

DATED OCTOBER 6, 2020

NEW ISSUE
Electronic Bidding via Parity®
Bank Interest Deduction Eligible
BOOK-ENTRY-ONLY SYSTEM

RATING
Moody's: " "

In the opinion of Bond Counsel, under existing law (i) interest on the Bonds will be excludable from gross income of the holders thereof for purposes of federal taxation and (ii) interest on the Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax, all subject to the qualifications described herein under the heading "Tax Exemption." The Bonds and interest thereon are exempt from income taxation and ad valorem taxation by the Commonwealth of Kentucky and political subdivisions thereof (see "Tax Exemption" herein).

\$1,990,000*
OLDHAM COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS,
SERIES OF 2020

Dated: NOVEMBER 4, 2020

Due: as shown below

Interest on the Bonds is payable each February 1 and August 1, beginning February 1, 2021. The Bonds will mature as to principal on February 1, 2021, and each February 1 thereafter as shown below. The Bonds are being issued in Book-Entry-Only Form and will be available for purchase in principal amounts of \$5,000 and integral multiples thereof.

Maturing		Interest		Reoffering		Maturing		Interest		Reoffering	
1-Feb	Amount*	Rate	Yield	CUSIP	1-Feb	Amount*	Rate	Yield	CUSIP		
2021	\$105,000	%	%		2027	\$85,000	%	%			
2022	\$115,000	%	%		2028	\$85,000	%	%			
2023	\$110,000	%	%		2029	\$400,000	%	%			
2024	\$100,000	%	%		2030	\$400,000	%	%			
2025	\$100,000	%	%		2031	\$395,000	%	%			
2026	\$95,000	%	%								

The Bonds are subject to redemption prior to their stated maturity as described herein.

Notwithstanding the foregoing, the Corporation reserves the right to call, upon thirty (30) days notice, the Bonds in whole or in part on any date for redemption upon the total destruction by fire, lightning, windstorm or other hazard of any of the building(s) constituting the Project(s) and apply casualty insurance proceeds to such purpose.

The Bonds constitute a limited indebtedness of the Oldham County School District Finance Corporation and are payable from and secured by a pledge of the gross income and revenues derived by leasing the Project (as hereinafter defined) on an annual renewable basis to the Oldham County Board of Education.

The Oldham County (Kentucky) School District Finance Corporation will until October 14, 2020 at 11:00 A.M., E.D.S.T., receive competitive bids for the Bonds at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Road, Carriage House, Frankfort, Kentucky 40601.

***As set forth in the "Official Terms and Conditions of Bond Sale," the principal amount of Bonds sold to the successful bidder is subject to a Permitted Adjustment by increasing or decreasing the amount not to exceed \$200,000.**

PURCHASER'S OPTION: The Purchaser of the Bonds, within 24 hours of the sale, may specify to the Financial Advisor that any Bonds may be combined immediately succeeding sequential maturities into a Term Bond(s), bearing a single rate of interest, with the maturities set forth above (or as may be adjusted as provided herein) being subject to mandatory redemption in such maturities for such Term Bond(s).

The Bonds will be delivered utilizing the BOOK-ENTRY-ONLY-SYSTEM administered by The Depository Trust Company.

The Corporation deems this preliminary Official Statement to be final for purposes of the Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof which has been omitted in accordance with such Rule and which will be supplied with the final Official Statement.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sales of these Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.



**OLDHAM COUNTY, KENTUCKY
BOARD OF EDUCATION**

Joyce Fletcher, Chairperson
Kevin Woosley, Vice-Chairperson
Larry Dodson, Member
Suzanne Hundley, Member
Patrick Kehoe, Member

Greg Schultz, Superintendent/Secretary

**OLDHAM COUNTY SCHOOL DISTRICT
FINANCE CORPORATION**

Joyce Fletcher, President
Kevin Woosley, Vice-President
Larry Dodson, Member
Suzanne Hundley, Member
Patrick Kehoe, Member

Greg Schultz, Secretary
Stephanie Anderson, Treasurer

BOND COUNSEL

Stephoe & Johnson PLLC
Louisville, Kentucky

FINANCIAL ADVISOR

RSA Advisors, LLC
Lexington, Kentucky

PAYING AGENT AND REGISTRAR

US Bank, National Association
Louisville, Kentucky

BOOK-ENTRY-ONLY-SYSTEM

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Oldham County School District Finance Corporation School Building Refunding Revenue Bonds, Series of 2020, identified on the cover page hereof. No person has been authorized by the Corporation or the Board to give any information or to make any representation other than that contained in the Official Statement, and if given or made such other information or representation must not be relied upon as having been given or authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Corporation or the Board since the date hereof.

Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency, except the Corporation will pass upon the accuracy or adequacy of this Official Statement or approve the Bonds for sale.

The Official Statement includes the front cover page immediately preceding this page and all Appendices hereto.

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**OFFICIAL STATEMENT
Relating to the Issuance of**

\$1,990,000*

**OLDHAM COUNTY SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS,
SERIES OF 2020**

**Subject to Permitted Adjustment*

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to set forth certain information pertaining to the Oldham County School District Finance Corporation (the "Corporation") School Building Refunding Revenue Bonds, Series of 2020 (the "Bonds").

The Bonds are being issued to (i) pay the accrued interest and refund on a current basis on February 1, 2021 the outstanding Oldham County School District Finance Corporation School Building Revenue Bonds, Series of 2011, dated November 1, 2011 (the "2011 Bonds") maturing February 1, 2021 and thereafter (the "Refunded Bonds"); and (ii) pay the cost of the Bond issuance expenses (see "Plan of Refunding" herein). The Board has determined that the plan of refunding the Refunded Bonds will result in considerable interest cost savings to the Oldham County School District (the "District") and is in the best interest of the District.

The Bonds are revenue bonds and constitute a limited indebtedness of the Corporation. The Bonds will be secured by a lien and a pledge of the rental income derived by the Corporation from leasing the Projects (as hereinafter defined) to the Oldham County Board of Education (the "Board") on a year to year basis (see "Security" herein).

All financial and other information presented in this Official Statement has been provided by the Oldham County Board of Education from its records, except for information expressly attributed to other sources. The presentation of financial and other information is not intended, unless specifically stated, to indicate future or continuing trends in the financial position or other affairs of the Board. No representation is made that past experience, as is shown by financial and other information, will necessarily continue or be repeated in the future.

This Official Statement should be considered in its entirety, and no one subject discussed should be considered more or less important than any other by reason of its location in the text. Reference should be made to laws, reports or other documents referred to in this Official Statement for more complete information regarding their contents.

Copies of the Bond Resolution authorizing the issuance of the Bonds, the Participation Agreement, and the Lease Agreement, dated November 4, 2020, may be obtained at the office of Steptoe & Johnson PLLC, Bond Counsel, 700 N. Hurstbourne Parkway, Suite 115, Louisville, Kentucky 40222.

BOOK-ENTRY-ONLY-SYSTEM

The Bonds shall utilize the Book-Entry-Only-System administered by The Depository Trust Company ("DTC").

The following information about the Book-Entry only system applicable to the Bonds has been supplied by DTC. Neither the Corporation nor the Paying Agent and Registrar makes any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Corporation or the Paying Agent and Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC or its nominee, the Paying Agent and Registrar or the Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation or the Paying Agent and Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice the Corporation or the Paying Agent and Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's Book-Entry system has been obtained from sources that the Corporation believes to be reliable but the Corporation takes no responsibility for the accuracy thereof.

THE CORPORATION

The Corporation has been formed in accordance with the provisions of Sections 162.120 through 162.300 and Section 162.385 of the Kentucky Revised Statutes ("KRS"), and KRS Chapter 273 and KRS 58.180, as a non-profit, non-stock corporation for the purpose of financing necessary school building facilities for and on behalf of the Board. Under the provisions of existing Kentucky law, the Corporation is permitted to act as an agency and instrumentality of the Board for financing purposes and the legality of the financing plan to be implemented by the Board herein referred to has been upheld by the Kentucky Court of Appeals (Supreme Court) in the case of White v. City of Middlesboro, Ky. 414 S.W.2d 569.

Any bonds, notes or other indebtedness issued or contracted by the Corporation shall, prior to the issuance or incurrence thereon, be specifically approved by the Board. The members of the Board of Directors of the Corporation are the members of the Board. Their terms expire when they cease to hold the office and any successor members of the Board are automatically members of the Corporation upon assuming their public offices.

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION; NO PARTICIPATION IN THIS ISSUE

The Kentucky School Facilities Construction Commission (the "Commission") is an independent corporate agency and instrumentality of the Commonwealth of Kentucky established pursuant to the provisions of KRS Sections 157.611 through 157.640, as amended, repealed and reenacted (the "Act") for the purpose of assisting local school districts in meeting the school construction needs of the Commonwealth in a manner which will ensure an equitable distribution of funds based upon unmet need.

The General Assembly of the Commonwealth adopted the State's Budget for the biennium ending June 30, 2020. Inter alia, the Budget provides \$129,504,400 in FY 2018-19 and \$128,672,400 in FY 2019-20 to pay debt service on existing and future bond issues; \$58,000,000 of the Commission's previous Offers of Assistance made during the last biennium; and authorizes \$58,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2022.

The 1986, 1988, 1990, 1992, 1994, 1996, 1998, 2000, 2003, 2005, 2006, 2008, 2010, 2012, 2014, 2016, 2018 and 2020 Regular Sessions of the Kentucky General Assembly appropriated funds to be used for debt service of participating school districts. The appropriations for each biennium are shown in the following table:

<u>Biennium</u>	<u>Appropriation</u>
1986-88	\$18,223,200
1988-90	14,050,700
1990-92	13,542,800
1992-94	3,075,300
1994-96	2,800,000
1996-98	4,996,000
1998-00	12,141,500
2000-02	8,100,000
2002-04	9,500,000
2004-06	14,000,000
2006-08	9,000,000
2008-10	10,968,000
2010-12	12,656,200
2012-14	8,469,200
2014-16	8,764,000
2016-18	23,019,400
2018-20	7,608,000
2020-21	<u>2,946,900</u>
Total	\$183,861,200

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 202

The Kentucky General Assembly is required by the Kentucky Constitution to adopt measures providing for the state's revenues and appropriations for each fiscal year. The Governor is required by law to submit a biennial State Budget (the "State Budget") to the General Assembly during the legislative session held in each even numbered year. State Budgets have generally been adopted by the General Assembly during those legislative sessions, which end in mid-April, to be effective upon the Governor's signature for appropriations commencing for a two-year period beginning the following July 1.

In the absence of a legislatively enacted budget, the Supreme Court has ruled the Governor has no authority to spend money from the state treasury except where there is a statutory, constitutional or federal mandate and the Commonwealth may be prevented from expending funds for certain state governmental functions, including the ability to pay principal of, premium, if any, and interest, when due, on obligations that are subject to appropriation.

Due to the unforeseen nature on the economy of the Commonwealth caused by the COVID-19 pandemic, in its 2020 regular session, the General Assembly adopted only a one-year budget for the biennial period ending June 30, 2022 which was approved and signed by the Governor. The biennial budget will be reviewed and supplemented during the General Assembly's 2021 regular session. Such budget became effective beginning July 1, 2020. The Office of the State Budget Director makes available on its website monthly updates to the General Fund receipts and other Funds of the commonwealth. When published, the updates can be found at www.osbd.ky.gov.

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OUTSTANDING BONDS

The following table shows the outstanding Bonds of the Board by the original principal amount of each issue, the current principal outstanding, the amount of the original principal scheduled to be paid with the corresponding interest thereon by the Board or the School Facilities Construction Commission, the approximate interest range; and, the final maturity date of the Bonds:

Bond Series	Original Principal	Current Principal Outstanding	Principal Assigned to Board	Principal Assigned to Commission	Approximate Interest Rate Range	Final Maturity
2010-REF	\$8,445,000	\$2,190,000	\$8,445,000	\$0	3.400%	2021
2010B-REF	\$3,980,000	\$2,280,000	\$3,980,000	\$0	2.700%	2021
2011	\$3,050,000	\$1,895,000	\$3,050,000	\$0	2.800% - 4.300%	2031
2011-REF	\$5,245,000	\$2,245,000	\$5,245,000	\$0	2.375% - 2.500%	2022
2012-REF	\$17,820,000	\$7,300,000	\$17,313,235	\$506,765	2.000%	2024
2012B-REF	\$13,035,000	\$9,560,000	\$11,616,595	\$1,418,405	2.300% - 2.400%	2023
2012	\$6,540,000	\$6,425,000	\$6,540,000	\$0	3.000% - 4.000%	2032
2013	\$10,360,000	\$6,860,000	\$8,010,234	\$2,349,766	3.875%	2033
2015	\$18,465,000	\$18,325,000	\$17,908,333	\$556,667	2.000% - 4.000%	2035
2016	\$15,565,000	\$14,680,000	\$15,565,000	\$0	2.000% - 4.000%	2036
2016-REF	\$28,965,000	\$25,875,000	\$28,965,000	\$0	5.000%	2027
2016B-REF	\$33,485,000	\$25,260,000	\$33,321,165	\$163,835	2.000% - 4.000%	2027
2018	\$13,740,000	\$12,705,000	\$13,740,000	\$0	3.000% - 3.500%	2038
TOTALS:	\$178,695,000	\$135,600,000	\$173,699,562	\$4,995,438		

AUTHORITY

The Board of Directors of the Corporation has adopted a Bond Resolution which authorized among other things:

- i) the issuance of approximately \$1,990,000 of Bonds subject to a permitted adjustment of \$200,000;
- ii) the advertisement for the public sale of the Bonds;
- iii) the Official Terms and Conditions for the sale of the Bonds to the successful bidder; and,
- iv) the President and Secretary of the Corporation to execute certain documents relative to the sale and delivery of the Bonds.

THE BONDS

General

The Bonds will be dated November 4, 2020, will bear interest from that date as described herein, payable semi-annually on February 1 and August 1 of each year, commencing February 1, 2021, and will mature as to principal on February 1, 2021, and each February 1 thereafter in the years and in the principal amounts as set forth on the cover page of this Official Statement.

Registration, Payment and Transfer

The Bonds are to be issued in fully-registered form (both principal and interest). U.S. Bank, National Association, Louisville, Kentucky, the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to Cede & Co., as the nominee of The Depository Trust Company. Please see Book-Entry-Only-System. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on February 1 and August 1 of each year, beginning February 1, 2021 (Record Date is 15th day of month preceding interest due date).

Redemption

The Bonds maturing on or after February 1, 2029, are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after February 1, 2028, in any order of maturities (less than all of a single maturity to be selected by lot), in whole or in part, upon notice of such prior redemption being given by the Paying Agent in accordance with DTC requirements not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

Redemption Date	Redemption Price
February 1, 2028 and thereafter	100%

Notwithstanding the foregoing, the Corporation reserves the right, upon thirty (30) days notice, to call the Bonds in whole or in part for redemption on any day at par upon the total destruction by fire, lightning, windstorm or other hazard of any of the building(s) constituting the Project(s) and apply casualty insurance proceeds to such purpose.

SECURITY

General

The Bonds are revenue bonds and constitute a limited indebtedness of the Corporation. The Bonds are payable as to both principal and interest solely from the income and revenues derived from the leasing of the Project financed from the Bond proceeds from the Corporation to the Board. The Bonds are secured by a pledge of revenue on and from the Project; provided, however, said lien and pledge are on parity with the liens and pledges securing the Corporation's outstanding School Building Revenue Bonds issued to improve the building in which the Project is located.

The Lease; Pledge of Rental Revenues

The Board has leased the school Project securing the Bonds for an initial period from November 4, 2020, through June 30, 2021 with the option in the Board to renew said Lease from year to year for one year at a time, at annual rentals, sufficient in each year to enable the Corporation to pay, solely from the rental due under the Lease, the principal and interest on all of the Bonds as same become due. The Lease provides further that so long as the Board exercises its annual renewal options, its rentals will be payable according to the terms and provisions of the Lease until February 1, 2031, the final maturity date of the Bonds. Under the lease, the Corporation has pledged the rental revenue to the payment of the Bonds.

STATE INTERCEPT

Under the terms of the Lease, and any renewal thereof, the Board has agreed so long as the Bonds remain outstanding, and in conformance with the intent and purpose of Section 157.627(5) of the Act and KRS 160.160(5), in the event of a failure by the Board to pay the rentals due under the Lease, and unless sufficient funds have been transmitted to the Paying Agent, or will be so transmitted, for paying said rentals when due, the Board has granted under the terms of the Lease and Participation Agreement to the Corporation and the Commission the right to notify and request the Kentucky Department of Education to withhold from the Board a sufficient portion of any undisbursed funds then held, set aside, or allocated to the Board and to request said Department or Commissioner of Education to transfer the required amount thereof to the Paying Agent for the payment of such rentals.

THE PLAN OF REFUNDING

A sufficient amount of the proceeds of the Bonds at the time of delivery will be deposited into the Bond Fund for the Refunded Bonds. The Bond Fund deposit is intended to be sufficient to (i) pay the accrued interest and refund at or in advance of maturity all of the Oldham County School District Finance Corporation School Building Revenue Bonds, Series of 2011, dated November 1, 2011, maturing February 1, 2021 and thereafter (the "Refunded Bonds") on February 1, 2021; and (ii) pay the cost of the Bond issuance expenses (see "Plan of Refunding" herein). The Board has determined that the plan of refunding the Refunded Bonds will result in considerable interest cost savings to the Oldham County School District (the "District") and is in the best interest of the District.

Any investments purchased for the Bond Fund shall be limited to (i) direct Obligations of or Obligations guaranteed by the United States government, or (ii) Obligations of agencies or corporations of the United States as permitted under KRS 66.480(1)(b) and (c) or (iii) Certificates of Deposit of FDIC banks fully collateralized by direct Obligations of or Obligations guaranteed by the United States.

The Plan of Refunding the Bonds of the Prior Issue as set out in the Preliminary Official Statement is tentative as to what Bonds of the Prior Issue shall be refunded and will not be finalized until the sale of the Refunding Bonds.

PURPOSE OF THE PRIOR BONDS

The Refunded Bonds were issued by the Corporation for the purpose of providing funds to finance renovations at the Bus Compound/Annex (the "Project").

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ESTIMATED BOND DEBT SERVICE

The following table shows by fiscal year the current bond payments of the Board. The plan of financing provides for the Board to meet 100% of the debt service of the Bonds.

Fiscal Year Ending June 30	Current Local Bond Payments	-- Series 2020 School Building Rev. Ref. Bonds (100% Local) --			Total Local Bond Payments
		Principal Portion	Interest Portion	Total Payment	
2020	\$14,296,945				\$14,296,945
2021	\$14,296,291	\$105,000	\$5,962	\$110,962	\$14,269,801
2022	\$14,309,296	\$115,000	\$23,620	\$138,620	\$14,280,811
2023	\$14,312,059	\$110,000	\$22,470	\$132,470	\$14,285,654
2024	\$14,311,002	\$100,000	\$21,370	\$121,370	\$14,281,557
2025	\$14,312,234	\$100,000	\$20,370	\$120,370	\$14,284,679
2026	\$14,310,197	\$95,000	\$19,370	\$114,370	\$14,284,532
2027	\$14,315,145	\$85,000	\$18,420	\$103,420	\$14,286,730
2028	\$14,402,129	\$85,000	\$17,570	\$102,570	\$14,375,864
2029	\$7,658,557	\$400,000	\$16,720	\$416,720	\$7,629,442
2030	\$7,647,583	\$400,000	\$11,920	\$411,920	\$7,619,863
2031	\$7,604,890	\$395,000	\$6,320	\$401,320	\$7,578,580
2032	\$7,524,259			\$0	\$7,524,259
2033	\$7,430,575			\$0	\$7,430,575
2034	\$6,841,269			\$0	\$6,841,269
2035	\$6,273,372			\$0	\$6,273,372
2036	\$2,606,088			\$0	\$2,606,088
2037	\$2,755,788			\$0	\$2,755,788
2038	\$943,213			\$0	\$943,213
2039	\$946,275			\$0	\$946,275
TOTALS:	\$187,097,167	\$1,990,000	\$184,112	\$2,174,112	\$186,795,297

Notes: Numbers are rounded to the nearest \$1.00.

ESTIMATED USE OF BOND PROCEEDS

The table below shows the estimated sources of funds and uses of proceeds of the Bonds, other than any portions thereof representing accrued interest:

Sources:	
Par Amount of Bonds	<u>\$1,990,000.00</u>
Total Sources	\$1,990,000.00
Uses:	
Deposit to Prior Bond Fund	\$1,936,350.00
Underwriter's Discount (1%)	19,900.00
Cost of Issuance	<u>33,750.00</u>
Total Uses	\$1,990,000.00

DISTRICT STUDENT POPULATION

Selected school census and average daily attendance for the Oldham County School District is as follows:

<u>Year</u>	<u>Average Daily Attendance</u>	<u>Year</u>	<u>Average Daily Attendance</u>
2000-01	8,062.3	2010-11	10,936.4
2001-02	8,388.3	2011-12	10,910.0
2002-03	8,748.2	2012-13	11,031.0
2003-04	8,760.3	2013-14	11,155.4
2004-05	9,538.6	2014-15	11,225.1
2005-06	9,974.6	2015-16	11,201.4
2006-07	10,459.9	2016-17	11,429.0
2007-08	10,696.7	2017-18	11,594.3
2008-09	10,761.3	2018-19	11,548.4
2009-10	10,754.5	2019-20	11,652.5

STATE SUPPORT

Support Education Excellence in Kentucky (SEEK). In determining the cost of the program to Support Education Excellence in Kentucky (SEEK), the statewide guaranteed base funding level is computed by dividing the amount appropriated by the prior year's statewide average daily attendance. The SEEK fund is a guaranteed amount of money per pupil in each school district of Kentucky. The current SEEK allotment is \$3,866 per pupil. The \$100 capital outlay allotment per each average daily attendance is included within the guaranteed amounts. Each district's base funding from the SEEK program is adjusted for the number of at-risk students, the number and types of exceptional children in the district, and cost of transporting students from and to school in the district.

Capital Outlay Allotment. The per pupil capital outlay allotment for each district from the public school fund and from local sources shall be kept in a separate account and may be used by the district only for capital outlay projects approved by the State Department of Education. These funds shall be used for the following capital outlay purposes:

- a. For direct payment of construction costs.
- b. For debt service on voted and funding bonds.
- c. For payment or lease-rental agreements under which the board will eventually acquire ownership of the school plant.
- d. For retirement of any deficit resulting from over-expenditure for capital construction, if such deficit resulted from certain declared emergencies.
- e. As a reserve fund for the above named purposes, to be carried forward in ensuing budgets.

The allotment for each school board of education in the Commonwealth for fiscal year 1978-79 was \$1,800 per classroom unit. The 1979 Session of the Kentucky General Assembly approved increases in this allotment in 1979-80 to \$1,900 per classroom unit. This rate remained unchanged in 1980-81. The 1981 Session of the Kentucky General Assembly decreased the allotment per classroom to \$1,800 and this allotment rate did not change from the 1981-82 rate, until the 1990-91 school year. Beginning with 1990-91, the Capital Outlay allotment for each district is based on \$100 per average daily attendance.

The following table shows the computation of the capital outlay allotment for the Oldham County School District for certain preceding school years.

<u>Year</u>	<u>Capital Outlay Allotment</u>	<u>Year</u>	<u>Capital Outlay Allotment</u>
2000-01	806,230.0	2010-11	1,093,639.0
2001-02	838,830.0	2011-12	1,091,001.0
2002-03	874,820.0	2012-13	1,103,096.0
2003-04	876,030.0	2013-14	1,115,536.0
2004-05	953,860.0	2014-15	1,122,512.0
2005-06	997,460.0	2015-16	1,120,142.0
2006-07	1,045,990.0	2016-17	1,142,900.0
2007-08	1,069,670.0	2017-18	1,159,430.0
2008-09	1,076,131.0	2018-19	1,154,840.0
2009-10	1,075,450.0	2019-20	1,165,250.0

If the school district has no capital outlay needs, upon approval from the State, the funds can be used for school plant maintenance, repair, insurance on buildings, replacement of equipment, purchase of school buses and purchase of modern technological equipment for educational purposes. If any district has a special levy for capital outlay or debt service that is equal to the capital outlay allotment or a proportionate fraction thereof, and spends the proceeds of the levy for eligible purposes, the State may authorize the district to use all or a proportionate fraction of its capital outlay allotment for current expenses (school districts which use capital outlay allotments to meet current expenses are not eligible to participate in the School Facilities Construction Commission funds).

Facilities Support Program of Kentucky. School districts may be eligible to participate in the Facilities Support Program of Kentucky (FSPK), subject to the following requirements:

- 1) The district must have unmet needs as set forth and approved by the State Department of Education in a School Facilities Plan;
- 2) The district must commit to establish an equivalent tax rate of at least 5 cents, in addition to the 30 cents minimum current equivalent tax rate; and,
- 3) The new revenues generated by the 5 cent addition, must be placed in a restricted account for school building construction bonding.

LOCAL SUPPORT

Homestead Exemption. Section 170 of the Kentucky Constitution was amended at the General Election held November 2, 1971, to exempt from property taxes \$6,500 of value of single unit residential property of taxpayers 65 years of age or older. The 1972 General Assembly amended KRS Chapter 132 to permit counties and school districts to adjust their local tax revenues lost through the application of this Homestead Exemption. The "Single Unit" qualification has been enlarged to subsequent sessions of the General Assembly to provide that such exemption shall apply to such property maintained as the permanent resident of the owner and the dollar amount has been construed to mean \$6,500 in terms of the purchasing power of the dollar in 1972. Every two years thereafter, if the cost of living index of the U.S. Department of Labor has changed as much as 1%, the maximum exemption shall be adjusted accordingly. Under the cost of living formula, the maximum was increased to \$39,300 effective January 1, 2019.

Limitation on Taxation. The 1979 Special Session of the Kentucky General Assembly enacted House Bill 44 which provides that no school district may levy a general tax rate, voted general tax rate, or voted building tax rate which would generate revenues that exceeds the previous years revenues by four percent (4%).

The 1990 Regular Session of the Kentucky General Assembly in enacting the "School Reform" legislative package amended the provisions of KRS 160.470 which prohibited school districts from levying ad valorem property taxes which would generate revenues in excess of 4% of the previous year's revenues without said levy subject to recall to permit exceptions to the referendum under (1) KRS 160.470(12) [a new section of the statute] and (2) an amended KRS 157.440.

Under KRS 160.470(12)(a) for fiscal years beginning July 1, 1990 school districts are required to levy a "minimum equivalent tax rate" of thirty cents (\$.30) for general school purposes. The equivalent tax rate is defined as the rate which results when the income collected during the prior year from all taxes (including occupational or utilities) levied by the district for school purposes divided by the total assessed value of property plus the assessment for motor vehicles certified by the State Revenue Cabinet. Failure to levy the minimum equivalent rate subjects the board of the district to removal.

The exception provided by KRS 157.440(1)(a) permits school districts to levy an equivalent tax rate as defined in KRS 160.470(12)(a) which will produce up to 15% of those revenues guaranteed by the program to support education excellence in Kentucky. Levies permitted by this section of the statute are not subject to public hearing or recall provisions as set forth in KRS 160.470.

