

# Kentucky Asset/Liability Commission



Semi-Annual Report  
June 30, 2002

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# introduction

This is the Kentucky Asset/Liability Commission's ("ALCo") eleventh semi-annual report under KRS 56.863 (11) for the period beginning January 1, 2002 through June 30, 2002. Key themes during the period were:

## National Level

- The U. S. economy shows some signs of revival, housing sector remains strong.
- Corporate accounting scandals threaten investor confidence.
- Federal Reserve (the "Fed") left the Fed Funds Rate unchanged during the period.

## State Level

- Kentucky's economy continued to struggle, causing significant budgetary pressure.
- Moody's and Standard & Poor's put the state on "Watchlist" and "CreditWatch", respectively.
- Completion of bond funding programs authorized in HB 507 to take advantage of favorable interest rate environment.

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# investment management

## Market Overview

Accounting scandals at several major firms, including Tyco, WorldCom and Enron among others, continue to cause investor concern. This has translated into much weaker investor confidence in both the stock market and prospects for the economic recovery.

According to the Commerce Department the nation's Gross Domestic Product ("GDP"), the total value of all goods and services produced, rose at a revised 5.0 percent annualized rate during the first quarter. The revision represents a 1.1 percent decline from the previous estimate. Preliminary second quarter data shows GDP expanded by 1.1 percent for the period ending June 30. The revised year-over-year change was 1.4 percent through the first quarter and 2.1 percent through the second quarter 2002.

Consumer spending grew only 1.9 percent (annualized rate) during the April to June sales period versus a 3.1 percent gain in the first quarter of 2002. May was a particularly bad month for auto manufacturers as many of the incentive

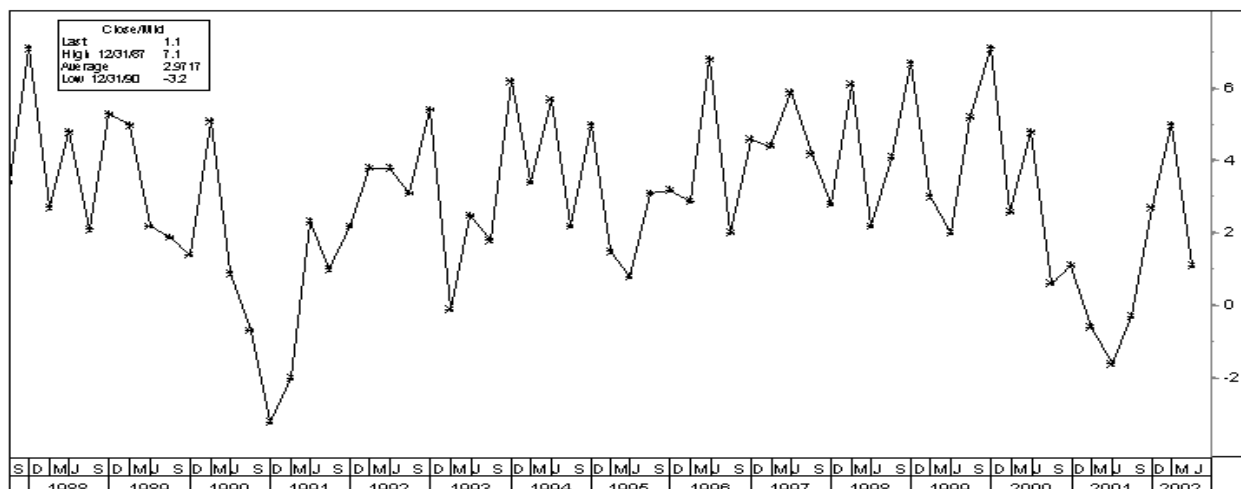
programs expired and customers retreated. Low mortgage rates, however, continue to fuel both new home and related purchases, while refinancing provides extra disposable income. Personal income accelerated during the second quarter, averaging approximately 2.9 percent annual growth versus the 1.5 percent annualized rate in the first quarter.

Industrial production has crawled out of the cellar and managed an ever so slight positive gain, which is also reflected in a rebuilding of inventories (\$1 billion annualized rate) to meet current demand. Inflation is not a concern with the Consumer Price Index ("CPI") running at a 1.2 percent annualized rate. The Fed would appear to have room to cut rates about 50 basis points should the economy fall back into recession, with the funds rate at 1.75 percent. However, there are not many bullets left in the Fed's arsenal.

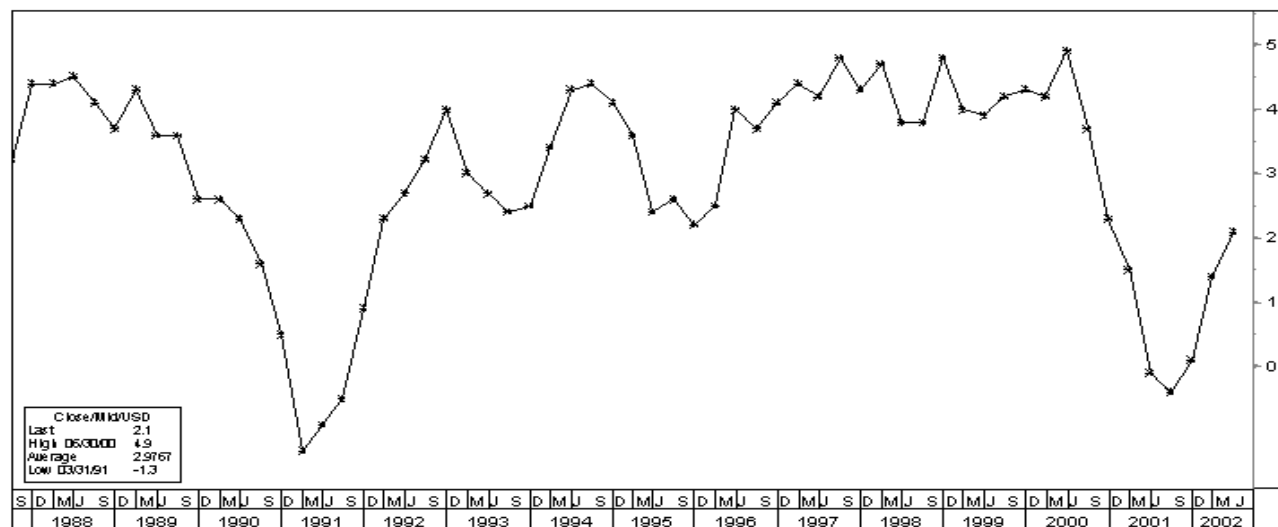
Barring any additional corporate scandals or increased hostilities, we would expect the economy to continue to grow at a modest pace avoiding the much debated double dip recession.

Gross Domestic Product  
QUARTER-OVER-QUARTER INDEX

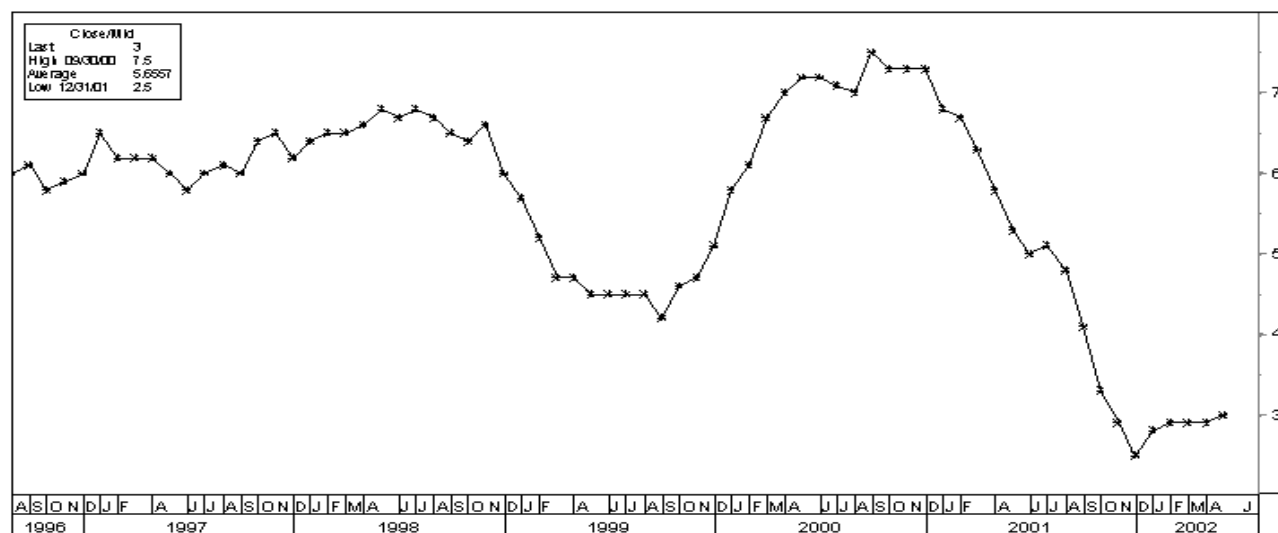
Range 8/1/87 - 6/30/02



## Range 8/ 1/87 - 6/30/02



## Range 8/ 1/96 - 5/31/02



## NEW HOUSING STARTS

Range 7/ 1/92 - 6/30/02



**Treasury Yields.** The two-year Treasury Note averaged 3.18 percent for the six-month period, with a high of 3.71 percent at the end of March and a low of 2.72 percent in January. The average for the fiscal year ending June 30 was 3.21 percent. The ten-year Note averaged 5.06 percent with a high of 5.40 percent, also in March and a low in June of 4.77 percent. The 2002 fiscal year average was 4.96 percent for the ten-year Note. The 30-year Treasury Bond average was 5.56 percent for the six-month period and 5.49 percent for the fiscal year.

## Yield Relationships

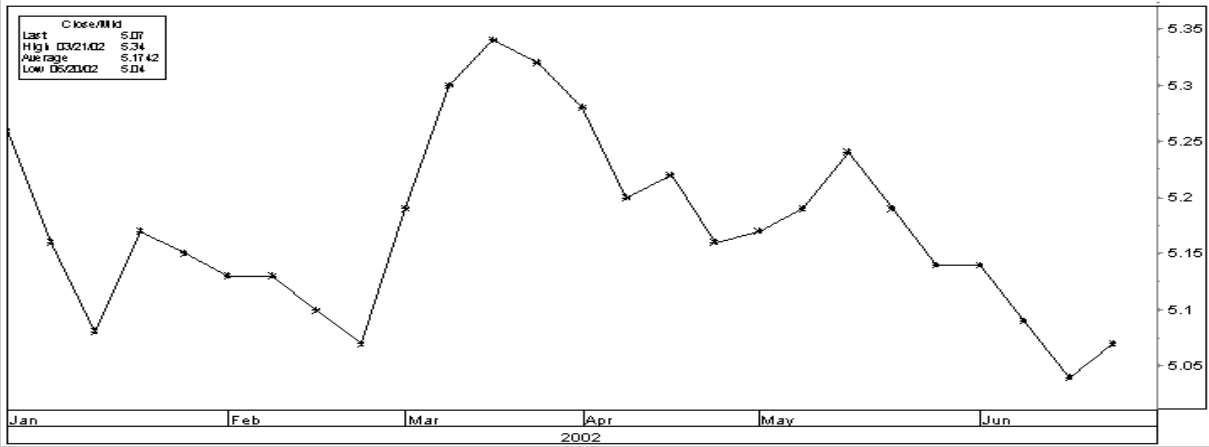
**Tax-exempt.** The Bond Buyer 20-year General Obligation Index ended the six-month reporting period at 5.07 percent or 85.6 percent of 20-year USD London Interbank Offering Rate ("LIBOR"). The high was 5.34 percent on March 21 and the low was 5.04 percent on June

20. The Municipal Market Data yield ratio for AAA rated bonds as a percent of 20-year LIBOR ranged from a minimum of 78.1 percent to a maximum of 90 percent and averaged 82.9 percent for the fiscal year ending June 30.

The short-term tax-exempt market as measured by the Bond Market Association ("BMA") Municipal Swap Index began the period at the low of 1.08 percent before climbing to 1.68 percent on April 24. BMA subsequently traded lower for the balance of the six-month period before finishing at 1.23 percent. BMA averaged 1.36 percent for the period and 1.67 percent for the fiscal year. BMA versus 30-day LIBOR ranged from a low of 58 percent in early January to a high of 91 percent in April before ending the year at approximately 72.5 percent. The average was 73.5 percent for the period and 72.5 percent for the fiscal year, which is well above the TRAN's 67 percent of 30-day LIBOR Index Rate Notes detailed later in the report.

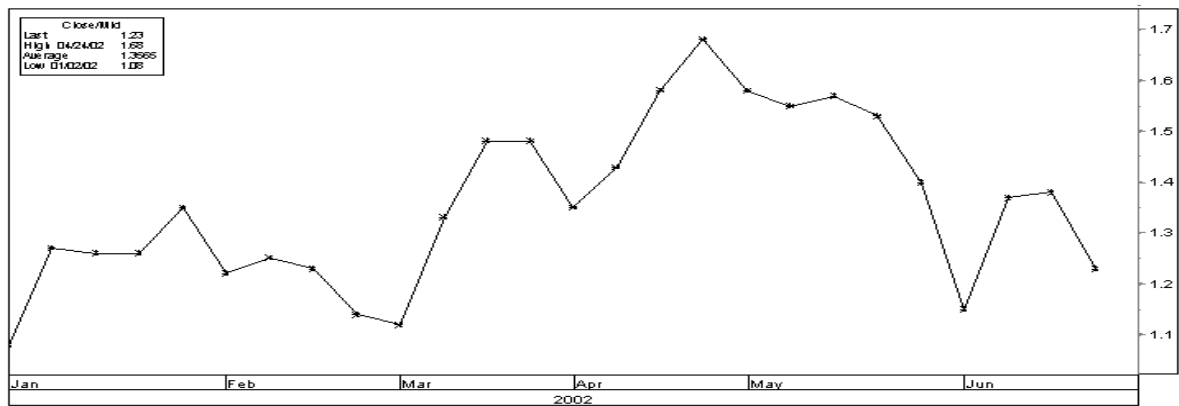
### Bond Buyer 20-year General Obligation Index

Range 1/ 1/02 - 6/27/02



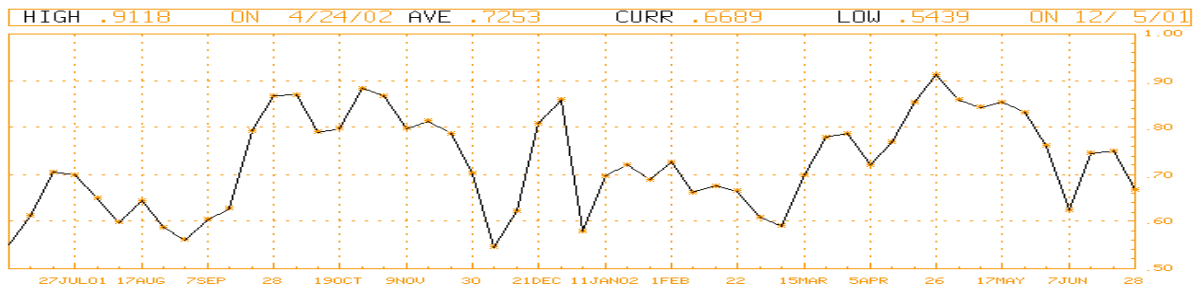
### Bond Market Association "BMA" Municipal Swap Index

Range 1/ 1/02 - 6/26/02



### Bond Market Association "BMA" Municipal Swap Index as a percent of 30-day LIBOR

7/ 4/01 TO 6/26/02





Weakness in the stock market and corresponding low interest rates have kept both supply and demand for municipals relatively strong. Yields at the short end of the yield curve are attractive versus taxable short-term rates, but the absolute level of 5 percent in the 20-year maturity has given many buyers “sticker shock” despite the absolute level of incremental yield. During the reporting period, the incremental yield available by moving from the one-year maturity to the twenty-year maturity averaged 368 basis points. Expectations for continued supply could put a damper on further declines in yields unless the equity market continues to decline.

**Portfolio Management.** For the fiscal year 2002, the Commonwealth’s investment portfolio averaged \$3.75 billion. As of June 30, 2002 the portfolio was invested in: U. S. Treasury Securities (18 percent), U. S. Agencies Securities (35 percent), U. S. Agency Mortgage Backed Securities (3 percent), Collateralized Mortgage Obligations (7 percent), Repurchase Agreements (19 percent), Municipal Securities (5 percent), Corporate Securities (7 percent), Asset Backed Securities (3 percent) and Money Market Securities (3 percent). The portfolio had a current yield of 3.0 percent and a modified duration of 1.43 years.

The portfolio is broken down into four investment pools. The pool balances as of June 30, 2002 were: Short-term (\$403.9 million), Intermediate-term (\$2,378.3 million), Long-term (\$249.1 million) and Bond Proceeds (\$659.4 million).

***For additional information, please refer to the June 2002 Monthly Investment Income Report in the Appendix.***

Total investment income from all investments, on a cash basis, for the fiscal year ended June 30, 2002 was \$215.1 million versus \$223.7 million last fiscal year. On an accrued basis, income was \$221.3 million versus \$316.1 million the previous year. The decrease in earnings is primarily attributable to the sharp decline in the absolute level of interest rates. ***None of the portfolios hold securities issued by Tyco, Enron or WorldCom.*** The General Fund portion of investment income (cash basis) was \$21.7 million versus \$36.2 million the year prior. New asset classes authorized under House Bill 5 of the 1997 First Extraordinary Session of the General Assembly contributed \$6.4 million during the fiscal year and \$22 million since inception on a cash basis.

# debt management

## Rating Update

In early June, Standard & Poor's (S&P) Ratings Service and Moody's Investors Service placed the Commonwealth's issuer rating (hypothetical general obligation credit) and lease appropriation backed debt ratings on their respective "watchlist" for possible downgrade. Lease appropriation backed debt is typically rated one step below the general obligation rating due to the limited nature of the former versus the full faith and credit pledge of the general obligation. For S&P, a step is defined as a "+" or "-", where Moody's the designation is numerical "1", "2", or "3", with one being the highest and three being the lowest. S&P currently gives the state a "AA" and a "AA-" rating for the issuer rating and lease appropriation backed rating, respectively. Moody's rates the state Aa2 and Aa3 in each category.

The rating agencies site similar concerns in their evaluation of Kentucky's credit situation:

- The current budget impasse and the authority of the Governor to continue operations, including the payment of debt service, without a legislatively enacted budget.
- The state has experienced a significant decline in liquidity, which was used to offset the current revenue shortage leaving little, if any, flexibility to address future problems.
- Ongoing weak economic conditions which will make it difficult for the state to have a structurally balanced budget before FY 2006. Structurally balanced meaning managing recurring revenues versus ongoing programs and expenses without the use of one-time or extraordinary measures.

