PRELIMINARY 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.

DATED DECEMBER 28, 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).

$995,000*
WALTON-VERONA INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION SCHOOL BUILDING REFUNDING REVENUE BONDS, SERIES OF 2021

Dated with Delivery: January 26, 2021 **Due: as shown below**

Interest on the Bonds is payable each March 1 and September 1, beginning September 1, 2021. The Bonds will mature as to principal on March 1, 2022 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 1-Mar	Amount	Interest Rate	Reoffering Yield	CUSIP	Maturing 1-Mar	Amount	Interest Rate	Reoffering Yield	CUSIP
2022	$85,000	%	%		2027	$55,000	%	%	
2023	$85,000	%	%		2028	$130,000	%	%	
2024	$85,000	%	%		2029	$140,000	%	%	
2025	$85,000	%	%		2030	$140,000	%	%	
2026	$50,000	%	%		2031	$140,000	%	%	

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 Walton-Verona Independent 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 Walton-Verona Independent Board of Education.

The Walton-Verona Independent School District Finance Corporation will until January 5, 2021 at 1:00 P.M., E.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 $100,000.**

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.

R S A
advisors

WALTON-VERONA INDEPENDENT
BOARD OF EDUCATION

Kyle Art, Chairperson
David Turner, Vice Chairperson
Stacey Thornberry, Member
Megan Jones, Member
Heather Stewart, Member

Matt Baker, Superintendent/Secretary

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT
FINANCE CORPORATION

Kyle Art, President
David Turner, Vice President
Stacey Thornberry, Member
Megan Jones, Member
Heather Stewart, Member

Matt Baker, Secretary
Kevin Ryan, Treasurer

BOND COUNSEL

Keating Muething & Klekamp PLL
Cincinnati, Ohio

FINANCIAL ADVISOR

RSA Advisors, LLC
Lexington, Kentucky

PAYING AGENT AND REGISTRAR

U.S. Bank, National Association
Cincinnati, Ohio

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 Walton-Verona Independent School District Finance Corporation School Building Refunding Revenue Bonds, Series of 2021, 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

$995,000*

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REFUNDING REVENUE BONDS,
SERIES OF 2021

**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 Walton-Verona Independent School District Finance Corporation (the "Corporation") School Building Refunding Revenue Bonds, Series of 2021 (the "Bonds").

The Bonds are being issued to (i) pay the maturing principal and accrued interest and refund on a current basis on March 1, 2021 the outstanding Walton-Verona Independent School District Finance Corporation School Building Revenue Bonds, Series of 2011, dated March 1, 2011 (the "2011 Bonds") maturing March 1, 2022 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 Walton-Verona Independent 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 Walton-Verona Independent 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 Walton-Verona Independent 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 and the Contract, Lease and Option, dated January 26, 2021, may be obtained at the office of Keating Muething & Klekamp PLL, One East 4th Street, Suite 1400, Cincinnati, OH 45202.

BOOK-ENTRY-ONLY-SYSTEM

The Bonds initially will be issued solely in Book-Entry form to be held in the Book-Entry-Only-System maintained by The Depository Trust Company ("DTC"), New York, New York. So long as such Book-Entry system is used, only DTC will receive or have the right to receive physical delivery of Bonds and, except as otherwise provided herein with respect to tenders by Beneficial Owners of Beneficial Ownership Interests, Beneficial owners will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Ordinance.

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. One fully-registered Bond certificate will be issued for in the aggregate principal amount of the Bonds and will be deposited with 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 2 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 Standard & Poor's highest rating: AAA. 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. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the Book-Entry system for the Bonds is discontinued.

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 162.290 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

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 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 §§ 157.611 through 157.640 of the Kentucky Revised Statutes, as repealed, amended, 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. Pursuant to the provisions of the Act, the Regulations of the State Board of Education and of the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of the Projects and has entered into the Participation Agreement with the Board whereunder the Commission agrees to pay an Agreed Participation equal to approximately $46,154 of the debt service requirements each year to be applied only to the payment of the principal and interest requirements on the Bonds; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2021. The right is reserved in the Commission to terminate the commitment to pay the Agreed Participation every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of all of the Bonds, but such execution does not obligate the Commission to do so.

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:

Biennium	Appropriation
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	2,946,900
Total	$183,861,200

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.

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	$800,000	$225,000	$800,000	$0	3.100%	2022
2011	$1,610,000	$1,040,000	$959,652	$650,348	3.000% - 4.250%	2031
2012-REF	$985,000	$390,000	$833,571	$151,429	1.500% - 2.350%	2024
2014	$2,485,000	$2,085,000	$2,236,896	$248,104	2.200% - 3.500%	2034
2015-REF	$7,635,000	$4,945,000	$6,758,602	$876,398	2.000% - 2.500%	2026
2016-REF	$1,435,000	$1,025,000	$1,435,000	$0	2.000% - 2.250%	2027
2016	$3,495,000	$3,380,000	$3,093,992	$401,008	1.450% - 3.125%	2036
2018	$4,430,000	$4,370,000	$4,160,848	$269,152	3.500% - 3.750%	2038
2019	$2,995,000	$2,980,000	$2,741,922	$253,078	3.000% - 3.625%	2039
2019-REF	$1,485,000	$1,320,000	$1,373,857	$111,143	2.000% - 2.150%	2029
2020	$380,000	$380,000	$380,000	$0	1.375%	2030
TOTALS:	$27,735,000	$22,140,000	$24,774,340	$2,960,660		

AUTHORITY

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

i) the issuance of approximately $995,000 of Bonds subject to a permitted adjustment of $100,000;

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 January 26, 2021, will bear interest from that date as described herein, payable semi-annually on March 1 and September 1 of each year, commencing September 1, 2021, and will mature as to principal on March 1, 2022 and each March 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, Cincinnaati, Ohio, 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 March 1 and September 1 of each year, beginning September 1, 2021 (Record Date is 15th day of month preceding interest due date).

Redemption

The Bonds maturing on or after March 1, 2029 are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after March 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
March 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 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.

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 January 26, 2021 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 March 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.

COMMISSION'S PARTICIPATION

The Commission has determined that the Board is eligible for an average annual participation equal to approximately $46,154 from the Commission's appropriation by the Kentucky General Assembly which will be used to meet a portion of the debt service of the Bonds. The plan for financing the Project will require the Commission to pay approximately forty-two percent (42%) of the debt service of the Bonds.

The Participation Agreement to be entered into with the Board will be limited to the biennial budget period of the Commonwealth of Kentucky, with the first such biennial period terminating on June 30, 2021. The right is reserved in the Commission to terminate the commitment to pay the agreed participation every two years thereafter. The obligation of the Commission to make payments of the agreed participation shall be automatically renewed each two years thereafter unless the Commission gives notice to the Board of its intention not to participate not less than sixty days prior to the end of the biennium. However, the Commission has expressed its intention to continue to pay the agreed participation in successive biennial budget periods until the Bonds are retired, but the Commission is not required to do so.

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 maturing principal and accrued interest and refund at or in advance of maturity all of the Walton-Verona Independent School District Finance Corporation School Building Revenue Bonds, Series of 2011, dated March 1, 2011, maturing March 1, 2022 and thereafter (the "Refunded Bonds") on March 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 Walton-Verona Independent 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 improvements and additions at Walton-Verona High School (the "Project").

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 58% of the debt service of the Bonds.

Fiscal Year Ending June 30	Current Local Bond Payments	----- Series 2021 School Building Revenue Bonds -----					Total Local Bond Payments
		Principal Portion	Interest Portion	Total Payment	SFCC Portion	Local Portion	
2021	$1,763,958						$1,763,958
2022	$1,764,275	$85,000	$14,256	$99,256	$41,687	$57,568	$1,749,338
2023	$1,761,572	$85,000	$12,483	$97,483	$40,943	$56,540	$1,748,229
2024	$1,765,120	$85,000	$11,888	$96,888	$40,693	$56,195	$1,753,714
2025	$1,761,632	$85,000	$11,165	$96,165	$40,389	$55,776	$1,747,222
2026	$1,638,317	$50,000	$10,315	$60,315	$25,332	$34,983	$1,625,957
2027	$1,633,598	$55,000	$9,740	$64,740	$27,191	$37,549	$1,617,463
2028	$1,534,718	$130,000	$9,025	$139,025	$58,391	$80,635	$1,520,068
2029	$1,532,496	$140,000	$7,140	$147,140	$61,799	$85,341	$1,521,324
2030	$1,530,576	$140,000	$4,970	$144,970	$60,887	$84,083	$1,518,008
2031	$1,450,853	$140,000	$2,590	$142,590	$59,888	$82,702	$1,437,068
2032	$1,344,569						$1,344,569
2033	$1,351,345						$1,351,345
2034	$1,351,144						$1,351,144
2035	$1,105,988						$1,105,988
2036	$1,111,064						$1,111,064
2037	$725,727						$725,727
2038	$730,005						$730,005
2039	$251,972						$251,972
TOTALS:	$26,108,929	$995,000	$93,571	$1,088,571	$457,200	$631,371	$25,974,164

Note: 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	$995,000.00
Total Sources	$995,000.00
Uses:	
Deposit to Escrow Fund	$964,605.00
Underwriter's Discount (1%)	9,950.00
Cost of Issuance	20,445.00
Total Uses	$995,000.00

DISTRICT STUDENT POPULATION

Selected school census, enrollment and average daily attendance for the Walton-Verona Independent School District is as follows:

Year	Average Daily Attendance
2000-01	914.8
2001-02	960.5
2002-03	975.0
2003-04	983.6
2004-05	1,078.0
2005-06	1,128.5
2006-07	1,176.5
2007-08	1,275.0
2008-09	1,314.2
2009-10	1,370.0
2010-11	1,445.9
2011-12	1,446.1
2012-13	1,444.8
2013-14	1,463.6
2014-15	1,445.5
2015-16	1,489.8
2016-17	1,547.4
2017-18	1,544.9
2018-19	1,556.3
2019-20	1,623.0

Source: Kentucky State Department of Education.

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 $3,911 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 Walton-Verona Independent School District for certain preceding school years. Beginning 1990-91, the allotment is based on average daily attendance as required by law.

Year	Capital Outlay Allotment
2000-01	91,480.0
2001-02	96,050.0
2002-03	97,500.0
2003-04	98,360.0
2004-05	107,800.0
2005-06	112,850.0
2006-07	117,650.0
2007-08	127,500.0
2008-09	131,421.0
2009-10	136,998.0
2010-11	144,594.0
2011-12	144,607.0
2012-13	144,483.0
2013-14	146,358.0
2014-15	144,550.0
2015-16	148,980.0
2016-17	154,740.0
2017-18	154,490.0
2018-19	155,630.0
2019-20	162,300.0

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.

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 ($0.30) 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

Tax Year	Combined Equivalent Rate	Total Property Assessment	Property Revenue Collections
2000-01	110	230,193,074	2,532,124
2001-02	108.1	241,093,802	2,606,224
2002-03	112.3	277,878,291	3,120,573
2003-04	112.3	293,013,734	3,290,544
2004-05	112.6	319,652,558	3,599,288
2005-06	116.3	333,947,202	3,883,806
2006-07	112.3	417,769,032	4,691,546
2007-08	116.3	463,514,300	5,390,671
2008-09	106	501,357,347	5,314,388
2009-10	106	518,185,265	5,492,764
2010-11	104.7	532,111,661	5,571,209
2011-12	102.9	525,174,019	5,404,041
2012-13	105.4	533,862,409	5,626,910
2013-14	109.9	551,537,069	6,061,392
2014-15	113.1	554,315,934	6,269,313
2015-16	115	570,650,298	6,562,478
2016-17	116.6	585,102,498	6,822,295
2017-18	116.8	615,075,441	7,184,081
2018-19	116.8	658,017,415	7,685,643
2019-20	116.1	682,004,157	7,918,068

OVERLAPPING BOND INDEBTEDNESS

The following table shows any other overlapping bond indebtedness of the Walton-Verona Independent 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
County of Boone			
General Obligation	37,905,000	18,672,825	19,232,175
Multi-Family Housing Revenue	6,435,000	0	6,435,000
Residential Revenue	8,290,000	0	8,290,000
Manufacturing Facility Revenue	1,600,000	965,000	635,000
Pollution Control Refunding Revenue	111,995,000	0	111,995,000
Refinancing Revenue	12,110,000	8,100,000	4,010,000
City of Florence			
General Obligation	24,130,000	7,785,000	16,345,000
Office Building Public Corp.	2,615,000	1,400,000	1,215,000
Senior Citizens Housing Revenue	8,225,000	4,090,000	4,135,000
Housing Facilities Revenue	8,825,000	3,645,000	5,180,000
Refunding	2,115,000	960,000	1,155,000
City of Union			
General Obligation	375,000	105,559	269,441
City of Walton			
General Obligation	2,000,000	720,000	1,280,000
Water & Sewer Revenue	742,000	658,000	84,000
Public Project Revenue	1,269,087	33,337	1,235,750

Special Districts			
Belleview/McVille Fire Dept.	678,445	353,000	325,445
Boone County Water District	1,480,000	1,110,000	370,000
Burlington Fire Protection District	2,675,500	1,805,725	869,775
Kenton County Airport Board	32,935,000	0	32,935,000
Point Pleasant Fire District	1,400,000	318,144	1,081,856
Union Community Ambulance District	2,090,177	2,842,196	752,019
Union Fire Protection District	3,638,632	506,292	3,132,340
Walton Fire District	7,325,569	1,741,243	5,584,326
Boone-Florence Water Commission	29,990,000	8,240,000	21,750,000
Totals:	310,844,410	62,547,283	248,297,127

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.

SEEK	Base Funding	Local Tax Effort	Total State & Local Funding
2000-01	3,087,425	2,532,124	5,619,549
2001-02	3,228,241	2,606,224	5,834,465
2002-03	3,367,192	3,120,573	6,487,765
2003-04	3,808,562	3,290,544	7,099,106
2004-05	3,880,873	3,599,288	7,480,161
2005-06	4,454,913	3,883,806	8,338,719
2006-07	4,416,235	4,691,546	9,107,781
2007-08	5,115,347	5,390,671	10,506,018
2008-09	5,496,865	5,314,388	10,811,253
2009-10	5,153,499	5,492,764	10,646,263
2010-11	5,516,628	5,571,209	11,087,837
2011-12	5,880,455	5,404,041	11,284,496
2012-13	5,824,881	5,626,910	11,451,791
2013-14	5,820,014	6,061,392	11,881,406
2014-15	5,891,555	6,269,313	12,160,868
2015-16	6,122,316	6,562,478	12,684,794
2016-17	6,510,799	6,822,295	13,333,094
2017-18	6,550,488	7,184,081	13,734,569
2018-19	6,515,279	7,685,643	14,200,922
2019-20	6,729,757	7,918,068	14,647,825

(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 $1.161 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 all 172 Kentucky school districts are utilizing KDE's Non-Traditional Instruction (NTI) Program. 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

The Board and the Corporation have previously entered into continuing disclosure undertakings pursuant to the Rule. While the Board and the Corporation are current with the filings required by such undertakings, certain filings were made beyond the required filing dates. As a result, the Board has filed Material Event Notices indicating its failure to file on a timely basis the following information:

(1) A failure to file annual financial information in a timely manner.

