

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 6, 2021

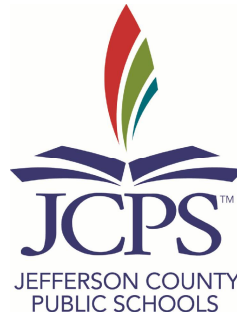
In the opinion of Wyatt, Tarrant & Combs, LLP, Bond Counsel, (i) under the Internal Revenue Code as presently enacted and construed and subject to the conditions and limitations set forth herein under the caption "TAX TREATMENT," interest on the 2021A Bonds is excludable from gross income for federal income tax purposes and (ii) the 2021A Bonds are exempt from ad valorem taxation, and the interest thereon is exempt from income taxation, by the Commonwealth of Kentucky and all of its political subdivisions and taxing authorities. See "TAX TREATMENT" herein.

**NEW ISSUE
BOOK-ENTRY ONLY**

**Ratings: Moody's: "Aa3"
S&P: "AA-"
(See "RATINGS" herein)**

\$37,070,000*

**JEFFERSON COUNTY (KENTUCKY) SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS, SERIES 2021A**



Dated: Date of Delivery

Due: As shown herein

Interest on the above captioned bonds (the "2021A Bonds") is payable semiannually as described herein. The 2021A Bonds will initially be issued as book-entry bonds registered by the Bond Registrar hereinafter identified in the name of a nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the 2021A Bonds. Individual purchases of such 2021A Bonds may be made in book-entry form only, in the principal amount of \$5,000 or any multiple of \$5,000. Principal of and interest on the 2021A Bonds shall be payable to DTC, which in turn will remit such principal and interest to the beneficial owners of the 2021A Bonds through DTC's participants as described in "Appendix G – Book Entry System" attached hereto.

The 2021A Bonds are subject to redemption prior to their stated maturity at the option of the Jefferson County School District Finance Corporation (the "Issuer") as described herein.

The 2021A Bonds and the interest thereon do not and shall not constitute an indebtedness of the Issuer, the Jefferson County Board of Education (the "Board"), the Kentucky School Facilities Construction Commission ("KSFCC" or the "Commission"), or the Commonwealth of Kentucky (the "Commonwealth") within the meaning of the Constitution and laws of the Commonwealth or a pledge of the faith and credit or the taxing power of the Board, the Commission, or the Commonwealth, but are limited obligations of the Issuer and shall be payable solely from and secured solely by such assets and revenues as are provided in the General Bond Resolution described herein, and neither the Issuer, the Board, the Commission, nor the Commonwealth is or shall be obligated to pay the 2021A Bonds except as provided therein. The issuance of the 2021A Bonds shall not directly, indirectly or contingently obligate the Board, the Commission, or the Commonwealth to levy or to pledge any taxes whatsoever for the payment of the 2021A Bonds or to make any appropriation for such payment nor obligate the Issuer to take any actions except as expressly provided in the General Bond Resolution. The Issuer has no taxing power.

Bids for the 2021A Bonds will be received until 11:00 a.m. Eastern Time on January 13, 2021, as more fully described in the Official Terms and Conditions of Bond Sale. The 2021A Bonds are offered when, as and if issued by the Issuer and received by the purchasers, subject to prior sale, to withdrawal or modification of the offer without notice, to the approval of legality by Wyatt, Tarrant & Combs, LLP, Bond Counsel, and to certain other conditions. Certain legal matters will be passed on by Kevin Brown, Esq., General Counsel to the Board and the Issuer. It is expected that the 2021A Bonds will be available for delivery in Louisville, Kentucky on or about February 3, 2021.

Dated: _____, 2021

* Subject to adjustment as described in the Official Terms and Conditions of Bond Sale.

This Preliminary Official Statement and the information contained herein are subject to change, amendment and completion without notice. 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 sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the applicable securities laws of such jurisdiction.

\$37,070,000*
JEFFERSON COUNTY (KENTUCKY)
SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS, SERIES 2021A

<u>Due February 1*</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price/ Yield</u>	<u>CUSIP†</u>
2022	\$ 545,000			
2023	1,165,000			
2024	1,230,000			
2025	1,285,000			
2026	1,350,000			
2027	1,415,000			
2028	1,620,000			
2029	1,695,000			
2030	1,730,000			
2031	2,915,000			
2032	2,975,000			
2033	3,045,000			
2034	3,095,000			
2035	2,400,000			
2036	2,445,000			
2037	2,490,000			
2038	2,060,000			
2039	2,110,000			
2040	740,000			
2041	760,000			

* Subject to adjustment as described in the Official Terms and Conditions of Bond Sale.

† CUSIP is a registered trademark of the American Bankers Association. The CUSIP numbers shown herein are provided by Standard & Poor's, a division of The McGraw-Hill Companies, Inc., as manager of CUSIP Global Services, and are shown herein for convenience of reference only. No representation is made as to the correctness of the CUSIP number shown herein for any of the Series 2021A Bonds. The CUSIP numbers for some or all of the Series 2021A Bonds may be changed as a result of various actions occurring after the issuance of the Series 2021A Bonds, including, but not limited to, a refunding in whole or in part of the Series 2021A Bonds or the addition of secondary market portfolio insurance or other credit enhancement applicable to some or all of the Series 2021A Bonds.

**JEFFERSON COUNTY SCHOOL DISTRICT
FINANCE CORPORATION**

Officers and Directors

Dr. Martin Pollio - President
Diane Porter - Vice President and Director
Chris Kolb – Secretary and Director
J. Cordelia Hardin - Treasurer
Corrie Shull - Director
Joseph Marshall – Director
Linda Duncan - Director
James Craig – Director
Chris Brady* – Director

JEFFERSON COUNTY BOARD OF EDUCATION

Board Members

Diane Porter, Chair
Chris Kolb, Vice Chair
Corrie Shull
Joe Marshall
Linda Duncan
James Craig
Corrie Shull
Sarah McIntosh

Administrative Personnel

Dr. Martin Pollio, Superintendent
Kevin Brown, General Counsel
J. Cordelia Hardin, Chief Financial Officer and Treasurer
Edward D. Muns, Executive Administrator of Accounting

BOND COUNSEL

Wyatt, Tarrant & Combs, LLP

FISCAL AGENCY GROUP

Robert W. Baird & Co. Incorporated
and
RSA Advisors, LLC

BOND REGISTRAR AND PAYING AGENT

Truist Bank

* Sarah McIntosh was elected to replace Chris Brady as a member of the Jefferson County Board of Education as of January 5, 2021 and will replace him as a director of the Jefferson County School District Finance Corporation at the next meeting of the Board of Directors of the Corporation.

REGARDING USE OF THIS OFFICIAL STATEMENT

AUTHORIZED INFORMATION AND REPRESENTATIONS

No dealer, broker, salesman or other person has been authorized by the Issuer, the Board, the Fiscal Agency Group, or the Underwriters to give any information, or to make any representations, other than those contained in this Official Statement. Moreover, if given or made, such other 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 offer to sell, or the solicitation of any offer to buy, nor shall there be any sale of, the 2021A Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Except where otherwise indicated, the information set forth herein has been obtained from the Issuer and the Board and other sources that are believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Fiscal Agency Group or the Underwriters. 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 at any time or under any circumstances imply that information or expressions of opinion herein are correct as of any time subsequent to this date or that there has been no change in the affairs of the Issuer or the Board since the date hereof.

In connection with this offering, the Underwriters may over allot or effect transactions that stabilize or maintain the market price of the 2021A Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

REGISTRATION EXEMPTIONS

The 2021A Bonds have not been registered with the U.S. Securities and Exchange Commission under the Securities Act of 1933, as amended (the “Securities Act”), nor has the General Bond Resolution or the Series 2021A Resolution described herein been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such Acts. The 2021A Bonds have not been registered under any state securities or “blue sky” laws where the 2021A Bonds will be offered for sale, in reliance upon exemptions contained in such laws. In making an investment decision, investors must rely upon their own examination of the Issuer and the Board and the sources of payment, security for, and other terms of the 2021A Bonds, including the merits and risks of an investment in the 2021A Bonds. No federal or state securities commission or other regulatory authority has recommended an investment in the 2021A Bonds and none of them has confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary may be a criminal offense.

PRELIMINARY OFFICIAL STATEMENT

The Issuer has deemed this Preliminary Official Statement final as of its date, with respect to the 2021A Bonds, for purposes of Rule 15c2-12 (the “Rule”) of the U.S. Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (the “Securities Exchange Act”), except for such information as is permitted to be omitted in accordance with the Rule.

FINAL OFFICIAL STATEMENT

In accordance with the Rule, the Issuer will deliver, within seven business days after the sale of the 2021A Bonds to the Underwriters, a final Official Statement with respect to the 2021A Bonds, dated the date of sale of the Series 2021A Bonds, including the information that was omitted from this Preliminary Official Statement in accordance with the Rule.

TABLE OF CONTENTS

SUMMARY STATEMENT	1
JEFFERSON COUNTY SCHOOL DISTRICT	1
JEFFERSON COUNTY SCHOOL DISTRICT FINANCE CORPORATION	2
THE BONDS	2
Authority	2
Description	3
Bond Registrar and Paying Agent	3
Redemption	3
Limited Obligation; Security and Sources of Payment	4
Security Provisions Unique to the 2021A Bonds	5
Securities Depository; Ownership of Bonds	6
Registration and Transfer	7
KENTUCKY DEPARTMENT OF EDUCATION SUPERVISION	8
Kentucky Department of Education Management Audit	9
STATE INTERCEPT	9
THE 2021A PROJECT	10
Project Costs and Sources of Funds	10
Project Description	10
DISTRICT FACILITIES PLAN	11
REVENUE SOURCES WITHIN THE JEFFERSON COUNTY SCHOOL DISTRICT	11
Ad Valorem School Tax	11
Capital Outlay Allotment	12
Occupational License Fee	12
CERTAIN LIMITATIONS ON TAXATION	12
STATE SUPPORT FOR EDUCATION	13
Adjusted Base Guaranteed Funding Level	13
Tier I Funding Level	14
Tier II Funding Level	15
State and Local Funding for Capital Outlay and Facilities Construction	15
Kentucky School Facilities Construction Commission	16
COVID-19 PANDEMIC	16
LITIGATION	17
TAX TREATMENT	18
FISCAL AGENCY GROUP	19

UNDERWRITING	19
RATINGS	19
APPROVAL OF LEGALITY.....	19
UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE	20
APPROVAL OF OFFICIAL STATEMENT.....	20
Appendix A - Operating, Financial and Tax Base Information of the District.....	A-1
Appendix B - General Information for Louisville/Jefferson County Metro Government.....	B-1
Appendix C - Bonded Indebtedness Outstanding of the District and Debt Service Requirements for the Series 2021A Bonds.....	C-1
Appendix D - Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2020.....	D-1
Appendix E - Summary of Certain Provisions of the General Bond Resolution and the Basic Lease; Continuing Disclosure Certificate; Definitions	E-1
Appendix F - Form of Bond Counsel Opinion.....	F-1
Appendix G - Book Entry-System.....	G-1

\$37,070,000*
JEFFERSON COUNTY (KENTUCKY) SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS, SERIES 2021A

*Preliminary, subject to adjustment.

SUMMARY STATEMENT

The purpose of this Official Statement, including the cover pages and appendices, is to set forth certain information in connection with the offering by the Jefferson County School District Finance Corporation (the “Corporation” or the “Issuer”) of its School Building Revenue Bonds, Series 2021A (the “2021A Bonds”) in the aggregate principal amount set forth above. The 2021A Bonds are being issued to finance the construction and equipping of two new elementary school buildings and related facilities within the Jefferson County School District, as more fully described herein. The 2021A Bonds rank on a parity as to security and source of payment with the bonds previously issued and presently outstanding under the General Bond Resolution hereinafter described (such bonds, together with the 2021A Bonds, the “Bonds”). Certain capitalized terms used in this Official Statement and not otherwise defined have the meaning given to those terms in “Appendix E - Summary of Certain Provisions of the General Bond Resolution and the Basic Lease; Continuing Disclosure Certificate; Definitions”.

JEFFERSON COUNTY SCHOOL DISTRICT

The District is governed by a seven-member Board of Education. Members represent individual election districts and serve staggered four year terms. The Members elect a chairperson and vice chairperson from the Members. The Superintendent is Secretary of the Board and its executive officer. Dr. Martin “Marty” Pollio assumed the role of acting interim Superintendent of the District on July 2, 2017. He was named Superintendent on February 11, 2018, serving under a four year contract.

The District is coterminous with Jefferson County, Kentucky. It is the largest school district in Kentucky and is the 30th largest public school system in the nation. Serving 96,249 students (actual enrollment as of November 24, 2020) in preschool through grade 12, the District currently includes a total of 167 schools: 90 elementary schools, 22 middle schools, 18 high schools, 15 special needs schools, and 22 other learning centers. Enrollment and average daily attendance for the District for the current year and the past five years can be found in “Appendix A - Operating, Financial and Tax Base Information of the District”.

The following table summarizes certain financial information relating to the District and is qualified by reference to the more complete information contained herein:

Assessed property valuation (2020-21 school year)	\$80,867,916,165 ⁽¹⁾
Total bonded debt outstanding (estimated as of 01/01/2021)	462,141,920
Less: Bonded debt payable from other sources (SFCC) ⁽³⁾	(75,738,213)
Net local bonded debt	386,403,707

Net debt as a percent of assessed valuation	0.48%
Population: Jefferson County (U.S. Census estimate as of 7/1/2019)	766,757
School enrollment (as of 11/24/2020)	96,249
(1) Excludes property removed from the assessed valuation for property tax purposes pursuant to the homestead exemption described below under “CERTAIN LIMITATIONS ON TAXATION AND OTHER TAX MATTERS”.	
(2) Total outstanding bonded debt of the District less SFCC participation. See “STATE SUPPORT OF EDUCATION – Kentucky School Facilities Construction Commission” below and “Bonded Indebtedness Outstanding of the District” in Appendix C.	
(3) Payment expected to be available from the Kentucky School Facilities Construction Commission, as described below under “REVENUE SOURCES WITHIN THE JEFFERSON COUNTY SCHOOL DISTRICT – Kentucky School Facilities Construction Commission”.	

JEFFERSON COUNTY SCHOOL DISTRICT FINANCE CORPORATION

Pursuant to Chapter 162 of the Kentucky Revised Statutes (“KRS”) (the “Act”), including particularly KRS 162.385, any board of education may obtain buildings for school purposes in accordance with the provisions of KRS 162.120 to 162.290 by utilizing a non-profit finance corporation established pursuant to KRS 273.161 to 273.390, inclusive, and KRS 58.180, rather than a city or county, as an issuing agency for bonds.

The Board of Education of Jefferson County, Kentucky (the “Board”), a political subdivision of the Commonwealth of Kentucky (the “Commonwealth”), incorporated on August 24, 1988 a non-profit finance corporation pursuant to KRS 162.385 named Jefferson County School District Finance Corporation (the “Corporation” or the “Issuer”) to act as a municipal corporation and agency and instrumentality of the Board for the issuance of bonds under the Act.

The Board of Directors of the Corporation is made up of the incumbent members of the Board of Education. The incumbent members and officers of the Board and the incumbent directors and officers of the Corporation are listed on the inside front cover of this Official Statement.

For a detailed summary of bonds issued by the Corporation and the other bonds secured by lease payments from the Board, see “Appendix C – Bonded Indebtedness Outstanding of the District and Debt Service Requirements for the Series 2021A Bonds.”

THE BONDS

Authority

The 2021A Bonds have been authorized by [i] a General Bond Resolution (the “General Bond Resolution”) duly adopted by the Board of Directors of the Issuer on July 17,

1989, and approved by the Board of Education on July 17, 1989, as amended on August 14, 1989, [ii] a Series 2021A Bond Resolution (the “Series 2021A Resolution”) adopted by the Board of Directors of the Issuer on December 1, 2020 and approved by the Board of Education on December 1, 2020, and [iii] the provisions of the Act. For further information about the General Bond Resolution, see “Appendix E – Summary of Certain Provisions of the General Bond Resolution and the Basic Lease; Continuing Disclosure Certificate; Definitions.”

Description

The 2021A Bonds are issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof. Semiannual interest on the 2021A Bonds is payable February 1 and August 1, commencing August 1, 2021 (each, an “Interest Payment Date”) at the rates per annum set forth on the inside cover of this Official Statement (computed on the basis of a 360-day year of twelve 30-day months). Each 2021A Bond shall bear interest from the Interest Payment Date to which interest has been paid as of the date on which such 2021A Bond is authenticated or, if such 2021A Bond is authenticated prior to a date to which interest has been paid, from its original issuance.

The 2021A Bonds will initially be issued as book-entry bonds registered by the Bond Registrar hereinafter identified in the name of a nominee of The Depository Trust Company (“DTC”), which will act as securities depository for the 2021A Bonds. Purchases of the 2021A Bonds may be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple of \$5,000. Principal of and interest on the 2021A Bonds shall be payable to DTC, which in turn will remit such principal and interest to the beneficial owners of the 2021A Bonds through DTC’s participants, as more fully described below in “BASIC DOCUMENTATION - Security Depository; Ownership of Bonds - Registrar”.

Bond Registrar and Paying Agent

Truist Bank, formerly named Branch Banking and Trust Company, has been appointed as the Bond Registrar and Paying Agent for the 2021A Bonds.

Redemption

Optional Redemption. The 2021A Bonds maturing on or after February 1, 2029, shall be subject to redemption prior to maturity, at the option of the Issuer, in whole or from time to time in part, in any order of maturity (less than all of a single maturity to be selected by lot), on any date on or after February 1, 2028, for which the requisite notice can be given under the General Bond Resolution, at the redemption price of par plus accrued interest to the date of redemption.

The Paying Agent shall give notice of any redemption by first-class mail, postage prepaid, not more than sixty (60) nor less than thirty (30) days prior to the redemption date, to the registered owner of each 2021A Bond to be redeemed, at such owner's address as it appears on the registration books maintained by the Paying Agent.

Limited Obligation; Security and Sources of Payment

The Bonds and the interest thereon do not and shall not constitute an indebtedness of the Issuer, the Board, the Kentucky School Facilities Construction Commission (“KSFCC” or the “Commission”) or the Commonwealth within the meaning of the constitution and laws of the Commonwealth or a pledge of the faith and credit or the taxing power of the Board, the Commission, or the Commonwealth, but are limited obligations of the Issuer and shall be payable solely from and secured solely by such assets and revenues as are provided in the General Bond Resolution, and neither the Issuer, the Board, the Commission, nor the Commonwealth is or shall be obligated to pay the Bonds except as provided therein. The issuance of any Bonds thereunder shall not directly, indirectly or contingently obligate the Board, the Commission, or the Commonwealth to levy or to pledge any taxes whatsoever for the payment of the Bonds or to make any appropriation for such payment nor obligate the Issuer to take any actions except as expressly therein provided. The Issuer has no taxing power.

As the sole security and source of payment of the Bonds and the interest thereon, the Issuer pledges, assigns and grants a security interest in [i] the Funds and all monies, securities, obligations and earnings therein, to the extent not required for the payment of any Notes (as defined herein), but excluding any Rebate Fund and all monies, securities and obligations therein; [ii] the Pledged Receipts (as defined herein); [iii] all of the Issuer’s right, title and interest in and to all Leases and Participation Agreements (provided that each Participation Agreement shall be security only for the Series of Bonds for which such Participation Agreement was entered into unless otherwise provided therein); and [iv] all proceeds of the foregoing. Except as may be otherwise expressly provided in a Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution for a particular Series of Bonds, the foregoing, together with the statutory mortgage liens that are created, granted and recognized by the Issuer pursuant to KRS 162.200 and the General Bond Resolution, and such statutory mortgage liens as may be created, granted and recognized by the Issuer pursuant to KRS 162.200 and in any Series Resolutions or Supplemental Resolutions, constitute the “Security” for the Bonds and all other Bonds issued under the General Bond Resolution and the interest thereon without preference of one Bond or Series of Bonds over another Bond or Series of Bonds.

A statutory mortgage lien on the Issuer’s interest in each Project that is financed with the Bonds issued under the General Bond Resolution is created, granted and recognized, to the extent such a lien can be lawfully applicable to such Project (or a portion thereof), in favor of the Holders of the Bonds and pursuant to KRS 162.200, but only upon the application of the proceeds of a Series of Bonds to such Project thereunder and until payment in full of the principal of, Redemption Price and interest on the Bonds of such Series Outstanding thereunder. Such statutory mortgage lien shall not attach to any Project with respect to which no proceeds of Bonds have been applied. The statutory mortgage lien is and shall be valid and binding on each Project to which it applies, and upon any additions, extensions and improvements thereto that may be constructed from the proceeds of the Bonds, together with appurtenances, equipment therein, and such easements and rights-of-way for ingress, egress and the rendering of services as may be necessary for proper use and maintenance, all without the need for any further action by the Issuer or the Board or any filing or recording with respect thereto.

The Issuer reserves the right to erect or construct upon any Project other structures and improvements free and clear of the statutory mortgage lien, even though the same are connected by using as party walls one or more walls of structures which are subject to the statutory mortgage lien, provided that the same are capable of use as separate entities in themselves, and have their own outside entrances, and provided that no part of the costs of such additional structures and improvements are paid from the proceeds of the Bonds.

The Issuer also reserves the right to release or convey, with or without consideration, free and clear of the statutory mortgage lien, such easements, rights-of-way, licenses or other rights over, upon or beneath the surface of a Project as may reasonably be required for roads, utilities, drainage or other public purposes, provided that [i] no such release or conveyance shall interfere with the ownership and efficient operation of the Project, [ii] ingress to and egress from the Project shall not thereby be impaired and [iii] there shall be no reduction of the rentals otherwise required under any Lease or Leases.

The Bonds are payable solely from and secured solely by the Security. The General Bond Resolution provides for the setting aside annually into a special account, separate and apart from all other accounts and designated the “County of Jefferson School Building Revenue Debt Service Fund” (the “Debt Service Fund”), of a sufficient portion of the gross income and revenues of the Projects to provide for the payment of interest on and principal of all outstanding Bonds as and when the same become due. All funds placed in the Debt Service Fund are exclusively and irrevocably pledged for the payment of principal of and interest on the Bonds and may not be used for any other purpose.

The General Bond Resolution also provides that the balance of the gross income and revenues of the Projects (after first making the required payments into the Debt Service Fund), if any, shall be set aside into a Maintenance Fund to provide for the proper maintenance of School Buildings and to provide for insurance against fire, lightning, windstorm or other calamity, in the amount of the full insurable value of the property or the principal amount of the then outstanding Bonds, whichever shall be greater, to the extent not otherwise paid by the Board.

Security Provisions Unique to the 2021A Bonds

Although the Board is obligated to pay the Corporation annual rentals in the full amount of the principal and interest requirements on the 2021A Bonds for each year in which the Lease is renewed, the Board has entered into the Lease in reliance upon a Participation Agreement to be dated as of the date of delivery of the 2021A Bonds (the “Participation Agreement”), between the Board and the Kentucky School Facilities Construction Commission under which the Commission has agreed to pay annually to the Bond Registrar for the 2021A Bonds an amount (calculated based on the debt service on the bonds resulting from the competitive sale thereof) (the “Agreed Participation”) estimated to be approximately 31.8% of the annual principal and interest requirements for the 2021A Bonds, subject to the constitutional restrictions limiting the commitment to the biennial; the obligations of the Commission are limited to the biennial fiscal period of the Commonwealth, in this case terminating June 30, 2022, and June 30 every two years thereafter, provided that if the Commission elects not to continue to pay the Agreed Participation, it shall give notice to the Board and the original

purchasers of the 2021A Bonds, at least sixty (60) days before the expiration of the biennial fiscal period then in effect. There is no assurance the Kentucky General Assembly will appropriate sufficient funds to enable the Commission to pay the Agreed Participation or that the Governor of the Commonwealth will not veto the appropriation from time to time. Amounts contributed by the Commission during the period the Participation Agreement is in effect are to be applied only to the principal and interest requirements of the 2021A 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 2021A Bonds.

As described above, each Participation Agreement shall be security only for the Series of Bonds for which the Participation Agreement was entered into unless otherwise provided therein.

Securities Depository; Ownership of Bonds

The 2021A Bonds initially shall be registered in the name of the Securities Depository or the Securities Depository Nominee, and ownership thereof shall be maintained in Book-Entry Form by the Securities Depository for the account of the Agent Members thereof. Initially, the 2021A Bonds shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company (“DTC”), New York, New York. See “Appendix G - Book-Entry System” attached hereto, for further information on DTC and the book-entry system.

Except as provided below under this subheading, the 2021A Bonds may be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository Nominee, or to a successor Securities Depository selected or approved by the Issuer or to a nominee of such successor Securities Depository. The person in whose name any Bond shall be registered shall be the absolute owner thereof for all purposes, and payment of or on account of the principal of and premium, if any, and interest on such Bond shall be made only to or on the order of the registered owner thereof or his legal representative. Neither the Issuer nor the Bond Registrar shall have any responsibility or obligation with respect to [i] the accuracy of the records of the Securities Depository or any Agent Member with respect to any beneficial ownership interest in the 2021A Bonds, [ii] the delivery to any Agent Member, any beneficial owner of the 2021A Bonds or any other person, other than the Securities Depository, of any notice with respect to the 2021A Bonds or [iii] the payment to any Agent Member, any beneficial owner of the 2021A Bonds or any other person, other than the Securities Depository, of any amount with respect to the principal, premium, if any, or interest on the 2021A Bonds.

So long as any 2021A Bonds are registered in Book-Entry Form, the Issuer and the Bond Registrar may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such 2021A Bonds for all purposes whatsoever, including without limitation [i] payment of principal, premium, if any, and interest on 2021A Bonds, [ii] giving notices of redemption and other matters with respect to the 2021A Bonds, [iii] registering transfers with respect to the 2021A Bonds, [iv] selection of 2021A Bonds for redemption and [v] for purposes of obtaining consents under the 2021A Resolution. Notwithstanding the definition of the term “Bondholder” or “Holder” or “Holder of Bonds” in the 2021A Resolution, as referencing registered holders of the 2021A Bonds, the Bond Registrar shall be entitled to rely on

written instructions from a majority of the beneficial owners of the 2021A Bonds with reference to any consent required from the registered holders pursuant to the terms of the 2021A Resolution.

If at any time the Securities Depository notifies the Issuer that it is unwilling or unable to continue as Securities Depository with respect to the 2021A Bonds, or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Securities Depository is not appointed by the Issuer within ninety (90) days after the Issuer receives notice or becomes aware of such condition, as the case may be, then the above provisions in this subheading on the book-entry only system shall no longer be applicable and the Issuer shall execute and the Registrar shall authenticate and deliver certificates representing the 2021A Bonds to the Bondholders.

Registration and Transfer

Interest on each Bond not registered in Book-Entry Form to a Securities Depository shall be payable by check mailed by the Bond Registrar to the Holder thereof as of the Record Date, at the address shown on the registration books kept by the Bond Registrar or at such other address as is furnished to the Bond Registrar in writing by such Holder. The principal of and premium, if any, on the 2021A Bonds not registered in Book-Entry Form to a Securities Depository shall be payable, without exchange or collection charges, in lawful money of the United States of America on their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption or acceleration, at the designated corporate trust office of the Bond Registrar. On request of a Holder of at least \$1,000,000 in aggregate principal amount of the 2021A Bonds, all payments of principal of, premium, if any, or interest on the 2021A Bonds shall be paid by wire transfer in immediately available funds to an account designated by such Holder.

Principal of, premium, if any, and interest on 2021A Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee shall be payable by wire transfer from the Bond Registrar to the Securities Depository or its nominee. So long as any 2021A Bonds remain Outstanding, the Bond Registrar shall keep and maintain at its designated corporate trust office complete registration records in respect of the 2021A Bonds and shall provide for the registration of transfer and exchange of the 2021A Bonds in accordance with the terms of the 2021A Resolution, subject to such reasonable procedures and regulations as the Bond Registrar may prescribe.

Except as may be otherwise provided in the 2021A Resolution for 2021A Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, each Bond shall be transferable or exchangeable only on the presentation and surrender thereof at the designated corporate trust office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Holder or his authorized representative.

Except as may be otherwise provided in the 2021A Resolution for 2021A Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities

Depository Nominee, 2021A Bonds shall be exchangeable for a Bond or Bonds of the same maturity and interest rate and in Authorized Denominations, within a single maturity in an aggregate principal amount or amounts equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Bond Registrar is authorized to authenticate, deliver and exchange 2021A Bonds in accordance herewith. Each Bond delivered in exchange for a surrendered Bond shall constitute an original contractual obligation of the Issuer and shall be entitled to the benefits and security of the 2021A Resolution to the same extent as the Bond exchanged shall be canceled by the Registrar and the Bond Registrar shall maintain a complete record of all exchanges, transfers and cancellations of 2021A Bonds and shall make a report thereof to the Issuer on request.

Except as may be otherwise provided in the 2021A Resolution for 2021A Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, no service charge or other transfer fee shall be charged in connection with any transfer or exchange of a Bond. However, the registered owner of any Bond may be required to pay an amount equal to any tax or other governmental charge, if any, that may be imposed in connection with the transfer or exchange of any Bond.

The Bond Registrar shall not be required to transfer or exchange any Bond for the period beginning 15 days prior to the selection by the Bond Registrar of 2021A Bonds to be redeemed prior to maturity and ending on the date of mailing of notice of any such redemption.

On the receipt by the Issuer and the Bond Registrar of evidence satisfactory to them of the loss, theft, destruction or mutilation of any Outstanding Bonds, and of indemnity satisfactory to them, and on surrender and cancellation of such Bond if mutilated, the Issuer may execute and the Bond Registrar may authenticate and deliver, on the lapse of such period of time as they may deem advisable, a new Bond of like series, tenor and maturity bearing the same or different serial number, to be issued in lieu of such lost, stolen, destroyed or mutilated Bond. The Issuer and the Bond Registrar may require the payment of costs for each such new Bond issued, and the furnishing of indemnity satisfactory to the Issuer and the Bond Registrar. The Bond Registrar shall incur no liability for anything done by it under the foregoing procedures in the absence of its gross negligence or fault.

KENTUCKY DEPARTMENT OF EDUCATION SUPERVISION

The Board has prepared a projection of its estimated revenues and of its annual obligations for all purposes (including the rentals to be paid to the Issuer under the terms of the Lease), which has been submitted to and approved in writing by the Kentucky Department of Education (KDE).

KDE approval of a bond issue, and associated financial, educational and construction plans, is required prior to issuance of the bonds and will have been received prior to the issuance of the 2021A Bonds. KDE supervision also extends to other areas of local school finance, including supervision of general operations such as the examination of business methods and accounts of a school district, requirements of prompt, detailed reports of receipts and expenditures and the annual approval of an operating budget as a prerequisite to such operation. All local boards which have entered into contracts for the issuance of bonds must maintain

insurance protection in an amount equal to the full insurable value of the buildings financed by the bonds. KDE has advised the Issuer that Kentucky has a perfect record of no defaults in payment of its revenue bonds for school purposes. The Issuer believes that KDE's supervision and control is a major contribution to this record.

Kentucky Department of Education Management Audit

A management audit of the District was commenced by the Kentucky Department of Education (KDE) in February 2017. The findings of the management audit were released on April 30, 2018. The Interim Commissioner of Education recommended that the District be designated a "state managed district" whereby all administrative, operational, financial, personnel and instructional aspects of the management of the District formerly exercised by the Board and the Superintendent of the District would be exercised by the Commissioner of Education or his designee. The District appealed the Interim Commissioner's recommendations and requested a hearing. Prior to the hearing date, a settlement was reached with KDE and was approved by the Kentucky Board of Education (KBE) on August 29, 2018. The negotiated settlement required the development of corrective action plans to address deficiencies detailed in the management audit, gave KDE final authority over any changes in the District's policies or procedures that could impact any provision of the corrective action plans regarding physical restraint or seclusion of students, early childhood education, or special education and provided for formal input by KDE regarding the District's policies affecting career and technical education and facility maintenance and replacement.

Following the negotiation of the settlement agreement, the District worked closely with KDE to implement policies and procedures to align the District with best educational and fiscal management practices. District and KDE personnel met monthly and every other month the Superintendent of the District presented a progress report to KBE.

The Commissioner of Education issued a final management audit report on November 20, 2020 determining that state management of the District or further state assistance to the District was not necessary to correct any remaining educational or management deficiencies within the District, that the settlement agreement between KDE and the District should be considered fulfilled, and that the District should be released from further implementation of formal corrective action pursuant to the settlement agreement.

STATE INTERCEPT

Under the terms of the Lease, and any renewal thereof, the Board has agreed so long as the 2021A Bonds remain outstanding, and in conformance with the intent and purpose of KRS 157.627(5) and 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 to the Issuer under the terms of the Lease to the Issuer and the Commission the right to notify and request that KDE withhold from the Board a sufficient portion of any undisbursed funds then held, set aside, or allocated by KDE to the Board and to request KDE to transfer such amount to the Paying Agent for the payment of such rentals.

THE 2021A PROJECT

Project Costs and Sources of Funds

The 2021A Bonds are being issued to finance the construction and equipping of two new elementary school buildings and related facilities within the Jefferson County School District (the “2021A Project”). The 2021A Project is being undertaken as a part of the District Facilities Plan described below (See “DISTRICT FACILITIES PLAN”). The estimated costs and sources of funds for the 2021A Project, excluding accrued interest, if any, on the 2021A Bonds, are as follows:

<u>Estimated Project Cost</u>	
Deposit to Construction Fund	\$ _____
Underwriter’s Discount	_____
Costs of Issuance	_____
TOTAL	\$ _____

<u>Estimated Source of Funds</u>	
2021A Bonds	\$ _____
Original Issue Premium/Discount	_____
TOTAL	\$ _____

(1) Costs of issuance include the fees of the Fiscal Agency Group, Bond Counsel, and the Bond Registrar/Paying Agent.

Project Description

The Series 2021A Project will consist of the construction of the following new elementary schools at a total estimated cost of \$38,941,000:

- a new 800-student elementary school in the Newburg Area of Jefferson County replacing and on the same site as the existing deteriorating Indian Trail Elementary School at 3709 E. Indian Trail that will be demolished. The new school will also include students from the former Gilmore Lane Elementary School.

- a new 800-student elementary school in the Dixie Corridor of Jefferson County replacing the deteriorating former Watson Lane Elementary School and Wilkerson Elementary School. The new school will be constructed on the same site as the former Wilkerson Elementary School, 5601 Johnstontown Road, which will be demolished.

DISTRICT FACILITIES PLAN

The Board approved amendments to its District Facilities Plan in October of 2020 providing for new construction and renovations throughout the District. The resources necessary to finance the plan are expected to come from several sources, including the Board's available funds, bonds supported by the Commission, and bonds supported by the Board's revenues. Except as specifically described herein, there can be no assurance that the Board will not amend or revoke the plan or that the Issuer or the Commission will issue or support bonds or other funding for the plan in its current form or as hereafter amended.

REVENUE SOURCES WITHIN THE JEFFERSON COUNTY SCHOOL DISTRICT

Ad Valorem School Tax

Pursuant to KRS 160.470 the Board levies an annual ad valorem tax per \$100 of the assessed valuation of general real property, motor vehicles, tangibles and distilled spirits located within the District. Proceeds of the tax may be used to fund the general operating expenses of the Board, including rental payments by the Board pursuant to the Lease during each year it is renewed, but are not expected to be used to fund such rental payments because of the availability of the other expected revenue sources described below. Pursuant to KRS 160.476, the annual rate of ad valorem tax levied by the District also includes a school building fund tax to be used for the acquisition, construction, and equipping of school buildings and the sites thereof and to pay debt service on debt incurred for such purposes. See "Appendix A - Operating, Financial and Tax Base Information of the District" for more information.

On May 21, 2020, the Board levied for its fiscal year ending June 30, 2021 an increase in the ad valorem school tax from the previous total rate of 73.6 cents per \$100 of assessed value to 80.6 cents. The portion of this rate increase above 75.5 cents would produce revenue from real property, exclusive of net assessment growth, of more than 4% above the previous year's revenues and therefore is subject to voter recall pursuant to KRS 160.470. Pursuant to the procedure set forth in KRS 132.017 for voter recall of the tax increase, a group of Jefferson County voters challenging the tax rate increase submitted a recall petition, the petition was certified by the Jefferson County Clerk, and the question of whether the recallable portion of the rate increase should be recalled was placed on the ballot of the general election to be held on November 3, 2020. In subsequent litigation before the Jefferson Circuit Court challenging the recall petition, the Circuit Court held on October 30, 2020 that the recall petition was invalid because it lacked the required number of valid voter signatures, that votes cast on the recall question at the general election should be retained but not certified, and that no further action should be taken on the recall petition. The voters who organized the recall petition have filed with the Kentucky Court of Appeals a notice of appeal of the Circuit Court decision. The Board is unable to predict the outcome of this appeal and whether the full tax rate increase levied by the Board will ultimately be upheld and collected.

The total 80.6 cent rate is projected to produce for the District in the fiscal year ending June 30, 2021 additional net revenue of approximately \$54.1 million. The Board resolved on September 17, 2020 to budget for and spend this additional revenue in the fiscal year ending June 30, 2021 and thereafter as follows: at least \$15 million for new and modernized facilities

that engage students and faculty, at least \$15 million for additional resources in its schools with the highest needs, at least \$12 million for racial equity initiatives, and at least \$12 million for additional student instruction time. The Board also declared its intention to increase in each of the four subsequent years the additional expenditures for these purposes by the percentage increase levied by the Board each year in the rate of the ad valorem school tax.

The annual ad valorem tax bills mailed to taxpayers in November 2020 will show only the rate of 75.5 cents per \$100 of assessed value that is not subject to voter recall, which itself is projected to increase the District's net tax revenues for the fiscal year ending June 30, 2021 by approximately \$19.7 million. If ultimately upheld, and depending upon the timing of the approval, the full rate increase to 80.6 cents per \$100 of assessed value could be billed as early as May 1, 2021.

