

# Update on Bonding Capacity and Finance Plan for Upcoming Projects

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Baird Public Finance  
January 2022

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- Revenues Available to Pay Debt Service
- Bonding Capacity Update
- Preliminary Finance Plan for Upcoming Projects

# Review of Assessment and AADA History (Both Inputs for Bondable Revenue Calculations)

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## Assessments

Tax Year	Assessments	Change From Prior Year	% Change	Average
2022	\$1,070,683,782	\$28,745,262	2.8%	
2021	1,041,938,520	87,620,662	9.2%	
2020	954,317,858	40,798,785	4.5%	
2019	913,519,073	21,320,582	2.4%	
2018	892,198,491	13,166,497	1.5%	<b>4.1% 5-Year</b>
2017	879,031,994	12,102,443	1.4%	
2016	866,929,551	16,136,299	1.9%	
2015	850,793,252	(1,139,456)	-0.1%	
2014	851,932,708	5,057,235	0.6%	
2013	846,875,473	8,801,018	1.1%	<b>2.5% 10-Year</b>
2012	838,074,455	1,186,014	0.1%	
2011	836,888,441	17,947,297	2.2%	
2010	818,941,144	5,832,386	0.7%	
2009	813,108,758	27,770,501	3.5%	
2008	785,338,257	41,358,266	5.6%	
2007	743,979,991	26,853,555	3.7%	
2006	717,126,436			

## Adj. Average Daily Attendance

School Year	Prior Year AADA Plus Growth	Change From Prior Year	% Change	Average
2021-22	2,351.1	94.8	4.2%	
2020-21	2,256.3	(6.2)	-0.3%	
2019-20	2,262.6	(15.9)	-0.7%	
2018-19	2,278.5	(56.3)	-2.4%	
2017-18	2,334.8	9.7	0.4%	<b>0.2% 5-Year</b>
2016-17	2,325.1	(18.7)	-0.8%	
2015-16	2,343.8	93.8	4.2%	
2014-15	2,249.9	2.7	0.1%	
2013-14	2,247.2	16.0	0.7%	
2012-13	2,231.3	(10.2)	-0.5%	<b>0.5% 10-Year</b>
2011-12	2,241.5	(19.2)	-0.8%	
2010-11	2,260.7	(2.4)	-0.1%	
2009-10	2,263.0	(30.9)	-1.3%	
2008-09	2,293.9	(29.5)	-1.3%	
2007-08	2,323.4	(4.3)	-0.2%	
2006-07	2,327.7	65.1	2.9%	
2005-06	2,262.6			

# The District Receives Three State Equalizations

## Facilities Support Program of Kentucky (FSPK)

- Provide funding based on property assessments
- Beginning in FY 2021, the District began receiving three FSPK equalizations
  - Equalized at 25% for 2020-22 biennium with anticipation of being fully equalized at 100% beginning in 2022-24 biennium

### History of FSPK Equalization Rates

Year	Rate (\$) per AADA	% Change
2022-24*	508.00	10.9%
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%

\*Based on Current Budget for 2022-24 biennium

# Bondable Revenues Likely to Increase by \$700,000 in FY 2023

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## FY 2022 (TODAY)

Assessment	\$1,070,683,782
Prior Year AADA Plus Growth	2,256,320
FSPK Equalization Rate per AADA	\$458
Local FSPK Nickel	\$535,342
Original Growth Nickel	535,342
Equalized Growth Nickel	535,342
FSPK Equalization	498,053
Equalization of Original Growth	498,053
3rd FSPK Equalization at 25%	124,513
Capital Outlay at 80%	180,506
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	\$2,907,151
+ SFCC Offers (2016 & 2018)	\$45,840
<b>Total Bondable Revenue through FY 2038</b>	<b>\$2,952,991</b>
<b>Total Bondable Revenue FY 2039 and thereafter</b>	<b>\$2,828,478</b>

