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OFFICE OF THE CONTROLLER
OFFICE OF FINANCIAL MANAGEMENT

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October 13, 2022

The Honorable Senator Jason Howell, 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 Howell and Representative Freeland:

Listed below is information regarding various projects and reports that will be presented to the Capital Projects and Bond Oversight (“CPBO”) Committee at the October meeting. Included pursuant to KRS 56.863(11) is the Asset/Liability Commission (“ALCo”) Semi-Annual Report as of June 30, 2022.

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

<u>Fund B Loans</u>	
Bath County Water District	\$640,469

The KIA will present Cleaner Water Program Grants for both sewer and water for approval. A detailed list of projects can be found starting on page 37.

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

Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Richwood Bend), Series 2022	\$10,000,000+
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Not to Exceed+

The Office of Financial Management will present three (3) informational items for the Committee’s review:

University of Kentucky General Receipts Bonds 2022 Series B	\$67,825,000
2022 Taxable Series C	\$22,850,000

Senator Howell
Representative Freeland
October 13, 2022
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Kentucky Economic Development Finance Authority Healthcare Facilities Refunding Revenue Bonds, Series 2022, Carmel Manor, Inc. Project (Carmelite System, Inc. Obligated Group Guaranty)	\$17,140,000
Kentucky Housing Corporation Conduit Multifamily Housing Revenue Bonds (Crossings at South Park Project), Series 2022	\$22,000,000

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

Bardstown Independent	\$7,000,000*
Bath County	\$5,000,000*
Casey County	\$5,500,000*
Nelson County	\$20,000,000*

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,



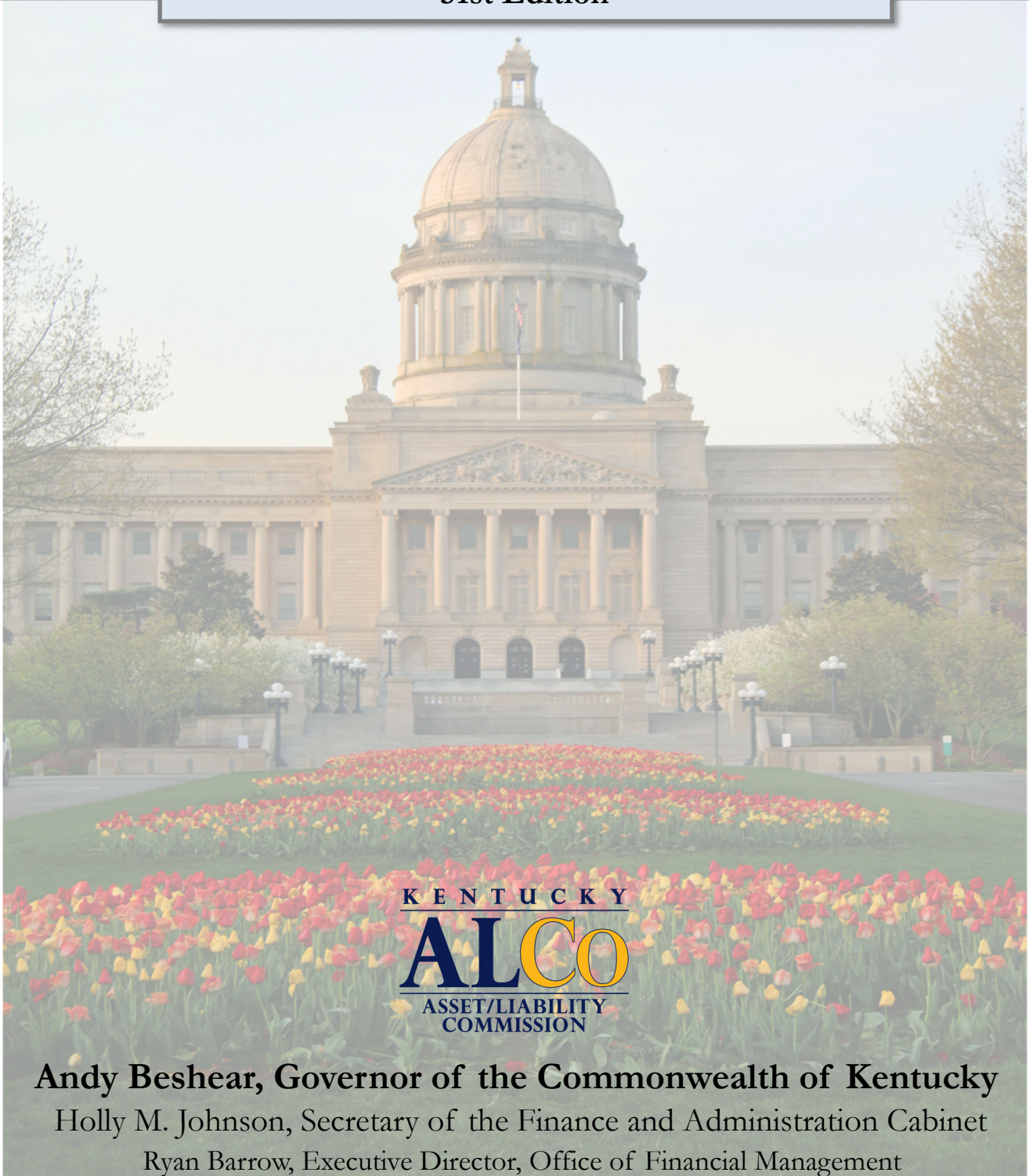
Ryan Barrow,
Executive Director

Attachments

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

For the period ending June 30, 2022

51st Edition



KENTUCKY
ALCo
ASSET/LIABILITY
COMMISSION

Andy Beshear, Governor of the Commonwealth of Kentucky
Holly M. Johnson, Secretary of the Finance and Administration Cabinet
Ryan Barrow, Executive Director, Office of Financial Management

A copy of this report:

[ALCo Semi-Annual Reports - Finance and Administration Cabinet \(ky.gov\)](#)

The Commonwealth's Annual Comprehensive Financial Report (ACFR):

<https://finance.ky.gov/office-of-the-controller/office-of-statewide-accounting-services/financial-reporting-branch/Pages/annual-comprehensive-financial-reports.aspx>

The Municipal Securities Rulemaking Board (MSRB)

Electronic Municipal Market Access (EMMA):

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

Commonwealth of Kentucky Investor Relations (BondLink):

<https://bonds.ky.gov/>

Office of Financial Management (OFM):

<https://ofm.ky.gov>

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Finance Cabinet Employee



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INTRODUCTION

The Kentucky Asset/Liability Commission (“ALCo” or the “Commission”) presents its 51st semi-annual report to the Capital Projects and Bond Oversight Committee and the Interim Joint Committee on Appropriations and Revenue pursuant to KRS 56.863 (11) for the period beginning January 1, 2022 through June 30, 2022.

Provided in the report is the current structure of the Commonwealth’s investment and debt portfolios and the strategy used to reduce both the impact of variable revenue receipts on the budget of the Commonwealth and fluctuating interest rates on the interest-sensitive assets and interest-sensitive liabilities of the Commonwealth. An analysis of the Commonwealth’s outstanding debt is provided as well as a description of financial agreements entered into during the reporting period.

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

On the national level

- The Federal Reserve Board of Governors raised the federal funds rate to 1.50 percent to 1.75 percent during the first half of 2022.
- The unemployment rate fell to 3.6 percent ending June 2022 from 3.9 percent in December 2021.
- The annual rate of economic growth as measured by GDP fell over the first two quarters of 2022. The seasonally adjusted rate for the first quarter was negative 1.6 percent and second quarter was a negative 0.9 percent.
- Inflation continued the trend upward during the first quarter of 2022 but then fell over the second quarter with the core rate (ex-energy and food) ending the first half of 2022 at 4.8 percent.
- The 2022 Regular Session of the General Assembly delivered House Bill 1 (Executive Branch Budget other than the Transportation Cabinet) and House Bill 241 (Kentucky Transportation Cabinet Budget) to the Governor on March 30, 2022. Together the bills authorize bond financing for projects totaling a net amount of \$3.767 billion to support various capital initiatives of the Commonwealth.
- Implementation of bond authorizations from prior-year sessions of the General Assembly continued. Bond issues for the period are discussed later in the report.

On the state level

- General Fund receipts totaled \$14.7 billion for Fiscal Year (FY) 2022, an increase of 14.6 percent over FY 2021 collections. General Fund revenues exceeded the budgeted estimate by \$945.4 million.
- Road Fund receipts for FY 2022 totaled \$1.67 billion, an increase of 2.0 percent from the previous fiscal year. Road Fund collections were below the budgeted estimate by \$4.7 million, or 0.3 percent.

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Market Overview

In the first part of the year, inflation remained well above the Federal Open Market Committee's (FOMC) longer-run objective of 2 percent, with some inflation measures rising to their highest levels in more than 40 years. These price pressures reflect supply and demand imbalances, higher energy and food prices, and broader price pressures, including those resulting from an extremely tight labor market. In the labor market, demand has remained strong, and supply has increased only modestly. As a result, the unemployment rate fell noticeably below the median of FOMC participants' estimates of its longer-run normal level, and nominal wages continued to rise rapidly. Although overall economic activity edged down, household spending and business fixed investment remained strong. The most recent indicators suggest that private fixed investment may be moderating, but consumer spending remains strong.

In response to sustained inflationary pressures and a strong labor market, the FOMC has been adjusting its policies and communications since last fall. At its March meeting, the FOMC raised the target range for the federal funds rate to 0.25 to 0.50 percent. The Committee continued to raise the target range in May and June, bringing it to 1.5 to 1.75 percent following the June meeting, and indicated that ongoing increases are likely to be appropriate. The Committee ceased net asset purchases in early March and began reducing its securities holdings in June.

Employment

Demand for labor continued to outstrip available supply across many parts of the economy, and

nominal wages continued to increase at a robust pace. While labor demand remained very strong, labor supply increased only modestly. As a result, the labor market tightened further between December and June, with job gains averaging 475,000 per month and the unemployment rate falling from 3.9 percent to 3.6 percent, just above the bottom of its range over the past 50 years.

At the end of April, there were 11.4 million job openings, 60 percent above pre-pandemic levels and down a bit from the all-time high recorded in March. Meanwhile, the supply of labor rose only gradually and remained below pre-pandemic levels. The labor force participation rate (LFPR), which measures the share of people either working or actively seeking work, edged up just 0.1 percentage point in the first half of the year following a 0.4 percentage point improvement last year to 62.3 percent.

Despite these improvements, the LFPR remains 1.1 percentage points below its February 2020 level. About one-half of this decline in the participation rate was expected even in the absence of the pandemic, as additional members of the large baby-boom generation have reached retirement age. In addition, several pandemic-related factors appear to be continuing to hold down the participation rate, including a pandemic-induced surge in retirements (beyond that implied by the aging of the baby boomers) and, to a diminishing extent, increased caregiving responsibilities and some continuing concerns about contracting COVID-19.

In addition to subdued participation, a second factor constraining the size of the labor force has been a marked slowing in population growth since the start of the pandemic. Over 2020 and

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2021, the working-age (16 and over) population grew by 0.4 percent per year on average which is notably less than the 0.9 percent average rate over the previous five years. The slowing in population growth over 2020–21 was due to both a sharp decline in net immigration and a spike in COVID-related deaths. Had the population increased over 2020–21 at the same rate as over the previous five years, the labor force would have been about 1.75 million larger as of the second quarter of this year.

Inflation

Consumer price inflation, as measured by the 12-month change in the price index for personal consumption expenditures (PCE), rose from 5.8 percent in December 2021 to 6.8 percent in June, its highest level since the early 1980s and well above the FOMC's objective of 2 percent. This increase was driven by an acceleration of retail food and energy prices, reflecting further increases in commodity prices. The 12-month measure of inflation that excludes the volatile food and energy categories (so-called core inflation) rose initially and then fell back to 4.8 percent in June, basically unchanged from last December. Three-month measures of core inflation have softened since December but remain far above levels consistent with price stability. Measures of near-term inflation expectations continued to rise markedly, while longer-term expectations moved up by less.

Economic Growth

Real gross domestic product (GDP) is reported to have surged at a 6.9 percent annual rate in the fourth quarter of 2021 and then to have declined at a 1.6 percent annual rate in the first quarter of 2022. The large swings in growth rates reflected

fluctuations in the volatile expenditure categories of net exports and inventory investment. Abstracting from these volatile components, growth in private domestic final demand (consumer spending plus residential and business fixed investment, a measure that tends to be more stable and better reflects the strength of overall economic activity) was strong in the first quarter, supported by some unwinding of supply bottlenecks and a further reopening of the economy. The most recent indicators suggest that private fixed investment may be moderating, but consumer spending remains strong. Even so, real GDP declined again in the second quarter, posting a negative 0.9 percent.

Interest Rates

In March, May, and June, the FOMC raised the target range for the federal funds rate a total of 1.50 percentage points. The expected path of the federal funds rate over the next few years also shifted up substantially since late February. Economic data releases and FOMC communications were viewed by market participants as implying tighter monetary policy than previously expected. Market-based measures suggest that investors anticipate the federal funds rate to exceed 3.6 percent by the end of 2022, which is about 2 percentage points higher than the level expected in late February. The same measures suggest that the federal funds rate is expected to peak at about 4 percent in mid-2023 before gradually declining to about 3.1 percent by the end of 2025, which is about 1.4 percentage points higher than the end of 2025 rate expected in late February.

Before late February, the expected path of the federal funds rate had started to increase notably in the third quarter of last year, in anticipation of

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increases in the target range. Consistent with the rise in the expected path of the federal funds rate, yields on Treasury securities and corporate bonds, as well as mortgage rates, all started to increase materially. Overall, these moves in asset prices suggest tightening of financial conditions even before the initial increase in the target range of the federal funds rate occurred in March.

Yields on nominal Treasury securities across maturities have risen considerably since late February. After a brief dip in late February, yields rose steadily amid higher inflationary pressures and associated expectations for monetary policy tightening. The increases in nominal Treasury yields were primarily accounted for by rising real yields. Uncertainty about longer-term interest rates also increased significantly, reportedly reflecting, in part, an increase in uncertainty about the policy outlook.

Since late February, yields on agency mortgage-backed securities (MBS), an important pricing factor for home mortgage rates increased significantly, as longer-term Treasury yields increased and spreads over comparable maturity Treasury securities widened. MBS spreads increased as market participants' expectations of a gradual reduction in the Federal Reserve's balance sheet shifted to a faster reduction.

Equities

Broad equity price indexes were volatile and declined sharply, on net, amid sustained inflation pressures and expectations of monetary policy tightening, as well as heightened uncertainty and the economic outlook. One-month option-implied volatility on the S&P 500 index, the VIX rose notably to elevated levels in the days following Russia's

invasion of Ukraine. The VIX trended down for some time only to increase again and remain elevated since late April amid a notable deterioration in risk sentiment.

Outlook

The Committee is strongly committed to returning inflation to its 2 percent objective. In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee's assessments will take into account a wide range of information, including readings on inflation and inflation expectations, wages, other measures of labor market conditions, financial and international developments, and public health.

In conjunction with the Federal Open Market Committee (FOMC) meeting held on June 14 and 15, 2022, meeting participants submitted their projections of the most likely outcomes for real gross domestic product (GDP) growth, the unemployment rate, and inflation for each year from 2022 to 2024 and over the longer run.

For 2022, the median forecast for GDP, unemployment rate and inflation is 1.7 percent, 3.7 percent and 5.2 percent, respectively. The expected Federal funds rate at the end of 2022 is 3.4 percent.

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INVESTMENT MANAGEMENT

3.9 percent and 2.6 percent, respectively. The expected Federal funds rate at the end of 2023 is 3.8 percent.

For 2024, the median forecast for GDP, unemployment rate and inflation is 1.9 percent, 4.1 percent and 2.2 percent, respectively. The expected Federal funds rate at the end of 2023 is 3.4 percent.

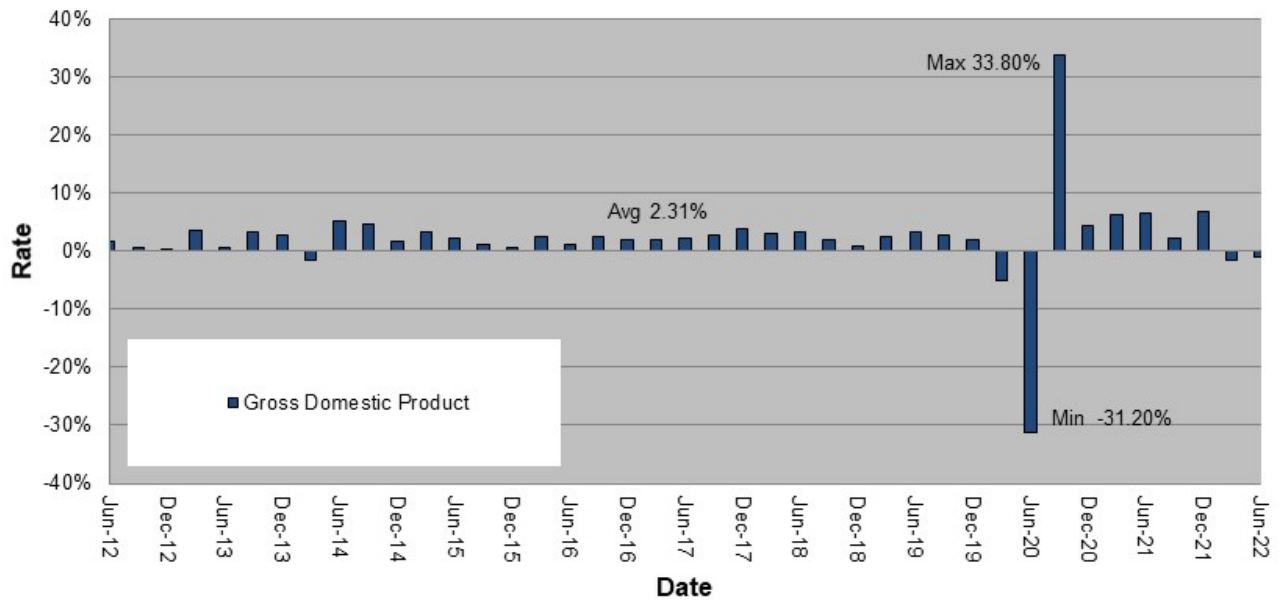
And, longer run projections are 1.8 percent for GDP, 4.0 percent for unemployment and 2.0 percent inflation with an expected Federal funds rate of 2.5 percent.

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Real Gross Domestic Product & Standard & Poor's 500

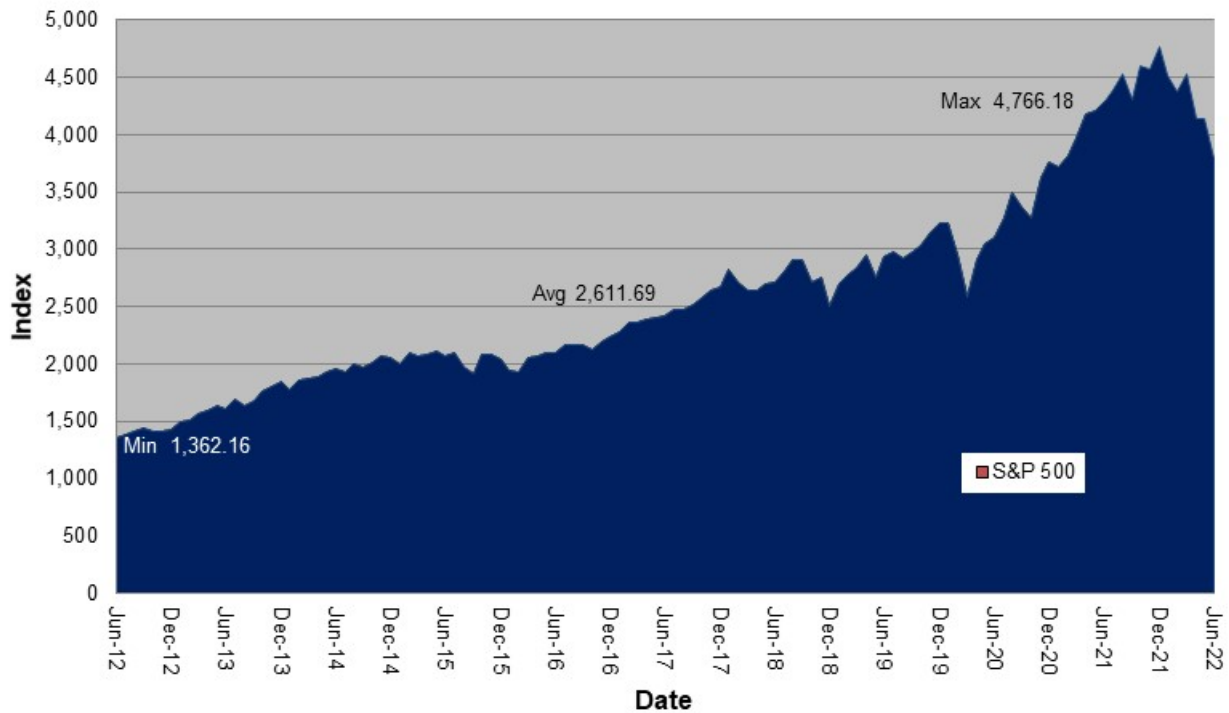
Real Gross Domestic Product

Quarter Over Quarter
Range 07/01/2012-6/30/2022
GDP CQOQ Index



Standard & Poor's 500

Range 07/01/2012-6/30/2022
SPX Index

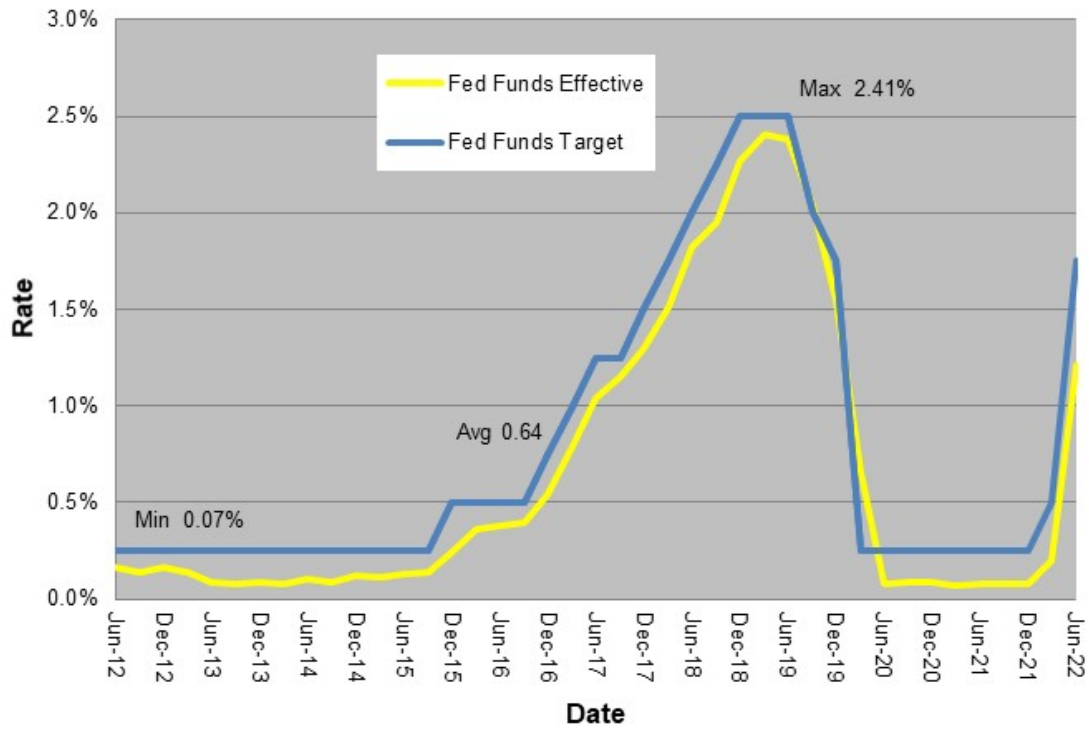


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Federal Funds Target Rate & NonFarm Payrolls