Local Thirty Cents Minimum. Effective for school years beginning after June 30, 1990, the board of education of each school district shall levy a minimum equivalent tax rate of thirty cents (\$.30) for general school purposes. If a board fails to comply, its members shall be subject to removal from office for willful neglect of duty.

Additional 15% Not Subject to Recall. Effective with the school year beginning July 1, 1990, each school district may levy an equivalent tax rate which will produce up to 15% of those revenues guaranteed by the SEEK program. Effective with the 1990-91 school year, the State will equalize the revenue generated by this levy at one hundred fifty percent (150%) of the statewide average per pupil equalized assessment. For 1993-94 and thereafter, this level is set at \$225,000. The additional 15% rate levy is not subject to the public hearing or recall provisions.

Assessment Valuation. No later than July 1, 1994, all real property located in the state and subject to local taxation shall be assessed at one hundred percent (100%) of fair cash value.

Special Voted and Other Local Taxes. Any district may, in addition to other taxes for school purposes, levy not less than four cents nor more than twenty cents on each one hundred dollars (\$100) valuation of property subject to local taxation, to provide a special fund for the purchase of sites for school buildings and the erection, major alteration, enlargement, and complete equipping of school buildings. In addition, districts may levy taxes on tangible and intangible property and on utilities, except generally any amounts of revenues generated above that provided for by House Bill 44 is subject to voter recall.

Local Tax Rates, Property Assessments and Revenue Collections

<u>Tax Year</u>	<u>Combined Equivalent Rate</u>	<u>Total Property Assessment</u>	<u>Property Revenue Collections</u>
2000-01	61.7	2,941,899,095	18,151,517
2001-02	61.2	3,274,323,462	20,038,860
2002-03	60.6	3,426,013,662	20,761,643
2003-04	60.6	3,838,296,418	23,260,076
2004-05	71.3	4,169,365,630	29,727,577
2005-06	71.3	4,650,051,005	33,154,864
2006-07	70.6	5,207,022,868	36,761,581
2007-08	71.3	5,635,979,793	40,184,536
2008-09	70.8	5,974,152,605	42,297,000
2009-10	70.8	6,035,438,226	42,730,903
2010-11	70.3	6,084,990,192	42,777,481
2011-12	71.7	6,032,068,183	43,249,929
2012-13	72.6	6,038,466,227	43,839,265
2013-14	78.2	5,962,363,911	46,625,686
2014-15	80.1	6,089,347,801	48,775,676
2015-16	80.5	6,205,648,560	49,955,471
2016-17	81.1	6,353,640,246	51,528,022
2017-18	80.9	6,655,882,562	53,846,090
2018-19	81.8	6,952,554,905	56,871,899
2019-20	80.5	7,326,291,053	58,976,643

OVERLAPPING BOND INDEBTEDNESS

The following table shows any other overlapping bond indebtedness of the Oldham County School District or other issuing agency within the County as reported by the State Local Debt Officer for the period ending June 30, 2020.

Issuer	Original Principal Amount	Amount of Bonds Redeemed	Current Principal Outstanding
Oldham County			
General Obligation	50,296,946	9,950,884	40,346,062
Sewer Refunding	15,150,000	10,355,000	4,795,000
City of Crestwood			
General Obligation	1,000,000	252,352	747,648
KIA Loan	5,605,118	5,213,664	391,454
Educational Development Revenue	1,400,000	1,196,518	203,482
City of LaGrange			
General Obligation	15,409,645	9,017,082	6,392,563
Roads Renewable	3,000,000	2,860,000	140,000
Real Property Revenue	10,000,000	8,280,000	1,720,000
Building Revenue	4,405,000	785,000	3,620,000

Special Districts			
Ballardsville Fire Protection District	1,735,000	515,000	1,220,000
LaGrange Fire Protection District	5,605,000	1,210,145	4,394,855
North Oldham Fire Protection District	3,955,357	1,683,745	2,271,612
Oldham County Library Taxing District	3,020,000	770,000	2,250,000
Oldham County Public Health District	700,000	377,228	322,772
Oldham County Water District	13,243,100	903,000	12,340,100
<hr/>			
Totals:	134,525,166	53,369,618	81,155,548

Source: 2020 Kentucky Local Debt Report.

SEEK ALLOTMENT

The Board has reported the following information as to the SEEK allotment to the District, and as provided by the State Department of Education.

	<u>Base Funding</u>	<u>Local Tax Effort</u>	<u>Total State & Local Funding</u>
2019-20 SEEK	39,973,040	58,976,643	98,949,683
2018-19 SEEK	41,246,591	56,871,899	98,118,490
2017-18 SEEK	41,311,417	53,846,090	95,157,507
2016-17 SEEK	41,553,897	51,528,022	93,081,919
2015-16 SEEK	40,490,967	49,955,471	90,446,438
2014-15 SEEK	40,317,852	48,775,676	89,093,528
2013-14 SEEK	39,656,198	46,625,686	86,281,884
2012-13 SEEK	38,587,827	43,839,265	82,427,092
2011-12 SEEK	37,989,914	43,249,929	81,239,843
2010-11 SEEK	34,723,812	42,777,481	77,501,293
2009-10 SEEK	33,826,082	42,730,903	76,556,985
2008-09 SEEK	37,063,207	42,297,000	79,360,207
2007-08 SEEK	36,502,662	40,184,536	76,687,198
2006-07 SEEK	32,806,411	36,761,581	69,567,992
2005-06 SEEK	31,416,156	33,154,864	64,571,020
2004-05 SEEK	28,846,141	29,727,577	58,573,718
2003-04 SEEK	27,527,025	23,260,076	50,787,101
2002-03 SEEK	25,850,324	20,761,643	46,611,967
2001-02 SEEK	23,954,675	20,038,860	43,993,535
2000-01 SEEK	23,418,906	18,151,517	41,470,423

- (1) Support Education Excellence in Kentucky (SEEK) replaces the minimum foundation program and power equalization funding. Capital Outlay is now computed at \$100 per average daily attendance (ADA). Capital Outlay is included in the SEEK base funding.
- (2) The Board established a current equivalent tax rate (CETR) of \$0.8050 for FY 2019-20. The equivalent tax rate" is defined as the rate which results when the income from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Commonwealth of Kentucky Revenue Cabinet.

State Budgeting Process

- i) Each district board of education is required to prepare a general school budget on forms prescribed and furnished by the Kentucky Board of Education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the school during the succeeding fiscal year and the estimated amount that will be received from all sources.
- ii) By September 15 of each year, after the district receives its tax assessment data from the Department of Revenue and the State Department of Education, 3 copies of the budget are forwarded to the State Department for approval or disapproval.
- iii) The State Department of Education has adopted a policy of disapproving a school budget if it is financially unsound or fails to provide for:
 - a) payment of maturing principal and interest on any outstanding voted school improvement bonds of the district or payment of rental in connection with any outstanding school building revenue bonds issued for the benefit of the school district; or
 - b) fails to comply with the law.

COVID-19

The recent outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first detected in China and has since spread to other countries, including the United States and the Commonwealth of Kentucky, has been declared a Pandemic by the World Health Organization. The outbreak of the disease has affected travel, commerce and financial markets globally and is widely expected to affect economic growth worldwide. On March 13, 2020, President Donald Trump declared a national emergency to unlock federal funds to help states and local governments fight the pandemic.

While the collection of property taxes, which are a significant source of building fund revenue for the payment of principal and interest due on the bonds (see "LOCAL SUPPORT" herein) may be impacted by the COVID-19 emergency, the District does not expect the impact to be significant unless the economic hardship is long term. In addition, the Commonwealth of Kentucky revenues are also likely to be impacted by a long-term economic hardship caused by declining collections of sales taxes, wage taxes, income taxes, property taxes and other revenue sources. The impact of those declining revenue collections on state education funds (see "STATE SUPPORT" herein) is unknown. Although the potential impact of the virus on the Commonwealth and the Board of Education's future ability to make payments under the Lease cannot be predicted at this time, the continued spread of the outbreak could have a material adverse effect on the Board of Education and ultimately, the Corporation.

On March 24, 2020 the Governor of Kentucky signed Senate Bill 177 which provides relief to Kentucky School Districts in light of the Coronavirus emergency. Among other things, it removes the limits on the number of days that a district can utilize an approved Non-Traditional Instruction program ("NTI"). Senate Bill 177 also authorizes Kentucky Superintendents to use their school year 2018-2019 attendance data on their Superintendent's Annual Attendance Report. The report determines a district's average daily attendance used in calculating Support Education Excellence in Kentucky ("SEEK") funds. On April 2, 2020, the Governor of Kentucky has recommended that all schools remain closed until at least May 1, 2020, and later extended that through the end of the school year. All 172 Kentucky school districts utilized KDE's Non-Traditional Instruction (NTI) Program for the remainder of the school year.

On August 10, 2020, the Governor recommended that all Kentucky Schools postpone in-person learning until at least September 28, 2020. For more information on the Kentucky Department of Education's response to COVID 19, please see their website at <https://education.ky.gov/comm/Pages/COVID-19-Updates.aspx>.

POTENTIAL LEGISLATION

No assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax exemption of such interest. In addition, current and future legislative proposals, if enacted into law, may cause interest on state or local government bonds (whether issued before, on the date of, or after enactment of such legislation) to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the amount of interest on such bonds that may currently be treated as tax exempt by certain individuals. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation.

Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the IRS, including but not limited to regulation, ruling, or selection of the Bonds for audit examination, or the course or result of any IRS examination of the Bonds or obligations which present similar tax issues, will not affect the market price for the Bonds.

CONTINUING DISCLOSURE

As a result of the Board and issuing agencies acting on behalf of the Board having outstanding at the time the Bonds referred to herein are offered for public sale municipal securities in excess of \$1,000,000, the Corporation and the Board will enter into a written agreement for the benefit of all parties who may become Registered or Beneficial Owners of the Bonds whereunder said Corporation and Board will agree to comply with the provisions of the Municipal Securities Disclosure Rules set forth in Securities and Exchange Commission Rule 15c2-12 by filing annual financial statements and material events notices with the Electronic Municipal Market Access (EMMA) System maintained by the Municipal Securities Rule Making Board.

The Board and Corporation have been timely in making required filings under the terms of the Continuing Disclosure Agreement for the past five years.

Financial information regarding the Board may be obtained from Superintendent, Oldham County Board of Education, 6165 W. Highway 146, Crestwood, Kentucky 40014 (502) 241 - 3500.

TAX EXEMPTION; BANK QUALIFIED

Bond Counsel is of the opinion that:

(A) The Bonds and the interest thereon are exempt from income and ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions.

(B) The interest income from the Bonds is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law and will not be a specific item of tax preference for purposes of calculating the Federal alternative minimum income tax.

(C) As a result of designations and certifications by the Board and the Corporation, indicating the issuance of less than \$10,000,000 of tax-exempt obligations during the calendar year ending December 31, 2020, the Bonds are "qualified tax-exempt obligations" within the meaning of the Internal Revenue Code of 1986, as amended.

The Corporation will provide the purchaser the customary no-litigation certificate, and the final approving Legal Opinions of Steptoe & Johnson PLLC, Bond Counsel and Special Tax Counsel, Louisville, Kentucky approving the legality of the Bonds. These opinions will accompany the Bonds when delivered, without expense to the purchaser.

Original Issue Premium

Certain of the Bonds are being initially offered and sold to the public at a premium ("Acquisition Premium" from the amounts payable at maturity thereon. "Acquisition Premium" is the excess of the cost of a bond over the stated redemption price of such bond at maturity or, for bonds that have one or more earlier call dates, the amount payable at the next earliest call date. The Bonds that bear an interest rate that is higher than the yield (as shown on the cover page hereof), are being initially offered and sold to the public at an Acquisition Premium (the "Premium Bonds"). For federal income tax purposes, the amount of Acquisition Premium on each bond the interest on which is excludable from gross income for federal income tax purposes ("tax-exempt bonds") must be amortized and will reduce the bondholder's adjusted basis in that bond. However, no amount of amortized Acquisition Premium on tax-exempt bonds may be deducted in determining bondholder's taxable income for federal income tax purposes. The amount of any Acquisition Premium paid on the Premium Bonds, or on any of the Bonds, that must be amortized during any period will be based on the "constant yield" method, using the original bondholder's basis in such bonds and compounding semiannually. This amount is amortized ratably over that semiannual period on a daily basis.

Holders of any Bonds, including any Premium Bonds, purchased at an Acquisition Premium should consult their own tax advisors as to the actual effect of such Acquisition Premium with respect to their own tax situation and as to the treatment of Acquisition Premium for state tax purposes.

Original Issue Discount

Certain of the Bonds (the "Discount Bonds") are being initially offered and sold to the public at a discount ("OID") from the amounts payable at maturity thereon. OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For federal income tax purposes, OID on each bond will accrue over the term of the bond. The amount accrued will be based on a single rate of interest, compounded semiannually (the "yield to maturity") and, during each semi-annual period, the amount will accrue ratably on a daily basis. The OID accrued during the period that an initial purchaser of a Discount Bond at its issue price owns it is added to the purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond. In practical effect, accrued OID is treated as stated interest, that is, as excludable from gross income for federal income tax purposes.

In addition, original issue discount that accrues in each year to an owner of a Discount Bond is included in the calculation of the distribution requirements of certain regulated investment companies and may result in some of the collateral federal income tax consequences discussed above. Consequently, owners of any Discount Bond should be aware that the accrual of original issue discount in each year may result in an alternative minimum tax liability, additional distribution requirements or other collateral federal income tax consequences although the owner of such Discount Bond has not received cash attributable to such original issue discount in such year.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

ABSENCE OF MATERIAL LITIGATION

There is no controversy or litigation of any nature now pending or threatened (i) restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Board or Corporation taken with respect to the issuance or sale thereof or (ii) which if successful would have a material adverse effect on the financial condition of the Board.

APPROVAL OF LEGALITY

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving legal opinion of Steptoe & Johnson PLLC, Bond Counsel. The form of the approving legal opinion of Bond Counsel will appear on each printed Bond.

NO LEGAL OPINION EXPRESSED AS TO CERTAIN MATTERS

Bond Counsel has reviewed the information contained in the Official Statement describing the Bonds and the provisions of the Bond Resolution and related proceedings authorizing the Bonds, but Bond Counsel has not reviewed any of the financial data, computations, tabulations, balance sheets, financial projections, and general information concerning the Corporation or District, and expresses no opinion thereon, assumes no responsibility for same and has not undertaken independently to verify any information contained herein.

BOND RATING

As noted on the cover page of this Official Statement, Moody's Investors Service has given the Bonds the indicated rating. Such rating reflects only the respective views of such organization. Explanations of the significance of the rating may be obtained from the rating agency. There can be no assurance that such rating will be maintained for any given period of time or will not be revised or withdrawn entirely by the rating agency, if in their judgement circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

Prospective bidders are advised that RSA Advisors, LLC ("RSA") has been employed as Financial Advisor in connection with the issuance of the Bonds. RSA's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery thereof. Bidders may submit a bid for the purchase of the Bonds at the time of the advertised public sale, either individually or as a member of a syndicate organized to submit a bid for the purchase of the Bonds.

APPROVAL OF OFFICIAL STATEMENT

The Corporation has approved and caused this "Official Statement" to be executed and delivered by its President. In making this "Official Statement" the Corporation relied upon information furnished to it by the Board of Education of the Oldham County School District and does not assume any responsibility as to the accuracy or completeness of any of the information in this Official Statement except as to copies of documents denominated "Official Terms and Conditions" and "Bid Form." The financial information supplied by the Board of Education is represented by the Board of Education to be correct. The Corporation deems this preliminary Official Statement to be final for purposes of Securities Exchange Commission Rule 15c2-12(b)(1) as qualified by the cover hereof.

No dealer, broker, salesman, or other person has been authorized by the Corporation, the Oldham County Board of Education or the Financial Advisor to give any information or representations, other than those contained in this Official Statement, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Except when otherwise indicated, the information set forth herein has been obtained from the Kentucky Department of Education and the Oldham County School District and is believed to be reliable; however, such information is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Financial Advisor or by Counsel. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to the date hereof.

This Official Statement does not, as of its date, contain any untrue statement of a material fact or omit to state a material fact which should be included herein for the purpose for which the Official Statement is to be used or which is necessary in order to make the statements contained herein, in the light of the circumstances under which they were made, not misleading in any material respect.

By /s/ _____
President

By /s/ _____
Secretary

APPENDIX A

**Oldham County School District Finance Corporation
School Building Refunding Revenue Bonds
Series of 2020**

Demographic and Economic Data

OLDHAM COUNTY, KENTUCKY

Oldham County lies in the Outer Blue Grass Region in north-central Kentucky. The county covers a total land area of 189 square miles. The Ohio River forms the northwest boundary of the county. Oldham County had an estimated 2020 population of 67,543.

LaGrange, the county seat of Oldham County, is located adjacent to Interstate 71. LaGrange is 25 miles northeast of Louisville, Kentucky; 76 miles southwest of Cincinnati, Ohio; and 197 miles northeast of Nashville, Tennessee. LaGrange had an estimated 2020 population of 9,183 persons.

The Economic Framework

Oldham County has a labor force of 34,346 people, with an unemployment rate of 3.6%. The Top 5 Jobs by Occupation are as follows: office and administrative support - 2,568 (14.37%); executive, managers and administrators - 1,816 (10.16%); sales - 1,713 (9.59%); construction and excavation - 1,081 (6.05%); and education, training/library - 1,068 (5.98%).

Transportation

Major highways directly serving Oldham County include Interstate 71, a major north-south route and Kentucky Highways 146 and 53. Twenty-one trucking companies provide interstate and/or intrastate service to the area. Main line rail service is provided to LaGrange by CSX Transportation. The nearest scheduled commercial airline service is located at the Louisville International Airport, 29 miles southwest of LaGrange. Riverport facilities are available on the Ohio River at Louisville, 25 miles southwest of LaGrange.

Power and Fuel

Electric power is provided to LaGrange and part of Oldham County by the Kentucky Utilities Company. A major portion of Oldham County is served electric power by the Louisville Gas and Electric Company. LaGrange and parts of Oldham County are provided natural gas service by the Louisville Gas and Electric Company.

LOCAL GOVERNMENT

Structure

LaGrange is governed by a mayor and eight council members. The mayor is elected to a four-year term, while the council members each serve two-year terms. Oldham County is governed by a county judge/executive and eight magistrates. Each county official serves a four-year term.

Planning and Zoning

- Joint agency - Oldham County Planning & Zoning Commission
- Participating cities - LaGrange, Crestwood and Peewee Valley
- Zoning enforced - All areas
- Subdivision regulations enforced - All areas
- Local codes enforced - Building and Housing (LaGrange only)
- Mandatory state codes enforced - Kentucky Plumbing Code, National Electric Code, Kentucky Boiler Regulations and Standards, Kentucky Building Code (modeled after BOCA code)

Local Fees and Licenses

Businesses within the city of LaGrange are required to pay an annual license tax. Contractors, professional and delivery type businesses in LaGrange pay a flat annual license tax. The amount of the license ranges from \$50 to \$300 per year, depending upon the type of business. Manufacturing, retail and wholesale trade businesses must pay a license tax based upon gross receipts. The minimum tax is \$50.

Property Taxes

The Kentucky Constitution requires the state to tax all classes of taxable property, and state statutes allow local jurisdictions to tax only a few classes. All locally taxed property is subject to county taxes and school district taxes (either a county school district or an independent school district). Property located inside of city limits may also be subject to city property taxes.

Special local taxing jurisdictions (fire protection districts, watershed districts, and sanitation districts) levy taxes within their operating areas (usually a small portion of community or county).

Property assessments in Kentucky are at 100% fair cash value. Accounts receivable are taxed at 85% of face value.

LABOR MARKET STATISTICS

The Oldham County Labor Market Area includes Oldham County and the adjoining Kentucky counties of Henry, Jefferson, Shelby and Trimble.

Population

<u>Area</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Oldham County	67,267	67,510	67,543
LaGrange	8,466	9,070	9,090
Crestwood	5,027	5,052	5,106

Source: U.S. Department of Commerce, Bureau of the Census.

Population Projections

<u>Area</u>	<u>2025</u>	<u>2030</u>	<u>2035</u>
Oldham County	74,806	81,831	90,346

Source: Kentucky State Data Center, University of Louisville and Kentucky Cabinet for Economic Development.

EDUCATION

Public Schools

	<u>Oldham County</u>
Total Enrollment (2018-2019)	12,583
Pupil-Teacher Ratio (2018-2019)	16 - 1

Kentucky Technical Schools Within 60 Miles of LaGrange, KY

<u>Technical Institution</u>	<u>Location</u>	<u>Enrollment (2018-2019)</u>
Robert L. Arvin Education Center	Buckner, KY	N/A
Shelby County ATC	Shelbyville, KY	577
Carroll County ATC	Carrollton, KY	420
Franklin County CTC	Frankfort, KY	N/A
Bullitt County ATC	Shepherdsville, KY	442
Nelson County ATC	Bardstown, KY	484
Elkhorn Crossing School	Georgetown, KY	N/A
Meade County ATC	Brandenburg, KY	636
Harrodsburg ATC	Harrodsburg, KY	N/A
Eastside Technical Center	Lexington, KY	N/A
Southside Technical Center	Lexington, KY	N/A
Jessamine County CTC	Nicholasville, KY	N/A
Boone County ATC	Hebron, KY	215
Marion County ATC	Lebanon, KY	617
Harrison County ATC	Cynthiana, KY	556

Source: Kentucky Department of Education

Area Colleges and Universities

<u>Institution</u>	<u>Location</u>	<u>Enrollment (Fall 2019)</u>
Bellarmine University	Louisville, KY	3,331
Galen College of Nursing	Louisville, KY	2,108
University of Louisville	Louisville, KY	15,860
Spalding University	Louisville, KY	N/A
Kentucky State University	Frankfort, KY	2,029
Midway University	Midway, KY	1,481
Georgetown College	Georgetown, KY	983
Asbury University	Wilmore, KY	1,714
Transylvania University	Lexington, KY	949
University of Kentucky	Lexington, KY	22,236

Source: U.S. News & World Report.

EXISTING INDUSTRY

<u>Firm</u>	<u>Product</u>	<u>Total Employed</u>
<i>Buckner:</i>		
Aggressive Tool & Die, Inc.	Tool & die, molds	11
Clayton & Lambert Manufacturing	Grain bins, storage silos, stainless steel panels for in-ground pools and spas & pool structures, outdoor poster panels, standing seem roofs, above ground containment basins	15
Fastline Publications	Monthly magazine publishing	135
Hartlage Manufacturing	Injection molded plastic parts	18
Metro Window Co., Inc.	Custom windows & doors	9
OCTA Inc.	Tube specialist - cutting, bending, forming, etc.	79
Toolcraft Co.	Foil container dies, special machinery, precision CNC machining, tool & die, jigs & fixtures, Cutting, boring, drilling, grinding, lathe & mill	7

<i>Crestwood:</i>		
Apellis Pharmaceuticals, Inc.	Early stage biotechnology company focused on developing novel therapeutics & drug delivery technologies	12
Kentucky Artisan Distillery	Distillery specializing in bourbons, blended spirits	15
Oldham County Stone Co.	Crusted limestone producer, crushed stone for all construction purposes	17
Quanics, Inc.	Provide advanced wastewater treatment technology	6
Revon Systems, Inc.	Headquarters; healthcare technology	3
The Nemeth Group Inc.	Design and manufacturing of radio frequency machinery and wood glueing machinery using radio	22
<i>Goshen:</i>		
Star Aviation	Specialized in the repair & customer specified manufacture of aircraft powerplant & systems wire harnessess	10
<i>LaGrange:</i>		
Allstate Ready Mix	Ready-mix concrete	22
C Logic, Inc.	Planning & scheduling services, safety services, Architectural and engineering design, Construction Management	3
Encompass	Construction design & development	29
Lesco Design & Manufacturing Co.	Steel fabricators; conveyors, cranes & vehicle loading ramps	100
Northland Corp.	Kiln dried hardwood lumber	65
Parts Unlimited Inc.	Headquarters & warehouse/sales center	80
Professional Fence Properties LLC	Fencing contractor	9
SEQUELA, Inc.	Development, characterization, sales, and distribution of diagnostic tests to identify heart disease	3
The Oldham Era	Weekly newspaper publishing	7
The Rawlings Group	Headquarters	1,439

Source: Think Kentucky: Cabinet for Economic Development (01/07/2020).

APPENDIX B

**Oldham County School District Finance Corporation
School Building Refunding Revenue Bonds
Series of 2020**

Audited Financial Statement ending June 30, 2019

Basic Financial Statements
and Supplementary Information

Oldham County School District

June 30, 2019

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Independent Auditors' Report

Members of the Board
Oldham County School District
Crestwood, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Oldham County School District (the "District") as of and for the year ended June 30, 2019 and the related notes to financial statements, which collectively comprise the District's basic financial statements as listed in the accompanying table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Kentucky Public School Districts' Audit Contract and Requirements* prescribed by the Kentucky State Committee for School District Audits. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position and cash flows of its proprietary funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (Unaudited) on pages 4 through 12 and the budgetary comparison information on pages 59 and 60 and the pension liability and other post-employment benefit liability and contributions information on pages 61 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or to provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The activity funds financial information on pages 73 through 79 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards on pages 81 through 83 is presented for the purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The activity funds financial information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the activity funds financial information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Louisville, Kentucky
November 15, 2019

Management's Discussion and Analysis (MD&A) (Unaudited)

Oldham County School District

June 30, 2019

Our discussion and analysis of Oldham County School District's financial performance provides an overview of the school district's financial activities for the fiscal year ended June 30, 2019. It should be read in conjunction with the financial statements that immediately follow this section to enhance understanding of the school district's overall financial performance.

FINANCIAL HIGHLIGHTS

- The Oldham County School District (the District) completed the June 30, 2019 fiscal year (FY19) with the General Fund reflecting an unassigned fund balance of approximately \$18.3 million, which is an increase of approximately \$1.2 million over the previous year. This unassigned fund balance is approximately 21.4% of the District's total FY19 General Fund operating revenues (excluding on-behalf payments of \$29.7 million).
- For FY19, the District's General Fund balance increased by approximately \$1,097,000, with such increase attributed mainly to the increase in local revenues, offset by the annual step increase. The FY19 General Fund's tax revenues increased over FY18 by approximately \$2.6 million, while the District's net General Fund SEEK allotment decreased by approximately \$61,000. Additionally, transfers in from other funds generated approximately \$1.9 million.
- The District levied FY19 property tax rates of 78.8 cents (real estate and personal property) and 64.3 cents (motor vehicle) per \$100 of assessed value, along with a 3% utility tax. The property tax rates for FY18 were 77.7 cents.
- The District is currently operating under a bus fleet replacement plan reflecting a purchase of 6 new buses annually at an approximate cost of \$689,000.
- The District's General Fund operating revenues (excluding on-behalf payments) were \$83.4 million and consisted of the following major sources:

Support Education	
Excellence in Kentucky (SEEK)	\$ 40.1 million
Property Taxes	\$ 35.8 million
Motor Vehicle Tax	\$ 4.1 million
Utilities Tax	\$ 3.4 million

- The District's major construction projects for FY19 included the start of the Camden Station Elementary School addition and renovation, with a bond issuance amount of \$13.74 million, and the finalizations of the renovations of the Arvin Center (Next Generation High School) and South Oldham Middle School. The Camden Station project includes the addition of a Safe School entrance for the new administrative office suite, as well as a cafeteria and gym renovation and addition. The project also included renovations to HVAC, technology/power wiring, fire alarms and security systems, ADA upgrades to restrooms, and conversion of an old office suite into instructional space.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements, tables, and notes to those statements. The statements are organized so the reader can understand Oldham County School District as a financial whole, or by individual operating entity/fund.

