

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

▪ ***Fund B Loan***

<b><u>Loan #</u></b>	<b><u>Borrower</u></b>	<b><u>Amount Requested</u></b>	<b><u>Amount Loan Total</u></b>	<b><u>County</u></b>
B22-002	South Woodford Water District	\$ 2,230,000	\$ 2,230,000	Woodford

▪ ***Fund F Loan***

<b><u>Loan #</u></b>	<b><u>Borrower</u></b>	<b><u>Amount Requested</u></b>	<b><u>Amount Loan Total</u></b>	<b><u>County</u></b>
F22-028	City of Cynthiana	\$ 3,370,713	\$ 3,370,713	Harrison

<b>EXECUTIVE SUMMARY</b>		Reviewer		John Brady
<b>KENTUCKY INFRASTRUCTURE AUTHORITY</b>		Date		April 7, 2022
<b>FUND B, INFRASTRUCTURE</b>		KIA Loan Number		B22-002
<b>REVOLVING LOAN FUND</b>		WRIS Number		WX21239038
BORROWER		SOUTH WOODFORD WATER DISTRICT WOODFORD COUNTY		
BRIEF DESCRIPTION				
The South Woodford Water District (SWWD) is requesting a Fund B loan in the amount of \$2,230,000 for the Comprehensive System Rehabilitation project. This project consists of repairs to several components within the water system necessary to maintain adequate service to customers. These include the rehabilitation of two storage tanks and a pump station and the replacement of all water meters. Radio read meters and leak detection meters will be installed to improve reading accuracy and help control the SWWD's issue with excess water loss.				
PROJECT FINANCING		PROJECT BUDGET		
Fund B Loan	\$2,230,000	Administrative Expenses	RD Fee %	Actual %
CWP Grant	225,000	Legal Expenses		\$25,000
ARPA	250,000	Land, Easements		10,000
		Planning		5,000
		Eng - Design / Const	7.5%	15,000
		Eng - Insp	6.0%	145,000
		Construction	4.4%	2.7%
		Contingency		65,000
		Other		2,375,000
				30,000
				35,000
TOTAL	\$2,705,000	TOTAL		\$2,705,000
REPAYMENT	Rate	2.00%	Est. Annual Payment	\$140,292
	Term	20 Years	1st Payment	6 Mo. after first draw
PROFESSIONAL SERVICES	Engineer	Haworth, Meyer & Boleyn, Inc.		
	Bond Counsel	Rubin & Hays		
PROJECT SCHEDULE	Bid Opening	Sep-22		
	Construction Start	Jan-23		
	Construction Stop	Jul-23		
DEBT PER CUSTOMER	Existing	\$438		
	Proposed	\$1,704		
OTHER DEBT	See Attached			
RESIDENTIAL RATES		Users	Avg. Bill	
	Current	1,638	\$30.46	(for 4,000 gallons)
REGIONAL COORDINATION This project is consistent with regional planning recommendations.				
CASHFLOW	Cash Flow Before Debt Service	Debt Service	Cash Flow After Debt Service	Coverage Ratio
Audited 2018	137,485	117,972	19,513	1.2
Audited 2019	97,679	117,000	(19,321)	0.8
Audited 2020	66,537	106,065	(39,528)	0.6
Projected 2021	53,790	82,095	(28,305)	0.7
Projected 2022	133,972	82,745	51,227	1.6
Projected 2023	211,173	152,684	58,489	1.4
Projected 2024	251,661	223,684	27,977	1.1
Projected 2025	244,744	223,851	20,893	1.1

Reviewer: John Brady  
Date: April 7, 2022  
Loan Number: B22-002

**KENTUCKY INFRASTRUCTURE AUTHORITY  
INFRASTRUCTURE REVOLVING LOAN FUND (FUND B)  
SOUTH WOODFORD WATER DISTRICT, WOODFORD COUNTY  
PROJECT REVIEW  
WX21239038**

**I. PROJECT DESCRIPTION**

The South Woodford Water District (SWWD) is requesting a Fund B loan in the amount of \$2,230,000 for the Comprehensive System Rehabilitation project. This project consists of repairs to several components within the water system necessary to maintain adequate service to customers.

Both the Mortonsville and KY33 water tanks are in dire need of repair. The Mortonsville tank is currently out of service and needs to be sanitized and painted before it can be put back into service. Rehabilitation of the KY33 pump station will include replacing the backup pump and piping. All meters will be replaced to greatly enhance the accuracy of readings. Current meters are not working properly and some are not working at all. Leak detection meters will also be installed throughout the system to help control the SWWD's issue with excess water loss.