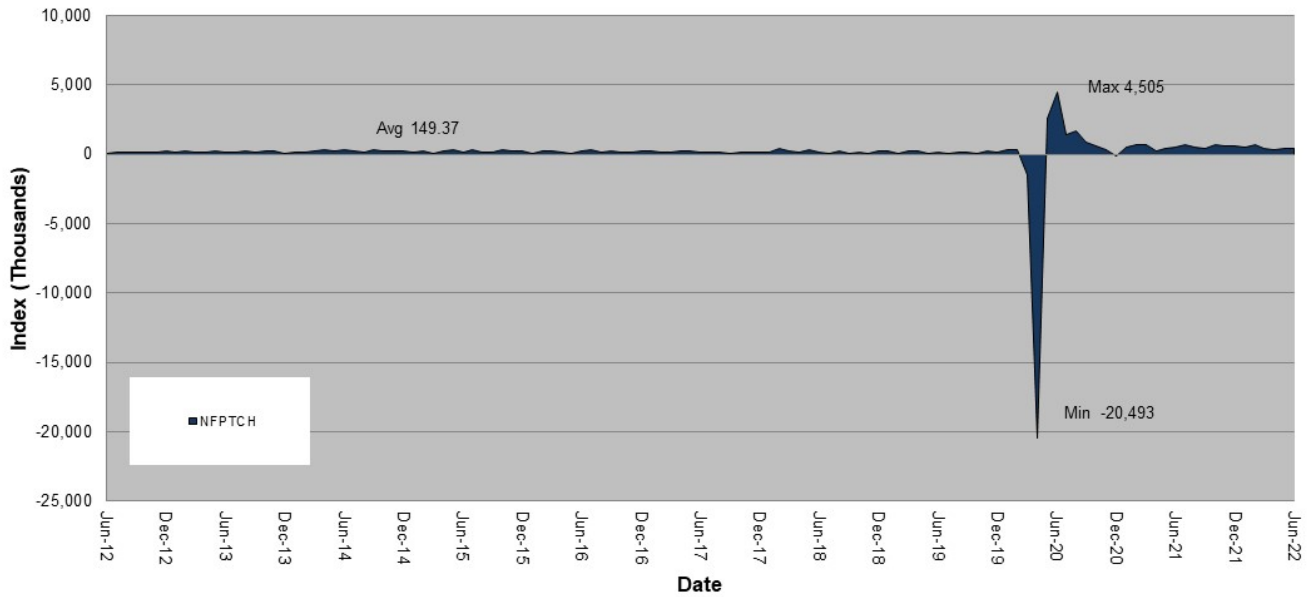
Federal Funds Target Rate

Range 07/01/2012-6/30/2022
FEDL01 Index/FDTR Index



Nonfarm Payrolls

Range 07/01/2012-6/30/2022
NFPTCH Index



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Portfolio Management

For six months ended June 30, 2022, the Commonwealth's combined investment portfolio was approximately \$11.7 billion. The portfolio was invested in U. S. Treasury Securities (21.8%), U. S. Agency Securities (15.9%), Mortgage-Backed Securities (0.3%), Repurchase Agreements (3.4%), Corporate Securities (0.3%), Asset-Backed Securities (0.9%), and Money Market Securities (57.4%). The portfolio had a market yield of 1.71% and an effective duration of 0.43 of a year.

The total portfolio is substantially larger than historical amounts due to receipt of federal funds. It is broken down into three investment pools. The pool balances as of June 30, 2022 was \$6.1 billion (Short Term Pool), \$2.5 billion (Limited Term Pool), \$3.1 billion (Intermediate Term Pool).

Intermediate Pool Performance: In the current rising interest rate environment

The last six to eight months have been very volatile for fixed income portfolios. Regardless of duration, portfolios have suffered mark-to-market losses, and the Intermediate Pool is no exception. The Federal Reserve began raising rates at the March 2022 meeting, increasing the Fed Funds rate by 25 basis points and indicated rate increases at future meetings. After March, it became apparent that inflation was a bigger problem than the Federal Reserve and much of the market expected. The prospect of a faster interest rate policy shift by the Federal Reserve emerged quickly with the expected size of future rate hikes changing from 25 to 50 basis point increments. As a result, the Federal Reserve rose rates 50 basis points in May to 0.75 percent.

With the Consumer Price Index at its highest number in 40-years at 8.6 percent for May, the Federal Reserve, only a few days later, at their June meeting raised rates 75 basis points moving the rate to 1.50 percent, the largest rate increase since 1994. As of June, the bond market has moved in anticipation of a Fed Funds rate of

3.50 percent by the end of calendar year 2022 with the expectation they will move 50 to 75 basis points at each of the remaining four meetings.

Using the 2YR Treasury as a benchmark, rates have gone from a low of 0.202 percent at the end of August 2021 to 2.957 percent at the end of June 2022. An increase of 276 basis points.

For marked-to-market portfolios such as the Intermediate Pool, as rates rise, prices fall and there will be "paper" losses on any given day and month.

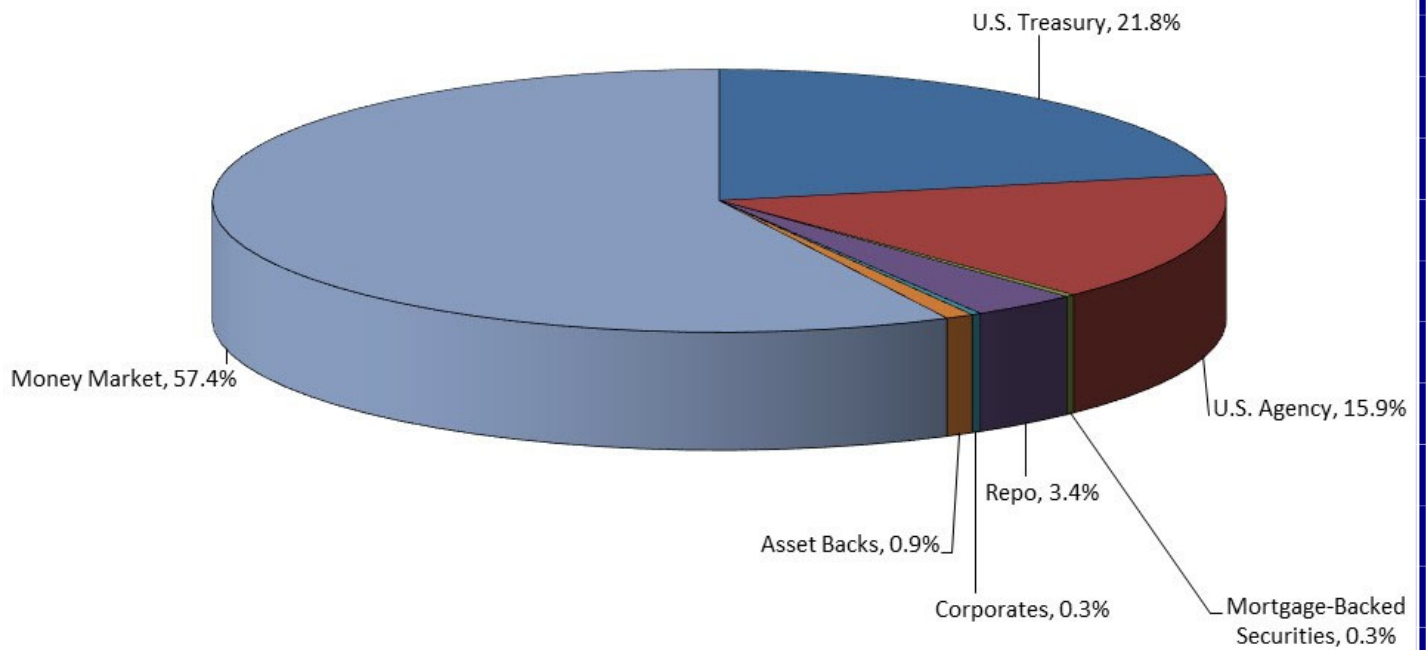
Hypothetical Example for illustration:

In mid-October \$75 million of a Treasury was purchased maturing 6/15/2024 with a coupon of 0.25 percent. Over the total holding period, the interest earned will be over \$1 million with an annualized total return of 0.544 percent.

However, as market rates rise the monthly losses will be reflected on reports from purchase to maturity. This is because the reports show the value if the security is sold but if held to maturity it is redeemed at par with the investor receiving interest earnings (i.e. over \$1 million).

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Distribution of Investments as of June 30, 2022



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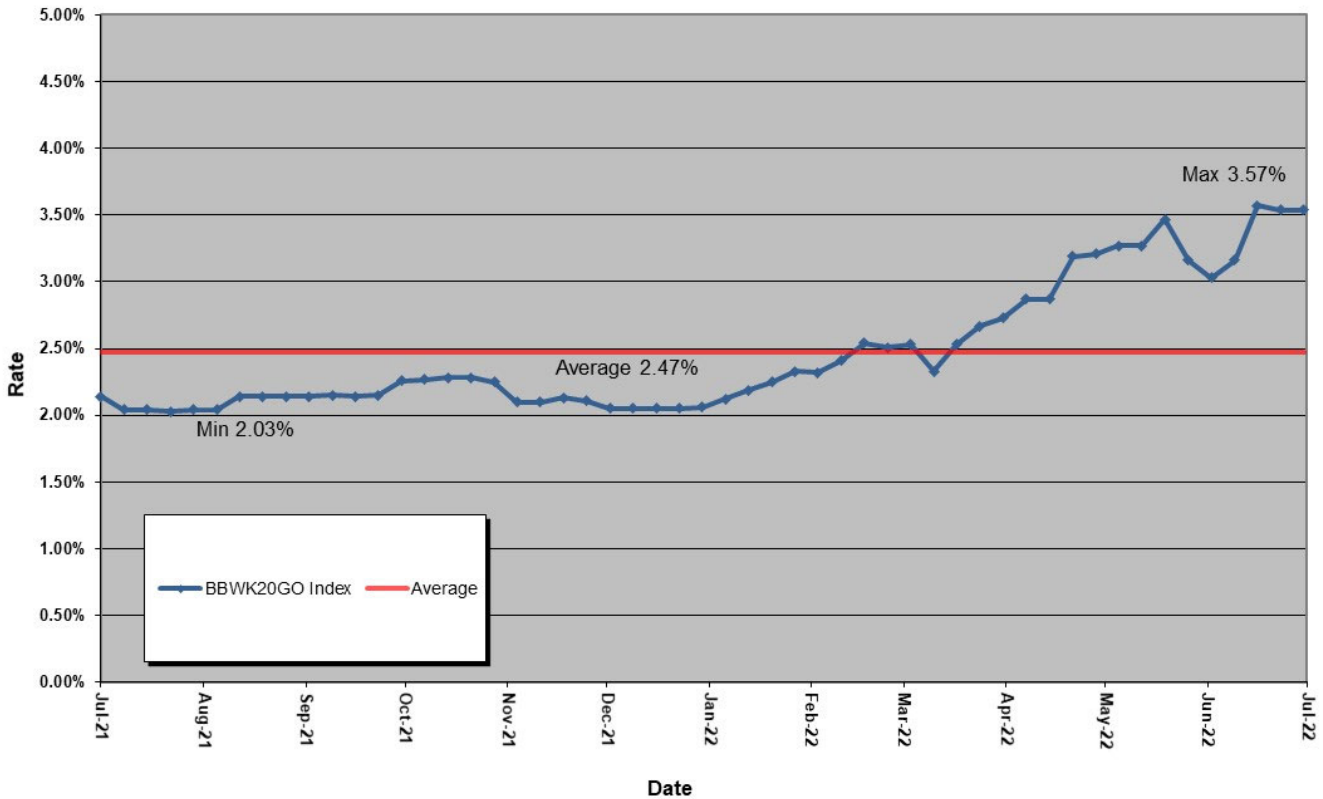
Tax-Exempt Interest Rates and Relationships

The Bond Buyer 20 General Obligation Index averaged 2.47 percent for Fiscal Year 2022. The high was 3.57 percent in June 2022 and the low was 2.03 percent in July 2021.

The Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index averaged 0.24 percent for Fiscal Year 2022. The

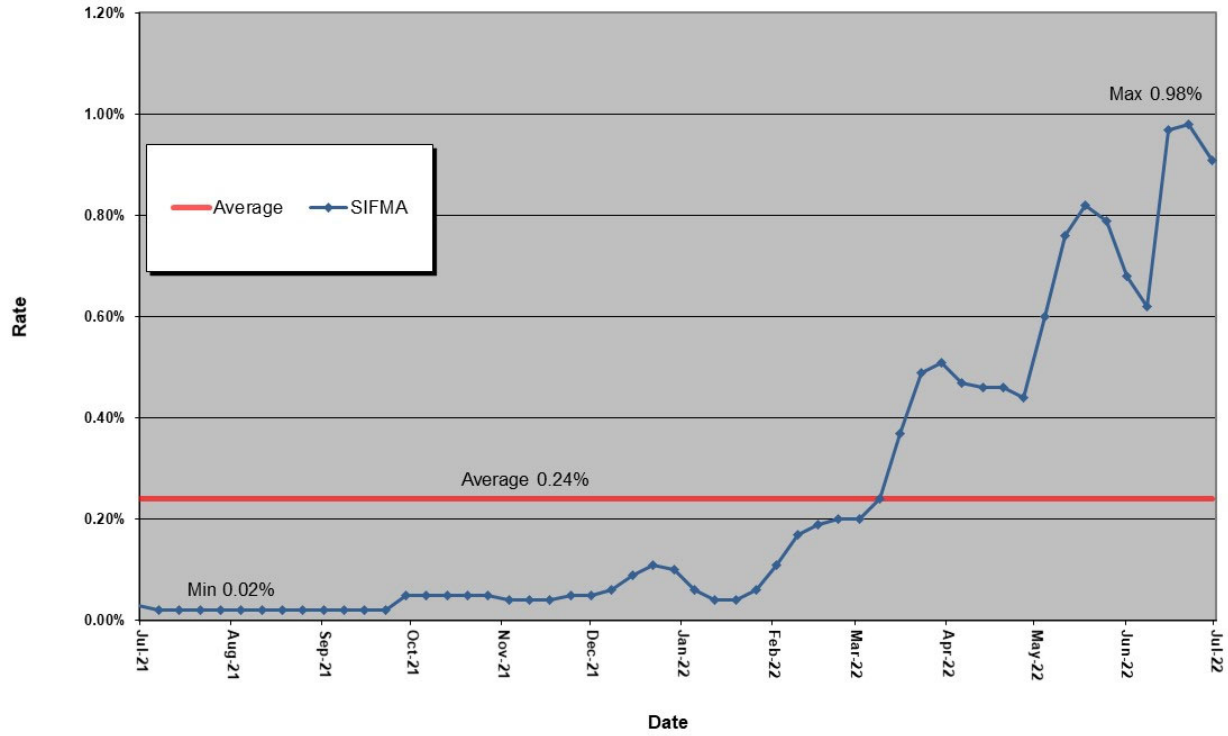
high was 0.98 percent in June 2022 and the low was 0.02 percent in July 2021. The 30-day USD London Interbank Offered Rate (LIBOR) averaged 0.37 percent for Fiscal Year 2022. The high was 1.63 percent in June 2022 and the low was 0.075 percent in October 2021. During the year, SIFMA traded at a high of 116.55 percent of the 30-day LIBOR in April 2022, at a low of 19.97 percent in July 2021, and at an average of 58.16 percent for the Fiscal Year.

Bond Buyer 20 General Obligation Index
 Range 07/01/2021 - 06/30/2022
 BBWK20GO Index

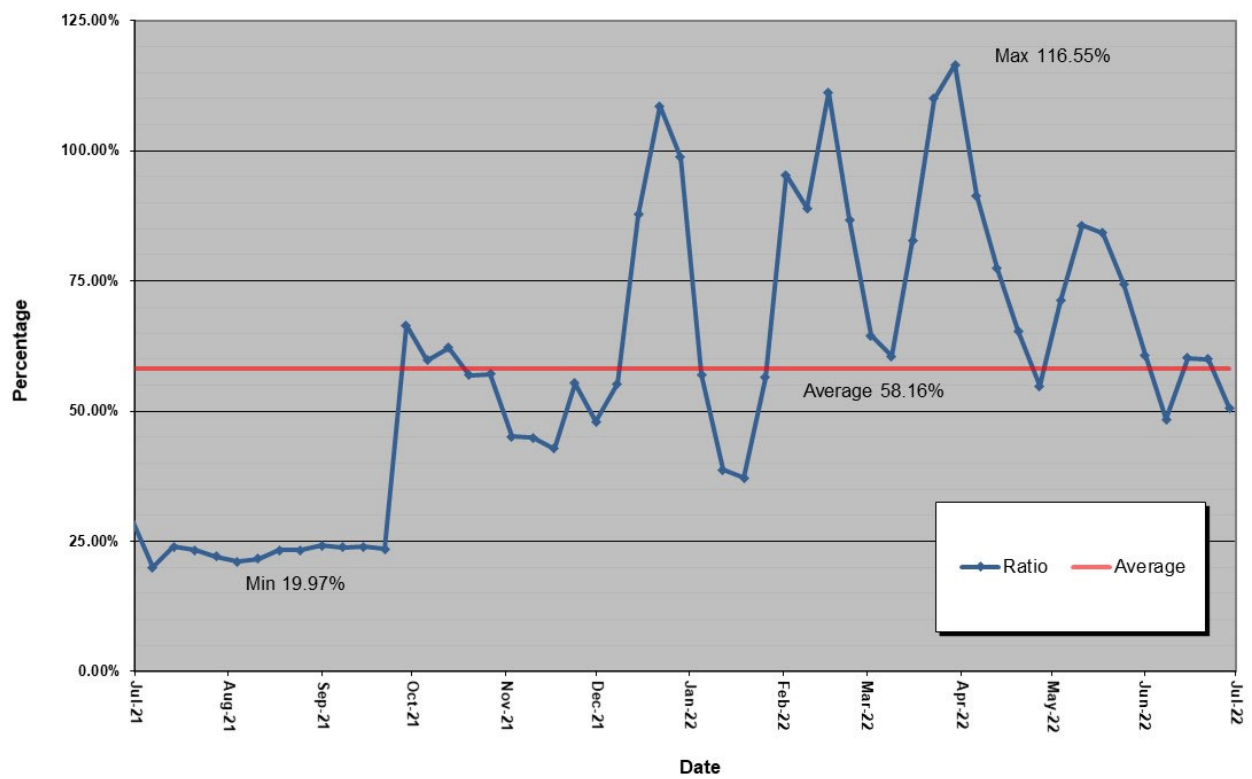


SIFMA & SIFMA/LIBOR Ratio

SIFMA Rate
 Range 07/01/2021 - 06/30/2022
 MUNIPSA Index



SIFMA / LIBOR Ratio
 Range 07/01/2021 - 06/30/2022



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Mid-Year Reflection

Credit

The dominant story in the global economy for the first half of 2022 has been skyrocketing inflation in every region of the world. Global and domestic supply chain disruptions continue to wreak havoc on not only product and component availability but also prices paid by both producers and consumers. Consumer spending remains robust although not quite as hot as a few months ago. Personal income continues to follow the pre-pandemic trend line without the dramatic fluctuations seen the past couple years as government stimulus roiled the economy. Household debt continued to rise and approached \$16 trillion in the first quarter of 2022. After two years spent hovering around historic lows, mortgage rates finally took off and ended the first half of 2022 over 5.5 percent. Credit card debt fell slightly in the first quarter but remains \$70 billion higher than a year ago and just over \$800 billion total. After a small spike early in the pandemic, delinquency rates continued to decline to historically low levels. The Federal Reserve sprang into action in the first half as runaway inflation threatened economic growth and the financial health of consumers.

As interest rates finally started to rise, the increase in corporate debt continued and now stands in excess of \$12 trillion. The ratio of corporate debt to GDP remains steady above 50 percent, a very high level historically and a number not breached until 2020. Investment grade securities made up the vast majority of bond sales in the first half of 2022 as investors sought safety over yield. Continuing a trend

that began in 2020, corporate bankruptcies continue to plummet to historic lows. Spreads on investment grade corporate debt finally began to rise after remaining low for all of 2021 and now sit around the 10-year average. The Senior Loan Officer Opinion Survey on Bank Lending Practices, or SLOOS, reported that lending standards for all types of loans to commercial and industrial firms continued to ease in the first quarter of 2022, continuing a trend from the previous year. Banks reported that standards for all categories of consumer loans were eased as well as demand for consumer credit began to pick up after a relatively flat 2021.

The first half of 2022 saw no changes in the Corporate Credit Approved list as reported in Appendix A. After dropping weaker names in the past couple years, the list now consists of profitable, stable companies with solid credit profiles.

Credit Process

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

Default Monitoring

The Bloomberg credit risk model is the main tool for default monitoring. The default likelihood model is based on the Merton distance-to-default (DD) measure, along with

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additional economically and statistically relevant factors. Firms are assigned a default risk measure as a high-level summary of their credit health using an explicit mapping from default likelihood to default risk.

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

Industry/Company Analysis

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

Fundamental analysis is then performed looking at competitive position, market share, operating

history/trends, management strategy/execution, and financial statement ratio analysis.

Corporate Credit Approved List

Once analysis has been completed, the State Investment Commission approves the list on a quarterly basis. During the first half of 2022, there were no changes to the list. The Corporate Credits Approved list as of June 2022 is located in Appendix A.

State Investment Commission

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

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Authorized But Unissued Debt

As of June 30, 2022, the Commonwealth's 2023-2024 budget includes authorized debt service for over \$4.432 billion of projects supported by the General Fund, Agency Funds, and the Road Fund, which were approved during prior sessions of the General Assembly. This pipeline of projects is anticipated to be financed over a number of future biennia bond transactions. The speed at which this financing takes place is dependent upon factors managed by and between the project sponsors, the Office of the State Budget Director and the Office of Financial Management

2010 Extraordinary (Special) Session

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

Highway Trust Fund supported through Grant Anticipation Revenue Vehicle Bonds designated for the US-68/KY-80 Lake Barkley and Kentucky Lake Bridges Project and the Louisville-Southern Indiana Ohio River Bridges Project. A portion of the General Fund and Road Fund authorizations and all of the Agency Restricted Fund and Federal Highway Trust Fund authorizations have been permanently financed. House Bill 201 from the 2018 Regular Session of the General Assembly deauthorized \$59.5 million of Grant Anticipation Revenue Vehicle (GARVEE) Bonds which were not needed to complete the Lake Barkley and Kentucky Lake Bridges Project.

