



Commonwealth of Kentucky
FINANCE AND ADMINISTRATION CABINET
Office of Financial Management

Andy Beshear
 Governor

Suite 76, Capitol Annex
 702 Capital Avenue
 Frankfort, KY 40601-3462
 (502) 564-2924
 Fax (502) 564-7416

Holly M. Johnson
 Secretary

Ryan Barrow
 Executive Director

September 9, 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 September meeting.

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

Fund A Loans

City of Elkton	\$200,000
City of Hopkinsville f/b/o Hopkinsville Water Environment Auth.	\$16,000,000
City of Sebree	\$1,153,164

Fund F Loans

City of Somerset	\$2,482,122
Cave Run Water Commission	\$868,750
Morgan County Water District	\$3,262,000
Letcher County Water and Sewer District	\$2,487,495
Letcher County Water and Sewer District	\$4,000,000

The Office of Financial Management will present two (2) new bond issue reports for the Committee’s approval:

Kentucky Housing Corporation Single Family Revenue Refunding Bonds, Series 2021 A and B	\$60,000,000+
Northern Kentucky University General Receipts Refunding Bonds, Series 2021 B	\$5,485,000*
Not to Exceed+ Estimated*	

Senator Girdler
Representative Freeland
September 9, 2021
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The Office of Financial Management will present one (1) informational item for the Committee's review:

Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (330 Newtown Apartments), Series 2021	\$25,000,000
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The School Facilities Construction Commission is submitting the following additional information for the Committee's approval:

Bowling Green Independent	\$10,245,000*
Lyon County	\$3,045,000*
Scott County	\$17,725,000*
Scott County	\$77,205,000*
Webster County	\$4,635,000*

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 September 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>
A19-001	City of Elkton (Director Level Increase)	\$ 200,000	\$ 4,134,451	Todd
A19-003	City of Hopkinsville f/b/o Hopkinsville Water Environment Authority (Increase)	\$ 16,000,000	\$ 30,000,000	Christian
A20-033	City of Sebree (Increase)	\$ 1,153,164	\$ 2,063,992	Webster

• **Fund F Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Amount Requested</u>	<u>Amount Loan Total</u>	<u>County</u>
F20-019	City of Somerset (Increase)	\$ 2,482,122	\$ 9,510,000	Pulaski
F20-021	Cave Run Water Commission (Increase)	\$ 868,750	\$ 2,040,100	Menifee
F21-002	Morgan County Water District	\$ 3,262,000	\$ 3,262,000	Morgan
F21-010	Letcher County Water and Sewer District	\$ 2,487,495	\$ 2,487,495	Letcher
F21-033	Letcher County Water and Sewer District	\$ 4,000,000	\$ 4,000,000	Letcher

EXECUTIVE SUMMARY		Reviewer	John Brady	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	September 10, 2021	
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A19-001 (Increase)	
REVOLVING LOAN FUND		WRIS Number	SX21219014	
BORROWER	CITY OF ELKTON TODD COUNTY			
BRIEF DESCRIPTION				
The City of Elkton is requesting a Fund A loan increase of \$200,000 for the Elkton Wastewater System Rehabilitation and Improvements project. The project was initially approved on July 9, 2019. The increase will bring the total KIA loan amount up to \$4,134,451. The increase is due to higher bids than budgeted due to the rise in cost of materials. The project scope remains the same.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$4,134,451	RD Fee %	Actual %	
ARPA Grant	550,000			
		Administrative Expenses		\$15,000
		Planning		299,577
		Eng - Design / Const	6.9%	6.7%
		Eng - Insp	4.4%	5.2%
		Eng - Other		48,000
		Construction		3,777,000
		Contingency		83,660
TOTAL	<u>\$4,684,451</u>	TOTAL		<u>\$4,684,451</u>
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$118,913
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	GRW Engineers, Inc.		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Aug-21		
	Construction Start	Nov-21		
	Construction Stop	Apr-22		
DEBT PER CUSTOMER	Existing			\$2,591
	Proposed			\$5,610
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	<u>Users</u>	<u>Avg. Bill</u>	
		887	\$54.56	(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	183,938	78,710	105,228	2.3
Audited 2019	198,625	88,487	110,138	2.2
Audited 2020	270,778	196,410	74,368	1.4
Projected 2021	285,329	384,131	(98,802)	0.7
Projected 2022	290,709	87,341	203,368	3.3
Projected 2023	276,774	182,463	94,311	1.5
Projected 2024	262,560	182,384	80,176	1.4
Projected 2025	248,062	182,306	65,756	1.4

Reviewer: John Brady
Date: September 10, 2021
Loan Number: A19-001 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND A)
CITY OF ELKTON, TODD COUNTY
PROJECT REVIEW
SX21219014**

I. PROJECT DESCRIPTION

The City of Elkton is requesting a Fund A loan increase of \$200,000 for the Elkton Wastewater System Rehabilitation and Improvements project. The project was initially approved on July 9, 2019. The increase will bring the total KIA loan amount up to \$4,134,451. The increase is due to higher bids than budgeted due to the rise in cost of materials. The project scope remains the same.

The planning portion of this project included field investigations, the evaluation of pump stations and the wastewater treatment plant, and engineering reports which resulted in construction contracts.

The first contract is for repairs located throughout the sewer system. It includes the installation of cured-in-place pipe, replacement of gravity sewer lines, and repairs to manholes. The second contract is for the replacement of pumps and controls in pump stations and the installation of a wet well for wet weather flow storage. The third contract is for numerous repairs and upgrades to the City's wastewater treatment plant.

The City of Elkton serves approximately 725 residential and 150 commercial and industrial customers.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 15,000
Planning	299,577
Engineering Fees - Design	187,423
Engineering Fees - Construction	71,357
Engineering Fees - Inspection	202,434
Engineering Fees - Other	48,000
Construction	3,777,000
Contingency	83,660
Total	\$ 4,684,451

III. PROJECT FUNDING

	Amount	%
Fund A Loan	\$ 4,134,451	88%
ARPA Grant	550,000	12%
Total	\$ 4,684,451	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 4,134,451
Less: Principal Forgiveness	1,000,000
Amortized Loan Amount	\$ 3,134,451
Interest Rate	0.50%
Loan Term (Years)	30
Estimated Annual Debt Service	\$ 112,644
Administrative Fee (0.20%)	6,269
Total Estimated Annual Debt Service	\$ 118,913

V. PROJECT SCHEDULE

Bid Opening	August 2021
Construction Start	November 2021
Construction Stop	April 2022

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current	Proposed	Total
Residential	724	0	724
Commercial	157	0	157
Industrial	6	0	6
Total	887	0	887

B) Rates

Sewer	Inside City		
	Current	Prior	Prior
Date of Last Rate Increase	12/10/20	07/01/19	07/01/18
Minimum (2,000 gallons)	\$36.76	\$33.42	\$30.38
Over 2,000 gallons (per 1,000)	8.90	8.09	7.35
Cost for 4,000 gallons	\$54.56	\$49.60	\$45.08
Increase %	10.0%	10.0%	
Affordability Index (Rate/MHI)	2.0%	1.8%	

Water	Inside City		Outside City	
	Current	Prior	Current	Prior
Date of Last Rate Increase	07/01/19	07/01/18	07/01/19	07/01/18
Minimum (2,000 gallons)	\$23.00	\$21.63	\$26.02	\$24.47
Next 8,000 Gallons (per 1,000)	12.05	11.33	13.61	12.80
Cost for 4,000 gallons	\$47.10	\$44.29	\$53.24	\$50.07
Increase %	6.3%		6.3%	
Affordability Index (Rate/MHI)	1.7%		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 2,170 with a Median Household Income (MHI) of \$32,632. The median household income for the Commonwealth is \$44,811. The project will qualify for a 0.50% interest rate.

VIII. 2018 CAPITALIZATION GRANT EQUIVALENCIES

- 1) Green Project Reserve - This project qualifies for Green Project Reserve (GPR) funding for \$3,934,451. The breakdown of the GPR to the respective "green" categories is listed below:
 - a. Green Infrastructure - \$0
 - b. Water Efficiency -\$0
 - c. Energy Efficiency - \$3,924,451
 - d. Environmentally Innovative - \$10,000

- 2) Additional Subsidization – This project qualifies for 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 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 9.4% from \$1.06 million in 2018 to \$1.16 million in 2020. Revenue increases are due to rate increases in both water and sewer that went into effect in 2020. Operating expenses have remained relatively flat, increasing 1.2% from \$662 thousand in 2018 to \$670 thousand in 2020. The debt coverage ratio was 2.3, 2.2, and 1.4 from 2018 to 2020, respectively.

The balance sheet reflects a current ratio of 0.8, a debt to equity ratio of 0.9, 50.4 days of sales in account receivables, and 7.7 months operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) The analysis takes into account the 10% sewer rate increase in December 2020 and remains flat for future years.
- 2) Operating expenses will increase 2% each year for inflation.
- 3) Debt service coverage is 1.5 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% (\$206,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$10,300 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
2007 Revenue Bonds	\$ 298,500	2037
KIA Loan F209-07	44,007	2031
KIA Loan B06-01	444,399	2037
KIA Loan B11-07	78,581	2031
KIA Loan B13-001	254,719	2034
KIA Loan F19-035	83,685	2050
Elkton Bank Equipment Loan	31,077	2022
Elkton Bank Vehicle Loan	13,329	2023
KIA Loan A19-001	1,049,613	TBD
Total	\$ 2,297,910	

XI. CONTACTS

Legal Applicant	
Entity Name	City of Elkton
Authorized Official	Arthur Green (Mayor)
County	Todd
Email	agreen@elktonky.com
Phone	270-265-9877
Address	PO Box 578 Elkton, KY 42220

Applicant Contact	
Name	Terry Frogue
Organization	City of Elkton
Email	elkcityof@bellsouth.net
Phone	270-265-5703
Address	PO Box 578 Elkton, KY 42220

Project Administrator

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

Consulting Engineer

PE Name	Josh Flanery
Firm Name	GRW Engineers, Inc.
Email	jflanery@grwinc.com
Phone	502-489-8484
Address	9710 Bunsen Parkway Louisville, KY 40299

XII. RECOMMENDATIONS

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

**CITY OF ELKTON
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>
Balance Sheet								
Assets								
Current Assets	493,004	703,180	791,061	715,172	922,540	1,016,851	1,097,027	1,162,783
Other Assets	6,547,929	6,657,847	7,896,497	7,679,330	12,039,803	11,715,825	11,391,847	11,067,869
Total	7,040,933	7,361,027	8,687,558	8,394,502	12,962,343	12,732,676	12,488,874	12,230,652
Liabilities & Equity								
Current Liabilities	327,831	400,255	979,498	686,449	776,552	785,071	793,697	802,547
Long Term Liabilities	2,025,110	2,341,663	3,046,562	2,966,896	5,939,479	5,777,194	5,614,483	5,451,322
Total Liabilities	2,352,941	2,741,918	4,026,060	3,653,345	6,716,031	6,562,264	6,408,180	6,253,869
Net Assets	4,687,992	4,619,109	4,661,498	4,741,157	6,246,312	6,170,412	6,080,694	5,976,783
Cash Flow								
Revenues	1,057,485	1,073,852	1,157,340	1,185,285	1,214,627	1,214,627	1,214,627	1,214,627
Operating Expenses	891,633	909,096	908,192	921,586	945,548	959,483	973,697	988,195
Other Income	18,086	33,869	21,630	21,630	21,630	21,630	21,630	21,630
Cash Flow Before Debt Service	183,938	198,625	270,778	285,329	290,709	276,774	262,560	248,062
Debt Service								
Existing Debt Service	78,710	88,487	196,410	384,131	87,341	63,550	63,471	63,393
Proposed KIA Loan A19-001	0	0	0	0	0	118,913	118,913	118,913
Total Debt Service	78,710	88,487	196,410	384,131	87,341	182,463	182,384	182,306
Cash Flow After Debt Service	105,228	110,138	74,368	(98,802)	203,368	94,311	80,176	65,756
Ratios								
Current Ratio	1.5	1.8	0.8	1.0	1.2	1.3	1.4	1.4
Debt to Equity	0.5	0.6	0.9	0.8	1.1	1.1	1.1	1.0
Days Sales in Accounts Receivable	52.1	51.3	50.4	50.4	50.4	50.4	50.4	50.4
Months Operating Expenses in Unrestricted Cash	3.6	5.6	7.7	6.3	8.8	9.9	10.7	11.5
Debt Coverage Ratio	2.3	2.2	1.4	0.7	3.3	1.5	1.4	1.4

EXECUTIVE SUMMARY		Reviewer	Alex Fisher	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	September 23, 2021	
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A19-003 (Increase)	
REVOLVING LOAN FUND		WRIS Number	SX21047028	
BORROWER		CITY OF HOPKINSVILLE F/B/O HOPKINSVILLE WATER ENVIRONMENT AUTHORITY CHRISTIAN COUNTY		
BRIEF DESCRIPTION				
The City of Hopkinsville, for the benefit of the Hopkinsville Water Environment Authority (HWEA), is requesting a Fund A loan increase in the amount of \$16,000,000 for the multi-phased Expand Hammond-Wood Wastewater Treatment Plant and Interceptor project. The previous 2 funding cycles have funded \$14,000,000 and this year's increase will bring the total current project amount requested to date to \$30,000,000.				
PROJECT FINANCING		PROJECT BUDGET		
		RD Fee %	Actual %	
KIA Fund A Loan (2022) Increase	\$16,000,000			
KIA P&D Loan (A16-005)	1,500,000			
KIA Fund A Loan (A19-003)	7,500,000			
KIA Fund A Loan (2021) Increase	5,000,000			
KIA Fund A Loan (2023)	13,500,000			
KIA Fund A Loan (2024)	1,500,000			
Local Funds	3,300,000			
TOTAL	\$48,300,000			
		Planning		92,000
		Eng - Design / Const	6.4%	4.3%
		Construction		2,008,900
		Contingency		45,507,192
		TOTAL		\$48,300,000
REPAYMENT		Rate	0.50%	Est. Annual Payment
		Term	20 Years	1st Payment
				6 Mo. after first draw
				\$1,547,280
PROFESSIONAL SERVICES		Engineer	J.R. Wauford & Company	
		Bond Counsel	Rubin & Hays	
PROJECT SCHEDULE		Bid Opening	Aug-19	
		Construction Start	Jun-20	
		Construction Stop	Jul-23	
DEBT PER CUSTOMER		Existing	\$4,434	
		Proposed	\$5,708	
OTHER DEBT		See Attached		
RESIDENTIAL RATES		Current	<u>Users</u>	<u>Avg. Bill</u>
			12,788	\$32.78 (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	8,086,210	6,297,640	1,788,570	1.3
Audited 2019	8,580,631	5,944,951	2,635,680	1.4
Audited 2020	8,346,916	7,536,627	810,289	1.1
Projected 2021	9,414,599	5,619,860	3,794,739	1.7
Projected 2022	9,986,870	5,827,379	4,159,491	1.7
Projected 2023	10,498,451	6,024,992	4,473,459	1.7
Projected 2024	11,204,730	7,572,717	3,632,013	1.5
Projected 2025	11,097,712	7,879,817	3,217,895	1.4

Reviewer: Alex Fisher
Date: September 23, 2021
Loan Number: A19-003 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND A)
CITY OF HOPKINSVILLE F/B/O HOPKINSVILLE WATER ENVIRONMENT
AUTHORITY, CHRISTIAN COUNTY
PROJECT REVIEW
SX21047028**

I. PROJECT DESCRIPTION

The City of Hopkinsville, for the benefit of the Hopkinsville Water Environment Authority (HWEA), is requesting a Fund A19-003 loan increase in the amount of \$16,000,000 for continued multi-year phased funding for the Expand Hammond-Wood Wastewater Treatment Plant and Interceptor project. Prior KIA loan funding cycles for this project total \$14,000,000. This additional increase will bring the total KIA loan project amount to \$30,000,000.

FY 2016	\$1,500,000	Planning & Design
FY 2019	\$7,500,000	Construction
FY 2021	\$5,000,000	Construction
FY 2022	\$16,000,000	Construction
FY 2023	\$13,500,000	Construction
FY 2024	\$1,500,000	Construction

HWEA is proposing renovation and expansion of the Hammond-Wood WWTP, located on the North Fork of the Little River, south of Hopkinsville. Renovation will occur by replacing the existing river siphon with a new influent interceptor river crossing, new influent pump station, new head works (screening and grit removal), new anaerobic phosphorus release tank, renovation of two existing oxidation ditches and two existing clarifiers, modification of the existing activated sludge pump station, modifications to return and waste activated sludge pumping station, post aeration steps and new outfall, new operations building, new electrical building and standby power, controls and Instrumentation, demolition of existing structures, construction of two sludge holding tanks, aeration, and dewatering equipment, and renovation of the existing ultraviolet disinfection process.

Expansion of the plant to 9 MGD with a hydraulic capacity of 27 MGD will occur with the construction of a new oxidation ditch and site development, addition of a third clarifier, excavation, grading, and site piping, new sludge holding tank, new belt filter presses with additional pump, conveyor system, and a new blower building, controls, and instrumentation. Improvements to the 36" and 48" influent interceptor transporting wastewater to the plant will occur as determined through inspection.

The total project cost is currently estimated to be \$48,300,000 and the budget and funding breakdowns are shown below.

Hammond-Wood WWTP currently serves over 12,000 customers in Christian County including the cities of Hopkinsville and Pembroke. In addition, Hopkinsville Water Environment Authority also provides sewer service to the cities of Crofton and Oak Grove and drinking water to the cities of Hopkinsville, Pembroke and Crofton.

II. PROJECT BUDGET

	KIA Fund A Loan (2022) Increase	Estimated Project Total
Planning		92,000
Engineering Fees - Design		1,408,000
Engineering Fees - Construction	400,250	600,900
Construction	15,599,750	45,507,192
Contingency		691,908
Total	\$16,000,000	\$ 48,300,000

III. PROJECT FUNDING

	Amount	%
KIA Fund A Loan (2022) Increase	\$16,000,000	33%
KIA P&D Loan (A16-005)	1,500,000	3%
KIA Fund A Loan (A19-003)	7,500,000	16%
KIA Fund A Loan (2021) Increase	5,000,000	10%
KIA Fund A Loan (2023)	13,500,000	28%
KIA Fund A Loan (2024)	1,500,000	3%
Local Funds	3,300,000	7%
Total	\$48,300,000	100%

IV. KIA DEBT SERVICE

Note that the table below shows the total projected KIA loan amounts of \$45,000,000. This is a different total project budget of \$48,300,000 due to the City self-funding \$3,300,000.

	KIA Fund A Loan (2022) Increase	Total KIA loan to date with 2022 increase	Total Projected Loan Cost
Construction Loan	\$16,000,000	\$ 30,000,000	\$ 45,000,000
Less: Principal Forgiveness	1,000,000	1,000,000	1,000,000
Amortized Loan Amount	\$15,000,000	\$ 29,000,000	\$ 44,000,000
Interest Rate	0.50%	0.50%	0.50%
Loan Term (Years)	20	20	20
Estimated Annual Debt Service	\$ 789,061	\$ 1,525,518	\$ 2,314,580
Administrative Fee (0.20%)	30,000	58,000	88,000
Total Estimated Annual Debt Service	\$ 819,061	\$ 1,583,518	\$ 2,402,580

V. PROJECT SCHEDULE

Bid Opening	August 2019
Construction Start	June 2020
Construction Stop	July 2023

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

	Current
Residential	10,829
Commercial	1,897
Industrial	62
Total	12,788

B) Rates

Hopkinsville Sewer	Current	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	07/01/18
Flat Rate (300 cu.ft. or less)	\$18.39	\$16.14	\$14.16
Flat rate, per 100 cu.ft.	6.13	5.38	4.72
Cost for 4,000 gallons	\$32.78	\$28.77	\$25.24
Increase %	13.9%	14.0%	8.5%
Affordability Index (Rate/MHI)	1.1%	1.0%	0.8%

Pembroke Sewer	Current	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	07/01/18
Flat Rate (300 cu.ft. or less)	\$25.13	\$22.04	\$19.33
Flat rate, per 100 cu.ft.	7.39	6.48	5.68
Cost for 4,000 gallons	\$42.48	\$37.25	\$32.66
Increase %	14.0%	14.0%	14.0%
Affordability Index (Rate/MHI)	1.4%	1.2%	1.1%

Crofton Sewer	Current	Prior
Date of Last Rate Increase	07/01/18	07/01/07
Flat Rate (150 cu.ft. or less)	\$12.50	\$11.91
Flat rate, per 100 cu.ft.	3.60	2.50
Cost for 4,000 gallons	\$26.35	\$17.78
Increase %	48.2%	
Affordability Index (Rate/MHI)	0.9%	

Oak Grove Sewer	Current	Prior	Prior
Date of Last Rate Increase	07/01/20	07/01/19	07/01/18
Minimum (1,000 gallons)	\$26.20	\$24.26	\$21.28
All over 1,000 gallons	7.65	7.08	6.21
Surcharge	2.00	2.00	2.00
Cost for 4,000 gallons	\$51.15	\$47.50	\$41.91
Increase %	7.7%	13.3%	13.2%
Affordability Index (Rate/MHI)	1.7%	1.6%	1.4%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 34,674 with a Median Household Income (MHI) of \$35,846. The median household income for the Commonwealth is \$44,811. The project will qualify for a 0.50% interest rate based on MHI.

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 qualify for 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 and include both the water and sewer funds. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, has been removed from 2018 to 2020 operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Combined revenues for sewer and water increased 10.7% from \$16.8 million in 2018 to \$18.6 million in 2020. Sewer revenues have increased around 25.9% from \$7.8 million in 2018 to \$9.8 million in 2020 whereas water revenues have decreased 2.4% from \$9.0 million in 2018 to \$8.8 million in 2020. Sewer revenue growth can be attributed to rate increases during the observed time period for ongoing capital projects. The water revenues decreased marginally due to various pandemic changes. Combined expenses increased 18% from \$8.9 million to \$10.5 million from 2018 to 2020.

