



Commonwealth of Kentucky
Governor's Office

Matthew G. Bevin
Governor

Kentucky Communications Network Authority
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Bernard "Deck" Decker
Interim Executive Director

September 3, 2019

The Honorable Rick Girdler, Co-Chair
The Honorable Walker Thomas, Co-Chair
Capital Projects and Bond Oversight Committee
Capital Annex Room 034
702 Capital Avenue
Frankfort, Kentucky 40601

Re: Kentucky Communications Network Authority bond issuance

Senator Girdler and Representative Thomas,

In accordance with your request, the Kentucky Communications Network Authority submits the attached information as of the closing date relating to the issuance of bonds authorized by KRS 154-15.020(4).

Sincerely,

A handwritten signature in blue ink that reads "Stewart D. Hendrix".

Stewart D. Hendrix
General Counsel

\$102,090,000
KENTUCKY BOND DEVELOPMENT CORPORATION
COMMONWEALTH OF KENTUCKY
CITY OF WILLIAMSBURG SERIES 2019
KENTUCKY COMMUNICATIONS NETWORK AUTHORITY PROJECT

DESCRIPTION:

The Bonds are being issued to provide funds with which to (i) finance tax-exempt eligible costs of approximately \$110 million of General Fund supported projects authorized by the General Assembly of the Commonwealth of Kentucky in S.B. 200 (2018 Session) and; (ii) pay costs of issuance.

BOND SUMMARY STATISTICS:

Par Amount:	\$102,090,000
Name of Project:	Kentucky Communications Network Authority
Issuer:	Kentucky Bond Development Corporation
Sponsor:	City of Williamsburg, KY
Borrower:	Kentucky Communications Network Authority
Purchaser:	Morgan Stanley Bank N.A.
Borrower's Financial Advisor:	Commonwealth Economics / PRAG Advisors
Issuer's Financial Advisor:	Ross, Sinclaire & Associates, LLC
Pricing Date:	July 30, 2019
Closing Date:	August 6, 2019
First Call Date:	March 1, 2030 at par
Final Maturity:	09/01/2049
Arbitrage Yield:	3.071910%
True Interest Cost (TIC)	3.764397%
Net Interest Cost (NIC):	4.167960%
All-In TIC:	3.804881%
Method of Sale:	Direct Purchase
Purchaser:	Morgan Stanley Bank N.A.

RATINGS:

Moody's: A2

SOURCES AND USES OF BOND PROCEEDS

SOURCES

Par Amount of Bonds	\$102,090,000.00
Net Original Issue Premium	16,523,853.80
TOTAL SOURCES	\$118,613,853.80

USES

Project Fund	\$110,000,000.00
Capitalized Interest	8,011,229.17
Costs of Issuance	602,624.63
TOTAL USES	\$118,613,853.80

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.

Firm	Service	Fee
Kentucky Bond Development Corporation	Issuer	\$ 85,000.00
Ross, Sinclair & Associates, LLC	Issuer's Financial Advisor	85,000.00
City of Williamsburg	Sponsor City	500.00
Public Resources Advisory Group	Co-Financial Advisors	87,500.00
Commonwealth Economics	Co-Financial Advisors	87,500.00
Dinsmore & Shohl	Bond Counsel	165,000.00
Stites & Harbison	Purchaser's Counsel	45,000.00
Moody's	Rating Agency	30,000.00
U.S. Bank	Trustee	10,000.00
Contingency / Misc.		7,124.63
TOTAL		\$602,624.63

NET DEBT SERVICE

Kentucky Bond Development Corporation
 Commonwealth of Kentucky
 Industrial Building Revenue Bonds,
 City of Williamsburg Series 2019
 (Kentucky Communications Network Authority Project)
 *MMD as of July 30, 2019 with Indicative Spreads
 FINAL