2012 Regular Session

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

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supported by Road Fund appropriations, and \$43.5 million is Agency Restricted Fund supported. A portion of the General Fund authorization and the total Agency Restricted Fund authorizations listed above have been permanently financed.

2014 Regular Session

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

2016 Regular Session

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

on April 15, 2016, establishing an Executive Branch Budget for the biennium ending June 30, 2018. The Governor took final action on House Bill 303 and House Bill 304 on April 27, 2016. Together, the bills authorized bond financing for projects totaling a net amount of \$1,251.24 million to support various capital initiatives of the Commonwealth with \$9.0 million of previously authorized debt de-authorized in House Bill 303. Of the total authorization, \$582.99 million is General Fund supported and \$677.25 million is supported by Agency Restricted Fund appropriations. No additional Road Fund supported authorizations were appropriated. A portion of the General Fund and Agency Restricted Fund authorizations listed have been permanently financed.

2018 Regular Session

The 2018 Regular Session of the General Assembly delivered House Bill 200 (Executive Branch Budget other than Transportation Cabinet) to the Governor on April 2, 2018 and House Bill 201 (Kentucky Transportation Cabinet Budget) to the Governor on April 14, 2018, establishing an Executive Branch Budget for the biennium ending June 30, 2020. The Governor vetoed House Bill 200 on April 9, 2018 and on April 13, 2018 the General Assembly enacted House Bill 200 over the Governor's veto. On April 14, 2018, the General Assembly delivered House Bill 265 (amending the 2018-2020 Executive Branch Budget Bill) to the Governor. The Governor took final action on House Bill 201 on April 26, 2018. House Bill 265 became law without the Governor's signature on April 27, 2018. Together, the bills authorized bond financing for projects totaling a net amount of \$972.7 million

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to support various capital initiatives of the Commonwealth whereas \$26.62 million in previously authorized debt was de-authorized in House Bill 200 and House Bill 201. Of the total authorization, \$396.44 million is General Fund supported and \$602.89 million is supported by Agency Restricted Fund appropriations. A portion of the General Fund and Agency Restricted Fund authorizations have been permanently financed.

2019 Regular Session

The 2019 Regular Session of the General Assembly delivered House Bill 268 to the Governor on March 14, 2019. House Bill 268 authorized general fund bond supported projects totaling \$75 million to support various capital initiatives of the Commonwealth. The Governor took final veto action on House Bill 268 on March 26, 2019. The Legislature partially overrode the Governor's vetoes on March 28, 2019. The total authorization under House Bill 268 is General Fund supported. A portion of the General Fund authorizations have been permanently financed.

2020 Regular Session

The 2020 Regular Session of the General Assembly delivered House Bill 99 to the Governor on March 18, 2020 and delivered House Bill 352 (Executive Branch Budget other than the Transportation Cabinet) and House Bill 353 (Kentucky Transportation Cabinet Budget) to the Governor on April 1, 2020, establishing an Executive Branch Budget for the first year only of the biennium ending June 30, 2022. The Governor signed House Bill 99 on March 25, 2020 and vetoed certain line items in House Bill 352 and House Bill 353 on April 13, 2020. The

General Assembly overrode all gubernatorial vetoed line items on April 15, 2020. Together, the bills authorized bond financing for projects totaling a net amount of \$351.67 million to support various capital initiatives of the Commonwealth. The total authorization is General Fund supported. Agency Fund projects totaling \$429.80 million were listed without debt service appropriation. No additional Road Fund supported authorizations were appropriated. A portion of the General Fund and Agency Restricted Fund authorizations have been permanently financed.

2021 Regular Session

The 2021 Regular Session of the General Assembly delivered House Bill 192 (Executive Branch Budget other than the Transportation Cabinet) to the Governor on March 16, 2021, and House Bill 193 (Kentucky Transportation Cabinet Budget) to the Governor on March 29, 2021, establishing an Executive Branch Budget for the second year of the biennium ending June 30, 2022. The Governor vetoed certain line items in House Bill 192 on March 26, 2021, and the General Assembly overrode certain gubernatorial vetoed line items on March 29, 2021, enacting House Bill 192 as vetoed in part. The Governor took final action on House Bill 193 on April 7, 2021. Together, the bills authorized bond financing for projects totaling a net amount of \$455.35 million, to support various capital initiatives of the Commonwealth. Of the total authorization, \$98.35 million is General Fund supported and \$357 million is supported by Agency Fund appropriations. No additional Road Fund supported authorizations were appropriated.

DEBT MANAGEMENT

2022 Regular Session

The 2022 Regular Session of the General Assembly delivered House Bill 1 (Executive Branch Budget other than the Transportation Cabinet) and House Bill 241 (Kentucky Transportation Cabinet Budget) to the Governor on March 30, 2022, establishing an Executive Branch Budget for the biennium ending June 30, 2024. The Governor vetoed certain line items in House Bill 1 and House Bill 241 on April 11, 2022. The General Assembly overrode certain gubernatorial vetoed line items in House Bill 1 and overrode all gubernatorial vetoed line items in House Bill 241 on April 13, 2022. Together, the bills authorize bond financing for projects totaling a net amount of \$3,767.21 million to support various capital initiatives of the Commonwealth. Of the total authorization, \$2,834.13 million is General Fund supported, and \$933.08 million is supported by Agency Fund appropriations. No additional Road Fund authorizations were appropriated.

DEBT MANAGEMENT

Authorized but Unissued Debt Summary

The balance of prior bond authorizations of the General Assembly dating from 2010 through 2022 totals \$4,432.28 billion. Of these prior authorizations, \$3,168.74 million is General Fund supported, \$1,201.04 million is Agency Fund supported, \$62.50 million is supported by Road Fund appropriations.

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

Summary of Authorized but Unissued Debt by Fund Type As of June 30, 2022:

Legislative Session (Year)	General Fund (millions)	Agency Fund (millions)	Road Fund (millions)	TOTAL (millions)
2010	\$ 23.10	\$ 17.50	\$ 50.00	\$ 90.60
2012	2.17	-	12.50	14.67
2014	12.43	-	-	12.43
2016	44.81	-	-	44.81
2018	188.91	6.53	-	195.44
2019	67.46	-	-	67.46
2020-2021	245.73	243.93	-	489.66
2022	2,834.13	933.08	-	3,767.21
Bond Pool Proceeds	(250.00)			(250.00)
TOTAL	\$ 3,168.74	\$ 1,201.04	\$ 62.50	\$ 4,432.28

The balance of prior bond authorizations of the General Assembly dating from FY 2010 through FY 2022 totals \$4,432.28 million. Of these prior authorizations, \$3,168.74 million is General Fund supported, \$1,201.04 million is Agency Restricted Fund supported, and \$62.5 million is supported by Road Fund appropriations.

Looking Forward

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

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

DEBT MANAGEMENT

Ratings Update

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

With the issuance of The Turnpike Authority of Kentucky Economic Development Road

Fund Revenue Refunding Bonds (Revitalization Projects) in October of 2021, the determination was made to add Kroll Bond Rating Agency's evaluation to the bond issuance.

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

The Ratings Picture at June 30, 2022:

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

ⁱAll outstanding bonds do not necessarily receive a rating from every rating agency

DEBT MANAGEMENT

Cash Management Strategies

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

Tax and Revenue Anticipation Notes (TRAN)

TRANs can provide liquidity or leverage the difference between taxable and tax-exempt interest rate markets to create economies that provide a financial benefit to the Commonwealth. Market conditions did not provide a beneficial interest rate environment, so no TRANs were issued during the reporting period.

Inter-Fund Borrowing

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

As of June 30, 2022 the total available liquid resources available to the General Fund was \$11.668 billion.

Bond Anticipation Notes (BAN)

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

No BANs were issued during the reporting period

Notes (Direct Loans)

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

(a) Judgments, with a final maturity of not more than ten (10) years; and

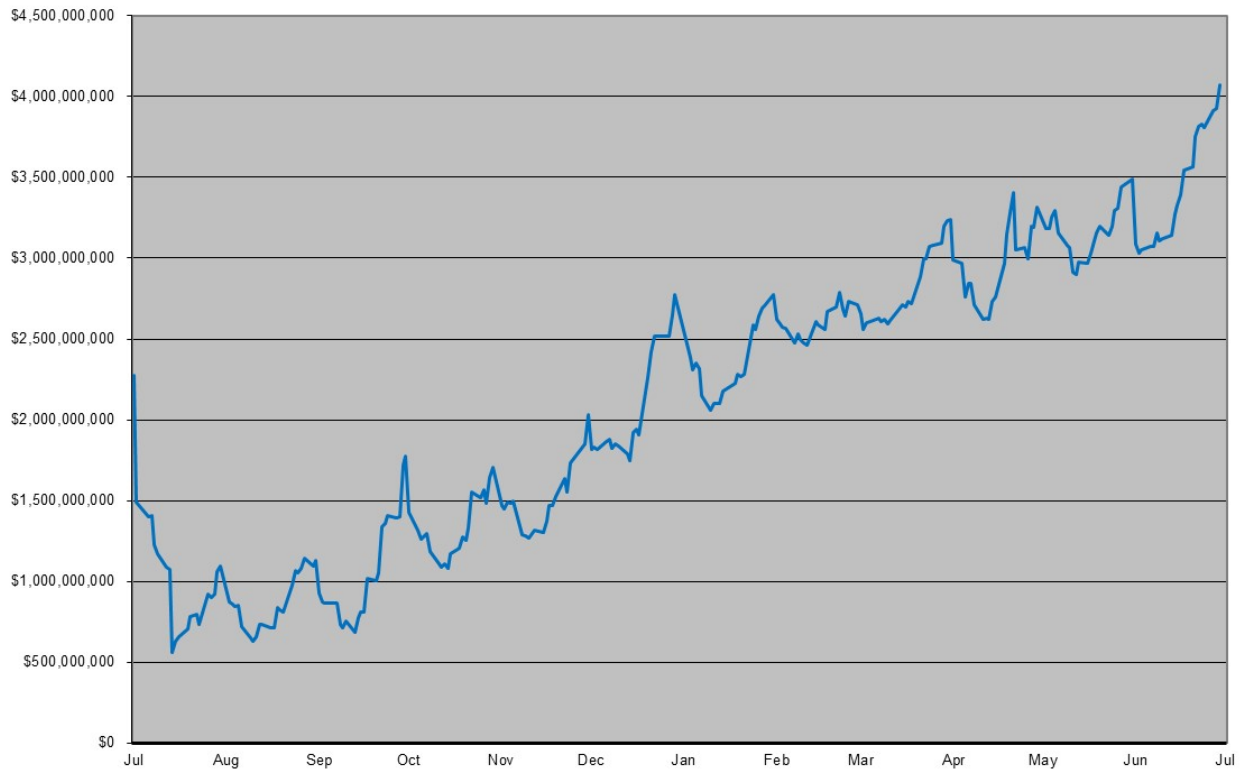
(b) The finance or refinance of obligations owed under KRS 161.550(2) or 161.553(2)

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

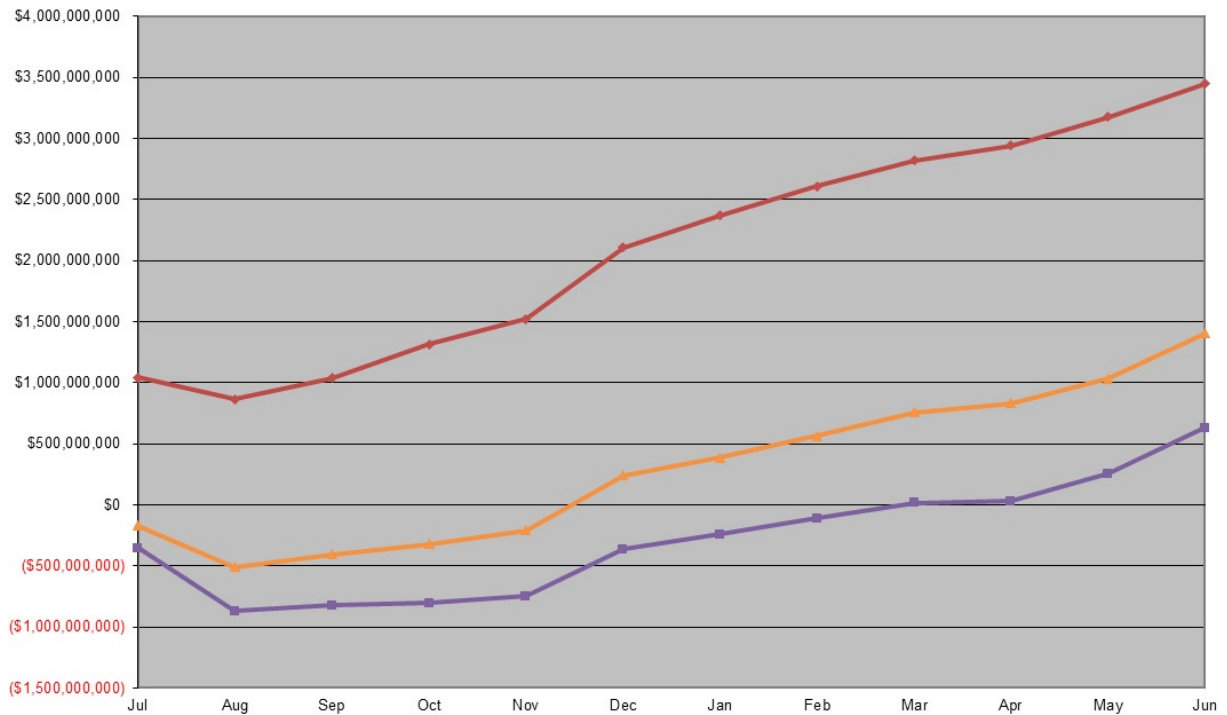
No Notes were issued during the reporting period

DEBT MANAGEMENT

General Fund Cash Balance
Fiscal Year 2022



GENERAL FUND MONTHLY AVERAGE
(Excluding TRAN Proceeds)



DEBT MANAGEMENT

ALCo Financial Agreements

As of June 30, 2022, ALCo had no outstanding financial agreements.

Asset/Liability Model

General Fund

The total SPBC debt portfolio as of June 30, 2022 had \$2.772 billion of bonds outstanding with a weighted average coupon of 4.83 percent and a weighted average life of 6.17 years. The average coupon reflects an amount of taxable bonds issued under the Build America Bond Program during 2009 and 2010 as well as continued investor preference for tax-exempt callable premium bonds in the current market at a yield lower than par or discount coupon bonds. The \$1.118 billion callable portion had a weighted average coupon of 4.66 percent. The SPBC debt structure has 44.51 percent of principal maturing in 5 years and 76.82 percent of principal maturing in 10 years which is primarily influenced by the minimal amount of long-term new money permanent financings within the last several years.

The General Fund had a maximum balance of \$4.089 billion on June 30, 2022, and a low of \$558.3 million on July 14, 2021. The average and median balances were \$2.108 billion and \$2.272 billion, respectively. Return on investable balances is impacted by investment earnings, fees and mark-to-market rules on the underlying investments. There is little, if anything, that can be done from an asset management point of view beyond current actions.

From a liability management perspective, total

Commonwealth General Fund debt service, net of credits was \$577.53 million for Fiscal Year 2022. In addition to the Commonwealth General Fund debt service, General Fund debt service of \$11.257 million was provided for an Eastern State Hospital financing that was issued through the Lexington-Fayette Urban County Government in 2011. Also, General Fund debt service of \$15.545 million was provided for the 2015 and 2018 Certificates of Participation (related to the two Commonwealth State office Building projects). These projects are separately identified because they are not direct obligations of the Commonwealth, but they are General Fund supported. Net interest margin will continue to be negative due to low cash balances versus outstanding fixed rate debt, low level of interest rates, and the callability of the debt portfolio.

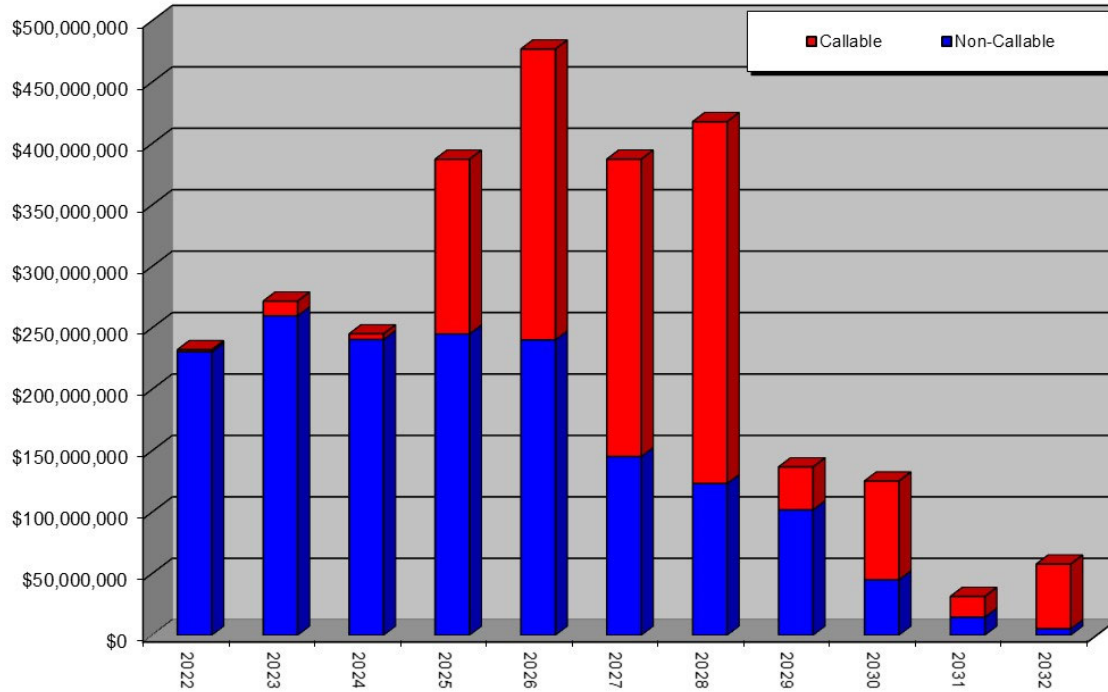
SPBC 126

On April 5, 2022, SPBC closed \$85,365,000 par of General Fund Revenue Bonds, Project No. 126, in a single series. The transaction provided permanent financing for approximately \$100 million of General Fund supported capital projects authorized over multiple sessions of the General Assembly.

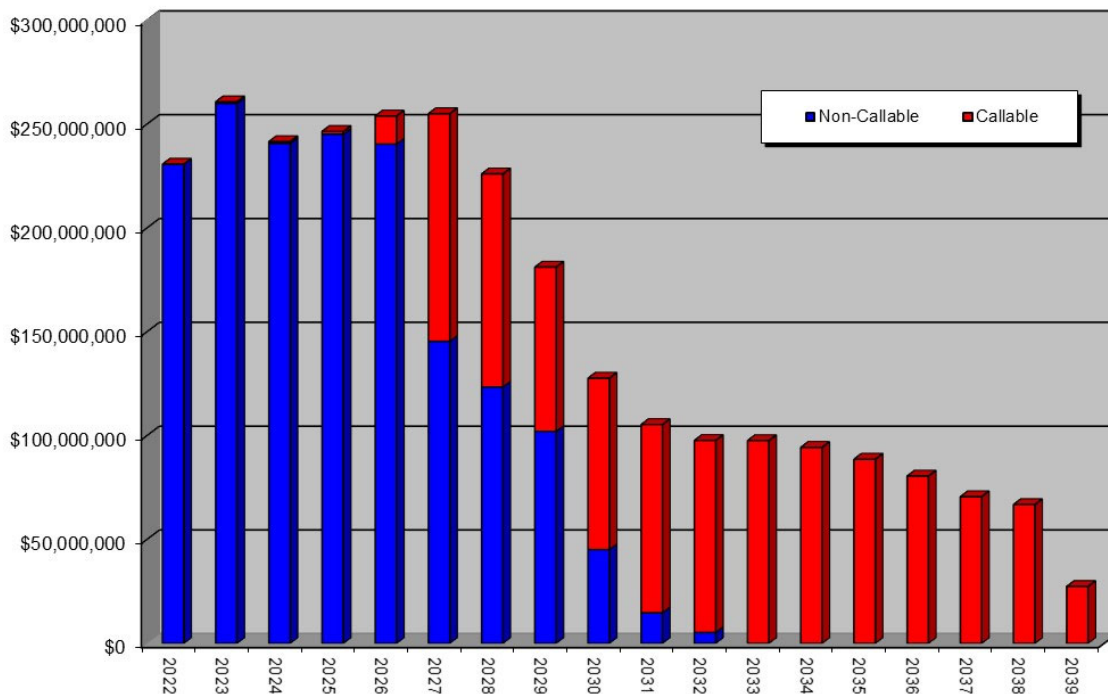
The SPBC Project No. 126 transaction achieved an All-In True Interest Cost of 3.0253 percent. The bonds were sold on a tax-exempt basis via negotiated sale with Citigroup serving as underwriter and Kutak Rock LLP as bond counsel. The bond received ratings of A1/A+ from Moody's Investors Service, Inc. and Fitch Ratings, respectively.

DEBT MANAGEMENT

**Call Analysis by Call Date
State Property and Buildings Commission Bonds**



**Call Analysis by Maturity Date
State Property and Buildings Commission Bonds**



DEBT MANAGEMENT

Looking Forward

In light of the January 1, 2018 federal tax law change that tightened the parameters by which tax-exempt municipal bonds could be advanced refunded, the Commonwealth has added to the methods of evaluation for examining potential refunding candidates. Since tax advantaged bonds are no longer eligible to be advance refunded on a tax-exempt basis, the Commonwealth now gives consideration to advance refunding its municipal bonds on a taxable basis, through a forward delivery of tax-exempt bonds or through a tender and exchange. Additional diligence and financial modeling is necessary to ensure economic savings in these transactions.

Road Fund

The Road Fund average daily cash balance for Fiscal Year 2022 was \$493 million compared to \$420 million for Fiscal Year 2021. The Road Fund cash was invested in the Intermediate Term Investment Pool which had a duration of 1.46 years as of June 30, 2022. The Road Fund earned a negative \$11 million for Fiscal Year 2022 versus a negative \$118 thousand for Fiscal Year 2021. The Road Fund earnings declined year over year because of lower short term rates and lower receipts. The continued relatively low level of investable balances at certain times during the fiscal year limits the investment opportunities.

As of June 30, 2022, the Turnpike Authority of Kentucky (TAK) had \$813.03 million of bonds outstanding with a weighted average coupon of 4.62 percent and an average life of 5.19 years.

