



**Commonwealth of Kentucky**  
**FINANCE AND ADMINISTRATION CABINET**  
**Office of Financial Management**

**Andy Beshear**  
 Governor

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**Holly M. Johnson**  
 Secretary

**Ryan Barrow**  
 Executive Director

August 11, 2021

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

Dear Senator Girdler and Representative Freeland:

Listed below is information regarding various projects and reports that will be presented to the Capital Projects and Bond Oversight Committee (“CPBOC”) at the August meeting.

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

Fund A Loans

City of Louisa	\$150,000
City of Paintsville f/b/o Paintsville Utilities Commission	\$1,500,000
City of Somerset	\$4,500,000

Fund F Loans

City of Lebanon f/b/o Lebanon Water Works	\$1,602,975
McKinney Water District	\$2,491,916

The Office of Financial Management will present three (3) new bond issue reports for the Committee’s approval:

Kentucky Housing Corporation Conduit Revenue Bonds (Crossings at Mill Creek), Series 2021	\$22,300,000+
Kentucky Housing Corporation Conduit Revenue Bonds (Bowling Green Tower), Series 2021	\$22,500,000+
Kentucky Housing Corporation Multifamily Revenue Bonds (Lower Hunter’s Trace Project), Series 2021	\$18,500,000+

+Not to Exceed

Senator Girdler  
Representative Freeland  
August 11, 2021  
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The Office of Financial Management will present three (3) informational item for the Committee's review:

Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Cambridge Square), Series 2021	\$26,000,000
Lexington-Fayette Urban County Government Public Facilities Corporation Lease Revenue Refunding Bonds, Series 2021 (Forward Delivery)	\$98,995,000
Eastern Kentucky University General Receipts Refunding Bonds, Series 2021 A (Forward Delivery)	\$12,405,000

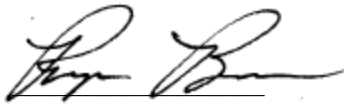
The School Facilities Construction Commission is submitting the following additional information for the Committee's approval:

Adair County	\$10,660,000*
Boone County	\$20,505,000*
Dawson Springs Independent	\$1,755,000*
Grayson County	\$5,605,000*
Morgan County	\$7,640,000*
Newport Independent	\$1,490,000*
Newport Independent	\$4,754,000*
Pulaski County	\$16,440,000*

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 August 2021  
Capital Projects and Bond Oversight Committee**

▪ **Fund A Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Amount Requested</u>	<u>Amount Loan Total</u>	<u>County</u>
A19-002	City of Louisa (Director Level Increase)	\$ 150,000	\$ 4,178,166	Lawrence
A21-007	City of Paintsville f/b/o Paintsville Utilities Commission	\$ 1,500,000	\$ 1,500,000	Johnson
A21-044	City of Somerset	\$ 4,500,000	\$ 4,500,000	Pulaski

▪ **Fund F Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Amount Requested</u>	<u>Amount Loan Total</u>	<u>County</u>
F20-002	City of Lebanon f/b/o Lebanon Wate Works (Increase)	\$ 1,602,975	\$ 6,841,205	Marion
F21-013	McKinney Water District	\$ 2,491,916	\$ 2,491,916	Lincoln

<b>EXECUTIVE SUMMARY</b>		Reviewer	Alex Fisher	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	August 2, 2021	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A19-002 (Increase)	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21127030	
BORROWER	CITY OF LOUISA LAWRENCE COUNTY			
BRIEF DESCRIPTION				
The City of Louisa ("the City") is requesting an additional \$150,000 increase to cover costs already incurred by the City due to two unforeseen water lines in the way of the sewer lines for the Inflow and Infiltration Rehabilitation project. This will bring the new KIA total loan amount up to \$4,178,166 due to the additional work of addressing the water lines.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan A19-002	\$3,945,500	Administrative Expenses	RD Fee %	Actual %
P&D A17-023	232,666	Planning		
City Utilities	71,757	Eng - Design / Const	7.0%	5.8%
		Eng - Insp	3.8%	3.4%
		Construction		
TOTAL	\$4,249,923	TOTAL		
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$173,541
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	P & A Engineering and Consulting		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Oct-19		
	Construction Start	Jan-21		
	Construction Stop	Mar-21		
DEBT PER CUSTOMER	Existing	\$3,791		
	Proposed	\$5,479		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	Users	Avg. Bill	
		1,857	\$46.64 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2018	812,773	745,652	67,121	1.1
Audited 2019	862,873	790,033	72,840	1.1
Audited 2020	761,976	792,634	(30,658)	1.0
Projected 2021	894,506	825,906	68,600	1.1
Projected 2022	960,095	944,265	15,830	1.0
Projected 2023	976,998	915,232	61,766	1.1
Projected 2024	994,239	917,521	76,718	1.1
Projected 2025	1,011,825	718,680	293,145	1.4

Reviewer: Alex Fisher  
Date: August 2<sup>nd</sup>, 2021  
Loan Number: A19-002 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
CITY OF LOUISA, LAWRENCE COUNTY  
PROJECT REVIEW  
SX2117030**

**I. PROJECT DESCRIPTION**

The City of Louisa (“the City”) is requesting an additional \$150,000 increase to cover costs already incurred by the City due to two unforeseen water lines in the way of the sewer lines for the Inflow and Infiltration Rehabilitation project. This will bring the new total KIA loan amount up to \$4,178,166 due to the additional work of addressing the water lines.

Additional work included upgrading the 4” water line to an 8” line, replacing the 50-70-year-old cast iron lines and enabling the City to re-pave Lock Avenue once.

The initial project increase of \$688,578 was approved on January 9<sup>th</sup>, 2020 and the original loan approved on May 7, 2019 for the Inflow and Infiltration Rehabilitation project.

The purpose of this project is to eliminate inflow and infiltration in the Louisa Sewer System by constructing a portion of the storm water sewer facilities.

In 2009, a Sewer Evaluation Study (“SSES”) was performed on the entire Louisa Sewer System, which yielded a delineation of three priority zones for rehabilitation. This project will address the downtown area (Zone 1), which is considered to have the oldest infrastructure and is the highest priority of the City. The planning and design portion paid for camera inspection of approximately 23,250 linear feet of sewer line and determined exactly what measures are necessary to address the issues. The construction portion will replace storm sewer along Lock Avenue and Pike Street in downtown Louisa, with an intent to separate the combined sewer in parts of the area and eliminate other inflow and infiltration concerns.

By separating the storm sewer from the City’s sanitary sewer, the City will be able to lower the cost of wastewater treatment as well as reduce the risk of sanitary sewer overflow for approximately 1,900 customers within Lawrence County.

## II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 10,000
Planning	70,387
Engineering Fees - Design	175,639
Engineering Fees - Construction	45,000
Engineering Fees - Inspection	130,400
Construction	<u>3,818,497</u>
<b>Total</b>	<b>\$ 4,249,923</b>

## III. PROJECT FUNDING

	<u>Amount</u>	%
Fund A Loan A19-002	\$ 3,945,500	93%
P&D A17-023	232,666	5%
City Utilities	<u>71,757</u>	<u>2%</u>
<b>Total</b>	<b>\$ 4,249,923</b>	<b>100%</b>

## IV. KIA DEBT SERVICE

KIA A17-023 P&D Loan	\$ 232,666
KIA A19-002 Construction Loan	3,945,500
Less: Principal Forgiveness	<u>1,000,000</u>
Amortized Loan Amount	\$ 3,178,166
Interest Rate	0.50%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 167,185
Administrative Fee (0.20%)	<u>6,356</u>
<b>Total Estimated Annual Debt Service</b>	<b>\$ 173,541</b>

## V. PROJECT SCHEDULE

Bid Opening	October 2019
Construction Start	January 2021
Construction Stop	March 2021

## VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

### A) Customers

Customers	Current
Residential	1,579
Commercial	278
Industrial	0
Total	1,857

### B) Rates

	<b>Sewer Inside City</b>		
	Current	Prior	Prior
Date of Increase	03/31/21	04/14/20	07/01/19
First 1,000 Gallons	\$11.66	\$11.26	\$10.93
Next 3,000 Gallons	11.66	11.26	10.93
Cost for 4,000 gallons	\$46.64	\$45.04	\$43.72
Increase %	3.6%	3.0%	N/A
Affordability Index	1.8%	1.8%	1.7%

	<b>Sewer Outside City</b>		
	Current	Prior	Prior
Date of Increase	03/31/21	04/14/20	07/01/19
First 1,000 Gallons	\$12.61	\$12.18	\$11.83
Next 3,000 Gallons	12.61	12.18	11.83
Cost for 4,000 gallons	\$50.44	\$48.72	\$47.32
Increase %	3.5%	3.0%	N/A
Affordability Index	2.0%	1.9%	1.8%

	<b>Water Inside City</b>		
	Current	Prior	Prior
Date of Increase	03/31/21	04/14/20	07/01/18
First 1,000 Gallons	\$19.11	\$18.45	\$17.91
Next 3,000 Gallons	7.68	7.41	7.19
Cost for 4,000 gallons	\$42.15	\$40.68	\$39.48
Increase %	3.6%	3.0%	N/A
Affordability Index	1.6%	1.6%	1.5%

	<b>Water Outside City</b>		
	Current	Prior	Prior
Date of Increase	03/31/21	04/14/20	07/01/19
First 1,000 Gallons	\$25.00	\$24.13	\$23.43
Next 3,000 Gallons	9.79	9.45	9.18
Cost for 4,000 gallons	\$54.37	\$52.48	\$50.97
Increase %	3.6%	3.0%	N/A
Affordability Index	2.1%	2.0%	2.0%

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 3,433 with a Median Household Income (MHI) of \$30,830. The median household income for the Commonwealth is \$44,811. This increase will continue the original terms of the loan which is a 0.5% interest rate for 20 years.

## **VIII. 2020 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR) funding.
- 2) Additional Subsidization –Principal forgiveness of 50% of the assistance amount, not to exceed \$1,000,000 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2018 through June 30, 2020. The City's Enterprise Funds account for water & sewer and swimming pool activities. The swimming pool operations are excluded from this analysis. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Combined water and sewer revenues went up 8.2% from \$2.92 million in 2018 to \$3.16 million in 2020 due to annual CPI rate increases. Operating expenses increased 13.8% from \$2.11 million to \$2.40 million during the same period due to both water and sewer repair and maintenance costs. Those costs rose 44.6% from \$354,080 in



2018 to \$512,083 in 2020. The debt coverage ratio was 1.1, 1.1 and 1.0 for 2018, 2019, and 2020 respectively.

The balance sheet reflects a current ratio of 1.1, debt to equity ratio of 0.8, 63.8 days sales in accounts receivable, and 1.4 months of operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Retail water and sewer revenues have been raised 3% in fiscal year 2021 and 3.6% in 2022. For the fiscal years 2023, 2024 and 2025 retail water and sewer rates will increase 2% annually due to CPI increases.
- 2) Wholesale water rate to Big Sandy Water District has increased from \$3.13 per 1,000 gallons to \$3.24 per 1,000 gallons. Though wholesale water is not subject to the annual CPI adjustments, the Public Service Commission may set new rates as appropriate.
- 3) Operating expenses will increase 2% annually for inflation.
- 4) Debt service coverage is 0.9 in 2022 when principal and interest repayments begin.

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

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$208,000 total) of the final amount borrowed prior to principal forgiveness, to be funded annually (\$10,400 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<b>Outstanding</b>	<b>Maturity</b>
Water Revenue Bonds, Series 1989	\$ 41,300	2029
Water & Sewer Bonds, Series 2002	720,000	2042
Water & Sewer Bonds, Series 2007	348,500	2046
Revenue Bonds, Series 2010D	215,000	2025
KIA Loan C98-02	55,000	2022
KIA Loan A11-02	705,857	2034
KIA Loan F02-06	788,489	2024

	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan A209-10	300,156	2030
KIA Loan B08-07	655,348	2033
KIA Loan F18-018	602,930	2040
KIA Loan F10-03	1,136,864	2033
KIA Loan A97-02	51,462	2021
KACO Loan 1BP2017B	1,418,845	2032
<b>Total</b>	<b>\$ 7,039,751</b>	

## **XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Louisa
Authorized Official	Harold E Slone (Mayor)
County	Lawrence
Email	mayoroflouisa@gmail.com
Phone	(606) 638-4050
Address	215 N Main Cross St Louisa, KY 41230

<b>Applicant Contact</b>	
Name	Jason Helton
Organization	City of Louisa
Email	louisawater@louisawater.com
Phone	(606) 638-9322
Address	215 N Main Cross St Louisa, KY 41230

<b>Project Administrator</b>	
Name	Robert S Martin
Organization	P & A Engineering and Consulting
Email	bmartin@pa-eng.com
Phone	(606) 673-4413
Address	PO Box 279 Louisa, KY 41230

**Consulting Engineer**

PE Name	Robert S Martin
Firm Name	P & A Engineering and Consulting
Email	bmartin@pa-eng.com
Phone	(606) 673-4413
Address	PO Box 279 Louisa, KY 41230

**XII. RECOMMENDATIONS**

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

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

	<u>Audited 2018</u>	<u>Audited 2019</u>	<u>Audited 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>	<u>Projected 2023</u>	<u>Projected 2024</u>	<u>Projected 2025</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	663,056	742,234	959,543	1,037,849	1,073,379	1,146,445	1,234,663	1,539,608
Other Assets	20,808,568	21,163,085	22,284,126	25,833,564	25,133,079	24,432,594	23,719,609	23,006,624
<b>Total</b>	<b>21,471,624</b>	<b>21,905,319</b>	<b>23,243,669</b>	<b>26,871,413</b>	<b>26,206,458</b>	<b>25,579,039</b>	<b>24,954,272</b>	<b>24,546,232</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	213,216	295,112	861,872	463,200	469,715	476,415	483,215	490,215
Long Term Liabilities	9,616,474	9,062,392	9,157,237	12,149,786	12,151,517	12,173,017	11,547,075	11,516,928
<b>Total Liabilities</b>	<b>9,829,690</b>	<b>9,357,504</b>	<b>10,019,109</b>	<b>12,612,986</b>	<b>12,621,232</b>	<b>12,649,432</b>	<b>12,030,290</b>	<b>12,007,143</b>
<b>Net Assets</b>	<b>11,641,934</b>	<b>12,547,815</b>	<b>13,224,560</b>	<b>14,258,427</b>	<b>13,585,226</b>	<b>12,929,607</b>	<b>12,923,983</b>	<b>12,539,089</b>
<b>Cash Flow</b>								
Revenues	2,918,635	3,054,100	3,159,081	3,250,098	3,362,594	3,427,342	3,493,385	3,560,749
Operating Expenses	2,107,723	2,193,703	2,399,357	2,357,844	2,404,751	2,452,596	2,501,398	2,551,176
Other Income	1,861	2,476	2,252	2,252	2,252	2,252	2,252	2,252
<b>Cash Flow Before Debt Service</b>	<b>812,773</b>	<b>862,873</b>	<b>761,976</b>	<b>894,506</b>	<b>960,095</b>	<b>976,998</b>	<b>994,239</b>	<b>1,011,825</b>
<b>Debt Service</b>								
Existing Debt Service	745,652	790,033	792,634	825,906	770,724	741,691	743,980	718,680
Proposed KIA Loan	0	0	0	0	173,541	173,541	173,541	173,541
<b>Total Debt Service</b>	<b>745,652</b>	<b>790,033</b>	<b>792,634</b>	<b>825,906</b>	<b>944,265</b>	<b>915,232</b>	<b>917,521</b>	<b>892,221</b>
<b>Cash Flow After Debt Service</b>	<b>67,121</b>	<b>72,840</b>	<b>(30,658)</b>	<b>68,600</b>	<b>15,830</b>	<b>61,766</b>	<b>76,718</b>	<b>293,145</b>
<b>Ratios</b>								
Current Ratio	3.1	2.5	1.1	2.2	2.3	2.4	2.6	3.1
Debt to Equity	0.8	0.7	0.8	0.9	0.9	1.0	0.9	1.0
Days Sales in Accounts Receivable	64.1	60.8	63.8	63.8	63.8	63.8	63.8	63.8
Months Operating Expenses in Unrestricted Cash	0.2	0.4	1.4	1.8	1.8	2.1	2.4	3.8
Debt Coverage Ratio	1.1	1.1	1.0	1.1	1.0	1.1	1.1	1.4

<b>EXECUTIVE SUMMARY</b>		Reviewer	Alex Fisher	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	August 5, 2021	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A21-007	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21115009	
BORROWER	CITY OF PAINTSVILLE F/B/O PAINTSVILLE UTILITIES COMMISSION JOHNSON COUNTY			
BRIEF DESCRIPTION				
The City of Paintsville ("City") f/b/o Paintsville Utilities Commission is requesting a Fund A loan in the amount of \$1,500,000 for the KY Hwy 23 Sewer Extension project. This project will expand the sewer system to free up capacity at the Paintsville WWTP by diverting waste to the Honey Branch WWTP. Currently Paintsville WWTP is operating over capacity and is under a Sewer Sanction so it is unable to issue any additional sewer taps.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$1,500,000	Administrative Expenses	RD Fee %	Actual %
ARC	1,500,000	Legal Expenses		\$100,000
AML	4,000,000	Land, Easements		25,000
		Eng - Design / Const	6.6%	5.8%
		Eng - Insp	3.3%	3.0%
	-	Construction		363,220
	-	Contingency		185,670
TOTAL	<u>\$7,000,000</u>	TOTAL		<u>\$7,000,000</u>
REPAYMENT	Rate	0.25%	Est. Annual Payment	\$27,465
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Bocook Engineering Inc.		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Nov-21		
	Construction Start	Jan-22		
	Construction Stop	Jan-23		
DEBT PER CUSTOMER	Existing	\$9,605		
	Proposed	\$9,641		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	<u>Users</u> 2,767	<u>Avg. Bill</u> \$31.71	(for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2018	1,383,777	2,010,735	(626,958)	0.7
Audited 2019	1,263,295	1,981,634	(718,339)	0.6
Audited 2020	1,483,978	5,075,465	(3,591,487)	0.3
Projected 2021	1,595,585	1,326,377	269,208	1.2
Projected 2022	1,588,978	1,418,628	170,350	1.1
Projected 2023	1,621,637	1,418,771	202,866	1.1
Projected 2024	1,651,150	1,485,557	165,593	1.1
Projected 2025	1,685,129	1,486,286	198,843	1.1

Reviewer: Alex Fisher  
Date: August 5<sup>th</sup>, 2021  
Loan Number: A21-007

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
CITY OF PAINTSVILLE F/B/O PAINTSVILLE UTILITIES COMMISSION,  
JOHNSON COUNTY  
PROJECT REVIEW  
SX21115009**

**I. PROJECT DESCRIPTION**

The City of Paintsville (“City”) f/b/o Paintsville Utilities Commission is requesting a Fund A loan in the amount of \$1,500,000 for the KY Hwy 23 Sewer Extension project. This project will expand the sewer system to free up capacity at the Paintsville WWTP by diverting waste to the Honey Branch WWTP. Currently Paintsville WWTP is operating over capacity and is under a Sewer Sanction so it is unable to issue any additional sewer taps.

The project will provide new infrastructure to create some sewer redundancy in the community, aid the overcapacity issue at the Paintsville WWTP, eliminate the Sewer Sanction tap freeze and eliminate two package treatment plants (one at Highland Elementary and the other at VIP Fuels in Hagerhill). By lifting the tap freeze this project will open up opportunities to add potential sewer taps including additional residential, commercial and industrial customers.

Currently the Paintsville Utilities Commission serves over 2,200 residential and over 490 commercial and industrial customers.

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 100,000
Legal Expenses	25,000
Land, Easements	50,000
Engineering Fees - Design	363,220
Engineering Fees - Inspection	185,670
Construction	5,700,660
Contingency	575,450
<b>Total</b>	<b>\$ 7,000,000</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 1,500,000	21%
ARC	1,500,000	21%
AML	4,000,000	57%
<b>Total</b>	<b>\$ 7,000,000</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 1,500,000
Less: Principal Forgiveness	750,000
Amortized Loan Amount	\$ 750,000
Interest Rate	0.25%
Loan Term (Years)	30
Estimated Annual Debt Service	\$ 25,965
Administrative Fee (0.20%)	1,500
<b>Total Estimated Annual Debt Service</b>	<b>\$ 27,465</b>

### V. PROJECT SCHEDULE

Bid Opening	November 2021
Construction Start	January 2022
Construction Stop	January 2023

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

Customers	Current
Residential	2,273
Commercial	448
Industrial	46
Total	2,767

## B) Rates

	<b>In City Water</b>		
	Current	Prior	Prior
Date of Last Rate Increase	03/01/21	03/01/20	3/1/2019
Minimum 2000 Gallons	\$16.05	\$15.83	15.47
Next 1,000 Gallons	7.83	7.72	7.55
Cost for 4,000 gallons	\$31.71	\$31.27	\$30.57
Increase %	1.4%	2.3%	N/A
Affordability Index (Rate/MHI)	1.1%	1.1%	N/A

	<b>Out of City Water</b>		
	Current	Prior	Prior
Date of Last Rate Increase	03/01/21	03/01/20	03/01/19
Minimum 2000 Gallons	\$23.40	\$23.08	\$22.56
Next 1,000 Gallons	9.85	9.71	9.49
Cost for 4,000 gallons	\$43.10	\$42.50	\$41.54
Increase %	1.4%	2.3%	N/A
Affordability Index (Rate/MHI)	1.5%	1.4%	N/A

	<b>Sewer In &amp; Outside City</b>		
	Current	Prior	Prior
Date of Last Rate Increase	03/01/21	03/01/20	3/1/2019
Minimum (2000 gallons)	\$17.78	\$17.53	17.14
Next 1,000 Gallons	8.50	8.38	8.19
Cost for 4,000 gallons	\$34.78	\$34.29	\$33.52
Increase %	1.4%	2.3%	N/A
Affordability Index (Rate/MHI)	1.2%	1.2%	N/A

## VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2014-2018, the Utility's service area population was 8,241 with a Median Household Income (MHI) of \$35,333. The median household income for the Commonwealth is \$48,392. The project will qualify for a 0.25% interest rate with a 30-year term.

## VIII. 2020 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project does not qualify for Green Project Reserve (GPR) funding.



- 2) Additional Subsidization – This project qualifies for additional subsidization. Principal forgiveness of 50% of the assistance amount, not to exceed \$750,000 will be credited to the loan balance upon release of liens on all contracts and disbursement of the final draw request by KIA to the borrower.

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2018 through June 30, 2020. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Combined water and sewer revenues increased 7.3% from \$5.86 million in 2018 to \$6.39 in 2020 while operating expenses increased 7.6% from \$4.38 million to \$4.71 million during the same period primarily due to a 4.6% increase in maintenance, repair, material and supply costs. The audited proprietary fund consists of water, sewer and gas systems, and where feasible all gas system debt and revenues have been removed from the analysis. The debt coverage ratio was 0.7, 0.6, and 0.3 in 2018, 2019, and 2020 respectively.

