

**Kentucky Infrastructure Authority
Projects for
November 2018 Capital Projects Meeting**

- **Fund A Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Loan Amount</u>	<u>County</u>
A16-039	City of Butler (Increase)	\$ 1,080,574	Pendleton
A19-031	City of Murray	\$ 1,450,000	Calloway

- **Fund B Loan**

<u>Loan #</u>	<u>Borrower</u>	<u>Loan Amount</u>	<u>County</u>
B19-003	City of Murray	\$ 1,500,000	Calloway
B19-005	Laurel County Water District #2	\$ 445,000	Laurel

EXECUTIVE SUMMARY KENTUCKY INFRASTRUCTURE AUTHORITY FUND A, FEDERALLY ASSISTED WASTEWATER REVOLVING LOAN FUND		Reviewer	Meili Sun	
		Date	November 13, 2018	
		KIA Loan Number	A16-039 (Increase)	
		WRIS Number	SX21191007	
BORROWER		CITY OF BUTLER PENDLETON COUNTY		
BRIEF DESCRIPTION				
This request is for an increase in the amount of 93,331 to KIA loan A16-039 previously approved on June 2, 2016. The increase is necessary because contract bids had come in higher than originally budgeted.				
This project will correct serious and ongoing Infiltration and Inflow (I&I) issues with its collector system by rehabilitating 1 lift station and replacing 13,315 LF of 8inch PVC gravity lines.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$1,080,574	Administrative Expenses	RD Fee %	Actual %
CDBG	971,778	Legal Expenses		
	-	Eng - Design / Const	7.9%	8.0%
	-	Eng - Insp	4.8%	5.0%
	-	Eng - Other		
	-	Construction		
	-	Contingency		
TOTAL	\$2,052,352	TOTAL		\$2,052,352
REPAYMENT	Rate	1.75%	Est. Annual Payment	\$66,429
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	GRW		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Jan-17		
	Construction Start	May-17		
	Construction Stop	Nov-18		
DEBT PER CUSTOMER	Existing	\$117		
	Proposed	\$3,475		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	311	\$38.61	(for 4,000 gallons)
	Additional	0	\$38.61	(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 2015	31,528	19,534	11,994	1.6
Audited 2016	24,000	24,589	(589)	1.0
Audited 2017	67,148	22,489	44,659	3.0
Projected 2018	64,015	22,777	41,238	2.8
Projected 2019	70,370	50,743	19,628	1.4
Projected 2020	80,180	66,429	13,751	1.2
Projected 2021	76,855	66,429	10,426	1.2
Projected 2022	73,463	66,429	7,034	1.1

Reviewer: Meili Sun
Date: November 13, 2018
Loan Number: A16-039 Increase

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND A)
CITY OF BUTLER, PENDLETON COUNTY
PROJECT REVIEW
SX21191007**

I. PROJECT DESCRIPTION

This request is for an increase of \$93,331 to the Sewer System Rehabilitation project previously approved on June 2, 2016. The additional funding is needed to replace pavement damaged by the heavy equipment and or the actual construction work completed on the combined water and sewer project SX2119007/WX21191005. Below is the project description from the original loan request.

The City of Butler is requesting a Fund A loan in the amount of \$987,243 for the Sewer System Rehabilitation Project. This project will correct serious and ongoing Infiltration and Inflow (I&I) issues with its collector system by rehabilitating one lift station, replacing 13,315 LF of 8 inch PVC gravity lines and install a new plant flow meter and generator.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 55,000
Engineering Fees - Design / Const	140,705
Engineering Fees - Inspection	87,588
Engineering Fees – Other	12,340
Construction	1,702,725
Contingency	53,994
Total	\$ 2,052,352

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 1,080,574	53%
CDBG Grant	971,778	47%
Total	\$ 2,052,352	100%

IV. KIA DEBT SERVICE

Amortized Loan Amount	\$	1,080,574
Interest Rate		1.75%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	64,268
Administrative Fee (0.20%)		2,161
Total Estimated Annual Debt Service	\$	66,429

V. PROJECT SCHEDULE

Bid Opening	January 2017
Construction Start	May 2017
Construction Stop	November 2018

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

Customers	Total
Residential	280
Commercial	21
Industrial	10
Total	311

B) Rates

	Sewer Inside City		
	Proposed	Current	Prior
Date of Last Rate Increase	07/01/19	07/01/18	07/01/17
Minimum (up to 2,000 Gallons)	\$24.41	\$23.41	\$22.46
Up to 50,000 Gallons	7.10	6.81	6.53
Cost for 4,000 gallons	\$38.61	\$37.03	\$35.52
Increase %	4.3%	4.2%	
Affordability Index (Rate/MHI)	1.2%	1.2%	1.1%

	Water Inside City		
	Proposed	Current	Prior
Date of Last Rate Increase	07/01/19	07/01/18	07/01/17
Minimum (up to 2,000 Gallons)	\$24.41	\$23.41	\$22.46
Up to 50,000 Gallons	7.10	6.81	6.53
Cost for 4,000 gallons	\$38.61	\$37.03	\$35.52
Increase %	4.3%	4.2%	
Affordability Index (Rate/MHI)	1.2%	1.2%	1.1%

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the City's service area population was 741 with a Median Household Income (MHI) of \$37,809. The median household income for the Commonwealth is \$43,036. The project will qualify for a 1.75% interest rate.