Governmental Accounting Standards Board Statement 34 established financial reporting standards for state and local governments, including school districts. Government entities are required to present a series of financial statements and supporting discussion, to include:

- 1) Management's discussion and analysis (MD&A)
- 2) Basic financial statements, to include:
 - i) District-wide financial statements, with distinctions between governmental and business-type activities
 - ii) Fund financial statements, with distinctions between each of the major and non-major funds and the fiduciary funds
 - iii) A reconciliation or cross-walk from the fund financial statements to the government-wide financial statements
- 3) Required supplementary information, including budgetary comparisons

District-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. Assets, liabilities, deferred inflows/outflows, revenues, and expenses are reported using the full accrual basis of accounting used by most private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The required reports for government-wide financial statements, the Statement of Net Position and the Statement of Activities, provide information about the activities of the whole school district, presenting an aggregate long-term view of the school district's finances. These statements consolidate the various funds used by the school district for providing programs and activities to show how the school district as a whole performed financially during the current fiscal year.

The statements report the school district's net position and changes in such net position from the previous year. This change is important because it identifies whether the net financial position of the school district has improved or diminished for the school district as a whole. The cause of this change may be the result of many factors, some financial, some not. Non-financial factors include the school district's property tax base, current property tax laws in Kentucky affecting revenue growth, facility conditions, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the school district is divided into two distinct kinds of activities:

Government Activities – Most of the school district's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and other support activities. Funding is provided largely from government sources.

Business-type Activities – The District's food service and child daycare operations are reported as business activities. Funding for these services is provided through charges for goods or services used to recover all of the expenses of the goods or services provided. This activity is designated as proprietary funds in the Fund financial statements.

The government-wide financial statements can be found on pages 13 – 14 of this report.

Fund financial statements. A fund is a grouping of accounts that is used to maintain control over resources that have been segregated for specific purposes. The state mandates uniform fund accounting structure and charts of accounts utilizing MUNIS financial software for all Kentucky public school districts. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements are prepared using the modified accrual basis of accounting.

Fund financial statements provide a different type of segregation of the District's financial activities than do the government-wide financial statements—by Fund. These fund statements tell how services were financed in the fiscal year, as well as what remains for future short-term spending, for each of the funds. For Oldham County School District, the General Fund is the most significant fund.

All of the funds of the District can be divided into three categories: governmental, proprietary and fiduciary funds. The proprietary funds, also known as business-type activities in the government-wide reports, consist of food service and child daycare operations. The District's fiduciary funds are student activity funds held for student groups. All other activities of the District are included in the governmental funds.

The basic fund financial statements can be found on pages 15 – 22 of this report. Required fund financial statements for governmental funds are a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. Required financial statements for proprietary funds are a Statement of Net Position; a Statement of Revenues, Expenditures, and Changes in Fund Balances; and a Statement of Cash Flows. The required financial statement for fiduciary funds is a Statement of Net Position.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 – 58 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Over time, a government's Statement of Net Position may serve as a useful indicator of its overall financial condition. The Statement of Net Position on page 13 and Statement of Activities on page 14 provide insight into the District's annual net change in its financial position and as such, its financial condition as of the statement date.

In accordance with the requirements of *Governmental Accounting Standards Board Statement Number 68, Accounting and Reporting for Pensions* and *Statement Number 75, Accounting and Financial reporting for Postemployment Benefits Other Than Pensions*, the District has recorded its proportionate share of certain financial factors of the pension in which its employees participate and other post-employment benefits. These factors include certain inflows and outflows of funds which will be amortized over future years and net pension and net other post-employment benefits and liabilities. The very nature of the net pension and net other postemployment benefits liabilities indicates that these pensions have not been fully funded, whether by employee contributions, employer contributions, or investment earnings. Although the District has always paid its entire contribution based on rates determined by each pension and much of the responsibility falls on the State, the need to shore up these pensions may become a factor in future employer match rates or State funding.

The District participates in the County Employees Retirement System (CERS) and the Teacher Retirement System of Kentucky (TRS), both of which are cost-sharing multiple-employer plans for defined pension and other post-employment benefits ("OPEB"). As has been previously reported by both agencies, each plan has had, and continues to have, a substantial unfunded net pension and OPEB liability. The District has recognized a net pension liability of \$39 million and a net OPEB liability of \$42 million (please see the note disclosure 8 on page 37 for additional information regarding the pension plans and note disclosure 9 on page 45 for additional information regarding the OPEB plans).

Inclusive of the GASB 68 and GASB 75 liabilities, the Statement of Net Position reflects a total net position of approximately \$55,449,000 as of June 30, 2019, which is an increase of approximately \$5,646,000 from the prior year. As the net position is one of the most significant indicators of the District's financial performance on its District-Wide Financial Statements, it is more meaningful to analyze the District's net position without the effects of GASB 68 and GASB 75. The District's overall net position as of June 30, 2019 would have increased by \$75,187,558 without GASB 68 and GASB 75 to \$129,686,663. This would have been an increase of \$9,700,587 over the prior year's pro forma net position.

The largest portion of the District's net position reflects its investment in capital assets of \$77.5 million, which consists of land and land improvements, buildings and improvements, infrastructure, vehicles, equipment and construction in progress, less any related debt used to acquire those assets that is outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's net position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Net Position for the Years Ended June 30, 2019 and 2018
(Table 1)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	2019	2018	2019	2018	2019	2018
Current Assets	\$ 50,616,347	\$ 39,116,095	\$ 4,157,399	\$ 4,305,275	\$ 54,773,746	\$ 43,421,370
Capital Assets	228,809,944	224,119,900	5,156,663	5,316,267	233,966,607	229,436,167
Total Assets	279,426,291	263,235,995	9,314,062	9,621,542	288,740,353	272,857,537
Deferred Outflows	16,950,993	20,092,858	2,038,262	2,501,932	18,989,255	22,594,790
Current Liabilities	16,480,125	13,578,700	25,024	4,611	16,505,149	13,583,311
Long-term Liabilities	220,006,979	218,990,103	8,149,931	7,893,094	228,156,910	226,883,197
Total Liabilities	236,487,104	232,568,803	8,174,955	7,897,705	244,662,059	240,466,508
Deferred inflows	6,698,613	4,401,050	869,831	731,352	7,568,444	5,132,402
Net investment in capital assets	72,359,377	72,667,323	5,156,663	5,316,267	77,516,040	77,983,590
Restricted	26,099,622	18,502,106	(6,830,058)	(6,122,514)	19,269,564	12,379,592
Unrestricted	(45,267,432)	(44,810,429)	3,980,933	4,300,664	(41,286,499)	(40,509,765)
Total Net Position	\$ 53,191,567	\$ 46,359,000	\$ 2,307,538	\$ 3,494,417	\$ 55,499,105	\$ 49,853,417

The following Table 2 presents a summary of changes in net position for the fiscal years ended June 30, 2019 and 2018.

Summary of Changes in Net Position for the Years Ended June 30, 2019 and 2018
(Table 2)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for services	\$ 1,155,681	\$ 908,613	\$ 6,883,882	\$ 6,585,028	\$ 8,039,563	\$ 7,493,641
Operating grants and contributions	35,347,949	35,050,407	2,435,387	2,259,973	37,783,336	37,310,380
Capital grants and contributions	95,034	220,847			95,034	220,847
General Revenues:						
Property taxes	53,480,453	50,248,888			53,480,453	50,248,888
Utility taxes	3,389,098	3,290,886			3,389,098	3,290,886
Earnings on investments	374,635	214,550	24,186	21,719	398,821	236,269
State and federal	46,251,747	45,872,953			46,251,747	45,872,953
Miscellaneous	4,073,350	3,895,304	11,394	(574)	4,084,744	3,894,730
Total Revenues	144,167,947	139,702,448	9,354,849	8,866,146	153,522,796	148,568,594
Expenses:						
Program Activities:						
Instruction	85,840,477	84,653,661			85,840,477	84,653,661
Student support services	8,026,894	7,092,814			8,026,894	7,092,814
Instructional staff support services	6,017,579	5,915,612			6,017,579	5,915,612
District administration	2,214,344	2,065,982			2,214,344	2,065,982
School administration	7,632,257	7,772,458			7,632,257	7,772,458
Business support services	3,377,400	3,100,960			3,377,400	3,100,960
Plant operation and maintenance	11,968,693	9,822,997			11,968,693	9,822,997
Student transportation	7,838,743	8,157,611			7,838,743	8,157,611
Community service	110,086	96,408			110,086	96,408
Facilities	992,978	2,791,732			992,978	2,791,732
Interest and bond issue cost	5,077,279	4,753,622			5,077,279	4,753,622
Business-type Activities:						
Food service			5,217,935	4,661,325	5,217,935	4,661,325
Daycare			3,562,443	3,371,767	3,562,443	3,371,767
Total Expenses	139,096,730	136,223,857	8,780,378	8,033,092	147,877,108	144,256,949
Transfers	1,761,350	952,488	(1,761,350)	(952,488)		
Increase in Net Position	\$ 6,832,567	\$ 4,431,079	\$ (1,186,879)	\$ (119,434)	\$ 5,645,688	\$ 4,311,645

Governmental Activities

Instruction comprises 61.8% of governmental program expenses and support services expenses make up an additional 33.8%. The remaining expenses for community services activities, interest and other items account for the remaining 4.4% of total government expense.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for government activities, the total cost of the services the District provides and the net cost of those services after grants and donations. That is, it identifies the cost of services supported by tax revenues and unrestricted State entitlements.

**Governmental Activities Totals
(Table 3)**

	Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
Instruction	\$ 85,840,477	\$ 84,653,661	\$ 56,442,707	\$ 55,504,651
Support services	47,075,910	43,928,434	40,063,760	37,215,305
Community services	110,086	96,408	16,376	(473)
Facilities	992,978	2,791,732	992,978	2,791,732
Interest and bond issue costs	5,077,279	4,753,622	4,982,245	4,532,775
Total expenses	\$ 139,096,730	\$ 136,223,857	\$ 102,498,066	\$ 100,043,990

Business-Type Activities

The business-type activities include both food service and child daycare operations. These business activities receive no support from tax revenues and as such, the District continuously monitors the charges and costs of these activities and implements pricing changes as necessary. The FY19 financial results of these operations are as follows:

	Food Service	Daycare
Revenues:		
Charges for goods and services	\$ 2,912,600	\$ 3,971,282
State and federal grants	1,872,367	
On-behalf payments	256,894	306,126
Interest income	10,622	13,563
Loss on disposal of fixed assets	11,394	
Total Revenues	5,063,877	4,290,971
Total Expenses and Transfers Out	(5,413,399)	(5,128,328)
Net Loss	\$ (349,522)	\$ (837,357)

The School District's Funds

Information about the School District's governmental funds starts on page 15. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$175 million and expenditures and other financing uses of \$165.6 million. Net changes in fund balances for the year were most significant in the Building, and Construction Funds.

General Fund Budget Highlights

The School District's budget is prepared according to Kentucky law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The most significant budgeted fund is the General Fund. The Kentucky Department of Education requires a zero-based budget for this fund, with any remaining fund balance budgeted as a contingency expense.

Comments on Budget Comparisons

- The District's actual FY19 General Fund revenues and expenditures include "on-behalf" amounts of \$29.8 million which represent the value of employee insurance benefits and other payroll-related payments, Kentucky Teachers Retirement matching, Other Post-employment benefits, debt service payments, and technology services provided by the state of Kentucky. Budgeted "on-behalf" amounts totaled \$20.2 million.
- The District's FY19 General Fund revenues totaled \$115.0 million, which exceeded budgeted revenues by approximately \$9.5 million. This excess resulted mainly from the variance in "on-behalf" revenues of \$9.7 million. FY19 General Fund expenditures totaled \$115.0 million, leaving a break-even variance and an unexpended budgeted contingency of \$14.9 million and an excess in "on-behalf" costs of \$9.7 million.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2019, the District had \$234.0 million invested in capital assets with \$228.8 million in governmental activities. Table 4 shows fiscal years 2019 and 2018 balances.

Capital Assets Net of Depreciation at June 30, 2019 and 2018
(Table 4)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land and improvements	\$ 14,912,340	\$ 14,863,715			\$ 14,912,340	\$ 14,863,715
Buildings and improvements	194,582,567	163,012,640	\$ 4,943,111	\$ 5,086,042	199,525,678	168,098,682
Technology	1,653,271	118,251	213,540	12	1,866,811	118,263
Vehicles	3,886,047	4,284,741			3,886,047	4,284,741
Machinery and equipment	1,677,758	391,884	12	230,213	1,677,770	622,097
Infrastructure	1,292,890	1,426,913			1,292,890	1,426,913
Total	218,004,873	184,098,144	5,156,663	5,316,267	223,161,536	189,414,411
Construction in progress	10,805,071	40,021,756			10,805,071	40,021,756
Total	\$ 228,809,944	\$ 224,119,900	\$ 5,156,663	\$ 5,316,267	\$ 233,966,607	\$ 229,436,167

The following Table 5 shows changes in capital assets for the fiscal years ended June 30, 2019 and 2018.

Changes in Capital Assets Net of Depreciation at June 30, 2019 and 2018
(Table 5)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Beginning Balance	\$ 224,119,900	\$ 224,195,620	\$ 5,316,267	\$ 5,348,635	\$ 229,436,167	\$ 229,544,255
Changes:						
Additions	55,199,747	9,412,577	11,394	138,029	55,211,141	9,550,606
Retirements	(41,834,386)	(2,494,458)		(576)	(41,834,386)	(2,495,034)
Depreciation	(8,675,317)	(6,993,839)	(170,998)	(169,821)	(8,846,315)	(7,163,660)
Ending Balance	\$ 228,809,944	\$ 224,119,900	\$ 5,156,663	\$ 5,316,267	\$ 233,966,607	\$ 229,436,167

Debt Administration

At June 30, 2019, the District had \$149.9 million in bonds outstanding, with \$3.5 million of this balance to be paid from the Kentucky School Facilities Construction Commission funding provided by the State of Kentucky. A total of \$9.8 million is due within one year (see Note 5 on page 34 for additional information).

District Challenges for the Future

Current Issues

The Oldham County School District continues to be recognized throughout Kentucky as one of the top school districts in the State. Oldham County School's students continue to achieve above average scores on standardized tests and, along with the District and its teachers, have received state and national recognition as evidenced by the following rankings and awards:

- Average ACT scores of 21.9 (state average of 19.0)
- Graduation rate of 96.7% (state average of 91.1%)
- National Merit semi-finalists (10)

Due to its history of outstanding instructional achievements, Oldham County School District has been one of the fastest growing Kentucky school districts for many years. Although the District continues to place among the highest academically achieving districts, the annual enrollment growth has slowed from prior years, but that trend appears to be reversing as the FY19 enrollment increased by 115 students over that of FY18. This trend appears to be due to a growing economy and a rebound in the Oldham County housing market.

For FY19, the State of Kentucky increased its base per pupil SEEK funding from \$3,981 to \$4,000. Total General Fund SEEK funding for FY19 decreased by 60,240 over that of FY18, despite an AADA gain of 115 pupils, as a result of increased property values. During FY19, the District implemented its annual salary step increase for employees, increased funding for network upgrades, and began programs to fund school nurses at each school and School Resource Officers at each campus. The District's FY19 property tax rate increased from 77.7 cents per \$100 assessed value of real estate to 78.8 cents. This tax rate increase, along with increased property value assessments of approximately \$306.7 million over that for FY18, which generated approximately \$2.6 million of additional FY19 general property tax revenues.

Future Budgetary Implications

As part of its overall long-term financial plan, the District strives to be good stewards of its public funding and continually monitors its budget and operations to provide an exceptional education for students, fair compensation for employees, and to request a tax rate increase only when necessary.

As the District continued to review, revise and implement its long-term financial plan for FY19, it was determined that for the District to continue on its path to providing a superior educational experience for its students along with a fair compensation structure for its employees, it needed to seek a rate increase for FY19. As such, the District adopted a FY19 property tax rate of 78.8 cents per \$100 assessed value of real estate.

By law, Kentucky School Districts must maintain a minimum general fund contingency 2%. The Oldham County School District adopted its FY19 Working Budget with a general fund contingency of approximately \$15.1 million, or 17.7%. As with any projection, circumstances that could affect the Working Budget and related contingency are likely to occur. Examples of circumstances that could affect the projected contingency balance include changes in projected Federal and State funding, assessed property values and estimated tax collection rates, pension fund reform, unexpected expenditures, student transportation acquisitions and funding of new educational initiatives. The Board continually monitors this contingency to assure its adequacy in association with the fiscal operations of the District.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to reflect accountability for the monies received and expended.

Questions about this report, or additional financial information needs, should be directed to Superintendent Greg Schultz or Chief Financial Officer Stephanie Anderson at (502) 241-3500 or by mail, to Oldham County School District, 6165 West Highway 146, Crestwood, Kentucky 40014.

DISTRICT-WIDE FINANCIAL STATEMENTS

Statement of Net Position
Oldham County School District
June 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 48,902,253	\$ 3,794,196	\$ 52,696,449
Accounts receivable	1,694,113	211,761	1,905,874
Inventories		151,442	151,442
Prepaid assets	19,981		19,981
Land and other nondepreciable assets	23,384,473		23,384,473
Capital assets, net of accumulated depreciation	205,425,471	5,156,663	210,582,134
Total Assets	279,426,291	9,314,062	288,740,353
Deferred Outflows of Resources			
Deferred loss from refunding bonds	3,888,454		3,888,454
Deferred outflows from pension liability	8,059,549	1,535,151	9,594,700
Deferred outflows from OPEB liabilities	5,002,990	503,111	5,506,101
Total Deferred Outflows	16,950,993	2,038,262	18,989,255
Liabilities			
Accounts payable	2,880,331	25,024	2,905,355
Accrued payroll and related liabilities	1,333,044		1,333,044
Current portion of accrued sick and vacation leave	386,813		386,813
Accrued interest payable	1,218,333		1,218,333
Unearned revenue	891,604		891,604
School building revenue bonds, current	9,770,000		9,770,000
Net pension liability	33,129,312	6,310,375	39,439,687
Net OPEB liability	40,440,672	1,839,556	42,280,228
Long-term maturities:			
School building revenue bonds	145,462,234		145,462,234
Multi-employer insurance trust	18,442		18,442
Accrued sick and vacation leave	956,319		956,319
Total Liabilities	236,487,104	8,174,955	244,662,059
Deferred Inflows of Resources			
Deferred inflows from pension liability	2,695,605	513,448	3,209,053
Deferred inflows from OPEB liabilities	4,003,008	356,383	4,359,391
Total Deferred Inflows	6,698,613	869,831	7,568,444
Net Position			
Net investment in capital assets	72,359,377	5,156,663	77,516,040
Restricted for:			
Capital projects/Debt service	24,459,462	(6,830,058)	17,629,404
Student activities	1,640,160		1,640,160
Unrestricted/(Deficit)	(45,267,432)	3,980,933	(41,286,499)
Total Net Position	\$ 53,191,567	\$ 2,307,538	\$ 55,499,105

See Accompanying Notes to Financial Statements

Statement of Activities
Oldham County School District
Year Ended June 30, 2019

	Expenses		Program Revenues		Net (Expense)/Revenue and Changes in Net Position		
	District-wide Total	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental Activities							
Instruction	\$ 85,840,477	\$ 1,155,681	\$ 28,242,089		\$ (56,442,707)		\$ (56,442,707)
Support Services:							
Student	8,026,894		2,238,550		(5,788,344)		(5,788,344)
Instructional staff	6,017,579		2,019,497		(3,998,082)		(3,998,082)
District administrative	2,214,344		94,053		(2,120,291)		(2,120,291)
School administrative	7,632,257		1,021,749		(6,610,508)		(6,610,508)
Business support services	3,377,400		433,027		(2,944,373)		(2,944,373)
Plant operation and maintenance	11,968,693		627,072		(11,341,621)		(11,341,621)
Transportation	7,838,743		578,202		(7,260,541)		(7,260,541)
Community services	110,086		93,710		(16,376)		(16,376)
Facilities acquisition & construction	992,978				(992,978)		(992,978)
Interest	5,077,279			\$ 95,034	(4,982,245)		(4,982,245)
Total Governmental Activities	139,096,730	1,155,681	35,347,949	95,034	(102,498,066)		(102,498,066)
Business-type Activities							
Food service	5,217,935	2,912,600	2,129,261			\$ (176,074)	(176,074)
Daycare	3,562,443	3,971,282	306,126			714,965	714,965
Total Business-type Activities	8,780,378	6,883,882	2,435,387			538,891	538,891
Total Activities	\$ 147,877,108	\$ 8,039,563	\$ 37,783,336	\$ 95,034	(102,498,066)	538,891	(101,959,175)
			General Revenues:				
			Taxes:				
			Property taxes		\$ 53,480,453		\$ 53,480,453
			Utility taxes		3,389,098		3,389,098
			State grants		45,923,446		45,923,446
			Federal grants		328,301		328,301
			Interest and investment earnings		374,635	\$ 24,186	398,821
			Gain on disposition of capital assets		107,923	11,394	119,317
			Other local		3,965,427		3,965,427
			Total General Revenues		107,569,283	35,580	107,604,863
			Income before operating transfers		5,071,217	574,471	5,645,688
			Operating transfers in/(out)		1,761,350	(1,761,350)	
			Change in Net Position		6,832,567	(1,186,879)	5,645,688
			Net Position, Beginning of Year		46,359,000	3,494,417	49,853,417
			Net Position, End of Year		\$ 53,191,567	\$ 2,307,538	\$ 55,499,105

See Accompanying Notes to Financial Statements

FUND FINANCIAL STATEMENTS

**Balance Sheet - Governmental Funds
Oldham County School District
June 30, 2019**

	General Fund	Special Revenue Fund	Special Revenue District Activity Fund (Nonmajor)	Capital Outlay Fund (Nonmajor)	Building Fund	Construction Fund	Debt Service Fund (Nonmajor)	Total Governmental Funds
Assets								
Cash and cash equivalents	\$ 20,675,291		\$ 1,676,089	\$ 4,248,716	\$ 12,163,000	\$ 10,139,157		\$ 48,902,253
Accounts and grants receivable	759,632	\$ 900,180			34,301			1,694,113
Prepaid expenditures	19,981							19,981
Total Assets	\$ 21,454,904	\$ 900,180	\$ 1,676,089	\$ 4,248,716	\$ 12,197,301	\$ 10,139,157	\$	\$ 50,616,347
Liabilities								
Accounts payable	\$ 477,779	\$ 8,576	\$ 35,929			\$ 2,358,047		\$ 2,880,331
Accrued payroll and related liabilities	1,333,044							1,333,044
Unearned revenues		891,604						891,604
Current portion of accrued sick leave benefits	386,813							386,813
Total Liabilities	2,197,636	900,180	35,929			2,358,047		5,491,792
Fund Balances								
Nonspendable	19,981							19,981
Restricted:								
Capital expenditures						7,781,110		7,781,110
Capital expenditures/debt service				\$ 4,248,716	\$ 12,197,301			16,446,017
Student activities			1,640,160					1,640,160
Assigned:								
Site-based carryover	389,883							389,883
Future obligations	231,985							231,985
Construction	232,335							232,335
Other	126,685							126,685
Unassigned	18,256,399							18,256,399
Total Fund Balances	19,257,268		1,640,160	4,248,716	12,197,301	7,781,110		45,124,555
Total Liabilities and Fund Balances	\$ 21,454,904	\$ 900,180	\$ 1,676,089	\$ 4,248,716	\$ 12,197,301	\$ 10,139,157	\$	\$ 50,616,347

See Accompanying Notes to Financial Statements

**Reconciliation of Total Governmental Fund Balances on Balance Sheet
to Statement of Net Position for Governmental Activities
June 30, 2019**

Total Governmental Fund Balances	\$ 45,124,555
Amounts reported for Governmental Activities in the Statement of Net Position are different from the Balance Sheet because:	
Capital asset activities are not considered financial resources and therefore are not reported as assets in the governmental fund balance sheet	228,809,944
Deferred losses from refunding bonds are not considered financial resources and therefore are not reported as assets in the governmental funds balance sheet	3,888,454
Deferred outflows and inflows from CERS pension and OPEBs are not considered financial resources and therefore are not reported as assets or liabilities in the governmental funds balance sheet	6,363,926
Long-term liabilities, including bonds payable, are not considered due and payable in the government funds balance sheet. Long-term liabilities at year-end consist of:	
Bonds Payable (also includes current liability)	(155,232,234)
Net OPEB Liability	(40,440,672)
Net Pension Liability	(33,129,312)
Accrued Interest - Bonds Payable	(1,218,333)
Accrued Sick and Vacation Leave	(956,319)
Multi-employer Insurance Trust Liability	(18,442)
Net Position of Governmental Activities	\$ 53,191,567

See Accompanying Notes to Financial Statements

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Oldham County School District
Year Ended June 30, 2019

	General Fund	Special Revenue Fund	Special Revenue District Activity Funds (Nonmajor)	Capital Outlay Fund (Nonmajor)	Building Fund	Construction Fund	Debt Service Fund (Nonmajor)	Total Governmental Funds
Revenues								
Local sources:								
Property taxes	\$ 35,798,027				\$ 13,595,347			\$ 49,393,374
Motor vehicle taxes	4,087,079							4,087,079
Utility taxes	3,389,098							3,389,098
Earnings on investments	145,391			\$ 18,087	57,331	\$ 153,826		374,635
Tuition and fees	234,394							234,394
Other local	888,809	\$ 149,274	\$ 3,736,490			112,142		4,886,715
State sources:								
SEEK program	40,091,746			1,154,845	4,003,272			45,249,863
Other state revenues	30,030,608	2,321,403					\$ 483,071	32,835,082
Federal sources	328,301	3,281,483						3,609,784
Total Revenues	114,993,453	5,752,160	3,736,490	1,172,932	17,655,950	265,968	483,071	144,060,024
Expenditures								
Instruction	75,723,592	3,284,310	2,666,731					81,674,633
Student support services	6,232,260	1,399,502						7,631,762
Instructional staff support services	4,363,906	1,461,140	104,078					5,929,124
District administrative support services	1,870,102				203,416			2,073,518
School administrative support services	7,334,153							7,334,153
Business support services	3,155,080							3,155,080
Plant operations and maintenance	8,528,726		172,523					8,701,249
Transportation	6,624,198		101,264					6,725,462
Community services		93,710						93,710
Facilities Improvement/construction	200,945					11,517,934		11,718,879
Architectural/Engineering	943,851							943,851
Debt Service:								
Principal							9,060,000	9,060,000
Interest							4,982,245	4,982,245
Bond Issuance Cost							95,460	95,460
Total Expenditures	114,976,813	6,238,662	3,044,596		203,416	11,517,934	14,137,705	150,119,126
Revenues in Excess of /(Less than) Expenditures	16,640	(486,502)	691,894	1,172,932	17,452,534	(11,251,966)	(13,654,634)	(6,059,102)
Other Financing Sources/(Uses)								
Proceeds of school building revenue bonds						13,740,000		13,740,000
Discounts on bonds sold						(144,622)		(144,622)
Proceeds from sale of equipment	123,088							123,088
Transfers in	1,929,011	486,502	11,248			1,393,800	13,416,109	17,236,670
Transfers out	(971,798)		(649,163)		(13,758,899)	(95,460)		(15,475,320)
Total Other Financing Sources/(Uses)	1,080,301	486,502	(637,915)		(13,758,899)	14,893,718	13,416,109	15,479,816
Net Change in Fund Balances	1,096,941		53,979	1,172,932	3,693,635	3,641,752	(238,525)	9,420,714
Fund Balances, Beginning of Year	18,160,327		1,586,181	3,075,784	8,503,666	4,139,358	238,525	35,703,841
Fund Balances, End of Year	\$ 19,257,268	\$	\$ 1,640,160	\$ 4,248,716	\$ 12,197,301	\$ 7,781,110	\$	\$ 45,124,555

