Jefferson County School District

FINANCE ADVISORY COMMITTEE MEETING

JUNE 14, 2018

JCPS

Ross, Sinclaire & Associates, LLC

- Statutory Authority For Issuance of Bonds
- Bonding Potential
- Bond Rating Information
- Bond Issue Process

Statutory Authority for Bond Issuance

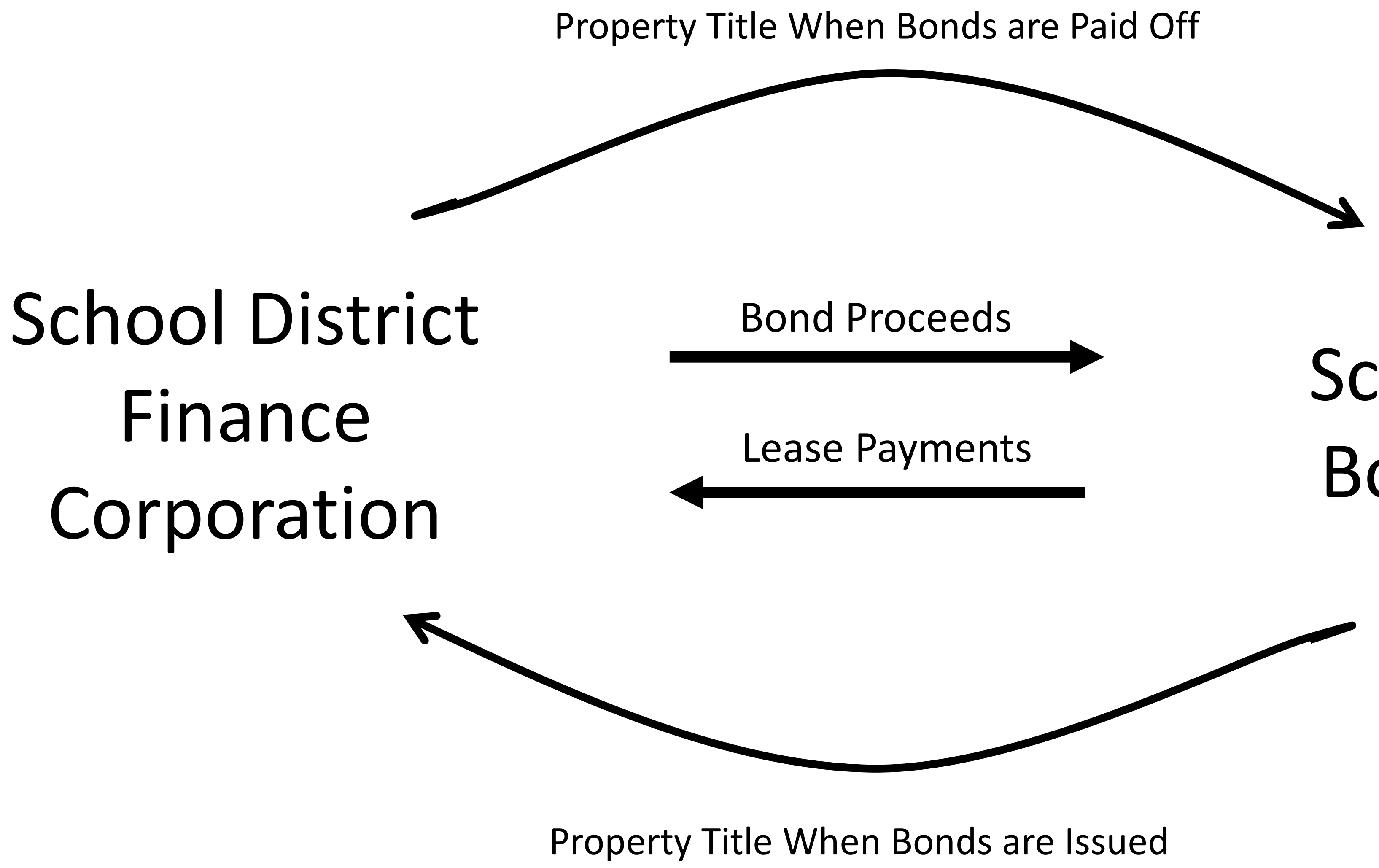
School districts in Kentucky issue bonds under the authority granted under KRS 162.385 and KRS 58.180

- Establishes the ability of a KY School District to issue bonds through a School District Finance Corporation
  - The District issues School Building Revenue Bonds through their Finance Corporation

- KY Schools are <u>not</u> authorized to issue General Obligation (GO) bonds backed by their taxing authority

Jefferson County School District Finance Corporation

- Formed August 24, 1988
- Created to "act as an agency and instrumentality and the constituted authority of the Board and thus accomplish a public purpose of the Board in the acquistion and financing of any public projects."
- By-laws state that the Corporation shall be governed by "the individuals from time to time holding the offices of Members of the Board of Education plus the Superintendent."


Property Title When Bonds are Paid Off
School District Finance Corporation
Bond Proceeds
Lease Payments
School Board
Property Title When Bonds are Issued

Other KY Regulatory Requirements

- KRS 160.160
  - Requires the approval of the KY Department of Education for any financing or mortgage, lien or other encumbrance
  - Requires public bidding of any financing
- 702 KAR 3:020
  - Requires the approval of the Commissioner of Education for any financing
  - Establishes the use of “Restricted Funds” for payment of debt service on bonds and the calculation of a district’s bonding potential

Bonding Potential

Jefferson County School District

Plan of Financing -- Bonding Potential

Date of Report: 6/11/2018

Summary of Outstanding Debt... 1

Summary of Funds for Bond Payments -- Current Funds Available................................ 2