Year	Population		County		County Unemployment	
	City	% Change	County	% Change	Date	Rate
1980	663		10,989		June 2005	5.7%
1990	625	-5.7%	12,036	9.5%	June 2010	11.7%
2000	613	-1.9%	14,390	19.6%	June 2015	5.4%
2010	612	-0.2%	14,877	3.4%	June 2018	4.5%
Current	515	-15.8%	14,509	-2.5%		
Cumulative %		-22.3%		32.0%		

VIII. 2016 CAPITALIZATION GRANT EQUIVALENCIES

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

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2015 through 2017. The City reports water and sewer services in a combined statement. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Combined operating revenues increased 16.6% from \$250,147 in 2015 to \$291,701 in 2016 due to previously approved rate increases. Combined operating expenses increased 2.7% during the same period. The debt coverage ratio was 1.6, 1.0, and 3.0 in 2015, 2016, and 2017 respectively.

The balance sheet reflects a current ratio of 2.6, a debt to equity ratio of 0.1, 20.1 days sales in accounts receivable, and 4.0 months operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Sewer and water revenues will increase 4.2% in 2019 and 4.3% in 2020 based on City Ordinance number 322 passed on November 3, 2016.
- 2) Expenses will increase 2% annually for general inflation.
- 3) The City will pay off the existing debt obligations by 2019 when this project is completed.
- 4) Debt service coverage is 1.2 in 2020 when full year principal and interest repayments begin.

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

REPLACEMENT RESERVE

The annual replacement cost is \$2,700. This amount should be added to the replacement account each December 1 until the balance reaches \$27,000 and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
Capital Lease	\$ 36,335	2019
Total	<u>\$ 36,335</u>	

XI. CONTACTS

Legal Applicant	
Entity Name	City of Butler
Authorized Official	Greg McElfresh (Mayor)
County	Pendleton
Email	N/A
Phone	(859) 472-5015
Address	102 Front Street PO Box 41006 Butler, KY 41006

Project Administrator	
Name	Bill Mitchell
Organization	Pendleton County Economic Development Office
Email	bill.mitchell@nkadd.org
Phone	(859) 654-4567
Address	135 West Shelby Street, PO Box 171 Falmouth, KY 41040

Consulting Engineer	
PE Name	John Martin
Firm Name	GRW
Email	jmartin@grwinc.com
Phone	(859) 223-3999
Address	801 Corporate Drive Lexington, KY 40503

XII. RECOMMENDATIONS

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

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

	<u>Audited 2015</u>	<u>Audited 2016</u>	<u>Audited 2017</u>	<u>Projected 2018</u>	<u>Projected 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>
Balance Sheet								
Assets								
Current Assets	116,367	119,460	90,751	132,029	152,357	166,808	177,234	184,268
Other Assets	1,698,763	1,723,925	1,653,979	2,242,985	2,615,877	2,505,230	2,394,583	2,283,936
Total	1,815,130	1,843,385	1,744,730	2,375,014	2,768,234	2,672,038	2,571,817	2,468,204
Liabilities & Equity								
Current Liabilities	42,883	31,258	35,484	35,774	36,074	36,374	36,674	36,974
Long Term Liabilities	108,438	176,391	59,535	687,445	1,103,774	1,103,774	1,103,774	1,103,774
Total Liabilities	151,321	207,649	95,019	723,219	1,139,848	1,140,148	1,140,448	1,140,748
Net Assets	1,663,809	1,635,736	1,649,711	1,651,795	1,628,386	1,531,890	1,431,369	1,327,456
Cash Flow								
Revenues	250,147	261,129	291,701	291,701	303,952	317,022	317,022	317,022
Operating Expenses	218,744	237,646	224,693	227,826	233,722	236,982	240,307	243,699
Other Income	125	517	140	140	140	140	140	140
Cash Flow Before Debt Service	31,528	24,000	67,148	64,015	70,370	80,180	76,855	73,463
Debt Service								
Existing Debt Service	19,534	24,589	22,489	22,777	17,528	0	0	0
Proposed KIA Loan	0	0	0	0	33,215	66,429	66,429	66,429
Total Debt Service	19,534	24,589	22,489	22,777	50,743	66,429	66,429	66,429
Cash Flow After Debt Service	11,994	(589)	44,659	41,238	19,628	13,751	10,426	7,034
Ratios								
Current Ratio	2.7	3.8	2.6	3.7	4.2	4.6	4.8	5.0
Debt to Equity	0.1	0.1	0.1	0.4	0.7	0.7	0.8	0.9
Days Sales in Accounts Receivable	30.4	29.1	20.1	20.1	20.2	20.1	20.1	20.1
Months Operating Expenses in Unrestricted Cash	3.4	3.3	4.0	6.1	7.0	7.6	8.1	8.3
Debt Coverage Ratio	1.6	1.0	3.0	2.8	1.4	1.2	1.2	1.1

EXECUTIVE SUMMARY		Reviewer	Ashley Adams	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	November 13, 2018	
FUND A, FEDERALLY ASSISTED WASTEWATER		KIA Loan Number	A19-031	
REVOLVING LOAN FUND		WRIS Number	SX21035025	
BORROWER	CITY OF MURRAY CALLOWAY COUNTY			
BRIEF DESCRIPTION				
This project will reduce infiltration into the sewer system, eliminate an active SSO, and reduce pumping and operating costs for the wastewater system by replacing or re-routing approximately 5,200 linear feet of existing sewer and 28 brick manholes around the City of Murray.				
PROJECT FINANCING		PROJECT BUDGET		
Fund A Loan	\$1,450,000	RD Fee %	Actual %	
Local Funds	126,500			
				Administrative Expenses \$10,000
				Legal Expenses 2,000
				Land, Easements 2,000
		Eng - Design / Const 8.4%	8.4%	115,000
		Eng - Insp 5.2%	4.7%	64,500
		Eng - Other		6,000
		Construction		1,252,000
		Contingency		120,000
		Other		5,000
TOTAL	\$1,576,500	TOTAL		\$1,576,500
REPAYMENT	Rate	0.50%	Est. Annual Payment	\$79,176
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	HMB, Inc		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Feb-19		
	Construction Start	Apr-19		
	Construction Stop	Mar-20		
DEBT PER CUSTOMER	Existing	\$4,333		
	Proposed	\$6,844		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	9,679	\$42.84	(for 4,000 gallons)
	Additional	0	\$42.84	(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 2015	2,230,671	235,758	1,994,913	9.5
Audited 2016	3,731,442	231,849	3,499,593	16.1
Audited 2017	4,653,158	523,123	4,130,035	8.9
Projected 2018	4,959,779	212,069	4,747,710	23.4
Projected 2019	5,312,282	1,362,583	3,949,699	3.9
Projected 2020	4,756,908	3,694,480	1,062,428	1.3
Projected 2021	4,746,447	3,773,276	973,171	1.3
Projected 2022	4,738,513	3,773,928	964,585	1.3