Capital Outlay Allotment

Kentucky law provides for an annual payment by the Commonwealth to the Board to pay for capital construction or acquisition. Since the 1990-91 school year, the capital outlay allotment has been calculated as \$100 times average daily attendance (see "STATE SUPPORT FOR EDUCATION" below). Funds from the capital outlay allotment are not directly pledged for debt service, but as a practical matter, and to the extent needed, may and are expected to be applied to debt service on the Bonds through rental payments by the Board pursuant to the Lease during each year it is renewed. See "Appendix A - Operating, Financial and Tax Base Information of the District" for more information.

Occupational License Fee

The Board currently imposes, for general school purposes including operations, an annual occupational license fee of three-quarters of one percent (0.75%) on (i) salaries, wages, commissions and other compensation earned by persons residing within the District for work done and services performed in Jefferson County (the "County"); and (ii) the net profits of businesses, occupations and professions located in the District from activities conducted in the County. See "Appendix A - Operating, Financial and Tax Base Information of the District" for more information.

CERTAIN LIMITATIONS ON TAXATION

KRS 160.470 generally restricts school districts from levying ad valorem property taxes that would generate revenues in excess of the previous year's revenues. There are three principal exceptions: (1) KRS 160.470(9), (2) KRS 160.470(10), and (3) KRS 157.440(1).

Under KRS 160.470(9)(a), school districts are directed to levy a "minimum equivalent tax rate" of thirty cents (\$0.30) for general school purposes. The equivalent tax rate is defined as the rate which results when the income collected during the prior year from all taxes (including occupational fees and utilities license 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 Kentucky Department of Revenue. Failure to levy the minimum equivalent rate subjects the members of the board of the district to removal.

KRS 160.470(10) provides that a school district may levy a general tax rate that will produce revenue from real property, exclusive of revenue from new property, that is four percent (4%) over the amount produced by the compensating tax rate defined at KRS 132.010(6).

The exception provided by KRS 157.440(1)(a) permits school districts to levy an equivalent tax rate as defined in KRS 160.470(9)(a) which will produce up to fifteen percent (15%) of those revenues guaranteed by the program to Support Education Excellence in Kentucky ("SEEK"). Levies permitted by this section of the statute are not subject to public hearing or recall provisions as set forth in KRS 160.470. Effective with the 1990-91 school year, the Commonwealth is directed to equalize the revenue generated by this levy at one hundred fifty percent (150%) of the statewide average per pupil equalized assessment. For the biennium ending June 30, 2022, this levy is set at \$916,000.

Section 170 of the Kentucky Constitution exempts from property taxes the first \$6,500 of residential property maintained as the permanent residence of taxpayers 65 years of age or older or who have been classified as totally disabled under a United States government or railroad retirement system program. The exemption applies to real property "held by legal or equitable title, by the entireties, jointly, in common, [or] as a condominium ..." maintained as the permanent residence of the owner. KRS Chapter 132 permits counties and school districts to adjust their local tax revenues through increases in taxes on non-exempt property by amounts equivalent to the revenues lost through application of this homestead exemption. By statute, the \$6,500 exemption "shall be construed to mean \$6,500 in terms of the purchasing power of the dollar in 1972. Every two (2) years thereafter, if the cost of living index of the United States department of labor has changed as much as one percent (1%), the maximum exemption shall be adjusted accordingly." See "Appendix A - Operating, Financial and Tax Base Information of the District" for the current total homestead exemption amount in the District and the current individual exemption.

STATE SUPPORT FOR EDUCATION

Kentucky funds its system of public schools through the Support Education Excellence in Kentucky ("SEEK") funding formula which is a shared state and local funding mechanism that guarantees a certain minimum amount of per pupil funding for each school district and provides incentives for school districts to raise funds above that minimum amount through additional local taxation. The SEEK program is a "tiered" system of three related components: the adjusted base guarantee, Tier I, and Tier II.

Adjusted Base Guaranteed Funding Level

Section 157.360 of the Kentucky Revised Statutes ("KRS") guarantees a base funding level, which is a guaranteed amount of revenue per pupil to be provided to each school district and used for regular operating and capital expenditures. KRS 157.320(2). The base funding guaranteed to each school district is determined in each fiscal year by dividing the total annual state SEEK appropriation by the state-wide total of pupils in average daily attendance ("ADA") in the preceding fiscal year. KRS 157.360. Each school district is guaranteed to receive an amount equal to the base funding level for each ADA pupil in the district in the previous year, adjusted by certain factors such as the number of at-risk and/or exceptional students located in

the district, transportation costs, etc. KRS 157.360(2) and 157.370; 702 Kentucky Administrative Regulations ("KAR") 3:270, Section 2(4). The statewide base guarantee, with these additions and adjustments, is the school district's adjusted base guarantee. 702 KAR 3:270 (SEEK funding formula), Section 2(4)(a).

While the state guarantees that each district will receive this minimum level of funding, the state does not provide all of the funds. Each district is required to provide a level of funding from local taxes (ad valorem property taxes and the permissive school taxes - occupational license fees, utility gross receipts license taxes, and/or excise taxes), the "required local effort," that is based upon the total assessed value of property plus the assessment for motor vehicles within the district. KRS 157.360(17), 157.390(5), and 157.615(6).

Required Local Effort to Fund Adjusted Base Guarantee. KRS 160.470(9) requires that each school district levy a "minimum equivalent tax rate" of \$0.30 per \$100 of assessed property value for general school purposes. The equivalent tax rate is defined as the rate which results when the income collected during the prior year from all taxes (including ad valorem property taxes and the permissive school 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 Kentucky Department of Revenue. KRS 160.470(9) and 702 KAR 3:270, Section 1(8). Each school district determines the amount of revenue that would be generated by the levy of a \$0.30 ad valorem tax rate. Once that amount is calculated, each school district must levy a \$0.30 ad valorem tax rate (or its equivalent) by raising that amount through ad valorem taxes on property and through the permissive school taxes. Each school district's portion of the adjusted base guaranteed funding level it will receive from the state, therefore, is reduced by the amount of all local taxes collected by the district that is equal to 0.30% of the total value of assessed property in the district. Revenue collected by a district above this required local effort is dealt with in the next tier of the SEEK formula. In levying the \$0.30 minimum equivalent tax rate, any annual increase in ad valorem taxes on real property beyond the 4% annual limitation imposed by KRS 160.470(8) is not subject to the recall provisions of that Section.

State Funding of the Adjusted Base Guarantee. KRS 157.330 establishes the state SEEK fund, which is funded from biennial appropriations from the Kentucky General Assembly for distribution to school districts. The state is required to provide from this fund that portion of each district's adjusted base guarantee not funded by the required local effort. Each school district receives from the state SEEK fund the district's adjusted base guarantee less the amount of the local tax revenues generated for school purposes by the \$0.30 minimum equivalent tax rate. KRS 160.470; 702 KAR 3:270, Section 2(4)(b). In addition to the required local effort and the state portion of the adjusted base guarantee, each district has the option of generating additional revenues through additional local effort.

Tier I Funding Level

KRS 157.440(1)(a) provides that each school district may levy an equivalent tax rate which will produce not only the required local effort but also up to an additional 15% of those revenues guaranteed by the SEEK program (known as "Tier I" funding). 702 KAR 3:270, Section 2(5). In levying this rate, any increase in ad valorem taxes on real property beyond the 4% annual limitation imposed by KRS 160.470(8) is not subject to the recall provisions of KRS

160.470(8). Each school district participating in Tier I funding is eligible for state equalization funds if its assessed property value per pupil is less than 150% of the statewide average per pupil assessment. This ensures that districts which make a similar effort receive the same amount of Tier I revenue per student, regardless of the district's property wealth.

Tier II Funding Level

KRS 157.440(2)(a) permits school districts to levy up to an additional 30% of those revenues guaranteed by the SEEK program plus the revenue produced by the 15% levy comprising the Tier I funding (known as "Tier II" funding). Districts are allowed to raise additional revenue up to 30% of the total adjusted base guarantee plus Tier I and, if levied, the FSPK Nickel (see below). KRS 157.440(2)(a). Revenues raised through local taxation (ad valorem property taxes and occupational license fees, utility gross receipts license taxes or excise taxes) in excess of those counted against a district's required local effort and Tier I efforts are deemed Tier II funds. There is no state funds equalization involved in Tier II funding. A school district seeking to levy taxes at a Tier II funding level cannot, without prior voter approval, levy a general property tax rate that exceeds the maximum rate that could have been levied on all property in the prior year. KRS 157.440(2)(a) and KRS 160.470(1). To ensure equity of opportunity in Kentucky schools, no school district may provide funding in excess of Tier II funding. However, no district is compelled to levy an equivalent tax rate lower than the rate levied in the 1989-1990 school year. KRS 157.440(1)(e).

State and Local Funding for Capital Outlay and Facilities Construction

The Facilities Support Program of Kentucky ("FSPK", also known as the Building Fund, School Facilities Construction Commission Funds, and SEEK Capital Outlay) provides state funding to meet the facility needs of school districts as shown on each district's facility plan. KRS 157.611(1).

SEEK Capital Outlay. KRS 157.390(3) and 157.420(4) establish a formula which results in an allocation of the biennial state SEEK funds for capital expenditures in school districts at \$100 per ADA pupil which is included in the SEEK allotment (\$4,000) for the current biennium. The SEEK capital outlay is required to be segregated into a Capital Outlay Allotment Fund which may only be used for: (1) direct payment of construction costs; (2) debt service on voted and funding bonds; (3) lease rental payments in support of bond issues; (4) reduction of deficits resulting from over expenditures for emergency capital construction; and (5) a reserve for each of the categories enumerated in 1 through 4 above. These capital outlay funds are part of the state funded portion of the adjusted base guarantee.

FSPK Nickel. School districts must levy a minimum equivalent tax rate of \$0.05 per \$100 of property assessment to participate in the FSPK program (known as the "FSPK Nickel"). KRS 157.440(1)(b) and 157.620(1). If the funds from the FSPK Nickel levy are committed to debt service, the FSPK provides equalized funding for school systems at 150% of the statewide average per pupil assessment. This FSPK Nickel is in addition to the \$0.30 minimum local effort required for SEEK. KRS 157.440(1)(b). In levying this rate, any increase in ad valorem taxes on real property beyond the 4% annual limitation imposed by KRS 160.470(8) is not subject to the recall provisions of that Section. KRS 157.440(1)(d).

Kentucky School Facilities Construction Commission

The Commission is an independent agency and instrumentality of the Commonwealth established pursuant to KRS 157.611 through 157.640 for the purpose of assisting local school districts in funding the cost of school construction and major renovation projects, in accordance with their school facilities plans approved by the Kentucky Department of Education (“KDE”), in excess of available local resources. The Commission assists a local school district by (i) issuing school building revenue bonds to finance a capital construction project of the district or (ii) participating in the school building revenue bond issue of a local school district finance corporation on behalf of its local school district by allocating specified annual amounts, subject to biennial appropriation of such amounts by the Kentucky General Assembly, toward the lease rentals payable by the school district to the finance corporation representing the debt service on the bonds. Notwithstanding any such participation of the Commission in a local school building revenue bond issue, the local school district is responsible for making all rental payments due under the lease supporting the bond issue if such annual amounts are not appropriated by the General Assembly and paid by the Commission.

It is anticipated that the Commission will participate in the payment of an amount that approximates 31.8% of the annual debt service requirements on the 2021A Bonds, subject in each case to biennial appropriations by the General Assembly. The 2020 Regular Session of the Kentucky General Assembly allocated new appropriations for existing obligations of the Commission. See “Security Provisions Unique to the 2021A Bonds” for more information and “Appendix C – Bonded Indebtedness Outstanding of the District and Debt Service Requirements for the 2021A Bonds” for the outstanding bond issues of the Corporation in which the Commission has participated and the estimated annual Commission participation amounts.

COVID-19 PANDEMIC

In accordance with Executive Orders of the Governor of Kentucky declaring a public health emergency, and directives of the Kentucky Department of Education (KDE), issued to mitigate the current global novel coronavirus pandemic (COVID-19), all public schools within the District have been closed to in-person student instruction since March 16, 2020 and will remain closed until at least January 4, 2021. While the schools have been and continue to be closed, all student instruction has been by remote internet learning. On March 24, 2020, as an emergency measure in response to the pandemic, Kentucky enacted legislation allowing school districts, including the District, to apply to KDE for approval to substitute remote internet learning (“non-traditional instruction”) for an unlimited number of days of traditional in-person instruction while schools are closed because of the pandemic and for such non-traditional instruction to count as “average daily attendance” for purpose of the Commonwealth’s Capital Outlay Allotment to the District. The District has applied for and obtained KDE’s approval of the District’s non-traditional instruction plan. See “REVENUE SOURCES WITHIN THE JEFFERSON COUNTY SCHOOL DISTRICT—Capital Outlay Allotment” herein.

On March 27, 2020, in response to the pandemic, Congress enacted the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”), which provides additional formula grants to states based on their respective shares of the federal funding (known as Title I-A funds) designed to provide supplementary educational and related services to low-

achieving students attending elementary and secondary schools with relatively high concentrations of students from low-income families. These additional formula grants are distributed to local school districts based on their respective shares of Title 1-A funds and used to cover additional expenses relating to the pandemic, such as planning for and coordinating long-term school closures and purchasing educational technology to support online student learning. Additional funds have been distributed to the states under the CARES Act which they may use at their discretion to provide emergency support grants to K-12 schools and child care/early education providers. The Board has received \$34.2 million of such CARES Act funding which it has or will use to purchase internet access for students who lack such access in their homes, laptop and tablet computers for students who did not have access to a computer to enable them to participate in remote internet learning, instructional software and other resources to assist teachers in the delivery of the curriculum at all grade levels, and personal protective equipment for staff working on site.

As described herein under “REVENUE SOURCES WITHIN THE JEFFERSON COUNTY SCHOOL DISTRICT”, real property tax, motor vehicle tax, and occupational license fee revenues are the main sources of local funding for the District. Because of the pandemic during the last four months of its last fiscal year ended June 30, 2020, the District collected \$9.5 million less in occupational license fees during the fiscal year than budgeted. The Board has eliminated its previous pre-pandemic revenue growth assumptions for the current and next fiscal year and identified reductions in its budgeted expenses for those years projected to be sufficient to offset the projected revenue reductions, including reduced expenses for utilities and student transportation expenses due to school closures, professional travel and development costs, and reductions in salary costs.

The Jefferson County Property Valuation Administrator (the “PVA”) ordinarily reassesses commercial and residential real property within the County every four years. The PVA has announced that because of the pandemic her office is postponing until 2021 a major real property reassessment in 2020 that would have reassessed approximately one-third of the commercial and residential real properties within the County. The postponement of the reassessment may adversely affect the property tax revenues that the District would otherwise collect in 2021. The Issuer and the Board are unable to predict the effect of any such postponement.

The expectations, projections, and other forward-looking information stated above represent the Board’s current judgment regarding future financial results and are subject to risks and uncertainties that could cause actual results to differ materially.

LITIGATION

In the opinion of the Board’s General Counsel, as of the date of the issuance of the 2021A Bonds, there is no litigation of any nature pending or, to such counsel’s knowledge, threatened, which in the opinion of such counsel presents greater than a remote risk of being decided adversely to the Board, and which, if decided adversely to the Board, would restrain or enjoin the issuance or delivery of the 2021A Bonds, question the authority of the Board to enter into the Lease or the Participation Agreement, materially affect the financial condition of the Board as set forth in this Official Statement or materially and adversely affect the 2021A Bonds,

the security for the 2021A Bonds, the Board's ability to make all lease payments as the same shall become due and payable, or the Board's ability to perform its obligations under the Lease.

See "REVENUE SOURCES WITHIN THE JEFFERSON COUNTY SCHOOL DISTRICT--General Purpose School Tax" herein regarding pending litigation of a voter effort to recall a tax rate increase levied by the District.

TAX TREATMENT

In the opinion of Wyatt, Tarrant & Combs, LLP, Bond Counsel, under existing law and as of the date of issuance thereof, (i) interest on the 2021A Bonds is excluded from gross income for federal income tax purposes and (ii) under the Constitution and laws of the Commonwealth of Kentucky, the 2021A Bonds are exempt from ad valorem taxation, and the interest thereon is exempt from income taxation, by the Commonwealth and all of its political subdivisions and taxing authorities.

For the purpose of rendering the opinions described above, Bond Counsel will assume compliance by the Issuer with the requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be met subsequent to the issuance of the 2021A Bonds in order that interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the 2021A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the 2021A Bonds. The Issuer has covenanted to comply with such requirements in a Tax Compliance Certificate executed by the Issuer upon the issuance of the 2021A Bonds.

Other than as stated above, Bond Counsel expresses no opinion as to any federal, state, or local income tax consequences arising from the ownership or disposition of, or the accrual or receipt of interest on, the 2021A Bonds. Purchasers of 2021A Bonds should consult their own tax advisors regarding such tax consequences as are applicable to their individual circumstances.

The Series 2021A Bonds have not been designated by the Issuer as "qualified tax-exempt obligations" (commonly known as "bank qualified" bonds) under Section 265(b)(3) of the Code.

The exclusion from gross income for federal income tax purposes of the interest on the 2021A Bonds may have certain adverse consequences in other respects for certain taxpayers, including but not limited to financial institutions, insurance companies, C corporations, S corporations, foreign corporations, recipients of Social Security and Railroad Retirement benefits, taxpayers that are deemed to incur or continue indebtedness to acquire tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of such other tax consequences will depend upon the particular tax status and other items of income and expense of the owners of the 2021A Bonds. Bond Counsel expresses no opinion regarding such other tax consequences.

FISCAL AGENCY GROUP

This Official Statement was prepared and distributed by Robert W. Baird & Co. Incorporated, and RSA Advisors, LLC (collectively, the “Fiscal Agency Group”). The information set forth herein was obtained from the Board, the Issuer, and other sources believed to be reliable but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Fiscal Agency Group.

UNDERWRITING

The 2021A Bonds were purchased at a competitive sale held on January 13, 2021, for underwriting to the public by _____ at a purchase price of _____.

The initial public offering prices set forth on the inside cover page of this Official Statement may be changed by the Underwriter and the Underwriter may offer and sell the 2021A Bonds to certain dealers (including dealers depositing 2021A Bonds into investment trusts) and others at prices lower than the offering prices set forth on the inside cover page.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings (“S&P”), a business unit of Standard & Poor's Financial Services LLC, have assigned the ratings of the 2021A Bonds set forth on the cover page hereof. Certain information may have been submitted to the rating agencies which is not included in this Official Statement. The ratings reflect only the views of the rating agencies. Any explanation of the significance of the ratings should be obtained from the rating agencies. There is no assurance that either or both of the ratings might not be lowered or withdrawn entirely by the respective rating agencies. Any such downward change in or withdrawal of either or both of the ratings might have an adverse effect on the market price of the 2021A Bonds.

APPROVAL OF LEGALITY

Certain legal matters incident to the authorization, issuance and sale of the 2021A Bonds are subject to the approval of Wyatt, Tarrant & Combs, LLP, Louisville, Kentucky, as Bond Counsel to the Issuer, The form of opinion of Bond Counsel to be delivered in connection with the issuance of the 2021A Bonds is contained in Appendix F hereto.

Bond Counsel has reviewed the information contained in this Official Statement under the headings of “THE BONDS” and “TAX TREATMENT”, and the summaries of documents contained in Appendix E hereto, and is of the opinion that such information is an accurate summary of the instruments and information described therein.

Bond Counsel has not otherwise participated in the preparation of this Official Statement and has not verified the accuracy or completeness of the information in the Official Statement except to the extent described above. Without limiting the generality of the foregoing, Bond Counsel has not undertaken to review the accuracy or completeness of the financial, or statistical information contained in this Official Statement or its appendices.

The information contained under the heading “LITIGATION” in this Official Statement has been reviewed and approved by Kevin Brown, Esq., as General Counsel to the Board and the Issuer.

UNDERTAKING TO PROVIDE CONTINUING DISCLOSURE

In a Continuing Disclosure Certificate to be delivered to the underwriters of the 2021A Bonds as of the date of original issuance of the 2021A Bonds (the “Continuing Disclosure Certificate”), the Board undertakes for the benefit of Bondholders to provide to each Repository (as defined in the Continuing Disclosure Certificate):

- [i] certain financial information and operating data relating to the Board; and
- [ii] notices of the occurrence of certain events.

This undertaking is being made by the Board in order to assist the underwriters of the 2021A Bonds, in complying with the requirements of subsection (5) of section (b) of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “SEC”).

The Continuing Disclosure Certificate, including the specific nature of the information to be contained in an annual report or a notice of an event, certain limitations on the Board’s undertaking, and provisions permitting the amendment and termination of the Continuing Disclosure Certificate, is summarized below in this Official Statement, at “Appendix E - “Summary of Certain Provisions of the General Bond Resolution and the Basic Lease; Continuing Disclosure Certificate; Definitions.”

Among other things, the Continuing Disclosure Certificate provides that the Board may terminate its obligations if the Board ceases to be an “obligated person” with respect to the 2021A Bonds (within the meaning of the Rule). The Continuing Disclosure Certificate provides that any right to enforce it shall be limited to obtaining specific enforcement of the Board’s obligations thereunder, and that failure by the Board to comply with the Continuing Disclosure Certificate shall not be an event of default under the 2021A Bonds, the Lease or the General Bond Resolution.

The Board from time to time may elect (but is not contractually bound) to provide other periodic reports or financial information, or notice of the occurrence of other events, in addition to those described in the Continuing Disclosure Certificate.

The Board has not during the past five years failed to comply, in any material respect, with any previous undertaking in a written contract or agreement specified in the Rule.

APPROVAL OF OFFICIAL STATEMENT

The Issuer has approved and caused this Official Statement to be executed and delivered by its President. This Official Statement is deemed “final” by the Issuer as of the date hereof for purposes of SEC Rule 15c2-12(b)(1), except for information permitted by the rule to be excluded. The Issuer will deliver a certificate simultaneously with the issuance of the 2021A Bonds to the effect that as of the date of issuance of the 2021A Bonds, and after due inquiry of

responsible officers and employees of the Issuer, the Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

The financial information supplied by the Board and reported herein is represented by the Board to be correct. Only accounts required by Federal and State laws, rules and regulations to be audited annually by independent certified public accountants have been so audited and the financial information extracted from their annual audits and presented herein is incomplete to the degree that accounts not required to be so audited have not been included in the annual audits conducted by the Board's independent certified public accountants. A copy of the most recent audit is contained in Appendix D.

The financial and related data regarding capital outlay allotments, assessments, tax rates and school tax collections, classroom attendance and receipts and expenditures contained in this Official Statement have been extracted from official records of the Board.

The distribution of this Official Statement has been authorized by the Board and by the Board of Directors of the Issuer.

BOARD OF EDUCATION OF
JEFFERSON COUNTY

JEFFERSON COUNTY SCHOOL
DISTRICT FINANCE CORPORATION

By: _____
Superintendent

By: _____
President

APPENDIX A

OPERATING, FINANCIAL AND TAX BASE INFORMATION OF THE DISTRICT

Operating Information

The District serves the public education needs of Jefferson County, Kentucky. Enrollment and average daily attendance for the District for the past five years are as follows:

<u>Year</u>	<u>Enrollment</u>	<u>Average Daily Attendance</u>
2020-21	96,249 ²	95,766 ³
2019-20 ¹	98,506	84,323
2018-19	98,506	84,323
2017-18	99,244	86,296
2016-17	100,533	86,975
2015-16	100,319	87,151

Source: Jefferson County School District

¹ According to guidance from the KDE, due to COVID-19 remote learning, official enrollment and ADA numbers were not calculated for 2019-20, and the figures from the previous year were carried forward

² Actual as of 11/24/2020

³ Average daily attendance of the first 61 days of school year 2020-2021

Financial Data

The District maintains its books and records on the modified accrual method of accounting. This practice is the accounting method prescribed by the Kentucky Department of Education for local school districts. Adjustments have been made for financial statement presentations. These adjustments are described in the audited financial statements for the fiscal year ended June 30, 2020 (a copy of which is included in Appendix D).

The following tables summarize the activity of the major funds used by the District in managing its business affairs.

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General Fund

	<u>2019-20*</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
Property Taxes	\$ 462,895,650	\$ 442,127,249	\$ 419,678,233	\$ 397,432,143	\$ 382,661,970
Occupational Taxes	156,348,315	165,754,818	162,374,610	156,387,646	151,821,629
Other Taxes	54,014,453	56,671,549	53,658,834	51,729,620	47,796,163
State SEEK Program	225,684,013	247,934,805	248,012,271	260,406,772	266,225,294
Other State Revenues	322,477,942	304,164,747	300,232,367	194,412,580	191,756,579
Interest	4,395,350	7,371,642	3,149,013	1,918,637	1,383,108
Other Sources	<u>11,619,650</u>	<u>10,936,241</u>	<u>12,740,642</u>	<u>10,872,235</u>	<u>11,360,280</u>
Total Revenues	\$ 1,237,435,373	\$ 1,234,961,051	\$ 1,199,845,970	\$ 1,073,159,633	\$ 1,053,005,023
Instruction	701,638,031	696,775,984	670,151,845	573,506,265	568,138,759
Support Services	362,142,927	335,048,443	327,113,024	285,038,892	278,800,109
Plant Operations & Maintenance	115,049,730	116,359,814	117,642,222	108,380,891	109,725,437
Transportation	84,502,094	87,360,599	87,843,441	76,999,034	74,605,718
Other Expenditures	<u>4,620,337</u>	<u>4,184,376</u>	<u>4,192,763</u>	<u>3,548,227</u>	<u>2,559,868</u>
Total Expenditures	\$ 1,267,953,119	\$ 1,239,729,216	\$ 1,206,943,295	\$ 1,047,473,309	\$ 1,033,829,891
Transfers to Other Funds	<u>6,625,440</u>	<u>4,988,590</u>	<u>4,963,235</u>	<u>5,053,853</u>	<u>5,407,440</u>
Net Change in Fund Balance	(37,143,186)	(9,756,755)	(12,060,560)	20,632,471	13,767,692
Beginning Fund Balance	<u>\$ 131,790,729</u>	<u>\$ 141,547,484</u>	<u>\$ 153,608,044</u>	<u>\$ 132,975,573</u>	<u>\$ 119,207,881</u>
Ending Fund Balance	<u>\$ 94,647,543</u>	<u>\$ 131,790,729</u>	<u>\$ 141,547,484</u>	<u>\$ 153,608,044</u>	<u>\$ 132,975,573</u>

Source: Jefferson County School District

* Unaudited

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Capital Outlay

	<u>2019-20*</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
Capital Outlay Allotment	\$ 8,432,343	\$ 8,629,589	\$ 8,697,469	\$ 8,715,087	\$ 8,718,544
Total Revenues	\$ 8,432,343	\$ 8,629,589	\$ 8,697,469	\$ 8,715,087	\$ 8,718,544
Transfers for Debt Service	8,432,343	8,629,589	8,697,469	8,715,087	8,718,544
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Jefferson County School District

* Unaudited

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Building Fund

	<u>2019-20*</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
Property Taxes	\$ 39,708,760	\$ 37,943,111	\$ 37,233,164	\$ 35,274,310	\$ 33,703,962
Other Sources	101,966	102,096	203,754	203,769	203,786
Total Revenues	\$ 39,810,726	\$ 38,045,207	\$ 37,436,918	\$ 35,478,079	\$ 33,907,748
Transfers for Debt Service	\$ 37,231,568	\$ 43,324,491	\$ 29,069,267	\$ 41,724,548	\$ 26,812,943
Net Change in Fund Balance	2,579,158	(5,279,284)	8,367,651	(6,246,469)	7,094,805
Beginning Fund Balance	\$ 4,180,415	\$ 9,459,699	\$ 1,092,048	\$ 7,338,517	\$ 243,712
Ending Fund Balance	\$ 6,759,573	\$ 4,180,415	\$ 9,459,699	\$ 1,092,048	\$ 7,338,517

Source: Jefferson County School District

* Unaudited

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Tax Base Information

The taxing power of the Board and the Commonwealth are not pledged to the payment of Bonds, and the issuance of the Bonds shall not directly, indirectly, or contingently obligate the Board or the Commonwealth to levy or to pledge any taxes whatsoever.

Property Subject to Taxation

The following table summarizes the assessed valuation of real property, tangible property, motor vehicles and distilled spirits within the area served by the District which is subject to taxation by the Board of Education.

**Assessment of Property Subject to School Taxes⁽¹⁾
(amounts are in dollars)**

<u>Fiscal Year</u>	<u>Real Estate</u>	<u>Tangible Personal</u>	<u>Franchise</u>
2020-21	\$66,800,455,676	\$5,118,571,261	\$2,892,140,795
2019-20	65,141,054,707	5,403,545,336	2,868,841,228
2018-19	62,682,776,578	4,798,195,140	2,655,839,191
2017-18	61,046,926,653	5,307,565,850	2,568,249,146
2016-17	57,871,202,283	4,980,355,366	2,296,268,627

<u>Fiscal Year</u>	<u>Motor Vehicle</u>	<u>Distilled Spirits</u>	<u>Total Assessed Value</u>
2020-21	\$5,797,471,887	\$259,276,546	\$80,867,916,165
2019-20	5,720,667,808	283,410,346	79,417,519,425
2018-19	5,478,733,432	270,677,922	75,886,222,263
2017-18	5,272,908,093	270,677,922	74,466,327,664
2016-17	5,109,701,374	291,093,494	70,548,621,144

Source: Jefferson County School District

(1) Amounts are net of the Homestead Exemption. See "CERTAIN LIMITATIONS ON TAXATION AND OTHER TAX MATTERS" for more detail. See "Amount of Homestead Exemption" within this section for amount of the District homestead exemption and for the current amount of the individual exemption.

History of Assessment Rates

The following presents the assessment rates for the last five fiscal years for property subject to taxation by the Board.

**Tax Rates
(cents per \$100 Assessed Valuation)**

General Purpose School Tax

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
Real Estate	74.9	68.0	66.9¢	64.8¢	65.2¢
Tangible	74.9	68.0	66.9	64.8	65.4
Motor Vehicle	53.5	53.5	53.5	53.5	53.5
Public Service - Real	74.9	68.0	66.9	64.8	65.2
Public Service - Tangible	74.9	68.0	66.9	64.8	65.4
Distilled Spirits	74.9	68.0	66.9	64.8	65.4
Occupational License Fee	¾%	¾%	¾%	¾%	¾%

Building Fund Tax

	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
Real Estate	5.7	5.6¢	5.6¢	5.6¢	5.6¢
Tangible	5.7	5.6	5.6	5.6	5.6
Motor Vehicle	5.0	5.0	5.0	5.0	5.0
Public Service – Real	5.7	5.6	5.6	5.6	5.6
Public Service – Tangible	5.7	5.6	5.6	5.6	5.6
Distilled Spirits	5.7	5.6	5.6	5.6	5.6

Note: See “REVENUE SOURCES WITHIN THE JEFFERSON COUNTY SCHOOL DISTRICT—Ad Valorem School Tax” regarding a pending taxpayer challenge to the rates levied for 2020-2021.

Amount of Homestead Exemption

In fiscal year 2020-21 approximately \$68,796,000 of property was exempted from property taxes in the District. The local general property tax rate on non-exempt property has been adjusted to recover tax revenues equivalent to the revenues lost through application of the homestead exemption.

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School Tax Collections

The following represents Property Taxes levied and collected in the District for the last five years.

<u>Fiscal Year</u>	<u>Amount Levied</u>	<u>Amount Collected</u>	<u>Percent Collected</u>
2020	\$543,290,378	\$515,985,211	95.0%
2019	516,657,825	492,751,403	95.4%
2018	495,210,128	468,396,336	94.6%
2017	464,203,005	443,500,395	95.5%
2016	447,424,580	425,810,369	95.2%

Source: Jefferson County Sheriff's Office, Audits and Jefferson County Board of Education.

Largest Taxpayers

The following were the largest school property taxpayers within the District for fiscal year 2019-2020, the latest year for which such information is available.

<u>Company</u>	<u>School Tax Paid</u>
Louisville Gas & Electric	\$12,391,757
Humana	2,094,564
AT&T	2,021,290
Insight Communications	1,696,056
Schneider Ground Co.	1,585,336
BT Property	1,444,283
Walmart	1,418,139
Bell South	1,291,740
UPS	1,218,076
Brown Forman	<u>966,755</u>
	\$26,127,996

Source: Jefferson County Sheriff's Office

APPENDIX B

**GENERAL INFORMATION FOR LOUISVILLE/JEFFERSON COUNTY METRO
GOVERNMENT**

LOUISVILLE/JEFFERSON COUNTY, KENTUCKY

The combined area of the former City of Louisville and Jefferson County (“Louisville Metro”) is located in the north-central portion of Kentucky on the south bank of the Ohio River. It is located in the geographic center of the Ohio River Valley region at a focal point where railroads, highways and the Ohio River converge, offering excellent accessibility to all major markets and is close to the population center of the United States. Louisville Metro, the largest city in the state, is a commercial, industrial, medical, educational, cultural and financial center for the greater metropolitan area. *Places Rated Almanac* has consistently ranked Louisville among the ten most livable American Cities. The 2019 census of population for Jefferson County was 766,757 people. Louisville Metro covers a land area of approximately 385 square miles.

The total number of Jefferson County residents employed as of June 2020 averaged 411,188. Estimations of employment in Louisville/Jefferson County as of June 2020, manufacturing firms in the county reported 48,515 employees; trade, transportation and utilities provided 95,990 jobs; 156,512 people were employed in service occupations; financial, real estate, insurance and information positions accounted for 50,597 employees; 41,740 accounted for government employees; and agriculture, mining and construction firms provided 17,831 jobs. (Source: <https://kystats.ky.gov/KYLMI>)

Ten Largest Private Sector Employers

Company	Employment
United Parcel Service Inc.	23,533
Ford Motor Co.	13,042
Norton Healthcare Inc.	12,579
Humana Inc.	12,000
The Kroger Co.	9,235
Baptist Healthcare System, Inc.	8,143
Walmart, Inc.	6,650
GE Appliances, a Haier company	6,000
Amazon.com LLC	5,700
Spectrum	2,330
Source: <i>Louisville Business First</i> (7/19/2019)	

**Louisville/Jefferson County Economic Statistics
2016-2020**

<u>Year</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2020 ⁽¹⁾	366,061	31,243	7.9%
2019	387,292	16,159	4.0
2018	384,318	16,269	4.1
2017	372,547	18,500	4.7
2016	363,746	16,621	4.4

(1) As of October 2020

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APPENDIX C

**OUTSTANDING BONDED INDEBTEDNESS OF THE DISTRICT
AND DEBT SERVICE REQUIREMENTS OF THE SERIES 2021A BONDS**

**Jefferson County, Kentucky
School District Finance Corporation
School Building Revenue Bonds, Series 2021A**

ESTIMATED ANNUAL DISTRICT DEBT SERVICE REQUIREMENTS

Fiscal Year - Ended June 30	Existing Debt Service	Series 2021A			New Debt Service
		Est. Principal	Est. Interest	Est. Total P+I	
2021	\$42,641,244.00	-	-	-	\$42,641,244.00
2022	40,105,082.00	\$141,960.00	\$703,744.25	\$845,704.25	40,950,786.25
2023	35,174,256.00	743,774.00	700,577.78	1,444,351.78	36,618,607.78
2024	35,173,976.00	787,713.00	663,389.08	1,451,102.08	36,625,078.08
2025	35,170,717.00	820,599.00	624,003.44	1,444,602.44	36,615,319.44
2026	35,168,452.00	862,379.00	582,973.48	1,445,352.48	36,613,804.48
2027	35,171,419.00	902,998.00	539,854.54	1,442,852.54	36,614,271.54
2028	32,896,474.00	1,082,397.00	494,704.64	1,577,101.64	34,473,575.64
2029	32,898,038.00	1,130,517.00	440,584.78	1,571,101.78	34,469,139.78
2030	32,897,404.00	1,151,970.00	413,452.38	1,565,422.38	34,462,826.38
2031	26,248,408.00	2,325,409.00	390,412.98	2,715,821.98	28,964,229.98
2032	26,243,915.00	2,373,617.00	343,904.80	2,717,521.80	28,961,436.80
2033	26,245,318.00	2,431,590.00	296,432.46	2,728,022.46	28,973,340.46
2034	26,246,889.00	2,469,015.00	246,584.86	2,715,599.86	28,962,488.86
2035	11,248,736.00	1,760,243.00	192,266.54	1,952,509.54	13,201,245.54
2036	10,748,258.00	1,791,168.00	153,541.18	1,944,709.18	12,692,967.18
2037	8,998,289.00	1,821,130.00	112,344.32	1,933,474.32	10,931,763.32
2038	1,288,331.00	1,375,077.00	68,637.20	1,443,714.20	2,732,045.20
2039	1,288,449.00	1,408,639.00	35,635.36	1,444,274.36	2,732,723.36
2040	-	21,456.00	1,123.70	22,579.70	22,579.70
2041	-	23,492.00	587.30	24,079.30	24,079.30
	\$495,853,655.00	\$25,425,143.00	\$7,004,755.07	\$32,429,898.07	\$528,283,553.07

Note: Existing Debt Service assumes the District receives the full rebate on the outstanding Series 2010C and 2011A Bonds.