The SWWD currently serves over 1,600 residential and commercial customers.

**II. PROJECT BUDGET**

	Total
Administrative Expenses	\$ 25,000
Legal Expenses	10,000
Land, Easements	5,000
Planning	15,000
Engineering Fees - Design	115,000
Engineering Fees - Construction	30,000
Engineering Fees - Inspection	65,000
Construction	2,375,000
Contingency	30,000
Other	35,000
<b>Total</b>	<b>\$ 2,705,000</b>

### III. PROJECT FUNDING

	Amount	%
Fund B Loan	\$ 2,230,000	82%
CWP Grant	225,000	8%
ARPA	250,000	9%
<b>Total</b>	<b>\$ 2,705,000</b>	<b>100%</b>

### IV. KIA DEBT SERVICE

Construction Loan	\$ 2,230,000
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 2,230,000
Interest Rate	2.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 135,832
Administrative Fee (0.20%)	4,460
<b>Total Estimated Annual Debt Service</b>	<b>\$ 140,292</b>

### V. PROJECT SCHEDULE

Bid Opening	September 2022
Construction Start	January 2023
Construction Stop	July 2023

### VI. RATE STRUCTURE

#### A. Customers

Customers	Current
Residential	1,617
Commercial	21
<b>Total</b>	<b>1,638</b>

#### B. Rates

<b>Water</b>	Proposed	Current	Prior
Date of Last Rate Increase	07/01/22	08/01/18	07/01/13
Minimum (2,000 gallons)	\$22.82	\$20.48	\$20.20
Over 2,000 gallons (per 1,000)	5.56	4.99	4.85
Cost for 4,000 gallons	\$33.94	\$30.46	\$29.90
Increase %	11.4%	1.9%	
Affordability Index (Rate/MHI)	0.5%	0.5%	

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2016-2020, the Utility's service area population was 3,906 with a Median Household Income (MHI) of \$81,030. The median household income for the Commonwealth is \$50,589. The project will qualify for a 2.00% interest rate.

## **VIII. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended January 1, 2018 through December 31, 2020. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

### **HISTORY**

Water revenues increased 2.3% from \$836,853 in 2018 to \$856,470 in 2020. Operating expenses increased 13.4% from \$716,439 to \$812,484 during the same period due to costs associated with excess water loss. The debt coverage ratio was 1.2, 0.8, and 0.6 in 2018, 2019, and 2020.

The balance sheet reflects a current ratio of 0.7, a debt to equity ratio of 0.4, 30.7 days of sales in accounts receivable, and 0.8 months of operating expenses in unrestricted cash.

### **PROJECTIONS**

Projections are based on the following assumptions:

- 1) Water revenues will increase 5.7% in both 2022 and 2023 due to a proposed rate increase with an anticipated effective date of July 1, 2022.
- 2) Water loss reduction surcharge of \$3.87 per customer per month will generate an additional \$77,000 each year for four years.
- 3) Revenues will increase approximately \$50,000 in 2024 to maintain the 1.1 debt coverage ratio requirement.
- 4) SWWD receives Public Service Commission (PSC) approval documentation.
- 5) Operating expenses will increase 2% annually due to inflation.
- 6) Debt service coverage is 1.4 in 2023 when principal and interest repayments begin.

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

The SWWD is regulated by the PSC and will need to apply to the PSC, pursuant to KRS 278.300, for debt authorization for the \$2,230,000 loan. The SWWD must receive a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$112,000 total) of the final amount borrowed to be funded annually (\$5,600 yearly) each December 1 for 20 years and maintained for the life of the loan.

## IX. DEBT OBLIGATIONS

	Outstanding	Maturity
1996A Revenue Bonds	\$ 137,000	2026
1996B Revenue Bonds	35,700	2026
1999A Revenue Bonds	211,000	2039
1999B Revenue Bonds	37,300	2039
KRWFC Note	<u>296,000</u>	2037
<b>Total</b>	<b>\$ 717,000</b>	

## X. CONTACTS

### Legal Applicant

Entity Name	South Woodford Water District
Authorized Official	Barry Drury (Chairman)
County	Woodford
Email	barry.drury@me.com
Phone	(859) 618-9722
Address	117 D Crossfield Dr Versailles, KY 40383

### Applicant Contact

Name	Matthew Coyle
Organization	South Woodford Water District
Email	office@southwoodfordwater.com
Phone	(859) 873-1308
Address	117 D Crossfield Dr Versailles, KY 40383