Reviewer: Ashley Adams
Date: November 13, 2018
Loan Number: A19-031

**KENTUCKY INFRASTRUCTURE AUTHORITY
WASTEWATER REVOLVING LOAN FUND (FUND A)
CITY OF MURRAY, CALLOWAY COUNTY
PROJECT REVIEW
SX21035025**

I. PROJECT DESCRIPTION

The City of Murray is requesting a Fund A loan in the amount of \$1,450,000 for the Combined Sewer Project. The project will replace or re-route the existing sewer which flows into the new East Fork Clark's River Interceptor. It consists of upgrading approximately 5,200 linear feet (LF) of 12" VCP sewer main with 18" PVC, 300 LF with 10" PVC, and replacing 28 brick manholes with reinforced concrete manholes. This project will reduce the infiltration into the sewer system, eliminate an active SSO, and reduce pumping and operating costs for the wastewater system.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 10,000
Legal Expenses	2,000
Land, Easements	2,000
Engineering Fees - Design	85,000
Engineering Fees - Construction	30,000
Engineering Fees - Inspection	64,500
Engineering Fees - Other	6,000
Construction	1,252,000
Contingency	120,000
Other	5,000
Total	\$ 1,576,500

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund A Loan	\$ 1,450,000	92%
Local Funds	126,500	8%
Total	\$ 1,576,500	100%

IV. KIA DEBT SERVICE

Construction Loan	\$	1,450,000
Less: Principal Forgiveness		0
Amortized Loan Amount	\$	1,450,000
Interest Rate		0.50%
Loan Term (Years)		20
Estimated Annual Debt Service	\$	76,276
Administrative Fee (0.20%)		2,900
Total Estimated Annual Debt Service	\$	79,176

V. PROJECT SCHEDULE

Bid Opening	February 2019
Construction Start	April 2019
Construction Stop	March 2020

VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

A) Customers

	<u>Current</u>
Residential	8,154
Commercial	1,514
Industrial	11
Total	9,679

B) Rates

Sewer	<u>Inside City</u>		<u>Outside City</u>	
	Current	Prior	Current	Prior
Date of Last Rate Increase	07/01/18	01/01/18	07/01/18	01/01/18
Minimum (2,000 gallons)	\$25.14	\$23.33	\$39.85	\$38.04
Next 2,000 Gallons (per 1,000)	8.85	8.21	14.02	13.38
Cost for 4,000 gallons	\$42.84	\$39.75	\$67.89	\$64.80
Increase %	7.8%		4.8%	
Affordability Index (Rate/MHI)	1.9%		3.0%	

Water	Inside City		Outside City	
	Current	Prior	Current	Prior
Date of Last Rate Increase	07/01/18	01/01/18	07/01/18	01/01/18
Minimum (2,000 gallons)	\$13.45	\$12.23	\$20.54	\$19.32
Next 2,000 Gallons (per 1,000)	3.76	3.42	5.77	5.43
Cost for 4,000 gallons	\$20.97	\$19.07	\$32.08	\$30.18
Increase %	10.0%		6.3%	
Affordability Index (Rate/MHI)	0.9%		1.4%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Murray Water and Wastewater System service area population was 19,390 with a Median Household Income (MHI) of \$25,556. The median household income for the Commonwealth is \$44,811. The project will qualify for a 0.5% interest rate based on MHI.

Year	Population		County	% Change	County Unemployment	
	City	% Change			Date	Rate
1980	14,248		30,031		June 2005	6.2%
1990	14,439	1.3%	30,735	2.3%	June 2010	7.9%
2000	14,950	3.5%	34,177	11.2%	June 2015	5.1%
2010	17,741	18.7%	37,191	8.8%	June 2018	4.7%
Current	18,726	5.6%	38,302	3.0%		
Cumulative %		31.4%		27.5%		

VIII. 2018 CAPITALIZATION GRANT EQUIVALENCIES

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

IX. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2015 through June 30, 2017. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2016 and 2017 operating expenses. The audit includes a combined balance sheet and income statement for water and sewer. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Combined water and sewer revenues increased 37% from 2015 to 2017 due to ongoing rate increases that started in 2012 in anticipation of a major sewer treatment plant project funded by KIA (A12-012) and other capital improvements. Operating expenses for water and sewer have remained relatively flat at 1% for the same time period. The debt coverage ratio was 9.5, 16.1, and 8.9 from 2015 through 2017, respectively. The City paid off their 2001 Revenue Bond series in FY 2017.

