

Woodford County Schools Bonding Capacity Update – Public Forum

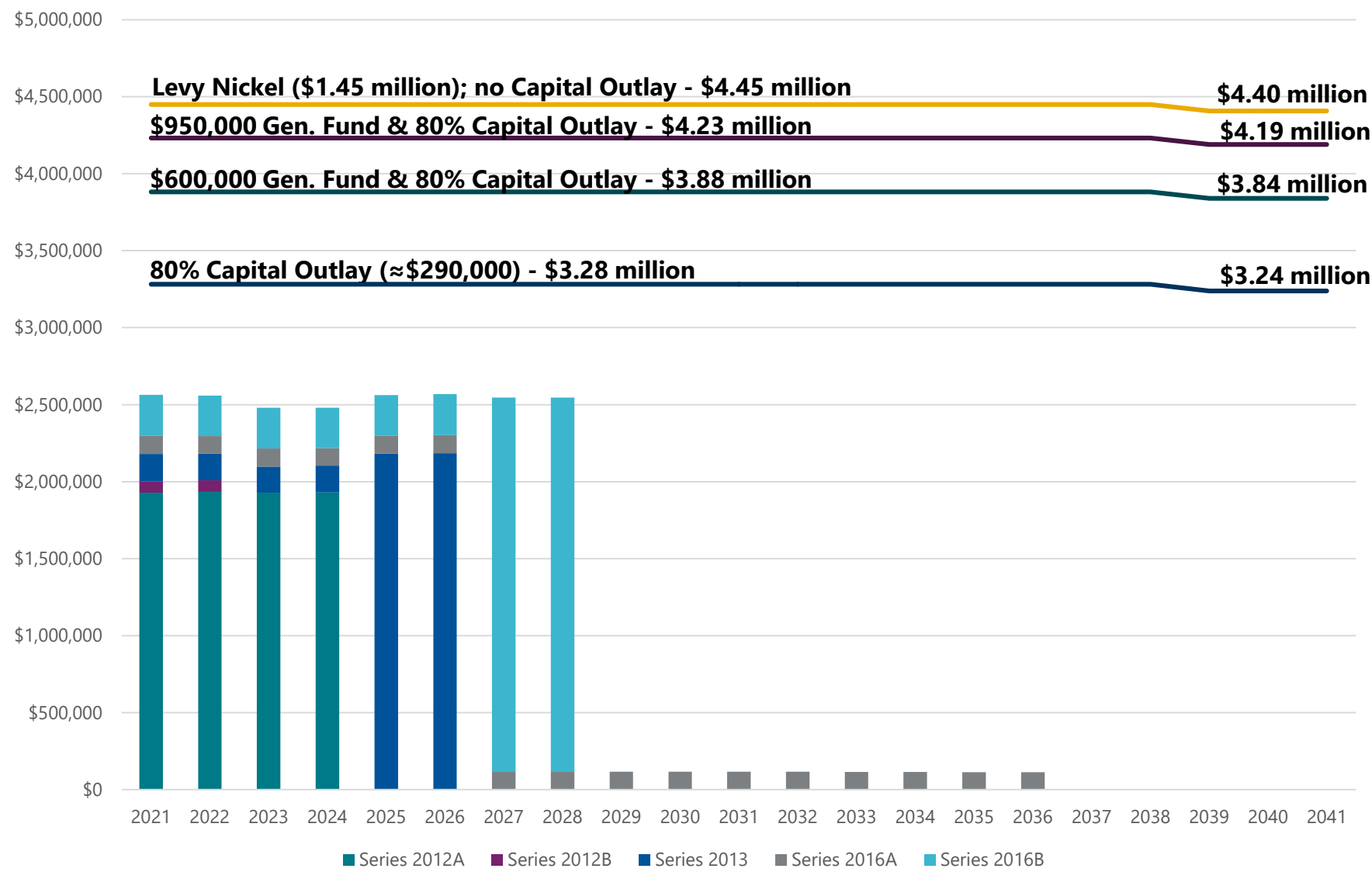
BAIRD



March 2020

Robert W. Baird & Co. Incorporated is providing this information to you for discussion purposes only in seeking to serve as a financial advisor or municipal advisor to you on a possible issuance of municipal securities. Baird is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board ("MSRB"). A financial advisor or municipal advisor is subject to a fiduciary duty, including a duty of care and a duty of loyalty, and is required to act solely in the best interests of the client. See "Important Disclosures" contained herein.