The Annual Financial Information for FY ending June 30, 2015 was filed after the deadline (December 1). Operating data for FY June 30, 2015 was filed after the deadline (August 27).

The Board has adopted procedures to assure timely and complete filings in the future with regard to the Rule.

TAX EXEMPTION; BANK QUALIFIED

Bond Counsel is of the opinion that:

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

(B) Interest payable on the Bonds is excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, interest on the Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the alternative minimum tax. The Corporation has covenanted to comply with the applicable provisions of the Code, and such compliance by the corporation is necessary to maintain the federal income tax status described above. No opinion is expressed regarding other federal tax consequences arising with respect to the Bonds.

(C) The Corporation has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 of the Code.

The Corporation has covenanted to comply with the applicable provisions of the Code, and such compliance by the Corporation is necessary to maintain the federal income tax status described above. No opinion is expressed regarding other federal tax consequences arising with respect to Bonds.

LITIGATION

There is no litigation presently pending against the Corporation or the District, nor to the knowledge of the officials of the Corporation or the District is there any litigation threatened, which questions or affects the validity of the Bonds or any proceedings or transactions relating to the issue, sale and delivery thereof.

APPROVAL OF LEGALITY

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving legal opinion of Keating, Muething & Klekamp PLL, Cincinnati, Ohio, 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 Walton-Verona Independent 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 Walton-Verona Independent School District 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 Walton-Verona Independent 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

Walton-Verona Independent School District Finance Corporation
School Building Refunding Revenue Bonds
Series of 2021

Demographic and Economic Data

NORTHERN KENTUCKY

Boone County was formed in 1799. It is located in the Outer Bluegrass region of the state. The elevation in the County ranges from 455 to 964 feet above sea level. The county seat is Burlington. The largest city in the county is Florence. Boone County is in the Northern Kentucky Area.

The Bluegrass region was the most quickly settled part of the state and now is home to about half the state's population. The Northern Kentucky Area, covering a total land area of 559 square miles, is composed of Boone, Campbell, and Kenton Counties; and is ideally situated along and adjacent to the south bank of the Ohio River, immediately south of Cincinnati, Ohio. These three counties are a part of the Cincinnati Metropolitan Statistical Area. Boone County had an estimated 2019 population of 132,758.

The Northern Kentucky Area forms the northern apex of an industrial triangle anchored by Louisville on the southwest and Lexington on the southeast. Within the triangle are more than one-third of the state's population and nearly one-half of its manufacturing jobs. The interstate highway system places these three metropolitan areas within less than two hours driving from each other.

The Economic Framework

Boone County has a labor force of 71,703 people with an unemployment rate of 3.4%. The total number of people employed in 2019 averaged 72,377. The top 5 jobs by occupation are as follows: production workers - 11,604 (16.03%); office and administrative support - 9,401 (12.99%); sales - 9,040 (12.49%); executive managers and administrators - 5,665 (7.83%); and food preparation/serving - 4,635 (6.4%).

Transportation

Major highways serving Boone, Campbell, and Kenton Counties include Interstates 71, 75, 275, and 471; U.S. Highways 42/127, 25, and 27. The Greater Cincinnati-Northern Kentucky International Airport, located in Boone County, Kentucky, provides commercial airline service. The airport is a major hub for Delta Airlines. The Southern Railway System and CSX Transportation provide main line rail service to the area. Several barge and towing companies provide barge transportation on the Ohio River. The Port of Cincinnati extends 30 miles along both banks of the Ohio River.

Power and Fuel

Electric power is provided to Boone, Campbell, and Kenton Counties by Duke Energy Kentucky, E. ON US/KU, East Kentucky Power Cooperative and Owen Electric Cooperative, Inc. Natural gas service is provided to major portions of the three-county area by Duke Energy Kentucky.

LABOR MARKET STATISTICS

The Labor Market Area includes Boone, Campbell, Gallatin, Grant, Kenton and Pendleton counties in Kentucky. The Labor Market Area is supplemented by the Ohio counties of Hamilton, Butler, Clermont and Warren; and Dearborn County in Indiana.

Population

	2015	2016	2017	2018	2019
Boone County	127,818	129,185	130,611	131,533	132,758
Walton	3,866	3,903	3,944	3,968	3,996

Source: Kentucky State Data Center, University of Louisville.

Population Projections

	2025	2030	2035
Boone County	150,928	163,722	177,141

Source: Kentucky Data Center, University of Louisville.

EDUCATION

Public Schools

	Boone County	Walton-Verona Independent
Total Enrollment (2018-2019)	20,290	1,685
Pupil-Teacher Ratio (2018-2019)	15.0 - 1	16.0 - 1

Vocational - Technical Schools

Institution	Location	Enrollment (2017-2018)
Kenton County Academies of Innovation	Ft. Mitchell, KY	534
Campbell County ATC	Alexandria, KY	298
Boone County ATC	Hebron, KY	217
Carroll County ATC	Carrollton, KY	726
Harrison County ATC	Cynthiana, KY	746
Mason County ATC	Maysville, KY	181
Elkhorn Crossing School	Georgetown, KY	863

Colleges and Universities

40.43% of the population in Boone County have an Associate's degree or higher. 93.1% have a high school degree or higher.

Top 5 Universities within 50 miles	Number of Graduates
University of Cincinnati (Main Campus)	9,508
Miami University - Oxford	5,396
Northern Kentucky University	2,957
Xavier University	1,814
Cincinnati State Technical & Community College	1,204

Source: Kentucky Cabinet for Economic Development

EXISTING INDUSTRY

Firm	Product	Total Employed
Alexandria		
Tyson-Hillshire Brands	Little Smokies (cocktails), hot dogs, sliced lunch meat	758
Covington		
Club Chef LLC	Processor of fresh cut produce	525
Fidelity Investments	Financial Services that support Fidelity's core mutual fund, brokerage & retirement operations	4,500
Erlanger		
DHL Express	Airfreight delivery service, international hub & distribution facility	2,800
Wild Flavors Inc.	Headquarters, administration, research & development, pilot plants, manufacturing & ADM Global IT Service Center	506
Florence		
Citicorp Credit Services	Financial services customer service center	2,485
Mazak Corporation	Machine tools, general machining & assembly, administration, warehouse, engineering, technology center, North American Headquarters	676
Mubea Inc	Automotive component parts	1,017
Novolex	Paper bags & administrative work	578
Robert Bosch Automotive Steering	Steering gears for car & light truck market	1,200
SFC Global Supply Chain	Frozen pizzas	750
Southern Graphic Systems	Color separation, packaging artwork production, prepress, image carrier manufacturing	147
Hebron		
CVG1 – Amazon	Distribution center	1,000
CVG2 – Amazon	Wholesale distribution, returns facility	2,000
CVG3 – Amazon	Distribution center	1,000
Pomeroy	Headquarters, computer service & sales	615
Toyota North American KY	Parts warehouse/distribution center/hub	600
Independence		
Cengage Distribution Center	Book distribution center	800
FedEx Ground Package System Inc.	Distribution center, package sorting center	700
Richwood		
Radial Inc.	E-commerce distribution & fulfillment	541
Walton		
Radial Inc.	Distribution & logistics	554

Source: Kentucky Cabinet for Economic Development (1/1/2020).

APPENDIX B

Walton-Verona Independent School District Finance Corporation
School Building Refunding Revenue Bonds
Series of 2021

Audited Financial Statement ending June 30, 2020

Walton-Verona Independent School District

Financial Statements
With Supplementary Information
Year Ended June 30, 2020
With Independent Auditors' Report

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

June 30, 2020

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WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

June 30, 2020

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BARNES DENNIG
Accounting • Tax • Business Insight

KENTUCKY OFFICE
2617 Legends Way
Crestview Hills, KY 41017
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Independent Auditors' Report

To the Members of the Board of Education
Walton-Verona Independent School District
Walton, 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 Walton Verona Independent School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Walton-Verona Independent School District's basic financial statements as listed in the 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 from 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 auditor's 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 auditor considers internal control relevant to the entity'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 entity'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 Walton-Verona Independent School District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditors' Report
(Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the information on pages 3-7, 50-52, and 57-66 as listed in the table of contents 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 inquiries 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 provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Walton-Verona Independent School District's basic financial statements. The combining and individual nonmajor fund financial statements 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 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 combining and individual nonmajor fund financial statements, the statement of receipts and disbursements of bonds 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 combining and individual nonmajor fund financial statements 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 December 11, 2020 on our consideration of the Walton Verona Independent School 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 solely 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 the effectiveness of Walton-Verona Independent School District's 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 Walton Verona Independent School District's internal control over financial reporting and compliance

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
December 11, 2020

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2020

As management of the Walton-Verona Independent School District (District), we offer readers of the District's financial statement this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information found within the body of the audit.

FINANCIAL HIGHLIGHTS

- The beginning cash balance for the District was $7,693,899.

- The General Fund had $18,822,829 in revenue, excluding proceeds for capital leases, which primarily consisted of the state program (SEEK), property, local occupational license taxes, utilities and motor vehicle taxes. Excluding inter-fund transfers, there was $17,784,312 in General Fund expenditures.

CURRENT ISSUES

Walton – Verona Independent Schools continue to perform as one of the top districts in the state. Our primary objectives continue to be to create students who grow and achieve academically, are college and/or career ready when they graduate, are involved in their community, and to provide the best return possible on the community's investment in education.

As our community continues to grow, so does our student enrollment. Our total district enrollment was 1,000 students during the 1999-2000 school year and by the end of 2019-2020, it had grown to 1,748 students (K-12) – an increase of 74.8% in our student population over a twenty-year period. During this period of rapid growth, our facilities have continually been upgraded and expanded, but the creation of classroom space remains a challenge. As the development of new housing within our district boundaries continues our goal is to match this growth with the addition of adequate and efficient instructional spaces.

Insufficient funding from the state continues to be a source of major concern for all school districts, including our own. For over a decade state funding has not kept up with the increases in operating expenses associated with numerous unfunded state mandates, the rate of inflation, increased salaries, increasing retirement contributions, and reductions to or the elimination of areas of state support such as professional development for teachers, instructional resources for students, and funding for preschool and all-day kindergarten. Further state funding reductions to school districts are likely to occur over the next couple of years due to the economic downturn resulting from the COVID-19 pandemic which will further strain the burden on local taxpayers as they pick up an increasingly larger share of school funding.

The continual erosion of state funding makes it increasingly difficult to maintain the high standard of education and programming that our students deserve without increasing taxes locally. This is a direct result of legislators not making the necessary changes needed at the state level knowing that districts will have no other choice than to make up for their shortcomings by raising local property tax rates. In this climate of shrinking state support the Walton - Verona Independent School District will maintain fiscally responsible policies to continue providing quality academic, extra-curricular, and community service programs to all of its students.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) district-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

OVERVIEW OF FINANCIAL STATEMENTS (CONTINUED)

District-wide financial statements. The district-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.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The district-wide financial statements outline functions of the District that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, support services, operation and maintenance of plant, student transportation and operation of non-instructional services. Fixed assets and related debt are also supported by taxes and intergovernmental revenues.

The district-wide financial statements can be found on pages 8 and 9 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. This is a state mandated uniform system and chart of accounts for all Kentucky public school districts utilizing the MUNIS administrative software. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental, proprietary funds and fiduciary funds. Fiduciary funds are trust funds established by benefactors to aid in student education, welfare and teacher support. The only proprietary funds are our vending and food service operations. All other activities of the district are included in the governmental funds.

The basic governmental fund financial statements can be found on pages 10 through 17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 18 through 47 of this report.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows exceeded liabilities and deferred inflows by $11,781,423 as of June 30, 2020.

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment and construction in progress), less any related debt used to acquire those assets that is still 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 financial 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 periods ending June 30, 2020 and 2019

The following table presents a summary of net position for the fiscal years ended June 30, 2020 and 2019.

	2020	2019
Current assets	$ 6,347,854	$ 7,948,021
Noncurrent assets	40,261,900	39,079,261
Total assets	46,609,754	47,027,282
Total deferred outflows	2,617,707	2,277,106
Current liabilities	2,235,848	3,168,189
Noncurrent liabilities	33,307,008	33,969,166
Total liabilities	35,542,856	37,137,355
Total deferred inflows	1,903,182	1,215,842
Net position		
Investment in capital (net of debt)	16,831,201	14,936,605
Restricted	(7,726,771)	(6,749,857)
Unassigned	2,676,993	2,764,443
Total net position	$ 11,781,423	$ 10,951,191

Comments on Budget Comparisons

- The District's total General Fund revenues for the fiscal year ended June 30, 2020, net of inter-fund transfers and capital lease proceeds, were $18,822,829.
- General Fund budget compared to actual revenue varied slightly from line item to line item with the ending actual balance being $6,923,699 more than budget or approximately 58.2%. This is a result of the District recording "on behalf" payments made by the State.
- The total cost of General Fund programs and services was $17,784,312, net of interfund transfers.
- General Fund actual expenditures exceeded budget expenditures by $3,135,182 in instruction. This is a result of the District recording "on behalf" payments made by the State.

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Management's Discussion and Analysis (MD&A)
Year Ended June 30, 2020
(Continued)

DISTRICT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table presents a summary of revenues and expenses for the fiscal years ended June 30, 2020 and 2019.

	2020	2019
Revenues		
Program revenues		
Charges for services	$ 520,039	$ 516,653
Operating grants and contributions	1,629,323	1,627,100
Total program revenues	2,149,362	2,143,753
General revenues		
Taxes	8,237,887	7,869,363
Federal and state sources	6,049,662	5,355,366
Earnings on investments	92,403	201,883
Miscellaneous	4,593,117	(472,407)
Total general revenues	18,973,069	12,954,205
Total revenues	21,122,431	15,097,958
Expenses		
Instructional	6,580,471	4,865,868
Student support services	809,773	794,961
Instructional support	1,049,857	936,431
District administration	996,033	915,705
School administration	1,093,841	1,050,424
Business support	380,226	375,117
Plant operations	2,589,227	2,388,954
Student transportation	1,096,642	1,100,801
Other	4,150,981	91,247
Debt service	677,242	658,408
Food service	867,906	805,517
Total expenses	20,292,199	13,983,433
Excess of revenues over expenses	$ 830,232	$ 1,114,525

General Fund Revenue

The majority of General Fund revenue was derived from State SEEK Funds (34.9%) with state funding making up 58.6% of total revenue.

BUDGETARY IMPLICATIONS

In Kentucky the public school fiscal year is July 1-June 30; other programs, i.e. some federal, operate on a different fiscal calendar, but are reflected in the District's overall budget. By law the budget must have a minimum 2% contingency. The District adopted a budget with $828,826 in contingency (4.7%). The beginning cash balance for the fiscal year is $7,693,899.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Questions regarding this report should be directed to Dr. Matt Baker, Superintendent or to Mr. Kevin Ryan, Director of Finance at (859) 485-4181 or by mail at 16 School Road, Walton, Kentucky 41094.