**Project Administrator**

Name	Karyn Leverenz
Organization	Bluegrass ADD
Email	kleverenz@bgadd.org
Phone	(859) 269-8021
Address	699 Perimeter Dr Lexington, KY 40517

**Consulting Engineer**

PE Name	Jeff Reynolds
Firm Name	Haworth, Meyer & Boleyn, Inc.
Email	jdreynolds@hmbpe.com
Phone	(502) 695-9800
Address	3 Hmb Circle Frankfort, KY 40601

**XI. RECOMMENDATIONS**

KIA staff recommends approval of the loan with the standard conditions and the following special condition:

By May 31, 2022, the SWWD will need a resolution from the SWWD Board, demonstrating their intentions to increase revenues as necessary and authorized by the PSC to meet the loan requirements over the life of the loan. KIA Staff review currently indicates that revenues will need to increase by an estimated \$50,000 annually by January 1, 2024, which equates to an approximate rate increase of 5%, to meet expenses and maintain the 1.1 debt coverage ratio in 2024.

**SOUTH WOODFORD WATER DISTRICT**  
**FINANCIAL SUMMARY (DECEMBER YEAR END)**

	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>	<b>Projected</b>
	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2024</u></b>	<b><u>2025</u></b>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	197,420	193,402	123,517	117,850	135,395	154,593	164,189	168,367
Other Assets	3,182,353	3,095,802	3,080,888	2,957,898	2,898,534	5,487,954	5,347,964	5,202,307
Total	<u>3,379,773</u>	<u>3,289,204</u>	<u>3,204,405</u>	<u>3,075,748</u>	<u>3,033,929</u>	<u>5,642,547</u>	<u>5,512,153</u>	<u>5,370,674</u>
<b>Liabilities &amp; Equity</b>								
Current Liabilities	193,468	213,639	185,603	189,826	193,326	309,526	313,826	318,126
Long Term Liabilities	767,367	717,000	667,900	615,800	561,400	2,622,000	2,449,600	2,274,200
Total Liabilities	<u>960,835</u>	<u>930,639</u>	<u>853,503</u>	<u>805,626</u>	<u>754,726</u>	<u>2,931,526</u>	<u>2,763,426</u>	<u>2,592,326</u>
Net Assets	<u>2,418,938</u>	<u>2,358,565</u>	<u>2,350,902</u>	<u>2,270,122</u>	<u>2,279,203</u>	<u>2,711,021</u>	<u>2,748,727</u>	<u>2,778,348</u>
<b>Cash Flow</b>								
Revenues	836,853	883,687	856,470	856,470	943,170	1,032,618	1,079,887	1,079,887
Operating Expenses	716,439	794,969	812,484	818,874	825,392	837,640	844,421	851,338
Other Income	17,071	8,961	22,551	16,194	16,194	16,195	16,195	16,195
Cash Flow Before Debt Service	<u>137,485</u>	<u>97,679</u>	<u>66,537</u>	<u>53,790</u>	<u>133,972</u>	<u>211,173</u>	<u>251,661</u>	<u>244,744</u>
<b>Debt Service</b>								
Existing Debt Service	117,972	117,000	106,065	82,095	82,745	82,538	83,392	83,559
Proposed KIA Loan	0	0	0	0	0	70,146	140,292	140,292
Total Debt Service	<u>117,972</u>	<u>117,000</u>	<u>106,065</u>	<u>82,095</u>	<u>82,745</u>	<u>152,684</u>	<u>223,684</u>	<u>223,851</u>
Cash Flow After Debt Service	<u>19,513</u>	<u>(19,321)</u>	<u>(39,528)</u>	<u>(28,305)</u>	<u>51,227</u>	<u>58,489</u>	<u>27,977</u>	<u>20,893</u>
<b>Ratios</b>								
Current Ratio	1.0	0.9	0.7	0.6	0.7	0.5	0.5	0.5
Debt to Equity	0.4	0.4	0.4	0.4	0.3	1.1	1.0	0.9
Days Sales in Accounts Receivable	28.2	30.4	30.7	30.7	30.7	30.7	30.7	30.7
Months Operating Expenses in Unrestricted Cash	1.6	1.2	0.8	0.7	0.8	1.0	1.0	1.1
Debt Coverage Ratio	1.2	0.8	0.6	0.7	1.6	1.4	1.1	1.1