Projected Bonding Potential (Current)... 3

District Outstanding Debt

JEFFERSON COUNTY SCHOOL DISTRICT FINANCE CORPORATION
OUTSTANDING LOCAL DEBT PAYMENTS

FISCAL YEAR	Series 2002A	QZAB 2008	Series 2009A	Series 2009B	Series 2009C	Series 2010A	Series 2010B	QSCB 2010C	QSCB 2011	Series 2012B	Series 2012C*	Series 2012D	Series 2013A	Series 2013B	Series 2013C	Series 2014	Series 2014B	Series 2015B	Series 2015C	Series 2016A	Series 2017A	Totals
2018	4,367,400	371,429	4,624,925	1,008,259	3,457,126	2,311,200	1,233,493	1,016,721	2,023,467	293,079	1,977,058	969,113	832,816	2,193,681	2,006,288	1,403,957	3,096,672	2,863,800	799,698	681,905	951,129	38,483,214
2019	4,368,700	371,429	4,625,738		3,411,926	2,215,150	1,603,305	1,016,721	2,023,467	294,580	2,008,855	989,863	824,817	2,120,431	2,597,163	1,403,489	3,291,077	2,849,500	793,573	666,406	1,568,375	39,044,561
2020	4,374,825	371,429				2,220,150	1,678,155	1,016,721	2,023,467	295,280	1,994,845	1,777,363	3,696,816	2,245,681	2,132,038	1,634,193	2,221,203	2,823,600	1,001,698	907,005	2,192,125	34,606,592
2021	4,379,950	371,429				2,297,700	1,654,920	1,016,721	2,023,467	285,168	1,980,455	1,806,363	3,701,216	2,243,680	1,842,038	1,611,949	2,150,549	3,090,300	979,198	962,705	2,213,500	34,611,307
2022	4,383,525	371,429					6,765,000	1,016,721	166,906	288,247	1,975,590	1,834,363	3,704,217	2,240,681	2,052,038	1,848,350		3,054,500	956,698	1,371,755	2,583,125	34,613,143
2023		371,429						1,016,721	0	285,178	1,960,250	1,855,488	3,700,816	3,211,831	2,521,538	1,816,240		3,943,200	1,177,948	1,631,730	3,400,000	26,892,367
2024								1,016,721	0	286,802	1,949,483	1,869,488	3,702,404	3,167,600	2,872,138	1,786,890		3,998,700	1,142,948	1,641,255	3,645,625	27,080,052
2025								1,016,721	0		1,938,240	1,881,988	3,707,191	3,113,000	2,760,038	1,757,888		4,449,000	1,107,948	1,617,205	3,737,000	27,086,218
2026								1,016,721	29,357			1,892,988		4,067,856	2,496,188	1,726,541		9,388,800	1,072,948	1,594,405	3,798,125	27,083,928
2027								1,016,721				1,902,488		4,223,763	2,496,856	1,716,239		9,225,900	1,041,448	1,532,706	3,927,500	27,083,620
2028								1,016,721				2,870,863			2,172,013	5,328,401			1,243,748	1,473,005	5,725,000	19,829,750
2029								1,016,721				2,872,738			2,173,725	5,383,241			1,240,648	1,410,055	5,735,750	19,832,877
2030								1,016,721				2,823,113			2,218,500	5,401,469			1,231,248	1,344,155	5,796,375	19,831,579
2031												3,250,463			2,808,900	5,026,038			1,235,648	1,303,430		13,624,477
2032												3,217,344			2,843,300	5,026,357			1,233,730	1,275,005		13,595,735
2033												3,229,688			2,828,400	4,992,190			1,235,285	1,285,818		13,571,381
2034															6,058,800	4,991,613			1,235,203	1,295,787		13,581,402
2035																			1,238,638	1,299,605		2,538,243
2036																			1,234,744	1,308,556		2,543,300
2037																				1,607,425		1,607,425
Totals	**21,874,400**	**2,228,571**	**9,250,663**	**1,008,259**	**6,869,052**	**9,044,200**	**12,934,873**	**13,217,373**	**8,290,130**	**2,028,334**	**15,784,775**	**35,043,706**	**23,870,292**	**28,828,204**	**44,879,956**	**52,855,045**	**10,759,502**	**45,687,300**	**21,202,989**	**26,209,919**	**45,273,629**	**437,141,172**

JEFFERSON COUNTY SCHOOL DISTRICT
SUMMARY OF FUNDS AVAILABLE

FYE	LOCAL NICKEL	CAPITAL OUTLAY @ 80%	FSPK	TOTAL LOCAL FUNDS	LESS CURRENT PAYMENTS	LOCAL FUNDS AVAILABLE	PRIOR SFCC OFFERS*	2016 SFCC OFFER	TOTAL FUNDS AVAILABLE
	------------- Restricted Funds -------------								
2019	38,722,490	6,913,976	0	45,636,466	(39,044,561)	6,591,905	36,331	235,377	6,863,612
2020	38,722,490	6,913,976	0	45,636,466	(34,606,592)	11,029,874	36,037	941,506	12,007,417
2021	38,722,490	6,913,976	0	45,636,466	(34,611,307)	11,025,159	34,641	941,506	12,001,306
2022	38,722,490	6,913,976	0	45,636,466	(34,613,143)	11,023,323	32,236	941,506	11,997,065
2023	38,722,490	6,913,976	0	45,636,466	(26,892,367)	18,744,099	33,810	941,506	19,719,415
2024	38,722,490	6,913,976	0	45,636,466	(27,080,052)	18,556,414	34,276	941,506	19,532,196
2025	38,722,490	6,913,976	0	45,636,466	(27,086,218)	18,550,248	33,826	941,506	19,525,579
2026	38,722,490	6,913,976	0	45,636,466	(27,083,928)	18,552,538	32,676	941,506	19,526,720
2027	38,722,490	6,913,976	0	45,636,466	(27,083,620)	18,552,846	35,776	941,506	19,530,128
2028	38,722,490	6,913,976	0	45,636,466	(19,829,750)	25,806,716	33,125	941,506	26,781,347
2029	38,722,490	6,913,976	0	45,636,466	(19,832,877)	25,803,589	34,389	941,506	26,779,484
2030	38,722,490	6,913,976	0	45,636,466	(19,831,579)	25,804,887	36,075	941,506	26,782,468
2031	38,722,490	6,913,976	0	45,636,466	(13,624,477)	32,011,989	0	941,506	32,953,495
2032	38,722,490	6,913,976	0	45,636,466	(13,595,735)	32,040,731	0	941,506	32,982,237
2033	38,722,490	6,913,976	0	45,636,466	(13,571,381)	32,065,085	0	941,506	33,006,591
2034	38,722,490	6,913,976	0	45,636,466	(13,581,402)	32,055,064	0	941,506	32,996,570
2035	38,722,490	6,913,976	0	45,636,466	(2,538,243)	43,098,223	0	941,506	44,039,729
2036	38,722,490	6,913,976	0	45,636,466	(2,543,300)	43,093,166	0	941,506	44,034,672
2037	38,722,490	6,913,976	0	45,636,466	(1,607,425)	44,029,041	0	941,506	44,970,547
2038	38,722,490	6,913,976	0	45,636,466	0	45,636,466	0	941,506	46,577,972
2039	38,722,490	6,913,976	0	45,636,466	0	45,636,466	0	706,130	46,342,596