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Net Position – District Wide
As of June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Current:			
Cash and cash equivalents	$ 5,367,981	$ 175,626	$ 5,543,607
Accounts receivable	778,773	-	778,773
Inventories for consumption	-	25,474	25,474
Total current	6,146,754	201,100	6,347,854
Noncurrent:			
Land	1,075,533	-	1,075,533
Construction in progress	8,450,657	-	8,450,657
Land improvements	1,073,448	-	1,073,448
General equipment	592,963	276,236	869,199
Buildings and improvements	42,811,133	146,981	42,958,114
Furniture and equipment	2,384,713	-	2,384,713
Less: accumulated depreciation	(16,166,780)	(382,984)	(16,549,764)
Total noncurrent	40,221,667	40,233	40,261,900
Total assets	46,368,421	241,333	46,609,754
Deferred outflows	2,542,425	75,282	2,617,707
Liabilities and Net Position			
Liabilities			
Current:			
Accrued interest	163,243	-	163,243
Current portion of bonds payable	1,375,000	-	1,375,000
Current portion of capital leases	84,567	-	84,567
Current portion of accrued sick leave	17,591	-	17,591
Accrued payroll and related expenses	136,104	-	136,104
Accounts payable	456,928	-	456,928
Unearned revenues	2,415	-	2,415
Total current	2,235,848	-	2,235,848
Noncurrent:			
Accrued sick leave	158,322	-	158,322
Capital leases	601,567	-	601,567
MIF net OPEB liability	5,047,418	162,943	5,210,361
CERS net pension liability	5,576,728	180,030	5,756,758
Bond obligations	21,580,000	-	21,580,000
Total noncurrent	32,964,035	342,973	33,307,008
Total liabilities	35,199,883	342,973	35,542,856
Deferred inflows	1,843,664	59,518	1,903,182
Net Position			
Invested in capital assets, net of related debt	16,790,968	40,233	16,831,201
Restricted	(7,600,662)	(126,109)	(7,726,771)
Unrestricted	2,676,993	-	2,676,993
Total net position	$ 11,867,299	$ (85,876)	$ 11,781,423

The accompanying notes are an integral part of these financial statements

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Activities – District Wide
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-Type Activities	Total
Governmental Activities							
Instruction	$ 6,580,471	$ 189,368	$ 1,003,958	$ -	$ (5,387,145)	$ -	$ (5,387,145)
Support services:							
Student support services	809,773	-	-	-	(809,773)	-	(809,773)
Instruction staff support services	1,049,857	-	-	-	(1,049,857)	-	(1,049,857)
District administration	996,033	-	-	-	(996,033)	-	(996,033)
School administration	1,093,841	-	-	-	(1,093,841)	-	(1,093,841)
Business	380,226	-	-	-	(380,226)	-	(380,226)
Plant operation and maintenance	2,589,227	-	-	-	(2,589,227)	-	(2,589,227)
Student transportation	1,096,642	-	25,635	-	(1,071,007)	-	(1,071,007)
Facilities acquisition and construction	4,039,687	23,081	-	-	(4,016,606)	-	(4,016,606)
Community service activities	111,294	-	110,060	-	(1,234)	-	(1,234)
Other	-	-	-	-	-	-	-
Interest on long-term debt	677,242	-	-	-	(677,242)	-	(677,242)
Total governmental activities	19,424,293	212,449	1,139,653	-	(18,072,191)	-	(18,072,191)
Business-type Activities							
Food service	867,906	307,590	489,670	-	-	(70,646)	(70,646)
Total business-type activities	867,906	307,590	489,670	-	-	(70,646)	(70,646)
Total school district	$ 20,292,199	$ 520,039	$ 1,629,323	$ -	(18,072,191)	(70,646)	(18,142,837)
General Revenues							
Taxes					8,237,887	-	8,237,887
Investment earnings					80,365	12,038	92,403
Federal and state sources					6,049,662	-	6,049,662
Loss on sale of fixed assets					(42,440)	-	(42,440)
Miscellaneous					4,635,557	-	4,635,557
Total general revenues					18,961,031	12,038	18,973,069
Change in net position					888,840	(58,608)	830,232
Net position - beginning					10,978,459	(27,268)	10,951,191
Net position - ending					$ 11,867,299	$ (85,876)	$ 11,781,423

The accompanying notes are an integral part of these financial statements

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Balance Sheet – Governmental Funds
As of June 30, 2020

	General Fund	Special Revenue Fund	Construction Fund	Non-major Governmental Funds	Total Governmental Funds
Assets					
Current:					
Cash (overdraft) and cash equivalents	$ 5,089,843	$ (33,517)	$ 266,019	$ 45,636	$ 5,367,981
Accounts receivable	381,191	35,932	361,650	-	778,773
Total current	$ 5,471,034	$ 2,415	$ 627,669	$ 45,636	$ 6,146,754
Liabilities and Fund Balances					
Liabilities					
Current:					
Accounts payable	$ 102,152	$ -	$ 354,776	$ -	$ 456,928
Deferred revenue	-	2,415	-	-	2,415
Accrued payroll and related expenses	136,104	-	-	-	136,104
Total current	238,256	2,415	354,776	-	595,447
					-
Total liabilities	238,256	2,415	354,776	-	595,447
					-
Fund Balances					
Restricted:					
Capital projects	94,409	-	272,893	45,636	412,938
Committed:					
Sick Leave	66,629	-	-	-	66,629
Assigned	2,055,591	-	-	-	2,055,591
Unassigned	3,016,149	-	-	-	3,016,149
Total fund balances	5,232,778	-	272,893	45,636	5,551,307
Total liabilities and fund balances	$ 5,471,034	$ 2,415	$ 627,669	$ 45,636	$ 6,146,754

The accompanying notes are an integral part of these financial statements

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Position
As of June 30, 2020

Total fund balance per fund financial statements		$ 5,551,307
Capital assets are used in governmental activities are not financials resources and therefore are not reported as assets in governmental funds		
Construction in progress	8,450,657	
Cost of capital assets	47,937,790	
Accumulated depreciation	(16,166,780)	
		40,221,667
Deferred outflows		
Bond refinancing	210,435	
Related to MIF	650,349	
MIF contributions made after the measurement date	326,187	
Related to CERS	813,870	
CERS contributions made after the measurement date	541,584	
		2,542,425
Deferred inflows related to CERS		
Related to CERS	(290,566)	
Related to OPEB	(1,553,098)	
		(1,843,664)
Long-term liabilities (including bonds payable) are not due and payable in the current period and therefore are not reported as liabilities in the funds		
Long-term liabilities at year end consist of:		
Bonds payable	(22,955,000)	
Capital lease obligation	(686,134)	
Accrued interest on bonds	(163,243)	
Net OPEB liability	(5,047,418)	
Net pension liability	(5,576,728)	
Accrued sick leave	(175,913)	
		(34,604,436)
Net position for governmental activities		$ 11,867,299

The accompanying notes are an integral part of these financial statements

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Construction Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 7,237,887	$ -	$ -	$ 1,000,000	$ 8,237,887
Earnings on investments	80,365	-	-	-	80,365
State sources	11,036,103	530,791	-	1,084,005	12,650,899
Federal sources	-	608,862	-	-	608,862
Other revenues	468,474	-	4,224,332	-	4,692,806
Total revenues	18,822,829	1,139,653	4,224,332	2,084,005	26,270,819
Expenditures					
Instruction	10,710,657	1,036,968	-	-	11,747,625
Support services					
Student	736,352	-	-	-	736,352
Instruction staff	1,049,857	-	-	-	1,049,857
District administration	991,886	-	-	-	991,886
School administration	1,073,278	-	-	-	1,073,278
Business	380,226	-	-	-	380,226
Plant operation and maintenance	1,663,213	-	-	-	1,663,213
Student transportation	1,078,662	25,635	-	-	1,104,297
Community service activities	1,234	110,060	-	-	111,294
Facilities acquisition and construction	-	-	6,375,492	28,930	6,404,422
Debt service					
Principal	84,567	-	-	1,335,000	1,419,567
Interest	14,380	-	-	674,439	688,819
Total expenditures	17,784,312	1,172,663	6,375,492	2,038,369	27,370,836
Excess (deficit) of revenues over expenditures	1,038,517	(33,010)	(2,151,160)	45,636	(1,100,017)
Other Financing Sources (Uses)					
Proceeds from bond sale and capital leases	120,813	-	380,000	1,485,000	1,985,813
Refinanced bonds	-	-	-	(1,485,000)	(1,485,000)
Operating transfers in	-	33,010	382,692	1,759,334	2,175,036
Operating transfers out	(415,702)	-	-	(1,759,334)	(2,175,036)
Total other financing sources (uses)	(294,889)	33,010	762,692	-	500,813
Net change in fund balances	743,628	-	(1,388,468)	45,636	(599,204)
Fund balance, July 1, 2019	4,489,150	-	1,661,361	-	6,150,511
Fund balance, June 30, 2020	$ 5,232,778	$ -	$ 272,893	$ 45,636	$ 5,551,307

The accompanying notes are an integral part of these financial statements

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities Year Ended June 30, 2020

Amounts reported for governmental activities in the statement of activities are different because:

Net change in total fund balances per fund financial statements		$ (599,204)
Governmental funds report capital outlays as expenditures because they use current financial resources. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation expense for the year.		
Depreciation expense	(1,277,583)	
Retirement of capital assets	(42,440)	
Capital outlays	2,512,260	
		1,192,237
Bond proceeds are reported as financing sources in governmental fund and thus contribute to the change in fund balance. In the statement of net position however, issuing debt increase long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position		
Bond principal paid		2,775,000
Proceeds from bond issue		(1,865,000)
Capital lease principal paid		84,567
Proceeds from capital leases		(248,386)
Amortization of bond refinancing		(34,224)
Deferred outflows related to pensions		38,602
Deferred outflows related to OPEB		323,395
Deferred inflows related to pensions		180,038
Deferred inflows related to OPEB		(845,221)
Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.		(112,964)
Change in net position of governmental activities		$ 888,840

The accompanying notes are an integral part of these financial statements

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Net Position – Proprietary Funds
As of June 30, 2020

	Food Service	Total
Assets		
Current		
Cash and cash equivalents	$ 175,626	$ 175,626
Inventories for consumption	25,474	25,474
Total current	201,100	201,100
Noncurrent		
General equipment	276,236	276,236
Buildings and improvements	146,981	146,981
Less: accumulated depreciation	(382,984)	(382,984)
Total noncurrent	40,233	40,233
Total assets	241,333	241,333
Deferred outflows	75,282	75,282
Liabilities and Net Position		
Liabilities		
Noncurrent		
MIF net OPEB liability	162,943	162,943
CERS net pension liability	180,030	180,030
Total noncurrent	342,973	342,973
Total liabilities	342,973	342,973
Deferred inflows	59,518	59,518
Net Position		
Invested in assets, net of debt	40,233	40,233
Restricted	(126,109)	(126,109)
Total net position	$ (85,876)	$ (85,876)

The accompanying notes are an integral part of these financial statements

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

**Statement of Revenues, Expenses and Changes in Net Position –
Proprietary Funds
Year Ended June 30, 2020**

	Food Service	Total
Operating revenues		
Lunchroom sales	$ 304,872	$ 304,872
Other operating revenues	2,718	2,718
Total operating revenues	307,590	307,590
Operating expenses		
Salaries and benefits	510,018	510,018
Contract services	13,393	13,393
Materials and supplies	333,610	333,610
Depreciation	9,598	9,598
Other operating expenses	1,287	1,287
Total operating expenses	867,906	867,906
Operating loss	(560,316)	(560,316)
Nonoperating revenues		
Federal grants	361,601	361,601
State grants	67,080	67,080
Donated commodities and other donations	60,989	60,989
Interest income	12,038	12,038
Total nonoperating revenues	501,708	501,708
Change in net position	(58,608)	(58,608)
Total net position, July 1, 2019	(27,268)	(27,268)
Total net position, June 30, 2020	$ (85,876)	$ (85,876)

The accompanying notes are an integral part of these financial statements

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Fiduciary Net Position
As of June 30, 2020

	Food Service Fund	Total
Cash flows from operating activities		
Cash received from lunchroom sales	$ 304,872	$ 304,872
Cash received from other activities	2,718	2,718
Cash payments to employees for services	(491,942)	(491,942)
Cash payments to suppliers for goods and services	(353,867)	(353,867)
Cash payments for other operating activities	(1,287)	(1,287)
Net cash used in operating activities	(539,506)	(539,506)
Cash flows from noncapital financing activities		
Non-operating revenues received	489,670	489,670
Net cash provided by noncapital financing activities	489,670	489,670
Cash flows from investing activities		
Interest on investments	12,038	12,038
Net cash provided by investing activities	12,038	12,038
Net decrease in cash and cash equivalents	(37,798)	(37,798)
Cash and cash equivalents - beginning	213,424	213,424
Cash and cash equivalents - ending	$ 175,626	$ 175,626
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	$ (560,316)	$ (560,316)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	9,598	9,598
Changes in assets and liabilities:		
Increase in deferred outflows	(12,828)	(12,828)
Increase in deferred inflows	22,157	22,157
Increase in CERS net pension liability	25,717	25,717
Decrease in MIF net OPEB liability	(16,970)	(16,970)
Decrease in accounts payable	(594)	(594)
Decrease in inventories	(6,270)	(6,270)
Net cash used in operating activities	$ (539,506)	$ (539,506)
Schedule of non-cash transactions:		
Donated commodities received from federal government	$ 60,989	$ 60,989
On-behalf payments	$ 59,039	$ 59,039

The accompanying notes are an integral part of these financial statements

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Fiduciary Net Position
As of June 30, 2020

	School Activity Funds	Total
Assets		
Cash and cash equivalents	$ 249,697	$ 249,697
Total assets	$ 249,697	$ 249,697
Liabilities		
Due to student groups	$ 249,697	$ 249,697
Total liabilities	$ 249,697	$ 249,697

The accompanying notes are an integral part of these financial statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Walton-Verona Independent Board of Education (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 Walton-Verona Independent School District (District). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations, and primary accountability for fiscal matters.

The District, for financial purposes, includes all of the funds and account groups relevant to the operation of the Board. The 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 Parent-Teacher Associations, etc.

The financial statements of the District 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 are included in the accompanying financial statements:

Walton-Verona Independent School District Finance Corporation - The Board authorized the establishment of the Walton-Verona Independent School District Finance Corporation (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the District for financing the costs of school building facilities. The Board Members of the Walton-Verona Independent of Education also comprise the Corporation's Board of Directors.

Basis of Presentation

District-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 financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The district-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the district-wide statements and the statements for governmental funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

The district-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. 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 that are 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 general revenues of the District.

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

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the changes in total net position. Proprietary funds and fiduciary funds are reported using the economic resources measurement focus.

The District has the following funds:

I. <u>Governmental Fund Types</u>

(A) The General Fund is the primary operating fund of the District. It accounts for financial resources used for general types of operations. This is a budgeted fund and any unrestricted fund balances are considered as resources available for use. This is a major fund of the District.

(B) The Special Revenue Fund accounts for proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to disbursements for specified purposes. It includes federal financial programs where unused balances are returned to the grantor at the close of specified project periods as well as the state grant programs. Project accounting is employed to maintain integrity for the various sources of funds. The separate projects of federally funded grant programs are identified in the schedule of expenditures of federal awards included in this report on page 67. This is a major fund of the District.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

I. Governmental Fund Types (cont'd)

(C) Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment (other than those financed by Proprietary Funds).

1. The Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund receives those funds designated by the state as Capital Outlay funds and is restricted for use in financing projects identified in the District's facility plan.

2. The Facility Support Program of Kentucky Fund (FSPK) accounts for 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.