The 2020 balance sheet reflects a current ratio of 1.7, a debt to equity ratio of 1.5, 23.5 days' sales in accounts receivable, and 9.8 months operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer revenues will increase according to the approved rate increases by the utility (FY 2021 14%, FY 2022, 2023 and 2024 projected 9% and flat for 2025). Water revenues will remain flat for growth and volume.
- 2) Expenses will increase 2% for inflation.
- 3) All debt service and replacement reserves for pending KIA loans A11-08, A16-005, F13-020, and F16-001 have been included in this analysis.
- 4) Debt service coverage is 1.48 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% (\$1,500,000 total) of the final amount borrowed to be funded annually (\$75,000 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
Series 1998 Bonds	\$ 95,000	2021
Series 2010B Bonds	2,002,500	2030
KIA Loan B95-02	1,238,729	2026
KIA Loan A99-03	29,428	2021
KIA Loan A03-05	1,388,868	2026
KIA Loan A04-05	923,524	2027
KIA Loan F02-04	641,885	2028
KIA Loan F06-02	1,895,047	2028
KIA Loan F08-06	5,703,868	2032
KIA Loan A09-19	5,545,793	2034
KIA Loan A11-07	335,812	2033
KIA Loan A11-08	9,410,197	2036
KIA Loan A11-09	5,888,514	2036
KIA Loan A16-005 (P&D i/a/o \$1.5m)	726,900	TBD
KIA Loan F13-020 (i/a/o \$4m)		TBD
KIA Loan F16-001 (i/a/o \$8m)	5,118,789	TBD
City of Hopkinsville- Series 2013B	2,690,000	2034
City of Hopkinsville- Series 2014B	1,570,000	2038
City of Hopkinsville- Series 2014C	1,025,000	2029
City of Hopkinsville- Series 2015A	9,535,000	2026
Total	\$55,764,854	

XI. CONTACTS

Legal Applicant	
Entity Name	City of Hopkinsville f/b/o Hopkinsville Water Environment Authority
Authorized Official	Wendell Lynch (Mayor)
County	Christian
Email	wlynch@hopkinsvilleky.us
Phone	270-890-0200
Address	PO Box 628 Hopkinsville, KY 42241

Applicant Contact

Name	Derrick Watson
Organization	Hopkinsville Water Environment Authority
Email	dwatson@hwea-ky.com
Phone	270-887-4237
Address	PO Box 628 Hopkinsville, KY 42241

Project Administrator

Name	Travis Barnett
Organization	Hopkinsville Water Environment Authority
Email	tbarnett@hwea-ky.com
Phone	270-887-4242
Address	PO Box 628 Hopkinsville, KY 42241

Consulting Engineer

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

XII. RECOMMENDATIONS

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

**CITY OF HOPKINSVILLE F/B/O HOPKINSVILLE WATER ENVIRONMENT AUTHORITY
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>
Balance Sheet								
Assets								
Current Assets	9,577,564	8,680,884	10,093,578	10,563,592	11,030,141	11,532,687	11,955,988	15,175,183
Other Assets	122,883,567	116,628,044	117,316,875	115,682,908	121,248,615	120,333,413	145,721,956	139,668,476
Total	<u>132,461,131</u>	<u>125,308,928</u>	<u>127,410,453</u>	<u>126,246,500</u>	<u>132,278,756</u>	<u>131,866,100</u>	<u>157,677,944</u>	<u>154,843,659</u>
Liabilities & Equity								
Current Liabilities	5,168,069	5,595,280	6,113,074	5,579,504	5,699,072	5,835,126	7,679,781	7,842,881
Long Term Liabilities	82,217,271	73,206,960	69,612,813	64,993,931	66,557,925	61,509,054	83,306,783	75,423,671
Total Liabilities	<u>87,385,340</u>	<u>78,802,240</u>	<u>75,725,887</u>	<u>70,573,435</u>	<u>72,256,997</u>	<u>67,344,180</u>	<u>90,986,564</u>	<u>83,266,552</u>
Net Assets	<u>45,075,791</u>	<u>46,506,688</u>	<u>51,684,566</u>	<u>55,673,065</u>	<u>60,021,759</u>	<u>64,521,920</u>	<u>66,691,380</u>	<u>71,577,107</u>
Cash Flow								
Revenues	16,797,209	17,799,083	18,591,198	19,998,384	20,785,029	21,642,472	22,577,086	22,597,564
Operating Expenses	8,906,373	9,733,064	10,508,538	10,855,459	11,069,833	11,415,695	11,644,030	11,771,526
Other Income	195,374	514,612	264,256	271,674	271,674	271,674	271,674	271,674
Cash Flow Before Debt Service	<u>8,086,210</u>	<u>8,580,631</u>	<u>8,346,916</u>	<u>9,414,599</u>	<u>9,986,870</u>	<u>10,498,451</u>	<u>11,204,730</u>	<u>11,097,712</u>
Debt Service								
Existing Debt Service	6,297,640	5,944,951	7,536,627	5,619,860	5,827,379	6,024,992	6,025,436	7,879,817
Proposed KIA Loan 2022 Increase	0	0	0	0	0	0	1,547,280	1,547,280
Total Debt Service	<u>6,297,640</u>	<u>5,944,951</u>	<u>7,536,627</u>	<u>5,619,860</u>	<u>5,827,379</u>	<u>6,024,992</u>	<u>7,572,717</u>	<u>7,879,817</u>
Cash Flow After Debt Service	<u>1,788,570</u>	<u>2,635,680</u>	<u>810,289</u>	<u>3,794,739</u>	<u>4,159,491</u>	<u>4,473,459</u>	<u>3,632,013</u>	<u>3,217,895</u>
Ratios								
Current Ratio	1.9	1.6	1.7	1.9	1.9	2.0	1.6	1.9
Debt to Equity	1.9	1.7	1.5	1.3	1.2	1.0	1.4	1.2
Days Sales in Accounts Receivable	23.8	22.8	23.5	23.5	23.5	23.5	23.5	23.5
Months Operating Expenses in Unrestricted Cash	11.0	9.0	9.8	10.1	10.3	10.6	10.8	13.9
Debt Coverage Ratio	1.3	1.4	1.1	1.7	1.7	1.7	1.5	1.4

EXECUTIVE SUMMARY		Reviewer	Alex Fisher	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	September 23, 2021	
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A20-033 (Increase)	
REVOLVING LOAN FUND		WRIS Number	SX21233027	
BORROWER	CITY OF SEBREE WEBSTER COUNTY			
BRIEF DESCRIPTION				
The City of Sebree ("City") is requesting a Fund A loan increase of \$1,153,164 to supplement the Sebree Sanitary Sewer Replacement project initially approved on November 7th, 2019, which will bring the new total KIA loan amount up to \$2,063,992. The increase is due to higher bids than budgeted due the shortage of supplies, the project scope remains the same.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$2,063,992	Administrative Expenses	RD Fee %	Actual %
CDBG Grant	910,828	Legal Expenses		
Cleaner Water Grant Program	475,309	Land, Easements		
		Eng - Design / Const	7.2%	4.4%
		Eng - Insp	4.0%	4.7%
		Eng - Other		
		Construction		
		Contingency		
TOTAL	\$3,450,129	TOTAL		
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$78,302
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Strand Associates, Inc.		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Jun-21		
	Construction Start	Sep-21		
	Construction Stop	Mar-22		
DEBT PER CUSTOMER	Existing	\$0		
	Proposed	\$3,486		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	587	\$38.25	(for 4,000 gallons)
	Additional	5	\$38.25	(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	54,400	8,472	45,928	6.4
Audited 2019	20,885	8,437	12,448	2.5
Audited 2020	6,668	5,613	1,055	1.2
Projected 2021	1,011	0	1,011	N/A
Projected 2022	94,271	78,302	15,969	1.2
Projected 2023	107,928	78,302	29,626	1.4
Projected 2024	101,925	78,302	23,623	1.3
Projected 2025	95,802	78,302	17,500	1.2

Reviewer: Alex Fisher
Date: September 23rd, 2021
Loan Number: A20-033 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND A)
CITY OF SEBREE, WEBSTER COUNTY
PROJECT REVIEW
SX21233027**

I. PROJECT DESCRIPTION

The City of Sebree ("City") is requesting a Fund A loan increase of \$1,153,164 to supplement the Sebree Sanitary Sewer Replacement project initially approved on November 7th, 2019, which will bring the new total KIA loan amount up to \$2,063,992. The increase is due to higher bids than budgeted due the shortage of supplies, the project scope remains the same.

This project will include replacing approximately 8,900 linear feet of existing 8-inch clay pipe, extending an 8-inch gravity sewer 101 linear feet to add five unserved customers, lowering a main that is currently exposed in a creek, and replacement of a retaining wall that protects a 12-inch main.

The City serves 592 customers sanitary service in Webster County.

II. PROJECT BUDGET

	Total
Administrative Expenses	\$ 50,000
Legal Expenses	5,000
Land, Easements	5,000
Engineering Fees - Design	105,315
Engineering Fees - Construction	31,075
Engineering Fees - Inspection	144,715
Engineering Fees - Other	40,000
Construction	2,790,022
Contingency	279,002
Total	\$ 3,450,129

III. PROJECT FUNDING

	Amount	%
Fund A Loan	\$ 2,063,992	60%
CDBG Grant	910,828	26%
Cleaner Water Grant Program	475,309	14%
Total	\$ 3,450,129	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 2,063,992
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 2,063,992
Interest Rate	0.50%
Loan Term (Years)	30
Estimated Annual Debt Service	\$ 74,174
Administrative Fee (0.20%)	4,128
Total Estimated Annual Debt Service	\$ 78,302

V. PROJECT SCHEDULE

Bid Opening	June 2021
Construction Start	September 2021
Construction Stop	March 2022

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current	Proposed	Total
Residential	505	5	510
Commercial	82	0	82
Total	587	5	592

B) Rates

	Inside City			
	Proposed	Proposed	Current	Prior
Date of Last Rate Increase	7/1/2022	09/01/21	02/23/21	05/04/15
Minimum (2,000 gallons)	30.75	\$29.29	\$22.29	\$21.85
Over 2,000	11.01	10.49	7.98	7.54
Cost for 4,000 gallons	\$52.77	\$50.26	\$38.25	\$36.93
Increase %	5.0%	31.4%	3.6%	
Affordability Index (Rate/MHI)	1.9%	1.8%	1.4%	

	Outside City			
	Proposed	Proposed	Current	Prior
Date of Last Rate Increase	07/01/22	09/01/21	02/23/21	05/04/15
Minimum (2,000 gallons)	\$31.81	\$30.29	\$24.63	\$21.85
Over 2,000	10.31	9.82	7.98	7.54
Surcharge	20.00	20.00	20.00	20.00
Cost for 4,000 gallons	\$72.42	\$69.93	\$60.59	\$56.93
Increase %	3.6%	15.4%	6.4%	
Affordability Index (Rate/MHI)	2.6%	2.5%	2.2%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility's service area population was 1,471 with a Median Household Income (MHI) of \$33,171. The median household income for the Commonwealth is \$46,535. Based on the MHI of the service area of the utility, the project will qualify for a 30-year loan at a non-standard 0.50% 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 for the sewer fund. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2016-2018 operating expenses and GASB 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, has been removed from 2018 operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

The City has experienced nearly flat revenues between 2018 and 2020, while experiencing an increase in operating expenses of 19.4% due to increased contractual services. This has resulted in an overall reduction in cash available for debt service over the same period.

The balance sheet reflects a current ratio of 0.9, a debt to equity of 0.3, 42.6 days of sales in accounts receivable, and 1.4 months operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) The City have increased their rates in ordinance this month to the first proposed 4,000-gallon rate for both in and outside city shown in the rate section above. Additionally, the city has also already approved in ordinance the second proposed increase to take effect 7/1/2022.
- 2) The Cleaner Water Grant funds are under pending review, but have been factored into the total project cost as a grant.
- 3) Expenses are expected to increase 2% annually due to inflation.
- 4) Debt service coverage is 1.2 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% (\$104,000 total) of the final amount borrowed to be funded annually (\$5,200 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

From the 2020 audit the city of Sebree does not have any sewer debt obligations.

XI. CONTACTS

Legal Applicant	
Entity Name	City of Sebree
Authorized Official	Oscar O'Nan (Mayor)
County	Webster
Email	cityofsebree@gmail.com
Phone	270-835-7501
Address	36 S Spring St. PO Box 245 Sebree, KY 42455

Applicant Contact

Name	Emery Thomas
Organization	City of Sebree
Email	etsebree@att.net
Phone	(270) 635-0435
Address	36 S. Spring Street Sebree, KY 42455-245

Project Administrator

Name	Blake Edge
Organization	Green River Area Development District
Email	blakeedge@gradd.com
Phone	(270) 852-1335
Address	300 Gradd Way Owensboro, KY 42301

Consulting Engineer

PE Name	Mark Christopher Askin
Firm Name	Strand Associates, Inc.
Email	mark.askin@strand.com
Phone	502-583-7020
Address	325 W. Main St., Ste. 710 Louisville, KY 40202

XII. RECOMMENDATIONS

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

CITY OF SEBREE
FINANCIAL SUMMARY (JUNE YEAR END)

	Audited	Audited	Audited	Projected	Projected	Projected	Projected
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Balance Sheet							
Assets							
Current Assets	70,315	65,577	67,868	68,911	96,680	128,606	152,229
Other Assets	942,087	851,016	836,344	741,967	4,013,766	3,835,436	3,657,106
Total	1,012,402	916,593	904,212	810,878	4,110,446	3,964,042	3,809,335
Liabilities & Equity							
Current Liabilities	34,389	23,321	74,874	76,200	77,500	78,800	80,200
Long Term Liabilities	121,317	123,171	151,445	151,445	2,215,437	2,215,437	2,215,437
Total Liabilities	155,706	146,492	226,319	227,645	2,292,937	2,294,237	2,295,637
Net Assets	856,696	770,101	677,893	583,233	1,817,509	1,669,805	1,513,698
Cash Flow							
Revenues	291,284	280,923	289,515	289,515	390,845	410,387	410,387
Operating Expenses	236,884	260,038	282,847	288,504	296,574	302,459	308,462
Other Income	0	0	0	0	0	0	0
Cash Flow Before Debt Service	54,400	20,885	6,668	1,011	94,271	107,928	101,925
Debt Service							
Existing Debt Service	8,472	8,437	5,613	0	0	0	0
Proposed KIA Loan	0	0	0	0	78,302	78,302	78,302
Total Debt Service	8,472	8,437	5,613	0	78,302	78,302	78,302
Cash Flow After Debt Service	45,928	12,448	1,055	1,011	15,969	29,626	23,623
Ratios							
Current Ratio	2.0	2.8	0.9	0.9	1.2	1.6	1.9
Debt to Equity	0.2	0.2	0.3	0.4	1.3	1.4	1.5
Days Sales in Accounts Receivable	40.6	40.4	42.6	42.6	42.6	42.6	42.6
Months Operating Expenses in Unrestricted Cash	1.9	1.6	1.4	1.4	2.1	3.2	4.1
Debt Coverage Ratio	6.4	2.5	1.2	N/A	1.2	1.4	1.3

EXECUTIVE SUMMARY		Reviewer	Alex Fisher	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	September 23, 2021	
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F20-019 (Increase)	
REVOLVING LOAN FUND		WRIS Number	WX21199002	
BORROWER	CITY OF SOMERSET PULASKI COUNTY			
BRIEF DESCRIPTION				
The City of Somerset ("City") is requesting a Fund F loan increase of \$2,482,122 to supplement the Oak Hill Storage Tank Replacement, 5 MG booster station and water main extension project initially approved on December 5th, 2019 in the amount of \$7,027,878. This will bring the new total KIA loan amount up to \$9,510,000. The increase is due to higher bids than budgeted due the shortage of supplies, the project scope remains the same.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan Contract 1	\$5,530,000	RD Fee %	Actual %	
Fund F Loan Contract 2	2,285,800	Administrative Expenses		\$90,000
Fund F Loan Contract 3	1,694,200	Legal Expenses		5,000
		Land, Easements		30,000
		Planning		75,000
		Eng - Design / Const	6.4%	5.3%
		Eng - Insp	3.1%	2.6%
		Eng - Other		93,000
		Construction		8,027,000
		Contingency		520,000
TOTAL	\$9,510,000	TOTAL		\$9,510,000
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$365,539
	Term	30 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Bell Engineering		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Jul-21		
	Construction Start	Oct-21		
	Construction Stop	Oct-22		
DEBT PER CUSTOMER	Existing	\$1,801		
	Proposed	\$2,663		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	Users	Avg. Bill	
		9,123	\$17.59	(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	3,801,394	1,333,667	2,467,727	2.9
Audited 2019	3,730,172	1,341,139	2,389,033	2.8
Audited 2020	3,585,314	1,049,460	2,535,854	3.4
Projected 2021	3,673,953	945,712	2,728,241	3.9
Projected 2022	3,742,281	958,991	2,783,290	3.9
Projected 2023	3,788,176	1,225,971	2,562,205	3.1
Projected 2024	3,859,265	1,219,772	2,639,493	3.2
Projected 2025	3,931,775	1,210,267	2,721,508	3.2

Reviewer: Alex Fisher
Date: September 23, 2021
Loan Number: F20-019 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
CITY OF SOMERSET, PULASKI COUNTY
PROJECT REVIEW
WX21199002**

I. PROJECT DESCRIPTION

The City of Somerset ("City") is requesting a Fund F loan increase of \$2,482,122 to supplement the Oak Hill Storage Tank Replacement, 5 MG booster station and water main extension project initially approved on December 5th, 2019 in the amount of \$7,027,878. This will bring the new total KIA loan amount up to \$9,510,000. The increase is due to higher bids than budgeted due the shortage of supplies, the project scope remains the same.

This project has been divided into 3 separate contracts.

Contract 1 (Construction Contract # 397-19-01) includes the construction of a new 5-million-gallon Oak Hill Booster Pumping Station, Valley Oak Industrial Park Water System Improvements (Original Contract 2), the addition of Variable Frequency Drives at the Somerset Water Treatment Plant and SCADA.

Contract 2 (Construction Contract # 397-19-02) includes the construction of a new 1-million-gallon Oak Hill water storage tank.

Contract 3 (Construction Contract # 397-19-03) includes the construction of an 8-Inch water main near Lake Cumberland Regional Hospital to balance the pressure in the system, and the construction of a 20-Inch water main that will connect the new Oak Hill Water Storage and the new 5-million-gallon Oak Hill Booster Pumping Station.

The City is a regional provider currently serving approximately 9,000 retail and 4 wholesale customers in Somerset and the surrounding area. Of the 4 wholesale customers, Southeastern Water Association and Western Pulaski County Water District are PSC regulated systems.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 90,000
Legal Expenses	5,000
Land, Easements	30,000
Planning	75,000
Engineering Fees - Design	450,000
Engineering Fees - Inspection	220,000
Engineering Fees - Other	93,000
Construction	8,027,000
Contingency	520,000
Total	\$ 9,510,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan Contract 1	\$ 5,530,000	58%
Fund F Loan Contract 2	2,285,800	24%
Fund F Loan Contract 3	1,694,200	18%
Total	\$ 9,510,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 9,510,000
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 9,510,000
Interest Rate	0.50%
Loan Term (Years)	30
Estimated Annual Debt Service	\$ 341,764
Administrative Fee (0.25%)	23,775
Total Estimated Annual Debt Service	\$ 365,539

V. PROJECT SCHEDULE

Bid Opening	July 2021
Construction Start	October 2021
Construction Completion	October 2022

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	<u>Current</u>
Residential	6,870
Commercial	2,239
Industrial	<u>14</u>
Total	9,123

B) Rates

	Water Inside City		
	Current	Prior	Prior
Date of Last Rate Increase	07/01/21	07/01/17	07/01/15
Minimum 1,000 Gallons	\$8.29	\$8.10	\$7.94
Next 9,000 Gallons (per 100 Gallons)	\$0.31	\$0.30	\$0.30
Cost for 4,000 gallons	\$17.59	\$17.10	\$16.94
Increase %	2.9%	0.9%	
Affordability Index (Rate/MHI)	0.7%	0.7%	

	Water Outside City		
	Current	Prior	Prior
Date of Last Rate Increase	07/01/21	07/01/17	07/01/15
Minimum 1,000 Gallons	\$14.39	\$14.07	\$13.80
Next 9,000 Gallons (per 100 Gallons)	\$0.54	\$0.53	\$0.52
Cost for 4,000 gallons	\$30.59	\$29.97	\$29.40
Increase %	2.1%	1.9%	
Affordability Index (Rate/MHI)	1.3%	1.2%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility’s service area population was 17,537 with a Median Household Income (MHI) of \$28,906. The median household income for the Commonwealth is \$46,535. Being a disadvantaged community, the City qualifies for a 30-year loan term at 0.5% interest rate.

VIII. 2019 CAPITALIZATION GRANT EQUIVALENCIES

Additional Subsidization – This project does not qualify for additional subsidization.

IX. FINANCIAL ANALYSIS

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

HISTORY

Water revenues increased 4.4% from \$7.27 million in 2018 to \$7.59 million in 2020 due increase transportation, surcharges and other operating revenues. Operating expenses went up 15.4% during the same period as a result of management fees and moderate increases in general expenses. The debt coverage ratio was 2.9, 2.8, and 3.4 for 2018, 2019, and 2020 respectively.

The balance sheet of business-type activity reflected a current ratio of 13.8, debt to equity ratio of 0.5, 33.6 days' sales in accounts receivable, and 10.4 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues are projected to increase 2.3% for 2021 and 2% annually due to the Consumer Price Index increase ordinance.
- 2) Expenses will increase 2% annually for inflation.
- 3) Debt service coverage is 3.1 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 F loan.

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$476,000 total) of the final amount borrowed to be funded annually (\$23,800 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
Series 2012A	\$ 8,054,500	2052
Series 2012B	\$ 4,474,500	2052
Cumberland Valley Note	\$ 140,668	2022
Kentucky Rural Water Note	\$ 3,710,000	2036
Series 2021 GO Bonds		TBD
Citizens National Bank	\$ 25,040	2024
Citizens National Bank		TBD
Cumberland Security Note	\$ 28,020	2024
Total	\$16,432,728	

XI. CONTACTS

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

Applicant Contact	
Name	Dana Whitis
Organization	City of Somerset
Email	dwhitis@cityofsomerset.com
Phone	(606) 425-5364
Address	306 E Mt Vernon St, PO Box 989 Somerset, KY 42501

Project Administrator	
Name	Stephanie Smith
Organization	Lake Cumberland Area Development District
Email	stephanie@lcadd.org
Phone	(270) 866-4200
Address	2384 Lakeway Dr, PO Box 1570 Russell Springs, KY 42642

Consulting Engineer

PE Name	Kelly Gillespie
Firm Name	Bell Engineering
Email	kgillespie@hkbell.com
Phone	(859) 278-5412
Address	2488 Fortune Drive, Suite 350 Lexington, KY 40509

XII. RECOMMENDATIONS

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

CITY OF SOMERSET
FINANCIAL SUMMARY (JUNE YEAR END)

	Audited	Audited	Audited	Projected	Projected	Projected	Projected
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Balance Sheet							
Assets							
Current Assets	9,678,307	10,583,790	11,170,677	10,358,180	10,928,638	11,455,179	11,997,478
Other Assets	51,178,719	49,587,120	48,726,665	49,182,846	49,683,066	59,540,218	59,949,200
Total	60,857,026	60,170,910	59,897,342	59,541,026	60,611,704	70,995,397	71,946,678
Liabilities & Equity							
Current Liabilities	1,215,590	864,511	806,991	810,128	835,373	1,093,342	1,104,468
Long Term Liabilities	20,393,255	19,917,128	19,779,462	19,357,256	18,791,794	27,481,563	26,653,506
Total Liabilities	21,608,845	20,781,639	20,586,453	20,167,384	19,627,167	28,574,905	27,757,974
Net Assets	39,248,181	39,389,271	39,310,889	39,373,642	40,984,537	42,420,492	44,188,704
Cash Flow							
Revenues	7,269,316	7,575,077	7,586,233	7,755,540	7,906,150	8,059,772	8,216,467
Operating Expenses	3,494,603	3,876,579	4,033,420	4,114,088	4,196,370	4,304,097	4,389,703
Other Income	26,681	31,674	32,501	32,501	32,501	32,501	32,501
Cash Flow Before Debt Service	3,801,394	3,730,172	3,585,314	3,673,953	3,742,281	3,788,176	3,859,265
Debt Service							
Existing Debt Service	1,333,667	1,341,139	1,049,460	945,712	958,991	860,432	854,233
Proposed KIA Loan	0	0	0	0	0	365,539	365,539
Total Debt Service	1,333,667	1,341,139	1,049,460	945,712	958,991	1,225,971	1,219,772
Cash Flow After Debt Service	2,467,727	2,389,033	2,535,854	2,728,241	2,783,290	2,562,205	2,639,493
Ratios							
Current Ratio	8.0	12.2	13.8	12.8	13.1	10.5	10.9
Debt to Equity	0.6	0.5	0.5	0.5	0.5	0.7	0.6
Days Sales in Accounts Receivable	33.9	38.3	33.6	33.6	33.6	33.6	33.6
Months Operating Expenses in Unrestricted Cash	11.7	13.2	10.4	11.7	13.1	14.3	15.5
Debt Coverage Ratio	2.9	2.8	3.4	3.9	3.9	3.1	3.2

EXECUTIVE SUMMARY		Reviewer	Alex Fisher		
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	September 23, 2021		
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F20-021 (Increase)		
REVOLVING LOAN FUND		WRIS Number	WX21165025		
BORROWER	CAVE RUN WATER COMMISSION MENIFEE COUNTY				
BRIEF DESCRIPTION The Cave Run Water Commission is requesting a Fund F loan increase of \$868,750 to supplement the Elevated Water Storage Tank Construction project initially approved on June 4th, 2020, which will bring the new total KIA loan amount up to \$2,040,100. The increase is due to higher bids than budgeted due the shortage of supplies and increased material costs. The project scope remains the same.					
PROJECT FINANCING		PROJECT BUDGET		RD Fee %	Actual %
Fund F Loan	\$2,040,100	Administrative Expenses			\$40,000
		Legal Expenses			15,000
		Planning			22,500
		Eng - Design / Const	7.9%	4.3%	77,700
		Eng - Insp	4.8%	2.8%	50,400
		Eng - Other			25,000
		Construction			1,645,000
		Contingency			164,500
TOTAL	\$2,040,100	TOTAL			\$2,040,100
REPAYMENT	Rate	1.50%	Est. Annual Payment	\$123,549	
	Term	20 Years	1st Payment	6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	Kentucky Engineering Group PLLC			
	Bond Counsel	Rubin & Hays			
PROJECT SCHEDULE	Bid Opening	Aug-21			
	Construction Start	Mar-22			
	Construction Stop	Dec-22			
DEBT PER CUSTOMER	Existing	N/A (Wholesale)			
	Proposed	N/A (Wholesale)			
OTHER DEBT	See Attached				
WHOLESALE RATES	Current	<u>Users</u>	<u>Avg. Bill</u>		
		3	\$2.67	(for 1,000 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	351,896	175,662	176,234	2.0	
Audited 2019	441,597	206,714	234,883	2.1	
Audited 2020	420,448	191,623	228,825	2.2	
Projected 2021	402,949	214,381	188,568	1.9	
Projected 2022	428,066	214,622	213,444	2.0	
Projected 2023	465,343	338,373	126,970	1.4	
Projected 2024	450,944	338,336	112,608	1.3	
Projected 2025	436,257	338,861	97,396	1.3	

Reviewer: Alex Fisher
Date: September 23, 2021
Loan Number: F20-021 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
CAVE RUN WATER COMMISSION, MENIFEE COUNTY
PROJECT REVIEW
WX21165025**

I. PROJECT DESCRIPTION

The Cave Run Water Commission is requesting a Fund F loan increase of \$868,750 to supplement the Elevated Water Storage Tank Construction project initially approved on June 4th, 2020, which will bring the new total KIA loan amount up to \$2,040,100. The increase is due to higher bids than budgeted due the shortage of supplies and increased material costs. The project scope remains the same.

