | | | | | | \$465,188 |
| 2034 | | | | | | | | | | | | | \$0 |
| 2035 | | | | | | | | | | | | | \$0 |
| 2036 | | | | | | | | | | | | | \$0 |
| 2037 | | | | | | | | | | | | | \$0 |
| 2038 | | | | | | | | | | | | | \$0 |
| 2039 | | | | | | | | | | | | | \$0 |
| TOTALS: | 0 | \$360,680 | \$294,548 | \$0 | \$2,954,265 | \$3,305,500 | \$0 | \$0 | \$1,326,197 | \$0 | \$13,658,501 | \$2,453,735 | \$24,353,425 |

* Series 2000B, KISTA 2009-REF, 2012B, 2012-REF and 2012KISTA Bonds are paid by SFCC

HARLAN COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE (80% OF CAPITAL OUTLAY)

| FYE | LOCAL NICKEL | GENERAL FUND NICKEL* | CAPITAL OUTLAY @ 80% | FSPK | TOTAL LOCAL FUNDS | LESS CURRENT PAYMENTS | LOCAL FUNDS AVAILABLE | EXISTING SFCC OFFERS | TOTAL FUNDS AVAILABLE |
|------|--------------|----------------------|----------------------|---------|-------------------|-----------------------|-----------------------|----------------------|-----------------------|
| 2020 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (1,954,824) | 134,254 | 71,007 | 205,261 |
| 2021 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (1,962,766) | 126,312 | 288,463 | 414,774 |
| 2022 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (1,958,533) | 130,545 | 285,714 | 416,259 |
| 2023 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (1,961,844) | 127,234 | 285,219 | 412,453 |
| 2024 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (1,957,101) | 131,977 | 287,603 | 419,579 |
| 2025 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (1,957,952) | 131,125 | 254,344 | 385,469 |
| 2026 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (1,981,141) | 107,936 | 255,768 | 363,704 |
| 2027 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (1,969,278) | 119,800 | 257,194 | 376,993 |
| 2028 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (1,421,537) | 667,541 | 253,800 | 921,341 |
| 2029 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (1,468,612) | 620,466 | 255,587 | 876,053 |
| 2030 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (1,426,686) | 662,392 | 257,374 | 919,766 |
| 2031 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (1,461,609) | 627,469 | 254,318 | 881,787 |
| 2032 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (454,531) | 1,634,546 | 256,418 | 1,890,965 |
| 2033 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | (465,188) | 1,623,890 | 288,282 | 1,912,172 |
| 2034 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | 0 | 2,089,078 | 283,890 | 2,372,967 |
| 2035 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | 0 | 2,089,078 | 279,794 | 2,368,872 |
| 2036 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | 0 | 2,089,078 | 283,380 | 2,372,458 |
| 2037 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | 0 | 2,089,078 | 283,395 | 2,372,473 |
| 2038 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | 0 | 2,089,078 | 286,189 | 2,375,267 |
| 2039 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | 0 | 2,089,078 | 285,445 | 2,374,523 |
| 2040 | 426,230 | 426,230 | 267,662 | 968,956 | 2,089,078 | 0 | 2,089,078 | 213,022 | 2,302,099 |

NOTE: Figures based on assessments of SEEK 2018-2019 Final SEEK Data

* Board approved pledging additional funds for debt service equaling a nickel on 9/21/10

HARLAN 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 | | | 89,765 | 89,765 | 71,007 | 18,758 | 1,954,824 | 1,973,582 | 2,089,078 | 115,496 |
| 2021 | 195,000 | 2.150% | 177,434 | 372,434 | 288,463 | 83,971 | 1,962,766 | 2,046,737 | 2,089,078 | 42,340 |
| 2022 | 200,000 | 2.150% | 173,188 | 373,188 | 285,714 | 87,474 | 1,958,533 | 2,046,006 | 2,089,078 | 43,071 |
| 2023 | 205,000 | 2.250% | 168,731 | 373,731 | 285,219 | 88,512 | 1,961,844 | 2,050,356 | 2,089,078 | 38,722 |
| 2024 | 210,000 | 2.350% | 163,958 | 373,958 | 287,603 | 86,355 | 1,957,101 | 2,043,456 | 2,089,078 | 45,622 |
| 2025 | 180,000 | 2.450% | 159,285 | 339,285 | 254,344 | 84,941 | 1,957,952 | 2,042,893 | 2,089,078 | 46,184 |
| 2026 | 160,000 | 2.600% | 155,000 | 315,000 | 255,768 | 59,232 | 1,981,141 | 2,040,373 | 2,089,078 | 48,704 |
| 2027 | 165,000 | 2.700% | 150,693 | 315,693 | 257,194 | 58,499 | 1,969,278 | 2,027,777 | 2,089,078 | 61,301 |
| 2028 | 195,000 | 2.850% | 145,686 | 340,686 | 253,800 | 86,886 | 1,421,537 | 1,508,423 | 2,089,078 | 580,654 |
| 2029 | 165,000 | 3.000% | 140,433 | 305,433 | 255,587 | 49,845 | 1,468,612 | 1,518,457 | 2,089,078 | 570,621 |
| 2030 | 205,000 | 3.150% | 134,729 | 339,729 | 257,374 | 82,354 | 1,426,686 | 1,509,040 | 2,089,078 | 580,037 |
| 2031 | 175,000 | 3.350% | 128,569 | 303,569 | 254,318 | 49,251 | 1,461,609 | 1,510,860 | 2,089,078 | 578,218 |
| 2032 | 330,000 | 3.450% | 119,945 | 449,945 | 256,418 | 193,527 | 454,531 | 648,058 | 2,089,078 | 1,441,020 |
| 2033 | 360,000 | 3.600% | 107,773 | 467,773 | 288,282 | 179,491 | 465,188 | 644,678 | 2,089,078 | 1,444,399 |
| 2034 | 360,000 | 3.600% | 94,813 | 454,813 | 283,890 | 170,923 | 0 | 170,923 | 2,089,078 | 1,918,155 |
| 2035 | 365,000 | 3.700% | 81,580 | 446,580 | 279,794 | 166,786 | 0 | 166,786 | 2,089,078 | 1,922,292 |
| 2036 | 380,000 | 3.800% | 67,608 | 447,608 | 283,380 | 164,227 | 0 | 164,227 | 2,089,078 | 1,924,850 |
| 2037 | 385,000 | 3.850% | 52,976 | 437,976 | 283,395 | 154,581 | 0 | 154,581 | 2,089,078 | 1,934,496 |
| 2038 | 400,000 | 3.900% | 37,765 | 437,765 | 286,189 | 151,576 | 0 | 151,576 | 2,089,078 | 1,937,502 |
| 2039 | 410,000 | 3.950% | 21,868 | 431,868 | 285,445 | 146,423 | 0 | 146,423 | 2,089,078 | 1,942,655 |
| 2040 | 340,000 | 4.050% | 6,885 | 346,885 | 213,022 | 133,863 | 0 | 133,863 | 2,089,078 | 1,955,214 |
| Totals | 5,385,000 | | 2,378,680 | 7,763,680 | 5,466,206 | 2,297,474 | 22,401,601 | 24,699,075 | | 19,171,554 |

Notes:

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 – Leslie County School District Series 2019
Date: April 25, 2019
cc: File

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

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

BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 800,000**
 Issue Name: Leslie County School District Finance Corporation School Building Revenue Bonds, Series 2019
 Purpose: Improvements at Stinnent Elementary
 Projected Sale Date of Bond: 17-Jul-19
 First Call Date: 6/1/26 @ 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 |
|--------------|---------------|------------|
| \$ 737,637 | \$ 62,363 | \$ 800,000 |
| 92.20% | 7.80% | |
| \$ 53,684 | \$ 4,539 | \$ 58,223 |
| \$ 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:

| | | |
|-----------|----------|-----------|
| \$ 8,114 | \$ 686 | \$ 8,800 |
| \$ 0 | \$ 0 | \$ 0 |
| \$ 0 | \$ 0 | \$ 0 |
| \$ 4,149 | \$ 351 | \$ 4,500 |
| \$ 14,753 | \$ 1,247 | \$ 16,000 |
| \$ 3,227 | \$ 273 | \$ 3,500 |
| \$ 30,243 | \$ 2,557 | \$ 32,800 |

Anticipated Interest Rates:

5 Years: 3.00% 10 Years: 3.75% 15 Years: 3.90%
 20 Years: 4.200%

Note: No Local Tax increase is required.

LESLIE COUNTY SCHOOL DISTRICT

Plan of Financing

Date of Report: 4/25/2019

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

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

| | <u>A</u> | <u>B</u> | <u>C</u> | <u>D</u> | <u>E</u> | <u>F</u> | <u>G</u> | <u>H</u> | <u>I</u> | <u>J</u> |
|---------|-------------|-------------|-------------|--------------|---------------------------------|---------------------------|-------------|--------------|-----------------|--------------|
| FYE | Series 2007 | Series 2009 | Series 2011 | Series 2011B | Series 2011 QSCB Escrow Deposit | Series 2011 QSCB Interest | Series 2012 | Series 2012B | Series 2016-REF | Total |
| 2018 | \$114,037 | \$67,722 | \$154,581 | \$482,820 | \$127,950 | \$13,319 | \$94,900 | \$86,521 | \$37,407 | \$1,179,258 |
| 2019 | | \$71,038 | \$152,781 | \$481,170 | \$128,013 | \$13,319 | \$93,700 | \$90,677 | \$132,949 | \$1,163,647 |
| 2020 | | \$69,167 | \$155,581 | \$479,420 | \$128,101 | \$12,512 | \$97,050 | \$89,714 | \$127,304 | \$1,158,850 |
| 2021 | | \$72,033 | \$158,244 | \$477,570 | \$131,456 | \$12,512 | \$90,263 | \$88,664 | \$125,395 | \$1,156,137 |
| 2022 | | \$69,632 | \$155,319 | \$480,348 | \$131,455 | \$12,512 | \$93,613 | \$87,439 | \$127,324 | \$1,157,642 |
| 2023 | | \$67,233 | \$157,394 | \$477,706 | \$131,455 | \$12,512 | \$96,825 | \$86,039 | \$129,299 | \$1,158,463 |
| 2024 | | \$69,732 | \$154,306 | \$479,674 | \$131,456 | \$12,512 | \$94,725 | \$89,496 | \$130,607 | \$1,162,508 |
| 2025 | | \$72,032 | \$155,744 | \$476,058 | \$131,456 | \$12,512 | \$92,625 | \$92,752 | \$126,322 | \$1,159,500 |
| 2026 | | \$69,163 | \$156,994 | \$471,665 | \$131,456 | \$12,512 | \$100,525 | \$86,008 | \$132,342 | \$1,160,664 |
| 2027 | | \$76,012 | \$157,925 | \$476,294 | \$131,456 | \$12,512 | \$97,925 | \$84,180 | \$121,181 | \$1,157,484 |
| 2028 | | \$82,443 | \$153,663 | \$474,788 | \$131,456 | \$12,512 | \$100,325 | \$87,145 | \$121,198 | \$1,163,530 |
| 2029 | | \$83,558 | \$314,263 | \$477,413 | \$131,456 | \$12,512 | \$97,563 | \$85,045 | \$120,808 | \$1,201,808 |
| 2030 | | \$83,071 | \$313,263 | \$474,394 | \$128,392 | \$12,512 | \$104,375 | \$82,896 | \$119,901 | \$1,198,901 |
| 2031 | | | \$396,150 | \$534,469 | \$128,655 | \$6,256 | \$45,813 | \$80,695 | \$119,037 | \$1,192,037 |
| 2032 | | | | | | | \$119,313 | \$246,158 | \$1,006,101 | \$1,006,101 |
| 2033 | | | | \$640,631 | | | | \$280,588 | | \$280,588 |
| Totals: | \$114,037 | \$952,837 | \$2,736,206 | \$7,384,419 | \$1,824,213 | \$170,521 | \$1,419,538 | \$1,744,017 | \$1,311,329 | \$17,657,117 |

| <u>Series</u> | <u>Original Amount</u> | <u>Description</u> |
|---------------|------------------------|--|
| 2007 | \$8,500,000 | Financed construction of a new Elementary School |
| 2009 | \$1,200,000 | Financed roof improvements at Leslie County Middle and High School |
| 2011 | \$2,425,000 | Financed improvements at Hayes Lewis Elementary |
| 2011B | \$7,515,000 | Financed improvements at W.B Muncy Elementary |
| 2011 QSCB | \$4,036,000 | Financed improvements at W.B Muncy Elementary |
| 2012 | \$1,355,000 | Financed construction of a Transportation Facility |
| 2012B | \$1,830,000 | Financed improvements at Mountain View and Stinnett Elementary |
| 2016-REF | \$6,125,000 | Refinanced Sereis 2006 & 2007 originally issued to finance Phase I site development and construction of a new Elementary |