3. The Construction Fund accounts for proceeds from sales of bonds and other revenues to be used for authorized construction. This is a major fund of the District. The District is committed to construction contracts in the amount of $272,893 for ongoing projects.

II. Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost; and, for the payment of interest on general obligation notes payable, as required by Kentucky Law.

III. Proprietary Fund (Enterprise Fund)

The School Food Service Fund is used to account for school food service activities, including the National School Lunch Program, which is conducted in cooperation with the U.S. Department of Agriculture (USDA). The Food Service fund is a major fund of the District.

IV. Fiduciary Fund Type (Agency and Trust Funds)

The Activity Funds account for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with Uniform Program of Accounting for School Activity Funds.

The District applies all Governmental Accounting Standards Board (GASB) pronouncements to proprietary funds as well as the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The GASB is responsible for establishing GAAP for state and local government through its pronouncements (Statements and Interpretations).

The basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions – Revenues resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of the fiscal year end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenues from nonexchange transactions must also be available before they can be recognized.

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

Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Taxes

Property Tax Revenues – Property taxes are levied each September on the assessed value listed as of the prior January 1, for all real and personal property in the county. The billings are considered due upon receipt by the taxpayer; however, the actual date is based on a period ending 30 days after the tax bill mailing. Property taxes collected are recorded as revenues in the fiscal year for which they were levied. All taxes collected are initially deposited into the General Fund and then transferred to the appropriate fund.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process

Budgetary Basis of Accounting: The District's budgetary process accounts for certain transactions on a basis other than GAAP of the United States of America. The major differences between the budgetary basis and the GAAP basis are:

Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Cash and Cash Equivalents

The District considers demand deposits, money market funds, and other investments with an original maturity of 90 days or less, to be cash equivalents.

Inventories

Supplies and materials are charged to expenditures when purchased, except for inventories in the Proprietary Fund, which are capitalized at the lower of cost or market.

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. These assets are reported in the governmental activities column of the district-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 district-wide statement of net position and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of one thousand dollars, with the exception of computers, digital cameras and real property, for which there is no threshold. The District does not possess any infrastructure. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (Continued)

All reported capital assets 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:

Description	Governmental Activities Estimated Lives
Buildings and improvements	25 - 50 years
Land improvements	20 years
Technology equipment	5 years
Vehicles	5 - 10 years
Audio-visual equipment	15 years
Food service equipment	10 - 12 years
Furniture and fixtures	7 years
Other	10 years

Accumulated Unpaid Sick Leave Benefits

Upon retirement from the school system, an employee will receive from the District an amount equal to 30% of the value of accumulated sick leave. Sick leave benefits are accrued as a liability using the termination payment method. An accrual for earned sick leave is made to the extent that it is probable that the benefits will result in termination payments. The liability is based on the District's experience of making termination payments. The entire compensated absence liability is reported on the district-wide financial statements.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statements of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on 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 regardless of whether they will be liquidated with current resources. However, claims and judgments, the noncurrent portion of capital leases, accumulated sick leave, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves

Beginning with fiscal year 2012 the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on the District's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the District itself, using its decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the action to remove or change the constraint.

Assigned fund balance – amounts the District intends to use for specific purpose (such as encumbrances); intent can be expressed by the District or by an official or body to which the District delegates the authority.

Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the General fund.

It is the Board's practice to liquidate funds when conditions have been met releasing these funds from legal, contractual, Board or managerial obligations, using restricted funds first, followed by committed funds, assigned funds, then unassigned funds.

Encumbrances are not liabilities and are not recorded as expenditures until receipt of material or service. Encumbrances remaining open at the end of the fiscal year are automatically re-budgeted in the following fiscal year. Encumbrances are considered a managerial assignment of fund balance in the governmental funds balance sheet.

Net Position

Net position represents the difference between assets and liabilities. Net position 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 their 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.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, those revenues are primarily charges for meals provided by the various schools.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods 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 as non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension 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 fiduciary net position have been determined on the same basis as they are reported by the pensions. 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 (OPEB)

For purposes of measuring the District’s 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 of the State of Kentucky (TRS) and additions to/deductions from TRS’s fiduciary net position have been determined on the same basis as they are reported by TRS. 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, 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.

NOTE 2 ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, designated fund balances, and disclosure of contingent assets and liabilities at the date of the general purpose financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 3 CASH AND CASH EQUIVALENTS

The District maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The amounts exceeding the federally insured limits are covered by a collateral agreement and the collateral is held by the pledging banks’ trust departments in the District’s name. The District has not experienced any losses in such accounts and the District believes it is not exposed to any significant credit risk on cash and cash equivalents.

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Notes to the Financial Statements
(Continued)

NOTE 4 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

Governmental Activities	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Land	$ 1,076,853	$ -	$ 1,320	$ 1,075,533
Construction in progress	7,275,028	2,013,936	838,307	8,450,657
Land improvements	1,265,747	-	192,299	1,073,448
Buildings and improvements	41,732,443	1,189,106	110,416	42,811,133
Technology equipment	2,034,608	-	1,945,345	89,263
Vehicles	2,197,647	121,364	23,561	2,295,450
General equipment	744,111	26,161	177,309	592,963
Totals at historical cost	56,326,437	3,350,567	3,288,557	56,388,447
Less: accumulated depreciation				
Land improvements	749,284	54,052	192,299	611,037
Buildings and improvements	12,610,777	1,065,135	74,144	13,601,768
Technology equipment	2,034,211	-	1,947,806	86,405
Vehicles	1,502,193	113,644	23,561	1,592,276
General equipment	400,542	44,752	170,000	275,294
Total accumulated depreciation	17,297,007	1,277,583	2,407,810	16,166,780
Governmental activities capital assets - net	$ 39,029,430	$ 2,072,984	$ 880,747	$ 40,221,667
Business - Type Activities				
General equipment	$ 388,768	$ -	$ 112,532	$ 276,236
Buildings and improvements	146,981	-	-	146,981
Totals at historical cost	535,749	-	112,532	423,217
Less: accumulated depreciation				
General equipment	363,576	6,089	112,532	257,133
Buildings and improvements	122,342	3,509	-	125,851
Total accumulated depreciation	485,918	9,598	112,532	382,984
Business - type activities capital assets - net	$ 49,831	$ (9,598)	$ -	$ 40,233

Depreciation expense by function for the fiscal year ended June 30, 2020 was as follows:

	Governmental	Business-Type
Instruction	139,729	-
Student support services	73,421	-
District administration	4,147	-
School administration	20,563	-
Plant operation and maintenance	926,014	-
Food service	-	9,598
Student transportation	113,709	-
Total	$ 1,277,583	$ 9,598

NOTE 5 COMMITMENTS UNDER CAPITAL LEASES

The District is the lessee of equipment under capital leases expiring between 2020 and 2030. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their related lease terms or their estimated productive lives. Depreciation of assets under capital leases is included in depreciation expense.

Future minimum lease payments under capital leases as of June 30, 2020, for each of the next five years and in the aggregate are as follows:

Year Ending June 30,	Capital Lease Payable
2020-2021	$ 108,248
2021-2022	105,772
2022-2023	103,322
2023-2024	100,145
2023-2024	100,050
Thereafter	256,349
Total minimum payments	773,886
Less amount representing interest	87,752
Present value of net minimum lease payments	$ 686,134

NOTE 6 ACCUMULATED UNPAID SICK LEAVE BENEFITS

Upon providing proof of qualification as an annuitant from the Kentucky Teacher's Retirement System, certified and classified employees will receive from the District an amount equal to 30% of the value of accumulated sick leave. At June 30, 2020 this amount totaled approximately $175,913 for those employees with twenty-seven or more years of experience.

NOTE 7 LEASE OBLIGATIONS AND BONDED DEBT

The amount shown in the accompanying financial statements as lease obligations represents the District's future obligations to make lease payments relating to the bonds issued.

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

Issue Date	Proceeds	Rates
October 2010	$ 800,000	1.500% - 3.100%
March 2011	1,610,000	2.000% - 4.250%
March 2012	985,000	1.500% - 2.350%
April 2014	2,485,000	1.100% - 3.500%
March 2015	7,635,000	2.000% - 2.500%
April 2016	1,435,000	1.000% - 2.300%
April 2016	3,495,000	0.900% - 3.125%
June 2018	4,430,000	1.000% - 3.000%
March 2019	2,995,000	1.950% - 3.500%
November 2019	1,485,000	1.550% - 2.100%
June 2020	380,000	1.375%

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund) is obligated to make lease payments in amounts sufficient to satisfy debt service requirements on bonds issued by the Walton-Verona Independent School District Finance Corporation to construct school facilities.

The District entered into "participation agreements" with the School Facility Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs. Note 16 sets forth the amount to be paid by the District and the Commission for each year until maturity of all bond issues. The liability for the total bond amount remains with the District and, as such, the total principal has been recorded in the financial statements.

All issues may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District, including amounts to be paid by the Commission, at June 30, 2020 for debt service (principal and interest) are reported in Note 16.

NOTE 8 CONTINGENCIES

Grant Fund Approval

The District receives funding from federal, state, and local government agencies and private contributions. These funds are to be used for designated purposes only. For government agency grants, if the grantor's review indicates that the funds have not been used for the intended purpose, the grantors may request a refund of monies advanced or refuse to reimburse the District for its disbursements. 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 the programs.

NOTE 9 INSURANCE 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. Each of these risk areas are covered through the purchase of commercial insurance. The District has purchased certain policies which are retrospectively rated, which includes workers' compensation insurance.

NOTE 10 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To obtain insurance for errors and omissions, and general liability coverage, the District participates in the Kentucky School Boards Insurance Trust Liability Insurance Fund. These public entity risk pools operate as common risk management and insurance programs for all school districts and other tax supported educational agencies of Kentucky who are members of the Kentucky School Boards Association. The District pays an annual premium to each fund for coverage. The Liability Insurance fund pays insurance premiums of the participating members established by the insurance carrier. The Trust can terminate coverage if it is unable to obtain acceptable excess general liability coverage and for any reason by giving ninety (90) days' notice. In the event the Trust terminated coverage, any amount remaining in the Fund (after payment of operational and administrative costs and claims for which coverage was provided) would be returned to the member on a pro rata basis.

The District is self-insured for unemployment insurance benefits. The District reimburses the state for any claims paid. The District purchases workers' compensation insurance through the Kentucky School Boards Insurance Trust. In addition, the District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 11 DEFICIT OPERATING/FUND BALANCES

The District's food service fund currently has a negative fund balance. The following funds have operations that resulted in a current year deficit of revenues over expenditures, resulting in a corresponding reduction of fund balance:

Construction Fund	$ 1,388,468
Food Service Fund	58,608
Walton-Verona High School	26,638
Walton-Verona Middle School	9,526
Walton-Verona Elementary School	9,254

NOTE 12 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).

NOTE 13 CONTINGENT LIABILITY

The District is a participant in the Kentucky School Board Insurance Trust in which the District purchases general liability and workers' compensation insurance. As of June 30, 2020, the District has paid its portion of the deficit in the trust. No contingent liability needs to be recorded in the District Wide Financial Statements.

NOTE 14 TRANSFER OF FUNDS

The following transfers were made during the year.

From Fund	To Fund	Purpose	Amount
General Fund	Special Revenue Fund	Matching	$ 33,010
General Fund	Construction Fund	Construction	382,692
Building Fund	Debt Service Fund	Debt Service	1,597,032
Capital Outlay Fund	Debt Service Fund	Debt Service	162,302

NOTE 15 ON-BEHALF PAYMENTS

For the year ended June 30, 2020 total payments of $4,765,282 were made for life insurance, health insurance, TRS matching and administrative fees by the Commonwealth of Kentucky on behalf of the District. These payments were recognized as on-behalf payments and recorded in the appropriate revenue and expense accounts on the statement of activities.

General Fund	$ 4,456,138
Debt Service	250,105
Food Service	59,039
Total On-Behalf	$ 4,765,282

NOTE 16 SCHEDULE OF LONG-TERM OBLIGATIONS

2010R, 2011, 2012R, 2014, 2015, 2016, 2016-Ref, 2018, 2019, 2019-Ref and 2020 Series

Fiscal Year	Walton - Verona School District			KY School Facilities Construction Commission			Total
	Principal	Interest	Total	Principal	Interest	Total	Requirements
2020-2021	$ 1,187,118	$ 579,684	$ 1,766,802	$ 187,882	$ 62,126	$ 250,008	$ 2,016,810
2021-2022	1,248,038	556,220	1,804,258	191,962	57,944	249,906	2,054,164
2022-2023	1,273,474	527,600	1,801,074	196,526	53,290	249,816	2,050,890
2023-2024	1,303,811	500,332	1,804,143	201,189	48,530	249,719	2,053,862
2024-2025	1,329,488	470,684	1,800,172	190,512	43,411	233,923	2,034,095
2025-2026	1,234,832	441,542	1,676,374	195,168	38,300	233,468	1,909,842
2026-2027	1,266,188	409,956	1,676,144	178,812	32,936	211,748	1,887,892
2027-2028	1,190,407	386,302	1,576,709	109,593	28,612	138,205	1,714,914
2028-2029	1,221,969	351,970	1,573,939	113,031	25,016	138,047	1,711,986
2029-2030	1,255,898	315,570	1,571,468	114,102	21,269	135,371	1,706,839
2030-2031	1,217,078	279,085	1,496,163	107,922	17,418	125,340	1,621,503
2031-2032	1,104,350	240,218	1,344,568	65,650	13,539	79,189	1,423,757
2032-2033	1,147,232	204,113	1,351,345	67,768	11,421	79,189	1,430,534
2033-2034	1,185,010	166,135	1,351,145	69,990	9,196	79,186	1,430,331
2034-2035	979,347	126,641	1,105,988	55,653	6,885	62,538	1,168,526
2035-2036	1,017,493	93,570	1,111,063	57,507	5,030	62,537	1,173,600
2036-2037	666,630	59,097	725,727	33,370	3,110	36,480	762,207
2037-2038	695,405	34,602	730,007	34,595	1,890	36,485	766,492
2038-2039	243,158	8,816	251,974	16,842	613	17,455	269,429
	$ 20,766,926	$ 5,752,137	$ 26,519,063	$ 2,188,074	$ 480,536	$ 2,668,610	$ 29,187,673

There was a bond refinanced in the current year. Total payments to close the existing bond was $1,440,000 for the refinanced total bond of $1,485,000.

A summary of the changes in the principal of the outstanding bond obligations, capital leases, and sick leave for the District during the year ended June 30, 2020 is as follows:

Governmental Activities	Balance July 1, 2019	Additions	Payments	Balance June 30, 2020
Bond Obligations	$ 23,865,000	$ 1,865,000	$ 2,775,000	$ 22,955,000
Capital Leases	$ 522,315	$ 248,386	$ 84,567	$ 686,134
Sick Leave	$ 133,258	$ 83,613	$ 40,958	$ 175,913

NOTE 17 RETIREMENT PLANS

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

General information about the County Employees Retirement System Non-Hazardous

Plan description

Employees whose positions do not require a degree beyond a high school diploma 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, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date:

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

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' 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 both death after retirement and death prior to retirement. Death benefits after retirement are $5,000 in lump sum. One month's service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's spouse will receive the higher of the normal death benefit and $10,000 plus 75% of the decedent's monthly average rate of pay. If the surviving spouse remarries, the monthly rate will be recalculated to 25% of the decedent's monthly average. Any dependent child will receive 50% of the decedent's monthly final rate of pay up to 75% for all dependent children. Five years' service is required for nonservice-related disability benefits.