NOTES: 1. Information based on asssessments of $74,466,327,664 and ADA of 86,974.685 per KDE Seek Website (2018-2018 FORECAST Data)
2. Prior SFCC Funds shown are savings from 2016 Refunding

Restricted Funds

- Local Nickel
  - $0.05 per $100 of assessed value
- Capital Outlay Fund
  - $100 per student (ADA)
- FSPK (Facilities Support Program Kentucky
  - Calculated biannually at a level to equalize every district at 150% of the statewide assessment per child

JEFFERSON COUNTY SCHOOL DISTRICT
SUMMARY OF FUNDS AVAILABLE

	------------- Restricted Funds -------------								
FYE	LOCAL NICKEL	CAPITAL OUTLAY @ 80%	FSPK	TOTAL LOCAL FUNDS	LESS CURRENT PAYMENTS	LOCAL FUNDS AVAILABLE	PRIOR SFCC OFFERS*	2016 SFCC OFFER	TOTAL FUNDS AVAILABLE
2019	38,722,490	6,913,976	0	45,636,466	(39,044,561)	6,591,905	36,331	235,377	6,863,612
2020	38,722,490	6,913,976	0	45,636,466	(34,606,592)	11,029,874	36,037	941,506	12,007,417
2021	38,722,490	6,913,976	0	45,636,466	(34,611,307)	11,025,159	34,641	941,506	12,001,306
2022	38,722,490	6,913,976	0	45,636,466	(34,613,143)	11,023,323	32,236	941,506	11,997,065
2023	38,722,490	6,913,976	0	45,636,466	(26,892,367)	18,744,099	33,810	941,506	19,719,415
2024	38,722,490	6,913,976	0	45,636,466	(27,080,052)	18,556,414	34,276	941,506	19,532,196
2025	38,722,490	6,913,976	0	45,636,466	(27,086,218)	18,550,248	33,826	941,506	19,525,579
2026	38,722,490	6,913,976	0	45,636,466	(27,083,928)	18,552,538	32,676	941,506	19,526,720
2027	38,722,490	6,913,976	0	45,636,466	(27,083,620)	18,552,846	35,776	941,506	19,530,128
2028	38,722,490	6,913,976	0	45,636,466	(19,829,750)	25,806,716	33,125	941,506	26,781,347
2029	38,722,490	6,913,976	0	45,636,466	(19,832,877)	25,803,589	34,389	941,506	26,779,484
2030	38,722,490	6,913,976	0	45,636,466	(19,831,579)	25,804,887	36,075	941,506	26,782,468
2031	38,722,490	6,913,976	0	45,636,466	(13,624,477)	32,011,989	0	941,506	32,953,495
2032	38,722,490	6,913,976	0	45,636,466	(13,595,735)	32,040,731	0	941,506	32,982,237
2033	38,722,490	6,913,976	0	45,636,466	(13,571,381)	32,065,085	0	941,506	33,006,591
2034	38,722,490	6,913,976	0	45,636,466	(13,581,402)	32,055,064	0	941,506	32,996,570
2035	38,722,490	6,913,976	0	45,636,466	(2,538,243)	43,098,223	0	941,506	44,039,729
2036	38,722,490	6,913,976	0	45,636,466	(2,543,300)	43,093,166	0	941,506	44,034,672
2037	38,722,490	6,913,976	0	45,636,466	(1,607,425)	44,029,041	0	941,506	44,970,547
2038	38,722,490	6,913,976	0	45,636,466	0	45,636,466	0	941,506	46,577,972
2039	38,722,490	6,913,976	0	45,636,466	0	45,636,466	0	706,130	46,342,596

NOTES: 1. Information based on asssessments of $74,466,327,664 and ADA of 86,974.685 per KDE Seek Website (2018-2018 FORECAST Data)

2. Prior SFCC Funds shown are savings from 2016 Refunding

JCPS

Ross, Sinclaire & Associates, LLC

SFCC Offers

School Facility Construction Commission

- Issued every 2 years
  - typically in January of even years
- Represent an amount that SFCC will pay toward debt service on an approved facility project
- Offers are good for 8 years

JEFFERSON COUNTY SCHOOL DISTRICT
SUMMARY OF FUNDS AVAILABLE

FYE	LOCAL NICKEL	CAPITAL OUTLAY @ 80%	FSPK	TOTAL LOCAL FUNDS	LESS CURRENT PAYMENTS	LOCAL FUNDS AVAILABLE	PRIOR SFCC OFFERS*	2016 SFCC OFFER	TOTAL FUNDS AVAILABLE
	------------- Restricted Funds -------------								
2019	38,722,490	6,913,976	0	45,636,466	(39,044,561)	6,591,905	36,331	235,377	6,863,612
2020	38,722,490	6,913,976	0	45,636,466	(34,606,592)	11,029,874	36,037	941,506	12,007,417
2021	38,722,490	6,913,976	0	45,636,466	(34,611,307)	11,025,159	34,641	941,506	12,001,306
2022	38,722,490	6,913,976	0	45,636,466	(34,613,143)	11,023,323	32,236	941,506	11,997,065
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2025	38,722,490	6,913,976	0	45,636,466	(27,086,218)	18,550,248	33,826	941,506	19,525,579
2026	38,722,490	6,913,976	0	45,636,466	(27,083,928)	18,552,538	32,676	941,506	19,526,720
2027	38,722,490	6,913,976	0	45,636,466	(27,083,620)	18,552,846	35,776	941,506	19,530,128
2028	38,722,490	6,913,976	0	45,636,466	(19,829,750)	25,806,716	33,125	941,506	26,781,347
2029	38,722,490	6,913,976	0	45,636,466	(19,832,877)	25,803,589	34,389	941,506	26,779,484
2030	38,722,490	6,913,976	0	45,636,466	(19,831,579)	25,804,887	36,075	941,506	26,782,468
2031	38,722,490	6,913,976	0	45,636,466	(13,624,477)	32,011,989	0	941,506	32,953,495
2032	38,722,490	6,913,976	0	45,636,466	(13,595,735)	32,040,731	0	941,506	32,982,237
2033	38,722,490	6,913,976	0	45,636,466	(13,571,381)	32,065,085	0	941,506	33,006,591
2034	38,722,490	6,913,976	0	45,636,466	(13,581,402)	32,055,064	0	941,506	32,996,570
2035	38,722,490	6,913,976	0	45,636,466	(2,538,243)	43,098,223	0	941,506	44,039,729
2036	38,722,490	6,913,976	0	45,636,466	(2,543,300)	43,093,166	0	941,506	44,034,672
2037	38,722,490	6,913,976	0	45,636,466	(1,607,425)	44,029,041	0	941,506	44,970,547
2038	38,722,490	6,913,976	0	45,636,466	0	45,636,466	0	941,506	46,577,972
2039	38,722,490	6,913,976	0	45,636,466	0	45,636,466	0	706,130	46,342,596

