



Andy Beshear
Governor

Commonwealth of Kentucky
FINANCE AND ADMINISTRATION CABINET
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Executive Director

March 31, 2020

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 (“CPBOC”) at the April 14, 2020, meeting. Also, included pursuant to KRS 56.863(11) is the ALCo Semi-Annual Report as of December 31, 2019.

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

<u>Fund A Loans</u>	
City of Smithland (P&D)	\$246,000
Paducah McCracken County Joint Sewer Agency	\$5,170,000
<u>Fund B Loans</u>	
City of Flemingsburg	\$77,405
<u>Fund F Loans</u>	
City of Lebanon F/B/O Lebanon Water Works Company Inc.	\$5,238,230

The Office of Financial Management will present five (5) new bond issue reports for the Committee’s approval:

Kentucky Economic Development Finance Authority Healthcare Facilities Revenue Bonds, Series 2020A, and Taxable Series 2020B (Christian Care Communities, Inc. Obligated Group)	\$62,000,000+
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+Not to Exceed

Senator Girdler
Representative Thomas
March 31, 2020
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State Property and Buildings Commission Revenue Bonds, Project No. 123 Federally Taxable Series A	\$35,000,000+
Eastern Kentucky University General Receipts Bonds, Series 2021	\$12,720,000*
Murray State University General Receipts Bonds, Series 2021 A & C	\$10,770,000*
Kentucky Asset/Liability Commission General Fund Refunding Project Notes, 2020 Series A	\$140,000,000+

+Not to Exceed
*Estimated

The Office of Financial Management will present one (1) informational item for the Committee's review:

Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Chapel House Apartments Project)), Series 2020, Dated March 13, 2020	\$13,500,000
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The School Facilities Construction Commission is submitting the following additional information for the Committee's approval:

Daviess County	\$61,340,000*
Madison County	\$26,940,000*

*Estimated

An OFM staff member will attend the CPBO meeting to answer any questions regarding this information. Please contact me if there are any questions or should your staff require additional information.

Sincerely,

Ryan Barrow,
Executive Director

Attachments

**Kentucky Infrastructure Authority
Projects for
April 2020 Capital Projects Meeting**

- **Fund A Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Amount Requested</u>	<u>Loan Total</u>	<u>County</u>
A20-024	City of Smithland (P&D)	\$ 246,000	\$ 246,000	Livingston
A20-032	Paducah McCracken County Joint Sewer Agency	\$ 5,170,000	\$ 5,170,000	McCracken

- **Fund B Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Amount Requested</u>	<u>Loan Total</u>	<u>County</u>
B20-001	City of Flemingsburg	\$ 77,405	\$ 77,405	Fleming

- **Fund F Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Amount Requested</u>	<u>Loan Total</u>	<u>County</u>
F20-002	City of Lebanon F/B/O Lebanon Water Works Company Inc.	\$ 5,238,230	\$ 5,238,230	Marion

EXECUTIVE SUMMARY		Reviewer	Meili Sun	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	November 7, 2019	
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A20-024	
REVOLVING LOAN FUND		WRIS Number	SX21139010	
BORROWER		CITY OF SMITHLAND LIVINGSTON COUNTY		
BRIEF DESCRIPTION				
The City of Smithland is seeking a KIA loan to fund the planning and design portion of the Sewer Rehabilitation project. The purpose of the planning and design work is to identify the major sources of I & I that inundate the City's systems during wet weather events that cause sanitary sewer overflows. This work will consist of a Phase III SSES including flow monitoring, CCTV inspections, and field surveys to locate the sources of I & I. It also includes evaluation of the City's influent/effluent lift station and force main networks to identify capacity related issues. Following the field studies, design will be performed to outline the scope of work for procurement and the construction portion required to address system deficiencies determined during the Phase III SSES and lift station evaluations.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan P&D	\$246,000	RD Fee %	Actual %	
		Administrative Expenses		\$5,000
		Planning		\$145,000
		Eng - Design / Const		\$96,000
TOTAL	<u>\$246,000</u>	TOTAL		<u>\$246,000</u>
REPAYMENT	Rate	2.50%	Est. Annual Payment	\$53,138
	Term	5 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Rivercrest Engineering Inc		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Dec-20		
	P&D Start	Mar-20		
	P&D Stop	Sep-20		
DEBT PER CUSTOMER	Existing	\$361		
	Proposed	\$1,706		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	180	\$45.02	(for 4,000 gallons)
	Additional	0	\$45.02	(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	(8,463)	4,806	(13,269)	-1.8
Audited 2017	2,332	4,835	(2,503)	0.5
Audited 2018	6,647	4,759	1,888	1.4
Projected 2019	18,732	4,883	13,849	3.8
Projected 2020	18,507	4,951	13,556	3.7
Projected 2021	41,229	31,520	9,709	1.3
Projected 2022	67,605	58,089	9,516	1.2
Projected 2023	64,724	58,089	6,635	1.1

Reviewer: Meili Sun
Date: November 7, 2019
Loan Number: A20-024 P&D

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND A)
CITY OF SMITHLAND, LIVINGSTON COUNTY
PROJECT REVIEW
SX21139010**

I. PROJECT DESCRIPTION

The City of Smithland (“City”) is seeking a KIA Fund A loan to fund the planning and design portion of the Sewer Rehabilitation project. The purpose of the planning and design work is to identify the major sources of I&I that cause sanitary sewer overflows and eventually achieve compliance with an agreed order issued by the Division of Water. This project will consist of a Phase III SSES including flow monitoring, CCTV inspections, and field surveys to locate the sources of I&I. It will also include evaluation of the City’s influent/effluent lift station and force main networks to identify capacity related issues. Following the field studies, design will be performed to outline the scope of work for procurement and the construction portion required to address system deficiencies determined during the Phase III SSES and lift station evaluations.

The City is the county seat of Livingston County. It purchases 100% of its water supply from Crittenden-Livingston County Water District (“CCWD”) to serve approximately 180 customers within the service area. The CCWD’s wholesale water rate is regulated by the Kentucky Public Service Commission.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 5,000
Planning	145,000
Engineering Fees – Design	<u>96,000</u>
Total	\$ 246,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
KIA Fund A Loan (P&D)	\$ 246,000	100%

IV. KIA DEBT SERVICE

Planning & Design Loan	\$ 246,000
Principal Forgiveness	0
Amortized Loan Amount	\$ 246,000
Interest Rate	2.50%
Loan Term (Year)	5
Estimated Annual Debt Service	\$ 52,646
Administrative Fee (0.20%)	492
Annual Debt Service	\$ 53,138

V. PROJECT SCHEDULE

P&D Start	March 2020
P&D Completion	September 2020
Estimated Bid Opening	December 2020
Estimated Construction Start	January 2021
Estimated Construction Completion	July 2021

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

	Current
Residential	131
Commercial	49
Industrial	
Total	180

B) Rates

Date of Last Rate Increase	Water Rates	
	09/15/18	06/15/13
Minimum 2,000 Gallons	\$26.24	\$23.85
Next 3,000 Gallons	7.51	6.83
Next 5,000 Gallons	6.77	6.15
Cost for 4,000 gallons	\$41.26	\$37.51
Increase %	10.0%	
Affordability Index (Rate/MHI)	1.5%	

	Sewer Rates	
	Current	Prior
Date of Last Rate Increase	09/15/18	06/15/13
Minimum 2,000 Gallons	\$28.62	\$23.85
Next 3,000 Gallons	8.20	6.83
Next 5,000 Gallons	7.38	6.15
Cost for 4,000 gallons	\$45.02	\$37.51
Increase %	20.0%	
Affordability Index (Rate/MHI)	1.6%	

	Purchased Water			
	Phase III	Phase II	Current	Prior
Date of Last Rate Increase	05/23/21	05/23/20	05/23/19	05/01/15
Crittenden-Livingston WD (per 1,000 Gallons)	3.34	3.08	2.83	2.58
Increase %	8.44%	8.83%	9.69%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility's service area population was 335 with a Median Household Income (MHI) of \$33,125. The median household income for the Commonwealth is \$46,535. A five year loan term at 2.5% interest rate will be applied to this loan as planning and design loans are not eligible for the non-standard rate. Should the City return with the same disadvantaged community status for a construction loan after completion of the planning and design phase, the project will qualify for the non-standard rate and term and possibly up to 50% principal forgiveness.

Year	Population		County		County Unemployment	
	City	% Change	County	% Change	Date	Rate
1980	512		9,219		June 2005	5.9%
1990	384	-25.0%	9,062	-1.7%	June 2010	11.8%
2000	401	4.4%	9,804	8.2%	June 2015	7.0%
2010	301	-24.9%	9,519	-2.9%	June 2019	5.7%
Current	278	-7.6%	9,288	-2.4%		
Cumulative %		-45.7%		0.7%		

As part of the City's plan to retain population and encourage future growth, the City has started a talk with Livingston County to move the county middle school from Burna to Smithland. This project will not only assure the capacity and quality of the sewer system to facilitate potential commercial and institutional customers but also improve services for the existing customers.

VIII. 2019 CAPITALIZATION GRANT EQUIVALENCIES

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 non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions is not applicable as the City does not participate in the County Employees Retirement System (CERS).

HISTORY

Combined water and sewer revenues decreased 4.2% from \$ 183,073 in 2016 to \$175,264 in 2018 due to declined population while operating expenses decreased 11.9% from \$191,596 in 2016 to \$168,674 in 2018 attributable to personnel cuts. Non-recurring repair and contracted service expenses/revenues had been removed from the 2016 Statement of Revenues, Expenses, and Change in Net Position. In 2016, the state highway department contracted out the water line relocation portion of the highway 453 project to the City. The City brought in \$75,000 contracted service revenues while incurring \$60,000 expenses associated with the contract. Another reason for the higher expenses in 2016 was due to additional repair costs caused by flood damage. The debt coverage ratio was (1.8), 0.5, and 1.4 for 2016, 2017, and 2018 respectively.

The balance sheet reflects a current ratio of 0.5, debt to equity ratio of 0.5, 38.0 days sales in accounts receivable, and 3.2 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Total revenues will go up 14% in FY2020 from the previously approved rate increases.
- 2) Expenses will increase 2% each year for inflation.
- 3) After a special condition of additional 28% rate increase is met, debt service coverage is 1.2 in FY2022 when full year principal and interest repayments for the planning and design loan begin.

- 4) The City will be able to support a total loan amount of approximately \$0.7 million without further rate increases should the City return to pursue a construction loan from KIA after the planning and design work is completed.

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

REPLACEMENT RESERVE

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

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
USDA Bonds 92-03 Series	\$ 64,900	2040

XI. CONTACTS

Legal Applicant	
Name	City of Smithland
Address	310 Wilson Ave, PO Box 287 Smithland, KY 42081
County	Livingston
Authorized Official	William Hesser, Mayor
Phone	(270) 928-2446
Email	smithland@vci.net

Project Contact - Applicant	
Name	Mary Wheatley, City Clerk
Organization	City of Smithland
Address	310 Wilson Ave, PO Box 287 Smithland, KY 42081
Phone	(270) 928-2446
Email	smithland@vci.net

Project Administrator	
Name	Kyle Cunningham
Organization	Pennyrile ADD
Address	300 Hammond Dr Hopkinsville, KY 42240
Phone	(270) 886-9484
Email	kyle.cunningham@ky.gov

Consulting Engineer	
Name	Rory Brian Flynn
Firm	Rivercrest Engineering Inc
Address	3519 State Route 440 Hickory, KY 42051
Phone	(270) 519-7675
Email	bflynn@rivercresteng.com

XII. RECOMMENDATIONS

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

1. The City shall pass an ordinance to raise both water and sewer rates by 28% equivalent to \$55,000 on or before July 1, 2021.

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

	<u>Audited</u> <u>2016</u>	<u>Audited</u> <u>2017</u>	<u>Audited</u> <u>2018</u>	<u>Projected</u> <u>2019</u>	<u>Projected</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>	<u>Projected</u> <u>2023</u>
Balance Sheet								
Assets								
Current Assets	62,142	57,221	71,025	86,715	100,871	113,580	126,096	132,731
Other Assets	701,439	686,986	657,126	622,233	587,340	798,447	763,554	728,661
Total	763,581	744,207	728,151	708,948	688,211	912,027	889,650	861,392
Liabilities & Equity								
Current Liabilities	115,466	133,672	150,558	150,910	151,203	200,701	201,003	201,309
Long Term Liabilities	87,480	85,565	83,990	82,033	82,033	276,685	225,236	173,679
Total Liabilities	202,946	219,237	234,548	232,943	233,236	477,386	426,238	374,989
Net Assets	560,635	524,970	493,603	476,005	454,975	434,641	463,412	486,403
Cash Flow								
Revenues	183,073	178,883	175,264	193,215	199,198	228,496	257,696	257,696
Operating Expenses	191,596	176,604	168,674	174,540	180,748	187,324	190,148	193,029
Other Income	60	53	57	57	57	57	57	57
Cash Flow Before Debt Service	(8,463)	2,332	6,647	18,732	18,507	41,229	67,605	64,724
Debt Service								
Existing Debt Service	4,806	4,835	4,759	4,883	4,951	4,951	4,951	4,951
Proposed KIA Loan	0	0	0	0	0	26,569	53,138	53,138
Total Debt Service	4,806	4,835	4,759	4,883	4,951	31,520	58,089	58,089
Cash Flow After Debt Service	(13,269)	(2,503)	1,888	13,849	13,556	9,709	9,516	6,635
Ratios								
Current Ratio	0.5	0.4	0.5	0.6	0.7	0.6	0.6	0.7
Debt to Equity	0.4	0.4	0.5	0.5	0.5	1.1	0.9	0.8
Days Sales in Accounts Receivable	38.0	41.0	38.0	38.0	37.9	37.9	37.8	37.8
Months Operating Expenses in Unrestricted Cash	2.7	2.5	3.2	4.0	4.8	5.3	5.8	6.1
Debt Coverage Ratio	(1.8)	0.5	1.4	3.8	3.7	1.3	1.2	1.1

EXECUTIVE SUMMARY		Reviewer	Ashley Adams	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 5, 2020	
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A20-032	
REVOLVING LOAN FUND		WRIS Number	SX21145034	
BORROWER		PADUCAH MCCRACKEN COUNTY JOINT SEWER AGENCY MCCRACKEN COUNTY		
BRIEF DESCRIPTION				
This is phase one of project #3 of the approved Long Term Control Plan associated with the outfall located adjacent to the Paducah WWTP. It will fund the pumping and fine screening capability of 77 MGD at Outfall 003. Construction includes the shell of the pump station, two of the four 20 MGD pumps, screening prior to the pump station, a new structure over the existing 102 inch combined sewer with modulating valve, along with various electrical and piping components.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$5,170,000	RD Fee %	Actual %	
				Legal Expenses \$2,000
				Planning 40,000
		Eng - Design / Const 6.8%	6.6%	310,000
		Eng - Insp 3.6%	1.9%	90,000
		Eng - Other		28,000
		Construction		4,090,000
		Contingency		610,000
TOTAL	\$5,170,000	TOTAL		\$5,170,000
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$282,303
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	J.R. Wauford & Company		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Jun-20		
	Construction Start	Aug-20		
	Construction Stop	Oct-21		
DEBT PER CUSTOMER	Existing	\$1,387		
	Proposed	\$2,130		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		Users	Avg. Bill	
	Current	19,024	\$23.76 (for 4,000 gallons)	
	Additional	0	\$23.76 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2017	3,395,483	1,556,594	1,838,889	2.2
Audited 2018	4,774,436	1,604,158	3,170,278	3.0
Audited 2019	4,903,413	1,681,385	3,222,028	2.9
Projected 2020	4,987,675	1,804,002	3,183,673	2.8
Projected 2021	4,895,468	2,556,018	2,339,450	1.9
Projected 2022	4,801,416	3,180,343	1,621,074	1.5
Projected 2023	4,705,483	3,386,333	1,319,150	1.4
Projected 2024	4,607,632	3,282,001	1,325,631	1.4

Reviewer: Ashley Adams
Date: March 5, 2020
Loan Number: A20-032

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

I. PROJECT DESCRIPTION

The Paducah-McCracken County Joint Sewer Agency is requesting a Fund A loan in the amount of \$5,170,000 for the LTCP Project #3 - Outfall 003 Fine Screening - Phase One project. The project is phase one of Project #3 of the approved Long Term Control Plan (LTCP) for the Paducah JSA, associated with the outfall (EPA Outfall 003) located adjacent to the Paducah Wastewater Treatment Plant. The project will be constructed next to the recently completed 15 MG combined sewer wet weather tank (SX21145023), and will allow for the tank to be placed in service. The full scope of Project #3 is the pumping and fine screening capability of 77 MGD at Outfall 003. This phase will construct the shell of the pump station, two of the four 20 MGD pumps, screening prior to the pump station, a new structure over the existing 102 inch combined sewer with modulating valve, along with various electrical and piping components.

Project #3 is required by the approved Long Term Control Plan for the Paducah JSA. By performing this project in phases, JSA can realize increased capture volumes related to their LTCP at Outfall 003 with the expedited use of the Harrison Street Phase One 15 MG Storage Tank. Increased capture volumes promote public health by reducing Combined Sewer Overflow volumes and pollutants to the Ohio River.

The next phase of Project #3 will include installing the final two pumps for the pump station, increasing its ultimate capacity to 80 MGD, additional fine screening, and discharge piping to the Ohio River. The final component related to Outfall 003 is listed as Project #5 and includes the disinfection component.

II. PROJECT BUDGET

	<u>Total</u>
Legal Expenses	\$ 2,000
Planning	40,000
Engineering Fees - Design	260,000
Engineering Fees - Construction	50,000
Engineering Fees - Inspection	90,000
Engineering Fees - Other	28,000
Construction	4,090,000
Contingency	610,000
Total	\$ 5,170,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 5,170,000	100%
Total	\$ 5,170,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 5,170,000
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 5,170,000
Interest Rate	0.50%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 271,963
Administrative Fee (0.20%)	10,340
Total Estimated Annual Debt Service	\$ 282,303

V. PROJECT SCHEDULE

Bid Opening	June 2020
Construction Start	August 2020
Construction Stop	October 2021

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

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

B) Rates

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

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

VII. DEMOGRAPHICS

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

Year	Population		County	% Change	County Unemployment	
	City	% Change			Date	Rate
1980	29,315		61,310		June 2005	6.3%
1990	27,256	-7.0%	62,879	2.6%	June 2010	9.0%
2000	26,307	-3.5%	65,514	4.2%	June 2015	5.8%
2010	25,024	-4.9%	65,565	0.1%	June 2019	5.4%
Current	25,046	0.1%	65,285	-0.4%		
Cumulative %		-14.6%		6.5%		

VIII. 2019 CAPITALIZATION GRANT EQUIVALENCIES

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

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2017 through June 30, 2019. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2017-2019 operating expenses and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, has been removed from 2018 and

2019 operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Revenues have increased 15.6% from \$7.9 million in 2017 to \$9.1 million in 2019 mostly due to rate increases. Expenses have declined 1% from \$4.56 million in 2017 to \$4.51 million in 2019. Debt coverage was 2.2 in 2017, 3.0 in 2018, and 2.9 in 2019. Cash flow before debt service averaged \$4.3 million for the observed time period.

The balance sheet reflects a current ratio of 4.3, a debt to equity ratio of 0.6, 49.8 days sales in accounts receivable, and 18.3 months operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will remain flat throughout the forecast. The JSA Board has the ability to raise rates according to the CPI-U but does not do so automatically therefore this assumption was not made in the forecast.
- 2) Expenses will increase 2% based on inflation.
- 3) Debt service coverage is 1.4 in 2023 when full principal and interest repayments begin.

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

REPLACEMENT RESERVE

The Agency currently has designated reserves of \$3,000,000. The reserves are specifically for high dollar capital equipment purchases, for emergencies, or for rate stabilization in the event of a loss of a substantial revenue stream. No additional reserves will be required.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Sewer Revenue Bonds (Series 2012)	\$ 3,938,500	2051
Sewer Revenue Bonds (Series 2014)	3,290,000	2031
KIA Loan A03-01	335,514	2023
KIA Loan A03-08	458,456	2026
KIA Loan A04-03	291,789	2025
KIA Loan A08-01	839,989	2029
KIA Loan A09-02	4,524,331	2033
KIA Loan A12-08	6,119,644	2035
KIA Loan A16-072	2,142,109	2038

	Outstanding	Maturity
KIA Loan A19-044 i/a/o \$2,314,500		TBD
KIA Loan A19-039 i/a/o \$5,193,000		TBD
Total	\$ 26,378,288	

XI. CONTACTS

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

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

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

XII. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard.

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

	<u>Audited</u> <u>2017</u>	<u>Audited</u> <u>2018</u>	<u>Audited</u> <u>2019</u>	<u>Projected</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Projected</u> <u>2024</u>
Balance Sheet								
Assets								
Current Assets	13,850,539	12,978,262	12,537,198	12,879,403	13,113,348	13,275,456	13,407,371	13,539,934
Other Assets	68,436,117	72,089,951	78,728,088	79,691,631	91,100,228	92,109,884	90,262,809	88,421,567
Total	<u>82,286,656</u>	<u>85,068,213</u>	<u>91,265,286</u>	<u>92,571,034</u>	<u>104,213,576</u>	<u>105,385,340</u>	<u>103,670,180</u>	<u>101,961,501</u>
Liabilities & Equity								
Current Liabilities	2,561,594	1,831,780	2,913,199	2,160,947	2,477,095	3,467,131	3,558,833	3,382,683
Long Term Liabilities	24,573,136	26,720,572	30,310,920	27,518,349	37,939,961	37,757,586	34,907,908	32,243,980
Total Liabilities	<u>27,134,730</u>	<u>28,552,352</u>	<u>33,224,119</u>	<u>29,679,296</u>	<u>40,417,056</u>	<u>41,224,716</u>	<u>38,466,741</u>	<u>35,626,663</u>
Net Assets	<u>55,151,926</u>	<u>56,515,861</u>	<u>58,041,167</u>	<u>62,891,738</u>	<u>63,796,520</u>	<u>64,160,624</u>	<u>65,203,439</u>	<u>66,334,838</u>
Cash Flow								
Revenues	7,948,802	9,142,934	9,192,706	9,367,367	9,367,367	9,367,367	9,367,367	9,367,367
Operating Expenses	4,569,420	4,454,330	4,519,970	4,610,369	4,702,576	4,796,628	4,892,561	4,990,412
Other Income	16,101	85,832	230,677	230,677	230,677	230,677	230,677	230,677
Cash Flow Before Debt Service	<u>3,395,483</u>	<u>4,774,436</u>	<u>4,903,413</u>	<u>4,987,675</u>	<u>4,895,468</u>	<u>4,801,416</u>	<u>4,705,483</u>	<u>4,607,632</u>
Debt Service								
Existing Debt Service	1,556,594	1,604,158	1,681,385	1,804,002	2,556,018	3,039,191	3,104,030	2,999,698
Proposed KIA Loan	0	0	0	0	0	141,152	282,303	282,303
Total Debt Service	<u>1,556,594</u>	<u>1,604,158</u>	<u>1,681,385</u>	<u>1,804,002</u>	<u>2,556,018</u>	<u>3,180,343</u>	<u>3,386,333</u>	<u>3,282,001</u>
Cash Flow After Debt Service	<u>1,838,889</u>	<u>3,170,278</u>	<u>3,222,028</u>	<u>3,183,673</u>	<u>2,339,450</u>	<u>1,621,074</u>	<u>1,319,150</u>	<u>1,325,631</u>
Ratios								
Current Ratio	5.4	7.1	4.3	6.0	5.3	3.8	3.8	4.0
Debt to Equity	0.5	0.5	0.6	0.5	0.6	0.6	0.6	0.5
Days Sales in Accounts Receivable	49.3	51.7	49.8	49.8	49.8	49.8	49.8	49.8
Months Operating Expenses in Unrestricted Cash	17.2	13.1	18.3	18.7	19.0	19.0	18.9	18.9
Debt Coverage Ratio	2.2	3.0	2.9	2.8	1.9	1.5	1.4	1.4

EXECUTIVE SUMMARY		Reviewer	Meili Sun	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 5, 2020	
FUND B, INFRASTRUCTURE		KIA Loan Number	B20-001	
REVOLVING LOAN FUND		WRIS Number	WX21069039	
BORROWER		CITY OF FLEMINGSBURG FLEMING COUNTY		
BRIEF DESCRIPTION				
This project will replace approximately 1,650 linear feet of asbestos cement distribution mains along East Water Street with 6-inch PVC waterline, and 600 linear feet of cast iron distribution mains along East Main Street and Mills Avenue with 2-inch PVC waterline. The project will also replace and reconnect 32 customer meters .				
PROJECT FINANCING		PROJECT BUDGET		
Fund B Loan	\$77,405	Administrative Expenses	RD Fee %	Actual %
ARC	180,610	Eng - Design / Const	12.2%	11.4%
		Eng - Insp	10.4%	9.8%
		Construction		
		Contingency		
TOTAL	\$258,015	TOTAL		\$258,015
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$4,227
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Bluegrass Engineering, PLLC		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Jun-20		
	Construction Start	Aug-20		
	Construction Stop	Nov-20		
DEBT PER CUSTOMER	Existing	\$4,325		
	Proposed	\$3,979		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	1,872	\$37.46	(for 4,000 gallons)
	Additional	0	\$37.46	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2017	675,733	752,277	(76,544)	0.9
Audited 2018	716,905	499,377	217,528	1.4
Audited 2019	726,367	498,460	227,907	1.5
Projected 2020	745,728	467,285	278,443	1.6
Projected 2021	764,946	476,729	288,217	1.6
Projected 2022	785,089	479,456	305,633	1.6
Projected 2023	805,635	479,563	326,072	1.7
Projected 2024	826,592	480,162	346,430	1.7

Reviewer: Meili Sun
 Date: March 5, 2020
 Loan Number: B20-001

**KENTUCKY INFRASTRUCTURE AUTHORITY
 INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)
 ENTITY, FLEMING COUNTY
 PROJECT REVIEW
 WX21069039**

I. PROJECT DESCRIPTION

The City of Flemingsburg (“City”) is requesting a Fund B loan in the amount of \$77,405 for the E Water St, E Main St, and Mills Ave Waterline Replacement project. This project involves replacement of approximately 1,650 linear feet of asbestos cement distribution mains along East Water Street with 6-inch PVC waterline, and 600 linear feet of cast iron distribution mains along East Main Street and Mills Avenue with 2-inch PVC waterline. The project will also replace and reconnect 32 customer meters.

