

INVESTMENT GRADE RATINGS

Ratings reflect a credit rating agency's opinion of a state's creditworthiness relative to other borrowers in the financial markets. Ratings below Baa3/BBB-/BBB-/BBB- are considered speculative credits ("junk bonds").

The rating agencies also assign "positive," "stable," and "negative" outlooks to their ratings to indicate the direction the rating is likely to move over an intermediate time period. The outlooks represent trends affecting a credit which have not reached a level warranting a change in a state's credit rating, but may if continued. A negative outlook indicates a higher likelihood of a downgrade in a state's credit rating while a positive outlook indicates a higher likelihood of an upgrade in a state's credit rating.

Moody's*		Standard and Poor's*		Fitch*		Kroll*		Description
Long-Term	Short-Term**	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term	
Aaa	MIG 1	AAA	A-1+	AAA	F1+	AAA	K1+	Prime
Aa1		AA+		AA+		AA+		High Grade
Aa2***		AA		AA***		AA		
Aa3****		AA-		AA-****		AA-***		
A1		A+***	A-1	A+	F1/F1+	A+****	K1/K1+	Upper Medium Grade
A2	MIG 2	A****		A	F1/F1+	A	K1	
A3		A-	A-2	A-	F2/F1	A-	K2/K1	Lower Medium Grade
Baa1		BBB+		BBB+	F2/F1	BBB+	K2	
Baa2	MIG 3	BBB	A-3	BBB	F3/F2	BBB	K3/K2	Medium Grade
Baa3		BBB-		BBB-	F3	BBB-	K3	

*Outlooks are Stable/Stable/Stable/Stable

**MIG is Moody's acronym for Municipal Investment Grade

***Commonwealth's issuer credit/default ratings (ICRs/IDRs)/implied general obligation ratings (effectively what the Commonwealth's general obligation ratings would be if it were to issue general obligation debt)

****Commonwealth's lease appropriation rating for general fund supported debt

State Investor Relations and Debt Calendar websites are <https://bonds.ky.gov> and <https://finance.ky.gov/office-of-the-controller/office-of-financial-management/Documents/CurrentBondCalendar.pdf>.



CABINET FOR ECONOMIC DEVELOPMENT

Andy Beshear
GOVERNOR

Mayo-Underwood Building
500 Mero Street, 5th Floor
Frankfort, Kentucky 40601

Jeff Noel
SECRETARY

April 3, 2025

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 Goodwill Industries of Kentucky, Inc., Series 2025.

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 A" (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, Commissioner
Department for Financial Services

Enclosure

cc: Jennifer Hays

**EXHIBIT A
NEW BOND ISSUE REPORT**

NEW BOND ISSUE

Name of Bond Issue: Kentucky Economic Development Finance Authority Variable Rate Demand Revenue Bonds (Goodwill Industries of Kentucky, Inc. Project), Series 2025 (the “Series 2025 Bonds”)

Name of project(s) covered by Issue: Goodwill Industries of Kentucky, Inc. (the “Corporation”)

Purpose of Issue: The proceeds from the sale of the Series 2025 Bonds, together with other funds available to the Corporation, will be used for the purpose of (1) financing or reimburse the Borrower for costs associated with the proposed acquisition, construction, improvement and equipping of attended donation centers, retail stores and outlets, opportunity centers and career centers at various locations across the Commonwealth (“New Money Project”); (2) refunding of the City of Lyndon, Kentucky’s \$35,265,000 Industrial Building Revenue Bond, Series 2013 (Goodwill Industries of Kentucky, Inc. Project) which refunded all of the Kentucky Economic Development Finance Authority Adjustable Rate Industrial Building Revenue Bonds, Series 2007 (Goodwill Industries of Kentucky, Inc. Project) and the Kentucky Economic Development Finance Authority Industrial Building Revenue Note, Series 2010 (Goodwill Industries of Kentucky, Inc. Project); (3) refunding (i) the taxable Truist Bank line of credit (the “Taxable Line of Credit”) in an amount not to exceed \$6,026,322 that financed portions of the New Money Project and (ii) the Promissory Note, dated July 31, 2024, to Truist Bank in an amount not to exceed \$6,015,170 that financed portions of the New Money Project; (4) paying accrued interest on the Series 2025 Bonds, if applicable; and (5) paying related costs of issuance of the Series 2025 Bonds.