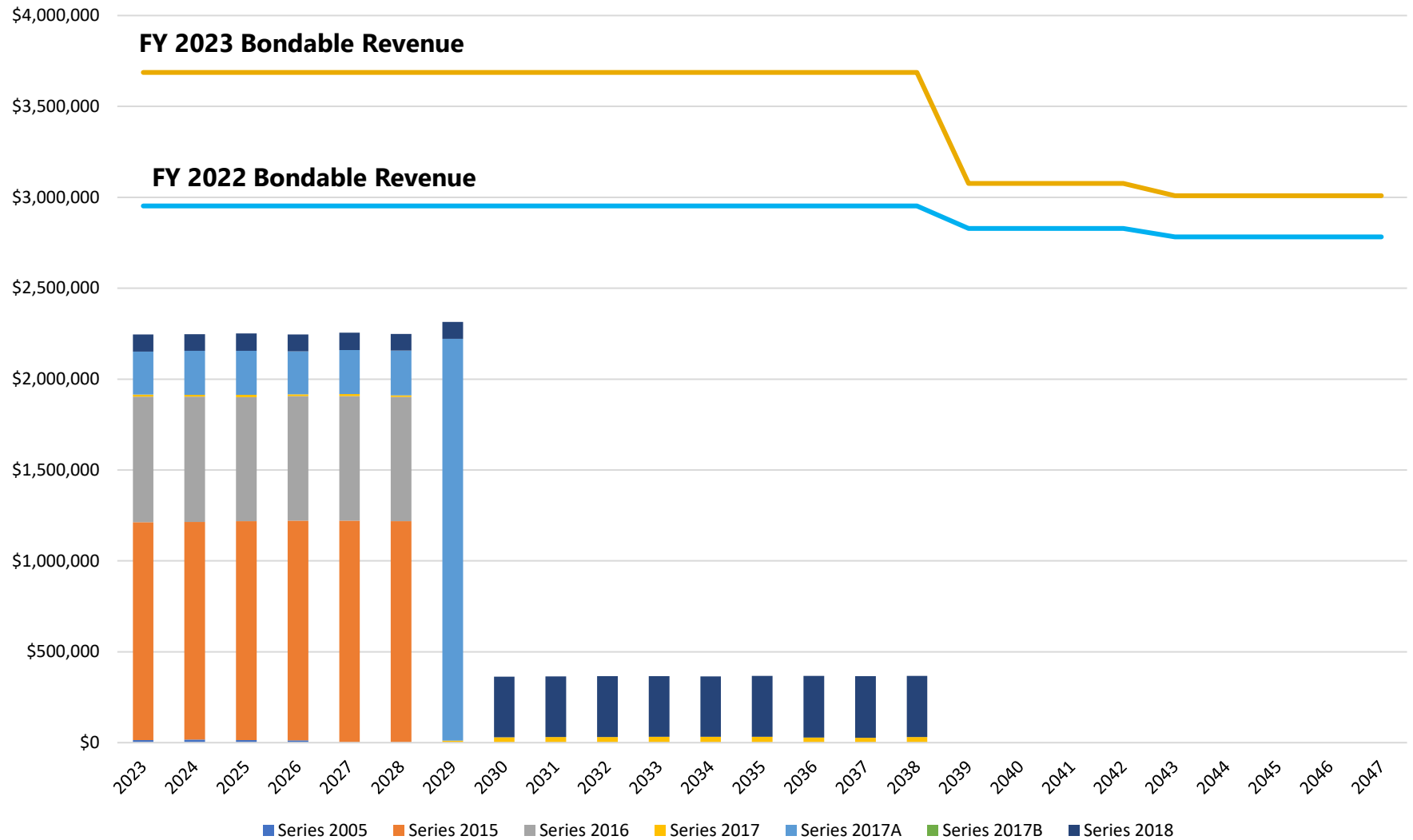
## FY 2023

Assessment	\$1,070,683,782
Prior Year AADA Plus Growth	2,256,320
FSPK Equalization Rate per AADA	\$508
Local FSPK Nickel	\$535,342
Original Growth Nickel	535,342
Equalized Growth Nickel	535,342
FSPK Equalization	610,869
Equalization of Original Growth	610,869
3rd FSPK Equalization at 100%	610,869
Capital Outlay at 80%	180,506
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	\$3,619,139
+ SFCC Offers (2016, 2018 & 2020)	\$67,981
<b>Total Bondable Revenue through FY 2038</b>	<b>\$3,687,120</b>
<b>Total Bondable Revenue FY 2039 and thereafter</b>	<b>\$3,076,251</b>

### Summary of Revenue Changes in FY 2023 based on current Budget:

- Facilities Support Program of Kentucky ("FSPK") Equalization rate up 10% per KDE
  - FY 2022 \$458 per AADA vs. \$508 per AADA for 2022-24 biennium
- 100% FSPK Equalization of 3<sup>rd</sup> nickel (confirmed with KDE)
- Included new SFCC Offer (\$22,141)

