

April 4, 2019

Members of the Brown County Council  
and Brown County Commissioners  
201 Locust Lane  
Nashville, Indiana 47448

Re: Illustrative Financing

Baker Tilly Municipal Advisors, LLC  
8365 Keystone Crossing, Ste 300  
Indianapolis, IN 46240  
United States of America

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Dear Members of the Council and Commissioners:

Per your request, we have prepared this illustrative financing analysis. The attached schedules (listed below) present unaudited and limited information. The use of these schedules should be restricted to this purpose, for internal use only, as the information is subject to future revision and final report.

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2	Outstanding and Illustrative Debt Service and Tax Rates
3	Illustrative Project Sources and Uses
4	Illustrative Amortization of \$10,000,000 Principal Amount of Lease Rental Bonds, Series 2020
5	Illustrative Amortization of \$2,000,000 Principal Amount of General Obligation Bonds, Series 2020

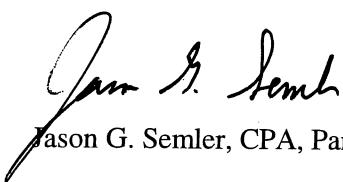
**Supporting Information**

6	Amortization of Outstanding \$4,975,000 Principal Amount of First Mortgage Refunding Bonds, Series 2013
7	Amortization of Outstanding \$500,000 Principal Amount of 2016 Road Project Notes
8	Amortization of Outstanding \$2,000,000 Principal Amount of General Obligation Bonds, Series 2018
9	General Obligation Debt Limit

In the preparation of these schedules, certain assumptions were made as noted regarding certain future events. As is the case with such assumptions regarding future events and transactions, some or all may not occur as expected and the resulting differences could be material. We have not examined the underlying assumptions nor have we audited or reviewed the historical data. Consequently, we express no opinion thereon nor do we have a responsibility to prepare subsequent reports.

We would appreciate your questions or comments on this information and would provide additional information upon request.

BAKER TILLY MUNICIPAL ADVISORS, LLC



Jason G. Semler, CPA, Partner

BROWN COUNTY, INDIANA

*Illustrative Financing*

**OUTSTANDING AND ILLUSTRATIVE DEBT SERVICE AND TAX RATES**

Year	Outstanding and Illustrative Debt Service						Estimated Tax Rate
	Jail Bonds	2016 Notes	2018 Bonds	2020 Bonds	2021 Bonds	2025 Bonds	
(1)	(2)	(3)	(4)	(5)	(5)	(5)	(6)
2019	\$562,000	\$506,517	\$419,750				\$0.1091
2020	568,000	931,405	747,616				0.1086
2021	566,000						0.0952
2022	569,000						0.1084
2023	569,000						0.1099
2024	572,000						0.1104
2025	564,000						0.1095
2026	571,000						0.1095
2027	566,000						0.1103
2028	565,000						0.1095
2029	573,000						0.1097
2030							0.1100
2031							0.1093
2032							0.1087
2033							0.1089
2034							0.1090
2035							0.0872
2036							0.0876
2037							0.0874
2038							0.0877
2039							0.0876
							0.0876
Totals	<b>\$6,245,000</b>	<b>\$506,517</b>	<b>\$2,098,771</b>	<b>\$15,547,000</b>	<b>\$2,164,992</b>	<b>\$2,164,992</b>	<b>\$30,892,262</b>

(1) See page 6.  
 (2) See page 7.  
 (3) See page 8.  
 (4) Assumes \$10M bond with \$9.1M of bond proceeds for the project. See page 4.  
 (5) Assumes 4-year \$2M bond issues. See page 5.  
 (6) Based upon the 2019 certified net assessed valuation, \$1,311,352,379. Assumes license excise/financial institutions tax factor of 5%. Per \$100 of net assessed value.  
 (7) Per the Brown County 2019 Certified Budget Order.