The balance sheet reflects a current ratio of 2.6, a debt to equity ratio of 0.6, 61.6 days of sales in accounts receivable, and 4.4 months of operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Water and sewer revenues have been raised 2.3% and 1.4% for fiscal years 2021 and 2022 respectively. Both water and sewer have an annual CPI clause, which is set at 2% for projected years 2023, 2024 and 2025.
- 2) Operating expenses are projected to increase 2% annually due to inflation.
- 3) Debt service coverage is 1.1 in 2024 when principal and interest repayments begin.

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

### **REPLACEMENT RESERVE**

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

**X. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
Series 2006 Revenue Bonds	\$ 206,500	2046
Series 2011 Revenue Bonds	11,934,000	2051
Series 2018 Revenue Bonds	4,821,000	2057
Series 2020D Revenue Bonds	3,115,000	2040
KIA A05-04	138,203	2026
KIA A209-34	357,043	2033
KIA B98-02	792,637	2032
KIA F08-10	5,009,511	2035
Unamortized Bond Premium	204,404	
KIA F19-009 (i.a.o. \$2,010,000)		2041
<b>Total</b>	<b>\$26,578,298</b>	

**XI. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	City of Paintsville f/b/o Paintsville Utilities Commission
Authorized Official	Bill Mike Runyon (Mayor)
County	Johnson
Email	mayor.runyon@cityofpaintsville.net
Phone	(606) 789-2600
Address	PO Box 630 Paintsville, KY 41240

<b>Applicant Contact</b>	
Name	Bob Pack
Organization	Paintsville Utilities Commission
Email	bpack@paintsvilleutilities.com
Phone	(606) 789-2630
Address	PO Box 630 Paintsville, KY 41240

**Project Administrator**

Name	Brenda Powers
Organization	Big Sandy ADD
Email	brenda.powers@bigsandy.org
Phone	(606) 886-2374
Address	110 Resource Court Prestonsburg, KY 41653

**Consulting Engineer**

PE Name	Alvin C Reed
Firm Name	Bocook Engineering Inc.
Email	areed@bocook.com
Phone	(606) 789-5961
Address	312 Tenth St. Paintsville, KY 41240

**XII. RECOMMENDATIONS**

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

**CITY OF PAINTSVILLE F/B/O PAINTSVILLE UTILITIES COMMISSION  
FINANCIAL SUMMARY (JUNE YEAR END)**

	<u>Audited</u> <u>2018</u>	<u>Audited</u> <u>2019</u>	<u>Audited</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>	<u>Projected</u> <u>2025</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	3,757,683	3,450,034	3,046,801	3,136,666	3,186,236	3,249,309	3,305,328	3,368,496
Other Assets	85,789,586	86,908,372	85,654,273	83,428,281	81,123,202	87,679,136	85,199,052	82,745,567
Total	<u>89,547,269</u>	<u>90,358,406</u>	<u>88,701,074</u>	<u>86,564,946</u>	<u>84,309,438</u>	<u>90,928,445</u>	<u>88,504,379</u>	<u>86,114,064</u>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	5,590,954	4,566,617	1,155,578	1,087,859	1,097,521	1,107,332	1,117,289	1,127,289
Long Term Liabilities	29,624,345	30,241,362	32,945,199	32,119,263	31,234,365	33,091,456	32,169,490	31,228,024
Total Liabilities	<u>35,215,299</u>	<u>34,807,979</u>	<u>34,100,777</u>	<u>33,207,122</u>	<u>32,331,886</u>	<u>34,198,788</u>	<u>33,286,779</u>	<u>32,355,313</u>
Net Assets	<u>54,331,970</u>	<u>55,550,427</u>	<u>54,600,297</u>	<u>53,357,824</u>	<u>51,977,552</u>	<u>56,729,657</u>	<u>55,217,600</u>	<u>53,758,751</u>
<b>Cash Flow</b>								
Revenues	5,859,145	5,894,639	6,286,299	6,499,513	6,591,445	6,724,614	6,860,447	6,998,997
Operating Expenses	4,508,071	4,661,393	4,830,356	4,931,963	5,030,502	5,131,012	5,237,332	5,341,903
Other Income	32,703	30,049	28,035	28,035	28,035	28,035	28,035	28,035
Cash Flow Before Debt Service	<u>1,383,777</u>	<u>1,263,295</u>	<u>1,483,978</u>	<u>1,595,585</u>	<u>1,588,978</u>	<u>1,621,637</u>	<u>1,651,150</u>	<u>1,685,129</u>
<b>Debt Service</b>								
Existing Debt Service	2,010,735	1,981,634	5,075,465	1,326,377	1,418,628	1,418,771	1,458,092	1,458,821
Proposed KIA Loan	0	0	0	0	0	0	27,465	27,465
Total Debt Service	<u>2,010,735</u>	<u>1,981,634</u>	<u>5,075,465</u>	<u>1,326,377</u>	<u>1,418,628</u>	<u>1,418,771</u>	<u>1,485,557</u>	<u>1,486,286</u>
Cash Flow After Debt Service	<u>(626,958)</u>	<u>(718,339)</u>	<u>(3,591,487)</u>	<u>269,208</u>	<u>170,350</u>	<u>202,866</u>	<u>165,593</u>	<u>198,843</u>
<b>Ratios</b>								
Current Ratio	0.7	0.8	2.6	2.9	2.9	2.9	3.0	3.0
Debt to Equity	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6
Days Sales in Accounts Receivable	70.5	68.9	61.6	61.6	61.6	61.6	61.6	61.6
Months Operating Expenses in Unrestricted Cash	6.2	5.2	4.4	4.4	4.4	4.4	4.4	4.4
Debt Coverage Ratio	0.7	0.6	0.3	1.2	1.1	1.1	1.1	1.1

<b>EXECUTIVE SUMMARY</b>		Reviewer	Alex Fisher	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	August 5, 2021	
<b>FUND A, FEDERALLY ASSISTED WASTEWATER</b>		KIA Loan Number	A21-044	
<b>REVOLVING LOAN FUND</b>		WRIS Number	SX21199009	
BORROWER	CITY OF SOMERSET PULASKI COUNTY			
BRIEF DESCRIPTION				
The City of Somerset ("City") is requesting a Fund A loan in the amount of \$4,500,000 for the Pitman Creek WWTP Improvements and S US 27 Phase 2 Sewer Extensions project.				
This project is to construct a new dewatering facility at the Pitman Creek WWTP, grit removal rehab work at the Pitman Creek WWTP and inflow and infiltration equipment at the Sinking Creek WWTP.				
Currently, the City of Somerset serves almost 5,000 residential and over 2,000 commercial and industrial customers.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$4,500,000	RD Fee %	Actual %	
EDA Grant	3,000,000			
				Administrative Expenses \$100,000
				Legal Expenses 50,000
				Land, Easements 20,000
				Planning 149,000
		Eng - Design / Const 6.6%	6.1%	387,000
		Eng - Insp 4.1%	4.1%	263,000
		Eng - Other		144,000
		Construction		5,806,000
		Contingency		581,000
TOTAL	\$7,500,000	TOTAL		\$7,500,000
REPAYMENT	Rate	0.25%	Est. Annual Payment	\$164,789
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Bell Engineering		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Jan-22		
	Construction Start	Mar-22		
	Construction Stop	Jan-23		
DEBT PER CUSTOMER	Existing	\$1,235		
	Proposed	\$1,626		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		Users	Avg. Bill	
	Current	7,027	\$16.92 (for 4,000 gallons)	
	Additional	1	\$16.92 (for 4,000 gallons)	
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.			
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2018	678,875	857,913	(179,038)	0.8
Audited 2019	662,558	706,677	(44,119)	0.9
Audited 2020	836,562	741,745	94,817	1.1
Projected 2021	744,446	726,636	17,811	1.0
Projected 2022	810,320	726,787	83,533	1.1
Projected 2023	879,352	726,706	152,647	1.2
Projected 2024	999,593	891,210	108,383	1.1
Projected 2025	953,686	891,416	62,270	1.1

Reviewer: Alex Fisher  
Date: August 5, 2021  
Loan Number: A21-044

**KENTUCKY INFRASTRUCTURE AUTHORITY  
WASTEWATER REVOLVING LOAN FUND (FUND A)  
CITY OF SOMERSET, PULASKI COUNTY  
PROJECT REVIEW  
SX21199009**

**I. PROJECT DESCRIPTION**

The City of Somerset ("City") is requesting a Fund A loan in the amount of \$4,500,000 for the Pitman Creek WWTP Improvements and S US 27 Phase 2 Sewer Extensions project.

Project scope:

- Construct a new Sludge Dewatering Facility and Septage Receiving Station at the Pitman Creek Wastewater Treatment Plant (WWTP).
- Rehabilitation of Somerset's Grit Removal Structure located upstream of Pitman Creek WWTP.
- Installation of permanent inflow and infiltration (I & I) detection equipment at Sinking Creek WWTP.
  - The I & I monitoring system will allow the city to accurately determine the amount of inflow and infiltration within the oldest portions of the collection system.
  - Sinking Creek WWTP is no longer a permitted discharge facility; however, the city continues to maintain and operate the aerated facultative lagoon that serves as pre-treatment for Pitman Creek WWTP.
- Construct a 50-foot riparian buffer including riparian plants along Pitman Creek.
- Construct a new 150 gpm sewage pumping station, sewage force main and gravity sewers to accommodate flow from the new Horse Soldier Distillery. These sewers will tie into an existing 10-inch gravity sewer located on South US 27.

The City of Somerset has had numerous violations involving solids processing at Pitman Creek WWTP and is under an Agreed Order to correct related issues. Somerset is currently limited in the times they can land apply sludge to their permitted land farm due to Climate Change, with the area seeing frequent record breaking rainfall events. Additionally, the current owner of Somerset's Land farm has given Somerset notice of their intention to terminate the property lease to Somerset, forcing the City to seek a permit for a new site. This means that Somerset needs to haul sludge to a nearby landfill, but they cannot accomplish this task without first

dewatering waste sludge.

Currently, the City of Somerset serves almost 5,000 residential and over 2,000 commercial and industrial customers.

## II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 100,000
Legal Expenses	50,000
Land, Easements	20,000
Planning	149,000
Engineering Fees - Design	310,000
Engineering Fees - Construction	77,000
Engineering Fees - Inspection	263,000
Engineering Fees - Other	144,000
Construction	5,806,000
Contingency	581,000
<b>Total</b>	<b>\$ 7,500,000</b>

## III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 4,500,000	60%
EDA Grant	3,000,000	40%
<b>Total</b>	<b>\$ 7,500,000</b>	<b>100%</b>

## IV. KIA DEBT SERVICE

Construction Loan	\$ 4,500,000
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 4,500,000
Interest Rate	0.25%
Loan Term (Years)	30
Estimated Annual Debt Service	\$ 155,789
Administrative Fee (0.20%)	9,000
<b>Total Estimated Annual Debt Service</b>	<b>\$ 164,789</b>

**V. PROJECT SCHEDULE**

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

**VI. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

Customers	Current	Proposed	Total
Residential	4,943	0	4,943
Commercial	2,030	0	2,030
Industrial	54	1	55
<b>Total</b>	<b>7,027</b>	<b>1</b>	<b>7,028</b>

**B) Rates**

	<b>Sewer Inside City</b>		
	Current	Prior	Prior
Date of Last Rate Increase	<b>07/01/21</b>	<b>07/01/17</b>	<b>07/01/16</b>
First 1000 Gallons (Minimum)	8.22	7.90	7.74
Next 3000 Gallons	8.70	8.40	8.10
Cost for 4,000 gallons	16.92	16.30	15.84
Increase %	3.8%	2.9%	N/A
Affordability Index (Rate/MHI)	0.74%	0.71%	0.69%

	<b>Sewer Outside City</b>		
	Current	Prior	Prior
Date of Last Rate Increase	<b>07/01/21</b>	<b>07/01/17</b>	<b>07/01/16</b>
First 1000 Gallons (Minimum)	14.60	14.04	13.75
Next 3000 Gallons	19.50	18.60	18.00
Cost for 4,000 gallons	34.10	32.64	31.75
Increase %	4.5%	2.8%	N/A
Affordability Index (Rate/MHI)	1.49%	1.43%	1.39%



## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2014-2018, the Utility's service area population was 12,942 with a Median Household Income (MHI) of \$27,420. The median household income for the Commonwealth is \$48,392. The project will qualify for a 30-year term with a 0.25% interest rate.

## **VIII. 2020 CAPITALIZATION GRANT EQUIVALENCIES**

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

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2018 through June 30, 2020. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### HISTORY

Wastewater total revenues increased 6.2% from \$2.76 million in 2018 to \$2.93 in 2020 while wastewater operating expenses increased 2.2% from \$2.13 million to \$2.18 million during the same period primarily due to increased maintenance costs. The debt coverage ratio was 0.8, 0.9, and 1.1 in 2018, 2019, and 2020 respectively.

The balance sheet reflects a current ratio of 3.7, a debt to equity ratio of 0.6, 41.9 days of sales in accounts receivable, and 1.7 months of operating expenses in unrestricted cash.

### PROJECTIONS

After discussing the need for a rate increases for the City's wastewater rates to keep up with inflation and debt service for this loan, Somerset set in ordinance these items:

- 1) Wastewater revenues for Somerset residential customers will increase according to the Consumers Price Index for all Urban Consumers (CPI-U statistic) beginning July 1, 2021 (FY2022).

- 2) For fiscal years 2022 and 2023 the wastewater residential rates are set to increase 4% each year. Fiscal year 2024 the rate will increase 6% to continue to meet the 1.1 debt coverage ratio.

Projections are based on the following assumptions:

- 1) For projection years FY 2023, 2024 and 2025 the increase for CPI-U will be 2%.
- 2) Expenses will increase 2% annually due to inflation.
- 3) Debt service coverage is 1.1 in 2024 when principal and interest repayments begin with the projected increases.

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

#### REPLACEMENT RESERVE

The replacement reserve will be 5% (\$226,000 total) of the final amount borrowed to be funded annually (\$11,300 yearly) each December 1 for 20 years and maintained for the life of the loan.

### X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Series 2011 GO	\$ 1,149,175	2032
KIA A08-07	5,669,224	2032
Note to City of Ferguson	273,990	2034
Note to Local Bank	1,589,071	2035
<b>Total</b>	<b>\$ 8,681,460</b>	

### XI. CONTACTS

<b>Legal Applicant</b>	
Entity Name	City of Somerset
Authorized Official	Alan Keck (Mayor)
County	Pulaski
Email	akeck@cityofsomerset.com
Phone	606-679-6366
Address	PO Box 989 400 E Mount Vernon St Somerset, KY 42502

**Applicant Contact**

Name	Nick Bradley
Organization	City of Somerset
Email	nbradley@cityofsomerset.com
Phone	606-679-6366
Address	PO Box 989 400 E Mount Vernon St Somerset, KY 42502

**Project Administrator**

Name	Dana Whitis
Organization	City of Somerset
Email	dwhitis@cityofsomerset.com
Phone	606-425-5364
Address	306 E Mt Vernon St Somerset, KY 42501

**Consulting Engineer**

PE Name	Michael A Lile
Firm Name	Bell Engineering
Email	mlile@hkbell.com
Phone	606-485-4011
Address	205 East Mt. Vernon Street 606-485-4011

**XII. RECOMMENDATIONS**

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

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

	<u>Audited 2018</u>	<u>Audited 2019</u>	<u>Audited 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>	<u>Projected 2023</u>	<u>Projected 2024</u>	<u>Projected 2025</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	4,746,419	4,764,154	3,513,140	3,467,035	3,563,168	3,728,914	3,857,698	3,920,068
Other Assets	27,683,834	26,477,672	25,739,290	24,672,566	23,605,842	29,851,618	28,608,694	27,365,770
<b>Total</b>	<b>32,430,253</b>	<b>31,241,826</b>	<b>29,252,430</b>	<b>28,139,601</b>	<b>27,169,010</b>	<b>33,580,532</b>	<b>32,466,392</b>	<b>31,285,838</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	1,958,102	2,089,959	942,969	954,483	966,118	977,899	1,214,827	1,227,561
Long Term Liabilities	11,835,618	11,019,896	10,544,821	9,959,483	9,363,810	13,257,657	12,415,875	11,562,659
<b>Total Liabilities</b>	<b>13,793,720</b>	<b>13,109,855</b>	<b>11,487,790</b>	<b>10,913,966</b>	<b>10,329,928</b>	<b>14,235,555</b>	<b>13,630,702</b>	<b>12,790,220</b>
<b>Net Assets</b>	<b>18,636,533</b>	<b>18,131,971</b>	<b>17,764,640</b>	<b>17,225,635</b>	<b>16,839,082</b>	<b>19,344,977</b>	<b>18,835,690</b>	<b>18,495,618</b>
<b>Cash Flow</b>								
Revenues	2,761,033	2,852,413	2,934,314	2,885,728	2,996,002	3,110,322	3,288,057	3,289,268
Operating Expenses	2,128,603	2,264,803	2,176,486	2,220,016	2,264,416	2,309,704	2,367,198	2,414,316
Other Income	46,445	74,948	78,734	78,734	78,734	78,734	78,734	78,734
<b>Cash Flow Before Debt Service</b>	<b>678,875</b>	<b>662,558</b>	<b>836,562</b>	<b>744,446</b>	<b>810,320</b>	<b>879,352</b>	<b>999,593</b>	<b>953,686</b>
<b>Debt Service</b>								
Existing Debt Service	857,913	706,677	741,745	726,636	726,787	726,706	726,421	726,627
Proposed KIA Loan	0	0	0	0	0	0	164,789	164,789
<b>Total Debt Service</b>	<b>857,913</b>	<b>706,677</b>	<b>741,745</b>	<b>726,636</b>	<b>726,787</b>	<b>726,706</b>	<b>891,210</b>	<b>891,416</b>
<b>Cash Flow After Debt Service</b>	<b>(179,038)</b>	<b>(44,119)</b>	<b>94,817</b>	<b>17,811</b>	<b>83,533</b>	<b>152,647</b>	<b>108,383</b>	<b>62,270</b>
<b>Ratios</b>								
Current Ratio	2.4	2.3	3.7	3.6	3.7	3.8	3.2	3.2
Debt to Equity	0.7	0.7	0.6	0.6	0.6	0.7	0.7	0.7
Days Sales in Accounts Receivable	46.6	43.4	41.9	41.9	41.8	41.8	41.8	41.8
Months Operating Expenses in Unrestricted Cash	1.7	4.5	1.7	1.7	2.2	2.9	3.4	3.6
Debt Coverage Ratio	0.8	0.9	1.1	1.0	1.1	1.2	1.1	1.1

<b>EXECUTIVE SUMMARY</b>		Reviewer	Alex Fisher	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	August 5, 2021	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F20-002 (Increase)	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21155044	
<b>BORROWER</b>		CITY OF LEBANON F/B/O LEBANON WATER WORKS COMPANY INC MARION COUNTY		
<b>BRIEF DESCRIPTION</b>				
The Lebanon Water Works (LWWC) is requesting a Fund F loan increase of \$1,602,975 to the originally approved amount of \$5,238,230 to supplement the Main Line Replacement project initially approved on March 5th, 2020, which will bring the new total KIA loan amount up to \$6,841,205. The increase is due to higher bids than budgeted due the escalating prices of 6" and 8" PVC pipe. Additionally, LWWC has elected to remove some replacement of meters along with a small number of roads to limit the cost overruns.				
<b>PROJECT FINANCING</b>		<b>PROJECT BUDGET</b>		
Fund F Loan	\$6,841,205	RD Fee %	Actual %	
				Administrative Expenses \$12,500
				Legal Expenses 6,150
				Planning 45,000
		Eng - Design / Const 6.6%	4.7%	293,630
		Eng - Insp 3.3%	2.5%	156,000
		Eng - Other		15,000
		Construction		5,739,025
		Contingency		573,900
<b>TOTAL</b>	<u>\$6,841,205</u>	<b>TOTAL</b>		<u>\$6,841,205</u>
<b>REPAYMENT</b>	Rate	0.50%	Est. Annual Payment \$212,989	
	Term	30 Years	1st Payment	6 Mo. after first draw
<b>PROFESSIONAL SERVICES</b>	Engineer	Kentucky Engineering Group PLLC		
	Bond Counsel	Rubin & Hays		
<b>PROJECT SCHEDULE</b>	Bid Opening	May-21		
	Construction Start	Sep-21		
	Construction Stop	Aug-23		
<b>DEBT PER CUSTOMER</b>	Existing	\$2,711		
	Proposed	\$5,382		
<b>OTHER DEBT</b>	See Attached			
<b>RESIDENTIAL RATES</b>	Current	<u>Users</u>	<u>Avg. Bill</u>	
		2,626	\$28.00	(for 4,000 gallons)
<b>REGIONAL COORDINATION</b>	This project is consistent with regional planning recommendations.			
<b>CASHFLOW</b>	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2018	614,268	449,894	164,374	1.4
Audited 2019	739,495	541,297	198,198	1.4
Audited 2020	790,915	556,439	234,476	1.4
Projected 2021	1,197,555	597,949	599,606	2.0
Projected 2022	1,411,403	634,275	777,128	2.2
Projected 2023	1,369,433	634,276	735,157	2.2
Projected 2024	1,326,624	858,983	467,641	1.5
Projected 2025	1,545,790	870,983	674,807	1.8

Reviewer: Alex Fisher  
Date: August 5<sup>th</sup>, 2021  
Loan Number: F20-002 Increase

**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 increase of \$1,602,975 to the originally approved amount of \$5,238,230 to supplement the Main Line Replacement project initially approved on March 5<sup>th</sup>, 2020, which will bring the new total KIA loan amount up to \$6,841,205. The increase is due to higher bids than budgeted due the escalating prices of 6” and 8” PVC pipe. Additionally, the city has elected to remove some replacement of meters along with a small number of roads to limit the cost overruns.

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 replacing 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.

The City serves over 2,500 residential and 89 commercial and industrial customers in Marion County.

## **PROJECT BUDGET**

	<b>Total</b>
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	5,739,025
Contingency	573,900
<b>Total</b>	<b>\$ 6,841,205</b>

## **II. PROJECT FUNDING**

	<b>Amount</b>	<b>%</b>
Fund F Loan	\$ 6,841,205	100%
<b>Total</b>	<b>\$ 6,841,205</b>	<b>100%</b>

## **III. KIA DEBT SERVICE**

Construction Loan	\$ 6,841,205
Less: Principal Forgiveness	\$ 1,300,000
Amortized Loan Amount	\$ 5,541,205
Interest Rate	0.50%
Loan Term (Years)	30
Estimated Annual Debt Service	\$ 199,136
Administrative Fee (0.25%)	13,853
<b>Total Estimated Annual Debt Service</b>	<b>\$ 212,989</b>

## **IV. PROJECT SCHEDULE**

Bid Opening	May 2021*
Construction Start	September 2021
Construction Stop	August 2023

(\* ) Note: The bid opening date was May 18<sup>th</sup>, 2021 and will not be rebid.