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
for Total Governmental Funds to the Governmental Activities of the Statement of Activities Report
June 30, 2019**

Net Change in Fund Balances - Total Governmental Funds	9,420,714
<p>Amounts reported for Governmental Activities in the Statement of Activities report are different from those in the Net Change in Fund Balances portion of the Statement of Revenues, Expenditures and Changes in Fund Balances (Fund Financial Statements) because certain activities from the Statement of Revenues, Expenditures and Changes in Fund Balances are reported as assets or liabilities in the Government-wide reports, and are therefore not reported as revenues or expenses in the Statement of Activities:</p>	
Capital asset purchases are reported as expenditures in the Fund Financial Statement; however, they are presented as assets in the Statement of Net Position and depreciated over their estimated economic lives	4,690,045
Bond proceeds are recorded as revenues in the Fund Financial Statement but are recorded as liabilities in the Statement of Net Position	(13,595,378)
Bond payments are recognized as expenditures of current financial resources in the Fund Financial Statement but are reductions of liabilities in the Statement of Net Position	9,060,000
Accrued bond interest payable is not reported in the Fund Financial Statements but is a reduction of liabilities in the Statement of Net Position	(111,888)
Capitalized savings from bond refundings are not reported in the Fund Financial Statements but must be amortized over the remaining life of the bonds in the Statement of Net Position	112,314
Changes in Net Pension Liability are not reported as a liability in the Fund Financial Statements but are recorded as a liability in the Statement of Net Position	(2,907,536)
Changes in Net OPEB Liability are not reported as a liability in the Fund Financial Statements but are recorded as a liability in the Statement of Net Position	(288,377)
Changes in non-current accrued sick and vacation leave are not reported in the Fund Financial Statements because they are not recognized as an expenditure of current financial resources, but are recorded as a liability in the Statement of Net Position	443,453
Multi-employer insurance trust liability is reported as an expense in the Fund Financial Statements but is recorded as a liability in the Statement of Net Position	<u>9,220</u>
Change in Net Position of Statement of Activities for Governmental Activities	<u><u>6,832,567</u></u>

See Accompanying Notes to Financial Statements

**Statement of Net Position
Proprietary Funds
Oldham County School District
June 30, 2019**

	<u>Food Service</u>	<u>Daycare</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 1,474,595	\$ 2,319,601	\$ 3,794,196
Accounts receivable	210,189	1,572	211,761
Inventories	151,442		151,442
Total Current Assets	<u>1,836,226</u>	<u>2,321,173</u>	<u>4,157,399</u>
Non-current Assets			
Capital assets	8,958,727		8,958,727
Accumulated Depreciation	<u>(3,802,064)</u>		<u>(3,802,064)</u>
Total Non-current Assets	<u>5,156,663</u>		<u>5,156,663</u>
Deferred Outflows of Resources			
Deferred outflows from CERS pension liability	698,240	836,911	1,535,151
Deferred outflows from OPEB liabilities	<u>228,833</u>	<u>274,278</u>	<u>503,111</u>
	<u>927,073</u>	<u>1,111,189</u>	<u>2,038,262</u>
Total Assets	<u>\$ 7,919,962</u>	<u>\$ 3,432,362</u>	<u>\$ 11,352,324</u>
Liabilities			
Accounts payable		\$ 25,024	\$ 25,024
Net pension liability	\$ 2,870,196	3,440,179	6,310,375
Net OPEB liability	<u>836,694</u>	<u>1,002,862</u>	<u>1,839,556</u>
Total Liabilities	<u>3,706,890</u>	<u>4,468,065</u>	<u>8,174,955</u>
Deferred Inflows of Resources			
Deferred inflows from CERS pension liability	233,534	279,914	513,448
Deferred inflows from OPEB liabilities	<u>162,096</u>	<u>194,287</u>	<u>356,383</u>
	<u>395,630</u>	<u>474,201</u>	<u>869,831</u>
Net Position			
Net investment in capital assets	5,156,663		5,156,663
Restricted/(deficit)	(3,024,005)	(3,806,053)	(6,830,058)
Unrestricted	<u>1,684,784</u>	<u>2,296,149</u>	<u>3,980,933</u>
Total Net Position	<u>3,817,442</u>	<u>(1,509,904)</u>	<u>2,307,538</u>
Total Liabilities and Net Position	<u>\$ 7,919,962</u>	<u>\$ 3,432,362</u>	<u>\$ 11,352,324</u>

See Accompanying Notes to Financial Statements

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Oldham County School District
Year Ended June 30, 2019

	<u>Food Service</u>	<u>Daycare</u>	<u>Total</u>
Operating Revenues			
Lunchroom sales	\$ 2,912,600		\$ 2,912,600
Tuition		\$ 3,971,282	3,971,282
Total Operating Revenues	2,912,600	3,971,282	6,883,882
Operating Expenses			
Salaries, wages and benefits	2,459,815	2,920,625	5,380,440
Contract services	110,948	23,027	133,975
Materials and supplies	2,450,853	316,553	2,767,406
Depreciation	170,998		170,998
Other expenses	25,321	302,238	327,559
Total Operating Expenses	5,217,935	3,562,443	8,780,378
Operating Income/(Loss)	(2,305,335)	408,839	(1,896,496)
Non-operating Revenues and (Expenses)			
Federal grants	1,631,956		1,631,956
Donated commodities	201,388		201,388
On-behalf revenues	256,894	306,126	563,020
State grants	39,023		39,023
Transfers out	(195,464)	(1,565,886)	(1,761,350)
Investment income	10,622	13,564	24,186
Gain on disposal of capital assets	11,394		11,394
Total Non-operating Revenues/(Expenses)	1,955,813	(1,246,196)	709,617
Change in Net Position	(349,522)	(837,357)	(1,186,879)
Net Position, Beginning of Year	4,166,964	(672,547)	3,494,417
Net Position, End of Year	\$ 3,817,442	\$ (1,509,904)	\$ 2,307,538

See Accompanying Notes to Financial Statements

Statement of Cash Flows
Proprietary Funds
Oldham County School District
Year Ended June 30, 2019

	Food Service	Daycare	Total
Cash Flows from Operating Activities			
Cash Received From:			
Lunchroom sales	\$ 2,912,600		\$ 2,912,600
Daycare fees		\$ 3,971,282	\$ 3,971,282
Cash Paid To/For:			
Employees and contract services	(2,131,171)	(3,689,625)	(5,820,796)
Materials and supplies	(2,438,047)	(338,070)	(2,776,117)
Other	(25,321)	(302,238)	(327,559)
	(1,681,939)	(358,651)	(2,040,590)
Net Cash Used in Operating Activities			
Cash Flows from Investing Activities			
Investment income	10,622	13,564	24,186
Cash Flows from Non-capital Financing Activities			
Government grants	1,670,979		1,670,979
Net Decrease in Cash and Cash Equivalents	(338)	(345,087)	(345,425)
Balances - Beginning of Year	1,474,933	2,664,688	4,139,621
Balances - End of Year	\$ 1,474,595	\$ 2,319,601	\$ 3,794,196
Reconciliation of Operating Income/(Loss) to Net Cash Used in Operating Activities			
Operating Income/(Loss)	\$ (2,305,335)	\$ 408,839	\$ (1,896,496)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Used in Operating Activities:			
Commodities used	201,388		201,388
On-behalf payments	256,894	306,126	563,020
Depreciation	170,998		170,998
Transfers	(195,464)	(1,565,886)	(1,761,350)
Change in Assets and Liabilities:			
Accounts Receivable	(45,941)	(1,572)	(47,513)
Inventory	(151,442)		(151,442)
Amounts due from other funds		1,406	1,406
Change in deferred outflows	211,974	251,696	463,670
Accounts payable		21,517	21,517
Amounts due to other funds	(1,104)		(1,104)
Change in deferred inflows	62,670	75,809	138,479
Change in unfunded pension liability	195,399	239,752	435,151
Change in unfunded OPEB liabilities	(81,976)	(96,338)	(178,314)
	\$ (1,681,939)	\$ (358,651)	\$ (2,040,590)
Net Cash Used in Operating Activities			
Schedule of non-cash transactions:			
Donated commodities received from federal government	\$ 201,388		\$ 201,388
On-behalf payments	\$ 256,894	\$ 306,126	\$ 563,020

See Accompanying Notes to Financial Statements

**Statement of Net Position
Fiduciary Fund
Oldham County School District
Year Ended June 30, 2019**

	Student Activity Funds
Assets	
Cash and cash equivalents	\$ 936,036
Accounts receivable	29,623
	<hr/>
Total Assets	\$ 965,659
	<hr/>
Liabilities	
Accounts payable	\$ 26,121
Due to student groups	939,538
	<hr/>
Total Liabilities	965,659
	<hr/>
Net Position	\$
	<hr/> <hr/>

See Accompanying Notes to Financial Statements

Oldham County School District

June 30, 2019

1. Basis of Presentation and Summary of Significant Accounting Policies

Reporting entity – The Oldham County Board of Education (the “Board”), a five member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the Oldham County School District (the “District”). The District receives funding from local, state, and federal government sources and must comply with the commitment requirements of those funding source entities. However, the District is not included in any other governmental reporting entity, and its Board members are elected by the public and have decision-making authority, the power to designate management, the responsibility to develop policies that may influence operations, and primary accountability for fiscal matters.

The District, for financial purposes, includes all of the funds relevant to the District's operation. The basic financial statements presented herein do not include funds of groups and organizations, which although associated with the school system, have not originated within the Board itself, such as Band Boosters, Parent-Teacher Associations, etc.

The District's basic financial statements include those of separately administered organizations that are controlled by or dependent on the Board. Control or dependence is determined on the basis of budget adoption, funding, and appointment of the respective governing board.

Based on the foregoing criteria, the financial statements of the following organization is included in the accompanying financial statements:

Oldham County School District Finance Corporation – The Oldham County, Kentucky, Board of Education established the Oldham County School District Finance Corporation (the Corporation) (a nonprofit, nonstock, public, and charitable corporation organized under the School Bond Act, KRS 273, and KRS Section 58.180) as an agency of the Board for financing the costs of school building facilities. The Board members of the Oldham County Board of Education also comprise the Corporation's Board of Directors.

Government-wide Financial Statements – The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the District's financial activities, except for fiduciary funds. The statements distinguish between those District activities that are governmental and those that are considered business-type (proprietary) activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The District's activities are generally financed through state funding, property and utility taxes, and federal, state, and local grants. Revenues are recorded when earned and expenses are recorded at the time the liability is incurred, regardless of when the related cash flows take place. Revenues from grants are recognized in the fiscal year in which eligibility requirements are met.

Continued

Oldham County School District

June 30, 2019

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities, and each segment of the District's business-type activities. Direct expenses are those that are specifically associated with a service, program, or function. The District does not charge indirect expenses to programs or functions. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the District's general revenues.

Fund Financial Statements – Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each fund is presented in a separate column. Fiduciary funds are reported by fund type.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. State and other governmental revenues applicable to the current fiscal year and collected within 60 days of year end are recognized as revenue.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when they come due for payment. General capital asset acquisitions are reported as expenditures in governmental funds, and proceeds of general long-term debt are reported as other financing sources.

Under the terms of the District's grant agreements, certain programs are funded by specific cost-reimbursement grants and general revenues. Generally, the District applies cost-reimbursement funds first to finance such programs, with remaining costs paid for with general revenues.

Proprietary fund reporting utilizes the economic resources measurement focus and the accrual basis of accounting. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues generally result from providing services in connection with the funds' principal operations. The funds' principal operating revenues are food service charges and child daycare fees. Operating expenses include salaries and benefits, materials and supplies, administrative costs, and depreciation on capital assets.

Fiduciary funds utilize the economic resources measurement focus and the accrual basis of accounting.

Continued

Oldham County School District

June 30, 2019

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

Accounting principles generally accepted in the United States of America require that the General Fund be reported as a major fund. All other governmental and proprietary funds whose assets, liabilities, revenues, or expenditures comprise at least 10% of the total for the relevant fund category and at least 5% of the corresponding total for all governmental and proprietary funds combined must also be reported as major funds. Additionally, the District has determined certain other funds should be reported as major funds.

The District has the following funds:

a. Governmental Fund Types

The General Fund is the District's general operating fund and reports all District revenues and expenditures not accounted for or reported in other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. This is a major fund of the District.

The Special Revenue District Activity Fund is used to account for and report the proceeds of specific revenue sources restricted to expenditures for specified District student activities. This is a nonmajor fund of the District.

Capital Outlay Fund is used to report financial resources restricted for capital outlays, including the acquisition or construction of capital facilities or other capital assets, and to provide financial resources for debt service requirements. Capital Outlay Fund excludes those types of capital-related outflows financed by proprietary funds or for assets that are held in trust.

The Support Education Excellence in Kentucky ('SEEK') receives those funds designated by the State as capital outlay funds and is generally restricted for use in financing projects identified in the District's facility plan (including payment of bonded lease obligations). This is a nonmajor fund of the District.

Building Fund, Facility Support Program ('FSPK') Fund accounts for and reports funds generated by the building tax levy required to participate in the School Facilities Construction Commission's construction funding and state matching funds, where applicable. Funds may be used for projects identified in the District's facility plan. This is a major fund of the District.

Continued

Oldham County School District

June 30, 2019

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

The Construction Fund accounts for and reports proceeds from sales of bonds and other revenue to be used for authorized construction. This is a major fund of the District.

The Debt Service Fund accounts for and reports expenditures for debt payments. This is a nonmajor fund of the District.

b. Proprietary Fund Types

The Food Service Fund accounts for and reports school food service activities, primarily including the National School Lunch Program and the National School Breakfast Program, which are conducted in cooperation with the U.S. Department of Agriculture ("USDA"). Amounts have been recorded as in-kind contribution for commodities from the USDA. This is a major fund of the District.

The Daycare Fund is used to account for and report revenues and expenses of before-and after-school programs where a fee is charged for participating District students. This is a major fund of the District.

c. Fiduciary Fund Type

The Student Activity Funds account for and report activities of student groups and other types of activities requiring clearing accounts. These funds comply with *Accounting Procedures for Kentucky School Activity Funds* (the "Redbook").

Budgetary Process – The District's budgetary process accounts for transactions on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America.

In accordance with state law, the District prepares a general school budget based upon the amount of revenue to be raised by local taxation, including the rate of levy, and from estimates of other local, state, and federal revenues. The budget contains estimated expenditures for current expenses, debt service, capital outlay, and other necessary expenses. The Board must approve the budget.

The District must formally and publicly examine estimated revenues and expenses for the subsequent fiscal year by January 31 of each year.

Additionally, the District must prepare an annual allocation to schools by March 1 of each year for the following fiscal year. This allocation must include the amount for certified and classified staff based on the District's staffing policy and the amount for the instructional supplies, materials, travel, and equipment.

Continued

Oldham County School District

June 30, 2019

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

Additionally, the District must adopt a tentative working budget for the subsequent fiscal year by May 30 of each year. This budget must contain a 2% reserve.

Finally, the District must adopt a final working budget and submit it to the Kentucky Department of Education by September 30 of the current fiscal year.

The Board has the ability to amend the working budget. The working budget was amended during the year.

Inventory – Inventory, which consists of food and supplies, is recorded at the lower of cost (determined by the first-in first-out (“FIFO”) method) or market.

Prepaid Expenses/Expenditures – Payments made that will benefit periods beyond the end of the fiscal year are recorded as prepaid items on the accompanying statement of net position and the balance sheet using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expense/expenditure is reported in the year in which services are consumed.

Deferred Loss on Bond Refundings – Deferred loss on bond refundings represents losses equal to the principal amount borrowed to refund the principal amount outstanding on previous bond issues. These amounts are recognized as deferred outflows of resources on the accompanying statement of net position. The amounts are amortized over the life of the new bond or the life of the refunded bond (whichever is shorter), and included in interest expense on the accompanying statement of activities.

Deferred Outflows and Deferred Inflows of Resources Related to Pension and OPEB Expense – Deferred outflows and deferred inflows of resources related to pension and OPEB expense represent District contributions to multi-employer pension and OPEB plans after the measurement date (June 30, 2018) used to account for the pension and OPEB liabilities, the impact on pension and OPEB liabilities related to differences between expected and actual experience, changes of assumptions, net differences between projected and actual earnings on pension and OPEB plan investments, and changes in proportion and differences between District contributions and proportionate share of contributions on the accompanying statement of net position.

Interfund Balances – On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as due from or to other funds.

Capital Assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds and are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective proprietary fund.

Continued

Oldham County School District

June 30, 2019

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

All capital assets are capitalized at cost (or estimated historical cost based on independent appraisals) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives for both general capital assets and proprietary fund assets:

<u>Description</u>	<u>Estimated Life in Years</u>
Buildings and improvements	25-50
Land improvements	20
Technology equipment	5
Vehicles	5-10
General equipment	5-15
Food service equipment	5-12
Other	20

Accrued Liabilities and Long-Term Obligations – All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements if they will be liquidated with current resources. In general, payments made within 60 days after year-end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

Bonds Sold at Premiums/Discounts – The District records premiums and discounts on bond obligations that are sold at a price higher than or lower than the face amount of the bonds. The District records the amount at the differential between the face amount of the bonds and the price at which the bonds were sold, accreting or amortizing the related premium or discount over the life of the related bond. The net accretion/amortization is included in interest expense on the accompanying statement of activities.

Unearned Revenue – Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied.

Continued

Oldham County School District

June 30, 2019

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

Accrued Sick and Vacation Leave – Sick and vacation leave benefits are calculated using the vesting method, and accrued based on the District’s estimates using historical trend information. The current portion of the liability is estimated based on the anticipated payouts in the succeeding fiscal year.

Pensions – For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County Employees Retirement System Non-Hazardous (“CERS”) and Teachers’ Retirement System of the State of Kentucky (“TRS”) and additions to/deductions from CERS’s fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other than Pensions (OPEBs) – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Teachers Retirement System and the County Employees Retirement System and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the respective Systems. For this purpose, the Systems recognize benefit payments when due and payable, in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fund Balances – The District classifies its governmental fund balances as follows:

Non-spendable – This category includes funds that are not available to be spent because they are not in spendable format or are legally required to remain intact. The prepaid expenditures in the General Fund are considered non-spendable as of June 30, 2019.

Restricted – This category includes resources that are restricted by state law to be used for certain purposes. The Special Revenue District Activity Funds are restricted for student activities. The SEEK Capital Outlay Fund and the Building Fund are restricted to be used for future debt service or future construction projects. The School Construction Fund is restricted for future construction projects. The Debt Service Fund is restricted for debt service.

Committed – This category includes funds that have been designated for future use by the Board. Only the Board may commit funds and modify or rescind the commitment. The District does not have any committed funds as of June 30, 2019.

Assigned – This category represents funds that have been designated for existing purchase obligations and other District initiatives. Assignments can be made by authorized members of management.

Continued

Oldham County School District

June 30, 2019

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

Unassigned – This category represents the remainder of the governmental fund balances that do not belong in any other fund balance classification.

When the District incurs an expenditure for which committed, assigned, or unassigned funds are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

When the District incurs an expenditure for which both restricted and unrestricted (assigned and unassigned, respectively) funds are available within a given fund, the District generally spends restricted funds first and unrestricted funds last.

Net Position – Net position represents the difference between assets and deferred outflows of resources, less liabilities and deferred inflows of resources. Amounts invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on the asset's use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. When the District incurs an expenditure for which both restricted and unrestricted funds are available, the District considers restricted funds to have been spent first.

Interfund Activity – Flows of cash from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds, and after non-operating revenues/expenses in proprietary funds.

Encumbrance Accounting – Encumbrances are not liabilities, and therefore are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end and outstanding encumbrances at year-end are re-appropriated in the next fiscal year.

Estimates – The preparation of basic financial statements requires the District's management to make estimates and assumptions that affect reported amounts of assets, deferred outflows and deferred inflows of resources, liabilities, net position/fund balances, and disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Fair Value Measurements – The District applies fair value measurements as prescribed by the Government Accounting Standards Board ("GASB") Statement No. 72 which requires entities to determine fair value based on the price that would be received to sell an asset or paid to transfer a liability to a market participant utilizing the highest and best use premise. This statement emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and applies in conjunction with other GASB Standards that require or permit fair value

Continued

Oldham County School District

June 30, 2019

1. Basis of Presentation and Summary of Significant Accounting Policies--Continued

measurements and disclosures. The guidance requires impacted assets and liabilities to be measured and disclosed in one of three categories based on the significance and source of the inputs to their valuation. The hierarchy consists of three broad levels: Level 1, Level 2, and Level 3. Level 1 inputs have the highest priority and consist of observable unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access. Level 2 inputs include a) quoted prices for similar assets or liabilities in inactive markets, b) quoted prices for identical or similar assets or liabilities in inactive markets, c) inputs other than quoted prices that are observable for the asset or liability, and d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. Level 3 inputs have the lowest priority, are unobservable, and include judgments about the assumptions that market participants would use in pricing the asset or liability.

An asset's or liability's fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to its fair value measurement. Valuation techniques used are to maximize the use of observable inputs and minimize the use of unobservable inputs. Management uses specific valuation techniques based on the available inputs to measure the fair value of the District's impacted assets and liabilities. When available, management measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

These methods may produce a fair value calculation that may not be indicative of net realizable value, or reflective of future fair values. Furthermore, while management believes the valuation methods utilized are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain assets and liabilities could result in different fair value measurements as of June 30, 2019.

2. Deposits with Financial Institutions

As of June 30, 2019, the book carrying amount of the District's deposits with financial institutions was \$53,632,485, and its bank balances totaled \$55,158,498. Of the total bank balances, \$250,000 was covered by federal depository insurance (FDIC), with the remainder covered by a collateral agreement with securities. Cash is commingled in various bank accounts. Due to the nature of the accounts and limitations imposed by bond issue requirements, construction projects, and financial assistance programs, each cash amount within the following funds is considered restricted:

- Special Revenue District Activity Funds
- SEEK Capital Outlay Fund
- Facility Support Program ("FSPK") Fund
- School Construction Fund
- Debt Service Fund
- Student Activity Funds

District funds are considered public funds and therefore its investment is limited by statute to certain obligations of the United States or similar government agencies, cash instruments, and certain pooled investment funds.

Notes to Basic Financial Statements--Continued

Oldham County School District

June 30, 2019

3. Taxes

The District's ad valorem property tax is levied on the assessed value listed as of the prior January 1 for all real and personal property located in the District. Taxes as certified by the Kentucky Department of Revenue become delinquent after January 31.

The property tax rates assessed for the year ended June 30, 2019 were \$.788 per \$100 valuation for real property, \$.788 per \$100 valuation for business personal property, and \$.643 per \$100 valuation for motor vehicles.

The District levies a utility gross receipts license tax in the amount of 3% of the gross receipts derived from the furnishings, within the county, of telephonic and telegraphic communications services, cablevision services, electric power, water, and natural, artificial, and mixed gas.

4. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 is as follows:

	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance June 30, 2019</u>
Governmental Activities				
Cost				
Land	\$ 12,373,902	\$ 205,500		\$ 12,579,402
Construction in progress	40,021,756	12,602,535	\$ 41,819,220	10,805,071
Land improvements	4,269,126			4,269,126
Buildings & building improvements	243,710,379	38,485,937		282,196,316
Technology equipment	7,522,275	1,905,415	2,207,198	7,220,492
Vehicles	15,612,587	588,717	336,812	15,864,492
Machinery and equipment	2,436,617	1,411,643	2,500	3,845,760
Infrastructure	2,694,931			2,694,931
Total Assets at cost	\$ 328,641,573	\$ 55,199,747	\$ 44,365,730	\$ 339,475,590
Accumulated depreciation				
	<u>Balance June 30, 2018</u>	<u>Depreciation</u>	<u>Dispositions</u>	<u>Balance June 30, 2019</u>
Land improvements	\$ 1,779,313	\$ 156,875		\$ 1,936,188
Buildings & building improvements	80,697,739	6,916,010		87,613,749
Technology equipment	7,404,024	369,816	\$ 2,206,619	5,567,221
Vehicles	11,327,846	972,824	322,225	11,978,445
Machinery and equipment	2,044,733	125,769	2,500	2,168,002
Infrastructure	1,268,018	134,023		1,402,041
Total Accumulated depreciation	\$ 104,521,673	\$ 8,675,317	\$ 2,531,344	\$ 110,665,646
Net Capital Assets				
Depreciable capital assets	\$ 171,724,242			\$ 205,425,471
Non-depreciable capital assets	52,395,658			23,384,473
Capital Assets, Net of Accumulated Depreciation	\$ 224,119,900			\$ 228,809,944

Continued

Notes to Basic Financial Statements--Continued

Oldham County School District

June 30, 2019

4. Capital Assets--Continued

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>Business-Type Activities</u>				
Cost				
Buildings and improvements	\$ 7,271,547			\$ 7,271,547
Food service equipment	1,639,613	\$ 11,394		1,651,007
Vehicles	22,624			22,624
Technology equipment	13,549			13,549
Total Assets at Cost	\$ 8,947,333	\$ 11,394	\$	\$ 8,958,727
	<u>Balance</u> <u>June 30, 2018</u>	<u>Depreciation</u>	<u>Dispositions</u>	<u>Balance</u> <u>June 30, 2019</u>
Accumulated Depreciation				
Buildings and improvements	\$ 2,185,505	\$ 142,931		\$ 2,328,436
Food service equipment	1,409,400			1,409,400
Vehicles	22,624			22,624
Technology equipment	13,537	28,067		41,604
Total Accumulated Depreciation	\$ 3,631,066	\$ 170,998	\$	\$ 3,802,064
Capital Assets, Net of Accumulated Depreciation	\$ 5,316,267			\$ 5,156,663

Governmental activities' depreciation expense is allocated to specific functions or programs on the Statement of Activities as follows:

Instruction	\$ 5,920,043
Instructional staff support services	710
District administration	72,314
School administration	219
Business support services	85
Plant operations and maintenance	1,587,702
Student transportation	1,094,244
Total Depreciation Expense	\$ 8,675,317

Continued

Oldham County School District

June 30, 2019

5. Bonded Debt and Lease Obligations

The amounts shown in the accompanying basic financial statements as bond obligations represent the District's future obligations to make lease payments relating to the bonds issued by the Oldham County School District Finance Corporation.