The Series 2025 Bonds will be issued in one series (in an amount of \$45,000,000). The Series 2025 Bonds will mature not later forty years from the date of issuance. The Series 2025 Bonds will bear interest initially at the Weekly Mode and will be secured by a letter of credit to be provided by PNC Bank, National Association and the revenues of the Corporation. The Series 2025 Bonds will have additional terms and provisions as more fully set forth in the Indenture.

Date of sale: April 2, 2025

Date of issue: April 3, 2025

Ratings: Series 2025 Bonds (backed by letter of credit issued by PNC Bank, National Association):

Long Term: Standard & Poor’s: AA

Short Term: Standard & Poor’s: A-1

Date authorization(s): KEDFA (Inducement resolution) – July 25, 2024
KEDFA (Bond resolution) – February 27, 2025
SPBC – March 2025
CPBO – March 2025

Net Proceeds for Project:	\$ 44,530,506.98
Plus: Issuance Cost	\$ 469,493.02
Other (specify): None Known	\$ 0.00

GROSS PROCEEDS: **\$45,000,000.00**

Terms of issue: Net interest rate: 2.77% (initial weekly interest rate)
Length of term: Maturity – June 1, 2055

Gross debt service amount:	\$ 82,596,489.04 (estimated)
Average annual debt service:	\$ 2,738,509.49 (estimated)

First call date: Any Business Date for the variable rate debt
Premium at first call: None

Method of sale (negotiated): Limited Public Offering
Bond/Borrower Counsel: Frost Brown Todd LLP
Issuer/Letter of Credit Bank Counsel: Stites & Harbison, PLLC
Underwriter Counsel: Dinsmore & Shohl LLP
Underwriter: PNC Capital Markets LLC
Trustee: U.S. Bank Trust Company, National Association

FOR REFUNDING 2013 BONDS ONLY

Bond issue being refinanced: City of Lyndon, Kentucky's \$35,265,000 Industrial Building Revenue Bond, Series 2013 (Goodwill Industries of Kentucky, Inc. Project)

Amount of outstanding principal \$14,344,437.50 Amount to be refunded: \$14,344,437.50

Terms of existing bond issue:

Net interest rate: 5.17375% (est. floating rate) Length of term: 9.75 yrs
(with Mandatory Tender 4/30/2025)

First call date: Anytime

Average annual debt service: \$1,763,250.00 plus accrued interest (est.)

REFUNDING ACTIVITY

Funds to apply to refunding

Proceeds from New Bonds: \$ 14,344,437.50
Released Debt Service Reserve: \$ 0.00

Total Available to Pay Prior Bonds : \$ 14,344,437.50

SAVINGS RESULTING FROM REFINANCING

Average annual debt service savings: N/A

Number of years savings will accrue: N/A

Total present value savings: N/A

PROFESSIONAL SERVICES

Payee Name/Address	Participation	Fees received* (est.)
PNC Capital Markets LLC 1600 Market Street Philadelphia, PA 19103	Underwriter	Underwriting Fee: \$2.00 per bond plus expenses Remarketing Fee: 10 basis points of bond value
Dinsmore & Shohl LLP 101 South Fifth Street Louisville, KY 40202	Underwriter's counsel	\$70,000
PNC Bank, National Association 101 South Fifth Street Louisville, KY 40202	Letter of credit provider	45 basis points of bond value

Stites & Harbison, PLLC 400 West Market Street, Suite 1800 Louisville, KY 40202	Counsel to letter of credit provider	\$57,500
KEDFA Old Capitol Annex 300 West Broadway Frankfort, KY 40601	Issuer	\$10,000
Stites & Harbison, PLLC 400 West Market Street, Suite 1800 Louisville, KY 40202	Issuer's counsel	\$27,500
ImageMaster	Printer	\$825
S&P Global Ratings	Rating Service	\$24,750
Frost Brown Todd, LLP 400 West Market Street Louisville, KY 40202	Bond counsel and Corporation counsel	\$175,000
Frost Brown Todd, LLP 400 West Market Street Louisville, KY 40202	Reimbursement for costs of publication of TEFRA hearing advertisements/adoption of referral resolutions	\$1,918.02
U.S. Bank NA One Financial Square Louisville, KY 40202	Bond trustee	\$12,000 one-time acceptance fee plus annual fee of \$2,500
Total		\$469,493.02

* 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.

Not more than 2% of Series 2025 Bond proceeds will be expended for costs of issuance. Costs of issuance above this limitation will be paid from equity of the Corporation.

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