Jefferson County (Kentucky) School District Finance Corporation
Bond Indebtedness Outstanding of the District Estimated as of January 1, 2021

<u>DATED</u>	<u>NUMBER</u>	<u>ORIGINAL AMOUNT OF ISSUE</u>	<u>BONDS (1) RETIRED AS OF 01/01/21</u>	<u>BONDS (2) DEFEASED AS OF 01/01/21</u>	<u>NET BONDS OUTSTANDING AS OF 01/01/21</u>
06/28/2002	2002A	\$ 35,095,000	\$ 30,940,000	\$ -	\$ 4,155,000
12/23/2008	2008B (3)	5,200,000	-	4,457,143	742,857
09/01/2010	2010B	16,170,000	8,115,000	-	8,055,000
11/01/2010	2010C (3)	27,483,000	-	14,464,737	13,018,263
06/07/2011	2011A (3)	30,352,000	-	18,211,200	12,140,800
03/15/2012	2012A	13,850,000	4,745,000	-	9,105,000
03/15/2012	2012B	20,510,000	14,095,000	-	6,415,000
10/18/2012	2012C	18,730,000	11,195,000	-	7,535,000
10/18/2012	2012D	27,235,000	3,100,000	-	24,135,000
01/30/2013	2013A	22,860,000	5,390,000	-	17,470,000
01/30/2013	2013B	35,550,000	11,895,000	-	23,655,000
12/05/2013	2013C	33,005,000	5,190,000	-	27,815,000
05/22/2014	2014A	42,890,000	2,325,000	-	40,565,000
04/02/2015	2015A	16,465,000	2,800,000	-	13,665,000
04/02/2015	2015B	36,285,000	6,840,000	-	29,445,000
12/30/2015	2015C	15,160,000	1,555,000	-	13,605,000
07/06/2016	2016A	39,855,000	4,155,000	-	35,700,000
09/07/2016	2016B	7,120,000	2,240,000	-	4,880,000
06/12/2017	2017A	31,270,000	1,350,000	-	29,920,000
10/18/2018	2018A	29,625,000	985,000	-	28,640,000
06/19/2019	2019A	54,860,000	1,175,000	-	53,685,000
06/10/2020	2020A	57,795,000	-	-	57,795,000
TOTAL		\$ 617,365,000	\$ 118,090,000	\$ 37,133,080	\$ 462,141,920
LESS PAYABLE FROM OTHER SOURCES (COMMISSION)		107,781,654	32,043,441	-	75,738,213
NET PRINCIPAL PAYABLE BY BOARD FOR LEASE PAYMENTS		\$ 509,583,346	\$ 86,046,559	\$ 37,133,080	\$ 386,403,707

Source: Jefferson County School District, the Kentucky School Facilities Construction Commission and the Fiscal Agent

Notes (1) Includes Payments due January 1, 2021.

(2) Bonds that have been economically defeased through the establishment of an escrow of government securities, the receipts of which are sufficient to retire the principal, premium, if any, and the interest thereon, on the amounts listed above until their respective maturity dates. Such Bonds have generally not been legally defeased under the formal terms of the bond documents.

(3) Economically defeased by annual deposits into invested sinking fund.

APPENDIX D

**COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR FISCAL YEAR
ENDED JUNE 30, 2020**

Comprehensive Annual Financial Report

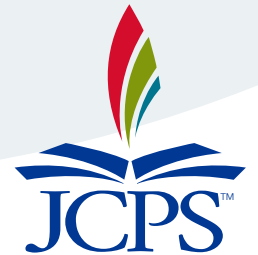
Board of Education of Jefferson County, Kentucky

For the year ended June 30, 2020



Prepared by:

Department of Financial Services
Marty Pollio, Ed.D., Superintendent
J. Cordelia Hardin, Chief Financial Officer/Treasurer



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JEFFERSON COUNTY PUBLIC SCHOOLS
 Board of Education of Jefferson County, Kentucky
 For the Fiscal Year Ended June 30, 2020

Table of Contents

Introductory Section

Letter of Transmittal iv
Letter from Diane Porter, Chairwoman, Board of Education of Jefferson County, Kentucky xiv
Board of Education xv
Government Finance Officers Association Award for Excellence xvi
Organizational Chart xvii

Financial Section

Report of Independent Auditors 1
Management’s Discussion and Analysis 4

Financial Statements:

District-wide Financial Statements

Statement of Net Position 14
 Statement of Activities 15

Fund Financial Statements

Governmental Funds

Balance Sheet 16
 Statement of Revenues, Expenditures, and Changes in Fund Balances 17

Proprietary Funds

Statement of Net Position 19
 Statement of Revenues, Expenses, and Changes in Net Position 20
 Statement of Cash Flows 21

Continued



Table of Contents--Continued

**Jefferson County Public Education Foundation, a Major Component Unit of
the Board of Education of Jefferson County, Kentucky**

Statement of Net Assets	23
Statement of Revenues, Expenses, and Changes in Net Assets	23
Notes to Financial Statements – Integral to the Basic Financial Statements	24
Required Supplementary Information	
Schedule of Revenues and Expenditures – Budget and Actual General Fund	64
Schedule of Revenues and Expenditures – Budget and Actual Special Revenue Fund	65
Schedule of the District’s Proportionate Share of the Net Pension Liability – County Employees Retirement System	67
Schedule of the District’s Proportionate Share of the Net Pension Liability – Kentucky Teachers Retirement System	68
Schedule of the District’s Proportionate Share of the Net OPEB Liability – County Employees Retirement System	69
Schedule of the District’s Proportionate Share of the Net OPEB Liability – Kentucky Teachers Retirement System – Medical Insurance	70
Schedule of the District’s Proportionate Share of the Net OPEB Liability – Kentucky Teachers Retirement System – Life Insurance	71
Schedule of District Contributions – Pension: County Employees Retirement System	72
Schedule of District Contributions – Pension: Kentucky Teachers Retirement System	73
Schedule of District Contributions – OPEB: County Employees Retirement System	74
Schedule of District Contributions – OPEB: Kentucky Teachers Retirement System – Medical Insurance	75
Schedule of District Contributions – OPEB: Kentucky Teachers Retirement System – Life Insurance	76
Other Supplementary Information	
Schedule of Revenues and Expenditures – Budget and Actual Construction Fund	77
Schedule of Revenues and Expenditures – Budget and Actual School Food Service Fund	77
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Funds SEEK Capital Outlay Fund	78
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Funds Building Tax Fund	78
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Debt Service Fund	79
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Daycare Operations Fund	79
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Adult Education Fund	80
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Tuition Preschool Fund	80
Schedule of Revenues and Expenditures – Budget and Actual-Nonmajor Enterprise Programs	81
Combining Balance Sheet – Nonmajor Governmental Funds	82

Continued



Table of Contents--Continued

Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	83
Combining Statement of Net Position – Nonmajor Proprietary Funds	84
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Proprietary Funds	85
Combining Statement of Cash Flows – Nonmajor Proprietary Funds	86

Statistical Section

<i>Statement of Net Position—Total Primary Government</i>	87
<i>Statement of Activities—Governmental Activities</i>	89
<i>Statement of Activities—Business-Type Activities</i>	93
<i>Statement of Activities—Total Primary Government</i>	95
<i>Balance Sheets—Governmental Funds</i>	99
<i>Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds</i>	101
<i>General Government Expenses by Function</i>	105
<i>General Government Revenues by Type</i>	106
<i>Property Tax Rates</i>	111
<i>Real Estate and Personal Property Tax Revenues</i>	110
<i>Property Tax Assessments</i>	109
<i>Property Taxes, as Assessed</i>	110
<i>Principal Real Estate Taxpayers</i>	111
<i>Overlapping Tax Rates</i>	112
<i>Principal Employers by Number of Employees</i>	115
<i>Occupational Tax Revenues</i>	116
<i>Total Bonded Debt by Responsible Party</i>	117
<i>Detail of Bonds by Responsible Party</i>	118
<i>Overlapping/Direct Debt and Bond Analysis Ratios</i>	119
<i>Ratios of Debt Outstanding</i>	120
<i>Jefferson County Demographics</i>	121
<i>Economic Statistics</i>	122
<i>Number of Employees by Functional Duties</i>	123
<i>Enrollment by Level</i>	124
<i>School Building Capacity Data</i>	125
<i>Miscellaneous Statistics</i>	137

Introductory

- Letter of Transmittal
- Current Initiatives
- Evidence of Success
- Board Member Data
- Organizational Chart





Letter of Transmittal

November 10, 2020

The Board of Education of Jefferson County, Kentucky Jefferson County Public School District Louisville, Kentucky

We hereby submit the Comprehensive Annual Financial Report (“CAFR”) for Jefferson County Public Schools (the “District” or “JCPS”), a K-12 public school system, for the year ended June 30, 2020. The completeness, accuracy, and clarity of these financial statements and data herein are the responsibility of the District’s Chief Financial Officer.

This CAFR is presented in three distinct sections: Introductory, Financial, and Statistical. The Introductory Section includes this letter of transmittal, a list of our Board Members and an organizational chart. The reader may use this information to understand the District and our financial condition. Accordingly, we will discuss the Jefferson County economy and tax base, a brief history of the District and education in Kentucky, and our major accomplishments.

The Financial Section contains the general purpose financial statements. Annual audits are required legally by Kentucky Revised Statute 156.265. These statements were audited by Dean Dorton Allen Ford, PLLC, an independent Certified Public Accounting firm. Their opinion is included on page 1 of the financial section. We would like to direct the reader to Management’s Discussion and Analysis on pages 4 – 13 of the financial section. This provides an introduction to the financial statements and some financial highlights.

The Statistical Section presents numerous unaudited tables designed to present more detail and trends apparent within the District and Jefferson County.

The report has been prepared by the Finance Department following the requirements and guidelines prescribed by the Governmental Accounting Standards Board and recommended by the Government Financial Officers Association. We believe the data presented is accurate in all material respects and that it is presented in a manner designed to fairly reflect the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain the maximum understanding of the District’s financial activity have been included.



Personalized and engaging learning experiences

Economic Outlook

As discussed further on page 13 of the Management’s Discussion and Analysis in the Financial Section, Jefferson County has a diverse and strong economy but is affected by national social, health and economic trends. The District receives its revenue largely from two sources related to the economy: locally-assessed real estate and property taxes, and locally-assessed occupational taxes. Additionally, the District receives state revenues derived from state income taxes, sales taxes and other taxes, but



these state revenues are subject to many non-economic factors, such as political considerations and an allocation formula based on local revenue, student attendance, and transportation expenses. Beyond these sources, we also receive grant and general revenues from federal, state, local government, and private sources that are either unqualified gifts or grants based on non-tax determinants.

Real estate and personal property, other than automobile, taxes are assessed by the Property Valuation Administrator (PVA) annually, and the value is set as of January 1. After taxpayers are afforded a period to dispute the assessment, bills are prepared by the Jefferson County Sheriff and sent to the taxpayers on November 1. Real estate taxes, the largest in this total, typically show an increase in both assessments and tax rate. With growth in parts of Jefferson County and typical housing appreciation, local real estate taxes are becoming a greater percent of our revenues each year as their growth outpaces other revenues. Motor vehicle taxes are assessed as of January 1 of each year. The PVA office uses standardized guides, provided by the Department of Revenue, to determine the value of a vehicle or boat. For years, the District has levied the statutory maximum motor vehicle tax rate, and increases are derived from assessment increases alone. See the Statistical Section for more details and trend analyses on these taxes.

Locally assessed occupational taxes are levied upon Jefferson County residents who work within Jefferson County at a rate of .75% of salary. This tax tends to be an accurate barometer of the local workforce, and, in some ways, the strength of the local economy. In reviewing past years' revenues, the reader may notice the correlation between occupational tax revenues and the greater United States economy.

State revenues are based on a variety of state taxes and are allocated to the District based on a variety of factors. First, the Commonwealth of Kentucky is inherently a political entity, and the budget is allocated accordingly. Education continues to be a priority of the current government leaders, though funding levels lag behind many adjacent states. Funds are allocated to the various Kentucky school districts by a statutory formula introduced in the Kentucky Educational Reform Act, which is discussed later in this section.

Jefferson County has a long history as a central transportation hub, which fostered a manufacturing center for durable goods, including appliances, cars and trucks. In recent decades, the economy has diversified and is now the home of three *Fortune* 500 companies, including Yum! Brands, which includes KFC, Taco Bell, and Pizza Hut, Kindred Healthcare, and Humana Inc. Additionally, headquartered in Louisville is Brown-Forman, makers of numerous beverages such as Jack Daniels Tennessee Whiskey. Louisville is also home to Churchill Downs, United Parcel Service's ("UPS") Worldport Facility, employing over 20,000, two Ford plants, and General Electric's Appliance Park.

Overall, the Jefferson County economy has felt the effects of the world-wide pandemic and national social unrest. The varied and balanced local economy allows stability during turbulent economic times.

Total Population

2015	763,509
2016	765,352
2017	771,158
2018	770,517
2019	776,757

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

Although long-ranging challenges exist, the District's current finances are strong as well. We aspire to achieve great things in public education. To do this, we must set high goals and be strict stewards of the public funds we have. We believe in budgeting conservatively, which allows us to make continual improvements even during sluggish economies.

In order to achieve far-reaching goals, we must maintain far-reaching funding plans. At any time, we forecast instructional needs and financial trends five years into the future. Additionally, we survey the facility needs of our entire district over the next four years. Each project is prioritized by a committee, and only the top priority projects are funded.

As described further in Notes F and H, the District is challenged by pervasively underfunded or underperforming pension plans in which our



employees participate in as well as the related pension-provided other post-employment benefits. Although the District has made all required contributions at actuarially-determined rates, failure to do so by the Kentucky legislature and subpar investing performance has created a financial contingency to both the District and the state. This creates a significant level of financial uncertainty that may necessitate drastic corrections in future budget periods.

The current initiatives discussed on page xi of this Introductory Section are major undertakings that may require dedication over many years. As a practice, we pair our recurrent revenue budget with our recurrent expense budget to eliminate liquidity concerns. In addition, all planning is done in concert with our research team to ensure that funds are allocated to programs that get results.



Prepared, empowered, and inspired!

We also place great emphasis on internal controls. School districts have inherent weaknesses in financial structure, with funds being collected at numerous locations and where optimal segregation of duties is not always practical. However, because the cost of internal control should not exceed the anticipated benefits, the objective of these controls is to provide

reasonable, rather than absolute, assurance that District assets are protected and that our financial statements are free of material misstatement. To offset our inherent risks, the District is committed to strengthening its controls at the central office level, where 99% of revenues are received, and reviewing satellite offices and schools regularly. Central office uses positive pay for its disbursements and staff review bank information daily. Audits are performed using an enterprise-wide risk assessment. We maintain an anonymous fraud hotline to safeguard our assets. Currently, we are tightening segregation of duties and internal controls at satellite offices.

Our Ethics Guidelines further solidify the District's commitment to always act in the highest ethical manner to preserve the public trust. These guidelines reflect our commitment to creating the Future State of the District and our core values especially relating to respect, diversity, and stewardship.

History of Public Education in Jefferson County

On April 24, 1829, the City of Louisville established the first public schools for children under sixteen years of age and constructed the first school the following year. Although Louisville's charter specified that education would be free, a tuition of \$1 for primary grades and \$1.50 for other grades was assessed. By 1838, the City of Louisville had a full-service school system. Also in 1838, the remaining areas of Jefferson County outside of the City of Louisville incorporated the Common Schools of Jefferson County school district.

In 1870, Louisville Public Schools established its first two schools for African American students, bringing its enrollment up to 13,502. By this time, the Common Schools of Jefferson County operated 68 schools, including 10 for African Americans. Both districts continued to grow consistently over the decades.

In 1956, all public schools in Louisville and Jefferson County were desegregated at a time when the Louisville Public Schools were 26% African American and the Jefferson County Schools were 4% African



American. By court order on April 1, 1975, the Louisville Public Schools and the Jefferson County Public Schools merged into the present Jefferson County Public Schools district in order to address the racial disparity.

At that time, it was determined that all schools in the new district must maintain racial diversity with the minority population between 15% and 50%. In June 2007, the United States Supreme Court held that some aspects of our student assignment plan did not satisfy the Court’s “narrow tailoring” requirement. In May 2008, the District unanimously approved a revised student assignment plan which became effective for the 2009-2010 school year. The new plan uses socio-economic factors including educational attainment, household income, and race averages of a student’s geographic region as factors when assigning students to schools other than their home school.

The Kentucky Education Reform Act (“KERA”) of 1990 formed the basis for massive change to the state’s educational system. One of the most comprehensive, statewide restructuring efforts ever attempted in the United States, KERA changed the formula by which Kentucky school districts receive state funding in an effort to achieve equity and educational adequacy regardless of each district’s local economic base. KERA created a Site-Based Decision-Making Council system. Each school would have such a council consisting of parents, teachers, and administrators of the school, who would oversee the financial and instructional decisions of the school and hire the Principal. KERA also established a state-wide accountability system that continues to evolve to meet student needs.

Through the resulting emphasis on data-driven educational accountability, Kentucky has gained a reputation as a cutting edge educational system focusing on accountability. The District, as well, has many years of assessment data. We continuously review our curriculum and initiatives to ensure Jefferson County children are being educated to the height of their ability.



Instruction that inspires!

Jefferson County Public School District Today

The current District is very different than our beginnings. We continue to strive for excellence in our educational and financial operations. As much as the world has changed, so too has District.

Financially, we adjust conservatively to confront economic challenges, and still have sufficient fund balances to continue our plans for the future. We have a policy of reviewing vacancies, especially central office vacancies, to continuously strive for efficiency. We have reviewed many of our purchasing and distribution systems and made efficiency improvements including moving many of our revenue collections to online card payment systems. Our aim is to efficiently and completely support those who provide services to our students.

Due to COVID-19 remote learning, official verified student enrollment numbers were not published for fiscal year 2019-2020. For fiscal year 2018-2019, we had 97,856 students:



High	28,358
Middle	21,233
Elementary	35,763
Kindergarten	7,183
Preschool	2,899
Special Schools	2,420

For the 2019-20 school year, we have 169 schools and learning centers:

High	18
Middle	22
Elementary	90
Multi-Level	3
Pre-K Centers	5
Special	18
State Agency	13

We project that our enrollment is stable, with our 2020-2021 forecast of approximately 98,000 students.

Our schools were founded based on the neighborhood schools concept. The majority of our schools are off the major thoroughfares back in neighborhoods, where traffic disruptions are minimized, and as many children can walk to school as possible. As Jefferson County has grown to its current size and complexity, the District has found the need to increase its educational and environmental offerings. While students have the opportunity to attend a school within their regional cluster and a regular school program, they have many additional choices of schools and programs to best fit their needs and wants.

School Choice: A core philosophy within the District is that parents should be allowed to choose the program and the school their child attends. We feel this allows students and their parents the opportunity to meet certain educational needs based on the individual child. Our schools are also able to differentiate themselves if the Site-Based Decision Making Council and the elected Jefferson County Board of Education approves the change. The district embraces many different schools and programs to meet students' diverse needs, interests, and learning styles.



All schools are resourced and equipped to support student needs

Regular Program: Most schools offer a regular curriculum in a typical school setting. This program is the choice of the majority of our parents and gives the Site-Based Decision Making Council much educational latitude.

Magnet and Optional Programs: The District believes that not all students have the same interests or learn in the same way. We offer choices that let elementary, middle, and high school students select a specialized learning environment or a program that focuses on a particular subject.

Magnet Schools and Programs include traditional schools, Montessori schools, magnet programs, and magnet career academies. Traditional schools require uniforms, daily homework, and parent involvement. They teach at grade level in a structured classroom environment. The Montessori approach to learning is designed to encourage critical thinking, exploration, and self-directed education. Magnet programs offer specialized foci incorporated into the curriculum, such as performing arts, math & science, technology, early college, or International Baccalaureate. Magnet career academies offer high school students programs that focus on training for a specific career. There are more than a dozen magnet career academies, and most of them offer multiple career programs. Many of our magnet career academies have received national recognition in their program area. Fifteen



of our high schools have Professional Career Theme Programs in such disciplines as Aerospace, Medicine, Engineering, Information Technology and the Environment.

Optional Program is a small, specialized program within a school, such as Creative Arts and Global Communications Optional Program.

Advance Program is for academically gifted students. It stimulates talented young people to stretch their abilities and requires schools to be creative in providing a range of educational opportunities that promote excellence for each child.



Adults model integrity, respect, creativity, and accountability

Alternative Schools:

Binet School: A center which provides successful learning experiences for those students with multiple disabilities who need a more structured and supportive environment.

Breckinridge Metro High: A high school whose students have been referred to the school by the office of student services, the department of juvenile justice and/or other state and county agencies because of code violations in the regular schools or are court ordered to attend.

Churchill Park School: This special school serves students with moderate to severe functional mental disabilities from ages five to twenty-one. While following state mandated core content, the program focuses on functional life skills, community-based instruction, and occupational work experience that will allow students to access and be successful in their immediate environment.

Jefferson County High School: An open-entry/open-exit program that provides an opportunity for students to obtain a high school diploma by attending classes on a flexible schedule. Paper-Pencil Curriculum: Students study a curriculum, which is individualized, self-paced and teacher-designed. Independent Study through Correspondence: Students are provided the opportunity to complete a traditional, textbook-based curriculum by correspondence from anywhere in the world. Online Curriculum: *JCPSeSchool* is an internet-based curriculum offered to students worldwide.

Minor Daniels Academy: Middle school and high school students with behavioral challenges may be assigned to Minor Daniels Academy. This school uses restorative pathways to create a supportive environment with the goal that students may return to their home schools.

The Phoenix School of Discovery: Established under the federal guidelines of No Child Left Behind, this school relies heavily on technology to prepare students in grades 6-12 to reach state proficiency levels.



Liberty High: A nontraditional, safety-net school that serves students who meet any of the following criteria:

- One year of high school with fewer than five credits
- One to four years in high school and have fewer than 14 credits
- Frequently absent from school
- Failed four or more classes
- At least 16 years old
- Prefer hands-on, collaborative learning
- Prefer a flexible daily/yearly schedule
- Desire a work-based educational component
- Have diverse learning preferences and whose talents are not being developed.

State Agency Schools: Thirteen unique residential and day treatment centers that work collaboratively with treatment partners to provide a therapeutic or rehabilitative school environment. Students are placed in the State Agency Children's Program through court commitment, psychiatric hospitalization, or identified need for long term treatment of emotional or behavioral problems.

Georgia Chaffee Teenage Parent Program: A school designed to prevent school dropout due to teen pregnancy and parenting for middle and high school students. This award-winning program includes home-school coordinators and regular classroom instruction with a hospital-quality nursery.

Waller-Williams Environmental: A special school for students with severe and profound emotional and/or behavioral disabilities. Serving K-8th grade in a highly structured environment, this school utilizes a behavior management system where students earn tokens for good behavior and may use these tokens to purchase items in the school store.

Youth Performing Arts School (YPAS): One of only 100 schools of its kind in the nation. YPAS offers courses in dance, theater acting, musical theater, vocal music, piano, concert band, concert orchestra, visual arts, design and

production. Students take their academic classes at an adjacent JCPS high school.

Adult Education: Total Adult Education enrollment in Adult Basic Education/General Education Development (GED) Program was 2,933 earning 96 GED Certificates.

- **GED, Basic Skills & Family Ed:** Free classes to prepare for the GED test and upgrade basic skills.
- **English as a Second Language:** Free classes for adults to improve communications skills.
- **Louisville Learns:** More than 250 online leisure-learning and career-enhancing classes.



A safe and welcoming learning community

Current Initiatives

The District is moving boldly toward a Future State of JCPS that has been re-envisioned through the bold leadership of Dr. Pollio and a daring Board of Education. This Future State focuses on new facilities that support the best educational environments and athletic facilities. Teachers in the Future State of JCPS will be exceptionally resourced and paid at levels that reflect their worth to our students, their educational and the future of our community. The Future State meets the individualized student needs and gives students one-to-one technology access, individualized student supports, and access to optional programs throughout Jefferson County as well as the right to stay at the school nearest their home if they prefer this educational environment. The Future State of JCPS will accomplish broad goals by focusing on three main pillars: Positive Culture & Climate, the Backpack of Success Skills, and the JCPS Racial Educational Equity Plan.



Adults model integrity, respect, and responsibility

Positive Climate and Culture: Empowered employees create confident students. The sense of trust that students need to excel in the classroom and in extracurricular activities must be honed with extraordinary care. In addition, students must have the individualized resources they require to be

at their best. This includes mental health, suicide prevention, and bullying prevention. To provide these resources and let each student achieve their individual best, we have added mental health practitioners into every school. All staff must come together to work with a passion for the students we are serving and focus on our mission and vision. This is the only way we can be confident in our success and convey that confidence to the parents entrusting us with their children.

Backpack of Success Skills: The Backpack of Success Skills was the first initiative of its kind where students will show how they have become effective communicators, emerging innovators, prepared and resilient learners, globally and culturally competent citizens and productive collaborators. At the end of key transition points in their education (5th, 8th and 12th grades), students will have the opportunity to defend what they've learned thus far in their educational journey using the evidence in their virtual backpack. This endeavor is a critical component of the district's Vision 2020, which includes a targeted focus on improving student literacy and increasing high school graduation rates. Engaging every student, every day, in meaningful learning is the goal. JCPS is excited to see the transformation occurring in our classrooms as more students are prepared, empowered and inspired to reach their fullest potential. This also has allowed us to adjust to non-traditional instruction required by the pandemic since our academic focus was already online.

JCPS Racial Educational Equity Plan: The District's Commitment to Racial Educational Equity policy was established to increase access for students of color, strengthen opportunities, and create a more diverse instructional staff in JCPS. This transformative policy is the first step toward building the academic programs and services that meet the needs of a diverse student population and eliminate achievement gaps. To create this organization-wide transformation, we are in our third year of a district-wide professional development initiative. Additionally, we have opened the W.E.B. Dubois Academy, a combined middle and high school for males of color that focuses on academic and behavioral excellence building confident students, and the Grace James Academy, beginning its first year as a middle school for females of color.

Evidence of Success

The District is seeing the results of its focus on Vision 2020. Outstanding performance within the District has been validated by several national, independent organizations and governmental agencies and by the performance of our outstanding students.

Our Schools:

- First place winner of the Kentucky Junior BETA Convention (Farmer Elementary)
- People' Choice Award recipient in the Follett Challenge (J. Graham Brown School)
- Barret Middle was named a Blue Ribbon school
- DuPont Manual High School was named a Blue Ribbon School
- 2019-2021 National PTA School of Excellence



Our Students:

- Thirty-eight JCPS students named National Merit Scholarship semifinalists

- An elementary robotics team won the National Junior Beta Competition
- A high school team won first place in the Virtual Aspen Challenge
- An elementary school's STLP team won the virtual state championship
- A middle school student holds titles in Silver Gloves, Western Qualifiers and Eastern Qualifiers and is overall national champion and ranked number one boxer in the country in her weight and age division
- Elected governors of both Kentucky Boys State and Girls State mock-government camps
- Second place winner at the Optimist Oratorical World Championship
- Third place in the national Lead4Change Student Leadership Program

Our Teachers & Staff Members:

- 2019 Kentucky Council for Social Studies Outstanding Social Studies Teacher of the Year
- Excellence in the Classroom & Educational Leadership (ExCEL) Award Winners
- 453 National Board Certified Teachers
- 2019 Kentucky High School Teacher of the Year award
- 2019 Yale Educator Award
- 2019 Nurse of the Year by the Kentucky Nurses Association
- The JCPS Executive Administrator of Financial Planning and Management was awarded the Pinnacle of Excellence Award from the Association of School Business Officials International
- A high school business and technology teacher was named the Kentucky Tennis Professional of the Year and the Southern Tennis Professional of the Year.
- A high school teacher was recognized for Outstanding Contribution by the ACTE Family and Consumer Sciences Division and received the Distinguished Service Award from the National Association of Teachers of Family and Consumer Sciences



- Recipient of a Lifetime Achievement Award from the Kentucky Library Association
- A high school engineering and technology teacher received the National Engineering and Technology Outstanding Instructor Award from ACTE's Engineering and Technology Education Division
- The JCPS Safe Crisis Management Team was recognized at the Kentucky Department of Education's Continuous Improvement Summit for being a model of best practice for the state
- Kentucky World Language Association presented three Outstanding Teacher of the Year Awards to JCPS teachers of Japanese, Latin, and German
- Nutrition Services Director of the Year for the state of Kentucky
- A high school softball team completed an undefeated 39-0 season, the school's first state championship, and national championship honors
- A high school teacher was presented the Presidential Award for Excellence in Mathematics and Science Teaching

Acknowledgements

We would like to thank all of the staff who assisted with closing of the District's financial records and preparing this report. In addition, we want to thank those at all levels of the District who do their part to provide relevant, comprehensive, quality instruction in person or through remote learning. We are inspired by the diligence of our student-focused educators at all levels of JCPS who are working tirelessly toward the Future State of JCPS.

Respectfully submitted,

A handwritten signature in black ink that reads "Dr. Marty Pollio".

Marty Pollio, Ed. D.
Superintendent

A handwritten signature in blue ink that reads "Cordelia Hardin".

Cordelia Hardin
Chief Financial Officer / Treasurer



November 10, 2020

To the Citizens of Jefferson County, Kentucky:

We, the Jefferson County Board of Education, are proud to serve as the collective voice and representation for the students, parents, staff, community members and taxpayers of Jefferson County. We are committed to providing clear direction to build the Future State of Jefferson County Public Schools (JCPS), and we firmly believe in setting high standards and using data-driven accountability measures to reach our goals.

To support our students at the level they deserve and require, the Board has said in one voice that it plans to make intentional investments in the future of our children. These investments must meet the critical elements needed for all JCPS students to fulfill their academic, creative and social potential. This vision of our Future State includes bold strides toward engaging, 21st century facilities; targeted resources for our highest-need schools; additional instructional time and continued focus on racial equity initiatives.

This Future State will stand on three pillars:

The Backpack of Success Skills, our first pillar, allows all JCPS students to develop key skills so they can be successful in all areas of influence: school, life and career. Students fill their virtual backpacks with school work and projects throughout their school years and present a defense of their learning accomplishments at the end of fifth, eighth and twelfth grades. This emphasis in online learning has been essential as we adjusted to remote learning due to the pandemic.

Our second pillar is school culture and climate. For students to perform at their best, they must be educated in an environment that not only delivers high-yield learning, but also provides them with individualized behavioral, social and emotional supports. To realize this goal, we have added mental health practitioners to all of our schools to address bullying and suicide prevention. In addition, we are ensuring that the curriculum stimulates student interest by investing in career and technical education through the

Academies of Louisville programs, which offer hands-on learning opportunities and real-world student apprenticeships.

The third pillar is our Racial Equity Plan. The Board's Racial Equity Policy commits to supporting educational excellence regardless of ethnicity, race, color, national origin, age, religion, marital or parental status, political affiliations or beliefs, gender, self-identification, gender identity or gender expression. The Board recognizes that multicultural education is a continuous development that is necessary to transform the educational process for our students. The plan includes a significant professional development investment and additional academic supports and extracurricular programs.

As part of this plan, the Board voted to open the Grace James Academy of Excellence for the 2020-2021 school year. This program focuses on academic rigor and a sense of belonging through an Afrocentric and gender specific STEAM curriculum, and follows the inspiring success of the W.E.B. Dubois Academy, our Males of Color Academy.

Within our governance responsibilities, we are ensuring that all budgetary decisions are directly linked to the Future State of all JCPS students to. There are great things in store for our students and the future of our remarkable community.

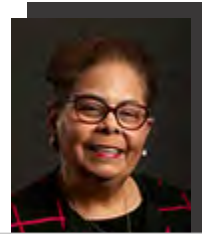
On behalf of the Jefferson County Board of Education, I am pleased to present this Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020.

Sincerely,

A handwritten signature in black ink that reads "Diane Porter". The signature is fluid and cursive, with the first name "Diane" being more prominent than the last name "Porter".

Diane Porter
Chair
Jefferson County Board of Education

Members of the Board of Education



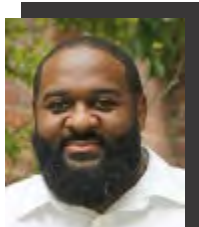
**Diane Porter,
Chairwoman,
District 1**



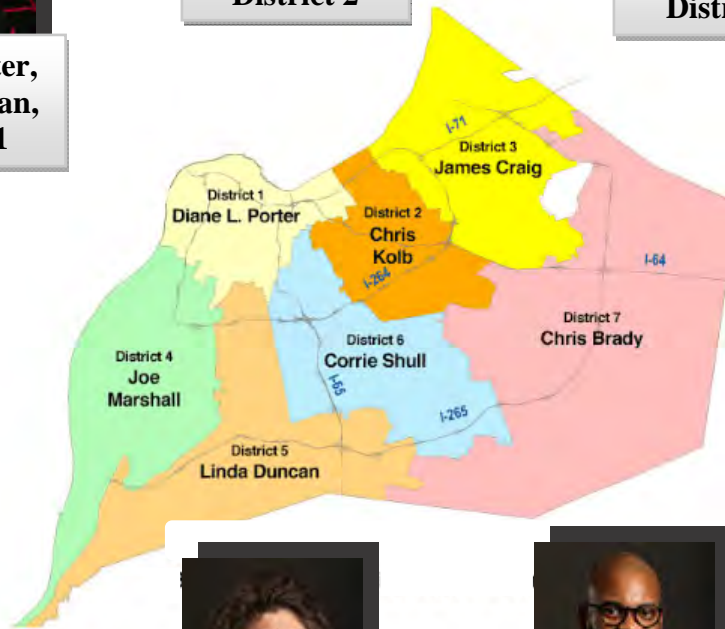
**Chris Kolb,
District 2**



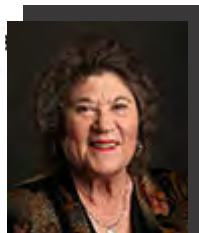
**James Craig,
District 3**



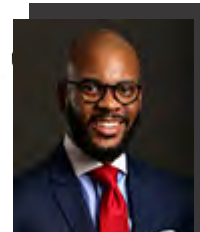
**Joe Marshall,
District 4**



**Chris Brady,
District 7**



**Linda Duncan,
District 5**



**Corrie Shull,
District 6**



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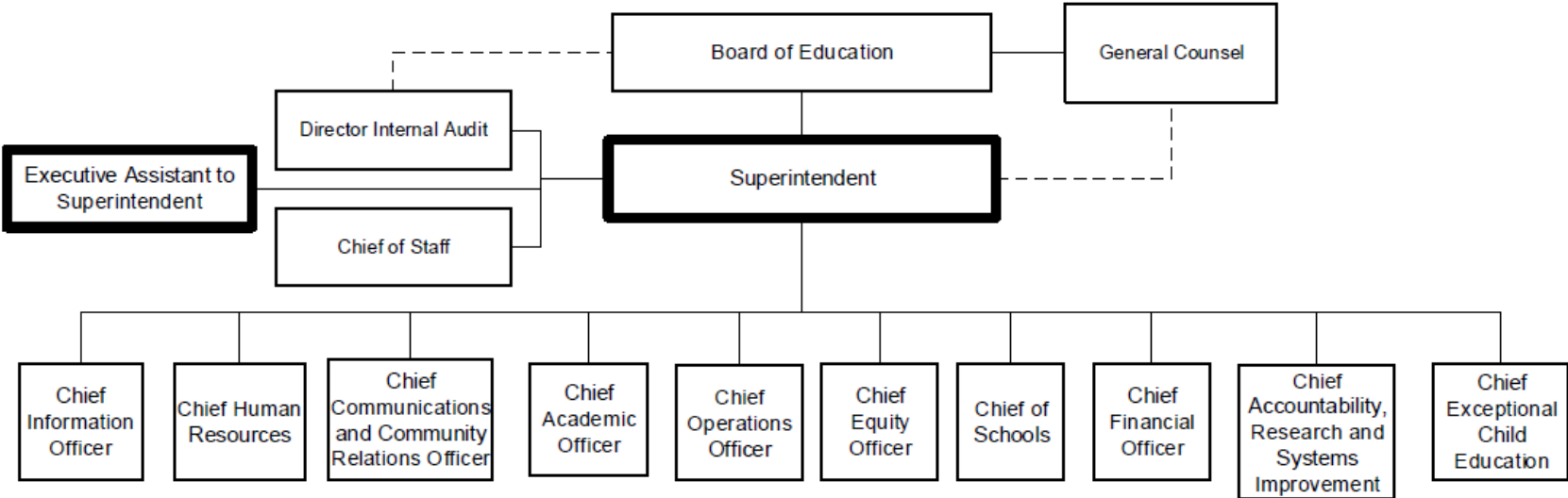
June 30, 2019

Christopher P. Morill

Executive Director/CEO

This Certificate of Achievement for Excellence in Financial Reporting, awarded by the Government Finance Officers Association, is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment of the District. The District has received this award each year from 2007 through the latest award period for the year ended June 30, 2019.

Organizational Chart



Financial Section

- Report of Independent Auditors
- Management Discussion & Analysis
- Financial Statements
- Footnotes



Report of Independent Auditors

Members of the Board
Board of Education of Jefferson County, Kentucky
Louisville, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Board of Education of Jefferson County, Kentucky (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jefferson County Public Education Foundation (the Foundation) a component unit of the District, which represents 100% of the assets, net assets and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audit 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 *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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the 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.

Emphasis of Matters

Adoption of New Accounting Standard

As discussed in Note O to the financial statements, effective July 1, 2019, the District adopted Governmental Accounting Standards Board Statement No. 84, "Fiduciary Funds". Adoption of this standard reclassified all agency funds as special revenue funds. Our opinions are not modified with respect to this matter.

Correction of Errors

As discussed in Note O to the financial statements, the District identified errors requiring correction, which resulted in a restatement of its net position as of July 1, 2019. The errors related to a change in the method of accounting for bond discounts and premiums and to recognize a deferred outflow for contributions made to the Kentucky Teachers Retirement System's Medical Insurance (OPEB) plan subsequent to the actuarial measurement date of that plan. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 to 13, Budgetary Comparisons on pages 64 to 66, and Pension and OPEB Information on pages 67 to 76 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 District's basic financial statements. The Introductory Section, Budgetary Comparisons on pages 77 to 81, Combining Nonmajor Fund Information on pages 82 to 86 and the Statistical Section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparisons on pages 77 to 81 and Combining Nonmajor Fund Information on pages 82 to 86 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.