Period Ending	Principal	Interest	Total Debt Service	Capitalized Interest Fund	Net Debt Service
06/30/2020		2,906,729.17	2,906,729.17	2,906,729.17	
06/30/2021		5,104,500.00	5,104,500.00	5,104,500.00	
06/30/2022	1,605,000	5,064,375.00	6,669,375.00		6,669,375
06/30/2023	1,685,000	4,982,125.00	6,667,125.00		6,667,125
06/30/2024	1,770,000	4,895,750.00	6,665,750.00		6,665,750
06/30/2025	1,865,000	4,804,875.00	6,669,875.00		6,669,875
06/30/2026	1,960,000	4,709,250.00	6,669,250.00		6,669,250
06/30/2027	2,060,000	4,608,750.00	6,668,750.00		6,668,750
06/30/2028	2,165,000	4,503,125.00	6,668,125.00		6,668,125
06/30/2029	2,275,000	4,392,125.00	6,667,125.00		6,667,125
06/30/2030	2,395,000	4,275,375.00	6,670,375.00		6,670,375
06/30/2031	2,515,000	4,152,625.00	6,667,625.00		6,667,625
06/30/2032	2,645,000	4,023,625.00	6,668,625.00		6,668,625
06/30/2033	2,780,000	3,888,000.00	6,668,000.00		6,668,000
06/30/2034	2,925,000	3,745,375.00	6,670,375.00		6,670,375
06/30/2035	3,070,000	3,595,500.00	6,665,500.00		6,665,500
06/30/2036	3,230,000	3,438,000.00	6,668,000.00		6,668,000
06/30/2037	3,395,000	3,272,375.00	6,667,375.00		6,667,375
06/30/2038	3,570,000	3,098,250.00	6,668,250.00		6,668,250
06/30/2039	3,755,000	2,915,125.00	6,670,125.00		6,670,125
06/30/2040	3,945,000	2,722,625.00	6,667,625.00		6,667,625
06/30/2041	4,145,000	2,520,375.00	6,665,375.00		6,665,375
06/30/2042	4,360,000	2,307,750.00	6,667,750.00		6,667,750
06/30/2043	4,585,000	2,084,125.00	6,669,125.00		6,669,125
06/30/2044	4,820,000	1,849,000.00	6,669,000.00		6,669,000
06/30/2045	5,065,000	1,601,875.00	6,666,875.00		6,666,875
06/30/2046	5,325,000	1,342,125.00	6,667,125.00		6,667,125
06/30/2047	5,600,000	1,069,000.00	6,669,000.00		6,669,000
06/30/2048	5,885,000	781,875.00	6,666,875.00		6,666,875
06/30/2049	6,190,000	480,000.00	6,670,000.00		6,670,000
06/30/2050	6,505,000	162,625.00	6,667,625.00		6,667,625
	102,090,000	99,297,229.17	201,387,229.17	8,011,229.17	193,376,000

Note: Assumes capitalized interest through 03/01/2021.

Settlement and Expenditure Summary

Of the Settlement and Release Agreement By and Between The Commonwealth of Kentucky, KentuckyWired Infrastructure Company, Inc., KentuckyWired Operations Company, LLC, NG-KIH Design-Build, LLC, and LTS Kentucky Managed Technical Services LLC
(as of August 26, 2019)

Settlement Summary

Date	Description	Amount	Notes
12/14/2018	Construction Extension Schedule Relief and Closure of SEs 1, 2 and 4-207	\$88,000,000	Settlement Agreement entered into 12-14-18
12/14/2018	Closure of SE3	5,000,000	
	Total Settlement	\$93,000,000	

Expenditure Summary

Date	Description	Amount	Paid From
4/11/2018	Initial Contract Payment	2,000,000	NGKIH Project Fund
12/19/2018	Catch-Up Payment	6,820,428	Capital Project Fund 137-C735-E401
12/19/2018	Supervening Event #207	5,000,000	Capital Project Fund 137-C735-E401
12/19/2018	Up Front Payment	13,000,000	Capital Project Fund 137-C735-E401
2/25/2019	December Payment	2,922,359	Capital Project Fund 137-C735-E401
2/25/2019	November Payment	3,144,849	Capital Project Fund 137-C735-E401
2/25/2019	October Payment	2,436,818	Capital Project Fund 137-C735-E401
3/14/2019	January Payment	2,582,403	Capital Project Fund 137-C735-E401
4/29/2019	February Payment	3,847,872	Capital Project Fund 137-C735-E401
5/30/2019	March 2019 Payment	4,262,687	Capital Project Fund 137-C735-E401
7/2/2019	April 2019 Payment	3,929,373	Capital Project Fund 137-C735-E401
7/26/2019	May 2019 Payment	2,175,211	Capital Project Fund 137-C735-E401
8/19/2019	June 2019 Payment	4,102,011	Series 2019 Project Fund
	Expenditures to Date	56,224,011	
	Balance	\$36,775,989	

Kentucky Bond Development Corporation
Industrial Revenue Bonds
City of Williamsburg Series 2019
(Kentucky Communications Network Authority)

Estimated Bond Proceeds Spenddown
(As of 8/26/2019)

8/6/2019	Proceeds		\$ 118,613,853.80
8/7/2019	Reimbursement and Settlement Payments	\$ 56,224,011.00	
9/1/2019	Costs of Issuance	602,624.63	
9/15/2019	Monthly Settlement Payment	3,343,271.73	
10/15/2019	Monthly Settlement Payment	3,343,271.73	
11/15/2019	Monthly Settlement Payment	3,343,271.73	
12/15/2019	Monthly Settlement Payment	3,343,271.73	
1/15/2020	Monthly Settlement Payment	3,343,271.73	
2/15/2020	Monthly Settlement Payment	3,343,271.73	
3/1/2020	Capitalized Interest Payment	2,906,729.17	
3/15/2020	Monthly Settlement Payment	3,343,271.73	
4/15/2020	Monthly Settlement Payment	3,343,271.73	
5/15/2020	Monthly Settlement Payment	3,343,271.73	
6/15/2020	Monthly Settlement Payment	3,343,271.73	
7/15/2020	Monthly Settlement Payment	3,343,271.73	
9/1/2020	Capitalized Interest Payment	2,552,250.00	
3/1/2021	Capitalized Interest Payment	2,552,250.00	
7/16/2021	Construction Payment	17,000,000.00	
			<u>\$ 118,613,853.80</u>
	Balance		<u><u>\$ -</u></u>