**RESOLUTION**  
**SOUTH WOODFORD WATER DISTRICT**  
**BOARD OF COMMISSIONERS**  
April 12, 2022


Whereas in anticipation of receiving a loan from the Kentucky Infrastructure Authority (KIA) for the purpose of the Comprehensive System Rehabilitation Project with the following terms:

Amortized Loan Amount	\$ 2,230,000
Interest Rate	2.00%
Loan Term (20 Years)	20
Estimated Annual Debt Service	\$ 135,832
Administrative Fee (0.20%)	4,460
Annual Debt Service (to Cash Flow)	140,292
Annual Reserve (20 Years)	5,600
<b>Total</b>	<b>\$ 145,892</b>

Therefore, the South Woodford Water District Board of Commissioners hereby pledges to increase its rates subject to the Kentucky Public Service Commission approval, as necessary to meet the loan requirements over the life of the loan.

Adopted this 12<sup>th</sup> day of April 2022

  
Barry Drury, Chairman, SWWD

ATTEST:   
David Hudson, Secretary/Treasurer, SWWD

EXECUTIVE SUMMARY		Reviewer		John Brady	
KENTUCKY INFRASTRUCTURE AUTHORITY		Date		May 5, 2022	
FUND F, FEDERALLY ASSISTED DRINKING WATER		KIA Loan Number		F22-028	
REVOLVING LOAN FUND		WRIS Number		WX21097028	
BORROWER		CITY OF CYNTHIANA HARRISON COUNTY			
BRIEF DESCRIPTION					
The City of Cynthiana is requesting a Fund F loan in the amount of \$3,370,713 for the Industrial Park Water Tank and Water Treatment Plant Upgrade project. This project consists of a new 750,000 gallon elevated water storage tank and booster pump station located at the EDA Industrial Park. It also includes the replacement of failed valves, the installation of UV disinfection units on the filter effluent, and various electrical upgrades.					
PROJECT FINANCING		PROJECT BUDGET		RD Fee %	Actual %
Fund F Loan	\$3,370,713	Administrative Expenses			\$8,000
CWP Grant	269,287	Legal Expenses			2,000
ARPA	1,000,000	Land, Easements			5,000
		Planning			12,500
		Eng - Design / Const	6.9%	6.3%	265,000
		Eng - Insp	4.2%	3.4%	143,000
		Eng - Other			20,000
		Construction			3,804,000
		Contingency			380,500
TOTAL	\$4,640,000	TOTAL			\$4,640,000
REPAYMENT	Rate	0.25%	Est. Annual Payment		\$125,120
	Term	30 Years	1st Payment	6 Mo. after first draw	
PROFESSIONAL SERVICES	Engineer	Kentucky Engineering Group, PLLC			
	Bond Counsel	Rubin & Hays			
PROJECT SCHEDULE	Bid Opening	Jul-22			
	Construction Start	Sep-22			
	Construction Stop	Sep-23			
DEBT PER CUSTOMER	Existing	\$3,074			
	Proposed	\$3,584			
OTHER DEBT		See Attached			
RESIDENTIAL RATES		Users	Avg. Bill		
	Current	2,757	\$19.65 (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	753,830	595,984	157,846		1.3
Audited 2020	910,469	620,577	289,892		1.5
Audited 2021	1,134,432	1,830,001	(695,569)		0.6
Projected 2022	1,083,777	687,350	396,427		1.6
Projected 2023	1,032,109	657,298	374,811		1.6
Projected 2024	971,008	703,202	267,806		1.4
Projected 2025	917,253	748,574	168,679		1.2
Projected 2026	862,423	747,756	114,667		1.2

Reviewer: John Brady  
Date: May 5, 2022  
Loan Number: F22-028

**KENTUCKY INFRASTRUCTURE AUTHORITY  
DRINKING WATER STATE REVOLVING FUND (FUND F)  
CITY OF CYNTHIANA, HARRISON COUNTY  
PROJECT REVIEW  
WX21097028**

**I. PROJECT DESCRIPTION**

The City of Cynthiana is requesting a Fund F loan in the amount of \$3,370,713 for the Industrial Park Water Tank and Water Treatment Plant Upgrade project. This project consists of a new 750,000 gallon elevated water storage tank and booster pump station located at the EDA Industrial Park. It also includes the replacement of failed valves, the installation of UV disinfection units on the filter effluent, and various electrical upgrades.

The City currently serves over 2,400 residential customers and over 300 commercial and industrial customers. They provide wholesale service to the Harrison County Water Association.

