

Preliminary New Bond Issue Information

Issue: Kentucky Asset/Liability Commission Project Notes, 2024 Federal Highway Trust Fund (GARVEEs) First Refunding Series A

Purpose of Issue: To provide financing for a refunding in an amount not to exceed (NTE) \$150 million that will include (i) the 2014 Series A Notes and 2015 Series A Notes authorized by H.B. 3 of the 2010 Extraordinary Session, and the 2023 Series A for the purpose of producing economic savings, and (ii) to pay for costs of issuing the Notes.

Proposed Date of Sale: May 8, 2024

Proposed Date of Delivery: June 3, 2024

2024A Federal Highway Trust Fund

Expected Rating:

S&P	AA
TBD	TBD

Sources: **Refunding of 2014 Series A**

Par amount of notes	\$106,770,000.00
Premium/Original Issue Discount	3,310,352.35
Total Sources	<u>\$110,080,352.35</u>

Uses:

Escrow Deposit	\$109,437,622.58
Cost of Issuance	642,729.77
Total Uses	<u>\$110,080,352.35</u>

Estimated NPV Savings	\$2,630,605.38
Estimated NPV Savings Percentage	2.428%

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

Par Amount of Refunded Bonds	\$108,350,000.00
------------------------------	------------------

Arbitrage Yield:	2.909%
All-in True Interest Cost:	3.307%
Final Maturity Date:	September 1, 2026
Average Annual Debt Service:	\$51,220,789.61
Total Debt Service:	\$114,962,216.67

Method of Sale:	Negotiated
Bond Counsel:	Dinsmore and Shohl LLP
Trustee:	The Bank of New York Mellon
Underwriter:	J.P.Morgan Securities LLC

Preliminary, subject to change

The Kentucky Transportation Cabinet has a memorandum of agreement with the Federal Highway Administration for payment of the GARVEEs from the federal annual obligation authority.

Attachments:

- Summary of Bonds Refunded
- Bond Debt Service
- Savings

SUMMARY OF BONDS REFUNDED

Kentucky Asset/Liability Commission
 Project Notes, 2024 Federal Highway Trust Fund First Refunding Series A
 Preliminary
 Rates as of March 7, 2024

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Project Notes, 2014 Federal Highway Trust Fund First Series A, SERIAL:					
	09/01/2024	3.250%	6,765,000		
	09/01/2024	5.000%	18,240,000		
	09/01/2025	3.500%	5,800,000	09/01/2024	100.000
	09/01/2025	5.000%	20,330,000	09/01/2024	100.000
	09/01/2026	3.750%	6,780,000	09/01/2024	100.000
	09/01/2026	5.000%	50,435,000	09/01/2024	100.000
			108,350,000		

BOND DEBT SERVICE

Kentucky Asset/Liability Commission
Project Notes, 2024 Federal Highway Trust Fund First Refunding Series A
Preliminary
Rates as of March 7, 2024

Period Ending	Principal	Coupon	Interest	Debt Service
06/30/2025	25,315,000	5.000%	3,341,341.67	28,656,341.67
06/30/2026	25,165,000	5.000%	3,443,625.00	28,608,625.00
06/30/2027	56,290,000	5.000%	1,407,250.00	57,697,250.00
	106,770,000		8,192,216.67	114,962,216.67

SAVINGS

Kentucky Asset/Liability Commission
 Project Notes, 2024 Federal Highway Trust Fund First Refunding Series A
 Preliminary
 Rates as of March 7, 2024

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 06/03/2024 @ 2.9093366%
06/30/2025	29,566,431.25	28,656,341.67	910,089.58	904,236.45
06/30/2026	29,515,750.00	28,608,625.00	907,125.00	875,364.36
06/30/2027	58,603,000.00	57,697,250.00	905,750.00	848,894.80
	117,685,181.25	114,962,216.67	2,722,964.58	2,628,495.61

Savings Summary

PV of savings from cash flow	2,628,495.61
Plus: Refunding funds on hand	2,109.77
	2,630,605.38
Net PV Savings	2,630,605.38