(Subject to the attached letter dated April 4, 2019)  
 (Preliminary - Subject to Change)  
 (For Internal Use Only)

## **BROWN COUNTY, INDIANA**

## *Illustrative Financing*

## **ILLUSTRATIVE PROJECT SOURCES AND USES**

LR Bonds	
Illustrative Project Uses:	
Project proceeds (1)	\$9,070,000
Capitalized interest through July 1, 2022 (2)	677,989
Underwriter's discount (1%)	100,000
Bond issuance costs and contingencies	<u>152,011</u>
Total Illustrative Project Uses:	<u><u>\$10,000,000</u></u>

## Illustrative Project Sources:

Lease Rental Bonds, Series 2020	\$10,000,000
General Obligation Bonds, Series 2021	<hr/>
Total Illustrative Project Sources:	\$10,000,000

- (1) Represents Bond proceeds, net of issuance costs, that will be available for capital expenditures related to the project.
- (2) The final financing structure will determine the amount of interest that will be capitalized.

(Subject to the attached letter dated April 4, 2019)  
(Preliminary - Subject to Change)  
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**BROWN COUNTY, INDIANA**

*Illustrative Financing*

**ILLUSTRATIVE AMORTIZATION OF \$10,000,000 PRINCIPAL AMOUNT OF  
LEASE RENTAL BONDS, SERIES 2020**  
Assumes Bonds dated October 1, 2020

Bond Payment Date	Principal Outstanding	Principal	Assumed Interest Rates (1)	Illustrative Interest	Illustrative Capitalized Interest	Illustrative Total Debt Service	Illustrative Bond Year Debt Service	Illustrative Lease Rental Payments (2)
7/1/2021	\$10,000,000			\$290,567	(\$290,567)	\$0		
1/1/2022	10,000,000			193,711	(193,711)	0	\$0	\$0
7/1/2022	10,000,000			193,711	(193,711)	0		
1/1/2023	10,000,000	\$185,000	2.00%	193,711		378,711	378,711	384,000
7/1/2023	9,815,000	10,000	2.15%	191,861		201,861		
1/1/2024	9,805,000	10,000	2.15%	191,754		201,754	403,615	409,000
7/1/2024	9,795,000	10,000	2.30%	191,646		201,646		
1/1/2025	9,785,000	10,000	2.30%	191,531		201,531	403,178	409,000
7/1/2025	9,775,000	10,000	2.45%	191,416		201,416		
1/1/2026	9,765,000	10,000	2.45%	191,294		201,294	402,710	408,000
7/1/2026	9,755,000	10,000	2.60%	191,171		201,171		
1/1/2027	9,745,000	10,000	2.60%	191,041		201,041	402,213	408,000
7/1/2027	9,735,000	10,000	2.75%	190,911		200,911		
1/1/2028	9,725,000	10,000	2.75%	190,774		200,774	401,685	407,000
7/1/2028	9,715,000	10,000	2.90%	190,636		200,636		
1/1/2029	9,705,000	10,000	2.90%	190,491		200,491	401,128	407,000
7/1/2029	9,695,000	10,000	3.05%	190,346		200,346		
1/1/2030	9,685,000	10,000	3.05%	190,194		200,194	400,540	406,000
7/1/2030	9,675,000	290,000	3.20%	190,041		480,041		
1/1/2031	9,385,000	295,000	3.20%	185,401		480,401	960,443	966,000
7/1/2031	9,090,000	295,000	3.35%	180,681		475,681		
1/1/2032	8,795,000	305,000	3.35%	175,740		480,740	956,421	962,000
7/1/2032	8,490,000	305,000	3.50%	170,631		475,631		
1/1/2033	8,185,000	315,000	3.50%	165,294		480,294	955,925	961,000
7/1/2033	7,870,000	320,000	3.65%	159,781		479,781		
1/1/2034	7,550,000	325,000	3.65%	153,941		478,941	958,723	964,000
7/1/2034	7,225,000	450,000	3.70%	148,010		598,010		
1/1/2035	6,775,000	460,000	3.70%	139,685		599,685	1,197,695	1,203,000
7/1/2035	6,315,000	470,000	3.85%	131,175		601,175		
1/1/2036	5,845,000	480,000	3.85%	122,128		602,128	1,203,303	1,209,000
7/1/2036	5,365,000	485,000	4.00%	112,888		597,888		
1/1/2037	4,880,000	500,000	4.00%	103,188		603,188	1,201,075	1,207,000
7/1/2037	4,380,000	510,000	4.10%	93,188		603,188		
1/1/2038	3,870,000	520,000	4.10%	82,733		602,733	1,205,920	1,211,000
7/1/2038	3,350,000	530,000	4.20%	72,073		602,073		
1/1/2039	2,820,000	540,000	4.20%	60,943		600,943	1,203,015	1,209,000
7/1/2039	2,280,000	550,000	4.30%	49,603		599,603		
1/1/2040	1,730,000	565,000	4.30%	37,778		602,778	1,202,380	1,208,000
7/1/2040	1,165,000	575,000	4.40%	25,630		600,630		
1/1/2041	590,000	590,000	4.40%	12,980		602,980	1,203,610	1,209,000
<b>Totals</b>	<b>\$10,000,000</b>			<b>\$6,120,277</b>	<b>(\$677,989)</b>	<b>\$15,442,288</b>	<b>\$15,442,288</b>	<b>\$15,547,000</b>