The balance sheet reflects a current ratio of 2.7, a debt to equity ratio of 1.6, 21.1 days sales in accounts receivable, and 13.9 months operating expenses in unrestricted cash. Cash is expected to decrease significantly when debt service payments begin for KIA loan A12-12 which is currently targeted for FY 2020.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase approximately 5% in 2018 and 5% in 2019 due to a mid-year rate increase which is the last of expected increases established by prior ordinance. Past that, revenues will increase approximately 1% annually for growth.
- 2) Expenses will increase 2% annually for inflation. When the sewer treatment plant expansion funded by KIA Loan A12-12 becomes fully operational in 2020, operating expenses are expected to increase approximately \$400,000 annually.
- 3) Proposed debt service and replacement reserves for KIA loans B19-003 and A19-031 have been included in this analysis.
- 4) Debt service coverage is 1.3 in 2020 when full year principal and interest repayments begin.

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

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$72,000 total) of the final amount borrowed (prior to principal forgiveness, if any) to be funded annually (\$3,600 yearly) each December 1 for 20 years and maintained for the life of the loan.

X. DEBT OBLIGATIONS

	<u>Outstanding Maturity</u>	
KY ADD Financing Trust	\$ 585,000	2023
2001 Revenue Bonds	434,000	2041
KIA Loan A07-06	765,819	2029
KIA Loan A12-12 (\$21,360,527 remaining to draw)	40,154,473	TBD
Total	\$ 41,939,292	

XI. CONTACTS

Legal Applicant	
Entity Name	City of Murray
Authorized Official	Jack Rose (Mayor)
County	Calloway
Email	jack.rose@murrayky.gov
Phone	270-762-0300
Address	500 Main Street Murray, KY 42071

Applicant Contact	
Name	David Roberts
Organization	City of Murray
Email	david.roberts@murrayky.gov
Phone	270-762-0350
Address	500 Main St Murray, KY 42071

Project Administrator	
Name	Marisa Stewart
Organization	City of Murray
Email	marisa.stewart@murrayky.gov
Phone	270-762-0350
Address	500 Main St Murray, KY 42071

Consulting Engineer

PE Name	Jeff Reynolds
Firm Name	HMB, INC
Email	jdreynolds@hmbpe.com
Phone	502-695-9800
Address	3 HMB Circle Frankfort, KY 40601

XII. RECOMMENDATIONS

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

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

	<u>Audited 2015</u>	<u>Audited 2016</u>	<u>Audited 2017</u>	<u>Projected 2018</u>	<u>Projected 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>
Balance Sheet								
Assets								
Current Assets	811,229	4,659,707	5,829,541	6,328,637	6,749,107	3,360,750	3,463,467	3,565,425
Other Assets	33,367,156	48,633,563	71,062,109	85,995,996	101,826,825	102,043,307	101,391,208	100,731,382
Total	34,178,385	53,293,270	76,891,650	92,324,633	108,575,932	105,404,057	104,854,675	104,296,807
Liabilities & Equity								
Current Liabilities	879,584	3,811,382	2,154,012	3,104,563	4,070,455	4,131,442	4,194,418	4,257,918
Long Term Liabilities	8,264,564	22,679,684	45,633,656	56,582,954	68,347,702	67,112,073	65,063,018	62,988,963
Total Liabilities	9,144,148	26,491,066	47,787,668	59,687,517	72,418,157	71,243,515	69,257,436	67,246,881
Net Assets	25,034,237	26,802,204	29,103,982	32,637,116	36,157,775	34,160,542	35,597,239	37,049,926
Cash Flow								
Revenues	6,522,408	7,708,251	8,953,835	9,374,208	9,815,600	9,908,292	10,001,911	10,096,466
Operating Expenses	4,307,175	4,005,978	4,357,283	4,444,429	4,533,318	5,181,384	5,285,464	5,387,953
Other Income	15,438	29,169	56,606	30,000	30,000	30,000	30,000	30,000
Cash Flow Before Debt Service	2,230,671	3,731,442	4,653,158	4,959,779	5,312,282	4,756,908	4,746,447	4,738,513
Debt Service								
Existing Debt Service	235,758	231,849	523,123	212,069	1,322,995	3,615,304	3,615,194	3,615,846
Proposed KIA Loan(s)	0	0	0	0	39,588	79,176	158,082	158,082
Total Debt Service	235,758	231,849	523,123	212,069	1,362,583	3,694,480	3,773,276	3,773,928
Cash Flow After Debt Service	1,994,913	3,499,593	4,130,035	4,747,710	3,949,699	1,062,428	973,171	964,585
Ratios								
Current Ratio	0.9	1.2	2.7	2.0	1.7	0.8	0.8	0.8
Debt to Equity	0.4	1.0	1.6	1.8	2.0	2.1	1.9	1.8
Days Sales in Accounts Receivable	22.7	21.4	21.1	21.1	21.1	21.1	21.1	21.1
Months Operating Expenses in Unrestricted Cash	0.2	11.7	13.9	14.9	15.7	6.0	6.2	6.3
Debt Coverage Ratio	9.5	16.1	8.9	23.4	3.9	1.3	1.3	1.3