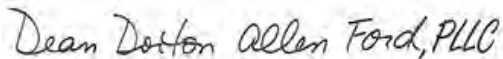
The Combining Nonmajor Fund Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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 Nonmajor Fund Information on pages 82 to 86 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We have applied certain limited procedures to the Budgetary Comparisons on pages 77 to 81 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.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the 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 District's internal control over financial reporting and compliance.



Louisville, Kentucky
November 10, 2020



Introduction

Our discussion and analysis of the Board of Education of Jefferson County, Kentucky (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this Management's Discussion and Analysis ("MD&A") is to look at the District's financial performance as a whole. It should be read in conjunction with the District's financial statements.

Financial Highlights

Serving nearly 100,000 students, the District is the largest in Kentucky and the 30th largest in the United States. We maintain 169 schools and education centers: 90 elementary, 22 middle, 18 high, 3 multi-level, 5 pre-K, 18 special, and 13 state agency schools. The financial position of the District remains strong and stable with an operating budget of \$1.7 billion.

The District maintains its focus on student achievement. Our students and teachers continue to win awards and reach new goals in numerous academic areas. The student-teacher ratio was 16 to 1. The student daily attendance rate was not calculated in the 2019-2020 school year due to the COVID-19 pandemic so the 2018-2019 rate was used.

	2019-20	2018-19	2017-18	Change	2019-20	2018-19	2017-18	Change	
College scholarships earned	\$101 million	\$168 million	\$187 million	17.3%	Number of teachers	6,895	6,896	6,864	0.0%
Students taking AP tests	5,418	6,643	6,804	-18.4%	Teachers with Master's Degree or higher	82%	83%	85%	-1.2%
Number of tests taken	8,848	10,949	11,245	-19.2%	National Board Certified Teachers	453	435	432	4.1%
AP scores earning college credit	57.4%	48.9%	47.3%	17.4%	Student daily attendance rate	93.2%	93.2%	93.2%	0.0%

On the District-wide financial statements, the net position of the District was (\$414.9) million, assets totaled \$1.2 billion, deferred outflows totaled \$209.0 million, liabilities totaled \$1.7 billion, and deferred inflows totaled \$149.4 million. The District's total net position decreased by \$18.4 million for the fiscal year ended June 30, 2020. The District's governmental funds financial statements reported combined ending fund balance of \$227.9 million. Of this total, \$22.6 million is unassigned in the general fund. However, due to economic uncertainty, along with the needs of specific instructional priorities, it is necessary to maintain adequate fund balance to support these initiatives.

Overview of the Financial Statements

The annual report contains:

- Management's Discussion and Analysis ("MD&A")
- District-wide financial statements and fund financial statements
- Notes to Financial Statements
- Other required supplementary information, including statements for nonmajor governmental and fiduciary funds

This annual report consists of a series of financial statements. The District-wide statements, the Statement of Net Position and the Statement of Activities, provide an overview of the District's finances. The fund financial statements and governmental activities statements tell how these services were financed in the short term, as well as, what remains for future spending. The fund financial statements also report the District's operations in more detail than the District-wide financial statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.



Reporting the District as a Whole

The Statement of Net Position and the Statement of Activities

Our analysis of the District as a whole begins with the District-wide financial statements. One of the most important questions raised about the District's finances is whether the District as a whole is better off or worse off as a result of the year's activities. The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector organizations. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. The District's net position, the difference between assets and liabilities, is one way to measure its financial health. Increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating.

To evaluate the District's overall health, review other non-financial factors, such as changes in the District's property tax base and the condition of the District's school buildings and other physical assets.

The District-wide financial statements are divided into two categories:

- **Governmental activities:** Most of the District's basic services are reported here, including instruction, student support services, instructional staff support services, administrative support services, school administrative support services, business support services, transportation, and plant operations and maintenance. Property taxes, occupational taxes, the Commonwealth's Support Education Excellence in Kentucky ("SEEK"), other Commonwealth support, and state and federal grants finance most of these activities.

- **Business-type activities:** School Food Services, Adult Education Lifelong Learning Courses, Tuition-based Pre-School, fee-based Day Care, and the Challenger Center Flight Simulator Enterprise Program are considered as business-type activities of the District. A fee is charged for these activities to assist the District in covering the cost of these services; therefore, they are classified as business-type activities.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds provides detailed information about the most significant funds—not the District as a whole. Some funds are required to be established by State law and bond covenants. However, other funds are established as needed to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (for example, grants received from the federal and state governments). The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

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.

Management's Discussion and Analysis

For the Year Ended June 30, 2020



Governmental funds: Most of the District's basic activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using accounting methods called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between the governmental activities (reported in the District-wide Statement of Net Position and Statement of Activities) and governmental funds in a reconciliation following the fund financial statements.

Proprietary funds: When the District charges students or parents for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the District-wide Statement of Net Position and Statement of Activities. In fact, the District's proprietary funds are the same as the business-type activities we reported in the District-wide financial statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The District as a Whole

The following is a summary of the District's net position:

	2020	2019 Restated	2020	2019 Restated	2020	2019 Restated	Total
Current and other assets	\$ 352,470,630	\$ 404,520,401	\$ 1,287,887	\$ 8,532,595	\$ 353,758,517	\$ 413,052,996	
Capital assets, net of depreciation, and construction in progress	815,561,887	725,390,294	18,766,848	19,426,763	834,328,735	744,817,057	
Total Assets	1,168,032,517	1,129,910,695	20,054,735	27,959,358	1,188,087,252	1,157,870,053	
Deferred Outflows	187,946,850	122,233,765	21,077,841	12,860,724	209,024,691	135,094,489	
Short-term liabilities	163,433,498	169,734,819	223,553	685,783	163,657,051	170,420,602	
Other liabilities	1,401,480,776	1,364,487,042	97,528,861	90,165,542	1,499,009,637	1,454,652,584	
Total Liabilities	1,564,914,274	1,534,221,861	97,752,414	90,851,325	1,662,666,688	1,625,073,186	
Deferred Inflows	134,289,232	58,551,149	15,091,298	5,853,869	149,380,530	64,405,018	
Net Position							
Net investment in capital assets	391,290,718	317,513,387	18,766,848	19,426,763	410,057,566	336,940,150	
Resicted	122,251,429	174,959,788			122,251,429	174,959,788	
Unresicted	(856,766,286)	(833,101,725)	(90,477,984)	(75,311,875)	(947,244,270)	(908,413,600)	
Total Net Position	\$ (343,224,139)	\$ (340,628,550)	\$ (71,711,136)	\$ (55,885,112)	\$ (414,935,275)	\$ (396,513,662)	

Management's Discussion and Analysis

For the Year Ended June 30, 2020

The following is a summary of the District's changes in net position:

	2020	2020	2020	2020	2020	2020
	2020	2020	2020	2020	2020	2020
	2020	2020	2020	2020	2020	2020
Revenues						
Program revenues	\$ 494,442	\$ 508,252	\$ 3,039,700	\$ 4,013,863	\$ 3,534,142	\$ 4,522,115
Charges for service						
Operating grants & contributions	87,494,202	83,432,587	56,531,963	63,395,302	144,026,165	146,827,889
Capital grants & contributions	10,257,913	10,982,285				
General revenues	712,967,178	702,496,727	712,404,151	668,577,689	712,967,178	702,496,727
Local taxes						
State sources	33,359,973	28,574,670	95,190	175,970	33,455,163	28,750,640
Other	1,513,151,397	1,538,398,672	59,666,853	67,585,135	1,562,560,337	1,595,001,522
Total Revenues	1,494,270,702	1,592,189,588	77,606,712	72,200,866	1,494,270,702	1,592,189,588
Expenses						
School operation & administration	1,512,689,612	1,608,296,317	78,550,251	72,785,162	1,591,239,863	1,681,081,479
School food services	18,418,910	16,106,729	943,539	584,296	18,418,910	16,106,729
Other business-type activities						
Interest on debt service	(3,057,374)	(3,067,836)	3,057,374	3,067,836		
Total Expenses	(3,057,374)	(3,067,836)	3,057,374	3,067,836	1,591,239,863	1,681,081,479
Transfers, Net	(2,595,589)	(72,965,481)	(15,826,024)	(2,132,191)	(28,679,526)	(86,079,957)
Change in Net Position	(343,224,139)	(340,628,550)	(71,711,136)	(55,885,112)	(414,935,275)	(396,513,662)
Net Position, End of Year	\$ (343,224,139)	\$ (340,628,550)	\$ (71,711,136)	\$ (55,885,112)	\$ (414,935,275)	\$ (396,513,662)

Governmental Activities

The revenues in the governmental funds decreased by \$25.2 million. Most of this decrease was due to other state revenues as their portion of postemployment employee benefits liabilities decreased compared to previous years, which consist mainly of employee health insurance and teachers' retirement system employer match that were paid on our behalf.



Management's Discussion and Analysis

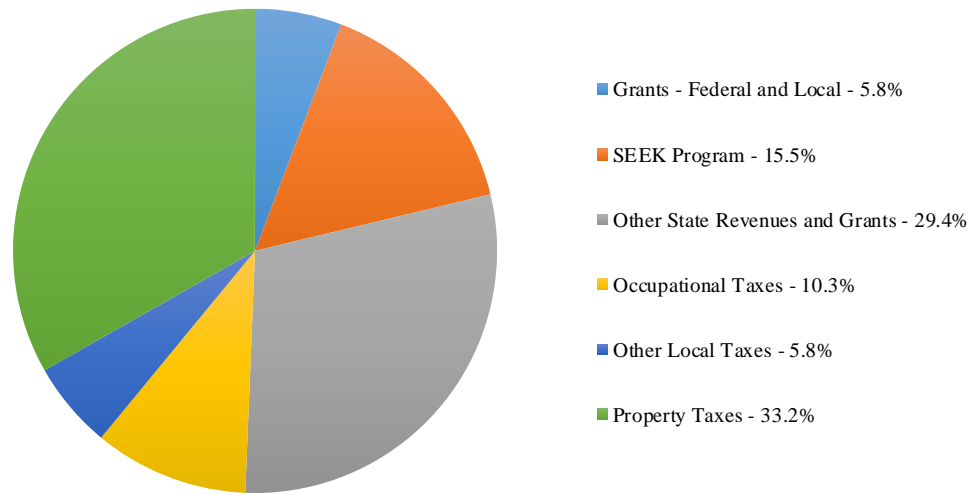
For the Year Ended June 30, 2020



The following schedule provides a comparison of the District-wide revenues for governmental activities for the current and previous years:

Revenues	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>% Change</u>
Local Sources:				
Property Taxes	\$ 502,604,410	\$ 480,070,360	\$ 22,534,050	4.7%
Occupational Taxes	156,348,315	165,754,818	(9,406,503)	-5.7%
Other Taxes	54,014,453	56,671,549	(2,657,096)	-4.7%
State Sources:				
SEEK Program	234,116,356	256,564,394	(22,448,038)	-8.7%
Other State Revenues and Grants	434,461,333	455,839,757	(21,378,424)	-4.7%
KSFCC allocation	10,257,913	10,982,285	(724,372)	-6.6%
Grants (federal and local)	87,494,202	83,432,587	4,061,615	4.9%
Interest	4,786,365	7,473,913	(2,687,548)	-36.0%
Other Sources	29,068,050	21,609,009	7,459,041	34.5%
Total Revenues	<u>\$1,513,151,397</u>	<u>\$1,538,398,672</u>	<u>\$ (25,247,275)</u>	<u>-1.6%</u>

Revenue Sources



Management's Discussion and Analysis

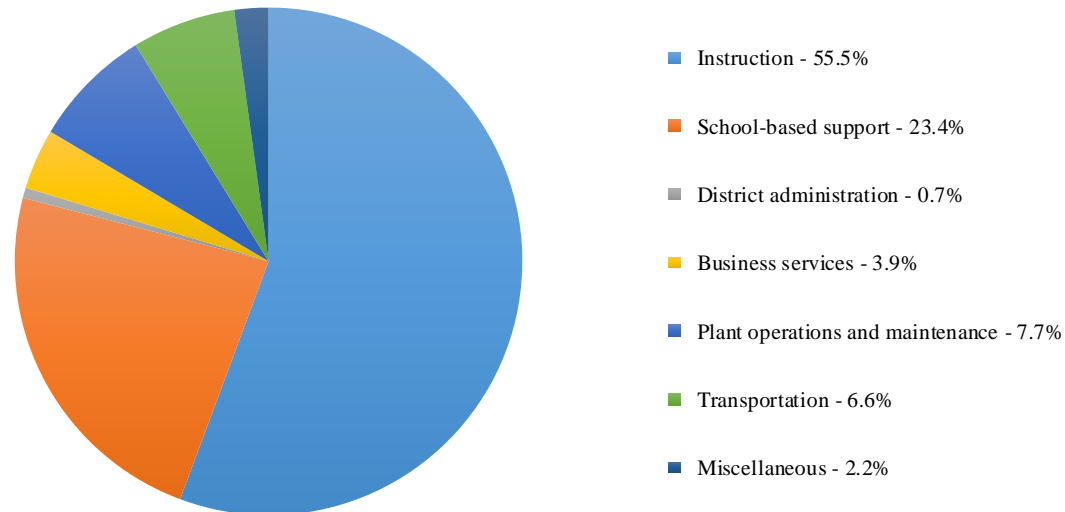
For the Year Ended June 30, 2020



The following schedule provides a comparison of the District-wide expenses for governmental activities:

Expenses	<u>2020</u>	<u>2019</u>	<u>Change</u>	<u>Change</u>
Instruction	\$ 842,004,783	\$ 864,509,475	\$ (22,504,692)	-2.6%
Student support services	77,156,556	69,122,283	8,034,273	11.6%
Instructional staff support services	158,415,899	184,473,830	(26,057,931)	-14.1%
District administrative support services	9,945,307	9,417,079	528,228	5.6%
School administrative support services	117,806,382	127,163,050	(9,356,668)	-7.4%
Business support services	58,354,230	65,847,780	(7,493,550)	-11.4%
Plant operations and maintenance	116,274,445	118,239,225	(1,964,780)	-1.7%
Transportation	99,810,412	124,412,708	(24,602,296)	-19.8%
Community services	14,013,430	28,399,457	(14,386,027)	-50.7%
Other instructional support services	20,340	64,987	(44,647)	-68.7%
Miscellaneous	468,918	539,714	(70,796)	-13.1%
Interest	18,418,910	16,106,729	2,312,181	14.4%
Total Expenditures	<u>\$ 1,512,689,612</u>	<u>\$ 1,608,296,317</u>	<u>\$ (95,606,705)</u>	<u>-5.9%</u>

Expense Categories



Management's Discussion and Analysis

For the Year Ended June 30, 2020



Business-type Activities

Net Position of the District's business-type activities decreased \$15.8 million. Most of this occurred due to accounting for other postemployment benefits as discussed further in Note H. School Food Service net position decreased \$16.0 million. Daycare Operations net position increased \$34 thousand and tuition preschool's net position increased \$178.8 thousand due to a change in their allocation percentage of the same postemployment benefits.

General Fund Budgetary Highlights and Future Budgetary Implications

The District's Draft Budget is presented to the members of the Board of Education by January 31 each year, followed by a Tentative (Original) Budget by May 30, and, once the members of the Board of Education approve tax rates in September, the Working (Final) Budget is submitted to the Kentucky Department of Education by September 30.

General Fund expenditures were \$112.8 million under budget. Approximately half of this amount was due to \$57.4 million of ending fund balance budgeted but not spent in the Contingency category. Other categories such as instruction and plant operations and maintenance came in less than budget due to staff temporary vacancies and conservative budgeting. Business support services was under budget due to COVID-19 related technology purchases that were still encumbered at fiscal year-end. As a whole, our General Fund decreased fund balance by \$37.1 million, much of which was due to adjusting to remote learning. As discussed further in the Local Economic Outlook section on page 13, the local economy is experiencing the effects of the world-wide slowdown due to the pandemic, but Jefferson County's diverse economy is well suited to overcome downturns.

For the Special Revenue Fund, the fund balance increased by \$1.7 million due to a delay in spending grants due to the switch to remote learning.

Our Construction Fund experienced a \$6.2 million increase during the year, as we sustained high levels of facilities funding necessary to deliver the best learning environment to our students. The Building Fund increased \$2.6 million during the year as funds were reserved for priority renovation projects in future years. On whole, our Construction Fund and Building Fund are well structured for future capital needs. We anticipate our revenue stream remaining stable for routine activities into the future.

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

Management's Discussion and Analysis

For the Year Ended June 30, 2020

Capital Assets and Debt Administration

Capital Assets

At the end of June 30, 2020, the District's investment in capital assets for its governmental and business-type activities was \$834.3 million, representing an increase of \$89.5 million (net of depreciation), as shown in the following tables:

	June 30, 2020	June 30, 2019	Percent Change
Governmental activities:			
Land	\$ 29,245,165	\$ 29,245,165	0.0%
Land improvements	45,823,996	44,330,825	3.4%
Buildings and improvements	1,389,312,056	1,303,932,636	6.5%
Technology	106,842,877	93,186,199	14.7%
Buses and vehicles	107,828,934	104,897,126	2.8%
Furniture, fixtures and other	66,407,902	63,255,127	5.0%
Construction in progress	55,038,746	25,900,633	112.5%
Total	1,800,499,676	1,664,747,711	8.2%
Less: accumulated depreciation	984,937,789	939,357,417	4.9%
Governmental assets net of depreciation	\$ 815,561,887	\$ 725,390,294	12.4%

During the 2019-20 year, capital assets increased greatly due to a District focus on new and improved school facilities. This affected both buildings and construction in progress. In addition, technology capital assets increased significantly as we switched to remote learning in addition to normal technology replacements.





	June 30, 2020	June 30, 2019	Percent Change
Business-type activities:			
Land	\$ 1,000,000	\$ 1,000,000	0.0%
Land improvements	4,745	4,745	0.0%
Buildings and improvements	17,030,604	17,030,604	0.0%
Technology	1,277,752	1,405,026	-9.1%
Buses and vehicles	2,050,052	2,114,920	-3.1%
Furniture, fixtures and other	31,033,252	30,015,521	3.4%
Total	52,396,405	51,570,816	1.6%
Less: accumulated depreciation	33,629,556	32,144,053	4.6%
Business-type assets net of depreciation	\$ 18,766,849	\$ 19,426,763	-3.4%
Total Capital Assets Governmental and Business-type activities	\$834,328,736	\$ 744,817,057	12.0%

The Local Planning Committee ("LPC") develops a long-range facility plan through evaluation of every building, identification of appropriate renovations, and analysis of demographic census to determine future growth needs. The LPC is comprised of JCPs staff representing school staff, SBDM (School-Based-Decision Making) councils, PTA (Parent Teacher Association), local building officials, and community members. The long-range facility plan details the unmet needs for the District for the next four years. The plan is submitted to the Local Board of Education, the Kentucky Department of Education, and the Kentucky Board of Education for approval. At June 30, 2020, the unmet needs for the District totaled an estimated cost of \$1.3 billion.

Funding for these needs is typically provided from the General Fund, Construction Fund or through Bond issues. Bond issues are paid with Building Funds (local 5-cent property tax), State Capital Outlay Funds at \$100 per student or the Kentucky State Facility Construction Commission ("KSFCC") funds. To ensure continued academic success for our students, we must provide a learning environment that is safe, functional, inviting and well-maintained.

Additional information on the District's capital assets can be found in Note D of this report. Information concerning bonds and long-term liabilities is in Note E of this report.

Debt Service Fund

At year-end, the District had approximately \$497.5 million in outstanding debt, compared to \$472.4 million last year. The District continues to maintain favorable debt ratings from Moody's and Standard & Poor's.

Management's Discussion and Analysis

For the Year Ended June 30, 2020



Local Economic Outlook

The Jefferson County economy has dropped due to COVID-19 and social unrest. The District experiences this most in our economy-driven revenues, such as a 5.7% decrease in occupational license taxes which are based on net profits and salaries paid within our jurisdiction. Interest revenues have decreased as the federal funds rate was cut in an effort to buoy the economy. Generally, the Commonwealth of Kentucky has protected public education from cuts. As the pandemic lingers on, we are planning for a sustained sluggish economy. Jefferson County property valuation assessments are used to calculate property taxes, our largest revenue source. These assessments have shown an increase of 2.1% for the 2020-2021 school year, which helps offset other revenue reductions.

Jefferson County's unadjusted unemployment rate was 5.2% as of June 2020, compared to 11.2% for the United States as a whole. The County's central location, extensive transportation network and quality of life are factors in this resiliency and in attracting and maintaining a healthy business community. Recently, Louisville Metro was named one of the best places to live in the U.S. by U.S. News and World Reports. Louisville has been called one of the best cities for remote workers by HighSpeedInternet.net and Finance Buzz, and cited as the 18th most socially conscientious city in the U.S. by fool.com. The city has been recognized for job opportunities for new college graduates by SmartAsset, as one of the best cities for jobs by Glassdoor, and as one of the best places to live in the U.S. by CNBC.

Overall, with a diverse economy and excellent quality of life, Jefferson County has the stability necessary to minimize the impact of the current and potential future economic downturns.

Contacting the Jefferson County Board of Education Management

This financial report is designed to provide a general overview of the finances of the Jefferson County Board of Education and to show management's accountability for these funds. If you have questions about this report or need additional information, contact the Chief Financial Officer/Treasurer of the Jefferson County Board of Education, P. O. Box 34020, Louisville, Kentucky 40232-4020.

Statement of Net Position

Board of Education of Jefferson County, Kentucky

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 247,814,159	\$ 786,453	\$ 248,600,612
Investments	61,719,986		61,719,986
Accounts receivable	32,124,286	2,570,550	34,694,836
Inventories	3,613,216	5,129,867	8,743,083
Internal balances	7,198,983	(7,198,983)	
Land and other nondepreciable assets	84,283,911	1,000,000	85,283,911
Capital assets, net of depreciation	731,277,976	17,766,848	749,044,824
Total Assets	<u>1,168,032,517</u>	<u>20,054,735</u>	<u>1,188,087,252</u>
Deferred Outflows of Resources			
Difference between actual and expected experience	12,265,173	1,378,348	13,643,521
Changes in assumptions	89,850,138	10,097,275	99,947,413
Difference between projected and actual earnings on plan investments	11,143,604	1,252,309	12,395,913
Change in proportionate share	17,159,617	1,928,383	19,088,000
Deferred pension and OPEB contributions after measurement date	57,141,659	6,421,526	63,563,185
Deferred savings from refunding bonds	386,659		386,659
Total Deferred Outflows	<u>187,946,850</u>	<u>21,077,841</u>	<u>209,024,691</u>
Liabilities			
Accrued liabilities	121,925,310	223,553	122,148,863
Accrued interest payable	3,713,050		3,713,050
Current maturities of			
worker's compensation claims	877,914		877,914
accrued vacation pay	1,225,928		1,225,928
accrued sick leave	566,638		566,638
school building revenue bonds	35,124,658		35,124,658
Long-term maturities of			
worker's compensation claims	25,322,374		25,322,374
accrued vacation pay	7,251,431		7,251,431
accrued sick leave	38,648,708		38,648,708
school building revenue bonds	462,402,094		462,402,094
net pension liability	480,365,792	53,983,057	534,348,849
net post-employment benefits liabilities	387,490,377	43,545,804	431,036,181
Total Liabilities	<u>1,564,914,274</u>	<u>97,752,414</u>	<u>1,662,666,688</u>
Deferred Inflows of Resources			
Difference between projected and actual earnings on plan investments	22,822,433	2,564,763	25,387,196
Change in proportionate share	8,562,540	962,250	9,524,790
Difference between actual and expected experience	102,677,013	11,538,746	114,215,759
Changes in assumptions	227,246	25,539	252,785
Total Deferred Inflows	<u>134,289,232</u>	<u>15,091,298</u>	<u>149,380,530</u>
Net Position			
Net investment in capital assets	391,290,718	18,766,848	410,057,566
Restricted for			
Capital projects and construction	110,629,630		110,629,630
Grants and Awards	11,621,799		11,621,799
Unrestricted (Deficit)	(856,766,286)	(90,477,984)	(947,244,270)
Total Net Position	<u>\$ (343,224,139)</u>	<u>\$ (71,711,136)</u>	<u>\$ (414,935,275)</u>

See Notes to Financial Statements

Statement of Activities

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2020

Functions/Programs	Total District-wide Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
Instruction	\$ 842,004,783	\$ 494,442	\$ 87,494,202		\$ (754,016,139)
Student support services	77,156,556				(77,156,556)
Instructional staff support services	158,415,899				(158,415,899)
District administrative support services	9,945,307				(9,945,307)
School administrative support services	117,806,382				(117,806,382)
Business support services	58,354,230				(58,354,230)
Plant operations and maintenance	116,274,445			\$ 10,257,913	(106,016,532)
Transportation	99,810,412				(99,810,412)
Community services	14,013,430				(14,013,430)
Other instructional support services	20,340				(20,340)
Other	468,918				(468,918)
Interest	18,418,910				(18,418,910)
Total governmental activities	1,512,689,612	494,442	87,494,202	10,257,913	(1,414,443,055)
Business-type activities					
School food services	77,606,712	2,325,026	56,240,098		(19,041,588)
Adult education	204,046	135,334	21,017		(47,695)
Enterprise Programs	157,228	51,853	2,870		(102,505)
Tuition-based pre-school	451,880	527,420	103,227		178,767
Day care operations	130,385	67	164,751		34,433
Total business-type activities	78,550,251	3,039,700	56,531,963		(18,978,588)
Total Activities	\$ 1,591,239,863	\$ 3,534,142	\$ 144,026,165	\$ 10,257,913	\$ (1,433,421,643)
Changes in net position					
Net Expense		\$ (1,414,443,055)	\$ (18,978,588)	\$ (1,433,421,643)	
General revenues					
Taxes					
Property taxes		502,604,410		502,604,410	
Occupational taxes		156,348,315		156,348,315	
Other taxes		54,014,453		54,014,453	
State sources					
SEEK program		234,116,356		234,116,356	
Other state revenues and grants		434,461,333		434,461,333	
Interest and investment earnings		4,786,365	95,190	4,881,555	
Miscellaneous		28,573,608		28,573,608	
Total general revenues		1,414,904,840	95,190	1,415,000,030	
Transfers, net		(3,057,374)	3,057,374		
Change in net position		(2,595,589)	(15,826,024)	(18,421,613)	
Net position, beginning of year, as restated		(340,628,550)	(55,885,112)	(396,513,662)	
Net position, end of year		\$ (343,224,139)	\$ (71,711,136)	\$ (414,935,275)	

See Notes to Financial Statements

Balance Sheet - Governmental Funds
Board of Education of Jefferson County, Kentucky
 June 30, 2020

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 161,496,697		\$ 79,865,417	\$ 6,452,045	\$ 247,814,159
Investments	61,053,600			666,386	61,719,986
Accounts and grants receivable	23,841,921	\$ 8,192,214		90,151	32,124,286
Inventories	3,303,871			309,345	3,613,216
Due from other funds	<u>34,410,991</u>	<u>13,328,101</u>	<u>53,356,241</u>	<u>10,728,050</u>	<u>111,823,383</u>
Total Assets	<u>\$ 284,107,080</u>	<u>\$ 21,520,315</u>	<u>\$ 133,221,658</u>	<u>\$ 18,245,977</u>	<u>\$ 457,095,030</u>
Liabilities					
Accrued liabilities	\$ 110,986,994	\$ 1,971,428	\$ 11,126,832	\$ 510,536	\$ 124,595,790
Due to other funds	<u>78,472,543</u>	<u>7,927,088</u>	<u>18,224,769</u>		<u>104,624,400</u>
Total Liabilities	189,459,537	9,898,516	29,351,601	510,536	229,220,190
Fund Balances					
Nonspendable	3,303,871			309,345	3,613,216
Restricted		11,621,799	103,870,057	17,426,096	132,917,952
Committed	36,000,000				36,000,000
Assigned	32,748,001				32,748,001
Unassigned	<u>22,595,671</u>				<u>22,595,671</u>
Total Fund Balances	<u>94,647,543</u>	<u>11,621,799</u>	<u>103,870,057</u>	<u>17,735,441</u>	<u>227,874,840</u>
Total Liabilities and Fund Balances	<u>\$ 284,107,080</u>	<u>\$ 21,520,315</u>	<u>\$ 133,221,658</u>	<u>\$ 18,245,977</u>	<u>\$ 457,095,030</u>

Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities

Total Governmental Fund Balances	\$ 227,874,840
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital assets are not financial resources and are not reported in the fund financial statements.	815,561,887
Bond issuance costs are amortized over the life of the bond on the district-wide financial statements.	(20,819,807)
Bonds are noncurrent liabilities and are excluded from the fund financial statements.	(476,706,945)
Savings from refunding bonds are not current and are not reported in the fund financial statements.	386,659
Long-term workers compensation liability is noncurrent and is excluded from the fund financial statements.	(25,322,374)
Long-term vacation pay liability is noncurrent and is excluded from the fund financial statements.	(7,251,431)
Long-term sick leave liability is noncurrent and is excluded from the fund financial statements.	(38,648,708)
Bond interest payable is a noncurrent liability and is excluded from the fund financial statements.	(3,713,050)
Net pension liability is noncurrent and is excluded from the fund financial statements.	(480,365,792)
Deferred outflows related to employee pension plans are excluded from the fund financial statements.	102,930,332
Deferred inflows related to pension plans are excluded from the fund statements.	(23,757,087)
Net other post-employment benefits liability is noncurrent and is excluded from the fund financial statements.	(387,490,377)
Deferred outflows related to other post-retirement employee benefits are excluded from the fund financial statements.	84,629,859
Deferred inflows related to other post-retirement employee benefits are excluded from the fund financial statements.	<u>(110,532,145)</u>
Net Position of Governmental Activities	<u>\$ (343,224,139)</u>

See Notes to Financial Statements

Statement of Revenues, Expenditures and Changes in Fund Balances
 - Governmental Funds

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Local sources					
Property taxes	\$ 462,895,650			\$ 39,708,760	\$ 502,604,410
Occupational taxes	156,348,315				156,348,315
Other taxes	54,014,453				54,014,453
Grants from local agencies and donors		\$ 3,429,761			3,429,761
State sources					
SEEK program	225,684,013			8,432,343	234,116,356
Other state revenues	322,477,942	33,974,387			356,452,329
KSFCC allocation				10,257,913	10,257,913
Grants from the United States government		84,064,441			84,064,441
Interest	4,395,350	32,347	\$ 358,668		4,786,365
Other sources	11,619,650	595		17,052,199	28,672,444
Total Revenues	1,237,435,373	121,501,531	358,668	75,451,215	1,434,746,787
Expenditures					
Instruction	701,638,031	69,064,019		14,329,777	785,031,827
Student support services	72,076,413	4,406,011			76,482,424
Instructional staff support services	115,421,976	34,809,119			150,231,095
District administrative support services	7,428,447	79,807			7,508,254
School administrative support services	115,042,562	505,483			115,548,045
Business support services	52,173,529	567,898			52,741,427
Plant operations and maintenance	115,049,730	1,064,991		43,476	116,158,197
Transportation	84,502,094	991,357			85,493,451
Community services	3,051,281	7,592,193			10,643,474
Other instructional support services		20,340			20,340
Building renovations	1,448,574		61,667,477		63,116,051
Other	120,482	2,504,898	318,830		2,944,210
Debt service					
Principal				33,245,188	33,245,188
Interest				18,100,298	18,100,298
Total Expenditures	1,267,953,119	121,606,116	61,986,307	65,718,739	1,517,264,281

Continued

Statement of Revenues, Expenditures and Changes in Fund Balances
 - Governmental Funds--Continued

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2020

	General Fund	Special Revenue Fund	Construction Fund	Total Nonmajor Governmental Funds	Total Governmental Funds
Revenues in Excess of (Less Than) Expenditures	(30,517,746)	(104,585)	(61,627,639)	9,732,476	(82,517,494)
Other Financing Sources (Uses)					
Issuance of school building revenue bonds			57,795,000		57,795,000
Premiums on bonds sold			2,870,896		2,870,896
Transfers to Proprietary Funds	(3,062,374)	5,000			(3,057,374)
Transfers in		1,819,621	10,149,706	40,200,021	52,169,348
Transfers out	(3,563,066)		(2,942,371)	(45,663,911)	(52,169,348)
Total Other Financing Sources (Uses)	(6,625,440)	1,824,621	67,873,231	(5,463,890)	57,608,522
Net Change in Fund Balances	(37,143,186)	1,720,036	6,245,592	4,268,586	(24,908,972)
Fund Balances, Beginning of Year, as restated	131,790,729	9,901,763	97,624,465	13,466,855	252,783,812
Fund Balances, End of Year	<u>\$ 94,647,543</u>	<u>\$ 11,621,799</u>	<u>\$ 103,870,057</u>	<u>\$ 17,735,441</u>	<u>\$ 227,874,840</u>

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities**

Net Change in Fund Balances - Total Governmental Funds	\$ (24,908,972)
<i>Amounts reported for governmental activities in the statement of activities are different because</i>	
Additions to capital assets capitalized on district-wide statement of net position.	189,548,288
Dispositions of capital assets are reflected on the statement of activities.	(43,338,194)
Capital asset use is expensed as depreciation on the statement of activities.	(56,038,499)
Bond principal payments are recorded as a reduction of a liability on the statement of net position.	33,245,188
Bonds issued are capitalized on the statement of net position.	(57,795,000)
Bond premiums and discounts must be amortized over the remaining life of the bonds.	(645,202)
Capitalized savings from bond refundings must be amortized over the remaining life of the bonds.	(104,977)
Bond interest payable is reflected on the full accrual basis on the statement of net position.	(318,612)
Long-term workers compensation liability increased on the district-wide financial statements.	204,973
Long-term vacation payable increased on the district-wide financial statements.	(1,054,528)
Long-term sick leave payable decreased on the district-wide financial statements.	(1,578,908)
Pension expense represents the cost of providing long-term benefits on the statement of activities.	(53,642,749)
Changes in deferred outflows related to pension plans are long-term in nature and are on the district-wide statement of activities.	(899,307)
Changes in deferred inflows related to pension plans are long-term in nature and are on the district-wide statement of activities.	9,659,873
Changes in deferred outflows related to other post-retirement employee benefits and are on the district-wide statement of activities.	30,781,583
Changes in deferred inflows related to other post-retirement employee benefits and are on the district-wide statement of activities.	(68,468,517)
Expenses related to other post-retirement employee benefits represents long-term employment costs on the statement of activities.	<u>42,757,971</u>
Change in Net Position of Governmental Activities	<u>\$ (2,595,589)</u>

See Notes to the Financial Statements

Statement of Net Position - Proprietary Funds
Board of Education of Jefferson County, Kentucky
June 30, 2020

	Enterprise Funds		Total
	School Food Services	Total Nonmajor Enterprise Funds	
Assets			
Current Assets			
Cash and cash equivalents	\$ 476,808	\$ 309,645	\$ 786,453
Accounts receivable	2,558,467	12,083	2,570,550
Inventories	5,129,867		5,129,867
Due from other funds		1,060,151	1,060,151
Total Current Assets	8,165,142	1,381,879	9,547,021
Capital Assets , net of accumulated depreciation	18,766,848		18,766,848
Total Assets	26,931,990	1,381,879	28,313,869
Deferred Outflows of Resources			
Difference between actual and expected experience	1,358,301	20,047	1,378,348
Difference between projected and actual earnings on plan investments	1,234,094	18,215	1,252,309
Changes in assumptions	9,950,416	146,859	10,097,275
Change in proportionate share	1,900,335	28,048	1,928,383
Deferred pension and OPEB contributions after measurement date	6,328,129	93,397	6,421,526
Total Deferred Outflows of Resources	20,771,275	306,566	21,077,841
Liabilities			
Current Liabilities			
Accrued liabilities	223,553		223,553
Due to other funds	8,250,435	8,699	8,259,134
Total Current Liabilities	8,473,988	8,699	8,482,687
Noncurrent Liabilities			
Unfunded pension liabilities	53,197,910	785,147	53,983,057
Unfunded post-employment benefits liabilities	42,912,460	633,344	43,545,804
Total Liabilities	104,584,358	1,427,190	106,011,548
Deferred Inflows of Resources			
Differences between projected and earnings on plan investments	2,527,461	37,302	2,564,763
Differences between actual and expected experience	11,370,923	167,823	11,538,746
Changes in assumptions	25,166	373	25,539
Change in proportionate share	948,255	13,995	962,250
Total Deferred Inflows of Resources	14,871,805	219,493	15,091,298
Net Position			
Net investment in capital assets	18,766,848		18,766,848
Unrestricted	(90,519,746)	41,762	(90,477,984)
Total Net Position	\$ (71,752,898)	\$ 41,762	\$ (71,711,136)

Statement of Revenues, Expenses and Changes in
Net Position - Proprietary Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2020

	Enterprise Funds		Total
	School Food Services	Total Nonmajor Enterprise Funds	
Operating Revenues			
Lunchroom sales	\$ 2,325,026		\$ 2,325,026
Tuition and fees		\$ 714,674	714,674
Total Operating Revenues	2,325,026	714,674	3,039,700
Operating Expenses			
Salaries and personnel services	20,339,143	556,382	20,895,525
Employee benefits	21,675,839	201,869	21,877,708
Purchased professional services	246,623	106,362	352,985
Purchased property and maintenance services	3,977,412	736	3,978,148
Other purchased services	116,783	597	117,380
Supplies and materials	24,731,786	51,982	24,783,768
Property	509,787	21,754	531,541
Miscellaneous	35,644	3,858	39,502
Depreciation	1,914,961		1,914,961
Total Operating Expenses	73,547,978	943,540	74,491,518
Loss From Operations	(71,222,952)	(228,866)	(71,451,818)
Non-Operating Revenues (Expenses)			
Federal grants	48,017,229		48,017,229
State grants	488,430		488,430
Other state revenue	4,516,282	291,865	4,808,147
Donated commodities	3,218,157		3,218,157
Interest income	91,665	3,527	95,192
Indirect costs	(4,058,735)		(4,058,735)
Total Non-Operating Revenues (Expenses)	52,273,028	295,392	52,568,420
Transfers			
Transfers to other funds		(5,000)	(5,000)
Transfers from other funds	2,969,452	92,922	3,062,374
Total Transfers	2,969,452	87,922	3,057,374
Change in Net Position	(15,980,472)	154,448	(15,826,024)
Net Position, Beginning of Year, as restated	(55,772,426)	(112,686)	(55,885,112)
Net Position, End of Year	\$ (71,752,898)	\$ 41,762	\$ (71,711,136)

See Notes to Financial Statements

Statement of Cash Flows - Proprietary Funds

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2020

	Enterprise Funds		Totals
	School Food Services	Total Nonmajor Enterprise Funds	
Cash Flows From Operating Activities			
Cash received from customers	\$ 7,407,189	\$ 799,581	\$ 8,206,770
Cash paid to suppliers	(32,440,781)	(173,385)	(32,614,166)
Cash paid to employees	(31,812,555)	(823,798)	(32,636,353)
Cash paid for other expenses	(282,267)	(110,220)	(392,487)
Net Cash Provided by (Used in) Operating Activities	(57,128,414)	(307,822)	(57,436,236)
Cash Flows From Investing Activities			
Interest income	91,665	3,527	95,192
Net Cash Provided By (Used In) Investing Activities	91,665	3,527	95,192
Cash Flows From Capital and Related Financing Activities			
Additions to capital assets	(1,255,047)		(1,255,047)
Disposals of capital assets	20,939		20,939
Net Cash Provided By (Used in) Capital and Related Financing Activities	(1,234,108)		(1,234,108)
Cash Flows from Noncapital Financing Activities			
Cash used for operational grant required match	(4,079,674)	(5,000)	(4,084,674)
Cash received for operational grants	53,021,941	291,865	53,313,806
Net Cash Provided by (Used in) Noncapital Financing Activities	48,942,267	286,865	49,229,132
Increase (Decrease) in Cash and Cash Equivalents	(9,328,590)	(17,430)	(9,346,020)
Cash and Cash Equivalents, Beginning of Year	9,805,398	327,075	10,132,473
Cash and Cash Equivalents, End of Year	\$ 476,808	\$ 309,645	\$ 786,453

Continued

Statement of Cash Flows - Proprietary Funds--Continued

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2020

	Enterprise Funds		Totals
	School Food Services	Total Nonmajor Enterprise Funds	
Reconciliation of Loss from Operations to Net Cash Provided by (Used in) Operating Activities			
Loss from operations	\$ (71,222,952)	\$ (228,865)	\$ (71,451,817)
Adjustments to reconcile loss from operations to cash provided by (used in) operating activities:			
Depreciation	1,914,961		1,914,961
Donated commodities	3,218,157		3,218,157
Transfers	2,969,452	92,922	3,062,374
Change in accounts receivable	5,082,163	(12,083)	5,070,080
Change in amounts due from other funds		4,068	4,068
Change in inventories	(2,870,807)		(2,870,807)
Change in deferred outflows	(4,350,741)	(25,368)	(4,376,109)
Change in amounts due to other funds	(5,960,469)	(97,433)	(6,057,902)
Change in accrued liabilities	(461,346)	(883)	(462,229)
Change in deferred inflows	7,066,022	83,648	7,149,670
Change in unfunded postemployment benefits liabilities	(1,581,436)	(140,989)	(1,722,425)
Change in unfunded pension liability	9,068,582	17,161	9,085,743
Net Cash Provided by (Used in) Operating Activities	<u>\$ (57,128,414)</u>	<u>\$ (307,822)</u>	<u>\$ (57,436,236)</u>

Summary of Noncash Financing Activity

Donated commodities from the US Dept of Agriculture	\$ 3,218,157
District facilities support -- rent forgiven on cafeterias	\$ 2,969,452
Depreciation	\$ 1,914,961

Statement of Net Assets

**Jefferson County Public Education Foundation, a Major Component Unit of
the Board of Education of Jefferson County, Kentucky**

June 30, 2020

	<u>Total</u>
Assets	
Cash and cash equivalents	\$ 714,802
Investments	<u>1,274,871</u>
Total Assets	<u>\$ 1,989,673</u>
Net Assets	
Without donor restrictions	\$ 24,549
With donor restrictions	<u>1,965,124</u>
Total Net Assets	<u>\$ 1,989,673</u>

Statement of Revenues, Expenses and Changes in Net Assets

June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Revenues			
Contributions	\$ 12,036	\$ 350,528	\$ 362,564
Net investment income		41,660	41,660
Net assets released from restriction	<u>698,842</u>	<u>(698,842)</u>	
Total Operating Revenues	710,878	(306,654)	404,224
Operating Expenses			
Program services	717,845		717,845
Management and general	<u>28,556</u>		<u>28,556</u>
Total Operating Expenses	<u>746,401</u>		<u>746,401</u>
Change in Net Assets	(35,523)	(306,654)	(342,177)
Net Assets, Beginning of Year	<u>60,072</u>	<u>2,271,778</u>	<u>2,331,850</u>
Net Assets, End of Year	<u>\$ 24,549</u>	<u>\$ 1,965,124</u>	<u>\$ 1,989,673</u>

See Notes to Financial Statements

Notes to the Financial Statements

For the Year Ended June 30, 2020



Note A—Summary of Significant Accounting Policies

Reporting Entity--The Board of Education of Jefferson County, Kentucky (the “District”) is established under and governed by the Kentucky School Laws and maintains a system of schools primarily for kindergarten through twelfth grade, but also including pre-school, vocational and adult education. The District is a school district of the Commonwealth of Kentucky having boundaries coterminous with the boundaries of Jefferson County, excluding the City of Anchorage.