LESLIE COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

| A | B | C | D | E | F | G | H | I | J | K | L | M |
|---------|--------------|-------------------|----------------------|-------------|-------------|-------------------|-----------------------|-----------------------|-----------------|-----------------|-----------------|-----------------------|
| FYE | Local Nickel | Additional Nickel | Capital Outlay @ 80% | FSPK | Addtl. FSPK | Total Local Funds | Less Current Payments | Local Funds Available | 2012 SFCC Offer | 2014 SFCC Offer | 2016 SFCC Offer | Total Funds Available |
| 2018 | \$210,867 | \$210,867 | \$120,071 | \$376,732 | \$376,732 | \$1,295,269 | (\$1,179,258) | \$116,012 | | | | \$116,012 |
| 2019 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,163,647) | \$209,655 | | | | \$209,655 |
| 2020 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,158,850) | \$214,452 | | | \$10,786 | \$268,136 |
| 2021 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,156,137) | \$217,165 | \$20,920 | \$21,978 | \$10,786 | \$270,849 |
| 2022 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,157,642) | \$215,660 | \$20,920 | \$21,978 | \$10,786 | \$269,344 |
| 2023 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,158,463) | \$214,839 | \$20,920 | \$21,978 | \$10,786 | \$268,523 |
| 2024 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,162,508) | \$210,794 | \$20,920 | \$21,978 | \$10,786 | \$264,478 |
| 2025 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,159,500) | \$213,801 | \$20,920 | \$21,978 | \$10,786 | \$267,485 |
| 2026 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,160,664) | \$212,638 | \$20,920 | \$21,978 | \$10,786 | \$266,322 |
| 2027 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,157,484) | \$215,817 | \$20,920 | \$21,978 | \$10,786 | \$269,501 |
| 2028 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,163,530) | \$209,772 | \$20,920 | \$21,978 | \$10,786 | \$263,456 |
| 2029 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,201,808) | \$171,494 | \$20,920 | \$21,978 | \$10,786 | \$225,178 |
| 2030 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,198,901) | \$174,400 | \$20,920 | \$21,978 | \$10,786 | \$228,084 |
| 2031 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,192,037) | \$181,264 | \$20,920 | \$21,978 | \$10,786 | \$234,948 |
| 2032 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$1,373,302 | (\$1,006,101) | \$367,200 | \$20,920 | \$21,978 | \$10,786 | \$420,884 |
| 2033 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$943,984 | (\$280,588) | \$663,396 | \$20,920 | \$21,978 | \$10,786 | \$717,080 |
| 2034 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$943,984 | | \$943,984 | \$20,920 | \$21,978 | \$10,786 | \$997,668 |
| 2035 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$943,984 | | \$943,984 | \$20,920 | \$21,978 | \$10,786 | \$997,668 |
| 2036 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$943,984 | | \$943,984 | \$20,920 | \$21,978 | \$10,786 | \$997,668 |
| 2037 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$943,984 | | \$943,984 | \$20,920 | \$21,978 | \$10,786 | \$997,668 |
| 2038 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$943,984 | | \$943,984 | \$20,920 | \$21,978 | \$10,786 | \$997,668 |
| 2039 | \$197,232 | \$197,232 | \$120,202 | \$429,318 | \$429,318 | \$943,984 | | \$943,984 | \$20,920 | \$21,978 | \$10,786 | \$997,668 |
| Totals: | \$4,352,739 | \$4,352,739 | \$2,644,303 | \$9,392,410 | \$6,387,184 | \$27,129,375 | (\$17,657,117) | \$9,472,258 | \$418,400 | \$439,560 | \$215,720 | \$10,545,938 |

NOTES: Data based on assessments of \$421,734,020 and ADA of 1,500.892 per KDE SEEK Website (2017-18)
Data based on assessments of \$394,463,986 and ADA of 1,502.519 per KDE SEEK Website (2018-19)

LESLIE COUNTY 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 ----- ----- | | | | | |
| \$1,158,850 | 2020 | \$30,000 | 3.000% | \$29,693 | \$59,693 | \$53,684 | \$6,009 | \$1,164,858 | \$1,373,302 | \$208,443 |
| \$1,156,137 | 2021 | \$30,000 | 3.000% | \$28,793 | \$58,793 | \$53,684 | \$5,109 | \$1,161,245 | \$1,373,302 | \$212,056 |
| \$1,157,642 | 2022 | \$30,000 | 3.000% | \$27,893 | \$57,893 | \$53,684 | \$4,209 | \$1,161,850 | \$1,373,302 | \$211,451 |
| \$1,158,463 | 2023 | \$30,000 | 3.000% | \$26,993 | \$56,993 | \$53,684 | \$3,309 | \$1,161,771 | \$1,373,302 | \$211,530 |
| \$1,162,508 | 2024 | \$30,000 | 3.000% | \$26,093 | \$56,093 | \$53,684 | \$2,409 | \$1,164,916 | \$1,373,302 | \$208,385 |
| \$1,159,500 | 2025 | \$35,000 | 3.500% | \$25,193 | \$60,193 | \$53,684 | \$6,509 | \$1,166,009 | \$1,373,302 | \$207,293 |
| \$1,160,664 | 2026 | \$35,000 | 3.500% | \$23,968 | \$58,968 | \$53,684 | \$5,284 | \$1,165,947 | \$1,373,302 | \$207,354 |
| \$1,157,484 | 2027 | \$35,000 | 3.500% | \$22,743 | \$57,743 | \$53,684 | \$4,059 | \$1,161,543 | \$1,373,302 | \$211,759 |
| \$1,163,530 | 2028 | \$35,000 | 3.750% | \$21,518 | \$56,518 | \$53,684 | \$2,834 | \$1,166,363 | \$1,373,302 | \$206,938 |
| \$1,201,808 | 2029 | \$40,000 | 3.750% | \$20,205 | \$60,205 | \$53,684 | \$6,521 | \$1,208,329 | \$1,373,302 | \$164,973 |
| \$1,198,901 | 2030 | \$40,000 | 3.750% | \$18,705 | \$58,705 | \$53,684 | \$5,021 | \$1,203,922 | \$1,373,302 | \$169,379 |
| \$1,192,037 | 2031 | \$40,000 | 3.750% | \$17,205 | \$57,205 | \$53,684 | \$3,521 | \$1,195,558 | \$1,373,302 | \$177,743 |
| \$1,006,101 | 2032 | \$40,000 | 3.800% | \$15,705 | \$55,705 | \$53,684 | \$2,021 | \$1,008,122 | \$1,373,302 | \$365,179 |
| \$280,588 | 2033 | \$45,000 | 3.800% | \$14,185 | \$59,185 | \$53,684 | \$5,501 | \$286,089 | \$943,984 | \$657,895 |
| | 2034 | \$45,000 | 3.900% | \$12,475 | \$57,475 | \$53,684 | \$3,791 | \$3,791 | \$943,984 | \$940,193 |
| | 2035 | \$50,000 | 4.000% | \$10,720 | \$60,720 | \$53,684 | \$7,036 | \$7,036 | \$943,984 | \$936,948 |
| | 2036 | \$50,000 | 4.000% | \$8,720 | \$58,720 | \$53,684 | \$5,036 | \$5,036 | \$943,984 | \$938,948 |
| | 2037 | \$50,000 | 4.200% | \$6,720 | \$56,720 | \$53,684 | \$3,036 | \$3,036 | \$943,984 | \$940,948 |
| | 2038 | \$55,000 | 4.200% | \$4,620 | \$59,620 | \$53,684 | \$5,936 | \$5,936 | \$943,984 | \$938,048 |
| | 2039 | \$55,000 | 4.200% | \$2,310 | \$57,310 | \$53,684 | \$3,626 | \$3,626 | \$943,984 | \$940,358 |
| | Totals: | \$800,000 | | \$364,453 | \$1,164,453 | \$1,073,680 | \$90,773 | \$15,404,985 | \$24,460,804 | \$9,055,819 |

Memo

To: KSFCC
From: Lincoln Theinert
Subject: Bond Payee Disclosure Form – Metcalfe County School District Series 2019
Date: April 9, 2019
cc: File

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

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

BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 2,620,000**
 Issue Name: Metcalfe County School District Finance Corporation School Building Revenue Bonds, Series 2019
 Purpose: Improvements at Metcalfe County High School
 Projected Sale Date of Bond: 17-Jul-19
 First Call Date: 6/1/26 @ 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 |
|--------------|---------------|--------------|
| \$ 558,996 | \$ 2,061,004 | \$ 2,620,000 |
| 21.34% | 78.66% | |
| \$ 43,482 | \$ 160,317 | \$ 203,799 |
| \$ 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:

| | | |
|-----------|-----------|-----------|
| \$ 5,010 | \$ 18,470 | \$ 23,480 |
| \$ 0 | \$ 0 | \$ 0 |
| \$ 0 | \$ 0 | \$ 0 |
| \$ 1,814 | \$ 6,686 | \$ 8,500 |
| \$ 11,180 | \$ 41,220 | \$ 52,400 |
| \$ 747 | \$ 2,753 | \$ 3,500 |
| \$ 18,750 | \$ 69,130 | \$ 87,880 |

Anticipated Interest Rates:

5 Years: 2.500% 10 Years: 3.200% 15 Years: 3.500%
20 Years: 4.000%

Note: No Local Tax increase is required.