**V. CUSTOMER COMPOSITION AND RATE STRUCTURE**

**A) Customers**

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

**B) Rates**

	<b>Inside City Water</b>			
	Proposed	Current	Prior	Prior
Date of Last Rate Increase	07/01/21	05/15/20	07/08/19	11/15/17
Meter Charge	\$8.35	\$7.35	\$7.35	\$7.35
Per 100 Cubic Feet	3.66	3.66	3.50	3.35
Cost for 4,000 gallons	\$28.00	\$27.00	\$26.19	\$25.38
Increase %	3.7%	3.1%	3.2%	
Affordability Index (Rate/MHI)	1.1%	1.1%	1.0%	

	<b>Outside City Water</b>			
	Proposed	Current	Prior	Prior
Date of Last Rate Increase	07/01/21	05/15/20	07/08/19	11/15/17
Meter Charge	\$9.19	\$8.09	\$8.09	\$8.09
Per 100 Cubic Feet	4.03	4.03	3.85	3.69
Cost for 4,000 gallons	\$30.92	\$29.82	\$28.82	\$27.96
Increase %	3.7%	3.5%	3.1%	
Affordability Index (Rate/MHI)	1.2%	1.2%	1.2%	

	<b>Wholesale Water to MCWD</b>		
	Current	Prior	Prior
Date of Last Rate Increase	11/16/20	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 2021 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 increase will continue the original terms of 0.50% interest rate for 30 years and \$1,300,000 in principal forgiveness.

## **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, 2018 through June 30, 2020. 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 11.2% from \$3.04 million in 2018 to \$3.38 million in 2020 due to volume and rate increases. Operating expenses decreased 1.7% from \$2.30 million to \$2.26 million during the same period. The water purchase costs went up from \$146,500 in 2018 to \$367,350 in 2019 after the City began to purchase water from Campbellsville in 2018. The Maintenance and Repairs and employee costs were higher in 2020, but were offset with decreases in power and miscellaneous expenses. The debt coverage ratio was 1.4, 1.4, and 1.4 in 2018, 2019, and 2020 respectively.

The balance sheet reflects a current ratio of 0.7, a debt to equity ratio of 1.4, 49.8 days of sales in accounts receivable, and 1.1 months operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) In City and Outside City rates will go up 3.7% July 1<sup>st</sup>, 2021 due to a previously approved retail rate increase.
- 2) The amount of purchased water for the Campbellsville Service Agreement will remain stable through the projected years.
- 3) Water treatment costs will increase 2% during the projected years to account for potential added volume used by Diageo Distillery.
- 4) Operating expenses other than water purchase and treatment costs will increase 2% annually for inflation.
- 5) Debt service coverage is 1.5 in 2024 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% (\$342,000 total) of the final amount borrowed prior to principal forgiveness to be funded annually (\$17,100 yearly) each December 1 for 20 years and maintained for the life of the loan.

## IX. DEBT OBLIGATION

	<u>Outstanding</u>	<u>Maturity</u>
KIA Loan B08-09	\$ 321,483	2030
KIA Loan F15-57	601,654	2036
KIA Loan F14-036	2,059,069	2038
KIA Loan F18-006 i.a.o. \$4,497,137	1,589,755	TBD
CNB Note, 2012	2,547,444	2030
<b>Total</b>	<b>\$ 7,119,405</b>	

## X. CONTACTS

<b>Legal Applicant</b>	
Entity Name	City of Lebanon F/B/O Lebanon Water Works Company Inc.
Authorized Official	Gary D Crenshaw (Mayor)
County	Marion
Email	gdcrenshaw@windstream.net
Phone	(270) 692-6272
Address	120 S Proctor Knott Ave Lebanon, KY 40033

**Applicant Contact**

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

**Project Administrator**

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

**Consulting Engineer**

PE Name	James C Thompson
Firm Name	Kentucky Engineering Group PLLC
Email	jthompson@kyengr.com
Phone	(859) 351-9849
Address	161 North Locust Street Versailles, KY 40383

**XI. RECOMMENDATIONS**

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

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

	<u>Audited</u> <u>2018</u>	<u>Audited</u> <u>2019</u>	<u>Audited</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>	<u>Projected</u> <u>2025</u>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	1,106,450	852,765	819,109	1,491,183	2,307,311	3,044,368	3,513,909	4,226,516
Other Assets	14,371,184	16,137,911	17,569,577	21,319,957	20,517,615	19,715,274	25,583,117	24,612,701
<b>Total</b>	<b>15,477,634</b>	<b>16,990,676</b>	<b>18,388,686</b>	<b>22,811,139</b>	<b>22,824,926</b>	<b>22,759,642</b>	<b>29,097,026</b>	<b>28,839,217</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	797,732	1,122,160	1,248,855	1,337,307	1,362,713	1,388,725	1,610,008	1,646,108
Long Term Liabilities	7,569,849	8,303,231	9,359,998	12,349,425	11,822,299	11,285,062	16,084,047	15,322,326
<b>Total Liabilities</b>	<b>8,367,581</b>	<b>9,425,391</b>	<b>10,608,853</b>	<b>13,686,732</b>	<b>13,185,013</b>	<b>12,673,787</b>	<b>17,694,055</b>	<b>16,968,435</b>
<b>Net Assets</b>	<b>7,110,053</b>	<b>7,565,285</b>	<b>7,779,833</b>	<b>9,124,407</b>	<b>9,639,914</b>	<b>10,085,854</b>	<b>11,402,971</b>	<b>11,870,783</b>
<b>Cash Flow</b>								
Revenues	3,039,614	3,227,184	3,379,043	3,909,710	4,195,254	4,208,971	4,222,962	4,500,064
Operating Expenses	2,444,908	2,551,826	2,626,888	2,750,915	2,822,610	2,878,297	2,935,098	2,993,034
Other Income	19,562	64,137	38,760	38,760	38,760	38,760	38,760	38,760
<b>Cash Flow Before Debt Service</b>	<b>614,268</b>	<b>739,495</b>	<b>790,915</b>	<b>1,197,555</b>	<b>1,411,403</b>	<b>1,369,433</b>	<b>1,326,624</b>	<b>1,545,790</b>
<b>Debt Service</b>								
Existing Debt Service	449,894	541,297	556,439	597,949	634,275	634,276	645,994	657,994
Proposed KIA Loan	0	0	0	0	0	0	212,989	212,989
<b>Total Debt Service</b>	<b>449,894</b>	<b>541,297</b>	<b>556,439</b>	<b>597,949</b>	<b>634,275</b>	<b>634,276</b>	<b>858,983</b>	<b>870,983</b>
<b>Cash Flow After Debt Service</b>	<b>164,374</b>	<b>198,198</b>	<b>234,476</b>	<b>599,606</b>	<b>777,128</b>	<b>735,157</b>	<b>467,641</b>	<b>674,807</b>
<b>Ratios</b>								
Current Ratio	1.4	0.8	0.7	1.1	1.7	2.2	2.2	2.6
Debt to Equity	1.2	1.2	1.4	1.5	1.4	1.3	1.6	1.4
Days Sales in Accounts Receivable	57.7	47.5	49.8	49.8	49.8	49.8	49.8	49.8
Months Operating Expenses in Unrestricted Cash	1.9	1.4	1.1	3.7	7.0	9.9	11.7	14.2
Debt Coverage Ratio	1.4	1.4	1.4	2.0	2.2	2.2	1.5	1.8

<b>EXECUTIVE SUMMARY</b>		Reviewer	Sarah Parsley	
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date	March 4, 2021	
<b>FUND F, FEDERALLY ASSISTED DRINKING WATER</b>		KIA Loan Number	F21-013	
<b>REVOLVING LOAN FUND</b>		WRIS Number	WX21137017 WX21137052	
BORROWER	MCKINNEY WATER DISTRICT LINCOLN COUNTY			
BRIEF DESCRIPTION This project combines two projects, WX21137017 and WX21137052. McKinney Water District is under an Agreed Order by the DOW for disinfection byproduct limits and the City of Stanford is having trouble providing water to the McKinney Water District. This project considers the construction of a new water tank and replacing and enlarging at least a portion of the main asbestos cement water supply line. Replacing the asbestos line will eliminate the biofilm layer built up by fiber inside the lines. The system currently has two 100,000 gal standpipes that are over 50 years old. Only a portion of the water is usable in the tanks due to pressure problems in the system. This project will allow McKinney Water District to connect to the City of Danville system.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$2,491,916	RD Fee %	Actual %	
ARC	500,000			Administrative Expenses \$30,000
	-			Legal Expenses 25,000
				Land, Easements 20,000
				Planning 5,000
				Eng - Design / Const 161,649
		7.4%	6.2%	
		4.2%	3.7%	Eng - Insp 97,200
	-			Eng - Other 40,000
	-			Construction 2,420,970
	-			Contingency 192,097
TOTAL	\$2,991,916	TOTAL		\$2,991,916
REPAYMENT	Rate	1.00%	Est. Annual Payment	\$144,010
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	AGE Engineering Services		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Jun-21		
	Construction Start	Sep-21		
	Construction Stop	Jun-22		
DEBT PER CUSTOMER	Existing	\$458		
	Proposed	\$1,758		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		Users	Avg. Bill	
	Current	1,823	\$39.68 (for 4,000 gallons)	
	Additional	0	\$39.68 (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	138,875	36,076	102,799	3.8
Audited 2018	112,294	34,524	77,770	3.3
Audited 2019	99,834	33,056	66,778	3.0
Projected 2020	82,668	67,570	15,098	1.2
Projected 2021	65,159	68,029	(2,870)	1.0
Projected 2022	93,979	106,110	(12,131)	0.9
Projected 2023	272,340	248,930	23,410	1.1
Projected 2024	277,097	250,526	26,571	1.1

Reviewer: Sarah Parsley  
Date: March 4, 2021  
Loan Number: F21-013

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
MCKINNEY WATER DISTRICT, LINCOLN COUNTY  
PROJECT REVIEW  
WX21137017/WX21137052**

**I. PROJECT DESCRIPTION**

This project combines two projects, WX21137017 and WX21137052. McKinney Water District is under an Agreed Order by the DOW for disinfection byproduct limits and the City of Stanford is having trouble providing water to the McKinney Water District. This project considers the construction of a new water tank and replacing and enlarging at least a portion of the main asbestos cement water supply line. Replacing the asbestos line will eliminate the biofilm layer built up by fiber inside the lines. The system currently has two 100,000 gal standpipes that are over 50 years old. Only a portion of the water is usable in the tanks due to pressure problems in the system. This project will allow McKinney Water District to connect to the City of Danville system.

The McKinney Water District serves 4,274 customers and is regulated by the PSC.

**II. PROJECT BUDGET**

	<u>Total</u>
Administrative Expenses	\$ 30,000
Legal Expenses	25,000
Land, Easements	20,000
Planning	5,000
Engineering Fees - Design	161,649
Engineering Fees - Inspection	97,200
Engineering Fees - Other	40,000
Construction	2,420,970
Contingency	192,097
<b>Total</b>	<b>\$ 2,991,916</b>

### III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 2,491,916	83%
ARC	500,000	17%
<b>Total</b>	<b>\$ 2,991,916</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 2,491,916
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 2,491,916
Interest Rate	1.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 137,781
Administrative Fee (0.25%)	6,230
<b>Total Estimated Annual Debt Service</b>	<b>\$ 144,010</b>

### V. PROJECT SCHEDULE

Bid Opening	June 1, 2021
Construction Start	September 1, 2021
Construction Stop	June 1, 2022

### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

#### A) Customers

Customers	Current	Proposed	Total
Residential	1,799	0	1,799
Commercial	24	0	24
Industrial	0	0	0
Total	1,823	0	1,823

#### B) Rates

	Current	Prior
Date of Last Rate Increase	08/15/17	09/14/13
Minimum (First 1000 Gallons)	\$14.42	\$13.02
Next 2,000 Gallons (per 1000)	8.89	7.81
Next 7,000 Gallons (per 1000)	7.48	6.48
Cost for 4,000 gallons	\$39.68	\$35.12
Increase %	13.0%	
Affordability Index (Rate/MHI)	1.2%	

## **VII. 2020 CAPITALIZATION GRANT EQUIVALENCIES**

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

## **VIII. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2017 through June 30, 2019. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Revenues increased 8.3% from \$882,791 in 2017 to \$955,712 in 2019 due to a rate increase. Operating expenses increased 15.3% from \$744,395 in 2017 to \$858,290 in 2019.

The 2019 balance sheet reflects a current ratio of 5.1, a debt to equity ratio of 0.7, 29.7 days sales in accounts receivable, and 3.8 months operating expense in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Water revenues will increase by approximately 22% by 2023 and then approximately 2% thereafter due to a rate increase.
- 2) Water purchasing expenses will decrease approximately \$47,000 once McKinney Water District connects to Danville in 2022.
- 3) Expenses will increase 2% for inflation.
- 4) Debt service coverage is 1.1 in 2023 when principal and interest repayments begin.

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

### **REPLACEMENT RESERVE**

The replacement reserve will be 5% (\$124,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$6,200 yearly) each December 1 for 20 years and maintained for the life of the loan.



**IX. DEBT OBLIGATIONS**

	<u>Outstanding</u>	<u>Maturity</u>
RD 1992 Bonds	\$ 299,000	2032
RD 1999 Bonds	90,700	2038
RD 1999 Bonds	62,800	2038
RD 2000 Bonds	382,500	2040
Phase 1A Danville Financed	648,856	2052
<b>Total</b>	<b>\$ 1,483,856</b>	

**X. CONTACTS**

<b>Legal Applicant</b>	
Entity Name	McKinney Water District
Authorized Official	Matt Rankin (Chairman)
County	Lincoln
Email	assn72dist65@newwavecomm.net
Phone	(606) 346-2220
Address	PO Box 7 McKinney, KY 40448

<b>Applicant Contact</b>	
Name	Leslie Gooch
Organization	McKinney Water District
Email	assn72dist65@newwavecomm.net
Phone	(606) 346-2220
Address	PO Box 7 McKinney, KY 40448

<b>Project Administrator</b>	
Name	Karyn Leverenz
Organization	Bluegrass Area Development District
Email	kleverenz@bgadd.org
Phone	(859) 269-8021
Address	699 Perimeter Dr Lexington, KY 40517

**Consulting Engineer**

PE Name	Luther Galloway
Firm Name	AGE Engineering Services
Email	lgalloway@ageengineering.com
Phone	(606) 365-8362
Address	165 Foster Lane Stanford, KY 40484

**XI. RECOMMENDATIONS**

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

- 1) The District will need to apply to the Public Service Commission (PSC), pursuant to KRS 278.300, for debt authorization for the \$2,491,916 loan. This debt authorization application should include a forecast for meeting debt service projected through no less than 2025.
- 2) By March 31, 2021, the District will need a resolution from the McKinney Water District Board, demonstrating their intentions to increase revenues as necessary and authorized by the PSC to meet the loan requirements over the life of the loan. KIA Staff review indicates that revenues would need to be increased by \$202,000, which equates approximately to rates increased by 22% in 2022, to meet expenses and debt service in the first full year of debt service in 2023.
- 3) Prior to the assistance agreement being executed, the District must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020, from the PSC for any portion of the project that may require it, or provide an opinion from legal counsel or the staff of the PSC, or a declaratory order from the PSC, that a CPCN is not required for any portion of the assets to be constructed as part of the loan agreement.

**MCKINNEY WATER DISTRICT  
FINANCIAL SUMMARY (DECEMBER 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>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	421,875	417,769	443,406	458,549	455,679	443,548	483,359	511,730
Other Assets	2,119,408	2,093,751	2,024,525	1,931,646	1,838,767	4,663,006	4,495,329	4,327,652
<b>Total</b>	<b>2,541,283</b>	<b>2,511,520</b>	<b>2,467,931</b>	<b>2,390,195</b>	<b>2,294,446</b>	<b>5,106,554</b>	<b>4,978,688</b>	<b>4,839,382</b>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	62,404	73,085	87,752	90,586	104,473	106,351	111,048	115,667
Long Term Liabilities	957,742	927,439	896,677	859,577	809,590	3,250,641	3,196,079	3,137,998
<b>Total Liabilities</b>	<b>1,020,146</b>	<b>1,000,524</b>	<b>984,429</b>	<b>950,163</b>	<b>914,063</b>	<b>3,356,992</b>	<b>3,307,127</b>	<b>3,253,665</b>
<b>Net Assets</b>	<b>1,521,137</b>	<b>1,510,996</b>	<b>1,483,502</b>	<b>1,440,032</b>	<b>1,380,383</b>	<b>1,749,562</b>	<b>1,671,560</b>	<b>1,585,717</b>
<b>Cash Flow</b>								
Revenues	882,791	908,260	955,712	955,712	955,712	955,712	1,157,556	1,179,942
Operating Expenses	744,395	796,938	858,290	875,456	892,965	864,145	887,628	905,257
Other Income	479	972	2,412	2,412	2,412	2,412	2,412	2,412
<b>Cash Flow Before Debt Service</b>	<b>138,875</b>	<b>112,294</b>	<b>99,834</b>	<b>82,668</b>	<b>65,159</b>	<b>93,979</b>	<b>272,340</b>	<b>277,097</b>
<b>Debt Service</b>								
Existing Debt Service	36,076	34,524	33,056	67,570	68,029	106,110	104,920	106,516
Proposed KIA Loan	0	0	0	0	0	0	144,010	144,010
<b>Total Debt Service</b>	<b>36,076</b>	<b>34,524</b>	<b>33,056</b>	<b>67,570</b>	<b>68,029</b>	<b>106,110</b>	<b>248,930</b>	<b>250,526</b>
<b>Cash Flow After Debt Service</b>	<b>102,799</b>	<b>77,770</b>	<b>66,778</b>	<b>15,098</b>	<b>(2,870)</b>	<b>(12,131)</b>	<b>23,410</b>	<b>26,571</b>
<b>Ratios</b>								
Current Ratio	6.8	5.7	5.1	5.1	4.4	4.2	4.4	4.4
Debt to Equity	0.7	0.7	0.7	0.7	0.7	1.9	2.0	2.1
Days Sales in Accounts Receivable	27.9	24.8	29.7	29.7	29.7	29.7	29.7	29.7
Months Operating Expenses in Unrestricted Cash	3.9	3.7	3.6	3.8	3.7	3.6	3.9	4.1
Debt Coverage Ratio	3.8	3.3	3.0	1.2	1.0	0.9	1.1	1.1

MCKINNEY WATER DISTRICT  
LINCOLN COUNTY, KENTUCKY  
2900 KY HWY 198  
McKinney, KY 40448

RESOLUTION 2021-3-9

**Whereas**, the McKinney Water District Board has recognized that the District's water system is in need of upgrade in order to continue to provide adequate quantities of safe drinking water to its customers.

**Whereas**, the Board has been dealing with a number of issues related to water quality, including the recently closed Agreed Order due to violations of limits for Disinfection Byproducts.

**Whereas**, the City of Stanford Water Works, the principle supplier of treated water has had and continues to have problems meeting limits on Disinfection Byproducts.

**Whereas**, the City of Stanford Water Works, has plans to spend \$4,000,000.00 on its water treatment plant to meet current demands, which will increase water rates.

**Whereas**, the City of Danville Water Works, has recently completed a major upgrade of its water treatment plant to meet current and future demands and installed granular activated carbon filters (GAC) to treat for Disinfection Byproducts.

**Whereas**, the City of Danville Water Works, has lower water rates than the McKinney Water District is currently paying to the City of Stanford and the City of Eubank.

**Whereas**, the Board has been dealing with a number of issues related to water pressures, including a proposed Agreed Order due to violations of minimum pressures in the water system.

**Whereas**, the Board recognizes the issues with the 60 years old standpipe storage tanks for both Disinfection Byproducts and low pressures in the system, that a new water tank to pressure the system is needed.

**Whereas**, the Division of Water and the Public Service Commission have both written notices of violations (NOV) for water storage insufficiencies, low water pressures, and Disinfection Byproducts.

**NOW THEREFORE BE IT RESOLVED:**

- 1) The McKinney Water District Board approves the execution of the contract(s) with Kentucky Infrastructure Authority for the loan in the amount of \$2,491,916.00.
- 2) The McKinney Water District Board approves and directs the Chairman to execute and sign all documents required for the contracts with Kentucky Infrastructure

Authority for the loan in the amount of \$2,491,916.00. The Board further authorizes the Chairman to hire, complete and submit the required applications and rate studies necessary to complete the PSC requirements for construction authorizations and rate increases.

- 3) The McKinney Water District Board commits to increase revenues as necessary and authorized by the PSC to meet the loan requirements over the life of the loan. KIA Staff review indicates that revenues would need to be increase by \$202,000.00, which equates approximately to rates increased by 22% in 2022, to meet expenses and debt service in the first full year of debt service in 2023. PSC requires rate increases to be approved after bids for construction are received.
- 4) The McKinney Water District Board commits to increase revenues as necessary to maintain a debt service coverage is 1.1 in 2023 and beyond.

APPROVED DATE 3/9/21

Chairman Matt Roub.

Date 3/9/21

Attested Nicki Bastin

Date 3-9-2021

## NEW BOND ISSUE REPORT

### BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Conduit Revenue Bonds (Crossings at Mill Creek), Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, construction and equipping of the Crossings at Mill Creek, a multifamily residential rental facility consisting of one hundred and eighty (180) units, located at 4801 Manslick Road, Louisville, Kentucky 40216. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on June 2, 2021 following the delivery of notice to the public at least seven days prior to such hearing.

Name of Project: Crossings at Mill Creek

Anticipated Date of Sale: September 9, 2021

Anticipated Date of Issuance: September 9, 2021

Anticipated Ratings: N/A (Private Placement)

Anticipated Net Proceeds: \$22,300,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$888,632 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$38,072,223

Terms of Issue: Net interest rate: 3.753%  
Term: October 1, 2061 (480 months)  
Average debt service: \$1,077,159.60  
Gross debt service: \$43,086,383.07

First Call Date: 240 Months

Premium at First Call: No premium

Method of Sale: Private Placement

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: N/A

Financial Advisor: N/A

Bond Purchaser: Piper Sandler (or a designated affiliate)

Trustee: N/A

**Exhibit A**

**Project Funding Sources:**

KHC Tax-Exempt Bonds	\$22,300,000
Tax Credit Equity	\$15,274,642
Cash Flow Loan	\$1,900,000
GP Contribution	\$100
Deferred Developer Fee	<u>\$147,480</u>
	\$39,622,222

**Costs of Issuance:**

Origination Fee	\$172,566
KHC Counsel	\$25,000
KHC Tax-Exempt Bond Pre-Application Fee	\$1,000
KHC Tax-Exempt Bond Application Fee	\$3,500
KHC Tax-Exempt Bond Upfront Issuer Fee	\$68,750
KHC Tax-Exempt Bond Annual Issuer Fee	\$34,375
KHC Tax-Exempt Bond Counsel Fee	\$19,101
KHC Tax-Exempt Bond Administrative Fee	\$5,000
Bond Counsel	\$135,000
Trustee Counsel	\$8,500
Purchaser's Counsel	\$75,000
TEFRA/Publication/Print	<u>\$5,000</u>
	\$552,792



## **MARIAN DEVELOPMENT GROUP**

**PROJECT:** Crossings at Mill Creek  
4801 Manslick Road, Louisville, KY 40216 (Jefferson County)

The Marian Group was formed in 2001 for the purpose of developing residential, multi-family and commercial real estate by Jacob L. Brown, its Founder and Principal. Through partnerships with nonprofit entities and for-profit investors, Marian produces market rate and commercial projects, and develops affordable housing through the utilization of Low Income Housing Tax Credits.