The accompanying financial statements include all funds and activities of the District, including the Jefferson County School Board Finance Corporation (the “Corporation”), a non-stock, not-for-profit Corporation. The Corporation is a blended component unit and was created to act as an agency in the acquisition and financing of any capital project which may be undertaken by the District. Accounts of the Corporation are included in the financial statements as a capital projects fund.

The District is not includable as a component unit within another reporting entity. 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.

Accounting Standards--The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the U.S. (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

District-wide and Fund Financial Statements--The District-wide financial statements (the Statement of Net Position and the Statement of Activities) display information about the reporting government as a whole. These statements report information on all the activities of the District. The doubling-up effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by tax revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to students or parents who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues. The District allocates certain indirect costs to be included in the program expense reported for individual functions and activities in the District-wide Statement of Activities.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though fiduciary funds are excluded from the District-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus and Basis of Accounting--The District-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2020



Note A—Summary of Significant Accounting Policies—Continued

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Each fund is a separate accounting entity with a self-balancing set of accounts. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible during the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and workers' compensation claims, are recorded only when payment is due.

Revenues susceptible to accrual are property taxes, interest revenue and charges for services. Occupational tax revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Funds are classified into three categories: governmental, proprietary and fiduciary. The District reports the following major governmental funds:

The General Fund is the District's primary operating fund, which accounts for all of the activities of the general government not required to be accounted for in another fund. Local taxes account for 54.4% of the General Fund revenues, while the Support Education Excellence in Kentucky ("SEEK") program accounts for 18.2% of General Fund revenues. SEEK is a program that began in 1990 as the result of the Kentucky Education Reform Act ("KERA"), and is the basic State funding spent by the District. Other state revenues are 26% of General Fund revenues and are principally health insurance for all employees and teachers' pension match paid by the State on the District's behalf, as discussed further on page 29 of Note A.

The Special Revenue Fund is a special revenue fund which accounts for the activities of specific education related programs in accordance with restrictions established by the various grantors (primarily the United States Government and state and local governments). This includes certain KERA grants which carry grantor restrictions related to expenditures.

The Construction Fund accounts for funds from three sources. First, funds generated by sales of bond issues are used for various construction projects at educational facilities. Second, proceeds from the sale of properties and equipment owned by the District are to be used at the discretion of the District for future construction projects. Last, any funds remaining in the Capital Outlay and Building Funds at the end of the year are escrowed to pay for categorical priorities listed in the Long-Range Facility Plan, discussed on page 12 of the MD&A.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District reports as a major proprietary fund the School and Community Nutrition Services ("School Food Services") Program which provides certain food preparation at the Nutrition Center and serves breakfast and lunch at schools throughout Jefferson County.

Continued



Note A—Summary of Significant Accounting Policies—Continued

Inventories--Inventories are valued at the lower of cost, using the first in, first out method, or market. Generally, the only inventory items marked to market are diesel, gasoline, and items determined to be obsolete with no current market value. The Food Service Fund's inventories consist of food and supplies valued at cost and U. S. Government commodities whose value is determined by the U. S. Department of Agriculture.

In the governmental funds balance sheet, reported inventories in the general fund are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of total assets.

Capital Assets--Capital assets include land, buildings, vehicles, office equipment, school equipment, and food service equipment, and are reported in the applicable governmental or business-type activities column in the District-wide Statement of Net Position and in the Statement of Net Position – Proprietary Funds. The District maintains a record of its capital assets, and those with a cost of \$1,000 or more are capitalized. All computers, regardless of cost, are capitalized. Additions to capital assets are recorded at cost and depreciated using the straight-line method. The District has elected not to capitalize interest on debt used to finance buildings. Capital assets are depreciated over estimated useful lives as determined by the Kentucky Department of Education, as follows:

	<u>Estimated Life (years)</u>
Land improvements	20
Buildings	50
Building improvements	25
Carpet/tile	7
Technology equipment	5
School buses	10
Other vehicles	5
Rolling stock	15
Food service equipment	12
Furniture and fixtures	20
Audio-visual equipment	15
Other general equipment	10
Musical Instrument	10

Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note A—Summary of Significant Accounting Policies—Continued

Fund Balance—Under GASB statement 54, fund balance is separated into five categories, as follows:

Category	Definition	District Purpose	Inventory on hand
Nonspendable	Permanently nonspendable by decree of the donor, such as an endowment, or items which may not be used for another purpose, such as amounts used to prepay future expenses or already-purchased inventory on hand		
Restricted	Legally restricted under federal or state law, bond authority, or grantor contract	Grant funds, bond proceeds, and funds governed by specific state laws	
Committed	Commitments passed by the elected Board through a Resolution and can not be used for any other purpose unless modified or rescinded by Board Resolution	Cash flows protection	
Assigned	Funds assigned to management priority including issued encumbrances	Encumbered purchase orders	
Unassigned	Funds available for future operations	Funds available for future operations	
Category	District Purpose	General	Grands & Awards
Nonspendable	Inventory on hand	\$ 3,303,871	
Restricted	Grant or donor-directed funds	\$ 11,621,799	
	Bond proceeds		\$ 103,870,057
	Funds governed by specific state laws		13,632,180
Committed	Cash flows protection	36,000,000	
Assigned	Encumbered purchase orders	32,748,001	
Unassigned	Funds available for future operations	22,595,671	
			15,415,715
			3,793,916
			103,870,057
			13,632,180
			36,000,000
			32,748,001
			22,595,671
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Note A—Summary of Significant Accounting Policies—Continued

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

Encumbrances are not liabilities and, therefore, 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. Board policy 04.31 grants this authority to the Superintendent or the Superintendent's designee. The Superintendent has granted fund balance assignment authority to the Director of Purchasing.

Statutorily, the Kentucky Department of Education may assume financial control over any school district whose fund balance drops below 2% of the total expenditures of certain funds. To maintain balances above this level, they recommend reserving at least 5%. The elected Jefferson County Board of Education committed funds to ensure fund balance remains above these levels. While these funds have been properly committed and not budgeted for future years' expenditures, there is no mandate on how the committed funds would be used if the District fell below the 2% floor.

Property Tax Revenues--Property taxes are levied each November on the assessed value listed as of the prior January 1 for all real and personal property in Jefferson County. The billings are considered due upon receipt by the taxpayer; however, the actual due date is based on a period ending 30 days after the tax bill mailing.

On-Behalf Payments--The Commonwealth of Kentucky pays certain expenses on behalf of the District. In the financial statements, these payments are recorded as an expense and other state revenue. These expenses include the following:

	2019-20	2018-19
Health insurance	\$ 108,914,644	\$ 111,075,625
KTRS employer match	215,260,959	194,936,251
HRA, dental, vision, and life insurance	4,960,263	4,800,009
State administration fee	1,439,818	1,455,173
Reimbursement from federal programs	(5,879,167)	(5,958,434)
State facility construction support	10,257,914	10,982,285
Technology systems	631,031	670,374
	<u>\$ 335,585,462</u>	<u>\$ 317,961,283</u>

Budgetary Principles--The Superintendent must submit the proposed budget for all funds other than school-based activity funds to members of the Board each year. The Board Members will then discuss and, where so desired, amend the proposed budget and will adopt a final budget by September 30 of each fiscal year. Any adjustments to the adopted budget must be approved by the Board.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note A—Summary of Significant Accounting Policies—Continued

Budget information is presented for the General Fund and other funds with a legally-adopted budget. This budgetary data is prepared on the modified accrual basis of accounting, in accordance with generally accepted accounting principles. Budgetary revenues represent original estimates modified for any adjustments authorized by the Board during the fiscal year. Budgetary expenditures represent original appropriations adjusted for budget transfers and additional appropriations approved during the fiscal year. Although budgets are prepared on a line-item basis by cost center for each department, expenditures may legally exceed budget in these areas but may not exceed the budget in total. District Activity Funds and Student Activity Funds do not have legally-adopted budgets and budgetary information is not presented for these funds.

Interfund Receivables and Payables—Each fund is a separate fiscal and accounting entity, and thus interfund transactions are recorded in each fund affected by a transaction. Interfund receivables and payables for the District arise generally from two types of transactions: 1) all funds are initially received into the General Fund, thus a payable and receivable are established in the appropriate funds; and 2) payments are from the General Fund checking account, which may not have the legal liability for the expenditure, thus a payable from the fund having the legal liability is established at such time. Typically, interfund receivables and liabilities are resolved monthly, and all of these balances should be resolved within a year. All interfund receivables and payables have been eliminated on the District-wide Statement of Net Position.

	Due from other Funds Reported in General Fund	Due to other Funds Reported in General Fund
Special Revenue Fund	\$ 7,927,088	\$ 13,328,101
Construction Fund	18,224,769	53,356,241
Nonmajor Governmental Funds	8,250,435	10,728,050
Food Service Fund	8,699	1,060,151
Nonmajor Enterprise Funds	34,410,991	\$ 78,472,543

Continued



Notes to the Financial Statements

For the Year Ended June 30, 2020

Note A—Summary of Significant Accounting Policies—Continued

Transfers to Other Funds--Although each fund is its own distinct reporting entity, periodically, funds have cause to transfer their revenues to other funds. The most common reasons necessitating interfund transfers are for debt service payments and grant matching funds. Debt service payments may be paid from revenues in the Capital Outlay Fund, Building Fund, Construction Fund, Food Service Fund, or one grant within the Special Revenue Fund, but the expenditures are recorded in the Debt Service Fund with transfers recorded to keep the funds in balance. At times, the District receives grants which require an amount of matching funds. Usually, General Fund supplies this match offset by transfers to the Special Revenue Fund. The following is a schedule of the District's transfers during the year:

	Transfers to other funds	Transfers from other funds	
General Fund	\$ 6,625,440	\$ 1,824,621	Special Revenue Fund
Food Service facilities rent forgiven, grant matching, and construction funding			Construction Fund
		10,149,706	Nonmajor Governmental Funds
Debt service payments and escrowed funds used for current construction	2,942,371	40,200,021	Food Service Fund
Grant matching funds and accounting changes		2,969,452	Nonmajor Enterprise Funds
Debt service payments and escrowed funds used for current construction	45,663,911	92,922	
Facilities rent forgiven by General Fund	5,000	55,236,722	
Loss from operations made up by other funds and grant match		55,236,722	

Pensions--For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Kentucky Teachers Retirement System and the County Employees Retirement System and additions to/deductions from these pensions' fiduciary net position have been determined on the same basis as they are reported by those pensions. The pensions' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. 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 net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Kentucky Teachers Retirement System and the County Employees Retirement System and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide contributions. For this purpose, the Systems Plans recognize benefit payments when due and payable, in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.



Notes to the Financial Statements

For the Year Ended June 30, 2020



Note B—Cash, Cash Equivalents and Investments

The District's deposits are maintained in six designated financial institutions. Deposits at all these financial institutions are entirely insured by the FDIC or by collateral held by the financial institutions in the District's name, as is required by the District's investment policy though custodial credit risk is not specifically mentioned in this policy. During the year, the District invests excess cash into short-term United States Government obligations or bank certificates of deposit collateralized by U.S. Government securities. These investments are either insured or securities are held by the pledging financial institution's trust department in the District's name.

In compliance with Kentucky Statutes, the District's investment policy 04.6 specifies that the District's investment objectives, in order of priority are the following:

- a. Legality
- b. Safety of principal
- b. Liquidity to enable the District to meet all operating requirements
- c. Return on Investment

The complete investment policy 04.6 is available at <http://policy.kysba.org/Chapter.aspx?distid=56>. Investments consist of certificates of deposit and U.S. Government agency securities. The certificates of deposit are held by various schools' activity funds in the Nomajor Governmental Funds at several financial institutes located in Jefferson County, Kentucky, and have various rates of interest and maturity dates greater than ninety days. Such investments are stated at fair value as of June 30. These investments are covered by depositor insurance or by collateral held by the financial institutions in the District's name. The U.S. Government Securities also have maturities greater than ninety days and their value has been adjusted to the fair value. As of June 30, 2020, the District had the following investments:

Fund Type	Investment Type	Fair Value	Moody's Rating	Weighted Average Maturity in Years
Governmental	U.S. Treasuries	\$ 20,059,400	Aaa	0.16
	Federal Agencies	40,994,200.00	Aaa	1.99
	Certificates of Deposit	666,386		0.99
		\$ 61,719,986		

GASB No 40, *Deposits and Investment Risk Disclosures*, requires the District to address the following risks related to its investments:

Credit Risk--Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. In an effort to minimize the likelihood that an issuer will default, the District has limited the number of permissible investments under its investment policy to certain highly rated investments. In accordance with this policy, the District is authorized to invest in the following:

- a. Obligations of the United States and of its agencies, national corporations, and instrumentalities, including repurchase agreements
- b. Certificates of deposit issued by banks or savings and loan institutions
- c. Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and municipalities

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2020



Note B—Cash, Cash Equivalents and Investments—Continued

d. Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, but only if fully defeased by direct obligations of or guaranteed by the United States of America

e. Interest bearing deposits in national and state banks chartered in Kentucky and insured by an agency of the United States up to the amount so insured, and in larger amounts providing such bank shall pledge as security obligations having a current quoted market value at least equal to any uninsured deposits.

Custodial Credit Risk--Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All investments held by the District are insured or collateralized with securities held in the District's name. The securities held as collateral are maintained either by the Federal Reserve or in the trust area of major national banks.

Interest Rate Risk--Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The District manages its exposure to declines in fair value by purchasing a combination of cash holdings, shorter-term, and longer-term investments. The District's investments in federal agency securities are callable instruments and particularly carry this form of risk. The District has no formal policies relating to interest rate risk.

Concentration of Credit Risk--The District's investment policy places no limit on the amount the District may invest with any one issuer; however, all holdings must be collateralized with securities held in the District's name. As of June 30, 2020, the District had \$1,250,000 of deposits insured by the FDIC and \$262,730,515 of deposits that were uninsured but collateralized by securities held in the District's name and \$32,870 that were uninsured and uncollateralized.

Fair Value Measurement – The District's investments are measured and reported at fair value are classified accordingly to the following hierarchy:

Level 1 – Investments reflect prices quoted in active markets.
 Level 2 – Investments reflect prices that are based on a similar observable assets either directly or indirectly, which may include inputs in markets that are not considered to be active.
 Level 3 – Investments reflect prices based upon unobservable sources.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk. Debt securities classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

Fair Value Measurements Using

	6/30/2020		6/30/2020		
	Significant Other Observable Inputs - Level 2	Significant Other Unobservable Inputs - Level 3	Quoted Prices in Active Markets for Identical Assets - Level 1	Significant Other Observable Inputs - Level 2	Significant Other Unobservable Inputs - Level 3
Investments by Fair Value Level					
<i>Debt Securities</i>					
Certificates of Deposit	\$ 666,386	\$ 666,386			
U.S. Treasuries	20,059,400		\$ 20,059,400		
U.S. Agency Obligations	40,994,200		40,994,200		
Total Debt Securities	\$ 61,719,986	\$ 61,719,986	\$ 61,053,600	\$ 666,386	



Note C—Receivables

The District recognizes revenues as receivable when they are measurable and receipt is certain. Concentration of credit risk with respect to the receivables from federal and state governments is limited due to the historical stability of those institutions. While the District receives revenues from many different outside sources throughout the year, the accounts and grants receivable from outside sources may be grouped into the following categories:

	Governmental	Proprietary	Total
Accounts and grants receivable			
from outside sources			
Accounts receivable	\$ 1,936,328	\$2,570,550	\$ 4,506,878
Taxes receivable	21,995,743		21,995,743
Grants receivable	8,192,215		8,192,215
	<u>\$ 32,124,286</u>	<u>\$2,570,550</u>	<u>\$ 34,694,836</u>

Federal and state grants to be used or expended as specified by the grantor are recognized as revenue and recorded as receivables as qualifying expenditures are made.

The following is the District's property tax calendar:

<u>Date</u>	<u>Event</u>
January 1, year of levy	Assessment date
October 1, year of levy	Taxes levied
November 30, year of levy	2% discount allowed
December 31, year of levy	1% discount allowed
January 31, following year	Gross amount due
February 1, following year	Delinquent date, 1½ % interest added per month
April 1, following year	10% penalty added

Unpaid property taxes attach as an enforceable lien on real property as of the delinquent date. The Jefferson County Clerk's Office collects personal property tax on vehicles when registered. The Jefferson County Sheriff's Office bills and collects all property taxes on real estate and other personal property on behalf of the District. District property tax revenues are recognized when levied to the extent that they result in current receivables.

Although the District has taxes receivable from a variety of constituents, a substantial portion of the debtors' ability to honor this debt is dependent upon the widely diverse economic environment of the Commonwealth of Kentucky and the local area.

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note D—Capital Assets

Activity in capital assets during the year ended June 30, 2020 consisted of the following:

Balance June 30, 2019	Additions	Dispositions	Balance June 30, 2020
Governmental Activities			
\$ 29,245,165			\$ 29,245,165
25,900,633	67,801,075	\$38,662,962	55,038,746
\$ 55,145,798	\$ 67,801,075	\$38,662,962	\$ 84,283,911
\$ 44,330,825	\$ 2,041,197	\$ 548,026	\$ 45,823,996
1,303,932,636	88,140,188	2,760,768	1,389,312,056
93,186,199	20,354,463	6,697,785	106,842,877
104,897,126	7,096,658	4,164,850	107,828,934
63,255,127	4,114,705	961,930	66,407,902
1,609,601,913	121,747,211	15,133,359	1,716,215,765
Less Accumulated Depreciation			
29,010,892	1,466,223	525,013	29,952,102
725,757,061	34,954,615	71,099	760,640,577
69,472,459	9,156,773	4,998,620	73,630,612
78,759,671	6,775,711	4,164,850	81,370,532
36,357,334	3,685,177	698,545	39,343,966
939,357,417	56,038,499	10,458,127	984,937,789
\$ 725,390,294	\$ 133,509,787	\$43,338,194	\$ 815,561,887

Included in this table is current construction in progress. Items are not depreciated until placed into service. Accordingly, these items have no accumulated depreciation. Please note that minor adjustments or corrections are included in the dispositions column above and may cause small variances.

Continued



Notes to the Financial Statements
For the Year Ended June 30, 2020

Note D—Capital Assets—Continued

	June 30, 2019	Additions	Dispositions	June 30, 2020
Business-type Activities				
Land	\$ 1,000,000			\$ 1,000,000
Land improvements	\$ 4,745			\$ 4,745
Buildings & building improvements	17,030,604	\$ 8,222	\$ 135,496	17,030,604
Technology equipment	1,405,026			1,277,752
Vehicles	2,114,920			2,050,052
General equipment	30,015,521	1,255,869	238,138	31,033,252
	<u>51,570,816</u>	<u>1,264,091</u>	<u>438,502</u>	<u>52,396,405</u>
Less Accumulated Depreciation				
Land improvements	1,284	237		1,521
Buildings & building improvements	6,815,139	340,782		7,155,921
Technology equipment	1,047,118	125,790		1,044,407
Vehicles	1,814,248	124,692		1,874,072
General equipment	22,466,264	1,323,460		23,553,635
	<u>32,144,053</u>	<u>1,914,961</u>		<u>33,629,556</u>
	<u>\$ 19,426,763</u>	<u>\$ (650,870)</u>	<u>\$ 9,044</u>	<u>\$ 18,766,849</u>

Please note that minor adjustments or corrections are included in the dispositions column above and may cause small variances.

Continued



Notes to the Financial Statements
For the Year Ended June 30, 2020

Note D—Capital Assets—Continued

Depreciation expense for business-type activities was entirely incurred in the operation of the District's school food services program. Depreciation for governmental activities is included in the following functional categories:

Instruction	\$ 45,906,788
Student Support Services	1,362
Staff Support Services	2,458
District Administrative Support Services	2,410,361
Business Support Services	38,127
Plant Operation and Maintenance	849,591
Transportation	6,768,726
Community Service Operations	61,086
	<u>\$ 56,038,499</u>

Net Investment in Capital Assets--On the District-wide Statement of Net Position, capital assets from Note D and Long-term Debt represent material portions of the District's net position. This calculation is as follows:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets, net of related depreciation	\$ 815,561,887	\$ 18,766,849
Less: School building revenue bonds	(476,706,945)	
Less: Net premiums/discounts on bonds	(20,819,807)	
Less: Deferred savings from refunding bonds	386,659	
Add: Bond proceeds not yet spent on capital projects	72,868,924	
	<u>\$ 391,290,718</u>	<u>\$ 18,766,849</u>



Notes to the Financial Statements
For the Year Ended June 30, 2020

Note E—Long-Term Liabilities

School Building Revenue Bonds

	Original	Outstanding
2002	\$ 35,095,000	\$ 8,090,000
2008	5,200,000	5,200,000
2010	13,705,000	2,220,000
2010	16,170,000	8,055,000
2010	27,483,000	10,167,215
2011	30,352,000	2,219,730
2012	13,850,000	9,105,000
2012	20,510,000	8,455,000
2012	18,730,000	9,355,000
2012	27,235,000	25,210,000

Continued



Notes to the Financial Statements
For the Year Ended June 30, 2020

Note E—Long-Term Liabilities--Continued

2013	Series A, interest rates ranging from 2% to 2.375%, principal and interest payable semiannually on June 1 and December 1, with maturities through June 2025	22,860,000	17,470,000
2013	Series B, interest rates ranging from 2% to 4%, principal and interest payable semiannually on July 1 and January 1, with maturities through July 2026	35,550,000	26,280,000
2013	Series C, interest rates ranging from 3% to 5%, principal and interest payable semiannually on November 1 and May 1, with maturities through November 2033	33,005,000	28,565,000
2014	Series A, interest rates ranging from 3% to 5%, principal and interest payable semiannually on November 1 and May 1, with maturities through May 2034	42,890,000	40,565,000
2014	Series B, interest rate at 5%, principal and interest payable semiannually on October 1 and April 1, with maturities through October 2020	21,630,000	3,085,000
2015	Series A, interest rates ranging from 3.5% to 5%, principal and interest payable semiannually on October 1 and April 1, with maturities through April 2035	16,465,000	13,665,000
2015	Series B, interest rates set at 4%, principal and interest payable semiannually on December 1 and June 1, with maturities through December 2026	36,285,000	31,320,000
2015	Series C, interest rates ranging from 3% to 5%, principal and interest payable semiannually on December 1 and June 1, with maturities through December 2035	15,160,000	14,055,000
2016	Series A, interest rates ranging from 2% to 4%, principal and interest payable semiannually on July 1 and January 1, with maturities through July 2036	39,855,000	36,930,000
2016	Series B, interest rates set at 2%, principal and interest payable semiannually on April 1 and October 1, with maturities through October 2028	7,120,000	5,455,000
		<u>Original</u>	<u>Outstanding</u>

Continued



Notes to the Financial Statements
For the Year Ended June 30, 2020



Note E—Long-Term Liabilities—Continued

	Original	Outstanding
2017	Series A, interest rates set at 5%, principal and interest payable semiannually on August 1 and February 1, with maturities through August 2029	31,270,000
2018	Series A, interest rates ranging from 3% to 5%, principal and interest payable semiannually on April 1 and October 1, with maturities through October 2038	29,625,000
2019	Series A, interest rates ranging from 3% to 5%, principal and interest payable semiannually on December 1 and June 1, with maturities through June 2037	54,860,000
2020	Series A, interest rates ranging from 2% to 5%, principal and interest payable semiannually on December 1 and June 1, with maturities through June 2037	57,795,000
	652,700,000	476,706,945
	Previous balance of (discounts)/premiums	20,174,605
	(Discounts)/premiums on bonds sold during 2019-2020	2,870,896
	2019-2020 amortization of discounts/(premiums)	(2,225,694)
	Unamortized (discounts)/premiums at issuance of bonds	28,883,482
		20,819,807
		<u>\$681,583,482</u>
		<u>\$497,526,752</u>

Bonds outstanding as of June 30, 2020, are reported in the accompanying District-wide Statement of Net Position as follows:

	Current	Long-Term	Total
Governmental activities	\$ 35,124,658	\$462,402,094	\$ 497,526,752

The School Building Revenue Bonds listed below are subject to redemption prior to their stated maturity dates at the option of the Board. The redemption prices include a premium of 1% to 3% of the outstanding principal amounts. The earliest allowable redemption dates for each Series are as follows:

2002 Series A January 2022	2012 Series B June 2024	2014 Series A May 2024	2016 Series B October 2028
2010 Series A April 2021	2012 Series C September 2024	2014 Series B October 2020	2017 Series A February 2027
2010 Series B June 2022	2012 Series D October 2022	2015 Series A April 2025	2018 Series A October 2026
2010 Series C November 2020	2013 Series A June 2023	2015 Series B December 2026	2019 Series A June 2026
2011 Series A June 2021	2013 Series B July 2023	2015 Series C December 2025	2020 Series A June 2029
2012 Series A June 2022	2013 Series C November 2023	2016 Series A July 2026	

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note E—Long-Term Liabilities—Continued

Bondholders are protected against default by a mechanism whereby the Commonwealth of Kentucky would withhold state SEBK payments and remit required debt service payments directly to the debt service paying agent. All bonds are subject to federal arbitrage regulations.

In connection with most of the above listed bond issues, the District has entered into participation agreements with the Kentucky School Facilities Construction Commission (the "Commission") which provides that the Commission will remit a stated amount of bond principal and interest payments annually, subject to biennial approval by the Kentucky General Assembly. Should approval not be received in future periods, the District remains obligated for the full amount of the bond principal and interest payments.

Assuming no issues are called prior to scheduled maturity and continued Commission participation, the minimum obligations of the District at June 30, 2020 for debt service is as follows:

Year Ending	June 30	Principal	Interest	Total	Participation	Net
2021	33,195,000	16,015,824	49,210,824	9,878,203	39,332,621	
2022	32,585,000	14,930,666	47,515,666	8,862,645	38,653,021	
2023	34,165,000	13,787,856	47,952,856	8,863,756	39,089,100	
2024	30,355,000	12,769,920	43,124,920	8,864,670	34,260,250	
2025	29,470,000	11,622,225	41,092,225	6,938,229	34,153,996	
2026-2030	166,091,945	62,583,430	228,675,375	30,650,626	198,024,749	
2031-2035	123,760,000	15,117,401	138,877,401	22,644,406	116,232,995	
2036-2039	27,085,000	1,304,619	28,389,619	6,066,291	22,323,327	
TOTAL	\$ 476,706,945	\$ 148,131,941	\$ 624,838,886	\$ 102,768,827	\$ 522,070,059	

All bonds issued by the District were revenue bonds or refunding bonds of revenue bonds, and the proceeds were used to construct or renovate schools and other facilities. The bonds payable are collateralized by the educational facilities constructed by the District with bond proceeds. Bonds are repaid principally from state revenues in the Capital Outlay Fund and local revenues in the Building Fund. General Fund revenues are available to pay for debt service but have not been needed for this purpose.

As of June 30, 2020, the outstanding principal amount of indebtedness that is considered to be extinguished under "in substance defeasance" and therefore excluded from the District-wide financial statements was \$31,254,712. Although defeased, the funded debt will not be actually retired until the call dates have come due or until maturity if they are not callable issues.

Continued



Notes to the Financial Statements

For the Year Ended June 30, 2020



Note E—Long-Term Liabilities—Continued

Qualified School Construction Bonds--The District has issued two taxable Qualified School Construction Bonds with direct payment to issuer. As part of this program, the District pays interest to the purchaser at taxable interest rates and receives a refund from the US Department of Treasury for those interest payments. The official bond statements specify that the District will make payments, which will be held in trust for the sole purpose of redeeming the bonds held by the bondholders at maturity. Accordingly, as principal payments are made, both the cash held in trust and the payments made into the trust will be excluded from the District's assets and liabilities, respectively.

Qualified Zone Academy Bonds--On December 23, 2008, the District issued \$5,200,000 in Special Obligations School Financing Bond Series 2008B as a QZAB to finance capital projects at Cane Run and Shacklette Elementary Schools. On December 23, 2009, the District began making annual payments of \$371,429 to an escrow account at a local bank. Such payments are being held in trust and invested at an interest rate of 6.0% in accordance with the funding agreement. The final annual payment is due December 23, 2022, at which time the QZAB will mature and the principal will be paid in full from the escrow account.

Estimated Liability for Workers' Compensation Benefits--The estimated liability for workers' compensation benefits consists of claim settlements for reported and outstanding claims and estimated claim settlements for incurred but not reported claims (based upon historical experience and an actuarial study). Estimated claim settlements for incurred but not reported claims are discounted at 3% over the anticipated payment periods to reflect the time value of money. This liability, along with certain related assets and liabilities, is accounted for within the Workers' Compensation Trust Fund, which is a self-insurance fund administered by the District for the purpose of providing workers' compensation insurance to employees of the District.

The District maintained reinsurance covering that portion of risks in excess of \$1,000,000 for any one occurrence with a \$500,000 deductible for the year ended June 30, 2020. The limit is subject to audit by the District's insurer. The District remains liable to the extent that claims are less than the amount of reinsurance coverage or if the reinsuring company is unable to pay its portion of claims. Workers' Compensation liability is charged against the same fund from which each employee's salary is paid. The majority of these payments are charged to General Fund, Special Revenue Fund, and School Food Services Fund.

Accrued Vacation Pay and Sick Leave-- Accrued vacation pay, which may be accumulated for a period of up to two years, is payable upon termination of employment. Accrued sick leave, which has no maximum accumulation, is payable upon retirement at 30% of the value of accumulated sick leave. Both accrued sick leave and accrued vacation pay liabilities are charged against the same fund from which each employee's salary is paid. The majority of these payments are charged to General Fund, Special Revenue Fund, and School Food Services Fund.

Continued

Notes to the Financial Statements
For the Year Ended June 30, 2020



Note E—Long-Term Liabilities—Continued

Activity in long-term liabilities during the year ended June 30, 2020 consisted of the following:

Governmental Activities:	Amounts Due Within One Year			
	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
School building revenue bonds	\$ 452,157,133	\$ 57,795,000	\$ 33,245,188	\$ 476,706,945
Net bond premiums/discounts	20,174,605	2,870,896	2,225,694	20,819,807
Estimated liability for workers' compensation benefits	27,247,017	6,438,028	7,484,757	26,200,288
Accrued vacation pay	7,448,444	5,631,055	4,602,140	8,477,359
Accrued sick leave	37,664,821	9,120,506	7,569,981	39,215,346
	\$ 544,692,020	\$ 81,855,485	\$ 55,127,760	\$ 571,419,745
				\$ 37,795,138

On the Government-wide and Proprietary Funds Statements of Net Position, long-term liabilities are split between the current maturities, which are expected to be paid within one year, and the long-term maturities, which are expected to be paid beyond one year later.

Note F—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. Both plans use the entry age normal actuarial funding method and the accrual basis of accounting.

General information about the County Employees Retirement System Non-Hazardous ("CERS")

Plan description—Employees whose positions do not require a degree beyond a high school diploma are covered by CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the State 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. 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://kyrel.ky.gov>, by writing to the Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601-6124, or by calling (502) 696-8800.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2020



Note F—Retirement Plans—Continued

Benefits provided—CBRS provides retirement and other postemployment benefits, which are described further in Note H. For retirement purposes, employees are grouped into three tiers, based on hire date:

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

Cost of living adjustments are provided at the discretion of the 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 for Tier 1 employees, or the average of the last five fiscal years' earnings for Tier 2 and Tier 3 employees. Reduced benefits are based on factors of both of these components.

Employees are eligible for service-related disability benefits regardless of length of service. Five years of service is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. Death benefits equal the employee's final full-year salary.

Contributions—Benefit and contribution rates are established by State statute. Required contributions by the employee to the pension and insurance (OPFB) funds (see Note H for OPFB information) are based on the tier:

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

In accordance with Senate Bill 2, signed by the Governor of Kentucky on April 4, 2013, plan members who began participating on, or after, January 1, 2014, are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute 5% of their creditable compensation each month to their own account, and 1% to the Insurance Fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board of Trustees of the Kentucky Retirement Systems based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit of 4% is deposited to the member's account. The employer pay credit represents a portion of the employer contribution.

Continued



Note F—Retirement Plans—Continued

General information about the Teachers' Retirement System of the State of Kentucky ("KTRS")

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 ("KTRS"), 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 State. KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220 through Chapter 161 Section 990 of the KRS. KTRS is a blended component unit of the State of Kentucky and therefore is included in the State's financial statements. KTRS issues a publicly available financial report that can be obtained at <https://trs.ky.gov/employers/information/gasb-65-67/>.