Funds available each year to pay for debt service on new bonds

NOTES: 1. Information based on asssessments of $74,466,327,664 and ADA of 86,974.685 per KDE Seek Website (2018-2018 FORECAST Data)
2. Prior SFCC Funds shown are savings from 2016 Refunding

JEFFERSON COUNTY SCHOOL DISTRICT
Projected Bonding Potential as of June 14, 2018

Jefferson County SD could issue up to $319,520,000 in bonds and be within their allowed bonding capacity

FY June 30	Principal Payment		Interest Payments	Total Payments	SFCC Portion	Local Portion	Current Payments	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
2019			5,724,528	5,724,528	271,708	5,452,821	39,044,561	44,497,382	45,636,466	1,139,084
2020	560,000	2.250%	11,442,756	12,002,756	977,543	11,025,213	34,606,592	45,631,805	45,636,466	4,661
2021	570,000	2.500%	11,429,331	11,999,331	976,147	11,023,185	34,611,307	45,634,491	45,636,466	1,975
2022	580,000	2.600%	11,414,666	11,994,666	973,742	11,020,925	34,613,143	45,634,067	45,636,466	2,399
2023	3,660,000	2.750%	11,356,801	15,016,801	975,316	14,041,485	26,892,367	40,933,852	45,636,466	4,702,614
2024	3,575,000	2.875%	11,255,086	14,830,086	975,782	13,854,304	27,080,052	40,934,356	45,636,466	4,702,110
2025	3,675,000	3.000%	11,148,570	14,823,570	975,332	13,848,238	27,086,218	40,934,457	45,636,466	4,702,009
2026	3,790,000	3.125%	11,034,226	14,824,226	974,182	13,850,044	27,083,928	40,933,972	45,636,466	4,702,494
2027	3,915,000	3.125%	10,913,836	14,828,836	977,282	13,851,554	27,083,620	40,935,174	45,636,466	4,701,292
2028	11,405,000	3.125%	10,674,461	22,079,461	974,631	21,104,830	19,829,750	40,934,579	45,636,466	4,701,887
2029	11,770,000	3.200%	10,307,938	22,077,938	975,895	21,102,043	19,832,877	40,934,920	45,636,466	4,701,546
2030	12,160,000	3.300%	9,918,978	22,078,978	977,581	21,101,396	19,831,579	40,932,976	45,636,466	4,703,490
2031	18,855,000	3.400%	9,397,803	28,252,803	941,506	27,311,297	13,624,477	40,935,774	45,636,466	4,700,692
2032	19,545,000	3.500%	8,735,230	28,280,230	941,506	27,338,724	13,595,735	40,934,459	45,636,466	4,702,007
2033	20,270,000	3.550%	8,033,400	28,303,400	941,506	27,361,894	13,571,381	40,933,275	45,636,466	4,703,191
2034	21,000,000	3.600%	7,295,608	28,295,608	941,506	27,354,102	13,581,402	40,935,504	45,636,466	4,700,962
2035	33,020,000	3.650%	6,314,993	39,334,993	941,506	38,393,487	2,538,243	40,931,729	45,636,466	4,704,737
2036	34,255,000	3.700%	5,078,660	39,333,660	941,506	38,392,154	2,543,300	40,935,454	45,636,466	4,701,012
2037	36,510,000	3.750%	3,760,380	40,270,380	941,506	39,328,874	1,607,425	40,936,299	45,636,466	4,700,167
2038	39,550,000	3.800%	2,324,368	41,874,368	941,506	40,932,862	0	40,932,862	45,636,466	4,703,605
2039	40,855,000	3.850%	786,459	41,641,459	706,130	40,935,329	0	40,935,329	45,636,466	4,701,137
TOTALS	319,520,000		178,348,075	497,868,075	19,243,317	478,624,758	398,657,958	877,282,716		81,083,070

District would have approximately 4,700,000 available for new bonds starting in FY 2023

NOTE: Information based on an issue dated 07/01/18 with payments starting 01/01/19

How Can JCPS's Bonding Potential Go Up?

What Impacts Your Bonding Potential?

Revenue – Existing Debt = Funds to Pay for New Debt Service

Revenue Up or Existing Debt Down = More Revenue to Pay for Debt Service (Bonding Potential Up)

Revenue Down or Existing Debt Up = Less Revenue to Pay for Debt Service (Bonding Potential Down)

Check for Refundings!