Failure to resolve the current budget impasse and take meaningful steps to address the fiscal imbalance in the coming months is likely to result in a rating downgrade by any of the three rating services (S&P, Moody's and Fitch.) Meaningful steps would probably include:

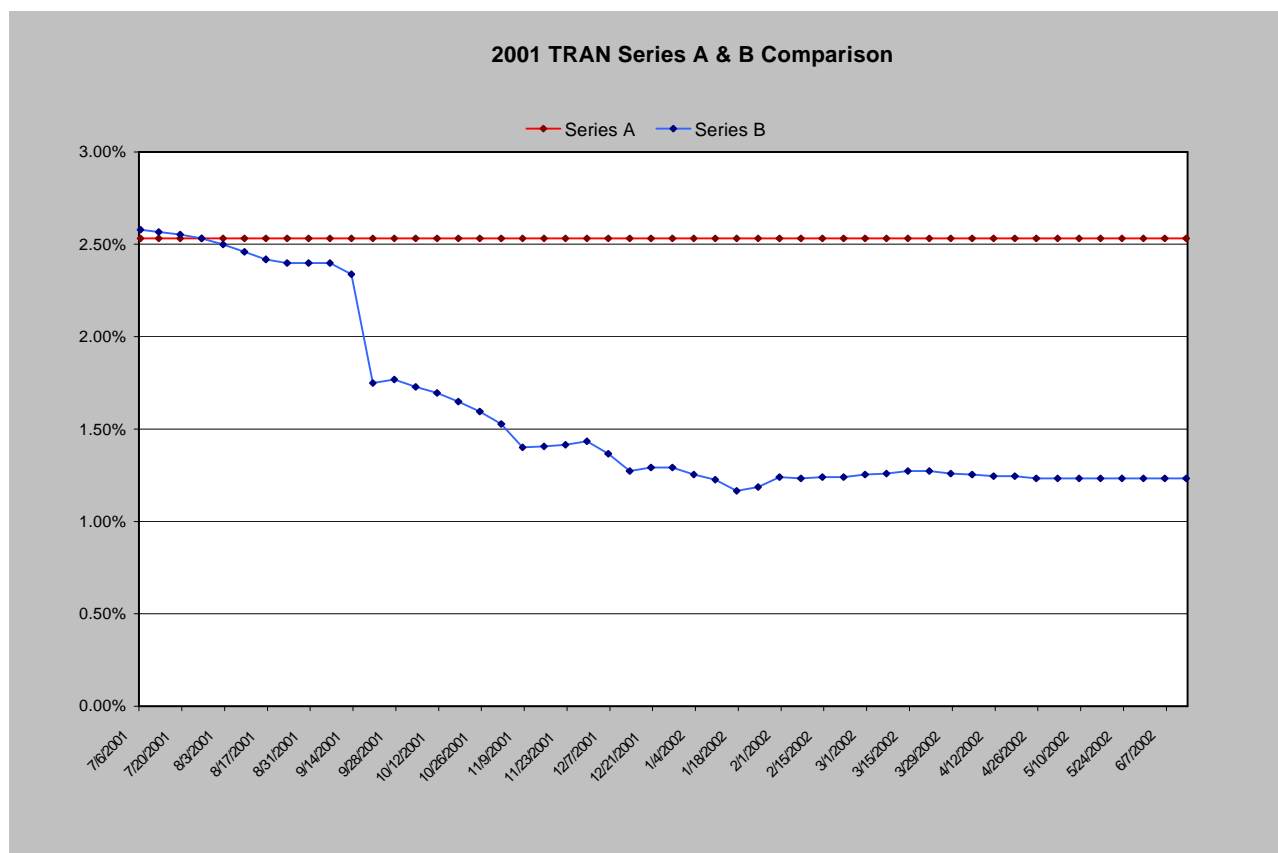
- The passage of a structurally balanced, legislatively enacted budget.
- Development and implementation of a plan to replenish the Budget Reserve Trust Fund.

A downgrade would most likely put the Commonwealth's lease appropriation backed debt in the "A" and "A2" category, by S&P and Moody's, respectively. A rating downgrade of this magnitude has several implications for the future issuance of bonds. The most obvious is that it will cost more to issue new debt, which in the current market environment is approximately 20 basis points or \$2,000 per year per million issued. Also, an important consideration is the impact on the cost and availability of municipal bond insurance. The capital charge (higher) and availability (lower) of insurance is different for A rated entities than for AA rated credits. Insurer's must maintain their AAA ratings and as a result have only so much capacity in a given underlying credit rating category. The not so obvious impact of a downgrade to A is that it narrows the universe of holders and purchasers of our bonds.

Some institutional investors can only purchase and hold bonds rated AA or higher. In the event, of a downgrade some holders of Kentucky bonds would be forced to liquidate those bonds, potentially at disadvantaged prices.

This could further increase the spread (cost) of any new bonds issued because of the additional bonds being available in the secondary market at cheaper prices. There would also be a more lim-

ited universe of buyers due to lower credit quality and concerns over the management of the state's finances. Strong credit ratings are a valuable resource that should not be taken lightly.



## Tax and Revenue Anticipation Notes

**2001 TRAN.** ALCo authorized the FY 2002 program in an amount not to exceed \$650 million. On July 3, 2001, \$650 million of TRANs, in two series, were issued and matured on June 26, 2002. The 2001 TRANs were sold by Salomon Smith Barney on June 29, 2001. Four hundred forty million (\$440,000,000) 2001 Series A TRANs were issued as fixed rate notes with a coupon of 4.00 percent to yield 2.53 percent.

Two hundred ten million (\$210,000,000) of Series B TRANs were issued in the Index Rate Mode, pegged to 67 percent of 30-day LIBOR. The initial yield at the time of sale was 2.57 percent. The Index Rate Notes averaged 1.59 percent for the life of the notes and provided substantial savings of \$4.9 million versus a fixed rate note debt structure.

The Index Rate Notes were the first of its kind sold in a number of years and represents a sig-

nificant breakthrough for ALCo. The Index Rate Notes provided the General Fund with the desired amount of variable rate liability, eliminated costly credit or liquidity support and the need to execute interest rate swap documents; partially hedged the General Fund against swings in short-term interest rates; and provided an opportunity to potentially earn higher levels of arbitrage. Unfortunately, the latter did not materialize because of the lack of available General Fund cash balances during the spring. Due to current low interest rate conditions, if the Index Rate Notes were issued today the percentage of LIBOR would be significantly higher, between 75 percent and 85 percent.

**2002 TRAN.** In light of the current economic situation the 2002 TRAN has been delayed until such time that we have a firmer grasp of the revenues and cashflows for FY2003.

**General Fund Project Notes** — On June 26, 2002 ALCo issued 2002 General Fund Project Notes Series A in the amount of \$12,775,000 which was issued to fund the remaining portion of the authorized, but unissued Economic Development Bond (“EDB”) Pool authorized by HB 507. The notes were unrated, unsupported, carried a final maturity of November 1, 2003 and were sold with a premium coupon of 3.50 percent to yield 2.40 percent. Interest on the notes was capitalized to avoid investor concern over the current budget situation. Due to the small size and desire to avoid forcing the rating agencies or potential insurers into a difficult position given the budget situation it was determined with the underwriter that the yield penalty estimated at 60 basis points was the most cost effective route.

Additionally, there are two other fixed rate series of ALCo Project Notes currently outstanding that were originally issued as seven-year notes to fund equipment acquisition, primarily for higher education.

**Road Fund Project Notes** — All of ALCo’s bond anticipation notes supported by Road Fund appropriations (1998-2000) were converted to permanent financing in a prior reporting period. The 2000-2002 Road Fund program, was never utilized to finance new authorizations due to the very low interest rate environment. Instead, the Transportation Cabinet’s new office building was financed by the issuance of State Property and Building Commission (“SPBC”) Project 73.

**Agency Fund Project Notes** — All of ALCo’s original 1998 Indenture bond anticipation notes supported by Agency Fund appropriations were converted to permanent financing in a prior period. ALCo established a new indenture to provide funding for line-item and agency bond pool projects authorized in the 2000 legislative session. Given that some of the 2000 projects sought permanent financing because of the very attractive long-term interest rates, a revised indenture with a 2002 date was adopted by ALCo to reflect the remaining universe of projects expected to receive funding. The only notes issued to date under the 2000-2002 Indenture were for the University of Kentucky’s Center for Rural Health located in Hazard. Notes in the amount of \$6,360,000 were sold to fund the project, pay cost of issuance and capitalized interest on the notes, which were sold the same day and had the same terms as the 2002 General Fund Project Notes Series A mentioned previously.

# financial agreements

As of June 30, 2002, ALCo had four financial agreements outstanding, but a net notional amount exposure of zero. Two transactions re-

lated to the SPBC Project 71 and 73 bonds were terminated during the reporting period. These transactions are detailed in the table below.

## SWAP SUMMARY

	SPBC 40(2) *	TAK 85 A Total Return	TAK 85 A Fixed	TAK 86 A Total Return	TAK 86 A Fixed	SPBC 71 MTNs *	SPBC 73(2) MTNs
Fund Source	General Fund	Road Fund	Road Fund	Road Fund	Road Fund	General Fund	Road Fund
Hedge	Refunding	Net Interest Margin	Total Return	Net Interest Margin	Total Return	Refunding	Refunding
Counter-Party	Merrill Lynch	Morgan Stanley	Morgan Stanley	Morgan Stanley	Morgan Stanley	UBS PaineWebber	UBS PaineWebber
Counter-Party Ratings**	Aa3/AA-/AA	Aa3/AA-/AA	Aa3/AA-/AA	Aa3/AA-/AA	Aa3/AA-/AA	Aa2/AA+/AAA	Aa2/AA+/AAA
Termination Trigger (below)	A-/A3	BBB-/Baa3	BBB-/Baa3	BBB-/Baa3	BBB-/Baa3	BBB-/Baa3	BBB-/Baa3
Swap Type	Fixed Pay	Variable Pay	Fixed Pay	Variable Pay	Fixed Pay	Fixed Pay	Fixed Pay
Benchmark	BMA	BMA	BMA	BMA	BMA	BMA	BMA
Reset	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly	Weekly
Notional Amount	21,825,000	56,485,000	56,485,000	50,920,000	50,920,000	63,935,000	42,260,000
Amortize (yes/no)	yes	no	no	yes	yes	yes	yes
Execution Date	8/3/1998	4/23/2001	9/20/2001	7/24/2001	7/24/2001	8/8/2001	2/15/2002
Start Date	11/1/2001	5/24/2001	9/27/2001	1/3/2002	1/3/2002	8/1/2008	2/15/2002
End Date	11/1/2007	see confirmation	7/1/2009	7/1/2007	7/1/2007	8/1/2021	4/10/2002
Fixed Rate pay-(rec)	4.868%	(6.000%)	3.870%	(5.50%)	4.150%	5.529%	4.589%
Day Count	30/360	30/360	30/360	30/360	30/360	30/360	30/360
Payment Dates	Monthly	Jan. 1 & July 1	Jan. 1 & July 1	Jan. 1 & July 1	Jan. 1 & July 1	Aug. 1 & Feb. 1	May 1 & Nov. 1
Security Provisions	GF Debt Service	Road Fund Inv.	Road Fund Inv.	Road Fund Inv.	Road Fund Inv.	GF Debt Service	RF Debt Service
Current Market Valuation December 31, 2001 June 30, 2002	n/a n/a	0.00 n/a	0.00 n/a	0.00 n/a	0.00 n/a	(241,937.00) n/a	n/a n/a
Interest Earnings Cumulative Prior Periods Current Period - 06/30/2002		147,726.59	635,895.37 439,265.67		227,518.23		
Total			1,222,887.63		227,518.23		
Termination Value	(900,000.00)					(775,000.00)	261,250.00
Termination date	March 28, 2001					February 5, 2002	March 27, 2002

\* Terminated

\*\* Moody's, S&P, Fitch

Of the outstanding financial agreement transactions, the first item is a total return swap relating to the \$56,485,000 July 1, 2009 maturity of the Turnpike Authority of Kentucky ("TAK") Resource Recovery 1985 Series A Bonds, which bears interest at six percent. Staff worked for approximately 18 months to develop this transaction with Morgan Stanley ("MS"), and finally executed the trade in April 2001. The 1985A Bonds could not be economically refunded, despite a very low interest rate environment, due to the enormous transferred pro-

ceeds penalty associated with the debt service reserve fund ("DSRF") which is earning approximately 10 percent. MS, bond counsel and the Commonwealth worked out a structure whereby the bonds would be called, but not redeemed. Once called the bonds were sold to MS. ALCo then entered into a total rate of return swap, whereby MS pays ALCo six percent (the coupon on the bonds) and ALCo pays to MS BMA (short-term tax-exempt municipal index) plus a spread (currently 58 basis points) to cover expenses. This transaction provided the

synthetic variable rate exposure to offset the asset sensitivity in the balance sheet, i.e. sensitivity to declining interest rates. During the first few weeks of the trade, ALCo booked approximately \$147,700 in earnings on the first payment date of July 1, 2001. Rates continued to steadily decline, putting the trade in a very favorable position. Shortly after the events of September 11, 2001, interest rates tumbled dramatically and on September 27, 2001 staff entered into an offsetting trade, locking in a guaranteed spread of 213 basis points. The reversal rate (rate ALCo agrees to pay MS) was 3.87 percent versus the original fixed receiver rate of 6.00 percent from MS. ALCo has received under the terms of the agreement, approximately \$1,222,888 since inception. The expected total benefit from this transaction to maturity is \$7.46 million.

Since the two transactions offset each other for a net notional amount of zero, ALCo collects the difference between the two payments and deposits the proceeds into a swap account held for the benefit of the Road Fund. This account also secures future payments to MS under the agreement, if necessary. ALCo is obligated under the agreement to accumulate a minimum balance of \$3 million in the swap account. Once cumulative deposits have achieved that level, funds may be available to offset future debt service payments. Since the bonds are still outstanding and the TAK retains the right to call the bonds at face value (par), the termination value of the swap is essentially the present value of the fixed expenses (13 basis points). In the event that short-term tax-exempt interest rates rise above the coupon on the bonds the transaction would be terminated and the bonds would be resold to the market place. If the value of the bonds in the market are below par, then ALCo would make a payment from the swap account to MS equal to the difference between the then market value and par. Alternatively, the Road Fund could purchase the bonds as an investment at par. The Road Fund and the TAK get the best of both worlds with this transaction in that they retain

the highly valuable DSRF earning ten percent and lower the cost of borrowing as long as rates stay low. In the event that interest rates rise dramatically, then the investment portfolio of the Road Fund will earn significantly more than projected.

ALCo entered into an identical transaction with MS for the 5.50 percent bonds due July 1, 2007 of the TAK Toll Road 1986 Series A Bonds with a par amount of \$50,920,000. The Toll Road DSRF earns a bit less than the Resource Recovery 1985A and the coupon on the outstanding bonds is also less, but the mechanics are the same. On July 24, 2001 MS agreed to enter into a total return swap whereby MS would pay ALCo beginning on January 3, 2002 5.50 percent in exchange for BMA plus 45 basis points (to cover expenses). The trade could not be executed until December 7, 2001, after the call notice for the bonds had been issued. ALCo agreed to pay MS 4.15 percent in exchange for BMA plus 45 basis points, locking in a guaranteed spread of 135 basis points as long as BMA plus 45 basis points remains below the coupon of the bonds of 5.50 percent. The present value savings level, factoring in all expenses, is approximately \$1.8 million. The net notional amount exposure is zero and the market value is par as in the previously described transaction. The first payment of \$227,518 was collected on July 1, 2002.

The first of two transactions terminated during the period was a delayed start interest rate swap with UBS PaineWebber related to the future refunding of Medium Term Notes ("MTNs") maturing 2008-2011 issued as a part of SPBC Project 71. This transaction was structured very similar to the SPBC 40 (Second Series) transaction where ALCo successfully hedged the advance refunding of selected bonds. ALCo contracted to pay a fixed rate in the future in exchange for a variable rate that would approximate the rate on variable rate demand obligations that could be issued to refund the bonds.

The swap was terminated at a cost of \$775,000 and fixed rate bonds were issued (SPBC 76) to execute the refunding in February 2002. Despite the termination payment associated with the swap, the present value savings of \$3.83 million (6.15 percent) for the transaction exceeded our original expectations of \$2.87 million unhedged (4.48 percent) and \$2.4 million (3.74 percent) on a hedged basis. Certainly the end result was very good, but it also highlights the basis risk that is associated with the relationship between the tax-exempt market and the taxable market. The basic risk can have a significant impact on the final results. In this case quite favorable, however, it could have been the reverse.

The SPBC 71 bonds were originally sold in August 2001. Soon after the September 11 tragedy the yield adjustments and relationships between the treasury market and tax-exempt market changed dramatically and our expectations for the hedge as well. The major impediment was the negative arbitrage associated with the defeasance escrow (comprised of treasuries to be considered a legal defeasance) for the bonds to be refunded. As Treasury rates fell, the historical relationship of municipals to treasuries rose to unprecedented levels impacting both swap termination payments and defeasance escrows. In such instances the yield on the defeasance escrow was not high enough to offset the increase yield in certain of the refunding bond maturities, thereby reducing or eliminating the present value savings one would expect given the absolute level of tax-exempt interest rates. Interest rates rose into calendar year end and the swap had a market value of (\$241,937) versus the termination value of (\$775,000). Interest rates promptly fell in early January and February pushing the termination payment higher. However, at the same time, a resurgence in municipal bond prices pushed

tax-exempt yields lower. The combination of falling yields, lower tax-exempt/taxable yield ratios and a significant premium to forego the call feature on the bonds the transaction turned out to be a huge success.

Due to the success of the SPBC 76 transaction and favorable markets as they relate to the SPBC 73 MTNs that were eligible to be refunded, it was determined that ALCo would enter into a cash settled hedge to attempt to preserve those savings. Cash settled interest rate swaps do not contemplate the future issuance of variable rate notes, but rather unwind (at bond pricing) with a cash settlement at the time the corresponding bonds close. Taxable interest rates did rise approximately 50 basis points from late February to the bond pricing date of March 27, 2002. The expectation would be that the cash settled swap, where ALCo has contracted to pay a fixed rate in exchange to receive a variable rate, would be worth a significant amount of money. However, once again the ratio between tax-exempt bonds and LIBOR changed (increased) by approximately two percent, generating only \$261,250 in positive cash-flow from the swap termination. Fortunately, the increased ratio also eliminated the negative carry in the defeasance escrow resulting in a better than expected savings result of \$2.76 million or 6.75 percent of refunded par. Again basis risk had a significant impact on the transaction, but the results were still much better than expected.

The important premise behind the use of any financial agreement in hedging a security or portfolio of securities is that you are trading one risk for another supposedly more manageable risk. In each of our transactions the end result was as good, or better than expected, even though the markets did not always behave exactly as projected.

# asset/liability model

The investment section is currently evaluating a software package called BondEdge. BondEdge is a fixed income analytical package that is designed to perform portfolio scenario analysis. Previous products used by the investment section including GAT, which was discontinued by the manufacturer, and Bloomberg Portfolio Management System, which focuses in single security analytics, do not accommodate portfolios of tax-exempt securities. The new product has given us a ray of hope that perhaps something meaningful can be developed. Staff hopes to start the process of evaluating the prospects in the coming months.

**General Fund.** Due to the absolute low level of interest rates, ALCo, SPBC and staff determined that it was in the Commonwealth's best interest to proceed with permanently financing all of the 2000 legislative session bond authorized projects (See Exhibit B) and refund certain prior bonds for debt service savings. As a result, the General Fund Project Note indenture established for the 2000 bond authorization, while activated, was never drawn upon, with the recent exception of the 2002 Project Notes for the EDB Pool projects that required funding prior to fiscal year end. SPBC issued two series of General Fund supported obligations.