METCALFE COUNTY SCHOOL DISTRICT

Plan of Financing

Date of Report: 12/18/2018

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

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

| | A | B | C | D | E |
|----------------|-------------------|--------------|-------------|--------|--------------|
| | Series | | | | |
| | 2011 QSCB | Series | Series | Series | Series |
| FYE | Deposit to Escrow | 2015-REF | 2015 | 2015 | Total |
| 2018 | \$309,008 | \$751,163 | \$279,812 | | \$1,339,984 |
| 2019 | \$309,008 | \$752,113 | \$281,238 | | \$1,342,360 |
| 2020 | \$309,008 | \$754,007 | \$276,888 | | \$1,339,904 |
| 2021 | \$309,008 | \$750,798 | \$277,462 | | \$1,337,269 |
| 2022 | \$309,008 | \$745,561 | \$282,812 | | \$1,337,381 |
| 2023 | \$309,008 | \$747,666 | \$278,013 | | \$1,334,688 |
| 2024 | \$309,008 | \$748,633 | \$278,138 | | \$1,335,780 |
| 2025 | \$309,008 | \$744,578 | \$283,037 | | \$1,336,624 |
| 2026 | \$309,008 | \$740,877 | \$282,713 | | \$1,332,598 |
| 2027 | \$309,008 | \$731,651 | \$292,088 | | \$1,332,748 |
| 2028 | \$309,008 | \$731,827 | \$296,088 | | \$1,336,923 |
| 2029 | \$309,008 | \$731,252 | \$294,862 | | \$1,335,123 |
| 2030 | \$309,008 | \$727,568 | \$298,275 | | \$1,334,851 |
| 2031 | \$309,008 | \$723,689 | \$301,100 | | \$1,333,797 |
| 2032 | | | \$652,322 | | \$652,322 |
| 2033 | | | \$646,606 | | \$646,606 |
| 2034 | | | \$649,818 | | \$649,818 |
| 2035 | | | \$651,744 | | \$651,744 |
| 2036 | | | \$646,758 | | \$646,758 |
| Totals: | \$4,326,118 | \$10,381,384 | \$7,249,774 | \$0 | \$21,957,276 |

METCALFE COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

| A FYE | B Local Nickel | C EFF Nickel | D Category 5 Nickel | E Capital Outlay @ 80% | F FSPK | G Addtl. FSPK | H Total Local Funds | I Less Current Payments | J Local Funds Available | K 2014 SFCC Offer | L 2016 SFCC Offer | M Total Funds Available |
|----------------|----------------------|--------------------|---------------------------|---------------------------------|-------------|---------------------|------------------------------|----------------------------------|----------------------------------|----------------------------|----------------------------|----------------------------------|
| | | | | | | | | | | | | |
| 2018 | \$219,280 | \$219,280 | \$219,280 | \$109,524 | \$316,704 | \$316,704 | \$1,400,772 | (\$1,339,984) | \$60,788 | | | \$60,788 |
| 2019 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,342,360) | \$133,505 | | | \$133,505 |
| 2020 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,339,904) | \$135,960 | \$30,263 | \$13,219 | \$179,442 |
| 2021 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,337,269) | \$138,596 | \$30,263 | \$13,219 | \$182,078 |
| 2022 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,337,381) | \$138,483 | \$30,263 | \$13,219 | \$181,965 |
| 2023 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,334,688) | \$141,176 | \$30,263 | \$13,219 | \$184,658 |
| 2024 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,335,780) | \$140,084 | \$30,263 | \$13,219 | \$183,566 |
| 2025 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,336,624) | \$139,241 | \$30,263 | \$13,219 | \$182,723 |
| 2026 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,332,598) | \$143,266 | \$30,263 | \$13,219 | \$186,748 |
| 2027 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,332,748) | \$143,116 | \$30,263 | \$13,219 | \$186,598 |
| 2028 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,336,923) | \$138,941 | \$30,263 | \$13,219 | \$182,423 |
| 2029 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,335,123) | \$140,741 | \$30,263 | \$13,219 | \$184,224 |
| 2030 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,334,851) | \$141,013 | \$30,263 | \$13,219 | \$184,495 |
| 2031 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,475,864 | (\$1,333,797) | \$142,067 | \$30,263 | \$13,219 | \$185,549 |
| 2032 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,127,674 | (\$652,322) | \$475,352 | \$30,263 | \$13,219 | \$518,834 |
| 2033 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,127,674 | (\$646,606) | \$481,069 | \$30,263 | \$13,219 | \$524,551 |
| 2034 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,127,674 | (\$649,818) | \$477,856 | \$30,263 | \$13,219 | \$521,338 |
| 2035 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,127,674 | (\$651,744) | \$475,930 | \$30,263 | \$13,219 | \$519,412 |
| 2036 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,127,674 | (\$646,758) | \$480,916 | \$30,263 | \$13,219 | \$524,398 |
| 2037 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,127,674 | | \$1,127,674 | \$30,263 | \$13,219 | \$1,171,156 |
| 2038 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,127,674 | | \$1,127,674 | \$30,263 | \$13,219 | \$1,171,156 |
| 2039 | \$223,283 | \$223,283 | \$223,283 | \$109,635 | \$348,190 | \$348,190 | \$1,127,674 | | \$1,127,674 | \$30,263 | \$13,219 | \$1,171,156 |
| Totals: | \$4,908,223 | \$4,906,223 | \$4,908,223 | \$2,411,862 | \$7,628,694 | \$4,843,174 | \$29,608,399 | (\$21,957,276) | \$7,651,122 | \$605,260 | \$264,382 | \$8,520,764 |

NOTES: Data based on assessments of \$438,559,623 and ADA of 1,369,051 per KDE Website 2017-18
Data based on assessments of \$446,566,653 and ADA of 1,370,440 per KDE Website 2018-19