The City purchases over 80% of its water supply from the Greater Fleming Regional Water Commission and the City of Maysville to serve approximately 1,900 existing customers.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 12,500
Engineering Fees – Design	16,150
Engineering Fees – Construction	6,900
Engineering Fees – Inspection	19,900
Construction	184,150
Contingency	18,415
Total	\$ 258,015

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
KIA Fund B Loan	\$ 77,405	30%
ARC Grant	180,610	70%
Total	\$ 258,015	100%

IV. KIA DEBT SERVICE

Construction Loan	\$	77,405
Principal Forgiveness		0
Amortized Loan Amount	\$	77,405
Interest Rate		0.50%
Loan Term (Year)		20
Estimated Annual Debt Service	\$	4,072
Administrative Fee (0.20%)		200
Total Estimated Annual Debt Service	\$	4,472

V. PROJECT SCHEDULE

Bid Opening	June 2020
Construction Start	August 2020
Construction Stop	November 2020

VI. RATE STRUCTURE

A. Customers

Customers	Current
Residential	1,626
Commercial	240
Industrial	2
Total	1,872

B. Rates

Date of Last Rate Increase	Water Inside City		Water Outside City	
	Current	Prior	Current	Prior
First 2,000 Gallons	\$19.32	\$18.96	\$24.87	\$24.41
Next 3,000 Gallons	9.07	8.90	12.16	11.93
Cost for 4,000 gallons	\$37.46	\$36.76	\$49.19	\$48.27
Increase %	1.9%		1.9%	
Affordability Index (Rate/MHI)	1.3%	1.3%	1.8%	1.7%

	Sewer Inside City		Sewer Outside City	
	Current	Prior	Current	Prior
Date of Last Rate Increase	04/01/19	04/01/18	04/01/19	04/01/18
First 2,000 Gallons	\$23.25	\$22.82	\$25.82	\$25.34
Next 2,000 Gallons	9.00	8.83	10.12	9.93
Cost for 4,000 gallons	\$41.25	\$40.48	\$46.06	\$45.20
Increase %	1.9%		1.9%	
Affordability Index (Rate/MHI)	1.5%	1.5%	1.7%	1.6%

The City has adopted a CPI clause since 2003 to automatically adjust rates each year based on the Consumer Price Index.

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility's service area population was 3,014 with a Median Household Income (MHI) of \$33,304. The median household income for the Commonwealth is \$46,535. The project will qualify for a 0.50% interest rate with its Median Household Income below 80% of the State median.

Year	Population		County	% Change	County Unemployment	
	City	% Change			Date	Rate
1980	2,835		12,323		June 2005	6.2%
1990	3,071	8.3%	12,292	-0.3%	June 2010	11.2%
2000	3,010	-2.0%	13,792	12.2%	June 2015	6.5%
2010	2,658	-11.7%	14,348	4.0%	June 2019	6.0%
Current	2,869	7.9%	14,515	1.2%		
Cumulative %		1.2%		17.8%		

VIII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2017 through June 30, 2019. The non-cash impacts of GASB 68 - Accounting and Financial Reporting for Pensions and GASB 75 - Other Postemployment Benefit had been removed from operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented. The City of Flemingsburg's Proprietary Fund is comprised of water, sewer, and gas operations, the financial statements are consolidated in this analysis.

HISTORY

Total combined revenues (water, sewer, gas) increased 7.8% from \$2.55 million in 2017 to \$2.75 million in 2019 due to annual CPI rate increases and higher volume of gas services. Operating expenses went up 9.2% from \$1.88 million to \$2.05 million during the same period attributable to higher gas purchase costs to meet the demand. Gas operation contributed an average of \$240,000 cash flow per year to the proprietary fund during the 3 years. The debt coverage ratio was 0.9, 1.6, and 1.5 for 2017, 2018, and 2019 respectively.

The consolidated Balance sheet reflects a current ratio of 4.4, a debt to equity ratio of 0.8, 34.5 days of sales in accounts receivable, and 14.2 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will go up approximately 2% annually due to rate adjustments based on the Consumer Price Index.
- 2) Operating expenses will increase each year by 2% for inflation.
- 3) The City will receive a grant in the amount of \$180,610 from ARC to co-fund the project.
- 4) Debt coverage ratio is 1.6 in 2021 when full year principal and interest repayments are expected to begin.

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

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$4,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$200 yearly) each December 1 for 20 years and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	Outstanding	Maturity
General Obligation Bonds	\$ 1,867,050	2054
KIA Loan A11-01	6,097,176	2035
KIA Loan A12-19	131,337	2035
KIA Loan B18-005 i.a.o. \$132,046		TBD
Total	\$ 8,095,563	

X. CONTACTS

Legal Applicant	
Name	City of Flemingsburg
Address	140 W Electric Ave, PO Box 406 Flemingsburg, KY 41056
County	Fleming
Authorized Official	Robert Money
Phone	(606)845-5951
Email	mayor@flemingsburgky.org

Project Contact - Applicant	
Name	Cindy Ring
Organization	Buffalo Trace Area Development District
Address	PO Box 460 Maysville, KY 41056
Phone	(606) 564-6894
Email	cring@btadd.com

Project Administrator	
Name	Kristie Dodge
Organization	Buffalo Trace Area Development District
Address	PO Box 460 Maysville, KY 41056
Phone	(606) 564-6894
Email	kdodge@btadd.com

Consulting Engineer	
Name	Matthew Curtis
Firm	Bluegrass Engineering, PLLC
Address	PO Box 1657, 222 E Main St, Suite 1 Georgetown, KY 40324
Phone	(502) 370-6551
Email	mcurtis@bluegrassengineering.net

XI. RECOMMENDATIONS

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

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

	<u>Audited 2017</u>	<u>Audited 2018</u>	<u>Audited 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>	<u>Projected 2023</u>	<u>Projected 2024</u>
Balance Sheet								
Assets								
Current Assets	2,760,638	2,602,431	2,771,941	2,804,900	2,838,922	2,874,785	2,912,793	2,952,936
Other Assets	20,892,494	20,818,571	20,304,750	19,990,692	20,093,029	20,052,235	19,771,821	19,510,831
Total	23,653,132	23,421,002	23,076,691	22,795,592	22,931,951	22,927,020	22,684,614	22,463,766
Liabilities & Equity								
Current Liabilities	695,567	621,393	631,278	637,536	654,842	661,213	668,218	673,259
Long Term Liabilities	9,324,624	9,578,560	9,336,825	8,945,816	8,671,847	8,339,167	7,924,476	7,507,145
Total Liabilities	10,020,191	10,199,953	9,968,103	9,583,352	9,326,689	9,000,379	8,592,694	8,180,403
Net Assets	13,632,941	13,221,049	13,108,588	13,212,240	13,605,262	13,926,641	14,091,920	14,283,363
Cash Flow								
Revenues	2,548,744	2,745,816	2,750,077	2,804,126	2,859,256	2,915,488	2,972,845	3,031,349
Operating Expenses	1,878,455	2,036,078	2,051,897	2,086,585	2,122,497	2,158,586	2,195,397	2,232,944
Other Income	5,444	7,167	28,187	28,187	28,187	28,187	28,187	28,187
Cash Flow Before Debt Service	675,733	716,905	726,367	745,728	764,946	785,089	805,635	826,592
Debt Service								
Existing Debt Service	752,277	499,377	498,460	467,285	474,615	475,229	475,336	475,935
Proposed KIA Loan	0	0	0	0	2,114	4,227	4,227	4,227
Total Debt Service	752,277	499,377	498,460	467,285	476,729	479,456	479,563	480,162
Cash Flow After Debt Service	(76,544)	217,528	227,907	278,443	288,217	305,633	326,072	346,430
Ratios								
Current Ratio	4.0	4.2	4.4	4.4	4.3	4.3	4.4	4.4
Debt to Equity	0.7	0.8	0.8	0.7	0.7	0.6	0.6	0.6
Days Sales in Accounts Receivable	32.2	35.6	34.5	34.5	34.5	34.5	34.5	34.5
Months Operating Expenses in Unrestricted Cash	16.2	13.8	14.2	14.2	14.1	14.0	14.0	13.9
Debt Coverage Ratio	0.9	1.4	1.5	1.6	1.6	1.6	1.7	1.7

EXECUTIVE SUMMARY		Reviewer	Meili Sun	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	March 5, 2020	
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F20-002	
REVOLVING LOAN FUND		WRIS Number	WX21155044	
BORROWER		CITY OF LEBANON F/B/O LEBANON WATER WORKS COMPANY INC MARION COUNTY		
BRIEF DESCRIPTION				
The proposed project will improve water quality by removing aging cast iron and potential lead service connections, reducing water loss from leaking lines and improving flow conditions. The elimination of potential lead connections will also help ensure that safe portable water is available to all sections of the City.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$5,238,230	RD Fee %	Actual %	
		Administrative Expenses		\$12,500
		Legal Expenses		6,150
		Planning		45,000
		Eng - Design / Const	6.8%	6.2%
		Eng - Insp	3.6%	3.3%
		Eng - Other		15,000
		Construction		4,281,750
		Contingency		428,200
TOTAL	\$5,238,230	TOTAL		\$5,238,230
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$151,375
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Kentucky Engineering Group PLLC		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Jul-20		
	Construction Start	Nov-20		
	Construction Stop	Mar-22		
DEBT PER CUSTOMER	Existing	\$2,463		
	Proposed	\$4,775		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	2,626	\$26.19	(for 4,000 gallons)
	Additional	0	\$26.19	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2017	923,114	423,100	500,014	2.2
Audited 2018	614,268	449,894	164,374	1.4
Audited 2019	739,495	541,297	198,198	1.4
Projected 2020	781,819	569,248	212,571	1.4
Projected 2021	777,105	624,381	152,724	1.2
Projected 2022	1,203,866	624,379	579,487	1.9
Projected 2023	1,034,142	775,755	258,387	1.3
Projected 2024	845,590	775,756	69,834	1.1

Reviewer: Meili Sun
Date: March 5, 2020
Loan Number: F20-002

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
CITY OF LEBANON F/B/O LEBANON WATER WORKS COMPANY INC
MARION COUNTY
PROJECT REVIEW
WX21155044**

I. PROJECT DESCRIPTION

The City of Lebanon (“City”) is requesting a Fund F loan in the amount of \$5,238,230 for the Water Main Replacement project. This project will replace old water mains located along Old Calvary Road and other main feed lines through downtown and central supply areas. The scope of work involves 80,000 linear feet of old cast iron lines, galvanized water mains of various sizes, and adjacent old service lines. Many of the older service lines may still have lead gooseneck connections that will be removed. The purpose of this project is to improve water quality and increase flow in areas where pipes are prone to frequent breaks and leaks. The removal of potential lead connections will also ensure safe water distribution to the customers.

The City produces 86% of its water supply and purchases the remainder from the City of Campbellsville (“Campbellsville”) to serve approximately 2,600 retail customers and supplies wholesale water to the Marion County Water District (MCWD) which is a PSC regulated utility.

PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 12,500
Legal Expenses	6,150
Planning	45,000
Engineering Fees – Design	205,541
Engineering Fees – Construction	88,089
Engineering Fees – Inspection	156,000
Engineering Fees – Other	15,000
Construction	4,281,750
Contingency	428,200
Total	\$ 5,238,230

II. PROJECT FUNDING

	Amount	%
KIA Fund F Loan	\$ 5,238,230	100%

III. KIA DEBT SERVICE

Construction Loan	\$ 5,238,230
Principal Forgiveness	1,300,000
Amortized Loan Amount	\$ 3,938,230
Interest Rate	0.50%
Loan Term (Year)	30
Estimated Annual Debt Service	\$ 141,530
Administrative Fee (0.25%)	9,846
Total Estimated Annual Debt Service	\$ 151,375

IV. PROJECT SCHEDULE

Bid Opening	July 2020
Construction Start	November 2020
Construction Stop	March 2022

V. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Residential	2,538
Commercial	47
Industrial	41
Total	2,626

B) Rates

	Inside City Water		Outside City Water	
	Current	Prior	Current	Prior
Date of Last Rate Increase	07/08/19	11/15/17	07/08/19	11/15/17
Meter Charge	\$7.35	\$7.35	\$8.09	\$8.09
Per 100 Cubic Feet	3.50	3.35	3.85	3.69
Cost for 4,000 gallons	\$26.19	\$25.38	\$28.82	\$27.96
Increase %	3.2%		3.1%	
Affordability Index (Rate/MHI)	1.0%	1.0%	1.2%	1.1%

	Wholesale Water to MCWD		
	Proposed	Current	Prior
Date of Last Rate Increase	09/15/20	11/15/19	04/16/18
Rate Case Expense Surcharge*	\$2,000.00	\$2,000.00	\$2,000.00
Meter Charge	7.84	7.84	7.84
Per 100 Cubic Feet	3.25	3.07	2.90
Cost for 4,000 gallons	\$25.22	\$24.26	\$23.45
Increase %	4.0%	3.4%	

* Marion County Water District was ordered by the PSC to pay the City a \$2,000 monthly surcharge from July 2018 to June 2020 to reimburse the legal fees incurred by the City for the 2017 rate case.

VI. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility's service area population was 6,144 with a Median Household Income (MHI) of \$30,025. The median household income for the Commonwealth is \$46,535. The project will qualify for a 0.5% interest rate and \$1,300,000 in principal forgiveness.

Year	Population		County		County Unemployment	
	City	% Change	County	% Change	Date	Rate
1980	6,590		17,910		June 2005	6.2%
1990	5,695	-13.6%	16,499	-7.9%	June 2010	11.9%
2000	5,718	0.4%	18,212	10.4%	June 2015	5.2%
2010	5,539	-3.1%	19,820	8.8%	June 2019	4.4%
Current	5,584	0.8%	19,335	-2.4%		
Cumulative %		-15.3%		8.0%		

VII. 2019 CAPITALIZATION GRANT EQUIVALENCIES

Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 50% of the assistance amount, not to exceed \$1,300,000 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.

VIII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2017 through June 30, 2019. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Revenues increased 19.1% from \$2.71 million in 2017 to \$3.23 million in 2019 due to volume and rate increases. Operating expenses increased 42.2% from \$1.79 million to \$2.55 million during the same period. The water purchase costs went up from \$0 in 2017 to \$390,000 in 2019 after the City began to purchase water from Campbellsville in 2018. The Maintenance and Repairs costs were also higher in 2019 due to clear well cleaning, purchase of safety equipment, and repairs or replacements of aged meters. The debt coverage ratio was 2.2, 1.4, and 1.4 in 2017, 2018, and 2019 respectively.

The balance sheet reflects a current ratio of 0.8, a debt to equity ratio of 1.2, 47.5 days of sales in accounts receivable, and 1.4 months operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Total revenues will go up approximately 5% by 2021 due to previously approved retail and wholesale rate increases.
- 2) A new industrial customer, Diageo Distillery, will initiate operations in FY 2021 and contribute at least \$700,000 additional revenues each year to the City.
- 3) Water purchase costs will increase 4% by 2023 to meet the quantity requirement of the Campbellsville service agreement.
- 4) Water treatment costs will increase 3% in 2021 for the additional volume used by Diageo Distillery.
- 5) Operating expenses other than water purchase and treatment costs will increase 2% annually for inflation.
- 6) Debt service coverage is 1.3 in 2023 when full year principal and interest repayments are expected to 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% (\$262,000 total) of the final amount borrowed prior to principal forgiveness to be funded annually (\$13,100 yearly) each December 1 for 20 years and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan B08-09	\$ 350,263	2030
KIA Loan F15-057	635,784	2036
KIA Loan F14-036	2,048,266	TBD
KIA Loan F18-006 i.a.o. \$4,497,137	623,727	TBD
CNB Note, 2012	2,758,144	2030
CNB Note, 2013	51,546	2020
	<u>\$ 6,467,730</u>	

X. CONTACTS

Legal Applicant	
Name	City of Lebanon
Address	PO Box 840 Lebanon, KY 40033
County	Marion
Authorized Official	Gary D. Crenshaw, Mayor
Phone	(270) 692-6272
Email	gdcrenshaw@windstream.net

Project Contact - Applicant	
Name	Daren Thompson
Organization	Lebanon Water Works Company
Address	120 S Proctor Knott Ave Lebanon, KY 40033
Phone	(270) 692-2491
Email	daren.thompson@lebanonwaterworks.com

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

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

XI. RECOMMENDATIONS

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

CITY OF LEBANON F/B/O LEBANON WATER WORKS COMPANY INC
FINANCIAL SUMMARY (JUNE YEAR END)

	<u>Audited</u> <u>2017</u>	<u>Audited</u> <u>2018</u>	<u>Audited</u> <u>2019</u>	<u>Projected</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Projected</u> <u>2024</u>
Balance Sheet								
Assets								
Current Assets	1,315,012	1,106,450	852,765	912,155	963,900	1,157,898	1,209,575	1,223,542
Other Assets	14,134,160	14,371,184	16,137,911	15,496,240	19,216,676	23,901,761	23,091,734	22,131,570
Total	15,449,172	15,477,634	16,990,676	16,408,395	20,180,576	25,059,658	24,301,309	23,355,112
Liabilities & Equity								
Current Liabilities	625,652	797,732	1,122,160	1,092,273	1,210,258	1,364,332	1,387,637	1,417,180
Long Term Liabilities	6,918,807	7,569,849	8,303,231	7,897,883	10,884,587	14,171,510	13,510,298	12,833,244
Total Liabilities	7,544,459	8,367,581	9,425,391	8,990,156	12,094,845	15,535,842	14,897,935	14,250,423
Net Assets	7,904,713	7,110,053	7,565,285	7,418,239	8,085,731	9,523,816	9,403,374	9,104,688
Cash Flow								
Revenues	2,708,423	3,039,614	3,227,184	3,356,708	3,519,401	4,118,771	4,118,771	4,118,771
Operating Expenses	1,794,032	2,444,908	2,551,826	2,614,226	2,781,633	2,954,242	3,123,966	3,312,518
Other Income	8,723	19,562	64,137	39,337	39,337	39,337	39,337	39,337
Cash Flow Before Debt Service	923,114	614,268	739,495	781,819	777,105	1,203,866	1,034,142	845,590
Debt Service								
Existing Debt Service	423,100	449,894	541,297	569,248	624,381	624,379	624,380	624,381
Proposed KIA Loan	0	0	0	0	0	0	151,375	151,375
Total Debt Service	423,100	449,894	541,297	569,248	624,381	624,379	775,755	775,756
Cash Flow After Debt Service	500,014	164,374	198,198	212,571	152,724	579,487	258,387	69,834
Ratios								
Current Ratio	2.1	1.4	0.8	0.8	0.8	0.8	0.9	0.9
Debt to Equity	1.0	1.2	1.2	1.2	1.5	1.6	1.6	1.6
Days Sales in Accounts Receivable	48.1	57.7	47.5	47.5	47.5	47.5	47.5	47.5
Months Operating Expenses in Unrestricted Cash	4.8	1.9	1.4	1.6	1.6	2.0	2.1	2.0
Debt Coverage Ratio	2.2	1.4	1.4	1.4	1.2	1.9	1.3	1.1

KEDFA BOND INFORMATION FORM

Name of Issue:

Kentucky Economic Development Finance Authority Healthcare Facilities Revenue Bonds, Series 2020A and Taxable Series 2020B (Christian Care Communities, Inc. Obligated Group) (the "Bonds"). The 2020A Bonds will be federally tax-exempt and issued in an aggregate principal amount not expected to exceed \$55,000,000. The 2020B Bonds will be federally taxable and issued in an aggregate principal amount not expected to exceed \$7,000,000.

**Name of project(s)
covered by Issue:**

The following locations of the Christian Care Communities, Inc. Obligated Group:

- Christian Care Communities, Inc./Christian Health Center (Louisville)
- The Broadhurst Group, Inc./Corporate Offices for all facilities (Louisville)
- Christian Care Communities, Inc./Christian Health Center (Bowling Green)
- Christian Care Communities, Inc./Village Manor (Bowling Green)
- Christian Care Assisted Living – Bowling Green, Inc. (Bowling Green)
- Christian Care Communities, Inc./Christian Health Center (Corbin)
- Christian Care Communities, Inc./Village at Corbin (Corbin)
- Christian Care Communities, Inc./Christian Health Center (Hopkinsville)
- Christian Care Communities, Inc./Chambers Court (Hopkinsville)
- Christian Care Communities, Inc./Cornell Memory Center (Hopkinsville)
- Christian Care Communities, Inc./Cox Mill Court (Hopkinsville)
- Christian Care Communities, Inc./Village Manor (Hopkinsville)
- Christian Care Communities, Inc./Friendship House of Hopkinsville (Hopkinsville)
- Christian Care Communities,

- Inc./Central Adult Day Center
(Lexington)
- Christian Care Communities,
Inc./Maplebrook Village (Owensboro)
- Christian Care Communities,
Inc./Garden Grace (Owensboro)
- Christian Care Services,
Inc./Bridgepointe at Ashgrove Woods
(Nicholasville)

Purpose of Issue:

The purpose of the Bonds is to (i) refinance the 2016 Bonds issued by KEDFA for the benefit of the Obligated Group and certain other taxable indebtedness (bank loans) of the members of the Obligated Group (collectively, the "Prior Debt"), the proceeds of which Prior Debt were used to finance and refinance health care and health related facilities, including long-term care facilities and housing for the aged or infirm, located in the Commonwealth and owned and/or operated by the members of the Obligated Group (collectively, the "Prior Project"), (ii) finance and refinance the costs of the acquisition, construction and equipping of health care and health related facilities, including long-term care facilities and housing for the aged or infirm, located in the Commonwealth and owned and/or operated by the members of the Obligated Group (collectively, the "New Project" and, together with the Prior Project, the "Project"), (iii) fund capitalized interest on all or a portion of the Bonds, (iv) fund a debt service reserve for the Bonds and (v) pay costs of issuance of the Bonds. The "Obligated Group" will include Christian Care Communities, Inc. ("CCC") and the following affiliates: The Broadhurst Group, Inc., Christian Care Services, Inc., Christian Care Properties, Inc., Christian Care Communities Foundation, Inc. and Christian Care Assisted Living – Bowling Green, Inc. The members of the Obligated Group will be jointly and severally liable for certain indebtedness incurred by one or more members of the Obligated Group.

Size:

Not to exceed \$62,000,000

Proposed date of Sale:

May 13, 2020*

Proposed date of Issue:

May 27, 2020*

Maturity:

January 1, 2055

* Preliminary, subject to change

Ratings: Unrated

Security: Joint and several obligation of members of Obligated Group pursuant to a master trust indenture; gross revenues pledge of members of Obligated Group; mortgage on key operating facilities.

Date authorizations(s): February 27, 2020 (Inducement); and March 26, 2020 (anticipated)(Final)

Net Proceeds for Financing/Refinancing:	\$51,370,591*
Plus: Issuance Cost	\$1,282,545*
Plus: Debt Service Reserve Fund	\$3,524,700*
Plus: Capitalized Interest	\$0*

GROSS PROCEEDS (Series 2020AB): \$56,177,836*

Terms of issue: 35 Years* **Net interest rate:** 4.70%

Length of term: Final maturity 35 years

Gross debt service amount: \$113,850,800

Average annual debt service: \$3,292,071

First call date: TBD depending on structure and market conditions **Premium at first call:** TBD

Method of sale: Negotiated

Purchasers: Institutional and Accredited Investors

Professional Services

Pursuant to the provisions of KRS Chapter 47, the

Agency:
Issue:

is providing information on all costs associated, either directly or indirectly, with the issuance of revenue bonds or notes.

All information is estimated and subject to change

<u>Payee Name/Address*</u>	<u>Participation</u>	Fees, commissions, or any other economic benefits received or anticipated to be received
Kentucky Economic Development Finance Authority Old Capitol Annex 300 West Broadway Frankfort, KY 40601	Issuance Fee	Up to \$10,000
Cain Brothers	Underwriter's Discount	650,000
Ice Miller LLP	Bond Counsel Fee and Expenses	140,000
Seiller Waterman LLC	Borrower Counsel Fee and Expenses	75,000
Harris Beach PLLC	Underwriter's Counsel Fee and Expenses	75,000
Dixon Hughes Goodman LLP	Feasibility Study Consultant	95,000
Stites & Harbison, PLLC	Issuer's Counsel Fee and Expenses	15,000
Trustee TBD		

* Payees listed shall include issuers, underwriters, placement agents and advisors, financial advisors, remarketing agents, credit enhancers, trustees, accountants, and the counsel of all such persons, bond counsel, special tax counsel, and any other persons receiving financing benefit from the issuance of revenue bonds or notes.

All costs of issuance paid from Bond proceeds.

Note: Changes or additions in amounts or names of payees or recipients shall be furnished to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue, and shall be made available to the public, within three (3) days following such change or addition.

SOURCES AND USES (see attachment)

Sources:	Bond Proceeds	\$52,585,000
	Premium	<u>3,592,836</u>
	Total Sources	\$56,177,836
Debt Service:	(See Attachment)	
Uses:	Refunding Series 2016 Bonds	\$32,458,588
	Refinancing taxable loans	5,119,491
	Swap termination fee	488,000
	Acquisition of Ashgrove Woods Facility	13,300,000*
	Debt Service Reserve Fund	3,524,700
	Legal, Accounting, Printing, UW's Discount and Incidental Expenses	<u>1,287,057</u>
	Total Uses	\$56,177,836

FOR REFUNDING ONLY

**Bond issue being
refinanced:**

Kentucky Economic Development Finance Healthcare Facilities Revenue Bonds, Series 2016A and Series 2016B (Christian Care Communities, Inc. Obligated Group)

Amount of principal: \$37,578,080 **Amount to be refunded:** \$37,578,080

**Terms of existing
bond issue:**

Existing bonds are held by two commercial banks in a "bank direct purchase" transaction.

Net interest rate: Variable interest rate based on monthly reset of 1 Month LIBOR rate **Length of term:** Final maturity 12/01/2045

First call date: Currently callable **Call at par** Currently callable at par

**Average annual
debt service** \$2,831,253

REFUNDING ACTIVITY

Funds to apply to refunding:	\$37,578,080*
Proceeds from New Bonds	\$37,578,080*
Released Debt Service Reserve	-0-
Total Available to Pay Old Bond Issue	\$37,578,080*

SAVINGS RESULTING FROM REFINANCING

-The refinancing is not expected to generate debt service savings over the remaining term the existing bonds will be held by the current bank purchasers. The refinancing is intended to take advantage of historically low fixed rates, eliminate burdensome bank covenants and eliminate “renewal risk” given short-term commitment period of banks.