This project will construct a new water tank in order to provide purchase source water protection and water supply redundancy that is currently lacking in the system. A new 300,000 gallon elevated storage tank will be constructed on the Menifee and Morgan County Line to service the City of Frenchburg, City of Jeffersonville, and the Morgan County Water district. SCADA will be installed at the tank to enable remote reading and level control from the Water Treatment Plant along with a security fence and approximately 800 LF of 12" PVC waterline to connect the new tank to the existing transmission line.

With Cave Run Water Commission's current system configuration and operations, Morgan County Water District's Ezel Water Tank (150,000 gallons) empties in 10-12 hours when Cave Run stops producing water at the water treatment plant. The Ezel Water Tank has been emptied two times in the past year because it cannot be filled when the plant isn't producing water. By constructing a new water tank, Cave Run Water Commission will be able to provide additional storage for the service area and allow the Ezel Water Tank to be filled when the water treatment plant is shutdown between production.

Cave Run Water Commission provides approximately 40-50% of Morgan County Water District's water; 95-99% of the City of Frenchburg's water; and 95-99% of the City of Jeffersonville's water. In total, Cave Run Water Commission indirectly services a population of 18,900 from the Cave Run Tank and sells an average of 1 million gallons of water to wholesale customers each day.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 40,000
Legal Expenses	15,000
Planning	22,500
Engineering Fees - Design	77,700
Engineering Fees - Inspection	50,400
Engineering Fees - Other	25,000
Construction	1,645,000
Contingency	164,500
Total	\$ 2,040,100

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 2,040,100	100%
Total	\$ 2,040,100	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 2,040,100
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 2,040,100
Interest Rate	1.50%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 118,449
Administrative Fee (0.25%)	5,100
Total Estimated Annual Debt Service	\$ 123,549

V. PROJECT SCHEDULE

Bid Opening	August 2021
Construction Start	March 2022
Construction Stop	December 2022

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current
Wholesale	3
Total	3

B) Rates

	Newly Passed	Current	Prior
Date of Last Rate Increase	01/01/22	07/01/18	07/01/17
Wholesale Rate (per 1,000 gallons)	\$2.90	\$2.67	\$2.57
Cost for 1,000 gallons	\$2.90	\$2.67	\$2.57
Increase %	8.6%	3.9%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2017, the Utility's service area population was approximately 18,900 based on the three wholesale customers it provides service to in Morgan, Menifee, and Montgomery counties. The project will qualify for the non-standard 1.5% interest rate because Cave Run Water Commission is a regional provider.

VIII. 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.

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2018 through June 30, 2020. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Revenues increased 7% from \$1.02 million in 2018 to \$1.09 million in 2020 due to wholesale rate increases and volume growth. Operating expenses increased 1.3% over the same period due to increased payroll expenses. The debt coverage ratio was 2.0, 2.1, and 2.2 in 2018, 2019, and 2020 respectively.

The 2020 balance sheet reflects a current ratio of 7.1, debt to equity ratio of 0.4, 42.6 days' sales in accounts receivable, and 17.4 months operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Recently passed rate increase of 8.6% will go into effect January 2022, which will provide the water commission ample coverage for this loan's debt service. The rate is projected flat after that increase.
- 2) Volume growth will remain flat for the projected years.
- 3) Expenses will grow 2% annually due to inflation.
- 4) Debt service coverage is 1.4 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 F loan.

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$102,000 total) of the final amount borrowed to be funded annually (\$5,100 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
USDA RD Bond	\$ 2,408,000	2044
USDA RD Bond	231,500	2048
KIA Loan (F16-032)	614,451	2038
Total	\$ 3,253,951	

XI. CONTACTS

Legal Applicant

Entity Name	Cave Run Water Commission
Authorized Official	Edward Bryant (Chairperson)
County	Menifee
Email	mayor@mrtc.com
Phone	(606) 768-3457
Address	P.O. Box 20, 7533 Hwy 1693 Wellington, KY 40387

Applicant Contact

Name	Larry Workman
Organization	Cave Run Water Commission
Email	crwater@mrtc.com
Phone	(606) 768-6665
Address	P.O. Box 20 Frenchburg, KY 40322

Project Administrator

Name	Jocelyn Gross
Organization	Gateway Area Development District
Email	jocelynr.gross@ky.gov
Phone	(606) 780-0090
Address	110 Lake Park Dr. Morehead, KY 40351

Consulting Engineer

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

XII. RECOMMENDATIONS

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

**CAVE RUN WATER 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>
Balance Sheet								
Assets								
Current Assets	713,508	1,057,159	1,121,388	1,140,196	1,166,040	1,185,337	1,196,598	1,206,337
Other Assets	11,499,464	11,180,711	10,980,460	10,846,266	10,683,457	12,488,021	12,239,560	11,977,408
Total	12,212,972	12,237,870	12,101,848	11,986,462	11,849,497	13,673,359	13,436,158	13,183,746
Liabilities & Equity								
Current Liabilities	99,858	215,152	157,544	161,224	165,868	294,162	298,810	303,685
Long Term Liabilities	3,423,821	3,298,356	3,216,197	3,117,973	3,016,405	4,827,943	4,596,033	4,360,548
Total Liabilities	3,523,679	3,513,508	3,373,741	3,279,197	3,182,273	5,122,105	4,894,843	4,664,233
Net Assets	8,689,293	8,724,362	8,728,107	8,707,265	8,667,224	8,551,254	8,541,315	8,519,513
Cash Flow								
Revenues	1,016,576	1,145,689	1,087,933	1,087,589	1,126,546	1,183,040	1,183,040	1,183,040
Operating Expenses	669,815	710,068	678,421	691,989	705,829	725,046	739,445	754,132
Other Income	5,135	5,976	10,936	7,349	7,349	7,349	7,349	7,349
Cash Flow Before Debt Service	351,896	441,597	420,448	402,949	428,066	465,343	450,944	436,257
Debt Service								
Existing Debt Service	175,662	206,714	191,623	214,381	214,622	214,824	214,787	215,312
Proposed KIA Loan	0	0	0	0	0	123,549	123,549	123,549
Total Debt Service	175,662	206,714	191,623	214,381	214,622	338,373	338,336	338,861
Cash Flow After Debt Service	176,234	234,883	228,825	188,568	213,444	126,970	112,608	97,396
Ratios								
Current Ratio	7.1	4.9	7.1	7.1	7.0	4.0	4.0	4.0
Debt to Equity	0.4	0.4	0.4	0.4	0.4	0.6	0.6	0.5
Days Sales in Accounts Receivable	42.5	37.2	42.6	42.6	42.6	42.6	42.6	42.6
Months Operating Expenses in Unrestricted Cash	10.7	15.7	17.4	17.4	17.4	17.3	17.1	17.0
Debt Coverage Ratio	2.0	2.1	2.2	1.9	2.0	1.4	1.3	1.3

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND F, FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND		Reviewer Date KIA Loan Number WRIS Number	Sarah Parsley May 6, 2021 F21-002 WX21175041	
BORROWER	MORGAN COUNTY WATER DISTRICT MORGAN COUNTY			
BRIEF DESCRIPTION				
The KY Hwy 191 Waterline Replacement Project will replace the existing aging (30+ years old) waterlines along KY Hwy 191, Red Bird Lane, Barker Branch Road, CR 1221, Bigstaff Branch Road, CR 1000, Morris Cemetery Rd, KY 1162, and Stinson Branch Road with new 3", 4", 6", and 8" PVC piping. This will assist the District in reducing the extremely high water loss they are currently experiencing due to waterline breaks and faulty water meters. In addition to waterline replacement, approximately one third of the Morgan County Water District's water meters will be replaced and upgraded to the newest transmitter system available.				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$3,262,000	RD Fee %	Actual %	
		Administrative Expenses	\$40,000	
		Legal Expenses	5,000	
		Planning	10,000	
		Eng - Design / Const	7.4% 7.2% 205,500	
		Eng - Insp	4.2% 4.1% 115,700	
		Eng - Other	41,000	
		Construction	2,576,800	
		Contingency	258,000	
		Other	10,000	
TOTAL	\$3,262,000	TOTAL	\$3,262,000	
REPAYMENT	Rate Term	0.25% 30 Years	Est. Annual Payment 1st Payment 6 Mo. after first draw \$83,965	
PROFESSIONAL SERVICES	Engineer Bond Counsel	Nesbitt Engineering, Inc. Rubin & Hays		
PROJECT SCHEDULE	Bid Opening Construction Start Construction Stop	Aug-21 Sep-21 Sep-22		
DEBT PER CUSTOMER	Existing Proposed	\$1,267 \$1,943		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES	Current Additional	Users 2,850 0	Avg. Bill \$54.42 (for 4,000 gallons) \$54.42 (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	266,121	177,734	88,387	1.5
Audited 2018	138,497	178,842	(40,345)	0.8
Audited 2019	196,464	238,136	(41,672)	0.8
Projected 2020	186,467	279,040	(92,573)	0.7
Projected 2021	342,739	246,137	96,602	1.4
Projected 2022	517,951	244,592	273,359	2.1
Projected 2023	499,142	331,086	168,056	1.5
Projected 2024	488,321	328,962	159,359	1.5

Reviewer: Sarah Parsley
Date: May 6, 2021
Loan Number: F21-002

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
MORGAN COUNTY WATER DISTRICT, MORGAN COUNTY
PROJECT REVIEW
WX21175041**

I. PROJECT DESCRIPTION

The Morgan County Water District is requesting a Fund F loan in the amount of \$3,262,000 for the Ky Hwy 191 Waterline Replacement Reserve project. This project will involve replacing the existing aging (30+ years old) waterlines along KY Hwy 191, Red Bird Lane, Barker Branch Road, CR 1221, Bigstaff Branch Road, CR 1000, Morris Cemetery Rd, KY 1162, and Stinson Branch Road with new 3", 4", 6", and 8" PVC piping. This will assist the District in reducing the extremely high water loss they are currently experiencing due to waterline breaks and faulty water meters. In addition to waterline replacement, approximately one third of the Morgan County Water District's water meters will be replaced and upgraded to the newest transmitter system available.

The Water District serves approximately 2,850 customers and is regulated by the PSC.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 40,000
Legal Expenses	5,000
Planning	10,000
Engineering Fees - Design	164,500
Engineering Fees - Construction	41,000
Engineering Fees - Inspection	115,700
Engineering Fees - Other	41,000
Construction	2,576,800
Contingency	258,000
Other	10,000
Total	\$ 3,262,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 3,262,000	100%
Total	\$ 3,262,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 3,262,000
Less: Principal Forgiveness	1,000,000
Amortized Loan Amount	\$ 2,262,000
Interest Rate	0.25%
Loan Term (Years)	30
Estimated Annual Debt Service	\$ 78,310
Administrative Fee (0.25%)	5,655
Total Estimated Annual Debt Service	\$ 83,965

V. PROJECT SCHEDULE

Bid Opening	August 15, 2021
Construction Start	September 15, 2021
Construction Stop	September 15, 2022

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Current	Proposed	Total
Residential	2,700	0	2,700
Commercial	150	0	150
Industrial	0	0	0
Total	2,850	0	2,850

B) Rates

	Proposed	Current	Prior
Date of Last Rate Increase	07/01/21	10/13/19	07/22/17
Minimum (2000 gallons)	\$31.27	\$25.42	\$25.22
Next 3,000 Gallons (per 1000 gal)	11.57	9.41	9.31
Over 3,000 Gallons	10.73	8.72	8.62
Cost for 4,000 gallons	\$54.42	\$44.24	\$43.84
Increase %	23.0%	0.9%	
Affordability Index (Rate/MHI)	1.9%	1.6%	

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 qualify for additional subsidization. Principal forgiveness of up to 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.

VIII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2017 through June 30, 2019. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – 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

Revenues increased 4.1% from \$1,423,025 in 2017 to \$1,466,816 in 2019 due to a rate increase. Operating expenses increased 8.8% from \$1,167,276 in 2017 to \$1,270,427 in 2019.

The 2019 balance sheet reflects a current ratio of 0.4, a debt to equity ratio of 0.4, 38.7 days sales in accounts receivable, and 0 months operating expense in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Water revenues will increase by approximately 23% by July 2021, pending PSC approval.
- 2) Expenses will increase 2% for inflation.
- 3) Debt service coverage is 1.5 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 F loan.

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$164,000 total) of the final amount borrowed (prior to principal forgiveness) to be funded annually (\$8,200 yearly) each December 1 for 20 years and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	Outstanding	Maturity
Bonds, Series 2001	\$ 231,000	2040
Bonds, Series 2006	829,000	2045
Bonds, Series 2008	1,271,890	2048
KRWFC Bonds, Series 2016D	1,250,000	2042
Bank of the Mountains	30,000	2020
Total	\$ 3,611,890	

X. CONTACTS

Legal Applicant	
Entity Name	Morgan County Water District
Authorized Official	Linda Bradley (Chairman)
County	Morgan
Email	shelam89@yahoo.com
Phone	(606) 743-1204
Address	1009 Hwy 172 West Liberty, KY 41472

Applicant Contact	
Name	Shannon Elam
Organization	Morgan County Water District
Email	mcwdshannon@gmail.com
Phone	(606) 743-1204
Address	1009 Hwy 172 West Liberty, KY 41472

Project Administrator

Name	Jocelyn Gross
Organization	Gateway Area Development District
Email	jocelynr.gross@ky.gov
Phone	(606) 780-0090
Address	110 Lake Park Dr Morehead, KY 40351

Consulting Engineer

PE Name	Paul Nesbitt
Firm Name	Nesbitt Engineering, Inc.
Email	pnesbitt@nei-ky.com
Phone	(859) 233-3111
Address	227 N Upper St Lexington, KY 40507

XI. RECOMMENDATIONS

KIA staff recommends approval of the loan with the standard conditions and the following PSC conditions.

- 1) The District will need to apply to the Public Service Commission (PSC), pursuant to KRS 278.300, for debt authorization for the \$3,262,000 loan. This debt authorization application should include a forecast for meeting debt service projected through no less than 2025.
- 2) By June 30, 2021, the District will need a resolution 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 15% 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.

**MORGAN COUNTY 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>
Balance Sheet								
Assets								
Current Assets	195,296	166,098	163,711	145,189	182,110	256,482	290,093	321,965
Other Assets	17,527,338	17,791,893	17,258,666	16,676,186	16,245,045	19,135,760	18,680,233	18,217,748
Total	<u>17,722,634</u>	<u>17,957,991</u>	<u>17,422,377</u>	<u>16,821,375</u>	<u>16,427,155</u>	<u>19,392,242</u>	<u>18,970,326</u>	<u>18,539,713</u>
Liabilities & Equity								
Current Liabilities	384,786	365,056	416,503	389,443	392,953	401,013	404,603	411,743
Long Term Liabilities	4,091,002	4,372,987	4,298,176	4,196,656	4,092,626	6,243,536	6,129,856	6,010,036
Total Liabilities	<u>4,475,788</u>	<u>4,738,043</u>	<u>4,714,679</u>	<u>4,586,099</u>	<u>4,485,579</u>	<u>6,644,549</u>	<u>6,534,459</u>	<u>6,421,779</u>
Net Assets	<u>13,246,846</u>	<u>13,219,948</u>	<u>12,707,698</u>	<u>12,235,276</u>	<u>11,941,576</u>	<u>12,747,693</u>	<u>12,435,867</u>	<u>12,117,934</u>
Cash Flow								
Revenues	1,423,025	1,417,970	1,466,816	1,466,816	1,633,285	1,818,898	1,818,898	1,818,898
Operating Expenses	1,156,997	1,279,574	1,270,427	1,280,424	1,290,621	1,301,022	1,319,831	1,330,652
Other Income	93	101	75	75	75	75	75	75
Cash Flow Before Debt Service	<u>266,121</u>	<u>138,497</u>	<u>196,464</u>	<u>186,467</u>	<u>342,739</u>	<u>517,951</u>	<u>499,142</u>	<u>488,321</u>
Debt Service								
Existing Debt Service	177,734	178,842	238,136	279,040	246,137	244,592	247,121	244,997
Proposed KIA Loan	0	0	0	0	0	0	83,965	83,965
Total Debt Service	<u>177,734</u>	<u>178,842</u>	<u>238,136</u>	<u>279,040</u>	<u>246,137</u>	<u>244,592</u>	<u>331,086</u>	<u>328,962</u>
Cash Flow After Debt Service	<u>88,387</u>	<u>(40,345)</u>	<u>(41,672)</u>	<u>(92,573)</u>	<u>96,602</u>	<u>273,359</u>	<u>168,056</u>	<u>159,359</u>
Ratios								
Current Ratio	0.5	0.5	0.4	0.4	0.5	0.6	0.7	0.8
Debt to Equity	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.5
Days Sales in Accounts Receivable	41.9	40.0	38.7	38.7	38.7	38.7	38.7	38.7
Months Operating Expenses in Unrestricted Cash	0.3	0.0	0.0	(0.2)	0.0	0.5	0.8	1.1
Debt Coverage Ratio	1.5	0.8	0.8	0.7	1.4	2.1	1.5	1.5

AREA Morgan County, KY

PSC KY NO. 2

1st Revised SHEET NO. 4

CANCELLING PSC KY NO. 2

Original SHEET NO. 4

Morgan County Water District

(NAME OF UTILITY)

SECTION 1. RATES AND CHARGES

Monthly Water Rates

5/8- x 3/4-Inch Meter

First 2,000 Gallons	\$28.34 Minimum bill	(I)
Next 3,000 Gallons	0.01049 Per Gallon	↓
Next 5,000 Gallons	0.00972 Per Gallon	
Next 5,000 Gallons	0.00895 Per Gallon	
Over 15,000 Gallons	0.00818 Per Gallon	

1-Inch Meter

First 5,000 Gallons	\$59.97 Minimum bill
Next 5,000 Gallons	0.00972 Per Gallon
Next 5,000 Gallons	0.00895 Per Gallon
Over 15,000 Gallons	0.00818 Per Gallon

2-Inch Meter

First 15,000 Gallons	\$152.06 Minimum bill
Over 15,000 Gallons	0.00818 Per Gallon

6-Inch Meter

First 100,000 Gallons	\$848.86 Minimum bill
Over 100,000 Gallons	0.00818 Per Gallon

Wholesale Water Rates *Connection for Emergency Use Only*

City of Campton	0.00475 Per Gallon	(T)
City of Frenchburg	0.00475 Per Gallon	↓

DATE OF ISSUE May 17, 2021

MONTH / DATE / YEAR

DATE EFFECTIVE April 26, 2021

MONTH / DATE / YEAR

ISSUED BY Brian C. Miller

SIGNATURE OF OFFICER

TITLE Chairman

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2021-00146 DATED April 26, 2021

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**Linda C. Bridwell
Executive Director**



EFFECTIVE

5/14/2021

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

EXECUTIVE SUMMARY		Reviewer	Alex Fisher	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	April 1, 2021	
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number	F21-010	
REVOLVING LOAN FUND		WRIS Number	WX21133054	
BORROWER		LETCHER COUNTY WATER & SEWER DISTRICT LETCHER COUNTY		
BRIEF DESCRIPTION				
<p>The Letcher County Water and Sewer District is requesting a Fund F loan in the amount of \$2,487,495 for the Regional Interconnect & Distribution Lines Cumberland River Phase 4 project. The proposed project will provide a first time source of potable water for approximately 200 households in Letcher County through the establishment of a regional interconnect with the City of Cumberland and the construction of distribution lines along the KY HWY 119 corridor in Letcher County. Residents of Collier's Creek and Lewis Branch will be served as part of this project. The project will also lay the foundation from which distribution can be expanded through the remainder of the Cumberland River area in subsequent Phases I, II and III. The project will be installed primarily on state and county rights of way and will utilize trenchless technology to accomplish any and all stream crossings.</p> <p>The distribution lines portion of the project has been reviewed and approved by KYDOW. Construction will include 13,753 LF of 6" PVC, 10,385 LF of 4" PVC, and 16,157 LF of 3" PVC for a total of 40,295 LF of new waterline extension. The project will also construct a 100,000-gallon storage tank, a 250 GPM Pump Station, six flushing hydrants, six blow off valves, sixteen 6" Gate Valve, six 4" Gate Valves, four 3" Gate Valves, three air release valves, one pressure Stabilizing valve, and a master meter. The project does include telemetry.</p> <p>Currently Letcher County Water and Sewer serves 2,989 residential and 10 commercial customers.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$2,487,495	RD Fee %	Actual %	
LGEDF	708,539	Administrative Expenses		\$40,000
ARC	500,000	Legal Expenses		35,000
		Land, Easements		25,000
		Eng - Design / Const	7.2%	7.2%
		Eng - Insp	4.0%	3.9%
		Eng - Other		90,000
		Construction		2,868,328
		Contingency		286,172
TOTAL	\$3,696,034	TOTAL		\$3,696,034
REPAYMENT	Rate	0.25%	Est. Annual Payment	\$80,015
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Bell Engineering		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Sep-21		
	Construction Start	Nov-21		
	Construction Stop	Nov-22		
DEBT PER CUSTOMER	Existing	\$721		
	Proposed	\$2,427		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	2,999	\$43.66 (for 4,000 gallons)	
	Additional	200	\$43.66 (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	263,237	180,548	82,689	1.5
Audited 2018	357,213	164,941	192,272	2.2
Audited 2019	149,557	164,941	(15,384)	0.9
Projected 2020	130,454	172,892	(42,438)	0.8
Projected 2021	153,934	173,160	(19,226)	0.9
Projected 2022	440,497	386,976	53,521	1.1
Projected 2023	529,561	468,600	60,961	1.1
Projected 2024	618,311	467,521	150,790	1.3

Reviewer: Alex Fisher
Date: April 1, 2021
Loan Number: F21-010

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
LETCHER COUNTY WATER DISTRICT, LETCHER COUNTY
PROJECT REVIEW
WX21133054**

I. PROJECT DESCRIPTION

The Letcher County Water and Sewer District is requesting a Fund F loan in the amount of \$2,487,495 for the Regional Interconnect & Distribution Lines Cumberland River Phase 4 project. The proposed project will provide a first time source of potable water for approximately 200 households in Letcher County through the establishment of a regional interconnect with the City of Cumberland and the construction of distribution lines along the KY HWY 119 corridor in Letcher County. Residents of Collier's Creek and Lewis Branch will be served as part of this project. The project will also lay the foundation from which distribution can be expanded through the remainder of the Cumberland River area in subsequent Phases I, II and III. The project will be installed primarily on state and county rights of way and will utilize trenchless technology to accomplish any and all stream crossings.

The distribution lines portion of the project has been reviewed and approved by KYDOW. Construction will include 13,753 LF of 6" PVC, 10,385 LF of 4" PVC, and 16,157 LF of 3" PVC for a total of 40,295 LF of new waterline extension. The project will also construct a 100,000-gallon storage tank, a 250 GPM Pump Station, six flushing hydrants, six blow off valves, sixteen 6" Gate Valve, six 4" Gate Valves, four 3" Gate Valves, three air release valves, one pressure Stabilizing valve, and a master meter. The project does include telemetry.

Currently Letcher County Water and Sewer serves 2,989 residential and 10 commercial customers.