(1) The actual interest rate will depend on the underlying credit securing the bonds and the market conditions at the time of the bond sale. The actual interest rate may vary materially from the rate assumed in this analysis.

(2) Debt service rounded up to the next \$1,000, plus \$5,000.

(Subject to the attached letter dated April 4, 2019)  
(Preliminary - Subject to Change)  
(For Internal Use Only)

**BROWN COUNTY, INDIANA**

*Illustrative Financing*

**ILLUSTRATIVE AMORTIZATION OF \$2,000,000 PRINCIPAL AMOUNT OF**  
**GENERAL OBLIGATION BONDS, SERIES 2021**  
**Assumes Bonds dated October 21, 2020**

Bond Payment Date	Principal Outstanding	Principal	Assumed Interest Rates (1)	Illustrative Interest	Illustrative Total Debt Service	Illustrative Bond Year Debt Service
7/1/2022	\$2,000,000	\$195,000	2.00%	\$77,340	\$272,340	
1/1/2023	1,805,000	250,000	2.00%	20,872	270,872	\$543,211
7/1/2023	1,555,000	250,000	2.18%	18,372	268,372	
1/1/2024	1,305,000	255,000	2.18%	15,647	270,647	539,018
7/1/2024	1,050,000	260,000	2.36%	12,867	272,867	
1/1/2025	790,000	260,000	2.36%	9,799	269,799	542,666
7/1/2025	530,000	265,000	2.54%	6,731	271,731	
1/1/2026	265,000	265,000	2.54%	3,366	268,366	540,097
<b>Totals</b>		<b><u>\$2,000,000</u></b>		<b><u>\$164,992</u></b>	<b><u>\$2,164,992</u></b>	<b><u>\$2,164,992</u></b>

(1) The actual interest rate will depend on the underlying credit securing the bonds and the market conditions at the time of the bond sale. The actual interest rate may vary materially from the rate assumed in this analysis.