Average annual debt service savings: N/A

Number of years savings will accrue: N/A

Total present value savings: N/A

* Preliminary, subject to change

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

PROFESSIONAL SERVICES:

Firm	Service	Series A Fee (\$)
KEDFA	Issuance Fee	Up to \$10,000
Cain Brothers	Underwriter's Discount	650,000.00
Ice Miller LLP	Bond Counsel	140,000.00
Seiller Waterman LLC	Borrower Counsel	75,000.00
Harris Beach PLLC	Underwriter's Counsel	75,000.00
Dixon Hughes Goodman LLP	Feasibility Study Consultant	95,000.00
Stites & Harbison, PLLC	Issuer's Counsel	15,000.00
Misc./Contingency		<u>42,545.00</u>
TOTAL		<u>442,545.00</u>

NET DEBT SERVICE

Christian Care Communities, Inc. Obligated Group
Proposed Series 2020 Plan of Finance
All Public Fixed Rate Deal with \$13.3MM Ashgrove Woods Purchase
No Ashgrove Woods Equity Contribution
Net Level Debt Service, Taxable Debt Amortizes First
Extended 35 Year Final Maturity
DSRF Gross Funded at 30Y Treasury (1.99% as of 1/31/20)
Indicative Pricing Scale as of 2/5/2020
Sizing as of 2/5/20

Period Ending	Principal	Coupon	Interest	Total Debt Service	Debt Service Reserve Fund	Net Debt Service
12/31/2020			223,800	223,800	5,845.12	217,954.88
12/31/2021	480,000	6.000%	2,671,200	3,151,200	70,141.54	3,081,058.46
12/31/2022	510,000	6.000%	2,641,500	3,151,500	70,141.54	3,081,358.46
12/31/2023	545,000	6.000%	2,609,850	3,154,850	70,141.54	3,084,708.46
12/31/2024	575,000	6.000%	2,576,250	3,151,250	70,141.54	3,081,108.46
12/31/2025	610,000	6.000%	2,540,700	3,150,700	70,141.54	3,080,558.46
12/31/2026	650,000	6.000%	2,502,900	3,152,900	70,141.54	3,082,758.46
12/31/2027	690,000	6.000%	2,462,700	3,152,700	70,141.54	3,082,558.46
12/31/2028	735,000	6.000%	2,419,950	3,154,950	70,141.54	3,084,808.46
12/31/2029	1,160,000	** %	2,364,700	3,524,700	444,089.64	3,080,610.36
12/31/2030	835,000	5.000%	2,310,625	3,145,625	62,625.18	3,082,999.82
12/31/2031	875,000	5.000%	2,267,875	3,142,875	62,625.18	3,080,249.82
12/31/2032	920,000	5.000%	2,223,000	3,143,000	62,625.18	3,080,374.82
12/31/2033	970,000	5.000%	2,175,750	3,145,750	62,625.18	3,083,124.82
12/31/2034	1,020,000	5.000%	2,126,000	3,146,000	62,625.18	3,083,374.82
12/31/2035	1,070,000	5.000%	2,073,750	3,143,750	62,625.18	3,081,124.82
12/31/2036	1,125,000	5.000%	2,018,875	3,143,875	62,625.18	3,081,249.82
12/31/2037	1,185,000	5.000%	1,961,125	3,146,125	62,625.18	3,083,499.82
12/31/2038	1,245,000	5.000%	1,900,375	3,145,375	62,625.18	3,082,749.82
12/31/2039	1,310,000	5.000%	1,836,500	3,146,500	62,625.18	3,083,874.82
12/31/2040	1,375,000	5.000%	1,769,375	3,144,375	62,625.18	3,081,749.82
12/31/2041	1,445,000	5.000%	1,698,875	3,143,875	62,625.18	3,081,249.82
12/31/2042	1,520,000	5.000%	1,624,750	3,144,750	62,625.18	3,082,124.82
12/31/2043	1,600,000	5.000%	1,546,750	3,146,750	62,625.18	3,084,124.82
12/31/2044	1,680,000	5.000%	1,464,750	3,144,750	62,625.18	3,082,124.82
12/31/2045	1,765,000	5.000%	1,378,625	3,143,625	62,625.18	3,080,999.82
12/31/2046	1,855,000	5.000%	1,288,125	3,143,125	62,625.18	3,080,499.82
12/31/2047	1,950,000	5.000%	1,193,000	3,143,000	62,625.18	3,080,374.82
12/31/2048	2,050,000	5.000%	1,093,000	3,143,000	62,625.18	3,080,374.82
12/31/2049	2,160,000	5.000%	987,750	3,147,750	62,625.18	3,085,124.82
12/31/2050	2,270,000	5.000%	877,000	3,147,000	62,625.18	3,084,374.82
12/31/2051	2,385,000	5.000%	760,625	3,145,625	62,625.18	3,082,999.82
12/31/2052	2,505,000	5.000%	638,375	3,143,375	62,625.18	3,080,749.82
12/31/2053	2,635,000	5.000%	509,875	3,144,875	62,625.18	3,082,249.82
12/31/2054	2,770,000	5.000%	374,750	3,144,750	62,625.18	3,082,124.82
12/31/2055	6,110,000	5.000%	152,750	6,262,750	3,178,306.31	3,084,443.69
	52,585,000		61,265,800	113,850,800	5,755,002.89	108,095,797.11

Preliminary New Bond Issue Report

Issue: State Property & Buildings Commission Revenue Bonds, Project No. 123 Federally Taxable Series A in an estimated principal amount not to exceed \$35,000,000.

Purpose of Issue: To 1.) provide permanent financing for a \$35 million General Fund supported capital project authorized by the General Assembly of the Commonwealth of Kentucky in H.B. 99 (2020 Session); and 2.) pay associated costs of issuance.

Proposed Date of Sale: April 20, 2020
Proposed Date of Delivery: May 4, 2020

Ratings:

Moody's	TBD
Fitch	TBD

Sources:

Par amount of bonds:	\$35,410,000
Total Sources:	<u>\$35,410,000</u>

Uses:

Project Fund Deposit:	\$35,000,000
Cost of Issuance:	252,532
Underwriter Discount:	157,468
Total Uses:	<u>\$35,410,000</u>

All-in True Interest Cost:	3.943%
Final Maturity Date:	11/1/2040
Average Annual Debt Service:	\$2,510,550.53
Total Debt Service:	\$51,445,364.68
Average Life (years):	11.760

Method of Sale:	Negotiated
Bond Counsel:	Kutak Rock LLP
Underwriter:	Citigroup
Underwriters' Counsel:	Frost Brown Todd
Trustee:	TBA
Financial Advisor:	Office of Financial Management

Based off cashflows as of 3/27/2020
Preliminary Subject to Change

BOND DEBT SERVICE

Kentucky State Property and Buildings Commission
Revenue Bonds, Project No. 123 Federally Taxable Series A
Rates as of March 26, 2020
Preliminary, Subject to Change

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/30/2020	1,210,000	2.750%	623,693.18	1,833,693.18	
06/30/2021			617,626.75	617,626.75	2,451,319.93
12/30/2021	1,230,000	2.800%	617,626.75	1,847,626.75	
06/30/2022			600,406.75	600,406.75	2,448,033.50
12/30/2022	1,270,000	2.850%	600,406.75	1,870,406.75	
06/30/2023			582,309.25	582,309.25	2,452,716.00
12/30/2023	1,305,000	2.860%	582,309.25	1,887,309.25	
06/30/2024			563,647.75	563,647.75	2,450,957.00
12/30/2024	1,340,000	2.910%	563,647.75	1,903,647.75	
06/30/2025			544,150.75	544,150.75	2,447,798.50
12/30/2025	1,380,000	2.960%	544,150.75	1,924,150.75	
06/30/2026			523,726.75	523,726.75	2,447,877.50
12/30/2026	1,425,000	3.070%	523,726.75	1,948,726.75	
06/30/2027			501,853.00	501,853.00	2,450,579.75
12/30/2027	1,470,000	3.170%	501,853.00	1,971,853.00	
06/30/2028			478,553.50	478,553.50	2,450,406.50
12/30/2028	1,520,000	3.230%	478,553.50	1,998,553.50	
06/30/2029			454,005.50	454,005.50	2,452,559.00
12/30/2029	1,570,000	3.280%	454,005.50	2,024,005.50	
06/30/2030			428,257.50	428,257.50	2,452,263.00
12/30/2030	1,620,000	3.330%	428,257.50	2,048,257.50	
06/30/2031			401,284.50	401,284.50	2,449,542.00
12/30/2031	1,675,000	3.480%	401,284.50	2,076,284.50	
06/30/2032			372,139.50	372,139.50	2,448,424.00
12/30/2032	1,735,000	3.630%	372,139.50	2,107,139.50	
06/30/2033			340,649.25	340,649.25	2,447,788.75
12/30/2033	1,800,000	3.730%	340,649.25	2,140,649.25	
06/30/2034			307,079.25	307,079.25	2,447,728.50
12/30/2034	1,870,000	3.830%	307,079.25	2,177,079.25	
06/30/2035			271,268.75	271,268.75	2,448,348.00
12/30/2035	1,945,000	3.930%	271,268.75	2,216,268.75	
06/30/2036			233,049.50	233,049.50	2,449,318.25
12/30/2036	2,025,000	4.220%	233,049.50	2,258,049.50	
06/30/2037			190,322.00	190,322.00	2,448,371.50
12/30/2037	2,115,000	4.220%	190,322.00	2,305,322.00	
06/30/2038			145,695.50	145,695.50	2,451,017.50
12/30/2038	2,205,000	4.220%	145,695.50	2,350,695.50	
06/30/2039			99,170.00	99,170.00	2,449,865.50
12/30/2039	2,300,000	4.220%	99,170.00	2,399,170.00	
06/30/2040			50,640.00	50,640.00	2,449,810.00
12/30/2040	2,400,000	4.220%	50,640.00	2,450,640.00	
06/30/2041					2,450,640.00
	35,410,000		16,035,364.68	51,445,364.68	51,445,364.68

PRELIMINARY NEW BOND ISSUE REPORT *

Issue: Eastern Kentucky University General Receipts Bonds, Series 2021 in an estimated principal amount of \$12,720,000

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

Date of Sale: April 27, 2020
 Date of Delivery: July 6, 2021

Ratings:

Moody's	TBD
S&P	TBD
Fitch	TBD

Series 2021 (\$)

Sources:

Par amount of bonds:	12,720,000.00
Total Sources:	<u>12,720,000.00</u>

Uses:

Refunding Escrow Deposit:	12,639,162.50
Issuance Cost:	80,837.50
Total Uses:	<u>12,720,000.00</u>

All-in True Interest Cost:	2.1662%
Final Maturity Date:	October 1, 2031
Average Annual Debt Service:	\$ 1,392,282.50
Total Debt Service:	\$ 14,240,040.83
Average Life (years):	5.829

Refunding Summary:

Bond Issue Being Refinanced:	See Summary of Bonds Refunded (attached)
Par Amount of Refunded Bonds:	\$ 12,405,000.00
Net PV Savings:	\$ 1,092,890.06
Percentage Savings of Refunded Bonds:	8.8101%

Method of Sale:	Competitive
Bond Counsel:	Dinsmore & Shohl, LLP
Underwriter:	TBD
Underwriters' Counsel:	TBD
Trustee:	US Bank
Financial Advisor:	Baird
Commonwealth:	Office of Financial Management

Based off cashflows as of 3/27/2020 and rates as of 3/27/2020
 Preliminary Subject to Change

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

PROFESSIONAL SERVICES:

<u>Firm</u>	<u>Service</u>	<u>Series A Fee (\$)</u>
Dinsmore & Shohl	Bond Counsel	20,000.00
Baird	Financial Advisor	20,000.00
TBD	Underwriter's Discount / Underwriter's Counsel	35,000.00
US Bank	Paying Agent	1,000.00
OFM	Financial Advisor	3,180.00
Misc./Contingency		1,657.50
TOTAL		<u>80,837.50</u>

BOND DEBT SERVICE

Eastern Kentucky University
 Refunding of Series 2011 Bonds
 Tax-Exempt Current Refunding
 Forward Delivery Scenario
 (2.05% Assumed Rate)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2021	170,000	2.050%	61,568.33	231,568.33	
04/01/2022			128,637.50	128,637.50	
06/30/2022					360,205.83
10/01/2022	1,145,000	2.050%	128,637.50	1,273,637.50	
04/01/2023			116,901.25	116,901.25	
06/30/2023					1,390,538.75
10/01/2023	1,165,000	2.050%	116,901.25	1,281,901.25	
04/01/2024			104,960.00	104,960.00	
06/30/2024					1,386,861.25
10/01/2024	1,190,000	2.050%	104,960.00	1,294,960.00	
04/01/2025			92,762.50	92,762.50	
06/30/2025					1,387,722.50
10/01/2025	1,210,000	2.050%	92,762.50	1,302,762.50	
04/01/2026			80,360.00	80,360.00	
06/30/2026					1,383,122.50
10/01/2026	1,240,000	2.050%	80,360.00	1,320,360.00	
04/01/2027			67,650.00	67,650.00	
06/30/2027					1,388,010.00
10/01/2027	1,270,000	2.050%	67,650.00	1,337,650.00	
04/01/2028			54,632.50	54,632.50	
06/30/2028					1,392,282.50
10/01/2028	1,295,000	2.050%	54,632.50	1,349,632.50	
04/01/2029			41,358.75	41,358.75	
06/30/2029					1,390,991.25
10/01/2029	1,315,000	2.050%	41,358.75	1,356,358.75	
04/01/2030			27,880.00	27,880.00	
06/30/2030					1,384,238.75
10/01/2030	1,345,000	2.050%	27,880.00	1,372,880.00	
04/01/2031			14,093.75	14,093.75	
06/30/2031					1,386,973.75
10/01/2031	1,375,000	2.050%	14,093.75	1,389,093.75	
06/30/2032					1,389,093.75
	12,720,000		1,520,040.83	14,240,040.83	14,240,040.83

SAVINGS

Eastern Kentucky University
Refunding of Series 2011 Bonds
Tax-Exempt Current Refunding
Forward Delivery Scenario
(2.05% Assumed Rate)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 07/06/2021 @ 2.0502405%
06/30/2022	468,325.00	360,205.83	108,119.17	106,534.06
06/30/2023	1,501,525.00	1,390,538.75	110,986.25	107,228.79
06/30/2024	1,497,175.00	1,386,861.25	110,313.75	104,475.55
06/30/2025	1,500,025.00	1,387,722.50	112,302.50	104,298.07
06/30/2026	1,495,212.50	1,383,122.50	112,090.00	102,069.92
06/30/2027	1,500,900.00	1,388,010.00	112,890.00	100,831.82
06/30/2028	1,501,700.00	1,392,282.50	109,417.50	95,846.12
06/30/2029	1,500,500.00	1,390,991.25	109,508.75	94,101.87
06/30/2030	1,497,300.00	1,384,238.75	113,061.25	95,321.78
06/30/2031	1,497,000.00	1,386,973.75	110,026.25	91,004.40
06/30/2032	1,499,400.00	1,389,093.75	110,306.25	89,520.18
	15,459,062.50	14,240,040.83	1,219,021.67	1,091,232.56

Savings Summary

PV of savings from cash flow	1,091,232.56
Plus: Refunding funds on hand	1,657.50
	1,092,890.06
Net PV Savings	1,092,890.06

SUMMARY OF BONDS REFUNDED

Eastern Kentucky University
 Refunding of Series 2011 Bonds
 Tax-Exempt Current Refunding
 Forward Delivery Scenario
 (2.05% Assumed Rate)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Receipts Bonds, 2011 Series A, 2011, SERIAL:					
	10/01/2022	3.200%	1,050,000.00	10/01/2021	100.000
	10/01/2023	3.250%	1,080,000.00	10/01/2021	100.000
	10/01/2024	3.500%	1,120,000.00	10/01/2021	100.000
	10/01/2025	3.500%	<u>1,155,000.00</u>	10/01/2021	100.000
			4,405,000.00		
General Receipts Bonds, 2011 Series A, 2011, TERM1:					
	10/01/2027	4.000%	2,460,000.00	10/01/2021	100.000
General Receipts Bonds, 2011 Series A, 2011, TERM2:					
	10/01/2029	4.000%	2,660,000.00	10/01/2021	100.000
General Receipts Bonds, 2011 Series A, 2011, TERM3:					
	10/01/2031	4.000%	2,880,000.00	10/01/2021	100.000
			<u>12,405,000.00</u>		

PRELIMINARY NEW BOND ISSUE REPORT *

Issue: Murray State University General Obligation Bonds, Series 2021 A & C

Purpose of Issue: To (i) refund certain outstanding Murray State University Bonds for present value savings; (ii) pay costs of issuance.

Date of Sale: April 27, 2020

Date of Delivery: June 8, 2021

Ratings:

Moody's TBD

S&P TBD

Fitch TBD

	Series 2021 A (\$)	Series 2021 C (\$)	Total (\$)
Sources:			
Par amount of bonds:	4,620,000.00	6,150,000.00	10,770,000.00
Total Sources:	4,620,000.00	6,150,000.00	10,770,000.00

Uses:

Refunding Escrow Deposit:	4,583,681.88	6,104,700.00	10,688,381.88
Issuance Cost:	36,318.12	45,300.00	81,618.12
Total Uses:	4,620,000.00	6,150,000.00	10,770,000.00

All-in True Interest Cost:	2.1868%	2.2642%
Final Maturity Date:	9/1/2031	9/1/2027
Average Annual Debt Service:	\$ 505,440.87	\$ 1,060,156.63
Total Debt Service:	\$ 5,170,940.92	\$ 6,605,364.79
Average Life (years):	5.82	3.61

Refunding Summary:

Bond Issue Being Refinanced:	See Summary of Bonds Refunded (attached)	
Par Amount of Refunded Bonds:	\$ 4,490,000.00	\$ 5,985,000.00
Net PV Savings:	\$ 477,099.31	\$ 312,771.69
Percentage Savings of Refunded Bonds:	10.6258%	5.2259%

Method of Sale: Negotiated

Bond Counsel: Dinsmore & Shohl, LLP

Underwriter: TBD

Underwriters' Counsel: TBD

Trustee: US Bank

Financial Advisor: Baird

Based off cashflows as of 3/27/2020 and rates as of 3/27/2020
Preliminary Subject to Change

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

PROFESSIONAL SERVICES:

<u>Firm</u>	<u>Service</u>	<u>Series A Fee (\$)</u>	<u>Series C Fee (\$)</u>
Dinsmore & Shohl	Bond Counsel	8,579.39	11,420.61
Baird	Financial Advisor	8,579.39	11,420.61
OFM	Financial Advisor	1,155.00	1,537.50
TBD	Underwriter's Discount / Underwriter's Counsel	15,013.93	19,986.07
US Bank	Trustee	428.97	571.03
Misc./Contingency		2,561.44	364.18
TOTAL		<u>36,318.12</u>	<u>45,300.00</u>

BOND DEBT SERVICE

Murray State University General Receipts Bonds
Refunding of 2011 Series A Bonds

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2021	70,000	2.050%	21,835.92	91,835.92	
03/01/2022			46,637.50	46,637.50	
06/30/2022					138,473.42
09/01/2022	415,000	2.050%	46,637.50	461,637.50	
03/01/2023			42,383.75	42,383.75	
06/30/2023					504,021.25
09/01/2023	420,000	2.050%	42,383.75	462,383.75	
03/01/2024			38,078.75	38,078.75	
06/30/2024					500,462.50
09/01/2024	430,000	2.050%	38,078.75	468,078.75	
03/01/2025			33,671.25	33,671.25	
06/30/2025					501,750.00
09/01/2025	440,000	2.050%	33,671.25	473,671.25	
03/01/2026			29,161.25	29,161.25	
06/30/2026					502,832.50
09/01/2026	450,000	2.050%	29,161.25	479,161.25	
03/01/2027			24,548.75	24,548.75	
06/30/2027					503,710.00
09/01/2027	460,000	2.050%	24,548.75	484,548.75	
03/01/2028			19,833.75	19,833.75	
06/30/2028					504,382.50
09/01/2028	470,000	2.050%	19,833.75	489,833.75	
03/01/2029			15,016.25	15,016.25	
06/30/2029					504,850.00
09/01/2029	480,000	2.050%	15,016.25	495,016.25	
03/01/2030			10,096.25	10,096.25	
06/30/2030					505,112.50
09/01/2030	485,000	2.050%	10,096.25	495,096.25	
03/01/2031			5,125.00	5,125.00	
06/30/2031					500,221.25
09/01/2031	500,000	2.050%	5,125.00	505,125.00	
06/30/2032					505,125.00
	4,620,000		550,940.92	5,170,940.92	5,170,940.92

BOND DEBT SERVICE

Murray State University General Receipts Bonds
Refunding of 2011 Series C Bonds

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/01/2021	100,000	2.050%	29,067.29	129,067.29	
03/01/2022			62,012.50	62,012.50	
06/30/2022					191,079.79
09/01/2022	1,080,000	2.050%	62,012.50	1,142,012.50	
03/01/2023			50,942.50	50,942.50	
06/30/2023					1,192,955.00
09/01/2023	1,095,000	2.050%	50,942.50	1,145,942.50	
03/01/2024			39,718.75	39,718.75	
06/30/2024					1,185,661.25
09/01/2024	945,000	2.050%	39,718.75	984,718.75	
03/01/2025			30,032.50	30,032.50	
06/30/2025					1,014,751.25
09/01/2025	955,000	2.050%	30,032.50	985,032.50	
03/01/2026			20,243.75	20,243.75	
06/30/2026					1,005,276.25
09/01/2026	980,000	2.050%	20,243.75	1,000,243.75	
03/01/2027			10,198.75	10,198.75	
06/30/2027					1,010,442.50
09/01/2027	995,000	2.050%	10,198.75	1,005,198.75	
06/30/2028					1,005,198.75
	6,150,000		455,364.79	6,605,364.79	6,605,364.79

SAVINGS

Murray State University General Receipts Bonds
Refunding of 2011 Series A Bonds

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 06/08/2021 @ 2.0503028%
06/30/2022	187,363.76	138,473.42	48,890.34	48,185.81
06/30/2023	549,963.76	504,021.25	45,942.51	44,369.22
06/30/2024	549,863.76	500,462.50	49,401.26	46,811.13
06/30/2025	549,163.76	501,750.00	47,413.76	44,039.31
06/30/2026	552,763.76	502,832.50	49,931.26	45,495.63
06/30/2027	550,663.76	503,710.00	46,953.76	41,938.09
06/30/2028	552,579.38	504,382.50	48,196.88	42,227.76
06/30/2029	553,220.00	504,850.00	48,370.00	41,569.63
06/30/2030	552,602.50	505,112.50	47,490.00	40,035.36
06/30/2031	550,630.00	500,221.25	50,408.75	41,698.23
06/30/2032	552,150.00	505,125.00	47,025.00	38,167.71
	5,700,964.44	5,170,940.92	530,023.52	474,537.87

Savings Summary

PV of savings from cash flow	474,537.87
Plus: Refunding funds on hand	2,561.44
Net PV Savings	477,099.31

SAVINGS

Murray State University General Receipts Bonds
Refunding of 2011 Series C Bonds

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 06/08/2021 @ 2.0503028%
06/30/2022	239,400.00	191,079.79	48,320.21	47,510.86
06/30/2023	1,239,000.00	1,192,955.00	46,045.00	44,425.04
06/30/2024	1,232,500.00	1,185,661.25	46,838.75	44,382.21
06/30/2025	1,062,900.00	1,014,751.25	48,148.75	44,796.23
06/30/2026	1,055,300.00	1,005,276.25	50,023.75	45,698.36
06/30/2027	1,056,300.00	1,010,442.50	45,857.50	41,120.88
06/30/2028	1,055,700.00	1,005,198.75	50,501.25	44,473.93
	6,941,100.00	6,605,364.79	335,735.21	312,407.51

Savings Summary

PV of savings from cash flow	312,407.51
Plus: Refunding funds on hand	364.18
	<hr/>
Net PV Savings	312,771.69



SUMMARY OF BONDS REFUNDED

Murray State University General Receipts Bonds
Refunding of Series 2011A & 2011C (Direct Purchase, Forward Delivery)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2011A, 2011A, BOND:					
	09/01/2022	4.000%	370,000.00	09/01/2021	100.000
	09/01/2023	4.000%	385,000.00	09/01/2021	100.000
	09/01/2026	4.000%	435,000.00	09/01/2021	100.000
	09/01/2027	4.125%	455,000.00	09/01/2021	100.000
	09/01/2028	4.200%	475,000.00	09/01/2021	100.000
	09/01/2029	4.300%	495,000.00	09/01/2021	100.000
	09/01/2030	4.400%	515,000.00	09/01/2021	100.000
	09/01/2031	4.500%	540,000.00	09/01/2021	100.000
			<u>3,670,000.00</u>		
Series 2011A, 2011A, 2025:					
	09/01/2025	4.000%	820,000.00	09/01/2021	100.000
Series 2011C, 2011C, BOND:					
	09/01/2022	4.000%	1,020,000.00	09/01/2021	100.000
	09/01/2023	4.000%	1,055,000.00	09/01/2021	100.000
	09/01/2026	4.000%	995,000.00	09/01/2021	100.000
	09/01/2027	4.000%	1,035,000.00	09/01/2021	100.000
			<u>4,105,000.00</u>		
Series 2011C, 2011C, 2025:					
	09/01/2025	4.000%	1,880,000.00	09/01/2021	100.000
			<u>10,475,000.00</u>		

Preliminary New Bond Issue Report

Issue

Kentucky Asset/Liability Commission

General Fund Refunding Project Notes, 2020 Series A, in a principal amount not to exceed \$140,000,000.

Purpose of Issue

The 2020 Series A Notes will currently refund the outstanding \$134,850,000 of the Kentucky Asset/Liability Commission General Fund Floating Rate Project Notes 2007 Series A and Series B.

Proposed Date of Sale
Expected Delivery Date

TBD
TBD

Expected Ratings:
(Underlying Ratings)

Moody's:
TBD

S&P:
TBD

Refunding Bonds

Escrow Deposit	\$ 135,290,788
Swap Termination Payment 07A 2027	\$ 4,059,167
Swap Termination Payment 07B 2021	\$ 716,376
Swap Termination Payment 07B 2025	\$ 7,543,127
Cost of Issuance	\$ 658,494
Gross Proceeds	\$ 148,267,953

All-In True Interest Cost*

3.965%

Call Date

The notes are not subject to redemption

Final Maturity Date

11/1/2027

Gross Debt Service*

\$153,560,250

Avg. Annual Debt Service*

\$20,474,700

Average Life

3.403

Refunding Summary:

Bond Issues Being Refinanced:	See Summary of Bonds Refunded (attached).
Par Amount of Refunded Bonds:	\$134,850,000
Average Coupon of Refunded Bonds:	4.100%
Average Life of Refunded Bonds:	3.403
Net PV Savings:	\$136,794
PV Savings of Refunded Bonds:	0.101%
Negative Arbitrage:	Currently Callable

Method of Sale

Negotiated

Bond Counsel

Kutak Rock LLP

Underwriter

Morgan Stanley

Underwriter's Counsel

Dinsmore & Shohl LLP

Trustee

TBD

Swap Advisor

Hilltop Securities

Financial Advisor

Office of Financial Management

*Reflects market as of February 26, 2020.
Preliminary, subject to change.