The original amount of each issue, the issue date, and interest rate are summarized below:

<u>Issue</u>	<u>Proceeds</u>	<u>Interest Rates</u>
2008 Refunding	7,335,000	3.00 – 3.35%
2010 Refunding	8,445,000	1.20 – 3.00%
2010B Refunding	3,980,000	0.50 – 2.70%
2011	3,050,000	1.00 – 4.30%
2011 Refunding	5,245,000	1.00 – 2.50%
2012	6,540,000	2.00 – 4.00%
2012 Refunding	17,820,000	2.00%
2012B Refunding	13,035,000	2.00 – 2.40%
2013	10,360,000	3.88%
2015	18,465,000	2.00 – 4.00%
2016 Refunding	28,965,000	2.00 – 5.00%
2016	15,565,000	2.00 – 4.00%
2016B Refunding	33,485,000	0.05 – 4.00%
2018	13,740,000	3.00 – 3.50%

The District, through the General Fund, the Facility Support Program ("FSPK") Fund, and the SEEK Capital Outlay Fund, is obligated to make payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Oldham County School District Finance Corporation to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

Continued

Oldham County School District

June 30, 2019

5. Bonded Debt and Lease Obligations--Continued

For the 2008 Refunding, 2012 Refunding, 2012B Refunding, 2013, 2015 and 2016 Refunding 2nd bonds, the District entered into participation agreements with the Kentucky School Facilities Construction Commission (Commission). The Commission was created by the Kentucky General Assembly to assist local school districts in meeting school construction needs. The participation agreements generally provide for the Commission to assist the District in meeting bond obligations and are renewable, at the Commission's option, bi-annually. Should the Kentucky General Assembly choose to not fund the Commission in the future, the District would be responsible for meeting the full requirements of the bond issues. The table below sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues.

The bonds may be called prior to maturity with redemption premiums specified in each issue. Assuming no bonds are called prior to scheduled maturity, the District's minimum obligations, including amounts to be paid by the Commission, as of June 30, 2019 for debt service (principal and interest) are as follows:

Fiscal Year Ending	Oldham County School District		Kentucky School Facility Construction Commission		Total
	Principal	Interest	Principal	Interest	
2020	\$ 9,410,570	\$ 4,886,375	\$ 359,430	\$ 109,478	\$ 14,765,853
2021	9,626,055	4,670,236	333,945	100,377	14,730,613
2022	9,907,090	4,402,207	342,910	91,412	14,743,619
2023	10,187,617	4,124,443	352,383	81,939	14,746,382
2024	10,456,799	3,854,203	328,201	72,398	14,711,601
2025	10,688,454	3,623,779	161,546	64,266	14,538,045
2026	11,172,491	3,137,705	167,509	58,304	14,536,009
2027	11,695,233	2,619,911	174,767	51,977	14,541,888
2028	12,498,611	1,903,518	176,389	45,417	14,623,935
2029	6,050,835	1,607,726	169,165	38,986	7,866,712
2030	6,219,436	1,428,146	175,564	32,586	7,855,732
2031	6,367,755	1,237,135	182,245	25,905	7,813,040
2032	6,495,776	1,028,483	189,224	18,927	7,732,410
2033	6,613,531	817,045	196,469	11,675	7,638,720
2034	6,232,388	608,883	157,612	5,013	7,003,896
2035	5,863,663	409,709	36,337	1,454	6,311,163
2036	2,420,000	186,088			2,606,088
2037	2,650,000	105,788			2,755,788
2038	895,000	48,213			943,213
2039	930,000	16,275			946,275
	<u>\$ 146,381,304</u>	<u>\$ 40,715,868</u>	<u>\$ 3,503,696</u>	<u>\$ 810,114</u>	<u>\$ 191,410,982</u>

Continued

Oldham County School District

June 30, 2019

5. Bonded Debt and Lease Obligations--Continued

A summary of the changes in the outstanding bonds during the fiscal year ended June 30, 2019 is as follows:

<u>Issue</u>	<u>Balance June 30, 2018</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2019</u>
2008 Refunding	\$ 3,005,000		\$ 1,020,000	\$ 1,985,000
2009 Refunding	235,000		235,000	
2010 Refunding	5,150,000		1,460,000	3,690,000
2010B Refunding	2,670,000		190,000	2,480,000
2011	2,115,000		115,000	2,000,000
2011 Refunding	3,245,000		490,000	2,755,000
2012	6,480,000		15,000	6,465,000
2012 Refunding	10,735,000		1,700,000	9,035,000
2012B Refunding	10,950,000		460,000	10,490,000
2013	8,435,000		525,000	7,910,000
2015	18,390,000		25,000	18,365,000
2016 Refunding	27,000,000		550,000	26,450,000
2016B Refunding	31,445,000		2,060,000	29,385,000
2016	15,350,000		215,000	15,135,000
2018		\$ 13,740,000		13,740,000
Subtotal	145,205,000	13,740,000	9,060,000	149,885,000
Add premium, net of accretion and discount, net of amortization	6,247,577	(144,622)	755,721	5,347,234
Totals, net	<u>\$ 151,452,577</u>	<u>\$ 13,595,378</u>	<u>\$ 9,815,721</u>	<u>\$ 155,232,234</u>

6. Accrued Sick and Vacation Leave Benefits

Upon retirement from the school system, eligible employees will receive from the District an amount equal to 30% of the value of accrued sick leave. Additionally, upon termination of employment, employees eligible for retirement will receive 100% of the value of accumulated vacation pay.

The compensated absence liability for both sick and vacation leave benefits is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of accrued sick and vacation leave is the amount expected to be paid using expendable available resources. This amount is recorded in the accumulated leave payable account in the General Fund. The non-current portion of the liability is not reported.

Continued

Oldham County School District

June 30, 2019

6. Accrued Sick and Vacation Leave Benefits--Continued

A summary of the changes in the estimated accrued sick and vacation leave benefits during the fiscal year ended June 30, 2019 is as follows:

Balance as of June 30, 2018	\$ 1,809,138
Additions/increases to estimate	74,193
Less payments of sick hours at retirement	<u>(540,199)</u>
Balance as of June 30, 2019	1,343,132
Less current portion	<u>386,813</u>
Non-current Portion	<u><u>\$ 956,319</u></u>

7. Commitments and Contingencies

The District receives funding from federal and state government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if based on the grantors' review the funds are considered not to have been used for the intended purpose, the grantors may request a refund of funds advanced, or refuse to reimburse the District for its disbursements. The collectability of any related receivables as of June 30, 2019 may be impaired. The amount of such future refunds and unreimbursed disbursements, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantors' satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

8. Retirement Plans

District employees are provided with two pension plans, based on each position's college degree requirement. The County Employees Retirement System ("CERS") covers employees whose position does not require a college degree or teaching certification. The Teachers' Retirement System of the state of Kentucky ("TRS") covers positions requiring teaching certification or otherwise requiring a college degree.

Continued

Oldham County School District

June 30, 2019

8. Retirement Plans--Continued

General Information about the County Employees Retirement System ("CERS")

Plan Description – Employees whose positions do not require a college degree or teaching certification are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute "(KRS)" Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

Benefits Provided – CERS provides retirement, health insurance, and death and disability benefits to plan employees and beneficiaries. Employees are vested in the plan after five years of service. For retirement purposes, employees are grouped into three tiers, based on hire date:

Tier 1	Participation date Unreduced retirement Reduced retirement	Before September 1, 2008 27 years of service or 65 years old At least 5 years of service and 55 years old or at least 25 years of service and any age
Tier 2	Participation date Unreduced retirement Reduced retirement	September 1, 2008 – December 31, 2013 At least 5 years of service and 65 years old or age 57+ and sum of service years plus age equal 87 At least 10 years of service and 60 years old
Tier 3	Participation date Unreduced retirement Reduced retirement	After December 31, 2013 At least 5 years of service and 65 years old or age 57+ and sum of service years plus age equal 87 Not available

Cost of living adjustments are provided at the discretion of the Kentucky General Assembly. Retirement is based on a factor that uses the number of years of service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components.

Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for death, whether after retirement and prior to retirement. Death benefits after retirement are \$5,000 in lump sum. Five years of service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and \$10,000 plus 25% of the decedent's monthly final rate of pay, and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years of service is required for nonservice-related disability benefits.

Continued

Oldham County School District

June 30, 2019

8. Retirement Plans--Continued

Contributions – Required contributions as determined by the Kentucky Retirement System Board of Trustees by the employee are based on the tier:

	<u>Required Contribution</u>
Tier 1	5%
Tier 2	5% + 1% for insurance
Tier 3	5% + 1% for insurance

General Information about the Teachers Retirement System of the State of Kentucky (“TRS”)

Plan Description – The District’s teaching certified employees and certain other employees whose positions require at least a college degree are provided pensions through TRS – a cost-sharing multiple-employer defined benefit pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the Commonwealth of Kentucky. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. TRS is a blended component unit of the Commonwealth of Kentucky, and therefore is included in the Commonwealth’s financial statements. TRS issues a publicly available financial report that can be obtained at <http://www.trs.ky.gov/financial-reports-information>.

Benefits Provided – For employees who have established an account in a retirement system administered by the Commonwealth prior to July 1, 2008, employees become vested when they complete five years of credited service. To qualify for monthly retirement benefits, payable for life, employees must either attain age fifty-five and have completed five years of Kentucky service, or have completed 27 years of Kentucky service.

Employees who retire before age 60 with less than 27 years of service receive reduced retirement benefits. Employees with an account established prior to July 1, 2002 receive monthly payments equal to 2% (service prior to July 1, 1983) and 2.5% (service after July 1, 1983) of their final average salaries for each year of credited service. New employees (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than ten years. New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. Effective July 1, 2008, TRS was amended to change the benefit structure for employees hired on or after that date.

Continued

Oldham County School District

June 30, 2019

8. Retirement Plans--Continued

Final average salary is defined as the member's five highest annual salaries for those with less than 27 years of service. Employees at least age 55 with 27 or more years of service may use their three highest annual salaries to compute the final average salary. TRS also provides disability benefits for vested employees at the rate of 60% of the final average salary. A life insurance benefit payable upon the death of a member is \$2,000 for active contributing employees and \$5,000 for retired or disabled employees.

Cost of living increases are 1.5% annually. Additional ad hoc increases and any other benefit amendments must be authorized by the Kentucky General Assembly.

Contributions – Contribution rates are established by KRS. Employees are required to contribute 12.855% of their salaries to TRS.

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions at the rate of 13.105% of salaries for employees hired before July 1, 2008, and 14.105% for those hired after July 1, 2008. For employees whose salaries are federally funded, the District contributes 16.105% of salaries. If an employee leaves covered employment before accumulating five years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the employee's request.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

As of June 30, 2019, the District reported a liability for its proportionate share of the net pension liability for CERS. The District did not report a liability for the District's proportionate share of the net pension liability for TRS because the Commonwealth of Kentucky provides the pension support directly to TRS on behalf of the District. The approximate amount recognized by the District and the Commonwealth of Kentucky as its proportionate share of the net pension liability were as follows:

District's proportionate share of the CERS net pension liability	\$ 39,439,687
Commonwealth's proportionate share of the TRS net liability associated with the District	\$227,259,413

The net pension liability for each plan was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Continued

Oldham County School District

June 30, 2019

8. Retirement Plans--Continued

The District's proportionate share of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of CERS as determined by the actuary. At June 30, 2018, the District's proportion was 0.65%.

For the year ended June 30, 2019, the District recognized pension expense totaling \$6,252,262 related to CERS and \$16,466,682 related to TRS. The TRS expense represents amounts paid on the District's behalf during the year.

The District reported deferred outflows of resources and deferred inflows of resources related to pension expense from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 1,286,411	\$ 577,313
Changes of assumptions	3,854,402	
Net difference between projected and actual earnings on pension plan investments	1,833,973	2,306,877
Changes in proportion and differences between District contributions and proportionate share of contributions	4,141	324,863
District contributions after the measurement date	<u>2,615,773</u>	
Total	<u>\$ 9,594,700</u>	<u>\$ 3,209,053</u>

The District reported \$2,615,773 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	
2020	\$ 2,962,420
2021	1,476,211
2022	(457,078)
2023	(211,679)

Continued

Oldham County School District

June 30, 2019

8. Retirement Plans--Continued

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>CERS</u>	<u>TRS</u>
Inflation (price / wage)	3.25%	3.00%
Projected salary increases (annually)	4.00%	3.50 - 7.30%
Investment rate of return, net of investment expense and inflation	7.50%	7.50%

For CERS, the mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.

For TRS, mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale BB to 2025 set forward two years for males and one year for females.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years for the Kentucky Retirement Systems. The most recent analysis, performed for the period covering fiscal years 2005 through 2013, is outlined in a report dated August 30, 2014. Several factors are considered in evaluating the long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Continued

Oldham County School District

June 30, 2019

8. Retirement Plans—Continued

The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the table below:

<u>CERS Asset Classes</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	17.50%	4.87%
International Equity	17.50%	6.71%
Global Bonds	4.00%	1.20%
Credit Fixed	24.00%	6.71%
Private Equity	10.00%	6.50%
Real Estate	5.00%	9.00%
Absolute Return	10.00%	5.00%
Real Return	10.00%	7.00%
Cash	2.00%	1.50%
Total	<u>100.00%</u>	

For TRS, the long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS's investment consultant, are summarized in the following table:

<u>TRS Asset Classes</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. equity	40.00%	4.20%
International equity	22.00%	5.20%
Fixed income	15.00%	1.20%
Additional categories*	8.00%	3.30%
Real estate	6.00%	3.80%
Alternatives	7.00%	6.30%
Cash	2.00%	0.90%
Total	<u>100.00%</u>	

*Includes High Yield, Non-U.S. Development Bonds and Private Credit Strategies.

Continued

Oldham County School District

June 30, 2019

8. Retirement Plans--Continued

Discount Rate – For CERS, the discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that local employers would contribute at the actuarially determined contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 7.5%. The long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the Kentucky Retirement Systems Comprehensive Annual Financial Report.

For TRS, the discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates, and the employer contributions will be made by the state at statutorily required rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan employees until the 2036 plan year. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments through 2035 and a change in the municipal bond index rate of 3.89% was applied to all periods of projected benefit payments after 2035. The Single Equivalent Investment Rate (“SEIR”) that discounts the entire projected benefit stream to the same amount as the sum of the present values of the two separate benefit payment streams was used to determine the total pension liability.

Sensitivity of CERS and TRS proportionate share of net pension liability to changes in the discount rate – The following table presents the District’s net pension liability, calculated using the discount rates selected by each pension system, as well as what the District’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Current 1% Decrease	Discount Rate	1% Increase
CERS	5.25%	6.25%	7.25%
District’s proportionate share of net pension liability	\$ 49,650,443	\$ 39,439,657	\$ 30,884,806
TRS	6.50%	7.50%	8.50%
District’s proportionate share of net pension liability	-	-	-

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued financial reports of both CERS and TRS.

Continued

Oldham County School District

June 30, 2019

8. Retirement Plans--Continued

Other Retirement Plans

The District makes available various 401(k), 403(b), and 457 defined contribution pension plans for all employees. These Plans are administered by independent third party administrators. Employees are allowed to contribute any amount to the Plans up to the Internal Revenue Code maximum allowable amount. The District does not contribute to the Plans, but the District retains authority to amend or terminate these plans. Members contributed approximately \$1,255,000 during the year ended June 30, 2019.

9. Postemployment Benefits

Retired District employees may receive postemployment benefits other than pensions ("OPEB") through the same fiduciary pension system to which they contributed during their employment. In accordance with Kentucky Revised Statutes, these benefits are provided and advanced-funded on an actuarially determined basis through the CERS and the TRS plans. Required schedules of funding progress immediately follow these notes to the financial statements and present multi-year trend information about funding levels. The TRS maintains two separate OPEB plans for its retirees.

CERS

CERS provides health insurance, disability insurance and death benefits to Plan employees and beneficiaries. Pension benefits are grouped into three tiers based on participation date with benefits adjusted based on tier. OPEB are not adjusted by tier other than the determination of retirement eligibility.

Benefits provided – Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. If a participating employee suffers a work-related death, CERS will provide a lump sum payment of \$10,000 plus a lifetime monthly payment of 75% of the member's monthly average until the spouse's death or remarriage. If a participating employee dies prior to retirement and the death is not work-related, the beneficiary may choose from a selection of actuarial calculated lump sum or annuity payments. Five years' service is required for non-service-related disability benefits, and the disabled employee must be determined as disabled by KRS Medical Review Physicians panel.

Contributions – CERS employer contributions are split between the pension fund (approximately 75%) and the OPEB (approximately 25%). Employee contributions are 5% of their salary. Employees of tiers 2 and 3 contribute an additional 1% of their salary before retirement to fund OPEB.

Continued

Oldham County School District

June 30, 2019

9. Postemployment Benefits--Continued

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs - CERS

At June 30, 2019, the District reported a liability of \$11,497,228 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion remained at 0.65%, which was the second year of measurement.

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,345,908.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 1,339,849
Changes of assumptions	\$ 2,296,167	26,564
Net difference between projected and actual earnings on OPEB investments		791,933
Changes in proportion and differences between District contributions and proportionate share of contributions		69,045
District contributions after the measurement date	<u>848,272</u>	
Total	<u>\$ 3,144,439</u>	<u>\$ 2,227,391</u>

Of the total amount reported as deferred outflows of resources related to OPEB, deferred outflows resulting from District contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized over a closed period of either five years for investments-related deferrals or the estimated remaining service life for active participants in CERS for other deferred items. As of June 30, 2018 plan year, the estimated remaining service life was 6.30 years. These items will be recognized in the District's OPEB expense as follows:

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Oldham County School District

June 30, 2019

9. Postemployment Benefits--Continued

Year Ending June 30	
2020	\$ 26,793
2021	26,793
2022	26,793
2023	180,600
2024	(113,994)
Thereafter	(78,207)

Actuarial assumptions – The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Discount Rate	5.85%
Municipal Bond Index Rate	3.62%
Investment Rate of Return	7.50%
Projected Salary increases	4.00%
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of the assets is recognized
Healthcare trend rates:	
Under 65	7.50% at 1/1/2019 decreasing to 5.0% over a period of 5 years
Ages 65 and Older	5.50% at 1/1/2019 decreasing to 5.0% over a period of 2 years
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)

The long-term expected rate of return on OPEB plan investments was determined using an asset valuation method where 20% of the difference between the market value of assets and the expected actuarial value of assets is recognized.

Discount rate – The discount rate used to measure the total OPEB liability was 5.85%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Continued

Oldham County School District

June 30, 2019

9. Postemployment Benefits--Continued

Sensitivity of the District's proportionate share of net OPEB liability to changes in the discount rate - The following table presents the District's proportionate share of the collective net OPEB liability of the system, calculated using the discount rate of 5.85%, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.85%) or 1-percentage-point higher (6.85%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
CERS Discount Rate	4.85%	5.85%	6.85%
Net OPEB Liability	\$ 14,933,056	\$ 11,497,228	\$ 8,570,530

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates - The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 8,559,800	\$ 11,497,228	\$ 14,959,610

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS financial report.

TRS Medical Insurance Plan

Benefits provided—To be eligible for medical benefits, the member must have either retired from service or due to disability. The TRS Medical Insurance Fund offers coverage to members under the age of 65 through the Kentucky Employees Health Plan administered by the Kentucky Department of Employee Insurance. TRS retired members are given a supplement to be used for payment of their health insurance premium. The amount of the member's supplement is based on a contribution supplement table approved by the TRS Board of Trustees. The retired member pays premiums in excess of the monthly supplement. Once retired members and eligible spouses attain age 65 and are Medicare eligible, coverage is obtained through the TRS Medicare Eligible Health Plan.

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Oldham County School District

June 30, 2019

9. Postemployment Benefits--Continued

Contributions—In order to fund the post-retirement healthcare benefit, six and three quarters percent (6.75%) of the gross annual payroll of employees before July 1, 2008 is contributed. Three percent (3%) is paid by member contributions, three quarters percent (.75%) from State appropriation and three percent (3%) from the employer. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs - TRS

At June 30, 2019, the District reported a liability of \$30,783,000 for its proportionate share of the collective net OPEB liability that reflected a reduction for state OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was 0.89%, which was the second year of measurement.

The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	\$ 30,783,000
State's proportionate share of the District's net OPEB liability	<u>26,529,000</u>
	<u>\$ 57,312,000</u>

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,518,000 and revenue of \$1,377,751 for support provided by the State.

Continued

Oldham County School District

June 30, 2019

9. Postemployment Benefits--Continued

At June 30, 2019, the District reported deferred outflows and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		\$ 1,577,000
Changes of assumptions	\$ 423,000	
Net difference between projected and actual earnings on OPEB investments		125,000
Changes in proportion and differences between District contributions and proportionate share of contributions		430,000
District contributions after the measurement date	<u>1,938,662</u>	
Total	<u><u>\$ 2,361,662</u></u>	<u><u>\$ 2,132,000</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

<u>Year Ending June 30</u>	
2020	\$ (337,000)
2021	(337,000)
2022	(337,000)
2023	(281,000)
2024	(291,000)
Thereafter	(126,000)

Continued

Oldham County School District

June 30, 2019

9. Postemployment Benefits--Continued

Actuarial assumptions – The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Discount Rate	8.00%
Municipal Bond Index Rate	3.89%
Investment Rate of Return	8.00%
Single Equivalent Interest	8.00%
Real Wage Growth	50.00%
Projected Salary increases	3.5% - 7.20%
Healthcare trend rates:	
Under 65	7.75% for FY 2018 decreasing to 5.0% by FY 2024
Ages 65 and Older	5.75% for FY 2018 decreasing to 5.0% by FY 2021
Medicare Part B Premiums	0.00% for FY 2018 increasing to 5.00% by FY 2030
Mortality	RP-2000 Combined Mortality Table, projected to 2025 with Scale BB (set forward 2 years for males and 1 year for females)

TRS mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement. The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2017 valuation were based on a review of recent plan experience done concurrently with the June 30, 2017 valuation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Continued

Oldham County School District

June 30, 2019

9. Postemployment Benefits--Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS's investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	58.00%	4.60%
Fixed Income	9.00%	1.20%
Real Estate	5.50%	3.80%
Private Equity	6.50%	6.30%
Other Additional Categories	20.00%	3.30%
Cash	1.00%	0.90%
Total	<u>100.00%</u>	

Discount rate—For TRS, the discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at current contribution rates and that employer contributions will be made at statutory required rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 8.0%. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term investment rate of return was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the District's proportionate share of net OPEB liability to changes in the discount rate—The following table presents the net pension liability of the District, calculated using the discount rate of 8%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
TRS Discount Rate	7.00%	8.00%	9.00%
District's Proportionate Share of Net OPEB Liability	\$ 36,098,000	\$ 30,783,000	\$ 26,356,000

Continued

Oldham County School District

June 30, 2019

9. Postemployment Benefits--Continued

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates – The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rate</u>	<u>1% Increase</u>
District's Proportionate Share of Net OPEB Liability	\$ 25,526,000	\$ 30,783,000	\$ 37,270,000

OPEB plan fiduciary net position--Detailed information about the OPEB plan's fiduciary net position is available in the separately issued KRS financial report.

TRS Life Insurance Plan

TRS administers a Life Insurance Plan for eligible active and retired members per Kentucky Revised Statute 161.655. The TRS Life Insurance Plan is a cost-sharing multiple employer defined benefit plan with a special funding situation. The plan is entirely funded by the state. Changes to the Plan may be made by the TRS Board of Trustees and the General Assembly.

Benefit provided – The TRS Life Insurance Plan provides a life insurance benefit of \$5,000 payable for members who retire based on service or disability. Active members may receive a \$2,000 lump sum payable. The benefit is payable to the member's estate or to a party designated by the member.

Contributions – Three hundredths of one percent (.03%) of the gross payroll of participating members is contributed by the state.

Continued

Oldham County School District

June 30, 2019

9. Postemployment Benefits--Continued

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs - TRS

At June 30, 2019, the District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to TRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

State's proportionate share of the District's net OPEB liability	\$ 455,000
District's proportionate share of the net OPEB liability -	<u>-</u>
 Total	 <u>\$ 455,000</u>

For the year ended June 30, 2019, the District recognized revenue of \$19,198 for support provided by the state. At June 30, 2019 the District did not have any net OPEB liability, deferred outflows or deferred inflows related to the collective net OPEB liability for life insurance Benefits.

Actuarial assumptions – The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.50%, net of OPEB Plan Investment Expense, including inflation
Projected salary increases	3.50 - 7.20%, including inflation
Inflation rate	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
Municipal Bond Index Rate	3.89%
Discount Rate	7.50%
Single Equivalent Interest Rate	7.50%, net of OPEB plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

Continued

Oldham County School District

June 30, 2019

9. Postemployment Benefits--Continued

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by TRS' investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	40.00%	4.20%
International Equity	23.00%	5.20%
Fixed Income	18.00%	1.20%
Real Estate	6.00%	3.80%
Private Equity	5.00%	6.30%
Other Additional Categories	6.00%	3.30%
Cash	<u>2.00%</u>	0.90%
Total	<u>100.00%</u>	

Discount rate - The discount rate used to measure the state's total OPEB liability for life insurance was 7.50%. The projection of cash flows used to determine the discount rate assumed that the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

OPEB plan fiduciary net position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued TRS financial report.

Oldham County School District

June 30, 2019

10. On-behalf Payments for Fringe Benefits and Other District Expenditures

The District receives on-behalf payments for fringe benefits and other District expenditures from the Commonwealth of Kentucky. The following amounts are included as revenues and expenses/expenditures on the statement of activities, and the statement of revenues, expenditures, and changes in fund balances/net position:

Retirement contributions to TRS	\$ 16,466,682
Other post-employment benefits	1,377,751
Health insurance and other payroll-related payments	12,299,229
Technology	180,225
Debt service	<u>483,071</u>
Total	<u>\$ 30,806,958</u>

11. Insurance, Risk Management and Related Activities

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, etc.; and risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, natural disasters, worker's compensation, unemployment, etc. Each of these risk areas is covered through the purchase of commercial insurance.

The District has purchased insurance policies to cover losses in the areas of fleet, general liability, property, and workers' compensation. Coverage includes a \$10 million umbrella across all lines of insurance. Insurance Premiums are based on the cost experience of the District and are adjusted every one to three years.

12. Deficit Operating/Fund Balances

There are no District funds that currently have a deficit fund balance. The General Fund had operations that resulted in a current year operating gain, resulting in a corresponding increase of fund balance. The Debt Service fund had a decrease in fund balance of about \$239,000 as a result of spending the prior year's fund balance.

13. COBRA

Under COBRA, employers are mandated to notify terminated employees of available continuing insurance coverage. Failure to comply with this requirement may put the District at risk for a substantial loss contingency.

Oldham County School District

June 30, 2019

14. Transfer of Funds

The following transfers were made during the year ended June 30, 2019:

<u>Type</u>	<u>From Fund</u>	<u>To Fund</u>	<u>Purpose</u>	<u>Amount</u>
Operating	Daycare	General	Administrative	\$ 1,484,765
Operating	Food Service	General	Administrative	195,464
Operating	General	Construction	Construction	955,550
Operating	General	Special Revenue District Activities	Reallocation	11,248
Operating	General	Special Revenue	Reallocation	5,000
Operating	Special Revenue District Activities	General	Administrative	248,782
Financing	Facility Support Program ("FSPK")	Debt Service	Debt payments	13,320,649
Financing	Facility Support Program ("FSPK")	Construction	Construction	438,250
Financing	Construction	Debt Service	Bond fees	95,460
Matching	Special Revenue District Activities	Special Revenue	Technology matching	400,381
Matching	Daycare	Special Revenue	Technology matching	81,121

There were no interfund balances as of June 30, 2019.