**SPBC 71** — The Project 71 bonds were sold on August 8, 2001 utilizing a MTN structure that has been discussed in detail in previous reports. This has been a very successful structure for the Commonwealth in the past. The General Fund continues to be subject to seasonal fluctuations consistent with historical expenditure and receipt patterns, however, the magnitude is much more severe with the slowing economy and reduced revenues. Given the low level of interest rates at the time ALCo executed a delayed start interest rate swap to hedge the advanced refunding of the MTNs. The bonds carried an all-in total interest cost ("TIC") of 4.31 percent and were sold by a syndicate lead by UBS PaineWebber.

**SPBC 74** — These bonds financed the remaining General Fund supported projects authorized by the 2000 General Assembly, except for certain EDB pool projects and refunded select maturities of prior bonds issued by SPBC. The bonds had an all-in TIC of 4.76 percent. Present value savings were \$1.87 million. The bonds were sold on January 9, 2002 and settled on January 30, 2002. The lead underwriter for this transaction was Bear Stearns.

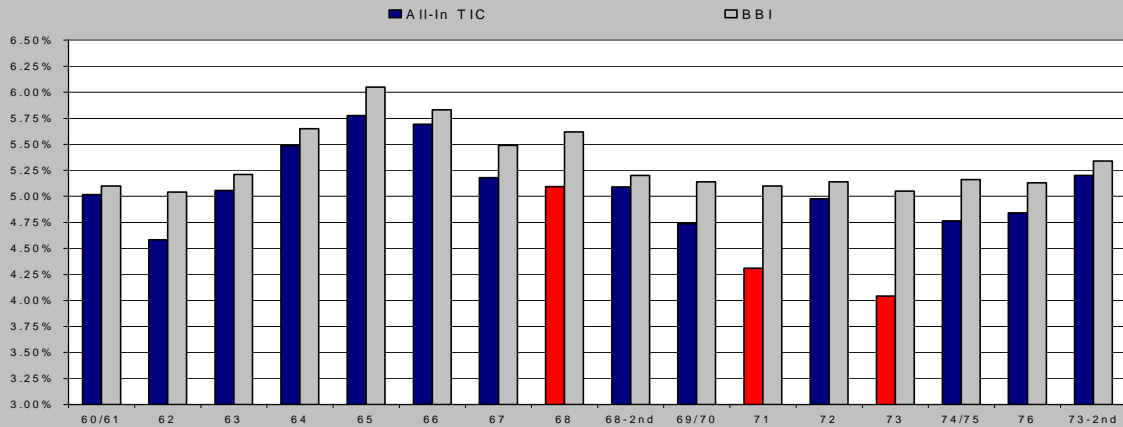
Agency Fund supported SPBC 75 bonds were issued at the same time in the amount of \$7,075,000 to finance the Eastern Kentucky University Law Enforcement Physical Skills Training Facility.

**SPBC 76** — The Project 76 bonds effectuated a refunding of the SPBC 71 MTNs which matured 2008 through 2011 and provided new money for \$5,160,000 of EDB pool projects. The refunding produced actual savings of 6.15 percent or \$3.83 million. The bonds were sold on February 5, 2002 and settled on February 28, 2002. UBS PaineWebber was the senior managing underwriter.

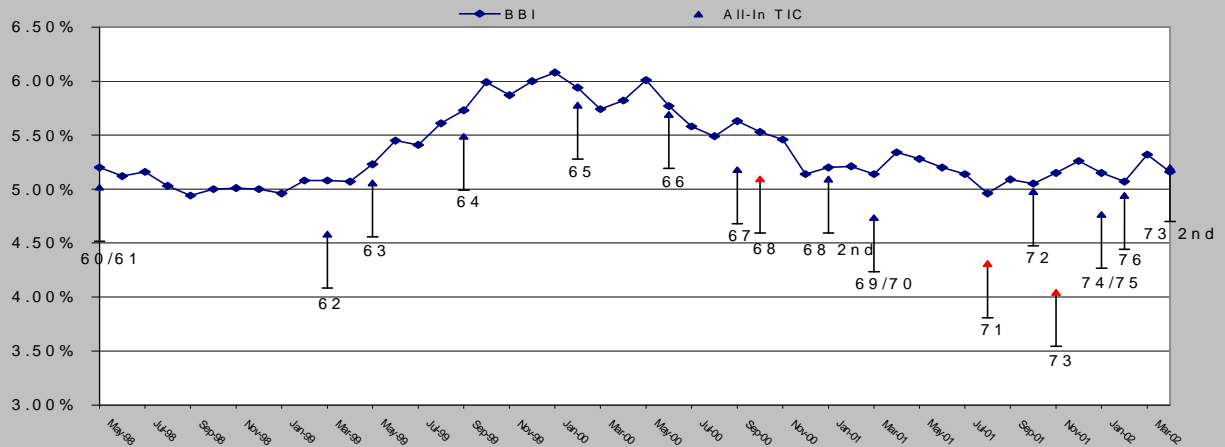
Since SPBC represents a large portion of the General Fund appropriation supported debt, the recent issues had a significant impact on the weighted average yield and duration of outstanding liabilities. The SPBC debt portfolio as of June 30, 2002, had a current yield at market of 3.10 percent with a modified duration of 5.46 years. The market yield declined by 80 basis points from the prior reporting period due to a significant drop in interest rates while modified duration increased by .37 years as a result of new issuance. Extending duration during periods of low interest rates should provide favorable returns in future periods. The Budget Reserve Trust Fund ("BRTF"), which became a statutory account in 1995, was drawn upon to balance the fiscal 2001 and 2002 budgets. The BRTF reached a high of \$240 million before ending the fiscal year with a zero balance.



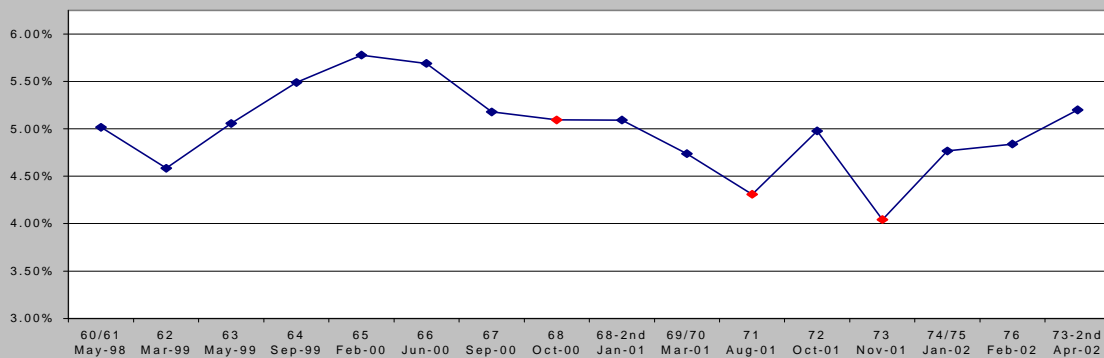
**STATE PROPERTY AND BUILDINGS COMMISSION  
ALL-IN TIC vs. BOND BUYER 20-YEAR G.O. INDEX**



**STATE PROPERTY AND BUILDINGS COMMISSION  
ALL-IN TIC vs. BOND BUYER 20-Year G. O. INDEX**



**STATE PROPERTY AND BUILDINGS COMMISSION  
REVENUE BONDS  
ALL-IN TIC COST COMPARISON**

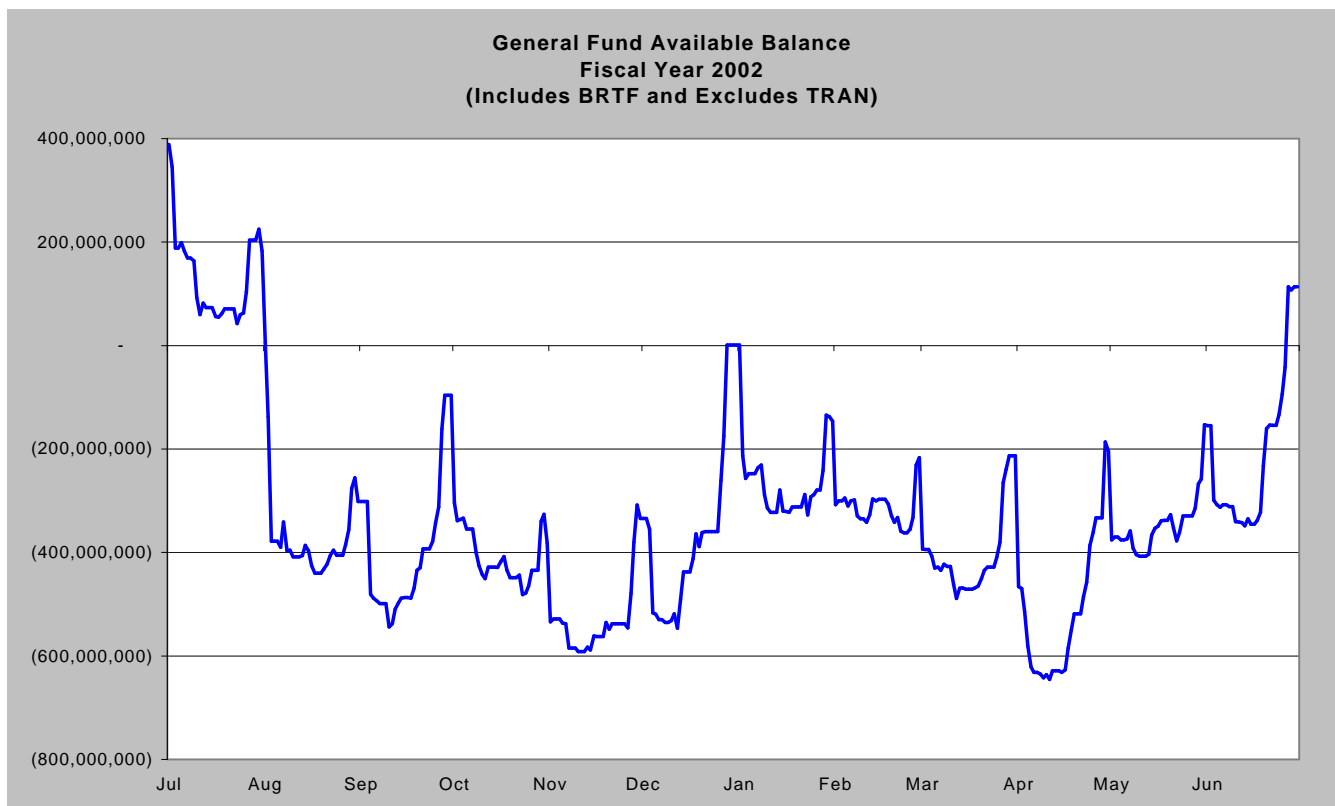


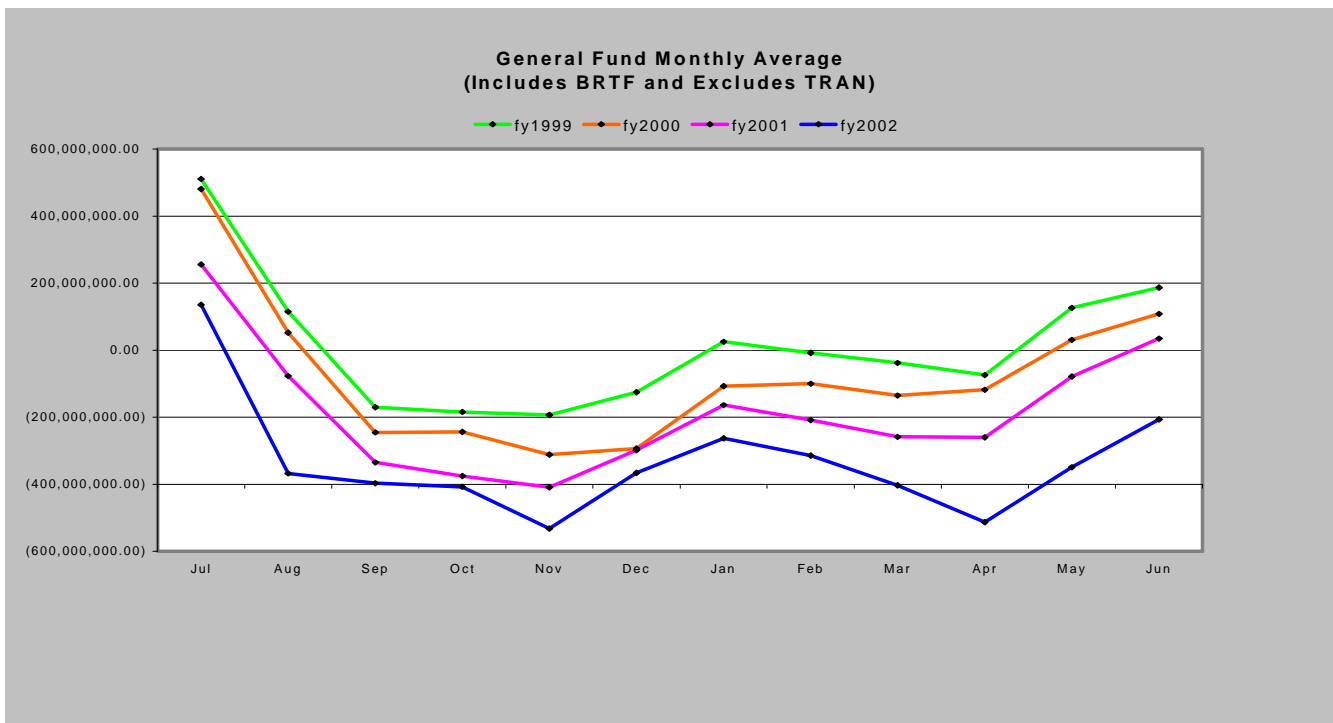
Blue indicates Traditional Structure.  
Red indicates Medium Note Structure.

The General Fund had a high balance of \$389 million on July 1, 2001, and a low of negative \$645.4 million on April 11, 2002. The General Fund ended the fiscal year with a balance of \$130.7 million. The average and median balances were a negative \$331 million and a negative \$360 million, respectively. For purposes of calculating the available balance for the TRAN computation, \$120 million of the BRTF balance was excluded. Taking into account the adjustment, the balances were as follows: the high was \$269 million; the low was negative \$765 million; the average was negative \$450 million and the median was negative \$480 million. The ending balance on an adjusted basis was negative \$113. Since \$120 million of the BRTF was invested in the Long-term Investment Pool for most of the year, the adjusted balances more

accurately reflect the actual cash balance in the General Fund. Since the General Fund continued to have a negative average cash balance for most of the period there is little, if anything, that can be done from an asset management viewpoint beyond current actions. The FY 2002 TRAN proceeds added economic benefit in that it reduced the amount of borrowing from other sources but could not fully offset the negative balances of the General Fund.

From a liability management perspective, total General Fund debt service, net of reserve fund credits, was \$343.9 million through June 30, 2002, versus investment income of \$21.7 million, resulting in a new interest margin of negative \$322.2 million.





### ***Road Fund.***

*SPBC 73* — Project 73 bonds were sold on October 31, 2001 also as MTNs. The bonds carried a yield of 4.04 percent and were sold by a syndicate headed by UBS PaineWebber. Due to market conditions at that time, an initial hedge of the MTN refunding was not considered.

*SPBC 73 Second Series* — The Second Series bonds refunded the MTN portion of the Project 73 bonds maturing 2008-2011. Present value savings were \$2.76 million or 6.75 percent of refunded par, including a swap termination receipt of \$261,250 associated with the cash settled hedge. The all-in TIC for the Transportation office building was 4.54 percent versus 4.70 percent had the bonds been issued in the traditional 20-year level debt mode. The bonds were sold on March 27, 2002 and settled on April 10, 2002. UBS PaineWebber was the senior managing underwriter.

The Road Fund average daily cash balance for FY 2002 was \$463.1 million. Of that average amount, \$263.1 million was invested in the Intermediate-term Investment Pool and \$200 million in the

Long-term Investment Pool. The duration of the respective pools was 1.57 years and 3.13 years as of June 30, 2002. The Road Fund has earned \$34.3 million on a cash basis in FY 2002, versus the revised budget amount of \$23.7 million for the fiscal year.

As of June 30, 2002, TAK had \$891.0 million of bonds outstanding with a weighted average coupon of 5.38 percent, modified duration of 4.23 years, and yield at market 2.67 percent. Selected maturities with the most economic value, of the Resource Recovery 1985A and Toll Road 1986A, have been synthetically refunded with financial agreements as identified previously.

Debt service paid, net of reserve fund credits, during FY 2002 was \$172.6 million resulting in a net interest margin (investment income earned less debt service paid) of negative \$138.3 million. The negative amount stems from a general decrease in interest rates on the investment side and fixed rate obligations on the liability side. As the Road Fund has experienced in recent years, this trend can reverse itself very quickly when interest rates rise.