# Update on Bonding Capacity



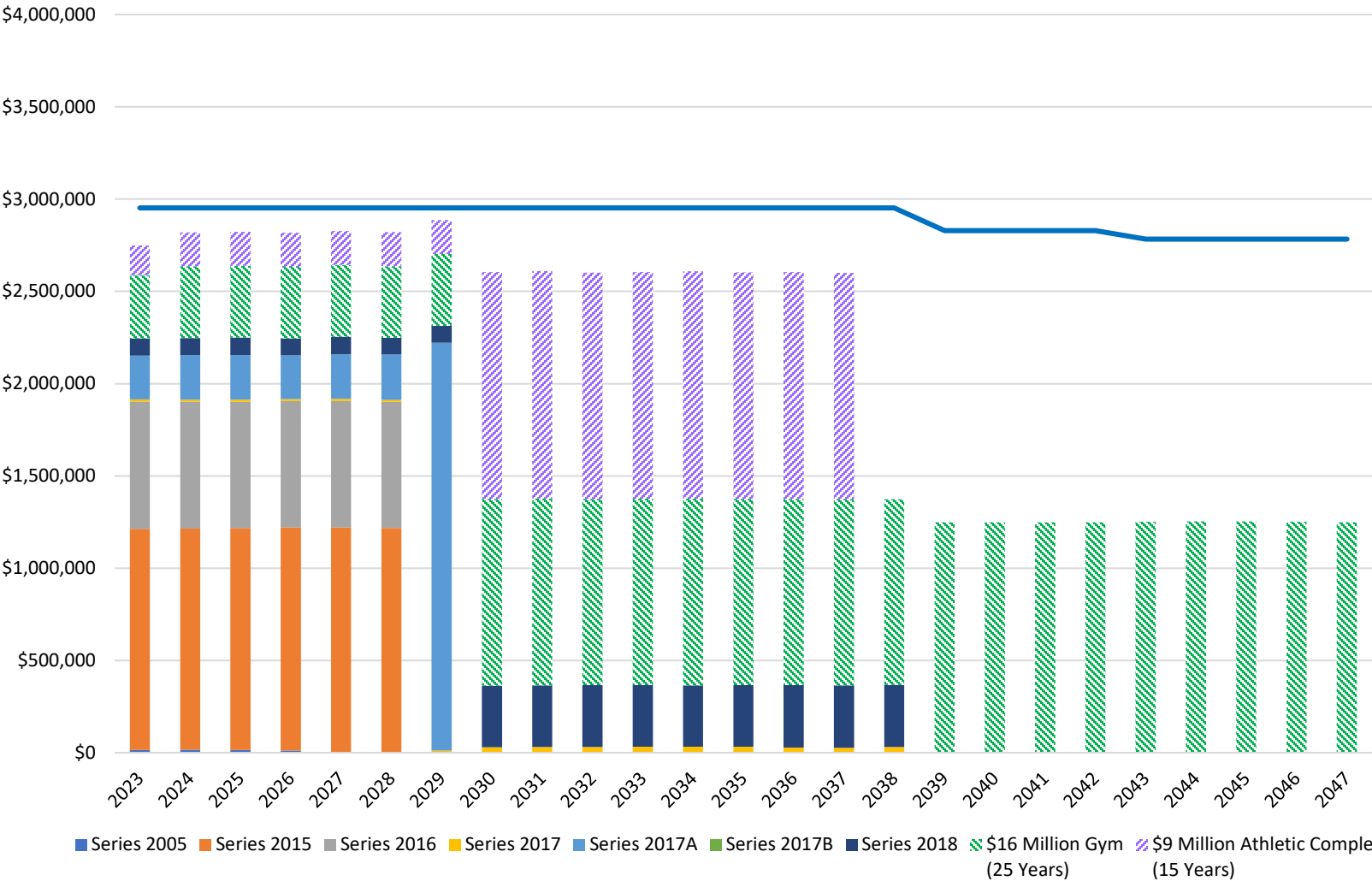


# Summary of Bonding Capacity

Term	FY 2022 Revenues	FY 2023 Revenues
<b>20-year</b>	\$26.9 million	\$41.3 million
<b>25-year</b>	\$26.9 million	\$49.8 million