Marian Development is a full-service real estate development, construction, advisory and investment firm based in Louisville, KY. Since its inception, Marian Development has successfully completed 21 developments producing a total of 1,435 affordable housing units with budgets totaling \$203,583,497, utilizing tax exempt bonds, 4% and 9% LIHTCs and additional funding resources including state and federal HTCs, FHLB AHP, HOME, CDBG, and HUD Mixed Financing. In addition to these affordable housing projects, we have completed market rate developments, most recently the Bradford Mills Lofts. These market rate developments produced another 373 units, with combined budgets of \$43,917,952.

We coordinate with community organizations to ensure the project is a good fit for the community. As developer, we guide the project from inception through construction completion as the primary contact to the project contractor, architect, engineer, real estate agents and various other stakeholders associated with the project. We utilize a combination of funding sources including grants and loans from federal, state and local funding agencies as well as private investors and banks to create a project that is sustainable.

Marian has utilized the following funding sources, administered by either KHC, HUD or Metro Louisville Department of Housing & Family Services: HOME, CDBG, LEAD, Risk Sharing, Mixed Finance, Section 221(d)(4) Sub-Rehab, and ARRA Exchange funds. Marian has experience with HUD regulations as they relate to the aforementioned funding sources as well as the Housing Choice Voucher Program, Project Based Section 8, Mod Rehab and the Moving to Work initiative. Additionally, Marian has leveraged private fund raising, grants or donations along with private construction and permanent lending to meet development goals.

Marian exists to enhance the quality of life for people, through thoughtful selection and development of projects that strengthen and revitalize neighborhoods, and through strong partnerships and collaborations that benefit the larger community.





Jacob L. (Jake) Brown  
*Founder & Principal*

P 502.297.8130

C 502.639.2818

[jake@themariangroup.com](mailto:jake@themariangroup.com)

Jake Brown has been involved in the real estate development and general construction industry from a very young age. Since founding The Marian Group and its associated companies, he has actively led over \$300 million of development, management and construction work.

Projects he has led have amassed thirteen awards for excellence, while Marian has developed an outstanding reputation for honesty, leadership, non-profit involvement, and outsized returns to investors, stakeholders, clients and the community.

Early in his career, Mr. Brown was Project Manager and General Superintendent for Cardinal Industrial Services, providing industrial and commercial hazardous environmental cleanup to clients like Dow Chemical, Rohm and Haas, DuPont Chemical, PNC Bank and Humana.

An experienced developer with a passion for repurposing and repositioning historic, bank owned, foreclosed or stalled real estate assets, Mr. Brown is knowledgeable in the structuring and implementation of multiple financing strategies including bank, private equity, taxable and non-taxable bond issuance, and Federal and State Historic Tax Credit.



## NEW BOND ISSUE REPORT

### BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Conduit Revenue Bonds (Bowling Green Tower), Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation and equipping of the Bowling Green Tower, an existing two hundred two (202) unit residential rental multifamily facility located at 1149 College Street, #1, Bowling Green, Warren County, Kentucky 42101. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on June 2, 2021 following the delivery of notice to the public on May 21, 2021.

Name of Project: Bowling Green Tower

Anticipated Date of Sale: September 15, 2021

Anticipated Date of Issuance: September 7, 2021

Anticipated Ratings: Moody's (Aaa/VMIG 1)

Anticipated Net Proceeds: \$22,500,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$1,089,884.00 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$42,887,100.00

Terms of Issue: Net interest rate: 1.00%  
Term: 36 months  
Average debt service: \$225,000.00  
Gross debt service: \$23,175,000.00

First Call Date: 24 months

Premium at First Call: No premium

Method of Sale: Public Offering

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: Tiber Hudson LLC

Financial Advisor: N/A

Underwriter: Jeffries LLC

Trustee: U.S. Bank National Association

**Exhibit A****Project Funding Sources:**

Tax-Exempt Bonds	\$22,500,000.00
Permanent Loan (A Note)	\$24,755,103.00
Permanent Loan (B Note)	\$ 316,613.00
Deferred Developer Fee	\$ 2,397,924.00
Private Equity (Tax Credits and GP Capital)	<u>\$15,417,460.00</u>
	\$65,387,100.00

**Costs of Issuance:**

Upfront Issuer Fee - KHC (35 bps)	\$78,750.00
Pre-Application Fee	\$1,000.00
Application Fee (\$3,500)	\$3,500.00
Administration Fee (MF \$5,000)	\$5,000.00
KHC Bond Counsel Fee	\$22,500.00
Bond Counsel	\$75,000.00
Underwriter's Counsel	\$50,000.00
Underwriter	\$109,250.00
Rating Agency -	\$5,500.00
Printer - ImageMaster	\$1,500.00
Verification Agent -	\$2,500.00
Trustee	\$3,000.00
Trustee's Counsel	\$9,000.00
<u>Annual Issuer Fee</u>	<u>\$28,125.00</u>
Total Fees	\$394,625.00

# Community Housing and Opportunity Foundation

## Profile

Community Housing and Opportunity Foundation (CHOF) is a newly formed Delaware based non profit organization with a focus on fostering low-income housing. CHOF is managed by an experienced board of directors with expertise in housing, healthcare, and education. CHOF intends to draw upon the experience of this initial board of directors to create quality affordable housing that provides a safe and decent place to live and that is informed by the healthcare and educational needs of the residents.

### Board of Directors

Michael McIlmurray:

Michael has been involved in the design and renovation of six (6) properties involving 800 units. His experience in affordable housing comes through his design work and his ownership stake in three (3) affordable developments with 300 units combined. Michael has worked on the design and renovation of these communities as well as a 113 unit workforce housing community in Seattle, WA. Currently, Michael was been involved in the design of the Bowling Green Tower development as well as another development in Bridgeton, NJ, both of which are expected to close by the end of 2021.

Dr. Edward Machtinger:

Edward is a Professor of Medicine at the University of California, San Francisco. He is additionally the Director of the Women's HIV program and the Director of the Center to Advance Trauma-informed Health Care. Dr. Machtinger's focus and research is on aligning the services of the U.S. primary health care system to more effectively address the traumatic roots of most physical and mental illness and disparities in health. His work seeks to expand access to mental health and substance use treatment through full integration of these fields into primary medical care. Dr. Machtinger is able to bring his trauma and mental illness expertise to CHOF in order to better provide relevant services to affordable developments.

Scott Hirschfield:

Scot is the co-founder of the Jackson Hole Community School, where he served as Head of School from 2004-2014. Following his tenure at the Community School, Scott and his family moved to Northern California where he was continued his professional career in the field of education. Scott holds a Master's Degree in Education from Stanford University and is looking to provide his education expertise to CHOF in order to form a foundation of education for the residents in affordable housing developments.

# Gil Seton Jr.

## Profile

Gil Seton Jr. beneficially owns a number of real estate companies that have developed, renovated, operated, and/or invested in over 100 affordable housing projects involving well over 10,000 units of government subsidized housing:

1. Through SP Investment Fund LLC, SP Investment Fund I LLC, SP Investment Fund III LLC and SP Investment Fund IV LLC, as well as single purpose development entities, all of which are beneficially owned by Gil Seton Jr. or his retirement plans, Gil Seton Jr. has overseen the investment in limited partner and/or general partner interests in over limited partnerships collectively owning over 100 projects and 10,000 apartments with Project Based Section 8 HAP contracts.
2. Additionally, Gil Seton Jr. has been involved in the new construction or renovation of thousands of apartment units:
  - A. Through single purpose development entities, all of which are beneficially owned by Gil Seton Jr. or his retirement plans, Gil Seton Jr. has overseen the renovation of three 4% LIHTC renovation projects, with an additional two projects involving 400 units in the pipeline.
  - B. Through Showplace Development, Inc., an entity owned 100% by Gil Seton Jr. since 1990, Gil Seton Jr has developed four new construction 9% tax credit projects with over 300 housing units with a total cost of approximately \$40,000,000. These projects were financed with conventional construction and permanent financing, tax credit equity, and subordinate financing from a myriad of government programs including, CDBG, HOME, Section 108 loan guarantee, and Century Freeway Housing Program.
  - C. Prior to 1990, Gil Seton Jr. was a Project Manager for Calmark Development. Calmark Development specialized in developing affordable housing in Southern California and, during his tenure, was rated the 13th largest multi-family developer in the United States. While at Calmark Development, he was responsible for seven multi-family projects involving over 1,100 housing units with a cost in excess of \$80,000,000.

Gil Seton, Jr. attended the Wharton School of the University of Pennsylvania where he was selected to receive the Samuel Furman Memorial Fellowship for excellence in real estate and finance.

## NEW BOND ISSUE REPORT\*

### NEW BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Multifamily Revenue Bonds (Lower Hunter's Trace Project), Series 2021

Purpose of Issue: The Bonds will be used to finance the acquisition, construction and equipping of a multifamily residential rental project containing approximately 168 units, located on multiple parcels at 4225 Kerrick Lane, Louisville, Kentucky 40216 (the "Project") to be owned by Lower Hunter's Trace, LLC a Kentucky limited liability company or its successors and assigns (the "Borrower"). The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on 17<sup>th</sup> day, August, 2021, following the delivery of notice to the public in the *State Journal* and in *The Courier Journal*. The Bonds, if approved, will be the sole obligations of the Borrower.

Name of Project: Lower Hunter's Trace

Date of Sale: Fall 2021

Date of Issuance: Fall 2021

Anticipated Ratings: No rating currently anticipated

Anticipated Net Proceeds: \$18,500,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but \$842,077 estimated operating deficit reserve to be funded from equity.

Insurance Premium: Bond Insurance is not currently anticipated

Total Project Cost: \$35,046,966

Terms of Issue: Anticipated net interest rate: 4.00%  
Anticipated term: 17 years  
Anticipated average annual debt service: \$927,823

First Call Date: To be determined

Premium at First Call: To be determined

Method of Sale: Private Placement

Bond Counsel: Frost Brown Todd LLC

Underwriter/Placement Agent Counsel: Kutak Rock

Financial Advisor: Bellwether Enterprise

Underwriter: Stifel or Piper Sandler (still under review)

Trustee: to be determined

Developer: Marian Development Group, LLC

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\* Preliminary (as of 8/2/21) and subject to change.

**Exhibit A\***

**Project Funding Sources:**

Tax-Exempt Bonds	\$18,500,000
Deferred Developer Fee	\$1,241,196
Louisville Affordable Housing Trust Fund	\$1,000,000
GP Equity	\$100.00
<u>LIHTC Anticipated Net Syndication Proceeds (4%)</u>	<u>\$14,305,670</u>
Total	\$35,046,966

**Costs of Issuance:**

Origination Fee	\$226,158
KHC Counsel	\$13,875
KHC Financing Fee	\$103,125
KHC Application Fee & Expenses	\$6,500
KHC Admin Fee	\$5,000
Bond Counsel	\$60,000
Trustee Counsel	\$26,500
Placement Agent Counsel	\$75,000
Borrowers Counsel	\$60,000
Syndicator Counsel	\$70,000
Trustee Fee	\$5,000
TEFRA/Publication/Print	\$8,625
<u>Cost of Issuance Contingency</u>	<u>\$75,000</u>
Total:	\$734,783

\* All amounts are preliminary estimates (as of 8/2/21) and subject to change.



## **MARIAN DEVELOPMENT GROUP**

**PROJECT:** Lower Hunter's Trace  
5416 Distler Lane, Louisville, KY 40258 (Jefferson County)

The Marian Group was formed in 2001 for the purpose of developing residential, multi-family and commercial real estate by Jacob L. Brown, its Founder and Principal. Through partnerships with nonprofit entities and for-profit investors, Marian produces market rate and commercial projects, and develops affordable housing through the utilization of Low Income Housing Tax Credits.

Marian Development is a full-service real estate development, construction, advisory and investment firm based in Louisville, KY. Since its inception, Marian Development has successfully completed 21 developments producing a total of 1,435 affordable housing units with budgets totaling \$203,583,497, utilizing tax exempt bonds, 4% and 9% LIHTCs and additional funding resources including state and federal HTCs, FHLB AHP, HOME, CDBG, and HUD Mixed Financing. In addition to these affordable housing projects, we have completed market rate developments, most recently the Bradford Mills Lofts. These market rate developments produced another 373 units, with combined budgets of \$43,917,952.

We coordinate with community organizations to ensure the project is a good fit for the community. As developer, we guide the project from inception through construction completion as the primary contact to the project contractor, architect, engineer, real estate agents and various other stakeholders associated with the project. We utilize a combination of funding sources including grants and loans from federal, state and local funding agencies as well as private investors and banks to create a project that is sustainable.

Marian has utilized the following funding sources, administered by either KHC, HUD or Metro Louisville Department of Housing & Family Services: HOME, CDBG, LEAD, Risk Sharing, Mixed Finance, Section 221(d)(4) Sub-Rehab, and ARRA Exchange funds. Marian has experience with HUD regulations as they relate to the aforementioned funding sources as well as the Housing Choice Voucher Program, Project Based Section 8, Mod Rehab and the Moving to Work initiative. Additionally, Marian has leveraged private fund raising, grants or donations along with private construction and permanent lending to meet development goals.

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Jacob L. (Jake) Brown  
*Founder & Principal*

P 502.297.8130

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Jake Brown has been involved in the real estate development and general construction industry from a very young age. Since founding The Marian Group and its associated companies, he has actively led over \$300 million of development, management and construction work.

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Early in his career, Mr. Brown was Project Manager and General Superintendent for Cardinal Industrial Services, providing industrial and commercial hazardous environmental cleanup to clients like Dow Chemical, Rohm and Haas, DuPont Chemical, PNC Bank and Humana.

An experienced developer with a passion for repurposing and repositioning historic, bank owned, foreclosed or stalled real estate assets, Mr. Brown is knowledgeable in the structuring and implementation of multiple financing strategies including bank, private equity, taxable and non-taxable bond issuance, and Federal and State Historic Tax Credit.





Commonwealth of Kentucky  
Finance and Administration Cabinet  
**OFFICE OF FINANCIAL MANAGEMENT**  
Room 76, Capitol Annex  
702 Capital Avenue  
Frankfort, KY 40601-3462  
(502) 564-2924

**Andy Beshear**  
Governor

**Holly M. Johnson**  
Secretary

**Ryan Barrow**  
Executive Director

August 8, 2021

M. B. Denham Jr.  
Board Chair  
Kentucky Housing Corporation  
1231 Louisville Road  
Frankfort, KY 40601-6191

Dear Board Chair Denham:

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 Conduit Multifamily Housing Revenue Bonds (Cambridge Square), Series 2021 in a principal amount of \$26,000,000 (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 March 16, 2021. 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

### BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Conduit Revenue Bonds (Cambridge Square), Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, rehabilitation and equipping of the Cambridge Square, an existing two hundred (200) unit residential rental multifamily facility located at 101 Promontory Dr, Covington, Kentucky 41015. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on March 12, 2021 following the delivery of notice to the public on March 3, 2021.

Name of Project: Cambridge Square

Date of Sale: July 19, 2021

Date of Issuance: July 22, 2021

Ratings: Moody's (Aaa/VMIG 1)

Net Proceeds: \$26,000,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$744,492.00 operating reserve and a \$350,000 replacement reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$43,546,867.00

Terms of Issue: Net interest rate: .30%  
Term: 36 months  
Average debt service: \$78,234.23  
Gross debt service: \$234,702.70

First Call Date: 30 months

Premium at First Call: No premium

Method of Sale: Public Offering

Bond Counsel: Dinsmore & Shohl LLP

Underwriter Counsel: Tiber Hudson LLC

Financial Advisor: N/A

Underwriter: Jeffries LLC

Trustee: The Bank of New York Mellon Corporation

**Exhibit A****Project Funding Sources:**

Tax-Exempt Bonds	\$26,000,000.00
Permanent Loan	\$30,000,000.00
Income from Operations	\$630,867.00
Tax Credit Equity	<u>\$12,916,000.00</u>
	\$69,546,867.00

**Costs of Issuance:**

Issuer Application Fees	\$9,500.00
Lender Application Fees	\$81,244.00
Issuer Origination Fees	\$112,342.00
Lender Origination Fees	\$300,000.00
KHC Fees - Inspection, Market Analysis, Admin Fee	\$7,000.00
Rating Fee	\$5,500.00
Trustee Fees	\$3,000.00
Annual Issuer Fees	\$32,500.00
FHA Exam and Inspection Fees	\$153,584.00
FHA MIP	\$150,000.00
Underwriting Fees	\$165,551.00
Bond Counsel	\$78,000.00
Lender Counsel	\$28,000.00
Underwriter Counsel	\$50,000.00
Trustee Counsel	\$6,000.00
Issuer Counsel	\$26,000.00
<u>Equity &amp; Other Legal</u>	<u>\$15,000.00</u>
Total Fees	\$1,223,221.00



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Frankfort, KY 40601-3462  
(502) 564-2924

**Andy Beshear**  
Governor

**Holly M. Johnson**  
Secretary

**Ryan Barrow**  
Executive Director

June 2, 2021

Holly M. Johnson  
Secretary  
Finance and Administration Cabinet  
Executive Director  
State Property and Buildings Commission  
702 Capital Avenue  
Frankfort, KY 40601

Dear Secretary Johnson:

Pursuant to KRS 42.420, the Office of Financial Management is required to review and approve the issuance of debt by all state agencies. The attached constitutes the review and approval of the \$98,995,000 Lexington-Fayette Urban County Government Public Facilities Corporation Lease Revenue Refunding Bonds, Series 2021 (Forward Delivery) dated July 1, 2021.

Sincerely,

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

Ryan Barrow  
Executive Director  
Office of Financial Management

Attachments

**OFM APPROVAL PURSUANT TO KRS 42.420**  
**\$98,995,000**

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT PUBLIC FACILITIES CORPORATION**  
**LEASE REVENUE REFUNDING BONDS, SERIES 2021 (FORWARD DELIVERY)**  
**EASTERN STATE HOSPITAL PROJECT**

**DESCRIPTION:**

The proceeds from the placement of the Series 2021 Bonds will be used to (i) refund the Lexington-Fayette Urban County Government Public Facilities Corporation Lease Revenue Bonds Series 2011 A for net present value savings and, (ii) pay costs of issuance.

**BOND SUMMARY STATISTICS:**

Par Amount:	\$98,995,000
Rate Lock Date:	January 8, 2020
Closing Date:	June 2, 2021
Dated Date:	June 2, 2021
Final Maturity:	June 1, 2033
Arbitrage Yield:	2.770%
TIC:	2.770%
NIC:	2.770%
All-In TIC:	2.801%
Benchmark (BBWK20GO):	2.630% (January 9, 2020)

**RATINGS:**

No rating was required for this transaction

**SOURCES AND USES OF FUNDS:**

**SOURCES OF FUNDS:**

Par Amount of Bonds	\$ 98,995,000.00
<b>TOTAL SOURCES</b>	<u>\$ 98,995,000.00</u>

**USES OF FUNDS:**

Deposit to Escrow	\$ 98,804,147.85
Costs of Issuance	<u>190,852.15</u>
<b>TOTAL USES</b>	\$ 98,995,000.00

**REFUNDING:**

Par Amount of Refunded Bonds:	\$ 98,790,000.00
Net PV Savings:	\$ 14,734,502.32
Percentage Savings of Refunded Bonds:	14.9149%

**PROFESSIONAL SERVICES:**

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

<b>Firm</b>	<b>Service</b>	<b>Fee</b>
Dinsmore & Shohl LLP	Bond Counsel	\$ 77,216.10
Raymond James	Financial Advisor	77,216.10
Stites & Harbison PLLC	Bank Counsel	35,000.00
	Contingency / Misc.	<u>1,419.95</u>
TOTAL		\$ 190,852.15

**ATTACHMENTS:**

- Bond Debt Service Schedule
- Savings Schedule
- Summary of Bonds Refunded

BOND DEBT SERVICE

Lexington-Fayette Urban County Government Public Facilities Corporation  
 Lease Revenue Refunding Bonds, Series 2021 (Forward Delivery)  
 Eastern State Hospital Project  
 \*\*FINAL\*\*

Dated Date 06/02/2021  
 Delivery Date 06/02/2021

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
06/02/2021						98,995,000	98,995,000
12/01/2021			1,363,463.63	1,363,463.63		98,995,000	98,995,000
06/01/2022	7,075,000	2.770%	1,371,080.75	8,446,080.75		91,920,000	91,920,000
06/30/2022					9,809,544.38	91,920,000	91,920,000
12/01/2022			1,273,092.00	1,273,092.00		91,920,000	91,920,000
06/01/2023	7,265,000	2.770%	1,273,092.00	8,538,092.00		84,655,000	84,655,000
06/30/2023					9,811,184.00	84,655,000	84,655,000
12/01/2023			1,172,471.75	1,172,471.75		84,655,000	84,655,000
06/01/2024	7,465,000	2.770%	1,172,471.75	8,637,471.75		77,190,000	77,190,000
06/30/2024					9,809,943.50	77,190,000	77,190,000
12/01/2024			1,069,081.50	1,069,081.50		77,190,000	77,190,000
06/01/2025	7,670,000	2.770%	1,069,081.50	8,739,081.50		69,520,000	69,520,000
06/30/2025					9,808,163.00	69,520,000	69,520,000
12/01/2025			962,852.00	962,852.00		69,520,000	69,520,000
06/01/2026	7,885,000	2.770%	962,852.00	8,847,852.00		61,635,000	61,635,000
06/30/2026					9,810,704.00	61,635,000	61,635,000
12/01/2026			853,644.75	853,644.75		61,635,000	61,635,000
06/01/2027	8,100,000	2.770%	853,644.75	8,953,644.75		53,535,000	53,535,000
06/30/2027					9,807,289.50	53,535,000	53,535,000
12/01/2027			741,459.75	741,459.75		53,535,000	53,535,000
06/01/2028	8,325,000	2.770%	741,459.75	9,066,459.75		45,210,000	45,210,000
06/30/2028					9,807,919.50	45,210,000	45,210,000
12/01/2028			626,158.50	626,158.50		45,210,000	45,210,000
06/01/2029	8,555,000	2.770%	626,158.50	9,181,158.50		36,655,000	36,655,000
06/30/2029					9,807,317.00	36,655,000	36,655,000
12/01/2029			507,671.75	507,671.75		36,655,000	36,655,000
06/01/2030	8,790,000	2.770%	507,671.75	9,297,671.75		27,865,000	27,865,000
06/30/2030					9,805,343.50	27,865,000	27,865,000
12/01/2030			385,930.25	385,930.25		27,865,000	27,865,000
06/01/2031	9,035,000	2.770%	385,930.25	9,420,930.25		18,830,000	18,830,000
06/30/2031					9,806,860.50	18,830,000	18,830,000
12/01/2031			260,795.50	260,795.50		18,830,000	18,830,000
06/01/2032	9,290,000	2.770%	260,795.50	9,550,795.50		9,540,000	9,540,000
06/30/2032					9,811,591.00	9,540,000	9,540,000
12/01/2032			132,129.00	132,129.00		9,540,000	9,540,000
06/01/2033	9,540,000	2.770%	132,129.00	9,672,129.00			
06/30/2033					9,804,258.00		
	98,995,000		18,705,117.88	117,700,117.88	117,700,117.88		



SUMMARY OF BONDS REFUNDED

Lexington-Fayette Urban County Government Public Facilities Corporation  
 Lease Revenue Refunding Bonds, Series 2021 (Forward Delivery)  
 Eastern State Hospital Project  
 \*\*FINAL\*\*

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Lease Revenue Bonds, Series 2011A:					
Serials	06/01/2022	5.000%	6,165,000.00	06/02/2021	100.000
	06/01/2023	5.000%	6,475,000.00	06/02/2021	100.000
	06/01/2024	5.000%	6,800,000.00	06/02/2021	100.000
	06/01/2025	5.000%	7,140,000.00	06/02/2021	100.000
	06/01/2026	5.250%	7,495,000.00	06/02/2021	100.000
	06/01/2027	5.250%	7,890,000.00	06/02/2021	100.000
	06/01/2028	5.250%	8,300,000.00	06/02/2021	100.000
	06/01/2029	5.250%	8,740,000.00	06/02/2021	100.000
	06/01/2030	5.250%	9,195,000.00	06/02/2021	100.000
	06/01/2031	5.250%	9,680,000.00	06/02/2021	100.000
	06/01/2032	5.250%	10,190,000.00	06/02/2021	100.000
	06/01/2033	5.000%	10,720,000.00	06/02/2021	100.000
			98,790,000.00		

ESCROW REQUIREMENTS

Lexington-Fayette Urban County Government Public Facilities Corporation  
Lease Revenue Refunding Bonds, Series 2021 (Forward Delivery)  
Eastern State Hospital Project  
\*\*FINAL\*\*

Dated Date           06/02/2021  
Delivery Date       06/02/2021

Period Ending	Interest	Principal Redeemed	Total
06/02/2021	14,147.85	98,790,000.00	98,804,147.85
	14,147.85	98,790,000.00	98,804,147.85



Commonwealth of Kentucky  
Finance and Administration Cabinet  
**OFFICE OF FINANCIAL MANAGEMENT**  
Room 76, Capitol Annex  
702 Capital Avenue  
Frankfort, KY 40601-3462  
(502) 564-2924

**Andy Beshear**  
Governor

**Holly M. Johnson**  
Secretary

**Ryan Barrow**  
Executive Director

August 10, 2021

Mr. Barry Poynter  
Vice President for Finance and Administration  
Eastern Kentucky University  
521 Lancaster Ave  
Richmond, KY 40475

Dear Mr. Poynter,

Pursuant to KRS 42.420, the Office of Financial Management is required to review and approve the issuance of debt by all state agencies. The attached constitutes the review and approval of the recent Eastern Kentucky University debt issuance of the \$12,405,000 Forward Delivery General Receipts Refunding Bonds, 2021 Series A.