Oldham County School District

June 30, 2019

15. Recent GASB Pronouncements

Statement No. 83, *Certain Asset Retirement Obligations*, this statement addresses accounting and financial reporting for certain asset retirement obligations ("ARO"). This statement was adopted during the current year. It did not have a significant impact on the financial statements.

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, the objective of this Statement is to improve the information that is disclosed in the notes to the financial statements relating to debt. This statement was adopted during the current year. It did not have a significant impact on the financial statements.

The GASB has issued several reporting standards that will become effective for fiscal year 2020 and later years' financial statements.

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments.

Statement No. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB statements.

Statement No. 87, *Leases*, the objective of which is to better meet the information needs financial statement users by improving accounting and financial reporting for leases by governments.

Statement No. 89, *Accounting for Interest Incurred before the End of a Construction Period*, this Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources management focus. Thus, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

Statement No. 90, *Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61*, the primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information of certain component units.

Statement No. 91, *Conduit Debt Obligations*, the primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

The District is currently evaluating the impact that will result from adopting these GASB standards and is therefore unable to disclose the impact that adopting these standards will have on the District's financial position and the results of its operations when the standards are adopted.

Notes to Basic Financial Statements--Continued

Oldham County School District

June 30, 2019

16. Subsequent Events

The District's management has evaluated subsequent events through November 15, 2019, the date which the financial statements were available for issue. No subsequent events were of such a nature as to require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
Oldham County School District
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/ (Unfavorable)
	KDE Working	Final		
Revenues				
From local sources:				
Property taxes	\$ 36,599,693	\$ 36,599,693	\$ 35,798,027	\$ (801,666)
Motor vehicle taxes	3,782,116	3,782,116	4,087,079	304,963
Utilities taxes	3,400,000	3,400,000	3,389,098	(10,902)
Earnings on investments	145,320	145,320	145,391	71
Tuition and fees	223,000	178,000	234,394	56,394
Other local revenues	497,960	497,960	888,809	390,849
State sources:				
SEEK	39,626,783	40,091,746	40,091,746	
On-behalf revenues	20,174,400	20,174,400	29,745,062	9,570,662
Restricted state revenues	270,012	270,012	285,546	15,534
Federal - indirect	312,000	312,000	328,301	16,301
Total Revenues	105,031,284	105,451,247	114,993,453	9,542,206
Expenditures				
Instruction	64,537,939	66,773,720	75,723,592	(8,949,872)
Support services:				
Student	6,213,054	6,222,758	6,232,260	(9,502)
Instruction staff	4,428,642	4,409,976	4,363,906	46,070
District administration	1,771,610	1,771,610	1,870,102	(98,492)
School administration	8,000,011	8,000,011	7,334,153	665,858
Business	4,197,897	4,291,686	3,155,080	1,136,606
Plant operation and maintenance	8,538,382	8,538,382	8,528,726	9,656
Student transportation	6,943,626	6,943,627	6,624,198	319,429
Facilities improvement and renovation	31,000	31,000	200,945	(169,945)
Architectural and engineering	579,882	579,882	943,851	(363,969)
Contingency	15,060,318	14,881,971		14,881,971
Total Expenditures	120,302,361	122,444,623	114,976,813	7,467,810
Excess/(Deficit) of Revenues over Expenditures	(15,271,077)	(16,993,376)	16,640	17,010,016
Other Financing Sources/(Uses)				
Proceeds from sale of capital assets			123,088	123,088
Operating transfers in	190,036	1,923,583	1,929,011	5,428
Operating transfers out	(237,335)	(248,583)	(971,798)	(723,215)
Total Other Financing	(47,299)	1,675,000	1,080,301	(594,699)
Net Change in Fund Balance	(15,318,376)	(15,318,376)	1,096,941	\$ 16,415,317
Fund Balance, July 1, 2018	15,318,376	15,318,376	18,160,327	
Fund Balance, June 30, 2019	\$	\$	\$ 19,257,268	

See Independent Auditors' Report

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Special Revenue Fund
Oldham County School District
Year Ended June 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>KDE Working</u>	<u>Final</u>		
Revenues				
Other local revenues	\$ 53,000	\$ 75,274	\$ 149,274	\$ 74,000
Restricted state revenues	2,103,699	2,130,235	2,321,403	191,168
Restricted federal revenues	3,393,082	3,334,590	3,281,483	(53,107)
Total Revenues	<u>5,549,781</u>	<u>5,540,099</u>	<u>5,752,160</u>	<u>212,061</u>
Expenditures				
Instruction	2,803,525	3,136,660	3,284,310	(147,650)
Support services:				
Student	1,366,110	1,330,660	1,399,502	(68,842)
Instruction staff	1,201,920	1,418,856	1,461,140	(42,284)
School administration	88,609			
Plant operation and maintenance				
Student transportation	1,100			
Community service activities	93,517	94,559	93,710	849
Total Expenditures	<u>5,554,781</u>	<u>5,980,735</u>	<u>6,238,662</u>	<u>(257,927)</u>
Excess (Deficit) of Revenues Over Expenditures	(5,000)	(440,636)	(486,502)	45,866
Other Financing Sources				
Operating transfers in	5,000	440,636	486,502	(45,866)
Operating transfers out				
Total Other Financing Sources	<u>5,000</u>	<u>440,636</u>	<u>486,502</u>	<u>(45,866)</u>
Net Change in Fund Balance				
Fund Balance, July 1, 2018				
Fund Balance, June 30, 2019	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

See Independent Auditors' Report

Schedule of District's Proportionate Share of the Net Pension Liability – County Employees Retirement System

Oldham County School District

Year Ended June 30, 2019

District's proportion of the net pension liability	
2019 (2018 measurement period)	0.65%
2018 (2017 measurement period)	0.65%
2017 (2016 measurement period)	0.67%
2016 (2015 measurement period)	0.67%
2015 (2014 measurement period)	0.65%
District's proportionate share of the net pension liability	
2019 (2018 measurement period)	\$ 39,439,657
2018 (2017 measurement period)	37,904,673
2017 (2016 measurement period)	32,823,925
2016 (2015 measurement period)	28,663,271
2015 (2014 measurement period)	21,245,000
District's covered-employee payroll	
2019 (2018 measurement period)	\$ 19,356,255
2018 (2017 measurement period)	18,558,799
2017 (2016 measurement period)	16,066,071
2016 (2015 measurement period)	15,022,785
2015 (2014 measurement period)	15,148,080
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	
2019 (2018 measurement period)	203.76%
2018 (2017 measurement period)	204.24%
2017 (2016 measurement period)	204.31%
2016 (2015 measurement period)	190.80%
2015 (2014 measurement period)	140.30%
Plan fiduciary net pension as a percentage of the total pension liability	
2019 (2018 measurement period)	53.54%
2018 (2017 measurement period)	53.30%
2017 (2016 measurement period)	55.50%
2016 (2015 measurement period)	59.97%
2015 (2014 measurement period)	66.80%

Note: Schedule is intended to report information for the last 10 fiscal years. Additional years will be reflected when available.

See Independent Auditors' Report

Schedule of District Contributions – County Employees Retirement System

Oldham County School District

Year Ended June 30, 2019

Contractually required contribution	
2019 (2018 measurement period)	\$ 2,615,773
2018 (2017 measurement period)	2,418,417
2017 (2016 measurement period)	2,740,874
2016 (2015 measurement period)	2,668,047
2015 (2014 measurement period)	2,860,339
Contributions in relation to the contractually required contribution	
2019 (2018 measurement period)	\$ 2,615,773
2018 (2017 measurement period)	2,418,417
2017 (2016 measurement period)	2,740,874
2016 (2015 measurement period)	2,668,047
2015 (2014 measurement period)	2,860,339
Contribution deficiency/(excess)	
2019 (2018 measurement period)	\$ -
2018 (2017 measurement period)	-
2017 (2016 measurement period)	-
2016 (2015 measurement period)	-
2015 (2014 measurement period)	-
District's covered-employee payroll	
2019 (2018 measurement period)	\$ 19,356,255
2018 (2017 measurement period)	18,558,799
2017 (2016 measurement period)	16,066,071
2016 (2015 measurement period)	15,022,785
2015 (2014 measurement period)	15,148,080
Contributions as a percentage of covered-employee payroll	
2019 (2018 measurement period)	13.51%
2018 (2017 measurement period)	13.03%
2017 (2016 measurement period)	17.06%
2016 (2015 measurement period)	17.76%
2015 (2014 measurement period)	18.88%

Note: Schedule is intended to report information for the last 10 fiscal years. Additional years will be reflected when available.

See Independent Auditors' Report

Notes to Required Supplementary Information – County Employees Retirement System

Oldham County School District

Year Ended June 30, 2019

Changes of Benefit Terms – There have been no changes in benefit terms during the period covered by the required supplementary information (June 30, 2018 measurement period).

Changes of Assumptions – Since the prior measurement date (June 30, 2015), there have been no changes in demographic and economic assumptions that affect the measurement of the total pension liability.

Assets Accumulated in Trust – There are no assets accumulated in trust that meets the GASB criteria to pay pension benefits.

Period Covered by the Required Supplementary Information – GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* requires the accompanying supplementary information to report on trend information for the previous ten fiscal years if the information is available. The District has been provided this information for five fiscal years and will expand this supplementary information in future financial statements to cover additional periods as it becomes available.

See Independent Auditors' Report

Schedule of Commonwealth of Kentucky's Proportionate Share of the Net Pension Liability – Teachers Retirement System

Oldham County School District

Year Ended June 30, 2019

Commonwealth of Kentucky's proportion of the net pension liability associated with the District	
2019 (2018 measurement period)	1.74%
2018 (2017 measurement period)	1.72%
2017 (2016 measurement period)	1.64%
2016 (2015 measurement period)	1.61%
2015 (2014 measurement period)	1.51%
Commonwealth of Kentucky's proportionate share of the net pension liability associated with the District	
2019 (2018 measurement period)	\$ 227,259,413
2018 (2017 measurement period)	464,913,222
2017 (2016 measurement period)	506,558,743
2016 (2015 measurement period)	394,337,603
2015 (2014 measurement period)	327,037,306
Plan fiduciary net position as a percentage of the pension liability	
2019 (2018 measurement period)	59.30%
2018 (2017 measurement period)	39.83%
2017 (2016 measurement period)	35.22%
2016 (2015 measurement period)	42.49%
2015 (2014 measurement period)	45.59%

Note: Schedules are intended to report information for the last 10 fiscal years. Additional years will be reflected when available.

See Independent Auditors' Report

Schedule of Commonwealth of Kentucky's Contributions – Teachers Retirement System

Oldham County School District

Year Ended June 30, 2019

Commonwealth of Kentucky contractually required contribution	
2019 (2018 measurement period)	\$ 16,466,682
2018 (2017 measurement period)	16,518,089
2017 (2016 measurement period)	8,334,978
2016 (2015 measurement period)	8,155,439
2015 (2014 measurement period)	7,706,732
Commonwealth of Kentucky actual contribution	
2019 (2018 measurement period)	\$ 16,466,682
2018 (2017 measurement period)	16,518,089
2017 (2016 measurement period)	8,334,978
2016 (2015 measurement period)	8,155,439
2015 (2014 measurement period)	7,706,732
Commonwealth of Kentucky contribution deficiency/(excess)	
2019 (2018 measurement period)	\$ -
2018 (2017 measurement period)	-
2017 (2016 measurement period)	-
2016 (2015 measurement period)	-
2015 (2014 measurement period)	-

Note: Schedules are intended to report information for the last 10 fiscal years. Additional years will be reflected when available.

See Independent Auditors' Report

Notes to Required Supplementary Information – Teachers Retirement System

Oldham County School District

Year Ended June 30, 2019

Changes of Benefit Terms – There have been no changes in benefit terms during the period covered by the required supplementary information (June 30, 2018 measurement period).

Changes of Assumptions – Since the prior measurement date (June 30, 2014), the following demographic and economic assumption that affects the measurement of the total pension liability has been updated. In the 2011 valuation and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2011. In the 2011 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to reflect actual experience more closely. In the 2011 valuation, the TRS Board adopted an interest smoothing methodology to calculate liabilities for purposes of determining the actuarially determined contributions.

Assets Accumulated in Trust – There are no assets accumulated in trust that meet the GASB criteria to pay pension benefits.

Period Covered by the Required Supplementary Information – GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* requires the accompanying supplementary information to report on trend information for the previous ten fiscal years if the information is available. The District has been provided this information for five fiscal years and will expand this supplementary information in future financial statements to cover additional periods as it becomes available. Since the Commonwealth of Kentucky makes all required pension contributions, the District has not included any District amounts in the required supplementary information.

See Independent Auditors' Report

Schedule of the District's Proportionate Share of the Collective Net OPEB Liability – County Employees Retirement System

Oldham County School District

Year Ended June 30, 2019

District's proportion of the net OPEB liability		
2019 (2018 measurement period)		0.65%
2018 (2017 measurement period)		0.65%
2017 (2016 measurement period)		N/A
District's proportionate share of the net OPEB liability		
2019 (2018 measurement period)	\$	11,497,228
2018 (2017 measurement period)		13,018,513
2017 (2016 measurement period)		10,211,333
District's covered-employee payroll		
2019 (2018 measurement period)	\$	19,356,255
2018 (2017 measurement period)		18,558,799
2017 (2016 measurement period)		16,066,071
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		
2019 (2018 measurement period)		59.40%
2018 (2017 measurement period)		70.15%
2017 (2016 measurement period)		63.56%
Plan fiduciary net position as a percentage of the OPEB liability		
2019 (2018 measurement period)		57.62%
2018 (2017 measurement period)		52.40%
2017 (2016 measurement period)		52.40%

Note: Schedule is intended to report information for the last 10 fiscal years. Additional years will be reflected when available.

See Independent Auditors' Report

Schedule of the District Contributions – OPEB County Employees Retirement System

Oldham County School District

Year Ended June 30, 2019

Contractually required contributions		
2019 (2018 measurement period)	\$	754,361
2018 (2017 measurement period)		748,836
2017 (2016 measurement period)		745,775
Contributions in relation to the		
contractually required contributions		
2019 (2018 measurement period)	\$	754,361
2018 (2017 measurement period)		748,836
2017 (2016 measurement period)		745,775
Contribution Deficiency (excess)		
2019 (2018 measurement period)	\$	-
2018 (2017 measurement period)		-
2017 (2016 measurement period)		-
District's covered-employee payroll		
2019 (2018 measurement period)	\$	19,356,255
2018 (2017 measurement period)		18,558,799
2017 (2016 measurement period)		16,066,071
Contributions as a percentage of		
covered-employee payroll		
2019 (2018 measurement period)		3.90%
2018 (2017 measurement period)		4.03%
2017 (2016 measurement period)		4.64%

Note: Schedule is intended to report information for the last 10 fiscal years. Additional years will be reflected when available.

See Independent Auditors' Report

Schedule of the District's Proportionate Share of the Collective Net OPEB Liability – Teachers Retirement System

Oldham County School District

Year Ended June 30, 2019

District's proportion of the net OPEB liability		
2019 (2018 measurement period)		0.89%
2018 (2017 measurement period)		0.90%
2017 (2016 measurement period)		N/A
District's proportionate share of the net OPEB liability		
2019 (2018 measurement period)	\$	30,783,000
2018 (2017 measurement period)		32,140,000
2017 (2016 measurement period)		31,821,000
Commonwealth's proportion of the net OPEB liability associated with the District		
2019 (2018 measurement period)		0.76%
2018 (2017 measurement period)		0.74%
2017 (2016 measurement period)		N/A
Commonwealth's proportionate share of the net OPEB liability associated with the District		
2019 (2018 measurement period)	\$	26,529,000
2018 (2017 measurement period)		26,254,000
2017 (2016 measurement period)		25,993,000
District's covered-employee payroll		
2019 (2018 measurement period)	\$	51,078,570
2018 (2017 measurement period)		48,217,118
2017 (2016 measurement period)		46,425,199
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		
2019 (2018 measurement period)		60.27%
2018 (2017 measurement period)		66.66%
2017 (2016 measurement period)		68.54%
Plan fiduciary net position as a percentage of the OPEB liability		
2019 (2018 measurement period)		25.50%
2018 (2017 measurement period)		21.18%
2017 (2016 measurement period)		N/A

Note: Schedule is intended to report information for the last 10 fiscal years. Additional years will be reflected when available.

See Independent Auditors' Report

Schedule of the District's Proportionate Share of the Collective Net OPEB Liability – Teachers Retirement System – Life Insurance

Oldham County School District

Year Ended June 30, 2019

District's proportion of the net OPEB liability		
2019 (2018 measurement period)		0.00%
2018 (2017 measurement period)		0.00%
2017 (2016 measurement period)		N/A
District's proportionate share of the net OPEB liability		
2019 (2018 measurement period)	\$	-
2018 (2017 measurement period)		-
2017 (2016 measurement period)		-
Commonwealth's proportion of the net OPEB liability associated with the District		
2019 (2018 measurement period)		1.61%
2018 (2017 measurement period)		1.60%
2017 (2016 measurement period)		N/A
Commonwealth's proportionate share of the net OPEB liability associated with the District		
2019 (2018 measurement period)	\$	455,000
2018 (2017 measurement period)		351,000
2017 (2016 measurement period)		241,000
District's covered-employee payroll		
2019 (2018 measurement period)	\$	51,078,570
2018 (2017 measurement period)		48,217,118
2017 (2016 measurement period)		46,425,199
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll		
2019 (2018 measurement period)		0.00%
2018 (2017 measurement period)		0.00%
2017 (2016 measurement period)		0.00%
Plan fiduciary net position as a percentage of the OPEB liability		
2019 (2018 measurement period)		75.00%
2018 (2017 measurement period)		79.99%
2017 (2016 measurement period)		N/A

Note: Schedule is intended to report information for the last 10 fiscal years. Additional years will be reflected when available.

See Independent Auditors' Report

Schedule of the District OPEB Contributions – Teachers Retirement System

Oldham County School District

Year Ended June 30, 2019

Contractually required contributions		
2019 (2018 measurement period)	\$	1,938,662
2018 (2017 measurement period)		1,921,436
2017 (2016 measurement period)		1,544,272
Contributions in relation to the contractually required contributions		
2019 (2018 measurement period)	\$	1,938,662
2018 (2017 measurement period)		1,921,436
2017 (2016 measurement period)		1,544,272
Contribution Deficiency (excess)		
2019 (2018 measurement period)	\$	-
2018 (2017 measurement period)		-
2017 (2016 measurement period)		-
District's covered-employee payroll		
2019 (2018 measurement period)	\$	51,078,570
2018 (2017 measurement period)		48,217,118
2017 (2016 measurement period)		46,425,199
Contributions as a percentage of covered-employee payroll		
2019 (2018 measurement period)		3.80%
2018 (2017 measurement period)		3.98%
2017 (2016 measurement period)		3.33%

Note: Schedule is intended to report information for the last 10 fiscal years. Additional years will be reflected when available.

See Independent Auditors' Report

Schedule of the District OPEB Contributions – Teachers Retirement System – Life Insurance

Oldham County School District

Year Ended June 30, 2019

Contractually required contributions		
2019 (2018 measurement period)	\$	-
2018 (2017 measurement period)		-
2017 (2016 measurement period)		-
Contributions in relation to the		
contractually required contributions		
2019 (2018 measurement period)	\$	-
2018 (2017 measurement period)		-
2017 (2016 measurement period)		-
Contribution Deficiency (excess)		
2019 (2018 measurement period)	\$	-
2018 (2017 measurement period)		-
2017 (2016 measurement period)		-
District's covered-employee payroll		
2019 (2018 measurement period)	\$	51,078,570
2018 (2017 measurement period)		48,217,119
2017 (2016 measurement period)		46,425,200
Contributions as a percentage of		
covered-employee payroll		
2019 (2018 measurement period)		0.00%
2018 (2017 measurement period)		0.00%
2017 (2016 measurement period)		0.00%

Note: Schedule is intended to report information for the last 10 fiscal years. Additional years will be reflected when available.

See Independent Auditor's Report

OTHER SUPPLEMENTARY INFORMATION

OLDHAM COUNTY SCHOOL DISTRICT
COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENT/GROUPS
SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2019

	Cash Balance 7/1/2018	Receipts	Disburse- ments	Transfers	Cash Balance 6/30/2019	Accounts Receivable 6/30/2019	Accounts Payable 6/30/2019	Due To Students & Others 6/30/2019
High Schools								
Arvin Career Center	\$ 3,024	\$ 40,773	\$ 3,799	\$ (38,737)	\$ 1,261			\$ 1,261
North Oldham	228,607	1,043,081	590,117	(468,231)	213,340	\$ 29,050	\$ 6,935	235,455
Oldham	276,316	960,162	547,968	(474,987)	213,523		8,861	204,662
South Oldham	170,627	1,226,262	713,711	(504,869)	178,309	573	2,174	176,708
Middle Schools								
East Oldham	34,296	207,063	109,164	(85,626)	46,569		251	46,318
North Oldham	66,933	368,692	216,778	(144,219)	74,628		434	74,194
Oldham County	53,000	270,065	166,216	(105,555)	51,294		1,534	49,760
South Oldham	73,413	307,893	203,490	(101,267)	76,549		5,479	71,070
Elementary Schools								
Buckner	3,067	126,783	17,091	(110,667)	2,092			2,092
Camden	7,518	78,688	11,818	(65,416)	8,972		90	8,882
Centerfield	12,537	98,163	29,956	(72,027)	8,717			8,717
Crestwood	5,949	97,958	19,707	(78,146)	6,054		363	5,691
Goshen	8,543	218,469	33,119	(182,367)	11,526			11,526
Harmony	11,624	178,181	25,132	(161,834)	2,839			2,839
Kenwood	10,977	132,750	31,387	(102,586)	9,754			9,754
Lagrange	10,200	78,803	28,866	(52,940)	7,197			7,197
Locust Grove	16,382	157,197	67,969	(82,198)	23,412			23,412
Total	\$ 993,013	\$ 5,590,983	\$ 2,816,288	\$ (2,831,672)	\$ 936,036	\$ 29,623	\$ 26,121	\$ 939,538

See Independent Auditors' Report

**OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENTS
ARVIN CAREER CENTER SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2019**

	Cash Balance 7/1/2018	Receipts	Disburse- ments	Transfers	Cash Balance 6/30/2019	Accounts Receivable 6/30/2019	Accounts Payable 6/30/2019	Due To Students & Others 6/30/2019
Engineering	\$ 312	\$ 63	\$ 53	\$ (322)				
Field Trip		1,616	1,346	322	\$ 592			\$ 592
General	15			(15)				
Junior Guard	676		676					
OCBE transfer account		38,724		(38,722)	2			2
Vending - General	2,021	356	1,724		653			653
Youth Step Up		14			14			14
	<u>\$ 3,024</u>	<u>\$ 40,773</u>	<u>\$ 3,799</u>	<u>\$ (38,737)</u>	<u>\$ 1,261</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,261</u>

See Independent Auditors' Report

OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENTS
NORTH OLDHAM HIGH SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2019

	Cash		Disburse-		Cash	Accounts	Accounts	Due To
	Balance	Receipts	ments	Transfers	Balance	Receivable	Payable	Students
	7/1/2018				6/30/2019	6/30/2019	6/30/2019	& Others
								6/30/2019
Academic Team Club		\$ 4,000	\$ 2,303	\$ (234)	\$ 1,463			\$ 1,463
Athletics	\$ 7,102	34,018	38,810	1,857	4,167	\$ 25,000		29,167
Band	1,028	5,355	4,079	(350)	1,954		\$ 104	1,850
Band - Marching	30,602	44,255	53,837	1,180	22,200		2,000	20,200
Baseball	1,779	25,127	25,195		1,711		225	1,486
Basketball - Boys	9,954	17,654	25,080	(135)	2,393	3,000		5,393
Basketball - Girls	1,701	4,861	2,017	(82)	4,463			4,463
Bass Fishing	1,449	1,479	2,264	(54)	610		46	564
Beta Club	1,459	2,715	2,904		1,270			1,270
Broadcast	2,546			500	3,046			3,046
Cast	1,467	100	150		1,417			1,417
Cheerleading	6,262	41,554	41,943	(75)	5,798	320		6,118
Choral Music	4,317	18,439	14,769	200	8,187		385	7,802
Class of 2018	2,535		2,182	(353)				
Class of 2019	11,415	25,711	29,342	(500)	7,284		733	6,551
Class of 2020	266	15,182	2,859		12,589	500	600	12,489
Class of 2021	486	600			1,086			1,086
Class of 2022		2,550	1,678		872			872
Community Projects	211			(211)				
Cross Country - Boys	7,967	14,446	16,413	(195)	5,805			5,805
Cross Country - Girls	4,110	9,277	12,649	(107)	631			631
Dance Team	4,859	3,483	1,383	(73)	6,886			6,886
Debate	86	4,165	4,053	(125)	73			73
District Tournament		1,320	1,411	91				
Do Something Club	508			(508)				
Drama/thespian society		1,081	321	101	861			861
Drama/creative writing	101			(101)				
English	22				22			22
Environmental Club	118				118			118
FCA	198	235	261		172			172
Field Hockey	3,872	10,864	11,609	25	3,152			3,152
Field Trips	1,298	1,526	1,417		1,407		105	1,302
Field Trips Art		1,407	1,292		115			115
Field Trips English		1,299	1,211		88			88
Football	3,668	26,946	24,822	(1,386)	4,406		75	4,331
From Scratch	185	1,535	1,005		715			715

Continued

OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENTS
NORTH OLDHAM HIGH SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2019