EXECUTIVE SUMMARY		Reviewer	Ashley Adams	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	November 13, 2018	
FUND B, INFRASTRUCTURE		KIA Loan Number	B19-003	
REVOLVING LOAN FUND		WRIS Number	WX21035037	
BORROWER	CITY OF MURRAY CALLOWAY COUNTY			
BRIEF DESCRIPTION				
This project will demolish an existing 1 million gallon below-grade, cast-in-place concrete clearwell which has structural problems including a collapsing roof and a significantly cracked bottom slab. A new 1 million gallon clearwell will be constructed to replace the one currently out of service. In addition, a new high service pump station will be installed. Construction is already underway with an anticipated construction completion of January 2019. KIA will be reimbursing the City for a portion of the project construction costs.				
PROJECT FINANCING		PROJECT BUDGET		
Fund B Loan	\$1,500,000	Eng - Design / Const	RD Fee %	Actual %
Local Funds	3,092,253	Eng - Insp	6.9%	3.4%
		Construction		
TOTAL	\$4,592,253	TOTAL		\$4,592,253
REPAYMENT	Rate	0.50%	Est. Annual Payment	
	Term	20 Years	1st Payment	6 Mo. after first draw
				\$81,906
PROFESSIONAL SERVICES	Engineer	Strand Associates, Inc.		
	Bond Counsel	Dinsmore & Shohl, LLP		
PROJECT SCHEDULE	Bid Opening	Apr-17		
	Construction Start	Jul-17		
	Construction Stop	Jan-19		
DEBT PER CUSTOMER	Existing	\$4,417		
	Proposed	\$7,138		
OTHER DEBT	See Attached			
OTHER STATE-FUNDED PROJECTS LAST 5 YRS	See Attached			
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	9,496	\$20.97 (for 4,000 gallons)	
	Additional	0	\$20.97 (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 2015	2,230,671	235,758	1,994,913	9.5
Audited 2016	3,731,442	231,849	3,499,593	16.1
Audited 2017	4,653,158	523,123	4,130,035	8.9
Projected 2018	4,959,779	212,069	4,747,710	23.4
Projected 2019	5,312,282	1,363,948	3,948,334	3.9
Projected 2020	4,756,708	3,697,210	1,059,498	1.3
Projected 2021	4,746,247	3,773,376	972,871	1.3
Projected 2022	4,738,313	3,774,028	964,285	1.3

Reviewer: Ashley Adams
Date: November 13, 2018
Loan Number: B19-003

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)
CITY OF MURRAY, CALLOWAY COUNTY
PROJECT REVIEW
WX21035037**

I. PROJECT DESCRIPTION

The City of Murray is requesting a Fund B loan in the amount of \$1,500,000 for the Clearwell at Water Treatment Plant project. The project includes demolition of an existing 1,000,000 gallon below-grade cast-in-place concrete clearwell, which has structural problems including a subsiding roof and a significantly cracked bottom slab with a new 1,000,000 gallon below grade cast-in-place clearwell. Site piping improvements are also included in the project to allow the City to operate either clearwell individually or both at the same time.

In addition to the clearwell replacement, a new high service pump station will be installed. The new pump station will include three new high service pumps as part of this project to match the existing capacity of the WTP with space for a fourth high service pump for future expansion. The new high service pump station will also include two new backwash pumps.

This project was originally going to be fully funded by the City but they have requested a partial reimbursement of their funds from KIA. Construction is already near completion.

II. PROJECT BUDGET

	<u>Total</u>
Engineering Fees - Design	\$ 86,000
Engineering Fees - Construction	57,800
Engineering Fees - Inspection	198,000
Construction	<u>4,250,453</u>
Total	\$ 4,592,253

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 1,500,000	33%
Local Funds	<u>3,092,253</u>	<u>67%</u>
Total	\$ 4,592,253	100%

IV. KIA DEBT SERVICE

Construction Loan	\$ 1,500,000
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 1,500,000
Interest Rate	0.50%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 78,906
Administrative Fee (0.20%)	3,000
Total Estimated Annual Debt Service	\$ 81,906

V. PROJECT SCHEDULE

Bid Opening:	April 2017
Construction Start:	July 2017
Construction Stop:	January 2019

VI. RATE STRUCTURE

A. Customers

	<u>Current</u>
Residential	8,060
Commercial	1,424
Industrial	12
Total	9,496

B. Rates

Water	Inside City		Outside City	
	Current	Prior	Current	Prior
Date of Last Rate Increase	07/01/18	01/01/18	07/01/18	01/01/18
Minimum (2,000 gallons)	\$13.45	\$12.23	\$20.54	\$19.32
Next 2,000 Gallons (per 1,000)	3.76	3.42	5.77	5.43
Cost for 4,000 gallons	\$20.97	\$19.07	\$32.08	\$30.18
Increase %	10.0%		6.3%	
Affordability Index (Rate/MHI)	0.9%		1.4%	

Sewer	Inside City		Outside City	
	Current	Prior	Current	Prior
Date of Last Rate Increase	07/01/18	01/01/18	07/01/18	01/01/18
Minimum (2,000 gallons)	\$25.14	\$23.33	\$39.85	\$38.04
Next 2,000 Gallons (per 1,000)	8.85	8.21	14.02	13.38
Cost for 4,000 gallons	\$42.84	\$39.75	\$67.89	\$64.80
Increase %	7.8%		4.8%	
Affordability Index (Rate/MHI)	1.9%		3.0%	

The City implemented biannual rate increases beginning January 2012 and ending in July 2018. All expected rate increases have been implemented at this time.

DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Murray Water System's service area population was 21,763 with a Median Household Income (MHI) of \$27,487. The median household income for the Commonwealth is \$44,811. The project will qualify for a 0.5% interest rate based on MHI.

Year	Population		County		County Unemployment	
	City	% Change	County	% Change	Date	Rate
1980	14,248		30,031		June 2005	6.2%
1990	14,439	1.3%	30,735	2.3%	June 2010	7.9%
2000	14,950	3.5%	34,177	11.2%	June 2015	5.1%
2010	17,741	18.7%	37,191	8.8%	June 2018	4.7%
Current	18,726	5.6%	38,302	3.0%		
Cumulative %		31.4%		27.5%		

VII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2015 through June 30, 2017. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2016 and 2017 operating expenses. The audit includes a combined balance sheet and income statement for water and sewer. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented

HISTORY

Combined water and sewer revenues increased 37% from 2015 to 2017 due to ongoing rate increases that started in 2012 in anticipation of a major sewer treatment plant project funded by KIA (A12-012) and other capital improvements. Operating expenses for water and sewer have remained relatively flat at 1% for the same time period. The debt coverage ratio was 9.5, 16.1, and 8.9 from 2015 through 2017, respectively. The City paid off their 2001 Revenue Bond series in FY 2017.