Sincerely,

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

Ryan Barrow  
Executive Director

Attachments

**FINAL BOND ISSUE REPORT**

OFM APPROVAL PURSUANT TO KRS 42.420

Eastern Kentucky University  
\$12,405,000

Forward Delivery Direct Purchase Refunding Bonds, 2021 Series A

**DESCRIPTION:**

The Bonds are being issued to (i) pay the costs of refunding certain 2011 Series A bonds and (ii) to pay the costs of issuing the Bonds.

**BOND SUMMARY STATISTICS:**

Par Amount:	\$12,405,000.00
Pricing Date:	December 1, 2020
Closing Date:	July 6, 2021
Dated Date:	July 6, 2021
Final Maturity:	October 1, 2031
Arbitrage Yield:	3.898%
TIC:	3.898%
NIC:	3.905%
All-In TIC:	3.898%
Benchmark (BBWK20GO December 3, 2021):	2.130%

**RATINGS:**

No rating was required for this transaction.

**SOURCES AND USES OF FUNDS:**

	<b>Series 2021 A (\$)</b>
<b>SOURCES OF FUNDS:</b>	
Par amount of bonds:	12,405,000.00
Other Sources of Funds	234,162.50
<b>TOTAL SOURCES</b>	<b>12,639,162.50</b>
<b>USES OF FUNDS:</b>	
Refunding Escrow Deposit	12,639,162.50
<b>TOTAL USES</b>	<b>12,639,162.50</b>
Average Annual Debt Service:	\$1,498,174.12
Total Debt Service:	\$15,335,476.74
Average Life (years):	6.049

## FINAL BOND ISSUE REPORT

### Refunding Summary:

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

Par Amount of Refunded Bonds: \$12,405,000.00

\*Savings \$1,629,508.00

Method of Sale: Direct Purchase

Bond Counsel: Dinsmore & Shohl, LLP

Purchaser: Morgan Stanley

Purchaser's Counsel: Orrick Herrington & Sutcliffe

Trustee: U.S. Bank

Financial Advisor: Baird & OFM

Final Cashflows as of December 8, 2020

\*Savings of \$1,629,508 is a one time upfront prepayment

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

**\*PROFESSIONAL SERVICES:**

<b>Firm</b>	<b>Service</b>	<b>Fee</b>
Dinsmore & Shohl	Bond Counsel	\$ 22,890.00
Baird	Financial Advisor	40,000.00
US Bank	Paying Agent	1,000.00
OFM	Financial Advisor	3,101.25
Orrick Herrington & Sutcliffe	Purchaser's Counsel	35,000.00
	Misc./Contingency	-
TOTAL COST OF ISSUANCE		\$ 101,991.25

\*Fees were paid outside of bond proceeds

## BOND DEBT SERVICE

Eastern Kentucky University  
General Receipts Refunding Bonds  
2021 Series A Bonds  
(Direct Purchase - Morgan Stanley)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2021			110,576.74	110,576.74	
04/01/2022			234,162.50	234,162.50	
06/30/2022					344,739.24
10/01/2022	1,050,000	3.200%	234,162.50	1,284,162.50	
04/01/2023			217,362.50	217,362.50	
06/30/2023					1,501,525.00
10/01/2023	1,080,000	3.250%	217,362.50	1,297,362.50	
04/01/2024			199,812.50	199,812.50	
06/30/2024					1,497,175.00
10/01/2024	1,120,000	3.500%	199,812.50	1,319,812.50	
04/01/2025			180,212.50	180,212.50	
06/30/2025					1,500,025.00
10/01/2025	1,155,000	3.500%	180,212.50	1,335,212.50	
04/01/2026			160,000.00	160,000.00	
06/30/2026					1,495,212.50
10/01/2026	1,205,000	4.000%	160,000.00	1,365,000.00	
04/01/2027			135,900.00	135,900.00	
06/30/2027					1,500,900.00
10/01/2027	1,255,000	4.000%	135,900.00	1,390,900.00	
04/01/2028			110,800.00	110,800.00	
06/30/2028					1,501,700.00
10/01/2028	1,305,000	4.000%	110,800.00	1,415,800.00	
04/01/2029			84,700.00	84,700.00	
06/30/2029					1,500,500.00
10/01/2029	1,355,000	4.000%	84,700.00	1,439,700.00	
04/01/2030			57,600.00	57,600.00	
06/30/2030					1,497,300.00
10/01/2030	1,410,000	4.000%	57,600.00	1,467,600.00	
04/01/2031			29,400.00	29,400.00	
06/30/2031					1,497,000.00
10/01/2031	1,470,000	4.000%	29,400.00	1,499,400.00	
06/30/2032					1,499,400.00
	12,405,000		2,930,476.74	15,335,476.74	15,335,476.74

SUMMARY OF BONDS REFUNDED

Eastern Kentucky University  
 General Receipts Refunding Bonds  
 2021 Series A Bonds  
 (Direct Purchase - Morgan Stanley)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Eastern Kentucky University, 12082011, 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%	1,155,000.00	10/01/2021	100.000
			<u>4,405,000.00</u>		
Eastern Kentucky University, 12082011, TERM27:					
	10/01/2027	4.000%	2,460,000.00	10/01/2021	100.000
Eastern Kentucky University, 12082011, TERM29:					
	10/01/2029	4.000%	2,660,000.00	10/01/2021	100.000
Eastern Kentucky University, 12082011, TERM31:					
	10/01/2031	4.000%	2,880,000.00	10/01/2021	100.000
			<u>12,405,000.00</u>		







## School Facilities Construction Commission

Finance and Administration Cabinet

700 Louisville Rd

Carriage House

Frankfort, Kentucky 40601

(502) 564-5582

(888) 979-6152 Fax

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

**ANDY BESHEAR**

Governor

**MS. HOLLY M. JOHNSON**

Secretary

**HEATHER OVERBY**

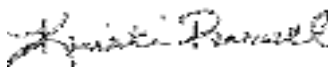
Chairman

**CHELSEY COUCH**

Executive Director

### **MEMORANDUM**

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

**FROM:** Kristi Russell, SFCC 

**DATE:** August 9, 2021

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

The following information is submitted for consideration by CPBO at their next meeting tentatively scheduled for August 25, 2021:

Adair County- \$10,660,000 estimated – Refunding of 2012 bonds. State estimated annual debt service is \$285,697 and local is \$774,552. No tax increase is necessary to finance this project.

Boone County- \$20,505,000 estimated – High school and middle school renovations. State estimated annual debt service is \$45,545 and local is \$1,225,073. No tax increase is necessary to finance this project

Dawson Springs Independent- \$1,755,000 estimated – High school renovations. State estimated annual debt service is \$9,598 and local is \$98,172. No tax increase is necessary to finance this project

Grayson County- \$5,605,000 estimated – Refunding of 2013 bonds. State estimated annual debt service is \$94,385 and local is \$384,095. No tax increase is necessary to finance this project.

Morgan County- \$7,640,000 estimated – Refunding of 2012 bonds. State estimated annual debt service is \$183,387 and local is \$578,134. No tax increase is necessary to finance this project

Newport Independent- \$1,490,000 estimated – Refunding of 2012 bonds. State estimated annual debt service is \$144,796 and local is \$0. No tax increase is necessary to finance this project

Newport Independent- \$4,745,000 estimated – Primary school renovations. State estimated annual debt service is \$85,555 and local is \$192,758. No tax increase is necessary to finance this project

Pulaski County- \$16,440,000 estimated – New elementary school. State estimated annual debt service is \$114,553 and local is \$900,678. No tax increase is necessary to finance this project

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



# Memo

**To:** KSFCC  
**From:** Lincoln Theinert  
**Subject:** Bond Payee Disclosure Form –Adair County School District Series 2021  
**Date:** August 04, 2021  
**cc:** File

---

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



Lincoln Theinert

# BOND PAYEE DISCLOSURE FORM

Par Amount:	<b>\$ 10,660,000</b>	
Issue Name:	Adair County School District Finance Corporation School Building Refunding Revenue Bonds, Series 2021	
Purpose:	Refinance Series 2012	
Projected Sale Date of Bond:	28-Sep-21	
First Call Date:	8/01/22 @ 100	
Method of Sale:	Competitive Bids	
Place/time of sale:	PARITY/SFCC	
Bond Rating:	Moody's: "A1"	
Bond Counsel:	Step toe & Johnson, Louisville, KY	
Fiscal Agent:	RSA Advisors, Lexington, Kentucky	
Date received by SFCC:		To be filled in by SFCC
Date scheduled for Committee review:		To be filled in by SFCC
	Month Day Year	

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

SFCC Portion	Local Portion	Total
\$ 2,872,469	\$ 7,787,531	\$ 10,660,000
26.95%	73.05%	
\$ 285,697	\$ 774,552	\$ 1,060,249
\$ 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:

\$ 14,993	\$ 40,647	\$ 55,640
\$ 0	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0
\$ 7,545	\$ 20,455	\$ 28,000
\$ 28,725	\$ 77,875	\$ 106,600
\$ 1,037	\$ 2,813	\$ 3,850
\$ 52,300	\$ 141,790	\$ 194,090

**Anticipated Interest Rates:**

5 Years 1.000% 10 Years 1.800% 15 Years:  
 20 Years: N/A

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

# Adair County School District

## Projected Plan of Refinancing

Date of Report: August 04, 2021



<b>Prior Bonds Call Reports</b>	
2012 Call Report.....	1
<b>2021 Series Refunding Bonds</b>	
Total Savings Report.....	2-3
Escrow Fund Cash Flow.....	4
Savings Summary.....	5

**ADAIR COUNTY SCHOOL DISTRICT FINANCE CORPORATION**

SCHOOL BUILDING REVENUE BONDS, SERIES 2012

FINAL: SOLD TO RW BAIRD ON 7/24/12 (DELIVER 8/14/12)

**Debt Service To Maturity And To Call**

Part 1 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
11/01/2021	-	-	-	-	-	-	-
02/01/2022	-	147,996.88	147,996.88	-	-	147,996.88	147,996.88
08/01/2022	10,185,000.00	147,996.88	10,332,996.88	575,000.00	2.500%	147,996.88	722,996.88
02/01/2023	-	-	-	-	-	140,809.38	140,809.38
08/01/2023	-	-	-	585,000.00	2.500%	140,809.38	725,809.38
02/01/2024	-	-	-	-	-	133,496.88	133,496.88
08/01/2024	-	-	-	600,000.00	2.600%	133,496.88	733,496.88
02/01/2025	-	-	-	-	-	125,696.88	125,696.88
08/01/2025	-	-	-	650,000.00	2.700%	125,696.88	775,696.88
02/01/2026	-	-	-	-	-	116,921.88	116,921.88
08/01/2026	-	-	-	1,020,000.00	2.800%	116,921.88	1,136,921.88
02/01/2027	-	-	-	-	-	102,641.88	102,641.88
08/01/2027	-	-	-	1,055,000.00	3.000%	102,641.88	1,157,641.88
02/01/2028	-	-	-	-	-	86,816.88	86,816.88
08/01/2028	-	-	-	1,085,000.00	3.000%	86,816.88	1,171,816.88
02/01/2029	-	-	-	-	-	70,541.88	70,541.88
08/01/2029	-	-	-	1,120,000.00	3.000%	70,541.88	1,190,541.88
02/01/2030	-	-	-	-	-	53,741.88	53,741.88
08/01/2030	-	-	-	1,150,000.00	3.000%	53,741.88	1,203,741.88
02/01/2031	-	-	-	-	-	36,491.88	36,491.88
08/01/2031	-	-	-	1,190,000.00	3.100%	36,491.88	1,226,491.88
02/01/2032	-	-	-	-	-	18,046.88	18,046.88
08/01/2032	-	-	-	1,155,000.00	3.125%	18,046.88	1,173,046.88
<b>Total</b>	<b>\$10,185,000.00</b>	<b>\$295,993.76</b>	<b>\$10,480,993.76</b>	<b>\$10,185,000.00</b>	-	<b>\$2,066,406.36</b>	<b>\$12,251,406.36</b>

**ADAIR COUNTY SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2021**  
**PROJECTED REFINANCING OF SERIES 2012**

**Debt Service Comparison**

Part 1 of 2

Date	Total P+I	Net New D/S	Old Net D/S	Savings
06/30/2022	97,951.88	97,951.88	147,996.88	50,045.00
06/30/2023	815,992.50	815,992.50	863,806.26	47,813.76
06/30/2024	809,117.50	809,117.50	859,306.26	50,188.76
06/30/2025	811,043.75	811,043.75	859,193.76	48,150.01
06/30/2026	841,280.00	841,280.00	892,618.76	51,338.76
06/30/2027	1,193,000.00	1,193,000.00	1,239,563.76	46,563.76
06/30/2028	1,196,030.00	1,196,030.00	1,244,458.76	48,428.76
06/30/2029	1,191,725.00	1,191,725.00	1,242,358.76	50,633.76
06/30/2030	1,194,990.00	1,194,990.00	1,244,283.76	49,293.76
06/30/2031	1,191,015.00	1,191,015.00	1,240,233.76	49,218.76
06/30/2032	1,195,555.00	1,195,555.00	1,244,538.76	48,983.76
06/30/2033	1,125,035.00	1,125,035.00	1,173,046.88	48,011.88
<b>Total</b>	<b>\$11,662,735.63</b>	<b>\$11,662,735.63</b>	<b>\$12,251,406.36</b>	<b>\$588,670.73</b>

**ADAIR COUNTY SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2021**  
**PROJECTED REFINANCING OF SERIES 2012**

**Debt Service Comparison**

Part 2 of 2

**PV Analysis Summary (Net to Net)**

Gross PV Debt Service Savings	533,790.35
Net PV Cashflow Savings @ 1.769%(AIC)	533,790.35
Contingency or Rounding Amount	4,573.96
Net Present Value Benefit	\$538,364.31
Net PV Benefit / \$10,185,000 Refunded Principal	5.286%
Net PV Benefit / \$10,660,000 Refunding Principal	5.050%

**Refunding Bond Information**

Refunding Dated Date	11/01/2021
Refunding Delivery Date	11/01/2021

**ADAIR COUNTY SCHOOL DISTRICT FINANCE CORPORATION**  
**SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES 2021**  
**PROJECTED REFINANCING OF SERIES 2012**

**Escrow Fund Cashflow**

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
11/01/2021	-	-	-	0.04	-	0.04
02/01/2022	147,982.00	0.040%	14.91	147,996.91	147,996.88	0.07
08/01/2022	10,329,134.00	0.050%	3,862.81	10,332,996.81	10,332,996.88	-
<b>Total</b>	<b>\$10,477,116.00</b>	<b>-</b>	<b>\$3,877.72</b>	<b>\$10,480,993.76</b>	<b>\$10,480,993.76</b>	<b>-</b>

**Investment Parameters**

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield

Cash Deposit	0.04
Cost of Investments Purchased with Bond Proceeds	10,477,116.00
Total Cost of Investments	\$10,477,116.04
Target Cost of Investments at bond yield	\$10,366,430.38
Actual positive or (negative) arbitrage	(110,685.66)
Yield to Receipt	0.0498144%
Yield for Arbitrage Purposes	1.4848977%
State and Local Government Series (SLGS) rates for	7/21/2021



**Adair County School District Finance Corporation**  
**School Building Refunding Revenue Taxable Bonds, Series 2021**  
**Refunding of Prior Series 2012 Bonds - Dated Date of 7.01.12**

Fiscal Year	(A) Current Bond Payments			(B) New Bond Payments			(C) Savings
	Principal Portion	Interest Portion	Total Payment	Principal Portion	Interest Portion	Payment Totals	
Closing							
2022		\$147,997	\$147,997	\$65,000	\$32,952	\$97,952	\$50,045
2023	\$575,000	\$288,806	\$863,806	\$685,000	\$130,993	\$815,993	\$47,814
2024	\$585,000	\$274,306	\$859,306	\$680,000	\$129,118	\$809,118	\$50,189
2025	\$600,000	\$259,194	\$859,194	\$685,000	\$126,044	\$811,044	\$48,150
2026	\$650,000	\$242,619	\$892,619	\$720,000	\$121,280	\$841,280	\$51,339
2027	\$1,020,000	\$219,564	\$1,239,564	\$1,080,000	\$113,000	\$1,193,000	\$46,564
2028	\$1,055,000	\$189,459	\$1,244,459	\$1,095,000	\$101,030	\$1,196,030	\$48,429
2029	\$1,085,000	\$157,359	\$1,242,359	\$1,105,000	\$86,725	\$1,191,725	\$50,634
2030	\$1,120,000	\$124,284	\$1,244,284	\$1,125,000	\$69,990	\$1,194,990	\$49,294
2031	\$1,150,000	\$90,234	\$1,240,234	\$1,140,000	\$51,015	\$1,191,015	\$49,219
2032	\$1,190,000	\$54,539	\$1,244,539	\$1,165,000	\$30,555	\$1,195,555	\$48,984
2033	\$1,155,000	\$18,047	\$1,173,047	\$1,115,000	\$10,035	\$1,125,035	\$48,012
<b>Totals:</b>	\$10,185,000	\$2,066,406	\$12,251,406	\$10,660,000	\$1,002,736	\$11,662,736	<b>\$588,671</b>

**Net Savings Summary**

Gross Savings Amount: \$588,671  
Present Value Savings Amount: \$533,790  
NPV Savings % of Prior: 5.286%  
Negative Arbitrage (\$110,686)  
Efficiency Ratio 81.20%



**Interest Rate Reduction Summary**

Series 2011 Average Coupon: 3.000%  
Series 2021 Total Interest Cost: 1.700%  
Interest Rate Reduction: 1.300%



July 15, 2021

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

RE: \$20,505,000 Boone County School District Finance Corporation  
School Building Revenue Bonds, Second Series of 2021

Dear Ms. Couch:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to finance renovations to Jones Middle School and Boone County High School. The renovations to Boone County High School were submitted previously in an oversight but will now be combined with Jones Middle School.

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming months. The Bonds will be funded with 3.58% SFCC funds.