BOND DEBT SERVICE

KENTUCKY ASSET/LIABILITY COMMISSION
 GENERAL FUND REFUNDING PROJECT NOTES
 2020 SERIES A
 Preliminary
 as of 2/26/20

Dated Date 05/01/2020
 Delivery Date 05/01/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/01/2020	16,525,000	3.000%	3,115,250	19,640,250	
05/01/2021			2,867,375	2,867,375	
06/30/2021					22,507,625
11/01/2021	17,275,000	5.000%	2,867,375	20,142,375	
05/01/2022			2,435,500	2,435,500	
06/30/2022					22,577,875
11/01/2022	20,205,000	5.000%	2,435,500	22,640,500	
05/01/2023			1,930,375	1,930,375	
06/30/2023					24,570,875
11/01/2023	27,235,000	5.000%	1,930,375	29,165,375	
05/01/2024			1,249,500	1,249,500	
06/30/2024					30,414,875
11/01/2024	20,120,000	5.000%	1,249,500	21,369,500	
05/01/2025			746,500	746,500	
06/30/2025					22,116,000
11/01/2025	19,725,000	5.000%	746,500	20,471,500	
05/01/2026			253,375	253,375	
06/30/2026					20,724,875
11/01/2026	4,940,000	5.000%	253,375	5,193,375	
05/01/2027			129,875	129,875	
06/30/2027					5,323,250
11/01/2027	5,195,000	5.000%	129,875	5,324,875	
06/30/2028					5,324,875
	131,220,000		22,340,250	153,560,250	153,560,250

SUMMARY OF BONDS REFUNDED

KENTUCKY ASSET/LIABILITY COMMISSION
 GENERAL FUND REFUNDING PROJECT NOTES
 2020 SERIES A
 Preliminary
 as of 2/26/20

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2007 FRNs ALCO, 2007FRN, 2027A:					
	11/01/2020	4.066%	3,935,000.00	06/10/2020	100.000
	11/01/2021	4.066%	4,100,000.00	06/10/2020	100.000
	11/01/2022	4.066%	4,270,000.00	06/10/2020	100.000
	11/01/2023	4.066%	4,445,000.00	06/10/2020	100.000
	11/01/2024	4.066%	4,630,000.00	06/10/2020	100.000
	11/01/2025	4.066%	4,820,000.00	06/10/2020	100.000
	11/01/2026	4.066%	5,020,000.00	06/10/2020	100.000
	11/01/2027	4.066%	<u>5,230,000.00</u>	06/10/2020	100.000
			36,450,000.00		
2007 FRNs ALCO, 2007FRN, 2021B:					
	11/01/2020	4.042%	13,420,000.00	06/10/2020	100.000
	11/01/2021	4.042%	<u>14,045,000.00</u>	06/10/2020	100.000
			27,465,000.00		
2007 FRNs ALCO, 2007FRN, 2025B:					
	11/01/2022	4.125%	16,665,000.00	06/10/2020	100.000
	11/01/2023	4.125%	23,335,000.00	06/10/2020	100.000
	11/01/2024	4.125%	15,845,000.00	06/10/2020	100.000
	11/01/2025	4.125%	<u>15,090,000.00</u>	06/10/2020	100.000
			70,935,000.00		
			<u>134,850,000.00</u>		

SAVINGS

KENTUCKY ASSET/LIABILITY COMMISSION
 GENERAL FUND REFUNDING PROJECT NOTES
 2020 SERIES A
 Preliminary
 as of 2/26/20

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings
08/01/2020	1,379,565.26		1,379,565.26	
11/01/2020	18,734,565.26	19,640,250.00	-905,684.74	
02/01/2021	1,203,956.89		1,203,956.89	
05/01/2021	1,203,956.89	2,867,375.00	-1,663,418.11	
06/30/2021				14,419.30
08/01/2021	1,203,956.89		1,203,956.89	
11/01/2021	19,348,956.89	20,142,375.00	-793,418.11	
02/01/2022	1,020,355.66		1,020,355.66	
05/01/2022	1,020,355.66	2,435,500.00	-1,415,144.34	
06/30/2022				15,750.10
08/01/2022	1,020,355.66		1,020,355.66	
11/01/2022	21,955,355.66	22,640,500.00	-685,144.34	
02/01/2023	805,093.30		805,093.30	
05/01/2023	805,093.30	1,930,375.00	-1,125,281.70	
06/30/2023				15,022.92
08/01/2023	805,093.30		805,093.30	
11/01/2023	28,585,093.30	29,165,375.00	-580,281.70	
02/01/2024	519,267.69		519,267.69	
05/01/2024	519,267.69	1,249,500.00	-730,232.31	
06/30/2024				13,846.98
08/01/2024	519,267.69		519,267.69	
11/01/2024	20,994,267.69	21,369,500.00	-375,232.31	
02/01/2025	308,802.18		308,802.18	
05/01/2025	308,802.18	746,500.00	-437,697.82	
06/30/2025				15,139.74
08/01/2025	308,802.18		308,802.18	
11/01/2025	20,218,802.18	20,471,500.00	-252,697.82	
02/01/2026	104,191.25		104,191.25	
05/01/2026	104,191.25	253,375.00	-149,183.75	
06/30/2026				11,111.86
08/01/2026	104,191.25		104,191.25	
11/01/2026	5,124,191.25	5,193,375.00	-69,183.75	
02/01/2027	53,162.95		53,162.95	
05/01/2027	53,162.95	129,875.00	-76,712.05	
06/30/2027				11,458.40
08/01/2027	53,162.95		53,162.95	
11/01/2027	5,283,162.95	5,324,875.00	-41,712.05	
06/30/2028				11,450.90
	153,668,450.20	153,560,250.00	108,200.20	108,200.20

Savings Summary

Savings PV date	05/01/2020
Savings PV rate	1.073622%
PV of savings from cash flow	136,794.07
Net PV Savings	136,794.07



ANDY BESHEAR
Governor

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

HOLLY M. JOHNSON
Secretary

RYAN BARROW
Executive Director

March 27, 2020

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 (Chapel House Apartments Project), Series 2020 in a principal amount of \$13,500,000 (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 August 27, 2019. The attached includes a finalized listing of costs related to the issuance of the Bonds pursuant to KRS 45.816.

Sincerely,

Ryan Barrow
Executive Director

Attachments

FINAL BOND ISSUE REPORT

Name of Bond Issue:	Kentucky Housing Corporation Tax-Exempt Conduit Multifamily Housing Revenue Bonds (Chapel House Apartments Project), Series 2020
Purpose of Issue:	The bonds will be used to finance the acquisition, rehabilitation and equipping of a multifamily residential rental facility containing 197 units located at 945 South 5 th St, Louisville, Kentucky. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on May 30, 2019 following the delivery of notice to the public on May 15, 2019.
Name of Project:	Chapel House Apartments Project
Date of Sale:	March 10, 2020
Date of Issuance:	March 13, 2020
Rating:	Moody's Investor Service – MIG-1
Net Proceeds:	\$13,500,000
Cost of Issuance:	See Exhibit A attached (costs of issuance paid from owner equity)
Bond Discount:	\$0
Debt Service Reserve Fund:	None
Insurance Premium:	N/A
Total Project Cost:	\$27,730,377
Term:	30 months
Net Interest Rate:	0.80%
Average Debt Service:	\$107,913
Gross Debt Service:	\$215,827
First Call Date:	Non-callable, mandatory tender 3/1/2022, maturity 9/1/2022
Premium at First Call:	No premium
Method of Sale:	Public Offering
Bond Counsel:	Ice Miller LLP
Underwriter:	The Sturges Company
Underwriter Counsel:	Squire Patton Boggs, LLP
Financial Advisor:	N/A
Trustee:	The Huntington National Bank
Developer:	Christian Care Communities, Inc.

EXHIBIT A

Project Funding Sources:

Equity Investment	\$ 8,189,025
First Mortgage	8,500,000
Seller Note	6,572,852
KHC HOME	1,000,000
HOME Match	75,000
KHC AHTF	1,325,000
Assumed Rep. Res. Acct.	50,445
Louisville HOME	500,000
Louisville AHTF, Note A	465,564
Louisville AHTF, Forgiv.	465,564
Gap	<u>586,927</u>
TOTAL	\$ 27,730,377

Costs of Issuance:

Bond Counsel	\$ 41,500
Issuer Counsel	14,500
Underwriter Counsel	30,000
Issuer Fee	122,696
Underwriter Fee	84,200
Trustee Fee	7,500
Rating Agency	9,200
Printing/Misc.	<u>5,000</u>
TOTAL	\$ 314,596



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

ANDY BESHEAR

Governor

MS. HOLLY M. JOHNSON

Secretary

DAVID PRATER

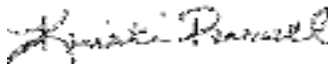
Chairman

CHELSEY BIZZLE

Executive Director

MEMORANDUM

TO: Ryan Barrow
Office of Financial Management

FROM: Kristi Russell, SFCC 

DATE: March 25, 2020

SUBJECT: Capital Projects and Bond Oversight Committee (CPBO)

The following information is submitted for consideration by CPBO at their next meeting tentatively scheduled for April 14, 2020:

Daviess County- \$61,340,000 estimated – New middle school construction and renovations at Apollo High School. State estimated annual debt service is \$23,885 and local is \$4,817,885. No tax increase is necessary to finance this project.

Madison County- \$26,940,000 estimated – Construct new Richmond ATC and new Berea ATC. State estimated annual debt service is \$62,845 and local is \$1,970,602. No tax increase is necessary to finance this project.

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





March 25, 2020

Ms. Chelsey Bizzle
Schools Facilities Construction Commission
229 West Main Street, Ste. 102
Frankfort, Kentucky 40601

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

Dear Ms. Bizzle:

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

\$61,340,000 (est.)
Daviness County
School District Finance Corporation
School Building Revenue Bonds,
Series 2020

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

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

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

Sincerely,

/s/ Michael Oldiges

Michael Oldiges
Vice President

BOND PAYEE DISCLOSURE FORM

Par Amount:	\$61,340,000
Issue Name:	Daviess County School District Finance Corporation School Building Revenue Bonds, Series 2020
Purpose:	New Middle School and Renovation at Apollo High School
Projected Sale Date of Bonds:	June 2020
First Call Date:	TBD
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "A1" – Moody's
Bond Counsel:	Rubin & Hays
Fiscal Agent:	Baird
Construction Manager/General Contractor:	N/A
Architect/Engineer:	RBS Design

Date Received by SFCC:

To be filled in by SFCC

Date Scheduled for Committee Review:

To be filled in by SFCC

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	\$326,417	\$61,013,583	\$61,340,000
% Share of total Bonds:	0.5%-	99.5%	100%
Estimated average annual debt service:	23,885	4,817,885	4,841,770
Estimated debt service reserve:	-0-	-0-	-0-
Estimated Costs of Issuance (1):			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	1,375	256,985	258,360
Special Tax Counsel	-0-	-0-	-0-
Number Verifications	-0-	-0-	-0-
Bond Rating	208	38,792	39,000
Underwriter's Discount	6,528	1,220,272	1,222,800
Paying Agent/Escrow Agent Bank	24	4,476	4,500
Total Cost of Issuance:	\$8,135	\$1,520,525	\$1,524,660

Anticipated Interest Rates: 5 Years: 3.200% 10 Years: 3.750%
 15 Years: 4.000% 20 Years: 4.250%

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

SOURCES AND USES OF FUNDS

Daviess County, KY Schools School Building Revenue Bonds, Series 2020

Sources:	<i>District (Middle School/Apollo)</i>	<i>SFCC (Middle School)</i>	<i>Total</i>
Bond Proceeds:			
Par Amount	61,013,583.00	326,417.00	61,340,000.00
Other Sources of Funds:			
SFCC Cash Requirement	440,083.00		440,083.00
Cash - Building Fund	2,000,000.00		2,000,000.00
	<u>2,440,083.00</u>		<u>2,440,083.00</u>
	63,453,666.00	326,417.00	63,780,083.00

Uses:	<i>District (Middle School/Apollo)</i>	<i>SFCC (Middle School)</i>	<i>Total</i>
Project Fund Deposits:			
Total Construction Cost (Middle School)	36,377,182.30	303,817.70	36,681,000.00
Architect/Engineer Fee (Middle School)	1,928,988.33	16,110.67	1,945,099.00
Construction Contingencies (Middle School)	1,818,859.11	15,190.89	1,834,050.00
Other Costs (Middle School)	403,926.46	3,373.54	407,300.00
Total Construction Cost (Apollo)	19,155,000.00		19,155,000.00
Architect/Engineer Fee (Apollo)	1,053,867.00		1,053,867.00
Construction Contingencies (Apollo)	957,750.00		957,750.00
Other Costs (Apollo)	217,000.00		217,000.00
	<u>61,912,573.20</u>	<u>338,492.80</u>	<u>62,251,066.00</u>
Delivery Date Expenses:			
Cost of Issuance	300,253.66	1,606.34	301,860.00
Underwriter's Discount	1,220,271.66	6,528.34	1,226,800.00
	<u>1,520,525.32</u>	<u>8,134.68</u>	<u>1,528,660.00</u>
Other Uses of Funds:			
Additional Proceeds	20,567.48	-20,210.48	357.00
	63,453,666.00	326,417.00	63,780,083.00

BOND DEBT SERVICE
Daviess County, KY Schools
School Building Revenue Bonds, Series 2020

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
12/01/2020			1,315,021.16	1,315,021.16	
06/01/2021	755,000	3.000%	1,207,672.50	1,962,672.50	
06/30/2021					3,277,693.66
12/01/2021			1,196,347.50	1,196,347.50	
06/01/2022	815,000	3.050%	1,196,347.50	2,011,347.50	
06/30/2022					3,207,695.00
12/01/2022			1,183,918.74	1,183,918.74	
06/01/2023	840,000	3.100%	1,183,918.74	2,023,918.74	
06/30/2023					3,207,837.48
12/01/2023			1,170,898.75	1,170,898.75	
06/01/2024	870,000	3.150%	1,170,898.75	2,040,898.75	
06/30/2024					3,211,797.50
12/01/2024			1,157,196.25	1,157,196.25	
06/01/2025	895,000	3.200%	1,157,196.25	2,052,196.25	
06/30/2025					3,209,392.50
12/01/2025			1,142,876.25	1,142,876.25	
06/01/2026	925,000	3.300%	1,142,876.25	2,067,876.25	
06/30/2026					3,210,752.50
12/01/2026			1,127,613.75	1,127,613.75	
06/01/2027	955,000	3.400%	1,127,613.75	2,082,613.75	
06/30/2027					3,210,227.50
12/01/2027			1,111,378.75	1,111,378.75	
06/01/2028	985,000	3.500%	1,111,378.75	2,096,378.75	
06/30/2028					3,207,757.50
12/01/2028			1,094,141.25	1,094,141.25	
06/01/2029	2,190,000	3.650%	1,094,141.25	3,284,141.25	
06/30/2029					4,378,282.50
12/01/2029			1,054,173.75	1,054,173.75	
06/01/2030	2,265,000	3.750%	1,054,173.75	3,319,173.75	
06/30/2030					4,373,347.50
12/01/2030			1,011,705.01	1,011,705.01	
06/01/2031	3,335,000	3.800%	1,011,705.01	4,346,705.01	
06/30/2031					5,358,410.02
12/01/2031			948,340.01	948,340.01	
06/01/2032	3,465,000	3.850%	948,340.01	4,413,340.01	
06/30/2032					5,361,680.02
12/01/2032			881,638.75	881,638.75	
06/01/2033	3,590,000	3.900%	881,638.75	4,471,638.75	
06/30/2033					5,353,277.50
12/01/2033			811,633.75	811,633.75	
06/01/2034	3,875,000	3.950%	811,633.75	4,686,633.75	
06/30/2034					5,498,267.50
12/01/2034			735,102.50	735,102.50	
06/01/2035	4,650,000	4.000%	735,102.50	5,385,102.50	
06/30/2035					6,120,205.00
12/01/2035			642,102.50	642,102.50	
06/01/2036	5,695,000	4.050%	642,102.50	6,337,102.50	
06/30/2036					6,979,205.00
12/01/2036			526,778.76	526,778.76	
06/01/2037	6,320,000	4.100%	526,778.76	6,846,778.76	
06/30/2037					7,373,557.52
12/01/2037			397,218.75	397,218.75	
06/01/2038	6,700,000	4.150%	397,218.75	7,097,218.75	
06/30/2038					7,494,437.50
12/01/2038			258,193.75	258,193.75	
06/01/2039	5,500,000	4.200%	258,193.75	5,758,193.75	
06/30/2039					6,016,387.50
12/01/2039			142,693.76	142,693.76	
06/01/2040	6,715,000	4.250%	142,693.76	6,857,693.76	
06/30/2040					7,000,387.52
	61,340,000		35,710,598.72	97,050,598.72	97,050,598.72

BOND DEBT SERVICE
Daviess County, KY Schools
District (Middle School/Apollo)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
12/01/2020			1,308,354.42	1,308,354.42	
06/01/2021	743,906	3.000%	1,201,549.98	1,945,455.98	
06/30/2021					3,253,810.40
12/01/2021			1,190,391.39	1,190,391.39	
06/01/2022	803,028	3.050%	1,190,391.39	1,993,419.39	
06/30/2022					3,183,810.78
12/01/2022			1,178,145.21	1,178,145.21	
06/01/2023	827,663	3.100%	1,178,145.21	2,005,808.21	
06/30/2023					3,183,953.42
12/01/2023			1,165,316.44	1,165,316.44	
06/01/2024	857,280	3.150%	1,165,316.44	2,022,596.44	
06/30/2024					3,187,912.88
12/01/2024			1,151,814.28	1,151,814.28	
06/01/2025	881,880	3.200%	1,151,814.28	2,033,694.28	
06/30/2025					3,185,508.56
12/01/2025			1,137,704.20	1,137,704.20	
06/01/2026	911,460	3.300%	1,137,704.20	2,049,164.20	
06/30/2026					3,186,868.40
12/01/2026			1,122,665.11	1,122,665.11	
06/01/2027	941,014	3.400%	1,122,665.11	2,063,679.11	
06/30/2027					3,186,344.22
12/01/2027			1,106,667.87	1,106,667.87	
06/01/2028	970,538	3.500%	1,106,667.87	2,077,205.87	
06/30/2028					3,183,873.74
12/01/2028			1,089,683.46	1,089,683.46	
06/01/2029	2,175,032	3.650%	1,089,683.46	3,264,715.46	
06/30/2029					4,354,398.92
12/01/2029			1,049,989.12	1,049,989.12	
06/01/2030	2,249,485	3.750%	1,049,989.12	3,299,474.12	
06/30/2030					4,349,463.24
12/01/2030			1,007,811.29	1,007,811.29	
06/01/2031	3,318,904	3.800%	1,007,811.29	4,326,715.29	
06/30/2031					5,334,526.58
12/01/2031			944,752.11	944,752.11	
06/01/2032	3,448,292	3.850%	944,752.11	4,393,044.11	
06/30/2032					5,337,796.22
12/01/2032			878,372.48	878,372.48	
06/01/2033	3,572,648	3.900%	878,372.48	4,451,020.48	
06/30/2033					5,329,392.96
12/01/2033			808,705.85	808,705.85	
06/01/2034	3,856,971	3.950%	808,705.85	4,665,676.85	
06/30/2034					5,474,382.70
12/01/2034			732,530.67	732,530.67	
06/01/2035	4,631,260	4.000%	732,530.67	5,363,790.67	
06/30/2035					6,096,321.34
12/01/2035			639,905.47	639,905.47	
06/01/2036	5,675,509	4.050%	639,905.47	6,315,414.47	
06/30/2036					6,955,319.94
12/01/2036			524,976.42	524,976.42	
06/01/2037	6,299,721	4.100%	524,976.42	6,824,697.42	
06/30/2037					7,349,673.84
12/01/2037			395,832.13	395,832.13	
06/01/2038	6,678,889	4.150%	395,832.13	7,074,721.13	
06/30/2038					7,470,553.26
12/01/2038			257,245.19	257,245.19	
06/01/2039	5,478,013	4.200%	257,245.19	5,735,258.19	
06/30/2039					5,992,503.38
12/01/2039			142,206.92	142,206.92	
06/01/2040	6,692,090	4.250%	142,206.92	6,834,296.92	
06/30/2040					6,976,503.84
	61,013,583		35,559,335.62	96,572,918.62	96,572,918.62

BOND DEBT SERVICE
Daviess County, KY Schools
SFCC (Middle School)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>	<i>Annual Debt Service</i>
12/01/2020			6,666.74	6,666.74	
06/01/2021	11,094	3.000%	6,122.52	17,216.52	
06/30/2021					23,883.26
12/01/2021			5,956.11	5,956.11	
06/01/2022	11,972	3.050%	5,956.11	17,928.11	
06/30/2022					23,884.22
12/01/2022			5,773.53	5,773.53	
06/01/2023	12,337	3.100%	5,773.53	18,110.53	
06/30/2023					23,884.06
12/01/2023			5,582.31	5,582.31	
06/01/2024	12,720	3.150%	5,582.31	18,302.31	
06/30/2024					23,884.62
12/01/2024			5,381.97	5,381.97	
06/01/2025	13,120	3.200%	5,381.97	18,501.97	
06/30/2025					23,883.94
12/01/2025			5,172.05	5,172.05	
06/01/2026	13,540	3.300%	5,172.05	18,712.05	
06/30/2026					23,884.10
12/01/2026			4,948.64	4,948.64	
06/01/2027	13,986	3.400%	4,948.64	18,934.64	
06/30/2027					23,883.28
12/01/2027			4,710.88	4,710.88	
06/01/2028	14,462	3.500%	4,710.88	19,172.88	
06/30/2028					23,883.76
12/01/2028			4,457.79	4,457.79	
06/01/2029	14,968	3.650%	4,457.79	19,425.79	
06/30/2029					23,883.58
12/01/2029			4,184.63	4,184.63	
06/01/2030	15,515	3.750%	4,184.63	19,699.63	
06/30/2030					23,884.26
12/01/2030			3,893.72	3,893.72	
06/01/2031	16,096	3.800%	3,893.72	19,989.72	
06/30/2031					23,883.44
12/01/2031			3,587.90	3,587.90	
06/01/2032	16,708	3.850%	3,587.90	20,295.90	
06/30/2032					23,883.80
12/01/2032			3,266.27	3,266.27	
06/01/2033	17,352	3.900%	3,266.27	20,618.27	
06/30/2033					23,884.54
12/01/2033			2,927.90	2,927.90	
06/01/2034	18,029	3.950%	2,927.90	20,956.90	
06/30/2034					23,884.80
12/01/2034			2,571.83	2,571.83	
06/01/2035	18,740	4.000%	2,571.83	21,311.83	
06/30/2035					23,883.66
12/01/2035			2,197.03	2,197.03	
06/01/2036	19,491	4.050%	2,197.03	21,688.03	
06/30/2036					23,885.06
12/01/2036			1,802.34	1,802.34	
06/01/2037	20,279	4.100%	1,802.34	22,081.34	
06/30/2037					23,883.68
12/01/2037			1,386.62	1,386.62	
06/01/2038	21,111	4.150%	1,386.62	22,497.62	
06/30/2038					23,884.24
12/01/2038			948.56	948.56	
06/01/2039	21,987	4.200%	948.56	22,935.56	
06/30/2039					23,884.12
12/01/2039			486.84	486.84	
06/01/2040	22,910	4.250%	486.84	23,396.84	
06/30/2040					23,883.68
	326,417		151,263.10	477,680.10	477,680.10

BOND DEBT SERVICE

Daviess County, KY Schools District (Middle School/Apollo)

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
06/30/2021	743,906	3.000%	2,509,904.40	3,253,810.40
06/30/2022	803,028	3.050%	2,380,782.78	3,183,810.78
06/30/2023	827,663	3.100%	2,356,290.42	3,183,953.42
06/30/2024	857,280	3.150%	2,330,632.88	3,187,912.88
06/30/2025	881,880	3.200%	2,303,628.56	3,185,508.56
06/30/2026	911,460	3.300%	2,275,408.40	3,186,868.40
06/30/2027	941,014	3.400%	2,245,330.22	3,186,344.22
06/30/2028	970,538	3.500%	2,213,335.74	3,183,873.74
06/30/2029	2,175,032	3.650%	2,179,366.92	4,354,398.92
06/30/2030	2,249,485	3.750%	2,099,978.24	4,349,463.24
06/30/2031	3,318,904	3.800%	2,015,622.58	5,334,526.58
06/30/2032	3,448,292	3.850%	1,889,504.22	5,337,796.22
06/30/2033	3,572,648	3.900%	1,756,744.96	5,329,392.96
06/30/2034	3,856,971	3.950%	1,617,411.70	5,474,382.70
06/30/2035	4,631,260	4.000%	1,465,061.34	6,096,321.34
06/30/2036	5,675,509	4.050%	1,279,810.94	6,955,319.94
06/30/2037	6,299,721	4.100%	1,049,952.84	7,349,673.84
06/30/2038	6,678,889	4.150%	791,664.26	7,470,553.26
06/30/2039	5,478,013	4.200%	514,490.38	5,992,503.38
06/30/2040	6,692,090	4.250%	284,413.84	6,976,503.84
	61,013,583		35,559,335.62	96,572,918.62

BOND DEBT SERVICE**Daviess County, KY Schools
SFCC (Middle School)**

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
06/30/2021	11,094	3.000%	12,789.26	23,883.26
06/30/2022	11,972	3.050%	11,912.22	23,884.22
06/30/2023	12,337	3.100%	11,547.06	23,884.06
06/30/2024	12,720	3.150%	11,164.62	23,884.62
06/30/2025	13,120	3.200%	10,763.94	23,883.94
06/30/2026	13,540	3.300%	10,344.10	23,884.10
06/30/2027	13,986	3.400%	9,897.28	23,883.28
06/30/2028	14,462	3.500%	9,421.76	23,883.76
06/30/2029	14,968	3.650%	8,915.58	23,883.58
06/30/2030	15,515	3.750%	8,369.26	23,884.26
06/30/2031	16,096	3.800%	7,787.44	23,883.44
06/30/2032	16,708	3.850%	7,175.80	23,883.80
06/30/2033	17,352	3.900%	6,532.54	23,884.54
06/30/2034	18,029	3.950%	5,855.80	23,884.80
06/30/2035	18,740	4.000%	5,143.66	23,883.66
06/30/2036	19,491	4.050%	4,394.06	23,885.06
06/30/2037	20,279	4.100%	3,604.68	23,883.68
06/30/2038	21,111	4.150%	2,773.24	23,884.24
06/30/2039	21,987	4.200%	1,897.12	23,884.12
06/30/2040	22,910	4.250%	973.68	23,883.68
	326,417		151,263.10	477,680.10

BOND SUMMARY STATISTICS

Daviess County, KY Schools School Building Revenue Bonds, Series 2020

Dated Date	05/15/2020
Delivery Date	05/15/2020
Last Maturity	06/01/2040
Arbitrage Yield	4.021036%
True Interest Cost (TIC)	4.211547%
Net Interest Cost (NIC)	4.173924%
All-In TIC	4.259223%
Average Coupon	4.035296%
Average Life (years)	14.427
Duration of Issue (years)	10.791
Par Amount	61,340,000.00
Bond Proceeds	61,340,000.00
Total Interest	35,710,598.72
Net Interest	36,937,398.72
Total Debt Service	97,050,598.72
Maximum Annual Debt Service	7,494,437.50
Average Annual Debt Service	4,841,770.45
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

<i>Bond Component</i>	<i>Par Value</i>	<i>Price</i>	<i>Average Coupon</i>	<i>Average Life</i>
Bond Component	61,340,000.00	100.000	4.035%	14.427
	61,340,000.00			14.427

	TIC	All-In TIC	Arbitrage Yield
Par Value	61,340,000.00	61,340,000.00	61,340,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-1,226,800.00	-1,226,800.00	
- Cost of Issuance Expense		-301,860.00	
- Other Amounts			
Target Value	60,113,200.00	59,811,340.00	61,340,000.00
Target Date	05/15/2020	05/15/2020	05/15/2020
Yield	4.211547%	4.259223%	4.021036%