JEFFERSON COUNTY SCHOOL DISTRICT FINANCE CORPORATION
OUTSTANDING LOCAL DEBT PAYMENTS

FISCAL YEAR	Series 2002A	QZAB 2008	Series 2009A	Series 2009B	Series 2009C	Series 2010A	Series 2010B	QSCB 2010C	QSCB 2011	Series 2012B	Series 2012C*	Series 2012D	Series 2013A	Series 2013B	Series 2013C	Series 2014	Series 2014B	Series 2015B	Series 2015C	Series 2016A	Series 2017A	Totals
2018	4,367,400	371,429	4,624,925	1,008,259	3,457,126	2,311,200	1,233,493	1,016,721	2,023,467	293,079	1,977,058	969,113	832,816	2,193,681	2,006,288	1,403,957	3,096,672	2,863,800	799,698	681,905	951,129	38,483,214
2019	4,368,700	371,429	4,625,738		3,411,926	2,215,150	1,603,305	1,016,721	2,023,467	294,580	2,008,855	989,863	824,817	2,120,431	2,597,163	1,403,489	3,291,077	2,849,500	793,573	666,406	1,568,375	39,044,561
2020	4,374,825	371,429				2,220,150	1,678,155	1,016,721	2,023,467	295,280	1,994,845	1,777,363	3,696,816	2,245,681	2,132,038	1,634,193	2,221,203	2,823,600	1,001,698	907,005	2,192,125	34,606,592
2021	4,379,950	371,429				2,297,700	1,654,920	1,016,721	2,023,467	285,168	1,980,455	1,806,363	3,701,216	2,243,680	1,842,038	1,611,949	2,150,549	3,090,300	979,198	962,705	2,213,500	34,611,307
2022	4,383,525	371,429					6,765,000	1,016,721	166,906	288,247	1,975,590	1,834,363	3,704,217	2,240,681	2,052,038	1,848,350		3,054,500	956,698	1,371,755	2,583,125	34,613,143
2023		371,429						1,016,721	0	285,178	1,960,250	1,855,488	3,700,816	3,211,831	2,521,538	1,816,240		3,943,200	1,177,948	1,631,730	3,400,000	26,892,367
2024								1,016,721	0	286,802	1,949,483	1,869,488	3,702,404	3,167,600	2,872,138	1,786,890		3,998,700	1,142,948	1,641,255	3,645,625	27,080,052
2025								1,016,721	0		1,938,240	1,881,988	3,707,191	3,113,000	2,760,038	1,757,888		4,449,000	1,107,948	1,617,205	3,737,000	27,086,218
2026								1,016,721	29,357			1,892,988		4,067,856	2,496,188	1,726,541		9,388,800	1,072,948	1,594,405	3,798,125	27,083,928
2027								1,016,721				1,902,488		4,223,763	2,496,856	1,716,239		9,225,900	1,041,448	1,532,706	3,927,500	27,083,620
2028								1,016,721				2,870,863			2,172,013	5,328,401			1,243,748	1,473,005	5,725,000	19,829,750
2029								1,016,721				2,872,738			2,173,725	5,383,241			1,240,648	1,410,055	5,735,750	19,832,877
2030								1,016,721				2,823,113			2,218,500	5,401,469			1,231,248	1,344,155	5,796,375	19,831,579
2031												3,250,463			2,808,900	5,026,038			1,235,648	1,303,430		13,624,477
2032												3,217,344			2,843,300	5,026,357			1,233,730	1,275,005		13,595,735
2033												3,229,688			2,828,400	4,992,190			1,235,285	1,285,818		13,571,381
2034															6,058,800	4,991,613			1,235,203	1,295,787		13,581,402
2035																			1,238,638	1,299,605		2,538,243
2036																			1,234,744	1,308,556		2,543,300
2037																				1,607,425		1,607,425
Totals	***21,874,400***	***2,228,571***	***9,250,663***	***1,008,259***	***6,869,052***	***9,044,200***	***12,934,873***	***13,217,373***	***8,290,130***	***2,028,334***	***15,784,775***	***35,043,706***	***23,870,292***	***28,828,204***	***44,879,956***	***52,855,045***	***10,759,502***	***45,687,300***	***21,202,989***	***26,209,919***	***45,273,629***	***437,141,172***

Can of these Issues be Refunded?

- Refunding bond issues lowers annual debt service

Time Can Help!

JEFFERSON COUNTY SCHOOL DISTRICT

Projected Bonding Potential as of June 14, 2017

FY June 30	Principal Payment		Interest Payments	Total Payments	SFCC Portion	Local Portion	Current Payments	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
2018			3,516,079	3,516,079	271,708	3,244,371	38,483,214	41,727,585	45,636,466	3,908,881
2019	540,000	2.250%	7,026,083	7,566,083	977,543	6,588,539	39,044,561	45,633,100	45,636,466	3,366
2020	550,000	2.500%	7,013,133	7,563,133	976,147	6,586,986	34,606,592	41,193,578	45,636,466	4,442,888
2021	560,000	2.600%	6,998,978	7,558,978	973,742	6,585,236	34,611,307	41,196,542	45,636,466	4,439,924
2022	570,000	2.750%	6,983,860	7,553,860	975,316	6,578,544	34,613,143	41,191,687	45,636,466	4,444,779
2023	580,000	2.875%	6,967,685	7,547,685	975,782	6,571,903	26,892,367	33,464,270	45,636,466	12,172,196
2024	590,000	3.000%	6,950,498	7,540,498	975,332	6,565,166	27,080,052	33,645,217	45,636,466	11,991,249
2025	600,000	3.125%	6,932,273	7,532,273	974,182	6,558,091	27,086,218	33,644,309	45,636,466	11,992,157
2026	610,000	3.125%	6,913,366	7,523,366	977,282	6,546,084	27,083,928	33,630,012	45,636,466	12,006,454
2027	620,000	3.125%	6,894,148	7,514,148	974,631	6,539,516	27,083,620	33,623,137	45,636,466	12,013,329
2028	7,430,000	3.200%	6,765,580	14,195,580	975,895	13,219,685	19,829,750	33,049,435	45,636,466	12,587,031
2029	7,675,000	3.300%	6,520,063	14,195,063	977,581	13,217,481	19,832,877	33,050,358	45,636,466	12,586,108
2030	7,900,000	3.400%	6,259,125	14,159,125	941,506	13,217,619	19,831,579	33,049,198	45,636,466	12,587,268
2031	14,495,000	3.500%	5,871,163	20,366,163	941,506	19,424,657	13,624,477	33,049,134	45,636,466	12,587,332
2032	15,045,000	3.550%	5,350,451	20,395,451	941,506	19,453,945	13,595,735	33,049,681	45,636,466	12,586,785
2033	15,620,000	3.600%	4,802,243	20,422,243	941,506	19,480,737	13,571,381	33,052,118	45,636,466	12,584,348
2034	16,185,000	3.650%	4,225,706	20,410,706	941,506	19,469,200	13,581,402	33,050,603	45,636,466	12,585,863
2035	24,040,000	3.700%	3,485,590	27,525,590	941,506	26,584,084	2,538,243	29,122,327	45,636,466	16,514,139
2036	25,100,000	3.750%	2,570,225	27,670,225	941,506	26,728,719	2,543,300	29,272,019	45,636,466	16,364,447
2037	26,175,000	3.800%	1,602,275	27,777,275	941,506	26,835,769	1,607,425	28,443,194	45,636,466	17,193,272
2038	28,700,000	3.850%	552,475	29,252,475	706,130	28,546,346	0	28,546,346	45,636,466	17,090,121
TOTALS	193,585,000		114,200,995	307,785,995	19,243,317	288,542,678	437,141,172	725,683,850		232,681,936

NOTE: Information based on an issue dated 07/01/17 with payments starting 01/01/18