Road Fund debt service paid in Fiscal Year 2022

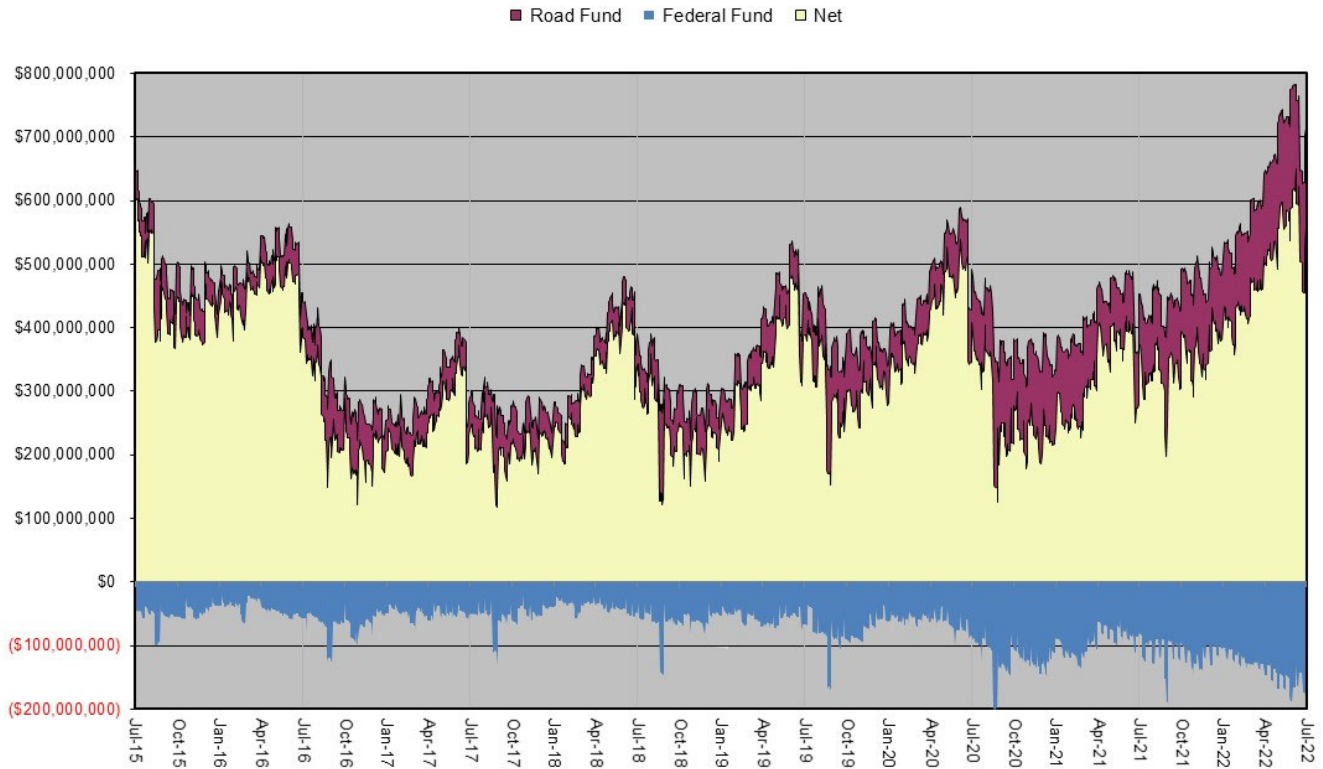
is \$137.865 million, resulting in a net interest margin (investment income earned year-to-date less debt service paid) of negative \$148.87 million. The negative amount stems from the balances and a general low level of interest rates on the investment side in addition to the limited callability of fixed rate obligations.

TAK 2021 Series A & B

On April 5, 2022, TAK closed \$56,875,000 par of Economic Development Road Revenue Refunding Bonds (Revitalization Projects), Series 2022 A (Forward Delivery). This transaction priced on September 21, 2021 with TAK 2021 Series A and Federally Taxable Series B to lock in an historic low rate. The Forward Delivery bonds refunded \$71.1 million of certain outstanding 2012 Series A bonds for net present value savings of \$17,787,267 (or 25.017 percent) and achieved an All-In True Interest Cost of 1.576 percent. The bonds were issued via negotiated sale with J.P. Morgan serving as senior managing underwriter and Dinsmore & Shohl, LLP as bond counsel. The bonds achieved ratings of Aa3 and AA- from Moody's and Kroll, respectively.

DEBT MANAGEMENT

Road Fund Available Balance
Fiscal Year 2016-2022 as of 06/30/2022



SUMMARY

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

Since its inception, ALCo has been instrumental in adding incremental returns on investment income to the Commonwealth’s investment portfolio. In fiscal 2021, ALCo was able to eliminate the Floating Rate Note hedge by refunding the remaining debt service into a fixed

rate note at historically low rates. Combined with the elimination of interest rate risk, the concessions received from the swap provider and the economic savings, this was a highly beneficial transaction for the Commonwealth.

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

APPENDIX

APPENDIX A

Corporate Credits Approved For Purchase As of June 30, 2022

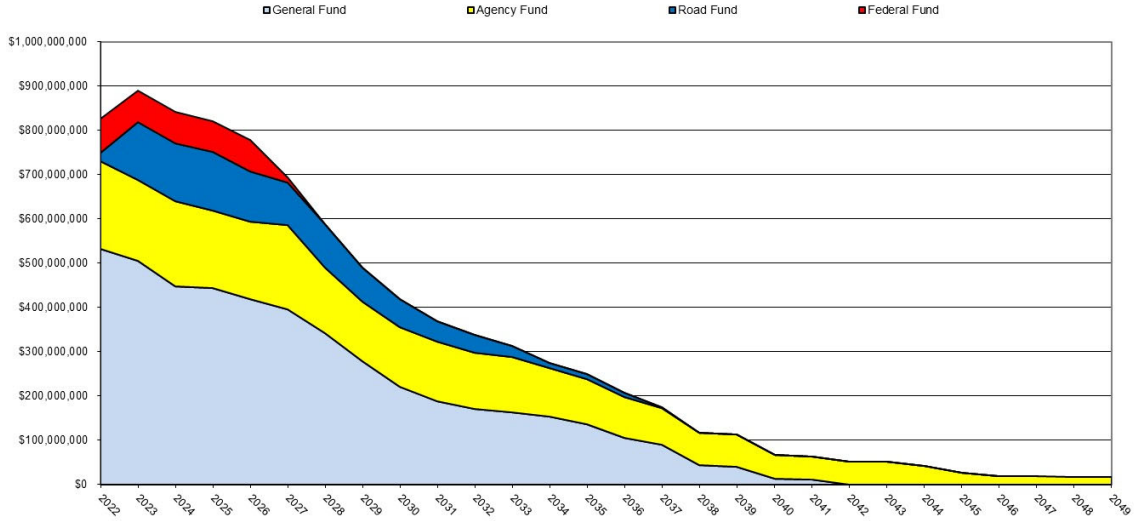
<u>Company Name</u>	<u>Repurchase Agreements</u>	<u>Money Market Securities</u>	<u>Notes</u>
Apple Inc		Yes	Yes
Bank of Montreal	Yes	Yes	Yes
Bank of Nova Scotia	Yes	Yes	Yes
Berkshire Hathaway Inc		Yes	Yes
BNP Paribas Securities Corp	Yes	Yes	Yes
BNY Mellon NA		Yes	Yes
Canadian Imperial Bank of Comm		Yes	Yes
Cantor Fitzgerald	Yes	No	No
Chevron Corp		Yes	Yes
Cisco Systems Inc		Yes	Yes
Cooperatieve Rabobank		Yes	Yes
Cornell University		Yes	No
Costco Wholesale Corp		Yes	Yes
Deere & Co		Yes	Yes
Exxon Mobil Corp		Yes	Yes
Home Depot Inc		Yes	Yes
IBRD - World Bank		Yes	Yes
Intel Corp		Yes	Yes
Johnson & Johnson		Yes	Yes
Linde PLC		Yes	Yes
Merck & Co. Inc.		Yes	Yes
Microsoft Corp		Yes	Yes
MUFG Bank LTD/NY		Yes	Yes
MUFG Securities Americas Inc	Yes	No	No
Natixis SA/New York		Yes	Yes
Nestle Finance International		Yes	Yes
PepsiCo Inc		Yes	Yes
Pfizer Inc		Yes	Yes
Procter & Gamble Co/The		Yes	Yes
Royal Bank of Canada	Yes	Yes	Yes
Royal Dutch Shell PLC		Yes	Yes
Salvation Army		Yes	No
State Street Corp		Yes	Yes
Sumitomo Mitsui Trust Bank		Yes	Yes
Swedbank AB		Yes	Yes
Texas Instruments Inc.		Yes	Yes
Toronto-Dominion Bank/The		Yes	Yes
Total SA		Yes	Yes
Toyota Motor Corp		Yes	Yes
US Bank NA		Yes	Yes
Wal-Mart Stores Inc		Yes	Yes

*Addition:

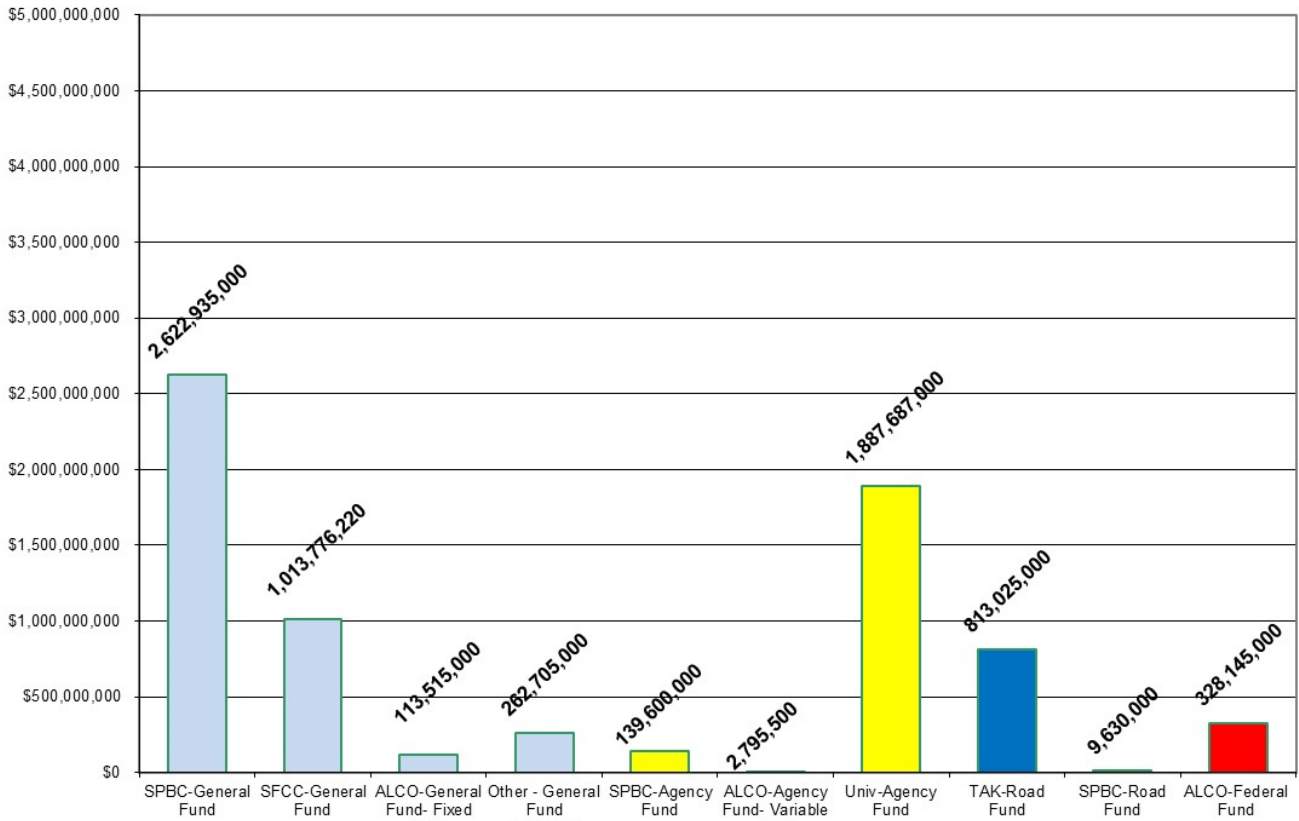
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APPENDIX B

**Appropriation Supported Debt Service
by Fund Source as of 06/30/2022**



**Appropriation Debt Principal Outstanding
by Fund Source as of 06/30/2022**



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

APPENDIX C

COMMONWEALTH OF KENTUCKY
ASSET/LIABILITY COMMISSION
SCHEDULE OF NOTES OUTSTANDING
AS OF 06/30/2022

FUND TYPE SERIES TITLE	AMOUNT ISSUED	DATE OF ISSUE	MATURITY DATE	PRINCIPAL OUTSTANDING
General Fund Project & Funding Notes				
2013 1st Series-KTRS Funding Notes	\$153,290,000	2/2013	4/2023	\$16,860,000
2021 General Fund Refunding Project Notes	\$113,940,000	5/2021	11/2027	\$96,655,000
FUND TOTAL	\$267,230,000			\$113,515,000
Agency Fund Project Notes				
2018 Agency Fund Project Note (KCTCS)	\$27,775,000	6/2018	10/2023	\$2,795,800
FUND TOTAL	\$27,775,000			\$2,795,800
Federal Hwy Trust Fund Project Notes				
2013 1st Series	\$212,545,000	8/2013	9/2025	\$105,585,000
2014 1st Series	\$171,940,000	3/2014	9/2026	\$132,175,000
2015 1st Series	\$106,850,000	10/2015	9/2027	\$60,365,000
2020 1st Series	\$59,405,000	12/2020	9/2022	\$30,020,000
FUND TOTAL	\$550,740,000			\$328,145,000
ALCo NOTES TOTAL	\$845,745,000			\$444,455,800

REPORT PREPARED BY:



Office of Financial
Management

Commonwealth of Kentucky
200 Mero Street, 5th Floor
Frankfort, KY 40622
Phone: 502-564-2924

Creating Financial Value for the Commonwealth

TEAM 
KENTUCKY

**Kentucky Infrastructure Authority
 Projects for October 2022
 Capital Projects and Bond Oversight Committee**

▪ **Fund B Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Amount Requested</u>	<u>Amount Loan Total</u>	<u>County</u>
B22-003	Bath County Water District	\$ 640,469	\$ 640,469	Bath

Cleaner Water Program Grants - Sewer

Grant Number	Grantee	Project Title	Amount	County	Allocation Pool
21CWS126	Mount Sterling Water and Sewer	New Lift Station SCADA	\$ 129,262	Montgomery	County - R

Cleaner Water Program Grants - Water

Grant Number	Grantee	Project Title	Amount	County	Allocation Pool
21CWW171	Nicholas County Water District	NCWD - Phase 13 Water System Improvements	\$ 40,046	Nicholas	County - R
21CWW300	City of Somerset	Water Treatment Plant Membrane Filtration Replacement	\$ 571,211	Pulaski	County - R
21CWW302	North Mercer Water District	North Mercer WD - 2019 Water System Improvements	\$ 102,608	Mercer	County - R
21CWW303	City of McKee	2022 JCWA - City of McKee Interconnections	\$ 159,521	Jackson	County - R
21CWW304	Allen County Water District	Halfway Booster Station Improvements	\$ 103,816	Allen	County - R
21CWW305	Bullock Pen Water District	Bullock Pen Water Treatment Plant Replacement - Design and Const	\$ 115,085	Grant	County - R
21CWW306	South Eastern Water Association Inc	Dixie Bend Tank Replacement	\$ 285,606	Pulaski	County - R
21CWW307	Mount Sterling Water and Sewer	Meter Change Out Project	\$ 129,262	Montgomery	County - R
21CWW308	Jackson County Water Association Inc	JCWA - Water Treatment Plant Improvements	\$ 330,000	Jackson	County - R
21CWW309	City of Morgantown	Water Distribution System Improvements - Phase I	\$ 122,033	Butler	County - R

EXECUTIVE SUMMARY		Reviewer	John Brady			
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	October 6, 2022			
FUND B, INFRASTRUCTURE		KIA Loan Number	B22-003			
REVOLVING LOAN FUND		WRIS Number	WX21011040			
BORROWER	BATH COUNTY WATER DISTRICT BATH COUNTY					
BRIEF DESCRIPTION						
<p>The Bath County Water District (BCWD) is requesting a Fund B loan in the amount of \$640,469 for the BCWD Improvements and Upgrades project. The project consists of several improvements and repairs to the water system's aging infrastructure. The scope of work includes the rehabilitation of six water tanks, construction of a new pump station, and the upgrade of another pump station.</p>						
PROJECT FINANCING		PROJECT BUDGET			RD Fee %	Actual %
Fund B Loan	\$640,469	Administrative Expenses				\$17,779
CWP Grant R1	76,513	Land, Easements				15,000
CWP Grant R2 - Anticipated	774,495	Eng - Design / Const	8.5%	8.5%		108,950
		Eng - Insp	5.3%	5.3%		68,080
		Construction				1,185,250
		Contingency				96,418
TOTAL	<u>\$1,491,477</u>	TOTAL				<u>\$1,491,477</u>
REPAYMENT	Rate	1.25%	Est. Annual Payment	\$37,573		
	Term	20 Years	1st Payment	6 Mo. after first draw		
PROFESSIONAL SERVICES	Engineer	Kentucky Engineering Group				
	Bond Counsel	Rubin & Hays				
PROJECT SCHEDULE	Bid Opening	Jan-23				
	Construction Start	Mar-23				
	Construction Stop	Feb-24				
DEBT PER CUSTOMER	Existing	\$274				
	Proposed	\$407				
OTHER DEBT	See Attached					
RESIDENTIAL RATES	Current	<u>Users</u>	<u>Avg. Bill</u>			
		4,073	\$30.14	(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 2019	246,453	962,775	(716,322)	0.3		
Audited 2020	11,634	74,207	(62,573)	0.2		
Audited 2021	318,311	100,647	217,664	3.2		
Projected 2022	328,943	72,825	256,118	4.5		
Projected 2023	308,198	73,253	234,945	4.2		
Projected 2024	285,438	110,726	174,712	2.6		
Projected 2025	263,855	110,603	153,252	2.4		
Projected 2026	241,840	121,803	120,037	2.0		

Reviewer: John Brady
Date: October 6, 2022
Loan Number: B22-003

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)
BATH COUNTY WATER DISTRICT, BATH COUNTY
PROJECT REVIEW
WX21011040**

I. PROJECT DESCRIPTION

The Bath County Water District (BCWD) is requesting a Fund B loan in the amount of \$640,469 for the BCWD Improvements and Upgrades project. This project consists of several improvements and rehabilitations to the water system's aging infrastructure. The scope of work includes repairs to six water tanks, construction of a new pump station, and upgrading another pump station.

The Salt Lick, Perry Road Tower, Means, Ore Mines, Olympia, and Owingsville water tanks will all be repaired, cleaned, and painted. The existing 1,000 gallon per minute (gpm) Ore Mines pump station is experiencing severe corrosion and is at risk of failure. It will be removed and a new 1,500 gpm pump station will be constructed in its place. Upgrades to the Midland pump station will include increasing to 1,500 gpm, new internal piping, new flow meters, and electrical improvements. Approximately 330 linear feet of new waterline will be installed to improve water distribution and avoid service disruptions during times of repair in the area.

The BCWD currently serves 3,970 residential customers and 103 commercial and industrial customers. They purchase water from the Morehead Utility Plant Board and provide wholesale service to the City of Owingsville, Sharpsburg Water District, and the City of Frenchburg.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 17,779
Land, Easements	15,000
Engineering Fees - Design	108,950
Engineering Fees - Inspection	68,080
Construction	1,185,250
Contingency	96,418
Total	\$ 1,491,477

III. PROJECT FUNDING

	Amount	%
Fund B Loan	\$ 640,469	43%
CWP Grant R1	76,513	5%
CWP Grant R2 - Anticipated	774,495	52%
Total	\$ 1,491,477	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 640,469
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 640,469
Interest Rate	1.25%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 36,292
Administrative Fee (0.20%)	1,281
Total Estimated Annual Debt Service	\$ 37,573

V. PROJECT SCHEDULE

Bid Opening	January 2023
Construction Start	March 2023
Construction Stop	March 2024

VI. RATE STRUCTURE

A. Customers

Customers	Current
Residential	3,970
Commercial	83
Industrial/Other	20
Total	4,073

B. Rates

Water	<u>Current</u>	<u>Prior</u>	<u>Prior</u>
Date of Last Rate Increase	08/15/22	02/15/22	04/15/21
Minimum (2,000 gallons)	\$16.92	\$16.90	\$16.78
Next 3,000 gallons (per 1,000)	6.61	6.60	6.54
Cost for 4,000 gallons	\$30.14	\$30.10	\$29.86
Increase %	0.1%	0.8%	
Affordability Index (Rate/MHI)	0.8%	0.8%	0.8%

Wholesale - Owingsville	<u>Current</u>	<u>Prior</u>	<u>Prior</u>
Date of Last Increase	08/15/22	02/15/22	04/15/21
Cost per 1,000 gallons	\$3.03	\$3.02	\$2.96
Increase %	0.3%	2.0%	

Wholesale - Sharpsburg	<u>Current</u>	<u>Prior</u>	<u>Prior</u>
Date of Last Rate Increase	08/15/22	02/15/22	04/15/21
Cost per 1,000 gallons	\$3.89	\$3.88	\$3.82
Increase %	0.3%	1.6%	

Wholesale - Frenchburg	<u>Current</u>	<u>Prior</u>	<u>Prior</u>
Date of Last Rate Increase	08/15/22	02/15/22	04/15/21
Cost per 1,000 gallons	\$3.44	\$3.43	\$3.37
Increase %	0.3%	1.8%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2016-2020, the Utility's service area population was 10,083 with a Median Household Income (MHI) of \$45,216. The median household income for the Commonwealth is \$52,238. The project will qualify for a 1.25% interest rate.

VIII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended December 31, 2019 through December 31, 2021. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Total water revenues increased 5.3% from \$2.21 million in 2019 to \$2.33 million in 2021 due to rate adjustments. Operating expenses increased 2.3% from \$1.97 million to \$2.02 million during the same period mostly due to an increase in the cost of purchased water. The debt coverage ratio was 0.3, 0.2, and 3.2 in 2019, 2020, and 2021.

The balance sheet reflects a current ratio of 4.8, a debt-to-equity ratio of 0.3, 50.3 days of sales in accounts receivable, and 5.9 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Water revenues will increase 1.3% in 2022 due to existing rate increases.
- 2) Operating expenses will increase 2% annually due to inflation.
- 3) Debt service coverage is 2.6 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 B loan.