BOND PRICING

Daviess County, KY Schools School Building Revenue Bonds, Series 2020

<i>Bond Component</i>	<i>Maturity Date</i>	<i>Amount</i>	<i>Rate</i>	<i>Yield</i>	<i>Price</i>
Bond Component:					
	06/01/2021	755,000	3.000%	3.000%	100.000
	06/01/2022	815,000	3.050%	3.050%	100.000
	06/01/2023	840,000	3.100%	3.100%	100.000
	06/01/2024	870,000	3.150%	3.150%	100.000
	06/01/2025	895,000	3.200%	3.200%	100.000
	06/01/2026	925,000	3.300%	3.300%	100.000
	06/01/2027	955,000	3.400%	3.400%	100.000
	06/01/2028	985,000	3.500%	3.500%	100.000
	06/01/2029	2,190,000	3.650%	3.650%	100.000
	06/01/2030	2,265,000	3.750%	3.750%	100.000
	06/01/2031	3,335,000	3.800%	3.800%	100.000
	06/01/2032	3,465,000	3.850%	3.850%	100.000
	06/01/2033	3,590,000	3.900%	3.900%	100.000
	06/01/2034	3,875,000	3.950%	3.950%	100.000
	06/01/2035	4,650,000	4.000%	4.000%	100.000
	06/01/2036	5,695,000	4.050%	4.050%	100.000
	06/01/2037	6,320,000	4.100%	4.100%	100.000
	06/01/2038	6,700,000	4.150%	4.150%	100.000
	06/01/2039	5,500,000	4.200%	4.200%	100.000
	06/01/2040	6,715,000	4.250%	4.250%	100.000
		61,340,000			

Dated Date	05/15/2020	
Delivery Date	05/15/2020	
First Coupon	12/01/2020	
Par Amount	61,340,000.00	
Original Issue Discount		
Production	61,340,000.00	100.000000%
Underwriter's Discount	-1,226,800.00	-2.000000%
Purchase Price	60,113,200.00	98.000000%
Accrued Interest		
Net Proceeds	60,113,200.00	

AGGREGATE DEBT SERVICE

Daviess County, KY Schools District (Middle School/Apollo)

<i>Period Ending</i>	<i>District (Middle School/Apollo)</i>	<i>Existing Debt Service</i>	<i>Aggregate Debt Service</i>
06/30/2021	3,253,810.40	7,740,652.88	10,994,463.28
06/30/2022	3,183,810.78	7,739,771.14	10,923,581.92
06/30/2023	3,183,953.42	7,735,370.98	10,919,324.40
06/30/2024	3,187,912.88	7,737,804.69	10,925,717.57
06/30/2025	3,185,508.56	6,382,643.66	9,568,152.22
06/30/2026	3,186,868.40	6,107,179.24	9,294,047.64
06/30/2027	3,186,344.22	6,094,575.56	9,280,919.78
06/30/2028	3,183,873.74	5,393,409.10	8,577,282.84
06/30/2029	4,354,398.92	4,098,821.96	8,453,220.88
06/30/2030	4,349,463.24	4,099,746.30	8,449,209.54
06/30/2031	5,334,526.58	3,115,411.98	8,449,938.56
06/30/2032	5,337,796.22	3,115,378.65	8,453,174.87
06/30/2033	5,329,392.96	3,120,604.95	8,449,997.91
06/30/2034	5,474,382.70	2,975,214.03	8,449,596.73
06/30/2035	6,096,321.34	2,355,340.81	8,451,662.15
06/30/2036	6,955,319.94	1,496,907.65	8,452,227.59
06/30/2037	7,349,673.84	1,099,654.03	8,449,327.87
06/30/2038	7,470,553.26	983,212.50	8,453,765.76
06/30/2039	5,992,503.38	984,137.50	6,976,640.88
06/30/2040	6,976,503.84		6,976,503.84
	96,572,918.62	82,375,837.61	178,948,756.23

AGGREGATE DEBT SERVICE**Daviess County, KY Schools
SFCC (Middle School)**

<i>Period Ending</i>	<i>SFCC (Middle School)</i>	<i>Aggregate Debt Service</i>
06/30/2021	23,883.26	23,883.26
06/30/2022	23,884.22	23,884.22
06/30/2023	23,884.06	23,884.06
06/30/2024	23,884.62	23,884.62
06/30/2025	23,883.94	23,883.94
06/30/2026	23,884.10	23,884.10
06/30/2027	23,883.28	23,883.28
06/30/2028	23,883.76	23,883.76
06/30/2029	23,883.58	23,883.58
06/30/2030	23,884.26	23,884.26
06/30/2031	23,883.44	23,883.44
06/30/2032	23,883.80	23,883.80
06/30/2033	23,884.54	23,884.54
06/30/2034	23,884.80	23,884.80
06/30/2035	23,883.66	23,883.66
06/30/2036	23,885.06	23,885.06
06/30/2037	23,883.68	23,883.68
06/30/2038	23,884.24	23,884.24
06/30/2039	23,884.12	23,884.12
06/30/2040	23,883.68	23,883.68
	477,680.10	477,680.10

BOND SOLUTION

Daviess County, KY Schools SFCC (Middle School)

<i>Period Ending</i>	<i>Proposed Principal</i>	<i>Proposed Debt Service</i>	<i>Total Adj Debt Service</i>	<i>Revenue Constraints</i>	<i>Unused Revenues</i>	<i>Debt Serv Coverage</i>
06/30/2020						
06/30/2021	11,094	23,883	23,883	23,884	1	100.00343%
06/30/2022	11,972	23,884	23,884	23,885	1	100.00268%
06/30/2023	12,337	23,884	23,884	23,885	1	100.00268%
06/30/2024	12,720	23,885	23,885	23,885	0	100.00025%
06/30/2025	13,120	23,884	23,884	23,885	1	100.00402%
06/30/2026	13,540	23,884	23,884	23,885	1	100.00251%
06/30/2027	13,986	23,883	23,883	23,884	1	100.00419%
06/30/2028	14,462	23,884	23,884	23,884	1	100.00243%
06/30/2029	14,968	23,884	23,884	23,884	1	100.00360%
06/30/2030	15,515	23,884	23,884	23,885	1	100.00218%
06/30/2031	16,096	23,883	23,883	23,884	1	100.00327%
06/30/2032	16,708	23,884	23,884	23,885	1	100.00343%
06/30/2033	17,352	23,885	23,885	23,885	0	100.00059%
06/30/2034	18,029	23,885	23,885	23,885	0	100.00092%
06/30/2035	18,740	23,884	23,884	23,884	1	100.00268%
06/30/2036	19,491	23,885	23,885	23,885	0	100.00100%
06/30/2037	20,279	23,884	23,884	23,884	0	100.00201%
06/30/2038	21,111	23,884	23,884	23,885	1	100.00230%
06/30/2039	21,987	23,884	23,884	23,885	1	100.00360%
06/30/2040	22,910	23,884	23,884	23,884	1	100.00318%
	326,417	477,680	477,680	477,692	12	

BOND SOLUTION

Daviess County, KY Schools District (Middle School)

<i>Period Ending</i>	<i>Proposed Principal</i>	<i>Proposed Debt Service</i>	<i>Existing Debt Service</i>	<i>Total Adj Debt Service</i>	<i>Revenue Constraints</i>	<i>Unused Revenues</i>	<i>Debt Serv Coverage</i>
06/30/2020							
06/30/2021		1,650,663	7,740,653	9,391,316	11,835,755	2,444,439	126.02872%
06/30/2022		1,580,422	7,739,771	9,320,193	11,835,755	2,515,562	126.99045%
06/30/2023		1,580,422	7,735,371	9,315,793	11,835,755	2,519,962	127.05043%
06/30/2024		1,580,422	7,737,805	9,318,227	11,835,755	2,517,528	127.01725%
06/30/2025		1,580,422	6,382,644	7,963,066	11,835,755	3,872,689	148.63315%
06/30/2026		1,580,422	6,107,179	7,687,601	11,835,755	4,148,154	153.95901%
06/30/2027		1,580,422	6,094,576	7,674,997	11,835,755	4,160,757	154.21184%
06/30/2028		1,580,422	5,393,409	6,973,831	11,835,755	4,861,924	169.71669%
06/30/2029	1,167,142	2,747,564	4,098,822	6,846,386	11,835,755	4,989,369	172.87596%
06/30/2030	1,208,819	2,746,640	4,099,746	6,846,386	11,835,755	4,989,368	172.87594%
06/30/2031	2,238,484	3,730,974	3,115,412	6,846,386	11,835,755	4,989,368	172.87594%
06/30/2032	2,323,579	3,731,007	3,115,379	6,846,386	11,835,755	4,989,369	172.87596%
06/30/2033	2,407,811	3,725,781	3,120,605	6,846,386	11,835,755	4,989,369	172.87595%
06/30/2034	2,647,106	3,871,172	2,975,214	6,846,386	11,835,755	4,989,369	172.87596%
06/30/2035	3,371,540	4,491,045	2,355,341	6,846,386	11,835,755	4,989,369	172.87596%
06/30/2036	4,364,835	5,349,478	1,496,908	6,846,386	11,835,755	4,989,369	172.87595%
06/30/2037	4,938,864	5,746,732	1,099,654	6,846,386	11,835,755	4,989,369	172.87596%
06/30/2038	5,257,799	5,863,173	983,213	6,846,386	11,835,755	4,989,369	172.87596%
06/30/2039	4,002,429	4,389,604	984,138	5,373,742	10,363,111	4,989,369	192.84720%
06/30/2040	5,154,669	5,373,742		5,373,742	10,363,111	4,989,369	192.84719%
	39,083,077	64,480,529	82,375,838	146,856,367	233,769,810	86,913,443	

BOND SOLUTION**Daviess County, KY Schools
District (Apollo HS)**

<i>Period Ending</i>	<i>Proposed Principal</i>	<i>Proposed Debt Service</i>	<i>Total Adj Debt Service</i>	<i>Revenue Constraints</i>	<i>Unused Revenues</i>	<i>Debt Serv Coverage</i>
06/30/2020						
06/30/2021	743,906	1,603,148	1,603,148	11,835,755	10,232,607	738.28230%
06/30/2022	803,028	1,603,389	1,603,389	11,835,755	10,232,366	738.17117%
06/30/2023	827,663	1,603,532	1,603,532	11,835,755	10,232,223	738.10550%
06/30/2024	857,280	1,607,491	1,607,491	11,835,755	10,228,264	736.28745%
06/30/2025	881,880	1,605,087	1,605,087	11,835,755	10,230,668	737.39037%
06/30/2026	911,460	1,606,447	1,606,447	11,835,755	10,229,308	736.76617%
06/30/2027	941,014	1,605,922	1,605,922	11,835,755	10,229,832	737.00666%
06/30/2028	970,538	1,603,452	1,603,452	11,835,755	10,232,303	738.14218%
06/30/2029	1,007,890	1,606,835	1,606,835	11,835,755	10,228,920	736.58803%
06/30/2030	1,040,666	1,602,823	1,602,823	11,835,755	10,232,932	738.43177%
06/30/2031	1,080,420	1,603,552	1,603,552	11,835,755	10,232,203	738.09605%
06/30/2032	1,124,713	1,606,789	1,606,789	11,835,755	10,228,966	736.60908%
06/30/2033	1,164,837	1,603,612	1,603,612	11,835,755	10,232,143	738.06863%
06/30/2034	1,209,865	1,603,211	1,603,211	11,835,755	10,232,544	738.25307%
06/30/2035	1,259,720	1,605,276	1,605,276	11,835,755	10,230,478	737.30325%
06/30/2036	1,310,674	1,605,842	1,605,842	11,835,755	10,229,913	737.04374%
06/30/2037	1,360,857	1,602,942	1,602,942	11,835,755	10,232,813	738.37685%
06/30/2038	1,421,090	1,607,380	1,607,380	11,835,755	10,228,375	736.33824%
06/30/2039	1,475,584	1,602,899	1,602,899	10,363,111	8,760,212	646.52306%
06/30/2040	1,537,421	1,602,761	1,602,761	10,363,111	8,760,350	646.57853%
	21,930,506	32,092,390	32,092,390	233,769,810	201,677,420	

Memo

To: KSFCC
From: Lincoln Theinert
Subject: Bond Payee Disclosure Form –Madison County School District Series 2020
Date: March 24, 2020
cc: File

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing for the Madison 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: **\$ 26,940,000**
 Issue Name: Madison County School District Finance Corporation School Building Revenue Bonds, Series 2020
 Purpose: Construct new Richmond Area ATC, and Berea Area ATC
 Projected Sale Date of Bonds: 9-Jul-20
 First Call Date: 7/1/27 @ 100
 Method of Sale: Competitive Bids
 Place/time of sale: SFCC/Parity
 Bond Rating: Moody's: "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
\$ 832,598	\$ 26,107,402	\$ 26,940,000
3.09%	96.91%	
\$ 62,845	\$ 1,970,602	\$ 2,033,447
\$ 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:

\$ 572	\$ 17,928	\$ 18,500
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 278	\$ 8,722	\$ 9,000
\$ 16,652	\$ 522,148	\$ 538,800
\$ 108	\$ 3,392	\$ 3,500
\$ 17,610	\$ 552,190	\$ 569,800

Anticipated Interest Rates:

5 Years 2.750% 10 Years 3.000 15 Years: 4.000
20 Years: 4.000%

Note: No Local Tax increase is required

MADISON COUNTY SCHOOL DISTRICT

Plan of Financing

Date of Report: 3/24/2020

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

MADISON COUNTY SCHOOL DISTRICT OUTSTANDING NET LOCAL DEBT SERVICE

A	B	C	D	E	F	G	H	I	J	K	L	M	N	
New Middle School 2008 Series	Imp. Madison Southern 2008B Series	Refunds 95B & 99A 2009R Series	New Middle School 2010 BABS Series	Refunds 98B & 01 2010R Series	Imp. MSHS & CMMS 2011 Series	Refunds 03 & 04 2013R Series	Refunds 05 2014R Series	Imp. D. Boone K. Carson, W. Hall 2014 Series	Silver Creek Foley 2015 Series	Refunds 2006 2006B, 2010 2016R Series	Refunds 08 and 09 2016BR Series	New Elementary 2017 Series	Total	
FYE														
2020	\$868,622			\$996,175	\$280,973	\$1,442,169	\$1,157,650	\$280,881	\$539,769	\$1,577,845	\$1,868,710	\$437,231	\$9,450,024	
2021	\$874,033			\$958,375	\$275,703	\$1,451,019	\$1,158,650	\$283,981	\$538,319	\$1,602,096	\$1,868,360	\$443,080	\$9,453,615	
2022	\$998,871				\$185,433	\$1,577,969	\$1,464,400	\$280,157	\$540,369	\$1,707,344	\$2,253,610	\$443,480	\$9,451,632	
2023	\$378,556				\$187,118	\$1,578,069	\$1,470,400	\$279,357	\$537,194	\$1,699,344	\$2,872,781	\$443,580	\$9,446,398	
2024					\$183,608	\$1,175,200	\$1,480,050	\$283,182	\$538,794	\$1,803,343	\$3,543,132	\$438,380	\$9,445,689	
2025					\$185,098	\$1,168,716	\$1,483,200	\$281,632	\$535,169	\$1,804,544	\$3,554,407	\$433,031	\$9,445,795	
2026					\$396,393			\$378,281	\$644,669	\$3,017,194	\$4,011,331	\$562,530	\$9,010,398	
2027					\$393,993			\$437,157	\$642,219	\$2,713,999	\$4,027,081	\$562,829	\$8,777,278	
2028					\$396,193			\$439,236	\$644,122	\$2,617,000	\$4,028,381	\$562,679	\$8,687,611	
2029					\$397,458			\$440,330	\$807,331	\$2,620,150	\$1,610,506	\$677,080	\$6,552,854	
2030					\$397,758			\$519,101	\$807,019	\$2,611,050		\$687,579	\$5,022,507	
2031					\$407,063			\$524,910	\$824,888			\$697,180	\$2,454,040	
2032								\$543,514	\$830,738			\$745,881	\$2,120,132	
2033								\$540,425	\$830,169			\$747,480	\$2,118,074	
2034								\$541,376	\$833,163			\$743,329	\$2,117,867	
2035								\$541,387	\$835,069			\$738,580	\$2,115,036	
2036									\$835,375			\$732,173	\$1,567,548	
2037												\$739,061	\$739,061	
Totals:	\$0	\$3,120,082	\$0	\$0	\$1,954,550	\$3,686,785	\$8,393,141	\$8,214,350	\$6,594,907	\$11,764,372	\$23,773,910	\$29,638,300	\$10,835,164	\$107,975,560

MADISON COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L
FYE	Local Nickel	1st Growth Nickel	2nd Growth Nickel	Capital Outlay @ 80%	FSPK	Addtl. FSPK	Total Local Funds	Less Current Payments	Local Funds Available	2016 SFCC Offer	Total Funds Available
2020	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$9,450,024)	\$3,115,800		\$3,115,800
2021	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$9,453,615)	\$3,112,208	\$62,845	\$3,175,053
2022	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$9,451,632)	\$3,114,191	\$62,845	\$3,177,036
2023	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$9,446,398)	\$3,119,425	\$62,845	\$3,182,270
2024	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$9,445,689)	\$3,120,135	\$62,845	\$3,182,980
2025	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$9,445,795)	\$3,120,028	\$62,845	\$3,182,873
2026	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$9,010,398)	\$3,555,426	\$62,845	\$3,618,271
2027	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$8,777,278)	\$3,788,545	\$62,845	\$3,851,390
2028	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$8,687,611)	\$3,878,213	\$62,845	\$3,941,058
2029	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$6,552,854)	\$6,012,969	\$62,845	\$6,075,814
2030	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$5,022,507)	\$7,543,317	\$62,845	\$7,606,162
2031	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$2,454,040)	\$10,111,783	\$62,845	\$10,174,628
2032	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$2,120,132)	\$10,445,692	\$62,845	\$10,508,537
2033	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$2,118,074)	\$10,447,749	\$62,845	\$10,510,594
2034	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$2,117,867)	\$10,447,957	\$62,845	\$10,510,802
2035	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$2,115,036)	\$10,450,788	\$62,845	\$10,513,633
2036	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$1,567,548)	\$10,998,276	\$62,845	\$11,061,121
2037	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	(\$739,061)	\$11,826,762	\$62,845	\$11,889,607
2038	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	\$0	\$12,565,824	\$62,845	\$12,628,669
2039	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824	\$0	\$12,565,824	\$62,845	\$12,628,669
2040	\$2,946,938	\$2,946,938	\$2,946,938	\$841,916	\$1,441,547	\$1,441,547	\$12,565,824		\$12,565,824	\$62,845	\$12,628,669
Totals:	\$61,885,698	\$61,885,698	\$61,885,698	\$17,680,228	\$30,272,487	\$30,272,487	\$263,882,296	(\$107,975,560)	\$155,906,736	\$1,256,900	\$157,163,636

NOTES: Data based on assessments of \$5,893,876,648 and ADA of 10,475.685 per KDE SEEK Website (FY 2019-20)

MADISON COUNTY SCHOOL DISTRICT PROJECTED 2020 BONDS (RICHMOND & Berea ATC)

A	B	C	D	E	F	G	H	I	J	K	
Current Payments	FY June 30	----- Estimated New Bond Issue -----				Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
		Principal Payment	Coupon	Interest Payments							
\$9,453,615	2021	\$310,000	2.750%	\$958,808	\$1,268,808	\$62,845	\$1,205,963	\$10,659,578	\$12,565,824	\$1,906,246	
\$9,451,632	2022	\$315,000	2.750%	\$950,283	\$1,265,283	\$62,845	\$1,202,438	\$10,654,070	\$12,565,824	\$1,911,754	
\$9,446,398	2023	\$325,000	2.750%	\$941,620	\$1,266,620	\$62,845	\$1,203,775	\$10,650,173	\$12,565,824	\$1,915,650	
\$9,445,689	2024	\$335,000	2.750%	\$932,683	\$1,267,683	\$62,845	\$1,204,838	\$10,650,526	\$12,565,824	\$1,915,298	
\$9,445,795	2025	\$345,000	2.750%	\$923,470	\$1,268,470	\$62,845	\$1,205,625	\$10,651,420	\$12,565,824	\$1,914,403	
\$9,010,398	2026	\$445,000	2.750%	\$913,983	\$1,358,983	\$62,845	\$1,296,138	\$10,306,535	\$12,565,824	\$2,259,288	
\$8,777,278	2027	\$570,000	2.750%	\$901,745	\$1,471,745	\$62,845	\$1,408,900	\$10,186,178	\$12,565,824	\$2,379,645	
\$8,687,611	2028	\$640,000	3.000%	\$886,070	\$1,526,070	\$62,845	\$1,463,225	\$10,150,836	\$12,565,824	\$2,414,988	
\$6,552,854	2029	\$1,630,000	3.000%	\$866,870	\$2,496,870	\$62,845	\$2,434,025	\$8,986,879	\$12,565,824	\$3,578,944	
\$5,022,507	2030	\$1,680,000	3.000%	\$817,970	\$2,497,970	\$62,845	\$2,435,125	\$7,457,632	\$12,565,824	\$5,108,192	
\$2,454,040	2031	\$1,730,000	3.000%	\$767,570	\$2,497,570	\$62,845	\$2,434,725	\$4,888,765	\$12,565,824	\$7,677,058	
\$2,120,132	2032	\$1,780,000	3.150%	\$715,670	\$2,495,670	\$62,845	\$2,432,825	\$4,552,957	\$12,565,824	\$8,012,867	
\$2,118,074	2033	\$1,840,000	3.250%	\$659,600	\$2,499,600	\$62,845	\$2,436,755	\$4,554,829	\$12,565,824	\$8,010,994	
\$2,117,867	2034	\$1,900,000	4.000%	\$599,800	\$2,499,800	\$62,845	\$2,436,955	\$4,554,822	\$12,565,824	\$8,011,002	
\$2,115,036	2035	\$1,975,000	4.000%	\$523,800	\$2,498,800	\$62,845	\$2,435,955	\$4,550,991	\$12,565,824	\$8,014,833	
\$1,567,548	2036	\$2,055,000	4.000%	\$444,800	\$2,499,800	\$62,845	\$2,436,955	\$4,004,503	\$12,565,824	\$8,561,321	
\$739,061	2037	\$2,135,000	4.000%	\$362,600	\$2,497,600	\$62,845	\$2,434,755	\$3,173,816	\$12,565,824	\$9,392,007	
\$0	2038	\$2,220,000	4.000%	\$277,200	\$2,497,200	\$62,845	\$2,434,355	\$2,434,355	\$12,565,824	\$10,131,469	
\$0	2039	\$2,310,000	4.000%	\$188,400	\$2,498,400	\$62,845	\$2,435,555	\$2,435,555	\$12,565,824	\$10,130,269	
	2040	\$2,400,000	4.000%	\$96,000	\$2,496,000	\$62,845	\$2,433,155	\$2,433,155	\$12,565,824	\$10,132,669	
\$98,525,536	Totals:	\$26,940,000		\$13,728,940	\$40,668,940	\$1,256,900	\$39,412,040	\$137,937,576	\$251,316,472	\$113,378,896	

COMMONWEALTH OF KENTUCKY
KENTUCKY ASSET/LIABILITY COMMISSION
SEMI-ANNUAL REPORT

For the period ending December 31, 2019

46th Edition



Andy Beshear, Governor of the Commonwealth of Kentucky

Holly M. Johnson, Secretary of the Finance and Administration Cabinet

Ryan Barrow, Executive Director, Office of Financial Management



**An electronic copy of this report
may be viewed at:**

<http://finance.ky.gov/services/ofm/Pages/semi-annualreports.aspx>

**The Commonwealth's Comprehensive Annual Financial Report (CAFR)
may be viewed at:**

<http://finance.ky.gov/services/statewideacct/Pages/ReportsandPublications.aspx>

**The Municipal Securities Rulemaking Board (MSRB)
Electronic Municipal Market Access (EMMA)**

may be viewed at:

<http://emma.msrb.org/>

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INTRODUCTION

The Kentucky Asset/Liability Commission (ALCo or the Commission) presents its 46th semi-annual report to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue pursuant to KRS 56.863 (11) for the period beginning July 1, 2019 through December 31, 2019.

Provided in the report is the current structure of the Commonwealth's investment and debt portfolios and the strategy used to reduce both the impact of variable revenue receipts on the budget of the Commonwealth and fluctuating interest rates on the interest-sensitive assets and interest-sensitive liabilities of the Commonwealth. Additionally, an analysis of the Commonwealth's outstanding debt is provided as well as a description of all financial agreements entered into during the reporting period. And finally, the report makes available a summary of gains and losses associated with outstanding financial agreements.

Several factors on both the state and national level had an impact on activity during the reporting period. The most significant factors were:

On the national level

- The Federal Reserve Board of Governors voted in three of the four remaining meetings in 2019 to reduce the federal funds rate 0.25%, ending the year with a target range of 1.50% – 1.75%.
- The unemployment rate continued the trend lower ending December 2019 at 3.5% from 3.7% in June 2019.
- The annual rate of economic growth as measured by GDP remained consistent over the last two quarters of 2019. The seasonally adjusted rate for both the third and fourth quarter was 2.1%.
- Inflation finished the second half of 2019 muted with the core rate (ex-energy and food) ending at 1.6% as of December 2019.

On the international level

- Partly as a result of the trade war with the United States, economies in China and other Asian countries are weakening.
- China's first reported case of Covid-19 was identified in early December.

On the state level

- General Fund receipts totaled \$5.749 billion for the first six months of Fiscal Year (FY) 2020, representing a 2.7% increase over the same period in 2019. The revised official General Fund revenue estimate for FY20 calls for revenue to grow 1.6% compared to FY19 actual receipts. Based on the first half results, General Fund revenues must increase 0.6% for the remainder of the FY to meet the official estimate of \$11.576 billion.

INTRODUCTION

- Road Fund receipts totaled \$779.7 million for the first six months of FY20, representing a 1.1% increase over the same period in 2019. The official Road Fund revenue estimate for FY20 calls for revenue to increase 0.4% compared to FY19 actual receipts. Based on the first half results, Road Fund revenues can decrease 0.2% for the remainder of the FY and meet the official estimate of \$1.573 billion.
- Kentucky non-farm employment grew by 1.4% in the second quarter of FY20, continuing the pattern of growth from the last 10 quarters.
- Kentucky personal income grew by 4.9% in the second quarter of FY20. Personal Income has grown an average of 1.0% per quarter on an adjacent-quarter basis.
- Construction employment was the fastest growing sector in the second quarter of FY20, gaining 3.4%, and it represented 4.1% of total Kentucky non-farm employment in the second quarter of FY20.
- Large unfunded pension liabilities continue to put stress on the Commonwealth.
- Implementation of bond authorizations from prior-year sessions of the General Assembly continued. Bond issues for the period are discussed later in the report.

*The information reported is accurate as of December 31, 2019. Estimates made as that time may be revised due to events caused by the spread of Covid-19.

INVESTMENT MANAGEMENT

Market Overview

The U.S. economy continued to grow moderately last year and the labor market strengthened further. With these gains, the current expansion entered its 11th year, becoming the longest on record. However, inflation was below the Federal Open Market Committee's (FOMC) longer-run objective of 2%. In light of the implications of global developments for the economic outlook as well as muted inflation pressures, the FOMC lowered the target range for the federal funds rate at its July, September, and October meetings, bringing it to the current range of 1.50% to 1.75%. In the Committee's subsequent meetings, it judged that the prevailing stance of monetary policy was appropriate to support sustained expansion of economic activity, strong labor market conditions, and inflation returning to the Committee's 2% objective.