	Cash		Disburse-		Cash	Accounts	Accounts	Due To
	Balance	Receipts	ments	Transfers	Balance	Receivable	Payable	Students
	7/1/2018				6/30/2019	6/30/2019	6/30/2019	& Others
								6/30/2019
Gay/Straight Alliance	6	170			176			176
General	18,025	2,124	15,187	4,323	9,285			9,285
Girl Up		1,335	1,438	103				
Golf - Boys	4,052	3,030	4,819	(45)	2,218			2,218
Golf - Girls	1,727	2,922	2,195	(95)	2,359			2,359
Junior Guard	298	490	839	150	99			99
KYA/KUNA Y Clubs	2,286	74,868	74,325		2,829		1,119	1,710
Lacrosse - Boys	1,674	13,061	12,147	(120)	2,468			2,468
Lacrosse - Girls	8,423	13,538	12,080	(96)	9,785		117	9,668
Life After North	1,951			(1,951)				
Media Center	4,438		3,713	10	735			735
Men's Leadership	303			(303)				
Mustang Mentors	45				45			45
National Arts Society	1,108	1,055	888		1,275			1,275
National Honor Society	6,485	2,790	2,588		6,687			6,687
NOHS Quad Boys/Girls	299	1,460	500	(1,259)				
North Oldham Invitational	879	160		(1,039)				
OCBE transfer account		468,234		(468,234)				
Photography Club	13				13			13
Post Season Lax		1,410	1,173	(237)				
Regional Tourn (Host)		2,616	3,125	509				
Science Marine Biology	1,234				1,234			1,234
Ski Club	477				477			477
Soccer - Boys	6,074	15,857	17,645	(190)	4,096		275	3,821
Soccer - Girls	4,831	5,866	7,557	(176)	2,964			2,964
Softball	2,591	18,507	14,948	(73)	6,077		150	5,927
Speech Club		6,585	4,950	(638)	997	80		1,077
STEAM	32	4,433	3,511	(102)	852			852
Swim Team	5,529	16,535	10,326	(173)	11,565			11,565
Tennis - Boys	3,213	2,946	4,590	(54)	1,515		787	728
Tennis - Girls	1,106	2,747	3,441	(54)	358			358
Track - Boys	4,861	13,863	11,634	1,057	8,147		214	7,933
Track - Girls	4,945	16,995	20,513	1,165	2,592			2,592
Track Invitational		3,571	1,866		1,705			1,705
Track Meet	246			(246)				
Tri M Music Honor	558		192		366			366
Vending - Student	3,888	186			4,074	150		4,224
Vending - Teacher/Staff	386	137	85		438			438
Volleyball	12,682	13,159	9,720	(66)	16,055			16,055
Women's Leadership	2,378	230	790		1,818			1,818
Wrestling	5,750	3,004	12,001	4,392	1,145			1,145
Wrestling Classic	4,243	6,390	2,260	(4,443)	3,930			3,930
XC Regionals		1,623	1,812	189				
	<u>\$ 228,607</u>	<u>\$ 1,043,081</u>	<u>\$ 590,117</u>	<u>\$ (468,231)</u>	<u>\$ 213,340</u>	<u>\$ 29,050</u>	<u>\$ 6,935</u>	<u>\$ 235,455</u>

See Independent Auditors' Report

OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENTS
OLDHAM COUNTY HIGH SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2019

	Cash Balance 7/1/2018	Receipts	Disburse- ments	Transfers	Cash Balance 6/30/2019	Accounts Receivable 6/30/2019	Accounts Payable 6/30/2019	Due To Students & Others 6/30/2019
Archery	\$ 967	\$ 4,930	\$ 3,579		\$ 2,318		\$ 106	\$ 2,212
Art Club	53	177	178		52			52
Athletics	7,036	62,125	67,355	\$ (1,191)	615		310	305
Band		50,010	46,946		3,064			3,064
Baseball	888		897	10	1			1
Basketball - Boys	13,919	4,830	14,618		4,131		1,977	2,154
Basketball - Girls	2,490	10,796	12,078		1,208			1,208
Bass Fishing	1,000	2,811	2,699	325	1,437			1,437
Beta Club	2,290	2,485	2,879	650	2,546			2,546
Broadcast Journalism	2,006		3,585	4,000	2,421			2,421
Canstruction		1,250	1,281	31				
Cheerleading	8,550	36,949	35,077		10,422			10,422
Choral Music	5,772	26,649	30,616		1,805			1,805
Cross Country	6,595	20,910	26,464		1,041			1,041
Dance Team	4,799	3,664	6,693	200	1,970			1,970
Diversity Club	130	1,170	1,012		288			288
Drama/theatre	510			(510)			116	(116)
English	987				987			987
Faculty Fund	196				196			196
FBLA Club	427				427			427
FFA	5,819	8,698	8,744		5,773			5,773
Football	129		100		29			29
Foreign World Language	122	80	100		102			102
General	372	4,805	3,930	1,397	2,644			2,644
Golf - Boys	2,009	9,560	9,744		1,825			1,825
Golf - Girls	419	575	972		22			22
GSA/Pride Alliance		210	151		59			59
Guidance	322				322			322
Industrial Arts	1,288	5,775	4,757		2,306			2,306
Junior Class	14,580	29,634	20,360		23,854		2,885	20,969
KYA/KUNA Y Clubs	6,524	40,764	43,657		3,631		1,012	2,619
Lacrosse - Boys	1,641	960	1,860		741			741
Lacrosse - Girls	1,633	3,266	3,019		1,880			1,880
Literary Club	600	221			821			821
National Honor Society	1,282	3,250	2,242		2,290			2,290
No Snow	100	300		(100)	300			300
OCBE transfer account	32,045	444,836		(474,987)	1,894			1,894
OCHS Charitable Gaming	1,498		1,498					
Paper - news/school	825	8,843	10,464	1,106	310			310
Pep Club	980	2,061	2,300		741			741
Scholarship/Indigent	8,379				8,379			8,379
Science Club	1,328			(1,328)				
Senior Class	15,377	36,265	44,498	(4,000)	3,144			3,144
Sigma Sigma Gamma	2,164	5,071	4,113	(1,106)	2,016			2,016
Soccer - Boys	10,792	7,351	9,495		8,648			8,648
Soccer - Girls	2,605	731	2,992		344		150	194
Softball	1,990	13,745	13,167	6	2,574			2,574

Continued

**OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENTS
OLDHAM COUNTY HIGH SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2019**

	Cash Balance 7/1/2018	Receipts	Disburse- ments	Transfers	Cash Balance 6/30/2019	Accounts Receivable 6/30/2019	Accounts Payable 6/30/2019	Due To Students & Others 6/30/2019
Swim Team	2,259	7,069	6,644		2,684			2,684
Tennis	217	4,507	2,212		2,512			2,512
Theatre Production	3,916	8,673	9,368	510	3,731			3,731
Track	5,566	10,068	10,643		4,991			4,991
Vending - General	12,181	116	7,072	(5,225)				
Vending - Student	7,883	1,879	1,495	5,225	13,492		2,305	11,187
Vending - Teacher/Staff	1,030	677	1,016		691			691
Volleyball	5,003	6,075	9,078		2,000			2,000
Wrestling	928	6,016	6,564		380			380
Yearbook	63,895	59,325	49,756		73,464			73,464
Total	<u>\$ 276,316</u>	<u>\$ 960,162</u>	<u>\$ 547,968</u>	<u>\$ (474,987)</u>	<u>\$ 213,523</u>	<u>\$</u>	<u>\$ 8,861</u>	<u>\$ 204,662</u>

See Independent Auditors' Report

**OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENTS
SOUTH OLDHAM HIGH SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2019**

	Cash Balance 7/1/2018	Receipts	Disburse- ments	Transfers	Cash Balance 6/30/2019	Accounts Receivable 6/30/2019	Accounts Payable 6/30/2019	Due To Students & Others 6/30/2019
Art		\$ 1,274	\$ 1,091		\$ 183			\$ 183
Athletics	\$ 22,475	139,596	179,710	\$ 26,283	8,644			8,644
Background Checks	260	310	400		170			170
Band-Concert	50	100	150					
Baseball	1,573	17,000	13,900	(2,925)	1,748			1,748
Basketball - Boys	3,713	35,547	21,252	(15,591)	2,417			2,417
Basketball - Girls	2,144	17,369	18,574	956	1,895			1,895
Beta Club	3,321	14,679	15,032	(15)	2,953			2,953
Book/course Fees	198		198					
Broadcast Journalism	18		3	(15)				
Broadway Beats	99			(99)				
Cheerleading	2,764	108,493	94,815	(2,370)	14,072			14,072
Choral Music	7,146	13,326	11,592	85	8,965			8,965
Cross Country	5,836	13,320	8,863	(4,086)	6,207			6,207
Dance Team	3,233	8,683	10,773		1,143			1,143
Debate	10		115	105				
Dragon Spirit Club	194		33	(15)	146			146
Drama/theatre	17,406	12,752	4,482	(15)	25,661			25,661
Faculty Fund		450	408		42			42
Family & Consumer Scien	243		243					
FCA	3	495	438	(15)	45			45
FCCLA Club	2,663	3,551	3,509	(35)	2,670			2,670
FCCLA Club Reg #6	2,872	940	1,169	20	2,663			2,663
Field Hockey	1,492	14,104	12,726		2,870			2,870
Field Trips						\$ 20		20
Football	10,031	40,101	42,739	(2,361)	5,032			5,032
Foreign World Language	74		157	83				
Freshman Class	5	2,770	1,664	(15)	1,096			1,096
General	398	1,400	443		1,355			1,355
German Club	7	405	409		3			3
Golf - Boys	938	5,133	3,368		2,703			2,703
Golf - Girls	257	400	368		289			289
Guidance	30		30					
Interact Club	676	250	631	(15)	280			280
Junior Class	1,625	17,130	11,455	(15)	7,285		\$ 315	6,970
KYA/KUNA Y Clubs	135	27,271	25,676		1,730			1,730
Lacrosse - Boys	5,755	29,211	29,400	17	5,583			5,583
Lacrosse - Girls	1,141	10,320	10,009	(167)	1,285	200		1,485
Library	355	10	365					
Link Crew	164	2,709	2,694	(15)	164			164
Marine Biology Field Trip	1,508			(100)	1,408			1,408
Mu Alpha Theta	607	695	1,168	(15)	119			119
National Arts Society	166	622	633	(15)	140			140
National Honor Society	566	2,364	2,159	(15)	756			756
Nutritional Advisory Club	153				153			153
OCBE transfer account	(7)	504,623		(504,869)	(253)	353		100
Science Field Trips		470	531	100	39			39
Senior Class	20,836	38,333	53,304	(15)	5,850		1,859	3,991

Continued

OLDHAM COUNTY SCHOOL DISTRICT
STATEMENT OF RECEIPTS, DISBURSEMENTS AND DUE TO STUDENTS
SOUTH OLDHAM HIGH SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2019

	Cash Balance 7/1/2018	Receipts	Disburse- ments	Transfers	Cash Balance 6/30/2019	Accounts Receivable 6/30/2019	Accounts Payable 6/30/2019	Due To Students & Others 6/30/2019
Ski Club	4,435	9,990	9,808		4,617			4,617
Soccer - Boys	6,517	16,885	19,507		3,895			3,895
Soccer - Girls	3,235	23,161	23,527		2,869			2,869
Social Studies		1,159	1,159					
Softball	1,184	12,430	9,336	(2,035)	2,243			2,243
Sophomore Class		2,131	1,512		619			619
Special Ed - TMH/LD/MMI	210		210					
Student Council	15		252	255	18			18
Swim Team	100	6,898	8,268	1,581	311			311
Technology	428		428					
Tennis - Boys	77	140	808	825	234			234
Tennis - Girls	837	1,145	404	30	1,608			1,608
The Dragon's Tale	4,936	7,404	10,007	(15)	2,318			2,318
Track	191	7,045	2,917	(100)	4,219			4,219
Vending - Snack	1,660	743		(189)	2,214			2,214
Vending - Soda	6,992	137	320		6,809			6,809
Vending - Teacher/Staff	238	1,073	438		873			873
Volleyball	339	1,573	1,146		766			766
We Care	6,742	850	446		7,146			7,146
Wrestling	5,277	21,586	21,996	(57)	4,810			4,810
Xerox/supply	196		196					
Yearbook	3,821	25,706	14,347	(15)	15,165			15,165
Youth Step Up	64				64			64
Total	\$ 170,627	\$ 1,226,262	\$ 713,711	\$ (504,869)	\$ 178,309	\$ 573	\$ 2,174	\$ 176,708

See Independent Auditors' Report

SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS

**Schedule of Expenditures of Federal Awards
Oldham County School District
June 30, 2019**

	Federal CFDA Number	Pass Through Grantor's Number	Passed Through to Subrecipients	Federal Expenditures
<u>U. S. Department of Education</u>				
Title I Grants to Local Educational Agencies	84.010A	3100002-16		\$ 1,222
Title I Grants to Local Educational Agencies	84.010A	3100002-17		42,271
Title I Grants to Local Educational Agencies	84.010A	3100002-18		582,669
Title I Grants to Local Educational Agencies	84.010	320DE		<u>112,946</u>
Program Total				739,108
Career and Technical Education - Basic Grants to States	84.048	3710002-18		2,680
Career and Technical Education - Basic Grants to States	84.048	3710002-18		<u>71,178</u>
Program Total				73,858
Supporting Effective Instruction State Grants	84.367A	3230002-17		15,478
Supporting Effective Instruction State Grants	84.367A	3230002-18		<u>233,863</u>
Program Total				249,341
English Language Acquisition State Grants	84.365A	3300002-16		9,584
English Language Acquisition State Grants	84.365A	3300002-16		1,642
English Language Acquisition State Grants	84.365A	3300002-17		2,783
English Language Acquisition State Grants	84.365A	3300002-18		<u>35,329</u>
Program Total				49,338
Special Education Cluster (IDEA)				
Special Education Grants to States (IDEA, Part B)	84.027A	3810002-16		10,431
Special Education Grants to States (IDEA, Part B)	84.027A	3810002-17		32,728
Special Education Grants to States (IDEA, Part B)	84.027A	3810002-18		2,081,087
Special Education Preschool Grants (IDEA, Preschool)	84.173A	38000002-16		219
Special Education Preschool Grants (IDEA, Preschool)	84.173A	38000002-17		8,860
Special Education Preschool Grants (IDEA, Preschool)	84.173A	38000002-18		<u>36,394</u>
Total Special Education Cluster (IDEA)				2,169,719
Supporting Effective Instruction State Grants	84.367D	454D		<u>119</u>
Total U.S. Department of Education passed through Kentucky Department of Education				<u>\$ 3,281,483</u>

Continued

Schedule of Expenditures of Federal Awards--Continued
Oldham County School District
June 30, 2019

	Federal CFDA Number	Pass Through Grantor's Number	Passed Through to Subrecipients	Federal Expenditures
<u>U. S. Department of Agriculture</u>				
Child Nutrition Cluster				
School Breakfast Program	10.553	7760005-18		\$ 56,655
School Breakfast Program	10.553	7760005-19		291,548
National School Lunch Program	10.555	7750002-18		218,610
National School Lunch Program	10.555	7750002-19		1,036,149
National School Lunch Program - Food Commodities	10.555	unavailable		201,388
Child and Adult Care Food Program	10.558	7790021-18		2,531
Child and Adult Care Food Program	10.558	7790021-19		8,503
Summer Food Service Program for Children	10.559	7690024-18		2,054
Summer Food Service Program for Children	10.559	7740023-18		19,715
				<u>1,837,153</u>
Total Child Nutrition Cluster				<u>1,837,153</u>
Total U.S. Department of Agriculture passed through Kentucky Department of Education				<u>\$ 1,837,153</u>
Total Federal Expenditures			<u>\$ -</u>	<u>\$ 5,118,636</u>

See Notes to Schedule of Expenditures
of Federal Awards and Independent Auditors' Report

Notes to Schedule of Expenditures of Federal Awards

Oldham County School District

Year Ended June 30, 2019

1. Basis of Presentation

The schedule of expenditures of federal awards presented on the immediately prior pages includes the federal award activity of the Oldham County School District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

2. Food Donation

Non-monetary assistance for food donation is reported in the schedule at the fair value of the commodities disbursed. These donations are received from the U.S. Department of Agriculture via the Kentucky Department of Agriculture (“KDA”). The KDA has not provided a pass-through grant number.

3. Program Clusters

The following programs are considered clusters and are considered in the aggregate for consideration of major program determination:

<u>Cluster Name</u>	<u>CFDA</u>	<u>Total Grant</u>
Special Education (“IDEA”)	84.027/84.173	\$ 2,169,719
Child Nutrition	10.553/10.555/10.558/10.559	1,837,153

4. Indirect Cost Rate

The District does not apply the 10% de minimus indirect cost rate.

**Independent Auditor's Report on
Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with
*Government Auditing Standards***

**Independent Auditor’s Report on
Internal Control over Financial Reporting
and on Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with
Government Auditing Standards**

Members of the Board of Education
Oldham County School District
Crestwood, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Kentucky Public School Districts’ Audit Contract and Requirements* prescribed by the Kentucky State Committee for School District Audits, the financial statements of the governmental activities, the business-type activities, and each major fund of the Oldham County School District (the “District”), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated November 15, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

In addition, the results of our tests disclosed no instances of material noncompliance with specific statutes or regulations identified in the *Kentucky Public School Districts' Audit Contract and Requirements* prescribed by Kentucky State Committee for School District Audits

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Louisville, Kentucky
November 15, 2019

**Independent Auditors' Report on Compliance for Each Major
Federal Program and on Internal Control Over Compliance
Required by the Uniform Guidance**

**Independent Auditors' Report on Compliance for
Each Major Federal and on Internal Control Over
Compliance Required by the Uniform Guidance**

Members of the Board of Education
Oldham County School District
Crestwood, Kentucky

Report on Compliance for Each Major Federal Program

We have audited the Oldham County School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal program for the year ended June 30, 2019. The District's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *Kentucky Public School Districts' Audit Contract and Requirements* prescribed by the Kentucky State Committee for School District Audits. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Louisville, Kentucky
November 15, 2019

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Schedule of Findings and Questioned Costs

Oldham County School District

Year Ended June 30, 2019

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued		Unmodified		
Internal control over financial reporting:				
Material weakness identified	_____	Yes	<u> ✓ </u>	No
Significant deficiencies identified that are not considered to be material weaknesses	_____	Yes	<u> ✓ </u>	None reported
Noncompliance material to financial statement notes	_____	Yes	<u> ✓ </u>	No

Federal Awards

Internal control over major programs:				
Material weaknesses identified	_____	Yes	<u> ✓ </u>	No
Significant deficiencies identified that are not considered to be material weaknesses	_____	Yes	<u> ✓ </u>	None reported
Type of auditor’s report issued on compliance for major programs		Unmodified		
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance	_____	Yes	<u> ✓ </u>	No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
84.027A/84.173A	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B program \$ 750,000

Auditee qualified as low risk ✓ Yes _____ No

Schedule of Findings and Questioned Costs--Continued

Oldham County School District

Year Ended June 30, 2019

Section II – Financial Statement Findings

No matters to report.

Section III – Federal Award Findings

No matters to report.

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

Schedule of Prior Year Audit Findings

Oldham County School District

Year Ended June 30, 2019

Section II--Findings – Financial Statement Audit

There were no findings related to the financial statements which were required to be reported in accordance with *Government Auditing Standards*.

Section III--Findings and Questioned Costs – Major Federal Program Audit

There were no findings or questioned costs related to the major federal program which were required to be reported in accordance with the Uniform Guidance.

APPENDIX C

**Oldham County School District Finance Corporation
School Building Refunding Revenue Bonds
Series of 2020**

Continuing Disclosure Agreement

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This Continuing Disclosure Undertaking Agreement ("Agreement") made and entered into as of the 4th day of November, 2020, by and between the Board of Education of Oldham County, Kentucky School District ("Board"); the Oldham County School District Finance Corporation, an agency and instrumentality of the Board ("Corporation") and the Registered and Beneficial Owners of the Bonds hereinafter identified as third party beneficiaries to this Agreement. For the purposes of this Agreement "Beneficial Owner" means the person or entity treated as the owner of the Bonds for federal income tax purposes and "Registered Owner" means the person or entity named on the registration books of the bond registrar.

WITNESSETH:

WHEREAS, the Corporation has acted as issuing agency for the Board pursuant to the provisions of Section 162.385 of the Kentucky Revised Statutes ("KRS") and the Corporation's Bond Resolution in connection with the authorization, sale and delivery of \$1,990,000 of the Corporation's School Building Refunding Revenue Bonds, Series 2020, dated as of November 4, 2020 ("Bonds"), which Bonds were offered for sale under the terms and conditions of a Final Official Statement ("FOS") prepared by RSA Advisors, LLC, Lexington, Kentucky ("Financial Advisor") and approved by the authorized representatives of the Board and the Corporation, and

WHEREAS, the Securities and Exchange Commission ("SEC"), pursuant to the Securities and Exchange Act of 1934, has amended the provisions of SEC Rule 15c2-12 relating to financial disclosures by the issuers of municipal securities under certain circumstances ("Rule"), and

WHEREAS, it is intended by the parties to this Agreement that all terms utilized herein shall have the same meanings as defined by the Rule, and

WHEREAS, the Board is an "obligated person" as defined by the Rule and subject to the provisions of said Rule, and

WHEREAS, failure by the Board and the Corporation to observe the requirements of the Rule will inhibit the subsequent negotiation, transfer and exchange of the Bonds with a resulting diminution in the market value thereof to the detriment of the Registered and Beneficial Owners of said Bonds and the Board;

NOW, THEREFORE, in order to comply with the provisions of the Rule and in consideration of the purchase of the Bonds by the Registered and Beneficial Owners, the parties hereto agree as follows:

1. ANNUAL FINANCIAL INFORMATION

The Board agrees to provide the annual financial information contemplated by Rule 15c2-12(b)(5)(i) relating to the Board for its fiscal years ending June 30 of each year to (a) the Municipal Securities Rulemaking Board ("MSRB"), or any successor thereto for purposes of its Rule, through the continuing disclosure service portal provided by the MSRB's Electronic Municipal Market Access ("EMMA") system as described in 1934 Act Release No. 59062, or any similar system that is acceptable to the Securities and Exchange Commission and (b) the State Information Depository ("SID"), if any (the Commonwealth of Kentucky has not established a SID as of the date of this Agreement) within nine (9) months of the close of each fiscal year.

For the purposes of the Rule "annual financial information" means financial information and operating data provided annually, of the type included in the FOS with respect to the Board in accordance with guidelines established by the National Federation of Municipal Analysts, and shall include annual audited financial statements for the Board in order that the recipients will be provided with ongoing information regarding revenues and operating expenses of the Board and the information provided in the FOS under the headings "OUTSTANDING BONDS", "BOND DEBT SERVICE", "DISTRICT STUDENT POPULATION", "LOCAL SUPPORT - Local Tax Rates, Property Assessment and Revenue Collections and SEEK Allotment". If audited financial statements are not available when the annual financial information is filed, unaudited financial statements shall be included, to be followed by audited financial statements when available.

The audited financial statements shall be prepared in accordance with Generally Accepted Accounting Principles, Generally Accepted Auditing Standards or in accordance with the appropriate sections of KRS or Kentucky Administrative Regulations.

The parties hereto agree that this Agreement is entered into among them for the benefit of those who become Registered and Beneficial Owners of the Bonds as third party beneficiaries to said Agreement.

2. MATERIAL EVENTS NOTICES

Under the Rule, Section 15c2-12(b)(5)(i)(C), the following sixteen (16) events must be disclosed within ten (10) business days following the occurrence of said event to MSRB via EMMA and the SID, if any:

- (1) Principal/interest payment delinquency;
- (2) Nonpayment related default, if material;
- (3) Unscheduled draw on debt service reserve reflecting financial difficulties;
- (4) Unscheduled draw on credit enhancement reflecting financial difficulties;
- (5) Substitution of credit or liquidity provider, or its failure to perform;
- (6) Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the securities, or other material events affecting the tax status of the security;
- (7) Modifications to rights of security holders, if material;
- (8) Bond call, if material and tender offers;
- (9) Defeasance;
- (10) Release, substitution or sale of property securing the repayment of the security, if material;
- (11) Rating change;
- (12) Merger, consolidation, acquisition or sale of all or substantially all assets of an obligated person, other than in the ordinary course of business, and the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such action, other than pursuant to its terms, if material;
- (13) Bankruptcy, insolvency, receivership or similar event of the obligated person;
- (14) Successor, additional or change in trustee, if material;
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material, and;
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

For purposes of this Agreement the term "financial obligation" means:

- (A) Debt obligation;
- (B) Derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or
- (C) Guarantee of paragraph (A) or (B) above.

Notice of said material events shall be given to the entities identified in this Section by the Board on a timely basis (within ten (10) business days of the occurrence). Notwithstanding the foregoing, the provisions of the documents under which the Bonds are authorized and issued do not provide for a debt service reserve, credit enhancements or credit or liquidity providers.

In accordance with Rule Section 15c2-12(b)(5)(i)(D), the Board agrees that in the event of a failure to provide the Annual Financial Information required under Section 1 of this Agreement, it will notify MSRB via EMMA of such failure in a timely manner.

The Finance Officer of the Board shall be the responsible person for filing the annual financial information and/or notices of the events set forth above within the time prescribed in this Agreement. The Board shall cause the Finance Officer to institute an internal tickler system as a reminder of the obligations set forth herein. By December 1 of each fiscal year and each 30 days thereafter the Finance Officer will contact the auditor for the Board to determine when the audited financial statements will be finalized. The Finance Officer will impress upon the auditor the necessity of having such audited financial report on or before March 15. Within 5 days of receipt of such audited financial report the finance officer will cause the annual financial information to be filed as required by this Agreement.

3. SPECIAL REQUESTS FOR INFORMATION

Upon the request of any Registered or Beneficial Owner of the Bonds or the original purchaser of the Bonds or any subsequent broker-dealer buying or selling said Bonds on the secondary market ("Underwriters"), the Board shall cause financial information or operating data regarding the conduct of the affairs of the Board to be made available on a timely basis following such request.

4. DISCLAIMER OF LIABILITY

The Board and the Corporation hereby disclaim any liability for monetary damages for any breach of the commitments set forth in this Agreement and remedies for any breach of the Board's continuing disclosure undertaking shall be limited to an action for specific performance or mandamus in a court of competent jurisdiction in Kentucky following notice and an opportunity to cure such a breach.

5. FINAL OFFICIAL STATEMENT

That the Final Official Statement prepared by the Financial Advisor and approved by the authorized representatives of the Board and the Corporation is hereby incorporated in this Agreement as fully as if copied herein and the "annual financial information" required under Section 1 hereof shall in summary form update the specific information set forth in said FOS.

6. DURATION OF THE AGREEMENT

This Agreement shall be in effect so long as any of the Bonds remain outstanding and unpaid; provided, however, that the right is reserved in the Board to delegate its responsibilities under the Agreement to a competent agent or trustee, or to adjust the format of the presentation of annual financial information so long as the intent and purpose of the Rule to present adequate and accurate financial information regarding the Board is served.

7. AMENDMENT; WAIVER

Notwithstanding any other provision of this Agreement, the Board may amend this Agreement, and any provision of this Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Section 1, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the holders of the Bonds in the same manner as provided in the Bond Resolution for amendments to the Bond Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Registered Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Board shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Board. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a material event under Section 15c2-12(b)(5)(i)(C) of the Rule, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

8. DEFAULT

In the event of a failure of the Board to comply with any provision of this Agreement, the Corporation may and, at the request of any Underwriter or any Registered Owner or Beneficial Owner of Bonds, shall take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an event of default under the Bond Resolution, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

In witness whereof the parties hereto have executed this Agreement as of the date first above written.

BOARD OF EDUCATION OF OLDHAM COUNTY, KENTUCKY SCHOOL DISTRICT

Attest:

Chairperson

Secretary

OLDHAM COUNTY SCHOOL DISTRICT FINANCE CORPORATION

Attest:

President

Secretary

APPENDIX D

**Oldham County School District Finance Corporation
School Building Refunding Revenue Bonds
Series of 2020**

Official Terms and Conditions of Bond Sale

OFFICIAL TERMS AND CONDITIONS OF BOND SALE
\$1,990,000*
Oldham County School District Finance Corporation
School Building Refunding Revenue Bonds, Series of 2020
Dated as of November 4, 2020

SALE: October 14, 2020 AT 11:00 A.M., E.D.S.T.