The BCWD is regulated by the Public Service Commission (PSC) and will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the \$640,469 loan and must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$32,000 total) of the final amount borrowed to be funded annually (\$1,600 yearly) each December 1 for 20 years and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Series 2004 Revenue Bonds	\$ 382,500	2044
Series 2009 Revenue Bonds	209,000	2049
KIA Loan F16-011	<u>523,701</u>	2037
Total	\$1,115,201	

X. CONTACTS

Legal Applicant	
Entity Name	Bath County Water District
Authorized Official	L.W. Patton (Chairperson)
County	Bath
Email	bathcowater@roadrunner.com
Phone	(606) 683-6363
Address	PO Box 369 Salt Lick, KY 40371

Applicant Contact	
Name	Sarah Price
Organization	Bath County Water District
Email	sarahbcwd@gmail.com
Phone	(606) 683-6363
Address	PO Box 369 Salt Lick, KY 40371

Project Administrator	
Name	Jocelyn Gross
Organization	Gateway ADD
Email	jocelynr.gross@ky.gov
Phone	(606) 780-0090
Address	110 Lake Park Drive Morehead, KY 40351

Consulting Engineer	
PE Name	Troy Hogge
Firm Name	Kentucky Engineering Group
Email	thogge@kyengr.com
Phone	(859) 251-4127
Address	PO Box 1034 Versailles, KY 40383

XI. RECOMMENDATIONS

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

**BATH COUNTY WATER DISTRICT
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2019</u>	<u>Audited</u> <u>2020</u>	<u>Audited</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>	<u>Projected</u> <u>2026</u>
Balance Sheet								
Assets								
Current Assets	1,339,339	1,434,586	1,473,930	1,555,034	1,625,518	1,677,932	1,723,907	1,759,918
Other Assets	10,907,972	10,702,136	10,531,773	10,339,203	10,131,811	11,338,047	11,037,783	10,714,269
Total	12,247,311	12,136,722	12,005,703	11,894,237	11,757,329	13,015,978	12,761,690	12,474,187
Liabilities & Equity								
Current Liabilities	285,262	347,564	305,503	355,565	358,207	392,974	396,220	398,968
Long Term Liabilities	2,500,318	2,660,636	2,621,093	2,572,869	2,523,903	3,082,639	2,999,659	2,915,932
Total Liabilities	2,785,580	3,008,200	2,926,596	2,928,434	2,882,110	3,475,613	3,395,880	3,314,900
Net Assets	9,461,731	9,128,522	9,079,107	8,965,803	8,875,219	9,540,365	9,365,810	9,159,287
Cash Flow								
Revenues	2,209,660	2,127,576	2,326,742	2,357,712	2,357,712	2,357,712	2,357,712	2,357,712
Operating Expenses	1,974,048	2,126,529	2,018,865	2,039,203	2,059,948	2,082,708	2,104,291	2,126,306
Other Income	10,841	10,587	10,434	10,434	10,434	10,434	10,434	10,434
Cash Flow Before Debt Service	246,453	11,634	318,311	328,943	308,198	285,438	263,855	241,840
Debt Service								
Existing Debt Service	962,775	74,207	100,647	72,825	73,253	73,153	73,030	84,230
Proposed KIA Loan	0	0	0	0	0	37,573	37,573	37,573
Total Debt Service	962,775	74,207	100,647	72,825	73,253	110,726	110,603	121,803
Cash Flow After Debt Service	(716,322)	(62,573)	217,664	256,118	234,945	174,712	153,252	120,037
Ratios								
Current Ratio	4.7	4.1	4.8	4.4	4.5	4.3	4.4	4.4
Debt to Equity	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.4
Days Sales in Accounts Receivable	48.9	52.7	50.3	50.3	50.3	50.3	50.3	50.3
Months Operating Expenses in Unrestricted Cash	5.3	5.3	5.9	6.3	6.6	6.9	7.0	7.2
Debt Coverage Ratio	0.3	0.2	3.2	4.5	4.2	2.6	2.4	2.0

EXECUTIVE SUMMARY		Reviewer	Julie Bickers
KENTUCKY INFRASTRUCTURE AUTHORITY		CPBOC Date	October 27, 2022
DRINKING WATER AND WASTEWATER GRANT PROGRAM		KIA Grant Number	21CWS126
CLEANER WATER PROGRAM GRANT		WRIS Number	SX21173088
GRANTEE	MOUNT STERLING WATER AND SEWER MONTGOMERY COUNTY		
BRIEF DESCRIPTION			
Mount Sterling Water and Sewer propose the following project to install SCADA telemetry equipment at all 16 lift stations throughout the system.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Sewer Grant - 21CWS126	\$129,262	Administrative Expenses	\$1,939
		Construction	127,323
TOTAL	\$129,262	TOTAL	\$129,262
PROFESSIONAL SERVICES	Engineer	N/A	
PROJECT SCHEDULE	Bid Opening	January 1, 2023	
	Construction Start	February 1, 2023	
	Construction Stop	February 1, 2024	
RESIDENTIAL RATES	Current	<u>Users</u> 22	<u>Avg. Bill</u> \$ 20.00 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Montgomery County	\$ 129,262.00	
	Total	\$ 129,262.00	
Notes:			
This grant is a reallocation of a previously approved grant. Previous Grantee: Mount Sterling Water and Sewer Previous Grant #21CWS083 Previous WRIS #SX21173076 Prior Approval Date: 06/23/2022			

EXECUTIVE SUMMARY		Reviewer	Don Schierer
KENTUCKY INFRASTRUCTURE AUTHORITY		CPBOC Date	October 27, 2022
DRINKING WATER AND WASTEWATER GRANT PROGRAM		KIA Grant Number	21CWW171
CLEANER WATER PROGRAM GRANT		WRIS Number	WX21181013
GRANTEE	NICHOLAS COUNTY WATER DISTRICT NICHOLAS COUNTY		
BRIEF DESCRIPTION			
This project will involve providing two new elevated storage tanks to replace two existing twenty plus year old welded steel standpipe tanks in order to provide a full capacity of water storage. Also included will be the replacement of approximately 7,900 LF of existing 4" water main with a new 6" water main from the existing master meter on KY 1285 (East Union Road) and look at potential locations for a new pump station. A site for said new pump station has not been identified yet.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 21CWW171	\$80,092	Legal Expenses	\$ 10,000
Other	1,854,908	Eng - Design / Const	8.0% 7.4% 127,000
		Eng - Insp	4.9% 4.6% 78,000
		Eng - Other	15,000
		Construction	1,550,000
		Contingency	155,000
TOTAL	\$1,935,000	TOTAL	\$1,935,000
PROFESSIONAL SERVICES	Engineer	Bluegrass Engineering, PLLC	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	TBD	
	Construction Stop	TBD	
RESIDENTIAL RATES	Current	<u>Users</u> 1,553	<u>Avg. Bill</u> \$ 34.22 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Nicholas County	\$ 80,092.00	
	Total	\$ 80,092.00	
Notes:			
Prior Approval:			
County Allocation Pool	Nicholas County	\$ 40,046	June 23, 2022
County Allocation Pool	Reallocation	\$ 40,046	Pending Approval October 27, 2022
This grant is being allocated additional funds through the reallocation of a previously approved grant.			
Previous Grantee: Nicholas County Water District			
Previous Grant #21CWW172			
Previous WRIS #WX21181016			
Prior Approval Date: 06/23/2022			

EXECUTIVE SUMMARY		Reviewer	Julie Bickers
KENTUCKY INFRASTRUCTURE AUTHORITY		CPBOC Date	October 27, 2022
DRINKING WATER AND WASTEWATER GRANT PROGRAM		KIA Grant Number	21CWW300
CLEANER WATER PROGRAM GRANT		WRIS Number	WX21199147
GRANTEE	SOMERSET, CITY OF PULASKI COUNTY		
BRIEF DESCRIPTION			
This proposed project involves full plant replacement of the membrane filtration treatment system at the Somerset Water Treatment Plant, a municipal drinking water treatment facility. The ZW system configuration includes: 5 trains, 6 x ZW1000 48/60M cassettes with 450ft ² CPx membrane modules.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 21CWW300	\$571,211	Administrative Expenses	\$500
KIA Fund C22-002	1,928,909	Construction	2,272,320
		Contingency	227,300
TOTAL	\$2,500,120	TOTAL	\$2,500,120
PROFESSIONAL SERVICES	Engineer	Triple Point Engineering	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	TBD	
	Construction Stop	TBD	
RESIDENTIAL RATES	Current	<u>Users</u> 9,337	<u>Avg. Bill</u> \$ 9.22 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Pulaski County	\$ 571,211.00	
	Total	\$ 571,211.00	
Notes:			
This grant is a reallocation of 2 previously approved grants.			
Previous Grantee: City of Somerset		Previous Grantee: City of Somerset	
Previous Grant # 21CWS092		Previous Grant # 21CWW190	
Previous WRIS # SX21199033		Previous WRIS # WX21199002	
Prior Approval Date: 3/17/2022		Prior Approval Date: 3/17/2022	

EXECUTIVE SUMMARY		Reviewer	Don Schierer
KENTUCKY INFRASTRUCTURE AUTHORITY		CPBOC Date	October 27, 2022
DRINKING WATER AND WASTEWATER GRANT PROGRAM		KIA Grant Number	21CWW302
CLEANER WATER PROGRAM GRANT		WRIS Number	WX21167031
GRANTEE	NORTH MERCER WATER DISTRICT MERCER COUNTY		
BRIEF DESCRIPTION			
Replacement of approximately 22.5 miles of existing (30-40 year old) problematic 6" PVC Cl. 160 pipe. This project will also include the replacement of existing service line to approximately 250 customers that are effected by the water main replacement. There are no plans to upsize the water mains at this time. Approximately 52,800LF of 6" PVC and 9,200 LF 4" PVC will be replaced. All of the replacement water main will be PVC, Class 250 pipe.			
PROJECT FINANCING		PROJECT BUDGET	
CWP - Water Grant - 21CWW302	\$102,608	RD Fee %	Actual %
CDBG	\$1,000,000	Administrative Expenses	\$50,000
Other	2,307,392	Legal Expenses	35,000
		Land, Easements	78,400
		Planning	10,000
		Eng - Design / Const	7.3% 6.6% 193,000
		Eng - Insp	4.0% 3.7% 107,000
		Eng - Other	15,000
		Construction	2,656,000
		Contingency	265,600
TOTAL	<u>\$3,410,000</u>	TOTAL	<u>\$3,410,000</u>
PROFESSIONAL SERVICES	Engineer	Bluegrass Engineering, PLLC	
PROJECT SCHEDULE	Bid Opening	April 1, 2023	
	Construction Start	July 1, 2023	
	Construction Stop	March 1, 2024	
RESIDENTIAL RATES	Current	<u>Users</u> 4,605	<u>Avg. Bill</u> \$ 41.29 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Mercer County	\$ 102,608.00	
	Total	\$ 102,608.00	
Notes:			
This grant is a reallocation of a previously approved grant. Previous Grantee: North Mercer Water District Previous Grant # 21CWW150 Previous WRIS #WX21167032 Prior Approval Date: 06/23/2022			

EXECUTIVE SUMMARY		Reviewer	Julie Bickers
KENTUCKY INFRASTRUCTURE AUTHORITY		CPBOC Date	October 27, 2022
DRINKING WATER AND WASTEWATER GRANT PROGRAM		KIA Grant Number	21CWW303
CLEANER WATER PROGRAM GRANT		WRIS Number	WX21109012
GRANTEE	MCKEE, CITY OF JACKSON COUNTY		
BRIEF DESCRIPTION			
This project will address two main objectives: (1) Shutter the WTP and satisfy requirements set forth by a pending Agreed Order. The system has had multiple Notice of Violations (NOV) regarding the Water Treatment Plant, City reservoir dam and distribution system. The components of this project will address some of the NOV's by shuttering the WTP and begin purchasing all water from Jackson County Water Association (JCWA). (2) The project will install permanent master meters for purchasing water from Jackson County Water Association (JCWA) and PRV vaults in select areas and other items required by DEF.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 21CWW303	\$159,521	Land, Easements	\$2,500
Local	17,979	Planning	20,000
		Eng - Design / Const	13.6% 12.4% 15,000
		Eng - Insp	12.5% 11.6% 14,000
		Eng - Other	5,000
		Construction	110,000
		Contingency	11,000
TOTAL	\$177,500	TOTAL	\$ 177,500
PROFESSIONAL SERVICES	Engineer	Bluegrass Engineering, PLLC	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	TBD	
	Construction Stop	TBD	
RESIDENTIAL RATES	Current	<u>Users</u> 355	<u>Avg. Bill</u> \$ 30.00 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Jackson County	\$ 159,521.00	
	Total	\$ 159,521.00	
Notes:			
This grant is a reallocation of a previously approved grant. Previous Grantee: City of McKee Previous Grant #21CWW262 Previous WRIS #21109002 Prior Approval Date: 07/21/2022			

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY DRINKING WATER AND WASTEWATER GRANT PROGRAM CLEANER WATER PROGRAM GRANT		Reviewer CPBOC Date KIA Grant Number WRIS Number	Julie Bickers October 27, 2022 21CWW304 WX21003031
GRANTEE	ALLEN COUNTY WATER DISTRICT ALLEN COUNTY		
BRIEF DESCRIPTION			
This project would make improvements to the existing Halfway Booster Station to allow for improved operations of the station. The improvements would include the installation of variable frequency drives, pressure transducers, pipe replacement, pump replacement and electrical improvements to allow for the booster station to operate in a standard constant pressure mode as well as a pump and fill mode. The existing booster station operates at approximately 260 gpm at current operating conditions. Currently, one of the pumps has become inoperable due a motor failure. The Halfway BS is currently being utilized to feed the Walker's Chapel pressure zone by filling the Walker's Chapel Tank. The proposed improvements would allow for the flexibility to take the Walker's Chapel tank out of service to allow for future rehabilitation.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 21CWW304	\$103,816	Administrative Expenses	\$1,500
Local	2,424	Eng - Design / Const	14.2% 12.6% 11,190
		Eng - Insp	13.3% 5.7% 5,050
		Construction	80,000
		Contingency	8,500
TOTAL	<u>\$106,240</u>	TOTAL	<u>\$106,240</u>
PROFESSIONAL SERVICES	Engineer	Bluegrass Engineering, PLLC	
PROJECT SCHEDULE	Bid Opening	February 1, 2023	
	Construction Start	March 1, 2023	
	Construction Stop	April 1, 2023	
RESIDENTIAL RATES	Current	<u>Users</u> 5,944	<u>Avg. Bill</u> \$ 40.90 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Allen County	\$ 103,816.00	
	Total	\$ 103,816.00	
Notes:			
This grant is a reallocation of a previously approved grant: Previous Grantee: Allen County Water District Previous Grant #21CWW002 Previous WRIS #WX21003024 Prior Approval Date: 3/17/2022			

EXECUTIVE SUMMARY		Reviewer	Don Schierer
KENTUCKY INFRASTRUCTURE AUTHORITY		CPBOC Date	October 27, 2022
DRINKING WATER AND WASTEWATER GRANT PROGRAM		KIA Grant Number	21CWW305
CLEANER WATER PROGRAM GRANT		WRIS Number	WX21081022
GRANTEE	BULLOCK PEN WATER DISTRICT GRANT COUNTY		
BRIEF DESCRIPTION			
<p>The project will provide for the engineering design including architectural design, geotechnical investigation, surveying, environmental, archaeological (if needed), funding administration, bidding services, construction administration, and construction costs for a 2.0 million gallons per day (MGD) Water Treatment Plant (WTP). The proposed WTP will replace a 1.1 MGD conventional mixed media WTP constructed in 1961 and expanded in 1985. Even though the existing WTP is rated at 1.1 MGD, the Bullock Pen Water District (BPWD) only produces an average of 0.40 MGD due to the condition and age of the WTP and BPWD's water quality standards for water. In addition to replacing the WTP, the water intake, raw water and high service pumps will be replaced using VFD's for energy conservation. The proposed WTP would be constructed near the existing WTP taking advantage of the existing distribution/piping infrastructure. A Water Treatment Plant Feasibility Study was completed for BPWD's Commission to determine the type of WTP to construct, the location of the proposed WTP, and an economic study to show cost and potential savings by producing water instead of buying additional water from area providers.</p>			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 21CWW305	\$115,085	Administrative Expenses	\$35,000
Other	\$13,384,915	Legal Expenses	15,000
		Land, Easements	50,000
		Planning	20,000
		Eng - Design / Const	6.4% 5.8% 705,000
		Eng - Insp	3.0% 3.8% 455,000
		Eng - Other	145,000
		Construction	11,000,000
		Contingency	1,075,000
TOTAL	\$13,500,000	TOTAL	\$13,500,000
PROFESSIONAL SERVICES	Engineer	TBD	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	TBD	
	Construction Stop	TBD	
RESIDENTIAL RATES	Current	<u>Users</u> 7,201	<u>Avg. Bill</u> \$ 47.82 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Grant County	\$ 115,085.00	
	Total	\$ 115,085.00	
Notes:			
<p>This grant is a reallocation of a previously approved grant. Previous Grantee: Bullock Pen Water District Previous Grant #21CWW062 Previous WRIS #WX21081010 Prior Approval Date: 06/23/2022</p>			

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY DRINKING WATER AND WASTEWATER GRANT PROGRAM CLEANER WATER PROGRAM GRANT		Reviewer CPBOC Date KIA Grant Number WRIS Number	Julie Bickers October 27, 2022 21CWW306 WX21199134
GRANTEE	SOUTH EASTERN WATER ASSOCIATION INC PULASKI COUNTY		
BRIEF DESCRIPTION			
The base bid project will consist of replacing the existing standpipe water storage tank along Dixie Bend Road with a new 100,000 gallon elevated water storage tank.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 21CWW306	\$285,606	Administrative Expenses	\$10,000
USDA RD	622,000	Legal Expenses	5,000
		Planning	20,000
		Eng - Design / Const	9.2% 6.1% 48,300
		Eng - Insp	6.0% 4.5% 35,300
		Construction	727,000
		Contingency	62,006
TOTAL	\$907,606	TOTAL	\$907,606
PROFESSIONAL SERVICES	Engineer	Kenvirons, Inc.	
PROJECT SCHEDULE	Bid Opening	November 1, 2022	
	Construction Start	March 1, 2023	
	Construction Stop	June 1, 2023	
RESIDENTIAL RATES	Current	<u>Users</u> 7,635	<u>Avg. Bill</u> \$ 52.90 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Pulaski County	\$ 285,606.00	
	Total	\$ 285,606.00	
Notes:			
This grant is a reallocation of a previously approved grant. Previous Grantee: South Eastern Water Association Inc. Previous Grant #21CWW191 Previous WRIS #WX21199146 Prior Approval Date: 03/17/2022			

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY DRINKING WATER AND WASTEWATER GRANT PROGRAM CLEANER WATER PROGRAM GRANT		Reviewer CPBOC Date KIA Grant Number WRIS Number	Julie Bickers October 27, 2022 21CWW307 WX21173179
GRANTEE	MOUNT STERLING WATER AND SEWER MONTGOMERY COUNTY		
BRIEF DESCRIPTION			
This project proposes to replace approximately 650 customer meters with radio read meters through out the Mt Sterling Water and Sewer service area. The Mount Sterling Water and Sewer System has a directly serviceable population of approximately 13,152 or 5,884 households, while indirectly servicing approximately 26,127, or 10,891 households. Mount Sterling Water and Sewer solely serve Montgomery County.			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 21CWW307	\$129,262	Administrative Expenses	\$1,939
		Construction	127,323
TOTAL	<u>\$129,262</u>	TOTAL	<u>\$129,262</u>
PROFESSIONAL SERVICES	Engineer	N/A	
PROJECT SCHEDULE	Bid Opening	January 1, 2023	
	Construction Start	February 1, 2023	
	Construction Stop	August 1, 2024	
RESIDENTIAL RATES	Current	<u>Users</u> 6,408	<u>Avg. Bill</u> \$ 24.91 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Montgomery County	\$ 129,262.00	
	Total	\$ 129,262.00	
Notes:			
This grant is a reallocation of a previously approved grant. Previous Grantee: Mount Sterling Water and Sewer Previous Grant #21CWW160 Previous WRIS #WX21173041 Prior Approval Date: 06/23/2022			

EXECUTIVE SUMMARY		Reviewer	Julie Bickers
KENTUCKY INFRASTRUCTURE AUTHORITY		CPBOC Date	October 27, 2022
DRINKING WATER AND WASTEWATER GRANT PROGRAM		KIA Grant Number	21CWW308
CLEANER WATER PROGRAM GRANT		WRIS Number	WX21109010
GRANTEE	JACKSON COUNTY WATER ASSOCIATION INC JACKSON COUNTY		
BRIEF DESCRIPTION			
<p>The proposed project will involve the construction of a new 16" ductile iron and high density polyethylene siphon line. The line will terminate with a static drum screen within the lake and connect to existing raw water inlet piping on the downstream side of the existing Tyner Lake dam. The line will be constructed adjacent to the existing principal spillway for the purpose of withdrawing raw water for treatment and distribution by Jackson County Water Association. The project also includes replacing the existing Dissolved Air Flotation (DAF) treatment system control panel, and repainting the existing pipe gallery and high service pumping station.</p>			
PROJECT FINANCING		PROJECT BUDGET	RD Fee % Actual %
CWP - Water Grant - 21CWW308	\$330,000	Legal Expenses	\$5,000
Other	970,000	Eng - Design / Const	8.8% 8.1% 86,700
		Eng - Insp	5.5% 7.0% 74,800
		Eng - Other	43,000
		Construction	975,000
		Contingency	97,500
		Other	18,000
TOTAL	\$1,300,000	TOTAL	\$1,300,000
PROFESSIONAL SERVICES	Engineer	Kenvirons, Inc.	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	TBD	
	Construction Stop	TBD	
RESIDENTIAL RATES	Current	<u>Users</u> 4,832	<u>Avg. Bill</u> \$ 46.50 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Jackson County	\$ 330,000.00	
	Total	\$ 330,000.00	
Notes:			
<p>This grant is a reallocation of a previously approved grant. Previous Grantee: Jackson County Water Association Inc Previous Grant #21CWW298 Previous WRIS #WX21109011 Prior Approval Date: 09/29/2022</p>			

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY DRINKING WATER AND WASTEWATER GRANT PROGRAM CLEANER WATER PROGRAM GRANT		Reviewer CPBOC Date KIA Grant Number WRIS Number	Julie Bickers October 27, 2022 21CWW309 WX21031055
GRANTEE	MORGANTOWN, CITY OF BUTLER COUNTY		
BRIEF DESCRIPTION			
This project will replace 9 gate valves, ranging in size from 4 inch to 6 inch. Without working valves the entire system has to be shut down when a water line break occurs.			
PROJECT FINANCING		PROJECT BUDGET	
CWP - Water Grant - 21CWW309	\$122,033	RD Fee %	Actual %
Other Funding	5,967	Administrative Expenses	\$10,000
		Eng - Design / Const	14.1% 12.6% 12,000
		Eng - Insp	13.1% 11.6% 11,000
		Construction	86,000
		Contingency	9,000
TOTAL	\$128,000	TOTAL	\$128,000
PROFESSIONAL SERVICES	Engineer	Kentucky Engineering Group PLLC	
PROJECT SCHEDULE	Bid Opening	TBD	
	Construction Start	January 10, 2023	
	Construction Stop	April 10, 2023	
RESIDENTIAL RATES	Current	<u>Users</u> 858	<u>Avg. Bill</u> \$ 38.58 (for 4,000 gallons)
REGIONAL COORDINATION	This project is consistent with regional planning recommendations.		
Allocation Source	Allocated County	Allocated Amount	
County Allocation Pool	Butler County	\$ 122,033.00	
	Total	\$ 122,033.00	
Notes:			
This grant is a reallocation from a previously approved grant. Previous Grantee: City of Morgantown Previous Grant #21CWW258 Previous WRIS #21031054 Prior Approval Date: 07/21/2022			

NEW BOND ISSUE REPORT

BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Multifamily Conduit Revenue Bonds (Richwood Bend), Series 2022

Purpose of Issue: The bonds will be used to finance the acquisition, construction, and equipping of Richwood Bend, a multifamily residential rental facility consisting of eighty-four (84) units, located at 98 Codell Drive, Lexington, Kentucky 40509, to be known as Richwood Bend. The Kentucky Housing Corporation has conducted a public hearing concerning the proposed project on October 10, 2022, following the delivery of notice to the public at least seven days prior to such hearing.