Employment

The labor market continued to strengthen. Payroll employment growth remained solid in the second half of 2019, and while the pace of job gains during the year as a whole was somewhat slower than in 2018, it was faster than what is needed to provide jobs for new entrants to the labor force. The unemployment rate moved down from 3.9% at the end of 2018 to 3.5% in December, and the labor force participation rate increased.

Inflation

After having been close to the FOMC's objective of 2% in 2018, consumer price inflation, as measured by the price index for personal consumption expenditures, moved back below 2% last year, where it has been during most of the current expansion. The 12-month change was 1.6% in December 2019, as was the 12-month measure that excludes consumer food and energy prices (core inflation), which historically has been a better indicator of where inflation will be in the future than the overall figure. The downshift relative to 2018 partly results from particularly low readings in the monthly price data in the early part of last year that appear to reflect transitory influences. Survey-based measures of longer-run inflation expectations have been broadly stable since the middle of last year, and market based measures of inflation compensation are little changed on net basis.

Economic Growth

Real gross domestic product (GDP) increased at a moderate rate in the second half of 2019, although growth was somewhat slower than in the first half of the year and in 2018. Consumer spending rose at a moderate pace, and residential investment turned up after having declined in 2018 and the first half of 2019. In contrast, business fixed investment declined in the second half of 2019, reflecting a number of factors that likely include trade policy uncertainty and weak

INVESTMENT MANAGEMENT

global growth. Downside risks to the U.S. outlook seem to have receded in the latter part of the year, as the conflicts over trade policy diminished somewhat, economic growth abroad showed signs of stabilizing, and financial conditions eased.

Interest Rates

After moving significantly lower over the first half of 2019, nominal Treasury yields also fell sharply in August, largely in response to investors' concerns regarding trade tensions between the United States and China and the global economic outlook. Later in the year, as these concerns abated, Treasury yields rose, the yield curve steepened, and uncertainty about near-term Treasury yields declined. Since the middle of 2019, Treasury yields ended lower on net. Consistent with changes in the yields on nominal Treasury securities, yields on 30-year agency mortgage-backed securities (MBS) an important determinant of mortgage interest rates decreased, since the middle of 2019 and remained low by historical standards. Meanwhile, yields on both investment and speculative grade corporate bonds continued to decline and also stayed low by historical standards. Spreads on corporate bond yields over comparable maturity Treasury yields narrowed moderately over the second half of 2019 and remained in the lower end of their historical distribution.

Decreases in the FOMC's target range for the federal funds rate in July, September, and October transmitted effectively through money markets, with yields of money market instruments moving lower in response to the FOMC's policy actions.

The effective federal funds rate moved nearly in parity with the interest rate paid on reserves and was closely tracked by the overnight Eurodollar rate. Other short-term interest rates, including those on commercial paper and negotiable certificates of deposit, also moved down in line with decreases in the policy rate. Domestic short-term funding markets were volatile in mid-September amid large flows related to corporate tax payments and settlement of Treasury securities and experienced significant tightening.

Equities

Equity prices fluctuated in August and September along with investors' concerns about trade developments and the economic outlook. Later in 2019, equity prices rose substantially and were reportedly boosted by greater certainty among investors that monetary policy would remain accommodative in the near term. Gains were spread across most major economic sectors, with the exception of the energy sector, for which stock prices declined markedly.

INVESTMENT MANAGEMENT

Outlook

The FOMC has continued to emphasize that the actual path of monetary policy will depend on the evolution of the economic outlook and risks to the outlook as informed by incoming data. Specifically, in deciding on the timing and size of future adjustments to the target range for the federal funds rate, the Committee is expected to assess economic conditions relative to its objectives of maximum employment and 2% inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments.

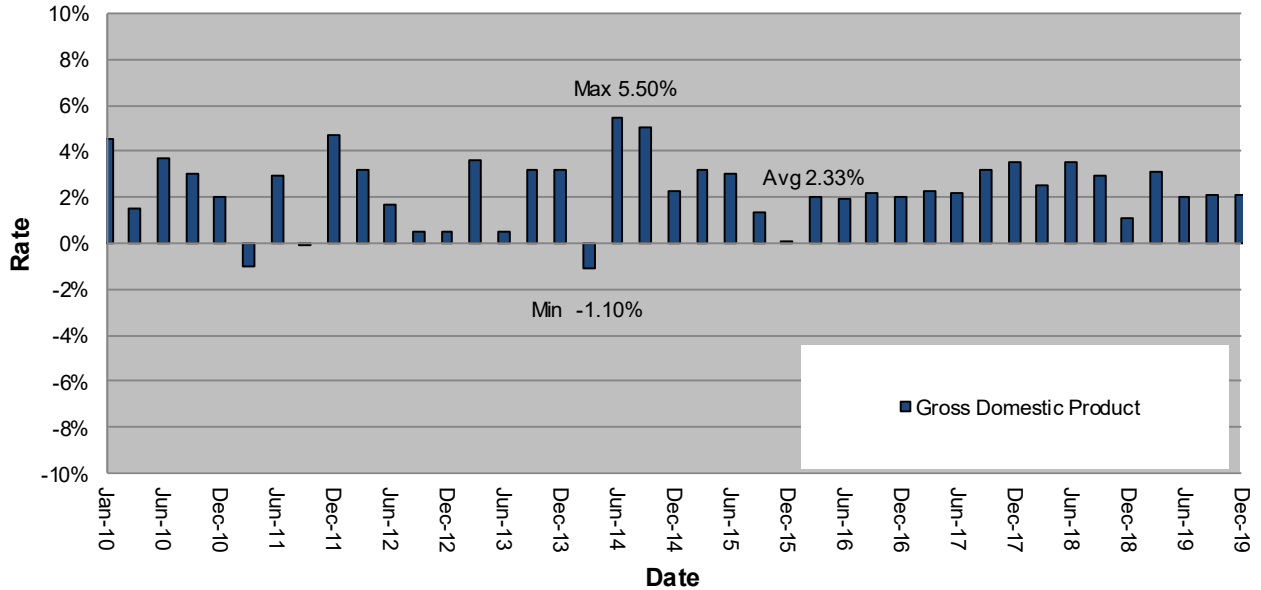
A substantial majority of participants projected a federal funds rate of 1.63% for the end of 2020. Four participants assessed that the most likely appropriate rate at year-end for 2020 would be 1.88%. For subsequent years, the medians of the projections were 1.88% at the end of 2021 and 2.13% at the end of 2022. The distribution of participants' estimates of the longer-run level of the federal funds rate was little changed, and the median estimate was unchanged from September at 2.50%.

INVESTMENT MANAGEMENT

Real Gross Domestic Product & Standard & Poor's 500

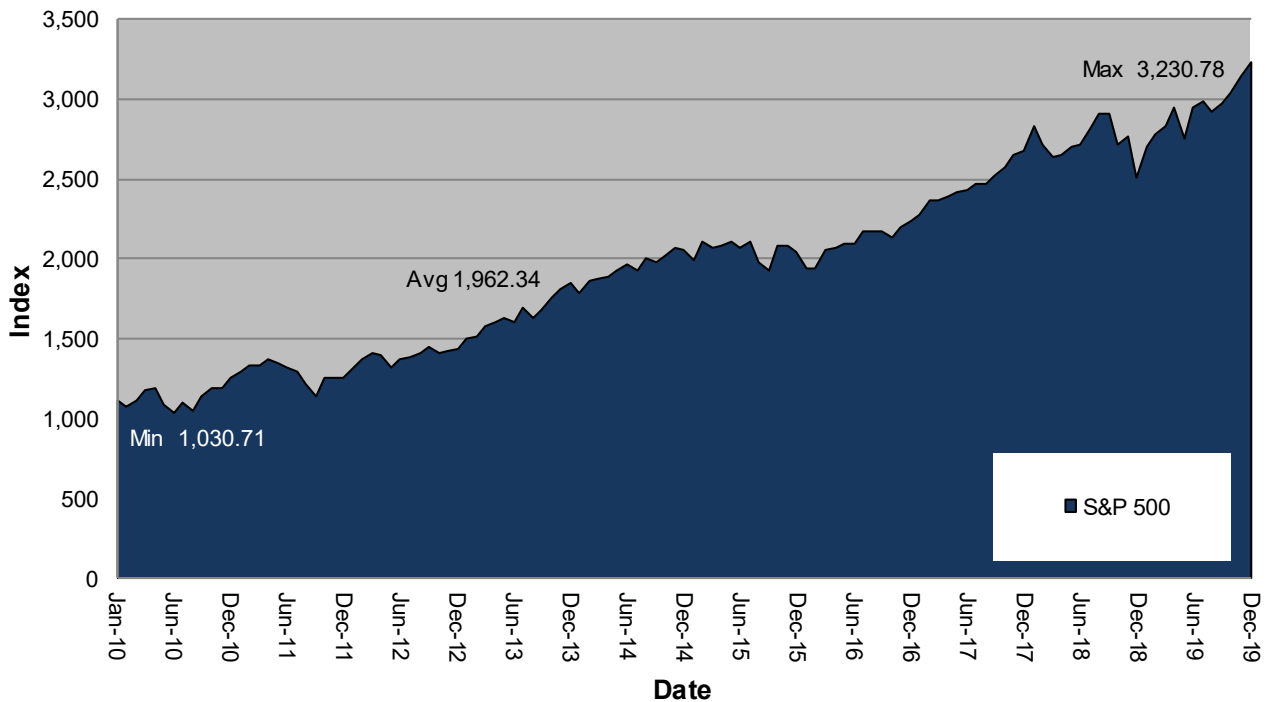
Real Gross Domestic Product

Quarter Over Quarter
Range 01/01/2010-12/31/2019
GDP CQOQ Index



Standard & Poor's 500

Range 01/01/2010-12/31/2019
SPX Index

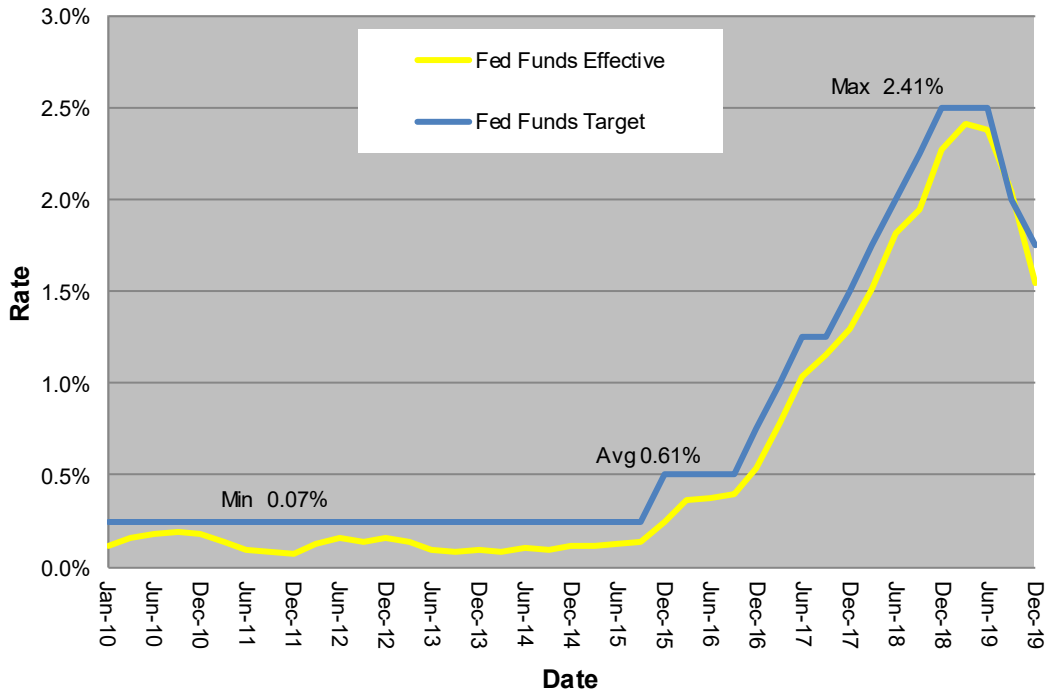


INVESTMENT MANAGEMENT

Federal Funds Target Rate & NonFarm Payrolls

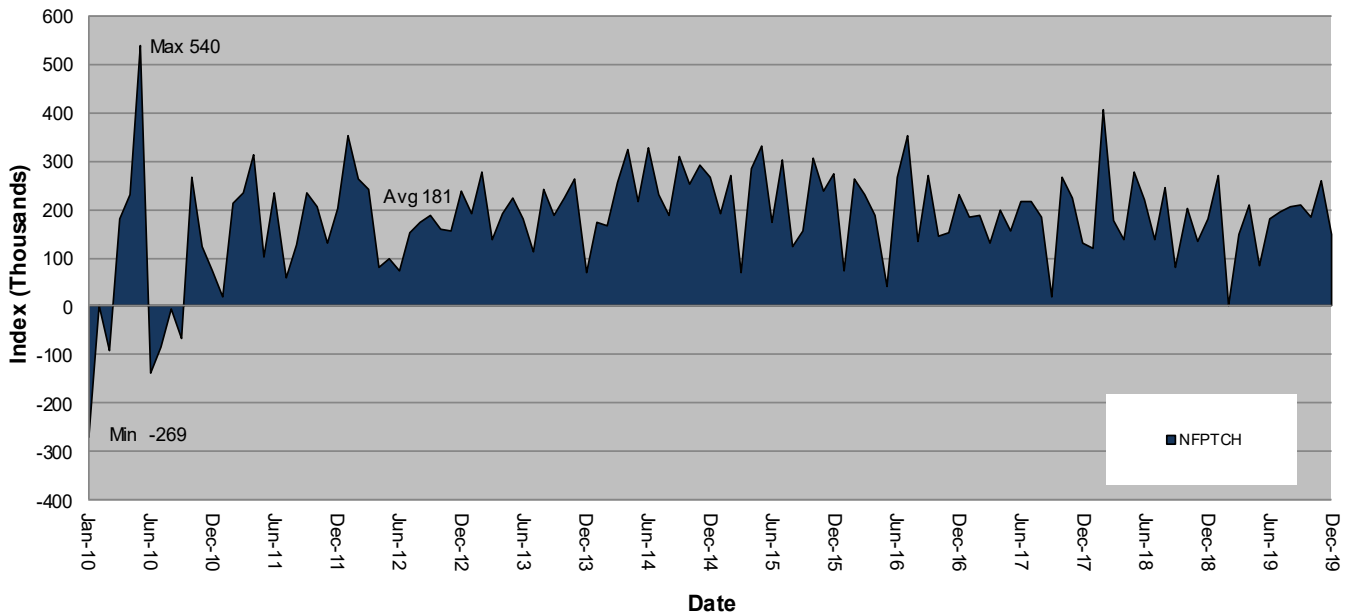
Federal Funds Target Rate

Range 01/01/2010-12/31/2019
FEDL01 Index/FDTR Index



Nonfarm Payrolls

Range 01/01/2010-12/31/2019
NFPTCH Index



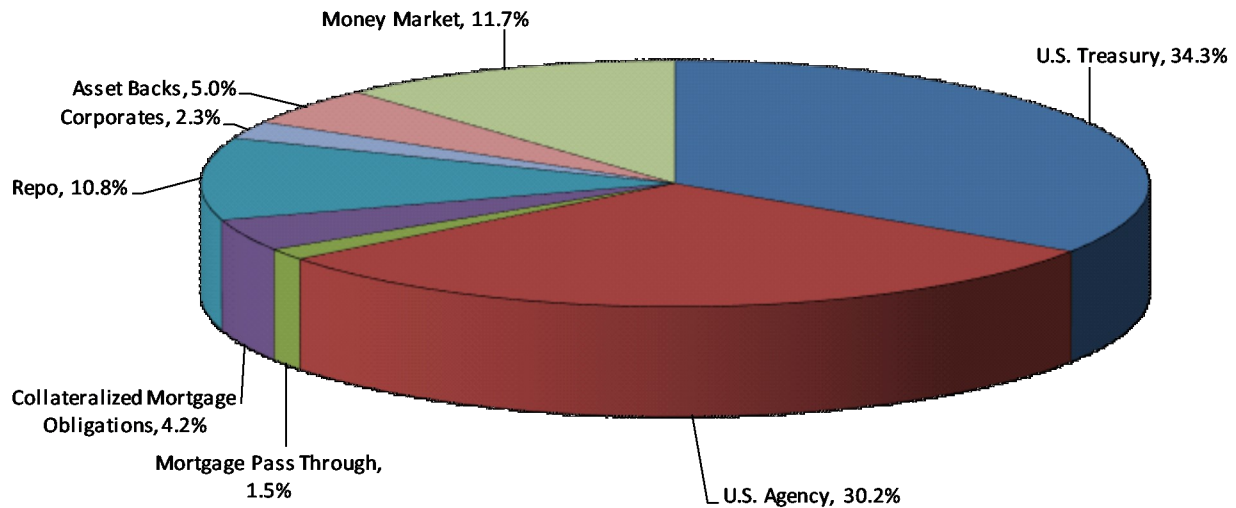
INVESTMENT MANAGEMENT

Portfolio Management

For six months ended December 31, 2019, the Commonwealth’s investment portfolio was approximately \$4.1 billion. The portfolio was invested in U.S. Treasury Securities (34.3%), U.S. Agency Securities (30.2%), Mortgage-Backed Securities (5.7%), Repurchase Agreements (10.8%), Corporate Securities (2.3%), Asset-Backed Securities (5.0%), and Money Market Securities (11.7%). The portfolio had a market yield of 1.51% and an effective duration of 0.52 of a year.

The total portfolio is broken down into four investment pools. The pool balances as of December 31, 2019 were negative \$104.8 million (Short Term Pool), \$1.4 billion (Limited Term Pool), \$2.3 billion (Intermediate Term Pool) and \$409.6 million (TRAN Pool).

Distribution of Investments as of December 31, 2019



INVESTMENT MANAGEMENT

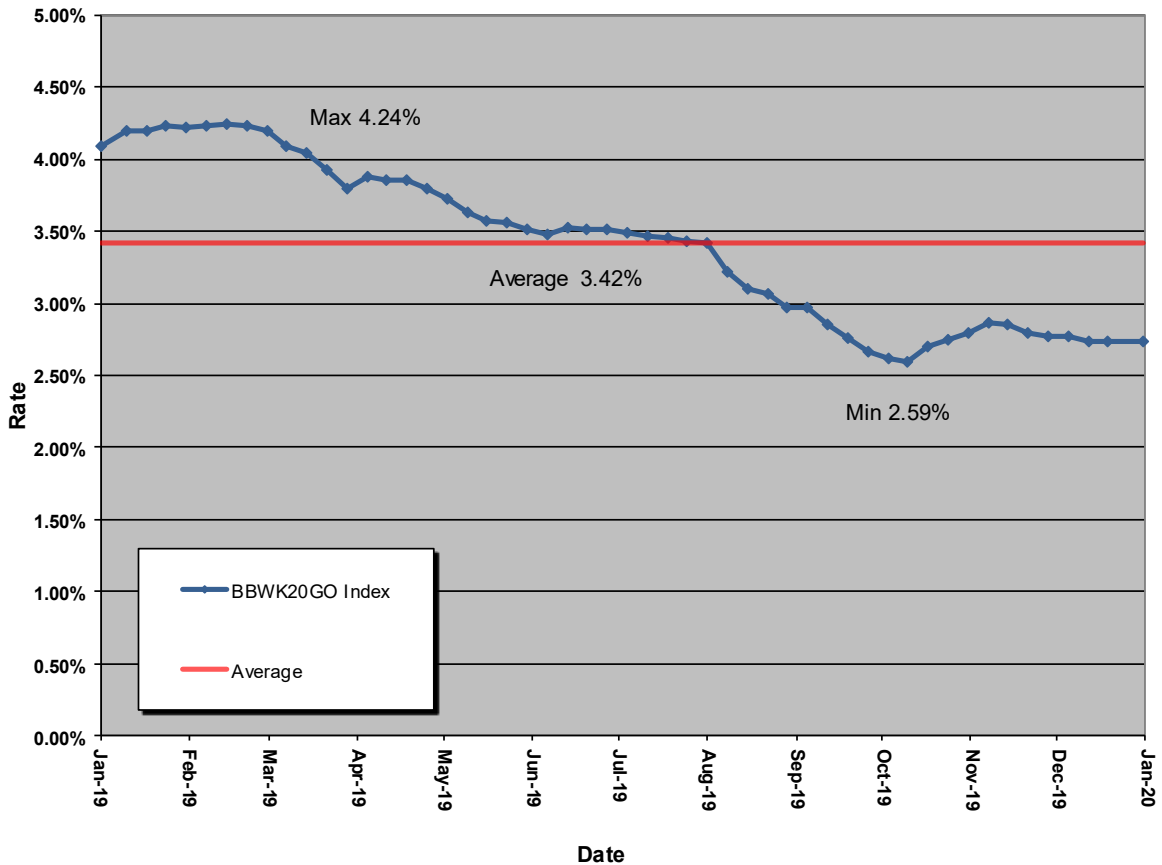
Tax-Exempt Interest Rates and Relationships

The Bond Buyer 20-year General Obligation Index averaged 3.42% for Calendar Year 2019. The high was 4.24% in February 2019 and the low was 2.59% in October 2019.

The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index averaged 1.46% for Calendar Year 2019. The

high was 2.30% in April 2019 and the low was 1.06% in December 2019. The 30-day London Interbank Offered Rate (LIBOR) averaged 2.22% for Calendar Year 2019. The high was 2.52% in January 2019 and the low was 1.70% toward the end of November 2019. During the year, SIFMA traded at a high of 92.63% of the 30-day LIBOR in late April 2019, at a low of 50.60% in early July 2019, and at an average of 65.73% for the Calendar Year.

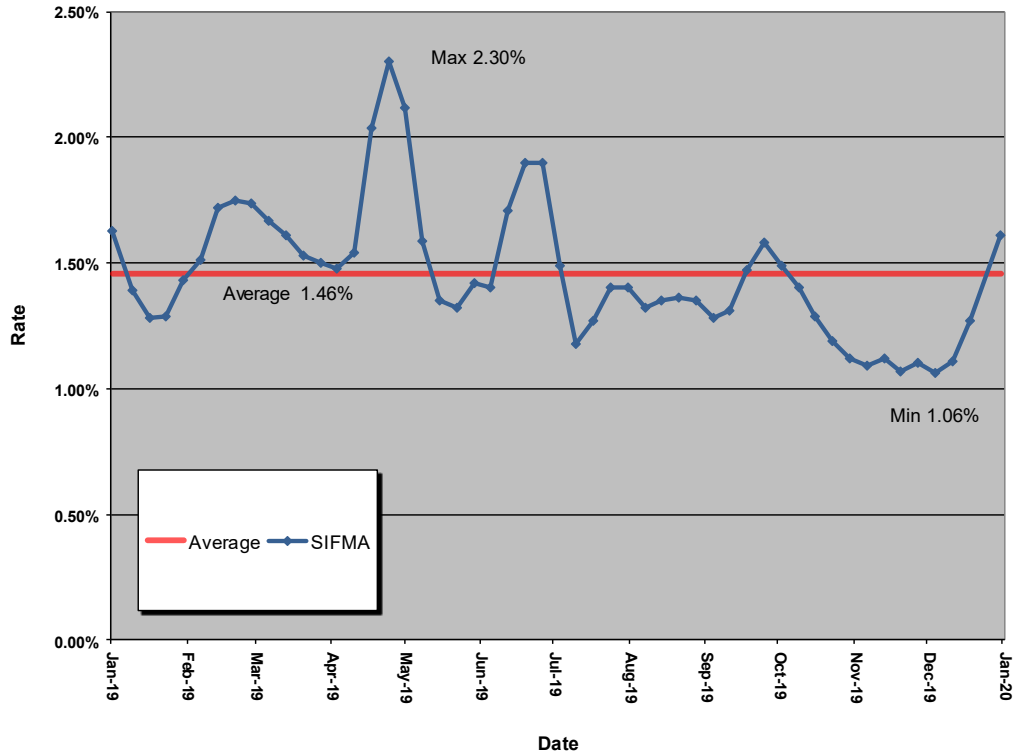
Bond Buyer 20 General Obligation Index
Range 01/01/2019 - 12/31/2019
BBWK20GO Index



SIFMA & SIFMA/LIBOR Ratio

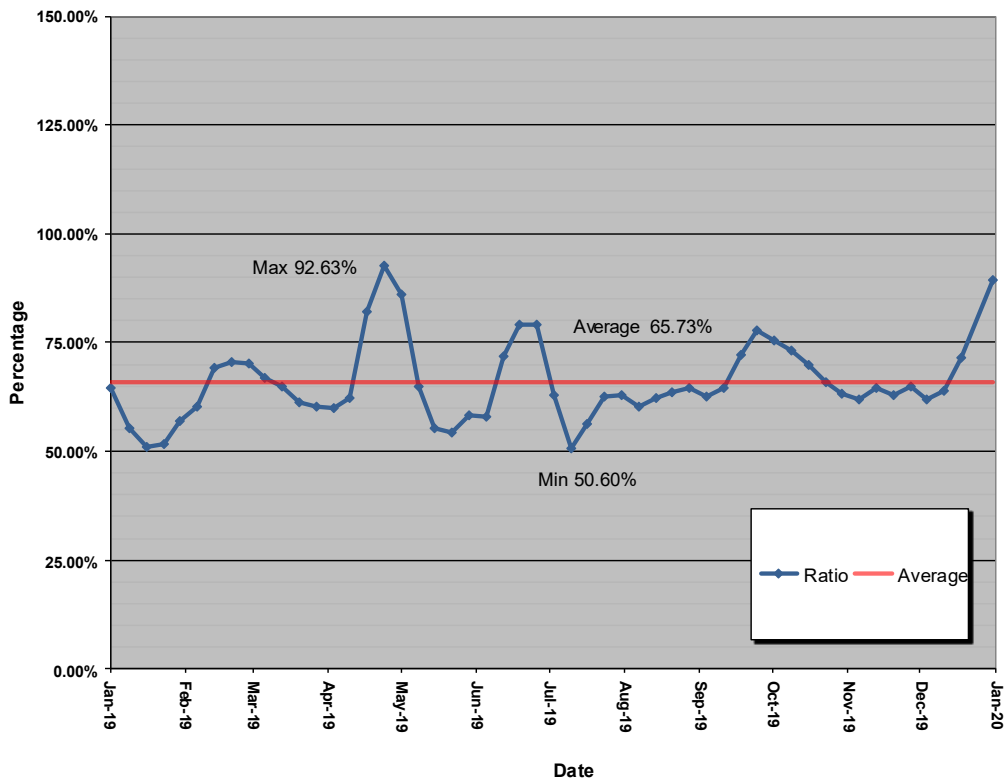
SIFMA Rate

Range 01/01/2019 - 12/31/2019
MUNIPSA Index



SIFMA / LIBOR Ratio

Range 01/01/2019- 12/31/2019



CREDIT MANAGEMENT

Year-End Reflection

Consumer spending dipped in the second half of 2019 despite an accommodative policy from the Federal Reserve that lowered interest rates three times. While personal income growth slowed, household debt continued to advance to a record \$14 trillion with the fastest annual growth since 2007. After a sharp decline in the first half of the year, mortgage rates stabilized but remained near a multiyear low, providing a jolt to both new and existing home sales. Auto loan delinquencies have risen to an eight-year high despite a strong labor market. Growth in the total amount of outstanding student loans leveled off and delinquency rates were flat.