METCALFE COUNTY 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 |
| \$1,339,904 | 2020 | \$30,000 | 2.500% | \$95,035 | \$125,035 | \$43,482 | \$81,553 | \$1,421,457 | \$1,475,864 | \$54,407 |
| \$1,337,269 | 2021 | \$35,000 | 2.500% | \$94,285 | \$129,285 | \$43,482 | \$85,803 | \$1,423,071 | \$1,475,864 | \$52,793 |
| \$1,337,381 | 2022 | \$35,000 | 2.500% | \$93,410 | \$128,410 | \$43,482 | \$84,928 | \$1,422,309 | \$1,475,864 | \$53,555 |
| \$1,334,688 | 2023 | \$40,000 | 2.500% | \$92,535 | \$132,535 | \$43,482 | \$89,053 | \$1,423,741 | \$1,475,864 | \$52,123 |
| \$1,335,780 | 2024 | \$40,000 | 2.500% | \$91,535 | \$131,535 | \$43,482 | \$88,053 | \$1,423,833 | \$1,475,864 | \$52,031 |
| \$1,336,624 | 2025 | \$40,000 | 3.200% | \$90,535 | \$130,535 | \$43,482 | \$87,053 | \$1,423,677 | \$1,475,864 | \$52,188 |
| \$1,332,598 | 2026 | \$45,000 | 3.200% | \$89,255 | \$134,255 | \$43,482 | \$90,773 | \$1,423,371 | \$1,475,864 | \$52,493 |
| \$1,332,748 | 2027 | \$45,000 | 3.200% | \$87,815 | \$132,815 | \$43,482 | \$89,333 | \$1,422,081 | \$1,475,864 | \$53,783 |
| \$1,336,923 | 2028 | \$45,000 | 3.200% | \$86,375 | \$131,375 | \$43,482 | \$87,893 | \$1,424,816 | \$1,475,864 | \$51,048 |
| \$1,335,123 | 2029 | \$45,000 | 3.200% | \$84,935 | \$129,935 | \$43,482 | \$86,453 | \$1,421,576 | \$1,475,864 | \$54,289 |
| \$1,334,851 | 2030 | \$50,000 | 3.500% | \$83,495 | \$133,495 | \$43,482 | \$90,013 | \$1,424,864 | \$1,475,864 | \$51,000 |
| \$1,333,797 | 2031 | \$50,000 | 3.500% | \$81,745 | \$131,745 | \$43,482 | \$88,263 | \$1,422,060 | \$1,475,864 | \$53,804 |
| \$652,322 | 2032 | \$235,000 | 3.500% | \$79,995 | \$314,995 | \$43,482 | \$271,513 | \$923,835 | \$1,475,864 | \$552,029 |
| \$646,606 | 2033 | \$240,000 | 3.500% | \$71,770 | \$311,770 | \$43,482 | \$268,288 | \$914,893 | \$1,475,864 | \$560,971 |
| \$649,818 | 2034 | \$250,000 | 3.500% | \$63,370 | \$313,370 | \$43,482 | \$269,888 | \$919,706 | \$1,127,674 | \$207,968 |
| \$651,744 | 2035 | \$260,000 | 3.750% | \$54,620 | \$314,620 | \$43,482 | \$271,138 | \$922,882 | \$1,127,674 | \$204,792 |
| \$646,758 | 2036 | \$265,000 | 3.800% | \$44,870 | \$309,870 | \$43,482 | \$266,388 | \$913,146 | \$1,127,674 | \$214,528 |
| | 2037 | \$280,000 | 4.000% | \$34,800 | \$314,800 | \$43,482 | \$271,318 | \$271,318 | \$1,127,674 | \$856,356 |
| | 2038 | \$290,000 | 4.000% | \$23,600 | \$313,600 | \$43,482 | \$270,118 | \$270,118 | \$1,127,674 | \$857,556 |
| | 2039 | \$300,000 | 4.000% | \$12,000 | \$312,000 | \$43,482 | \$268,518 | \$268,518 | \$1,127,674 | \$859,156 |
| \$19,274,933 | Totals: | \$2,620,000 | | \$1,455,980 | \$4,075,980 | \$659,642 | \$3,206,338 | \$22,481,271 | \$27,428,142 | \$4,946,871 |

Memo

To: KSFCC
From: Lincoln Theinert
Subject: Bond Payee Disclosure Form – Owensboro Independent School District Series 2019
Date: April 24, 2019
cc: File

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Owensboro 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: **\$ 11,125,000**
 Issue Name: Owensboro Independent School District Finance Corporation School Building Revenue Bonds, Series 2019
 Purpose: Construct new Innovation Academy
 Projected Sale Date of Bond: 17-Jul-19
 First Call Date: 8/1/26 @ 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 |
|-----------------|------------------|---------------|
| \$ 489,165 | \$ 10,635,835 | \$ 11,125,000 |
| 4.40% | 95.60% | |
| \$ 36,881 | \$ 801,898 | \$ 838,779 |
| \$ 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:

| | | |
|------------------|-------------------|-------------------|
| \$ 2,528 | \$ 54,972 | \$ 57,500 |
| \$ 0 | \$ 0 | \$ 0 |
| \$ 0 | \$ 0 | \$ 0 |
| \$ 1,099 | \$ 23,901 | \$ 25,000 |
| \$ 9,783 | \$ 212,717 | \$ 222,500 |
| \$ 154 | \$ 3,346 | \$ 3,500 |
| \$ 13,565 | \$ 294,935 | \$ 308,500 |

Anticipated Interest Rates:

5 Years: 3.000% 10 Years: 3.500% 15 Years: 3.500
 20 Years: 3.950%

Note: No Local Tax increase is required.

OWENSBORO IND. SCHOOL DISTRICT

Plan of Financing

Date of Report: 4/23/2019

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

**OWENSBORO 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> | <u>G</u> |
|----------------|----------------|------------------|------------------|----------------|------------------|----------------|--------------|
| | 100% SFCC | | | | | | |
| FYE | Series 2008 | Series 2009-R | Series 2012-R | Series 2015 | Series 2016-R | Series 2017 | Total |
| 2019 | \$1,123,131 | \$85,845 | | \$239,648 | \$587,890 | \$240,498 | \$2,277,012 |
| 2020 | | | | \$225,008 | \$1,816,263 | \$233,346 | \$2,274,617 |
| 2021 | | | | \$225,608 | \$1,816,636 | \$231,246 | \$2,273,490 |
| 2022 | | | | \$226,101 | \$1,812,437 | \$234,096 | \$2,272,634 |
| 2023 | | | | \$231,826 | \$1,797,136 | \$241,796 | \$2,270,759 |
| 2024 | | | | \$232,557 | \$1,797,573 | \$244,348 | \$2,274,479 |
| 2025 | | | | \$238,170 | \$1,793,579 | \$241,846 | \$2,273,596 |
| 2026 | | | | \$230,233 | \$1,794,762 | \$248,740 | \$2,273,735 |
| 2027 | | | | \$227,358 | \$1,795,520 | \$249,959 | \$2,272,836 |
| 2028 | | | | \$234,233 | \$1,795,727 | \$241,179 | \$2,271,138 |
| 2029 | | | | \$225,926 | \$1,794,476 | \$252,259 | \$2,272,661 |
| 2030 | | | | \$700,683 | | \$671,932 | \$1,372,615 |
| 2031 | | | | \$707,770 | | \$665,260 | \$1,373,030 |
| 2032 | | | | \$698,717 | | \$672,626 | \$1,371,343 |
| 2033 | | | | \$688,812 | | \$683,728 | \$1,372,539 |
| 2034 | | | | \$697,661 | | \$673,572 | \$1,371,234 |
| 2035 | | | | \$723,611 | | \$647,691 | \$1,371,302 |
| 2036 | | | | \$723,270 | | \$651,492 | \$1,374,762 |
| 2037 | | | | | | \$776,770 | \$776,770 |
| 2038 | | | | | | \$776,255 | \$776,255 |
| Totals: | \$1,123,131 | \$85,845 | \$0 | \$7,477,191 | \$18,601,998 | \$8,878,640 | \$36,166,806 |