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

Sincerely,

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

Dwight G. Salsbury

325 West Main Street  
Suite 300  
Lexington, KY  
40507

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

Enclosures

# BOND PAYEE DISCLOSURE FORM

Par Amount:

**\$20,505,000**

Issue Name:

Boone County School District Finance Corporation School Building Revenue Bonds, Second Series of 2021

Purpose:

Renovations to Jones Middle School & Boone County High School

Projected Sale Date of Bonds:

Q4 2021

First Call Date:

8 Years at par

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC, Frankfort, Ky. / TBD

Bond Rating:

Moody's: "A1"

Bond Counsel:

Steptoe and Johnson, Louisville, KY

Fiscal Agent:

RSA Advisors LLC, Lexington, Kentucky

Date received by SFCC:

/ / *To be filled in by SFCC*

Date scheduled for Committee review:

/ / *To be filled in by SFCC*

Month Day Year

Estimated par amount of Bonds:

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$735,000	\$19,770,000	\$20,505,000
3.58%	96.42%	100.00%
\$45,545	\$1,225,073	\$1,270,618
\$0	\$0	\$0

**Estimated Cost of Issuance:**

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

Special Tax Counsel

Number verifications

Bond Rating & Bank Fee

Underwriter's Discount

Credit Enhancement

Total Cost of Issuance:

\$3,406	\$91,614	\$95,020
\$0	\$0	\$0
\$0	\$0	\$0
\$1,142	\$30,708	\$31,850
\$14,700	\$395,400	\$410,100
\$0	\$0	\$0
\$19,248	\$517,722	\$536,970

**Anticipated Interest Rates:**

5 Years: 2.000%      10 Years: 2.000%      15 Years: 2.125%  
20 Years: 2.250%

**Notes: No tax Increase required**

# BOONE COUNTY SCHOOL DISTRICT

## Plan of Financing -- Series 2021

Date of Report: 7/15/2021

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Local Bond Payments Outstanding ..... 1

Summary of Funds for Bond Payments ..... 2

Projected Second Series 2021..... 3

Disclosure ..... 4



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

	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	
	Series 2010 QSCB Rebate Shortfall	Series 2010 QSCB Interest Only	Series 2010 QSCB Escrow Payment	Series 2010B-REF	Series 2011	Series 2012R	Series 2012BR*	Series 2013**	Series 2014R	Series 2015R	Series 2016R	Series 2016	Series 2016B	Series 2017R	Series 2017B	Series 2018	Series 2020	Series 2021	Total
2022	\$40,385	\$25,496	\$483,660	\$4,556,250		\$4,199,975	\$1,628,476	\$216,181	\$1,604,350	\$998,593	\$2,185,350	\$464,813	\$1,403,247	\$870,365	\$812,487	\$603,444	\$1,086,575	\$251,109	\$21,430,755
2023	\$40,385	\$25,496	\$483,660			\$4,328,256	\$1,974,526	\$212,132	\$1,977,250	\$1,683,344	\$5,452,950	\$471,113	\$1,404,296	\$870,116	\$563,587	\$603,269	\$1,085,975	\$253,100	\$21,429,453
2024	\$40,385	\$25,496	\$483,660			\$4,315,500	\$1,978,900	\$213,082	\$1,978,025	\$1,681,618	\$5,454,650	\$485,263	\$1,404,597	\$864,267	\$561,587	\$602,944	\$1,095,276	\$241,900	\$21,427,147
2025	\$40,385	\$25,496	\$483,660					\$518,882	\$1,982,075	\$1,708,093	\$6,516,850	\$863,813	\$1,700,948	\$1,332,966	\$1,569,286	\$824,094	\$1,689,276	\$525,900	\$19,781,723
2026	\$40,385	\$25,496	\$483,660					\$520,381	\$1,984,325	\$1,712,618	\$6,502,900	\$865,813	\$1,707,971	\$1,336,965	\$1,566,387	\$826,569	\$1,696,276	\$509,200	\$19,778,945
2027	\$40,385	\$25,496	\$483,660					\$516,433		\$1,734,134	\$6,489,000	\$867,213	\$2,093,415	\$1,384,766	\$1,562,285	\$927,094	\$1,702,776	\$532,700	\$18,359,354
2028								\$517,181				\$863,013	\$2,604,130	\$1,420,016	\$1,556,987	\$1,029,094	\$2,613,776	\$2,160,600	\$12,764,796
2029								\$517,482				\$863,363	\$2,598,753	\$1,418,015	\$1,550,485	\$1,033,919	\$2,631,176	\$2,135,800	\$12,748,992
2030								\$517,331				\$868,113	\$2,607,758		\$1,542,787	\$1,082,319	\$2,652,476	\$2,345,700	\$11,616,483
2031								\$521,732				\$867,113	\$2,607,134		\$1,538,886	\$1,088,728	\$2,667,588	\$2,325,600	\$11,616,780
2032								\$524,857				\$875,513	\$2,614,408			\$1,201,431	\$2,681,350		\$7,897,559
2033								\$522,356				\$878,013	\$2,617,953			\$1,200,284	\$2,693,475		\$7,912,081
2034												\$879,763	\$2,632,483			\$1,202,463	\$2,701,251		\$7,415,959
2035												\$884,763	\$2,627,852			\$1,202,819	\$2,704,513		\$7,419,946
2036												\$882,788	\$2,638,921			\$1,201,331	\$2,708,101		\$7,431,141
2037													\$2,668,391			\$1,203,531	\$2,706,701		\$6,578,623
2038																\$1,203,619	\$2,718,201		\$3,921,819
2039																\$1,206,478	\$2,732,150		\$3,938,628
2040																	\$2,748,401		\$2,748,401
<b>Totals:</b>	\$242,309	\$152,973	\$2,901,960	\$4,556,250	\$0	\$12,843,731	\$5,581,903	\$5,318,028	\$9,526,025	\$9,518,399	\$32,601,700	\$11,880,463	\$35,932,257	\$9,497,475	\$12,824,764	\$18,243,428	\$43,315,310	\$11,281,609	\$226,218,584

## BOONE 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	FSPK	Addtl. FSPK	Total Local Funds	Less Current Payments	Local Funds Available	2018 SFCC Offer	Total Funds Available
2022	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$21,430,755)	\$5,415,692	\$47,938	\$5,463,630
2023	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$21,429,453)	\$5,416,994	\$47,938	\$5,464,932
2024	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$21,427,147)	\$5,419,300	\$47,938	\$5,467,238
2025	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$19,781,723)	\$7,064,724	\$47,938	\$7,112,662
2026	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$19,778,945)	\$7,067,502	\$47,938	\$7,115,440
2027	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$18,359,354)	\$8,487,093	\$47,938	\$8,535,031
2028	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$12,764,796)	\$14,081,651	\$47,938	\$14,129,589
2029	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$12,748,992)	\$14,097,455	\$47,938	\$14,145,393
2030	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$11,616,483)	\$15,229,964	\$47,938	\$15,277,902
2031	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$11,616,780)	\$15,229,667	\$47,938	\$15,277,605
2032	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$7,897,559)	\$18,948,888	\$47,938	\$18,996,826
2033	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$7,912,081)	\$18,934,366	\$47,938	\$18,982,304
2034	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$7,415,959)	\$19,430,488	\$47,938	\$19,478,426
2035	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$7,419,946)	\$19,426,501	\$47,938	\$19,474,439
2036	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$7,431,141)	\$19,415,306	\$47,938	\$19,463,244
2037	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$6,578,623)	\$20,267,824	\$47,938	\$20,315,762
2038	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$303,571	\$26,846,447	(\$3,921,819)	\$22,924,628	\$47,938	\$22,972,566
2039	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$242,857	\$26,785,733	(\$3,938,628)	\$22,847,104	\$47,938	\$22,895,042
2040	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$242,857	\$26,785,733	(\$2,748,401)	\$24,037,332	\$47,938	\$24,085,270
2041	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$242,857	\$26,785,733	\$0	\$26,785,733	\$47,938	\$26,833,671
2042	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$242,857	\$26,785,733	\$0	\$26,785,733	\$47,938	\$26,833,671
2043	\$8,270,963	\$8,270,963	\$8,270,963	\$1,487,130	\$242,857	\$242,857	\$26,785,733	\$0	\$26,785,733	\$47,938	\$26,833,671
Totals:	\$181,961,182	\$181,961,182	\$181,961,182	\$32,716,864	\$5,342,854	\$6,374,996	\$590,318,261	(\$226,218,584)	\$364,099,677	\$1,054,636	\$365,154,313

**NOTES:** Data based on assessments of \$16,541,925,681 and ADA of 18,589.127

# BOONE COUNTY SCHOOL DISTRICT PROJECTED SECOND SERIES 2021

A	B	C	D	E	F	G	H	I	J	K	
Current Payments	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects	
		----- Estimated New Bond Issue -----									
\$21,430,755	2022		2.000%	\$282,333	\$282,333	\$47,938	\$234,395	\$21,665,150	\$26,846,447	\$5,181,297	
\$21,429,453	2023	\$775,000	2.000%	\$415,750	\$1,190,750	\$47,938	\$1,142,812	\$22,572,265	\$26,846,447	\$4,274,182	
\$21,427,147	2024	\$865,000	2.000%	\$399,350	\$1,264,350	\$47,938	\$1,216,412	\$22,643,559	\$26,846,447	\$4,202,888	
\$19,781,723	2025	\$880,000	2.000%	\$381,900	\$1,261,900	\$47,938	\$1,213,962	\$20,995,685	\$26,846,447	\$5,850,762	
\$19,778,945	2026	\$895,000	2.000%	\$364,150	\$1,259,150	\$47,938	\$1,211,212	\$20,990,157	\$26,846,447	\$5,856,290	
\$18,359,354	2027	\$915,000	2.000%	\$346,050	\$1,261,050	\$47,938	\$1,213,112	\$19,572,466	\$26,846,447	\$7,273,981	
\$12,764,796	2028	\$935,000	2.000%	\$327,550	\$1,262,550	\$47,938	\$1,214,612	\$13,979,408	\$26,846,447	\$12,867,039	
\$12,748,992	2029	\$950,000	2.000%	\$308,700	\$1,258,700	\$47,938	\$1,210,762	\$13,959,754	\$26,846,447	\$12,886,693	
\$11,616,483	2030	\$970,000	2.000%	\$289,500	\$1,259,500	\$47,938	\$1,211,562	\$12,828,045	\$26,846,447	\$14,018,402	
\$11,616,780	2031	\$990,000	2.000%	\$269,900	\$1,259,900	\$47,938	\$1,211,962	\$12,828,742	\$26,846,447	\$14,017,705	
\$7,897,559	2032	\$1,010,000	2.000%	\$249,900	\$1,259,900	\$47,938	\$1,211,962	\$9,109,521	\$26,846,447	\$17,736,926	
\$7,912,081	2033	\$1,030,000	2.000%	\$229,500	\$1,259,500	\$47,938	\$1,211,562	\$9,123,643	\$26,846,447	\$17,722,804	
\$7,415,959	2034	\$1,050,000	2.000%	\$208,700	\$1,258,700	\$47,938	\$1,210,762	\$8,626,721	\$26,846,447	\$18,219,726	
\$7,419,946	2035	\$1,075,000	2.000%	\$187,450	\$1,262,450	\$47,938	\$1,214,512	\$8,634,458	\$26,846,447	\$18,211,989	
\$7,431,141	2036	\$1,095,000	2.000%	\$165,750	\$1,260,750	\$47,938	\$1,212,812	\$8,643,953	\$26,846,447	\$18,202,494	
\$6,578,623	2037	\$1,115,000	2.125%	\$142,953	\$1,257,953	\$47,938	\$1,210,015	\$7,788,638	\$26,846,447	\$19,057,809	
\$3,921,819	2038	\$1,140,000	2.125%	\$118,994	\$1,258,994	\$47,938	\$1,211,056	\$5,132,875	\$26,846,447	\$21,713,572	
\$3,938,628	2039	\$1,165,000	2.125%	\$94,503	\$1,259,503	\$47,938	\$1,211,565	\$5,150,193	\$26,785,733	\$21,635,539	
\$2,748,401	2040	\$1,190,000	2.250%	\$68,738	\$1,258,738	\$47,938	\$1,210,800	\$3,959,200	\$26,785,733	\$22,826,533	
\$0	2041	\$1,215,000	2.250%	\$41,681	\$1,256,681	\$47,938	\$1,208,743	\$1,208,743	\$26,785,733	\$25,576,989	
\$0	2042	\$1,245,000	2.250%	\$14,006	\$1,259,006	\$47,938	\$1,211,068	\$1,211,068	\$26,785,733	\$25,574,664	
\$226,218,584	<b>Totals:</b>	\$20,505,000	\$0	\$4,907,358	\$25,412,358	\$1,006,698	\$24,405,660	\$250,624,245	\$563,532,529	\$312,908,284	

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

RSA Advisors, LLC (“RSA Advisors”)

### **Introduction**

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

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

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

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

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

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

**Other Municipal Advisory Relationship:** RSA Advisors serves a wide variety of clients that may potentially have interests that could have a direct or indirect impact on the interests of the client. RSA Advisors could potentially face a conflict of interest arising from these competing client interests. None of these other relationships or engagements would impair RSA Advisors' ability to fulfill its regulatory duties to the client.

To our knowledge, following reasonable inquiry, we are not aware of any actual or potential conflicts of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the client in accordance with the applicable standards of conduct of MSRB Rule G-42. If RSA becomes aware of any potential or actual conflict of interest after this disclosure, we will disclose the detailed information in writing to the client in a timely manner including a plan for mitigation.





August 4, 2021

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

RE: \$1,755,000 Dawson Springs Independent School District Finance Corporation  
School Building Revenue Bonds, Series of 2021

Dear Ms. Couch:

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

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming months. The Bonds will be funded with 9.69% SFCC funds.

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

Sincerely,

A handwritten signature in cursive script that reads 'Dwight G. Salsbury'.

Dwight G. Salsbury

Enclosures

325 West Main Street  
Suite 300  
Lexington, KY  
40507

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

# BOND PAYEE DISCLOSURE FORM

**Par Amount:** **\$1,755,000**  
**Issue Name:** Dawson Springs Independent School District Finance Corporation School Building Revenue Bonds, Series of 2021  
**Purpose:** Renovations to the Senior High School  
**Projected Sale Date of Bonds:** Q4 2021  
**First Call Date:** 8 Years at par  
**Method of Sale:** Competitive Bids  
**Place/time of sale:** Parity/SFCC, Frankfort, Ky. / TBD  
**Bond Rating:** Moody's: "A1"  
**Bond Counsel:** Steptoe and Johnson, Louisville, KY  
**Fiscal Agent:** RSA Advisors LLC, Lexington, Kentucky

**Date received by SFCC:**

/	/	/
To be filled in by SFCC	To be filled in by SFCC	To be filled in by SFCC

**Date scheduled for Committee review:**

/	/	/
Month	Day	Year

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

**Estimated Cost of Issuance:**

	SFCC Portion	Local Portion	Total
Special Tax Counsel	\$1,797	\$16,753	\$18,550
Number verifications	\$0	\$0	\$0
Bond Rating & Bank Fee	\$857	\$7,993	\$8,850
Underwriter's Discount	\$3,400	\$31,700	\$35,100
Credit Enhancement	\$0	\$0	\$0
<b>Total Cost of Issuance:</b>	<b>\$6,054</b>	<b>\$56,446</b>	<b>\$62,500</b>

**Anticipated Interest Rates:**  
 5 Years: 2.000%    10 Years: 2.000%    15 Years: 2.000%  
 20 Years: 2.125%

**Notes: No tax increase required**

# Dawson Springs Independent School District

## Plan of Financing - Projected 2021 Project

Date of Report: 8/4/2021

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**R | S | A**  
advisors

# Dawson Springs Independent School District

## Outstanding Net Local Debt Service

### 100% SFCC

A	B	C	D
FYE	Series 2014-REF	Series 2015-Ref	TOTAL
2022	180,566		\$180,566
2023	190,734		\$190,734
2024	184,347		\$184,347
2025	181,670		\$181,670
2026	185,564		\$185,564
2027	214,831		\$214,831
2028	174,961		\$174,961
2029	181,920		\$181,920
2030	176,678		\$176,678
2031			\$0
2032			\$0
2033			\$0
<b>TOTALS:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,671,272</b>

### Series Name Amount Project Description

2014-Ref	\$2,750,000	Refinanced Series 2009 Bonds (Addition to ES)
2015-REF Series	\$1,440,000	Refinanced Prior Series 2006 Bonds (Addition to HS)

# Dawson Springs Independent School District

## Summary of Funds Available

FYE	A -- BUILDING FUND --- Local Nickel	B FSPK	C Capital Outlay @ 80%	A+B+C=D Total Restricted Funds	E Less Current Payments	F Net Local Funds Available	G SFCC Offers	F + G Total Funds Available
2022	\$37,660	\$210,620	\$43,368	\$291,648	(180,566)	\$111,082	2,168	\$113,249
2023	\$37,660	\$210,620	\$43,368	\$291,648	(190,734)	\$100,913	8,671	\$109,584
2024	\$37,660	\$210,620	\$43,368	\$291,648	(184,347)	\$107,301	8,672	\$115,973
2025	\$37,660	\$210,620	\$43,368	\$291,648	(181,670)	\$109,978	8,671	\$118,648
2026	\$37,660	\$210,620	\$43,368	\$291,648	(185,564)	\$106,084	8,672	\$114,756
2027	\$37,660	\$210,620	\$43,368	\$291,648	(214,831)	\$76,816	8,671	\$85,488
2028	\$37,660	\$210,620	\$43,368	\$291,648	(174,961)	\$116,687	8,671	\$125,358
2029	\$37,660	\$210,620	\$43,368	\$291,648	(181,920)	\$109,727	8,672	\$118,399
2030	\$37,660	\$210,620	\$43,368	\$291,648	(176,678)	\$114,970	9,842	\$124,811
2031	\$37,660	\$210,620	\$43,368	\$291,648	0	\$291,648	9,264	\$300,912
2032	\$37,660	\$210,620	\$43,368	\$291,648	0	\$291,648	9,770	\$301,418
2033	\$37,660	\$210,620	\$43,368	\$291,648	0	\$291,648	9,784	\$301,432
2034	\$37,660	\$210,620	\$43,368	\$291,648	0	\$291,648	9,764	\$301,412
2035	\$37,660	\$210,620	\$43,368	\$291,648	0	\$291,648	9,723	\$301,370
2036	\$37,660	\$210,620	\$43,368	\$291,648	0	\$291,648	9,641	\$301,289
2037	\$37,660	\$210,620	\$43,368	\$291,648	0	\$291,648	9,619	\$301,266
2038	\$37,660	\$210,620	\$43,368	\$291,648	0	\$291,648	9,600	\$301,248
2039	\$37,660	\$210,620	\$43,368	\$291,648	0	\$291,648	9,576	\$301,223
2040	\$37,660	\$210,620	\$43,368	\$291,648	0	\$291,648	8,671	\$300,319
2041	\$37,660	\$210,620	\$43,368	\$291,648	0	\$291,648	\$8,671	\$300,319
2042	\$37,660	\$210,620	\$43,368	\$291,648	0	\$291,648	\$6,503	\$298,151

**NOTES:** Data based on KDE SEEK Website 2020-21 FINAL

# Dawson Springs Independent School District

## Projected Series 2021

A	B	C	D	E	F	G	H	I	J	K
Current Payments	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
----- Estimated New Bond Issue -----										
\$180,566	2022		-	\$14,737	\$14,737	\$8,671	\$6,066	\$186,632	\$291,648	\$105,015
\$190,734	2023	\$75,000	2.000%	\$34,583	\$109,583	\$8,671	\$100,912	\$291,646	\$291,648	\$1
\$184,347	2024	\$75,000	2.000%	\$33,119	\$108,119	\$8,672	\$99,447	\$283,794	\$291,648	\$7,854
\$181,670	2025	\$75,000	2.000%	\$31,619	\$106,619	\$8,671	\$97,948	\$279,618	\$291,648	\$12,029
\$185,564	2026	\$75,000	2.000%	\$30,119	\$105,119	\$8,672	\$96,447	\$282,011	\$291,648	\$9,637
\$214,831	2027	\$50,000	2.000%	\$28,869	\$78,869	\$8,671	\$70,197	\$285,029	\$291,648	\$6,619
\$174,961	2028	\$80,000	2.000%	\$27,569	\$107,569	\$8,671	\$98,898	\$273,859	\$291,648	\$17,789
\$181,920	2029	\$80,000	2.000%	\$25,969	\$105,969	\$8,672	\$97,297	\$279,218	\$291,648	\$12,430
\$176,678	2030	\$80,000	2.000%	\$24,369	\$104,369	\$9,842	\$94,527	\$271,205	\$291,648	\$20,443
\$0	2031	\$85,000	2.000%	\$22,719	\$107,719	\$9,264	\$98,455	\$98,455	\$291,648	\$193,193
\$0	2032	\$85,000	2.000%	\$21,019	\$106,019	\$9,770	\$96,248	\$96,248	\$291,648	\$195,399
\$0	2033	\$90,000	2.000%	\$19,269	\$109,269	\$9,784	\$99,484	\$99,484	\$291,648	\$192,163
\$0	2034	\$90,000	2.000%	\$17,469	\$107,469	\$9,764	\$97,705	\$97,705	\$291,648	\$193,943
\$0	2035	\$90,000	2.000%	\$15,669	\$105,669	\$9,723	\$95,946	\$95,946	\$291,648	\$195,702
\$0	2036	\$100,000	2.000%	\$13,769	\$113,769	\$9,641	\$104,127	\$104,127	\$291,648	\$187,520
\$0	2037	\$100,000	2.000%	\$11,769	\$111,769	\$9,619	\$102,150	\$102,150	\$291,648	\$189,498
\$0	2038	\$100,000	2.000%	\$9,769	\$109,769	\$9,600	\$100,169	\$100,169	\$291,648	\$191,479
\$0	2039	\$105,000	2.000%	\$7,719	\$112,719	\$9,576	\$103,143	\$103,143	\$291,648	\$188,505
\$0	2040	\$105,000	2.000%	\$5,619	\$110,619	\$8,671	\$101,947	\$101,947	\$291,648	\$189,700
\$0	2041	\$105,000	2.125%	\$3,453	\$108,453	\$8,671	\$99,782	\$99,782	\$291,648	\$191,866
\$0	2042	\$110,000	2.125%	\$1,169	\$111,169	\$8,671	\$102,498	\$102,498	\$291,648	\$189,150
\$1,671,272	<b>Totals:</b>	\$1,755,000		\$400,361	\$2,155,361	\$191,966	\$1,963,395	\$3,634,667	\$6,124,603	\$2,489,936

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

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August 4, 2021

Ms. Chelsey Couch  
Schools Facilities Construction Commission  
700 Louisville Rd  
Frankfort, Kentucky 40601

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

Dear Ms. Couch:

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

\$5,605,000 (est.)  
Grayson County  
School District Finance Corporation  
School Building Refunding Revenue Bonds,  
Taxable Series of 2021

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

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

If you need any additional information, please do not hesitate to call me at 502.588.1829.