II. PROJECT BUDGET

	Total
Administrative Expenses	\$ 40,000
Legal Expenses	35,000
Land, Easements	25,000
Engineering Fees - Design	227,100
Engineering Fees - Inspection	124,434
Engineering Fees - Other	90,000
Construction	2,868,328
Contingency	286,172
Total	\$ 3,696,034

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 2,487,495	67%
LGEDF	708,539	19%
ARC	500,000	14%
Total	\$ 3,696,034	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 2,487,495
Less: Principal Forgiveness	<u>1,000,000</u>
Amortized Loan Amount	\$ 1,487,495
Interest Rate	0.25%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 76,296
Administrative Fee (0.25%)	<u>3,719</u>
Total Estimated Annual Debt Service	\$ 80,015

V. PROJECT SCHEDULE

Bid Opening	September 2021
Construction Start	November 2021
Construction Stop	November 2022

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

<u>Customers</u>	<u>Current</u>	<u>Proposed</u>	<u>Total</u>
Residential	2,989	200	3,189
Commercial	10	0	10
Industrial	0	0	0
Total	<u>2,999</u>	<u>200</u>	<u>3,199</u>

B) Rates

WATER (In City and Out of City)	Proposed	Current	Prior
Date of Last Rate Increase	07/01/21	03/23/20	06/20/01
Minimum (2,000 gallons)	29.48	\$28.08	\$27.50
Next 1,000 gallons over 2,000	8.18	7.79	7.50
Cost for 4,000 gallons	\$45.84	\$43.66	\$42.50
Increase %	5.0%	2.7%	
Affordability Index (Rate/MHI)	1.9%	1.8%	

SEWER (In City and Out of City)	Current	Prior
Date of Last Rate Increase	03/23/20	06/20/01
Minimum (4,000 gallons)	\$20.00	\$20.00
Cost for 4,000 gallons	\$20.00	\$20.00
Increase %	0.0%	
Affordability Index (Rate/MHI)	0.8%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2016, the Utility's service area population was 10,736 with a Median Household Income (MHI) of \$29,118. The median household income for the Commonwealth is \$48,392. The loan will qualify for a 20-year loan term at 0.25% interest rate and \$1,000,000 in principal forgiveness.

VIII. 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 qualify for 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, 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 22.3% from \$1.27 million in 2017 to \$1.56 in 2019 while operating expenses increased 40.3% from \$0.53 million to \$0.74 million during the same period primarily due to wages and office expenses. The debt coverage ratio was 1.5, 2.2, and 0.9 in 2017, 2018, and 2019 respectively.

The balance sheet reflects a current ratio of 2.7, a debt to equity ratio of 0.1, 43.6 days of sales in accounts receivable, and 3.3 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will need to increase water rates 5% effective 7/1/2021 for FY2022 to cover the debt service for both loan requests F21-033 and F21-010.
- 2) Each funding source provides funding as allocated in the project funding above.
- 3) Expenses are projected to increase 2% annually due to 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 F loan.

REPLACEMENT RESERVE

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

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Rural Utilities Service Bond (RUS)	\$ 667,000	2045
Blackey Water Treatment Plant (RUS)	337,000	2036
Camp Branch Sandlick (RUS)	827,500	2045
KIA F07-04 (Little Cowan)	330,644	2027
KIA Loan F21-033 (i/a/o \$4,000,000)		TBD
Total	\$ 2,162,144	

XI. CONTACTS

Legal Applicant

Entity Name	Letcher County Water & Sewer District
Authorized Official	Dianne Adams (Chairman)
County	Letcher
Email	dianneatisom@gmail.com
Phone	(606) 633-8550
Address	3443 US 119 N Mayking, KY 41837

Applicant Contact

Name	Mark Lewis
Organization	Letcher County Water and Sewer District
Email	marklws21@gmail.com
Phone	(606) 633-8550
Address	3443 US 119 N Mayking, KY 41837

Project Administrator

Name	Angelia Hall
Organization	Kentucky River Area Development District
Email	Angelia@kradd.org
Phone	(606) 436-3158
Address	941 N Main St Hazard, KY 41702

Consulting Engineer

PE Name	Stephen Caudill
Firm Name	Bell Engineering
Email	scaudill@hkbell.com
Phone	(859) 278-5412
Address	2480 Fortune Dr STE 350 Lexington, KY 40509

XII. 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 \$2,487,495 loan. This debt authorization application should include a forecast for meeting debt service projected through no less than (2025).
2. By April 30, 2021, the District will need a resolution from the Letcher County Water and Sewer 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 increase by \$73,391, which equates approximately to rates increased by 5% 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.

Letcher County Water & Sewer District
3443 Hwy 119 N
Mayking, Ky 41837

RESOLUTION 2021-8-19 B

NOW THEREFORE BE IT RESOLVED:

1) The Letcher County Water & Sewer District Board approves the execution of the contract with Kentucky Infrastructure Authority for the loan (F21-010) in the amount of \$2,487,495.

2) The Letcher County Water & Sewer District Board approves and directs the Chairman to execute and sign all documents required for the contracts with Kentucky Infrastructure Authority for the loan (F21-010) in the amount of \$2,487,495. 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 Letcher County Water & Sewer District Board commits to increase revenues as necessary and authorized by PSC to meet the loan requirements over the life. KIA Staff review indicates that revenues would need to be increased by \$202,000.00 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 Letcher County Water & Sewer District Board commits to increase revenues as necessary to maintain a debt service coverage is 1.1 in 2023 and beyond.

APPROVED DATE: 8-19-2021

Chairman: Deanne Adams Date: 8-19-21

Attested: Stephanie Bowling Date: 8-19-21

**LETCHER COUNTY WATER & SEWER DISTRICT
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2017</u>	<u>Audited</u> <u>2018</u>	<u>Audited</u> <u>2019</u>	<u>Projected</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Projected</u> <u>2024</u>
Balance Sheet								
Assets								
Current Assets	553,620	594,154	587,054	544,583	529,957	604,777	678,238	841,528
Other Assets	25,076,654	25,449,442	25,033,755	24,203,090	23,372,425	33,997,593	33,090,727	32,183,861
Total	25,630,274	26,043,596	25,620,809	24,747,673	23,902,382	34,602,370	33,768,965	33,025,389
Liabilities & Equity								
Current Liabilities	165,931	240,931	215,591	217,366	219,166	220,966	222,866	224,766
Long Term Liabilities	2,317,666	2,243,001	2,208,925	2,121,576	2,034,227	7,809,373	7,722,024	7,634,675
Total Liabilities	2,483,597	2,483,932	2,424,516	2,338,942	2,253,393	8,030,339	7,944,890	7,859,441
Net Assets	23,146,677	23,559,664	23,196,293	22,408,731	21,648,989	26,572,031	25,824,075	25,165,948
Cash Flow								
Revenues	1,271,111	1,559,176	1,555,036	1,555,036	1,593,625	1,771,800	1,876,584	1,981,368
Operating Expenses	1,023,739	1,223,148	1,407,875	1,426,978	1,442,087	1,333,699	1,349,419	1,365,453
Other Income	15,865	21,185	2,396	2,396	2,396	2,396	2,396	2,396
Cash Flow Before Debt Service	263,237	357,213	149,557	130,454	153,934	440,497	529,561	618,311
Debt Service								
Existing Debt Service	180,548	164,941	164,941	172,892	173,160	171,809	173,418	172,339
Proposed KIA Loan	0	0	0	0	0	215,167	295,182	295,182
Total Debt Service	180,548	164,941	164,941	172,892	173,160	386,976	468,600	467,521
Cash Flow After Debt Service	82,689	192,272	(15,384)	(42,438)	(19,226)	53,521	60,961	150,790
Ratios								
Current Ratio	3.3	2.5	2.7	2.5	2.4	2.7	3.0	3.7
Debt to Equity	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3
Days Sales in Accounts Receivable	54.1	45.3	43.6	43.6	43.6	43.6	43.6	43.6
Months Operating Expenses in Unrestricted Cash	4.1	3.8	3.3	2.9	2.7	3.4	3.9	5.2
Debt Coverage Ratio	1.5	2.2	0.9	0.8	0.9	1.1	1.1	1.3

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND F, FEDERALLY ASSISTED DRINKING WATER REVOLVING LOAN FUND		Reviewer Date KIA Loan Number WRIS Number	Alex Fisher April 1, 2021 F21-033 WX21133057	
BORROWER	LETCHER COUNTY WATER & SEWER DISTRICT LETCHER COUNTY			
BRIEF DESCRIPTION				
<p>The Letcher County Water District ("LCWD") is requesting a Fund F loan in the amount of \$4,000,000 for the Letcher County WTP project. This project will construct a 1,000,000 GPD water treatment plant at the Letcher and Perry County line on Highway 7. The project will include construction of the plant, the intake with 387 LF of 8" DI to the intake and approximately 295 LF of 8" DI to tie into the existing LCWSD system. The plant will be owned and operated by the LCWSD.</p> <p>The WTP will include VFD raw water and high service pumps, LED lighting (interior/exterior), Energy Star rate appliances/fixtures, stand-by diesel generators, Low E windows, Reflective Membrane Roof, Raw water intake and screen with permanganate feed and forced air backwash, Chemical feed, Flocculation basins, Settling Basins, Filtration Basins, Finish water chemical feed, Clear well, Side storage, Sedimentation / backwash basin, Sludge Drying bed/and or sludge hopper, and Primary Disinfectant will be chlorine liquid.</p> <p>Currently the Letcher County Water District serves 2,989 residential and 10 commercial customers.</p>				
PROJECT FINANCING		PROJECT BUDGET		
Fund F Loan	\$4,000,000	Administrative Expenses	\$50,000	
EDA	2,000,000	Legal Expenses	40,000	
USDA RD Loan	375,000	Land, Easements	60,000	
USDA RD Grant	125,000	Planning	20,000	
ARC	1,336,000	Eng - Design / Const	6.6% 5.9% 392,000	
		Eng - Insp	4.4% 4.4% 290,500	
		Eng - Other	383,500	
		Construction	6,000,000	
		Contingency	600,000	
TOTAL	<u>\$7,836,000</u>	TOTAL	<u>\$7,836,000</u>	
REPAYMENT	Rate	0.25%	Est. Annual Payment \$215,167	
	Term	20 Years	1st Payment 6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	Bell Engineering		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Sep-21		
	Construction Start	Oct-21		
	Construction Stop	Jun-22		
DEBT PER CUSTOMER	Existing	\$721		
	Proposed	\$2,588		
OTHER DEBT	See Attached			
RESIDENTIAL RATES	Current	<u>Users</u> 2,999	<u>Avg. Bill</u> \$43.66 (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	263,237	180,548	82,689	1.5
Audited 2018	357,213	164,941	192,272	2.2
Audited 2019	149,557	164,941	(15,384)	0.9
Projected 2020	130,454	172,892	(42,438)	0.8
Projected 2021	153,934	173,160	(19,226)	0.9
Projected 2022	440,497	386,976	53,521	1.1
Projected 2023	529,561	468,600	60,961	1.1
Projected 2024	618,311	467,521	150,790	1.3

Reviewer: Alex Fisher
Date: April 1, 2021
Loan Number: F21-033

**KENTUCKY INFRASTRUCTURE AUTHORITY
DRINKING WATER STATE REVOLVING FUND (FUND F)
LETCHER COUNTY WATER DISTRICT, LETCHER COUNTY
PROJECT REVIEW
WX21133057**

I. PROJECT DESCRIPTION

The Letcher County Water District (“LCWD”) is requesting a Fund F loan in the amount of \$4,000,000 for the Letcher County WTP project. This project will construct a 1,000,000 GPD water treatment plant at the Letcher and Perry County line on Highway 7. The project will include construction of the plant, the intake with 387 LF of 8” DI to the intake and approximately 295 LF of 8” DI to tie into the existing LCWSD system. The plant will be owned and operated by the LCWSD.

The WTP will include VFD raw water and high service pumps, LED lighting (interior/exterior), Energy Star rate appliances/fixtures, stand-by diesel generators, Low E windows, Reflective Membrane Roof, Raw water intake and screen with permanganate feed and forced air backwash, Chemical feed, Flocculation basins, Settling Basins, Filtration Basins, Finish water chemical feed, Clear well, Side storage, Sedimentation / backwash basin, Sludge Drying bed/and or sludge hopper, and Primary Disinfectant will be chlorine liquid.

Currently the Letcher County Water District serves 2,989 residential and 10 commercial customers.

II. PROJECT BUDGET

	Total
Administrative Expenses	\$ 50,000
Legal Expenses	40,000
Land, Easements	60,000
Planning	20,000
Engineering Fees - Design	305,000
Engineering Fees - Construction	87,000
Engineering Fees - Inspection	290,500
Engineering Fees - Other	383,500
Construction	6,000,000
Contingency	600,000
Total	\$ 7,836,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 4,000,000	51%
EDA	2,000,000	26%
USDA RD Loan	375,000	5%
USDA RD Grant	125,000	2%
ARC	1,336,000	17%
Total	\$ 7,836,000	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 4,000,000
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 4,000,000
Interest Rate	0.25%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 205,167
Administrative Fee (0.25%)	10,000
Total Estimated Annual Debt Service	\$ 215,167

V. PROJECT SCHEDULE

Bid Opening	September 2021
Construction Start	October 2021
Construction Stop	June 2022

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

<u>Customers</u>	<u>Current</u>
Residential	2,989
Commercial	10
Industrial	0
Total	2,999

B) Rates

WATER (In City and Out of City)	Proposed	Current	Prior
Date of Last Rate Increase	07/01/21	03/23/20	06/20/01
Minimum (2,000 gallons)	29.48	\$28.08	\$27.50
Next 1,000 gallons over 2,000	8.18	7.79	7.50
Cost for 4,000 gallons	\$45.84	\$43.66	\$42.50
Increase %	5.0%	2.7%	
Affordability Index (Rate/MHI)	1.9%	1.8%	

SEWER (In City and Out of City)	Current	Prior
Date of Last Rate Increase	03/23/20	06/20/01
Minimum (4,000 gallons)	\$20.00	\$20.00
Cost for 4,000 gallons	\$20.00	\$20.00
Increase %	0.0%	
Affordability Index (Rate/MHI)	0.8%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2013-2016, the Utility's service area population was 10,736 with a Median Household Income (MHI) of \$29,118. The median household income for the Commonwealth is \$44,392. The loan will qualify for a 20-year loan term at 0.25% interest rate.

VIII. 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.

IX. 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 22.3% from \$1.27 million in 2017 to \$1.56 in 2019 while operating expenses increased 40.3% from \$0.53 million to \$0.74 million during the same period primarily due to wages and office expenses. Water purchase costs went up 34.6% from \$495 thousand in 2017 to \$667 thousand in 2019. Upon completion of this project, the District anticipates to reduce their water purchase cost by \$140 thousand annually upon based on an independent survey. The debt coverage ratio was 1.5, 2.2, and 0.9 in 2017, 2018, and 2019 respectively.

The balance sheet reflects a current ratio of 2.7, a debt to equity ratio of 0.1, 43.6 days of sales in accounts receivable, and 3.3 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will need to increase water rates 5% effective 7/1/2021 for FY2022 to cover the debt service for both loan requests F21-033 and F21-010.
- 2) Each funding source provides funding as allocated in the project funding above.
- 3) Expenses are projected to increase 2% annually due to inflation.
- 4) Debt service coverage is 1.1 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 F loan.

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$200,000 total) of the final amount borrowed to be funded annually (\$10,000 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	Outstanding	Maturity
Rural Utilities Service Bond (RUS)	\$ 667,000	2045
Blackey Water Treatment Plant (RUS)	337,000	2036
Camp Branch Sandlick (RUS)	827,500	2045
KIA F07-04 (Little Cowan)	330,644	2027
KIA Loan F21-010 (i/a/o \$2,487,495)		TBD
Total	\$ 2,162,144	

XI. CONTACTS

Legal Applicant

Entity Name	Letcher County Water & Sewer District
Authorized Official	Dianne Adams (Chairman)
County	Letcher
Email	dianneatisom@gmail.com
Phone	(606) 633-8550
Address	3443 US 119 N Mayking, KY 41837

Applicant Contact

Name	Mark Lewis
Organization	Letcher County Water and Sewer District
Email	marklws21@gmail.com
Phone	(606) 633-8550
Address	3443 US 119 N Mayking, KY 41837

Project Administrator

Name	Angelia Hall
Organization	Kentucky River Area Development District
Email	Angelia@kradd.org
Phone	(606) 436-3158
Address	941 N Main St Hazard, KY 41702

Consulting Engineer

PE Name	Stephen Caudill
Firm Name	Bell Engineering
Email	scaudill@hkbell.com
Phone	(859) 278-5412
Address	2480 Fortune Dr STE 350 Lexington, KY 40509

XII. 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 \$4 million loan. This debt authorization application should include a forecast for meeting debt service projected through no less than (2025).
2. By April 30, 2021, the District will need a resolution from the Letcher County Water and Sewer 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 increase by \$73,391, which equates approximately to rates increased by 5% in 2022, to meet expenses and debt service in the first full year of debt service in 2022.
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.

Letcher County Water & Sewer District
3443 Hwy 119 N
Mayking, Ky 41837

RESOLUTION 2021-8-19 A

NOW THEREFORE BE IT RESOLVED:

1) The Letcher County Water & Sewer District Board approves the execution of the contract with Kentucky Infrastructure Authority for the loan (F21-033) in the amount of \$4,000,000.

2) The Letcher County Water & Sewer District Board approves and directs the Chairman to execute and sign all documents required for the contracts with Kentucky Infrastructure Authority for the loan (F21-033) in the amount of \$4,000,000. 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 Letcher County Water & Sewer District Board commits to increase revenues as necessary and authorized by PSC to meet the loan requirements over the life. KIA Staff review indicates that revenues would need to be increased by \$202,000.00 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 Letcher County Water & Sewer District Board commits to increase revenues as necessary to maintain a debt service coverage is 1.1 in 2023 and beyond.

APPROVED DATE: 8-19-2021

Chairman: Dianne Adams Date: 8-19-21

Attested: Stephanie Bowling Date: 8-19-2021

**LETCHER COUNTY WATER & SEWER DISTRICT
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2017</u>	<u>Audited</u> <u>2018</u>	<u>Audited</u> <u>2019</u>	<u>Projected</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>	<u>Projected</u> <u>2023</u>	<u>Projected</u> <u>2024</u>
Balance Sheet								
Assets								
Current Assets	553,620	594,154	587,054	544,583	529,957	604,778	678,239	841,529
Other Assets	25,076,654	25,449,442	25,033,755	24,203,090	23,372,425	33,894,094	32,883,729	31,873,364
Total	25,630,274	26,043,596	25,620,809	24,747,673	23,902,382	34,498,872	33,561,968	32,714,893
Liabilities & Equity								
Current Liabilities	165,931	240,931	215,591	217,366	219,166	220,966	222,866	224,766
Long Term Liabilities	2,317,666	2,243,001	2,208,925	2,121,576	2,034,227	7,809,373	7,722,024	7,634,675
Total Liabilities	2,483,597	2,483,932	2,424,516	2,338,942	2,253,393	8,030,339	7,944,890	7,859,441
Net Assets	23,146,677	23,559,664	23,196,293	22,408,731	21,648,989	26,468,533	25,617,078	24,855,452
Cash Flow								
Revenues	1,271,111	1,559,176	1,555,036	1,555,036	1,593,625	1,771,800	1,876,584	1,981,368
Operating Expenses	1,023,739	1,223,148	1,407,875	1,426,978	1,442,087	1,333,699	1,349,419	1,365,453
Other Income	15,865	21,185	2,396	2,396	2,396	2,396	2,396	2,396
Cash Flow Before Debt Service	263,237	357,213	149,557	130,454	153,934	440,497	529,561	618,311
Debt Service								
Existing Debt Service	180,548	164,941	164,941	172,892	173,160	171,809	173,418	172,339
Proposed KIA Loan	0	0	0	0	0	215,167	295,182	295,182
Total Debt Service	180,548	164,941	164,941	172,892	173,160	386,976	468,600	467,521
Cash Flow After Debt Service	82,689	192,272	(15,384)	(42,438)	(19,226)	53,521	60,961	150,790
Ratios								
Current Ratio	3.3	2.5	2.7	2.5	2.4	2.7	3.0	3.7
Debt to Equity	0.1	0.1	0.1	0.1	0.1	0.3	0.3	0.3
Days Sales in Accounts Receivable	54.1	45.3	43.6	43.6	43.6	43.6	43.6	43.6
Months Operating Expenses in Unrestricted Cash	4.1	3.8	3.3	2.9	2.7	3.4	3.9	5.2
Debt Coverage Ratio	1.5	2.2	0.9	0.8	0.9	1.1	1.1	1.3

PRELIMINARY NEW BOND ISSUE REPORT *

Issue: Kentucky Housing Corporation Single Family Housing Revenue Refunding Bonds 2021 Series A and Series B in an amount not to exceed \$60,000,000

Purpose of Issue: To (i) refund certain outstanding Kentucky Housing Corporation Bonds Series 2009 C-4 and Series 2012 A for present value savings; and (ii) pay costs of issuance.

Date of Sale: September 29, 2021

Date of Delivery: October 7, 2021

Ratings:

Moody's Aaa
S&P AAA

	Taxable Series 2021 A Fixed Rate	Taxable Series 2021 B Variable Rate	Series 2021 A&B Total
Sources:			
Par amount of bonds:	\$23,410,000	\$36,190,000	\$59,600,000
Premium:	\$0	\$0	\$0
Total Sources:	\$23,410,000	\$36,190,000	\$59,600,000
Uses:			
Refunding Escrow Deposit:	\$23,410,000	\$35,585,000	\$58,995,000
Issuance Cost:	\$0	\$605,000	\$605,000
Total Uses:	\$23,410,000	\$36,190,000	\$59,600,000

All-in True Interest Cost:	0.5100%	1.5600%	1.4600%
Final Maturity Date:	7/1/2025	7/1/2041	7/1/2041
Average Annual Debt Service:	\$929,360	\$2,546,246	\$3,173,564
Total Debt Service:	\$12,546,362	\$50,924,924	\$63,471,286
Average Life (years):	2.08	14.64	9.71

Refunding Summary:

	Series 2009 C-4	Series 2012 A	Total
Bond Issues Being Refinanced:			
Par Amount of Refunded Bonds:	\$11,920,000	\$47,075,000	\$58,995,000
Net PV Savings:	\$771,387	\$3,478,267	\$4,249,654
Percentage Savings of Refunded Bonds:	6.4714%	7.3888%	7.2034%

Method of Sale: Negotiated
Bond Counsel: Kutak Rock
Underwriter: Citi
Underwriters' Counsel: Dinsmore & Shohl
Trustee: The Bank of New York Trust Company
Financial Advisor: OFM

Based off cashflows and rates as of 8/6/2021

Preliminary Subject to Change

* Amounts and Dates Estimated

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

PROFESSIONAL SERVICES:

Firm	Service	Series A Fee (\$)
Kutak Rock	Bond Counsel	32,780.00
Caine Mitter	Consultant	175,000.00
OFM	Financial Advisor	14,900.00
Citi	Underwriter's Discount	203,693.00
Dinsmore & Shohl	Underwriter's Counsel	21,307.00
US Bank	Trustee	1,500.00
Moody's	Rating Service	54,500.00
S&P	Rating Service	58,750.00
Crowe	Accountants	8,000.00
	Printer	5,000.00
Misc./Contingency		29,570.00
TOTAL		605,000.00

Kentucky Housing Corporation
 New Bond Issue Report
 Bond Debt Service
 2021 Series A

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/7/2021	-	-	-	-	-
1/1/2022	-	-	11,032	11,032	11,032
7/1/2022	4,780,000	0.310%	31,344	4,811,344	
1/1/2023	3,270,000	0.360%	27,236	3,297,236	8,108,579
7/1/2023	3,340,000	0.410%	40,369	3,380,369	
1/1/2024	3,265,000	0.580%	43,628	3,308,628	6,688,997
7/1/2024	3,330,000	0.630%	48,894	3,378,894	
1/1/2025	2,685,000	0.870%	30,630	2,715,630	6,094,523
7/1/2025	2,740,000	0.920%	14,946	2,754,946	
1/1/2026	-	-	-	-	2,754,946
7/1/2026	-	-	-	-	
1/1/2027	-	-	-	-	-
7/1/2027	-	-	-	-	
1/1/2028	-	-	-	-	-
7/1/2028	-	-	-	-	
1/1/2029	-	-	-	-	-
7/1/2029	-	-	-	-	
1/1/2030	-	-	-	-	-
7/1/2030	-	-	-	-	
1/1/2031	-	-	-	-	-
7/1/2031	-	-	-	-	
1/1/2032	-	-	-	-	-
7/1/2032	-	-	-	-	
1/1/2033	-	-	-	-	-
7/1/2033	-	-	-	-	
1/1/2034	-	-	-	-	-
7/1/2034	-	-	-	-	
1/1/2035	-	-	-	-	-
7/1/2035	-	-	-	-	
1/1/2036	-	-	-	-	-
7/1/2036	-	-	-	-	
1/1/2037	-	-	-	-	-
7/1/2037	-	-	-	-	
1/1/2038	-	-	-	-	-
7/1/2038	-	-	-	-	
1/1/2039	-	-	-	-	-
7/1/2039	-	-	-	-	
1/1/2040	-	-	-	-	-
7/1/2040	-	-	-	-	
1/1/2041	-	-	-	-	-
7/1/2041	-	-	-	-	
1/1/2042	-	-	-	-	-
Totals	23,410,000		248,077	23,658,077	23,658,077