The balance sheet reflects a current ratio of 2.7, a debt to equity ratio of 1.6, 21.1 days sales in accounts receivable, and 13.9 months operating expenses in unrestricted cash. Cash is expected to decrease significantly when debt service payments begin for KIA loan A12-12 which is currently targeted for FY 2020.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will increase approximately 5% in 2018 and 5% in 2019 due to a mid-year rate increase which is the last of expected increases established by prior ordinance. Past that, revenues will increase approximately 1% annually for growth.
- 2) Expenses will increase 2% annually for inflation. When the sewer treatment plant expansion funded by KIA Loan A12-12 becomes fully operational in 2020, operating expenses are expected to increase approximately \$400,000 annually.
- 3) Proposed debt service and replacement reserves for KIA loans B19-003 and A19-031 have been included in this analysis.
- 4) Debt service coverage is 1.3 in 2020 when full year principal and interest repayments begin.

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

REPLACEMENT RESERVE

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

VIII. DEBT OBLIGATIONS

	Outstanding	Maturity
KY ADD Financing Trust	\$ 585,000	2023
2001 Revenue Bonds (Paid off)	434,000	2041
KIA Loan A07-06	765,819	2029
KIA Loan A12-12 (\$21,360,527 remaining to draw)	40,154,473	TBD
Total	\$41,939,292	

IX. CONTACTS

Legal Applicant	
Entity Name	City of Murray
Authorized Official	Jack Rose (Mayor)
County	Calloway
Email	jack.rose@murrayky.gov
Phone	270-762-0300
Address	500 Main Street Murray, KY 42071

Project Administrator	
Name	Marisa Stewart
Organization	City of Murray
Email	marisa.stewart@murrayky.gov
Phone	270-762-0350
Address	500 Main St Murray, KY 42071

Consulting Engineer	
PE Name	Andrew Esarey
Firm Name	Strand Associates, Inc.
Email	andrew.esarey@strand.com
Phone	502-583-7020
Address	325 West Main Street, Suite 710 Louisville, KY 40202

X. RECOMMENDATIONS

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

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

	<u>Audited 2015</u>	<u>Audited 2016</u>	<u>Audited 2017</u>	<u>Projected 2018</u>	<u>Projected 2019</u>	<u>Projected 2020</u>	<u>Projected 2021</u>	<u>Projected 2022</u>
Balance Sheet								
Assets								
Current Assets	811,229	4,659,707	5,829,541	6,328,637	6,748,970	3,360,320	3,463,007	3,564,936
Other Assets	33,367,156	48,633,563	71,062,109	85,995,995	102,152,346	102,617,548	101,889,786	101,154,296
Total	34,178,385	53,293,270	76,891,650	92,324,632	108,901,316	105,977,868	105,352,793	104,719,232
Liabilities & Equity								
Current Liabilities	879,584	3,811,382	2,154,012	3,104,563	4,070,455	4,131,442	4,194,418	4,257,918
Long Term Liabilities	8,264,564	22,679,684	45,633,656	56,582,953	68,674,451	67,765,572	65,716,517	63,642,462
Total Liabilities	9,144,148	26,491,066	47,787,668	59,687,516	72,744,906	71,897,014	69,910,935	67,900,380
Net Assets	25,034,237	26,802,204	29,103,982	32,637,116	36,156,410	34,080,854	35,441,858	36,818,852
Cash Flow								
Revenues	6,522,408	7,708,251	8,953,835	9,374,208	9,815,600	9,908,292	10,001,911	10,096,466
Operating Expenses	4,307,175	4,005,978	4,357,283	4,444,429	4,533,318	5,181,584	5,285,664	5,388,153
Other Income	15,438	29,169	56,606	30,000	30,000	30,000	30,000	30,000
Cash Flow Before Debt Service	2,230,671	3,731,442	4,653,158	4,959,779	5,312,282	4,756,708	4,746,247	4,738,313
Debt Service								
Existing Debt Service	235,758	231,849	523,123	212,069	1,322,995	3,615,304	3,615,194	3,615,846
Proposed KIA Loan(s)	0	0	0	0	40,953	81,906	158,182	158,182
Total Debt Service	235,758	231,849	523,123	212,069	1,363,948	3,697,210	3,773,376	3,774,028
Cash Flow After Debt Service	1,994,913	3,499,593	4,130,035	4,747,710	3,948,334	1,059,498	972,871	964,285
Ratios								
Current Ratio	0.9	1.2	2.7	2.0	1.7	0.8	0.8	0.8
Debt to Equity	0.4	1.0	1.6	1.8	2.0	2.1	2.0	1.8
Days Sales in Accounts Receivable	22.7	21.4	21.1	21.1	21.1	21.1	21.1	21.1
Months Operating Expenses in Unrestricted Cash	0.2	11.7	13.9	14.9	15.7	6.0	6.2	6.3
Debt Coverage Ratio	9.5	16.1	8.9	23.4	3.9	1.3	1.3	1.3