NOTE 17 RETIREMENT PLANS (CONTINUED)

Contributions

Required contributions by the employee are based on the following tier:

	Required contribution
Tier 1	5%
Tier 2	5% + 1% for insurance
Tier 3	5% + 1% for insurance

The contribution requirement for CERS for the year ended June 30, 2020, was $680,188, which consisted of $559,068 from the District and $121,120 from the employees. Total contributions for the year ended June 30, 2019 and 2018 were $569,722 and $508,743, respectively. The contributions have been contributed in full for fiscal years 2020, 2019 and 2018.

General information about the Teachers' Retirement System of the State of Kentucky

Plan description

Teaching certified employees of the District and other employees whose positions require at least a college degree are provided pensions through the Teachers' Retirement System of the State of Kentucky—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. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statutes. 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 https://trs.ky.gov/administration/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 (5) years of credited service. To qualify for monthly retirement benefits, payable for life, employees must either:

1.) Attain age fifty-five (55) and complete five (5) years of Kentucky service, or
2.) Complete 27 years of Kentucky service.

Employees that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (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 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, the System has been amended to change the benefit structure for employees hired on or after that date.

NOTE 17 RETIREMENT PLANS (CONTINUED)

Benefits provided (Continued)

Final average salary is defined as the member's five (5) 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 (3) highest annual salaries to compute the final average salary. TRS also provides disability benefits for vested employees at the rate of sixty (60) percent 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 one and one-half (1.5) percent annually. Additional ad hoc increases and any other benefit amendments must be authorized by the General Assembly.

Contributions

Contribution rates are established by Kentucky Revised Statutes. Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.400% of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.185% of their salary to TRS. The contribution requirement for TRS for the year ended June 30, 2020, was $1,343,440, which consisted of $277,834 from the District and $1,065,606 from the employees. Total contributions for the year ended June 30, 2019 and 2018 were $1,264,841 and $1,260,470, respectively. The contributions have been contributed in full for fiscal years 2020, 2019 and 2018.

The Commonwealth of Kentucky, as a non-employer contributing entity, pays matching contributions at the rate of 13.105% of salaries for local school district and regional cooperative employees hired before July 1, 2008 and 14.105% for those hired after July 1, 2008. For local school district and regional cooperative employees whose salaries are federally funded, the employer contributes 16.105% of salaries. If an employee leaves covered employment before accumulating five (5) years of credited service, accumulated employee pension contributions plus interest are refunded to the employee upon the member's request.

Medical Insurance Plan

Plan description

In addition to the pension benefits described above, KRS 161.675 requires TRS to provide post-employment healthcare benefits to eligible employees and dependents. The TRS Medical Insurance Fund is a cost-sharing multiple employer defined benefit plan. Changes made to the medical plan may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

To be eligible for medical benefits, the member must have retired either for service or disability. The TRS Medical Insurance Fund offers coverage to employees under the age of 65 through the Kentucky Employees Health Plan administered by the Kentucky Department of Employee Insurance. Once retired employees and eligible spouses attain age 65 and are Medicare eligible, coverage is obtained through the TRS Medicare Eligible Health Plan.

NOTE 17 RETIREMENT PLANS (CONTINUED)

Funding policy

In order to fund the post-retirement healthcare benefit, 6.59% of the gross annual payroll of employees before July 1, 2008 is contributed. 3.75% is paid by member contributions, 0.16% if credited to the Commonwealth, and 3.00% is contributed by 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.

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

At June 30, 2020, 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 amount recognized by the District as its proportionate share of the net pension liability, the related Commonwealth support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the CERS net pension liability	$ 5,756,758
Commonwealth's proportionate share of the KTRS net pension liability associated with the District	33,745,596
	$ 39,502,354

The net pension liability for each plan was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District's proportion 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 the System as determined by the actuary. At June 30, 2019, the District's proportion was 0.081853% percent.

NOTE 17 RETIREMENT PLANS (CONTINUED)

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

For the year ended June 30, 2020, the District recognized pension expense of $549,359 related to CERS. The District also recognized a reduction of expense of $6,067,404 and a reduction of revenue of $6,067,404 for TRS support provided by the Commonwealth due to a change in assumptions. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 146,987	$ 24,324
Net difference between projected and actual earnings on pension plan investments	110,507	203,309
Changes of assumptions	582,649	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	72,313
District contributions subsequent to the measurement date	559,068	-
Total	$ 1,399,211	$ 299,946

$559,068 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	$ 352,194
2022	125,498
2023	55,922
2024	6,583
2025	-

NOTE 17 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions

The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	CERS	KTRS
Inflation	2.30%	3.00%
Projected salary increases	3.30%	3.5-7.3%
Investment rate of return, net of investment expense and inflation	6.25%	7.50%

For CERS, mortality rates used for active members was RP-2000 Combined Mortality table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. 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. The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015 adopted by the Board on November 19, 2016.

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2008 through 2013, is outlined in a report dated April 30, 2014. Several factors are considered in evaluating the long-term rate of return assumption including 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 covers 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.

NOTE 17 RETIREMENT PLANS (CONTINUED)

Actuarial assumptions (Continued)

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 and CERS's investment consultant, are summarized in the following table:

Asset Class	KTRS Target Allocation	KTRS Long-Term Expected Real Rate of Return	CERS Target Allocation	CERS Long-Term Expected Real Rate of Return
US equity	40.0%	4.20%	18.8%	4.30%
International Equity	22.0%	5.20%	18.8%	4.80%
Core bonds			13.5%	1.35%
Private equity	7.0%	6.30%	10.0%	6.65%
High yield			15.0%	2.60%
Fixed income	15.0%	1.20%		
Additional categories	8.0%	3.30%		
Real estate	6.0%	3.80%	5.0%	4.85%
Opportunistic			3.0%	2.97%
Real return			15.0%	4.10%
Cash	2.0%	0.90%	1.0%	0.20%
Total	100%		100%	

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 contributions from plan employees and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment return of 6.25%. The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

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 at statutorily required rates, adjusted by 95%, for all fiscal years in the future. 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 members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 17 RETIREMENT PLANS (CONTINUED)

Sensitivity of CERS and TRS proportionate share of net pension liability to changes in the discount rate

The following table presents the net pension liability of the District, 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:

	1% Decrease	Current Discount Rate	1% Increase
CERS	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	$ 7,200,071	$ 5,756,758	$ 4,553,770
KTRS	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.

NOTE 18 OPEB PLANS

General information about the Teachers' Retirement System OPEB Plan

Plan description

Teaching-certified employees of the Walton-Verona Independent School District are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (TRS) – a cost-sharing multiple-employer defined benefit OPEB plan with a special funding situation established to provided retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the Kentucky Revised Statues and therefore is included in the Commonwealth's financial statements. TRS issues a publicly available financial report that can be obtained at https://trs.ky.gov/financial-reports-information.

The state reports a liability, deferred outflows of resources and deferred inflows of resources, and expense as a result of its statutory requirement to contribute to the TRS Medical Insurance and Life Insurance Plans. The following information is about the TRS plans.

Medical Insurance Plan

Plan description

In addition to the OPEB benefits described above, Kentucky Revised Statute 161.675 requires TRS to provide post-employment healthcare benefits to eligible members and dependents. The TRS Medical Insurance benefit is a cost-sharing multiple employer defined benefit plan with a special funding situation. Changes made to the medical plan may be made by the TRS Board of Trustees, the Kentucky Department of Employee Insurance and the General Assembly.

NOTE 18 OPEB PLANS (CONTINUED)

Benefits provided

To be eligible for medical benefits, the member must have retired either for service or 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.

Contributions

In order to fund the post-retirement healthcare benefit, seven and one-half percent (7.50%) of the gross annual payroll of members is contributed. Three and three quarters percent (3.75%) is paid by member contributions and three quarters percent (.75%) from state appropriation and three percent (3.00%) from the employer. The state contributes the net cost of health insurance premiums for members who retired on or after July 1, 2010 who are in the non-Medicare eligible group. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

General information about the County Employee Retirement System Non-Hazardous OPEB Plan

Plan description

Employees whose positions do not require a degree beyond a high school diploma 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.

Benefits provided

CERS provides health insurance, death and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date. See Note 17 for classifications.

Contributions

Required contributions by the employee are based on the tier disclosed in Note 17.

NOTE 18 OPEB PLANS (CONTINUED)

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

At June 30, 2020, the Walton-Verona Independent School District reported a liability of $5,210,361 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, 2019, 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, 2019, the District's proportion was 0.13 percent for TRS, which is a reduction of 0.10 percent from its proportion measured as of June 30, 2018, and 0.08 percent for CERS, which was the same as it's proportion measured as of June 30, 2018.

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 CERS net OPEB liability	$ 1,376,361
District's proportionate share of the TRS net OPEB liability	3,834,000
State's proportionate share of the net OPEB liability associated with the District	3,096,000
	$ 8,306,361

For the year ended June 30, 2020, the District recognized a reduction of OPEB expense of $693,215 and revenue of $184,218 for support provided by the State. At June 30, 2020, 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
Difference between expected and actual performance	$ -	$ 1,343,280
Net difference between projected and actual earnings on OPEB plan investments	25,066	70,198
Change of Assumptions	509,278	2,723
Changes in proportion and differences between employer contributions and proportionate share of contributions	137,000	187,035
District contributions subsequent to the measurement date	336,717	-
Total	$ 1,008,061	$ 1,603,236

NOTE 18 OPEB PLANS (CONTINUED)

Of the total amount reported as deferred outflows of resources related to OPEB, $336,717 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, 2021. Other 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:

Year ended June 30:		
2021	$	(178,295)
2022		(178,295)
2023		(150,859)
2024		(190,069)
2025		(154,887)
Thereafter		(79,487)

Actuarial assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	TRS	CERS
Investment rate of return	8.00%, net of OPEB plan investment expense, including inflation.	6.25%
Projected salary increases	3.50 - 7.20%, including inflation	3.30% to 11.55%, varies by service
Inflation rate	3.00%	2.30%
Real Wage Growth	0.50%	
Wage Inflation	3.50%	
Healthcare cost trend rates		
Under 65	7.50% for FY 2019 decreasing to an ultimate rate of 5.00% by FY 2024	Initial trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 5 years.
Ages 65 and Older	5.50% for FY 2019 decreasing to an ultimate rate of 5.00% by FY 2021	Initial trend starting at 5.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 2 years.
Medicare Part B Premiums	2.63% for FY 2019 with an ultimate rate of 5.00% by 2031	
Municipal Bond Index Rate	3.50%	3.13%
Discount Rate	8.00%	5.68%
Single Equivalent Interest Rate	8.00%, net of OPEB plan investment expense, including inflation	

For 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.

For CERS, mortality rates were based on RP-2000 Combined Mortality Table projected to 2013 with projection scale BB and set back one year for females.

NOTE 18 OPEB PLANS (CONTINUED)

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, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2015 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.

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:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	58.0%	5.1%
Fixed Income	9.0%	1.2%
Real Estate	6.5%	3.8%
Private Equity	8.5%	6.3%
Other Additional Categories	17.0%	3.2%
Cash (LIBOR)	1.0%	0.9%
Total	100.0%	

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 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.

For CERS, the discount rate used to measure the total OPEB liability was 5.68%. 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.

NOTE 18 OPEB PLANS (CONTINUED)

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 8.00%, 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 (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
TRS			
Districts' net OPEB liability	$ 4,542,000	$ 3,834,000	$ 3,241,000
	1% Decrease (4.68%)	Current Discount Rate (5.68%)	1% Increase (6.68%)
CERS			
Districts' net OPEB liability	$ 1,843,757	$ 1,376,361	$ 991,257

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:

	1% Decrease	Current Trend Rate	1% Increase
TRS			
Districts' net OPEB liability	$ 3,121,000	$ 3,834,000	$ 4,711,000
	1% Decrease	Current Trend Rate	1% Increase
CERS			
Districts' net OPEB liability	$ 1,023,606	$ 1,376,361	$ 1,804,117

OPEB plan fiduciary net position

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

Life Insurance Plan

Plan description

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

NOTE 18 OPEB PLANS (CONTINUED)

Benefits provided

TRS provides a life insurance benefit of five thousand dollars payable for members who retire based on service or disability. TRS provides a life insurance benefit of two thousand dollars payable for its active contributing members. The life insurance benefit is payable upon the death of the member to the member's estate or to a party designated by the member.

Contributions

In order to fund the post-retirement life insurance benefit, three hundredths of one percent (.03%) of the gross annual payroll of members is contributed by the state.

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

At June 30, 2020, the Walton-Verona Independent School 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:

District's proportionate share of the net OPEB liability	$ -
State's proportionate share of the net OPEB liability associated with the District	72,000
	$ 72,000

For the year ended June 30, 2020, the District recognized OPEB expense of $-0- and revenue of $3,042 for support provided by the State.

Actuarial assumptions

The total OPEB liability in the June 30, 2019 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

NOTE 18 OPEB PLANS (CONTINUED)

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, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2015 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.

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:

Asset Class*	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Large Cap Equity	40.0%	4.3%
International Equity	23.0%	5.2%
Fixed Income	18.0%	1.2%
Real Estate	6.0%	3.8%
Private Equity	5.0%	6.3%
Other Additional Categories	6.0%	3.2%
Cash (LIBOR)	2.0%	0.9%
Total	100.0%	

** As the LIF investment policy is to change, the above reflects the pension allocation and returns that achieve the target 7.5% long-term rate of return*

Discount rate

The discount rate used to measure the 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.

NOTE 18 OPEB PLANS (CONTINUED)

The following table presents the District's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Districts' net 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.

NOTE 19 SUBSEQUENT EVENTS

The COVID-19 outbreak in the United States has caused disruption through limited district activities. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption. At this time, the District is uncertain on the disruption's impact on its operating results.

Subsequent events were considered through December 11, 2020, which represents the release date of our report.