Benefits provided—For employees who have established an account in a retirement system administered by the State 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 who 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 2% (service prior to July 1, 1983) and 2.5% (service after July 1, 1983) of their final average salary for each year of credited service. New employees (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year of service if, upon retirement, their total service is less than ten years. New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. Employees hired on or after July 1, 2008, will receive monthly benefits equal to the average of their top three salary years multiplied by a sliding scale rate from 1.7% up to 2.5% based on years of service up to 30 years. Beyond 30 years of service, the rate increases to 3.0%.

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. KTRS 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.

Continued



Note F—Retirement Plans—Continued

Contributions—Contribution rates are established by KRS. Employees are required to contribute 12.855% of their salaries to the pension plan. The State 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 15.355% 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 their request.

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 KTRS because the State of Kentucky provides the pension support directly to KTRS on behalf of the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State 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	\$ 534,348,849
Commonwealth's proportionate share of the KTRS net pension liability associated with the District	<u>2,663,581,788</u>
	<u>\$ 3,197,930,637</u>

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 District's actual contributions to the pension plan relative to the actual contributions of all participating organizations. At June 30, 2019, the District's proportion was 7.59770% percent.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note F—Retirement Plans—Continued

For the year ended June 30, 2020, the District recognized pension expense of \$88,728,975 related to CERS and \$278,458,303 related to KTRS, of which \$200,449,299 was recognized on the fund financial statements as it represented amounts paid on the District's behalf during the year. The District also recognized revenue of \$278,458,303 for KTRS support provided by the State. As of the June 30, 2019 measurement date, 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	\$ 13,643,521	\$ 2,257,766
Change of assumptions	54,082,175	
Net difference between projected and actual earnings on pension plan investments	10,257,390	18,871,326
Change in proportion and differences between District contributions and proportionate share of contributions		5,297,794
District contributions subsequent to the measurement date	36,514,460	
Total	\$ 114,497,546	\$ 26,426,886

The 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 of resources related to pensions will be recognized over a period of either five years for investments-related deferrals or the estimated remaining service life for active participants in the CERS pension for other deferred items. As of June 30, 2019 plan year, the estimated remaining service life was 3.40 years. The net increase (decrease) in pension expense related to the amortization of these deferred inflows and outflows of resources is as follows:

Year ended June 30:	
2021	\$ 34,905,484
2022	11,427,639
2023	4,611,966
2024	611,111

Continued



Notes to the Financial Statements

For the Year Ended June 30, 2020

Note F—Retirement Plans—Continued

Actuarial assumptions—For financial reporting, the actuarial valuation as of June 30, 2019 was performed by Gabriel, Roeder, Smith & Company (GRS) for CERS and was performed by Cavanaugh Macdonald Consulting, LLC (Cavanaugh) for KTRS. The total pension liability, net pension liability, and sensitivity information as of June 30, 2019 were based on an actuarial valuation date of June 30, 2018. The total pension liability was rolled-forward from the valuation date (June 30, 2018) to the plan’s fiscal year ended June 30, 2019, using generally accepted actuarial principles. There have been no changes in the either the CERS or KTRS plan provisions since June 30, 2018, however, the CERS Board of Trustees adopted new actuarial assumptions since June 30, 2018. The total pension liability for CERS as of June 30, 2019 was determined using these updated assumptions. The actuarial assumptions are: 3.30% to 10.30%, varies by service for CERS non-hazardous (prior year assumptions – 3.05%). Total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions:

	CERS	KTRS
Inflation	2.30%	3.00%
Payroll growth rate	2.00%	
Projected salary increases	3.30%	3.5-7.3%
Investment rate of return, net of investment expense & inflation	6.25%	7.50%

The mortality table used for active members was a PUB-2010 General Mortality table, for the non-hazardous employees, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

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

For CERS, the long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class for CERS are summarized as follows:

Asset Class	Allocation	Target	Long-Term Expected Real Rate of Return
U.S. Equity	18.75%	4.30%	
Non-US Equity	18.75%	4.80%	
Private Equity	10.00%	6.65%	
Specialty Credit/High Yield	15.00%	2.60%	
Core Bonds	13.50%	1.35%	
Cash	1.00%	20.00%	
Real Estate	5.00%	9.00%	
Opportunistic	3.00%	5.00%	
Real Return	15.00%	4.10%	
Total	100%		

Continued





Note F—Retirement Plans—Continued

For KTRS, 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 KTRS's investment consultant, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	40%	4.2%
International Equity	22%	5.2%
Fixed Income	15%	1.2%
Additional Categories	7%	3.3%
Real Estate	7%	3.8%
Private Equity	7%	6.3%
Cash	2%	0.9%
Total	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. 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 active and inactive employees. 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.

For KTRS, the discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made by the state at statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments. The Single Equivalent Interest Rate (SEIR) that discounts the entire projected benefit stream to the same amount as the sum of the present values of the two separate benefit payments streams was used to determine the total pension liability.

Sensitivity of CERS and KTRS 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:

Continued

Note F—Retirement Plans—Continued

	1% Decrease	Current Discount Rate	1% Increase
CERS discount rate	5.25%	6.25%	7.25%
District's proportionate share of net pension liability	\$ 668,318,854	\$ 534,348,849	\$ 422,686,146
KTRS discount rate	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 KTRS.

Other Retirement Plans--The District makes available various 401(k) and 403(b) defined contribution pension plans for all employees. These plans are administered by independent third party administrators. Employees are allowed to contribute any amount to the plans up to the Internal Revenue Code maximum allowable amount. The District does not contribute to the plans, but the District retains authority to amend or terminate these plans. During the fiscal year ended June 30, 2020, employees of the District contributed \$1,929,170 to 401(k) plans and \$8,953,130 to 403(b) plans.

Note G—Deferred Compensation

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all employees, permits them to defer a portion of their salary until future years. This deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, allows entities with little or no administrative involvement and who do not perform the investing function for these plans to omit plan assets and related liabilities from their financial statements. The District therefore does not show these assets and liabilities on its financial statements. The District does not contribute to the Plan, and employees of the District contributed \$2,114,659 to the Plan during the fiscal year ended June 30, 2020.





Note H—Postemployment Benefits

Retired District employees may receive postemployment benefits other than pensions (OPFB) through the same fiduciary pension system to which they contributed during their employment. In accordance with KRS, these benefits are provided and advanced-funded on an actuarially determined basis through the CERS and the KTRS plans. The KTRS maintains two separate OPFB plans for its retirees. The structure and how to access the financial and actuarial reports of CERS and KTRS are discussed further in Note F. Both plans offer OPFB benefits that are not based on level of employee pay or contributions.

CERS

CERS provides health insurance and death benefits to Plan employees and beneficiaries. As discussed in Note F, pension benefits are grouped into three tiers based on participation date with benefits adjusted based on tier. OPFB are not adjusted by tier other than the determination of retirement eligibility.

Benefits provided—For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

Years of Service	% Paid by Insurance Fund
20 or more	100%
15 - 19	75%
10 - 14	50%
4 - 9	25%
Less than 4	0%

As a result of House Bill 290 (2004 General Assembly), medical insurance benefits are calculated differently for members who began participation on or after July 1, 2003. Once members who commenced participating between July 1, 2003 and September 1, 2008 reach a minimum vesting period of ten years, and members who commenced participating on or after September 1, 2008 reach a minimum vesting period of 15 years, they earn ten dollars per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. This dollar amount is subject to adjustment annually based on the retiree cost of living adjustment, which is updated annually due to changes in the Consumer Price Index prior to July 1, 2009 and by 1.5% annually after July 1, 2009.

Health insurance benefits are not protected under the inviolable contract provisions of Kentucky Revised Statutes 16.652, 61.692, and 78.852. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

Contributions—The combined contribution rates for the CERS pension and insurance (OPFB) funds are contained in Note F.

OPFB Liabilities, OPFB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPFBs

At June 30, 2020, the District reported a liability of \$127,756,181 for its proportionate share of the collective net OPFB liability. The net OPFB liability was measured as of June 30, 2019, and the total OPFB liability used to calculate the net OPFB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPFB liability was based on the District's actual contributions to the OPFB plan relative to the actual contributions of all participating organizations. At June 30, 2019, the District's proportion was 7.596%.

Continued

Notes to the Financial Statements

For the Year Ended June 30, 2020

Note H—Postemployment Benefits—Continued

For the year ended June 30, 2020, the District recognized OPEB expense of \$13,332,410. 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
Change of assumptions	\$ 37,804,238	\$ 252,785
District contributions subsequent to the measurement date	9,005,639	38,546,994
Difference between expected and actual experience		38,546,994
Net difference between projected and actual earnings		38,546,994
on OPEB plan investments	841,523	6,515,870
Change in proportion and difference between District		6,515,870
contributions and proportionate share of contributions		3,335,996
Total	\$ 47,651,400	\$ 48,651,645

The District contributions subsequent to the measurement date will be recognized as a reduction of the 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 over a period of either five years for investments-related deferrals or the estimated remaining service life for active participants in CERS OPEB for other deferred items. As of June 30, 2019 plan year, the estimated remaining service life was 6.27 years. The net increase (decrease) in OPEB expense related to the amortization of these deferred inflows and outflows of resources is as follows:

Year ended June 30	
2021	\$ (1,630,380)
2022	(1,630,379)
2023	173,744
2024	(3,280,802)
2025	(3,060,622)
Thereafter	(577,445)

Continued



Notes to the Financial Statements

For the Year Ended June 30, 2020



Note H—Postemployment Benefits—Continued

Actuarial assumptions—For financial reporting, the actuarial valuation as of June 30, 2019 was performed by GRS. The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2019 were based on an actuarial valuation date of June 30, 2018. The total OPEB liability was rolled-forward from the valuation date (June 30, 2018) to the plan’s fiscal year ended June 30, 2019, using generally accepted actuarial principles. There have been no changes in plan provisions since June 30, 2018, however, the Board of Trustees has adopted new actuarial assumptions since June 30, 2018. The total OPEB liability as of June 30, 2019 was determined using these updated assumptions. The actuarial assumptions are:

Investment rate of return	6.25%
Payroll growth rate	2.00%
Projected salary increases	3.30% to 10.30%, varies by service for CERS non-hazardous (prior year assumptions 3.05%)
Inflation rate	2.30%
Actuarial cost method	Entry age normal
Mortality	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females). The mortality table used for active members was a PUB-2010 General Mortality table, for the non-hazardous employees, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010
Healthcare cost trend rates:	
Under 65	Initial trend starting at 7.00% at January 1, 2020 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 12 years
Ages 65 and older	Initial trend starting at 5.00% at January 1, 2020 and gradually decreasing to an ultimate trend rate of 4.05% over a period of 10 years
Municipal bond index rate	3.13%

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

Discount rate—The discount rate used to measure the total OPEB liability was 5.68%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the actuarially determined contribution rate of projected compensation over the remaining 25 years (closed) amortization period of the unfunded actuarial accrued liability. 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. The cost associated with the implicit employer subsidy was not included in the calculation of the Kentucky Retirement System’s actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of CERS’s trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in Note F above.

Continued



Note H—Postemployment Benefits—Continued

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate—The following table presents the net OPEB liability of the District, calculated using the discount rate selected by CERS, as well as what the District's net OPEB 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	1% Increase
CERS discount rate	4.68%	5.68%	6.68%
District's proportionate share of net OPEB Liability	\$ 171,140,737	\$ 127,756,181	\$ 92,010,223

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates—The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the 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 Health Care Trend Rate	1% Increase
District's proportionate share of net OPEB Liability	\$ 95,012,930	\$ 127,756,181	\$ 167,461,238

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

KTRS Medical Insurance Plan

Benefits provided—To be eligible for medical benefits, the member must have either retired from service or due to disability. The KTRS 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. KTRS 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 KTRS 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 KTRS Medicare Eligible Health Plan.

Contributions—In order to fund the post-retirement healthcare benefit, 6.75% of the gross annual payroll of employees before July 1, 2008 is contributed. 3% is paid by member contributions, 0.75% from State appropriation and 3% from the employer. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

Continued

Notes to the Financial Statements
For the Year Ended June 30, 2020

Note H—Postemployment Benefits—Continued

OPFB Liabilities, OPFB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPFBs

At June 30, 2020, the District reported a liability of \$303,280,000 for its proportionate share of the net OPFB liability that reflected a reduction for state OPFB support provided to the District. The net OPFB liability was measured as of June 30, 2019, and the total OPFB liability used to calculate the net OPFB liability was based on a projection of the District's long-term share of contributions to the OPFB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2019, the District's proportion was 10.362%.

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

	Total
District's proportionate share of the net OPFB liability	\$ 303,280,000
State's proportionate share of the District's net OPFB liability	244,916,000
	\$ 548,196,000

For the year ended June 30, 2020, the District recognized OPFB expense of \$14,005,000. At June 30, 2020, the District reported deferred inflows of resources related to OPFBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of assumptions	\$ 8,061,000	
District contributions subsequent to the measurement date	18,043,085	
Difference between expected and actual experience		\$ 73,411,000
Net difference between projected and actual earnings on OPFB plan investments	1,297,000	
Change in proportion and differences between District contributions and proportionate share of contributions	19,088,000	891,000
Total	\$ 46,489,085	\$ 74,302,000

Continued



Notes to the Financial Statements
For the Year Ended June 30, 2020

Note H—Postemployment Benefits—Continued

The net increase (decrease) in OPEB expense related to the amortization of these deferred inflows and outflows of resources is as follows:

Year ended June 30	
2021	(8,784,000)
2022	(8,784,000)
2023	(8,132,000)
2024	(8,255,000)
2025	(7,274,000)
Thereafter	(4,627,000)
	\$ (8,784,000)

Actuarial assumptions—For financial reporting, the actuarial valuation for KTRS as of June 30, 2019 was performed by Cavanaugh. The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2019 were based on an actuarial valuation date of June 30, 2018. The total OPEB liability was rolled-forward from the valuation date (June 30, 2018) to the plan's fiscal year ended June 30, 2019, using generally accepted actuarial principles. There have been no changes in the plan provisions or actuarial assumptions since June 30, 2018. The actuarial assumptions are:

Investment rate of return	8.00%, net of OPEB Plan Investment Expense, including Inflation
Projected salary increases	3.50% - 7.20%
Inflation rate	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
Healthcare cost trend rates:	
Under 65	7.50% for FY2019 decreasing to an ultimate rate of 5.00% by FY2024
Ages 65 and Older	5.50% for FY2019 decreasing to an ultimate rate of 5.00% by FY2021
Medicare Part B Premiums	2.63% for FY2019 with an ultimate rate of 5.00% by FY2031
Municipal Bond Index Rate	3.50%
Discount Rate	8.00%
Single Equivalent Interest Rate	8.00%, net of OPEB plan investment expense, including inflation

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

Continued



Notes to the Financial Statements

For the Year Ended June 30, 2020

Note H—Postemployment Benefits—Continued

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation, and rates of plan election used in the June 30, 2018, valuation were based on the results of the most recent actuarial experience studies for the system, which covered the five-year period ending June 30, 2015. 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, 2018 valuation.

The long-term expected rate of return on OPFB 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 OPFB 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 KTRS's investment consultant, are summarized in the following table:

Asset Class	% of Assets in Category	Long-Term Expected 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%	

The discount rate used to measure the total OPFB 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 OPFB 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 OPFB plan investments was applied to all periods of projected benefit payments to determine the total OPFB liability.

Continued





Note H—Postemployment Benefits—Continued

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate—The following table presents the net OPEB liability of the District, calculated using the discount rate selected by KTRS, as well as what the District's net OPEB 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	1% Increase
	(7.00%)	Rate (8.00%)	(9.00%)
	\$ 359,262,000	\$ 303,280,000	\$ 256,375,000

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates—The following presents the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the 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	Rate	1% Increase
	\$ 246,882,000	\$ 303,280,000	\$ 372,619,000

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

KTRS Life Insurance Plan

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

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

Contributions—In order to fund the post-retirement life insurance benefit, 0.03% of the gross payroll of members is contributed by the state.

Continued

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

At June 30, 2020, the District did not report a liability for its proportionate share of the collective net OPEB liability for life insurance benefits because the State of Kentucky provides the OPEB support directly to KTRS on behalf of the District. The amount recognized by the District as its proportionate share of the OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

	State's proportionate share of the District's net OPEB liability	\$ 5,688,000
	District's proportionate share of the net OPEB liability	-
	Total	<u>\$ 5,688,000</u>

For the year ended June 30, 2020, the District recognized revenue of \$843,000 for support provided by the State. At June 30, 2020, the District did not have any deferred outflows of resources or deferred inflows of resources related to the net OPEB liability for life insurance benefits.

Actuarial assumptions—For financial reporting, the actuarial valuation for KTRS as of June 30, 2019 was performed by Cavanaugh. The total OPEB liability, net OPEB liability, and sensitivity information as of June 30, 2019 were based on an actuarial valuation date of June 30, 2018. The total OPEB liability was rolled-forward from the valuation date (June 30, 2018) to the plan's fiscal year ended June 30, 2019, using generally accepted actuarial principles. There have been no changes in the plan provisions or actuarial assumptions since June 30, 2018. The actuarial assumptions are:

	Investment rate of return	7.50%, net of OPEB Plan Investment Expense, including inflation
	Projected salary increases	3.50 - 7.45%, including inflation
	Inflation rate	3.00%
	Real Wage Growth	0.50%
	Wage Inflation	3.50%
	Municipal Bond Index Rate	3.50%
	Discount Rate	7.50%
	Single Equivalent Interest Rate	7.50%, net of OPEB plan investment expense, including inflation

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, rates of plan participation and rates of plan election used in the June 30, 2018 valuation were based on the results of the most recent actuarial experience studies for the system, which covered the five-year period ending June 30, 2015.



Note H—Postemployment Benefits—Continued

The long-term expected rate of return on OPFB 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 OPFB 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 KTRS's investment consultant, are summarized in the following table:

Asset Class	% of Assets in Category	Long-Term Expected Rate of Return
U.S. 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%	

Discount rate—The discount rate used to measure the state's total OPFB 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 OPFB 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 OPFB plan investments was applied to all periods of projected benefit payments to determine the total OPFB liability.

OPFB plan fiduciary net position—Detailed information about the OPFB plan's fiduciary net position is available in the separately issued KTRS financial report.

Note I—Commitments

On June 30, 2020, the District had outstanding commitments for construction of \$158,404,624.



Notes to the Financial Statements

For the Year Ended June 30, 2020



Note J—Contingencies

The District is subject to legal actions in various stages of litigation. Based on the advice of counsel, management of the District does not anticipate that there will be any material effect on the financial position of the District as a result of the litigation presently in progress beyond the settlements recorded as liabilities as of June 30, 2020.

In the normal course of operations, 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 grantor may request a refund of monies advanced or refuse to reimburse the District for its expenditures. The amount of such future refunds and unreimbursed expenditures, if any, is not expected to be significant. Continuation of the District's grant programs is predicated upon the grantor's satisfaction that the funds provided are being spent as intended and the grantors' intent to continue their programs.

In addition, the District operates in a heavily regulated environment. The operations of the District are subject to the administrative directives, rules and regulations of federal and state regulatory agencies, including, but not limited to, the U.S. Department of Education and the Kentucky Department of Education. Such administrative directives, rules and regulations are subject to change by an act of Congress or the Kentucky Legislature or an administrative change mandated by the Kentucky Department of Education. Such changes may occur with little or inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change. Currently, the District has budgeted for such unfunded and underfunded mandates as Early Childhood (\$24.8 million), student transportation (\$51.7 million), English as a Second Language (\$18.9 million), the State Agency Children's Program (\$9.7 million), Exceptional Child Education (\$82.4 million), and a new employer contribution to one of the pensions that District employees participate in (\$17.8 million), among others.

Note K—Insurance and Risk Financing Related Activities

The District is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicle accidents, errors and omissions, fiduciary responsibility, etc. Each of these risk areas is covered through the purchase of commercial insurance. To further reduce financial risk to the District, additional policies are purchased to address the risk that claims could exceed the insurance coverage limits. Over the past three years, the District has not had claims that exceeded its insurance policies and excess policies. Since claims are entirely managed through commercial insurance, the District has no claims liability as of June 30, 2020.



Note L—Encumbrances

The District classifies encumbrances as Assigned Fund Balance in the General Fund and as Restricted Fund Balance in other funds on its Balance Sheet – Governmental Funds in accordance with a directive from the Kentucky Department of Education. Issuing and controlling purchase orders is traditionally a management function, and encumbering and releasing the encumbrance of fund balance is a function of the District’s management with approval of members of our Board of Education. As of June 30, 2020, encumbrances were included in our Fund Balances as follows:

	General Fund Assigned Fund Balance	\$ 32,748,001
	Special Revenue Fund Restricted Fund Balance	6,088,365
	Construction Fund Restricted Fund Balance	52,373,638
	Nomajor governmental funds	398,850
	Total Encumbrances	<u>\$ 91,608,854</u>

Note M—Recent GASB Pronouncements

Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. This statement was adopted during the current year. This statement reclassified all agency funds as special revenue funds. These funds were shifted into the Special Revenue Fund and a new non-major governmental fund, Student Activity Funds. See also Note O.

The GASB has issued several reporting standards that will become effective for fiscal 2021 and later years’ financial statements.

- Statement No. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB statements.
- Statement No. 87, *Leases*, the objective of which is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The Statement requires all leases to be recognized as a right-of-use asset and a lease liability, unless the lease is a short term lease (generally a lease with a term of twelve months or less).
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. Thus, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.
- Statement No. 90, *Majority Equity Interests*, this statement addresses situations where a government acquires a majority interest in an equity interest in another organization.
- Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with related obligations, commitments, and footnote disclosures.

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

Notes to the Financial Statements

For the Year Ended June 30, 2020



Note N—Deficit Fund Balance Nonmajor Enterprise Funds

In addition to School Food Services major enterprise fund, Tuition Preschool has a deficit net position of \$759,506. These funds are negative due to the unfunded pension and postemployment liabilities and related deferred inflows and outflows.

Note O—Changes in Certain Beginning Balances

The District has implemented Governmental Accounting Standards Board statement No. 84, *Fiduciary Funds*, for these financial statements. This implementation reclassified all agency funds as special revenue funds. On the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Fund, this increased the beginning balance of the Special Revenue Fund by \$710,050 and increased the beginning balance of Student Activity Funds, a new special revenue fund for the District, by \$6,049,034. Accordingly, the governmental activities net position as of the beginning of the year increased \$6,759,084 on the District-wide Statement of Activities.

The District restated the beginning balance net position of governmental activities due to a correction in amortization of bond discounts and premiums that was incorrectly derecognized upon adoption of GASB statement No. 65 during the year ended June 30, 2013 and subsequent years. On the District-wide Statement of Activities, this correction reduced the beginning net position of governmental activities by \$16,769,468.

In addition, the District corrected deferred outflows for governmental and business-type activities as contributions after the measurement date that were not deferred upon implementation of GASB statement No. 75 due to misinterpretation of the special funding arrangement described in Note H. On the District-wide Statement of Activities, this correction increased the beginning net position of governmental activities by \$15,601,210 and increased the beginning net position business-type activities by \$1,753,249. On the Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds, the beginning net position increased \$1,753,249.

Note P—Subsequent Events

In preparing these financial statements, management of the District has evaluated events and transactions for potential recognition or disclosure through November 10, 2020, the date the financial statements were available to be issued.

During March 2020, the World Health Organization declared the coronavirus (“COVID-19”) outbreak to be a pandemic. COVID-19 continues to impact worldwide economic activity and financial markets. In response to the financial impact of COVID-19 on the District, subsequent to June 30, 2020, the District submitted a request of approximately \$12 million from the Federal Emergency Management Agency (“FEMA”) and is pursuing additional amounts under the Coronavirus Aid, Relief and Economic Security (“CARES”) Act. The District is closely monitoring the impact of the COVID-19 pandemic on all aspects of its operations, including the fair value of its investments. The District's management will continue to monitor its investment holdings as it has done in the past, but has no immediate plans to change its investment portfolio. The continued spread of the disease has resulted in significant financial and operational impacts during the year ended June 30, 2020, and represents a significant risk that the District's operations could continue to be disrupted in the near future. Since the situation surrounding the COVID-19 pandemic remains fluid, the long-term duration, nature and extent of the effects on the District cannot be reasonably estimated at this time.

Required Supplementary Information

Schedule of Revenues and Expenditures - Budget and Actual
Board of Education of Jefferson County, Kentucky
 Year Ended June 30, 2020

	General Fund			
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources				
Property taxes	\$ 469,774,442	\$ 469,774,442	\$ 462,895,650	\$ (6,878,792)
Occupational taxes	174,043,000	174,043,000	156,348,315	(17,694,685)
Other taxes	59,156,507	59,156,507	54,014,453	(5,142,054)
State sources				
SEEK program	232,487,382	232,487,382	225,684,013	(6,803,369)
Other state revenues	300,022,921	300,022,921	322,477,942	22,455,021
Interest	5,000,000	5,000,000	4,395,350	(604,650)
Other sources	11,198,629	11,198,629	11,619,650	421,021
Total Revenues	1,251,682,881	1,251,682,881	1,237,435,373	(14,247,508)
Expenditures				
Instruction	711,820,024	707,360,317	701,638,031	5,722,286
Student support services	73,910,034	72,028,715	72,076,413	(47,698)
Instructional staff support services	127,710,294	129,148,003	115,421,976	13,726,027
District administration support services	7,711,546	7,233,935	7,428,447	(194,512)
School administration support services	111,591,054	117,297,577	115,042,562	2,255,015
Business support services	51,919,187	64,913,835	52,173,529	12,740,306
Plant operations and maintenance	131,553,800	134,679,051	115,049,730	19,629,321
Student transportation	89,695,897	90,053,089	84,502,094	5,550,995
Other			120,482	(120,482)
Food service operations	87,133	87,133		87,133
Community services operations	3,597,994	3,655,207	3,051,281	603,926
Building renovations	1,597,763	1,494,431	1,448,574	45,857
Transfers to Proprietary Funds			3,062,374	(3,062,374)
Operating transfers out	1,910,000	2,005,125	3,563,066	(1,557,941)
Contingency	75,078,155	57,421,141		57,421,141
Total Expenditures	1,388,182,881	1,387,377,559	1,274,578,559	112,799,000
Revenues in Excess of (Less Than) Expenditures	\$ (136,500,000)	\$ (135,694,678)	\$ (37,143,186)	\$ 98,551,492
Net Position, End of Year	\$ (4,709,271)	\$ (3,903,949)	\$ 94,647,543	

See page 66 for explanation of significant budget variances
 See Report of Independent Auditors

Schedule of Revenues and Expenditures - Budget and Actual
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2020

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
Grants	\$ 125,771,255	\$ 165,528,388	\$ 121,468,589	\$ (44,059,799)
Interest	3,442	51,110	32,347	(18,763)
Other Sources	15,023	15,618	595	(15,023)
Transfers from other funds	1,820,000	1,870,917	1,824,621	(46,296)
Total Revenues	127,609,720	167,466,033	123,326,152	(44,139,881)
Expenditures				
Instruction	74,593,677	109,213,003	69,064,019	40,148,984
Student support services	4,054,953	4,322,500	4,406,011	(83,511)
Instructional staff support services	33,828,885	35,336,478	34,809,119	527,359
District administration support services	74,237	209,685	79,807	129,878
School administration support services	5,857,267	527,871	505,483	22,388
Business support services	345,005	553,870	567,898	(14,028)
Plant operations and maintenance	211,250	1,399,454	1,064,991	334,463
Student transportation	614,754	849,019	991,357	(142,338)
Other instructional	41,422	41,422	20,340	21,082
Food Service Operation	6,850	41,873		41,873
Community service operations	10,914,833	11,377,973	7,592,193	3,785,780
Other expenditures	2,338,129	3,592,885	2,504,898	1,087,987
Total Expenditures	132,881,262	167,466,033	121,606,116	45,859,917
Revenues in Excess of (Less Than) Expenditures	\$ (5,271,542)	\$	\$ 1,720,036	\$ 1,720,036
Net Position, End of Year	\$ 4,630,221	\$ 9,901,763	\$ 11,621,799	

See page 66 for explanation of significant budget variances
See Report of Independent Auditors

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2020

Explanation of significant budget variances:

General Fund

Occupational tax revenues were \$17.7 million under budget as a result of the sudden economic slowdown as a result of COVID-19. Other state revenues were \$21.9 million higher than budgeted as a result of market expectations about the state-funded teachers pension. Instructional staff support was down \$13.7 million due to staff temporary vacancies that did not get filled during remote learning. Plant operations and maintenance expenses were \$19.6 million less than budgeted due to temporary staff vacancies and lower utilities expenses while schools were closed. Business Support was under budget \$13.1 due largely to COVID-19-related technology needed for remote learning that was encumbered at fiscal year end.

Special Revenue Fund

Grants revenues, instruction expenditures, and community service operations expenditures were less than budget due to the District practice of budgeting all awarded grants fully even though the grant may have greater than a 12-month term and may be spent in future years.

See Report of Independent Auditors

Schedule of the District's Proportionate Share of the Net Pension Liability
 -- County Employees Retirement System Non-Hazardous
Board of Education of Jefferson County, Kentucky
 June 30, 2020

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
District's proportion of the net pension liability	7.59770%	7.74380%	7.74870%	7.83330%	8.05481%	8.15008%
District's proportionate share of the net pension liability	\$ 534,348,849	\$ 471,620,358	\$ 453,555,175	\$ 385,681,594	\$ 346,318,819	\$ 264,419,000
District's covered payroll*	\$ 194,138,549	\$ 194,383,907	\$ 191,038,985	\$ 188,718,277	\$ 189,331,814	\$ 187,829,142
District's proportionate share of the net pension liability as a percentage of District's covered payroll	275.24%	242.62%	237.41%	201.08%	183.51%	139.66%
Plan fiduciary net position as a percentage of the total pension liability	50.450000%	53.540000%	55.300000%	55.500000%	59.968386%	66.801030%

* The amounts presented for each fiscal year were determined as of the measurement date of the net pension liability, which is as of the District's prior fiscal year end.

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of the District's Proportionate Share of the Net Pension Liability
 -- Kentucky Teachers Retirement System
Board of Education of Jefferson County, Kentucky
 June 30, 2020

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net pension liability	-	-	-	-	-	-
Commonwealth's proportion of the net pension liability associated with the District	19.5216%	18.9522%	18.5913%	18.3822%	18.4829%	17.8857%
Commonwealth's proportionate share of the net pension liability associated with the District	<u>\$ 2,663,581,788</u>	<u>\$ 2,481,543,345</u>	<u>\$ 5,016,422,679</u>	<u>\$ 5,422,750,549</u>	<u>\$ 4,301,069,425</u>	<u>\$ 3,675,381,169</u>
Total	<u>\$ 2,663,581,788</u>	<u>\$ 2,481,543,345</u>	<u>\$ 5,016,422,679</u>	<u>\$ 5,422,750,549</u>	<u>\$ 4,301,069,425</u>	<u>\$ 3,675,381,169</u>
District's covered payroll*	\$ 639,689,235	\$ 622,457,214	\$ 600,769,995	\$ 588,915,332	\$ 575,283,426	\$ 560,665,934
District's proportionate share of the net pension liability	-	-	-	-	-	-
Commonwealth's proportionate share of the net pension liability as a percentage of District's covered payroll	416.39%	398.67%	835.00%	902.63%	730.34%	638.88%
Plan fiduciary net position as a percentage of the total pension liability	58.80%	59.30%	39.83%	35.22%	78.53%	45.59%

* The amounts presented for each fiscal year were determined as of the measurement date of the net pension liability, which is as of the District's prior fiscal year end.
 ** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of the District's Proportionate Share of the Net OPEB Liability
 -- County Employees Retirement System Non-Hazardous
Board of Education of Jefferson County, Kentucky
 June 30, 2020

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
District's proportion of the net OPEB liability	7.59570%	7.74360%	7.74870%	N/A
District's proportionate share of the net OPEB liability	\$ 127,756,181	\$ 137,485,575	\$ 155,775,355	\$ 122,185,342
District's covered-employee payroll*	\$ 194,138,549	\$ 194,383,907	\$ 191,038,985	\$ 188,718,277
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	65.81%	70.73%	81.54%	64.74%
Plan fiduciary net position as a percentage of the total OPEB liability	60.440000%	57.620000%	52.4000%	52.400000%

* The amounts presented for each fiscal year were determined as of the measurement date of the net pension liability, which is as of the District's prior fiscal year end.

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.
 will be displayed as they become available.

See Report of Independent Auditors

Schedule of the District's Proportionate Share of the Net OPEB Liability
 -- Kentucky Teachers Retirement System - Medical Insurance
Board of Education of Jefferson County, Kentucky
 June 30, 2020

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
District's proportion of the net OPEB liability	10.36%	9.74%	9.78%
District's proportionate share of the net OPEB liability	\$ 303,280,000	\$ 338,031,000	\$ 348,684,000
Commonwealth's proportion of the net pension liability associated with the District	8.3681%	8.3960%	7.9877%
Commonwealth's proportionate share of the net pension liability associated with the District	<u>\$ 244,916,000</u>	<u>\$ 291,312,000</u>	<u>\$ 284,824,000</u>
Total	<u>\$ 548,196,000</u>	<u>\$ 629,343,000</u>	<u>\$ 633,508,000</u>
District's covered-employee payroll	\$ 639,689,235	\$ 622,457,214	\$ 600,769,995
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	47.41%	54.31%	56.02%
Plan fiduciary net position as a percentage of the total OPEB liability	32.5800%	25.5000%	21.1800%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available. will be displayed as they become available.

See Report of Independent Auditors

Schedule of the District's Proportionate Share of the Net OPEB Liability
 -- Kentucky Teachers Retirement System - Life Insurance
Board of Education of Jefferson County, Kentucky
 June 30, 2020

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
District's proportion of the net OPEB liability	0.00%	0.00%	0.00%
District's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
Commonwealth's proportion of the net pension liability associated with the District	18.3112%	17.7250%	17.3622%
Commonwealth's proportionate share of the net pension liability associated with the District	<u>\$ 5,688,000</u>	<u>\$ 5,001,000</u>	<u>\$ 3,805,000</u>
Total	<u>\$ 5,688,000</u>	<u>\$ 5,001,000</u>	<u>\$ 3,805,000</u>
District's covered-employee payroll	\$ 639,689,235	\$ 622,457,214	\$ 600,769,995
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	73.4000%	75.0000%	79.9900%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of District Contributions

-- Pension: County Employees Retirement System Non-Hazardous

Board of Education of Jefferson County, Kentucky

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Contractually required contribution	\$ 36,514,460	\$ 31,349,330	\$ 22,849,672	\$ 26,605,500	\$ 23,316,728	\$ 33,301,465
Contributions in relation to the contractually required contribution	<u>36,514,460</u>	<u>31,349,330</u>	<u>22,849,672</u>	<u>26,605,500</u>	<u>23,316,728</u>	<u>33,301,465</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 190,153,786	\$ 194,138,549	\$ 194,383,907	\$ 191,038,985	\$ 188,718,277	\$ 189,329,298
Contributions as a percentage of covered payroll	19.2026%	16.1479%	11.7549%	13.9267%	12.3553%	17.5892%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of District Contributions
 -- Pension: Kentucky Teachers Retirement System
Board of Education of Jefferson County, Kentucky

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 656,440,928	\$ 639,689,235	\$ 622,457,214	\$ 600,769,995	\$ 588,915,332	\$ 575,283,426
Contributions as a percentage of covered payroll	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of District Contributions

-- OPEB: County Employees Retirement System Non-Hazardous

Board of Education of Jefferson County, Kentucky

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>
Contractually required contribution	\$ 9,005,639	\$ 10,166,306	\$ 7,616,557	\$ 8,868,500
Contributions in relation to the contractually required contribution	<u>9,005,639</u>	<u>10,166,306</u>	<u>7,616,557</u>	<u>8,868,500</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 190,153,786	\$ 194,138,549	\$ 194,383,907	\$ 191,038,985
Contributions as a percentage of covered-employee payroll	4.7360%	5.2366%	3.9183%	4.6422%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of District Contributions

-- OPEB: Kentucky Teachers Retirement System - Medical Insurance

Board of Education of Jefferson County, Kentucky

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Contractually required contribution	\$ 18,043,085	\$ 17,354,459	\$ 16,753,572
Contributions in relation to the contractually required contribution	<u>18,043,085</u>	<u>17,354,459</u>	<u>16,753,572</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 656,440,928	\$ 639,689,235	\$ 622,457,214
Contributions as a percentage of covered-employee payroll	2.7486%	2.7130%	2.6915%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Schedule of District Contributions

-- OPEB: Kentucky Teachers Retirement System - Life Insurance

Board of Education of Jefferson County, Kentucky

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>
Contractually required contribution	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 656,440,928	\$ 639,689,235	\$ 622,457,214
Contributions as a percentage of covered-employee payroll	0.0000%	0.0000%	0.0000%

** Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

See Report of Independent Auditors

Other Supplementary Information

Schedule of Revenues and Expenditures - Budget and Actual

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2020

Construction Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Interest			\$ 358,668	\$ 358,668
Proceeds from the sale of bonds	\$ 154,721,550	\$ 154,721,550	57,795,000	(96,926,550)
Other income			2,870,896	2,870,896
Transfers from other funds			10,149,706	10,149,706
Total Revenues	154,721,550	154,721,550	71,174,270	(83,547,280)
Expenditures				
Building renovations	154,721,550	167,183,082	61,986,307	105,196,775
Refunding of bonds				
Transfers to other funds			2,942,371	(2,942,371)
Total Expenditures	154,721,550	167,183,082	64,928,678	102,254,404
Revenues in Excess of (Less Than) Expenditures	<u>\$</u>	<u>\$ (12,461,532)</u>	<u>\$ 6,245,592</u>	<u>\$ 18,707,124</u>
Net Position, End of Year	<u>\$ 97,624,465</u>	<u>\$ 85,162,933</u>	<u>\$ 103,870,057</u>	

School Food Services				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Lunchroom sales	\$ 4,600,000	\$ 4,600,000	\$ 2,325,026	\$ (2,274,974)
Federal grants	65,708,410	66,505,906	48,017,229	(18,488,677)
State revenues	530,000	530,000	5,004,712	4,474,712
Donated commodities			3,218,157	3,218,157
District support			2,969,452	2,969,452
Interest	120,000	120,000	91,665	(28,335)
Miscellaneous		50,000		(50,000)
Total Revenues	70,958,410	71,805,906	61,626,241	(10,179,665)
Expenses				
Food service operation	100,668,410	102,516,150	73,547,978	28,968,172
Transfers to other funds	3,840,000	3,840,000	4,058,735	(218,735)
Total Expenses	104,508,410	106,356,150	77,606,713	28,749,437
Revenues in Excess of (Less Than) Expenses	<u>\$ (33,550,000)</u>	<u>\$ (34,550,244)</u>	<u>\$ (15,980,472)</u>	<u>\$ 18,569,772</u>
Net Position, End of Year	<u>\$ (89,322,426)</u>	<u>\$ (90,322,670)</u>	<u>\$ (71,752,898)</u>	

Basis of budgeting -- The Board accounts for and budgets operations according to the Generally Accepted Accounting Principles.