# summary

ALCo's approach to managing the Commonwealth's interest-sensitive assets and interest-sensitive liabilities continues to produce excellent results:

- *Investments.* Incremental returns derived from new investment asset classes are \$6.4 million for FY 2002 and \$22 million since inception.
- *Cash Management.* Cash management improved dramatically with the implementation of the General Fund TRAN program producing \$3.2 million in FY 1998, \$4.7 million in FY 1999, \$7.3 million in FY 2000 and \$6.5 million in FY 2001. Economic benefit for FY 2002 is \$5.3 million for a cumulative benefit of \$27 million.
- *Debt Management.* Contributed an estimated \$229 million in value-added.
  - ⇒ Synthetic advanced refunding of SPBC 40 (Second Series) using a delayed start interest rate swap produced \$1.1 million in present value savings.
  - ⇒ Synthetic refunding of TAK Resource Recovery 1985 Series A bonds has accumulated \$1.2 million to date.
  - ⇒ Synthetic refunding of TAK Toll Road 1986 Series A bonds has provided \$227,518 to date.
  - ⇒ Application of MTN and financial agreement strategies provided present value savings of \$3.83 million from delayed start interest rate swap in refunding of SPBC 71 MTNs.
  - ⇒ Combination of MTN structure and cash settled interest rate swap resulted in \$2.76 million savings from SPBC 73 MTN refunding.
  - ⇒ Lapsed General Fund debt service for FY 1999 was \$10.5 million, for FY 2000 was \$29 million, for FY 2001 was \$76.5 million and for FY 2002 was \$104 million for a total of \$220 million. This amount reflects the savings from actual versus budgeted debt service.
- **Total value added since inception, \$278 million.**

# Monthly Investment Income Report



June 2002

Date: 6/30/02

# **PORTFOLIO SUMMARY** **POOLS**

	TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION (Years)	PERCENT of TOTAL	STATUTORY LIMIT
Treasuries						
	Bills	0.00	0.00	0.00	0%	
	Treasury Notes	675,870,460.00	2.95	2.18	18%	
	Sub-total	675,870,460.00	2.95	2.18	18%	
Agencies						
	Notes	1,305,418,330.00	3.14	1.80	35%	
	Discounts	0.00	0.00	0.00	0%	
	Sub-total	1,305,418,330.00	3.14	1.80	35%	
Municipals						
		173,401,308.00	3.62	1.86	5%	
Corporates						
		266,827,756.00	3.98	1.60	7%	25%
Mortgages						
	Pools	106,514,538.00	5.02	2.56	3%	
	CMO's	253,121,172.00	3.77	1.22	7%	
	Sub-total	359,635,710.00	4.14	1.62	10%	25%
Asset Backs						
		103,300,869.00	1.98	0.77	3%	20%
Repurchase Agreements						
	Overnight	618,000,000.00	1.96	0.0027	17%	
	< 30 days	35,199,442.00	1.93	0.04	1%	
	< 60 days	224,880.00	2.89	0.18	0%	
	< 90 days	19,411,780.00	1.74	0.25	1%	
	< 1 year	7,037,099.00	2.44	0.60	0%	
	< 2 years	5,000,000.00	4.00	1.54	0%	
	> 2 years	2,500,000.00	3.62	2.22	0%	
	Flex Repos				0%	
	Sub-total	687,373,201.00	1.98		19%	
Money Market Securities						
	Commercial Paper	45,000,000.00	1.83	0.01	1%	A1-P1
	Money Mkt Fund	73,000,000.00	1.91	0.0083	2%	
	Certificates of Deposit	952,542.00	3.05	0.64	0%	
	Sub-total	118,952,542.00	1.89	0.01	3%	20%
<b>TOTALS</b>						
		3,690,780,176.00	3.00	1.43	100%	

Date: 6/30/02

# **PORTFOLIO SUMMARY** **SHORT TERM POOL**

	TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION	PERCENT of TOTAL	STATUTORY LIMIT
Treasuries						
	Bills	0.00	0.00	0.0000	0%	
	Treasury Notes	0.00	0.00	0.0000	0%	
	Sub-total	0.00	0.00	0.0000	0%	
Agencies						
	Notes	0.00	0.00	0.0000	0%	
	Discounts	0.00	0.00	0.0000	0%	
	Sub-total	0.00	0.00	0.0000	0%	
Corporates						
		0.00	0.000	0.0000	0%	25%
Municipals						
		0.00	0.00	0.0000	0%	
Mortgages						
	CMOs	0.00	0.00	0.0000	0%	25%
ABS						
		0.00	0.00	0.0000	0%	
Repurchase Agreements						
	Overnight	358,942,000.00	1.96	0.0027	89%	
	< 30 days	0.00	0.00		0%	
	< 60 days	0.00	0.00		0%	
	< 90 days	0.00	0.00		0%	
	< 1 year	0.00	0.00		0%	
	< 2 years	0.00	0.00		0%	
	> 2 years	0.00	0.00		0%	
	Flex Repos				0%	
	Sub-total	358,942,000.00	1.96		89%	
Money Market Securities						
	Commercial Paper	45,000,000.00	1.83	0.01	11%	A1-P1
	Money Mkt Fund	0.00	0.00	0.00	0%	
	Certificates of Deposit	0.00	0.00	0.00	0%	
	Sub-total	45,000,000.00	1.83	0.01	11%	
<b>TOTALS</b>						
		403,942,000.00	1.95	0.00	100%	

Date: 6/30/02

# **PORTFOLIO SUMMARY** **INTERMEDIATE TERM POOL**

	TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION (Years)	PERCENT of TOTAL	STATUTOI LIMIT
<b>Treasuries</b>						
	Bills	0.00	0.00	0.00	0%	
	Treasury Notes	352,894,180.00	2.77	1.89	15%	
	Sub-total	352,894,180.00	2.77	1.89	15%	
<b>Agencies</b>						
	Notes	982,358,462.00	3.21	1.84	41%	
	Discounts	0.00	0.00	0.00	0%	
	Sub-total	982,358,462.00	3.21	1.84	41%	
<b>Municipals</b>						
		166,409,575.00	3.59	1.82	7%	
<b>Corporates</b>						
		234,828,373.00	3.90	1.36	10%	25%
<b>Mortgages</b>						
	Pools	93,455,904.00	5.10	2.62	4%	
	CMO's	242,766,667.00	3.77	1.22	10%	
	Sub-total	336,222,571.00	4.14	1.61	14%	25%
<b>Asset Backs</b>						
		103,300,869.00	1.98	0.77	4%	20%
<b>Repurchase Agreements</b>						
	Overnight	58,980,000.00	1.96	0.0027	3%	
	< 30 days	35,199,442.00	1.93	0.04	2%	
	< 60 days	224,880.00	2.89	0.18	0%	
	< 90 days	19,411,780.00	1.74	0.25	1%	
	< 1 year	7,037,099.00	2.44	0.60	0%	
	< 2 years	5,000,000.00	4.00	1.54	0%	
	> 2 years	2,500,000.00	3.62	2.22	0%	
	Flex Repos				0%	
	Sub-total	128,353,201.00	2.06		6%	
<b>Money Market Securities</b>						
	Commercial Paper	0.00	0.00	0.00	0%	A1-P1
	Money Mkt Fund	73,000,000.00	1.91	0.0083	3%	
	Certificates of Deposit	952,542.00	3.05	0.64	0%	
	Sub-total	73,952,542.00	1.92	0.02	3%	20%
<b>TOTALS</b>		2,378,319,773.00	3.22	1.57	100%	



Date: 6/30/02

# **PORTFOLIO SUMMARY** **LONG TERM POOL**

	TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION (Years)	PERCENT of TOTAL	STATUTORY LIMIT
<hr/>						
Treasuries						
	Bills	0.00	0.00	0.00	0%	
	Treasury Notes	117,509,200.00	3.86	3.74	47%	
	Sub-total	117,509,200.00	3.86	3.74	47%	
<hr/>						
Agencies	Notes	57,256,430.00	3.83	2.99	23%	
	Discounts	0.00	0.00	0.00	0%	
	Sub-total	57,256,430.00	3.83	2.99	23%	
<hr/>						
Municipals		6,991,733.00	4.31	2.87	3%	
Corporates		31,999,384.00	4.57	3.34	13%	25%
Mortgages	Pools	13,058,634.00	4.46	2.16	5%	
	CMO's	10,354,505.00	3.84	1.30	4%	
	Sub-total	23,413,139.00	4.19	1.78	9%	25%
<hr/>						
Asset Backs		0.00	0.00	0.00	0%	20%
<hr/>						
Repurchase Agreements	Overnight	11,900,000.00	1.96	0.0027	5%	
	< 30 days	0.00	0.00		0%	
	< 60 days	0.00	0.00		0%	
	< 90 days	0.00	0.00		0%	
	< 1 year	0.00	0.00		0%	
	< 2 years	0.00	0.00		0%	
	> 2 years	0.00	0.00		0%	
	Flex Repos				0%	
	Sub-total	11,900,000.00	0.00		5%	
<hr/>						
Money Market Securities	Commercial Paper	0.00	0.00	0.00	0%	A1-P1
	Money Mkt Fund	0.00	0.00	0.00	0%	
	Certificates of Deposit	0.00	0.00	0.00	0%	
	Sub-total	0.00	0.00	0.00	0%	20%
<hr/>						
<b>TOTALS</b>		249,069,886.00	3.90	3.13	100%	

Date: 6/30/02

# **PORTFOLIO SUMMARY** **BOND PROCEEDS POOL**

	TYPE	MARKET VALUE	MARKET YIELD (%)	DURATION (Years)	PERCENT of TOTAL	STATUTORY LIMIT
Treasuries						
	Bills	0.00	0.00	0.00	0%	
	Treasury Notes	205,467,080.00	2.73	1.79	31%	
	Sub-total	205,467,080.00	2.73	1.79	31%	
Agencies						
	Notes	265,803,438.00	2.72	1.41	40%	
	Discounts	0.00	0.00	0.00	0%	
	Sub-total	265,803,438.00	2.72	1.41	40%	
Municipals		0.00	0.00	0.00	0%	
Mortgages						
	Pools	0.00	0.00	0.00	0%	
	CMO's	0.00	0.00	0.00	0%	
	Sub-total	0.00	0.00	0.00	0%	
Asset Backs		0.00	0.00		0%	
Repurchase Agreements						
	Overnight	188,178,000.00	1.96	0.0027	29%	
	< 30 days	0.00	0.00		0%	
	< 60 days	0.00	0.00		0%	
	< 90 days	0.00	0.00		0%	
	< 1 year	0.00	0.00		0%	
	< 2 years	0.00	0.00		0%	
	> 2 years	0.00	0.00		0%	
	Flex Repos				0%	
	Sub-total	188,178,000.00	1.96		29%	
Money Market Securities						
	Commercial Paper	0.00	0.00	0.00	0%	NONE ALLOWED
	Money Mkt Fund	0.00	0.00	0.0000	0%	
	Certificates of Deposit	0.00	0.00	0.00	0%	
	Sub-total	0.00	0.00	0.00	0%	
<b>TOTALS</b>		659,448,518.00	2.51	1.13	100%	

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## Investment Income

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As of 06/30/2002

Pool	Month		Fiscal Year to Date	
	Amount	Yield *	Amount	Yield**
Intermediate	15,113,425.71	8.46%	126,807,174.39	5.58%
Short Term	1,999,933.97	3.86%	13,036,798.98	2.71%
Long Term	811,660.81	4.78%	23,492,439.62	7.37%
Bond Proceeds	4,356,711.02	7.03%	31,915,339.81	4.57%
Tran	0.00	0.00%	26,001,774.96	226.75%
<b>Grand Total</b>	<b>22,281,731.51</b>		<b>221,253,527.76</b>	

\*Yield is calculated on a total return basis. Total return consists of the accrual of interest and the gain or loss incurred from valuing the securities in market value. Total return, divided by average daily balance, divided by actual days, multiplied by actual days in the fiscal year.

\*\*Yield is calculated on a total return basis. Total return consists of the accrual of interest and the gain or loss incurred from valuing the securities in market value. Total return, (fiscal YTD) divided by the weighted average of the monthly average daily balances, divided by the actual days (fiscal YTD) multiplied by the actual number of days in the fiscal year.

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## **Investable Balances**

**As of 06/30/2002**

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	<b>Average Daily Balances</b>	
	<b>AvgBal</b>	<b>Fiscal Year to Date</b>
Intermediate	2,172,391,832.50	2,271,884,013.97
Short Term	634,510,413.17	482,327,832.05
Long Term	206,527,704.24	318,938,143.34
Bond Proceeds	754,561,058.74	698,012,785.60
Tran	0.00	11,467,086.99
	<b>3,767,991,008.65</b>	<b>3,782,629,861.95</b>

## CASH DISTRIBUTION

June 2002

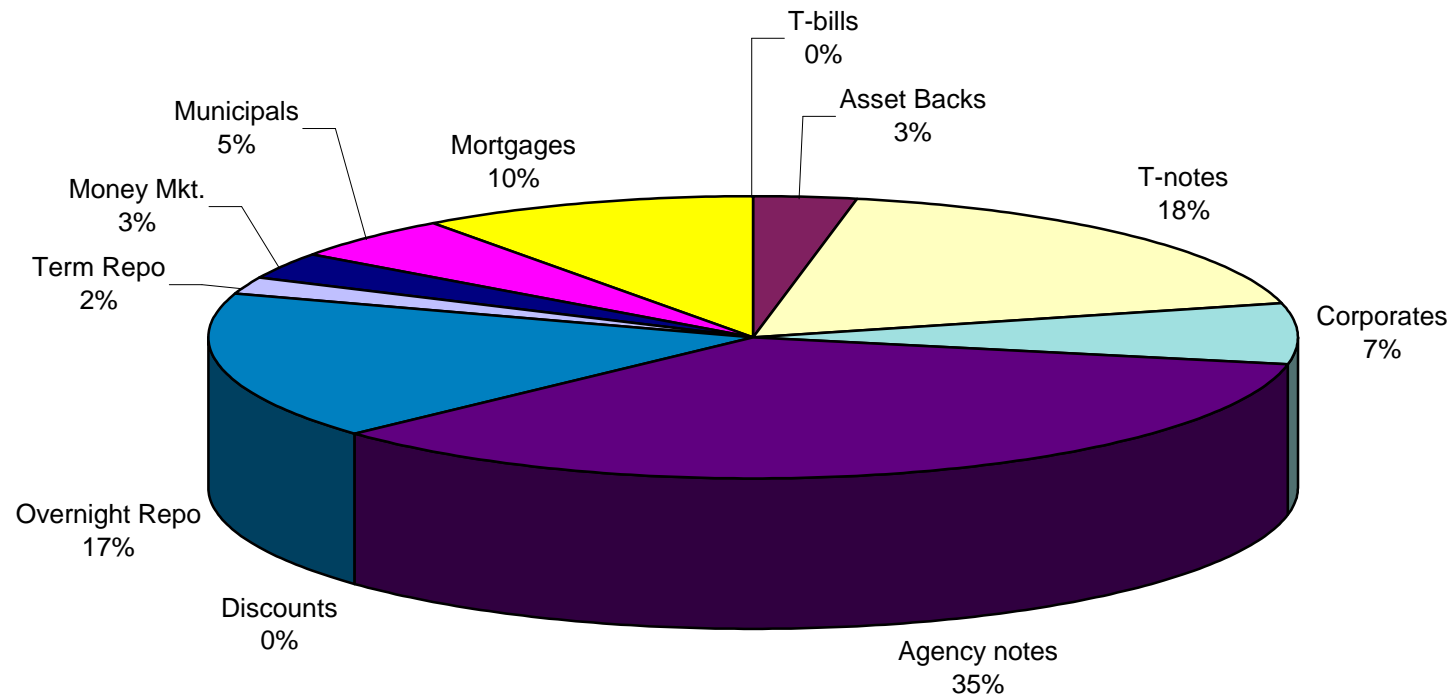
		<u>Month</u>		<u>YTD</u>	
	Actual		Budget	Actual	Budget
General Fund	0		1,720,677	21,729,540	20,648,124
Capital Con.	939,093		958,333	10,391,439	13,056,249
Agency	1,546,632		479,167	14,835,175	6,060,418
T&R	429,357		333,333	4,865,028	4,452,084

## ACCRUED EARNINGS

June 2002

		<u>Month</u>		<u>YTD</u>	
	Actual		Budget	Actual	Budget
General Fund	3,386,093		1,720,677	19,815,676	20,648,124
Capital Con.	1,312,604		958,333	14,064,361	13,056,249
Agency	1,593,984		479,167	14,402,553	6,060,418
T&R	582,456		333,333	4,686,714	4,452,084

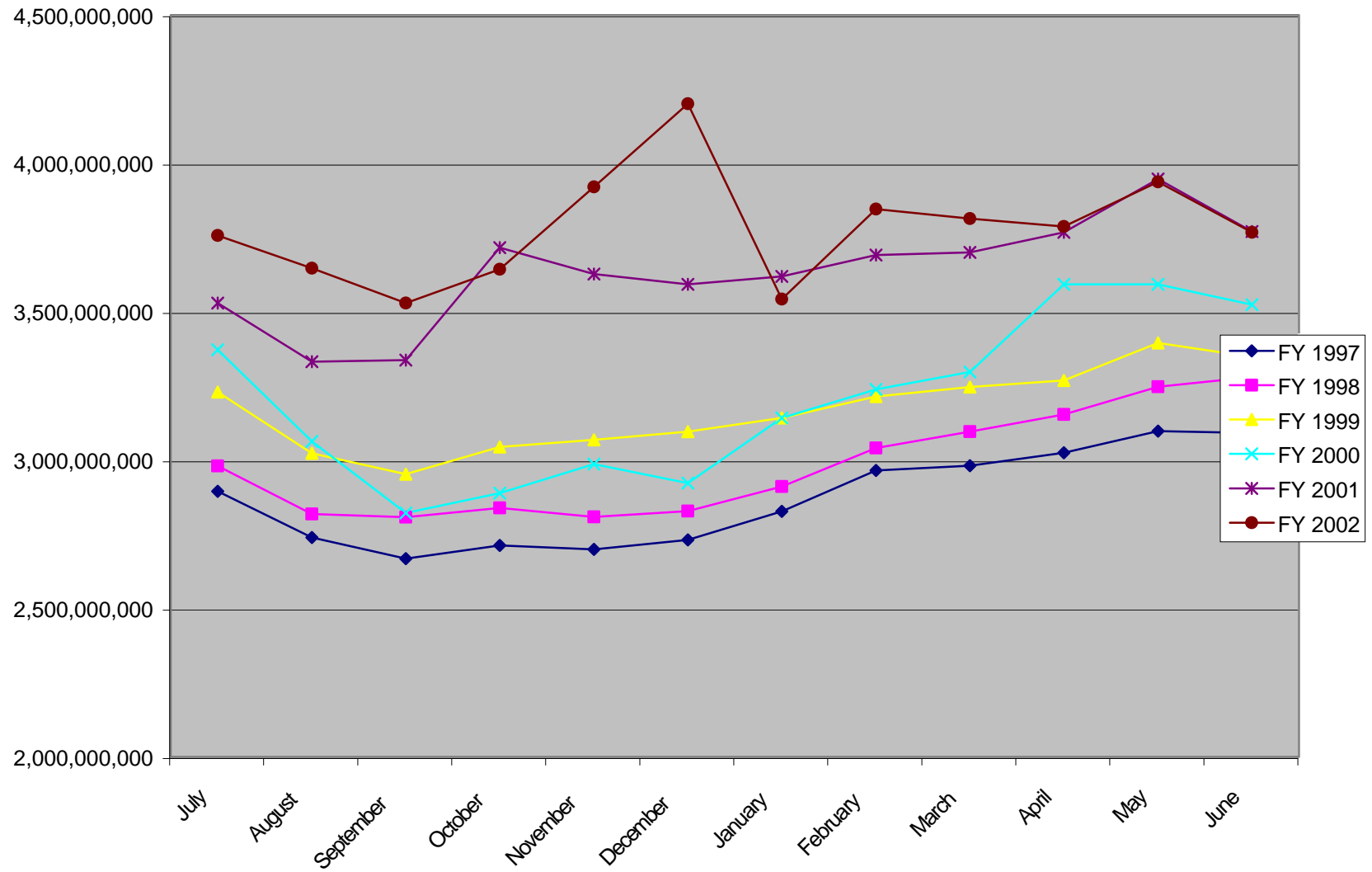
## Distribution of Investments for June



### LIMITS

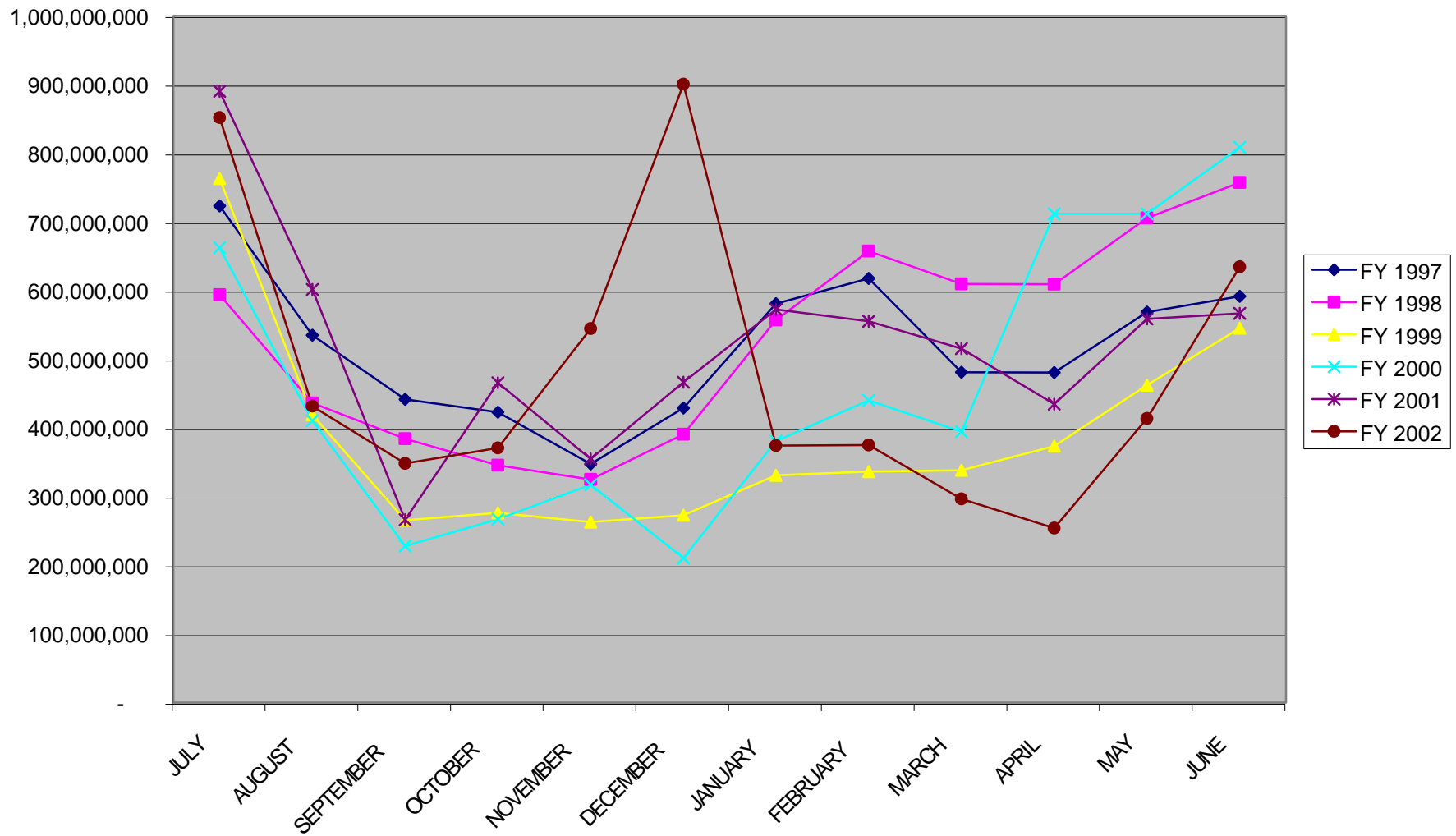
Corporates 25%  
Mortgages 25%  
Asset Backs 20%  
Money Mkt. 20%