OWENSBORO IND. SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

| A | B | C | D | E | F | G | H | I | J | K |
|----------------|-----------------|----------------------|----------------------------|--------------|----------------|-------------------------|-----------------------------|-----------------------------|-----------------------|-----------------------------|
| FYE | Local Nickel | Recallable Nickel | Capital Outlay @ 80% | FSPK | Addtl. FSPK | Total Local Funds | Less Current Payments | Local Funds Available | 2016 SFCC Offer | Total Funds Available |
| 2019 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$2,277,012) | \$896,131 | | \$896,131 |
| 2020 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$2,274,617) | \$898,526 | \$36,881 | \$935,407 |
| 2021 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$2,273,490) | \$899,653 | \$36,881 | \$936,534 |
| 2022 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$2,272,634) | \$900,509 | \$36,881 | \$937,390 |
| 2023 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$2,270,759) | \$902,384 | \$36,881 | \$939,265 |
| 2024 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$2,274,479) | \$898,664 | \$36,881 | \$935,545 |
| 2025 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$2,273,596) | \$899,547 | \$36,881 | \$936,428 |
| 2026 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$2,273,735) | \$899,408 | \$36,881 | \$936,289 |
| 2027 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$2,272,836) | \$900,306 | \$36,881 | \$937,187 |
| 2028 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$2,271,138) | \$902,004 | \$36,881 | \$938,885 |
| 2029 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$2,272,661) | \$900,482 | \$36,881 | \$937,363 |
| 2030 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$1,372,615) | \$1,800,528 | \$36,881 | \$1,837,409 |
| 2031 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$1,373,030) | \$1,800,113 | \$36,881 | \$1,836,994 |
| 2032 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$1,371,343) | \$1,801,800 | \$36,881 | \$1,838,681 |
| 2033 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$1,372,539) | \$1,800,604 | \$36,881 | \$1,837,485 |
| 2034 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$1,371,234) | \$1,801,909 | \$36,881 | \$1,838,790 |
| 2035 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$1,371,302) | \$1,801,841 | \$36,881 | \$1,838,722 |
| 2036 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$1,374,762) | \$1,798,381 | \$36,881 | \$1,835,262 |
| 2037 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$776,770) | \$2,396,373 | \$36,881 | \$2,433,254 |
| 2038 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$3,173,143 | (\$776,255) | \$2,396,888 | \$36,881 | \$2,433,769 |
| 2039 | \$780,087 | \$780,087 | \$344,360 | \$1,014,887 | \$253,722 | \$2,919,421 | \$0 | \$2,919,421 | \$36,881 | \$2,956,302 |
| Totals: | \$16,381,827 | \$16,381,827 | \$7,231,552 | \$21,312,636 | \$5,074,437 | \$66,382,278 | (\$36,166,806) | \$30,215,473 | \$737,620 | \$30,953,093 |

NOTES: Data based on assessments of \$1,560,174,402 and ADA of 4,304.495 per KDE SEEK Website (FY 2018-19)

OWENSBORO IND. SCHOOL DISTRICT PROJECTED MARCH 2019 BONDING POTENTIAL (MAXIMUM)

| A | B | C | D | E | F | G | H | I | J | | K | L |
|---------------------|----------------------|----------------|---------------------|--------|--------------------|---------------------|------------------|---------------------|--------------------------------|-----------------------|-----------------------|-------------------------------------|
| | | | | | | | | | Projected | Funds | | |
| Current Payments | Local Portion Energy | FY June 30 | Principal Payment | Coupon | Interest Payments | Total Payments | SFCC Portion | Local Portion | All Local Payments Outstanding | Local Funds Available | Local Funds Available | Funds Available For Future Projects |
| | | | | | | | | | | | | |
| \$2,274,617 | \$199,989.25 | 2020 | \$265,000 | 2.500% | \$390,413 | \$655,413 | \$36,881 | \$618,532 | \$3,093,138 | \$3,173,143 | \$3,173,143 | \$80,005 |
| \$2,273,490 | \$196,481.84 | 2021 | \$270,000 | 2.500% | \$383,788 | \$653,788 | \$36,881 | \$616,907 | \$3,086,878 | \$3,173,143 | \$3,173,143 | \$86,264 |
| \$2,272,634 | \$195,192.64 | 2022 | \$280,000 | 2.500% | \$377,038 | \$657,038 | \$36,881 | \$620,157 | \$3,087,983 | \$3,173,143 | \$3,173,143 | \$85,160 |
| \$2,270,759 | \$196,200.06 | 2023 | \$290,000 | 3.000% | \$370,038 | \$660,038 | \$36,881 | \$623,157 | \$3,090,115 | \$3,173,143 | \$3,173,143 | \$83,028 |
| \$2,274,479 | \$195,031.47 | 2024 | \$295,000 | 3.000% | \$361,338 | \$656,338 | \$36,881 | \$619,457 | \$3,088,967 | \$3,173,143 | \$3,173,143 | \$84,176 |
| \$2,273,596 | \$197,732.14 | 2025 | \$305,000 | 3.000% | \$352,488 | \$657,488 | \$36,881 | \$620,607 | \$3,091,934 | \$3,173,143 | \$3,173,143 | \$81,209 |
| \$2,273,735 | \$199,151.26 | 2026 | \$310,000 | 3.000% | \$343,338 | \$653,338 | \$36,881 | \$616,457 | \$3,089,343 | \$3,173,143 | \$3,173,143 | \$83,800 |
| \$2,272,836 | \$196,554.68 | 2027 | \$325,000 | 3.000% | \$334,038 | \$659,038 | \$36,881 | \$622,157 | \$3,091,548 | \$3,173,143 | \$3,173,143 | \$81,595 |
| \$2,271,138 | \$197,618.57 | 2028 | \$335,000 | 3.000% | \$324,288 | \$659,288 | \$36,881 | \$622,407 | \$3,091,164 | \$3,173,143 | \$3,173,143 | \$81,979 |
| \$2,272,661 | \$197,172.26 | 2029 | \$340,000 | 3.500% | \$314,238 | \$654,238 | \$36,881 | \$617,357 | \$3,087,190 | \$3,173,143 | \$3,173,143 | \$85,953 |
| \$1,372,615 | \$247,969.35 | 2030 | \$485,000 | 3.500% | \$302,338 | \$787,338 | \$36,881 | \$750,457 | \$2,371,041 | \$3,173,143 | \$3,173,143 | \$802,102 |
| \$1,373,030 | \$245,137.71 | 2031 | \$505,000 | 3.500% | \$285,363 | \$790,363 | \$36,881 | \$753,482 | \$2,371,649 | \$3,173,143 | \$3,173,143 | \$801,493 |
| \$1,371,343 | \$245,404.41 | 2032 | \$525,000 | 3.500% | \$267,688 | \$792,688 | \$36,881 | \$755,807 | \$2,372,554 | \$3,173,143 | \$3,173,143 | \$800,589 |
| \$1,372,539 | \$248,570.75 | 2033 | \$540,000 | 3.500% | \$249,313 | \$789,313 | \$36,881 | \$752,432 | \$2,373,541 | \$3,173,143 | \$3,173,143 | \$799,601 |
| \$1,371,234 | \$244,437.17 | 2034 | \$560,000 | 3.500% | \$230,413 | \$790,413 | \$36,881 | \$753,532 | \$2,369,202 | \$3,173,143 | \$3,173,143 | \$803,941 |
| \$1,371,302 | \$248,153.27 | 2035 | \$580,000 | 3.500% | \$210,813 | \$790,813 | \$36,881 | \$753,932 | \$2,373,386 | \$3,173,143 | \$3,173,143 | \$799,756 |
| \$1,374,762 | \$244,342.73 | 2036 | \$595,000 | 3.750% | \$190,513 | \$785,513 | \$36,881 | \$748,632 | \$2,367,736 | \$3,173,143 | \$3,173,143 | \$805,407 |
| \$776,770 | \$246,190.85 | 2037 | \$1,220,000 | 3.750% | \$168,200 | \$1,388,200 | \$36,881 | \$1,351,319 | \$2,374,280 | \$3,173,143 | \$3,173,143 | \$798,863 |
| \$776,255 | \$245,144.45 | 2038 | \$1,265,000 | 3.950% | \$122,450 | \$1,387,450 | \$36,881 | \$1,350,569 | \$2,371,968 | \$3,173,143 | \$3,173,143 | \$801,175 |
| \$0 | \$244,384.36 | 2039 | \$1,835,000 | 3.950% | \$72,483 | \$1,907,483 | \$36,881 | \$1,870,602 | \$2,114,986 | \$2,919,421 | \$2,919,421 | \$804,435 |
| \$33,889,793 | \$4,430,859 | Totals: | \$11,125,000 | | \$5,650,570 | \$16,775,570 | \$737,620 | \$16,037,950 | \$54,358,603 | \$63,209,136 | \$63,209,136 | \$8,850,533 |