Avg Life: 2.08

NIC: 0.510%

Kentucky Housing Corporation
New Bond Issue Report
Bond Debt Service
2021 Series B

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/7/2021	-	-	-	-	-
1/1/2022	-	-	17,054	17,054	17,054
7/1/2022	-	-	48,455	48,455	
1/1/2023	-	-	52,907	52,907	101,362
7/1/2023	-	-	95,115	95,115	
1/1/2024	-	-	131,355	131,355	226,470
7/1/2024	-	-	202,109	202,109	
1/1/2025	-	-	204,330	204,330	406,438
7/1/2025	-	-	197,409	197,409	
1/1/2026	-	-	204,330	204,330	401,739
7/1/2026	-	-	251,248	251,248	
1/1/2027	-	-	255,412	255,412	506,660
7/1/2027	-	-	274,578	274,578	
1/1/2028	-	-	279,129	279,129	553,707
7/1/2028	-	-	294,140	294,140	
1/1/2029	-	-	297,373	297,373	591,513
7/1/2029	-	-	306,881	306,881	
1/1/2030	-	-	311,968	311,968	618,849
7/1/2030	-	-	314,060	314,060	
1/1/2031	-	-	319,265	319,265	633,325
7/1/2031	-	-	326,622	326,622	
1/1/2032	-	-	332,036	332,036	658,658
7/1/2032	-	-	332,036	332,036	
1/1/2033	2,200,000	Variable*	335,685	2,535,685	2,867,720
7/1/2033	3,250,000	Variable*	321,937	3,571,937	
1/1/2034	3,085,000	Variable*	295,980	3,380,980	6,952,916
7/1/2034	2,900,000	Variable*	261,935	3,161,935	
1/1/2035	2,680,000	Variable*	238,353	2,918,353	6,080,288
7/1/2035	2,545,000	Variable*	209,084	2,754,084	
1/1/2036	2,410,000	Variable*	188,044	2,598,044	5,352,128
7/1/2036	2,270,000	Variable*	163,048	2,433,048	
1/1/2037	2,145,000	Variable*	142,983	2,287,983	4,721,031
7/1/2037	2,005,000	Variable*	120,335	2,125,335	
1/1/2038	1,830,000	Variable*	103,025	1,933,025	4,058,360
7/1/2038	1,665,000	Variable*	84,012	1,749,012	
1/1/2039	1,495,000	Variable*	69,373	1,564,373	3,313,386
7/1/2039	1,315,000	Variable*	54,082	1,369,082	
1/1/2040	1,180,000	Variable*	42,317	1,222,317	2,591,400
7/1/2040	1,105,000	Variable*	30,619	1,135,619	
1/1/2041	1,075,000	Variable*	20,210	1,095,210	2,230,829
7/1/2041	1,035,000	Variable*	9,752	1,044,752	
1/1/2042	-	-	-	-	1,044,752
Totals	36,190,000		7,738,585	43,928,585	43,928,585

Avg Life: 14.64

NIC: 1.460%

*Variable rate bonds assume rate resets based on the 1 month LIBOR forward curve as of 8/6/21

Kentucky Housing Corporation
New Bond Issue Report
Summary of Bonds Refunded
2009 Series C-4

Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
10/7/2021	-	-	-	-
1/1/2022	-	-	-	-
7/1/2022	-	-	-	-
1/1/2023	-	-	-	-
7/1/2023	-	-	-	-
1/1/2024	-	-	-	-
7/1/2024	-	-	-	-
1/1/2025	-	-	-	-
7/1/2025	-	-	-	-
1/1/2026	-	-	-	-
7/1/2026	-	-	-	-
1/1/2027	-	-	-	-
7/1/2027	2.520%	150,000	10/7/2021	100.00
1/1/2028	2.520%	400,000	10/7/2021	100.00
7/1/2028	2.520%	410,000	10/7/2021	100.00
1/1/2029	2.520%	410,000	10/7/2021	100.00
7/1/2029	2.520%	410,000	10/7/2021	100.00
1/1/2030	2.520%	410,000	10/7/2021	100.00
7/1/2030	2.520%	410,000	10/7/2021	100.00
1/1/2031	2.520%	410,000	10/7/2021	100.00
7/1/2031	2.520%	410,000	10/7/2021	100.00
1/1/2032	2.520%	410,000	10/7/2021	100.00
7/1/2032	2.520%	410,000	10/7/2021	100.00
1/1/2033	2.520%	390,000	10/7/2021	100.00
7/1/2033	2.520%	400,000	10/7/2021	100.00
1/1/2034	2.520%	390,000	10/7/2021	100.00
7/1/2034	2.520%	400,000	10/7/2021	100.00
1/1/2035	2.520%	400,000	10/7/2021	100.00
7/1/2035	2.520%	420,000	10/7/2021	100.00
1/1/2036	2.520%	430,000	10/7/2021	100.00
7/1/2036	2.520%	430,000	10/7/2021	100.00
1/1/2037	2.520%	430,000	10/7/2021	100.00
7/1/2037	2.520%	450,000	10/7/2021	100.00
1/1/2038	2.520%	420,000	10/7/2021	100.00
7/1/2038	2.520%	450,000	10/7/2021	100.00
1/1/2039	2.520%	450,000	10/7/2021	100.00
7/1/2039	2.520%	450,000	10/7/2021	100.00
1/1/2040	2.520%	440,000	10/7/2021	100.00
7/1/2040	2.520%	450,000	10/7/2021	100.00
1/1/2041	2.520%	440,000	10/7/2021	100.00
7/1/2041	2.520%	440,000	10/7/2021	100.00
1/1/2042	-	-	-	-
Totals		11,920,000		

Kentucky Housing Corporation
New Bond Issue Report
Summary of Bonds Refunded
2012 Series A

Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
10/7/2021	-	-	-	100.00
1/1/2022	3.568%	5,805,000	11/7/2021	100.00
7/1/2022	3.618%	4,780,000	11/7/2021	100.00
1/1/2023	4.268%	3,270,000	11/7/2021	100.00
7/1/2023	4.268%	3,340,000	11/7/2021	100.00
1/1/2024	4.268%	3,265,000	11/7/2021	100.00
7/1/2024	4.268%	3,330,000	11/7/2021	100.00
1/1/2025	4.268%	2,685,000	11/7/2021	100.00
7/1/2025	4.268%	2,740,000	11/7/2021	100.00
1/1/2026	4.268%	2,810,000	11/7/2021	100.00
7/1/2026	4.268%	2,865,000	11/7/2021	100.00
1/1/2027	4.268%	2,445,000	11/7/2021	100.00
7/1/2027	4.268%	3,335,000	11/7/2021	100.00
1/1/2028	4.268%	3,085,000	11/7/2021	100.00
7/1/2028	4.250%	335,000	11/7/2021	100.00
1/1/2029	4.250%	340,000	11/7/2021	100.00
7/1/2029	4.250%	320,000	11/7/2021	100.00
1/1/2030	4.250%	325,000	11/7/2021	100.00
7/1/2030	4.250%	335,000	11/7/2021	100.00
1/1/2031	4.250%	285,000	11/7/2021	100.00
7/1/2031	4.250%	290,000	11/7/2021	100.00
1/1/2032	4.250%	300,000	11/7/2021	100.00
7/1/2032	4.250%	310,000	11/7/2021	100.00
1/1/2033	4.250%	310,000	11/7/2021	100.00
7/1/2033	4.250%	170,000	11/7/2021	100.00
1/1/2034	-	-	-	-
7/1/2034	-	-	-	-
1/1/2035	-	-	-	-
7/1/2035	-	-	-	-
1/1/2036	-	-	-	-
7/1/2036	-	-	-	-
1/1/2037	-	-	-	-
7/1/2037	-	-	-	-
1/1/2038	-	-	-	-
7/1/2038	-	-	-	-
1/1/2039	-	-	-	-
7/1/2039	-	-	-	-
1/1/2040	-	-	-	-
7/1/2040	-	-	-	-
1/1/2041	-	-	-	-
7/1/2041	-	-	-	-
1/1/2042	-	-	-	-
Totals		47,075,000		

Kentucky Housing Corporation
New Bond Issue Report
Savings*
2009 Series C-4

Date	Prior Debt Service	Refunding Debt Service	Savings	PV to 10/7/2021 @ 1.462%
10/7/2021	-	-	-	-
1/1/2022	70,090	5,636	64,454	64,235
7/1/2022	1,170,192	1,036,013	134,179	132,753
1/1/2023	1,082,340	960,993	121,347	119,186
7/1/2023	1,005,433	906,269	99,164	96,692
1/1/2024	929,345	848,084	81,261	78,660
7/1/2024	864,076	806,353	57,723	55,470
1/1/2025	799,500	747,571	51,929	49,540
7/1/2025	740,617	692,284	48,333	45,775
1/1/2026	682,364	639,892	42,472	39,932
7/1/2026	629,741	598,704	31,037	28,969
1/1/2027	582,685	555,394	27,291	25,288
7/1/2027	536,133	514,104	22,029	20,264
1/1/2028	495,085	475,967	19,118	17,459
7/1/2028	454,478	439,016	15,462	14,017
1/1/2029	419,312	405,966	13,346	12,011
7/1/2029	389,524	378,574	10,950	9,783
1/1/2030	355,051	345,904	9,147	8,113
7/1/2030	325,956	318,224	7,732	6,808
1/1/2031	302,176	295,879	6,297	5,505
7/1/2031	273,648	268,718	4,930	4,278
1/1/2032	250,435	246,606	3,829	3,299
7/1/2032	232,474	229,450	3,024	2,586
1/1/2033	209,702	207,513	2,189	1,859
7/1/2033	192,182	190,778	1,404	1,183
1/1/2034	174,851	174,092	759	635
7/1/2034	157,709	157,415	294	244
1/1/2035	60,756	100,963	(40,207)	(33,158)
7/1/2035	-	-	-	-
1/1/2036	-	-	-	-
7/1/2036	-	-	-	-
1/1/2037	-	-	-	-
7/1/2037	-	-	-	-
1/1/2038	-	-	-	-
7/1/2038	-	-	-	-
1/1/2039	-	-	-	-
7/1/2039	-	-	-	-
1/1/2040	-	-	-	-
7/1/2040	-	-	-	-
1/1/2041	-	-	-	-
7/1/2041	-	-	-	-
1/1/2042	-	-	-	-
Totals	13,385,855	12,546,362	839,493	811,387

Savings Summary

PV of Savings from Cash Flow	811,387
Plus: Refunding Funds on Hand	-
Less: Negative Arbitrage	-
Net PV Savings	811,387

* Run at 200% PSA Prepayment Speed.

Variable rate bonds assume rate resets based on the 1 month LIBOR forward curve as of August 6, 2021

Kentucky Housing Corporation
New Bond Issue Report
Savings*
2012 Series A

Date	Prior Debt Service	Refunding Debt Service	Savings	PV to 11/7/2021 @ 1.462%
11/7/2021	-	-	-	-
1/1/2022	6,090,148	22,450	6,067,698	6,054,454
7/1/2022	5,644,865	4,843,785	801,080	793,531
1/1/2023	4,048,395	3,332,658	715,737	703,847
7/1/2023	4,048,613	3,444,051	604,562	590,204
1/1/2024	3,902,337	3,396,573	505,764	490,170
7/1/2024	3,897,662	3,514,210	383,452	368,932
1/1/2025	3,181,600	2,852,433	329,167	314,404
7/1/2025	3,179,302	2,887,116	292,186	277,057
1/1/2026	3,190,830	1,826,803	1,364,027	1,284,011
7/1/2026	3,185,865	1,726,483	1,459,382	1,363,803
1/1/2027	2,704,726	1,612,996	1,091,730	1,012,826
7/1/2027	3,542,550	1,507,987	2,034,563	1,873,819
1/1/2028	3,221,381	1,404,950	1,816,431	1,660,780
7/1/2028	1,245,550	1,312,195	(66,645)	(60,492)
1/1/2029	1,135,581	1,219,048	(83,467)	(75,211)
7/1/2029	1,037,419	1,138,931	(101,512)	(90,807)
1/1/2030	40,850	1,057,236	(1,016,386)	(902,608)
7/1/2030	-	994,865	(994,865)	(877,085)
1/1/2031	-	928,878	(928,878)	(812,967)
7/1/2031	-	873,826	(873,826)	(759,235)
1/1/2032	-	708,354	(708,354)	(610,996)
7/1/2032	-	617,711	(617,711)	(528,945)
1/1/2033	-	638,759	(638,759)	(542,999)
7/1/2033	-	885,271	(885,271)	(747,093)
1/1/2034	-	843,851	(843,851)	(706,971)
7/1/2034	-	790,353	(790,353)	(657,345)
1/1/2035	-	729,456	(729,456)	(602,294)
7/1/2035	-	682,141	(682,141)	(559,140)
1/1/2036	-	656,939	(656,939)	(534,574)
7/1/2036	-	600,619	(600,619)	(485,198)
1/1/2037	-	565,674	(565,674)	(453,652)
7/1/2037	-	530,072	(530,072)	(422,016)
1/1/2038	-	485,756	(485,756)	(383,927)
7/1/2038	-	435,979	(435,979)	(342,084)
1/1/2039	-	387,331	(387,331)	(301,708)
7/1/2039	-	348,544	(348,544)	(269,525)
1/1/2040	-	305,543	(305,543)	(234,558)
7/1/2040	-	282,619	(282,619)	(215,385)
1/1/2041	-	270,028	(270,028)	(204,296)
7/1/2041	-	262,450	(262,450)	(197,122)
1/1/2042	-	-	-	-
Totals	53,297,674	50,924,924	2,372,750	4,209,606

Savings Summary

PV of Savings from Cash Flow	4,209,606
Plus: Refunding Funds on Hand	-
Less: Negative Arbitrage	(161,232)
Net PV Savings	4,048,374

* Run at 200% PSA Prepayment Speed.

Variable rate bonds assume rate resets based on the 1 month LIBOR forward curve as of August 6, 2021

PRELIMINARY NEW BOND ISSUE REPORT *

Issue: \$5,485,000 (est.) Northern Kentucky University
General Receipts Refunding Bonds Series 2021 B

Purpose of Issue: To (i) refund certain outstanding Northern Kentucky University General Receipts Bonds Series 2011 A for present value savings; and (ii) pay costs of issuance.

Date of Sale: September 30, 2021
Date of Delivery: October 21, 2021

Ratings:
Moody's TBD

Series 2021 B (\$)

Sources:

Par amount of bonds:	5,485,000.00
Premium:	0.00
<u>Total Sources:</u>	<u>5,485,000.00</u>

Uses:

Refunding Escrow Deposit:	5,330,000.00
Issuance Cost:	69,521.25
<u>Total Uses:</u>	<u>5,399,521.25</u>

All-in True Interest Cost:	1.3670%
Final Maturity Date:	9/1/2030
Average Annual Debt Service:	642,633.74
Total Debt Service:	5,694,448.94
Average Life (years):	4.90

Refunding Summary:

Bond Issues Being Refinanced:	Series 2011 B
Par Amount of Refunded Bonds:	5,330,000.00
Net PV Savings:	731,289.57
Percentage Savings of Refunded Bonds:	13.7203%

Method of Sale:	Competitive
Bond Counsel:	Dinsmore & Shohl, LLP
Trustee:	U.S. Bank
Financial Advisor:	Baird & OFM

Based off cashflows as of 8/20/2021 and rates as of 8/10/2021
Preliminary Subject to Change

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

PROFESSIONAL SERVICES:

<u>Firm</u>	<u>Service</u>	<u>Series A Fee (\$)</u>
Dinsmore & Shohl	Bond Counsel	20,000.00
Dinsmore & Shohl	Expenses	
Baird	Financial Advisor	20,000.00
OFM	Financial Advisor	1,371.25
TBD	Underwriter's Discount	15.000000
TBD	Underwriter's Counsel	
US Bank	Trustee	1,000.00
Moody's	Rating Service	21,000.00
Legal Expenses		1,150.00
Misc./Contingency		<u>5,000.00</u>
TOTAL		69,536.25

BOND DEBT SERVICE

Northern Kentucky University
 General Receipts Refunding Bonds, Series 2021
 Refunding of 2011 Series A Bonds
 Current BQ Interest Rates (8.10.2021)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2022			12,104.44	12,104.44	
06/30/2022					12,104.44
09/01/2022	595,000	0.200%	16,760.00	611,760.00	
03/01/2023			16,165.00	16,165.00	
06/30/2023					627,925.00
09/01/2023	600,000	0.230%	16,165.00	616,165.00	
03/01/2024			15,475.00	15,475.00	
06/30/2024					631,640.00
09/01/2024	605,000	0.300%	15,475.00	620,475.00	
03/01/2025			14,567.50	14,567.50	
06/30/2025					635,042.50
09/01/2025	605,000	0.420%	14,567.50	619,567.50	
03/01/2026			13,297.00	13,297.00	
06/30/2026					632,864.50
09/01/2026	610,000	0.590%	13,297.00	623,297.00	
03/01/2027			11,497.50	11,497.50	
06/30/2027					634,794.50
09/01/2027	615,000	0.730%	11,497.50	626,497.50	
03/01/2028			9,252.75	9,252.75	
06/30/2028					635,750.25
09/01/2028	610,000	0.880%	9,252.75	619,252.75	
03/01/2029			6,568.75	6,568.75	
06/30/2029					625,821.50
09/01/2029	620,000	1.000%	6,568.75	626,568.75	
03/01/2030			3,468.75	3,468.75	
06/30/2030					630,037.50
09/01/2030	625,000	1.110%	3,468.75	628,468.75	
06/30/2031					628,468.75
	5,485,000		209,448.94	5,694,448.94	5,694,448.94

SAVINGS

Northern Kentucky University
 General Receipts Refunding Bonds, Series 2021
 Refunding of 2011 Series A Bonds
 Current BQ Interest Rates (8.10.2021)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 10/21/2021 @ 0.7773084%
06/30/2022	104,725.00	12,104.44	92,620.56	92,361.45
06/30/2023	701,325.00	627,925.00	73,400.00	72,601.95
06/30/2024	707,700.00	631,640.00	76,060.00	74,700.19
06/30/2025	706,300.00	635,042.50	71,257.50	69,463.67
06/30/2026	704,100.00	632,864.50	71,235.50	68,943.19
06/30/2027	706,000.00	634,794.50	71,205.50	68,418.79
06/30/2028	706,900.00	635,750.25	71,149.75	67,873.97
06/30/2029	701,900.00	625,821.50	76,078.50	72,059.47
06/30/2030	705,900.00	630,037.50	75,862.50	71,336.53
06/30/2031	703,800.00	628,468.75	75,331.25	70,326.62
	6,448,650.00	5,694,448.94	754,201.06	728,085.82

Savings Summary

PV of savings from cash flow	728,085.82
Plus: Refunding funds on hand	3,203.75
Net PV Savings	<u>731,289.57</u>

SUMMARY OF BONDS REFUNDED

Northern Kentucky University
 General Receipts Refunding Bonds, Series 2021
 Refunding of 2011 Series A Bonds
 Current BQ Interest Rates (8.10.2021)

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
General Receipts Bonds, 2011 Series A, 2011A, SERIAL:					
	09/01/2022	3.250%	500,000.00	11/20/2021	100.000
	09/01/2023	4.000%	525,000.00	11/20/2021	100.000
	09/01/2024	4.000%	545,000.00	11/20/2021	100.000
	09/01/2025	4.000%	565,000.00	11/20/2021	100.000
	09/01/2026	4.000%	590,000.00	11/20/2021	100.000
	09/01/2029	4.000%	665,000.00	11/20/2021	100.000
	09/01/2030	4.000%	690,000.00	11/20/2021	100.000
			4,080,000.00		
General Receipts Bonds, 2011 Series A, 2011A, TERM28:					
	09/01/2028	4.000%	1,250,000.00	11/20/2021	100.000
			5,330,000.00		



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

September 7, 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 (330 Newtown Apartments), Series 2021 in a principal amount of \$25,000,000 (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 November 17, 2020. 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: \$25,000,000 Kentucky Housing Corporation Multifamily Housing Revenue Bonds (330 Newtown Apartments Project), Series 2021

Purpose of Issue: The bonds will be used to finance the acquisition, construction and equipping of the 330 Newtown Apartments Project, a two hundred and nine unit property located at 330 Newtown Pike, Lexington, Kentucky 40508. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on November 9, 2020 following the delivery of notice to the public on or prior to October 30, 2020.

Name of Project: 330 Newtown Apartments Project

Date of Sale: August 12, 2021

Date of Issuance: August 12, 2021

Ratings: Not Rated/Private Placement

Net Proceeds: \$25,000,000

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

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but a \$1,049,786 operating reserve and \$200,000 lease up reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$50,026,256

Terms of Issue: Anticipated net interest rate: 4.18%

Anticipated term: March 8, 2042 (30 year amortization)

Anticipated average debt service: \$1,459,892.88

Anticipated gross debt service: \$43,796,785

First Call Date: April 8, 2024

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: HOPE of Kentucky, LLC (construction period) & Cedar Rapids Bank and Trust Company (upon completion of construction)

Trustee: N/A

Exhibit A

Sources of Funds:

Private Equity Investment (Limited Partner's Capital Contribution)	\$17,945,082
Hope of Kentucky/Cedar Rapids Bank & Trust	\$25,000,000
Lexington AHTF & KHC HOME	\$2,000,000
GP Contribution	\$100
HOME Match	\$75,000
<u>Deferred Developer Fees</u>	<u>\$5,006,074</u>
Total:	\$50,026,256

Cost of Issuance:

Bond Counsel Legal Fees	\$93,000
Kentucky Housing Corporation Fees	\$375,823
Loan Fees	\$223,500
Issuer's Counsel Legal Fees	\$13,500
Hope of Kentucky Fees	\$188,514
CRBT Legal Fees	\$44,000
<u>Hope of Kentucky Legal Fees</u>	<u>\$8,950</u>
Total:	\$947,287



School Facilities Construction Commission

Finance and Administration Cabinet

700 Louisville Rd

Carriage House

Frankfort, Kentucky 40601

(502) 564-5582

(888) 979-6152 Fax

www.sfcc.ky.gov

ANDY BESHEAR

Governor

MS. HOLLY M. JOHNSON

Secretary

HEATHER OVERBY

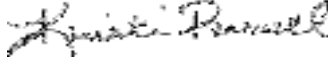
Chairman

CHELSEY COUCH

Executive Director

MEMORANDUM

TO: Ryan Barrow
Office of Financial Management

FROM: Kristi Russell, SFCC 

DATE: September 7, 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 September 23, 2021:

Bowling Green Independent- \$10,245,000 estimated – Refunding of 2013 bonds. State estimated annual debt service is \$70,510 and local is \$890,351. No tax increase is necessary to finance this project.

Lyon County- \$3,045,000 estimated – Refunding of 2012 bonds. State estimated annual debt service is \$37,422 and local is \$271,995. No tax increase is necessary to finance this project.

Scott County- \$17,725,000 estimated – Refunding of 2012 bonds. State estimated annual debt service is \$180,861 and local is \$1,618,081. No tax increase is necessary to finance this project

Scott County- \$77,205,000 estimated – Construct new High School. State estimated annual debt service is \$89,096 and local is \$4,204,072. No tax increase is necessary to finance this project

Webster County- \$4,635,000 estimated – Refunding of 2013 bonds. State estimated annual debt service is \$35,372 and local is \$365,328. No tax increase is necessary to finance this project

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





August 31, 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:

\$10,245,000 (est.)
Bowling Green Independent
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 502.588.8695.