SUPPLEMENTARY INFORMATION

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Combining Balance Sheet – Nonmajor Governmental Funds
As of June 30, 2020

	Capital Outlay Fund	Debt Service Fund	Building Fund	Total Non-major Government Funds
Assets				
Current:				
Cash and cash equivalents	$ -	$ -	$ 45,636	$ 45,636
Total current	$ -	$ -	$ 45,636	$ 45,636
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ -
Total current	-	-	-	-
Fund Balances:				
Restricted:				
Capital projects	-	-	45,636	45,636
Total fund balances	-	-	45,636	45,636
Total liabilities and fund balances	$ -	$ -	$ 45,636	$ 45,636

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds Year Ended June 30, 2020

	Capital Outlay Fund	Debt Service Fund	Building Fund	Total Non-major Government Funds
Revenues				
Taxes	$ -	$ -	$ 1,000,000	$ 1,000,000
State sources	162,302	250,105	671,598	1,084,005
Other sources	-	-	0	-
Total revenues	162,302	250,105	1,671,598	2,084,005
Expenditures				
Facility acquisition and construction	-	-	28,930	28,930
Debt service:				
Principal	-	1,335,000	-	1,335,000
Interest	-	674,439	-	674,439
Total expenditures	-	2,009,439	28,930	2,038,369
Excess (deficit) of revenues over expenditures	162,302	(1,759,334)	1,642,668	45,636
Other Financing Sources (Uses)				
Proceeds from sale of bonds	-	-	1,485,000	1,485,000
Refinanced bonds	-	-	(1,485,000)	(1,485,000)
Operating transfers in	-	1,759,334	-	1,759,334
Operating transfers out	(162,302)	-	(1,597,032)	(1,759,334)
Total other financing sources(uses)	(162,302)	1,759,334	(1,597,032)	-
Net change in fund balance	-	-	45,636	45,636
Fund balance, July 1, 2019	-	-	-	-
Fund balance, June 30, 2020	$ -	$ -	$ 45,636	$ 45,636

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – General Fund
Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Taxes	$ 5,800,000	$ 5,800,000	$ 7,237,887	$ 1,437,887
Earnings on investments	60,245	60,245	80,365	20,120
State sources	5,807,500	5,807,500	11,036,103	5,228,603
Other revenues	231,385	231,385	468,474	237,089
Total revenues	11,899,130	11,899,130	18,822,829	6,923,699
Expenditures				
Instruction	7,746,817	7,735,514	10,710,657	2,975,143
Student support services	604,582	604,582	736,352	131,770
Instruction staff support services	753,248	764,551	1,049,857	285,306
District administration	1,710,424	1,710,424	991,886	(718,538)
School administration	706,315	706,315	1,073,278	366,963
Business	227,589	227,589	380,226	152,637
Plant operation and maintenance	1,777,906	1,777,906	1,663,213	(114,693)
Student transportation	1,003,304	1,003,304	1,078,662	75,358
Community services	20,000	20,000	1,234	(18,766)
Debt service	98,945	98,945	98,947	2
Total expenditures	14,649,130	14,649,130	17,784,312	3,135,182
Excess (deficit) of revenues over expenditures	(2,750,000)	(2,750,000)	1,038,517	3,788,517
Other financing sources (uses)				
Operating transfers out	-	-	(415,702)	(415,702)
Total other financing sources (uses)	-	-	(294,889)	(294,889)
Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	(2,750,000)	(2,750,000)	743,628	3,493,628
Fund balance, July 1, 2019	-	-	4,489,150	4,489,150
Fund balance, June 30, 2020	$ (2,750,000)	$ (2,750,000)	$ 5,232,778	$ 7,982,778

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Special Revenue Fund
Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
State sources	$ 545,196	$ 533,206	$ 530,791	$ (2,415)
Federal sources	599,554	608,862	608,862	-
Total revenues	1,144,750	1,142,068	1,139,653	(2,415)
Expenditures				
Instruction	1,002,771	1,037,643	1,036,968	(675)
Student transportation	29,503	24,959	25,635	676
Community services	112,476	112,476	110,060	(2,416)
Total expenditures	1,144,750	1,175,078	1,172,663	(2,415)
Excess (deficit) of revenues over expenditures	-	(33,010)	(33,010)	-
Other Financing Sources (Uses)				
Operating transfers in	-	33,010	33,010	-
Total other financing sources (uses)	-	33,010	33,010	-
Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	-	-	-	-
Fund balance, July 1, 2019	-	-	-	-
Fund balance, June 30, 2020	$ -	$ -	$ -	$ -

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual – Construction Fund
Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance With Final Budget Favorable (Unfavorable)
Revenues				
Taxes	$ -	$ -	$ -	$ -
State sources	-	-	-	-
Federal sources	-	-	-	-
Other revenues	-	-	4,224,332	(4,224,332)
Total revenues	-	-	4,224,332	(4,224,332)
Expenditures				
Facilities acquisition and construction	$ -	$ 539,352	$ 6,375,492	$ 5,836,140
Total expenditures	-	539,352	6,375,492	5,836,140
Excess (deficit) of revenues over expenditures	-	(539,352)	(2,151,160)	(10,060,472)
Other Financing Sources (Uses)				
Proceeds from sale of bonds and capital leases	-	380,000	380,000	-
Operating transfers in	-	159,352	382,692	223,340
Total other financing sources (uses)	-	539,352	762,692	223,340
Excess (deficit) of revenues and other financing sources over expenditures and other financing uses	-	-	(1,388,468)	(9,837,132)
Fund balance, July 1, 2019	-	182,450	1,661,361	1,478,911
Fund balance, June 30, 2020	$ -	$ 182,450	$ 272,893	$ 90,443

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
Bond and Interest Redemption Funds
For the Year Ended June 30, 2020

	Issue of 2009	Issue of 2010R	Issue of 2011	Issue of 2012R	Issue of 2014	Issue of 2015
Cash at July 1, 2019	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:						
Transfers and miscellaneous deposits	170,982	120,165	112,556	104,783	133,740	765,796
Disbursements:						
Bonds paid	140,000	110,000	70,000	95,000	65,000	640,000
Interest coupons	30,982	10,165	42,556	9,783	68,740	125,796
Transfers and miscellaneous	-	-	-	-	-	-
Call fee	-	-	-	-	-	-
Total disbursements	170,982	120,165	112,556	104,783	133,740	765,796
Excess of disbursements over receipts	-	-	-	-	-	-
Cash at June 30, 2020	-	-	-	-	-	-
Fund balance at June 30, 2020	$ -	$ -	$ -	$ -	$ -	$ -

	Issue of 2016	Issue of 2016R	Issue of 2018	Issue of 2019	Issue of 2019R	Total
Cash at July 1, 2019	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:						
Transfers and miscellaneous deposits	126,669	158,975	187,101	109,051	19,621	2,009,439
Disbursements:						
Bonds paid	30,000	135,000	30,000	15,000	5,000	1,335,000
Interest coupons	96,669	23,975	157,101	94,051	14,621	674,439
Transfers and miscellaneous	-	-	-	-	-	-
Call fee	-	-	-	-	-	-
Total disbursements	126,669	158,975	187,101	109,051	19,621	2,009,439
Excess of disbursements over receipts	-	-	-	-	-	-
Cash at June 30, 2020	-	-	-	-	-	-
Fund balance at June 30, 2020	$ -	$ -	$ -	$ -	$ -	$ -

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
Walton-Verona High School Activity Fund
Year Ended June 30, 2020

	Fund Balance June 30, 2019	Receipts	Disbursements	Fund Balance June 30, 2020
Agriculture	$ -	$ 2,579	$ 2,579	$ -
Business fund	519	528	83	964
Reading	5,352	671	-	6,023
English	1,461	2,383	3,379	465
AP classes	133	-	-	133
Health	577	-	570	7
Family & con science	149	4,395	3,342	1,202
Math	1	3,190	709	2,482
Physical education	1	1,491	1,430	62
Wellness center	484	-	-	484
Science fund	3,576	5,555	4,950	4,181
Social studies	62	155	212	5
Spanish	3,430	2,606	2,549	3,487
Spanish club	144	-	67	77
Special education	1	-	-	1
Technology	1,883	24,830	26,713	-
Robotics/Lego Club	494	250	-	744
Band	-	7,260	4,857	2,403
Band trip	1,648	14,374	16,020	2
Choral music	271	5,134	5,405	-
General music	-	-	-	-
Cashbox	-	3,200	3,200	-
Athletics	10,729	120,900	119,814	11,815
Boys golf	-	3,518	3,518	-
Girls golf	1	1,644	1,559	86
Volleyball	3,426	14,713	16,882	1,257
Athletic assistance	-	775	-	775
Athletic boosters	3,743	37,406	36,836	4,313
Intramural Volleyball	1,933	2,158	1,854	2,237
Intramural Basketball	425	4,320	4,246	499
Girls soccer	7,955	8,688	8,710	7,933
Boys soccer	1,728	3,436	4,774	390
Baseball	798	5,188	5,161	825
Track	909	883	1,792	-
Softball	1	2,241	1,261	981
Cross country	1,208	7,330	7,184	1,354
Wrestling	-	3,600	3,368	232
Tennis	2,081	100	104	2,077
Football	2,464	13,095	13,676	1,883
Bass Fishing	263	89	-	352
Varsity cheer	8,340	43,415	50,454	1,301
Exercise equipment	649	-	-	649
Girls basketball	2,355	14,109	16,464	-
FCA	115	339	454	-
Tournament account	938	-	900	38
Basketball	6,645	17,181	20,726	3,100
Art Club	132	-	-	132

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balance
Walton-Verona High School Activity Fund (Continued)
Year Ended June 30, 2020

	Fund Balance June 30, 2019	Receipts	Disbursements	Fund Balance June 30, 2020
Beta club	$ 7,025	$ 2,335	$ 818	$ 8,542
Advisory Board	6	-	-	6
FBLA	-	1,681	1,040	641
FFA	6,583	11,328	10,761	7,150
FCCLA	1,230	9,633	10,863	-
Academic Team	-	-	-	-
Y club	1,031	13,765	14,049	747
Wake up Walton	1,682	850	33	2,499
Drama	6,072	1,048	4,514	2,606
Theatre	966	-	-	966
G.L.O.W.	75	-	-	75
Bowling club	1	-	-	1
Junior class	6,086	-	3,625	2,461
Project prom	1,311	2,600	1,682	2,229
Senior class 2017/2018	-	7,840	6,668	1,172
Yearbook	18,456	4,330	9,570	13,216
Concession fund	100	710	662	148
School Climate fund	2,313	930	389	2,854
HS student council	9	305	240	74
General fund	4,258	8,678	8,150	4,786
Guidance fund	815	2,383	2,057	1,141
Library fines	251	-	-	251
Media	3	-	-	3
N.K.O.A.	38	600	599	39
Emergency assistance	718	-	-	718
Parking permit	1,860	1,570	1,755	1,675
Quest program	-	-	-	-
Technology club	5,217	-	5,217	-
Spanish Summer TRII	-	-	-	-
Textbooks	-	13,946	13,946	-
Workbooks	3,145	4,900	7,958	87
2019-2020 HS fees	3,029	47,424	48,950	1,503
Bridge	19	-	-	19
Colonel Hudson scholarship - CD	-	1,000	1,000	-
Cappie Stephenson	763	-	563	200
Evan Ryan scholarship - CD	34,122	1,178	-	35,300
Kendall Smith scholarship - CD	10,635	216	-	10,851
Max Gjerde Memorial	-	1,000	1,000	-
Hunter Donovan Me	246	339	500	85
W. Hayes scholarship	-	-	-	-
Kendal Smith scholarship	2,597	230	1,000	1,827
Les Stephens scholarship	1,000	-	1,000	-
Evan Ryan memorial fund	-	4,000	1,500	2,500
Club scholarship	65	-	-	65
	$ 198,843	$ 532,147	$ 558,785	$ 172,205

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Statement of Receipts, Disbursements and Fund Balances
School Activity Funds
Year Ended June 30, 2020

	Walton-Verona Middle School	Walton-Verona Elementary School	Total
Fund balance at July 1, 2019	$ 58,586	$ 37,686	$ 96,272
Add: receipts	109,889	34,876	144,765
Less: disbursements	(119,415)	(44,130)	(163,545)
Fund balance at June 30, 2020	$ 49,060	$ 28,432	$ 77,492

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability – TRS

Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the net pension liability	0%	0%	0%	0%	0%	0%	*	*	*	*
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	*	*	*	*
State's proportionate share of the net pension liability associated with the District	33,745,596	32,267,909	67,912,869	72,445,775	55,139,445	45,246,643	*	*	*	*
Total	$ 33,745,596	$ 32,267,909	$ 67,912,869	$ 72,445,775	$ 55,139,445	$ 45,246,643	*	*	*	*
District's covered-employee payroll	$ 7,806,779	$ 7,752,761	$ 7,678,128	$ 7,318,884	$ 6,937,804	$ 6,892,833	$ 6,621,340	$ 6,334,890	*	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0%	0%	0%	0%	0%	0%	*	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	58.76%	59.27%	39.83%	35.22%	42.49%	45.59%	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of benefit terms: None

Changes of assumption: In the 2011 valuation and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Table 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 more closely reflect actual experience. In the 2011 valuation, the Board adopted an interest smoothing methodology to calculate liabilities for purposes of determining the actuarially determined contributions.

Changes of assumption: In 2014, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 5.16% to 5.23%.

Changes of assumption: In 2015, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 5.23% to 4.88%.

Changes of assumption: In the 2016 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2016 valuation , the Assumed Salary Scale, Price Inflation, and Wage Inflation were adjusted to reflect a decrease. In addition, the calculation for the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.88% to 4.20%.

Changes of assumption: In 2017, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.20% to 4.49%.

Changes of assumption: In 2018, the calculation of the Single Equivalent Interest Rate (SEIR) resulted in an assumption change from 4.49% to 7.50%.

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Schedule of District Contributions – TRS

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ 277,834	$ 261,070	$ 263,854	$ 245,799	$ 224,296	$ 161,896	$ 109,295	$ 72,600	$ 38,260	*
Contributions in relation to the contractually required contribution										*
Contributions in relation to the contractually required contribution	(277,834)	(261,070)	(263,854)	(245,799)	(224,296)	(161,896)	(109,295)	(72,600)	(38,260)	*
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*
District's covered-employee payroll	$ 8,289,427	$ 7,806,779	$ 7,752,761	$ 7,678,128	$ 7,318,884	$ 6,937,804	$ 6,892,833	$ 6,621,340	$ 6,334,890	*
Contributions as a percentage of of covered-employee payroll	3.35%	3.34%	3.40%	3.20%	3.06%	2.33%	1.59%	1.10%	0.60%	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net Pension Liability – CERS

Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of net pension liability	0.081853%	0.082456%	0.084560%	0.087272%	0.084117%	0.083182%	*	*	*	*
District's proportionate share of the net pension liability	$ 5,756,758	$ 5,021,822	$ 4,949,557	$ 4,296,938	$ 3,616,625	$ 2,699,000	*	*	*	*
Total net pension liability	$ 7,033,044,552	$ 6,090,304,793	$ 5,853,307,482	$ 4,923,618,237	$ 4,299,525,565	$ 3,244,377,000	*	*	*	*
District's covered-employee payroll	$ 2,123,467	$ 2,073,945	$ 2,086,221	$ 2,087,822	$ 1,959,068	$ 1,908,316	$ 1,885,004	$ 1,870,439	*	*
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	271.1%	242.1%	237.2%	205.8%	184.6%	141.4%	*	*	*	*
Plan fiduciary net position as a percentage of the total pension liability	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of benefit terms: The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30 listed below:

2009: A new benefit tire for members who first participate on or after September 1, 2008 was introduced which included the following changes:
1. Tired structure for benefit accrual rates
2. New retirement eligibility requirements
3. Different rules for the computation of final average compensation

2014: As cash balance plan was introduced for member whose participation date is on or after January 1, 2014.

Changes of assumption: The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30 listed below:

2015: The assumed investment rate of return was decreased from 7.75% to 7.50%.

2015: The assumed rate of inflation was reduced from 3.50% to 3.25%.

2015: The assumed rate of wage inflation was reduced from 1.00% to 0.75%.

2015: Payroll growth assumption was reduced from 4.50% to 4.00%.

2015: 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).

2015: For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 1 year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back 4 years for males) is used for the period after disability retirement. 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.

2015: The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

2017: The assumed investment rate of return was decreased from 7.50% to 6.25%.