The Oldham County School District Finance Corporation (the "Corporation") will until 11:00 A.M., E.D.S.T., on October 14, 2020 receive at the office of the Kentucky School Facilities Construction Commission, 700 Louisville Road, Carriage House, Frankfort, Kentucky, 40601, competitive bids for the purchase of \$1,990,000 principal amount of Oldham County School District Finance Corporation School Building Refunding Revenue Bonds, Series of 2020 (the "Refunding Bonds"), dated and bearing interest from November 4, 2020, payable on February 1, 2021, and semi-annually thereafter on February 1 and August 1 of each year, in denominations in multiples of \$5,000 within the same maturity, maturing on February 1 in each of the years as follows:

<u>MATURITY</u>	<u>PRINCIPAL AMOUNT*</u>
2021	\$105,000
2022	115,000
2023	110,000
2024	100,000
2025	100,000
2026	95,000
2027	85,000
2028	85,000
2029	400,000
2030	400,000
2031	395,000

*Subject to Permitted Adjustment as described herein.

REDEMPTION PROVISIONS

The Bonds maturing on or after February 1, 2029 are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after February 1, 2028, in whole or in part, upon notice of such prior redemption being given by the Paying Agent in accordance with DTC requirements not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

Notwithstanding the foregoing, the Corporation reserves the right, upon thirty (30) days notice, to call the Bonds in whole or in part on any date at par for redemption upon the total destruction by fire, lightning, windstorm or other hazard of any building constituting the Project and apply casualty insurance proceeds to such purpose.

The Refunding Bonds are to be issued in fully registered form (both principal and interest). U.S. Bank National Association, Kentucky, the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to each Registered Owner of record as of the 15th day of the month preceding the due date which shall be Cede & Co., as the Nominee of The Depository Trust Company ("DTC"). Please see "Book-Entry-Only-System" below.

OLDHAM COUNTY SCHOOL DISTRICT FINANCE CORPORATION

The Corporation has been formed in accordance with the provisions of Sections 162.120 through 162.300 and Section 162.385 of the Kentucky Revised Statutes ("KRS"), and KRS Chapter 273 and KRS 58.180, as a non-profit, non-stock corporation for the purpose of financing necessary school building facilities for and on behalf of the Board of Education of the Oldham County, Kentucky School District (the "Board"). Under the provisions of existing Kentucky law, the Corporation is permitted to act as an agency and instrumentality of the Board for financing purposes and the legality of the financing plan to be implemented by the Bonds herein referred to has been upheld by the Kentucky Court of Appeals (Supreme Court) in the case of *White v. City of Middlesboro, Ky.* 414 S.W.2d 569.

AUTHORITY AND PURPOSE

The Refunding Bonds are being issued under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Sections 162.120 through 162.300, 162.385, and Section 58.180 of the Kentucky Revised Statutes, within the meaning of the decision of the Court of Appeals of Kentucky (Supreme Court) in the case of *Hemlepp v. Aronberg*, 369 S.W.2d 121, for the purpose of providing funds to retire the outstanding Oldham County School District Finance Corporation School Building Revenue Bonds, Series of 2011, dated January 1, 2011 maturing February 1, 2021 and thereafter (the "Refunded Bonds") at or prior to their stated maturities on February 1, 2021.

ADDITIONAL PARITY BONDS

The Corporation has reserved the right and privilege of issuing additional bonds from time to time payable from the income and revenues of said lands and school building Projects and secured by a statutory mortgage lien and pledge of revenues, but only if and to the extent the issuance of such additional parity bonds are in accordance with the plans and specifications of the architect in charge of said Projects, which plans have been completed, approved by the Board, Commissioner of Education, and filed in the office of the Secretary of the Corporation.

PROCEEDS TO RETIRE ALL BONDS OF PRIOR ISSUE

The Refunded Bonds were issued under the authority of Sections 162.120 through 162.300 and 162.385 of the Kentucky Revised Statutes for the purpose of providing funds to finance renovations at the Bus Compound/Annex (the "Project"). Under the terms of the Resolution authorizing the Refunded Bonds, the Refunded Bonds are payable from the income and revenues of the Project financed from the proceeds thereof. The Refunded Bonds are secured by a lien upon and a pledge of revenues from the rental of the Project to the Board under a Contract, Lease and Option, dated January 1, 2011 (the "Prior Lease").

The total principal amount of the Refunded Bonds currently outstanding is \$1,895,000, scheduled to mature on February 1 in each of the years 2021 through 2031. The proceeds of the Refunding Bonds will be used to pay accruing interest on and retire on February 1, 2021 all of the Refunded Bonds

The 2020 Bond Resolution adopted by the Corporation's Board of Directors authorizes the payment and retirement of the Refunded Bonds including principal and accruing interest at or prior to their stated maturities through the deposit of the required amount of proceeds of the Refunding Bonds in the Bond and Interest Redemption Fund established for the Refunded Bonds or in a special Escrow Fund for application to the retirement of the Refunded Bonds.

The 2020 Bond Resolution expressly provides that upon delivery of the Refunding Bonds and the deposit of sufficient funds in accordance with the preceding paragraph neither the lien upon nor the pledge of the revenues from the rental of the Project under the Prior Lease shall constitute the security and source of payment for any of the Refunded Bonds and the Registered Owners of such Refunded Bonds shall be paid from and secured by the monies deposited in the Bond and Interest Redemption Fund established for the Refunded Bonds or in Escrow Fund for the retirement thereof upon the delivery of the Refunding Bonds.

SECURITY FOR REFUNDING BONDS

The Refunding Bonds will constitute a limited indebtedness of the Corporation and will be payable as to both principal and interest solely from the income and revenues of the school Project financed from the proceeds of the Refunded Bonds. The Refunding Bonds are secured by a lien upon and a pledge of the revenues derived from the rental of the school Project to the Board under a Lease Agreement dated November 4, 2020 (the "2020 Lease").

Under the 2020 Lease the Board has leased the school property securing the Refunding Bonds in accordance with the provisions of KRS 162.140 for an initial period from November 4, 2020 through June 30, 2021, with the option in the Board to renew said 2020 Lease from year to year for one year at a time, at annual rentals, sufficient in each year to enable the Corporation to pay, solely from the rentals due under the 2020 Lease, the principal and interest on all of the Refunding Bonds as same become due.

The 2020 Lease provides that the Prior Lease will be canceled effective upon the deposit of sufficient funds to provide for the retirement of the Refunded Bonds. The 2020 Lease provides further that so long as the Board exercises its annual renewal options, its rentals will be payable according to the terms and provisions of the 2020 Lease until February 1, 2031, the final maturity date of the Refunding Bonds, and such annual rentals shall be deposited as received in the Bond Fund for the Refunding Bonds and used and applied for the payment of all maturing principal of and interest on the Refunding Bonds.

Under the terms of the 2020 Lease, and any renewal thereof, the Board has agreed so long as the Bonds remain outstanding, and in conformance with the intent and purpose of KRS 160.160(5), in the event of a failure by the Board to pay the rentals due under the 2020 Lease, and unless sufficient funds have been transmitted to the Paying Agent, or will be so transmitted, for paying said rentals when due, the Board has granted under the terms of the 2020 Lease and Participation Agreement to the Corporation the right to notify and request the Kentucky Department of Education to withhold from the Board a sufficient portion of any undisbursed funds then held, set aside, or allocated to the Board and to request said Department or Commissioner of Education to transfer the required amount thereof to the Paying Agent for the payment of such rentals.

BIDDING CONDITIONS AND RESTRICTIONS

(A)The terms and conditions of the sale of the Refunding Bonds are as follows:

(1) Bids must be made on Official Bid Form, contained in Information for Bidders available from the undersigned or RSA Advisors, LLC, Lexington, Kentucky, or by visiting www.rsamuni.com submitted manually, by facsimile or electronically via PARITY®.

(2) Electronic bids for the Bonds must be submitted through PARITY® and no other provider of electronic bidding services will be accepted. Subscription to the PARITY® Competitive Bidding System is required in order to submit an electronic bid. The Corporation will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in PARITY® conflict with the terms of the Official Terms and Conditions of Sale of Bonds, this Official Terms and Conditions of Sale of Bonds shall prevail. Electronic bids made through the facilities of PARITY® shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the Corporation. The Corporation shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by PARITY®. The use of PARITY® facilities are at the sole risk of the prospective bidders. For further information regarding PARITY®, potential bidders may contact PARITY®, telephone (212) 404-8102. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

(3) The bid shall be not less than \$1,970,100 (99% of par) plus accrued interest. Interest rates shall be in multiples of 1/8 or 1/20 of 1% or both. Only one interest rate shall be permitted per Bond, and all Bonds of the same maturity shall bear the same rate. Interest rates must be on an ascending scale, in that the interest rate stipulated in any year may not be less than that stipulated for any preceding maturity. There is no limit on the number of different interest rates.

(4) The determination of the best purchase bid for said Refunding Bonds shall be made on the basis of all bids submitted for exactly \$1,990,000 principal amount of Refunding Bonds offered for sale under the terms and conditions herein specified; provided, however, the Corporation reserves the right to increase or decrease the total principal amount of Refunding Bonds sold to such best bidder, in the amount of not exceeding \$200,000, with such increase or decrease to be made in any maturity, and the total amount of Refunding Bonds awarded to such best bidder will be a minimum of \$1,790,000 or a maximum of \$2,190,000. In the event of any such adjustment, no rebidding or recalculation of a submitted bid will be required or permitted. The price at which such adjusted principal amount of Bonds will be sold will be at the same price per \$5,000 of Refunding Bonds as the price per \$5,000 for the \$1,990,000 of Refunding Bonds bid.

(5) If three (3) or more bids for the Bonds are received as a result of this competitive sale, the successful purchaser will be required to certify on or before the issue date the reasonably expected initial offering price to the public as of the Sale Date for each Maturity of the Bonds which prices are the prices for each Maturity of the Bonds used by the successful purchaser in formulating its bid to purchase the Bonds.

If less than three (3) bids for the Bonds are received as a result of this competitive sale, the successful purchaser, by submitting a bid pursuant to a published Notice of Sale, has agreed in writing that they will certify on or before the issue date (and provide reasonable supporting documentation for such Certification, such as a copy of the Pricing wire or equivalent communication) for each Maturity of the Bonds (i) the first price at which at least 10% of each Maturity of the Bonds was sold to the Public, or (ii) that they will neither offer nor sell any of the Bonds of each Maturity to any person at a price that is higher than the Initial Offering Price for such maturity during the Holding Period for such Maturity.

Bids will not be subject to cancellation or withdrawal by the bidder in the event that three bids are not received and the Issuer determines to apply the hold-the-offering-price rule.

For purposes of the above the following terms are defined as follows:

(a) *Holding Period* means, with respect to a Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the successful purchaser has sold at least 10% of such Maturity to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 14, 2020.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(6) The successful bidder may elect to notify the Financial Advisor within twenty-four (24) hours of the award of the Bonds that certain serial maturities as awarded may be combined with immediately succeeding serial maturities as one or more Term Bonds; provided, however, (a) bids must be submitted to permit only a single interest rate for each Term Bond specified, and (b) Term Bonds will be subject to mandatory redemption by lot on February 1 in accordance with the maturity schedule setting the actual size of the issue.

(7) The successful purchaser shall be required (without further advice from the Corporation) to wire transfer an amount equal to 2% of the principal amount of Refunding Bonds actually awarded to the Paying Agent U.S. Bank National Association, Kentucky, Attn: Mr. Charles Lush (502-562-6436) by the close of business on the day following the award as a good faith deposit said amount will be applied (without interest) to the purchase price upon delivery and will be forfeited if the purchaser fails to take delivery.

(8) All Refunding Bonds of the same maturity shall bear the same and a single interest rate from the date thereof to maturity.

(9) The right to reject bids for any reason deemed acceptable by the Corporation, and the right to waive any possible informalities or irregularities in any bid, which in the sole judgment of the Corporation shall be minor or immaterial, is expressly reserved.

(10) CUSIP identification numbers will be printed on the Refunding Bonds at the expense of the Corporation. The purchaser shall pay the CUSIP Service Bureau assignment charge. Improper imprintation or the failure to imprint CUSIP numbers shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for said Refunding Bonds in accordance with the terms of any accepted proposal for the purchase of said Bonds.

(B) The Bonds will be delivered utilizing the DTC Book-Entry-Only-System.

(C) Said Bonds are offered for sale on the basis of the principal of said Bonds not being subject to Kentucky ad valorem taxation and on the basis of the interest on said Bonds not being subject to Federal or Kentucky income taxation on the date of their delivery to the successful bidder. See TAX EXEMPTION below.

(D) The Corporation will provide to the successful purchaser a Final Official Statement in accordance with SEC Rule 15c2-12. A Final Official Statement will be provided in Electronic Form to the successful bidder, in sufficient time to meet the delivery requirements of the successful bidder under SEC and Municipal Securities Rulemaking Board Delivery Requirements. The successful bidder will be required to pay for the printing of Final Official Statements.

(E) If, prior to the delivery of the Bonds, any event should occur which alters the tax exempt status of the Bonds, or of the interest thereon, the purchaser shall have the privilege of avoiding the purchase contract by giving immediate written notice to the Corporation, whereupon the good faith check of the purchaser will be returned to the purchaser, and all respective obligations of the parties will be terminated.

(F) The Corporation and the Board agree to cooperate with the successful bidder in the event said purchaser desires to purchase municipal bond insurance regarding the Refunding Bonds; provided, however, that any and all expenses incurred in obtaining said insurance shall be solely the obligation of the successful bidder should the successful bidder so elect to purchase such insurance.

STATE SUPPORT OF EDUCATION

The 1990 Regular Session of the General Assembly of the Commonwealth enacted a comprehensive legislative package known as the Kentucky Education Reform Act ("KERA") designed to comply with the mandate of the Kentucky Supreme Court that the General Assembly provide for as efficient and equitable system of schools throughout the State.

KERA became fully effective on July 13, 1990. Elementary and Secondary Education in the Commonwealth is supervised by the Commissioner of Education as the Chief Executive Officer of the State Department of Education ("DOE"), an appointee of the reconstituted State Board for Elementary and Secondary Education (the "State Board"). Some salient features of KERA are as follows:

KRS 157.330 establishes the fund to Support Education Excellence in Kentucky ("SEEK") funded from biennial appropriations from the General Assembly for distribution to school districts. The base funding guaranteed to each school district by SEEK for operating and capital expenditures is determined in each fiscal year by dividing the total annual SEEK appropriation by the state-wide total of pupils in average daily attendance ("ADA") in the preceding fiscal year; the ADA for each district is subject to adjustment to reflect the number of at risk students (approved for free lunch programs under state and federal guidelines), number and types of exceptional children, and transportation costs.

KRS 157.420 establishes a formula which results in the allocation of funds for capital expenditures in school districts at \$100 per ADA pupil which is included in the SEEK allotment (\$4,000) for the current biennium which is required to be segregated into a Capital Outlay Allotment Fund which may be used only for (1) direct payment of construction costs; (2) debt service on voted and funding bonds; (3) lease rental payments in support of bond issues; (4) reduction of deficits resulting from over expenditures for emergency capital construction; and (5) a reserve for each of the categories enumerated in 1 through 4 above.

KRS 157.440(1) requires that effective for fiscal years beginning July 1, 1990 each school district shall levy a minimum equivalent tax rate of \$.30 for general school purposes. The equivalent tax rate is defined as the rate which results when the income collected during the prior year from all taxes levied by the district (including utilities gross receipts license and special voted) for school purposes is divided by the total assessed value of property, plus the assessment for motor vehicles certified by the Revenue Cabinet of the Commonwealth. Any school district board of education which fails to comply with the minimum equivalent tax rate levy shall be subject to removal from office.

KRS 157.440(2) provides that for fiscal years beginning July 1, 1990 each school district may levy an equivalent tax rate which will produce up to 15% of those revenues guaranteed by the SEEK program. Any increase beyond the 4% annual limitation imposed by KRS 132.017 is not subject to the recall provisions of that Section. Revenue generated by the 15% levy is to be equalized at 150% of the state-wide average per pupil equalized assessment.

KRS 157.440(2) permits school districts to levy up to 30% of the revenue guaranteed by the SEEK program, plus the revenue produced by the 15% levy, but said additional tax will not be equalized with state funds and will be subject to recall by a simple majority of those voting on the question.

KRS 157.620(1) also provides that in order to be eligible for participation from the Kentucky School Facilities Construction Commission for debt service on bond issues the district must levy a tax which will produce revenues equivalent to \$.05 per \$100 of the total assessed value of all property in the district (including tangible and intangible property and motor vehicles) in addition to the minimum \$.30 levy required by KRS 160.470(12). A district having a special voted tax which is equal to or higher than the required \$.05 tax, must commit and segregate for capital purposes at least an amount equal to the required \$.05 tax. Those districts which levy the additional \$.05 tax are also eligible for participation in the Kentucky Facilities Support ("KFS") program for which funds are appropriated separately from SEEK funds and are distributed to districts in accordance with a formula taking into account outstanding debt and funds available for payment from both local and state sources under KRS 157.440(1)(b).

KRS 160.460 provides that as of July 1, 1994 all real property located in the Commonwealth subject to local taxation shall be assessed at 100% of fair cash value.

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2022

The Kentucky General Assembly is required by the Kentucky Constitution to adopt measures providing for the state's revenues and appropriations for each fiscal year. The Governor is required by law to submit a biennial State Budget (the "State Budget") to the General Assembly during the legislative session held in each even numbered year. State Budgets have generally been adopted by the General Assembly during those legislative sessions, which end in mid-April, to be effective upon the Governor's signature for appropriations commencing for a two-year period beginning the following July 1.

In the absence of a legislatively enacted budget, the Supreme Court has ruled the Governor has no authority to spend money from the state treasury except where there is a statutory, constitutional or federal mandate and the Commonwealth may be prevented from expending funds for certain state governmental functions, including the ability to pay principal of, premium, if any, and interest, when due, on obligations that are subject to appropriation.

Due to the unforeseen nature on the economy of the Commonwealth caused by the COVID-19 pandemic, in its 2020 regular session, the General Assembly adopted only a one-year budget for the biennial period ending June 30, 2022 which was approved and signed by the Governor. The biennial budget will be reviewed and supplemented during the General Assembly's 2021 regular session. Such budget became effective beginning July 1, 2020. The Office of the State Budget Director makes available on its website monthly updates to the General Fund receipts and other Funds of the commonwealth. When published, the updates can be found at www.osbd.ky.gov.

POTENTIAL LEGISLATION

No assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Refunding Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Refunding Bonds from realizing the full current benefit of the tax exemption of such interest. In addition, current and future legislative proposals, if enacted into law, may cause interest on state or local government bonds (whether issued before, on the date of, or after enactment of such legislation) to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the amount of interest on such bonds that may currently be treated as tax exempt by certain individuals. Prospective purchasers of the Refunding Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation.

Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the IRS, including but not limited to regulation, ruling, or selection of the Refunding Bonds for audit examination, or the course or result of any IRS examination of the Refunding Bonds or obligations which present similar tax issues, will not affect the market price for the Refunding Bonds.

CONTINUING DISCLOSURE

As a result of the Board and issuing agencies acting on behalf of the Board offering for public sale municipal securities in excess of \$1,000,000, the Corporation and the Board will enter into a written agreement for the benefit of all parties who may become Registered or Beneficial Owners of the Bonds whereunder said Corporation and Board will agree to comply with the provisions of the Municipal Securities Disclosure Rules set forth in Securities and Exchange Commission Rule 15c2-12 (the "Rule") by filing annual financial statements and material events notices with the Electronic Municipal Market Access ("EMMA") System maintained by the Municipal Securities Rule Making Board.

Financial information regarding the Board may be obtained from Superintendent, Oldham County Board of Education, 6165 W. Highway 146, Crestwood, Kentucky 40014 (502) 241-3500.

TAX EXEMPTION; BANK QUALIFIED

Bond Counsel advises as follows:

(A) The Refunding Bonds and the interest thereon are exempt from income and ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions.

(B) The interest income from the Refunding Bonds is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law and interest on the Bonds will not be a specific item of tax preference for purposes of calculating the Federal alternative minimum tax.

(C) As a result of certifications by the Board and the Corporation, indicating the issuance of less than \$10,000,000 of tax-exempt obligations during the calendar year ending December 31, 2020, the Refunding Bonds may be treated by financial institutions as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

BOOK-ENTRY-ONLY-SYSTEM

The Refunding Bonds shall utilize the Book-Entry-Only-System administered by The Depository Trust Company ("DTC").

DTC will act as securities depository for the Bonds. The Bonds initially will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond Certificate will be issued, in the aggregate principal amount of the Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. "Direct Participants" include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds ("Beneficial Ownership Interest") are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their Beneficial Ownership interests in Bonds, except in the event that use of the book-entry system for the Securities is discontinued. Transfers of ownership interest in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co., effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments of the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' account on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Issuer, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Trustee, disbursements of such payments to Direct Participants shall be the responsibility of DTC, and disbursements of such payment to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Beneficial Ownership Interests purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Beneficial Ownership Interests by causing the Direct Participant to transfer the Participant's interest in the Beneficial Ownership Interests, on DTC's records, to the purchaser or the Trustee, as appropriate. The requirements for physical delivery of Bonds in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Bond Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered by the Bond Registrar.

NEITHER THE ISSUER, THE BOARD NOR THE BOND REGISTRAR/PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE BOND REGISTRAR/PAYING AGENT AS BEING AN OWNER WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PURCHASE PRICE OF TENDERED BONDS OR THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

**OLDHAM COUNTY SCHOOL DISTRICT
FINANCE CORPORATION**

By /s/ Greg Schultz
Secretary

APPENDIX E

**Oldham County School District Finance Corporation
School Building Refunding Revenue Bonds
Series of 2020**

Official Bid Form

**OFFICIAL BID FORM
(Bond Purchase Agreement)**

The Oldham County School District Finance Corporation ("Corporation"), will until 11:00 A.M., E.D.S.T., on October 14, 2020, receive in the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Road, Carriage House, Frankfort, Kentucky, 40601, (telephone 502-564-5582; Fax 888-979-6152) competitive bids for its \$1,990,000 School Building Refunding Revenue Bonds, Series of 2020, dated as of November 4, 2020; maturing February 1, 2021 through 2031 ("Bonds").

We hereby bid for said \$1,990,000* principal amount of Bonds, the total sum of \$ _____ (not less than \$1,970,100) plus accrued interest from November 4, 2020 payable February 1, 2021 and semiannually thereafter (rates on ascending scale in multiples of 1/8 or 1/20 of 1%; number of interest rates unlimited) and maturing as to principal on February 1 in each of the years as follows:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>
2021	\$105,000	_____ %
2022	115,000	_____ %
2023	110,000	_____ %
2024	100,000	_____ %
2025	100,000	_____ %
2026	95,000	_____ %
2027	85,000	_____ %
2028	85,000	_____ %
2029	400,000	_____ %
2030	400,000	_____ %
2031	395,000	_____ %

* Subject to Permitted Adjustment up to \$200,000

We understand this bid may be accepted for as much as \$2,190,000 of Bonds or as little as \$1,790,000 of Bonds, at the same price per \$5,000 Bond, with the variation in such amount occurring in any maturity or all maturities, which will be determined by the Secretary of the Corporation at the time of acceptance of the best bid.

We further understand that by submitting a bid we agree as follows:

If three (3) or more bids for the Bonds are received as a result of this competitive sale, the successful purchaser will be required to certify on or before the issue date the reasonably expected initial offering price to the public as of the Sale Date for each Maturity of the Bonds which prices are the prices for each Maturity of the Bonds used by the successful purchaser in formulating its bid to purchase the Bonds.

If less than three (3) bids for the Bonds are received as a result of this competitive sale, the successful purchaser, by submitting a bid pursuant to a published Notice of Sale, has agreed in writing that they will certify on or before the issue date (and provide reasonable supporting documentation for such Certification, such as a copy of the Pricing wire or equivalent communication) for each Maturity of the Bonds (i) the first price at which at least 10% of each Maturity of the Bonds was sold to the Public, or (ii) that they will neither offer nor sell any of the Bonds of each Maturity to any person at a price that is higher than the Initial Offering Price for such maturity during the Holding Period for such Maturity.

Bids will not be subject to cancellation or withdrawal by the bidder in the event that three bids are not received and the Issuer determines to apply the hold-the-offering-price rule.

For purposes of the above the following terms are defined as follows:

- (a) *Holding Period* means, with respect to a Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the successful purchaser has sold at least 10% of such Maturity to the Public at prices that are no higher than the Initial Offering Price for such Maturity.
- (b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.
- (c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is October 14, 2020.
- (e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

Electronic bids for the Bonds must be submitted through PARITY® and no other provider of electronic bidding services will be accepted. Subscription to the PARITY® Competitive Bidding System is required in order to submit an electronic bid. The Corporation will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in PARITY® conflict with the terms of the Official Terms and Conditions of Sale of Bonds, this Official Terms and Conditions of Sale of Bonds shall prevail. Electronic bids made through the facilities of PARITY® shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the Corporation. The Corporation shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by PARITY®. The use of PARITY® facilities are at the sole risk of the prospective bidders. For further information regarding PARITY®, potential bidders may contact PARITY®, telephone (212) 404-8102.

The successful bidder may elect to notify the Financial Advisor within twenty-four (24) hours of the award of the Bonds that certain serial maturities as awarded may be combined with immediately succeeding serial maturities as one or more Term Bonds; provided, however, (a) bids must be submitted to permit only a single interest rate for each Term Bond specified, and (b) Term Bonds will be subject to mandatory redemption by lot on August 1 in accordance with the maturity schedule setting the actual size of the issue.

The DTC Book-Entry-Only-System will be utilized on delivery of this issue.

It is understood that the Corporation will furnish the final, approving Legal Opinions of Steptoe & Johnson PLLC, Bond Counsel, Louisville, Kentucky.

No certified or bank cashier's check will be required to accompany a bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Refunding Bonds awarded by the close of business on the date following the award. Said good faith amount will be applied (without interest) to the purchase price on delivery. Wire transfer procedures should be arranged through U.S. Bank National Association, Kentucky, Attn: Mr. Charles Lush (502-562-6436).

Bids must be submitted only on this form and must be fully executed.

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds on or about November 4, 2020 and upon acceptance by the Issuer's Financial Advisor this Official Bid Form shall become the Bond Purchase Agreement.

Respectfully submitted,

_____ Bidder

By _____
Authorized Officer

_____ Address

Total interest cost from November 4, 2020 to final maturity \$ _____

Plus discount or less any premium \$ _____

Net interest cost (Total interest cost plus discount or less any premium) \$ _____

Average interest rate or cost (ie NIC) _____ %

The above computation of net interest cost and of average interest rate or cost is submitted for information only and is not a part of this Bid.

Accepted by RSA Advisors, LLC, as Agent for the Oldham County School District Finance Corporation for \$ _____ amount of Bonds at a price of \$ _____ as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2021	_____,000	_____%	2027	_____,000	_____%
2022	_____,000	_____%	2028	_____,000	_____%
2023	_____,000	_____%	2029	_____,000	_____%
2024	_____,000	_____%	2030	_____,000	_____%
2025	_____,000	_____%	2031	_____,000	_____%
2026	_____,000	_____%			

Dated: October 14, 2020

RSA Advisors, LLC, Municipal Advisor and
Agent for Oldham County School District
Finance Corporation