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**BROWN COUNTY, INDIANA**

***Supporting Information***

***Illustrative Financing***

**AMORTIZATION OF OUTSTANDING \$4,975,000 PRINCIPAL AMOUNT OF  
FIRST MORTGAGE REFUNDING BONDS, SERIES 2013**

**Bonds dated December 24, 2013**

Bond Payment Date	Principal Outstanding	Principal	Interest Rates	Interest	Total Debt Service	Bond Year Debt Service	Lease Rental Payments
7/15/2019	\$4,975,000	\$185,000	2.50%	\$92,003	\$277,003		
1/15/2020	4,790,000	190,000	2.50%	89,691	279,691	\$556,694	\$562,000
7/15/2020	4,600,000	195,000	2.50%	87,316	282,316		
1/15/2021	4,405,000	195,000	3.00%	84,878	279,878	562,194	568,000
7/15/2021	4,210,000	200,000	3.00%	81,953	281,953		
1/15/2022	4,010,000	200,000	3.25%	78,953	278,953	560,906	566,000
7/15/2022	3,810,000	205,000	3.25%	75,703	280,703		
1/15/2023	3,605,000	210,000	3.50%	72,372	282,372	563,075	569,000
7/15/2023	3,395,000	215,000	3.50%	68,697	283,697		
1/15/2024	3,180,000	215,000	4.00%	64,934	279,934	563,631	569,000
7/15/2024	2,965,000	225,000	4.00%	60,634	285,634		
1/15/2025	2,740,000	225,000	4.00%	56,134	281,134	566,769	572,000
7/15/2025	2,515,000	225,000	4.00%	51,634	276,634		
1/15/2026	2,290,000	235,000	4.00%	47,134	282,134	558,769	564,000
7/15/2026	2,055,000	240,000	4.00%	42,434	282,434		
1/15/2027	1,815,000	245,000	4.00%	37,634	282,634	565,069	571,000
7/15/2027	1,570,000	250,000	4.00%	32,734	282,734		
1/15/2028	1,320,000	250,000	4.13%	27,734	277,734	560,469	566,000
7/15/2028	1,070,000	255,000	4.13%	22,578	277,578		
1/15/2029	815,000	265,000	4.25%	17,319	282,319	559,897	565,000
7/15/2029	550,000	270,000	4.25%	11,688	281,688		
1/15/2030	280,000	280,000	4.25%	5,950	285,950	567,638	573,000
	<b><u>\$4,975,000</u></b>			<b><u>\$1,210,109</u></b>	<b><u>\$6,185,109</u></b>	<b><u>\$6,185,109</u></b>	<b><u>\$6,245,000</u></b>

(Subject to the attached letter dated April 4, 2019)

(Preliminary - Subject to Change)

(For Internal Use Only)

**BROWN COUNTY, INDIANA*****Supporting Information******Illustrative Financing***

**AMORTIZATION OF OUTSTANDING \$500,000 PRINCIPAL AMOUNT OF**  
**2016 ROAD PROJECT NOTES**  
**Bonds dated May 6, 2016**

Bond Payment Date	Principal Outstanding	Principal	Assumed Interest Rates (1)	Interest	Total Debt Service	Bond Year Debt Service
1/1/2019	\$500,000	\$500,000	2.55%	\$6,517	\$506,517	\$506,517
Totals		<u><u>\$500,000</u></u>		<u><u>\$6,517</u></u>	<u><u>\$506,517</u></u>	<u><u>\$506,517</u></u>

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**BROWN COUNTY, INDIANA**

***Supporting Information***

***Illustrative Financing***

**AMORTIZATION OF OUTSTANDING \$2,000,000 PRINCIPAL AMOUNT OF**  
**GENERAL OBLIGATION BONDS, SERIES 2018**  
**Bonds dated September 13, 2018**

Bond Payment Date	Principal Outstanding	Principal	Interest Rates	Interest	Total Debt Service	Bond Year Debt Service
7/1/2019	\$2,000,000	\$170,000	1.95%	\$34,712	\$204,712	
1/1/2020	1,830,000	195,000	2.05%	20,038	215,038	\$419,750
7/1/2020	1,635,000	445,000	2.10%	18,039	463,039	
1/1/2021	1,190,000	455,000	2.20%	13,366	468,366	931,405
7/1/2021	735,000	365,000	2.25%	8,361	373,361	
1/1/2022	370,000	370,000	2.30%	4,255	374,255	747,616
		<u><b>\$2,000,000</b></u>		<u><b>\$98,771</b></u>	<u><b>\$2,098,771</b></u>	<u><b>\$2,098,771</b></u>

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**BROWN COUNTY, INDIANA**

***Supporting Information***

***Illustrative Financing***

**GENERAL OBLIGATION DEBT LIMIT**

Net assessed valuation (1)	\$1,311,352,379
Divided by 3	/3
Sub-Total	437,117,460
Times: 2% General Obligation debt issue limit	2%
General Obligation debt issue limit	8,742,349
Less outstanding debt service subject to the debt limit (2):	(2,000,000)
Available General Obligation debt limit	\$6,742,349

(1) Represents the 2019 Certified Net Assessed Valuation of Brown County per the Department of Local Government Finance.

(2) As of the date of this report.

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