2017: The assumed rate of inflation was reduced from 3.25% to 2.30%.

2017: The assumed rate of salary growth was reduced from 4.00% to 3.05%.

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Schedule of District Contributions – CERS

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ 559,068	$ 456,122	$ 397,774	$ 389,706	$ 356,183	$ 346,167	$ 360,481	$ 368,519	$ 354,669	*
Contributions in relation to the contractually required contribution	(559,068)	(456,122)	(397,774)	(389,706)	(356,183)	(346,167)	(360,481)	(368,519)	(354,669)	*
Contribution deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	*
District's covered-employee payroll	$ 2,325,754	$ 2,123,467	$ 2,073,945	$ 2,086,221	$ 2,087,822	$ 1,959,068	$ 1,908,316	$ 1,885,004	$ 1,870,439	*
Contributions as a percentage of of covered-employee payroll	24.04%	21.48%	19.18%	18.68%	17.06%	17.67%	18.89%	19.55%	18.96%	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – LIF

Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the collective trust OPEB liability	0%	0%	0%	*	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	$ -	$ -	$ -	*	*	*	*	*	*	*
State's proportionate share of the collective net OPEB liability (asset) associated with the District	72,000	65,000	52,000	*	*	*	*	*	*	*
Total net OPEB liability	$ 72,000	$ 65,000	$ 52,000	*	*	*	*	*	*	*
District's covered-employee payroll	$ 7,806,779	$ 7,752,761	$ 7,678,128	*	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	0.0%	0.0%	0.0%	*	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	73.40%	74.97%	79.99%	*	*	*	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of benefit terms - None.

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019:

Valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	30 years, Open
Asset valuation method	Five-year smoothed value
Inflation	3.50%
Real wage growth	0.50%
Wage inflation	4.00%
Salary increases, including wage inflation	4.00% - 8.10%
Discount rate	7.50%

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Schedule of District Contributions – LIF

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ -	$ -	$ -	*	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	-	-	-	*	*	*	*	*	*	*
Contribution deficiency	-	-	-	*	*	*	*	*	*	*
District's covered-employee payroll	$ 8,289,427	$ 7,806,779	$ 7,752,761	*	*	*	*	*	*	*
Contributions as a percentage of of covered-employee payroll	0.00%	0.00%	0.00%	*	*	*	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – MIF

Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the collective trust OPEB liability	0.131005%	0.126550%	0.343819%	*	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	$ 3,834,000	$ 4,391,000	$ 4,717,000	*	*	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	$ 3,096,000	$ 3,784,000	$ 3,853,000	*	*	*	*	*	*	*
Total net OPEB liability	$ 6,930,000	$ 8,175,000	$ 8,570,000	*	*	*	*	*	*	*
District's covered-employee payroll	$ 7,806,779	$ 7,752,761	$ 7,678,128	*	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	49.1%	56.6%	61.4%	*	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	32.58%	25.54%	21.18%	*	*	*	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes of benefit terms - With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP-participating members who retired prior to July 1, 2010 is restored, but the state will only finance, via its KEHP "Shared Responsibility" contributions, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010.

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contributions rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019:

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	30 years, Open
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	8.00%
Health care cost trends	
Under 65	7.50% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2024
Ages 65 and older	5.50% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2021
Medicare Part B premiums	0% for FY 2018 with an ultimate rate of 5.00% by 2030
Under age 65 claims	The current premium charged by KEHP is used as the base cost and is projected forward using only the health care trend assumption (no implicit rate subsidy is recognized).

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Schedule of District Contributions – MIF

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ 228,115	$ 225,425	$ 324,039	*	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	(228,115)	(225,425)	(324,039)	*	*	*	*	*	*	*
Contribution deficiency	-	-	-	*	*	*	*	*	*	*
District's covered-employee payroll	$ 8,289,427	$ 7,806,779	$ 7,752,761	*	*	*	*	*	*	*
Contributions as a percentage of of covered-employee payroll	2.75%	2.89%	4.18%	*	*	*	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Methods and assumptions used in the actuarially determined contributions - The actuarially determined contributions rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as the of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine contribution rates reported in that schedule for the year ending June 30, 2019:

Valuation date	June 30, 2018
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	22 years, Closed
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount rate	8.00%
Health care cost trends	
Under 65	7.50% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2024
Ages 65 and older	5.50% for FY 2018 decreasing to an ultimate rate of 5.00% by FY 2021
Medicare Part B premiums	0% for FY 2018 with an ultimate rate of 5.00% by 2030
Under age 65 claims	The current premium charged by KEHP is used as the base cost and is projected forward using only the health care trend assumption (no implicit rate subsidy is recognized).

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Schedule of the District's Proportionate Share of the Net OPEB Liability – MIF (CERS)

Last 10 Fiscal Years*

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
District's proportion of the collective trust OPEB liability	0.081831%	0.082453%	0.084560%	*	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability	$ 1,376,361	$ 1,463,937	$ 1,699,945	*	*	*	*	*	*	*
State's proportionate share of the collective net OPEB liability associated with the District	$ -	$ -	$ -	*	*	*	*	*	*	*
Total net OPEB liability	$ 1,376,361	$ 1,463,937	$ 1,699,945	*	*	*	*	*	*	*
District's covered-employee payroll	$ 2,123,467	$ 2,073,945	$ 2,086,221	*	*	*	*	*	*	*
District's proportionate share of the collective net OPEB liability as a percentage of its covered-employee payroll	64.8%	70.6%	81.5%	*	*	*	*	*	*	*
Plan fiduciary net position as a percentage of the total OPEB liability	60.44%	57.62%	52.40%	*	*	*	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Changes in assumptions:

1. The assumed investment return was changed from 7.50% to 6.25%.
2. The price inflation assumption was changed from 3.25% to 2.30%, which also resulted in a 0.95% decrease in the salary increase assumption at all years of service.
3. The payroll growth assumption (applicable for the amortization of unfunded actuarial accrued liabilities) was changed from 4.00% to 2.00%.
4. For the Non-Hazardous Plan, the single discount rate changed from 6.89% to 5.84%.

2018: Updated healthcare trend rates were implemented.

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Schedule of District Contributions – MIF (CERS)

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	$ 108,602	$ 96,052	$ 97,382	*	*	*	*	*	*	*
Contributions in relation to the contractually required contribution	(108,602)	(96,052)	(97,382)	*	*	*	*	*	*	*
Contribution deficiency	-	-	-	*	*	*	*	*	*	*
District's covered-employee payroll	$ 2,325,754	$ 2,123,467	$ 2,073,945	*	*	*	*	*	*	*
Contributions as a percentage of of covered-employee payroll	4.67%	4.52%	4.70%	*	*	*	*	*	*	*

* The amounts presented for each fiscal year were determined as of June 30. Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. No changes were made to the assumptions or benefit terms.

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Agreement Number	Federal Expenditures for FYE 6/30/2020
U.S. Department of Education			
Passed through Kentucky Department of Education			
Special Education Cluster			
Special Education_Grants to States	84.027	3810002 19	$ 327,559
Special Education_Preschool Grants	84.173	3800002 19	24,959
Total Special Education Cluster			352,518
Title I Grants to Local Educational Agencies	84.010	3100002 19	170,205
Career and technical Education -Basic Grants to States	84.048	3710002 19	35,932
Title II Improving Teacher Quality State Grants	84.367	3230002 19	36,459
Title IV-Part A Student Support and Academic Enrichment Grant	84.424	3420002 19	13,748
Total U.S. Department of Education			608,862
U.S. Department of Agriculture			
Child Nutrition Cluster			
Passed through Kentucky Department of Education			
National School Lunch Program	10.555	7750002 19	66,707
National School Lunch Program	10.555	7750002 20	182,167
School Breakfast Program	10.553	7760005 19	20,536
School Breakfast Program	10.553	7760005 20	56,753
Summer Feeding Program	10.559	7740023 20	32,140
Summer Feeding Program	10.559	7690024 20	3,298
Passed through Kentucky Department of Agriculture			
National School Lunch Program - Food Donation	10.555	059-0203	60,989
Total Child Nutrition Cluster			422,590
Total U.S. Department of Agriculture			422,590
			$ 1,031,452

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Walton Verona Independent School District under programs of the federal government for the year ended June 30, 2020, and is reported on the 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* 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 Walton Verona Independent School District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting in accordance with generally accepted accounting principles. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the schedule at the fair value of the commodities disbursed. For the year ended June 30, 2020, the District reported food commodities expended in the amount of $60,989.

NOTE 4 INDIRECT COST RATE

The District has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

NOTE 5 SUBRECIPIENTS

The District did not have any subrecipients during the year ended June 30, 2020.

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INDEPENDENT AUDITORS' 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*

To the Members of the Board of Education
Walton-Verona Independent School District
Walton, Kentucky

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Walton Verona Independent School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Walton Verona Independent School District's basic financial statements, and have issued our report thereon dated December 11, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Walton Verona Independent School District's internal control over financial reporting (internal control) as a basis for designing 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 Walton Verona Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Walton Verona Independent School 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 Walton Verona Independent School 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 financial statements. 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*.

We noted other matters that we reported to management of the District in pages 75-76.

INDEPENDENT AUDITORS' 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*

(Continued)

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
December 11, 2020

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Members of the Board of Education
Walton-Verona Independent School District
Walton, Kentucky

We have audited Walton Verona Independent School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Walton Verona Independent School District's major federal programs for the year ended June 30, 2020. Walton Verona Independent School District's major federal programs are 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Walton Verona Independent School District's major federal programs 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Walton Verona Independent School 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 each major federal program. However, our audit does not provide a legal determination of Walton Verona Independent School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Walton Verona Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

(Continued)

Report on Internal Control Over Compliance

Management of Walton Verona Independent School 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 Walton Verona Independent School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each 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 Walton Verona Independent School 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.

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.

Barnes, Dennig & Co., Ltd.

Crestview Hills, Kentucky
December 11, 2020

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

SECTION I -SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None noted
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?		Yes	X	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None noted

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 2 CFR Section 200.516(a)?		Yes	X	No

Identification of major programs

CFDA No.	Name of Federal Program or Cluster
84.173 / 84.027	IDEA B

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee?	X	Yes		No

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Summary Schedule of Prior Year Findings and Questioned Costs
Year Ended June 30, 2020

SECTION I -SUMMARY OF PRIOR YEAR AUDITOR'S RESULTS

No matters are reportable

SECTION II – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters are reportable

SECTION III – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COST

No matters are reportable

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Management Letter Comments
For the Year Ended June 30, 2020

In planning and performing our audit of the financial statements of Walton-Verona Independent School District for the year ended June 30, 2020, we considered the District's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

This letter summarizes our comments and suggestions regarding those matters. A separate report dated December 11, 2020 contains our report on significant deficiencies and material weaknesses in the District's internal control structure. This letter does not affect our report dated December 11, 2020, on the financial statements of the Walton-Verona Independent School District.

CURRENT YEAR RECOMMENDATIONS

CENTRAL OFFICE

No matters are reportable

ACTIVITY FUNDS

Walton-Verona High School

Statement of deficiency: We noted the incorrect payee was entered into the EPES software and the incorrect payee on the check for one disbursement.

Management Response: The check stock was loaded incorrectly in the printer, causing the information to print on a different check number than what was shown in the system. To ensure that this isn’t a recurring issue, staff will verify that stock is loaded properly into the check printer. If information is erroneously printed on an incorrect check number, it shall be voided, destroyed, and reprinted as needed.

Walton-Verona Middle School

No matters are reportable

Walton-Verona Elementary School

No matters are reportable

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT

Management Letter Comments
(Continued)
Year Ended June 30, 2020

STATUS OF PRIOR YEAR RECOMMENDATIONS

CENTRAL OFFICE

Statement of prior year deficiency: It was noted that documentation of employee pay did not agree to timecard.

Current year follow up: No such instances noted.

ACTIVITY FUNDS

Walton-Verona High School

No matters are reportable

Walton-Verona Middle School

No matters are reportable

Walton-Verona Elementary School

No matters are reportable

APPENDIX C

Walton-Verona Independent School District Finance Corporation
School Building Refunding Revenue Bonds
Series of 2021

Official Terms and Conditions of Bond Sale

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

$995,000*
Walton-Verona Independent School District Finance Corporation
School Building Refunding Revenue Bonds, Series 2021
Dated as of January 26, 2021

SALE: Tuesday, January 5, 2021 AT 1:00 P.M., E.S.T.

The Secretary of the Walton-Verona Independent School District Finance Corporation (the "Corporation") will until January 5, 2021, at the hour of 1:00 P.M., E.S.T., at the office of the Executive Director of the Kentucky School Facilities Construction, 700 Louisville Road, Carriage House, Frankfort, Kentucky 40601, receive sealed competitive bids for the revenue bonds (the "Bonds") herein described. To be considered, Bids must be submitted on an Official Bid Form and must be delivered to the Secretary at the address indicated on the date of sale no later than the hour indicated. Bids will be opened by the Secretary and may be accepted without further action by the Corporation's Board of Directors.

*Subject to Permitted Adjustment increasing or decreasing the issue by $100,000.

STATUTORY AUTHORITY, PURPOSE OF ISSUE AND SECURITY

The Bonds are authorized pursuant to KRS 162.120 through 162.300, 162.385 and KRS 58.180 and are issued in accordance with a Resolution of the Corporation's Board of Directors. Said Bonds are revenue bonds and constitute a limited indebtedness of the Corporation payable from rental revenues derived by the Corporation from the Board under the Lease identified below.

The Bonds are (a) being issued to finance the cost of refunding on a current basis the outstanding Walton-Verona Independent School District Finance Corporation School Building Revenue Bonds, Series 2011 (the "Series 2011 Bonds"), maturing on March, 2022 and thereafter (the "Refunded Bonds"), the proceeds from which were used to finance a portion of costs related to the acquisition, construction and equipping of school facilities (collectively, the "Project"), and(b) secured by a statutory mortgage lien upon and a pledge of the revenues from the rental of the Project to the Board under a Contract, Lease and Option (the "Lease") on a year-to-year basis; the first rental period ending June 30, 2021. The statutory mortgage lien securing the Bonds is limited in its application to the exact site of the Project constructed from the proceeds of the Bonds; real estate unoccupied by the Project is unencumbered. The Board has reserved the right to obtain the release of the statutory mortgage lien and revenue pledge on the site of the Project by effecting the redemption or defeasance of the proportionate part of the Bonds then outstanding as was expended on the site being released. Should the Board default in its obligations under the Lease or fail to renew the Lease, the Registered Owners of the Bonds have the right to have a receiver appointed to administer the Project under KRS 162.220; foreclosure and sale are not available as remedies.

The rental of the Project from the Corporation to the Board is to be effected under the Lease, whereunder the Project is leased to the Board for an initial period ending June 30, 2021 with an option in the Board to renew the Lease each year at rentals sufficient to provide for the principal and interest requirements on the Bonds as they become due, plus the costs of insurance, maintenance, depreciation, and bond issuance and administration expenses; the Board is legally obligated only for the initial rental period and for one year at a time thereafter each time the Lease is renewed.