## INVESTABLE BALANCES

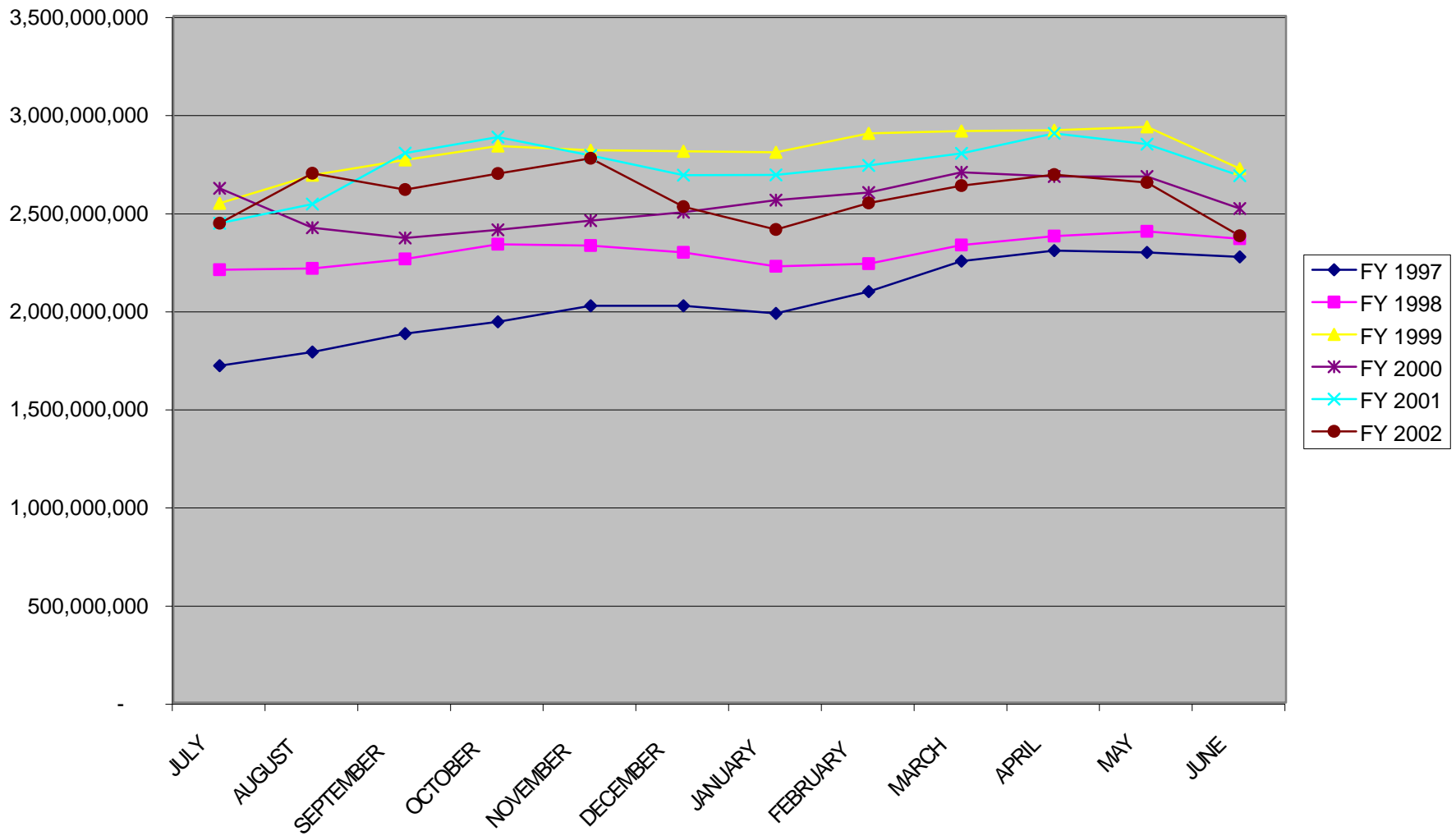




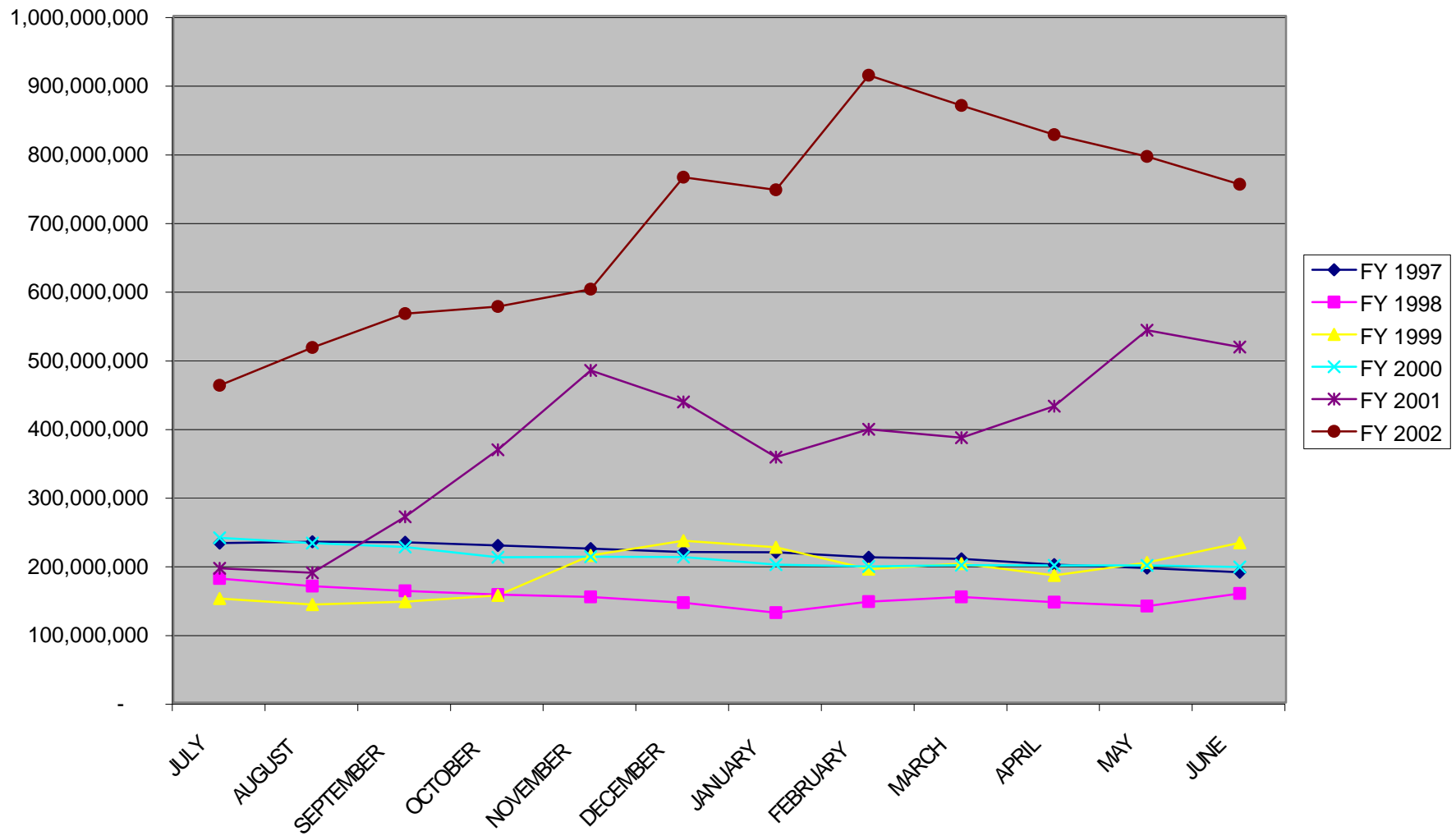
# SHORT TERM POOL INVESTABLE BALANCES



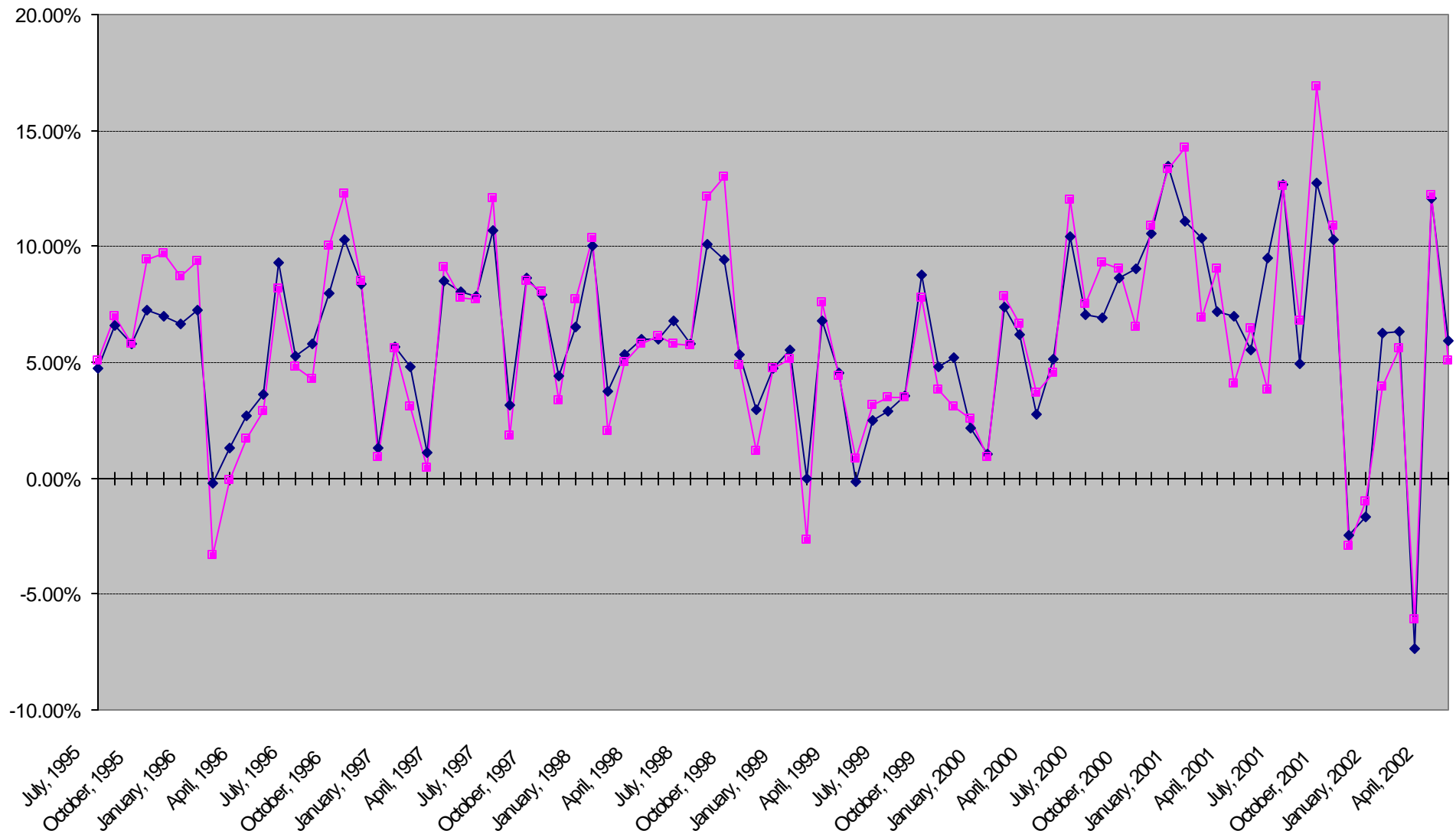
# INTERMEDIATE - LONG TERM POOL INVESTABLE BALANCES



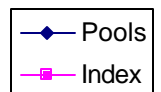
## US TREASURY-AGENCY INVESTABLE BALANCES



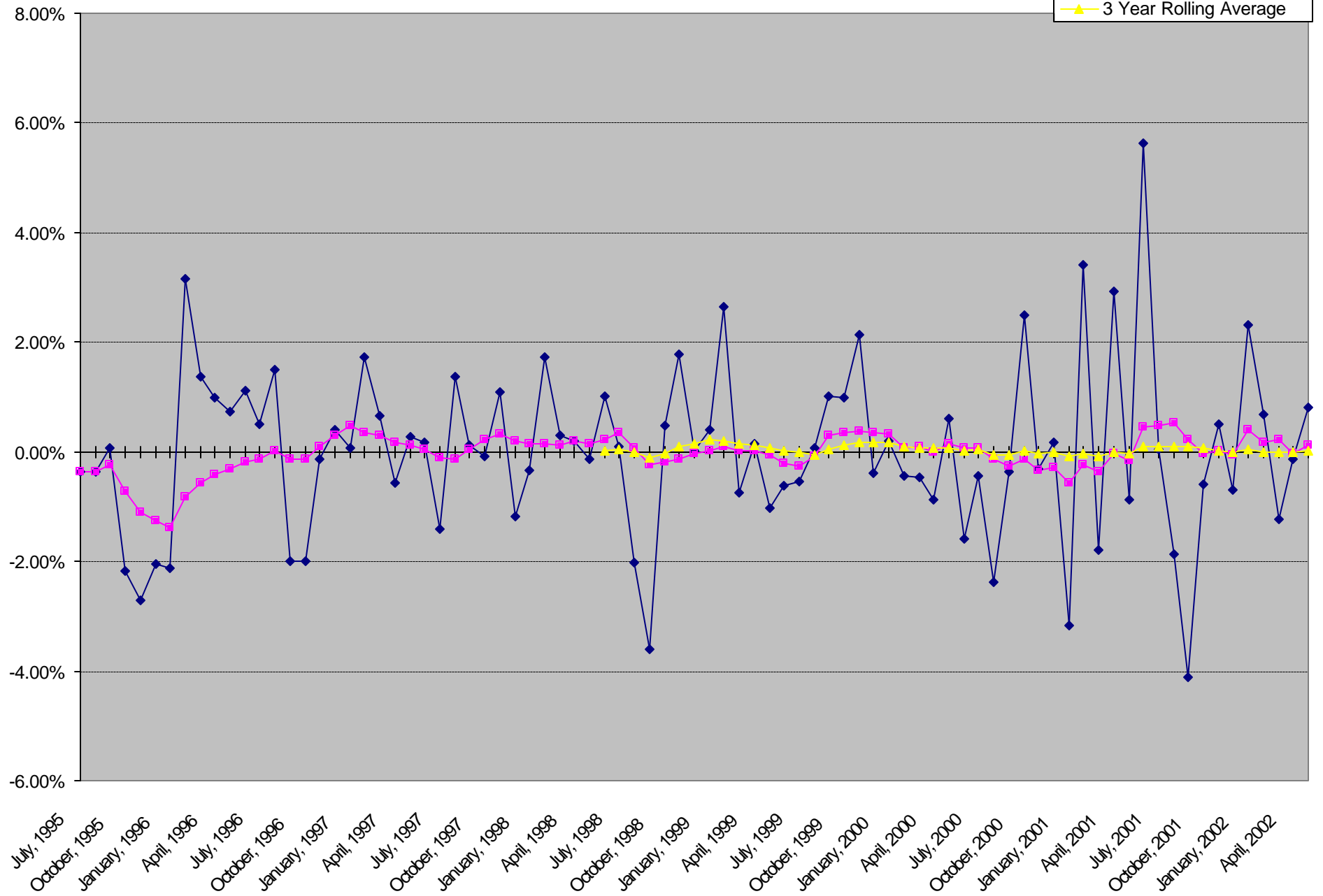
# INTERMEDIATE POOL ANNUALIZED YIELD



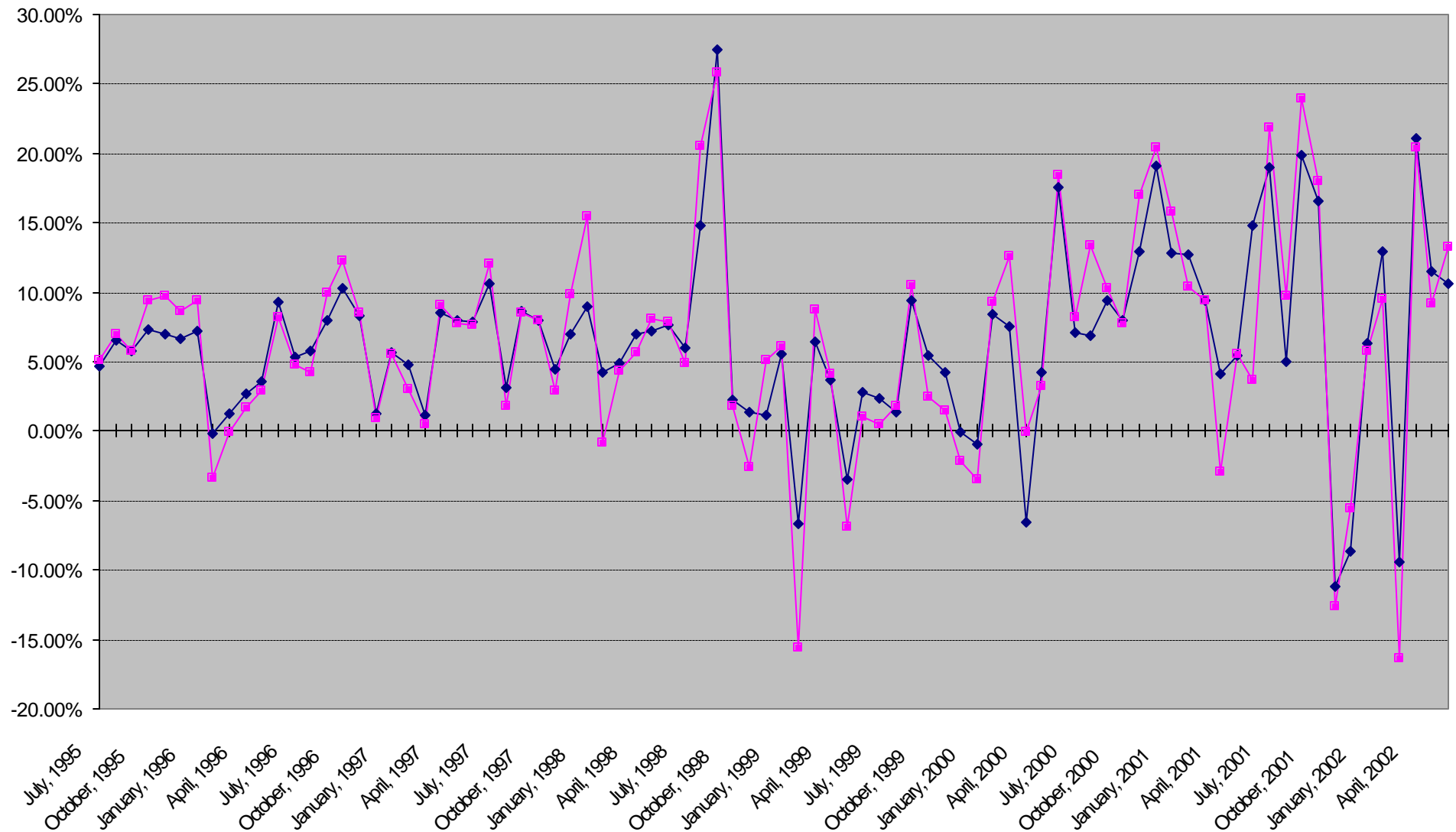
Index consists of 70% Government 1-3 year, 15% Mortgage 0-3 and 15% money market