Name of Project: Richwood Bend

Anticipated Date of Sale: November 30, 2022

Anticipated Date of Issuance: November 30, 2022

Anticipated Ratings: Private Placement

Anticipated Net Proceeds: \$10,000,000

Cost of Issuance: See Exhibit A attached (Fees associated paid from owner equity)

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but an estimated \$430,154 operating reserve will be funded from equity.

Insurance Premium: N/A

Total Project Cost: \$19,809,250 (estimated)

Terms of Issue: Net interest rate: 5.35%
Term: November 1, 2062 (480 months)
Average debt service: \$606,724.44
Gross debt service: \$24,268,977.60

First Call Date: TBD

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: Cedar Rapids Bank & Trust Company

Trustee: N/A

Exhibit A

Project Funding Sources:

Permanent Tax-Exempt Bond Proceeds (Series A)	\$10,000,000
Tax Credit Equity (Ohio Capital Corporation for Housing)	\$6,866,375
Deferred Developer Fee	\$869,301
LFUCG Affordable Housing Fund – Amortizing Loan	\$420,000
Lexington HOME Funds	\$812,574
LFUCG Affordable Housing Fund – Non-Amortizing Loan	\$840,000
Other: GP Equity	\$1,000
	<hr/> \$19,809,250

Fees Paid:

Origination Fee	\$60,000
KHC Tax-Exempt Bond Pre-Application Fee	\$1,000
KHC Tax-Exempt Bond Application Fee	\$3,500
KHC Tax Credit Reservation Fee	\$72,776
KHC Market Study Review Fee	\$1,000
KHC Construction Inspection Fee	\$10,108
KHC Initial Inspection Fee	\$1,000
KHC Tax-Exempt Bond Upfront Issuer Fee	\$60,000
KHC Tax-Exempt Bond Annual Issuer Fee	\$9,879
KHC Tax-Exempt Bond Counsel Fee	\$12,500
KHC Tax-Exempt Bond Administrative Fee	\$5,000
Bond Counsel	\$60,000
TEFRA/Publication/Print	\$5,000
	<hr/> \$301,763

AU Associates was founded in 1990 by Holly Wiedemann on the principles of Adaptive Use, and focuses on opportunities for urban infill as well as the revitalization of existing structures. AU has been directly responsible for creating over 1350 units of mixed income housing, 250,000 square feet of commercial space and over \$200 million of projects across the Commonwealth of Kentucky and West Virginia. In June of 2010, Holly founded AU Construction, in order to vertically integrate the company and build all of the projects that AU develops. In January of 2013, AU created its own management arm, AU Management, LLC, to manage all our properties to ensure excellence at every level.

As AU Associates has grown over time, we have focused more on larger, urban infill developments. In 2021, after 31 years, AU's succession plan was implemented. Johan Graham, who served as the former Director of Development, began as the new President of AU Associates, Inc., in October of 2021.

Each of AU's developments, now spanning three decades, have received numerous local, state, and national awards.

AU works to enhance the communities in which our projects are located. AU's projects have created more than 8,280 jobs throughout Kentucky and West Virginia, in addition to providing exceptional places to live, work, and play. Our mission is to make the places we create become an invaluable part of the community.

AU continues to grow and evolve in today's ever changing housing market and is always seeking new and creative opportunities to generate exciting and livable communities. Please explore the AU website to see past and future projects, as well as potential leasing opportunities.



**FINANCE AND ADMINISTRATION CABINET
OFFICE OF THE CONTROLLER
OFFICE OF FINANCIAL MANAGEMENT**

200 Mero Street, 5th Floor
Frankfort, Kentucky 40622
Phone: (502) 564-2924

Andy Beshear
GOVERNOR

Holly M. Johnson
SECRETARY

Edgar C. Ross
CONTROLLER

Ryan Barrow
EXECUTIVE DIRECTOR

September 6, 2022

Ms. Penny Cox, Treasurer
University of Kentucky
310 Peterson Service Building
Lexington, KY 40506

Dear Ms. Cox,

Pursuant to KRS 42.420, the Office of Financial Management is required to review and approve the issuance of debt by all state agencies. The attached constitutes the review and approval of the recent University of Kentucky debt issuance of the \$67,825,000 General Receipts Bonds, 2022 Series B and \$22,850,000 General Receipts Bonds, 2022 Taxable Series C.

Sincerely,

Ryan Barrow

Ryan Barrow
Executive Director

Attachments

**OFM APPROVAL PURSUANT TO KRS 42.420
UNIVERSITY OF KENTUCKY
\$67,825,000 GENERAL RECEIPTS BONDS, 2022 SERIES B
\$22,850,000 GENERAL RECEIPTS BONDS, 2022 TAXABLE SERIES C
DATED SEPTEMBER 6, 2022**

DESCRIPTION:

Bond proceeds of the 2022 Series B and 2022 Taxable Series C will be used to 1) finance a portion of the \$171,260,000 appropriated for the projects identified in H.B. 1 of the General Assembly of the Commonwealth of Kentucky, 2022 Regular Session, as “Asset Preservation Pool 2022-2024” and “Facilities Renewal and Modernization Additional Reauthorization”; and 2) pay costs of issuance.

BOND SUMMARY STATISTICS:

	Series B	Series C
Par Amount:	\$67,825,000	\$22,850,000
Pricing Date:	08/16/2022	08/16/2022
Closing Date:	09/06/2022	09/06/2022
Dated Date:	09/06/2022	09/06/2022
Final Maturity:	04/01/2042	04/01/2029
Arbitrage Yield:	3.269%	3.366%
TIC:	3.409%	3.487%
NIC:	3.580%	3.530%
All-In TIC:	3.437%	3.597%
Benchmark:	3.44% (08/15/2022)	(BBWK20GO)
(as of 08/15/2022)		
Method of Sale:	Competitive	
Purchaser:	Series B – Janney Montgomery Scott LLC Series C – PNC Capital Markets LLC	

RATINGS:

Moody’s:	Aa2
S & P:	AA+

SOURCES AND USES OF FUNDS:

SOURCES OF FUNDS:

	Series B	Series C
Par Amount of Bonds	\$67,825,000.00	\$22,850,000.00
Net Premium	6,453,508.45	441,005.60
TOTAL SOURCES	\$74,278,508.45	\$23,291,005.60

USES OF FUNDS:

Project Fund Deposits:		
Modernization	\$55,500,000.00	\$18,500,000.00
Asset Preservation	18,504,000.00	4,626,000.00
Cost of Issuance*	219,654.98	79,318.10
Underwriter's Discount	54,853.47	85,687.50
TOTAL USES	\$74,278,508.45	\$23,291,005.60

*Includes municipal advisor, legal fees, rating agency fees, trustee fees, and miscellaneous costs.

PROFESSIONAL SERVICES:

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

<u>Firm</u>	<u>Service</u>	<u>Fee</u>
Baird	Financial Advisor	\$58,938.75
Dinsmore & Shohl	Bond Counsel	45,337.50
	Legal Expenses / Advertising	3,000.00
OFM	Financial Advisor	22,668.75
Moody's	Rating Agency	74,000.00
Standard & Poor's	Rating Agency	59,175.00
FORVIS	Auditor	13,055.00
US Bank	Trustee	2,000.00
BondLink	Printer / Roadshow	11,440.50
Miscellaneous		4,914.00
		\$294,529.50

ATTACHMENTS:

Official Statement Cover
Debt Service Schedule

BOND DEBT SERVICE

University of Kentucky
 General Receipts Bonds, 2022 Series B and 2022 Taxable Series C
 FINAL NUMBERS

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2023	4,495,000	4.000%	2,207,736.11	6,702,736.11	
06/30/2023					6,702,736.11
10/01/2023			1,848,600.00	1,848,600.00	
04/01/2024	3,005,000	4.000%	1,848,600.00	4,853,600.00	
06/30/2024					6,702,200.00
10/01/2024			1,788,500.00	1,788,500.00	
04/01/2025	3,125,000	4.000%	1,788,500.00	4,913,500.00	
06/30/2025					6,702,000.00
10/01/2025			1,726,000.00	1,726,000.00	
04/01/2026	3,250,000	4.000%	1,726,000.00	4,976,000.00	
06/30/2026					6,702,000.00
10/01/2026			1,661,000.00	1,661,000.00	
04/01/2027	3,380,000	4.000%	1,661,000.00	5,041,000.00	
06/30/2027					6,702,000.00
10/01/2027			1,593,400.00	1,593,400.00	
04/01/2028	3,515,000	4.000%	1,593,400.00	5,108,400.00	
06/30/2028					6,701,800.00
10/01/2028			1,523,100.00	1,523,100.00	
04/01/2029	3,660,000	** %	1,523,100.00	5,183,100.00	
06/30/2029					6,706,200.00
10/01/2029			1,442,000.00	1,442,000.00	
04/01/2030	3,820,000	5.000%	1,442,000.00	5,262,000.00	
06/30/2030					6,704,000.00
10/01/2030			1,346,500.00	1,346,500.00	
04/01/2031	4,010,000	5.000%	1,346,500.00	5,356,500.00	
06/30/2031					6,703,000.00
10/01/2031			1,246,250.00	1,246,250.00	
04/01/2032	4,210,000	5.000%	1,246,250.00	5,456,250.00	
06/30/2032					6,702,500.00
10/01/2032			1,141,000.00	1,141,000.00	
04/01/2033	4,420,000	5.000%	1,141,000.00	5,561,000.00	
06/30/2033					6,702,000.00
10/01/2033			1,030,500.00	1,030,500.00	
04/01/2034	4,645,000	5.000%	1,030,500.00	5,675,500.00	
06/30/2034					6,706,000.00
10/01/2034			914,375.00	914,375.00	
04/01/2035	4,875,000	5.000%	914,375.00	5,789,375.00	
06/30/2035					6,703,750.00
10/01/2035			792,500.00	792,500.00	
04/01/2036	5,120,000	3.500%	792,500.00	5,912,500.00	
06/30/2036					6,705,000.00
10/01/2036			702,900.00	702,900.00	
04/01/2037	5,300,000	4.000%	702,900.00	6,002,900.00	
06/30/2037					6,705,800.00
10/01/2037			596,900.00	596,900.00	
04/01/2038	5,510,000	4.000%	596,900.00	6,106,900.00	
06/30/2038					6,703,800.00
10/01/2038			486,700.00	486,700.00	
04/01/2039	5,730,000	4.000%	486,700.00	6,216,700.00	
06/30/2039					6,703,400.00
10/01/2039			372,100.00	372,100.00	
04/01/2040	5,960,000	4.000%	372,100.00	6,332,100.00	
06/30/2040					6,704,200.00
10/01/2040			252,900.00	252,900.00	
04/01/2041	6,200,000	4.000%	252,900.00	6,452,900.00	
06/30/2041					6,705,800.00
10/01/2041			128,900.00	128,900.00	
04/01/2042	6,445,000	4.000%	128,900.00	6,573,900.00	
06/30/2042					6,702,800.00
	90,675,000		43,395,986.11	134,070,986.11	134,070,986.11

In the opinion of Bond Counsel for the Bonds (defined below), based upon an analysis of laws, regulations, rulings and court decisions, and assuming continuing compliance with certain covenants made by the University, and subject to the conditions and limitations set forth herein under the caption "TAX MATTERS," interest on the 2022 Series B Bonds (defined below) is excludable from gross income for Federal income tax purposes and is not a specific item of tax preference for purposes of the Federal individual or corporate alternative minimum taxes. HOWEVER, INTEREST ON THE 2022 Taxable Series C Bonds (DEFINED BELOW) IS NOT EXCLUDIBLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES. Interest on the Bonds is exempt from Kentucky income tax and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions. See "TAX MATTERS" herein.



UNIVERSITY OF KENTUCKY

\$67,825,000

**GENERAL RECEIPTS BONDS,
2022 SERIES B**

and

\$22,850,000

**GENERAL RECEIPTS BONDS,
2022 TAXABLE SERIES C**

Dated: Date of Delivery

Due: April 1, as shown on the inside cover

The University of Kentucky General Receipts Bonds, 2022 Series B (the "2022 Series B Bonds") are being issued as tax-exempt obligations. The University of Kentucky General Receipts Bonds, 2022 Taxable Series C (the "2022 Taxable Series C Bonds") will be issued as taxable obligations. The 2022 Series B Bonds and 2022 Taxable Series C Bonds are referred to herein, collectively as the "Series 2022 Bonds." The Series 2022 Bonds will be issued only as fully registered bonds, and when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series 2022 Bonds. Purchasers will not receive certificates representing their ownership interest in the Series 2022 Bonds purchased. So long as DTC or its nominee is the registered owner of the Series 2022 Bonds, payments of the principal of and interest due on the Series 2022 Bonds will be made directly to DTC.

The Series 2022 Bonds are in the denomination of \$5,000 or integral multiples thereof and bear interest from their dated date, payable semiannually, in amounts, having maturities, interest rates, yields, and CUSIPs as set forth on inside cover hereof. Principal of, premium, if any, and interest on the Series 2022 Bonds will be paid directly to DTC by U.S. Bank National Association, having offices in Louisville, Kentucky, as Trustee and Paying Agent. The Series 2022 Bonds shall be issued only as fully registered bonds.

The 2022 Series B Bonds are subject to redemption prior to their stated maturities as described herein.

The 2022 Taxable Series C Bonds are not subject to redemption prior to their stated maturities.

The Series 2022 Bonds constitute special obligations of the University of Kentucky and do not constitute a debt, liability or obligation of the Commonwealth of Kentucky nor a pledge of the full faith and credit of the Commonwealth. The Series 2022 Bonds constitute Obligations under the Trust Agreement dated as of November 1, 2005 between the University and the Trustee, and the payment of the principal of, premium, if any, and interest on Series 2022 Bonds is secured by a pledge of the University's General Receipts, as defined in the Trust Agreement. See "SECURITY FOR THE BONDS."

The Series 2022 Bonds are issued subject to the approval of legality by Dinsmore & Shohl LLP, Covington, Kentucky, Bond Counsel. Delivery of the Series 2022 Bonds is expected on September 6, 2022 in New York, New York, through the facilities of DTC.

Dated: August 16, 2022



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

Jeff Noel
Secretary

September 30, 2022

The Honorable Christian McDaniel, Co-Chair
The Honorable Jason Petrie, Co-Chair
Joint Committee on Appropriations and Revenue
Room 160, Capitol Annex
702 Capital Avenue
Frankfort, Kentucky 40601

Dear Senator McDaniel and Representative Petrie:

Pursuant to KRS 45.816, I have enclosed information relative to the costs associated with the issuance of revenue bonds issued by the Kentucky Economic Development Finance Authority (KEDFA) for the Carmel Manor, Inc. (Carmelite System, Inc. Obligated Group Guaranty), Series 2022.

The listing of costs associated with the bond issue is submitted to KEDFA and the Office of Financial Management (OFM) from bond counsel and is commonly referred to as "Exhibit B" (see attached form). The Commonwealth is not responsible for the payment of costs for the revenue bond issue; however, KRS 45.816 requires the cost information to be furnished to the Capital Projects and Bond Oversight Committee (CPBOC) and the Interim Joint Committee on Appropriations and Revenue.

If you have any questions or if I can be of assistance to you, please contact me at (502) 782-1987.

Sincerely,

Katie Smith
Deputy Secretary and Commissioner

Enclosure

cc: Jennifer Hays

KEDFA NEW BOND ISSUE REPORT

Name of Issue: \$17,140,000 Kentucky Economic Development Finance Authority Healthcare Facilities Refunding Revenue Bonds, Series 2022, Carmel Manor, Inc. Project (The Carmelite System, Inc. Obligated Group Guaranty) ("Bonds").

Name of project(s) covered by Issue: Carmel Manor, Inc. Project, (Carmelite System, Inc. Obligated Group Guarantee)

Purpose of Issue: The purpose of the Bonds is to (i) refinance the 2015 Bonds issued by KEDFA for the benefit of Carmel Manor, Inc. (the "Borrower"), which 2015 Bonds financed the acquisition, construction, renovation, relocation and equipping of long term care, memory care and rehabilitation units (the "Project"), located on the campus of the Borrower at 100 Carmel Manor Road, Ft. Thomas, Kentucky 41075, and (ii) pay costs of issuance of the Bonds.

Size: \$17,140,000

Date of Sale: September 22, 2022

Date of Issue: September 29, 2022

Maturity: October 1, 2027

Ratings: Borrower: None
Carmelite System Obligated Group: "BBB+" by Fitch

Security: Gross revenues pledge by the Borrower.

Guarantee of debt service on the Bonds by The Carmelite System, Inc., with such Guaranty secured with a master note representing the joint and several payment liability of the Carmelite System Obligated Group, consisting of the following sponsored entities of the Carmelites Sisters for the Aged and Infirm (the "Sisters" or the "Sponsor"):

- The Carmelite System, Inc.
- Carmel Terrace, Inc.
- Saint Margaret Hall, Incorporated
- Saint Patrick's Residence
- Saint Patrick's Manor, Inc.

- Kahl Home for the Aged and Infirm
- Lourdes-Noreen McKeen Residence for Geriatric Care, Inc.
- Mother Angeline McCrory Manor, Inc.
- The Villas at St. Therese, Inc.

The Guarantee is a joint and several obligation of the members of the Carmelite System Obligated Group pursuant to a Master Trust Indenture, and such Guarantee will be secured by a gross revenues pledge of the members of the Carmelite System Obligated Group.

The Borrower is also an affiliate of the Sponsor and the Carmelite System Obligated Group.

Date authorizations(s): June 30, 2022 (KEDFA Resolution)
June 6, 2022 (City of Fort Thomas local approval)

Refunding Deposits:	\$16,797,102.72
Plus: Issuance Cost	\$566,798.12
Plus: Additional Proceeds	<u>\$97.28</u>
GROSS PROCEEDS (incl. equity contribution):	\$17,363,998.12

Terms of issue: 5 Years **Net interest rate: 4.500%** (NIC = 5.000707%)

Length of term: Final maturity: 10/1/2027

Gross debt service amount: \$21,000,785

Average annual debt service: \$ 772,157¹

First call date: 10/1/2024 **Premium at first call:** 100%

Method of sale: Negotiated

Purchasers: Institutional and Accredited Investors

1) Excludes Principal payment at maturity

Professional Services*

<u>Payee Name/Address*</u>	<u>Participation</u>	Fees, commissions, or any other economic benefits received or anticipated to be received
Kentucky Economic Development Finance Authority Old Capitol Annex 300 West Broadway Frankfort, KY 40601	Issuance Fee	\$10,000
Cain Brothers	Underwriter's Discount/Expenses	\$202,745.95
Nixon Peabody LLP	System Counsel Fee	\$60,000
Ice Miller LLP	Bond Counsel Fee and Expenses	\$77,889.67
Clifton Larson Allen	Examined Forecast	\$43,837.50
Harris Beach PLLC	Underwriter's Counsel Fee	\$50,000
Dressman Benzinger LaVelle PSC	Local Borrower's Counsel	\$25,350
Carmelite System, Inc.	System Management Fee	\$40,000
Stites & Harbison, PLLC	Issuer's Counsel Fee	\$20,000
Tucker Ellis LLP	Trustee Counsel	\$1,975
U.S. Bank N.A.	Master and Bond Trustee	\$5,000
Fitch	Rating Agency	\$30,000

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

All costs of issuance paid from Bond proceeds.

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

SOURCES AND USES¹ (Preliminary, subject to change; see attachment)

Sources:	Bond Proceeds	\$17,140,000.00
	Equity Contribution for COI	<u>223,998.12</u>
	Total Sources	\$17,363,998.12

Debt Service:

<i>Period Ending</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Debt Service</i>
12/31/2023			775,585	775,585
12/31/2024			771,300	771,300
12/31/2025			771,300	771,300
12/31/2026			771,300	771,300
12/31/2027	17,140,000	4.500%	771,300	17,911,300
	17,140,000		3,860,785	21,000,785

Uses:	Refunding Series 2015 Bonds	\$16,797,102.72
	Cost of Issuance	566,798.12
	Additional Proceeds	97.28
	Total Uses	\$17,363,998.12

FOR REFUNDING ONLY

Bond issue being refinanced: Kentucky Economic Development Finance Healthcare Facilities Revenue Bonds, Series 2015 (Carmel Manor, Inc.)

Amount of principal outstanding: \$16,750,000 **Amount to be refunded:** \$16,750,000 +
Accrued Interest

Terms of existing bond issue: Existing bonds are held by a commercial bank in a "bank direct purchase" transaction.

Net interest rate: Variable interest rate based on monthly reset of 1 Month LIBOR rate **Length of term:** Final maturity 04/01/2047

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

Average annual debt service: \$1,012,928

REFUNDING ACTIVITY

Funds to apply to refunding:	\$16,797,102.72
Proceeds from New Bonds	-0-
Released Debt Service Reserve	-0-
Total Available to Pay Old Bond Issue	\$16,797,102.72

SAVINGS RESULTING FROM REFINANCING

The refinancing will provide cash flow relief to the Borrower for the next five years and is intended to take advantage of fixed rates to eliminate burdensome bank covenants and “renewal risk” given the current short-term ownership period of the current bond holders.

Average annual debt service savings: \$240,771 (through 5-year interest only period; excludes principal payment due at maturity)

Number of years savings will accrue: N/A

Total present value savings: N/A



**FINANCE AND ADMINISTRATION CABINET
OFFICE OF THE CONTROLLER
OFFICE OF FINANCIAL MANAGEMENT**

200 Mero Street, 5th Floor
Frankfort, Kentucky 40622
Phone: (502) 564-2924

Andy Beshear
GOVERNOR

Holly M. Johnson
SECRETARY

Edgar C. Ross
CONTROLLER

Ryan Barrow
EXECUTIVE DIRECTOR

September 22, 2022

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 (Crossings at South Park Project), Series 2022 in a principal amount of \$22,000,000 (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 project was presented to the Capital Projects and Bond Oversight Committee (“CPBO”) at the July 21, 2022 meeting. The attached includes a finalized listing of costs related to the issuance of the Bonds pursuant to KRS 45.816.

Sincerely,

Ryan Barrow

Ryan Barrow
Executive Director

Attachments

NEW BOND ISSUE REPORT

BOND ISSUE

Name of Bond Issue: Kentucky Housing Corporation Multifamily Revenue Bonds (Crossings at South Park Project), Series 2022

Purpose of Issue: The Bonds will be used to finance the acquisition, construction and equipping of a multifamily residential rental project containing approximately 192 units, located at 10511 West Manslick Road, Louisville, KY 40118 (the "Project") to be owned by Crossings at South Park, LLC, a Kentucky limited liability company or its successors and assigns (the "Borrower"). The Kentucky Housing Corporation conducted a public hearing concerning the proposed project on 18th day, July, 2022, following the delivery of notice to the public in the *State Journal* and in *The Courier Journal*. The Bonds are the sole obligations of the Borrower.