Corporate debt continued to rise to record levels while also degrading in overall quality as BBB rated bonds reached a record 50% of all outstanding U.S. corporate bonds. A wave of downgrades following a recession could cause financial stability concerns if a significant amount of corporate debt loses investment grade status. Respondents to the Senior Loan Officer Opinion Survey on Bank Lending Practices, reported that lending standards for commercial and industrial loans remained largely unchanged. For those lenders that tightened standards, an uncertain economic outlook was often cited as the cause. Lending standards for commercial real estate loans also remained mostly unchanged. On the consumer side, demand for most mortgage loans categories strengthened in response to lower mortgage rates while demand in home equity lines of credit shrank.

The second half of 2019 saw several downgrades to companies on the State Investment Commission Corporate Credit Approved list. HSBC, Nestle, Pfizer, Oracle, and IBM all saw their credit rating revised downward. The biggest change was Boeing, who saw multiple downgrades and in December was removed entirely from the Corporate Credit Approved list.

Credit Process

Our credit strategy invests in creditworthy corporate issuers having a long-term rating of A3/A-/A- or better as rated by Moody's, S&P, or Fitch. The strategy focuses on adding value through a disciplined approach in the credit selection process. With independent research and prudent diversification with respect to industries and issuers, the goal is to deliver consistent longer-term investment performance over U.S. Treasuries.

Default Monitoring

The Bloomberg credit risk model is the main tool for default monitoring. The default likelihood model is based on the Merton distance-to-default (DD) measure, along with additional economically and statistically relevant factors. Firms are assigned a default risk measure as a high-level summary of their credit health using an explicit mapping from default likelihood to default risk.

A daily report is generated using the approved list and their peers enabling us to track market activity in selected names including Credit Default Swaps (CDS).

CREDIT MANAGEMENT

Industry/Company Analysis

We use a combination top-down and bottom-up approach for investing. The top-down approach refers to understanding the current (and future) business cycle or the “big picture” of the economy and financial world in order to identify attractive industries. Once industries are identified, a bottom-up approach is utilized where we focus on specific company fundamentals, picking the strongest companies within a sector.

Fundamental analysis is then performed looking at competitive position, market share, operating history/trends, management strategy/execution, and financial statement ratio analysis.

Approved List

Once analysis has been completed, the State Investment Commission approves the list on a quarterly basis. During the second half of 2019, Boeing was removed from the Corporate Credits Approved list. The Corporate Credits Approved list as of December 2019 is found in Appendix A.

State Investment Commission

The State Investment Commission is responsible for investment oversight with members of the Commission being Governor (Chair), State Treasurer (Vice Chair), Finance and Administration Cabinet Secretary and two Gubernatorial Appointees. The investment objectives are three-fold: preservation of principal, maintain liquidity to meet cash needs and maximization of returns. The Office of Financial Management is staff to the SIC and follows KRS 42.500, 200 KAR 14.011, 14.081, and 14.091 when making investment decisions.

DEBT MANAGEMENT

Authorized But Unissued Debt

As of December 31, 2019, the Commonwealth's 2018-2020 budget includes authorized debt service for over \$1.01 billion of projects supported by the General Fund, Agency Funds, and the Road Fund, which were approved during prior sessions of the General Assembly. This pipeline of projects is anticipated to be bond financed over a number of future biennia. The speed at which this financing takes place is dependent upon factors managed by and between the project sponsors, the Office of the State Budget Director and the Office of Financial Management.

2010 Extraordinary (Special) Session

The 2010 Extraordinary (Special) Session of the General Assembly delivered House Bill 1 (Executive Branch Budget other than Transportation Cabinet) and House Bill 3 (Kentucky Transportation Cabinet Budget) to the Governor on May 29, 2010, establishing an Executive Branch Budget for the biennium ending June 30, 2012. The Governor took final action on the bills on June 4, 2010. Together, the bills authorized bond financing for projects totaling \$1,980.2 million to support various capital initiatives of the Commonwealth. Of the total authorization, \$507.4 million is General Fund supported, \$515.3 million is Agency Restricted Fund supported, \$522.5 million is supported by Road Fund appropriations and \$435 million is Federal Highway

Trust Fund supported through Grant Anticipation Revenue Vehicle Bonds designated for the US-68/KY-80 Lake Barkley and Kentucky Lake Bridges Project and the Louisville-Southern Indiana Ohio River Bridges Project. A portion of the General Fund, Agency Restricted Fund, Road Fund and Federal Highway Trust Fund authorizations have been permanently financed.

2012 Regular Session

The 2012 Regular Session of the General Assembly delivered House Bill 265 (Executive Branch Budget other than Transportation Cabinet) to the Governor on March 30, 2012 and House Bill 2 (Kentucky Transportation Cabinet Budget) to the Governor on April 20, 2012, establishing an Executive Branch Budget for the biennium ending June 30, 2014. The Governor took final action on House Bill 265 on April 13, 2012 and took final action on House Bill 2 on May 2, 2012. Together, the bills authorized bond financing for projects totaling \$238.86 million to support various capital initiatives of the Commonwealth. Of the total authorization, \$182.86 million is General Fund supported, \$12.5 million is supported by Road Fund appropriations, and \$43.5 million is Agency Restricted Fund supported. A portion of the General Fund authorization and the total Agency Restricted Fund authorizations listed above have been permanently financed.

DEBT MANAGEMENT

2014 Regular Session

The 2014 Regular Session of the General Assembly delivered House Bill 235 (Executive Branch Budget other than Transportation Cabinet) to the Governor on March 31, 2014 and House Bill 236 (Kentucky Transportation Cabinet Budget) to the Governor on April 15, 2014, establishing an Executive Branch Budget for the biennium ending June 30, 2016. The Governor took final action on House Bill 235 on April 11, 2014 and took final action on House Bill 236 on April 25, 2014. Together, the bills authorize bond financing for projects totaling a net amount of \$1,364.05 million to support various capital initiatives of the Commonwealth due to \$105 million in previously authorized debt that was de-authorized in House Bill 235. Of the total authorization, \$742.77 million is General Fund supported, \$721.28 million is supported by Agency Restricted Fund appropriations, and \$5.0 million is Road Fund supported. A portion of the General Fund and Agency Restricted Fund, and all of the Road Fund authorizations listed above have been permanently financed.

2016 Regular Session

The 2016 Regular Session of the General Assembly delivered House Bill 303 (Executive Branch Budget other than the Transportation Cabinet) and House Bill 304 (Kentucky Transportation Cabinet Budget) to the Governor on April 15, 2016, establishing an Executive

Branch Budget for the biennium ending June 30, 2018. The Governor took final action on House Bill 303 and House Bill 304 on April 27, 2016. Together, the bills authorize bond financing for projects totaling a net amount of \$1,251.24 million to support various capital initiatives of the Commonwealth with \$9.0 million of previously authorized debt de-authorized in House Bill 303. Of the total authorization, \$582.99 million is General Fund supported and \$677.25 million is supported by Agency Restricted Fund appropriations. No additional Road Fund supported authorizations were appropriated. A portion of the General Fund and Agency Restricted Fund authorizations listed have been permanently financed.

2017 Regular Session

The 2017 Regular Session of the General Assembly delivered House Bill 13 and House Bill 482 to the Governor on March 30, 2017. House Bill 13 authorized a general fund bond supported project for the Kentucky Department of Veterans' Affairs for the financing of the Bowling Green Veterans Center totaling \$10.5 million. House Bill 482 authorized a general fund bond supported project for the Kentucky Economic Development Finance Authority Loan Pool to support programs administered by the Kentucky Economic Development Finance Authority for the sole purpose of facilitating a private sector investment of not less than

DEBT MANAGEMENT

\$1 billion in one or more locations in the Commonwealth. The Governor took final action on House Bill 13 and House Bill 482 on April 11, 2017. The total authorization under House Bill 482 has been permanently financed.

2018 Regular Session

The 2018 Regular Session of the General Assembly delivered House Bill 200 (Executive Branch Budget other than Transportation Cabinet) to the Governor on April 2, 2018 and House Bill 201 (Kentucky Transportation Cabinet Budget) to the Governor on April 14, 2018, establishing an Executive Branch Budget for the biennium ending June 30, 2020. The Governor vetoed House Bill 200 on April 9, 2018 and on April 13, 2018 the General Assembly enacted House Bill 200 over the Governor's veto. On April 14, 2018, the General Assembly delivered House Bill 265 (amending the 2018-2020 Executive Branch Budget Bill) to the Governor. The Governor took final action on House Bill 201 on April 26, 2018. House Bill 265 became law without the Governor's signature on April 27, 2018. Together, the bills authorize bond financing for projects totaling a net amount of \$972.7 million to support various capital initiatives of the Commonwealth whereas \$26.62 million in previously authorized debt was de-authorized in House Bill 200 and House Bill 201. Of the total authorization, \$377.69 million is General Fund supported, \$602.89 million is supported by Agency Fund appropriations, and \$18.75 million is Road Fund supported.

2019 Regular Session

The 2019 Regular Session of the General Assembly delivered House Bill 268 to the Governor on March 14, 2019. House Bill 268 authorized general fund bond supported projects totaling \$75 million to support various capital initiatives of the Commonwealth. The Governor took final veto action on House Bill 268 on March 26, 2019. The Legislature partially overrode the Governor's vetoes on March 28, 2019. The authorization of \$75 million in General Fund supported authorization under House Bill 268 was appropriated for Fiscal Year 2020.

DEBT MANAGEMENT

Authorized but Unissued Debt Summary

The balance of prior bond authorizations of the General Assembly dating from 2010 through 2019 totals \$1,101.40 million. Of these prior authorizations, \$413.18 million is General Fund supported, \$625.72 million is Agency Restricted Fund supported, \$62.50 million is supported by Road Fund appropriations. HB 201 from the

2018 Regular Session de-authorized the remaining \$59.50 million which was authorized for the Federal Highway Trust Fund.

The following table summarizes, in aggregate, the information in connection with authorized but unissued debt of the Commission as described in this section.

Summary of Authorized but Unissued Debt by Fund Type As of December 31, 2019:

Legislative Session (Year)	General Fund (millions)	Agency Fund (millions)	Road Fund (millions)	TOTAL (millions)
2010	27.03	17.50	50.00	94.53
2012	9.46	-	12.50	21.96
2014	44.07	9.00	-	53.07
2016	106.17	64.84	-	171.01
2017	10.50	0.00	-	10.50
2018	315.95	534.38	-	850.33
2019	75.00			75.00
Bond Pool Proceeds	(175.00)	-	-	(175.00)
TOTAL	413.18	625.72	62.50	1,101.40

The balance of prior bond authorizations of the General Assembly dating from FY 2010 through FY 2019 totals \$1,101.40 million. Of these prior authorizations, \$413.18 million is General Fund supported, \$625.72 million is Agency Restricted Fund supported, and \$62.5 million is supported by Road Fund appropriations.

Looking Forward

The Commission continues to monitor the municipal bond interest rate market and uses this information together with other relevant market

data to evaluate whether or not the interim financing program would provide an economic advantage in conjunction with the fixed rate bonds.

DEBT MANAGEMENT

Ratings Update

The rating agencies continually monitor the Commonwealth's budgetary policies and actual performance in areas such as revenue, the economy, pensions, and debt management. Pension unfunded liabilities have continued to put downward pressure on the Commonwealth's credit ratings.

With the issuance of State Property and Buildings Commission project No. 122 in

October of 2019 (discussed in greater detail later) the determination was made to add Kroll Bond Rating Agency's evaluation of that issuance. The Kroll ratings were General Obligation Issuer Implied Rating of AA-, and General Fund Appropriation Rating of A+.

During the reporting period, the remaining ratings below were either affirmed or remained unchanged from the previous reporting period.

The Ratings Picture at December 31, 2019:

	Moody's	S & P	Fitch	Kroll
General Obligation Issuer Rating (GO)	Aa3	A	AA-	AA-
General Fund Appropriation Rating (GF) ⁱ	A1	A-	A+	A+
Road Fund Appropriation Rating (RF) ⁱ	Aa3	A-	A+	—
Federal Highway Trust Fund Appropriation Rating ⁱ	A2	AA	A+	—

ⁱAll outstanding bonds do not necessarily receive a rating

DEBT MANAGEMENT

Cash Management Strategies

All cash management strategies are market and interest rate dependent. Alternatives are listed below:

Tax and Revenue Anticipation Notes (TRAN)

On June 25, 2019 ALCo issued \$400 million of Tax and Revenue Anticipation Notes (TRAN) to provide additional liquidity to the General Fund. The transaction closed on July 10, 2019, and OFM staff certified that as of August 1, 2019 state statutory and Internal Revenue Service safe harbor requirements for the TRAN had been met. Due to the added liquidity for the General Fund and market opportunities at that time, a portion of state investment portfolios were restructured for a longer duration. The cumulative net benefit was estimated at approximately \$1.2 million. As of December 31, 2019 the accrued net benefit to the General Fund for the six month period was calculated at \$650,090. The total net benefit to the Commonwealth will be calculated June 30, 2020, but is in line with original estimates.

Inter-Fund Borrowing

Cash in one fund is loaned to another fund which is experiencing a short-term cash flow shortfall. Historically, funds are loaned to the short-term fund (General Fund).

As of December 31, 2019 the total available liquid resources available to the General Fund were \$4.055 billion.

Bond Anticipation Notes (BAN)

A short-term interest-bearing security issued in advance of a larger, future bond issue. Bond anticipation notes are smaller short-term bonds that are issued to generate funds for upcoming projects.

No BANs were issued during the reporting period

Notes (Direct Loans)

"Funding notes" means notes issued under the provisions of KRS 56.860 to 56.869 by the commission for the purpose of funding:

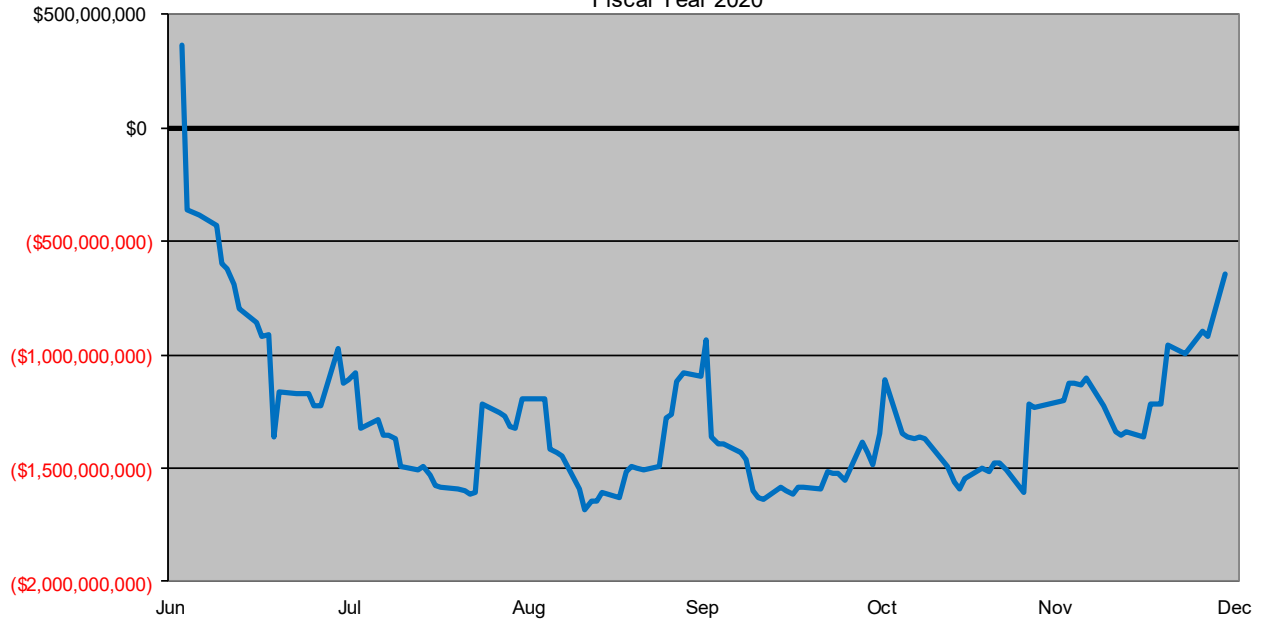
- (a) Judgments, with a final maturity of not more than ten (10) years; and
- (b) The finance or refinance of obligations owed under KRS 161.550(2) or 161.553(2)

"Project notes" means notes issued under the provisions of KRS 56.860 to 56.869 by the commission with a final maturity of not more than twenty (20) years for the purpose of funding authorized projects, which may include bond anticipation notes.

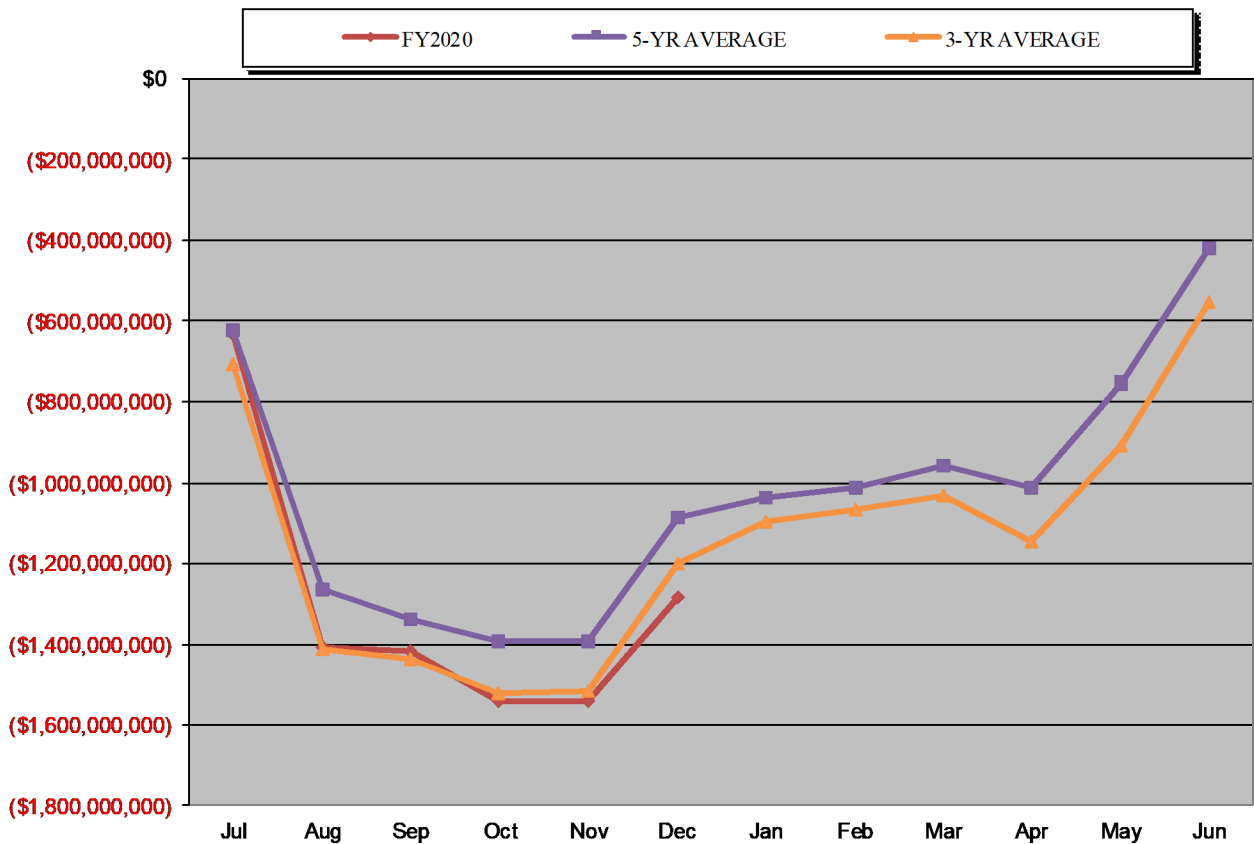
No Notes were issued during the reporting period

DEBT MANAGEMENT

General Fund Cash Balance
Fiscal Year 2020



GENERAL FUND MONTHLY AVERAGE
(Excluding TRAN Proceeds)



DEBT MANAGEMENT

ALCo Financial Agreements

As of December 31, 2019, ALCo had three financial agreements outstanding, with a net notional exposure amount of \$134,850,000. These financial agreements are described in the section below and the terms of these transactions are detailed in Appendix B. No additional financial agreements were executed during the reporting period.

General Fund – Floating Rate Note Hedges

In May, 2007, ALCo issued \$243.08 million of Floating Rate Notes (FRNs) to permanently finance \$100 million of General Fund bond supported projects and to advance refund certain outstanding State Property and Buildings Commission (SPBC) bonds for present value savings. The transaction entailed ALCo issuing four FRNs, each paying a rate of interest indexed to 3-Month LIBOR plus a fixed spread. Integrated into the transaction were four separate interest rate swaps which perfectly hedged the floating rates on the FRNs and locked in a fixed rate payable by ALCo on the transaction. The terms of the four interest rate swaps exactly match the notional amount, interest rate, and amortization schedule of the four FRNs and allowed ALCo to elect “super-integrated” tax status on the transaction, whereby it receives similar tax treatment as a fixed rate bond issue under IRS rules.

Under the FRN transaction, the Notes and interest rate swaps were each insured under

separate policies by FGIC, which maintained an Aaa/AAA credit rating at the time from Moody’s and S&P. Under the terms of the original interest rate swaps, the counterparty (Citibank) could optionally terminate the agreements if the insurer’s claims paying rating fell below an A3/A- level. Subsequent to the transaction, FGIC was downgraded multiple times by the credit rating agencies and currently are no longer rated. In December 2008, MBIA (rated A2 by Moody’s at the time) reinsured FGIC’s municipal insurance portfolio providing additional coverage on the transaction. However, MBIA Insurance Corporation’s credit rating was also subsequently downgraded on multiple occasions and is currently rated Caa1 by Moody’s and is no longer rated by S&P. In February of 2009, MBIA established a new U.S. public finance financial guaranty insurance company known as National Guaranty Public Finance Corporation (National). National, at no additional charge, provided reinsurance on the FRNs and related swaps. However, on December 22, 2010, S&P downgraded National from A to BBB leaving both of National’s claims paying ratings below the required A3/A- level.

In early 2011, ALCo spent considerable time working with Citibank and other parties analyzing a variety of remedies that would prevent the potential early termination of the interest rate swaps. After much consideration, ALCo determined the preferred remedy was

DEBT MANAGEMENT

one offered by Citibank whereby the remaining notional amount of each interest rate swap would be assigned to a new counterparty under the existing financial terms and at no cost to ALCo or the Commonwealth. On February 14, 2011, ALCo, Citibank and the new counterparty, Deutsche Bank AG, executed the assignment of the remaining notional balances of each swap to Deutsche Bank. The terms of the new interest rate swaps with Deutsche Bank were identical to the original swaps, with two exceptions; 1) the new swaps were not insured and there were no insurer provisions contained in the new agreements, and 2) the credit rating triggers under the automatic termination provisions were now symmetrical for both counterparties (ALCo and Deutsche Bank) at A3/A-. Under the original swaps, ALCo's credit rating triggers were Baa2/BBB, but rating recalibrations by the rating agencies caused municipal issuers to be rated on the same scale as corporations and other debt issuing entities, which facilitated the need for equal credit rating triggers for both parties. On July 10, 2014, the credit rating triggers were lowered to Baa3/BBB- for both counterparties. On January 25 2016, Moody's downgraded Deutsche Bank from A3 to Baa1 reflecting changes in Germany's insolvency legislation which took effect in January 2017. The changes resulted in protection from the subordination of certain senior unsecured debt obligations relative to other senior liabilities, including deposits. Moody's downgraded Deutsche Bank once again on May 23, 2016 from Baa1 to Baa2

reflecting "the increased execution challenges Deutsche Bank faces in achieving its strategic plan." Even with two downgrades, Deutsche Bank continues to be in compliance with the swap agreement credit rating threshold of not falling below Baa3. ALCo continues to monitor the credit of our counterparty for compliance with terms of the agreement. Fitch downgraded Deutsche Bank on June 7, 2019 from BBB+ to BBB, but the ratings termination triggers are only related to Moody's and S&P.

Details related to the interest rate swaps as of December 31, 2019 are presented in Appendix B.

Asset/Liability Model

General Fund

The total SPBC debt portfolio as of December 31, 2019 had \$3.308 billion of bonds outstanding with a weighted average coupon of 4.94% and a weighted average life of 6.62 years. The average coupon reflects an amount of taxable bonds issued under the Build America Bond Program during 2009 and 2010 as well as continued investor preference for tax-exempt callable premium bonds in the current market at a yield lower than par or discount coupon bonds. The \$540.469 million callable portion had a weighted average coupon of 4.63%.

The SPBC debt structure has 45% of principal maturing in 5 years and 72% of principal maturing in 10 years. The ratios are above the rating agencies' proposed target of 27-30% due in 5 years and 55-60% maturing within 10 years,

DEBT MANAGEMENT

primarily influenced by debt restructuring and the minimal amount of long-term new money permanent financings within the last several years.

For the first six months of Fiscal Year 2020 the General Fund had a maximum balance of \$631.899 million on July 1, 2019, and a low of negative \$1.682 billion on September 9, 2019.

The average and median balances were a negative \$1.300 billion and a negative \$1.361 billion, respectively. Since the General Fund continued to have a negative available cash balance for the fiscal year, there is little, if anything, that can be done from an asset management point of view beyond current actions.

From a liability management perspective, total Commonwealth General Fund debt service, net of credits is expected to be \$1.115 billion for Fiscal Year 2020. This number is significantly higher than the prior year because of the TRAN debt service repayment that will be paid in Fiscal Year 2020. In addition to the Commonwealth General Fund debt service, General Fund debt service of \$11.256 million will be provided for the Eastern State Hospital financing that was issued through the Lexington-Fayette Urban County Government in 2011. Also, General Fund debt service of \$3.938 million will be provided for the 2015 and 2018 Certificates of Participation (related to the two Commonwealth State office Building projects). These projects are separately identified because they are public

private partnerships but they are General Fund supported. Net interest margin will continue to be negative due to low cash balances versus outstanding fixed rate debt, low level of interest rates, and the callability of the debt portfolio.

SPBC 122

On October 30, 2019, SPBC closed \$252,090,000 par of General Fund Revenue and Revenue Refunding bonds, Project No. 122 consisting of Series A Revenue Bonds, Series B Refunding Bonds, and Series D Federally Taxable Refunding bonds. The Project No. 122 bond proceeds provided permanent financing for approximately \$175 million of General Fund supported capital projects authorized over multiple sessions of the General Assembly, and refunded approximately \$94,150,000 par of outstanding SPBC Bonds for present value savings. The transaction achieved an All-In True Interest Cost of 2.751% and a net present value savings of \$10,795,564.58 (or 11.466% savings from the refunded bonds). The bonds were issued via negotiated sale with Citigroup serving as senior managing underwriter and Kutak Rock LLP as bond counsel. The bonds achieve ratings of A1/A+//A+ from Moody's, Fitch, and Kroll respectively.