Memo

To: KSFCC
From: Lincoln Theinert
Subject: Bond Payee Disclosure Form – Rowan County School District Series 2019
Date: April 5, 2019
cc: File

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

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

BOND PAYEE DISCLOSURE FORM

Par Amount: **\$ 6,555,000**
 Issue Name: Rowan County School District Finance Corporation School Building Revenue Bonds, Series 2019
 Purpose: Construct a new Rowan County Multi-Use Facility, including Early Learning Center, Alternative School, Central Storage, Central Office.
 Projected Sale Date of Bond: 17-Jul-19
 First Call Date: 6/1/26 @ 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 |
|--------------|---------------|--------------|
| \$ 775,434 | \$ 5,779,566 | \$ 6,555,000 |
| 11.83% | 88.17% | |
| \$ 57,251 | \$ 426,711 | \$ 483,962 |
| \$ 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:

| | | |
|-----------|------------|------------|
| \$ 4,640 | \$ 34,580 | \$ 39,220 |
| \$ 0 | \$ 0 | \$ 0 |
| \$ 0 | \$ 0 | \$ 0 |
| \$ 1,479 | \$ 11,021 | \$ 12,500 |
| \$ 15,509 | \$ 115,591 | \$ 131,100 |
| \$ 414 | \$ 3,086 | \$ 3,500 |
| \$ 22,041 | \$ 164,279 | \$ 186,320 |

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.

ROWAN COUNTY SCHOOL DISTRICT
Plan of Financing

Date of Report: 4/5/2019

Local Bond Payments Outstanding 1

Summary of Funds for Bond Payments 2

Projected Current Bond Issue..... 3

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

| | A | B | C | D | E | F | G | H | I |
|---------|-----------------|----------------|-----------------|-------------------------------|----------------|-----------------|----------------|-----------------|--------------|
| | Series 2008R | Series 2009 | Series 2011R | BF Portion Series 2014R | Series 2015 | Series 2015R | Series 2016 | Series 2017R | Total |
| FYE | | | | | | | | | |
| 2019 | | \$1,131,666 | \$450,517 | \$49,557 | \$95,318 | \$40,126 | \$165,860 | \$367,305 | \$2,300,349 |
| 2020 | | \$1,131,866 | \$453,365 | \$43,860 | \$94,023 | \$37,228 | \$170,508 | \$365,805 | \$2,296,654 |
| 2021 | | \$1,135,366 | \$448,257 | \$42,782 | \$92,727 | \$39,277 | \$175,038 | \$369,254 | \$2,302,700 |
| 2022 | | \$1,136,376 | \$452,533 | \$45,333 | \$91,432 | \$36,276 | \$169,450 | \$367,655 | \$2,299,054 |
| 2023 | | \$1,056,994 | \$450,534 | \$42,205 | \$94,823 | \$33,090 | \$173,980 | \$449,452 | \$2,301,078 |
| 2024 | | | \$452,853 | \$53,011 | \$93,097 | \$39,402 | \$168,393 | \$1,493,477 | \$2,300,233 |
| 2025 | | | | \$117,799 | \$161,373 | \$35,402 | \$182,923 | \$1,800,277 | \$2,297,773 |
| 2026 | | | | \$115,048 | \$167,747 | \$36,339 | \$182,100 | \$1,796,153 | \$2,297,388 |
| 2027 | | | | \$120,729 | \$163,872 | \$38,578 | \$181,138 | \$1,795,602 | \$2,299,919 |
| 2028 | | | | \$110,291 | \$209,609 | | \$170,175 | \$1,813,252 | \$2,303,327 |
| 2029 | | | | \$114,173 | \$208,973 | | \$169,488 | \$1,808,608 | \$2,301,241 |
| 2030 | | | | \$106,337 | \$407,671 | | \$763,800 | \$1,277,809 | \$1,277,809 |
| 2031 | | | | | \$424,703 | | \$776,750 | \$1,201,453 | \$1,201,453 |
| 2032 | | | | | \$425,241 | | \$773,875 | \$1,199,116 | \$1,199,116 |
| 2033 | | | | | \$419,716 | | \$778,925 | \$1,198,641 | \$1,198,641 |
| 2034 | | | | | \$423,266 | | \$778,225 | \$1,201,491 | \$1,201,491 |
| 2035 | | | | | \$420,503 | | \$776,925 | \$1,197,428 | \$1,197,428 |
| 2036 | | | | | | | \$795,025 | | \$795,025 |
| Totals: | \$0 | \$5,592,267 | \$2,708,059 | \$961,124 | \$3,994,092 | \$335,720 | \$7,352,575 | \$12,426,840 | \$33,370,678 |