**II. PROJECT BUDGET**

	<b>Total</b>
Administrative Expenses	\$ 8,000
Legal Expenses	2,000
Land, Easements	5,000
Planning	12,500
Engineering Fees - Design	212,000
Engineering Fees - Construction	53,000
Engineering Fees - Inspection	143,000
Engineering Fees - Other	20,000
Construction	3,804,000
Contingency	380,500
<b>Total</b>	<b>\$ 4,640,000</b>

**III. PROJECT FUNDING**

	<b>Amount</b>	<b>%</b>
Fund F Loan	\$ 3,370,713	73%
CWP Grant	269,287	6%
ARPA	1,000,000	22%
<b>Total</b>	<b>\$ 4,640,000</b>	<b>100%</b>

#### IV. KIA DEBT SERVICE

Construction Loan	\$ 3,370,713
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 3,370,713
Interest Rate	0.25%
Loan Term (Years)	30
Estimated Annual Debt Service	\$ 116,693
Administrative Fee (0.25%)	8,427
<b>Total Estimated Annual Debt Service</b>	<b>\$ 125,120</b>

#### V. PROJECT SCHEDULE

Bid Opening	July 2022
Construction Start	September 2022
Construction Stop	September 2023

#### VI. CUSTOMER COMPOSITION AND RATE STRUCTURE

##### A) Customers

Customers	Current
Residential	2,447
Commercial	233
Industrial	77
Total	2,757

##### B) Rates

Water	Inside City		Outside City	
	Current	Prior	Current	Prior
Date of Last Increase	07/01/19	01/01/16	07/01/19	01/01/16
Minimum (2,000) gallons	\$10.75	\$9.05	\$15.05	\$12.67
Next 8,000 gallons (per 1,000)	4.45	3.50	6.23	4.90
Cost for 4,000 gallons	\$19.65	\$16.05	\$27.51	\$22.47
Increase %	22.4%		22.4%	
Affordability Index (Rate/MHI)	0.6%	0.5%	0.8%	0.7%

<b>Water</b>	<b>Wholesale - HCNA</b>	
	Current	Prior
Date of Last Increase	07/01/19	01/01/16
Per 1,000 gallons	\$3.15	\$2.85
Cost for 4,000 gallons	\$12.60	\$11.40
Increase %	10.5%	
Affordability Index (Rate/MHI)	0.4%	0.4%

<b>Sewer</b>	Current	Prior
	Current	Prior
Date of Last Increase	07/01/19	09/15/17
Minimum (2,000) gallons	\$21.63	\$18.56
Next 8,000 gallons (per 1,000)	6.47	5.79
Cost for 4,000 gallons	\$34.57	\$30.14
Increase %	14.7%	
Affordability Index (Rate/MHI)	1.1%	0.9%

## **VII. DEMOGRAPHICS**

Based on current Census data from the American Community Survey 5-Year Estimate 2016-2020, the Utility's service area population was 6,518 with a Median Household Income (MHI) of \$38,873. The median household income for the Commonwealth is \$50,589. The project will qualify for a 0.25% interest rate.

## **VIII. 2020 CAPITALIZATION GRANT EQUIVALENCIES**

- 1) Green Project Reserve - The Drinking Water capitalization grant does not contain a "green" requirement.
- 2) Additional Subsidization – This project does not qualify for additional subsidization.

## **IX. FINANCIAL ANALYSIS**

Financial information was obtained from the audited financial statements for the years ended June 30, 2019 through June 30, 2021. The non-cash impacts of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 75 – Accounting and Financial Reporting for Other Postemployment Benefit have been removed from the operating expenses. Percentage references in the History section below are based on whole dollar amounts and not the rounded amounts presented.

## HISTORY

Total water and sewer revenues increased 21% from \$3.03 million in 2019 to \$3.67 million in 2021 due to rate increases for both water and sewer services. Operating expenses increased 11.2% from \$2.28 million to \$2.53 million during the same period due to an increase in costs for repairs and employee retirement. The debt coverage ratio was 1.3, 1.5, and 0.6 in 2019, 2020, and 2021.

The balance sheet reflects a current ratio of 1.3, a debt to equity ratio of 1.0, 52.6 days of sales in accounts receivable, and 1.9 months operating expenses in unrestricted cash.

## PROJECTIONS

Projections are based on the following assumptions:

- 1) Water and sewer revenues will both remain flat.
- 2) Operating expenses will increase 2% annually due to inflation.
- 3) Debt service coverage is 1.4 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 F loan.