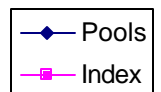
# INTERMEDIATE POOL ANNUALIZED YIELD DIFFERENCE



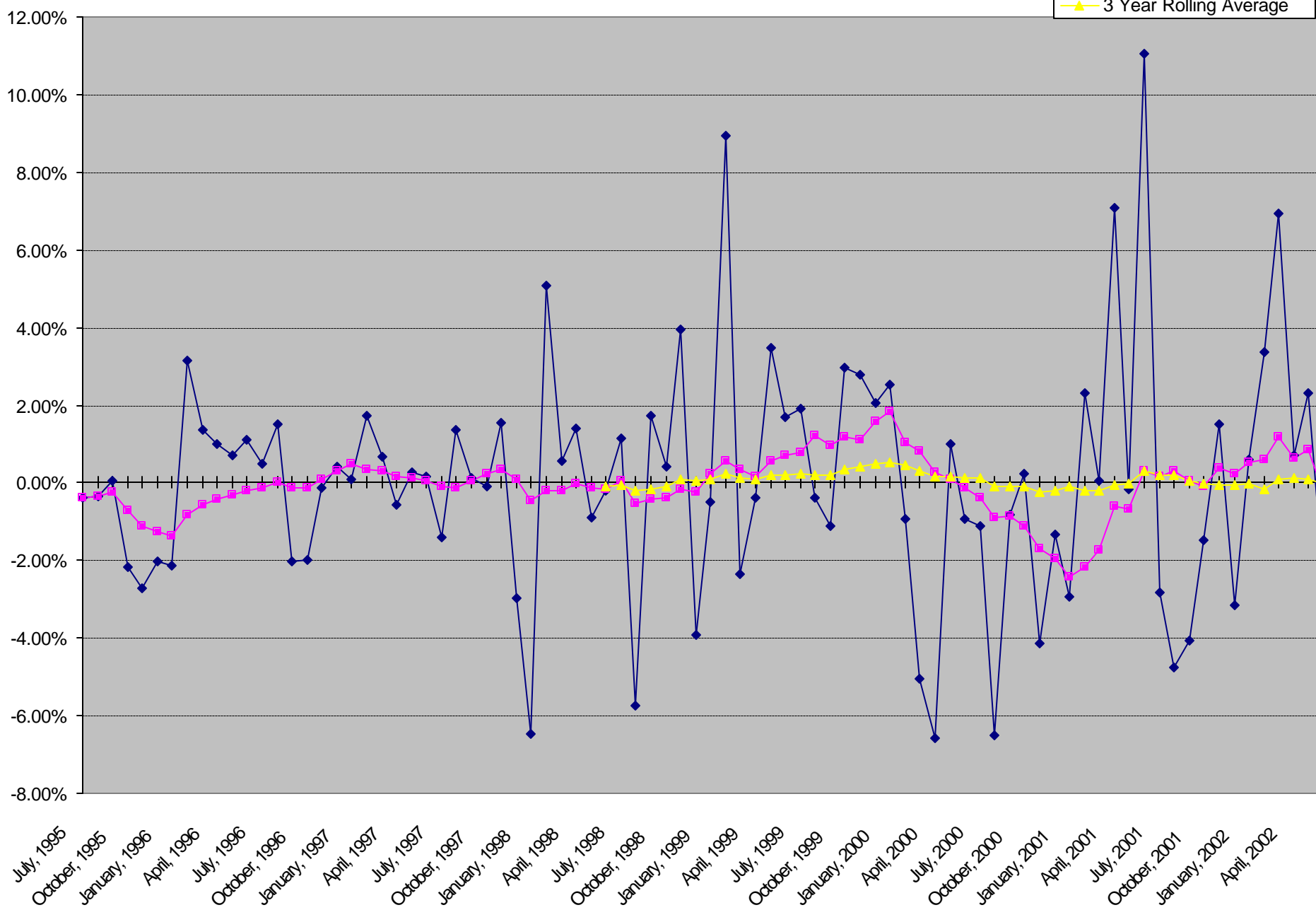
# LONG TERM POOL ANNUALIZED YIELD



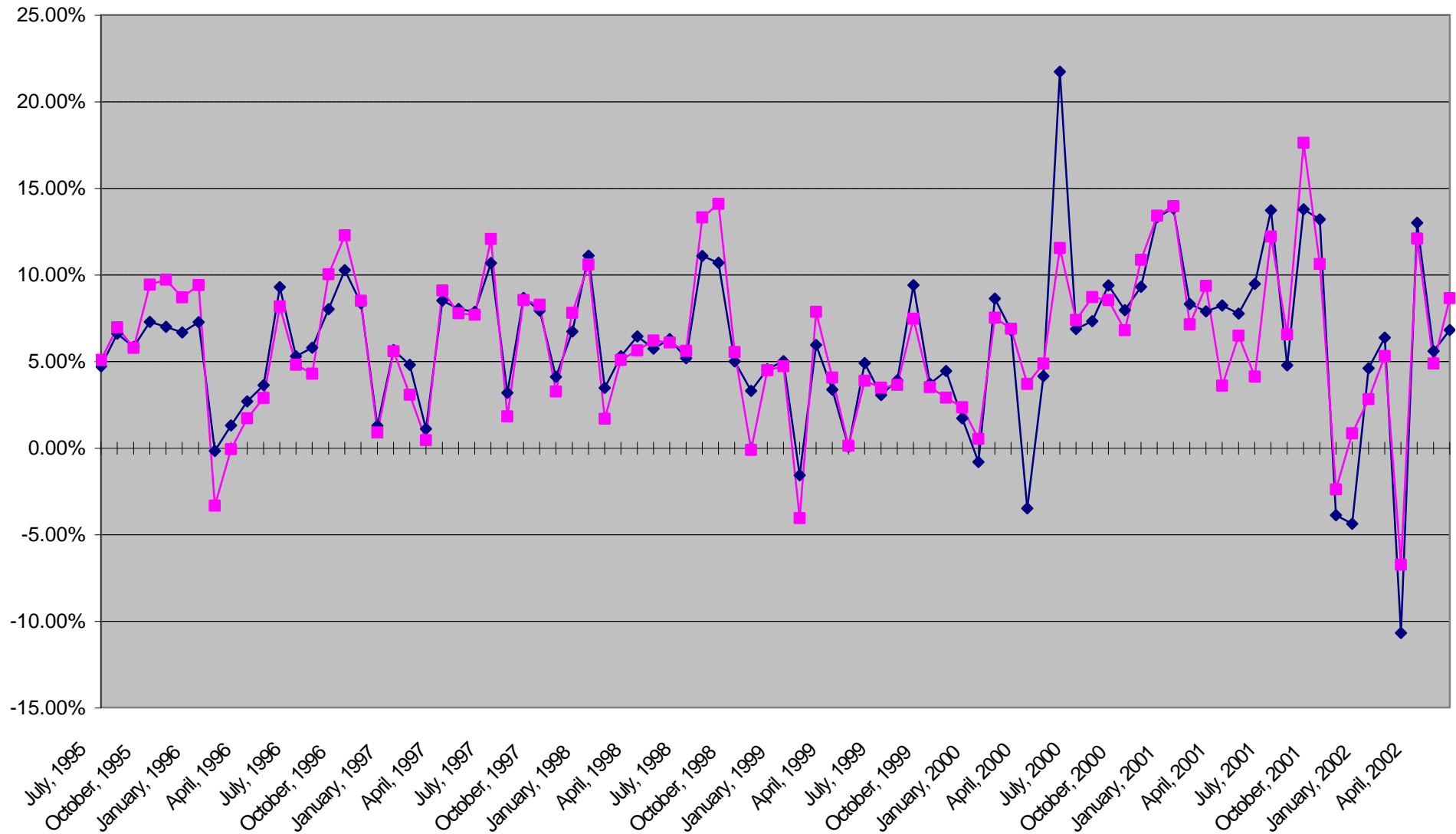
Index consists of 85% Government 1-10 year, 10% Mortgage 0-3 and 5% US Corporate 1-10



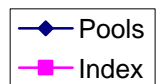
# LONG TERM POOL ANNUALIZED YIELD DIFFERENCE



## BOND PROCEEDS POOL ANNUALIZED YIELD

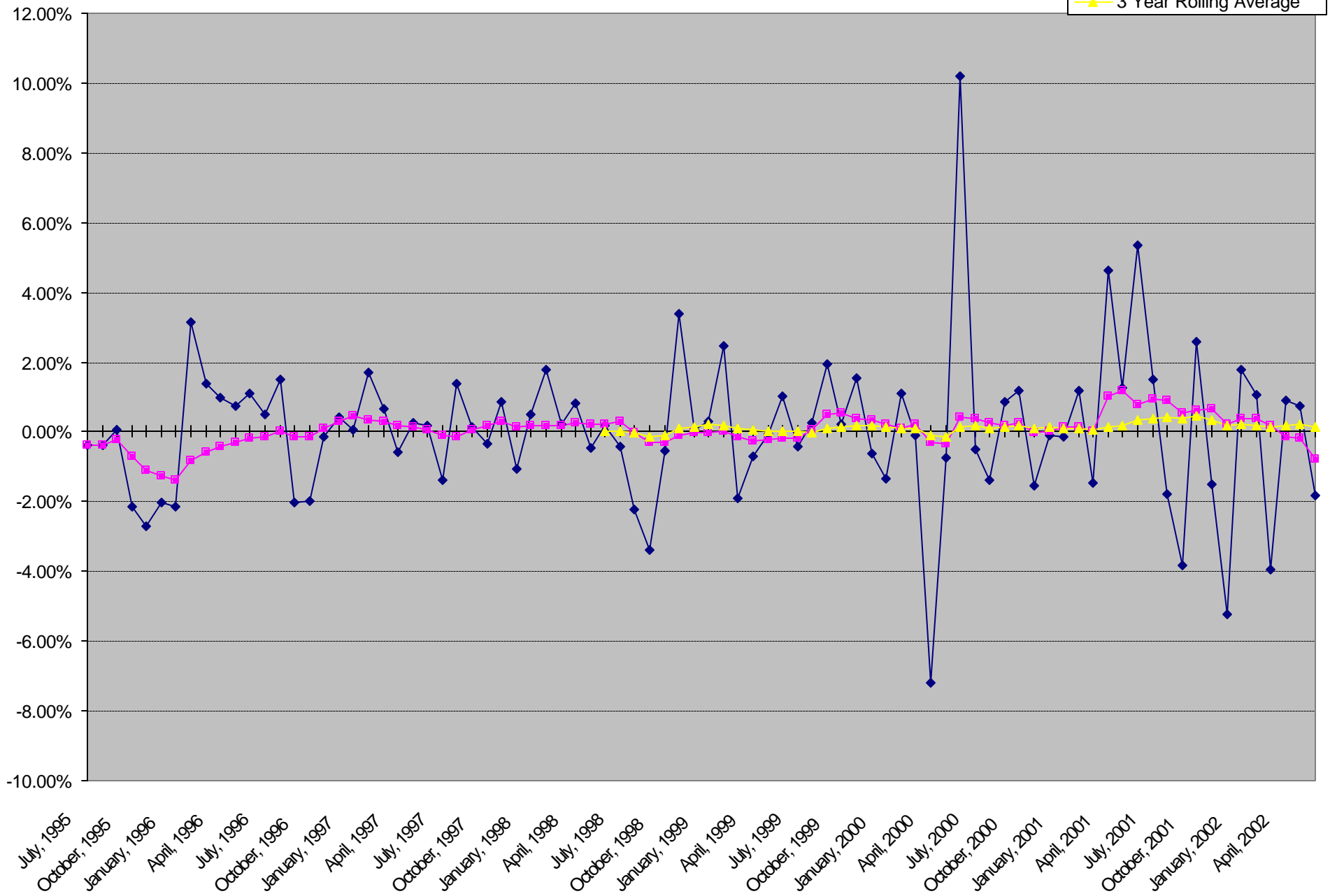


Index consists of 85% Government 1-3 year and 15% money market





# BOND PROCEEDS POOL ANNUALIZED YIELD DIFFERENCE



**EMPOWER Kentucky**  
**Added Value from Additional Security Types**  
**Cash Basis**

	<b>MBS/CMO/ABS</b>	<b>Corporates</b>	<b>Total Added-Value</b>	<b>General Fund Share of Added-Value</b>
<b>FYE 6/30/98:</b>	<b>1,014,606</b>	<b>318,534</b>	<b>1,333,140</b>	<b>261,195</b>
<b>FYE 6/30/99:</b>	<b>2,446,624</b>	<b>1,273,240</b>	<b>3,782,706</b>	<b>862,910</b>
<b>Jul-99</b>	287,709	151,269	438,978	152,958
<b>Aug-99</b>	289,357	162,708	452,065	133,580
<b>Sep-99</b>	285,902	159,368	445,270	95,998
<b>Oct-99</b>	280,111	155,135	435,246	84,939
<b>Nov-99</b>	283,533	158,545	442,078	67,709
<b>Dec-99</b>	280,997	144,317	425,314	60,549
<b>Jan-00</b>	278,270	151,318	429,588	89,664
<b>Feb-00</b>	276,645	164,516	441,161	85,257
<b>Mar-00</b>	278,113	127,717	405,830	68,109
<b>Apr-00</b>	275,606	150,411	426,017	56,402
<b>May-00</b>	271,881	141,387	413,268	82,221
<b>Jun-00</b>	271,145	147,006	418,151	116,315
<b>FYE 6/30/00 YTD:</b>	<b>3,359,269</b>	<b>1,813,697</b>	<b>5,172,966</b>	<b>1,093,701</b>
<b>Jul-00</b>	265,189	143,865	409,054	157,186
<b>Aug-00</b>	265,145	141,464	406,609	104,221
<b>Sep-00</b>	281,637	123,957	405,594	127,744
<b>Oct-00</b>	278,964	124,241	403,205	70,229
<b>Nov-00</b>	303,524	128,263	431,787	47,930
<b>Dec-00</b>	326,104	139,887	465,991	68,487
<b>Jan-01</b>	344,055	142,548	486,603	90,938
<b>Feb-01</b>	340,366	137,580	477,946	80,738
<b>Mar-01</b>	329,944	60,822	390,766	54,548
<b>Apr-01</b>	354,520	110,216	464,736	33,597
<b>May-01</b>	344,350	145,883	490,233	38,414
<b>Jun-01</b>	337,616	164,931	502,547	41,860
<b>FYE 6/30/01 YTD:</b>	<b>3,771,414</b>	<b>1,563,657</b>	<b>5,335,071</b>	<b>915,892</b>
<b>Jul-01</b>	327,197	176,268	503,465	35,388
<b>Aug-01</b>	315,197	170,633	485,699	59,572
<b>Sep-01</b>	307,697	175,771	483,468	103,533
<b>Oct-01</b>	315,030	184,844	499,874	97,298
<b>Nov-01</b>	319,188	207,984	527,172	91,872
<b>Dec-01</b>	336,043	207,909	543,952	102,750
<b>Jan-02</b>	332,500	217,893	550,393	26,029
<b>Feb-02</b>	326,500	224,406	550,906	27,283
<b>Mar-02</b>	340,000	235,974	575,974	27,589
<b>Apr-02</b>	350,050	241,071	591,121	27,602
<b>May-02</b>	367,550	201,632	569,182	73,352
<b>Jun-02</b>	390,710	158,801	549,511	2,071
<b>FYE 6/30/02 YTD:</b>	<b>4,027,662</b>	<b>2,403,186</b>	<b>6,430,717</b>	<b>674,339</b>
<b>Jul-02</b>	368,100	131,000	499,100	38,684
<b>Aug-02</b>	334,600	132,814	467,414	15,757

**EMPOWER Kentucky**  
**Added Value from New Investment Strategy**  
**Total Return Basis**

	<b>BRTF Long-term Pool</b>	<b>General Fund Share of Added-Value</b>
<b>FYE 6/30/98:</b>	<b>844,071</b>	<b>664,615</b>
<b>FYE 6/30/99:</b>	<b>474,664</b>	<b>795,289</b>
<b>Jul-99</b>	-163,541	-70,208
<b>Aug-99</b>	-636,410	-276,410
<b>Sep-99</b>	175,733	75,733
<b>Oct-99</b>	182,772	79,439
<b>Nov-99</b>	-281,273	-121,273
<b>Dec-99</b>	-833,440	-366,774
<b>Jan-00</b>	-675,493	-333,826
<b>Feb-00</b>	307,613	140,946
<b>Mar-00</b>	404,990	178,323
<b>Apr-00</b>	-2,735,856	-1,172,523
<b>May-00</b>	-268,336	-115,002
<b>Jun-00</b>	-218,752	-93,752
<b>FYE 6/30/00 YTD:</b>	<b>-4,741,993</b>	<b>-2,075,327</b>
<b>Jul-00</b>	183,751	78,751
<b>Aug-00</b>	(11,978)	(5,311)
<b>Sep-00</b>	243,819	107,152
<b>Oct-00</b>	(35,863)	(15,863)
<b>Nov-00</b>	147,898	64,565
<b>Dec-00</b>	1,667,426	725,759
<b>Jan-01</b>	532,927	234,594
<b>Feb-01</b>	692,576	302,576
<b>Mar-01</b>	665,983	290,983
<b>Apr-01</b>	(826,661)	(358,327)
<b>May-01</b>	(44,437)	(19,437)
<b>Jun-01</b>	1,572,342	685,675
<b>FYE 6/30/01 YTD:</b>	<b>4,787,783</b>	<b>2,091,117</b>
<b>Jul-01</b>	1,865,960	807,627
<b>Aug-01</b>	11,137	4,470
<b>Sep-01</b>	2,065,496	878,829
<b>Oct-01</b>	1,699,384	656,050
<b>Nov-01</b>	(2,354,069)	(904,069)
<b>Dec-01</b>	(1,888,469)	(720,135)
<b>Jan-02</b>	978,620	368,620
<b>Feb-02</b>	1,777,333	672,333
<b>Mar-02</b>	(548,778)	(208,778)
<b>Apr-02</b>	2,419,397	912,731
<b>May-02</b>	1,379,397	526,469
<b>Jun-02</b>	419,940	13,273
<b>FYE 6/30/02 YTD:</b>	<b>7,825,348</b>	<b>3,007,420</b>
<b>Jul-02</b>	2,134,138	0
<b>Aug-02</b>	1,220,313	0
<b>Since inception</b>	<b>11,324,011</b>	<b>4,483,114</b>

# Bond Authorizations



June 2002

FY 2001 - 2002  
Bond Authorizations

	<u><b>Project Amount</b></u>
ALCo 2001 General Fund First Series	38,279,000
ALCo 2002 General Fund Series	12,293,000
State Property and Buildings Commission - Project 68	30,000,000
State Property and Buildings Commission - Project 69	108,318,300
State Property and Buildings Commission - Project 71	162,320,300
State Property and Buildings Commission - Project 72	210,442,000
State Property and Buildings Commission - Project 73 Road Fund	96,300,000
State Property and Buildings Commission - Project 74	211,593,000
State Property and Buildings Commission - Project 76	5,160,000
Agency Fund Bond Projects	138,047,000
Kentucky Infrastructure Authority	<u>63,000,000</u>
TOTAL*	1,075,752,600

\* Includes \$120,825,000 of Reauthorizations and does not include \$92,000,000 SFCC bond authorization.