Sincerely,

/s/ Maria Long

Maria Long
Analyst

BOND PAYEE DISCLOSURE FORM

Par Amount:	\$10,245,000
Issue Name:	Bowling Green Independent 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:	Early 2022
First Call Date:	TBD
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "A1" – Moody's
Bond Counsel:	Frost Brown Todd
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:	\$768,354	\$9,476,646	\$10,245,000
% Share of total Bonds:	7.5%	92.5%	100%
Estimated average annual debt service:	70,510	890,351	960,861
Estimated debt service reserve:	-	-	-
Estimated Costs of Issuance (1):			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	4,048	49,932	53,980
Special Tax Counsel	-	-	-
Number Verifications	375	4,625	5,000
Bond Rating	2,100	25,900	28,000
Underwriter's Discount	3,842	47,383	51,225
Paying Agent/Escrow Agent Bank	337	4,163	4,500
Total Cost of Issuance:	\$10,702	\$132,003	\$142,705

Anticipated Interest Rates:

1 Year: 0.30% 5 Years: 1.10%
 10 Years: 1.85% 11 Years: 1.90%

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

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SOURCES AND USES OF FUNDS

Bowling Green (KY) Independent School District Finance Corporation
 Hypothetical Taxable School Building Refunding Revenue Bonds, Series 2021
 AR of School Building Revenue Bonds, Series 2013
 Illustration: Advance Refund All Callable Maturities
 Assumptions: Taxable, Moody's A2 Underlying A1 State Enhanced, Uniform Savings/Fill

Dated Date 02/01/2022
 Delivery Date 02/01/2022

Sources:	Hypothetical Taxable School Building Refunding Revenue Bonds (SFCC)	Hypothetical Taxable School Building Refunding Revenue Bonds (District)	Total
Bond Proceeds:			
Par Amount	768,354.00	9,476,646.00	10,245,000.00
	<u>768,354.00</u>	<u>9,476,646.00</u>	<u>10,245,000.00</u>
Uses:			
Refunding Escrow Deposits:			
Cash Deposit	0.40	0.04	0.44
SLGS Purchases	714,719.00	9,386,511.00	10,101,230.00
	<u>714,719.40</u>	<u>9,386,511.04</u>	<u>10,101,230.44</u>
Cost of Issuance:			
FA/BC	4,048.39	49,931.61	53,980.00
Moody's Rating Fee	2,099.94	25,900.06	28,000.00
Trustee Fee	337.49	4,162.51	4,500.00
Escrow/Verification	374.99	4,625.01	5,000.00
	<u>6,860.81</u>	<u>84,619.19</u>	<u>91,480.00</u>
Underwriter's Discount:			
Underwriter's Discount	3,841.77	47,383.23	51,225.00
Other Uses of Funds:			
Additional Proceeds	42,932.02	-41,867.46	1,064.56
	<u>768,354.00</u>	<u>9,476,646.00</u>	<u>10,245,000.00</u>

BOND DEBT SERVICE

Bowling Green (KY) Independent School District Finance Corporation
 Hypothetical Taxable School Building Refunding Revenue Bonds, Series 2021
 AR of School Building Revenue Bonds, Series 2013
 Illustration: Advance Refund All Callable Maturities
 Assumptions: Taxable, Moody's A2 Underlying A1 State Enhanced, Uniform Savings/Fill

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/01/2022	60,000	0.280%	37,202.00	97,202.00	
06/30/2022					97,202.00
11/01/2022			74,320.00	74,320.00	
05/01/2023	105,000	0.300%	74,320.00	179,320.00	
06/30/2023					253,640.00
11/01/2023			74,162.50	74,162.50	
05/01/2024	695,000	0.550%	74,162.50	769,162.50	
06/30/2024					843,325.00
11/01/2024			72,251.25	72,251.25	
05/01/2025	680,000	0.700%	72,251.25	752,251.25	
06/30/2025					824,502.50
11/01/2025			69,871.25	69,871.25	
05/01/2026	690,000	0.900%	69,871.25	759,871.25	
06/30/2026					829,742.50
11/01/2026			66,766.25	66,766.25	
05/01/2027	695,000	1.100%	66,766.25	761,766.25	
06/30/2027					828,532.50
11/01/2027			62,943.75	62,943.75	
05/01/2028	705,000	1.300%	62,943.75	767,943.75	
06/30/2028					830,887.50
11/01/2028			58,361.25	58,361.25	
05/01/2029	300,000	1.500%	58,361.25	358,361.25	
06/30/2029					416,722.50
11/01/2029			56,111.25	56,111.25	
05/01/2030	1,540,000	1.600%	56,111.25	1,596,111.25	
06/30/2030					1,652,222.50
11/01/2030			43,791.25	43,791.25	
05/01/2031	1,565,000	1.750%	43,791.25	1,608,791.25	
06/30/2031					1,652,582.50
11/01/2031			30,097.50	30,097.50	
05/01/2032	1,590,000	1.850%	30,097.50	1,620,097.50	
06/30/2032					1,650,195.00
11/01/2032			15,390.00	15,390.00	
05/01/2033	1,620,000	1.900%	15,390.00	1,635,390.00	
06/30/2033					1,650,780.00
	10,245,000		1,285,334.50	11,530,334.50	11,530,334.50

BOND DEBT SERVICE

Bowling Green (KY) Independent School District Finance Corporation
 Hypothetical Taxable School Building Refunding Revenue Bonds (SFCC)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/01/2022	8,539	0.280%	2,497.08	11,036.08	
06/30/2022					11,036.08
11/01/2022			4,982.21	4,982.21	
05/01/2023	12,108	0.300%	4,982.21	17,090.21	
06/30/2023					22,072.42
11/01/2023			4,964.05	4,964.05	
05/01/2024	74,351	0.550%	4,964.05	79,315.05	
06/30/2024					84,279.10
11/01/2024			4,759.58	4,759.58	
05/01/2025	71,417	0.700%	4,759.58	76,176.58	
06/30/2025					80,936.16
11/01/2025			4,509.62	4,509.62	
05/01/2026	71,917	0.900%	4,509.62	76,426.62	
06/30/2026					80,936.24
11/01/2026			4,186.00	4,186.00	
05/01/2027	72,565	1.100%	4,186.00	76,751.00	
06/30/2027					80,937.00
11/01/2027			3,786.89	3,786.89	
05/01/2028	73,363	1.300%	3,786.89	77,149.89	
06/30/2028					80,936.78
11/01/2028			3,310.03	3,310.03	
05/01/2029	74,355	1.500%	3,310.03	77,665.03	
06/30/2029					80,975.06
11/01/2029			2,752.37	2,752.37	
05/01/2030	75,431	1.600%	2,752.37	78,183.37	
06/30/2030					80,935.74
11/01/2030			2,148.92	2,148.92	
05/01/2031	76,682	1.750%	2,148.92	78,830.92	
06/30/2031					80,979.84
11/01/2031			1,477.95	1,477.95	
05/01/2032	77,979	1.850%	1,477.95	79,456.95	
06/30/2032					80,934.90
11/01/2032			756.65	756.65	
05/01/2033	79,647	1.900%	756.65	80,403.65	
06/30/2033					81,160.30
	768,354		77,765.62	846,119.62	846,119.62

BOND DEBT SERVICE

Bowling Green (KY) Independent School District Finance Corporation
 Hypothetical Taxable School Building Refunding Revenue Bonds (District)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/01/2022	51,461	0.280%	34,704.92	86,165.92	
06/30/2022					86,165.92
11/01/2022			69,337.79	69,337.79	
05/01/2023	92,892	0.300%	69,337.79	162,229.79	
06/30/2023					231,567.58
11/01/2023			69,198.45	69,198.45	
05/01/2024	620,649	0.550%	69,198.45	689,847.45	
06/30/2024					759,045.90
11/01/2024			67,491.67	67,491.67	
05/01/2025	608,583	0.700%	67,491.67	676,074.67	
06/30/2025					743,566.34
11/01/2025			65,361.63	65,361.63	
05/01/2026	618,083	0.900%	65,361.63	683,444.63	
06/30/2026					748,806.26
11/01/2026			62,580.25	62,580.25	
05/01/2027	622,435	1.100%	62,580.25	685,015.25	
06/30/2027					747,595.50
11/01/2027			59,156.86	59,156.86	
05/01/2028	631,637	1.300%	59,156.86	690,793.86	
06/30/2028					749,950.72
11/01/2028			55,051.22	55,051.22	
05/01/2029	225,645	1.500%	55,051.22	280,696.22	
06/30/2029					335,747.44
11/01/2029			53,358.88	53,358.88	
05/01/2030	1,464,569	1.600%	53,358.88	1,517,927.88	
06/30/2030					1,571,286.76
11/01/2030			41,642.33	41,642.33	
05/01/2031	1,488,318	1.750%	41,642.33	1,529,960.33	
06/30/2031					1,571,602.66
11/01/2031			28,619.55	28,619.55	
05/01/2032	1,512,021	1.850%	28,619.55	1,540,640.55	
06/30/2032					1,569,260.10
11/01/2032			14,633.35	14,633.35	
05/01/2033	1,540,353	1.900%	14,633.35	1,554,986.35	
06/30/2033					1,569,619.70
	9,476,646		1,207,568.88	10,684,214.88	10,684,214.88

CPBO SAVINGS REPORT FOR K-12

Bowling Green (KY) Independent School District Finance Corporation
 Hypothetical Taxable School Building Refunding Revenue Bonds, Series 2021
 AR of School Building Revenue Bonds, Series 2013
 Illustration: Advance Refund All Callable Maturities
 Assumptions: Taxable, Moody's A2 Underlying A1 State Enhanced, Uniform Savings/Fill

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 02/01/2022 @ 1.625105%
06/30/2022	159,500.00	97,202.00	97,202.00	62,298.00	62,046.43
06/30/2023	319,000.00	253,640.00	253,640.00	65,360.00	64,729.21
06/30/2024	909,000.00	843,325.00	843,325.00	65,675.00	63,994.95
06/30/2025	891,300.00	824,502.50	824,502.50	66,797.50	63,978.99
06/30/2026	893,600.00	829,742.50	829,742.50	63,857.50	60,158.16
06/30/2027	895,300.00	828,532.50	828,532.50	66,767.50	61,820.14
06/30/2028	896,400.00	830,887.50	830,887.50	65,512.50	59,652.03
06/30/2029	481,087.50	416,722.50	416,722.50	64,365.00	57,633.59
06/30/2030	1,717,800.00	1,652,222.50	1,652,222.50	65,577.50	57,755.75
06/30/2031	1,716,800.00	1,652,582.50	1,652,582.50	64,217.50	55,565.37
06/30/2032	1,714,100.00	1,650,195.00	1,650,195.00	63,905.00	54,321.42
06/30/2033	1,718,100.00	1,650,780.00	1,650,780.00	67,320.00	56,205.76
	12,311,987.50	11,530,334.50	11,530,334.50	781,653.00	717,861.79

Savings Summary

Gross Savings Amount	781,653.00
Present Value Savings Amount	718,926.35
Net Present Value % of Refunded Bonds	7.46%
Negative Arbitrage	186,467.51
Efficiency Ratio	76.14%



September 2, 2021

Ms. Chelsey Couch
Schools Facilities Construction Commission
700 Louisville Rd
Carriage House
Frankfort, KY

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:

\$3,045,000 (est.)
Lyon County Schools
School District Finance Corporation
School Building Refunding Revenue Bonds,
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 502.588.8695.

Sincerely,

/s/ Maria Long

Maria Long
Public Finance

BOND PAYEE DISCLOSURE FORM

Par Amount:	\$3,045,000
Issue Name:	Lyon County School District Finance Corporation School Building Refunding Revenue Bonds, Series of 2021
Purpose:	Currently refund the 2012 Bonds with tax-exempt bonds
Projected Sale Date of Bonds:	Late 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:	\$368,598	\$2,676,402	\$3,045,000
% Share of total Bonds:	12.1%	87.9%	100.0%
Estimated average annual debt service:	37,422	271,995	309,417
Estimated debt service reserve:	-	-	-
Estimated Costs of Issuance (1):			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	3,048	22,132	25,180
Special Tax Counsel	-	-	-
Number Verifications	-	-	-
Bond Rating	1,695	12,305	14,000
Underwriter's Discount	2,764	20,073	22,837
Paying Agent/Escrow Agent Bank	424	3,076	3,500
Total Cost of Issuance:	7,931	57,586	65,517

Anticipated Interest Rates:

1 Year: 2.00%	5 Years: 2.00%
7 Years: 2.00%	10 Years: 2.00%

SOURCES AND USES OF FUNDS

Lyon County School District Finance Corporation
Hypothetical School Building Revenue Refunding Bonds, Series 2021
CR of School Building Revenue Bonds, Series 2012
Illustration: Current Refund All Callable Maturities
Assumptions: BQ, Moody's A1 Underlying / A1 Enhanced, Uniform Savings
Assumes: Desk Scale as of 8/26/21 BQ/A2 Underlying/A1 Enhanced/School Rev - 5 bps

Assumed Dated Date 11/03/2021
 Assumed Delivery Date 11/03/2021

Sources:	Hypothetical School Building Revenue Refunding Bonds (SFCC Portion)	Hypothetical School Building Revenue Refunding Bonds (District Portion)	Total
Bond Proceeds:			
Par Amount	368,598.00	2,676,402.00	3,045,000.00
Premium	19,200.99	140,674.06	159,875.05
	<u>387,798.99</u>	<u>2,817,076.06</u>	<u>3,204,875.05</u>

Uses:	Hypothetical School Building Revenue Refunding Bonds (SFCC Portion)	Hypothetical School Building Revenue Refunding Bonds (District Portion)	Total
Refunding Escrow Deposits:			
Cash Deposit	352,888.63	2,785,442.62	3,138,331.25
Cost of Issuance:			
Baird / BC Fee (FA Fee)	3,048.05	22,131.95	25,180.00
Paying Agent	423.68	3,076.32	3,500.00
Moody's Fee	1,694.70	12,305.30	14,000.00
	<u>5,166.43</u>	<u>37,513.57</u>	<u>42,680.00</u>
Underwriter's Discount:			
Underwriter's Discount	2,764.49	20,073.01	22,837.50
Other Uses of Funds:			
Additional Amount Available	26,979.44	(25,953.14)	1,026.30
	<u>387,798.99</u>	<u>2,817,076.06</u>	<u>3,204,875.05</u>

Notes:

Cost of Issuance total reflects a hypothetical estimate based on Baird's experience with similar transactions. This illustration represents a mathematical calculation of potential interest cost savings, assuming hypothetical interest rates based on rates for municipal bonds as of August 26, 2021. Actual rates may vary. If actual rates are higher than those assumed, the debt service savings would be lower. This illustration provides information and is not intended to be a recommendation, proposal or suggestion for a financing or otherwise considered as advice.

BOND DEBT SERVICE

**Lyon County School District Finance Corporation
Hypothetical School Building Revenue Refunding Bonds, Series 2021
CR of School Building Revenue Bonds, Series 2012**

Illustration: Current Refund All Callable Maturities

Assumptions: BQ, Moody's A1 Underlying / A1 Enhanced, Uniform Savings

Assumes: Desk Scale as of 8/26/21 BQ/A2 Underlying/A1 Enhanced/School Rev - 5 bps

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/03/2021					
02/01/2022	5,000	2.000%	14,886.66	19,886.66	
06/30/2022					19,886.66
08/01/2022			30,400.00	30,400.00	
02/01/2023	280,000	2.000%	30,400.00	310,400.00	
06/30/2023					340,800.00
08/01/2023			27,600.00	27,600.00	
02/01/2024	280,000	2.000%	27,600.00	307,600.00	
06/30/2024					335,200.00
08/01/2024			24,800.00	24,800.00	
02/01/2025	290,000	2.000%	24,800.00	314,800.00	
06/30/2025					339,600.00
08/01/2025			21,900.00	21,900.00	
02/01/2026	295,000	2.000%	21,900.00	316,900.00	
06/30/2026					338,800.00
08/01/2026			18,950.00	18,950.00	
02/01/2027	305,000	2.000%	18,950.00	323,950.00	
06/30/2027					342,900.00
08/01/2027			15,900.00	15,900.00	
02/01/2028	310,000	2.000%	15,900.00	325,900.00	
06/30/2028					341,800.00
08/01/2028			12,800.00	12,800.00	
02/01/2029	310,000	2.000%	12,800.00	322,800.00	
06/30/2029					335,600.00
08/01/2029			9,700.00	9,700.00	
02/01/2030	320,000	2.000%	9,700.00	329,700.00	
06/30/2030					339,400.00
08/01/2030			6,500.00	6,500.00	
02/01/2031	320,000	2.000%	6,500.00	326,500.00	
06/30/2031					333,000.00
08/01/2031			3,300.00	3,300.00	
02/01/2032	330,000	2.000%	3,300.00	333,300.00	
06/30/2032					336,600.00
	3,045,000		358,586.66	3,403,586.66	3,403,586.66

BOND DEBT SERVICE

**Lyon County School District Finance Corporation
Hypothetical School Building Revenue Refunding Bonds (SFCC Portion)**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/03/2021					
02/01/2022	3,064	2.000%	1,802.03	4,866.03	
06/30/2022					4,866.03
08/01/2022			3,655.34	3,655.34	
02/01/2023	33,009	2.000%	3,655.34	36,664.34	
06/30/2023					40,319.68
08/01/2023			3,325.25	3,325.25	
02/01/2024	34,269	2.000%	3,325.25	37,594.25	
06/30/2024					40,919.50
08/01/2024			2,982.56	2,982.56	
02/01/2025	35,555	2.000%	2,982.56	38,537.56	
06/30/2025					41,520.12
08/01/2025			2,627.01	2,627.01	
02/01/2026	36,866	2.000%	2,627.01	39,493.01	
06/30/2026					42,120.02
08/01/2026			2,258.35	2,258.35	
02/01/2027	38,203	2.000%	2,258.35	40,461.35	
06/30/2027					42,719.70
08/01/2027			1,876.32	1,876.32	
02/01/2028	34,567	2.000%	1,876.32	36,443.32	
06/30/2028					38,319.64
08/01/2028			1,530.65	1,530.65	
02/01/2029	36,059	2.000%	1,530.65	37,589.65	
06/30/2029					39,120.30
08/01/2029			1,170.06	1,170.06	
02/01/2030	37,605	2.000%	1,170.06	38,775.06	
06/30/2030					39,945.12
08/01/2030			794.01	794.01	
02/01/2031	39,173	2.000%	794.01	39,967.01	
06/30/2031					40,761.02
08/01/2031			402.28	402.28	
02/01/2032	40,228	2.000%	402.28	40,630.28	
06/30/2032					41,032.56
	368,598		43,045.69	411,643.69	411,643.69

BOND DEBT SERVICE

**Lyon County School District Finance Corporation
Hypothetical School Building Revenue Refunding Bonds (District Portion)**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/03/2021					
02/01/2022	1,936	2.000%	13,084.63	15,020.63	
06/30/2022					15,020.63
08/01/2022			26,744.66	26,744.66	
02/01/2023	246,991	2.000%	26,744.66	273,735.66	
06/30/2023					300,480.32
08/01/2023			24,274.75	24,274.75	
02/01/2024	245,731	2.000%	24,274.75	270,005.75	
06/30/2024					294,280.50
08/01/2024			21,817.44	21,817.44	
02/01/2025	254,445	2.000%	21,817.44	276,262.44	
06/30/2025					298,079.88
08/01/2025			19,272.99	19,272.99	
02/01/2026	258,134	2.000%	19,272.99	277,406.99	
06/30/2026					296,679.98
08/01/2026			16,691.65	16,691.65	
02/01/2027	266,797	2.000%	16,691.65	283,488.65	
06/30/2027					300,180.30
08/01/2027			14,023.68	14,023.68	
02/01/2028	275,433	2.000%	14,023.68	289,456.68	
06/30/2028					303,480.36
08/01/2028			11,269.35	11,269.35	
02/01/2029	273,941	2.000%	11,269.35	285,210.35	
06/30/2029					296,479.70
08/01/2029			8,529.94	8,529.94	
02/01/2030	282,395	2.000%	8,529.94	290,924.94	
06/30/2030					299,454.88
08/01/2030			5,705.99	5,705.99	
02/01/2031	280,827	2.000%	5,705.99	286,532.99	
06/30/2031					292,238.98
08/01/2031			2,897.72	2,897.72	
02/01/2032	289,772	2.000%	2,897.72	292,669.72	
06/30/2032					295,567.44
	2,676,402		315,540.97	2,991,942.97	2,991,942.97

CPBO SAVINGS REPORT FOR K-12

Lyon County School District Finance Corporation
Hypothetical School Building Revenue Refunding Bonds, Series 2021
CR of School Building Revenue Bonds, Series 2012
Illustration: Current Refund All Callable Maturities
Assumptions: BQ, Moody's A1 Underlying / A1 Enhanced, Uniform Savings
Assumes: Desk Scale as of 8/26/21 BQ/A2 Underlying/A1 Enhanced/School Rev - 5 bps

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 11/03/2021 @ 0.967304%
06/30/2022	43,331.25	19,886.66	19,886.66	23,444.59	23,389.35
06/30/2023	361,662.50	340,800.00	340,800.00	20,862.50	20,675.27
06/30/2024	360,475.00	335,200.00	335,200.00	25,275.00	24,793.28
06/30/2025	364,175.02	339,600.00	339,600.00	24,575.02	23,875.14
06/30/2026	361,925.00	338,800.00	338,800.00	23,125.00	22,250.67
06/30/2027	364,181.26	342,900.00	342,900.00	21,281.26	20,279.99
06/30/2028	365,793.76	341,800.00	341,800.00	23,993.76	22,633.91
06/30/2029	361,343.74	335,600.00	335,600.00	25,743.74	24,041.04
06/30/2030	361,743.76	339,400.00	339,400.00	22,343.76	20,662.61
06/30/2031	356,843.74	333,000.00	333,000.00	23,843.74	21,828.40
06/30/2032	361,375.00	336,600.00	336,600.00	24,775.00	22,453.47
	3,662,850.03	3,403,586.66	3,403,586.66	259,263.37	246,883.13

Savings Summary

Gross Savings Amount	259,263.37
Present Value Savings Amount	247,909.42
Net Present Value % of Refunded Bonds	8.01%
Negative Arbitrage	
Efficiency Ratio	100.00%

CPBO SAVINGS REPORT FOR K-12

**Lyon County School District Finance Corporation
Hypothetical School Building Revenue Refunding Bonds (SFCC Portion)**

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 11/03/2021 @ 0.967304%
06/30/2022	4,866.63	4,866.03	4,866.03	0.60	0.60
06/30/2023	40,320.26	40,319.68	40,319.68	0.58	6.36
06/30/2024	40,920.06	40,919.50	40,919.50	0.56	6.21
06/30/2025	41,520.88	41,520.12	41,520.12	0.76	6.27
06/30/2026	42,120.04	42,120.02	42,120.02	0.02	5.23
06/30/2027	42,720.22	42,719.70	42,719.70	0.52	5.26
06/30/2028	38,320.62	38,319.64	38,319.64	0.98	5.12
06/30/2029	39,120.86	39,120.30	39,120.30	0.56	4.02
06/30/2030	39,945.66	39,945.12	39,945.12	0.54	3.26
06/30/2031	40,761.64	40,761.02	40,761.02	0.62	2.56
06/30/2032	41,032.58	41,032.56	41,032.56	0.02	1.09
	411,649.45	411,643.69	411,643.69	5.76	45.98

Savings Summary

Gross Savings Amount	5.76
Present Value Savings Amount	27,025.42
Net Present Value % of Refunded Bonds	7.77%
Negative Arbitrage	
Efficiency Ratio	100.00%

CPBO SAVINGS REPORT FOR K-12

**Lyon County School District Finance Corporation
Hypothetical School Building Revenue Refunding Bonds (District Portion)**

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 11/03/2021 @ 0.967304%
06/30/2022	38,464.62	15,020.63	15,020.63	23,443.99	23,388.76
06/30/2023	321,342.24	300,480.32	300,480.32	20,861.92	20,668.90
06/30/2024	319,554.94	294,280.50	294,280.50	25,274.44	24,787.07
06/30/2025	322,654.14	298,079.88	298,079.88	24,574.26	23,868.87
06/30/2026	319,804.96	296,679.98	296,679.98	23,124.98	22,245.44
06/30/2027	321,461.04	300,180.30	300,180.30	21,280.74	20,274.73
06/30/2028	327,473.14	303,480.36	303,480.36	23,992.78	22,628.79
06/30/2029	322,222.88	296,479.70	296,479.70	25,743.18	24,037.02
06/30/2030	321,798.10	299,454.88	299,454.88	22,343.22	20,659.34
06/30/2031	316,082.10	292,238.98	292,238.98	23,843.12	21,825.84
06/30/2032	320,342.42	295,567.44	295,567.44	24,774.98	22,452.38
	3,251,200.58	2,991,942.97	2,991,942.97	259,257.61	246,837.14

Savings Summary

Gross Savings Amount	259,257.61
Present Value Savings Amount	220,884.00
Net Present Value % of Refunded Bonds	8.04%
Negative Arbitrage	
Efficiency Ratio	100.00%



August 31, 2021

Ms. Chelsey Couch
Schools Facilities Construction Commission
700 Louisville Rd
Carriage House
Frankfort, KY

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:

\$17,725,000 (est.)
Scott County Schools
School District Finance Corporation
School Building Refunding Revenue Bonds,
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 502.588.8695.