## REPLACEMENT RESERVE

The replacement reserve will be 5% (\$168,000 total) of the final amount borrowed to be funded annually (\$8,400 yearly) each December 1 for 20 years and maintained for the life of the loan.

## X. DEBT OBLIGATIONS

	<b>Outstanding</b>	<b>Maturity</b>
2015 Revenue Bonds	\$ 3,373,000	2055
2020C Revenue Bonds	975,000	2044
KIA Loan A05-06	1,971,952	2028
KIA Loan F16-041	486,325	2038
KIA Loan F19-020	926,513	2040
Building Loan	191,200	2028
Vehicle/Equipment Leases	146,246	2026
<b>Total</b>	<b>\$ 8,070,236</b>	

## **XI. CONTACTS**

### **Legal Applicant**

Entity Name	City of Cynthiana
Authorized Official	James Smith (Mayor)
County	Harrison
Email	james.smith@cynthianaky.com
Phone	(859) 234-7153
Address	PO Box 67 Cynthiana, KY 41031

### **Applicant Contact**

Name	Nathan Fields
Organization	City of Cynthiana
Email	nathan.fields@cynthianaky.com
Phone	(859) 234-7159
Address	PO Box 67 Cynthiana, KY 41031

### **Project Administrator**

Name	Holly Nicholas
Organization	Kentucky Engineering Group, PLLC
Email	hnicholas@kyengr.com
Phone	(859) 333-9742
Address	PO Box 1034 Versailles, KY 40383

### **Consulting Engineer**

PE Name	Mark Stephens
Firm Name	Kentucky Engineering Group, PLLC
Email	mstephens@kyengr.com
Phone	(859) 223-3755
Address	PO Box 1034 Versailles, KY 40383

## **XII. RECOMMENDATIONS**

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

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

	<b>Audited 2019</b>	<b>Audited 2020</b>	<b>Audited 2021</b>	<b>Projected 2022</b>	<b>Projected 2023</b>	<b>Projected 2024</b>	<b>Projected 2025</b>	<b>Projected 2026</b>
<b>Balance Sheet</b>								
<b>Assets</b>								
Current Assets	516,777	595,608	920,489	999,777	1,074,739	1,128,301	1,162,036	1,184,970
Other Assets	22,405,616	22,995,163	22,329,781	21,719,169	20,975,265	24,794,156	23,893,746	22,950,126
Total	22,922,393	23,590,771	23,250,270	22,718,947	22,050,004	25,922,457	25,055,782	24,135,096
<b>Liabilities &amp; Equity</b>								
Current Liabilities	745,925	1,004,677	723,142	705,028	698,203	801,001	808,014	806,007
Long Term Liabilities	9,876,692	10,777,527	10,999,621	10,483,132	9,974,268	12,734,119	12,117,044	11,502,776
Total Liabilities	10,622,617	11,782,204	11,722,763	11,188,160	10,672,471	13,535,120	12,925,058	12,308,783
Net Assets	12,299,776	11,808,567	11,527,507	11,530,787	11,377,533	12,387,337	12,130,724	11,826,313
<b>Cash Flow</b>								
Revenues	3,028,995	3,488,893	3,666,590	3,666,590	3,666,590	3,666,590	3,666,590	3,666,590
Operating Expenses	2,277,283	2,579,465	2,532,733	2,583,388	2,635,056	2,696,157	2,749,912	2,804,742
Other Income	2,118	1,041	575	575	575	575	575	575
Cash Flow Before Debt Service	753,830	910,469	1,134,432	1,083,777	1,032,109	971,008	917,253	862,423
<b>Debt Service</b>								
Existing Debt Service	595,984	620,577	1,830,001	687,350	657,298	640,642	623,454	622,636
Proposed KIA Loan	0	0	0	0	0	62,560	125,120	125,120
Total Debt Service	595,984	620,577	1,830,001	687,350	657,298	703,202	748,574	747,756
Cash Flow After Debt Service	157,846	289,892	(695,569)	396,427	374,811	267,806	168,679	114,667
<b>Ratios</b>								
Current Ratio	0.7	0.6	1.3	1.4	1.5	1.4	1.4	1.5
Debt to Equity	0.9	1.0	1.0	1.0	0.9	1.1	1.1	1.0
Days Sales in Accounts Receivable	51.2	51.1	52.6	52.6	52.6	52.6	52.6	52.6
Months Operating Expenses in Unrestricted Cash	0.5	0.5	1.9	2.2	2.5	2.7	2.8	2.8
Debt Coverage Ratio	1.3	1.5	0.6	1.6	1.6	1.4	1.2	1.2