**ALCo 2001 General Fund First Series****Seven Year Notes**

<b><u>Project Title</u></b>	<b><u>Agency Name</u></b>	<b><u>Project Amount</u></b>
Document Management Digitization System	Libraries and Archives	1,188,000
Forestry Radio Equipment	Department for Natural Resources	1,504,000
Unified Criminal Justice Information	Department of State Police	1,402,000
Equipment Replacement Pool	Eastern Kentucky University	1,582,000
System Infrastructure	Educational Professional Standards Boar	2,000,000
System Infrastructure - Database System	Educational Professional Standards Boar	2,900,000
Maintaining the Kentucky Spatial Data Infrastructure	Governor's Office for Technology	700,000
Unified Criminal Justice System	Governor's Office for Technology	4,585,000
Statewide Public Health System	Cabinet for Health Services	2,000,000
Equipment Replacement Pool	KY State University	253,000
Equipment Replacement Pool	Western Kentucky University	1,394,000
Equipment Replacement Pool	Morehead State University	751,000
Equipment Replacement Pool	Murray State University	1,009,000
Equipment Replacement Pool	Northern Kentucky University	861,000
New Personnel Payroll System	Personnel	1,450,000
On-line Access to Employee Records	Personnel	550,000
Equipment Replacement Pool	University of Kentucky	7,385,000
Equipment Replacement Pool	University of Louisville	3,547,000
Equipment Replacement Pool	KY Community Tech College System	3,218,000
		<hr/> 38,279,000

## General Fund Bond Projects FY 2001-2002

### ALCo 2002 General Fund Series

<u>Project Title</u>	<u>Agency Name</u>	<u>Project Amount</u>
Trinity Glass/Bowling Green/Warren County	Economic Development	100,000
Pulaski County/Southern Ky. Ec. Dev. Corp.	Economic Development	400,000
North American Stainless/Carroll County	Economic Development	225,000
Logan County/Auburn Hosiery Mills, Inc.	Economic Development	264,000
LFUCG/Webasto Sunroofs, Inc.	Economic Development	191,000
LFUCG/Lexington United/Webasto Roof Systems, Inc.	Economic Development	300,000
LFUCG/Lexington Industrial Foundation/SECAT, Inc.	Economic Development	1,000,000
Hardin County/Elizabethtown-Hardin County Industrial	Economic Development	7,163,000
City Of Springfield/Springfield-Washington County Econ	Economic Development	500,000
City of Owensboro/Toyotetsu Mid-America LLC	Economic Development	100,000
City of Danville/Caterpillar, Inc.	Economic Development	500,000
Casey County/OBG Mfg. Co.	Economic Development	50,000
Calloway County/Pella Corporation	Economic Development	800,000
Calloway County/Murray-Calloway County Econ. Dev.	Economic Development	200,000
Budd Talent Co. LLC/Shelbyville/Shelby County	Economic Development	500,000
		<hr/> 12,293,000

State Property and Buildings Commission

Project 68

<u>Project Title</u>	<u>Agency Name</u>	<u>Project Amount</u>
Capital Renewal & Maintenance Pool	Council on Postsecondary Education	30,000,000
		<hr/> 30,000,000



## State Property and Buildings Commission

### Project 69

<u>Project Title</u>	<u>County/Agency</u>	<u>Project Amount</u>
Allen County Volunteer Fire Department	Allen	125,000
Allen County Fiscal Court Facilities Improvement and Equipment at	Allen	150,000
Allen County Fiscal Court - Water Line Extension for Agricultural, Bu	Allen	125,000
Anderson County Park	Anderson	500,000
Lawrenceburg Library Project	Anderson	200,000
Cave City Convention Center and Farmers Market	Barren	3,000,000
Barren County Park Improvements	Barren	200,000
Barren County Fiscal Court - Fire Departments	Barren	200,000
Pine Mountain State Park Golf Course	Bell	2,000,000
City of Walton - Sidewalks	Boone	100,000
South Fork Park - Improvements	Boone	100,000
Farmers' Market Building	Bourbon	178,000
Volunteer Fire Departments	Bourbon	313,000
Highlands Museum	Boyd	200,000
Ashland School System, Boyd School System, and Fairview Indepe	Boyd	300,000
Paramount Center	Boyd	3,000,000
Millennium Park	Boyle	475,000
Perryville Battlefield State Park	Boyle	475,000
Germantown Fire Department	Bracken	100,000
Breckinridge County Fiscal Court - Ten Fire Departments - \$20,000	Breckinridge	200,000
Breckinridge County Fiscal Court - County Jail Project	Breckinridge	500,000
Butler County Fiscal Court-Various Fire Departments	Butler	200,000
Caldwell County Senior Citizens Building	Caldwell	150,000
Western Kentucky Veterans' Center - Additional	Part II_69	229,000
Eastern Kentucky Veterans' Center - Additional	Part II_69	328,000
Murray/Calloway County Fire and Rescue	Calloway	150,000
Murray/Calloway County Parks Improvements	Calloway	150,000
Dayton Community Center	Campbell	500,000
Black Mountain Preservation Project	Part II_69	4,100,000
Casey County Jail	Casey	500,000
Casey County Fiscal Court - Seven Fire Departments - \$15,000 eac	Casey	105,000
Casey County Senior Citizens Building	Casey	175,000
Christian County Convention Center	Christian	6,750,000
911 Center	Clay	110,000
Clay County Community Center/Land Acquisition	Clay	300,000
Manchester Civic/Education Center	Clay	325,000
KCTCS Technical College	Clinton	2,000,000
Crittenden County Fire and Rescue Departments	Crittenden	105,000
Cumberland County Board of Education - Renovation	Cumberland	300,000
Area Museum	Daviess	1,270,000
Museum of Fine Arts	Daviess	600,000
Edmonson Parks Commission- New Park at Chalybeate Springs	Edmonson	400,000
Edmonson Fiscal Court - Fire Departments	Edmonson	100,000
Elliott County Board of Education/Pool Project	Elliott	750,000
Volunteer Fire Departments	Elliott	100,000
Convention Center/Rupp Arena	Fayette	15,000,000
Johnson Community Center	Fayette	1,700,000
Horse Park Water Line Extension	Fayette	1,389,000
Floyd County Fiscal Court - Martin Community Center - Construction	Floyd	929,500
Prestonsburg Development Project	Floyd	3,000,000
Gallatin County Fiscal Court - Sewer Lines	Gallatin	300,000
Graves County Volunteer Fire Department	Graves	150,000
Mayfield/Graves Youth Soccer	Graves	125,000
Grayson County Fiscal Court- Seven Fire Departments - \$20,000 ea	Grayson	140,000

**Project 69**

<b><u>Project Title</u></b>	<b><u>County/Agency</u></b>	<b><u>Project Amount</u></b>
Grayson County Fiscal Court- County Jail Project	Grayson	500,000
Green County Fiscal Court- Fire Departments	Green	100,000
Sidewalks for Cecilia	Hardin	100,000
Volunteer Fire Departments	Hardin	390,000
Harlan County Garage	Harlan	200,000
Industrial Park Road	Harrison	1,000,000
Hart County Fire Departments - Distribute to Seven Fire Department	Hart	300,000
Hart County Historic Thomas House	Hart	100,000
Louisville Oral School	Jefferson	1,000,000
Presbyterian Community Center	Jefferson	300,000
City of Shively Fire Trucks	Jefferson	300,000
City of Shively Community Center	Jefferson	400,000
African - American Heritage Museum	Jefferson	3,000,000
Louisville Waterfront Development Corporation Phase II	Jefferson	12,500,000
Jessamine County Humane Society Building	Jessamine	125,000
Covington Youth Sports Complex	Kenton	200,000
Taylor Mill Pride Park	Kenton	150,000
Crestview Hills- Turn Lane Turkey Foot	Kenton	100,000
Crestview Hills - Sidewalks Dixie Highway	Kenton	100,000
Villa Hills Sidewalks - Collins Road	Kenton	100,000
Hindman City Hall	Knott	100,000
Barbourville Independent School System Activity	Knox	3,000,000
Lawrence County School System Recreational Improvements	Lawrence	160,000
Lawrence County Volunteer Fire Department	Lawrence	105,000
City of Beattyville	Lee	150,000
Volunteer Fire Departments	Letcher	300,000
Public Library in Jenkins	Letcher	200,000
Lewis County Fiscal Court - Divide Equally Among Volunteer Fire D	Lewis	100,000
Broughtontown - Remodel and upgrade of School Building for existi	Lincoln	150,000
Logan Todd Water Commission Project	Logan	1,000,000
Logan County Industrial Park	Logan	200,000
Madison County Fiscal Court- Equal Distribution to Volunteer Fire D	Madison	100,000
Madison County Rural Sanitary Sewer	Madison	2,400,000
Berea Artisans Center	Madison	1,400,000
Madison County Library - Property Acquisition	Madison	100,000
Magoffin County Administrative Office Building	Magoffin	300,000
Emergency Service Center	Marion	500,000
Kedron Bridge	Marion	500,000
Police Building	Marion	150,000
Maysville Convention Center	Mason	450,000
Paducah/McCracken County Convention Center	McCracken	200,000
Meade County Fiscal Court - Seven Fire Departments - \$20,000 eac	Meade	140,000
Meade County Ambulance Service Emergency Medical Technician	Meade	100,000
Meade Olin Park Improvements, Concession Stands, Locker Room	Meade	100,000
City of Brandenburg - Completion of Water Treatment Plant	Meade	200,000
Metcalfe County Fiscal Court - Fire Departments	Metcalfe	100,000
Morgan County Bridge Project	Morgan	200,000
Morgan County High Technology Center - Construction	Morgan	4,400,000
Muhlenberg County Community College Satellite Site	Muhlenberg	700,000
Bloomfield Sidewalks	Nelson	175,000
Old Bardstown Village	Nelson	100,000
Nicholas County Health Department	Nicholas	250,000
Ohio County Fiscal Court - Nine Fire Departments - \$20,000 each	Ohio	180,000
Oldham County Parks	Oldham	500,000
Road Barn and Ambulance Center	Owen	225,000
Challenger Learning Center of Kentucky Board	Perry	200,000

**Project 69**

<b><u>Project Title</u></b>	<b><u>County/Agency</u></b>	<b><u>Project Amount</u></b>
Pike County Fiscal Court - Thirty-three Volunteer Fire Departments -	Pike	165,000
Powell County Ambulance Service	Powell	500,000
Pulaski County Fiscal Court - Fifteen Fire Departments - \$15,000 ea	Pulaski	225,000
County Health Department - Building Improvement Needs	Pulaski	150,000
Rowan Regional Industrial Park Fire Department	Rowan	400,000
Morehead City Water Expansion	Rowan	525,000
Franklin/Simpson Industrial Park Development	Simpson	750,000
Franklin Park Improvements	Simpson	150,000
Various State Parks - Technology Upgrades	Statewide	588,000
Area Technical Center Equipment	Statewide	2,998,800
City of Campbellsville - Water and Sewer Improvements/Expansions	Taylor	900,000
Logan Todd Regional Water Project	Todd	500,000
Trimble County Fiscal Court - County Parks	Trimble	200,000
Union County Fairgrounds Convention Center & Pavilion	Union	500,000
L&N Depot Restoration and Bowling Green Public Library Joint Effort	Warren	800,000
Mackville Community Park	Washington	180,000
Wayne County Fire Protection District #1	Wayne	190,000
Webster County Fire Departments	Webster	150,000
City of Williamsburg Park Development	Whitley	1,000,000
Whitley County Water	Whitley	1,000,000
Campton Library	Wolfe	175,000
Bluegrass Railroad Museum - Bridgework, Rail Work, Signs, Miscell	Woodford	250,000
Barren County Courthouse	Barren	500,000
Bath County Courthouse Renovation	Bath	100,000
Trigg County Courthouse Annex	Trigg	250,000
Trimble County Courthouse Improvements	Trimble	200,000
		<hr/>
		108,318,300

## State Property and Buildings Commission

### Project 71

<u>Project Title</u>	<u>County</u>	<u>Project Amount</u>
Tri-County Industrial Park for Water Tower	Adair	250,000
Allen County Water District	Allen	150,000
Allen County Fiscal Court - Park Improvements	Allen	200,000
Anderson County Water Projects	Anderson	350,000
Infrastructure Improvements and Construction of Spec. Building at	Ballard	450,000
Barren State Park Boat Dock	Barren	300,000
Preston Sewer Project	Bath	150,000
Big Bone Lick State Park - Land Acquisition and Park Improvements	Boone	1,000,000
Boone County Fiscal Court - Water and Sewer Projects	Boone	500,000
Study and Correction of Drainage Problems near I-64, Exit 181	Boyd	250,000
Ashland Water Front	Boyd	200,000
Hub Frankel Building	Boyle	975,000
Breckinridge County Fiscal Court - Sewer and Water Projects	Breckinridge	500,000
Bullitt County Water and Sewer Line Expansion	Bullitt	2,000,000
Brooks Sewer Plants	Bullitt	300,000
Butler County Water Project	Butler	250,000
Caldwell County/Princeton Water District	Caldwell	240,000
East Calloway County Water Extension	Calloway	100,000
Murray/Calloway County Industrial Development/Business Incubator	Calloway	500,000
Bellevue Community Center	Campbell	500,000
L & N Bridge - Newport	Campbell	4,000,000
Bellevue Independent School Remodeling	Campbell	350,000
Carlisle County Sewer Project	Carlisle	450,000
Carroll County Fiscal Court - Sewer Lines	Carroll	200,000
Carter County Water Project	Carter	1,000,000
State Office Building	Clark	1,000,000
College Park Gym Renovation	Clark	1,000,000
Manchester Water and Waste	Clay	300,000
Crittenden/Livingston Water	Crittenden	100,000
Dale Hollow State Park - Facility	Cumberland	2,150,000
Cumberland County Day Care/Early Childhood Facility	Cumberland	270,000
Daviess County Parks Building	Daviess	195,000
Advanced Technology Center Study	Daviess	375,000
Ben Hawes State Park Project	Daviess	1,004,800
Daviess County Waterfront Development	Daviess	1,105,000
English Park Docking Facility	Daviess	1,300,000
Brownsville Natural Gas Line	Edmonson	125,000
City of Brownsville Water and Sewer - Extensions across bridge at	Edmonson	500,000
Sewer System Upgrade	Estill	400,000
Kentucky Aviation Museum	Fayette	300,000
Northern Elementary - Creative Playground	Fayette	125,000
Lexington/Fayette County Parks	Fayette	1,000,000
Horse Park Infrastructure Development	Fayette	1,550,000
Water Resources and Land Acquisition - Department of Parks for El	Fleming	1,000,000
Jenny Wiley-Construction and Dredging of New Boat Ramp	Floyd	500,000
East Kentucky Center for Science, Math, and Technology	Floyd	1,000,000
Holmes Street Drainage Project	Franklin	3,000,000
Hickman/Fulton County Riverport	Fulton	450,000
Water Line Extension	Gallatin	250,000
Lancaster Rural Water Intake	Garrard	500,000
Grant County Public Library	Grant	750,000
Grant County Rural Water Extensions	Grant	250,000
Mayfield/Graves County Airport	Graves	100,000

**Project 71**

<b><u>Project Title</u></b>	<b><u>County</u></b>	<b><u>Project Amount</u></b>
North Graves Sanitary Sewer Project	Graves	400,000
Women's Group Home	Graves	275,000
Grayson County Fiscal Court- Water and Sewer Project	Grayson	500,000
Green County Water	Green	450,000
Greenup County Fiscal Court for Water Projects	Greenup	500,000
Winifred Sewer Project	Greenup	50,000
City of Raceland Water & Sewer	Greenup	25,000
City of Russell Water & Sewer	Greenup	75,000
City of Worthington Water & Sewer	Greenup	25,000
Hancock County Water Project	Hancock	115,000
Challenger Learning Center	Hardin	760,000
Community Center, Vine Grove	Hardin	300,000
Hardin County Water District #2 - Rineyville Project	Hardin	1,200,000
Hardin County Water District #2	Hardin	421,500
Radcliff Industrial Park	Hardin	1,000,000
Elizabethtown State Theater Renovation	Hardin	500,000
Tri-County Clinic (Appalachian Regional Hospital) Cumberland	Harlan	500,000
Harlan County Jail Design and Construction	Harlan	500,000
Black Mountain Water District -Water Line Extension	Harlan	500,000
Cawood Water District - Extend Water Lines from Ross Point to Let	Harlan	500,000
Harlan County and City of Cumberland jointly to extend water lines f	Harlan	500,000
Green Hill Water District - Water Line Extension - Isaacs Creek, Big	Harlan	500,000
KCTCS Education Building	Harrison	200,000
Hart County Waterlines	Hart	500,000
Hart County Fiscal Court - Water and Sewer Project	Hart	500,000
Henderson County Technology	Henderson	1,500,000
Henry County Disaster and Emergency Services Office Building	Henry	150,000
Henry County Water Line Extensions - Campbellsburg Sewer Projec	Henry	350,000
Columbus/Belmont State Park Enhancement	Hickman	450,000
Dawson Springs Swimming Pool	Hopkins	650,000
Madisonville Community College Renovation	Hopkins	850,000
Cardinal Park	Jefferson	350,000
Home of the Innocents	Jefferson	7,000,000
Iroquois Amphitheater	Jefferson	4,600,000
Neighborhood House	Jefferson	700,000
Rosenberger House Renovation	Jefferson	100,000
Farnsley Kaufman House Renovation	Jefferson	115,000
KY State Fair and Expo Ctr - Cardinal Stad Turf	Jefferson	1,500,000
Ky State Fair and Expo Ctr - South Wing "C"	Jefferson	2,500,000
Muhammad Ali Center	Jefferson	7,000,000
Louisville Medical Center Development	Jefferson	5,000,000
Jessamine County Park and Aquatic Center	Jessamine	775,000
Wilmore Ichthus Park Entrance	Jessamine	100,000
Johnson County Water Lines	Johnson	500,000
Independence City Park	Kenton	200,000
Ft. Mitchell Park at Crescent	Kenton	150,000
City of Erlanger Mobile Data Terminal	Kenton	200,000
City of Visalia Water Project for Fire Department	Kenton	300,000
Hindman Water Tank	Knott	200,000
Troublesome Creek Sewer	Knott	600,000
Knott County KCTCS Parking	Knott	1,000,000
Pedestrian Walkway	Knott	100,000
Knox County Fiscal Court - Eight Fire Departments - \$15,000 each	Knox	120,000
Larue County Water	Larue	250,000
Purchase Lincoln Boyhood Home	Larue	500,000
Laurel County Water	Laurel	250,000