Existing Debt Service Payments with Various Bondable Revenue Scenarios



Bonding Capacity Update

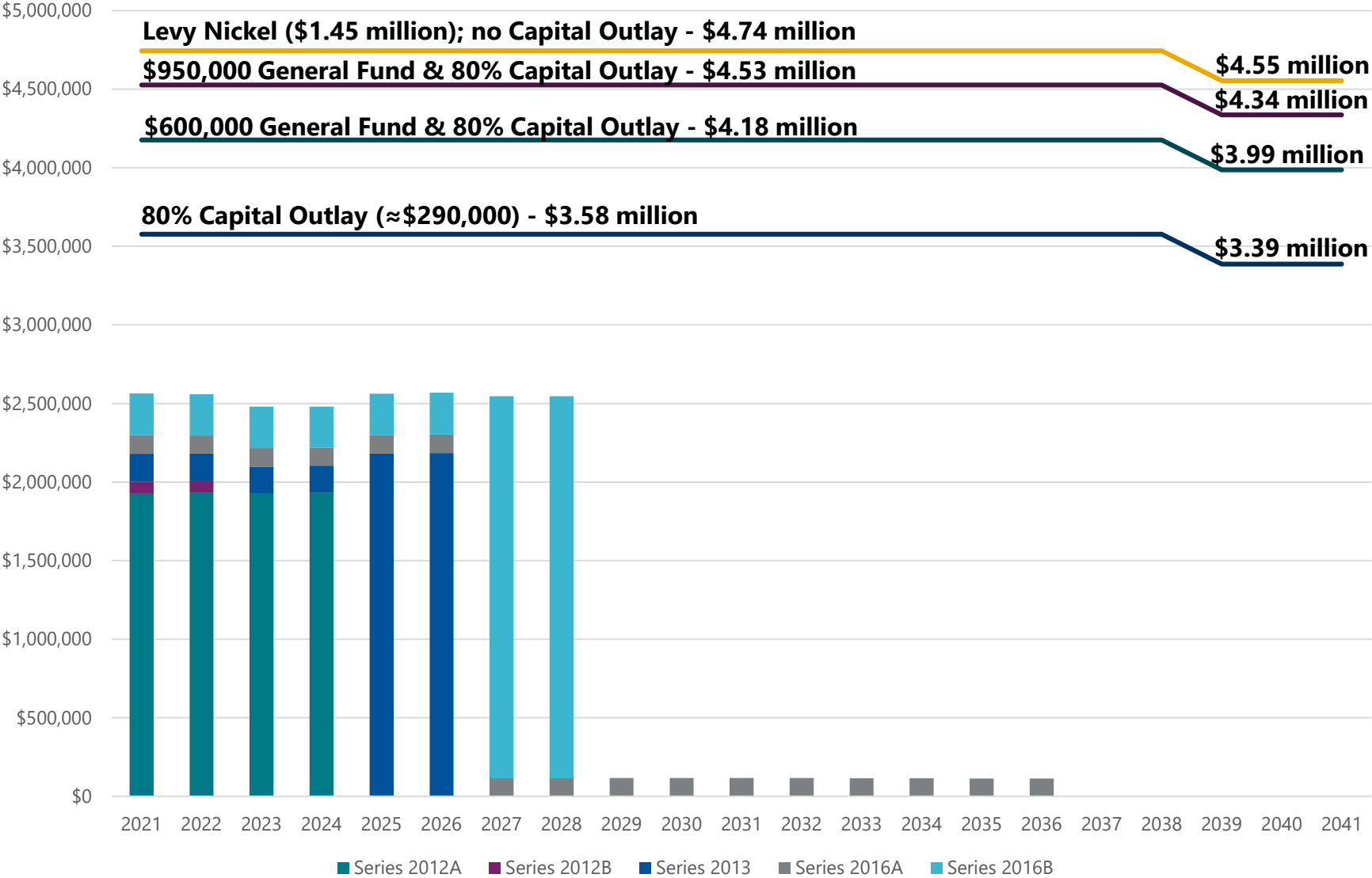
Revenue	SFCC	District	Total
Levy Additional Nickel; No Capital Outlay	\$2.0 million	\$52.0 million	\$54.0 million
\$600,000 General Fund Commitment; 80% Capital Outlay	\$2.0 million	\$43.1 million	\$45.1 million
\$950,000 General Fund Commitment; 80% Capital Outlay	\$2.0 million	\$48.6 million	\$50.6 million
No General Fund Commitment; 80% Capital Outlay	\$2.0 million	\$28.4 million	\$30.4 million