See page 81 for explanation of significant budget variances

See Report of Independent Auditors

Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Funds
Board of Education of Jefferson County, Kentucky
 Year Ended June 30, 2020

SEEK Capital Outlay Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
State SEEK program	\$ 8,630,000	\$ 8,630,000	\$ 8,432,343	\$ (197,657)
Expenditures				
Transfers to other funds	8,630,000	8,630,000	8,432,343	197,657
Total Expenditures	<u>8,630,000</u>	<u>8,630,000</u>	<u>8,432,343</u>	<u>197,657</u>
Revenues in Excess of (Less Than) Expenditures				<u>\$</u>
Net Position, End of Year	<u>\$</u>	<u>\$</u>	<u>\$</u>	

Building Tax Fund				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property taxes	\$ 40,500,000	\$ 40,500,000	\$ 39,708,760	\$ (791,240)
Other sources	204,000	204,000	101,966	(102,034)
Total Revenues	40,704,000	40,704,000	39,810,726	(893,274)
Expenditures				
Transfers to other funds	40,704,000	40,704,000	37,231,568	3,472,432
Total Expenditures	<u>40,704,000</u>	<u>40,704,000</u>	<u>37,231,568</u>	<u>3,472,432</u>
Revenues in Excess of (Less Than) Expenditures			<u>\$ 2,579,158</u>	<u>\$ 2,579,158</u>
Net Position, End of Year	<u>\$ 4,180,415</u>	<u>\$ 4,180,415</u>	<u>\$ 6,759,573</u>	

See page 81 for explanation of significant budget variances
 See Report of Independent Auditors

Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Funds

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2020

	Debt Service Fund			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
KSFCC allocation	\$ 11,900,000	\$ 11,900,000	\$ 10,257,913	\$ (1,642,087)
Other sources	2,620,000	2,620,000	2,630,997	10,997
Transfers from other funds	49,334,000	49,334,000	38,456,576	(10,877,424)
Total Revenues	63,854,000	63,854,000	51,345,486	(12,508,514)
Expenditures				
Debt service	63,854,000	63,854,000	51,345,486	(12,508,514)
Total Expenditures	63,854,000	63,854,000	51,345,486	(12,508,514)
Revenues in Excess of (Less Than) Expenditures				\$
Net Position, End of Year	\$	\$	\$	
Day Care Operations				
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Day care fees			\$ 67	\$ 67
Other state and federal revenues	\$ 7,085	\$ 18,181	164,751	146,570
Total Revenues	7,085	18,181	164,818	146,637
Expenses				
Day care operations	589,466	600,562	130,385	(470,177)
Revenues in Excess of (Less Than) Expenses	\$ (582,381)	\$ (582,381)	\$ 34,433	\$ (323,540)
Net Position, End of Year	\$ (91,258)	\$ (91,258)	\$ 525,556	

See page 81 for explanation of significant budget variances

See Report of Independent Auditors

Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Funds

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2020

	Adult Education			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
Adult education tuition	\$ 102,699	\$ 135,334	\$ 135,334	
Interest	564	3,527	3,527	
Other state revenues			21,017	\$ 21,017
Total Revenues	103,263	138,862	159,878	21,017
Expenses				
Instruction	170	170	204,046	(203,876)
Instructional staff support services	372,506	408,669		408,669
Transfers to other funds	5,000	5,000	5,000	
Total Expenditures	377,676	413,839	209,046	204,793
Revenues in Excess of (Less Than) Expenses	\$ (274,414)	\$ (274,977)	\$ (49,168)	\$ 225,810
Net Position, End of Year	\$ 1,951	\$ 1,388	\$ 227,197	

	Tuition Pre-School			Variance with Final Budget Positive (Negative)
	Working Budget	Final Budget	Actual	
Revenues				
Pre-School Tuition	\$ 656,279	\$ 506,076	\$ 527,420	\$ (21,344)
Other state revenues			103,227	(103,227)
Total Revenues	656,279	506,076	630,647	(124,571)
Expenses				
Instruction	80,872,977	667,932	451,880	216,052
Revenues in Excess of (Less Than) Expenses	\$ (80,216,698)	\$ (161,856)	\$ 178,767	\$ (340,623)
Net Position, End of Year	\$ (81,154,971)	\$ (1,100,129)	\$ (759,506)	

See page 81 for explanation of significant budget variances

See Report of Independent Auditors

Schedule of Revenues and Expenditures - Budget and Actual - Nonmajor Funds
Board of Education of Jefferson County, Kentucky
 Year Ended June 30, 2020

	Enterprise Programs			
	Working Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Program fees	\$ 15,033	\$ 51,079	\$ 51,853	\$ (774)
State revenues			2,870	(2,870)
Transfers from other funds	95,000	95,000	92,922	2,078
Total Revenues	110,033	146,079	147,645	(1,566)
Expenses				
Instruction	100,824	109,352	157,228	(47,876)
Instructional staff support	50,724	69,636		
Community services	15,033	24,953		
Total Expenditures	166,581	203,941	157,228	(47,876)
Revenues in Excess of (Less Than) Expenses	\$ (56,548)	\$ (57,862)	\$ (9,583)	\$ 46,310
Net Position, End of Year	\$	\$	\$ 48,515	

See below for explanation of significant budget variances

Explanation of significant budget variances:

Construction Fund

Bond proceeds revenues and construction expenses are significantly under budget as we are preparing for future new school construction funded by new bond issuance.

School Food Services

Food service operation is intentionally overbudgeted as the fund's prior year net position is not intended to be used within one year. This caused a \$29.7 million underage.

Building Fund

Transfers to other funds were \$3.5 million over budget as the District chose to reserve these funds to pay for renovation projects using cash during the 2020-21 fiscal year.

Debt Service Fund

Transfers from other funds and debt service expenditures were lower than budgeted as the District is reaping the benefits of bond refundings done during this period of low interest rates. Refunding issues captured net interest savings and never increased the term of each bond.

See Report of Independent Auditors

Combining Balance Sheet - Nonmajor Governmental Funds
Board of Education of Jefferson County, Kentucky
 June 30, 2020

	Building Tax Fund	District Activity Funds	Student Activity Funds	Total Nonmajor Governmental Funds
Assets				
Cash			\$ 6,452,045	\$ 6,452,045
Investments			666,386	666,386
Accounts receivable		\$ 15,795	74,356	90,151
Inventory			309,345	309,345
Due from other funds	\$ 6,759,573	3,968,477		10,728,050
Total Assets	<u>6,759,573</u>	<u>3,984,272</u>	<u>7,502,132</u>	<u>18,245,977</u>
Liabilities				
Accrued liabilities		190,356	320,180	510,536
Fund Balances				
Nonspendable			309,345	309,345
Restricted	6,759,573	3,793,916	6,872,607	17,426,096
Total Liabilities and Fund Balances	<u>\$ 6,759,573</u>	<u>\$ 3,984,272</u>	<u>\$ 7,502,132</u>	<u>\$ 18,245,977</u>

See Report of Independent Auditors

Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances - Nonmajor Governmental Funds
Board of Education of Jefferson County, Kentucky
 Year Ended June 30, 2020

	Building Tax Fund	SEEK Capital Outlay Fund	Debt Service Fund	District Activity Funds	Student Activity Funds	Total Nonmajor Governmental Funds
Revenues						
Local sources						
Property taxes	\$ 39,708,760					\$ 39,708,760
State sources						
SEEK program		\$ 8,432,343				8,432,343
KSFCC allocation			\$ 10,257,913			10,257,913
Other Sources	101,966		2,630,997	\$ 3,587,460	\$ 10,731,776	17,052,199
Total Revenues	39,810,726	8,432,343	12,888,910	3,587,460	10,731,776	75,451,215
Expenditures						
Instruction				2,987,474	11,342,303	14,329,777
Plant operations & maintenance				43,476		43,476
Debt service						
Principal			33,245,188			33,245,188
Interest			18,100,298			18,100,298
Total Expenditures			51,345,486	3,030,950	11,342,303	65,718,739
Revenues in Excess of (Less Than) Expenditures	39,810,726	8,432,343	(38,456,576)	556,510	(610,527)	9,732,476
Other Financing Sources (Uses)						
Operating transfers in			38,456,576		1,743,445	40,200,021
Operating transfers out	(37,231,568)	(8,432,343)				(45,663,911)
Total Other Financing Sources (Uses)	(37,231,568)	(8,432,343)	38,456,576		1,743,445	(5,463,890)
Net Change in Fund Balances	2,579,158			556,510	1,132,918	4,268,586
Fund Balances, Beginning of Year	4,180,415			3,237,406	6,049,034	13,466,855
Fund Balances, End of Year	\$ 6,759,573	\$	\$	\$ 3,793,916	\$ 7,181,952	\$ 17,735,441

See Report of Independent Auditors

Combining Statement of Net Position - Nonmajor Proprietary Funds
Board of Education of Jefferson County, Kentucky
 June 30, 2020

	Enterprise Funds				Total Nonmajor Enterprise Funds
	Adult Education	Enterprise Programs	Tuition Pre-School	Daycare Operations	
Assets					
Current Assets					
Cash and cash equivalents	\$ 309,645				\$ 309,645
Accounts receivable			\$ 12,083		12,083
Due from other funds		\$ 60,853	384,888	\$ 614,410	1,060,151
Total Current Assets	309,645	60,853	396,971	614,410	1,381,879
Deferred Outflows of Resources					
Difference between actual and expected experience	1,110	186	17,413	1,338	20,047
Difference between projected and actual earnings on plan investments	1,009	169	15,821	1,216	18,215
Changes in Assumptions	8,135	1,361	127,562	9,801	146,859
Changes in proportionate share	1,554	260	24,362	1,872	28,048
Pension contributions after measurement date	5,174	866	81,125	6,232	93,397
Total Deferred Outflows of Resources	16,982	2,842	266,283	20,459	306,566
Liabilities					
Current Liabilities					
Due to other funds	8,699				8,699
Noncurrent Liabilities					
Unfunded pension liabilities	43,491	7,276	681,982	52,398	785,147
Unfunded post-employment benefits liabilities	35,082	5,869	550,126	42,267	633,344
Total Liabilities	87,272	13,145	1,232,108	94,665	1,427,190
Deferred Inflows of Resources					
Differences between projected and actual earnings on plan investments	2,066	346	32,401	2,489	37,302
Differences between actual and expected experience	9,296	1,555	145,772	11,200	167,823
Changes in Assumptions	21	4	323	25	373
Changes in proportionate share	775	130	12,156	934	13,995
Total Deferred Inflows of Resources	12,158	2,035	190,652	14,648	219,493
Net Position					
Unrestricted	227,197	48,515	(759,506)	525,556	41,762
Total Net Position	<u>\$ 227,197</u>	<u>\$ 48,515</u>	<u>\$ (759,506)</u>	<u>\$ 525,556</u>	<u>\$ 41,762</u>

Combining Statement of Revenues, Expenses and Changes in
Net Position - Nonmajor Proprietary Funds
Board of Education of Jefferson County, Kentucky
Year Ended June 30, 2020

	Enterprise Funds				Total Nonmajor Enterprise Funds
	Adult Education	Enterprise Programs	Tuition Pre-School	Daycare Operations	
Operating Revenues					
Tuition and fees	\$ 135,334	\$ 51,853	\$ 527,420	\$ 67	\$ 714,674
Operating Expenses					
Salaries and personnel services	78,763	11,591	392,485	73,542	556,381
Employee benefits	107,029	16,986	40,231	37,623	201,869
Purchased professional services	3,244	101,218		1,900	106,362
Purchased property maintenance services		736			736
Other purchased services	195	161		241	597
Supplies and materials	14,716	7,839	19,164	10,263	51,982
Property		18,697		3,057	21,754
Miscellaneous	99			3,759	3,858
Total Operating Expenses	<u>204,046</u>	<u>157,228</u>	<u>451,880</u>	<u>130,385</u>	<u>943,539</u>
Loss From Operations	(68,712)	(105,375)	75,540	(130,318)	(228,865)
Non-Operating Revenues (Expenses)					
State revenues	21,017	2,870	103,227	164,751	291,865
Transfers to other funds	(5,000)				(5,000)
Transfers from other funds		92,922			92,922
Interest income	3,527				3,527
Total Non-Operating Revenues (Expenses)	<u>19,544</u>	<u>95,792</u>	<u>103,227</u>	<u>164,751</u>	<u>383,314</u>
Change in Net Position	(49,168)	(9,583)	178,767	34,433	154,449
Net Position, Beginning of Year, as restated	<u>276,365</u>	<u>58,098</u>	<u>(938,273)</u>	<u>491,123</u>	<u>(112,687)</u>
Net Position, End of Year	<u>\$ 227,197</u>	<u>\$ 48,515</u>	<u>\$ (759,506)</u>	<u>\$ 525,556</u>	<u>\$ 41,762</u>

See Report of Independent Auditors

Board of Education of Jefferson County, Kentucky

Year Ended June 30, 2020

	Enterprise Funds				Total Nonmajor Enterprise Funds
	Adult Education	Enterprise Programs	Tuition Pre-School	Daycare Operations	
Cash Flows From Operating Activities					
Cash received from customers	\$ 135,334	\$ 195,819	\$ 499,634	\$ (31,206)	\$ 799,581
Cash paid to suppliers	(58,334)	(81,467)	(19,164)	(14,420)	(173,385)
Cash paid to employees	(110,631)	(16,004)	(583,697)	(113,466)	(823,798)
Cash paid for other expenses	(3,343)	(101,218)		(5,659)	(110,220)
Net Cash Provided by (Used in) Operating Activities	(36,974)	(2,870)	(103,227)	(164,751)	(307,822)
Cash Flows From Capital and Related Financing Activities					
Interest earned	3,527				3,527
Net Cash Provided By (Used in) Capital and Related Financing Activities	3,527				3,527
Cash Flows from Noncapital Financing Activities					
Cash used for operational grant required match	(5,000)				(5,000)
Cash received for operational grants	21,017	2,870	103,227	164,751	291,865
Net Cash Provided by Noncapital Financing Activities	16,017	2,870	103,227	164,751	286,865
Increase (Decrease) in Cash and Cash Equivalents	(17,430)				(17,430)
Cash and Cash Equivalents, Beginning of Year	327,075				327,075
Cash and Cash Equivalents, End of Year	\$ 309,645	\$	\$	\$	\$ 309,645
Reconciliation of Loss from Operations to Net Cash Provided by (Used in) Operating Activities					
Loss from operations	\$ (68,712)	\$ (105,375)	\$ 75,540	\$ (130,318)	\$ (228,865)
Adjustments to reconcile loss from operations to cash provided by (used in) operating activities:					
Transfers		92,922			92,922
Change in accounts receivable			(12,083)		(12,083)
Change in amounts due from other funds		51,044	(15,703)	(31,273)	4,068
Change in deferred outflows	(15,570)	(2,606)	(5,126)	(2,066)	(25,368)
Change in amounts due to other funds	(43,399)	(54,034)			(97,433)
Change in accrued liabilities	(24)			(859)	(883)
Change in deferred inflows	12,158	2,035	63,674	5,781	83,648
Change in unfunded pension liabilities	43,491	7,276	(35,871)	2,265	17,161
Change in unfunded postemployment benefits liabilities	35,082	5,868	(173,658)	(8,281)	(140,989)
Net Cash Used in Operating Activities	\$ (36,974)	\$ (2,870)	\$ (103,227)	\$ (164,751)	\$ (307,822)

Statistical Section

- Financial Trend Data
Financial management through multi-year analytics
- Revenue Capacity Data
Our ability to support its activities with current revenues
- Debt Capacity Data
Debt burden and capacity for future bonding
- Demographic & Economic Information
Jefferson county residents and economy
- Operating Information
Quantitative information about our district





Board of Education of Jefferson County, Kentucky

Statement of Net Position

Ten Years' Trend Data

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Position--Governmental					
Net investment in capital assets	\$ 391,290,718	\$ 317,513,387	\$ 332,102,798	\$ 257,181,853	\$ 220,528,391
Restricted	122,251,429	181,718,872	80,083,515	171,345,483	120,572,342
Unrestricted	<u>(856,766,286)</u>	<u>(839,860,809)</u>	<u>(679,849,382)</u>	<u>(654,852,338)</u>	<u>(611,697,254)</u>
Total Net Position--Governmental	<u>(343,224,139)</u>	<u>(340,628,550)</u>	<u>(267,663,069)</u>	<u>(226,325,002)</u>	<u>(270,596,521)</u>
Net Position--Proprietary					
Net investment in capital assets	18,766,848	19,426,763	18,613,750	18,266,563	17,407,358
Restricted					
Unrestricted	<u>(90,477,984)</u>	<u>(77,065,124)</u>	<u>(74,119,920)</u>	<u>(65,109,773)</u>	<u>(42,340,009)</u>
Total Net Position--Proprietary	<u>(71,711,136)</u>	<u>(55,885,112)</u>	<u>(53,752,921)</u>	<u>(46,843,210)</u>	<u>(24,932,651)</u>
Net Position--Total Primary Government	<u>\$ (414,935,275)</u>	<u>\$ (396,513,662)</u>	<u>\$ (321,415,990)</u>	<u>\$ (273,168,212)</u>	<u>\$ (295,529,172)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Net Position--Continued

Ten Years' Trend Data

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Position--Governmental					
Net investment in capital assets	\$ 238,955,851	\$ 239,644,360	\$ 211,907,660	\$ 195,418,710	\$ 126,730,831
Restricted	85,303,248	79,930,211	88,122,333	93,374,333	145,051,285
Unrestricted	<u>(579,506,901)</u>	<u>(580,505,664)</u>	<u>(571,049,633)</u>	<u>(574,886,413)</u>	<u>(556,188,063)</u>
Total Net Position--Governmental	<u>(255,247,802)</u>	<u>(260,931,093)</u>	<u>(271,019,640)</u>	<u>(286,093,370)</u>	<u>(284,405,947)</u>
Net Position--Proprietary					
Net investment in capital assets	16,825,680	16,617,456	16,077,089	15,609,916	15,511,232
Restricted					
Unrestricted	<u>(41,351,497)</u>	<u>(41,483,445)</u>	<u>(38,946,048)</u>	<u>(38,175,447)</u>	<u>(39,583,467)</u>
Total Net Position--Proprietary	<u>(24,525,817)</u>	<u>(24,865,989)</u>	<u>(22,868,959)</u>	<u>(22,565,531)</u>	<u>(24,072,235)</u>
Net Position--Total Primary Government	<u>\$ (279,773,619)</u>	<u>\$ (285,797,082)</u>	<u>\$ (293,888,599)</u>	<u>\$ (308,658,901)</u>	<u>\$ (308,478,182)</u>



Board of Education of Jefferson County, Kentucky

Statement of Activities--Governmental Activities

Ten Years' Trend Data

	2020	2019	2018	2017	2016
Governmental activities					
Instruction	\$ 842,004,783	\$ 864,509,475	\$ 848,894,722	\$ 781,439,409	\$ 742,294,075
Student support services	77,156,556	69,122,283	66,627,124	63,459,349	58,812,027
Instructional staff support services	158,415,899	184,473,830	191,939,436	241,610,652	187,114,423
District administrative support services	9,945,307	9,417,079	8,792,408	8,409,278	7,872,803
School administrative support services	117,806,382	127,163,050	108,309,775	107,624,194	99,473,707
Business support services	58,354,230	65,847,780	70,521,907	90,097,373	81,828,482
Community services	14,013,430	28,399,457	26,377,760	33,835,506	25,466,326
Transportation	99,810,412	124,412,708	158,063,796	131,587,727	89,762,735
Plant operations and maintenance	116,274,445	118,239,225	118,322,852	109,198,091	110,347,315
Other instructional support services	20,340	64,987	60,065	32,859	31,660
Transfers	3,057,374	3,067,836	3,054,027	3,099,486	3,099,316
Miscellaneous	468,918	539,714	21,617	282,916	349,122
Interest expense	18,418,910	16,106,729	17,204,330	16,139,220	16,116,139
Total governmental activities	1,515,746,986	1,611,364,153	1,618,189,819	1,586,816,060	1,422,568,130
Program Revenues					
Tuition	494,442	508,252	479,270	393,452	647,118
Operating grants	87,494,202	83,432,587	103,181,009	105,014,680	105,081,380
Facility grants	10,257,913	10,982,285	10,808,651	9,709,125	9,449,764
Total program revenues	98,246,557	94,923,124	114,468,930	115,117,257	115,178,262
Net Expense	<u>\$ (1,417,500,429)</u>	<u>\$ (1,516,441,029)</u>	<u>\$ (1,503,720,889)</u>	<u>\$ (1,471,698,803)</u>	<u>\$ (1,307,389,868)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Governmental Activities--Continued

Ten Years' Trend Data

	2015	2014	2013	2012	2011
Governmental activities					
Instruction	\$ 729,319,975	\$ 633,177,394	\$ 625,366,756	\$ 623,418,868	\$ 601,363,634
Student support services	60,064,328	50,729,048	51,229,772	54,160,536	52,377,988
Instructional staff support services	133,254,466	118,955,171	126,848,770	116,883,482	107,964,725
District administrative support services	7,711,286	6,972,822	6,527,172	6,710,803	7,442,377
School administrative support services	94,277,648	84,150,967	86,610,539	83,704,696	78,484,265
Business support services	33,236,652	38,844,491	43,593,985	41,172,767	35,599,686
Community services	16,012,870	9,134,416	11,083,387	8,791,352	9,727,125
Transportation	87,973,527	84,374,237	85,671,454	84,517,760	77,970,038
Plant operations and maintenance	108,222,195	103,975,188	105,742,034	108,900,724	101,928,275
Other instructional support services	34,945	10,000	54,928	334,291	272,702
Transfers	3,116,640	3,019,304	2,979,891		
Miscellaneous	466,078	553,066	805,323	199,367	
Interest expense	16,244,178	14,825,786	15,146,527	16,778,960	15,314,561
Total governmental activities	1,289,934,788	1,148,721,890	1,161,660,538	1,145,573,606	1,088,445,376
Program Revenues					
Tuition	586,509	902,489	1,100,286	1,738,713	1,197,658
Operating grants	99,577,458	104,010,029	130,277,504	150,396,249	164,772,564
Facility grants	8,171,637	7,638,789	7,908,035	6,999,453	7,216,749
Total program revenues	108,335,604	112,551,307	139,285,825	159,134,415	173,186,971
Net Expense	<u>\$ (1,181,599,184)</u>	<u>\$ (1,036,170,583)</u>	<u>\$ (1,022,374,713)</u>	<u>\$ (986,439,191)</u>	<u>\$ (915,258,405)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Governmental Activities--Continued

Ten Years' Trend Data

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Expense	\$ (1,417,500,429)	\$ (1,516,441,029)	\$ (1,503,720,889)	\$ (1,471,698,803)	\$ (1,307,389,868)
General revenues					
Taxes					
Property taxes	502,604,410	480,070,360	456,911,397	432,706,453	416,365,932
Occupational taxes	156,348,315	165,754,818	162,374,610	156,387,646	151,821,629
Other taxes	54,014,453	56,671,549	53,658,834	51,729,620	47,796,163
State sources					
SEEK program	234,116,356	256,564,394	256,709,740	269,121,859	274,943,838
Other state revenues	434,461,333	455,839,757	512,980,545	583,777,579	383,488,212
Interest and investment earnings	4,786,365	7,473,913	3,284,271	2,347,241	1,677,255
Miscellaneous	<u>28,573,608</u>	<u>21,100,757</u>	<u>16,463,425</u>	<u>19,899,924</u>	<u>15,948,120</u>
Total general revenues	1,414,904,840	1,443,475,548	1,462,382,822	1,515,970,322	1,292,041,149
Change in net position	(2,595,589)	(72,965,481)	(41,338,067)	44,271,519	(15,348,719)
Net position, beginning of year	<u>(340,628,550)</u>	<u>(267,663,069)</u>	<u>(226,325,002)</u>	<u>(270,596,521)</u>	<u>(255,247,802)</u>
Net position, end of year	<u>\$ (343,224,139)</u>	<u>\$ (340,628,550)</u>	<u>\$ (267,663,069)</u>	<u>\$ (226,325,002)</u>	<u>\$ (270,596,521)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Governmental Activities--Continued

Ten Years' Trend Data

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Expense	\$ (1,181,599,184)	\$ (1,036,170,583)	\$ (1,022,374,713)	\$ (986,439,191)	\$ (915,258,405)
General revenues					
Taxes					
Property taxes	397,722,644	388,628,855	380,134,468	365,737,213	358,237,321
Occupational taxes	139,825,242	132,569,312	128,882,355	120,452,400	116,762,420
Other taxes	49,482,553	46,500,119	54,640,894	34,973,193	47,887,915
State sources					
SEEK program	277,043,057	270,658,773	272,230,951	273,991,724	252,901,298
Other state revenues	311,578,993	196,206,023	193,512,525	183,731,465	180,801,232
Interest and investment earnings	1,389,755	1,663,952	978,205	1,914,029	1,557,548
Miscellaneous	<u>10,240,231</u>	<u>10,032,096</u>	<u>7,069,045</u>	<u>3,951,744</u>	<u>1,081,261</u>
Total general revenues	1,187,282,475	1,046,259,130	1,037,448,443	984,751,768	959,228,995
Change in net position	5,683,291	10,088,547	15,073,730	(1,687,423)	43,970,590
Net position, beginning of year	<u>(260,931,093)</u>	<u>(271,019,640)</u>	<u>(286,093,370)</u>	<u>(284,405,947)</u>	<u>(328,376,537)</u>
Net position, end of year	<u>\$ (255,247,802)</u>	<u>\$ (260,931,093)</u>	<u>\$ (271,019,640)</u>	<u>\$ (286,093,370)</u>	<u>\$ (284,405,947)</u>



Board of Education of Jefferson County, Kentucky

Statement of Activities--Business-Type Activities

Ten Years' Trend Data

	2020	2019	2018	2017	2016
Business-type activities					
School food services	\$ 77,606,712	\$ 72,200,866	\$ 76,915,589	\$ 90,450,953	\$ 68,262,191
Adult education	204,046	171,152	168,158	193,589	260,184
Enterprise programs	157,228	141,308	157,129	142,516	156,576
Tuition-based pre-school	451,880	707,730	1,097,840	1,317,912	885,771
Day care operations	130,385	(435,894)	237,015	652,491	428,715
Total business-type activities	78,550,251	72,785,162	78,575,731	92,757,461	69,993,437
Program Revenues					
Lunchroom sales	2,325,026	3,023,797	3,004,729	3,685,798	4,031,184
Tuition and fees	714,674	990,066	1,167,663	1,250,197	1,130,336
Grants	56,531,963	63,395,302	64,335,594	62,744,604	61,296,869
Total program revenues	59,571,663	67,409,165	68,507,986	67,680,599	66,458,389
Net Expense	(18,978,588)	(5,375,997)	(10,067,745)	(25,076,862)	(3,535,048)
General revenues					
Interest	95,190	175,970	104,007	66,817	28,898
Transfers In	3,057,374	3,067,836	3,054,027	3,099,486	3,099,316
Total general revenues	3,152,564	3,243,806	3,158,034	3,166,303	3,128,214
Change in net assets	(15,826,024)	(2,132,191)	(6,909,711)	(21,910,559)	(406,834)
Net position, beginning of year	(55,885,112)	(53,752,921)	(46,843,210)	(24,932,651)	(24,525,817)
Net position, end of year	\$ (71,711,136)	\$ (55,885,112)	\$ (53,752,921)	\$ (46,843,210)	\$ (24,932,651)

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Business-Type Activities--Continued

Ten Years' Trend Data

	2015	2014	2013	2012	2011
Business-type activities					
School food services	\$ 62,724,047	\$ 57,940,891	\$ 57,814,952	\$ 53,687,809	\$ 48,743,018
Adult Education	568,257	479,264	457,769	652,770	886,965
Enterprise programs	97,329	97,470	91,921	705,302	227,840
Tuition-based pre-school	785,927	721,285	898,025	1,027,844	1,076,500
Day care operations	480,892	712,447	703,320	1,314,653	1,354,524
Total business-type activities	64,656,452	59,951,357	59,965,987	57,388,378	52,288,847
Program Revenues					
Lunchroom sales	5,929,215	8,115,697	9,547,373	10,188,864	10,689,363
Tuition and fees	1,191,051	1,184,280	1,748,815	2,666,252	2,948,205
Grants	53,716,102	45,615,744	45,365,186	46,004,126	41,276,054
Total program revenues	60,836,368	54,915,721	56,661,374	58,859,242	54,913,622
Net Expense	(3,820,084)	(5,035,636)	(3,304,613)	1,470,864	2,624,775
General revenues					
Interest	15,502	19,302	21,294	35,840	30,255
Transfers In	3,116,640	3,019,304	2,979,891		
Total general revenues	3,132,142	3,038,606	3,001,185	35,840	30,255
Change in net position	(687,942)	(1,997,030)	(303,428)	1,506,704	2,655,030
Net position, beginning of year	(23,837,875)	(21,840,845)	(21,537,417)	(23,044,121)	(25,699,151)
Net position, end of year	\$ (24,525,817)	\$ (23,837,875)	\$ (21,840,845)	\$ (21,537,417)	\$ (23,044,121)



Board of Education of Jefferson County, Kentucky

Statement of Activities--Total Primary Government

Ten Years' Trend Data

	2020	2019	2018	2017	2016
Primary government activities					
Instruction	\$ 842,004,783	\$ 864,509,475	\$ 848,894,722	\$ 781,439,409	\$ 742,294,075
Student support services	77,156,556	69,122,283	66,627,124	63,459,349	58,812,027
Instructional staff support services	158,415,899	184,473,830	191,939,436	241,610,652	187,114,423
District administrative support services	9,945,307	9,417,079	8,792,408	8,409,278	7,872,803
School administrative support services	117,806,382	127,163,050	108,309,775	107,624,194	99,473,707
Business support services	58,354,230	65,847,780	70,521,907	90,097,373	81,828,482
Community services	14,013,430	28,399,457	26,377,760	33,835,506	25,466,326
Transportation	99,810,412	124,412,708	158,063,796	131,587,727	89,762,735
Plant operations and maintenance	116,274,445	118,239,225	118,322,852	109,198,091	110,347,315
Other	489,258	604,701	81,682	315,775	380,782
School Food services	77,606,712	72,200,866	76,915,589	90,450,953	68,262,191
Adult education	204,046	171,152	168,158	193,589	260,184
Enterprise programs	157,228	141,308	157,129	142,516	156,576
Tuition-based pre-school	451,880	707,730	1,097,840	1,317,912	885,771
Day care operations	130,385	(435,894)	237,015	652,491	428,715
Interest expense	18,418,910	16,106,729	17,204,330	16,139,220	16,116,139
Total primary activities	1,591,239,863	1,681,081,479	1,693,711,523	1,676,474,035	1,489,462,251
Program revenues					
Lunchroom sales	2,325,026	3,023,797	3,004,729	3,685,798	4,031,184
Tuition and fees	1,209,116	1,498,318	1,646,933	1,643,649	1,777,454
Grants	154,284,078	157,810,174	178,325,254	177,468,409	175,828,013
Total program revenues	157,818,220	162,332,289	182,976,916	182,797,856	181,636,651
Net Expense	<u>\$ (1,433,421,643)</u>	<u>\$ (1,518,749,190)</u>	<u>\$ (1,510,734,607)</u>	<u>\$ (1,493,676,179)</u>	<u>\$ (1,307,825,600)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Total Primary Government--Continued

Ten Years' Trend Data

	2015	2014	2013	2012	2011
Primary government activities					
Instruction	\$ 729,319,975	\$ 633,177,394	\$ 625,366,756	\$ 623,418,868	\$ 601,363,634
Student support services	60,064,328	50,729,048	51,229,772	54,160,536	52,377,988
Instructional staff support services	133,254,466	118,955,171	126,848,770	116,883,482	107,964,725
District administrative support services	7,711,286	6,972,822	6,527,172	6,710,803	7,442,377
School administrative support services	94,277,648	84,150,967	86,610,539	83,704,696	78,484,265
Business support services	33,236,652	38,844,491	43,593,985	41,172,767	35,599,686
Community services	16,012,870	9,134,416	11,083,387	8,791,352	9,727,125
Transportation	87,973,527	84,374,237	85,671,454	84,517,760	77,970,038
Plant operations and maintenance	108,222,195	103,975,188	105,742,034	108,900,724	101,928,275
Other	501,023	563,066	860,251	533,658	272,702
School Food services	62,724,047	57,940,891	54,921,587	53,687,809	48,743,018
Adult education	568,257	479,264	457,769	652,770	886,965
Enterprise programs	97,329	97,470	91,921	705,302	227,840
Tuition-based pre-school	785,927	721,285	898,025	1,027,844	1,076,500
Day care operations	480,892	712,447	703,320	1,314,653	1,354,524
Interest expense	16,244,178	14,825,786	15,146,527	16,778,960	15,314,561
Total primary activities	1,351,474,600	1,205,653,943	1,215,753,269	1,202,961,984	1,140,734,223
Program revenues					
Lunchroom sales	5,929,215	8,115,697	9,547,373	10,188,864	10,689,363
Tuition and fees	1,777,560	2,086,769	2,849,101	4,404,965	4,145,863
Grants	161,465,197	157,264,562	183,550,725	203,399,828	213,265,367
Total program revenues	169,171,972	167,467,028	195,947,199	217,993,657	228,100,593
Net Expense	<u>\$ (1,182,302,628)</u>	<u>\$ (1,038,186,915)</u>	<u>\$ (1,019,806,070)</u>	<u>\$ (984,968,327)</u>	<u>\$ (912,633,630)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Total Primary Government--Continued

Ten Years' Trend Data

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Net Expense	\$ (1,433,421,643)	\$ (1,518,749,190)	\$ (1,510,734,607)	\$ (1,493,676,179)	\$ (1,307,825,600)
General revenues					
Taxes					
Property taxes	502,604,410	480,070,360	456,911,397	432,706,453	416,365,932
Occupational taxes	156,348,315	165,754,818	162,374,610	156,387,646	151,821,629
Other taxes	54,014,453	56,671,549	53,658,834	51,729,620	47,796,163
State sources					
SEEK program	234,116,356	256,564,394	256,709,740	269,121,859	274,943,838
Other state revenues	434,461,333	455,839,757	512,980,545	583,777,579	383,488,212
Interest and investment earnings	4,881,555	7,649,883	3,388,278	2,414,058	1,706,153
Miscellaneous	<u>28,573,608</u>	<u>21,100,757</u>	<u>16,463,425</u>	<u>19,899,924</u>	<u>15,948,120</u>
Total general revenues	1,415,000,030	1,443,651,518	1,462,486,829	1,516,037,139	1,292,070,047
Change in net position	(18,421,613)	(75,097,672)	(48,247,778)	22,360,960	(15,755,553)
Net position, beginning of year	<u>(396,513,662)</u>	<u>(321,415,990)</u>	<u>(273,168,212)</u>	<u>(295,529,172)</u>	<u>(279,773,619)</u>
Net position, end of year	<u>\$ (414,935,275)</u>	<u>\$ (396,513,662)</u>	<u>\$ (321,415,990)</u>	<u>\$ (273,168,212)</u>	<u>\$ (295,529,172)</u>

Continued



Board of Education of Jefferson County, Kentucky

Statement of Activities--Total Primary Government--Continued

Ten Years' Trend Data

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Net Expense	\$ (1,182,302,628)	\$ (1,038,186,915)	\$ (1,019,806,070)	\$ (984,968,327)	\$ (912,633,630)
General revenues					
Taxes					
Property taxes	397,722,644	388,628,855	380,134,468	365,737,213	358,237,321
Occupational taxes	139,825,242	132,569,312	128,882,355	120,452,400	116,762,420
Other taxes	49,482,553	46,500,119	54,640,894	34,973,193	47,887,915
State sources					
SEEK program	277,043,057	270,658,773	272,230,951	273,991,724	252,901,298
Other state revenues	311,578,993	196,206,023	193,512,525	183,731,465	180,801,232
Interest and investment earnings	1,405,257	1,683,254	999,499	1,949,869	1,587,803
Miscellaneous	<u>10,240,231</u>	<u>10,032,096</u>	<u>7,069,045</u>	<u>3,951,744</u>	<u>1,081,261</u>
Total general revenues	1,187,297,977	1,046,278,432	1,037,469,737	984,787,608	959,259,250
Change in net position	4,995,349	8,091,517	17,663,667	(180,719)	46,625,620
Net position, beginning of year	<u>(284,768,968)</u>	<u>(292,860,485)</u>	<u>(310,524,152)</u>	<u>(310,343,433)</u>	<u>(356,969,053)</u>
Net position, end of year	<u>\$ (279,773,619)</u>	<u>\$ (284,768,968)</u>	<u>\$ (292,860,485)</u>	<u>\$ (310,524,152)</u>	<u>\$ (310,343,433)</u>