**Project 71**

<b><u>Project Title</u></b>	<b><u>County</u></b>	<b><u>Project Amount</u></b>
Laurel County Fiscal Court - Eleven Fire Departments - \$15,000 eac	Laurel	165,000
Levi Jackson State Park	Laurel	250,000
Blaine Community Center and Park Enhancement	Lawrence	110,000
State Highway 32 Sewer Project	Lawrence	500,000
Lawrence County Fiscal Court - Community Development Building	Lawrence	300,000
Lee County Water and Sewer Expansion	Lee	200,000
Lee County Fiscal Court - Emergency Services Building	Lee	100,000
Beattyville/Lee County Water Tank Construction	Lee	100,000
Letcher County Water	Letcher	250,000
Community Park at Ashcamp	Pike	100,000
Water Line Extensions for Whitesburg	Letcher	500,000
Concord Water Line Extension	Lewis	350,000
Lewis County Water Project	Lewis	100,000
Lincoln County Technology Center	Lincoln	2,500,000
Crittenden/Livingston Water District	Livingston	100,000
Lyon County Water Projects	Lyon	200,000
Ducannon Lane Water Project	Madison	2,400,000
City of Benton Sewer Restoration	Marshall	500,000
Sewer Extension Calvert City Annexed Area/I-24 to Kentucky Dam	Marshall	300,000
Kentucky Dam Village State Park Marina Repair	Marshall	1,750,000
Martin County Community Center	Martin	500,000
Martin County Water Projects	Martin	500,000
Martin County Fiscal Court - Park Improvements	Martin	100,000
Maysville Underground Railroad Building Renovation	Mason	150,000
Metropolitan Hotel Renovation- Match Federal Grant	McCracken	100,000
Priority I Sewer Projects, Paducah - McCracken Joint Sewer Agency	McCracken	395,000
Four Rivers Center	McCracken	8,000,000
Challenger Learning Center - Equipment & Improvements	McCracken	150,000
McCreary County/Somerset Community Center	McCreary	2,500,000
Expansion Meade County Water System	Meade	500,000
Meade County Industrial Park Development of 24 Acre Site and Buil	Meade	250,000
Meade County Fiscal Court - Water & Sewer Project	Meade	500,000
Regional Water and Sewer Project	Menifee	500,000
Burgin Drinking Water Enhancement	Mercer	100,000
Mercer County Park Improvements	Mercer	800,000
City of Edmonton	Metcalfe	200,000
Metcalfe County Fiscal Court - Water & Sewer	Metcalfe	500,000
Monroe County Industrial Park	Monroe	250,000
Monroe County Fiscal Court - Water Lines	Monroe	500,000
Old Mulkey State Park	Monroe	250,000
Community Center Funding - Multi - County Workforce Training Cen	Montgomery	2,000,000
Montgomery and Morgan Mid School Tech Project	Montgomery	140,000
Morgan County Water	Morgan	800,000
City of Greenville Sewer Plant Expansion	Muhlenberg	500,000
Muhlenberg County Water District	Muhlenberg	100,000
Powderly Sewer Collection System	Muhlenberg	200,000
Wickland Mansion Project	Nelson	500,000
Nelson County Waterlines - Water extensions as follows: KY 605 (M	Nelson	1,000,000
Ohio County Water Fund	Ohio	250,000
Ohio County Fiscal Court - Water System	Ohio	200,000
Oldham County Business Park (Technology)	Oldham	200,000
Oldham County Fiscal Court - Water & Sewer Projects	Oldham	150,000
Water and Sewer Line Extensions to Owen County High School	Owen	275,000
Booneville Sewer Expansion	Owsley	500,000
Sewer District Project	Pendleton	200,000
Pendleton County Fiscal Court - Water and Sanitation Lines	Pendleton	400,000

**Project 71**

<b><u>Project Title</u></b>	<b><u>County</u></b>	<b><u>Project Amount</u></b>
City of Vicco Water Projects	Perry	150,000
Viper Volunteer Fire Department Water Projects	Perry	100,000
Center for Rural Health	Perry	4,000,000
Straight Hollow Water	Pike	110,000
South Williamson Sewer Project	Pike	200,000
Eastern Kentucky Exposition Center	Pike	6,900,000
Ballfork and Mayfork Water	Pike	127,000
Southeast Pulaski Water District - Water Lines	Pulaski	150,000
Western Pulaski Water District - Water Lines	Pulaski	150,000
Southeast Water Association	Pulaski	350,000
Robertson County Public Library	Robertson	175,000
Country Music Museum	Rockcastle	1,500,000
Livingston Community Center Renovation	Rockcastle	100,000
Morehead State University Radiological Imaging Equipment	Rowan	100,000
Jamestown Water Project	Russell	150,000
Russell Springs Sewer and Water	Russell	175,000
Lake Cumberland State Park - Design and Renovation	Russell	192,000
Scott County Reservoir	Scott	825,000
Shelby County Vocational Education School Remodeling	Shelby	1,000,000
Goodnight Memorial Library	Simpson	250,000
Franklin/Simpson Technical Center	Simpson	1,000,000
Spencer County Fiscal Court - Recreation Facility	Spencer	250,000
City of Taylorsville Water Works	Spencer	1,250,000
Acquaculture Infrastructure Components	Statewide	4,000,000
Industrial Park and Water Sewer Improvements	Trigg	200,000
21st Century Training Classroom	Union	500,000
Union County Agricultural Fair - Arnold Arena and Convention Center	Union	900,000
Capitol Arts Center - Bowling Green	Warren	6,750,000
Willisburg Community Park	Washington	380,000
Springfield Water & Sewer Commission - Water & Sewer Improvements	Washington	1,500,000
City of Monticello Downtown Stabilization Project	Wayne	700,000
Corbin Center for Technology and Community Activities	Whitley	6,000,000
Water Plant Renovation	Wolfe	175,000
Community Center - Versailles	Woodford	1,000,000
Versailles Water Project	Woodford	1,000,000
Bracken County Courthouse Elevator	Bracken	230,000
McLean Courthouse Renovation	McLean	225,000
		<hr/>
		162,320,300

## State Property and Buildings Commission

### Project 72

<u>Project Title</u>	<u>Agency Name</u>	<u>Project Amount</u>
Environmental Pool	Department of Military Affairs	174,000
Renaissance Kentucky	Local Government	6,000,000
New Science Building	Murray State University	13,000,000
New Power Plant	Nothern Kentucky University	12,000,000
Science Complex Renovation and Expansion	Western Kentucky University	15,000,000
Southeast CC Newman Hall Renovation	KY Community and Technical College Syste	2,000,000
Elizabethtown CC- Science Building Renovation	KY Community and Technical College Syste	2,200,000
Mayo Technical College: Campus Renovation	KY Community and Technical College Syste	7,582,000
Combined Residential/Detention Facility - Hardin County	Department of Juvenile Justice	11,211,000
New Medium Security Prison/Design/Build - Elliott County	Department of Corrections	87,408,000
Kentucky State Reformatory - New Gas Boiler Plant	Department of Corrections	7,000,000
Western Kentucky Correctional Complex -44 Bed Segregation Un	Department of Corrections	4,300,000
Blackburn Correction Complex- Roof Replacement	Department of Corrections	1,400,000
Kentucky School for the Blind Roofing and Weatherproofing	Department of Education	1,122,000
Kentucky School for the Deaf Roof Replacement	Department of Education	850,000
Kentucky School for the Deaf Fire Safety/Dorm Renovation	Department of Education	1,250,000
NTSC Transmitters	KY Educational Television	2,800,000
Kentucky History Center Area Restoration	Department for Facilities Management	4,000,000
Fort Boonesborough - Park Improvements	Department of Parks	500,000
Children's Advocacy Centers	Cabinet for Families and Children	640,000
Miscellaneous Roof Replacement/Repair Pool	Department for Mental Health/Mental Retarda	500,000
New Power Plant - Western State Hospital	Department for Mental Health/Mental Retarda	3,880,000
Kentucky State Capitol Complex- Historic Restoration Design Infr	Department for Facilities Management	6,447,000
Kentucky State Capitol Complex- Historic Restoration Design Infr	Department for Facilities Management	12,678,000
Statewide Property Acquisition/Demolition Fund	Department for Facilities Management	5,000,000
Sprinkler Recall/Replacement	Department for Facilities Management	1,500,000
		210,442,000



**State Property and Buildings Commission**

**Project 73 - Road Fund**

<u>Project Title</u>	<u>Agency Name</u>	<u>Project Amount</u>
Transportation Office Building* and Building Parking Structure	Transportation Cabinet	96,300,000
		<hr/> 96,300,000

\* Reauthorization of \$68,100,000 and 2000 authorizations of \$7,500,000 and \$20,700,000

## State Property and Buildings Commission

### Project 74

<u>Project Title</u>	<u>Agency Name</u>	<u>Project Amount</u>
State-Owned Dam Repair- Reauthorization	Department for Environmental Protection	2,000,000
Boiler Replacement - Central State Hospital	Department for Mental Health/Mental Retarda	2,457,000
Kentucky Correctional Institution for Women- Phase II Expansion	Department of Corrections	900,000
Replacement Facility (up to 100 beds) - Jefferson County	Department of Juvenile Justice	10,000,000
Woodsbend Youth Development Center Education Addition - Mor	Department of Juvenile Justice	1,101,000
Secure Juvenile Detention Center - Fayette County	Department of Juvenile Justice	6,700,000
Health Education Center - Phase I	Eastern Kentucky University	7,000,000
Business and Technology Building	Eastern Kentucky University	5,000,000
Blue Licks Lodge/Daniel Boone Cabin Preserv. *	Economic Development	750,000
South Central KY Technology Center *	Economic Development	4,000,000
SE KY Center for Business Technology *	Economic Development	4,000,000
Tourism Development Loan Program *	Economic Development	1,500,000
City of Prestonsburg Improvements *	Economic Development	1,000,000
Morgan County Regional Water Lines *	Economic Development	1,000,000
Economic Opportunity Zones	Economic Development	2,000,000
Grayson Lake Golf Course *	Economic Development	4,500,000
Rural Development Bond Fund	Finance	25,000,000
Statewide Microwave Network Maintenance	Governor's Office for Technology	2,500,000
Cumberland TC, Harlan Campus: Renovate Building 2	KY Community and Technical College Syste	4,114,000
Northern KY Community & Technical College, Phase I	KY Community and Technical College Syste	10,000,000
Ashland Technical College: Original Campus Renovation	KY Community and Technical College Syste	8,900,000
Jefferson CC: Renovation of Downtown Campus	KY Community and Technical College Syste	8,800,000
DTV-HDTV Broadcast Transmission	KY Educational Television	12,700,000
Muck Processing Facility	KY Horse Park	375,000
Kentucky River Water Storage Enhancements	KY River Authority	1,500,000
Hathaway Hall Renovation	KY State University	3,796,000
Carver Hall Renovation	KY State University	5,000,000
Student Center Renovation & Expansion - Phase I	Morehead State University	10,000,000
Old Science Renovation (Design Phase)	Nothern Kentucky University	1,000,000
Biomedical Sciences Research Building	University of Kentucky	39,000,000
Research Building (Belknap Campus)	University of Louisville	25,000,000
		<hr/> 211,593,000

\* Economic Development Bond Pool Reauthorization

## State Property and Buildings Commission

### Project 76 - Economic Development

<u>Project Title</u>	<u>Agency Name</u>	<u>Project Amount</u>
Ashland, Inc. - Kenton County Airport Board *	Economic Developmen	1,334,000
Clayton Homes - Larue County *	Economic Developmen	30,000
Dana Corp. - City of Hopkinsville *	Economic Developmen	250,000
Dana Corp. - City of Owensboro *	Economic Developmen	400,000
Family Dollar Services - Rowan County *	Economic Developmen	400,000
Ford Motor Co. Kentucky Truck Plant - Jefferson County *	Economic Developmen	1,700,000
Grupo Antolin KY, Inc. - City of Hopkinsville *	Economic Developmen	81,000
IBM - Lexington Fayette Urban County Government *	Economic Developmen	240,000
Meritor Suspension Systems Co. - City of Hopkinsville *	Economic Developmen	100,000
Stupp Brothers - City of Bowling Green *	Economic Developmen	150,000
Williamette Industries, Inc. - Hancock County *	Economic Developmen	225,000
Worldwide Equipment - Floyd County *	Economic Developmen	250,000
		<hr/> 5,160,000

\* Economic Development Bond Pool Reauthorization

## Agency Fund Bond Projects

<u>Project Title</u>	<u>Agency Name</u>	<u>Project Amount</u>
Greek Row	Eastern Kentucky University	2,300,000
Combs Hall Dormitory Renovation	Eastern Kentucky University	5,000,000
Student Housing Fire Safety	Eastern Kentucky University	2,000,000
EKU Physical Skills Training Complex	Justice Cabinet	7,000,000
KY River Water Release System & Locks/Dams Acq	Kentucky River Authority	4,000,000
Fire Safety & Construction for Housing Complex	Morehead State University	4,612,697
UNUSED AUTHORIZATION	Morehead State University	1,217,303
MSU repairs for Residence Halls	Murray State University	1,500,000
Chiller, Cooling & Communications Project	University of Kentucky	18,370,000
Biomedical Sciences Research Building	University of Kentucky	26,000,000
Boyd Hall - HVAC	University of Kentucky	1,633,000
Cooperstown - Phase IV	University of Kentucky	1,313,000
Jewell Hall - HVAC	University of Kentucky	1,040,000
Parking #2 & Seaton Center Expan/Renov/Replaceme	University of Kentucky	26,350,000
Keeneland Sprinklers	University of Kentucky	2,821,000
UK Aging Allied Health Agency Buildings*	University of Kentucky	8,222,000
UK Crisp Building Bond Funds*	University of Kentucky	2,200,000
UK Center for Rural Health	University of Kentucky	6,100,000
Research Building (Belknap Campus)	University of Louisville	16,368,000
		<hr/>
		138,047,000

\* Reauthorization

**Kentucky Infrastructure Authority**

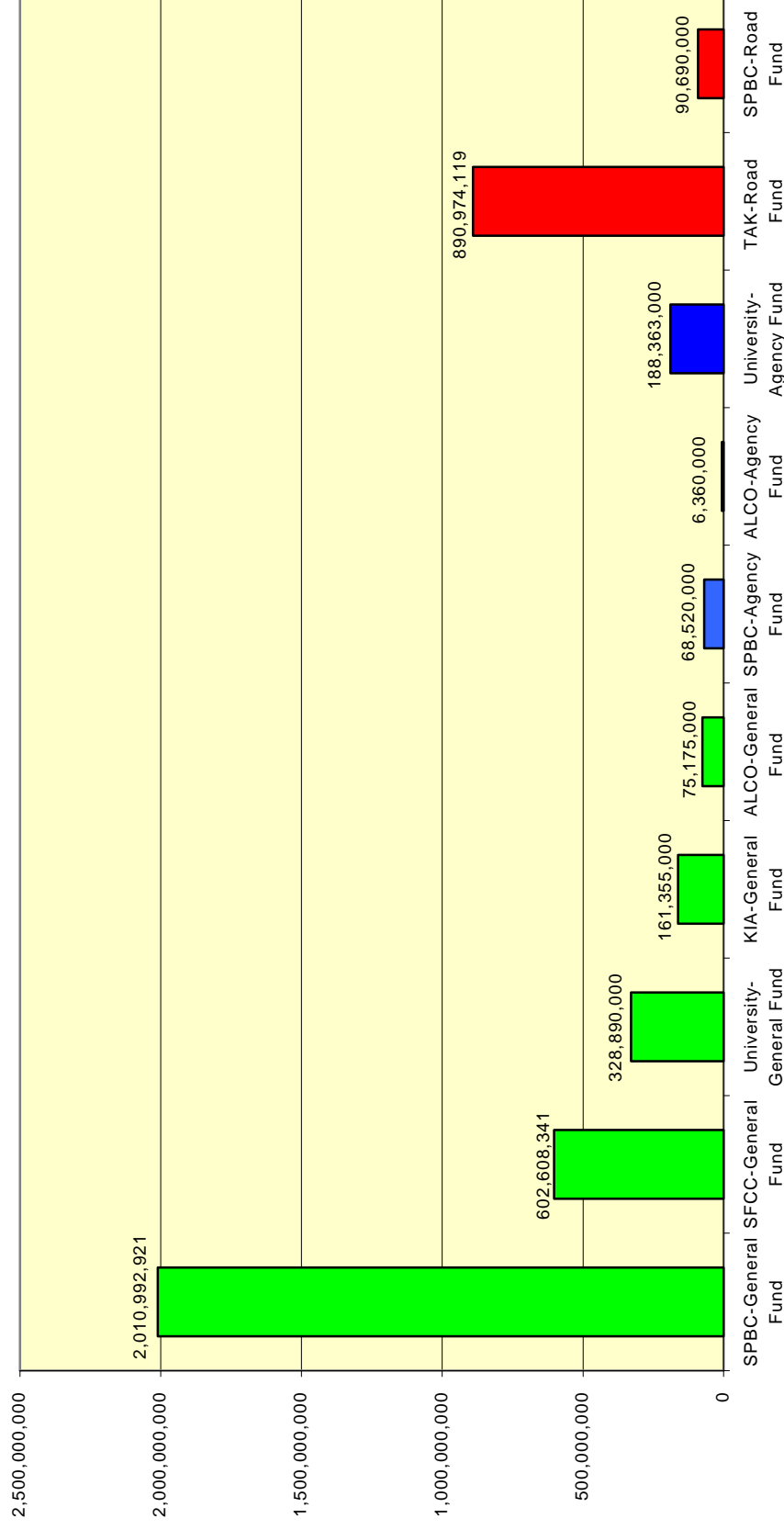
<u>Project Title</u>	<u>Agency Name</u>	<u>Project Amount</u>
Fund F Loans- Drinking Water Reauthorization	KY Infrastructure Authority	6,000,000
Water Resources Development	KY Infrastructure Authority	50,000,000
Wastewater Revolving Loan and Grant Fund A	KY Infrastructure Authority	7,000,000
		<hr/> 63,000,000

# Principal Outstanding



June 2002

# Appropriation Debt Principal Outstanding by Fund Source as of 06/30/02



# Debt Service



June 2002



Appropriation Supported Debt Service by Fund Source as of 6/30/02 (000)