EXECUTIVE SUMMARY		Reviewer	Meili Sun	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date	November 13, 2018	
FUND B, INFRASTRUCTURE		KIA Loan Number	B19-005	
REVOLVING LOAN FUND		WRIS Number	WX21125020	
BORROWER		LAUREL COUNTY WATER DISTRICT #2 LAUREL COUNTY		
BRIEF DESCRIPTION				
The proposed project will construct a new 500,000 gallon elevated water storage tank. The multi-column type storage tank will be built on a site within the Greer Industrial Park located just south of London, KY. The new storage tank will provide excess capacity to supply anticipated demand growth associated with new residential developments and industry. In addition, the new tank will increase water pressure during periods of peak demand, which will improve service for up to 1,200 existing customers and enhance the level of fire protection in the area.				
PROJECT FINANCING		PROJECT BUDGET		
Fund B Loan	\$445,000	Administrative Expenses	RD Fee %	Actual %
USACOE Sec 531	1,300,000	Legal Expenses		\$15,000
Local Fund	30,000	Land, Easements		5,000
	-	Eng - Design / Const	8.2%	7.6%
	-	Eng - Insp	5.1%	4.7%
	-	Eng - Other		117,000
	-	Construction		73,000
	-	Contingency		25,000
TOTAL	\$1,775,000	TOTAL		\$1,775,000
REPAYMENT		Rate	0.50%	Est. Annual Payment
		Term	30 Years	\$16,882
			1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES		Engineer	Monarch Engineering, Inc.	
		Bond Counsel	Dinsmore & Shohl, LLP	
PROJECT SCHEDULE		Bid Opening	Feb-19	
		Construction Start	Mar-19	
		Construction Stop	Mar-20	
DEBT PER CUSTOMER		Existing	\$1,402	
		Proposed	\$1,781	
OTHER STATE-FUNDED PROJECTS LAST 5 YRS		See Attached		
RESIDENTIAL RATES		<u>Users</u>	<u>Avg. Bill</u>	
	Current	5,997	\$31.33 (for 4,000 gallons)	
	Additional	0	\$31.33 (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 2015	744,988	566,026	178,962	1.3
Audited 2016	996,842	650,046	346,796	1.5
Audited 2017	637,665	524,172	113,493	1.2
Projected 2018	600,894	502,187	98,707	1.2
Projected 2019	847,942	493,130	354,812	1.7
Projected 2020	1,040,638	608,562	432,076	1.7
Projected 2021	1,000,517	617,068	383,449	1.6
Projected 2022	960,715	617,416	343,299	1.6

Reviewer: Meili Sun
Date: November 13, 2018
Loan Number: B19-005

**KENTUCKY INFRASTRUCTURE AUTHORITY
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)
LAUREL COUNTY WATER DISTRICT #2, LAUREL COUNTY
PROJECT REVIEW
WX21125020**

I. PROJECT DESCRIPTION

The Laurel County Water District #2 is requesting a Fund B loan in the amount of \$445,000 for the Fariston Water Storage Tank project. The proposed project will construct a new 500,000 gallon elevated water storage tank. The multi-column type storage will be built on a site within the Greer Industrial Park. The new storage tank will provide excess capacity to supply anticipated demand growth associated with new residential developments and industries. In addition, the water pressure will be increased during periods of peak demand, which will improve service for up to 1,200 existing customers and enhance the level of fire protection in the area.

The Public Service Commission has jurisdiction over this project. The District must obtain a Certificate of Public Convenience and Necessity in order to construct and finance the project. The PSC review and approval will occur after bids are received and is expected to take approximately 60 days.

II. PROJECT BUDGET

	<u>Total</u>
Administrative Expenses	\$ 15,000
Legal Expenses	5,000
Engineering Fees – Design	117,000
Engineering Fees – Inspection	73,000
Engineering Fees – Other	25,000
Construction	1,400,000
Contingency	140,000
Total	\$ 1,775,000

III. PROJECT FUNDING

	<u>Amount</u>	<u>%</u>
KIA Fund B Loan	\$ 445,000	25%
USACOE Sec 531	1,300,000	73%
Local Fund	30,000	2%
Total	\$1,775,000	100%

IV. KIA DEBT SERVICE

Amortized Loan Amount	\$	445,000
Interest Rate		0.50%
Loan Term		30
Estimated Annual Debt Service	\$	15,992
Administrative Fee (0.20%)		890
Annual Debt Service	\$	16,882

V. PROJECT SCHEDULE

Bid Opening	February 2019
Construction Start	March 2019
Construction Stop	March 2020

VI. RATE STRUCTURE

A. Customers

Customers	Current
Residential	5,635
Commercial	362
Industrial	
Total	5,997

B. Rates

	Proposed	Current	Prior
Date of Rate Increase	Pending	03/14/16	04/20/10
First 1,000 Gallons	\$21.60	\$20.71	24.17
Over 1,000 Gallons	5.52	5.20	6.87
Cost for 4,000 Gallons	\$31.33	\$25.08	\$22.49
Increase Percent	24.9%	11.5%	
Affordability Index (Rate/MHI)	1.2%	1.0%	

VII. DEMOGRAPHICS

Based on current Census data from the American Community Survey 5-Year Estimate 2012-2016, the Utility's service area population was 14,649 with a Median Household Income (MHI) of \$31,670. The median household income for the Commonwealth is \$44,811. The project will qualify for a 0.50% interest rate with a 30 year loan term because its Median Household Income is below 80% of the State average.