Sincerely,

/s/ Maria Long

Maria Long
Public Finance

BOND PAYEE DISCLOSURE FORM

Par Amount:	\$17,725,000
Issue Name:	Scott County School District Finance Corporation School Building Refunding Revenue Bonds, Series of 2021
Purpose:	Currently refund the 2012 Bonds with tax-exempt bonds
Projected Sale Date of Bonds:	November 2021
First Call Date:	TBD
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "Aa3" – 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:	\$1,876,025	\$15,848,975	\$17,725,000
% Share of total Bonds:	10.6%	89.4%	100.0%
Estimated average annual debt service:	180,861	1,618,081	1,798,942
Estimated debt service reserve:	-	-	-
Estimated Costs of Issuance (1):			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	8,880	75,020	83,900
Special Tax Counsel	-	-	-
Number Verifications	-	-	-
Bond Rating	2,964	25,036	28,000
Underwriter's Discount	14,070	118,867	132,937
Paying Agent/Escrow Agent Bank	476	4,024	4,500
Total Cost of Issuance:	\$26,390	\$222,947	\$249,337

Anticipated Interest Rates:

1 Year: 0.25%	5 Years: 0.75%
7 Years: 0.90%	12 Years: 1.52%

SOURCES AND USES OF FUNDS

Scott County School District Finance Corporation
 School Building Revenue Refunding Bonds, Series 2021
 CR of School Building Revenue Bonds, Series of 2012

Illustration: Current Refund All Callable Maturities

Assumptions: Tax-Exempt/NBQ, Moody's Aa3 Underlying A1 State Enhanced, Uniform Savings/Fill

Assumed Dated Date 11/03/2021
 Assumed Delivery Date 11/03/2021

Sources:	Ref 2012 SFCC	Ref 2012 District	Total
Bond Proceeds:			
Par Amount	1,876,025.00	15,848,975.00	17,725,000.00
	<u>1,876,025.00</u>	<u>15,848,975.00</u>	<u>17,725,000.00</u>
Uses:	Ref 2012 SFCC	Ref 2012 District	Total
Refunding Escrow Deposits:			
Cash Deposit	1,689,657.77	15,781,760.98	17,471,418.75
Cost of Issuance:			
FA/BC	8,880.03	75,019.97	83,900.00
Rating Fee	2,963.54	25,036.46	28,000.00
Trustee Agent Fee	476.28	4,023.72	4,500.00
	<u>12,319.85</u>	<u>104,080.15</u>	<u>116,400.00</u>
Underwriter's Discount:			
Underwriter's Discount	14,070.19	118,867.31	132,937.50
Other Uses of Funds:			
Additional Proceeds	159,977.19	-155,733.44	4,243.75
	<u>1,876,025.00</u>	<u>15,848,975.00</u>	<u>17,725,000.00</u>

BOND DEBT SERVICE

Scott County School District Finance Corporation
 School Building Revenue Refunding Bonds, Series 2021
 CR of School Building Revenue Bonds, Series of 2012

Illustration: Current Refund All Callable Maturities

Assumptions: Tax-Exempt/NBQ, Moody's Aa3 Underlying A1 State Enhanced, Uniform Savings/Fill

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2022	25,000	0.200%	55,303.96	80,303.96	
06/30/2022					80,303.96
08/01/2022			113,096.75	113,096.75	
02/01/2023	245,000	0.250%	113,096.75	358,096.75	
06/30/2023					471,193.50
08/01/2023			112,790.50	112,790.50	
02/01/2024	240,000	0.320%	112,790.50	352,790.50	
06/30/2024					465,581.00
08/01/2024			112,406.50	112,406.50	
02/01/2025	245,000	0.460%	112,406.50	357,406.50	
06/30/2025					469,813.00
08/01/2025			111,843.00	111,843.00	
02/01/2026	245,000	0.610%	111,843.00	356,843.00	
06/30/2026					468,686.00
08/01/2026			111,095.75	111,095.75	
02/01/2027	250,000	0.750%	111,095.75	361,095.75	
06/30/2027					472,191.50
08/01/2027			110,158.25	110,158.25	
02/01/2028	250,000	0.900%	110,158.25	360,158.25	
06/30/2028					470,316.50
08/01/2028			109,033.25	109,033.25	
02/01/2029	250,000	1.050%	109,033.25	359,033.25	
06/30/2029					468,066.50
08/01/2029			107,720.75	107,720.75	
02/01/2030	5,385,000	1.180%	107,720.75	5,492,720.75	
06/30/2030					5,600,441.50
08/01/2030			75,949.25	75,949.25	
02/01/2031	5,335,000	1.350%	75,949.25	5,410,949.25	
06/30/2031					5,486,898.50
08/01/2031			39,938.00	39,938.00	
02/01/2032	5,255,000	1.520%	39,938.00	5,294,938.00	
06/30/2032					5,334,876.00
	17,725,000		2,063,367.96	19,788,367.96	19,788,367.96

BOND DEBT SERVICE

Scott County School District Finance Corporation
Ref 2012 SFCC

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2022	21,382	0.200%	3,855.35	25,237.35	
06/30/2022					25,237.35
08/01/2022			7,864.57	7,864.57	
02/01/2023	180,694	0.250%	7,864.57	188,558.57	
06/30/2023					196,423.14
08/01/2023			7,638.70	7,638.70	
02/01/2024	181,147	0.320%	7,638.70	188,785.70	
06/30/2024					196,424.40
08/01/2024			7,348.86	7,348.86	
02/01/2025	181,725	0.460%	7,348.86	189,073.86	
06/30/2025					196,422.72
08/01/2025			6,930.89	6,930.89	
02/01/2026	182,562	0.610%	6,930.89	189,492.89	
06/30/2026					196,423.78
08/01/2026			6,374.08	6,374.08	
02/01/2027	183,676	0.750%	6,374.08	190,050.08	
06/30/2027					196,424.16
08/01/2027			5,685.30	5,685.30	
02/01/2028	185,054	0.900%	5,685.30	190,739.30	
06/30/2028					196,424.60
08/01/2028			4,852.55	4,852.55	
02/01/2029	186,719	1.050%	4,852.55	191,571.55	
06/30/2029					196,424.10
08/01/2029			3,872.28	3,872.28	
02/01/2030	188,679	1.180%	3,872.28	192,551.28	
06/30/2030					196,423.56
08/01/2030			2,759.07	2,759.07	
02/01/2031	190,905	1.350%	2,759.07	193,664.07	
06/30/2031					196,423.14
08/01/2031			1,470.46	1,470.46	
02/01/2032	193,482	1.520%	1,470.46	194,952.46	
06/30/2032					196,422.92
	1,876,025		113,448.87	1,989,473.87	1,989,473.87

BOND DEBT SERVICE

Scott County School District Finance Corporation
Ref 2012 District

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2022	3,618	0.200%	51,448.61	55,066.61	
06/30/2022					55,066.61
08/01/2022			105,232.18	105,232.18	
02/01/2023	64,306	0.250%	105,232.18	169,538.18	
06/30/2023					274,770.36
08/01/2023			105,151.80	105,151.80	
02/01/2024	58,853	0.320%	105,151.80	164,004.80	
06/30/2024					269,156.60
08/01/2024			105,057.64	105,057.64	
02/01/2025	63,275	0.460%	105,057.64	168,332.64	
06/30/2025					273,390.28
08/01/2025			104,912.11	104,912.11	
02/01/2026	62,438	0.610%	104,912.11	167,350.11	
06/30/2026					272,262.22
08/01/2026			104,721.67	104,721.67	
02/01/2027	66,324	0.750%	104,721.67	171,045.67	
06/30/2027					275,767.34
08/01/2027			104,472.95	104,472.95	
02/01/2028	64,946	0.900%	104,472.95	169,418.95	
06/30/2028					273,891.90
08/01/2028			104,180.70	104,180.70	
02/01/2029	63,281	1.050%	104,180.70	167,461.70	
06/30/2029					271,642.40
08/01/2029			103,848.47	103,848.47	
02/01/2030	5,196,321	1.180%	103,848.47	5,300,169.47	
06/30/2030					5,404,017.94
08/01/2030			73,190.18	73,190.18	
02/01/2031	5,144,095	1.350%	73,190.18	5,217,285.18	
06/30/2031					5,290,475.36
08/01/2031			38,467.54	38,467.54	
02/01/2032	5,061,518	1.520%	38,467.54	5,099,985.54	
06/30/2032					5,138,453.08
	15,848,975		1,949,919.09	17,798,894.09	17,798,894.09

CPBO SAVINGS REPORT FOR K-12

Scott County School District Finance Corporation
 School Building Revenue Refunding Bonds, Series 2021
 CR of School Building Revenue Bonds, Series of 2012

Illustration: Current Refund All Callable Maturities

Assumptions: Tax-Exempt/NBQ, Moody's Aa3 Underlying A1 State Enhanced, Uniform Savings/Fill

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 11/03/2021 @ 1.330389%
06/30/2022	281,418.75	80,303.96	80,303.96	201,114.79	200,463.97
06/30/2023	712,837.50	471,193.50	471,193.50	241,644.00	238,790.66
06/30/2024	708,712.50	465,581.00	465,581.00	243,131.50	237,077.78
06/30/2025	709,587.50	469,813.00	469,813.00	239,774.50	230,728.58
06/30/2026	710,325.00	468,686.00	468,686.00	241,639.00	229,441.96
06/30/2027	710,525.00	472,191.50	472,191.50	238,333.50	223,325.97
06/30/2028	710,575.00	470,316.50	470,316.50	240,258.50	222,146.87
06/30/2029	710,475.00	468,066.50	468,066.50	242,408.50	221,165.15
06/30/2030	5,840,225.00	5,600,441.50	5,600,441.50	239,783.50	215,890.90
06/30/2031	5,725,305.00	5,486,898.50	5,486,898.50	238,406.50	211,515.99
06/30/2032	5,573,260.02	5,334,876.00	5,334,876.00	238,384.02	208,405.27
	22,393,246.27	19,788,367.96	19,788,367.96	2,604,878.31	2,438,953.11

Savings Summary

Gross Savings Amount	2,604,878.31
Present Value Savings Amount	2,443,196.85
Net Present Value % of Refunded Bonds	14.21%
Negative Arbitrage Efficiency Ratio	100.00%

CPBO SAVINGS REPORT FOR K-12

Scott County School District Finance Corporation
Ref 2012 SFCC

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 11/03/2021 @ 1.330389%
06/30/2022	25,237.77	25,237.35	25,237.35	0.42	0.42
06/30/2023	196,423.54	196,423.14	196,423.14	0.40	114.07
06/30/2024	196,424.98	196,424.40	196,424.40	0.58	101.24
06/30/2025	196,423.00	196,422.72	196,422.72	0.28	88.33
06/30/2026	196,424.66	196,423.78	196,423.78	0.88	77.04
06/30/2027	196,424.94	196,424.16	196,424.16	0.78	64.65
06/30/2028	196,424.72	196,424.60	196,424.60	0.12	52.43
06/30/2029	196,424.74	196,424.10	196,424.10	0.64	42.02
06/30/2030	196,423.58	196,423.56	196,423.56	0.02	31.28
06/30/2031	196,423.38	196,423.14	196,423.14	0.24	20.84
06/30/2032	196,423.82	196,422.92	196,422.92	0.90	11.00
	1,989,479.13	1,989,473.87	1,989,473.87	5.26	603.30

Savings Summary

Gross Savings Amount	5.26
Present Value Savings Amount	160,580.49
Net Present Value % of Refunded Bonds	9.65%
Negative Arbitrage	
Efficiency Ratio	100.00%

CPBO SAVINGS REPORT FOR K-12

Scott County School District Finance Corporation
Ref 2012 District

Date	Prior Debt Service	Refunding Debt Service	Refunding Net Cash Flow	Savings	Present Value to 11/03/2021 @ 1.330389%
06/30/2022	256,180.98	55,066.61	55,066.61	201,114.37	200,463.55
06/30/2023	516,413.96	274,770.36	274,770.36	241,643.60	238,676.60
06/30/2024	512,287.52	269,156.60	269,156.60	243,130.92	236,976.54
06/30/2025	513,164.50	273,390.28	273,390.28	239,774.22	230,640.25
06/30/2026	513,900.34	272,262.22	272,262.22	241,638.12	229,364.92
06/30/2027	514,100.06	275,767.34	275,767.34	238,332.72	223,261.33
06/30/2028	514,150.28	273,891.90	273,891.90	240,258.38	222,094.44
06/30/2029	514,050.26	271,642.40	271,642.40	242,407.86	221,123.13
06/30/2030	5,643,801.42	5,404,017.94	5,404,017.94	239,783.48	215,859.62
06/30/2031	5,528,881.62	5,290,475.36	5,290,475.36	238,406.26	211,495.15
06/30/2032	5,376,836.20	5,138,453.08	5,138,453.08	238,383.12	208,394.27
	20,403,767.14	17,798,894.09	17,798,894.09	2,604,873.05	2,438,349.80

Savings Summary

Gross Savings Amount	2,604,873.05
Present Value Savings Amount	2,282,616.36
Net Present Value % of Refunded Bonds	14.70%
Negative Arbitrage	
Efficiency Ratio	100.00%



September 3, 2021

Ms. Chelsey Couch
Schools Facilities Construction Commission
700 Louisville Rd
Carriage House
Frankfort, KY

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:

\$77,205,000 (est.)
Scott County
School District Finance Corporation
School Building Revenue Bonds,
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
Public Finance

BOND PAYEE DISCLOSURE FORM

Par Amount:	\$77,205,000
Issue Name:	Scott County School District Finance Corporation School Building Revenue Bonds, Series of 2021
Purpose:	Finance construction of the new Scott County High School
Projected Sale Date of Bonds:	November 2021
First Call Date:	TBD
Method of Sale:	Competitive
Place/Time of Sale:	TBD
Bond Rating:	Expected "A1" – Moody's
Bond Counsel:	TBD
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:	\$1,599,606	\$75,605,394	\$77,205,000
% Share of total Bonds:	2.07%	97.93%	100%
Estimated average annual debt service:	89,096	4,204,072	4,293,168
Estimated debt service reserve:	-	-	-
Estimated Costs of Issuance (1):			
Fiscal Agent, Bond Counsel, Advertisements, Printing, etc.	6,668	315,152	321,820
Special Tax Counsel	-	-	-
Number Verifications	-	-	-
Bond Rating	995	47,005	48,000
Underwriter's Discount	31,992	1,512,108	1,544,100
Paying Agent/Escrow Agent Bank	83	3,917	4,000
Total Cost of Issuance:	\$39,738	\$1,878,182	\$1,917,920

Anticipated Interest Rates:

5 Years: 0.520%	10 Years: 1.210%
15 Years: 1.750%	25 Years: 2.160%

SOURCES AND USES OF FUNDS

Scott County School District Finance Corporation
 School Building Revenue Bonds, Series of 2021
 Scott County High School Project BG-3
 NBQ, Aa3 underlying / A1 enhanced
 25 Year Scenario

Dated Date 12/01/2021
 Delivery Date 12/01/2021

Sources:	SFCC Portion	District Portion (Restricted Fund)	Total
Bond Proceeds:			
Par Amount	1,599,606.00	75,605,394.00	77,205,000.00
	1,599,606.00	75,605,394.00	77,205,000.00
Uses:			
Project Fund Deposits:			
Total Construction Cost	1,408,888.13	66,591,111.87	68,000,000.00
Architect/Engineer Fee	70,444.41	3,329,555.59	3,400,000.00
Property & Topographic Survey	219.41	10,370.59	10,590.00
Geotechnical Survey & Report	737.39	34,852.61	35,590.00
Special Inspections	5,179.74	244,820.26	250,000.00
Commissioning Fee	3,107.84	146,892.16	150,000.00
Plan Review Fee	725.16	34,274.84	35,000.00
Printing & Distribution of Bid Docs	103.59	4,896.41	5,000.00
Contingencies	70,444.41	3,329,555.59	3,400,000.00
	1,559,850.08	73,726,329.92	75,286,180.00
Cost of Issuance:			
Fiscal Agent (Baird/Steptoe)	6,667.77	315,152.23	321,820.00
Rating Agency (Moody's)	994.51	47,005.49	48,000.00
Paying Agent	82.88	3,917.12	4,000.00
	7,745.16	366,074.84	373,820.00
Underwriter's Discount:			
Underwriter's Discount	31,992.12	1,512,107.88	1,544,100.00
Other Uses of Funds:			
Additional Proceeds	18.64	881.36	900.00
	1,599,606.00	75,605,394.00	77,205,000.00

BOND DEBT SERVICE

Scott County School District Finance Corporation
 School Building Revenue Bonds, Series of 2021
 Scott County High School Project BG-3
 NBQ, Aa3 underlying / A1 enhanced
 25 Year Scenario

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
06/01/2022			786,805.25	786,805.25	
06/30/2022					786,805.25
12/01/2022	75,000	0.130%	786,805.25	861,805.25	
06/01/2023			786,756.50	786,756.50	
06/30/2023					1,648,561.75
12/01/2023	75,000	0.160%	786,756.50	861,756.50	
06/01/2024			786,696.50	786,696.50	
06/30/2024					1,648,453.00
12/01/2024	75,000	0.250%	786,696.50	861,696.50	
06/01/2025			786,602.75	786,602.75	
06/30/2025					1,648,299.25
12/01/2025	75,000	0.360%	786,602.75	861,602.75	
06/01/2026			786,467.75	786,467.75	
06/30/2026					1,648,070.50
12/01/2026	75,000	0.520%	786,467.75	861,467.75	
06/01/2027			786,272.75	786,272.75	
06/30/2027					1,647,740.50
12/01/2027	80,000	0.640%	786,272.75	866,272.75	
06/01/2028			786,016.75	786,016.75	
06/30/2028					1,652,289.50
12/01/2028	80,000	0.780%	786,016.75	866,016.75	
06/01/2029			785,704.75	785,704.75	
06/30/2029					1,651,721.50
12/01/2029	80,000	0.910%	785,704.75	865,704.75	
06/01/2030			785,340.75	785,340.75	
06/30/2030					1,651,045.50
12/01/2030	80,000	1.050%	785,340.75	865,340.75	
06/01/2031			784,920.75	784,920.75	
06/30/2031					1,650,261.50
12/01/2031	80,000	1.210%	784,920.75	864,920.75	
06/01/2032			784,436.75	784,436.75	
06/30/2032					1,649,357.50
12/01/2032	80,000	1.370%	784,436.75	864,436.75	
06/01/2033			783,888.75	783,888.75	
06/30/2033					1,648,325.50
12/01/2033	85,000	1.530%	783,888.75	868,888.75	
06/01/2034			783,238.50	783,238.50	
06/30/2034					1,652,127.25
12/01/2034	85,000	1.650%	783,238.50	868,238.50	
06/01/2035			782,537.25	782,537.25	
06/30/2035					1,650,775.75
12/01/2035	85,000	1.700%	782,537.25	867,537.25	
06/01/2036			781,814.75	781,814.75	
06/30/2036					1,649,352.00
12/01/2036	85,000	1.750%	781,814.75	866,814.75	
06/01/2037			781,071.00	781,071.00	
06/30/2037					1,647,885.75
12/01/2037	90,000	1.850%	781,071.00	871,071.00	
06/01/2038			780,238.50	780,238.50	
06/30/2038					1,651,309.50
12/01/2038	90,000	1.890%	780,238.50	870,238.50	
06/01/2039			779,388.00	779,388.00	
06/30/2039					1,649,626.50
12/01/2039	8,880,000	1.930%	779,388.00	9,659,388.00	
06/01/2040			693,696.00	693,696.00	
06/30/2040					10,353,084.00
12/01/2040	9,055,000	1.980%	693,696.00	9,748,696.00	
06/01/2041			604,051.50	604,051.50	
06/30/2041					10,352,747.50
12/01/2041	9,230,000	2.010%	604,051.50	9,834,051.50	
06/01/2042			511,290.00	511,290.00	
06/30/2042					10,345,341.50
12/01/2042	9,330,000	2.040%	511,290.00	9,841,290.00	
06/01/2043			416,124.00	416,124.00	
06/30/2043					10,257,414.00
12/01/2043	9,525,000	2.070%	416,124.00	9,941,124.00	
06/01/2044			317,540.25	317,540.25	
06/30/2044					10,258,664.25
12/01/2044	9,725,000	2.100%	317,540.25	10,042,540.25	
06/01/2045			215,427.75	215,427.75	
06/30/2045					10,257,968.00
12/01/2045	9,935,000	2.130%	215,427.75	10,150,427.75	
06/01/2046			109,620.00	109,620.00	
06/30/2046					10,260,047.75
12/01/2046	10,150,000	2.160%	109,620.00	10,259,620.00	
06/30/2047					10,259,620.00
	77,205,000		33,971,895.00	111,176,895.00	111,176,895.00

BOND DEBT SERVICE

Scott County School District Finance Corporation
 School Building Revenue Bonds, Series of 2021
 Scott County High School Project BG-3
 NBQ, Aa3 underlying / A1 enhanced
 25 Year Scenario

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022			786,805.25	786,805.25
06/30/2023	75,000	0.130%	1,573,561.75	1,648,561.75
06/30/2024	75,000	0.160%	1,573,453.00	1,648,453.00
06/30/2025	75,000	0.250%	1,573,299.25	1,648,299.25
06/30/2026	75,000	0.360%	1,573,070.50	1,648,070.50
06/30/2027	75,000	0.520%	1,572,740.50	1,647,740.50
06/30/2028	80,000	0.640%	1,572,289.50	1,652,289.50
06/30/2029	80,000	0.780%	1,571,721.50	1,651,721.50
06/30/2030	80,000	0.910%	1,571,045.50	1,651,045.50
06/30/2031	80,000	1.050%	1,570,261.50	1,650,261.50
06/30/2032	80,000	1.210%	1,569,357.50	1,649,357.50
06/30/2033	80,000	1.370%	1,568,325.50	1,648,325.50
06/30/2034	85,000	1.530%	1,567,127.25	1,652,127.25
06/30/2035	85,000	1.650%	1,565,775.75	1,650,775.75
06/30/2036	85,000	1.700%	1,564,352.00	1,649,352.00
06/30/2037	85,000	1.750%	1,562,885.75	1,647,885.75
06/30/2038	90,000	1.850%	1,561,309.50	1,651,309.50
06/30/2039	90,000	1.890%	1,559,626.50	1,649,626.50
06/30/2040	8,880,000	1.930%	1,473,084.00	10,353,084.00
06/30/2041	9,055,000	1.980%	1,297,747.50	10,352,747.50
06/30/2042	9,230,000	2.010%	1,115,341.50	10,345,341.50
06/30/2043	9,330,000	2.040%	927,414.00	10,257,414.00
06/30/2044	9,525,000	2.070%	733,664.25	10,258,664.25
06/30/2045	9,725,000	2.100%	532,968.00	10,257,968.00
06/30/2046	9,935,000	2.130%	325,047.75	10,260,047.75
06/30/2047	10,150,000	2.160%	109,620.00	10,259,620.00
	77,205,000		33,971,895.00	111,176,895.00

DETAILED BOND DEBT SERVICE

Scott County School District Finance Corporation
SFCC Portion

Bond Component (BOND)

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022			9,780.80	9,780.80
06/30/2023	74,039	0.130%	19,513.48	93,552.48
06/30/2024	74,144	0.160%	19,406.04	93,550.04
06/30/2025	74,297	0.250%	19,253.85	93,550.85
06/30/2026	74,525	0.360%	19,026.83	93,551.83
06/30/2027	74,853	0.520%	18,698.07	93,551.07
06/30/2028	75,288	0.640%	18,262.53	93,550.53
06/30/2029	75,824	0.780%	17,725.89	93,549.89
06/30/2030	76,470	0.910%	17,082.24	93,552.24
06/30/2031	77,223	1.050%	16,328.88	93,551.88
06/30/2032	78,100	1.210%	15,450.96	93,550.96
06/30/2033	79,113	1.370%	14,436.53	93,549.53
06/30/2034	80,271	1.530%	13,280.53	93,551.53
06/30/2035	81,558	1.650%	11,993.61	93,551.61
06/30/2036	82,936	1.700%	10,615.80	93,551.80
06/30/2037	84,379	1.750%	9,172.52	93,551.52
06/30/2038	85,912	1.850%	7,639.52	93,551.52
06/30/2039	87,533	1.890%	6,017.65	93,550.65
06/30/2040	89,222	1.930%	4,329.47	93,551.47
06/30/2041	90,984	1.980%	2,567.74	93,551.74
06/30/2042	82,935	2.010%	833.50	83,768.50
	1,599,606		271,416.44	1,871,022.44