Sincerely,

*/s/ Alex Perdue*

Alex Perdue  
Analyst



## BOND PAYEE DISCLOSURE FORM

Par Amount:	\$5,605,000
Issue Name:	Grayson County School District Finance Corporation School Building Refunding Revenue Bonds, Taxable Series of 2021
Purpose:	Refund outstanding debt related to the Series of 2013 bonds
Projected Sale Date of Bonds:	Fall 2021
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

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:	\$1,111,258	\$4,493,742	\$5,605,000
% Share of total Bonds:	20%	80%	100%
Estimated average annual debt service:	94,385	384,095	478,480
Estimated debt service reserve:	-0-	-0-	-0-
<b>Estimated Costs of Issuance (1):</b>			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	7,022	28,398	35,420
Special Tax Counsel	-0-	-0-	-0-
Number Verifications	-0-	-0-	-0-
Bond Rating	3,668	14,832	18,500
Underwriter's Discount	8,334	33,703	42,037
Paying Agent/Verification Agent/Escrow Agent Bank	1,883	7,617	9,500
<b>Total Cost of Issuance:</b>	<b>20,907</b>	<b>84,550</b>	<b>105,457</b>

**Anticipated Interest Rates:**

1 Year: 0.21%	5 Years: 1.01%
10 Years: 1.67%	12 Years: 1.87%

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

SOURCES AND USES OF FUNDS

Grayson County School District Finance Corporation  
 Hypothetical Taxable School Building Revenue Refunding Bonds, Series 2021  
 AR of School Building Revenue Bonds, Series 2013  
 Illustration: Advance Refund All Callable Maturities  
 Assumptions: Taxable, Moody's NR Underlying/A1 State Enhanced, Uniform Savings

Assumed Dated Date 12/15/2021  
 Assumed Delivery Date 12/15/2021

Sources:

Bond Proceeds:	
Par Amount	5,605,000.00
	5,605,000.00
	5,605,000.00

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.99
SLGS Purchases	5,499,444.00
	5,499,444.99
Cost of Issuance:	
FA/BC Fee	35,420.00
Moody's Rating Fee	18,500.00
Escrow Agent Fee	2,500.00
Verification Agent Fee	2,500.00
Trustee Fee	4,500.00
	63,420.00
Underwriter's Discount:	
Underwriter's Discount	42,037.50
Other Uses of Funds:	
Additional Proceeds	97.51
	5,605,000.00
	5,605,000.00

BOND DEBT SERVICE

Grayson County School District Finance Corporation  
 Hypothetical Taxable School Building Revenue Refunding Bonds, Series 2021  
 AR of School Building Revenue Bonds, Series 2013  
 Illustration: Advance Refund All Callable Maturities  
 Assumptions: Taxable, Moody's NR Underlying/A1 State Enhanced, Uniform Savings

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2022	35,000	0.210%	22,440.20	57,440.20	
06/30/2022					57,440.20
10/01/2022	80,000	0.220%	38,069.25	118,069.25	
04/01/2023			37,981.25	37,981.25	
06/30/2023					156,050.50
10/01/2023	80,000	0.400%	37,981.25	117,981.25	
04/01/2024			37,821.25	37,821.25	
06/30/2024					155,802.50
10/01/2024	165,000	0.620%	37,821.25	202,821.25	
04/01/2025			37,309.75	37,309.75	
06/30/2025					240,131.00
10/01/2025	400,000	0.810%	37,309.75	437,309.75	
04/01/2026			35,689.75	35,689.75	
06/30/2026					472,999.50
10/01/2026	470,000	1.010%	35,689.75	505,689.75	
04/01/2027			33,316.25	33,316.25	
06/30/2027					539,006.00
10/01/2027	480,000	1.170%	33,316.25	513,316.25	
04/01/2028			30,508.25	30,508.25	
06/30/2028					543,824.50
10/01/2028	480,000	1.370%	30,508.25	510,508.25	
04/01/2029			27,220.25	27,220.25	
06/30/2029					537,728.50
10/01/2029	1,720,000	1.470%	27,220.25	1,747,220.25	
04/01/2030			14,578.25	14,578.25	
06/30/2030					1,761,798.50
10/01/2030	420,000	1.570%	14,578.25	434,578.25	
04/01/2031			11,281.25	11,281.25	
06/30/2031					445,859.50
10/01/2031	425,000	1.670%	11,281.25	436,281.25	
04/01/2032			7,732.50	7,732.50	
06/30/2032					444,013.75
10/01/2032	430,000	1.770%	7,732.50	437,732.50	
04/01/2033			3,927.00	3,927.00	
06/30/2033					441,659.50
10/01/2033	420,000	1.870%	3,927.00	423,927.00	
06/30/2034					423,927.00
	5,605,000		615,240.95	6,220,240.95	6,220,240.95

CPBO SAVINGS REPORT FOR K-12

Grayson County School District Finance Corporation  
 Hypothetical Taxable School Building Revenue Refunding Bonds, Series 2021  
 AR of School Building Revenue Bonds, Series 2013  
 Illustration: Advance Refund All Callable Maturities  
 Assumptions: Taxable, Moody's NR Underlying/A1 State Enhanced, Uniform Savings

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 12/15/2021 @ 1.483309%
04/01/2022	96,381.25	57,440.20	57,440.20	38,941.05	38,771.97
10/01/2022	96,381.25	118,069.25	118,069.25	-21,688.00	-21,434.86
04/01/2023	96,381.25	37,981.25	37,981.25	58,400.00	57,293.44
10/01/2023	96,381.25	117,981.25	117,981.25	-21,600.00	-21,034.72
04/01/2024	96,381.25	37,821.25	37,821.25	58,560.00	56,607.63
10/01/2024	181,381.25	202,821.25	202,821.25	-21,440.00	-20,572.62
04/01/2025	95,106.25	37,309.75	37,309.75	57,796.50	55,049.99
10/01/2025	420,106.25	437,309.75	437,309.75	-17,203.50	-16,265.35
04/01/2026	90,231.25	35,689.75	35,689.75	54,541.50	51,187.59
10/01/2026	495,231.25	505,689.75	505,689.75	-10,458.50	-9,743.12
04/01/2027	83,650.01	33,316.25	33,316.25	50,333.76	46,545.62
10/01/2027	503,650.01	513,316.25	513,316.25	-9,666.24	-8,872.95
04/01/2028	76,825.00	30,508.25	30,508.25	46,316.75	42,202.61
10/01/2028	506,825.00	510,508.25	510,508.25	-3,683.25	-3,331.37
04/01/2029	69,300.00	27,220.25	27,220.25	42,079.75	37,779.50
10/01/2029	1,764,300.00	1,747,220.25	1,747,220.25	17,079.75	15,221.43
04/01/2030	35,400.00	14,578.25	14,578.25	20,821.75	18,419.68
10/01/2030	455,400.00	434,578.25	434,578.25	20,821.75	18,284.08
04/01/2031	27,000.00	11,281.25	11,281.25	15,718.75	13,701.40
10/01/2031	467,000.00	436,281.25	436,281.25	30,718.75	26,579.16
04/01/2032	18,200.00	7,732.50	7,732.50	10,467.50	8,990.25
10/01/2032	473,200.00	437,732.50	437,732.50	35,467.50	30,237.80
04/01/2033	9,100.00	3,927.00	3,927.00	5,173.00	4,377.77
10/01/2033	464,100.00	423,927.00	423,927.00	40,173.00	33,747.04
	6,717,912.52	6,220,240.95	6,220,240.95	497,671.57	453,741.96

Savings Summary

Gross Savings Amount	497,671.57
Present Value Savings Amount	453,839.47
Net Present Value % of Refunded Bonds	8.85%
Negative Arbitrage	124,066.13
Efficiency Ratio	75.07%

DETAILED BOND DEBT SERVICE

Grayson County School District Finance Corporation  
SFCC Refunding Portion

Serial Bond (SERIAL)

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	13,050	0.210%	4,217.61	17,267.61
06/30/2023	20,261	0.220%	14,274.27	34,535.27
06/30/2024	20,323	0.400%	14,211.34	34,534.34
06/30/2025	101,498	0.620%	13,856.05	115,354.05
06/30/2026	102,228	0.810%	13,127.38	115,355.38
06/30/2027	103,163	1.010%	12,192.38	115,355.38
06/30/2028	104,294	1.170%	11,061.28	115,355.28
06/30/2029	105,627	1.370%	9,727.62	115,354.62
06/30/2030	107,139	1.470%	8,216.61	115,355.61
06/30/2031	112,814	1.570%	6,543.55	119,357.55
06/30/2032	113,745	1.670%	4,708.19	118,453.19
06/30/2033	114,654	1.770%	2,743.73	117,397.73
06/30/2034	92,462	1.870%	864.52	93,326.52
	1,111,258		115,744.53	1,227,002.53

DETAILED BOND DEBT SERVICE

Grayson County School District Finance Corporation  
District Refunding Portion

Serial Bond (SERIAL)

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	21,950	0.210%	18,222.59	40,172.59
06/30/2023	59,739	0.220%	61,776.23	121,515.23
06/30/2024	59,677	0.400%	61,591.16	121,268.16
06/30/2025	63,502	0.620%	61,274.95	124,776.95
06/30/2026	297,772	0.810%	59,872.12	357,644.12
06/30/2027	366,837	1.010%	56,813.62	423,650.62
06/30/2028	375,706	1.170%	52,763.22	428,469.22
06/30/2029	374,373	1.370%	48,000.88	422,373.88
06/30/2030	1,612,861	1.470%	33,581.89	1,646,442.89
06/30/2031	307,186	1.570%	19,315.95	326,501.95
06/30/2032	311,255	1.670%	14,305.56	325,560.56
06/30/2033	315,346	1.770%	8,915.77	324,261.77
06/30/2034	327,538	1.870%	3,062.48	330,600.48
	4,493,742		499,496.42	4,993,238.42



August 4, 2021

Ms. Chelsey Couch  
Schools Facilities Construction Commission  
700 Louisville Rd  
Frankfort, Kentucky 40601

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

Dear Ms. Couch:

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

\$7,640,000 (est.)  
Morgan County  
School District Finance Corporation  
School Building Refunding Revenue Bonds,  
Taxable Series of 2021

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

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

If you need any additional information, please do not hesitate to call me at 502.588.1829.

Sincerely,

*/s/ Alex Perdue*

Alex Perdue  
Analyst

## BOND PAYEE DISCLOSURE FORM

Par Amount:	\$7,640,000
Issue Name:	Morgan County School District Finance Corporation School Building Refunding Revenue Bonds, Taxable Series of 2021
Purpose:	Refund outstanding debt related to the Series of 2012 bonds
Projected Sale Date of Bonds:	Fall 2021
First Call Date:	TBD
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "A1" – Moody's
Bond Counsel:	Steptoe & Johnson
Fiscal Agent:	Baird

Date Received by SFCC: / / *To be filled in by SFCC*

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

	SFCC Portion	Local Portion	Total
Estimated par amount of Bonds:	\$1,843,960	\$5,796,040	\$7,640,000
% Share of total Bonds:	24%	76%	100%
Estimated average annual debt service:	183,387	578,134	761,521
Estimated debt service reserve:	-0-	-0-	-0-
<b>Estimated Costs of Issuance (1):</b>			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	10,513	33,047	43,560
Special Tax Counsel	-0-	-0-	-0-
Number Verifications	-0-	-0-	-0-
Bond Rating	4,465	14,035	18,500
Underwriter's Discount	18,440	57,960	76,400
Paying Agent/Verification Agent/Escrow Agent Bank	2,172	6,828	9,000
<b>Total Cost of Issuance:</b>	35,590	111,870	147,460

**Anticipated Interest Rates:**

1 Year: 0.32%	5 Years: 1.18%
7 Years: 1.52%	10 Years: 1.91%

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



SOURCES AND USES OF FUNDS

Morgan County School District Finance Corporation  
 Hypothetical Taxable School Building Revenue Refunding Bonds, Series 2021  
 AR of School Building Revenue Bonds, Series of 2012  
 Illustration: Advance Refund All Callable Maturities  
 Assumptions: Taxable, Moody's NR Underlying /A1 State Enhanced, Uniform Savings

Assumed Dated Date 10/01/2021  
 Assumed Delivery Date 10/01/2021

Sources:	SFCC Portion	District Portion	Total
Bond Proceeds:			
Par Amount	1,843,960.40	5,796,039.60	7,640,000.00
	<u>1,843,960.40</u>	<u>5,796,039.60</u>	<u>7,640,000.00</u>
Uses:			
Refunding Escrow Deposits:			
Cash Deposit	0.18	0.72	0.90
SLGS Purchases	1,701,551.00	5,786,198.00	7,487,749.00
	<u>1,701,551.18</u>	<u>5,786,198.72</u>	<u>7,487,749.90</u>
Cost of Issuance:			
FA/BC Fee	10,513.47	33,046.53	43,560.00
Paying Agent Fee	965.42	3,034.58	4,000.00
Rating Fee (Moody's)	4,465.09	14,034.91	18,500.00
Verification/Escrow Agent Fee	1,206.78	3,793.22	5,000.00
	<u>17,150.76</u>	<u>53,909.24</u>	<u>71,060.00</u>
Underwriter's Discount:			
Underwriter's Discount	18,439.60	57,960.40	76,400.00
Other Uses of Funds:			
Additional Proceeds	106,818.86	-102,028.76	4,790.10
	<u>1,843,960.40</u>	<u>5,796,039.60</u>	<u>7,640,000.00</u>

BOND DEBT SERVICE

Morgan County School District Finance Corporation  
 Hypothetical Taxable School Building Revenue Refunding Bonds, Series 2021  
 AR of School Building Revenue Bonds, Series of 2012  
 Illustration: Advance Refund All Callable Maturities  
 Assumptions: Taxable, Moody's NR Underlying /A1 State Enhanced, Uniform Savings

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/01/2022	125,000	0.320%	60,092.37	185,092.37	
06/30/2022					185,092.37
11/01/2022			51,307.75	51,307.75	
05/01/2023	680,000	0.530%	51,307.75	731,307.75	
06/30/2023					782,615.50
11/01/2023			49,505.75	49,505.75	
05/01/2024	685,000	0.780%	49,505.75	734,505.75	
06/30/2024					784,011.50
11/01/2024			46,834.25	46,834.25	
05/01/2025	685,000	0.980%	46,834.25	731,834.25	
06/30/2025					778,668.50
11/01/2025			43,477.75	43,477.75	
05/01/2026	700,000	1.180%	43,477.75	743,477.75	
06/30/2026					786,955.50
11/01/2026			39,347.75	39,347.75	
05/01/2027	765,000	1.320%	39,347.75	804,347.75	
06/30/2027					843,695.50
11/01/2027			34,298.75	34,298.75	
05/01/2028	775,000	1.520%	34,298.75	809,298.75	
06/30/2028					843,597.50
11/01/2028			28,408.75	28,408.75	
05/01/2029	790,000	1.610%	28,408.75	818,408.75	
06/30/2029					846,817.50
11/01/2029			22,049.25	22,049.25	
05/01/2030	800,000	1.710%	22,049.25	822,049.25	
06/30/2030					844,098.50
11/01/2030			15,209.25	15,209.25	
05/01/2031	810,000	1.810%	15,209.25	825,209.25	
06/30/2031					840,418.50
11/01/2031			7,878.75	7,878.75	
05/01/2032	825,000	1.910%	7,878.75	832,878.75	
06/30/2032					840,757.50
	7,640,000		736,728.37	8,376,728.37	8,376,728.37

CPBO SAVINGS REPORT FOR K-12

Morgan County School District Finance Corporation  
 Hypothetical Taxable School Building Revenue Refunding Bonds, Series 2021  
 AR of School Building Revenue Bonds, Series of 2012  
 Illustration: Advance Refund All Callable Maturities  
 Assumptions: Taxable, Moody's NR Underlying /A1 State Enhanced, Uniform Savings

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 10/01/2021 @ 1.550811%
06/30/2022	234,466.26	185,092.37	185,092.37	49,373.89	49,831.83
06/30/2023	829,466.26	782,615.50	782,615.50	46,850.76	46,217.54
06/30/2024	831,616.24	784,011.50	784,011.50	47,604.74	46,180.45
06/30/2025	828,166.24	778,668.50	778,668.50	49,497.74	47,215.51
06/30/2026	834,266.24	786,955.50	786,955.50	47,310.74	44,410.19
06/30/2027	889,616.26	843,695.50	843,695.50	45,920.76	42,413.77
06/30/2028	891,803.74	843,597.50	843,597.50	48,206.24	43,783.53
06/30/2029	892,643.76	846,817.50	846,817.50	45,826.26	40,952.78
06/30/2030	891,318.74	844,098.50	844,098.50	47,220.24	41,499.66
06/30/2031	889,150.00	840,418.50	840,418.50	48,731.50	42,121.69
06/30/2032	890,100.00	840,757.50	840,757.50	49,342.50	41,947.45
	8,902,613.74	8,376,728.37	8,376,728.37	525,885.37	486,574.40

Savings Summary

Gross Savings Amount	525,885.37
Present Value Savings Amount	491,364.51
Net Present Value % of Refunded Bonds	6.77%
Negative Arbitrage	64,570.92
Efficiency Ratio	87.72%

DETAILED BOND DEBT SERVICE

Morgan County School District Finance Corporation  
SFCC Portion

Serial Bonds (SERIAL)

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	38,878.20	0.320%	14,292.92	53,171.12
06/30/2023	172,030.40	0.530%	24,377.74	196,408.14
06/30/2024	172,942.10	0.780%	23,465.98	196,408.08
06/30/2025	174,291.00	0.980%	22,117.04	196,408.04
06/30/2026	175,999.30	1.180%	20,408.98	196,408.28
06/30/2027	178,076.50	1.320%	18,332.18	196,408.68
06/30/2028	180,427.10	1.520%	15,981.58	196,408.68
06/30/2029	183,169.50	1.610%	13,239.08	196,408.58
06/30/2030	186,118.00	1.710%	10,290.06	196,408.06
06/30/2031	189,300.60	1.810%	7,107.44	196,408.04
06/30/2032	192,727.70	1.910%	3,681.10	196,408.80
	1,843,960.40		173,294.10	2,017,254.50

DETAILED BOND DEBT SERVICE

Morgan County School District Finance Corporation  
District Portion

Serial Bonds (SERIAL)

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022	86,121.80	0.320%	45,799.45	131,921.25
06/30/2023	507,969.60	0.530%	78,237.76	586,207.36
06/30/2024	512,057.90	0.780%	75,545.52	587,603.42
06/30/2025	510,709.00	0.980%	71,551.46	582,260.46
06/30/2026	524,000.70	1.180%	66,546.52	590,547.22
06/30/2027	586,923.50	1.320%	60,363.32	647,286.82
06/30/2028	594,572.90	1.520%	52,615.92	647,188.82
06/30/2029	606,830.50	1.610%	43,578.42	650,408.92
06/30/2030	613,882.00	1.710%	33,808.44	647,690.44
06/30/2031	620,699.40	1.810%	23,311.06	644,010.46
06/30/2032	632,272.30	1.910%	12,076.40	644,348.70
	5,796,039.60		563,434.27	6,359,473.87



July 14, 2021

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

RE: \$1,490,000 Newport Independent School District Finance Corporation  
School Building Refunding Revenue Bonds, Series of 2021

Dear Ms. Couch:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to refund the prior Series 2012 Bonds.

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming months. The Bonds will be funded with 100% SFCC funds.

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

Sincerely,

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

Dwight G. Salsbury

Enclosures

325 West Main Street  
Suite 300  
Lexington, KY  
40507

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

# BOND PAYEE DISCLOSURE FORM

Par Amount:

**\$1,490,000**

Issue Name:

Newport Independent School District Finance Corporation School Building Refunding Revenue Bonds, Series of 2021

Purpose:

Refunding prior Series 2012 Bonds

Projected Sale Date of Bonds:

Q3 2021

First Call Date:

8 Years at par

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC, Frankfort, Ky. / TBD

Bond Rating:

Moody's: "A1"

Bond Counsel:

Steptoe and Johnson, Louisville, KY

Fiscal Agent:

RSA Advisors LLC, Lexington, Kentucky

Date received by SFCC:

/ / *To be filled in by SFCC*

Date scheduled for Committee review:

/ / *To be filled in by SFCC*

Month Day Year

Estimated par amount of Bonds:

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$1,490,000	\$0	\$1,490,000
100.00%	0.00%	100.00%
\$144,796	\$0	\$144,796
\$0	\$0	\$0

**Estimated Cost of Issuance:**

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

Special Tax Counsel

Number verifications

Bond Rating & Bank Fee

Underwriter's Discount

Credit Enhancement

Total Cost of Issuance:

\$15,900	\$0	\$15,900
\$0	\$0	\$0
\$0	\$0	\$0
\$12,000	\$0	\$12,000
\$14,900	\$0	\$14,900
\$0	\$0	\$0
\$42,800	\$0	\$42,800

**Anticipated Interest Rates:**

5 Years: 1.100%    10 Years: 1.400%    15 Years:  
20 Years:

**Notes: No tax Increase required**

Newport Independent School District Finance Corporation  
School Building Refunding Revenue Bonds, Series 2021  
Refunding of Prior Series 2012 Bonds - Dated Date of 10.15.21

	(A) Current Bond Payments			(B) New Bond Payments			(C) Savings
Fiscal Year	-----Series 2012 Bonds-----			-----Series 2021 Bonds-----			Annual Savings
	Principal Portion	Interest Portion	Total Payment	Principal Portion	Interest Portion	Payment Totals	
Closing							
2022	\$115,000	\$19,541	\$134,541	\$120,000	\$3,511	\$123,511	\$11,030
2023	\$115,000	\$36,781	\$151,781	\$130,000	\$16,000	\$146,000	\$5,781
2024	\$120,000	\$34,481	\$154,481	\$135,000	\$15,155	\$150,155	\$4,326
2025	\$120,000	\$31,631	\$151,631	\$130,000	\$14,075	\$144,075	\$7,556
2026	\$125,000	\$28,781	\$153,781	\$135,000	\$12,840	\$147,840	\$5,941
2027	\$130,000	\$25,500	\$155,500	\$135,000	\$11,355	\$146,355	\$9,145
2028	\$130,000	\$22,088	\$152,088	\$135,000	\$9,735	\$144,735	\$7,353
2029	\$135,000	\$18,188	\$153,188	\$140,000	\$7,980	\$147,980	\$5,208
2030	\$140,000	\$14,138	\$154,138	\$140,000	\$6,020	\$146,020	\$8,118
2031	\$145,000	\$9,588	\$154,588	\$145,000	\$4,060	\$149,060	\$5,528
2032	\$150,000	\$4,875	\$154,875	\$145,000	\$2,030	\$147,030	\$7,845
<b>Totals:</b>	<b>\$1,425,000</b>	<b>\$245,591</b>	<b>\$1,670,591</b>	<b>\$1,490,000</b>	<b>\$102,761</b>	<b>\$1,592,761</b>	<b>\$77,830</b>

**Net Savings Summary**

Gross Savings Amount:	\$77,830
Present Value Savings Amount:	\$74,282
NPV Savings % of Prior:	5.213%



**Interest Rate Reduction Summary**

Series 2012 Average Coupon:	2.985%
Series 2021 Total Interest Cost:	1.481%
Interest Rate Reduction:	<u>1.503%</u>



**NEWPORT INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION**

**SCHOOL BUILDING REVENUE BONDS, SERIES 2012**

**Debt Service To Maturity And To Call**

Part 1 of 2

<b>Date</b>	<b>Refunded Bonds</b>	<b>Refunded Interest</b>	<b>D/S To Call</b>	<b>Principal</b>	<b>Coupon</b>	<b>Interest</b>	<b>Refunded D/S</b>
01/01/2022	1,425,000.00	19,540.63	1,444,540.63	115,000.00	2.000%	19,540.63	134,540.63
07/01/2022	-	-	-	-	-	18,390.63	18,390.63
01/01/2023	-	-	-	115,000.00	2.000%	18,390.63	133,390.63
07/01/2023	-	-	-	-	-	17,240.63	17,240.63
01/01/2024	-	-	-	120,000.00	2.375%	17,240.63	137,240.63
07/01/2024	-	-	-	-	-	15,815.63	15,815.63
01/01/2025	-	-	-	120,000.00	2.375%	15,815.63	135,815.63
07/01/2025	-	-	-	-	-	14,390.63	14,390.63
01/01/2026	-	-	-	125,000.00	2.625%	14,390.63	139,390.63
07/01/2026	-	-	-	-	-	12,750.00	12,750.00
01/01/2027	-	-	-	130,000.00	2.625%	12,750.00	142,750.00
07/01/2027	-	-	-	-	-	11,043.75	11,043.75
01/01/2028	-	-	-	130,000.00	3.000%	11,043.75	141,043.75
07/01/2028	-	-	-	-	-	9,093.75	9,093.75
01/01/2029	-	-	-	135,000.00	3.000%	9,093.75	144,093.75
07/01/2029	-	-	-	-	-	7,068.75	7,068.75
01/01/2030	-	-	-	140,000.00	3.250%	7,068.75	147,068.75
07/01/2030	-	-	-	-	-	4,793.75	4,793.75
01/01/2031	-	-	-	145,000.00	3.250%	4,793.75	149,793.75
07/01/2031	-	-	-	-	-	2,437.50	2,437.50
01/01/2032	-	-	-	150,000.00	3.250%	2,437.50	152,437.50
<b>Total</b>	<b>\$1,425,000.00</b>	<b>\$19,540.63</b>	<b>\$1,444,540.63</b>	<b>\$1,425,000.00</b>	<b>-</b>	<b>\$245,590.67</b>	<b>\$1,670,590.67</b>

**NEWPORT INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION**

SCHOOL BUILDING REVENUE BONDS, SERIES 2012

**Debt Service To Maturity And To Call**

Part 2 of 2

**Yield Statistics**

Base date for Avg. Life & Avg. Coupon Calculation	10/15/2021
Average Life	5.485 Years
Average Coupon	2.9977677%
Weighted Average Maturity (Par Basis)	5.485 Years
Weighted Average Maturity (Original Price Basis)	5.485 Years

**Refunding Bond Information**

Refunding Dated Date	10/15/2021
Refunding Delivery Date	10/15/2021



July 14, 2021

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

RE: \$4,745,000 Newport Independent School District Finance Corporation  
School Building Revenue Bonds, Series of 2022

Dear Ms. Couch:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used for renovations to Newport Primary

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming months. The Bonds will be funded with 26.13% SFCC funds.