JEFFERSON COUNTY SCHOOL DISTRICT

Projected Bonding Potential as of June 14, 2018

FY June 30	Principal Payment		Interest Payments	Total Payments	SFCC Portion	Local Portion	Current Payments	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
2019			5,724,528	5,724,528	271,708	5,452,821	39,044,561	44,497,382	45,636,466	1,139,084
2020	560,000	2.250%	11,442,756	12,002,756	977,543	11,025,213	34,606,592	45,631,805	45,636,466	4,661
2021	570,000	2.500%	11,429,331	11,999,331	976,147	11,023,185	34,611,307	45,634,491	45,636,466	1,975
2022	580,000	2.600%	11,414,666	11,994,666	973,742	11,020,925	34,613,143	45,634,067	45,636,466	2,399
2023	3,660,000	2.750%	11,356,801	15,016,801	975,316	14,041,485	26,892,367	40,933,852	45,636,466	4,702,614
2024	3,575,000	2.875%	11,255,086	14,830,086	975,782	13,854,304	27,080,052	40,934,356	45,636,466	4,702,110
2025	3,675,000	3.000%	11,148,570	14,823,570	975,332	13,848,238	27,086,218	40,934,457	45,636,466	4,702,009
2026	3,790,000	3.125%	11,034,226	14,824,226	974,182	13,850,044	27,083,928	40,933,972	45,636,466	4,702,494
2027	3,915,000	3.125%	10,913,836	14,828,836	977,282	13,851,554	27,083,620	40,935,174	45,636,466	4,701,292
2028	11,405,000	3.125%	10,674,461	22,079,461	974,631	21,104,830	19,829,750	40,934,579	45,636,466	4,701,887
2029	11,770,000	3.200%	10,307,938	22,077,938	975,895	21,102,043	19,832,877	40,934,920	45,636,466	4,701,546
2030	12,160,000	3.300%	9,918,978	22,078,978	977,581	21,101,396	19,831,579	40,932,976	45,636,466	4,703,490
2031	18,855,000	3.400%	9,397,803	28,252,803	941,506	27,311,297	13,624,477	40,935,774	45,636,466	4,700,692
2032	19,545,000	3.500%	8,735,230	28,280,230	941,506	27,338,724	13,595,735	40,934,459	45,636,466	4,702,007
2033	20,270,000	3.550%	8,033,400	28,303,400	941,506	27,361,894	13,571,381	40,933,275	45,636,466	4,703,191
2034	21,000,000	3.600%	7,295,608	28,295,608	941,506	27,354,102	13,581,402	40,935,504	45,636,466	4,700,962
2035	33,020,000	3.650%	6,314,993	39,334,993	941,506	38,393,487	2,538,243	40,931,729	45,636,466	4,704,737
2036	34,255,000	3.700%	5,078,660	39,333,660	941,506	38,392,154	2,543,300	40,935,454	45,636,466	4,701,012
2037	36,510,000	3.750%	3,760,380	40,270,380	941,506	39,328,874	1,607,425	40,936,299	45,636,466	4,700,167
2038	39,550,000	3.800%	2,324,368	41,874,368	941,506	40,932,862	0	40,932,862	45,636,466	4,703,605
2039	40,855,000	3.850%	786,459	41,641,459	706,130	40,935,329	0	40,935,329	45,636,466	4,701,137
TOTALS	319,520,000		178,348,075	497,868,075	19,243,317	478,624,758	398,657,958	877,282,716		81,083,070

NOTE: Information based on an issue dated 07/01/18 with payments starting 01/01/19

Bonding Potential went from $193,585,000 to $319,520,000 in one year !

JCPS

Ross, Sinclaire & Associates, LLC

Assessment Growth Can Help

- Local Nickel is \$0.05 per \$100 of assessed value
  - District realizes 100% of assessment growth in the building fund
    - Not limited to 4% cap
    - If assessments go up 7% the value of the nickel will go up 7%
    - District would also realize the full decline in a nickel
      - 7% decline in assessments would result in 7% decline in nickel

Interest Rate Changes

JEFFERSON COUNTY SCHOOL DISTRICT

Projected Bonding Potential as of June 14, 2018

FY June 30	Principal Payment		Interest Payments	Total Payments	SFCC Portion	Local Portion	Current Payments	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
2019			5,724,528	5,724,528	271,708	5,452,821	39,044,561	44,497,382	45,636,466	1,139,084
2020	560,000	2.250%	11,442,756	12,002,756	977,543	11,025,213	34,606,592	45,631,805	45,636,466	4,661
2021	570,000	2.500%	11,429,331	11,999,331	976,147	11,023,185	34,611,307	45,634,491	45,636,466	1,975
2022	580,000	2.600%	11,414,666	11,994,666	973,742	11,020,925	34,613,143	45,634,067	45,636,466	2,399
2023	3,660,000	2.750%	11,356,801	15,016,801	975,316	14,041,485	26,892,367	40,933,852	45,636,466	4,702,614
2024	3,575,000	2.875%	11,255,086	14,830,086	975,782	13,854,304	27,080,052	40,934,356	45,636,466	4,702,110
2025	3,675,000	3.000%	11,148,570	14,823,570	975,332	13,848,238	27,086,218	40,934,457	45,636,466	4,702,009
2026	3,790,000	3.125%	11,034,226	14,824,226	974,182	13,850,044	27,083,928	40,933,972	45,636,466	4,702,494
2027	3,915,000	3.125%	10,913,836	14,828,836	977,282	13,851,554	27,083,620	40,935,174	45,636,466	4,701,292
2028	11,405,000	3.125%	10,674,461	22,079,461	974,631	21,104,830	19,829,750	40,934,579	45,636,466	4,701,887
2029	11,770,000	3.200%	10,307,938	22,077,938	975,895	21,102,043	19,832,877	40,934,920	45,636,466	4,701,546
2030	12,160,000	3.300%	9,918,978	22,078,978	977,581	21,101,396	19,831,579	40,932,976	45,636,466	4,703,490
2031	18,855,000	3.400%	9,397,803	28,252,803	941,506	27,311,297	13,624,477	40,935,774	45,636,466	4,700,692
2032	19,545,000	3.500%	8,735,230	28,280,230	941,506	27,338,724	13,595,735	40,934,459	45,636,466	4,702,007
2033	20,270,000	3.550%	8,033,400	28,303,400	941,506	27,361,894	13,571,381	40,933,275	45,636,466	4,703,191
2034	21,000,000	3.600%	7,295,608	28,295,608	941,506	27,354,102	13,581,402	40,935,504	45,636,466	4,700,962
2035	33,020,000	3.650%	6,314,993	39,334,993	941,506	38,393,487	2,538,243	40,931,729	45,636,466	4,704,737
2036	34,255,000	3.700%	5,078,660	39,333,660	941,506	38,392,154	2,543,300	40,935,454	45,636,466	4,701,012
2037	36,510,000	3.750%	3,760,380	40,270,380	941,506	39,328,874	1,607,425	40,936,299	45,636,466	4,700,167
2038	39,550,000	3.800%	2,324,368	41,874,368	941,506	40,932,862	0	40,932,862	45,636,466	4,703,605
2039	40,855,000	3.850%	786,459	41,641,459	706,130	40,935,329	0	40,935,329	45,636,466	4,701,137
TOTALS	319,520,000		178,348,075	497,868,075	19,243,317	478,624,758	398,657,958	877,282,716		81,083,070