ROWAN COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

| A | B | C | D | E | F | G | H | I | J | K | L |
|---------|-----------------|----------------------|----------------------------|--------------|----------------|-------------------------|-----------------------------|-----------------------------|-----------------------|-----------------------|-----------------------------|
| FYE | Local Nickel | Recallable Nickel | Capital Outlay @ 80% | FSPK | Addit. FSPK | Total Local Funds | Less Current Payments | Local Funds Available | 2014 SFCC Offer | 2016 SFCC Offer | Total Funds Available |
| 2019 | \$679,365 | \$679,365 | \$293,038 | \$542,602 | \$542,602 | \$2,736,971 | (\$2,300,349) | \$436,622 | \$36,838 | \$20,413 | \$436,622 |
| 2020 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$2,296,654) | \$381,710 | \$36,838 | \$20,413 | \$438,961 |
| 2021 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$2,302,700) | \$375,663 | \$36,838 | \$20,413 | \$432,914 |
| 2022 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$2,299,054) | \$379,309 | \$36,838 | \$20,413 | \$436,560 |
| 2023 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$2,301,078) | \$377,286 | \$36,838 | \$20,413 | \$434,537 |
| 2024 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$2,300,233) | \$378,131 | \$36,838 | \$20,413 | \$435,382 |
| 2025 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$2,297,773) | \$380,591 | \$36,838 | \$20,413 | \$437,842 |
| 2026 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$2,297,388) | \$380,976 | \$36,838 | \$20,413 | \$438,227 |
| 2027 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$2,299,919) | \$378,445 | \$36,838 | \$20,413 | \$435,696 |
| 2028 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$2,303,327) | \$375,037 | \$36,838 | \$20,413 | \$432,288 |
| 2029 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$2,301,241) | \$377,123 | \$36,838 | \$20,413 | \$434,374 |
| 2030 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$1,277,809) | \$1,400,555 | \$36,838 | \$20,413 | \$1,457,806 |
| 2031 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$1,201,453) | \$1,476,911 | \$36,838 | \$20,413 | \$1,534,162 |
| 2032 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$1,199,116) | \$1,479,248 | \$36,838 | \$20,413 | \$1,536,499 |
| 2033 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$1,198,641) | \$1,479,722 | \$36,838 | \$20,413 | \$1,536,973 |
| 2034 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$1,201,491) | \$1,476,873 | \$36,838 | \$20,413 | \$1,534,124 |
| 2035 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$1,197,428) | \$1,480,936 | \$36,838 | \$20,413 | \$1,538,187 |
| 2036 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | (\$795,025) | \$1,883,339 | \$36,838 | \$20,413 | \$1,940,590 |
| 2037 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | \$0 | \$2,678,364 | \$36,838 | \$20,413 | \$2,735,615 |
| 2038 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | \$0 | \$2,678,364 | \$36,838 | \$20,413 | \$2,735,615 |
| 2039 | \$679,365 | \$679,365 | \$234,430 | \$542,602 | \$542,602 | \$2,678,364 | \$0 | \$2,678,364 | \$36,838 | \$20,413 | \$2,735,615 |
| Totals: | \$14,266,662 | \$14,266,662 | \$4,981,638 | \$11,394,642 | \$11,394,642 | \$56,304,245 | (\$33,370,678) | \$22,933,567 | \$736,760 | \$408,260 | \$24,078,587 |

NOTES: Data based on assessments of \$1,358,729,690 and ADA of 2,930.375 (FY 2018-19)

ROWAN COUNTY 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 |
| \$2,296,654 | 2020 | \$165,000 | 3.000% | \$233,730 | \$398,730 | \$57,251 | \$341,479 | \$2,638,133 | \$2,678,364 | \$40,231 |
| \$2,302,700 | 2021 | \$165,000 | 3.000% | \$228,780 | \$393,780 | \$57,251 | \$336,529 | \$2,639,229 | \$2,678,364 | \$39,134 |
| \$2,299,054 | 2022 | \$175,000 | 3.000% | \$223,830 | \$398,830 | \$57,251 | \$341,579 | \$2,640,633 | \$2,678,364 | \$37,730 |
| \$2,301,078 | 2023 | \$175,000 | 3.000% | \$218,580 | \$393,580 | \$57,251 | \$336,329 | \$2,637,407 | \$2,678,364 | \$40,957 |
| \$2,300,233 | 2024 | \$180,000 | 3.000% | \$213,330 | \$393,330 | \$57,251 | \$336,079 | \$2,636,312 | \$2,678,364 | \$42,052 |
| \$2,297,773 | 2025 | \$190,000 | 3.250% | \$207,930 | \$397,930 | \$57,251 | \$340,679 | \$2,638,452 | \$2,678,364 | \$39,912 |
| \$2,297,388 | 2026 | \$195,000 | 3.250% | \$201,755 | \$396,755 | \$57,251 | \$339,504 | \$2,636,892 | \$2,678,364 | \$39,912 |
| \$2,299,919 | 2027 | \$200,000 | 3.500% | \$195,418 | \$395,418 | \$57,251 | \$338,167 | \$2,638,086 | \$2,678,364 | \$41,472 |
| \$2,303,327 | 2028 | \$205,000 | 3.500% | \$188,418 | \$393,418 | \$57,251 | \$336,167 | \$2,639,493 | \$2,678,364 | \$40,278 |
| \$2,301,241 | 2029 | \$215,000 | 3.500% | \$181,243 | \$396,243 | \$57,251 | \$338,992 | \$2,640,232 | \$2,678,364 | \$38,870 |
| \$1,277,809 | 2030 | \$400,000 | 3.500% | \$173,718 | \$573,718 | \$57,251 | \$516,467 | \$1,794,275 | \$2,678,364 | \$38,131 |
| \$1,201,453 | 2031 | \$415,000 | 3.500% | \$159,718 | \$574,718 | \$57,251 | \$517,467 | \$1,718,919 | \$2,678,364 | \$884,089 |
| \$1,199,116 | 2032 | \$425,000 | 3.500% | \$145,193 | \$570,193 | \$57,251 | \$512,942 | \$1,712,057 | \$2,678,364 | \$959,444 |
| \$1,198,641 | 2033 | \$440,000 | 3.500% | \$130,318 | \$570,318 | \$57,251 | \$513,067 | \$1,711,708 | \$2,678,364 | \$966,307 |
| \$1,201,491 | 2034 | \$455,000 | 3.500% | \$114,918 | \$569,918 | \$57,251 | \$512,667 | \$1,714,157 | \$2,678,364 | \$966,656 |
| \$1,197,428 | 2035 | \$475,000 | 3.750% | \$98,993 | \$573,993 | \$57,251 | \$516,742 | \$1,714,169 | \$2,678,364 | \$964,206 |
| \$795,025 | 2036 | \$490,000 | 3.750% | \$81,180 | \$571,180 | \$57,251 | \$513,929 | \$1,308,954 | \$2,678,364 | \$964,194 |
| \$0 | 2037 | \$510,000 | 3.950% | \$62,805 | \$572,805 | \$57,251 | \$515,554 | \$515,554 | \$2,678,364 | \$1,369,410 |
| \$0 | 2038 | \$530,000 | 3.950% | \$42,660 | \$572,660 | \$57,251 | \$515,409 | \$515,409 | \$2,678,364 | \$2,162,810 |
| | 2039 | \$550,000 | 3.950% | \$21,725 | \$571,725 | \$57,251 | \$514,474 | \$514,474 | \$2,678,364 | \$2,162,955 |
| \$31,070,329 | Totals: | \$6,555,000 | | \$3,124,238 | \$9,679,238 | \$1,145,020 | \$8,534,218 | \$39,604,547 | \$53,567,274 | \$13,962,727 |