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

Sincerely,

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

Dwight G. Salsbury

325 West Main Street  
Suite 300  
Lexington, KY  
40507

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

Enclosures

# BOND PAYEE DISCLOSURE FORM

Par Amount:

**\$4,745,000**

Issue Name:

Newport Independent School District Finance Corporation School Building Revenue Bonds, Series of 2022

Purpose:

Renovations to Newport Primary

Projected Sale Date of Bonds:

Q1 2022

First Call Date:

8 Years at par

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC, Frankfort, Ky. / TBD

Bond Rating:

Moody's: "A1"

Bond Counsel:

Steptoe and Johnson, Louisville, KY

Fiscal Agent:

RSA Advisors LLC, Lexington, Kentucky

Date received by SFCC:

/ / *To be filled in by SFCC*

Date scheduled for Committee review:

/ / *To be filled in by SFCC*

Month Day Year

Estimated par amount of Bonds:

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$1,240,000	\$3,505,000	\$4,745,000
26.13%	73.87%	100.00%
\$85,555	\$192,758	\$278,313
\$0	\$0	\$0

**Estimated Cost of Issuance:**

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

Special Tax Counsel

Number verifications

Bond Rating & Bank Fee

Underwriter's Discount

Credit Enhancement

Total Cost of Issuance:

\$8,357	\$23,623	\$31,980
\$0	\$0	\$0
\$0	\$0	\$0
\$3,853	\$10,892	\$14,745
\$24,800	\$70,100	\$94,900
\$0	\$0	\$0
\$37,011	\$104,614	\$141,625

**Anticipated Interest Rates:**

5 Years: 1.100%      10 Years: 1.400%      15 Years: 1.600%  
20 Years: 1.900%

**Notes: No tax Increase required**

# Newport Independent School District

## Plan of Financing -- Projected Series 2022

Date of Report: 7/14/2021

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## Newport Independent School District Local Bond Debt

Fiscal Year End	100% SFCC Series 2012	Series 2014	Series 2014B	Series 2017	Series 2018	Total Local Payments
2020		59,860	606,055	86,206	174,438	926,559
2021		61,359	607,755	85,006	182,638	936,758
2022		62,165	604,305	83,806	185,538	935,814
2023		57,490	605,162	87,531	188,288	938,471
2024		62,578	604,705	86,181	180,488	933,952
2025		56,727	607,243	84,831	187,863	936,663
2026		60,727	608,218	83,481	184,888	937,313
2027		63,981	608,742	82,131	181,913	936,767
2028		61,718	603,892	85,706	183,938	935,254
2029		58,794	607,293	84,206	185,788	936,081
2030		60,575	608,743	82,706	182,463	934,486
2031		61,525	604,580	81,206	184,138	931,450
2032		62,062	604,805	84,597	180,638	932,102
2033		56,855	604,330	82,878	187,138	931,201
2034		59,628	608,067	86,081	178,288	932,065
2035			663,700	84,206	184,613	932,519
2036				254,597	665,588	920,184
2037				252,025	654,588	906,613
2038				254,063	642,475	896,538
2039						
2040						
2041						
2042						
<b>TOTALS:</b>		906,046	9,757,595	2,111,447	4,895,700	17,670,788

<u>Series</u>	<u>Original Amount</u>	<u>Description</u>
2012	\$2,365,000	Renovations to Various Schools
2014	\$2,125,000	ACES and Middle School Renovations
2014B	\$9,715,000	High School School Renovations
2017	\$1,540,000	High School Renovations & Roofing Projects
2018	\$3,310,000	HS Cafeteria, NPS Bathroom and Security Upgrades

## NEWPORT INDEPENDENT SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

FYE	LOCAL NICKEL	RECALL NICKEL	CAPITAL OUTLAY @ 80%	FSPK	ADDT'L FSKP	TOTAL LOCAL FUNDS	LESS CURRENT PAYMENTS	LOCAL FUNDS AVAILABLE	2014 SFCC OFFER	2016 SFCC OFFER	2018 SFCC OFFER	TOTAL FUNDS AVAILABLE
2021	507,015	507,015	106,960	105,334	105,334	1,331,658	(936,758)	394,900	0	0	0	394,900
2022	507,015	507,015	106,960	105,334	105,334	1,331,658	(935,814)	395,845	4,299	8,712	8,378	417,233
2023	507,015	507,015	106,960	105,334	105,334	1,331,658	(938,471)	393,188	17,197	34,847	33,511	478,743
2024	507,015	507,015	106,960	105,334	105,334	1,331,658	(933,952)	397,706	17,197	34,847	33,511	483,261
2025	507,015	507,015	106,960	105,334	105,334	1,331,658	(936,663)	394,995	17,197	34,847	33,511	480,550
2026	507,015	507,015	106,960	105,334	105,334	1,331,658	(937,313)	394,345	17,197	34,847	33,511	479,900
2027	507,015	507,015	106,960	105,334	105,334	1,331,658	(936,767)	394,891	17,197	34,847	33,511	480,446
2028	507,015	507,015	106,960	105,334	105,334	1,331,658	(935,254)	396,404	17,197	34,847	33,511	481,959
2029	507,015	507,015	106,960	105,334	105,334	1,331,658	(936,081)	395,578	17,197	34,847	33,511	481,133
2030	507,015	507,015	106,960	105,334	105,334	1,331,658	(934,486)	397,172	17,197	34,847	33,511	482,727
2031	507,015	507,015	106,960	105,334	105,334	1,331,658	(931,450)	400,209	17,197	34,847	33,511	485,764
2032	507,015	507,015	106,960	105,334	105,334	1,331,658	(932,102)	399,557	17,197	34,847	33,511	485,112
2033	507,015	507,015	106,960	105,334	105,334	1,331,658	(931,201)	400,458	17,197	34,847	33,511	486,013
2034	507,015	507,015	106,960	105,334	105,334	1,331,658	(932,065)	399,594	17,197	34,847	33,511	485,149
2035	507,015	507,015	106,960	105,334	105,334	1,331,658	(932,519)	399,140	17,197	34,847	33,511	484,695
2036	507,015	507,015	106,960	105,334	105,334	1,331,658	(920,184)	411,474	17,197	34,847	33,511	497,029
2037	507,015	507,015	106,960	105,334	105,334	1,331,658	(906,613)	425,046	17,197	34,847	33,511	510,601
2038	507,015	507,015	106,960	105,334	105,334	1,331,658	(896,538)	435,121	17,197	34,847	33,511	520,676
2039	507,015	507,015	106,960	105,334	0	1,226,324	0	1,226,324	17,197	34,847	33,511	1,311,879
2040	507,015	507,015	106,960	105,334	0	1,226,324	0	1,226,324	17,197	34,847	33,511	1,311,879
2041	507,015	507,015	106,960	105,334	0	1,226,324	0	1,226,324	17,197	34,847	33,511	1,311,879
2042	507,015	507,015	106,960	105,334	0	1,226,324	0	1,226,324	12,898	26,135	25,133	1,290,491

**NOTE:** Figures per KDE SEEK Tentative 2020-2021  
Recallable Nickel equalization limited to FY 2038

## NEWPORT INDEPENDENT SCHOOL DISTRICT Projected Series 2022

FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Current Payments	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
2023	210,000	0.525%	65,933	275,933	85,555	190,378	938,471	1,128,848	1,331,658	202,810
2024	215,000	0.650%	64,830	279,830	85,555	194,275	933,952	1,128,227	1,331,658	203,431
2025	215,000	0.800%	63,433	278,433	85,555	192,878	936,663	1,129,541	1,331,658	202,118
2026	215,000	0.950%	61,713	276,713	85,555	191,158	937,313	1,128,471	1,331,658	203,187
2027	220,000	1.100%	59,670	279,670	85,555	194,115	936,767	1,130,882	1,331,658	200,776
2028	220,000	1.200%	57,250	277,250	85,555	191,695	935,254	1,126,949	1,331,658	204,709
2029	225,000	1.300%	54,610	279,610	85,555	194,055	936,081	1,130,136	1,331,658	201,523
2030	225,000	1.400%	51,685	276,685	85,555	191,130	934,486	1,125,616	1,331,658	206,042
2031	230,000	1.400%	48,535	278,535	85,555	192,980	931,450	1,124,430	1,331,658	207,229
2032	230,000	1.400%	45,315	275,315	85,555	189,760	932,102	1,121,862	1,331,658	209,797
2033	235,000	1.400%	42,095	277,095	85,555	191,540	931,201	1,122,741	1,331,658	208,918
2034	240,000	1.500%	38,805	278,805	85,555	193,250	932,065	1,125,315	1,331,658	206,344
2035	245,000	1.500%	35,205	280,205	85,555	194,650	932,519	1,127,169	1,331,658	204,490
2036	245,000	1.600%	31,530	276,530	85,555	190,975	920,184	1,111,159	1,331,658	220,499
2037	250,000	1.600%	27,610	277,610	85,555	192,055	906,613	1,098,668	1,331,658	232,991
2038	255,000	1.700%	23,610	278,610	85,555	193,055	896,538	1,089,593	1,331,658	242,066
2039	260,000	1.700%	19,275	279,275	85,555	193,720	0	193,720	1,226,324	1,032,604
2040	265,000	1.800%	14,855	279,855	85,555	194,300	0	194,300	1,226,324	1,032,024
2041	270,000	1.800%	10,085	280,085	85,555	194,530	0	194,530	1,226,324	1,031,794
2042	275,000	1.900%	5,225	280,225	85,555	194,670	0	194,670	1,226,324	1,031,654
<b>Totals</b>	4,745,000	-----	821,268	5,566,268	1,711,100	3,855,168	14,871,658	18,726,825	26,211,832	7,485,007

**NOTE:** Information based on an issue dated 3/1/22 with coupons dated 3/1 and 9/1 and principal payments on 9/1



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

RSA Advisors, LLC (“RSA Advisors”)

### **Introduction**

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

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

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

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

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

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

**Other Municipal Advisory Relationship:** RSA Advisors serves a wide variety of clients that may potentially have interests that could have a direct or indirect impact on the interests of the client. RSA Advisors could potentially face a conflict of interest arising from these competing client interests. None of these other relationships or engagements would impair RSA Advisors' ability to fulfill its regulatory duties to the client.

To our knowledge, following reasonable inquiry, we are not aware of any actual or potential conflicts of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the client in accordance with the applicable standards of conduct of MSRB Rule G-42. If RSA becomes aware of any potential or actual conflict of interest after this disclosure, we will disclose the detailed information in writing to the client in a timely manner including a plan for mitigation.



July 15, 2021

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

RE: \$16,440,000 Pulaski County School District Finance Corporation  
School Building Revenue Bonds, Second Series of 2021

Dear Ms. Couch:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to finance construction of a new elementary school.

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming months. The Bonds will be funded with 11.28% SFCC funds.

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

Sincerely,

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

Dwight G. Salsbury

325 West Main Street  
Suite 300  
Lexington, KY  
40507

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

Enclosures

# BOND PAYEE DISCLOSURE FORM

Par Amount:	<b>\$16,440,000</b>	
Issue Name:	Pulaski County School District Finance Corporation School Building Revenue Bonds, Second Series of 2021	
Purpose:	Construction of a new elementary school	
Projected Sale Date of Bonds:	Q4 2021	
First Call Date:	8 Years at par	
Method of Sale:	Competitive Bids	
Place/time of sale:	Parity/SFCC, Frankfort, Ky. / TBD	
Bond Rating:	Moody's: "A1"	
Bond Counsel:	Step toe and Johnson, Louisville, KY	
Fiscal Agent:	RSA Advisors LLC, Lexington, Kentucky	
Date received by SFCC:	/ /	<i>To be filled in by SFCC</i>
Date scheduled for Committee review:	/ /	<i>To be filled in by SFCC</i>

Month Day Year

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

SFCC Portion	Local Portion	Total
\$1,855,000	\$14,585,000	\$16,440,000
11.28%	88.72%	100.00%
\$114,553	\$900,678	\$1,015,231
\$0	\$0	\$0

**Estimated Cost of Issuance:**

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

\$8,887	\$69,873	\$78,760
\$0	\$0	\$0
\$0	\$0	\$0
\$3,594	\$28,256	\$31,850
\$37,100	\$291,700	\$328,800
\$0	\$0	\$0
\$49,581	\$389,829	\$439,410

**Anticipated Interest Rates:**

5 Years: 2.000%    10 Years: 2.000%    15 Years: 2.125%  
 20 Years: 2.250%

**Notes: No tax Increase required**

**Pulaski County School District**  
**Plan of Financing -- Projected Second Series 2021**  
**July 15, 2021**

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## Pulaski County School District -- Local Bond Debt

Fiscal Year End	Series 2010-REF	Series 2012-REF	Second Srs 2012-REF	Series 2014	Series 2015-Ref	Series 2016-Ref	Series 2017-Ref*	Series 2018	Series 2019	Series 2020 REF	Series 2021	Series 2021 REF	Total Local Payments
2022	1,921,425	156,800	136,529	229,498	211,130		1,296,487	168,863	76,668	373,602	110,935	155,831	4,837,767
2023		228,900	286,679	232,998	813,430		2,435,786	166,263	71,030	335,803	109,835	153,273	4,833,995
2024		229,500	285,327	231,372	788,630		2,421,986	168,581	70,430	378,352	108,475	146,698	4,829,352
2025				189,423	988,118		2,793,037	165,819	69,830	360,016	107,115	155,198	4,828,554
2026				193,672	951,855		2,796,186	167,975	59,260	391,579	110,755	158,548	4,829,830
2027				192,773			3,757,086	135,538	58,720	417,239	109,310	156,823	4,827,488
2028				191,873			3,801,936	118,831	58,180	382,141	107,865	160,098	4,820,923
2029				190,860			3,817,285	122,288	57,640	357,180	111,420	168,178	4,824,850
2030				189,848				204,281	116,560	2,457,250	109,890	590,578	3,668,407
2031				188,835				204,813	114,625	2,455,338	108,360	594,478	3,666,448
2032				1,407,823				254,247	117,313		106,830	607,793	2,494,004
2033				2,039,073				252,581	114,938		110,300		2,516,891
2034				2,061,697				255,531	112,563		108,685		2,538,476
2035								258,006	115,125		107,070		480,201
2036								255,219	117,563		110,455		483,236
2037								252,113	114,938		108,755		475,805
2038								258,503	117,250		107,055		482,808
2039								254,531	119,438		110,355		484,324
2040									121,500		108,570		230,070
2041											106,785		106,785
Totals	1,921,425	615,200	708,534	7,539,743	3,753,163	0	23,119,789	3,663,981	1,803,568	7,908,499	2,178,820		56,260,214

## PULASKI COUNTY SCHOOL DISTRICT SUMMARY OF FUNDS AVAILABLE

FYE	LOCAL NICKEL	GROWTH NICKEL	CAPITAL OUTLAY @ 80%	FSPK	Addt'l FSKP	TOTAL LOCAL FUNDS	LESS CURRENT PAYMENTS	LOCAL FUNDS AVAILABLE	PRIOR SFCC OFFERS	2016 SFCC OFFER	2018 SFCC OFFER	TOTAL FUNDS AVAILABLE
2022	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(4,837,767)	1,394,256	21,231	3,730	2,793	1,422,009
2023	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(4,833,995)	1,398,027	84,922	14,919	11,170	1,509,038
2024	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(4,829,352)	1,402,671	84,922	14,919	11,170	1,513,682
2025	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(4,828,554)	1,403,468	84,922	14,919	11,170	1,514,479
2026	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(4,829,830)	1,402,193	84,922	14,919	11,170	1,513,204
2027	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(4,827,488)	1,404,535	84,922	14,919	11,170	1,515,546
2028	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(4,820,923)	1,411,099	84,922	14,919	11,170	1,522,110
2029	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(4,824,850)	1,407,173	84,922	14,919	11,170	1,518,184
2030	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(3,668,407)	2,563,615	84,922	14,919	11,170	2,674,626
2031	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(3,666,448)	2,565,574	84,922	14,919	11,170	2,676,585
2032	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(2,494,004)	3,738,018	84,922	14,919	11,170	3,849,029
2033	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(2,516,891)	3,715,131	84,922	14,919	11,170	3,826,142
2034	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(2,538,476)	3,693,547	84,922	14,919	11,170	3,804,558
2035	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(480,201)	5,751,821	84,922	14,919	11,170	5,862,832
2036	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(483,236)	5,748,786	84,922	14,919	11,170	5,859,797
2037	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(475,805)	5,756,217	84,922	14,919	11,170	5,867,228
2038	1,903,810	1,903,810	589,016	1,468,309	367,077	6,232,022	(482,808)	5,749,214	84,922	14,919	11,170	5,860,225
2039	1,903,810	1,903,810	589,016	1,468,309	0	5,864,945	(484,324)	5,380,622	84,922	14,919	11,170	5,491,633
2040	1,903,810	1,903,810	589,016	1,468,309	0	5,864,945	(230,070)	5,634,875	84,922	14,919	11,170	5,745,886
2041	1,903,810	1,903,810	589,016	1,468,309	0	5,864,945	(106,785)	5,758,160	84,922	14,919	11,170	5,869,171
2042	1,903,810	1,903,810	589,016	1,468,309	0	5,864,945	0	5,864,945	84,922	14,919	11,170	5,975,956

**NOTES:** Figures based on revenue information per SEEK Website (Tenative 2020-2021 data)  
2016 SFCC Offer is adjusted

## PULASKI COUNTY SCHOOL DISTRICT PROJECTED SECOND SERIES 2021

FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Current Payments	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
2022			169,750	169,750	27,753	141,997	4,837,767	4,979,764	6,232,022	1,252,259
2023	675,000	2.000%	332,750	1,007,750	111,011	896,739	4,833,995	5,730,734	6,232,022	501,288
2024	690,000	2.000%	319,100	1,009,100	111,011	898,089	4,829,352	5,727,441	6,232,022	504,582
2025	705,000	2.000%	305,150	1,010,150	111,011	899,139	4,828,554	5,727,693	6,232,022	504,329
2026	720,000	2.000%	290,900	1,010,900	111,011	899,889	4,829,830	5,729,719	6,232,022	502,304
2027	730,000	2.000%	276,400	1,006,400	111,011	895,389	4,827,488	5,722,877	6,232,022	509,146
2028	745,000	2.000%	261,650	1,006,650	111,011	895,639	4,820,923	5,716,562	6,232,022	515,460
2029	760,000	2.000%	246,600	1,006,600	111,011	895,589	4,824,850	5,720,439	6,232,022	511,584
2030	775,000	2.000%	231,250	1,006,250	111,011	895,239	3,668,407	4,563,646	6,232,022	1,668,376
2031	790,000	2.000%	215,600	1,005,600	111,011	894,589	3,666,448	4,561,037	6,232,022	1,670,985
2032	810,000	2.000%	199,600	1,009,600	111,011	898,589	2,494,004	3,392,593	6,232,022	2,839,429
2033	825,000	2.000%	183,250	1,008,250	111,011	897,239	2,516,891	3,414,130	6,232,022	2,817,892
2034	840,000	2.000%	166,600	1,006,600	111,011	895,589	2,538,476	3,434,065	6,232,022	2,797,958
2035	855,000	2.000%	149,650	1,004,650	111,011	893,639	480,201	1,373,840	6,232,022	4,858,182
2036	875,000	2.000%	132,350	1,007,350	111,011	896,339	483,236	1,379,575	6,232,022	4,852,447
2037	890,000	2.125%	114,144	1,004,144	111,011	893,133	475,805	1,368,938	6,232,022	4,863,085
2038	910,000	2.125%	95,019	1,005,019	111,011	894,008	482,808	1,376,816	6,232,022	4,855,207
2039	930,000	2.125%	75,469	1,005,469	111,011	894,458	484,324	1,378,782	5,864,945	4,486,164
2040	950,000	2.250%	54,900	1,004,900	111,011	893,889	230,070	1,123,959	5,864,945	4,740,986
2041	970,000	2.250%	33,300	1,003,300	111,011	892,289	106,785	999,074	5,864,945	4,865,871
2042	995,000	2.250%	11,194	1,006,194	111,011	895,183	0	895,183	5,864,945	4,969,763
<b>Totals</b>	16,440,000		3,864,625	20,304,625	2,247,973	18,056,652	56,260,214	74,316,866		55,087,296

**NOTE:** Information based on an issue dated 10/1/21 with coupons dated 6/1 and 12/1 and principal payments on 12/1

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

RSA Advisors, LLC (“RSA Advisors”)

### **Introduction**

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

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

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

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

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

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

**Other Municipal Advisory Relationship:** RSA Advisors serves a wide variety of clients that may potentially have interests that could have a direct or indirect impact on the interests of the client. RSA Advisors could potentially face a conflict of interest arising from these competing client interests. None of these other relationships or engagements would impair RSA Advisors' ability to fulfill its regulatory duties to the client.

To our knowledge, following reasonable inquiry, we are not aware of any actual or potential conflicts of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the client in accordance with the applicable standards of conduct of MSRB Rule G-42. If RSA becomes aware of any potential or actual conflict of interest after this disclosure, we will disclose the detailed information in writing to the client in a timely manner including a plan for mitigation.