Facilities Support Program of Kentucky ("FSPK")

- Funding source from the State
 - Restricted funds
- Authorized in 1990; statute
- FSPK Equalization funds are meant to equalize funding for districts that have low property assessments
 - Current rate - \$417 per student
 - Proposed rate - \$458 per student

FSPK Equalization Rates		
Year	Rate	% Change
2020-22	\$458.00	9.8%
2018-20	417.00	6.5%
2016-18	391.50	4.5%
2014-16	374.50	3.3%
2012-14	362.50	-1.5%
2010-12	368.00	3.2%
2008-10	356.50	11.9%
2006-08	318.50	8.5%
2004-06	293.50	7.7%

Impact of Proposed State FSPK Funding on Bondable Revenue



Bonding Capacity Update with Proposed FSPK Revenue and New SFCC Offer of Assistance

BAIRD

Revenue	SFCC	District	Total
Levy Additional Nickel; No Capital Outlay	\$2.2 million	\$56.4 million	\$58.6 million
\$600,000 General Fund Commitment; 80% Capital Outlay	\$2.2 million	\$47.5 million	\$49.7 million
\$950,000 General Fund Commitment; 80% Capital Outlay	\$2.2 million	\$53.0 million	\$55.2 million
No General Fund Commitment; 80% Capital Outlay	\$2.2 million	\$38.1 million	\$40.3 million

Factors that Affect Bonding Capacity

REVENUES

- Legislative issues (other Nickels)
- Facilities Support Program of Kentucky Equalization
- Leveraging more or less than 80% Capital Outlay
- Leveraging General Fund
- Future School Facilities Construction Commission Offers of Assistance

EXPENSES

- Retiring old debt
- Refunding existing issues

EXTERNAL

- Average Daily Attendance (ADA) fluctuation
- Interest rate fluctuation

- FSPK (Statute)
- Growth Nickel (Statute)
- Second Growth Nickel (Budget)
- Recallable Nickel (Budget)
- Equalized Facility Funding (House Bill)
- BRAC Nickel (House Bill)
- Category 5 Nickel

Important Disclosures

Robert W. Baird & Co. Incorporated ("Baird") is providing you with the information contained herein and/or accompanying materials (the "Materials") for discussion purposes only in seeking to serve as a financial advisor or municipal advisor to you on a possible issuance of municipal securities. Baird is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board ("MSRB").

If Baird is hired as financial advisor in connection with an issuance of municipal securities, Baird will provide municipal advisory services with respect to the issuance of municipal securities, including advice, recommendations and other assistance regarding the structure, timing, terms and other similar matters concerning the particular issuance of municipal securities for which you may be considering. As such, Baird will serve as a fiduciary and act solely in your best interest. Baird's fiduciary duties as your financial advisor will include the duty of care and the duty of loyalty. Under MSRB Rule G-23, if Baird is hired as financial advisor with respect to an issuance of municipal securities, Baird will not be able to serve as underwriter or placement agent for that issuance.

Should you want Baird serve in a different capacity, such as underwriter or placement agent, you should notify Baird of such decision immediately and Baird will provide additional disclosures to you which will describe the role of underwriter or placement agent and explain any actual or potential conflicts of interest inherent in that role.

The Materials do not include any proposals, recommendations or suggestions that you take or refrain from taking any action with regard to an issuance of municipal securities and are not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934 or Rule 15Ba1-1 thereunder. The Materials are intended to provide information of a factual, objective or educational nature, as well as general information about Baird (including its Public Finance unit) and its experience, qualifications and capabilities.

Any information or estimates contained in the Materials are based on publicly available data, including information about recent transactions believed to be comparable, and Baird's experience, and are subject to change without notice. Interested parties are advised to contact Baird for more information.

If you have any questions or concerns about the above disclosures, please contact Baird Public Finance.

IRS Circular 230 Disclosure: To ensure compliance with requirements imposed by the IRS, we inform you that the Materials do not constitute tax advice and shall not be used for the purpose of (i) avoiding tax penalties or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.