Year	Population		County	% Change	County Unemployment	
	City	% Change			Date	Rate
1980	4,002		38,982		June 2005	5.8%
1990	5,757	43.9%	43,438	11.4%	June 2010	10.8%
2000	5,692	-1.1%	52,715	21.4%	June 2015	6.4%
2010	7,993	40.4%	58,849	11.6%	June 2018	5.7%
Current	8,111	1.5%	59,950	1.9%		
Cumulative %		102.7%		53.8%		

VIII. FINANCIAL ANALYSIS

Financial information was obtained from the audited financial statements for the years ended June 30, 2015 through June 30, 2017. The non-cash impact of GASB 68, Accounting and Financial Reporting for Pensions, has been removed from fiscal 2015, 2016, and 2017 operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

HISTORY

Revenues went up 5.5% from \$2.3 million in 2015 to \$2.5 million in 2017. Operating expenses increased 15.1% from \$1.6 million to \$1.9 million during the same period as a result of higher personnel costs in 2017. Based on the salary scale published by the Kentucky Rural Water Association, the District's employees had been paid well below the median rates. A decision was made in 2017 to increase all employee salaries to at or near the median level. Debt coverage ratio was 1.3, 1.5, and 1.2 in 2015, 2016, and 2017 respectively.

The balance sheet reflects a current ratio of 5.2, debt to equity ratio of 1.5, 49.5 days sales in accounts receivable, and 8.2 months of operating expenses in unrestricted cash.

PROJECTIONS

Projections are based on the following assumptions:

- 1) Revenues will go up 25% by 2020 based on the proposed rate increase pending PSC approval.
- 2) Operating expenses will increase 2% annually for general inflation.
- 3) Debt Coverage Ratio is 1.7 in 2020 when full year principal and interest repayments begin.

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

REPLACEMENT RESERVE

The replacement reserve will be 5% (\$22,000 total) of the final amount borrowed to be funded annually (\$1,100 yearly) each December 1 for 20 years and maintained for the life of the loan.

IX. DEBT OBLIGATIONS

	<u>Outstanding</u>	<u>Maturity</u>
KIA B294-02 Loan	\$ 150,008	2025
RD Bond 1998 Issue	381,000	2036
RD Bond 2012A Issue	5,719,500	2051
RD Bond 2012B Issue	2,150,000	2051
KRWFC Loan	9,075	2018
Total	\$ 8,409,583	

X. CONTACTS

Legal Applicant	
Name	Laurel County Water District #2
Address	PO Box 2598, 3910 S Laurel Road London, KY 40744
County	Laurel
Authorized Official	Roy Wayne Jenkins
Phone	(606) 878-2494

Project Contact - Applicant	
Name	Kenneth Fisher
Representing	Laurel County Water District #2
Address	PO Box 2598, 3910 S Laurel Road London, KY 40744
Phone	(606) 878-2494
Email	kfisher@laurelwater.com

Project Administrator/Consulting Engineer

Name	James Mudd
Representing	Monarch Engineering, Inc
Address	556 Carlton Drive Lawrenceburg, KY 40342
Phone	(502) 839-1310
Email	lmudd@monarchengineering.net

XI. RECOMMENDATIONS

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

**LAUREL COUNTY WATER DISTRICT #2
FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<u>Audited</u> <u>2015</u>	<u>Audited</u> <u>2016</u>	<u>Audited</u> <u>2017</u>	<u>Projected</u> <u>2018</u>	<u>Projected</u> <u>2019</u>	<u>Projected</u> <u>2020</u>	<u>Projected</u> <u>2021</u>	<u>Projected</u> <u>2022</u>
Balance Sheet								
Assets								
Current Assets	2,029,974	1,972,874	1,709,143	1,728,888	1,838,451	1,968,266	2,044,956	2,113,616
Other Assets	15,352,441	15,393,524	15,494,113	14,713,124	15,530,113	17,985,375	18,982,909	18,773,323
Total	17,382,415	17,366,398	17,203,256	16,442,012	17,368,564	19,953,641	21,027,865	20,886,939
Liabilities & Equity								
Current Liabilities	516,009	420,596	327,604	325,569	334,240	341,915	350,095	357,390
Long Term Liabilities	9,715,729	9,644,038	9,874,203	9,576,759	10,101,609	11,990,684	12,745,979	12,570,979
Total Liabilities	10,231,738	10,064,634	10,201,807	9,902,328	10,435,849	12,332,599	13,096,074	12,928,369
Net Assets	7,150,677	7,301,764	7,001,449	6,539,684	6,932,715	7,621,042	7,931,791	7,958,570
Cash Flow								
Revenues	2,328,501	2,583,036	2,458,021	2,458,021	2,742,575	3,062,699	3,062,699	3,062,699
Operating Expenses	1,595,885	1,603,460	1,838,540	1,875,311	1,912,817	2,040,245	2,080,366	2,120,168
Other Income	12,372	17,266	18,184	18,184	18,184	18,184	18,184	18,184
Cash Flow Before Debt Service	744,988	996,842	637,665	600,894	847,942	1,040,638	1,000,517	960,715
Debt Service								
Existing Debt Service	566,026	650,046	524,172	502,187	493,130	600,121	600,186	600,534
Proposed KIA Loan	0	0	0	0	0	8,441	16,882	16,882
Total Debt Service	566,026	650,046	524,172	502,187	493,130	608,562	617,068	617,416
Cash Flow After Debt Service	178,962	346,796	113,493	98,707	354,812	432,076	383,449	343,299
Ratios								
Current Ratio	3.9	4.7	5.2	5.3	5.5	5.8	5.8	5.9
Debt to Equity	1.4	1.4	1.5	1.5	1.5	1.6	1.7	1.6
Days Sales in Accounts Receivable	41.0	47.5	49.5	49.5	49.5	49.5	49.5	49.5
Months Operating Expenses in Unrestricted Cash	12.2	11.4	8.2	8.2	8.4	8.8	9.1	9.3
Debt Coverage Ratio	1.3	1.5	1.2	1.2	1.7	1.7	1.6	1.6