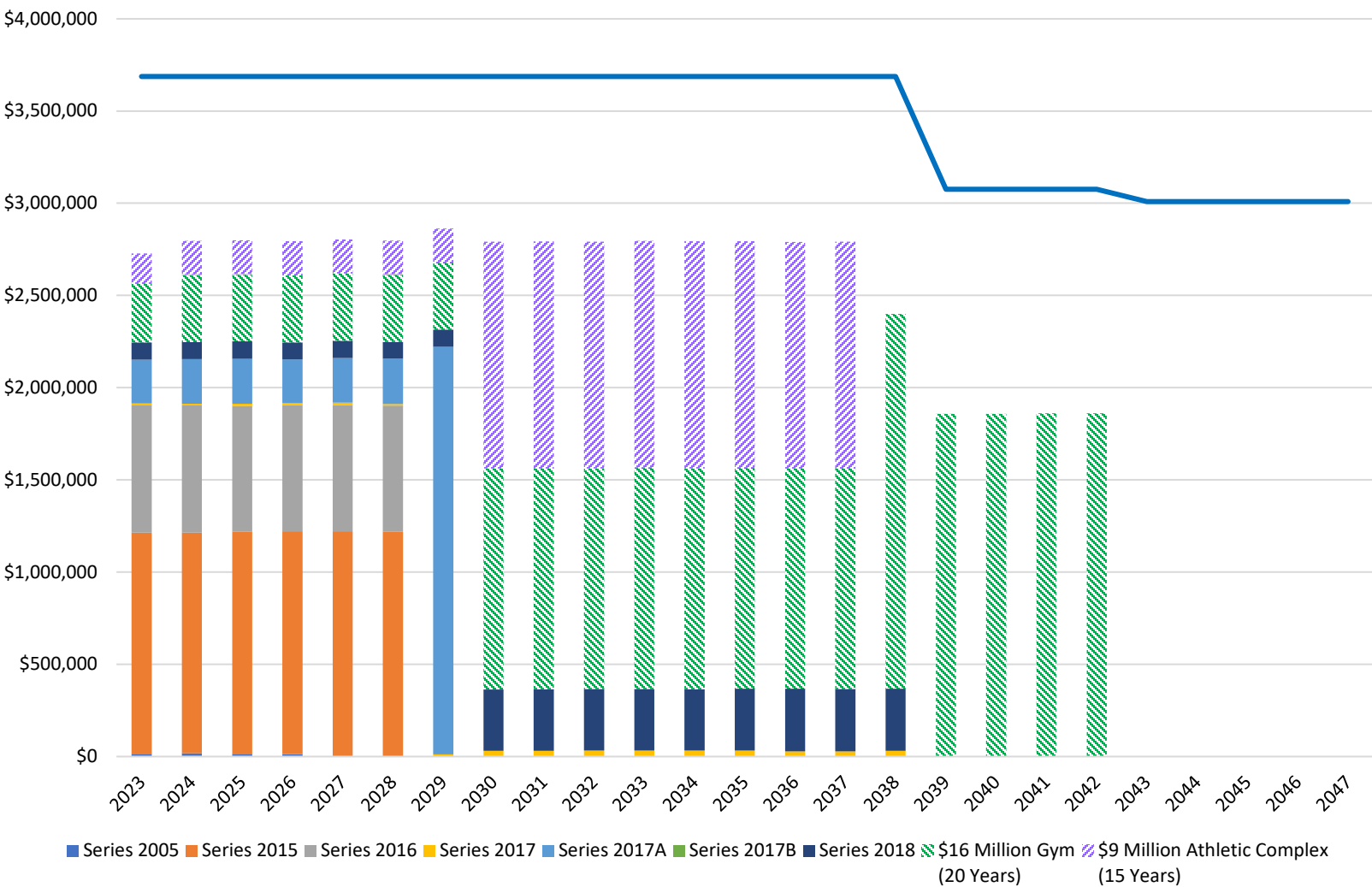
*\*Bonding analysis based on current market rates as of January 13, 2022*

# Preliminary Finance Plan for Upcoming Projects with FY 2022 Revenues





# Preliminary Finance Plan for Upcoming Projects with FY 2023 Revenues



# Exciting Time for the Kids of Garrard County and the Community

- The projects are within your bonding/borrowing capacity
  - No tax increase needed to fund projects
  - Based on current budget, Building Funds could be up over \$700k in FY 2023
- Extraordinary opportunity with the full equalization of the third nickel
  - Equalization of third nickel sunsets in FY 2038
- Continue to see very low interest rates
  - Markets anticipate rates increasing in CY 2022