DETAILED BOND DEBT SERVICE

Scott County School District Finance Corporation
 District Portion (Restricted Fund)

Bond Component (BOND)

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2022			777,024.45	777,024.45
06/30/2023	961	0.130%	1,554,048.27	1,555,009.27
06/30/2024	856	0.160%	1,554,046.96	1,554,902.96
06/30/2025	703	0.250%	1,554,045.40	1,554,748.40
06/30/2026	475	0.360%	1,554,043.67	1,554,518.67
06/30/2027	147	0.520%	1,554,042.43	1,554,189.43
06/30/2028	4,712	0.640%	1,554,026.97	1,558,738.97
06/30/2029	4,176	0.780%	1,553,995.61	1,558,171.61
06/30/2030	3,530	0.910%	1,553,963.26	1,557,493.26
06/30/2031	2,777	1.050%	1,553,932.62	1,556,709.62
06/30/2032	1,900	1.210%	1,553,906.54	1,555,806.54
06/30/2033	887	1.370%	1,553,888.97	1,554,775.97
06/30/2034	4,729	1.530%	1,553,846.72	1,558,575.72
06/30/2035	3,442	1.650%	1,553,782.14	1,557,224.14
06/30/2036	2,064	1.700%	1,553,736.20	1,555,800.20
06/30/2037	621	1.750%	1,553,713.23	1,554,334.23
06/30/2038	4,088	1.850%	1,553,669.98	1,557,757.98
06/30/2039	2,467	1.890%	1,553,608.85	1,556,075.85
06/30/2040	8,790,778	1.930%	1,468,754.53	10,259,532.53
06/30/2041	8,964,016	1.980%	1,295,179.76	10,259,195.76
06/30/2042	9,147,065	2.010%	1,114,508.00	10,261,573.00
06/30/2043	9,330,000	2.040%	927,414.00	10,257,414.00
06/30/2044	9,525,000	2.070%	733,664.25	10,258,664.25
06/30/2045	9,725,000	2.100%	532,968.00	10,257,968.00
06/30/2046	9,935,000	2.130%	325,047.75	10,260,047.75
06/30/2047	10,150,000	2.160%	109,620.00	10,259,620.00
	75,605,394		33,700,478.56	109,305,872.56

BOND SUMMARY STATISTICS

Scott County School District Finance Corporation
 School Building Revenue Bonds, Series of 2021
 Scott County High School Project BG-3
 NBQ, Aa3 underlying / A1 enhanced
 25 Year Scenario

Dated Date	12/01/2021
Delivery Date	12/01/2021
Last Maturity	12/01/2046
Arbitrage Yield	2.055945%
True Interest Cost (TIC)	2.173689%
Net Interest Cost (NIC)	2.151709%
All-In TIC	2.202624%
Average Coupon	2.058161%
Average Life (years)	21.379
Duration of Issue (years)	17.312
Par Amount	77,205,000.00
Bond Proceeds	77,205,000.00
Total Interest	33,971,895.00
Net Interest	35,515,995.00
Total Debt Service	111,176,895.00
Maximum Annual Debt Service	10,353,084.00
Average Annual Debt Service	4,447,075.80
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	20.000000
Total Underwriter's Discount	20.000000
Bid Price	98.000000

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Bond Component	77,205,000.00	100.000	2.058%	21.379	132,601.55
	77,205,000.00			21.379	132,601.55

	TIC	All-In TIC	Arbitrage Yield
Par Value	77,205,000.00	77,205,000.00	77,205,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-1,544,100.00	-1,544,100.00	
- Cost of Issuance Expense		-373,820.00	
- Other Amounts			
Target Value	75,660,900.00	75,287,080.00	77,205,000.00
Target Date	12/01/2021	12/01/2021	12/01/2021
Yield	2.173689%	2.202624%	2.055945%

BOND PRICING

Scott County School District Finance Corporation
 School Building Revenue Bonds, Series of 2021
 Scott County High School Project BG-3
 NBQ, Aa3 underlying / A1 enhanced
 25 Year Scenario

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	12/01/2022	75,000	0.130%	0.130%	100.000
	12/01/2023	75,000	0.160%	0.160%	100.000
	12/01/2024	75,000	0.250%	0.250%	100.000
	12/01/2025	75,000	0.360%	0.360%	100.000
	12/01/2026	75,000	0.520%	0.520%	100.000
	12/01/2027	80,000	0.640%	0.640%	100.000
	12/01/2028	80,000	0.780%	0.780%	100.000
	12/01/2029	80,000	0.910%	0.910%	100.000
	12/01/2030	80,000	1.050%	1.050%	100.000
	12/01/2031	80,000	1.210%	1.210%	100.000
	12/01/2032	80,000	1.370%	1.370%	100.000
	12/01/2033	85,000	1.530%	1.530%	100.000
	12/01/2034	85,000	1.650%	1.650%	100.000
	12/01/2035	85,000	1.700%	1.700%	100.000
	12/01/2036	85,000	1.750%	1.750%	100.000
	12/01/2037	90,000	1.850%	1.850%	100.000
	12/01/2038	90,000	1.890%	1.890%	100.000
	12/01/2039	8,880,000	1.930%	1.930%	100.000
	12/01/2040	9,055,000	1.980%	1.980%	100.000
	12/01/2041	9,230,000	2.010%	2.010%	100.000
	12/01/2042	9,330,000	2.040%	2.040%	100.000
	12/01/2043	9,525,000	2.070%	2.070%	100.000
	12/01/2044	9,725,000	2.100%	2.100%	100.000
	12/01/2045	9,935,000	2.130%	2.130%	100.000
	12/01/2046	10,150,000	2.160%	2.160%	100.000
		77,205,000			

Dated Date	12/01/2021	
Delivery Date	12/01/2021	
First Coupon	06/01/2022	
Par Amount	77,205,000.00	
Original Issue Discount		
Production	77,205,000.00	100.000000%
Underwriter's Discount	-1,544,100.00	-2.000000%
Purchase Price	75,660,900.00	98.000000%
Accrued Interest		
Net Proceeds	75,660,900.00	

BOND SOLUTION

Scott County School District Finance Corporation
SFCC Portion

Period Ending	Proposed Principal	Proposed Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2022		9,781	9,781	9,783	2	100.02249%
06/30/2023	74,039	93,552	93,552	93,553	0	100.00004%
06/30/2024	74,144	93,550	93,550	93,550	0	100.00042%
06/30/2025	74,297	93,551	93,551	93,552	1	100.00083%
06/30/2026	74,525	93,552	93,552	93,552	0	100.00034%
06/30/2027	74,853	93,551	93,551	93,551	0	100.00010%
06/30/2028	75,288	93,551	93,551	93,551	0	100.00040%
06/30/2029	75,824	93,550	93,550	93,550	0	100.00043%
06/30/2030	76,470	93,552	93,552	93,553	1	100.00080%
06/30/2031	77,223	93,552	93,552	93,552	0	100.00044%
06/30/2032	78,100	93,551	93,551	93,552	1	100.00080%
06/30/2033	79,113	93,550	93,550	93,550	1	100.00080%
06/30/2034	80,271	93,552	93,552	93,552	1	100.00081%
06/30/2035	81,558	93,552	93,552	93,553	1	100.00097%
06/30/2036	82,936	93,552	93,552	93,552	1	100.00071%
06/30/2037	84,379	93,552	93,552	93,552	1	100.00095%
06/30/2038	85,912	93,552	93,552	93,552	0	100.00025%
06/30/2039	87,533	93,551	93,551	93,551	1	100.00089%
06/30/2040	89,222	93,551	93,551	93,552	0	100.00018%
06/30/2041	90,984	93,552	93,552	93,552	0	100.00051%
06/30/2042	82,935	83,769	83,769	83,769	0	100.00010%
	1,599,606	1,871,022	1,871,022	1,871,035	12	

BOND SOLUTION

Scott County School District Finance Corporation
District Portion (Restricted Fund)

Period Ending	Proposed Principal	Proposed Debt Service	Existing Debt Service	Total Adj Debt Service	Revenue Constraints	Unused Revenues	Debt Serv Coverage
06/30/2022		777,024	12,273,008	13,050,033	15,122,187	2,072,154	115.87854%
06/30/2023	961	1,555,009	12,270,308	13,825,318	15,122,187	1,296,869	109.38039%
06/30/2024	856	1,554,903	12,270,136	13,825,039	15,122,187	1,297,148	109.38260%
06/30/2025	703	1,554,748	12,240,135	13,794,884	15,122,187	1,327,303	109.62171%
06/30/2026	475	1,554,519	12,243,085	13,797,604	15,122,187	1,324,582	109.60009%
06/30/2027	147	1,554,189	12,241,692	13,795,881	15,122,187	1,326,306	109.61378%
06/30/2028	4,712	1,558,739	12,242,214	13,800,953	15,122,187	1,321,234	109.57349%
06/30/2029	4,176	1,558,172	12,244,592	13,802,764	15,122,187	1,319,423	109.55912%
06/30/2030	3,530	1,557,493	12,225,288	13,782,781	15,122,187	1,339,406	109.71796%
06/30/2031	2,777	1,556,710	12,225,861	13,782,570	15,122,187	1,339,616	109.71964%
06/30/2032	1,900	1,555,807	12,224,459	13,780,265	15,122,187	1,341,921	109.73799%
06/30/2033	887	1,554,776	12,223,419	13,778,195	15,122,187	1,343,992	109.75449%
06/30/2034	4,729	1,558,576	12,226,760	13,785,336	15,122,187	1,336,851	109.69763%
06/30/2035	3,442	1,557,224	12,209,466	13,766,690	15,122,187	1,355,497	109.84621%
06/30/2036	2,064	1,555,800	12,208,241	13,764,041	15,122,187	1,358,146	109.86735%
06/30/2037	621	1,554,334	12,207,910	13,762,244	15,122,187	1,359,942	109.88169%
06/30/2038	4,088	1,557,758	12,207,577	13,765,335	15,122,187	1,356,852	109.85702%
06/30/2039	2,467	1,556,076	9,090,431	10,646,507	14,224,345	3,577,838	133.60574%
06/30/2040	8,790,778	10,259,533		10,259,533	14,224,345	3,964,812	138.64515%
06/30/2041	8,964,016	10,259,196		10,259,196	14,224,345	3,965,149	138.64971%
06/30/2042	9,147,065	10,261,573		10,261,573	14,224,345	3,962,772	138.61759%
06/30/2043	9,330,000	10,257,414		10,257,414	14,224,345	3,966,931	138.67379%
06/30/2044	9,525,000	10,258,664		10,258,664	14,224,345	3,965,680	138.65689%
06/30/2045	9,725,000	10,257,968		10,257,968	14,224,345	3,966,377	138.66630%
06/30/2046	9,935,000	10,260,048		10,260,048	14,224,345	3,964,297	138.63819%
06/30/2047	10,150,000	10,259,620		10,259,620	14,224,345	3,964,725	138.64397%
	75,605,394	109,305,873	217,074,581	326,380,454	385,096,275	58,715,821	



September 3, 2021

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

RE: \$4,635,000 Webster County School District Finance Corporation
School Building Refunding Revenue Bonds, Taxable 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 refinance the Series 2013 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 8.52% 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

BOND PAYEE DISCLOSURE FORM

Par Amount:	\$4,635,000	
Issue Name:	Webster School District Finance Corporation School Building Refunding Revenue Bonds, Taxable Series of 2021	
Purpose:	Refinancing Series 2013	
Projected Sale Date of Bonds:	October 2021	
First Call Date:	N/A	
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:	/ /	<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
\$395,000	\$4,240,000	\$4,635,000
8.52%	91.48%	100.00%
\$35,372	\$365,328	\$400,700
\$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:

\$2,688	\$28,852	\$31,540
\$0	\$0	\$0
\$0	\$0	\$0
\$1,108	\$11,892	\$13,000
\$3,950	\$42,400	\$46,350
\$0	\$0	\$0
\$7,746	\$83,144	\$90,890

Anticipated Interest Rates:

5 Years: 1.000% 10 Years: 2.000% 15 Years: 2.000%
 20 Years: 2.40%

Notes: No tax Increase required

Webster County School District

Projected Taxable Refunding of Series 2013

Date of Report: September 3, 2021

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Webster County School District

OUTSTANDING NET LOCAL DEBT SERVICE

	A	B	C	D	E	F	G	H	Total
FYE	Series 2012 Energy	Series 2013	Series 2014 REF	Series 2015 REF	Series 2016 REF	Series 2016	Series 2017	Series 2019	Debt Service
2022	\$63,777	\$190,185	\$149,894	\$83,750	\$307,390	\$21,309	\$35,375	\$88,131	\$958,618
2023	\$70,237	\$198,424	\$147,109	\$87,200	\$313,490	\$20,608	\$34,925	\$87,832	\$959,826
2024	\$70,814	\$196,514	\$149,013	\$80,650	\$314,241	\$19,908	\$34,475	\$92,531	\$958,146
2025	\$65,695	\$208,815	\$145,600	\$84,100	\$314,691	\$24,159	\$29,100	\$87,080	\$959,240
2026	\$60,222	\$220,401	\$141,925	\$82,500	\$309,891	\$23,334	\$33,725	\$86,782	\$958,779
2027	\$54,386	\$393,578		\$85,850	\$285,090	\$22,483	\$28,350	\$91,481	\$961,219
2028	\$48,176	\$403,252			\$269,472	\$36,439	\$91,888	\$96,031	\$945,258
2029	\$41,120	\$480,509			\$204,716	\$44,846	\$69,613	\$95,430	\$936,235
2030	\$33,197	\$554,609				\$47,820	\$77,513	\$179,832	\$892,971
2031	\$29,779	\$579,090				\$50,646	\$65,413	\$166,681	\$891,608
2032	\$20,854	\$597,090				\$53,321	\$63,488	\$158,832	\$893,584
2033	\$16,411	\$611,312				\$56,349	\$61,563	\$146,131	\$891,765
2034		\$682,710				\$57,719	\$15,425	\$133,731	\$889,585
2035						\$85,070	\$34,725	\$501,631	\$621,427
2036						\$86,396	\$38,588	\$493,432	\$618,415
2037						\$82,601	\$42,275	\$485,080	\$609,956
2038							\$45,788	\$486,582	\$532,369
2039								\$477,632	\$477,632
Totals:	\$574,668	\$5,316,490	\$733,541	\$504,050	\$2,318,982	\$733,009	\$802,225	\$3,954,861	\$14,956,633

Webster County School District

Projected Series 2021 REF

A	B	C	D	E	F	G	H	I	J	K
Current Payments	FY June 30	Principal Payment	----- Estimated New Bond Issue -----		Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
			Coupon	Interest Payments						
\$768,434	2022	\$35,000	0.250%	\$13,673	\$48,673	\$35,372	\$13,301	\$781,735	\$1,072,324	\$290,590
\$761,402	2023	\$135,000	0.350%	\$64,444	\$199,444	\$35,372	\$164,072	\$925,474	\$1,072,324	\$146,851
\$761,632	2024	\$135,000	0.400%	\$63,938	\$198,938	\$35,372	\$163,566	\$925,198	\$1,072,324	\$147,127
\$750,425	2025	\$150,000	0.500%	\$63,293	\$213,293	\$35,372	\$177,921	\$928,346	\$1,072,324	\$143,979
\$738,378	2026	\$160,000	0.600%	\$62,438	\$222,438	\$35,372	\$187,066	\$925,443	\$1,072,324	\$146,881
\$567,641	2027	\$335,000	0.900%	\$60,450	\$395,450	\$35,372	\$360,078	\$927,719	\$1,072,324	\$144,606
\$542,006	2028	\$350,000	1.100%	\$57,018	\$407,018	\$35,372	\$371,646	\$913,652	\$1,072,324	\$158,673
\$455,726	2029	\$430,000	1.300%	\$52,298	\$482,298	\$35,372	\$446,926	\$902,651	\$1,072,324	\$169,673
\$338,361	2030	\$515,000	1.450%	\$45,769	\$560,769	\$35,372	\$525,397	\$863,758	\$1,072,324	\$208,566
\$312,519	2031	\$545,000	1.600%	\$37,675	\$582,675	\$35,372	\$547,303	\$859,822	\$1,072,324	\$212,503
\$296,494	2032	\$570,000	1.700%	\$28,470	\$598,470	\$35,372	\$563,098	\$859,592	\$1,072,324	\$212,733
\$280,454	2033	\$600,000	1.800%	\$18,225	\$618,225	\$35,372	\$582,853	\$863,307	\$1,072,324	\$209,018
\$206,875	2034	\$675,000	1.900%	\$6,413	\$681,413	\$35,372	\$646,041	\$852,915	\$1,072,324	\$219,409
Totals:		\$4,635,000		\$574,101	\$5,209,101	\$459,836	\$4,749,265	\$11,529,610	\$13,940,218	\$2,410,608

Webster County School District Finance Corporation
School Building Refunding Revenue Taxable Bonds, Series 2021
Refunding of Prior Series 2013 Bonds - Dated Date of 11.15.21

	(A) Current Bond Payments						(C) Savings
	-----Series 2013 Bonds-----			-----Series 2021 Bonds-----			
Fiscal Year	Principal Portion	Interest Portion	Total Payment	Principal Portion	Interest Portion	Payment Totals	Annual Savings
Closing							
2022	\$0	\$80,781	\$80,781	\$35,000	\$13,673	\$48,673	\$32,108
2023	\$75,000	\$160,438	\$235,438	\$135,000	\$64,444	\$199,444	\$35,994
2024	\$75,000	\$158,188	\$233,188	\$135,000	\$63,938	\$198,938	\$34,250
2025	\$90,000	\$155,488	\$245,488	\$150,000	\$63,293	\$213,293	\$32,195
2026	\$105,000	\$152,075	\$257,075	\$160,000	\$62,438	\$222,438	\$34,638
2027	\$285,000	\$145,250	\$430,250	\$335,000	\$60,450	\$395,450	\$34,800
2028	\$305,000	\$134,925	\$439,925	\$350,000	\$57,018	\$407,018	\$32,908
2029	\$395,000	\$122,181	\$517,181	\$430,000	\$52,298	\$482,298	\$34,884
2030	\$490,000	\$105,588	\$595,588	\$515,000	\$45,769	\$560,769	\$34,819
2031	\$530,000	\$85,800	\$615,800	\$545,000	\$37,675	\$582,675	\$33,125
2032	\$570,000	\$63,800	\$633,800	\$570,000	\$28,470	\$598,470	\$35,330
2033	\$610,000	\$40,200	\$650,200	\$600,000	\$18,225	\$618,225	\$31,975
2034	\$700,000	\$14,000	\$714,000	\$675,000	\$6,413	\$681,413	\$32,588
Totals:	\$4,230,000	\$1,418,713	\$5,648,713	\$4,635,000	\$574,101	\$5,209,101	\$439,612

Net Savings Summary

Gross Savings Amount:	\$439,612
Present Value Savings Amount:	\$394,986
NPV Savings % of Prior:	9.338%
Negative Arbitrage	(\$87,327)
Efficiency Ratio	80.135%

Interest Rate Reduction Summary

Series 2013 Average Coupon:	3.500%
Series 2021 True Interest Cost:	1.709%
Interest Rate Reduction:	<u>1.791%</u>

WEBSTER COUNTY SCHOOL DISTRICT

SCHOOL BUILDING REVENUE BONDS, SERIES 2013

FINAL Sold to Janney Montgomery Scott on 08.08.13 Dated 08.01.13 Del. 08.29.13

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
02/01/2022	-	80,781.25	80,781.25	-	-	80,781.25	80,781.25
08/01/2022	75,000.00	80,781.25	155,781.25	75,000.00	3.000%	80,781.25	155,781.25
02/01/2023	-	79,656.25	79,656.25	-	-	79,656.25	79,656.25
08/01/2023	4,155,000.00	79,656.25	4,234,656.25	75,000.00	3.000%	79,656.25	154,656.25
02/01/2024	-	-	-	-	-	78,531.25	78,531.25
08/01/2024	-	-	-	90,000.00	3.500%	78,531.25	168,531.25
02/01/2025	-	-	-	-	-	76,956.25	76,956.25
08/01/2025	-	-	-	105,000.00	3.500%	76,956.25	181,956.25
02/01/2026	-	-	-	-	-	75,118.75	75,118.75
08/01/2026	-	-	-	285,000.00	3.500%	75,118.75	360,118.75
02/01/2027	-	-	-	-	-	70,131.25	70,131.25
08/01/2027	-	-	-	305,000.00	3.500%	70,131.25	375,131.25
02/01/2028	-	-	-	-	-	64,793.75	64,793.75
08/01/2028	-	-	-	395,000.00	3.750%	64,793.75	459,793.75
02/01/2029	-	-	-	-	-	57,387.50	57,387.50
08/01/2029	-	-	-	490,000.00	3.750%	57,387.50	547,387.50
02/01/2030	-	-	-	-	-	48,200.00	48,200.00
08/01/2030	-	-	-	530,000.00	4.000%	48,200.00	578,200.00
02/01/2031	-	-	-	-	-	37,600.00	37,600.00
08/01/2031	-	-	-	570,000.00	4.000%	37,600.00	607,600.00
02/01/2032	-	-	-	-	-	26,200.00	26,200.00
08/01/2032	-	-	-	610,000.00	4.000%	26,200.00	636,200.00
02/01/2033	-	-	-	-	-	14,000.00	14,000.00
08/01/2033	-	-	-	700,000.00	4.000%	14,000.00	714,000.00
Total	\$4,230,000.00	\$320,875.00	\$4,550,875.00	\$4,230,000.00	-	\$1,418,712.50	\$5,648,712.50

WEBSTER COUNTY SCHOOL DISTRICT

SCHOOL BUILDING REVENUE BONDS, SERIES 2013

FINAL Sold to Janney Montgomery Scott on 08.08.13 Dated 08.01.13 Del. 08.29.13

Debt Service To Maturity And To Call

Part 2 of 2

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/15/2021
Average Life	8.325 Years
Average Coupon	3.8963987%
Weighted Average Maturity (Par Basis)	8.325 Years
Weighted Average Maturity (Original Price Basis)	8.320 Years

Refunding Bond Information

Refunding Dated Date	11/15/2021
Refunding Delivery Date	11/15/2021

WEBSTER COUNTY SCHOOL DISTRICT

SCHOOL BUILDING REVENUE BONDS, SERIES 2013

FINAL Sold to Janney Montgomery Scott on 08.08.13 Dated 08.01.13 Del. 08.29.13

Escrow Fund Cashflow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
11/15/2021	-	-	-	0.62	-	0.62
02/01/2022	79,768.00	0.070%	1,013.44	80,781.44	80,781.25	0.81
08/01/2022	153,331.00	0.080%	2,449.60	155,780.60	155,781.25	0.16
02/01/2023	77,294.00	0.090%	2,362.56	79,656.56	79,656.25	0.47
08/01/2023	4,232,328.00	0.110%	2,327.78	4,234,655.78	4,234,656.25	-
Total	\$4,542,721.00	-	\$8,153.38	\$4,550,875.00	\$4,550,875.00	-

Investment Parameters

<u>Investment Model [PV, GIC, or Securities]</u>	Securities
<u>Default investment yield target</u>	Bond Yield
<u>Cash Deposit</u>	0.62
<u>Cost of Investments Purchased with Bond Proceeds</u>	4,542,721.00
<u>Total Cost of Investments</u>	\$4,542,721.62
<u>Target Cost of Investments at bond yield</u>	\$4,455,394.83
<u>Actual positive or (negative) arbitrage</u>	(87,326.79)
<u>Yield to Receipt</u>	0.1092748%
<u>Yield for Arbitrage Purposes</u>	1.2962932%
<u>State and Local Government Series (SLGS) rates for</u>	2/01/2021

Series 2013 FINAL REF | SINGLE PURPOSE | 9/ 3/2021 | 10:15 AM

RSA Advisors, LLC

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

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.