Name of Project: Crossings at South Park

Date of Sale: September 22, 2022

Date of Issuance: September 22, 2022

Ratings: None

Net Proceeds: \$22,000,000

Cost of Issuance: See Exhibit A attached (up to \$440,000 in costs of issuance to be paid with Bond Proceeds; remaining costs of issuance paid from owner equity)

Bond Discount: \$0

Debt Service Reserve Fund: \$0, but \$1,096,786 operating deficit reserve to be funded from equity.

Insurance Premium: None

Total Project Cost: \$41,321,044

Terms of Issue: Net interest rate: 4.65%
Weighted average maturity: 19.19 years
Average annual debt service: \$1,223,504
Gross debt service: \$41,903,957

First Call Date: October 1, 2025

Premium at First Call: 105%

Method of Sale: Private Placement

Bond Counsel: Frost Brown Todd LLC

Purchaser Counsel: Vice Cox & Townsend, PLLC

Purchaser: German American Bank

Trustee: Not Applicable

Developer: Marian Development Group, LLC

Exhibit A

Project Funding Sources:

Tax-Exempt Bonds	\$22,000,000
Deferred Developer Fee	\$4,158,172
Louisville Affordable Housing Trust Fund	\$2,000,000
GP Equity	\$100
LIHTC Anticipated Net Syndication Proceeds (4%)	<u>\$13,162,772</u>
Total	<u>\$41,321,044</u>

Costs of Issuance:

Origination Fee	\$220,000
KHC Counsel	\$20,000
KHC Financing Fee	\$132,000
KHC Application Fee & Expenses	\$6,500
KHC Admin Fee	\$5,000
Bond Counsel	\$20,000
Lender/Syndication Counsel	\$40,000
Borrower's Counsel	\$105,000
Syndication Organization Expenses	\$10,000
TEFRA/Publication/Print	\$10,000
LAHTF Fees	<u>\$30,000</u>
Total:	<u>\$598,500</u>

0143064.0746573 4869-7938-9492v3



School Facilities Construction Commission

Finance and Administration Cabinet
700 Louisville Rd
Carriage House

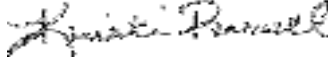
Frankfort, Kentucky 40601
(502) 564-5582
(888) 979-6152 Fax
www.sfcc.ky.gov

HEATHER OVERBY
Chairman
CHELSEY COUCH
Executive Director

ANDY BESHEAR
Governor
MS. HOLLY M. JOHNSON
Secretary

MEMORANDUM

TO: Ryan Barrow
Office of Financial Management

FROM: Kristi Russell, SFCC 

DATE: October 10, 2022

SUBJECT: Capital Projects and Bond Oversight Committee (CPBO)

The following information is submitted for consideration by CPBO at their next meeting tentatively scheduled for October 27, 2022:

Bardstown Independent- \$7,000,000 estimated – New CTE renovation. State estimated annual debt service is \$13,778 and local is \$545,951. No tax increase is necessary to finance this project

Bath County- \$5,000,000 estimated – High School renovations. State estimated annual debt service is \$57,762 and local is \$348,777. No tax increase is necessary to finance this project

Casey County- \$5,500,000 estimated – High School renovations. State estimated annual debt service is \$56,485 and local is \$375,311. No tax increase is necessary to finance this project

Nelson County- \$20,000,000 estimated – New 6-12 facility. State estimated annual debt service is \$54,869 and local is \$1,558,550. No tax increase is necessary to finance this project

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





September 20, 2022

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

RE: \$7,000,000 Bardstown Independent School District Finance Corporation
School Building Revenue Bonds, Series 2022

Dear Ms. Couch:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to finance renovation of an existing elementary school into a Career and Technical Education Building.

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 2.64% 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 black ink, appearing to read 'L Theinert', with a long horizontal flourish extending to the right.

Lincoln Theinert

147 East Third St.
Lexington, KY
40508

859/977-6600

fax: 859/381-1357

www.rsamuni.com

Enclosures

BOND PAYEE DISCLOSURE FORM

Par Amount:

\$7,000,000

Issue Name:

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

Purpose:

Renovation of an existing elementary into a new CTE Building

Projected Sale Date of Bonds:

Q4 2022

First Call Date:

8 Years at par

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC, Frankfort, Ky. / TBD

Bond Rating:

Moody's: "A1"

Bond Counsel:

Steptoe and Johnson, Louisville, KY

Fiscal Agent:

RSA Advisors LLC, Lexington, Kentucky

Date received by SFCC:

/ / *To be filled in by SFCC*

Date scheduled for Committee review:

/ / *To be filled in by SFCC*

Month Day Year

Estimated par amount of Bonds:

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$185,000	\$6,815,000	\$7,000,000
2.64%	97.36%	100.00%
\$13,778	\$545,951	\$559,729
\$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:

\$1,084	\$39,916	\$41,000
\$0	\$0	\$0
\$0	\$0	\$0
\$392	\$14,458	\$14,850
\$3,700	\$136,300	\$140,000
\$0	\$0	\$0
\$5,176	\$190,674	\$195,850

Anticipated Interest Rates:

5 Years: 3.500% 10 Years: 4.250% 15 Years: 4.250%
20 Years: 4.250%

Notes: No tax Increase required

**BARDSTOWN INDEPENDENT SCHOOL DISTRICT
PLAN OF FINANCING -- SERIES 2022**

Date of Report: 9.20.22

Local Bond Payments Outstanding	1
Summary of Funds for Bond Payments	2
Projected Series 2022.....	3
Disclosure.....	4



BARDSTOWN INDEPENDENT SCHOOL DISTRICT

OUTSTANDING NET LOCAL DEBT SERVICE

	A	B	C	D	E	F	G	H	H	I	J	K	N
FYE	Series 2008	Series 2010-REF	Series 2012-REF	Series 2012 KISTA	Series 2013-REF	Series 2014	Series 2015A-REF	Series 2015B-REF	Series 2016	Series 2017	Series 2019 Energy	Series 2020	Total Debt Service
2023	\$94,170	\$881,405	\$498,497	\$18,754	\$157,800	\$24,778	\$95,700	\$60,820	\$137,256	\$52,894	\$20,868	\$437,731	\$2,480,673
2024	\$91,245	\$881,505	\$496,121	\$21,269	\$155,400	\$24,003	\$99,050	\$65,247	\$136,934	\$52,444	\$18,276	\$436,830	\$2,478,323
2025	\$93,320		\$81,050	\$38,692	\$860,850	\$23,229	\$226,050	\$158,396	\$351,611	\$101,994	\$20,654	\$525,479	\$2,481,325
2026	\$90,200			\$20,419	\$883,750	\$22,453	\$226,700	\$268,871	\$321,321	\$105,044	\$17,877	\$513,730	\$2,470,366
2027	\$92,000			\$47,090		\$21,679	\$227,250	\$297,431	\$446,606	\$107,944	\$50,070	\$1,183,656	\$2,473,725
2028	\$93,600			\$43,569		\$75,804		\$295,483	\$453,650	\$110,694	\$51,356	\$1,348,054	\$2,472,210
2029						\$78,003		\$298,343	\$460,338	\$108,294	\$42,486	\$1,487,867	\$2,475,331
2030						\$75,028		\$296,012	\$460,756	\$110,894	\$43,497	\$1,490,093	\$2,476,279
2031						\$77,053		\$304,761	\$450,913	\$113,344	\$44,336	\$1,482,093	\$2,472,499
2032						\$78,679			\$465,131	\$115,644	\$49,767	\$1,761,767	\$2,470,988
2033						\$80,116			\$468,631	\$112,438	\$49,863	\$1,759,043	\$2,470,091
2034						\$76,366			\$471,181	\$109,231	\$54,774	\$1,760,981	\$2,472,534
2035									\$473,281	\$111,025	\$54,050	\$1,836,981	\$2,475,337
2036									\$474,375	\$112,525	\$53,126	\$1,832,855	\$2,472,881
2037										\$113,850	\$52,003	\$1,908,255	\$2,074,108
2038											\$50,678	\$2,021,055	\$2,071,733
2039											\$54,154	\$1,942,755	\$1,996,909
2040												\$1,989,005	\$1,989,005
2041												\$2,004,816	\$2,004,816
2042													
2043													
Totals:	\$554,535	\$1,762,910	\$1,075,668	\$189,793	\$2,057,800	\$657,191	\$874,750	\$2,045,362	\$5,571,985	\$1,538,256	\$727,832	\$27,723,046	\$44,779,129

BARDSTOWN INDEPENDENT SCHOOL DISTRICT

SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L
FYE	Local Nickel	1st Growth Nickel	2nd Growth Nickel	Capital Outlay @ 80%	FSPK	Additional FSPK	Total Local Funds	Less Current Payments	Local Funds Available	SFCC Offer	Total Funds Available
2023	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,480,673)	\$1,232,263	\$3,445	\$1,235,708
2024	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,478,323)	\$1,234,613	\$13,778	\$1,248,391
2025	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,481,325)	\$1,231,611	\$13,778	\$1,245,389
2026	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,470,366)	\$1,242,570	\$13,778	\$1,256,348
2027	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,473,725)	\$1,239,211	\$13,778	\$1,252,989
2028	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,472,210)	\$1,240,726	\$13,778	\$1,254,504
2029	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,475,331)	\$1,237,605	\$13,778	\$1,251,383
2030	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,476,279)	\$1,236,657	\$13,778	\$1,250,435
2031	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,472,499)	\$1,240,437	\$13,778	\$1,254,215
2032	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,470,988)	\$1,241,948	\$13,778	\$1,255,726
2033	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,470,091)	\$1,242,845	\$13,778	\$1,256,623
2034	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,472,534)	\$1,240,402	\$13,778	\$1,254,180
2035	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,475,337)	\$1,237,599	\$13,778	\$1,251,377
2036	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,472,881)	\$1,240,055	\$13,778	\$1,253,833
2037	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,074,108)	\$1,638,828	\$13,778	\$1,652,606
2038	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,071,733)	\$1,641,203	\$13,778	\$1,654,981
2039	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$1,996,909)	\$1,716,027	\$13,778	\$1,729,805
2040	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$1,989,005)	\$1,723,931	\$13,778	\$1,737,709
2041	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936	(\$2,004,816)	\$1,708,120	\$13,778	\$1,721,898
2042	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$724,269	\$3,712,936		\$3,712,936	\$13,778	\$3,726,714
2043	\$813,783	\$813,783	\$813,783	\$185,184	\$362,134	\$362,134	\$3,350,801		\$3,350,801	\$10,334	\$3,361,134

NOTES: Data based on KDE Seek Forecast Calculations (FY 22-23)

BARDSTOWN INDEPENDENT SCHOOL DISTRICT

PROJECTED SERIES 2022

A	B	C	D	E	F	G	H	I	J	K
Current Payments	----- Estimated New Bond Issue -----							Projected All Local Payments Outstanding	Local Funds Available	Local Funds Available For Future Projects
	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion			
\$2,480,673	2023			\$133,290	\$133,290	\$3,445	\$129,845	\$2,610,518	\$3,712,936	\$1,102,418
\$2,478,323	2024	\$120,000	3.500%	\$286,963	\$406,963	\$13,778	\$393,185	\$2,871,507	\$3,712,936	\$841,429
\$2,481,325	2025	\$120,000	3.500%	\$282,763	\$402,763	\$13,778	\$388,985	\$2,870,309	\$3,712,936	\$842,626
\$2,470,366	2026	\$140,000	3.500%	\$278,213	\$418,213	\$13,778	\$404,435	\$2,874,800	\$3,712,936	\$838,135
\$2,473,725	2027	\$140,000	3.500%	\$273,313	\$413,313	\$13,778	\$399,535	\$2,873,259	\$3,712,936	\$839,677
\$2,472,210	2028	\$145,000	3.500%	\$268,325	\$413,325	\$13,778	\$399,547	\$2,871,757	\$3,712,936	\$841,179
\$2,475,331	2029	\$150,000	3.500%	\$263,163	\$413,163	\$13,778	\$399,385	\$2,874,715	\$3,712,936	\$838,221
\$2,476,279	2030	\$150,000	3.500%	\$257,913	\$407,913	\$13,778	\$394,135	\$2,870,413	\$3,712,936	\$842,522
\$2,472,499	2031	\$160,000	3.500%	\$252,488	\$412,488	\$13,778	\$398,710	\$2,871,208	\$3,712,936	\$841,728
\$2,470,988	2032	\$170,000	4.250%	\$246,075	\$416,075	\$13,778	\$402,297	\$2,873,285	\$3,712,936	\$839,651
\$2,470,091	2033	\$175,000	4.250%	\$238,744	\$413,744	\$13,778	\$399,966	\$2,870,057	\$3,712,936	\$842,879
\$2,472,534	2034	\$180,000	4.250%	\$231,200	\$411,200	\$13,778	\$397,422	\$2,869,956	\$3,712,936	\$842,980
\$2,475,337	2035	\$190,000	4.250%	\$223,338	\$413,338	\$13,778	\$399,560	\$2,874,896	\$3,712,936	\$838,039
\$2,472,881	2036	\$200,000	4.250%	\$215,050	\$415,050	\$13,778	\$401,272	\$2,874,153	\$3,712,936	\$838,783
\$2,074,108	2037	\$615,000	4.250%	\$197,731	\$812,731	\$13,778	\$798,953	\$2,873,061	\$3,712,936	\$839,875
\$2,071,733	2038	\$645,000	4.250%	\$170,956	\$815,956	\$13,778	\$802,178	\$2,873,911	\$3,712,936	\$839,024
\$1,996,909	2039	\$750,000	4.250%	\$141,313	\$891,313	\$13,778	\$877,535	\$2,874,443	\$3,712,936	\$838,493
\$1,989,005	2040	\$790,000	4.250%	\$108,588	\$898,588	\$13,778	\$884,810	\$2,873,815	\$3,712,936	\$839,121
\$2,004,816	2041	\$805,000	4.250%	\$74,694	\$879,694	\$13,778	\$865,916	\$2,870,732	\$3,712,936	\$842,204
	2042	\$845,000	4.250%	\$39,631	\$884,631	\$13,778	\$870,853	\$870,853	\$3,712,936	\$2,842,083
	2043	\$510,000	4.250%	\$10,838	\$520,838	\$10,334	\$510,504	\$510,504	\$3,350,801	\$2,840,297
\$38,788,399	Totals:	\$7,000,000		\$4,194,584	\$11,194,584	\$275,560	\$10,919,024	\$55,698,152	\$77,609,516	\$21,911,363

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.



September 21, 2022

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

RE: \$5,000,000 Bath County School District Finance Corporation
School Building Revenue Bonds, Series 2022

Dear Ms. Couch:

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

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming months. The Bonds will be funded with 15.76% 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 black ink, appearing to read 'L Theinert', with a long horizontal flourish extending to the right.

Lincoln Theinert

Enclosures

147 East Third St.
Lexington, KY
40508
859/977-6600
fax: 859/381-1357
www.rsamuni.com

BOND PAYEE DISCLOSURE FORM

Par Amount:	\$5,000,000
Issue Name:	Bath County School District Finance Corporation School Building Revenue Bonds, Series of 2022
Purpose:	High School Renovations
Projected Sale Date of Bonds:	Q4 2022
First Call Date:	8 Years at par
Method of Sale:	Competitive Bids
Place/time of sale:	Parity/SFCC, Frankfort, Ky. / TBD
Bond Rating:	Moodys: "A1"
Bond Counsel:	Steptoe and Johnson, Louisville, KY
Fiscal Agent:	RSA Advisors LLC, Lexington, Kentucky

Date received by SFCC:

/	/	
---	---	--

To be filled in by SFCC

Date scheduled for Committee review:

/	/	
---	---	--

To be filled in by SFCC

Month Day Year

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

SFCC Portion	Local Portion	Total
\$788,177	\$4,211,823	\$5,000,000
15.76%	84.24%	100.00%
\$57,762	\$348,777	\$406,539
\$0	\$0	\$0

Estimated Cost of Issuance:

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

\$5,202	\$27,798	\$33,000
\$0	\$0	\$0
\$0	\$0	\$0
\$2,814	\$15,036	\$17,850
\$15,764	\$84,236	\$100,000
\$0	\$0	\$0
\$23,779	\$127,071	\$150,850

Anticipated Interest Rates:

5 Years: 3.500% 10 Years: 3.750% 15 Years: 4.100%
 20 Years: 4.300%

Notes: No tax Increase required

BATH COUNTY SCHOOL DISTRICT
PLAN OF FINANCING -- SERIES 2022

Date of Report: 9.21.22

Local Bond Payments Outstanding	1
Summary of Funds for Bond Payments	2
Projected Series 2022.....	3
Disclosure.....	4



BATH COUNTY SCHOOL DISTRICT

OUTSTANDING NET LOCAL DEBT SERVICE

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>	<u>H</u>	
FYE	Series 2012R	Series 2013R	Series 2013 QZAB	Series 2013	BF Portion Series 2014 Energy	Series 2016R	Series 2018	Total Debt Service
2023		\$408,874	\$185,000	\$11,639	\$40,817	\$175,970	\$517,197	\$1,339,497
2024		\$412,886	\$185,000	\$11,414	\$40,688	\$175,349	\$514,847	\$1,340,184
2025		\$408,247	\$185,000	\$10,914	\$40,330	\$179,568	\$512,347	\$1,336,406
2026		\$405,001	\$185,000	\$13,517	\$39,740	\$178,604	\$514,696	\$1,336,558
2027			\$260,000	\$30,676	\$38,790	\$197,439	\$811,747	\$1,338,652
2028			\$260,000	\$27,481	\$42,391	\$195,790	\$814,647	\$1,340,309
2029			\$260,000	\$29,199	\$40,658		\$811,945	\$1,141,802
2030				\$30,462	\$38,671		\$933,795	\$1,002,928
2031				\$26,361	\$41,246		\$926,446	\$994,053
2032				\$27,159	\$43,295		\$928,647	\$999,101
2033				\$27,753	\$44,902		\$925,095	\$997,750
2034				\$10,497	\$41,152		\$940,946	\$992,594
2035					\$42,039		\$944,540	\$986,579
2036							\$941,102	\$941,102
2037							\$946,853	\$946,853
2038							\$946,465	\$946,465
Totals:		\$1,635,008	\$1,520,000	\$257,071	\$534,718	\$1,102,721	\$12,931,314	\$17,980,832

BATH COUNTY SCHOOL DISTRICT

SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L	M
FYE	Local Nickel	Recallable Nickel	Capital Outlay @ 80%	FSPK	Addtl. FSPK	Total Local Funds	Less Current Payments	Local Funds Available	2016 SFCC Offer	2018 SFCC Offer	2020 SFCC Offer	Total Funds Available
2023	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$1,339,497)	\$627,888	\$5,447	\$4,654	\$4,339	\$642,328
2024	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$1,340,184)	\$627,201	\$21,787	\$18,617	\$17,357	\$684,963
2025	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$1,336,406)	\$630,979	\$21,787	\$18,617	\$17,357	\$688,741
2026	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$1,336,558)	\$630,827	\$21,787	\$18,617	\$17,357	\$688,589
2027	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$1,338,652)	\$628,733	\$21,787	\$18,617	\$17,357	\$686,495
2028	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$1,340,309)	\$627,076	\$21,787	\$18,617	\$17,357	\$684,838
2029	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$1,141,802)	\$825,583	\$21,787	\$18,617	\$17,357	\$883,345
2030	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$1,002,928)	\$964,457	\$21,787	\$18,617	\$17,357	\$1,022,219
2031	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$994,053)	\$973,331	\$21,787	\$18,617	\$17,357	\$1,031,093
2032	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$999,101)	\$968,284	\$21,787	\$18,617	\$17,357	\$1,026,046
2033	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$997,750)	\$969,635	\$21,787	\$18,617	\$17,357	\$1,027,397
2034	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$992,594)	\$974,790	\$21,787	\$18,617	\$17,357	\$1,032,552
2035	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$986,579)	\$980,806	\$21,787	\$18,617	\$17,357	\$1,038,567
2036	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$941,102)	\$1,026,283	\$21,787	\$18,617	\$17,357	\$1,084,045
2037	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$946,853)	\$1,020,532	\$21,787	\$18,617	\$17,357	\$1,078,294
2038	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385	(\$946,465)	\$1,020,919	\$21,787	\$18,617	\$17,357	\$1,078,681
2039	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385		\$1,967,385	\$21,787	\$18,617	\$17,357	\$2,025,147
2040	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385		\$1,967,385	\$21,787	\$18,617	\$17,357	\$2,025,147
2041	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385		\$1,967,385	\$21,787	\$18,617	\$17,357	\$2,025,147
2042	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385		\$1,967,385	\$21,787	\$18,617	\$17,357	\$2,025,147
2043	\$350,000	\$350,000	\$143,605	\$561,890	\$561,890	\$1,967,385		\$1,967,385	\$16,341	\$13,963	\$13,018	\$2,010,706

NOTES: Data based on KDE Seek Forecast Calculations (FY 22-23)

BATH COUNTY SCHOOL DISTRICT

PROJECTED SERIES 2022

A	B	C	D	E	F	G	H	I	J	K
Current Payments	----- Estimated New Bond Issue -----						Projected All Local Payments Outstanding	Local Funds Available	Local Funds Available For Future Projects	
	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion			
\$1,339,497	2023			\$101,610	\$101,610	\$14,440	\$87,170	\$1,426,666	\$1,967,385	\$540,718
\$1,340,184	2024	\$30,000	3.300%	\$202,725	\$232,725	\$57,762	\$174,963	\$1,515,147	\$1,967,385	\$452,238
\$1,336,406	2025	\$30,000	3.350%	\$201,728	\$231,728	\$57,762	\$173,966	\$1,510,371	\$1,967,385	\$457,013
\$1,336,558	2026	\$30,000	3.400%	\$200,715	\$230,715	\$57,762	\$172,953	\$1,509,511	\$1,967,385	\$457,874
\$1,338,652	2027	\$30,000	3.450%	\$199,688	\$229,688	\$57,762	\$171,926	\$1,510,578	\$1,967,385	\$456,807
\$1,340,309	2028	\$30,000	3.500%	\$198,645	\$228,645	\$57,762	\$170,883	\$1,511,192	\$1,967,385	\$456,193
\$1,141,802	2029	\$100,000	3.550%	\$196,345	\$296,345	\$57,762	\$238,583	\$1,380,385	\$1,967,385	\$587,000
\$1,002,928	2030	\$150,000	3.600%	\$191,870	\$341,870	\$57,762	\$284,108	\$1,287,036	\$1,967,385	\$680,349
\$994,053	2031	\$160,000	3.650%	\$186,250	\$346,250	\$57,762	\$288,488	\$1,282,541	\$1,967,385	\$684,843
\$999,101	2032	\$165,000	3.700%	\$180,278	\$345,278	\$57,762	\$287,516	\$1,286,617	\$1,967,385	\$680,768
\$997,750	2033	\$170,000	3.750%	\$174,038	\$344,038	\$57,762	\$286,276	\$1,284,026	\$1,967,385	\$683,359
\$992,594	2034	\$180,000	3.800%	\$167,430	\$347,430	\$57,762	\$289,668	\$1,282,263	\$1,967,385	\$685,122
\$986,579	2035	\$190,000	3.800%	\$160,400	\$350,400	\$57,762	\$292,638	\$1,279,217	\$1,967,385	\$688,167
\$941,102	2036	\$215,000	4.000%	\$152,490	\$367,490	\$57,762	\$309,728	\$1,250,830	\$1,967,385	\$716,555
\$946,853	2037	\$220,000	4.000%	\$143,790	\$363,790	\$57,762	\$306,028	\$1,252,881	\$1,967,385	\$714,504
\$946,465	2038	\$230,000	4.100%	\$134,675	\$364,675	\$57,762	\$306,913	\$1,253,378	\$1,967,385	\$714,006
	2039	\$565,000	4.100%	\$118,378	\$683,378	\$57,762	\$625,616	\$625,616	\$1,967,385	\$1,341,769
	2040	\$585,000	4.250%	\$94,364	\$679,364	\$57,762	\$621,602	\$621,602	\$1,967,385	\$1,345,783
	2041	\$615,000	4.250%	\$68,864	\$683,864	\$57,762	\$626,102	\$626,102	\$1,967,385	\$1,341,283
	2042	\$640,000	4.250%	\$42,195	\$682,195	\$57,762	\$624,433	\$624,433	\$1,967,385	\$1,342,952
	2043	\$665,000	4.300%	\$14,298	\$679,298	\$43,321	\$635,976	\$635,976	\$1,967,385	\$1,331,409
\$17,980,832	Totals:	\$5,000,000		\$3,130,773	\$8,130,773	\$1,155,238	\$6,975,535	\$24,956,366	\$41,315,079	\$16,358,713

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.