NOTE: Information based on an issue dated 07/01/18 with payments starting 01/01/19

JEFFERSON COUNTY SCHOOL DISTRICT

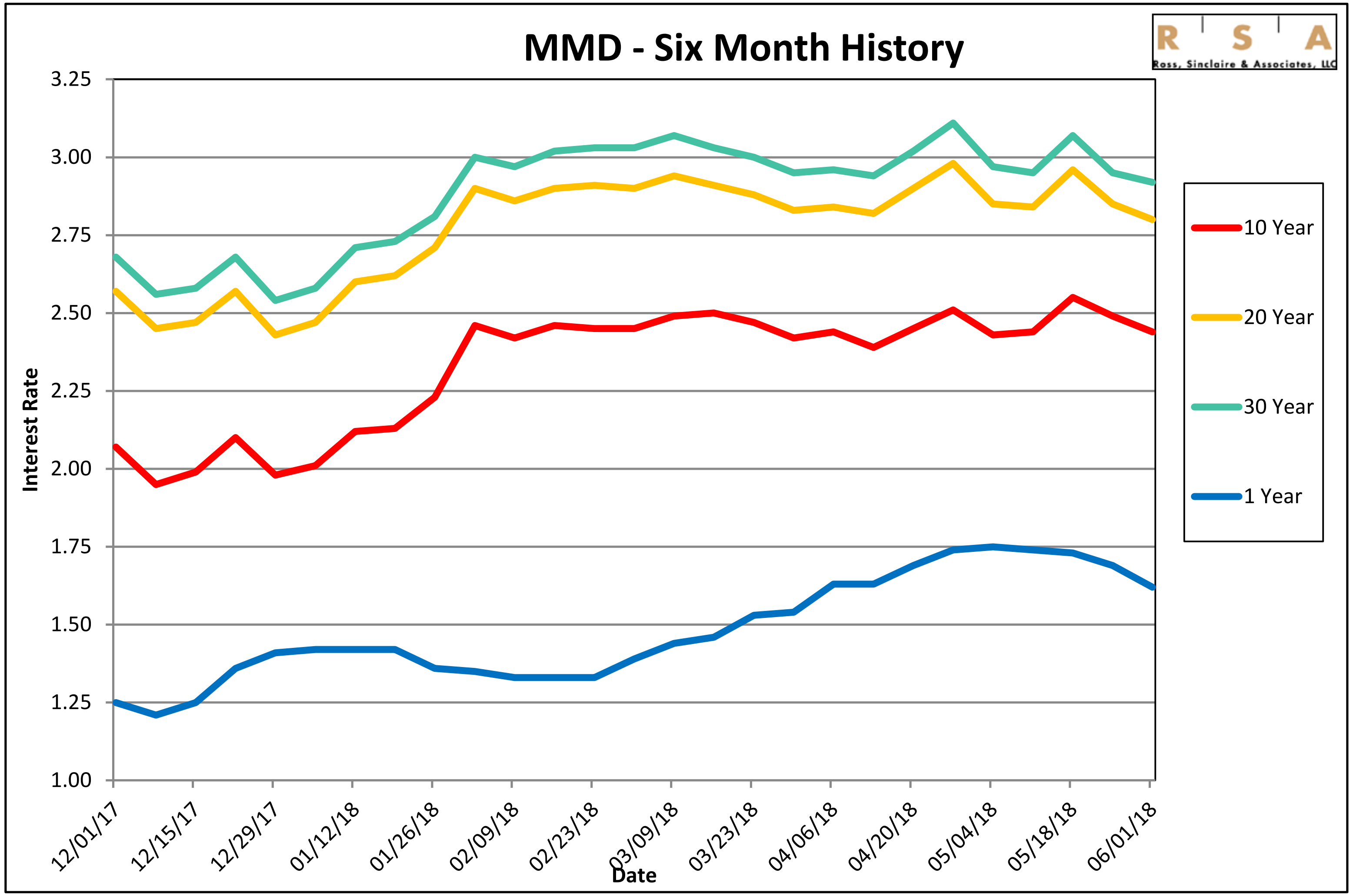
Projected Bonding Potential as of June 14, 2018 -- Current Rates + 30 bps