Although the Board is obligated to pay the Corporation annual rentals in the full amount of the principal and interest requirements on the Bonds for each year in which the Lease is renewed, the Board has entered into the Lease in reliance upon a certain Participation Agreement by and between the Board and the Kentucky School Facilities Commission (the "Commission"). Under the terms of the Participation Agreement, the Commission has agreed to pay annually, until March 1, 2031 directly to the Paying Agent for the Bonds a stated agreed participation of approximately $46,154 of the annual debt service requirements for the Bonds herein identified until such date, subject to the constitutional restrictions limiting the commitment to the biennial; said annual amount is to be applied only to the principal and interest requirements of the Bonds so long as the Board renews the Lease. Under the Lease, the Board has pledged and assigned all of its rights under the Participation Agreement in and to the Agreed Participation to the Corporation in order to secure the Bonds and has agreed to pay that portion of the rentals in excess of the Agreed Participation for each year in which the Lease is renewed.

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 §§ 157.611 through 157.640 of the Kentucky Revised Statutes, as repealed, amended, 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 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 §§ 157.611 through 157.640 of the Kentucky Revised Statutes, as repealed, amended, 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. Pursuant to the provisions of the Act, the Regulations of the State Board of Education and of the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of the Projects and has entered into the Participation Agreement with the Board whereunder the Commission agrees to pay an Agreed Participation equal to approximately $46,154 of the debt service requirements each year to be applied only to the payment of the principal and interest requirements on the Bonds; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2021. The right is reserved in the Commission to terminate the commitment to pay the Agreed Participation every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of all of the Bonds, but such execution does not obligate the Commission to do so.

ADDITIONAL PARITY BONDS FOR COMPLETION OF PROJECT

The Corporation has reserved the right and privilege of issuing additional bonds from time to time payable from the income and revenues of said Project and secured by the same statutory mortgage lien and pledge of revenues, but only if and to the extent the issuance of such additional parity bonds may be necessary to pay the costs, for which funds are not otherwise available, of completing the construction of said Project in accordance with the plans and specifications of the architect in charge of said Project, which plans have been completed, approved by the Board, State Department of Education, and filed in the office of the Secretary of the Corporation.

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

The Bonds shall be in denominations in multiples of $5,000 within the same maturity, bear interest from January 26, 2021, payable on September 1, 2021 and semiannually thereafter and shall mature as to principal on March 1, 2022 and March 1 in each of the years thereafter as follows:

MATURITY	AMOUNT*
March 1, 2022	$ 85,000
March 1, 2023	85,000
March 1, 2024	85,000
March 1, 2025	85,000
March 1, 2026	50,000
March 1, 2027	55,000
March 1, 2028	130,000
March 1, 2029	140,000
March 1, 2030	140,000
March 1, 2031	140,000

* Subject to Permitted Adjustment of the amount of Bonds awarded of up to $100,000, which may be applied in any or all maturities.

The Bonds maturing on or after March 1, 2029, are subject to redemption prior to their stated maturities on any date falling on or after March 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 by regular United States Mail to the registered Owners of the Bonds so selected not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest to the date of redemption.

The Bonds are further subject to extraordinary optional redemption prior to their stated maturities, as the Corporation may determine (less than all of a single maturity to be selected by lot,) from the proceeds of casualty insurance received upon the total destruction by fire, lightning, windstorm or other hazard of any of the buildings constituting the Project, at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

The Bonds are to be issued in fully registered form (both principal and interest). U.S. Bank National Association, Cincinnati, Ohio, the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to each Registered Owner of records of the 15th day of each month preceding the due date by regular United States Mail postmarked as of the interest due date. Principal shall be paid upon submission of matured Bond Certificates to the Paying Agent. Subsequent to the initial delivery of the Bonds, upon the submission of proper authentication, the Bond Registrar shall transfer ownership of Bonds within three (3) business days of receipt without expense to the Registered Owner.

FINAL OFFICIAL STATEMENT

The Corporation shall provide to the successful purchaser a Final Official Statement. Arrangements have been made with the printer of the Preliminary Official Statement, upon submission of completion text, to print a reasonable quantity of Final Official Statements insufficient time to meet the delivery requirements of the successful bidder under SEC or Municipal Securities Rulemaking Board delivery requirements. The successful bidder shall be required to pay for the printing of the Final Official Statement.

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

The Bonds will mature, have interest payment dates, be subject to redemption, have a Paying Agent and Registrar, be subject to the issuance of additional bonds and have other conditions and restrictions as set forth in the Preliminary Official Statement describing the Bonds. Reference is made to the Preliminary Official Statement for such information and for information regarding the District and the Corporation.

BIDDING CONDITIONS AND RESTRICTIONS

(A) Bids must be made on an Official Bid Form, contained in the Official Statement available from the undersigned or RSA Advisors, LLC, 325 West Main Street, Suite 300, Lexington, Kentucky 40507, enclosed in sealed envelopes marked "Bid for School Building Refunding Revenue Bonds." Bids may alternatively be submitted electronically via BiDCOMP™/PARITY™ system. Electronic bids for the Bonds must be submitted through the BiDCOMP™/PARITY™ system and no other provider of electronic bidding services will be accepted.

Subscription to the BiDCOMP™/PARITY™ 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 the BiDCOMP™/PARITY™ system 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 the BiDCOMP™/PARITY™ system 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 the BiDCOMP™/PARITY™ system 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 the BiDCOMP™/PARITY™ system. The use of the BiDCOMP™/PARITY™ system facilities are at the sole risk of the prospective bidders. For further information regarding the BiDCOMP™/PARITY™ system, potential bidders may contact BiDCOMP™/PARITY™, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: (800) 850-7422. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

(B) The minimum bid for the Bonds shall be not less than $985,050 (99% of par), plus accrued interest. Interest rates shall be in multiples 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 for any maturity shall not be less than the interest rate for any preceding maturity. There is no limit on the number of different interest rates.

(C) The maximum permissible net interest cost for each of the Bonds shall not exceed "The Bond Buyer's" Index of 20 Municipal Bonds as established on the Thursday immediately preceding the sale of said bonds plus 1.50%.

(D) The determination of the best purchase bid for each of the Bonds shall be made on the basis of all bids submitted for exactly $995,000 principal amount of Bonds offered for sale hereunder; but the Corporation may adjust the principal amount of Bonds which may be awarded to such best bidder upward or downward by $100,000 (the "Permitted Adjustment") to a minimum of $895,000 or a maximum of $1,095,000. In the event of such Permitted 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 the same price per $1,000 of Bonds as the price per $1,000 for the $995,000 of Bonds bid.

(E) 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 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 be required to 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, (ii) the initial offering price to the public as of the Sale Date of any Maturity of the Bonds, and (iii) that they neither offered nor sold any of the Bonds of any 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 winning bidder shall advise the Corporation on the Sale Date if any maturity of the Bonds satisfies the 10% test set forth in (i) above as of the date and time of the award of the Bonds.

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

(i) *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.

(ii) *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.

(iii) *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.

(iv) *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 January 5, 2021.

(v) *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).

(F) CUSIP identification numbers will be printed on the Bonds at the expense of the purchaser. The purchaser shall pay the CUSIP Service Bureau Charge and the cost of printing the Final Official Statement. 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 the Bonds in accordance with the terms of any accepted proposal for the purchase of the Bonds.

(G) The Corporation shall provide to the successful purchaser a Final Official Statement in accordance with SEC Rule 15c2-12, as amended. Arrangements have been made with the printer of the Preliminary Official Statement, upon submission of completion text, to print a reasonable quantity of Final Official Statements in sufficient time to meet the delivery requirements of the successful bidder under SEC or Municipal Securities Rulemaking Board Delivery Requirements. The successful bidder shall be required to pay for the printing of the Final Official Statement.

(H) Bids need not be accompanied by a certified or bank cashier's good faith check, but the successful bidder will be required to wire transfer to the order of the Corporation an amount equal to 2% of the amount of the principal amount of Bonds awarded by the close of business on the day following the award. Said good faith amount will be forfeited as liquidated damages in the event of a failure of the successful bidder to take delivery of such Bonds when ready. The good faith amount (without interest) will be applied to the purchase price upon delivery of the Bonds. The successful bidder shall not be required to take up and pay for said Bonds unless delivery is made within 45 days from the date the bid is accepted.

(I) The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. They 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 for each maturity of the Bonds of each series, each in the aggregate principal amount of such maturity, and will be deposited with DTC. Purchases of the Bonds under the DTC system must be made by or through securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations (the "Direct Participants"), which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the records of Direct Participants or securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant (the "Indirect Participants"). 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 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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

(J) The purchaser shall be required to supply the Bond Registrar with the name, address, social security number or taxpayer identification number, principal amount and principal maturities for each person or entity in whose name Bonds are to be registered. Failure of a purchaser to fully designate the Registered Owners of Bonds shall result in the issuance of Bond Certificates by the Registrar in the purchaser's "street name" (to the extent a purchaser fails to designate).

(K) The Corporation reserves the right to reject any and all bids or to waive any informality in any bid. The Bonds are offered for sale subject to the principal and interest not being subject to Federal or Kentucky income taxation or Kentucky ad valorem taxation on the date of their delivery to the successful bidder, in accordance with the Final Approving Legal Opinion of Keating Muething & Klekamp PLL, Cincinnati, Ohio, which Opinion will be qualified in accordance with the section hereof on TAX TREATMENT.

(L) The successful purchaser may require that a portion of the Bonds be term bonds maturing on one or more dates (the "Term Bonds"); provided, however, that the Term Bonds shall be subject to mandatory sinking fund redemption by lot at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption on March 1 of the years and in the principal amounts set forth in the final adjusted maturity schedule as seen on page 2 of the successful bid.

(M) Prospective bidders are advised that RSA Advisors, LLC has been employed as Financial Advisor in connection with the issuance of the Bonds. RSA Advisors, LLC's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery thereof. Bidders, including RSA Advisors, LLC, 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.

(N) As required by the Code, the purchaser of the Bonds will be required to certify to the Corporation as to certain of their activities regarding any reoffering to the public of the Bonds, including any reoffering prices.

CONTINUING DISCLOSURE

As a result of the Board and issuing agencies acting on behalf of the Board having, at the time the Bonds referred to herein are offered for public sale, outstanding municipal securities in excess of $1,000,000, the Corporation and the Board will enter into a written agreement for the benefit of the holders 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, as amended (the "Rule"), by filing certain financial information, operating data and reportable event notices with the Electronic Municipal Market Access (EMMA) System maintained by the Municipal Securities Rule Making Board.

The Board and the Corporation have previously entered into continuing disclosure undertakings pursuant to the Rule. While the Board and the Corporation are current with the filings required by such undertakings, certain filings were made beyond the required filing dates. As a result, the Board has filed Material Event Notices indicating its failure to file on a timely basis the following information:

(1) A failure to file annual financial information in a timely manner.

The Annual Financial Information for FY ending June 30, 2015 was filed after the deadline (December 1). Operating data for FY June 30, 2015 was filed after the deadline (March 27).

The Board has adopted new procedures to assure timely and complete filings in the future with regard to the Rule.

TAX TREATMENT

Bond Counsel is of the opinion that:

(A) Interest on the Bonds is exempt from income taxation and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions.

(B) Interest on the Bonds is excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations.

(C) The Bonds are tax-exempt obligations qualified under Section 265(b)(3) of the Code.

The Corporation has covenanted to comply with the applicable provisions of the Code, and such compliance by the Corporation is necessary to maintain the federal income tax status described above. No opinion is expressed regarding other federal tax consequences arising with respect to the Bonds.

WALTON-VERONA INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION

By:

/s/ ______________________________

Secretary

APPENDIX D

Walton-Verona Independent School District Finance Corporation
School Building Refunding Revenue Bonds
Series of 2021

Official Bid Form

OFFICIAL BID FORM
(Bond Purchase Agreement)

Subject to the terms and conditions set forth in the Official Terms and Conditions of Bond Sale for $995,000 of School Building Refunding Revenue Bonds, Series 2021, dated January 26, 2021 (the "Bonds"), offered for sale by the Walton-Verona Independent School District Finance Corporation (the "Corporation"), an agency and instrumentality acting on behalf of the Board of Education of the Walton-Verona Independent School District to all of which the undersigned agrees, the undersigned hereby submits the following offer to purchase said bonds.

We hereby bid for said $995,000 principal amount of the Bonds, the total sum of $____________ (not less than $985,050) plus accrued interest from January 26, 2021, at the following annual rate(s), payable semiannually (rates on ascending scale, number of interest rates unlimited):

MATURITY	AMOUNT*	INTEREST RATE	MATURITY	AMOUNT*	INTEREST RATE
March 1, 2022	$ 85,000	________%	March 1, 2029	$ 140,000	________%
March 1, 2023	85,000	________%	March 1, 2030	140,000	________%
March 1, 2024	85,000	________%	March 1, 2031	140,000	________%
March 1, 2025	85,000	________%			
March 1, 2026	50,000	________%			
March 1, 2027	55,000	________%			
March 1, 2028	130,000	________%			

*Subject to permitted adjustment.

We understand this bid may be accepted for as much as $1,095,000 of the Bonds or as little as $895,000 of the Bonds, at the same price per $1,000 Bond, with the variation in such amount occurring in any maturity of all maturities, which will be determined by the Corporation at the time of acceptance of the best bid.

It is understood that the Corporation will furnish the final, approving Legal Opinion of Keating Muething & Klekamp PLL, Bond Counsel, of Cincinnati, Ohio.

No certified or bank cashier's check will be required to accompany the bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close of business on the day following the award. Said good faith amount will be applied (without interest) to the purchase price when said Bonds are tendered for delivery.

Electronic bids for the Bonds must be submitted through BiDCOMPTM/PARITYTM and no other provider of electronic bidding services will be accepted. Subscription to the BiDCOMPTM/PARITYTM 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 BiDCOMPTM/PARITYTM 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 BiDCOMPTM/PARITYTM conflict with the terms of the Official Terms and Conditions of Sale of Bonds, the Official Terms and Conditions of Sale of Bonds shall prevail. Electronic bids made through the facilities of BiDCOMPTM/PARITYTM 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 BiDCOMPTM/PARITYTM. The use of BiDCOMPTM/PARITYTM facilities are at the sole risk of the prospective bidders. For further information regarding BiDCOMPTM/PARITYTM, potential bidders may contact BiDCOMPTM/PARITYTM, 1359 Broadway - 2nd Floor, New York, NY 10018, Telephone: (800) 850-7422. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

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 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 be required to 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 neither offered nor sold any of the Bonds of any 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 January 5, 2021.

(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).

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds within forty-five (45) days from the date of sale in accordance with the terms of the sale.

Respectfully submitted,

____
Bidder

____
Address

____
Signature

Total interest cost from January 26, 2021 to final maturity	$________________
Plus discount	$________________
Net interest cost (Total interest cost plus discount)	$________________
Average interest rate or cost	________________%

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 the Secretary of the Walton-Verona Independent School District Finance Corporation for $______________ principal amount of Bonds at the price of $____________ as follows:

MATURING MARCH 1	AMOUNT	INTEREST RATE	MATURING MARCH 1	AMOUNT	INTEREST RATE
2021	$_______	______%	2027	$_______	______%
2022	_______	______	2028	_______	______
2023	_______	______	2029	_______	______
2024	_______	______	2030	_______	______
2025	_______	______	2031	_______	______
2026	_______	______			

Dated: January 5, 2021

____
Secretary
Walton-Verona Independent School District
Finance Corporation