September 21, 2022

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

RE: \$5,500,000 Casey County School District Finance Corporation
School Building Revenue Bonds, Series 2022C

Dear Ms. Couch:

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

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming months. The Bonds will be funded with 14.01% 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 black ink, appearing to read 'L Theinert', with a long horizontal flourish extending to the right.

Lincoln Theinert

147 East Third St.
Lexington, KY
40508

859/977-6600
fax: 859/381-1357
www.rsamuni.com

Enclosures

BOND PAYEE DISCLOSURE FORM

Par Amount:

\$5,500,000

Issue Name:

Casey County School District Finance Corporation School Building Revenue Bonds, Series of 2022C

Purpose:

High School Improvements

Projected Sale Date of Bonds:

Q4 2022

First Call Date:

8 Years at par

Method of Sale:

Competitive Bids

Place/time of sale:

Parity/SFCC, Frankfort, Ky. / TBD

Bond Rating:

Moody's: "A1"

Bond Counsel:

Steptoe and Johnson, Louisville, KY

Fiscal Agent:

RSA Advisors LLC, Lexington, Kentucky

Date received by SFCC:

/ /

To be filled in by SFCC

Date scheduled for Committee review:

/ /

To be filled in by SFCC

Month Day Year

Estimated par amount of Bonds:

% Share of total Bonds:

Estimated average annual debt service:

Estimated debt service reserve:

SFCC Portion	Local Portion	Total
\$770,751	\$4,729,249	\$5,500,000
14.01%	85.99%	100.00%
\$56,485	\$375,311	\$431,796
\$0	\$0	\$0

Estimated Cost of Issuance:

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

Special Tax Counsel

Number verifications

Bond Rating & Bank Fee

Underwriter's Discount

Credit Enhancement

Total Cost of Issuance:

\$4,905	\$30,095	\$35,000
\$0	\$0	\$0
\$0	\$0	\$0
\$2,501	\$15,349	\$17,850
\$15,415	\$94,585	\$110,000
\$0	\$0	\$0
\$22,821	\$140,029	\$162,850

Anticipated Interest Rates:

5 Years: 3.500% 10 Years: 3.750% 15 Years: 4.100%
20 Years: 4.300%

Notes: No tax Increase required

CASEY COUNTY SCHOOL DISTRICT
PLAN OF FINANCING -- SERIES 2022C

Date of Report: 9.21.22

Local Bond Payments Outstanding 1

Summary of Funds for Bond Payments 2

Projected Series 2022C..... 3

Disclosure..... 4



CASEY COUNTY SCHOOL DISTRICT

OUTSTANDING NET LOCAL DEBT SERVICE

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
		100% SFCC				Total
FYE	Series 2012-REF	Series 2012	Series 2015-REF	Series 2016	Series 2020	Debt Service
2023	\$429,546		\$8,988	\$171,691	\$115,078	\$725,303
2024	\$429,103		\$11,437	\$166,974	\$114,179	\$721,693
2025			\$32,968	\$375,070	\$238,279	\$646,317
2026			\$28,200	\$380,308	\$234,878	\$643,387
2027			\$10,088	\$399,583	\$236,479	\$646,150
2028				\$407,649	\$237,980	\$645,629
2029				\$410,398	\$234,379	\$644,777
2030				\$408,950	\$235,329	\$644,279
2031				\$407,293	\$241,166	\$648,459
2032				\$409,700	\$241,683	\$651,383
2033				\$408,356	\$242,081	\$650,437
2034				\$410,090	\$242,263	\$652,353
2035				\$408,327	\$242,330	\$650,657
2036				\$412,128	\$242,169	\$654,298
2037				\$408,996	\$241,889	\$650,886
2038					\$256,265	\$256,265
2039					\$255,138	\$255,138
2040					\$253,640	\$253,640
2041						
2042						
2043						
Totals:	\$858,649		\$91,681	\$5,585,514	\$4,105,206	\$10,641,050

CASEY COUNTY SCHOOL DISTRICT

SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J
FYE	Local Nickel	Capital Outlay @ 80%	FSPK	Total Local Funds	Less Current Payments	Local Funds Available	2018 SFCC Offer	2020 SFCC Offer	Total Funds Available
2023	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$725,303)	\$537,027	\$6,632	\$7,489	\$544,516
2024	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$721,693)	\$540,638	\$26,529	\$29,956	\$570,594
2025	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$646,317)	\$616,014	\$26,529	\$29,956	\$645,970
2026	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$643,387)	\$618,944	\$26,529	\$29,956	\$648,900
2027	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$646,150)	\$616,180	\$26,529	\$29,956	\$646,136
2028	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$645,629)	\$616,702	\$26,529	\$29,956	\$646,658
2029	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$644,777)	\$617,554	\$26,529	\$29,956	\$647,510
2030	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$644,279)	\$618,051	\$26,529	\$29,956	\$648,007
2031	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$648,459)	\$613,872	\$26,529	\$29,956	\$643,828
2032	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$651,383)	\$610,948	\$26,529	\$29,956	\$640,904
2033	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$650,437)	\$611,893	\$26,529	\$29,956	\$641,849
2034	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$652,353)	\$609,977	\$26,529	\$29,956	\$639,933
2035	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$650,657)	\$611,674	\$26,529	\$29,956	\$641,630
2036	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$654,298)	\$608,033	\$26,529	\$29,956	\$637,989
2037	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$650,886)	\$611,445	\$26,529	\$29,956	\$641,401
2038	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$256,265)	\$1,006,066	\$26,529	\$29,956	\$1,036,022
2039	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$255,138)	\$1,007,192	\$26,529	\$29,956	\$1,037,148
2040	\$382,606	\$171,746	\$707,979	\$1,262,331	(\$253,640)	\$1,008,691	\$26,529	\$29,956	\$1,038,647
2041	\$382,606	\$171,746	\$707,979	\$1,262,331		\$1,262,331	\$26,529	\$29,956	\$1,292,287
2042	\$382,606	\$171,746	\$707,979	\$1,262,331		\$1,262,331	\$26,529	\$29,956	\$1,292,287
2043	\$382,606	\$171,746	\$707,979	\$1,262,331		\$1,262,331	\$19,897	\$22,467	\$1,284,798

NOTES: Data based on KDE Seek Forecast Calculations (FY 22-23)

CASEY COUNTY SCHOOL DISTRICT

PROJECTED SERIES 2022C

A	B	C	D	E	F	G	H	I	J	K
Current Payments	----- Estimated New Bond Issue -----							Projected All Local Payments Outstanding	Local Funds Available	Local Funds Available For Future Projects
	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion			
\$725,303	2023			\$109,825	\$109,825	\$14,121	\$95,704	\$821,007	\$1,262,331	\$441,324
\$721,693	2024	\$90,000	3.300%	\$218,165	\$308,165	\$56,485	\$251,680	\$973,373	\$1,262,331	\$288,958
\$646,317	2025	\$135,000	3.350%	\$214,419	\$349,419	\$56,485	\$292,934	\$939,251	\$1,262,331	\$323,080
\$643,387	2026	\$140,000	3.400%	\$209,778	\$349,778	\$56,485	\$293,293	\$936,679	\$1,262,331	\$325,651
\$646,150	2027	\$145,000	3.450%	\$204,896	\$349,896	\$56,485	\$293,411	\$939,561	\$1,262,331	\$322,769
\$645,629	2028	\$150,000	3.500%	\$199,770	\$349,770	\$56,485	\$293,285	\$938,914	\$1,262,331	\$323,417
\$644,777	2029	\$155,000	3.550%	\$194,394	\$349,394	\$56,485	\$292,909	\$937,685	\$1,262,331	\$324,645
\$644,279	2030	\$160,000	3.600%	\$188,763	\$348,763	\$56,485	\$292,278	\$936,557	\$1,262,331	\$325,774
\$648,459	2031	\$165,000	3.650%	\$182,871	\$347,871	\$56,485	\$291,386	\$939,845	\$1,262,331	\$322,485
\$651,383	2032	\$170,000	3.700%	\$176,715	\$346,715	\$56,485	\$290,230	\$941,613	\$1,262,331	\$320,718
\$650,437	2033	\$175,000	3.750%	\$170,289	\$345,289	\$56,485	\$288,804	\$939,241	\$1,262,331	\$323,089
\$652,353	2034	\$180,000	3.800%	\$163,588	\$343,588	\$56,485	\$287,103	\$939,456	\$1,262,331	\$322,875
\$650,657	2035	\$190,000	3.800%	\$156,558	\$346,558	\$56,485	\$290,073	\$940,730	\$1,262,331	\$321,601
\$654,298	2036	\$195,000	4.000%	\$149,048	\$344,048	\$56,485	\$287,563	\$941,860	\$1,262,331	\$320,471
\$650,886	2037	\$205,000	4.000%	\$141,048	\$346,048	\$56,485	\$289,563	\$940,448	\$1,262,331	\$321,882
\$256,265	2038	\$425,000	4.100%	\$128,235	\$553,235	\$56,485	\$496,750	\$753,015	\$1,262,331	\$509,316
\$255,138	2039	\$440,000	4.100%	\$110,503	\$550,503	\$56,485	\$494,018	\$749,156	\$1,262,331	\$513,175
\$253,640	2040	\$460,000	4.250%	\$91,708	\$551,708	\$56,485	\$495,223	\$748,862	\$1,262,331	\$513,469
	2041	\$615,000	4.250%	\$68,864	\$683,864	\$56,485	\$627,379	\$627,379	\$1,262,331	\$634,952
	2042	\$640,000	4.250%	\$42,195	\$682,195	\$56,485	\$625,710	\$625,710	\$1,262,331	\$636,621
	2043	\$665,000	4.300%	\$14,298	\$679,298	\$42,364	\$636,934	\$636,934	\$1,262,331	\$625,397
\$10,132,272	Totals:	\$5,500,000		\$3,135,925	\$8,635,925	\$1,129,700	\$7,506,225	\$18,147,275	\$26,508,943	\$8,361,668

Municipal Advisor Disclosure of Conflicts of Interest and Other Information

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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.

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September 21, 2022

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

RE: \$20,000,000 Nelson County School District Finance Corporation
School Building Revenue Bonds, Series 2022

Dear Ms. Couch:

Please find enclosed a Bond Payee Disclosure Form and Plan of Financing related to the above-referenced series of Bonds. The Bonds will be used to finance improvements to Nelson County HS to become a 6-12 facility.

We would like to go ahead and submit the plan to Bond Oversight so that we will be ready to proceed with the bond sale in the coming months. The Bonds will be funded with 3.74% 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 black ink, appearing to be 'L Theinert'.

Lincoln Theinert

147 East Third St.
Lexington, KY
40508

Enclosures

859/977-6600
fax: 859/381-1357
www.rsamuni.com

BOND PAYEE DISCLOSURE FORM

Par Amount:	\$20,000,000
Issue Name:	Nelson County School District Finance Corporation School Building Revenue Bonds, Series of 2022
Purpose:	Improvements to Nelson County HS to become a 6-12 facility
Projected Sale Date of Bonds:	Q4 2022
First Call Date:	8 Years at par
Method of Sale:	Competitive Bids
Place/time of sale:	Parity/SFCC, Frankfort, Ky. / TBD
Bond Rating:	Moodys: "A1"
Bond Counsel:	Steptoe and Johnson, Louisville, KY
Fiscal Agent:	RSA Advisors LLC, Lexington, Kentucky

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

Date scheduled for Committee review: / / *To be filled in by SFCC*

Month Day Year

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

SFCC Portion	Local Portion	Total
\$748,700	\$19,251,300	\$20,000,000
3.74%	96.26%	100.00%
\$54,869	\$1,558,550	\$1,613,419
\$0	\$0	\$0

Estimated Cost of Issuance:

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

\$3,481	\$89,519	\$93,000
\$0	\$0	\$0
\$0	\$0	\$0
\$1,230	\$31,620	\$32,850
\$14,974	\$385,026	\$400,000
\$0	\$0	\$0
\$19,685	\$506,165	\$525,850

Anticipated Interest Rates:

5 Years: 3.500% 10 Years: 3.750% 15 Years: 4.100%
 20 Years: 4.300%

Notes: No tax Increase required

NELSON COUNTY SCHOOL DISTRICT
PLAN OF FINANCING -- SERIES 2022

Date of Report: 9.21.22

Local Bond Payments Outstanding 1
Summary of Funds for Bond Payments 2
Projected Series 2022..... 3
Disclosure..... 4



NELSON COUNTY SCHOOL DISTRICT

OUTSTANDING NET LOCAL DEBT SERVICE

A	B	C	D	E	F	G	H	I	J	K	
FYE	Series 2011	Series 2011-R	Series 2014-R	Series 2015-A Ref.	Series 2015-B Ref.	Series 2016-R	Series 2016	Series 2016B-R	BF Portion Series 2017-E	Series 2020-REF	Total Debt Service
2023		\$994,846	\$1,271,975	\$199,376	\$217,508	\$932,513	\$242,441	\$630,389	\$133,789	\$30,805	\$4,653,642
2024			\$1,722,550	\$543,876	\$215,058	\$957,962	\$250,342	\$773,789	\$136,566	\$55,468	\$4,655,611
2025			\$1,725,175	\$544,201	\$217,217	\$962,712	\$248,043	\$764,089	\$136,926	\$54,793	\$4,653,155
2026			\$1,736,300	\$556,751	\$183,895	\$975,538	\$240,742	\$774,289	\$136,916	\$54,118	\$4,658,549
2027			\$1,790,100	\$552,052		\$967,314	\$208,541	\$943,032	\$146,536	\$53,443	\$4,661,018
2028			\$1,779,763	\$547,051		\$896,063	\$221,741	\$1,021,658	\$135,482	\$52,768	\$4,654,524
2029			\$1,853,575	\$1,374,076			\$179,366	\$1,056,721	\$139,354	\$52,093	\$4,655,184
2030			\$1,856,938	\$1,878,983			\$757,923		\$107,700	\$56,418	\$4,657,961
2031				\$1,934,625			\$813,873		\$141,568	\$50,675	\$2,940,741
2032							\$822,573		\$149,007		\$971,580
2033							\$825,373				\$825,373
2034							\$822,424				\$822,424
2035							\$828,873				\$828,873
2036							\$824,422				\$824,422
Totals:		\$994,846	\$13,736,375	\$8,130,990	\$833,678	\$5,692,102	\$7,286,678	\$5,963,967	\$1,363,844	\$460,578	\$44,463,059

NELSON COUNTY SCHOOL DISTRICT

SUMMARY OF FUNDS AVAILABLE

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
FYE	Local Nickel	Growth Nickel	Equalized Growth Nickel	Capital Outlay @ 80%	FSPK	Additional FSPK	Total Local Funds	Less Current Payments	Local Funds Available	2014 SFCC Offer	2016 SFCC Offer	2018 SFCC Offer	2020 SFCC Offer	Total Funds Available
2023	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$4,653,642)	\$1,960,455	\$5,360	\$1,416	\$3,956	\$2,986	\$1,963,441
2024	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$4,655,611)	\$1,958,486	\$21,439	\$5,662	\$15,824	\$11,944	\$1,970,430
2025	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$4,653,155)	\$1,960,942	\$21,439	\$5,662	\$15,824	\$11,944	\$1,972,886
2026	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$4,658,549)	\$1,955,548	\$21,439	\$5,662	\$15,824	\$11,944	\$1,967,492
2027	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$4,661,018)	\$1,953,079	\$21,439	\$5,662	\$15,824	\$11,944	\$1,965,023
2028	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$4,654,524)	\$1,959,573	\$21,439	\$5,662	\$15,824	\$11,944	\$1,971,517
2029	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$4,655,184)	\$1,958,913	\$21,439	\$5,662	\$15,824	\$11,944	\$1,970,857
2030	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$4,657,961)	\$1,956,136	\$21,439	\$5,662	\$15,824	\$11,944	\$1,968,080
2031	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$2,940,741)	\$3,673,357	\$21,439	\$5,662	\$15,824	\$11,944	\$3,685,301
2032	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$971,580)	\$5,642,517	\$21,439	\$5,662	\$15,824	\$11,944	\$5,654,461
2033	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$825,373)	\$5,788,724	\$21,439	\$5,662	\$15,824	\$11,944	\$5,800,668
2034	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$822,424)	\$5,791,673	\$21,439	\$5,662	\$15,824	\$11,944	\$5,803,617
2035	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$828,873)	\$5,785,224	\$21,439	\$5,662	\$15,824	\$11,944	\$5,797,168
2036	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097	(\$824,422)	\$5,789,675	\$21,439	\$5,662	\$15,824	\$11,944	\$5,801,619
2037	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097		\$6,614,097	\$21,439	\$5,662	\$15,824	\$11,944	\$6,626,041
2038	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097		\$6,614,097	\$21,439	\$5,662	\$15,824	\$11,944	\$6,626,041
2039	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097		\$6,614,097	\$21,439	\$5,662	\$15,824	\$11,944	\$6,626,041
2040	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097		\$6,614,097	\$21,439	\$5,662	\$15,824	\$11,944	\$6,626,041
2041	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097		\$6,614,097	\$21,439	\$5,662	\$15,824	\$11,944	\$6,626,041
2042	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$499,740	\$6,614,097		\$6,614,097	\$21,439	\$5,662	\$15,824	\$11,944	\$6,626,041
2043	\$1,844,869	\$1,844,869	\$1,844,869	\$329,880	\$249,870	\$249,870	\$6,364,227		\$6,364,227	\$16,079	\$4,247	\$11,868	\$8,958	\$6,373,185

NOTES: Data based on KDE Seek Forecast Calculations (FY 22-23)

NELSON COUNTY SCHOOL DISTRICT

PROJECTED SERIES 2022

A	B	C	D	E	F	G	H	I	J	K
Current Payments	FY June 30	Principal Payment	Coupon	Interest Payments	Total Payments	SFCC Portion	Local Portion	Projected All Local Payments Outstanding	Local Funds Available	Local Funds Available For Future Projects
\$4,653,642	2023			\$405,253	\$405,253	\$13,717	\$391,535	\$5,045,178	\$6,614,097	\$1,568,919
\$4,655,611	2024	\$30,000	3.300%	\$810,010	\$840,010	\$54,869	\$785,141	\$5,440,752	\$6,614,097	\$1,173,345
\$4,653,155	2025	\$30,000	3.350%	\$809,013	\$839,013	\$54,869	\$784,144	\$5,437,299	\$6,614,097	\$1,176,798
\$4,658,549	2026	\$30,000	3.400%	\$808,000	\$838,000	\$54,869	\$783,131	\$5,441,680	\$6,614,097	\$1,172,417
\$4,661,018	2027	\$30,000	3.450%	\$806,973	\$836,973	\$54,869	\$782,104	\$5,443,121	\$6,614,097	\$1,170,976
\$4,654,524	2028	\$30,000	3.500%	\$805,930	\$835,930	\$54,869	\$781,061	\$5,435,585	\$6,614,097	\$1,178,512
\$4,655,184	2029	\$30,000	3.550%	\$804,873	\$834,873	\$54,869	\$780,004	\$5,435,188	\$6,614,097	\$1,178,910
\$4,657,961	2030	\$30,000	3.600%	\$803,800	\$833,800	\$54,869	\$778,931	\$5,436,892	\$6,614,097	\$1,177,205
\$2,940,741	2031	\$430,000	3.650%	\$795,413	\$1,225,413	\$54,869	\$1,170,544	\$4,111,284	\$6,614,097	\$2,502,813
\$971,580	2032	\$1,105,000	3.700%	\$767,123	\$1,872,123	\$54,869	\$1,817,254	\$2,788,834	\$6,614,097	\$3,825,263
\$825,373	2033	\$1,195,000	3.750%	\$724,274	\$1,919,274	\$54,869	\$1,864,405	\$2,689,778	\$6,614,097	\$3,924,319
\$822,424	2034	\$1,240,000	3.800%	\$678,308	\$1,918,308	\$54,869	\$1,863,439	\$2,685,862	\$6,614,097	\$3,928,235
\$828,873	2035	\$1,285,000	3.800%	\$630,333	\$1,915,333	\$54,869	\$1,860,464	\$2,689,336	\$6,614,097	\$3,924,761
\$824,422	2036	\$1,340,000	4.000%	\$579,118	\$1,919,118	\$54,869	\$1,864,249	\$2,688,671	\$6,614,097	\$3,925,426
	2037	\$1,670,000	4.000%	\$518,918	\$2,188,918	\$54,869	\$2,134,049	\$2,134,049	\$6,614,097	\$4,480,049
	2038	\$1,740,000	4.100%	\$449,848	\$2,189,848	\$54,869	\$2,134,979	\$2,134,979	\$6,614,097	\$4,479,119
	2039	\$1,810,000	4.100%	\$377,073	\$2,187,073	\$54,869	\$2,132,204	\$2,132,204	\$6,614,097	\$4,481,894
	2040	\$1,890,000	4.250%	\$299,805	\$2,189,805	\$54,869	\$2,134,936	\$2,134,936	\$6,614,097	\$4,479,161
	2041	\$1,970,000	4.250%	\$217,780	\$2,187,780	\$54,869	\$2,132,911	\$2,132,911	\$6,614,097	\$4,481,186
	2042	\$2,055,000	4.250%	\$132,249	\$2,187,249	\$54,869	\$2,132,380	\$2,132,380	\$6,614,097	\$4,481,717
	2043	\$2,060,000	4.300%	\$44,290	\$2,104,290	\$41,152	\$2,063,138	\$2,063,138	\$6,364,227	\$4,301,089
\$44,463,059	Totals:	\$20,000,000		\$12,268,378	\$32,268,378	\$1,097,380	\$31,170,998	\$75,634,056	\$138,646,169	\$63,012,112

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

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