FY June 30	Principal Payment		Interest Payments	Total Payments	SFCC Portion	Local Portion	Current Payments	Projected All Local Payments Outstanding	Local Funds Available	Funds Available For Future Projects
2019			5,716,609	5,716,609	271,708	5,444,901	39,044,561	44,489,462	45,636,466	1,147,004
2020	580,000	2.550%	11,425,823	12,005,823	977,543	11,028,279	34,606,592	45,634,871	45,636,466	1,595
2021	590,000	2.800%	11,410,168	12,000,168	976,147	11,024,021	34,611,307	45,635,328	45,636,466	1,138
2022	600,000	2.900%	11,393,208	11,993,208	973,742	11,019,466	34,613,143	45,632,609	45,636,466	3,857
2023	2,075,000	3.050%	11,352,864	13,427,864	975,316	12,452,548	26,892,367	39,344,915	45,636,466	6,291,551
2024	2,145,000	3.175%	11,287,168	13,432,168	975,782	12,456,387	27,080,052	39,536,438	45,636,466	6,100,028
2025	2,205,000	3.300%	11,216,734	13,421,734	975,332	12,446,402	27,086,218	39,532,620	45,636,466	6,103,846
2026	2,285,000	3.425%	11,141,221	13,426,221	974,182	12,452,039	27,083,928	39,535,966	45,636,466	6,100,500
2027	2,365,000	3.425%	11,061,589	13,426,589	977,282	12,449,307	27,083,620	39,532,928	45,636,466	6,103,538
2028	9,825,000	3.425%	10,852,836	20,677,836	974,631	19,703,205	19,829,750	39,532,954	45,636,466	6,103,512
2029	10,170,000	3.500%	10,506,608	20,676,608	975,895	19,700,713	19,832,877	39,533,590	45,636,466	6,102,876
2030	10,540,000	3.600%	10,138,913	20,678,913	977,581	19,701,331	19,831,579	39,532,911	45,636,466	6,103,555
2031	17,220,000	3.700%	9,630,623	26,850,623	941,506	25,909,117	13,624,477	39,533,594	45,636,466	6,102,872
2032	17,910,000	3.800%	8,971,763	26,881,763	941,506	25,940,257	13,595,735	39,535,992	45,636,466	6,100,474
2033	18,630,000	3.850%	8,272,845	26,902,845	941,506	25,961,339	13,571,381	39,532,720	45,636,466	6,103,746
2034	19,355,000	3.900%	7,536,795	26,891,795	941,506	25,950,289	13,581,402	39,531,691	45,636,466	6,104,775
2035	31,400,000	3.950%	6,539,223	37,939,223	941,506	36,997,717	2,538,243	39,535,959	45,636,466	6,100,507
2036	32,665,000	4.000%	5,265,773	37,930,773	941,506	36,989,267	2,543,300	39,532,567	45,636,466	6,103,899
2037	34,965,000	4.050%	3,904,431	38,869,431	941,506	37,927,925	1,607,425	39,535,350	45,636,466	6,101,116
2038	38,060,000	4.100%	2,416,160	40,476,160	941,506	39,534,654	0	39,534,654	45,636,466	6,101,812
2039	39,420,000	4.150%	817,965	40,237,965	706,130	39,531,836	0	39,531,836	45,636,466	6,104,631
TOTALS	293,005,000		180,859,314	473,864,314	19,243,317	454,620,997	398,657,958	853,278,955		105,086,831

NOTE: Information based on an issue dated 07/01/18 with payments starting 01/01/19

- A basis point is 0.01%
  - 2.30% is 30 basis points higher than 2.00%
- 30 basis point increase in interest rates reduced bonding capacity by $26,515,000

Interest Rate Changes



The MMD scale has fluctuated approximately 40 – 50 basis points over the last 6 months

Additional Nickels

Additional Nickels for any purpose (building or general fund) have to be authorized by the General Assembly

- On 2 occasions previously authorized levy of a "Growth Nickel" for Districts that met certain criteria for ADA growth
  - Were only allowed to be levied within a certain time frame – not currently available
- Legislature also previously authorized two other nickels
  - Urgent Need and Equalized Facility Funding Nickel
    - Both were one time authorizations

- Districts currently can levy a "Recallable Nickel"
  - Board passes nickel levy
    - Public can "recall" the levy by obtaining signatures on a petition
      - If petition is successful the levy is put on the ballot
    - Historically the levy will receive additional "equalization"
      - Board receives an additional FSPK allocation
      - Not clear if General Assembly will continue with additional equalization

Other Additional Revenue

KRS 160.593 and 160.613 allows school districts the ability to levy a utility gross receipts tax

- Rate not to exceed 3%
  - Gross Receipts are defined as "all amounts received in money, credits, property, or other money's worth in any form, as consideration for the furnishing of utility services"
  - Utility Services means the furnishing of communication services, electric power, water, and natural, artificial and mixed gas
    - Statutes were amended to include cable, satellite and internet providers

- Levy is subject to same recall provisions as the recallable nickel

Bond Ratings

Current Bond Ratings

	Moody's	S&P
Jefferson County Schools	Aa3	AA-
KY State Intercept Rating	A1	A-

KY State Intercept rating is tied to the Kentucky state credit rating and is available to any KY public school bond issue

Summary of last Moody's Rating Report

- Credit Strengths
  - Large and regionally significant tax base
  - Stable enrollment
  - Manageable debt burden
- Credit Challenges
  - Low financial reserves for the rating category

- Factors that could lead to an Upgrade
  - Trend of operating surpluses leading to significantly improved available reserves and liquidity
  - Substantial tax base expansion and improved wealth indices
- Factors that could lead to a Downgrade
  - Erosion of financial reserves or liquidity

Summary of last S&P Rating Report

- Credit Strengths
  - Broad and diverse local economy, anchored by the Louisville metropolitan statistical area (MSA)
  - Very strong per capita market value
  - Strong available reserves, with good financial management practices
  - Low overall debt burden
- Credit Challenges
  - Median income levels below the national averages
  - Underfunded pensions
- Factors that could lead to an Upgrade
  - If economic indicators and reserves improve to those of higher rated peers
- Factors that could lead to a Downgrade
  - If budgetary performance weakens and impairs the budgetary flexibility to the point where we feel it no longer compares to similarly rated peers

Moody's Rating Methodology

EXHIBIT 1

Scorecard Factors and Weights

Local Governments

Broad Rating Factors	Factor Weighting	Rating Sub-factors	Sub-factor Weighting
Economy/Tax Base	30%	Tax Base Size (full value)	10%
		Full Value Per Capita	10%
		Wealth (median family income)	10%
Finances	30%	Fund Balance (% of revenues)	10%
		Fund Balance Trend (5-year change)	5%
		Cash Balance (% of revenues)	10%
		Cash Balance Trend (5-year change)	5%
Management	20%	Institutional Framework	10%
		Operating History	10%
Debt/Pensions	20%	Debt to Full Value	5%
		Debt to Revenue	5%
		Moody's-adjusted Net Pension Liability (3-year average) to Full Value	5%
		Moody's-adjusted Net Pension Liability (3-year average) to Revenue	5%

Bond Issue Process

Task	Personnel Responsible
Project determination (renovation or refunding)	District / Fiscal Agents / AE
Data compiled and project scope determined	District / FA / AE
Proposed bond issue sent to State Oversight Committee	FA / SFCC (?)
Resolutions prepared for board meeting	Bond Counsel / FA / District
Board approves resolutions	District / Bond Counsel / FA
Bond sale docs prepared	District / Bond Counsel / FA
Bond sale docs sent to KDE for approval	FA
Bonds sale held	District / Bond Counsel / FA
Bond sale closed (typically 3 weeks after sale)	District / Bond Counsel / FA

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