The remaining component of this transaction is the Series C (Forward Delivery) which is expected to close May 4, 2020. This piece of the transaction involves pricing refunding bonds on October 8, 2019 and closing the refunding bonds on May 4, 2020 when the refunded bonds

DEBT MANAGEMENT

are callable. The \$66,710,000 par amount of bonds will refund certain outstanding SPBC Project No. 98 bonds for a net present value savings of \$1,742,738 upon close.

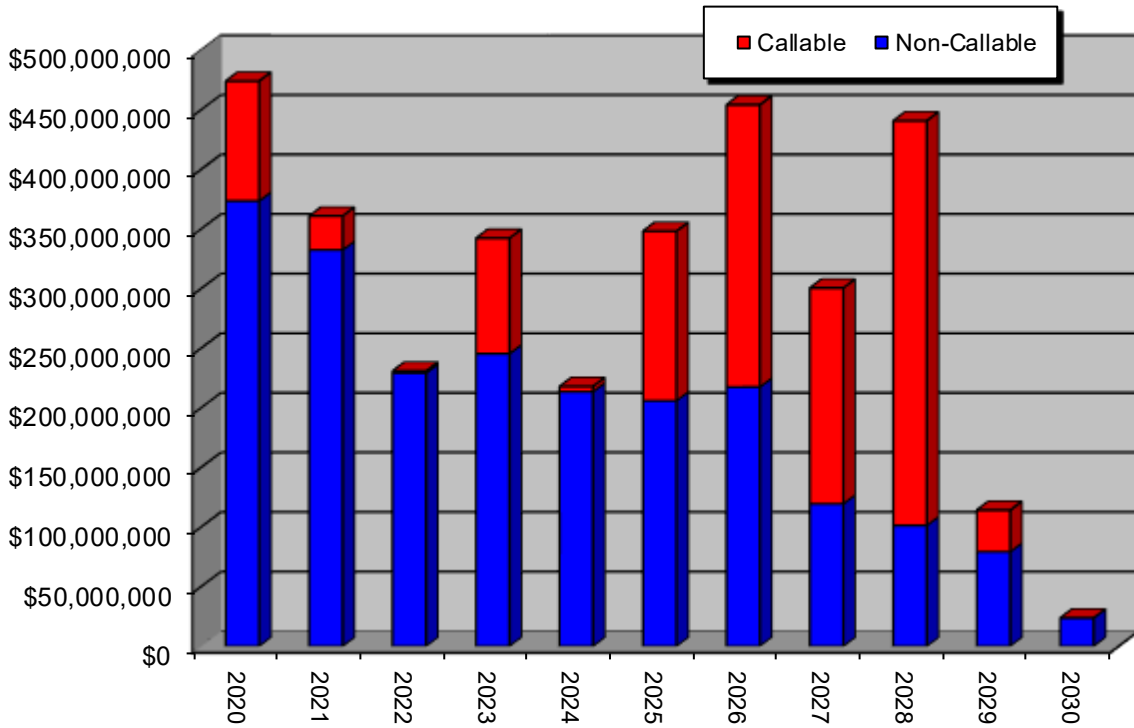
Looking Forward

In light of the January 1, 2018 federal tax law change that tightened the parameters by which tax-exempt municipal bonds could be advanced refunded, the Commonwealth has added to the methods of evaluation for examining potential

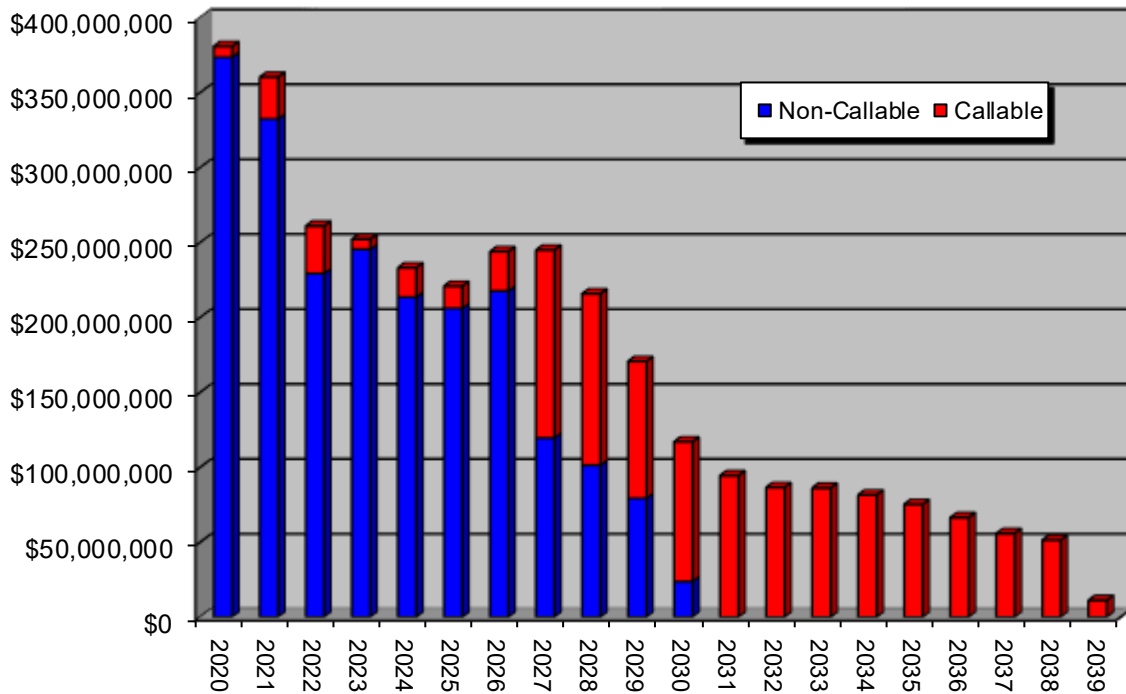
refunding candidates. Since tax advantaged bonds are no longer eligible to be advance refunded on a tax-exempt basis, the Commonwealth now gives consideration to advance refunding its municipal bonds on a taxable basis or through a forward delivery of tax-exempt bonds. Additional diligence and financial modeling is necessary to ensure optimal economic savings in these transactions.

DEBT MANAGEMENT

Call Analysis by Call Date State Property and Buildings Commission Bonds



Call Analysis by Maturity Date State Property and Buildings Commission Bonds



DEBT MANAGEMENT

Road Fund

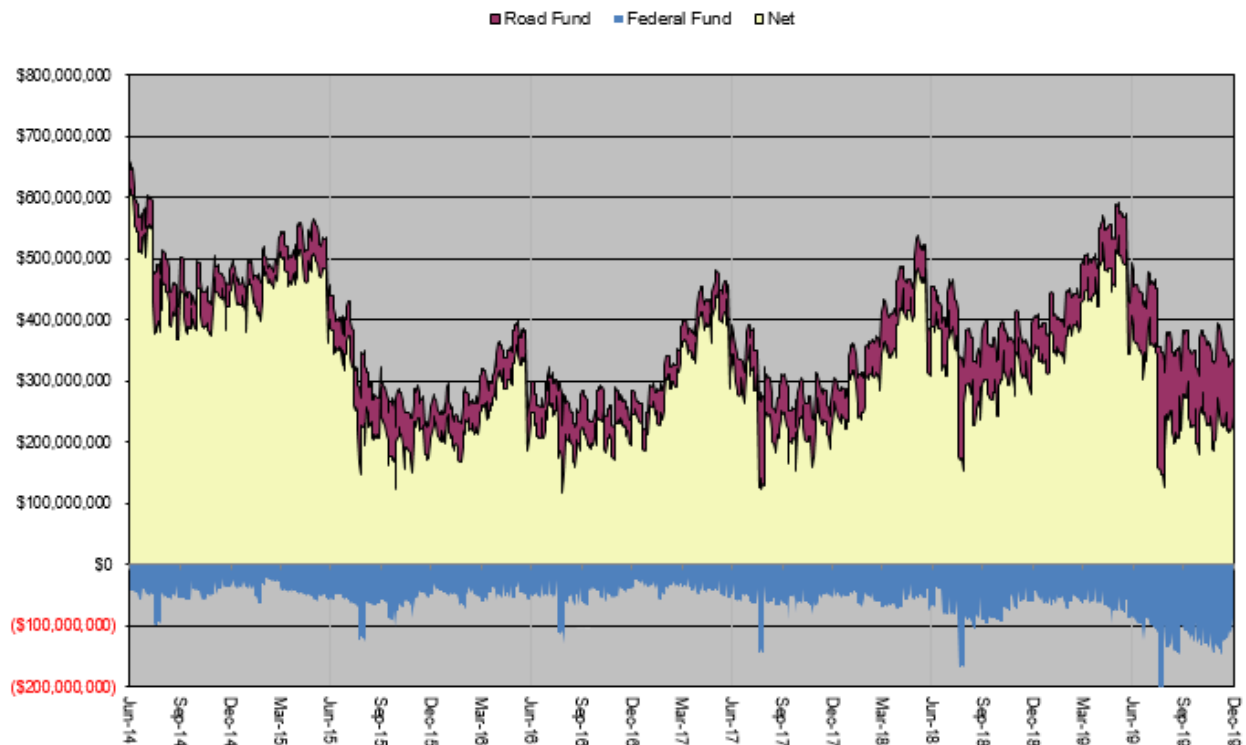
The Road Fund average daily cash balance for the first half of Fiscal Year 2020 was \$259 million compared to \$303 million for the first half of Fiscal Year 2019. The Road Fund cash was invested in the Intermediate Term Investment Pool which had a duration of 0.88 years as of December 31, 2019. The Road Fund earned a positive \$2.568 million on a cash basis for the first half of Fiscal Year 2020 versus a positive \$3.799 million for the first half of Fiscal Year 2019. The Road Fund investment earnings declined year-over-year because of lower short term rates and a lower road fund balance, the continued relatively low level of investable balances at certain times during the fiscal year limits the investment opportunities.

As of December 31, 2019, the Turnpike Authority of Kentucky (TAK) had \$1.104 billion of bonds outstanding with a weighted average coupon of 4.87% and an average life of 6.18 years.


Road Fund debt service expected to be paid in Fiscal Year 2020 is \$151.232 million, resulting in a net interest margin (investment income earned year-to-date less debt service paid) of negative \$148.664 million. The negative amount stems from the level of investable balances and a general low level of interest rates on the investment side in addition to the limited callability of fixed rate obligations on the liability side.

No debt related to the road fund was issued or refunded during the reporting period.

Road Fund Available Balance
Fiscal Year 2015-2020 as of 12/31/2019



SUMMARY



ALCo's approach to managing the Commonwealth's interest-sensitive assets and interest-sensitive liabilities has provided tremendous flexibility and savings in financing the Commonwealth's capital construction program.

Since its inception, ALCo has been instrumental in adding incremental returns on investment income to the Commonwealth's investment portfolio. ALCo has continued to manage General Fund intra-year cashflow deficits through its TRAN program when cost effective. Until Fiscal Year 2010, ALCo had issued a General Fund TRAN each fiscal year since 1998 (with the exception of FY 2004), providing millions of dollars of incremental gains for the

General Fund over this time. In fiscal 2019 market conditions again created an opportunity to utilize the TRAN program. ALCo's management approach to project funding has also allowed the Commonwealth to take advantage of short-term yields and achieve millions of dollars in budgetary savings through debt service lapses.

As always, ALCo continues to analyze potential opportunities for savings and to evaluate new financing structures which offer the Commonwealth the ability to diversify risk within its portfolio while taking advantage of market demand for various new or unique products.

APPENDIX

APPENDIX A

STATE INVESTMENT COMMISSION Corporate Credits Approved For Purchase as of December 31, 2019

Company Name	Repurchase Agreements	Debt	Notes	Company Name	Repurchase Agreements	Debt	Notes
Apple Inc		Yes	Yes	MUFG Bank LTD/NY		Yes	Yes
Bank of Montreal	Yes	Yes	Yes	MUFG Securities Americas Inc	Yes	No	No
Bank of Nova Scotia	Yes	Yes	Yes	Natixis SA/New York		Yes	Yes
Berkshire Hathaway Inc		Yes	Yes	Nestle Finance International		Yes	Yes
BNP Paribas Securities Corp	Yes	Yes	Yes	Oracle Corp		Yes	Yes
BNY Mellon NA		Yes	Yes	PepsiCo Inc		Yes	Yes
Boeing Co/The		Yes	Yes	Pfizer Inc		Yes	Yes
Canadian Imperial Bank of Comm		Yes	Yes	PNC Bank NA		Yes	Yes
Chevron Corp		Yes	Yes	Praxair Inc		Yes	Yes
Cisco Systems Inc		Yes	Yes	Procter & Gamble Co/The		Yes	Yes
Cooperatieve Rabobank		Yes	Yes	Royal Bank of Canada	Yes	Yes	Yes
Cornell University		Yes	No	Royal Dutch Shell PLC		Yes	Yes
Costco Wholesale Corp		Yes	Yes	Salvation Army		Yes	No
Deere & Co		Yes	Yes	State Street Corp		Yes	Yes
Exxon Mobil Corp		Yes	Yes	Sumitomo Mitsui Trust Bank		Yes	Yes
Guggenheim Securities, LLC	Yes	No	No	Swedbank AB		Yes	Yes
Home Depot Inc		Yes	Yes	Texas Instruments Inc.		Yes	Yes
Honda Motor Co Ltd		Yes	Yes	Toronto-Dominion Bank/The		Yes	Yes
HSBC Bank USA NA		Yes	Yes	Total SA		Yes	Yes
IBRD - World Bank		Yes	Yes	Toyota Motor Corp		Yes	Yes
Intel Corp		Yes	Yes	UBS AG (U.S.)		Yes	Yes
Intl Business Machines Corp		Yes	Yes	US Bank NA		Yes	Yes
Johnson & Johnson		Yes	Yes	Wal-Mart Stores Inc		Yes	Yes
Lloyds Bank PLC		Yes	Yes	Walt Disney Co/The		Yes	Yes
Merck & Co. Inc.		Yes	Yes	Wells Fargo & Co		Yes	Yes
Microsoft Corp		Yes	Yes				

*Addition:

APPENDIX A

STATE INVESTMENT COMMISSION Securities Lending Agent Approved Counterparties as of December 31, 2019

<u>Company Name</u>	<u>Securities Lending</u>	<u>REPO</u>
Alaska USA Federal Credit Union	Yes	Yes
Alaska USA Trust Company	Yes	Yes
BMO Capital Markets Corp	Yes	No
Bank of Nova Scotia	Yes	No
Barclays Capital, Inc	Yes	Yes
BNP Paribas Prime Brokerage, Inc.	Yes	No
BNP Paribas Securities Corp.	Yes	No
Cantor Fitzgerald & Co.	Yes	Yes
Citigroup Global Markets Inc	Yes	Yes
Credit Suisse Securities (USA) LLC	Yes	Yes
CYS Investments, Inc.	Yes	Yes
Daiwa Capital Markets America Inc	Yes	Yes
Deutsche Bank Securities Inc.	Yes	Yes
Dynex Capital Inc.	Yes	Yes
Goldman Sachs and Company	Yes	Yes
Hatteras Financial Corp	Yes	Yes
HSBC Securities (USA) Inc	Yes	Yes
ING Financial Markets LLC	Yes	Yes
Jefferies LLC	Yes	Yes
JP Morgan Securities LLC	Yes	No
Merrill Lynch Pierce Fenner & Smith Inc	Yes	Yes
Mizuho Securities USA, Inc	Yes	Yes
Morgan Stanley & Co. LLC	Yes	Yes
NatWest Markets Securities Inc.*	Yes	Yes
Nomura Securities International Inc	Yes	Yes
Pershing LLC	Yes	Yes
Redwood Trust	Yes	Yes
RBC Capital Markets LLC	Yes	No
SG Americas Securities LLC	Yes	Yes
Societe Generale	Yes	Yes
TD Securities (USA), Inc	Yes	Yes
Two Harbors Investment Corp	Yes	Yes
UBS Securities LLC	Yes	Yes
Wells Fargo Securities LLC	Yes	Yes

APPENDIX B

ALCo Financial Agreements	ALCo FRN Series A Hedge	ALCo FRN Series A Hedge	ALCo FRN Series B Hedge	ALCo FRN Series B Hedge
Fund Source	General Fund	General Fund	General Fund	General Fund
Hedge	2017 FRN	2027 FRN	2021 FRN	2025 FRN
Counter-Party	Deutsche Bank AG	Deutsche Bank AG	Deutsche Bank AG	Deutsche Bank AG
Long-Term Senior Debt Ratings (Moody's / S&P / Fitch)		A3/BBB+/BBB	A3/BBB+/BBB	A3/BBB+/BBB
Termination Trigger (Moody's / S&P)	Baa3/BBB-	Baa3/BBB-	Baa3/BBB-	Baa3/BBB-
Swap Type	Fixed Pay	Fixed Pay	Fixed Pay	Fixed Pay
Benchmark	67% 3M LIBOR + 40	67% 3M LIBOR + 53	67% 3M LIBOR + 52	67% 3M LIBOR + 55
Reset	Quarterly	Quarterly	Quarterly	Quarterly
Notional Amount	Expired 11/1/17	36,450,000	27,465,000	70,935,000
Amortize (yes/no)	yes	yes	yes	yes
Original Execution Date	5/16/2007	5/16/2007	5/16/2007	5/16/2007
Start Date	5/31/2007	5/31/2007	5/31/2007	5/31/2007
Assignment Date	2/14/2011	2/14/2011	2/14/2011	2/14/2011
Mandatory Early Termination				
End Date	11/1/2017	11/1/2027	11/1/2021	11/1/2025
Fixed Rate pay-(rec)	3.839%	4.066%	4.042%	4.125%
Day Count	30/360	30/360	30/360	30/360
Payment Dates		February 1, May 1, August 1, November 1		
Security Provisions		General Fund Debt Service Appropriations		
Current Market Valuation December 31, 2019 (negative indicates payment owed by ALCo if terminated)	Expired 11/1/17	(3,896,689)	(974,242)	(7,374,847)
Interest Earnings (not applicable)				
Total	not applicable	not applicable	not applicable	not applicable

Swap Summary

As of December 31, 2019:

Total Notional Amount Executed

<u>General Fund</u>	<u>Road Fund</u>
243,080,000	0

Net Exposure Notional Amount

<u>General Fund</u>	<u>Road Fund</u>
134,850,000	0

Total Notional Amount Executed by Counter Party

Deutsche Bank (assigned from Citibank on 2/14/2011)

243,080,000

Debt

	<u>General Fund</u>	<u>Road Fund</u>	<u>General Fund</u>	<u>Road Fund</u>
Bonds Outstanding	3,867,390,000	1,130,990,000	386,739,000	113,099,000
Authorized but Unissued	413,180,000	62,500,000	41,318,000	6,250,000
Total	4,280,570,000	1,193,490,000	428,057,000	119,349,000

10% Net ExposureInvestment Pool Balance

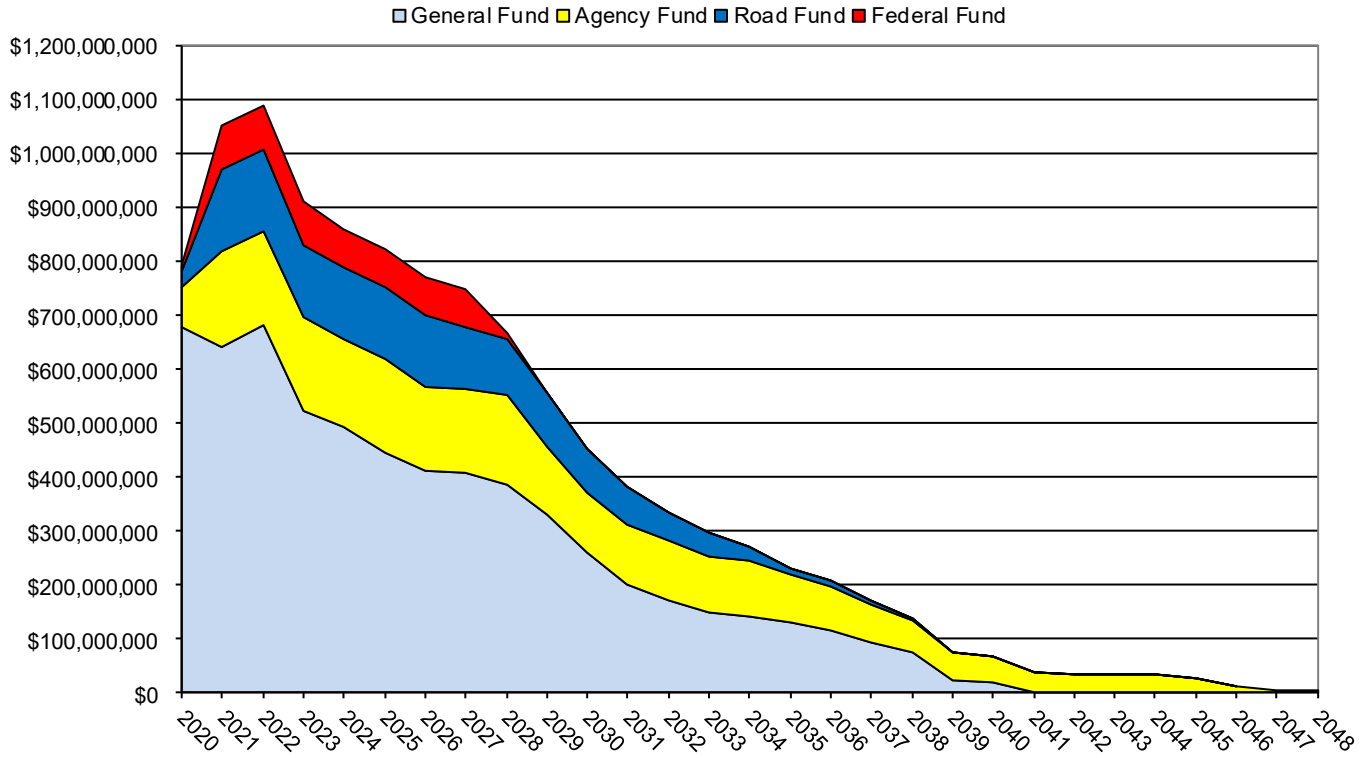
<u>Other Funds</u>	<u>Net Road Fund</u>
4,054,861,067	242,766,264

10% Investment Portfolio

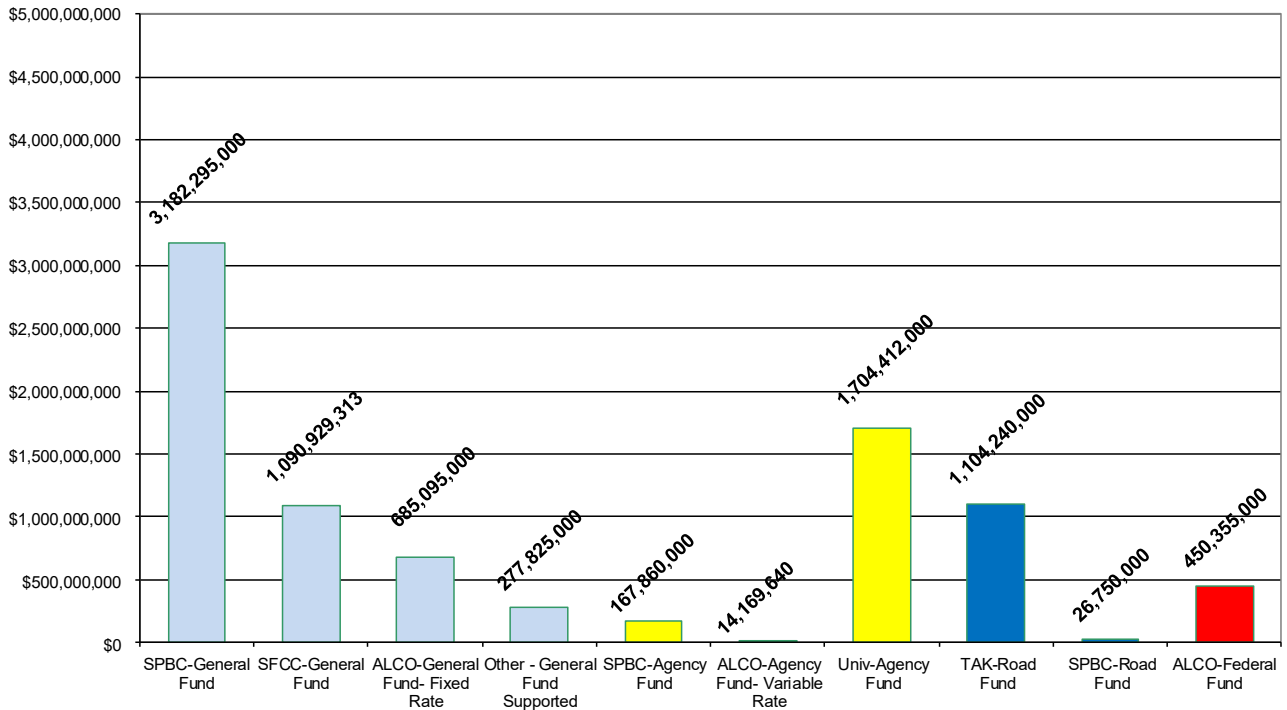
<u>Other Funds</u>	<u>Net Road Fund</u>
405,486,107	24,276,626

APPENDIX C

Appropriation Supported Debt Service by Fund Source as of 12/31/2019



Appropriation Debt Principal Outstanding by Fund Source as of 12/31/2019



*This data does not include debt issued for judicial center projects and paid for by the Administrative Office of the Courts in the Court of Justice or debt issued by the Lexington -Fayette Urban County Government for the Eastern State Hospital.

APPENDIX D

COMMONWEALTH OF KENTUCKY ASSET/LIABILITY COMMISSION SCHEDULE OF NOTES OUTSTANDING AS OF 12/31/2019

FUND TYPE SERIES TITLE	AMOUNT ISSUED	DATE OF ISSUE	MATURITY DATE	PRINCIPAL OUTSTANDING
General Fund Project & Funding Notes				
2007 A, B Series	\$243,080,000	5/2007	11/2027	\$134,850,000
2010 1st Series-KTRS Funding Notes	\$467,555,000	8/2010	4/2020	\$8,560,000
2011 1st Series-KTRS Funding Notes	\$269,815,000	3/2011	4/2022	\$76,860,000
2013 1st Series-KTRS Funding Notes	\$153,290,000	2/2013	4/2023	\$64,825,000
FUND TOTAL	\$1,133,740,000			\$285,095,000
Tax and Revenue Anticipation Notes				
2019 Series A	\$400,000,000	7/2019	6/2020	\$400,000,000
FUND TOTAL	\$400,000,000			\$400,000,000
Agency Fund Project Notes				
2018 Agency Fund Project Note (KCTCS)	\$27,775,000	6/2018	10/2023	\$14,169,640
FUND TOTAL	\$27,775,000			\$14,169,640
Federal Hwy Trust Fund Project Notes				
2010 1st Series	\$89,710,000	3/2010	9/2022	\$89,710,000
2013 1st Series	\$212,545,000	8/2013	9/2025	\$151,325,000
2014 1st Series	\$171,940,000	3/2014	9/2026	\$132,175,000
2015 1st Series	\$106,850,000	10/2015	9/2027	\$77,145,000
FUND TOTAL	\$581,045,000			\$450,355,000
ALCo NOTES TOTAL	\$2,142,560,000			\$1,149,619,640

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Creating Financial Value for the Commonwealth