Board of Education of Jefferson County, Kentucky

Balance Sheet--Governmental Funds

Ten Years' Trend Data

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Assets					
Cash and investments	\$ 309,534,145	\$ 327,791,345	\$ 308,987,719	\$ 363,476,682	\$ 284,375,743
Accounts and grants receivable	32,124,286	41,527,426	35,188,994	33,293,705	73,660,969
Prepaid expenditures		2,423,932	3,202,317	3,048,750	3,149,580
Inventories	3,613,216	3,324,186	3,197,796	3,221,436	3,462,986
Due from other funds	<u>111,823,383</u>	<u>121,012,589</u>	<u>133,328,815</u>	<u>134,756,547</u>	<u>128,054,736</u>
Total Assets	<u>\$ 457,095,030</u>	<u>\$ 496,079,478</u>	<u>\$ 483,905,641</u>	<u>\$ 537,797,120</u>	<u>\$ 492,704,014</u>
Liabilities					
Accrued liabilities	\$ 124,595,791	\$ 136,245,944	\$ 138,516,380	\$ 134,584,582	\$ 114,393,488
Due to other funds	<u>104,624,399</u>	<u>107,049,722</u>	<u>127,964,466</u>	<u>129,600,827</u>	<u>123,038,113</u>
Total Liabilities	229,220,190	243,295,666	266,480,846	264,185,409	237,431,601
Fund Balances					
Nonspendable, General Fund	3,613,216	5,460,600	6,113,779	5,982,668	6,325,049
Restricted					
Capital Projects Fund	103,870,057	97,624,465	46,860,175	97,632,001	92,548,558
Special Revenue Funds	29,047,895	23,368,618	29,017,136	22,163,113	29,748,282
Assigned, General Fund	32,748,001	16,244,256	15,843,169	17,338,950	18,887,348
Committed, General Fund	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000
Unassigned, General Fund	<u>22,595,671</u>	<u>74,085,873</u>	<u>83,590,536</u>	<u>94,494,979</u>	<u>71,763,176</u>
Total Fund Balances	<u>227,874,840</u>	<u>252,783,812</u>	<u>217,424,795</u>	<u>273,611,711</u>	<u>255,272,413</u>
Total Liabilities and Fund Balances	<u>\$ 457,095,030</u>	<u>\$ 496,079,478</u>	<u>\$ 483,905,641</u>	<u>\$ 537,797,120</u>	<u>\$ 492,704,014</u>

Continued



Board of Education of Jefferson County, Kentucky

Balance Sheet--Governmental Funds--Continued

Ten Years' Trend Data

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Assets					
Cash and investments	\$ 276,582,060	\$ 305,860,390	\$ 277,990,866	\$ 289,655,435	\$ 330,888,474
Accounts and grants receivable	37,762,695	32,898,857	36,737,796	43,448,342	46,661,039
Prepaid expenditures	4,203,103	4,556,994	3,019,703	2,741,976	2,375,158
Inventories	3,992,197	4,623,166	5,246,448	5,313,868	4,714,400
Due from other funds	<u>129,948,408</u>	<u>110,049,883</u>	<u>113,473,407</u>	<u>128,414,575</u>	<u>169,640,596</u>
Total Assets	<u>\$ 452,488,463</u>	<u>\$ 457,989,290</u>	<u>\$ 436,468,220</u>	<u>\$ 469,574,196</u>	<u>\$ 554,279,667</u>
Liabilities					
Accounts payable and accrued liabilities	\$ 104,691,277	\$ 110,401,094	\$ 110,279,576	\$ 112,078,891	\$ 95,743,499
Due to other funds	124,267,169	103,504,919	106,609,314	125,148,029	167,174,848
Deferred revenue	<u>11,268,926</u>	<u>12,633,149</u>	<u>11,268,926</u>	<u>11,268,926</u>	<u>12,633,149</u>
Total Liabilities	228,958,446	213,906,013	216,888,890	248,495,846	275,551,496
Fund Balances					
Nonspendable, General Fund	7,907,782	8,892,642	7,978,633	7,768,326	6,802,040
Restricted					
Capital Projects Fund	86,087,451	100,950,255	37,783,478	46,679,233	82,200,218
Special Revenue Funds	18,234,685	23,052,462	51,569,717	6,759,084	6,759,084
Assigned, General Fund	17,456,000	8,737,485	18,078,918	54,724,154	65,332,512
Committed, General Fund	36,000,000	36,000,000	36,000,000	36,000,000	36,000,000
Unassigned, General Fund	<u>57,844,099</u>	<u>66,450,433</u>	<u>68,168,584</u>	<u>69,147,553</u>	<u>81,634,317</u>
Total Fund Balances	<u>223,530,017</u>	<u>244,083,277</u>	<u>219,579,330</u>	<u>221,078,350</u>	<u>278,728,171</u>
Total Liabilities and Fund Balances	<u>\$ 452,488,463</u>	<u>\$ 457,989,290</u>	<u>\$ 436,468,220</u>	<u>\$ 469,574,196</u>	<u>\$ 554,279,667</u>



Board of Education of Jefferson County, Kentucky

Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds

Ten Years' Trend Data

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues					
Local sources					
Property taxes	\$ 502,604,410	\$ 480,070,360	\$ 456,911,397	\$ 432,706,453	\$ 416,365,932
Occupational taxes	156,348,315	165,754,818	162,374,610	156,387,646	151,821,629
Other taxes	54,014,453	56,671,549	53,658,834	51,729,620	47,796,163
Grants from local agencies and donors	3,429,761	4,216,634	12,003,218	10,059,989	9,339,816
State sources					
SEEK program	234,116,356	256,564,394	256,709,740	269,121,859	274,943,838
Other state resources	366,710,242	346,822,857	344,927,246	240,938,705	237,803,654
Grants	84,064,441	79,215,953	91,177,791	94,954,691	95,633,844
Interest	4,786,365	7,473,913	3,284,271	2,347,241	1,677,255
Other sources	<u>28,672,444</u>	<u>18,036,912</u>	<u>19,512,719</u>	<u>16,260,224</u>	<u>16,611,172</u>
Total Revenues	1,434,746,787	1,414,827,390	1,400,559,826	1,274,506,428	1,251,993,303
Expenditures					
Instruction	785,031,827	763,641,366	754,517,489	659,163,029	651,704,411
Student support services	76,482,424	68,161,539	66,023,129	59,507,080	56,468,739
Instructional staff support services	150,231,095	140,842,072	155,224,231	137,792,548	133,813,433
District administrative support services	7,508,254	6,814,225	5,881,645	5,205,114	4,621,076
School administrative support services	115,548,045	115,027,172	98,562,871	87,953,654	86,072,917
Business support services	52,741,427	45,822,235	49,830,447	43,508,006	41,900,407
Community Services	10,643,474	11,083,836	10,176,026	9,673,052	9,705,648
Transportation	85,493,451	89,192,089	89,313,077	80,102,175	76,843,087

Continued



Board of Education of Jefferson County, Kentucky

Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds--Continued

Ten Years' Trend Data

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Expenditures--Continued					
Plant operations and maintenance	\$ 116,158,197	\$ 117,438,367	\$ 118,046,299	\$ 108,680,821	\$ 109,856,870
Other instructional support services	20,340	64,987	60,065	32,859	31,660
Building renovations	63,116,051	54,170,060	52,752,999	49,013,775	54,066,235
Other	2,944,210	2,785,186	2,606,701	2,771,607	3,276,200
Debt service					
Principal	33,245,188	35,151,226	34,001,290	31,116,591	30,255,122
Interest	18,100,298	16,569,151	16,696,446	16,323,732	16,461,930
Total Expenditures	<u>1,517,264,281</u>	<u>1,466,763,511</u>	<u>1,453,692,715</u>	<u>1,290,844,043</u>	<u>1,275,077,735</u>
Other Financing Sources (Uses)					
Bond proceeds net of discounts and refunding issues	57,608,522	90,362,974		37,776,399	57,926,144
Transfers in	52,169,348	56,942,430	43,815,290	55,738,987	41,506,086
Transfers out	<u>(52,169,348)</u>	<u>(60,010,266)</u>	<u>(46,869,317)</u>	<u>(58,838,473)</u>	<u>(44,605,402)</u>
Total Other Financing Sources (Uses)	<u>57,608,522</u>	<u>87,295,138</u>	<u>(3,054,027)</u>	<u>34,676,913</u>	<u>54,826,828</u>
Net Change in Fund Balances	(24,908,972)	35,359,017	(56,186,916)	18,339,298	31,742,396
Fund Balances, Beginning of Year	<u>252,783,812</u>	<u>217,424,795</u>	<u>273,611,711</u>	<u>255,272,413</u>	<u>223,530,017</u>
Fund Balances, End of Year	<u>\$ 227,874,840</u>	<u>\$ 252,783,812</u>	<u>\$ 217,424,795</u>	<u>\$ 273,611,711</u>	<u>\$ 255,272,413</u>
Ratio of total debt service expenditures to total noncapital expenditures	0.036	0.038	0.040	0.039	0.041

Continued



Board of Education of Jefferson County, Kentucky

Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds--Continued

Ten Years' Trend Data

	2015	2014	2013	2012	2011
Revenues					
Local sources					
Property taxes	\$ 397,722,644	\$ 388,628,855	\$ 380,134,468	\$ 365,737,213	\$ 358,237,321
Occupational taxes	139,825,242	132,569,312	128,882,355	120,452,400	116,762,420
Other taxes	49,482,553	46,500,119	54,640,894	34,973,193	47,887,915
Grants from local agencies and donors	8,435,955	9,881,427	11,197,615	10,762,323	9,354,941
State sources					
SEEK program	277,043,057	270,658,773	272,230,951	273,991,724	252,901,298
Other state resources	229,841,535	203,844,812	201,420,560	190,730,918	188,017,981
Grants	91,141,503	94,128,602	119,079,889	139,633,926	155,417,623
Interest	1,389,755	1,663,952	978,205	1,914,029	1,557,548
Other sources	11,654,931	10,814,937	11,046,052	12,903,594	10,154,529
Total Revenues	1,206,537,175	1,158,690,789	1,179,610,989	1,151,099,320	1,140,291,576
Expenditures					
Instruction	626,202,625	599,752,771	588,571,941	592,126,990	576,492,674
Student support services	53,898,592	50,904,421	51,190,099	54,328,820	52,611,443
Instructional staff support services	136,595,787	125,814,940	124,783,834	122,772,326	112,615,684
District administrative support services	4,074,121	3,643,083	3,097,758	3,409,083	4,546,755
School administrative support services	86,706,811	85,727,500	85,986,396	85,432,988	79,446,246
Business support services	40,124,691	42,730,714	42,920,067	43,684,780	37,497,739
Community Services	9,785,799	9,605,723	9,747,355	9,809,151	9,483,899
Transportation	80,815,562	85,953,279	79,557,078	87,314,648	77,350,835

Continued



Board of Education of Jefferson County, Kentucky

Statement of Revenues, Expenditures and Changes in Fund Balances--Governmental Funds--Continued

Ten Years' Trend Data

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Expenditures--Continued					
Plant operations and maintenance	\$ 107,834,439	\$ 103,957,976	\$ 105,710,395	\$ 108,826,313	\$ 101,796,786
Other instructional support services	27,404	10,000	54,928	335,179	272,702
Capital outlay	47,130,013	48,640,389	60,142,086	63,027,554	47,050,306
Other	3,475,119	3,358,550	3,754,979	3,899,135	4,164,745
Debt service					
Principal	29,914,485	34,623,248	34,170,699	27,060,652	25,155,984
Interest	16,034,197	15,265,077	16,023,720	17,058,154	15,655,119
Total Expenditures	1,242,619,645	1,209,987,671	1,205,711,335	1,219,085,773	1,144,140,917
Other Financing Sources (Uses)					
Bond proceeds net of discounts and refunding issues	18,645,850	78,820,133	27,581,217	13,383,020	57,327,491
Transfers in	53,480,763	77,555,249	112,371,790	64,712,448	134,838,548
Transfers out	(56,597,403)	(80,574,553)	(115,351,681)	(67,758,836)	(137,838,609)
Total Other Financing Sources (Uses)	15,529,210	75,800,829	24,601,326	10,336,632	54,327,430
Net Change in Fund Balances	(20,553,260)	24,503,947	(1,499,020)	(57,649,821)	50,478,089
Fund Balances, Beginning of Year	244,083,277	219,579,330	221,078,350	278,728,171	228,250,082
Fund Balances, End of Year	\$ 223,530,017	\$ 244,083,277	\$ 219,579,330	\$ 221,078,350	\$ 278,728,171
Ratio of total debt service expenditures to total noncapital expenditures	0.040	0.044	0.044	0.042	0.040



Board of Education of Jefferson County, Kentucky

General Government Expenses by Function¹

Ten Years' Trend Data

	Instruction	Student Support Services	Instructional Staff Support Services ³	District Administrative Support Services	School Administrative Support Services	Business Support Services ²	Community Services ²	Transportation	Plant Operations and Maintenance
2020	\$ 842,004,783	\$ 77,156,556	\$ 158,415,899	\$ 9,945,307	\$ 117,806,382	\$ 58,354,230	\$ 14,013,430	\$ 99,810,412	\$ 116,274,445
2019	864,509,475	69,122,283	184,473,830	9,417,079	127,163,050	65,847,780	28,399,457	124,412,708	118,239,225
2018	848,894,722	66,627,124	191,939,436	8,792,408	108,309,775	70,521,907	26,377,760	158,063,796	118,322,852
2017	781,439,409	63,459,349	241,610,652	8,409,278	107,624,194	90,097,373	33,835,506	131,587,727	109,198,091
2016	742,294,075	58,812,027	187,114,423	7,872,803	99,473,707	81,828,482	25,466,326	89,762,735	110,347,315
2015	729,319,975	60,064,328	133,254,466	7,711,286	94,277,648	33,236,652	16,012,870	87,973,527	108,222,195
2014	633,177,394	50,729,048	118,955,171	6,972,822	84,150,967	38,844,491	9,134,416	84,374,237	103,975,188
2013	625,366,756	51,229,772	126,848,770	6,527,172	86,610,539	43,593,985	11,083,387	85,671,454	105,742,034
2012	623,418,868	54,160,536	116,883,482	6,710,803	83,704,696	41,172,767	8,791,352	84,517,760	108,900,724
2011	601,363,634	52,377,988	107,964,725	7,442,377	78,484,265	35,599,686	9,727,125	77,970,038	101,928,275

	Other Instructional	Other	Interest	School Food	Adult Education ²	Enterprise	Tuition-based	Daycare	Total
2020		\$ 489,258	\$ 18,418,910	\$ 77,606,712	\$ 204,046	\$ 157,228	\$ 451,880	\$ 130,385	\$ 1,591,239,863
2019		604,701	16,106,729	72,200,866	171,152	141,308	707,730	(435,894)	1,681,081,479
2018		81,682	17,204,330	76,915,589	168,158	157,129	1,097,840	237,015	1,693,711,523
2017		315,775	16,139,220	90,450,953	193,589	142,516	1,317,912	652,491	1,676,474,035
2016		380,782	16,116,139	68,262,191	260,184	156,576	885,771	428,715	1,489,462,251
2015		501,023	16,244,178	62,724,047	568,257	97,329	785,927	480,892	1,351,474,600
2014	\$ 10,000	563,066	14,825,786	57,940,891	479,264	97,470	721,285	712,447	1,205,663,943
2013		860,251	15,146,527	54,921,587	457,769	91,921	898,025	703,320	1,215,753,269
2012	334,291	533,658	16,778,960	53,687,809	652,770	705,302	1,027,844	1,314,653	1,203,296,275
2011	272,702	272,702	15,314,561	48,743,018	886,965	227,840	1,076,500	1,354,524	1,141,006,925

¹ General government includes all governmental and enterprise funds.

² Due to functional data reclassifications, Community Services and Adult Education expenses are now discreetly presented. Also, Central Office Support Services were reclassified to either Business Support Services or Instructional Staff Support Services depending on the nature of the expense. Daycare Operations was segregated as a fund in 2007.



Board of Education of Jefferson County, Kentucky

General Government Revenues by Type¹

Ten Years' Trend Data

	<u>Charges for Service</u>	<u>Grants & Contributions</u>	<u>Property Taxes</u>	<u>Occupational Taxes</u>	<u>Other Taxes</u>
2020	\$ 3,534,142	\$ 154,284,078	\$ 502,604,410	\$ 156,348,315	\$ 54,014,453
2019	4,522,115	157,810,174	480,070,360	165,754,818	56,671,549
2018	4,651,662	178,325,254	456,911,397	162,374,610	53,658,834
2017	5,329,447	177,468,409	432,706,453	156,387,646	51,729,620
2016	5,808,638	175,828,013	416,365,932	151,821,629	47,796,163
2015	7,706,775	161,465,197	397,722,644	139,825,242	49,482,553
2014	10,202,466	157,264,562	388,628,855	132,569,312	46,500,119
2013	12,396,474	183,550,725	380,134,468	128,882,355	54,640,894
2012	14,593,829	203,399,828	365,737,213	120,452,400	34,973,193
2011	14,835,226	213,265,367	358,237,321	116,762,420	47,887,915

	<u>SEEK State Revenues</u>	<u>Other State Revenues</u>	<u>Interest Income</u>	<u>Other Revenues</u>	<u>Total</u>
2020	\$234,116,356	\$ 434,461,333	\$ 4,881,555	\$ 28,573,608	\$ 1,572,818,250
2019	256,564,394	455,839,757	7,649,883	21,100,757	1,605,983,807
2018	256,709,740	512,980,545	3,388,278	16,463,425	1,645,463,745
2017	269,121,859	583,777,579	2,414,058	19,899,924	1,698,834,995
2016	274,943,838	383,488,212	1,706,153	15,948,120	1,473,706,698
2015	277,043,057	311,578,993	1,405,257	10,240,231	1,356,469,949
2014	270,658,773	196,206,023	1,683,254	10,032,096	1,213,745,460
2013	272,230,951	193,512,525	999,499	7,069,045	1,233,416,936
2012	273,991,724	183,731,465	1,949,869	3,951,744	1,202,781,265
2011	252,901,298	180,801,232	1,587,803	1,081,261	1,187,359,843

¹ General government includes all governmental and enterprise funds.



Board of Education of Jefferson County, Kentucky

Property Tax Rates

Ten Years' Trend Data

	<u>Real Estate¹</u>	<u>Tangible Property¹</u>	<u>Motor Vehicle¹</u>	<u>Weighted Average Tax Rates¹</u>
2020	73.6	73.6	58.5	72.5
2019	72.5	72.5	58.5	71.5
2018	70.4	70.4	58.5	70.0
2017	70.8	71.0	58.5	69.9
2016	71.0	71.0	58.5	70.1
2015	71.0	71.0	58.5	69.2
2014	71.0	71.0	58.5	69.2
2013	70.0	70.0	58.5	69.2
2012	67.7	67.7	58.5	67.1
2011	67.6	67.6	58.5	67.0

Real estate & personal property taxes are the District's largest revenue source. Each year's tax rates are approved in September by vote of the elected Board of Education. Statutorily, rates may not be raised to an extent that total revenues are increased by 4% or the tax is subject to referendum.

¹ Cents per \$100 assessment



Board of Education of Jefferson County, Kentucky

Real Estate and Personal Property Tax Revenues

Ten Years' Trend Data

	Amount Levied	Collections as of the End of the Levy Year	Levy Year Percent	Omitted and Delinquent Tax Revenue	Total Tax Revenue Received During Fiscal Year	Total Percent
2020	\$543,290,378	\$515,985,211	95.0%	\$ 9,183,568	\$ 525,168,779	96.7%
2019	516,657,825	492,745,653	95.4%	12,269,041	505,014,694	97.7%
2018	495,210,128	468,396,336	94.6%	10,892,385	479,288,721	96.8%
2017	464,203,005	443,500,395	95.5%	9,968,631	453,469,025	97.7%
2016	447,424,580	425,810,369	95.2%	9,753,569	435,563,938	97.3%
2015	427,603,120	406,858,768	95.1%	11,523,771	418,382,539	97.8%
2014	417,767,614	396,380,679	94.9%	11,872,790	408,253,469	97.7%
2013	407,196,257	394,226,682	96.8%	14,330,061	408,556,743	100.3%
2012	388,891,762	365,959,755	94.1%	11,167,813	377,127,568	97.0%
2011	388,686,000	365,659,038	94.1%	16,066,413	381,725,451	98.2%

Tax collections consist of property taxes and franchise taxes. These revenues are split between General Fund and Building Fund in the Financial Section, where franchise taxes are included with Other Taxes.

Omitted and delinquent taxes are remitted to the District when collected by our tax collection agencies. These collections are not identified by year, occasionally resulting in the percent of collections exceeding 100%.



Board of Education of Jefferson County, Kentucky

Property Tax Assessments

Ten Years' Trend Data

	<u>Real Estate</u>	<u>Tangible Personal</u>	<u>Franchise</u>	<u>Motor Vehicle</u>	<u>Distilled Spirits</u>	<u>Total Assessed Value</u>	<u>Estimated Actual Value</u>	<u>Weighted Average Tax Rate Applied to Assessments (cents per \$100 assessment)</u>
2020	\$ 65,141,054,707	\$ 5,403,545,336	\$ 926,705,230	\$ 5,720,667,808	\$ 283,410,346	\$ 77,475,383,427	\$ 77,475,383,427	72.49
2019	62,682,776,578	4,798,195,140	2,655,839,191	5,478,733,432	270,677,922	75,886,222,263	75,886,222,263	71.49
2018	61,046,926,653	5,307,565,850	2,568,249,146	5,272,908,093	270,677,922	74,466,327,664	74,466,327,664	69.56
2017	57,871,202,283	4,980,355,366	2,296,268,627	5,109,701,374	291,093,494	70,548,621,144	70,548,621,144	69.93
2016	54,932,805,754	5,042,138,245	2,250,950,826	4,907,345,575	274,684,465	67,407,924,865	67,407,924,865	70.09
2015	52,476,956,219	4,711,452,019	2,096,989,899	4,729,846,285	280,681,766	64,295,926,188	64,295,926,188	70.08
2014	51,682,382,456	4,879,662,128	2,003,135,948	4,564,604,680	268,980,462	63,398,765,674	63,398,765,674	70.10
2013	51,164,832,697	4,627,273,268	2,089,543,036	4,408,198,290	289,244,918	62,579,092,209	62,579,092,209	69.19
2012	50,799,225,634	4,409,010,961	2,002,889,098	4,152,621,420	232,266,030	61,596,013,143	61,596,013,143	67.08
2011	51,091,571,417	4,258,337,447	1,985,651,205	3,983,352,419	162,368,932	61,481,281,420	61,481,281,420	67.01

Source: Jefferson County Property Valuation Administration



Board of Education of Jefferson County, Kentucky

Property Taxes, As Assessed

Ten Years' Trend Data

	<u>Real Estate</u>	<u>Tangible Property</u>	<u>Franchise</u>	<u>Motor Vehicle</u>	<u>Distilled Spirits</u>	<u>Total Property Taxes as Assessed</u>	<u>Estimated Actual Tax Value</u>
2020	\$ 479,438,163	\$ 39,770,094	\$ 6,820,550	\$ 33,465,907	\$ 2,085,900	\$ 561,580,614	\$ 561,580,614
2019	454,450,130	34,786,915	19,254,834	32,050,591	1,962,415	542,504,885	542,504,885
2018	432,212,241	37,683,718	18,234,569	30,846,512	1,921,813	520,898,853	520,898,853
2017	409,728,112	35,360,523	16,303,507	29,891,753	2,066,764	493,350,659	493,350,659
2016	390,022,921	35,799,182	15,981,751	28,707,972	1,950,260	472,462,085	472,462,085
2015	367,338,694	32,980,164	14,678,929	27,669,601	1,964,772	444,632,160	444,632,160
2014	361,776,677	34,157,635	14,021,952	26,702,937	1,882,863	438,542,064	438,542,064
2013	358,153,829	32,390,913	14,626,801	25,787,960	2,024,714	432,984,217	432,984,217
2012	343,910,758	29,849,004	13,559,559	24,292,835	1,572,441	413,184,597	413,184,597
2011	345,379,023	28,786,361	13,423,002	23,302,612	1,097,614	411,988,612	411,988,612

Source: Assessments from Jefferson County Property Valuation Administration multiplied by tax rates



Board of Education of Jefferson County, Kentucky

Principal Real Estate Taxpayers

For the fiscal year ended June 30, 2020

Company	2019-20 School Tax Paid	Percent of Total Revenues	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Louisville Gas & Electric	\$12,391,757	2.2%	\$ 12,246,131	\$ 10,556,090	\$9,852,494	\$8,576,005	\$ 7,425,245	**	\$ 13,319,323	**	\$5,991,821
Humana	2,094,564	0.4%	1,778,260	1,308,112	1,305,761	1,280,785	931,639	779,381	920,799	655,877	979,751
BT Property LLC	1,444,283	0.3%	1,396,092	1,276,264	910,013	889,611	897,653	1,191,344	817,270	775,222	**
Insight	1,696,056	0.3%	1,260,698	2,583,952	**	1,294,204	1,270,617	**	**	1,267,377	1,267,377
Schneider Co.	1,585,336	0.3%	**	**	**	**	**	**	**	**	**
Walmart	1,418,139	0.3%	1,468,730	**	**	**	**	874,965	937,487	865,716	**
AT&T	1,291,740	0.2%	2,021,290	4,040,910	1,018,524	1,317,004	1,379,343	**	**	2,352,538	2,352,538
United Parcel Service	1,218,076	0.2%	1,406,678	1,095,192	1,770,143	1,169,732	831,367	897,930	1,621,721	1,228,844	823,561
Brown-Forman	966,755	0.2%	1,050,597	828,514	754,799	**	**	**	**	**	**

** For years marked, taxpayer was not one of the principal taxpayers to the Board.

Source: Jefferson County Sheriff

Percent of total revenues is based on percent of total real estate and other property taxes as follows:

Property taxes	\$	502,604,410
Other taxes		54,014,453
	\$	<u>556,618,863</u>



Board of Education of Jefferson County, Kentucky

Overlapping Tax Rates

For Tax Year 2019

	Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹		Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹
Jefferson County Board of Education - total direct rate of largest own source revenue (cents per \$100 property assessment)					73.60	73.60	73.60
Metro Louisville Government	12.58	16.60	16.60	Glenview	11.40	0.00	0.00
Anchorage	33.60	33.60	33.60	Glenview Hills	11.00	0.00	0.00
Audubon Park	28.00	0.00	0.00	Glenview Manor	13.45	0.00	0.00
Bancroft	35.50	0.00	0.00	Goose Creek	13.70	0.00	0.00
Barbourmeade	20.90	0.00	0.00	Graymoor-Devondale	20.00	0.00	0.00
Beechwood Village	10.00	0.00	0.00	Green Spring	16.50	17.80	0.00
Bellemeade	7.10	0.00	0.00	Heritage Creek	21.30	0.00	0.00
Bellewood	19.00	0.00	0.00	Hickory Hill	24.70	0.00	0.00
Blue Ridge Manor	20.00	0.00	0.00	Hills and Dales	21.50	0.00	0.00
Briarwood	29.00	0.00	0.00	Hollow Creek	34.00	0.00	0.00
Broeck Pointe	21.50	0.00	0.00	Houston Acres	17.70	0.00	0.00
Brownsboro Farm	24.95	0.00	0.00	Hurstbourne	16.90	0.00	0.00
Brownsboro Village	21.80	0.00	0.00	Hurstbourne Acres	14.00	0.00	0.00
Cambridge	18.80	0.00	0.00	Indian Hills	20.00	0.00	0.00
Coldstream	12.00	0.00	0.00	Jeffersontown	14.01	0.00	0.00
Creekside	22.00	0.00	0.00	Kingsley	33.00	0.00	0.00
Crossgate	22.50	0.00	0.00	Langdon Place	28.00	0.00	0.00
Douglas Hills	13.40	0.00	0.00	Lincolnshire	22.00	0.00	0.00
Druid Hills	10.10	0.00	0.00	Lyndon	11.00	0.00	0.00
Fincastle	20.00	0.00	0.00	Lynnview	29.70	10.00	10.00
Forest Hills	13.20	0.00	0.00	Manor Creek	29.00	0.00	0.00

¹ Cents per \$100 assessment

Continued



Board of Education of Jefferson County, Kentucky

Overlapping Tax Rates--Continued

For Tax Year 2019

	Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹		Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹
Maryhill Estates	14.00	0.00	0.00	Saint Regis Park	11.60	0.00	0.00
Meadow Vale	12.40	0.00	0.00	Seneca Gardens	21.31	0.00	0.00
Meadowbrook Farm	7.20	0.00	0.00	Shively	33.90	36.30	36.30
Meadowview Estates	11.30	0.00	0.00	Spring Mill	20.00	0.00	0.00
Middletown	13.50	0.00	0.00	Spring Valley	17.00	0.00	0.00
Mockingbird Valley	15.25	0.00	0.00	Strathmoor Manor	25.00	0.00	0.00
Moorland	23.00	0.00	0.00	Strathmoor Village	32.00	0.00	0.00
Murray Hill	17.80	0.00	0.00	Ten Broeck	9.23	0.00	0.00
Norbourne Estates	16.80	0.00	0.00	Thornhill	12.00	0.00	0.00
Nothfield	15.40	0.00	0.00	Watterson Park	7.10	6.50	6.50
Norwood	17.90	0.00	0.00	Wellington	17.51	0.00	0.00
Old Brownsboro Place	34.00	0.00	0.00	West Buechel	21.30	0.00	0.00
Parkway Village	16.90	0.00	0.00	Westwood	14.30	0.00	0.00
Plantation	29.00	0.00	0.00	Wildwood	16.10	0.00	0.00
Prospect	21.25	0.00	0.00	Windy Hills	17.00	0.00	0.00
Richlawn	12.50	0.00	0.00	Woodland Hills	12.00	0.00	0.00
Riverwood	17.92	0.00	0.00	Woodlawn Park	16.40	0.00	0.00
Rolling Fields	12.00	0.00	0.00	Worthington Hills	20.47	0.00	0.00
Rolling Hills	18.80	0.00	0.00				
Saint Matthews	20.00	0.00	0.00				

¹ Cents per \$100 assessment

Continued



Board of Education of Jefferson County, Kentucky

Overlapping Tax Rates--Continued

For Tax Year 2019

	Real Estate ¹	Tangible Property ¹	Motor Vehicle ¹
Anchorage/Middletown Fire & EMS	14.50	14.50	14.50
Buechel Fire District	20.00	20.00	20.00
Camp Taylor Fire District	10.00	10.00	10.00
Eastwood Fire District	14.50	14.50	14.50
Fairdale Fire District	10.00	10.00	10.00
Fern Creek Fire District	10.00	10.00	10.00
Harrods Creek Fire District	14.00	14.00	14.00
Highview Fire District	10.00	10.00	10.00
Jeffersontown/McMahan Fire District	15.00	15.00	15.00
Lake Dreamland Fire District	10.00	10.00	10.00
Louisville Downtown Management District	7.45	0.00	0.00
Lynnview Garbage Fund	10.00	10.00	10.00
Okolona Fire District	10.00	10.00	10.00
Pleasure Ridge Park Fire District	15.00	15.00	15.00
St Matthews/Lyndon Fire District	15.00	15.00	15.00
Urban Services District/Louisville	35.77	56.60	0.00
Worthington Fire District	14.50	14.50	14.50

¹ Cents per \$100 assessment



Board of Education of Jefferson County, Kentucky

Principal Employers by Number of Employees

December 31, 2019 and Nine Comparison Years

	<u>2019</u>	<u>Percent of Jefferson County's Employee</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
United Parcel Service	23,533	6.2%	21,233	22,354	22,080	22,189	20,931	20,047	20,117	20,288	20,125
Jefferson County Public Schools	14,250	3.8%	14,476	14,553	14,739	14,719	14,676	14,269	14,366	13,840	13,964
Ford Motor Co.	13,042	3.5%	12,600	12,600	12,990	9,028	8,987	8,347	8,696	3,847	5,397
Norton Healthcare Inc.	12,579	3.3%	12,247	11,944	11,389	10,739	10,245	9,666	9,658	9,421	8,698
Humana Inc.	12,000	3.2%	12,000	12,500	12,500	12,900	12,371	11,235	11,000	10,017	9,400
The Kroger Co	9,235	2.5%	3,079	3,079	4,626	4,892	5,417	5,152		5,313	5,692
Baptist Healthcare System	8,143	2.2%	6,159	6,786	4,995	5,116	5,339	4,854	4,219	3,752	3,889
Walmart, Inc.	6,650	1.8%									
University of Louisville	6,394	1.7%	6,933	7,065	6,375	6,264	6,161	6,187	6,273	5,746	6,352
GE Appliances	6,000	1.6%	6,000	6,000	6,000	6,000	6,230	6,000	5,000	3,988	4,100
KentuckyOne Health Inc	6,000	1.6%	6,000	6,000	6,000	6,000	5,602	8,993	5,898	5,819	5,782
Louisville-Jefferson County											
Metro Government	5,987	1.6%	6,226	6,192	6,095	5,584	5,654	5,651	5,698	5,706	5,765
Amazon.com LLC	5,700	1.5%	6,500	6,500	6,500	6,000					
Spectrum	2,330	0.6%	2,400	2,400	1,200						
Oldham County Public Schools	2,325	0.6%									
Manna Inc.	2,300	0.6%	2,300	2,600	3,120	2,400	2,250	1,550			
LG&E and KU Energy LLC	2,208	0.6%	2,162	2,201	2,211	1,993	2,178	2,131	2,066	1,976	1,976
Archdiocese of Louisville	2,202	0.6%	2,252	2,660	2,263	2,237	2,260	2,345	2,352	2,416	2,142
Robley Rex VA Medical Center	1,876	0.5%									
BrightSpring Health Services*	1,800	0.5%	1,948	1,948	2,435	1,312					

Source: Business First magazine

*Formerly ResCare



Board of Education of Jefferson County, Kentucky

Occupational Tax Revenues

Ten Years' Trend Data

2020	\$ 156,348,315
2019	165,754,818
2018	162,374,610
2017	156,387,646
2016	151,821,629
2015	139,825,242
2014	132,569,312
2013	128,882,355
2012	120,452,400
2011	116,762,420

Occupational tax rates have been 0.75% of salaries & wages of Jefferson County workers for the entire period.



Board of Education of Jefferson County, Kentucky

Total Bonded Debt by Responsible Party

Presented for Life of Bonds

Year Ending June 30, 2020	Jefferson County Board of Education		
	Principal	Interest	Total Repayments
2021	\$ 25,919,061	\$ 13,310,567	\$ 39,229,628
2022	26,131,175	12,418,852	38,550,027
2023	27,526,294	11,459,813	38,986,107
2024	23,507,918	10,649,337	34,157,255
2025	24,361,728	9,792,268	34,153,996
2026-2030	142,254,773	55,769,976	198,024,748
2031-2035	104,055,793	12,177,202	116,232,995
2036-2040	21,340,913	982,414.45	22,323,327
	<u>\$ 395,097,655</u>	<u>\$ 126,560,428</u>	<u>\$ 521,658,082</u>

Year Ending June 30, 2020	Metro Louisville		
	Principal	Interest	Total Repayments
2021	\$ 93,581	\$ 9,413	\$ 102,994
2022	95,734	7,260	102,994
2023	97,935	5,058	102,993
2024	100,385	2,610	102,995
2025			
2026-2030			
2031-2035			
2036-2040			
	<u>\$ 387,635</u>	<u>\$ 24,341</u>	<u>\$ 411,976</u>

Year Ending June 30, 2020	Kentucky School Facilities Construction Commission		
	Principal	Interest	Total Repayments
2021	\$ 7,182,358	\$ 2,695,845	\$ 9,878,203
2022	6,358,091	2,504,554	8,862,645
2023	6,540,771	2,322,985	8,863,756
2024	6,746,697	2,117,973	8,864,670
2025	5,108,272	1,829,957	6,938,229
2026-2030	23,837,172	6,813,454	30,650,626
2031-2035	19,704,207	2,940,199	22,644,406
2036-2040	5,744,087	322,204	6,066,291
	<u>\$ 81,221,655</u>	<u>\$ 21,547,172</u>	<u>\$ 102,768,827</u>

Total Principal payments	\$ 476,706,945
Total Interest payments	148,131,941
Total Repayments	<u>\$ 624,838,886</u>

These schedules present the total debt service payable over the life of each bond issue. The Kentucky School Facilities Construction Commission and the Metro Louisville government have pledged to pay the debt service on certain issues as documented by a Memorandum of Agreement or a legislative pronouncement; however, all debt was issued in the Board's name and the full liability is reflected in the Financial Section of this CAFR.



Board of Education of Jefferson County, Kentucky

Detail of Bonds by Responsible Party

Presented for Life of Bonds

Bond Issue	Jefferson County Board of Education	Kentucky School Facilities Construction Commission	Metro Louisville	Total
2002A	\$ 8,090,000			\$ 8,090,000
2008B QZAB	5,200,000			5,200,000
2010A	2,220,000			2,220,000
2010B	8,055,000			8,055,000
2010C QSCB	10,167,215			10,167,215
2011A QSCB	2,219,730			2,219,730
2012A		\$ 9,105,000		9,105,000
2012B	1,077,702	6,989,663	\$ 387,635	8,455,000
2012C	9,355,000			9,355,000
2012D	25,210,000			25,210,000
2013A	17,331,947	138,053		17,470,000
2013B	19,845,004	6,434,996		26,280,000
2013C	28,565,000			28,565,000
2014A	33,463,114	7,101,886		40,565,000
2014B	2,098,097	986,903		3,085,000
2015A		13,665,000		13,665,000
2015B	31,320,000			31,320,000
2015C	14,055,000			14,055,000
2016A	18,645,604	18,284,396		36,930,000
2016B		5,455,000		5,455,000
2017A	30,620,000			30,620,000
2018A	16,079,242	13,060,758		29,140,000
2019A	53,685,000			53,685,000
2020A	57,795,000			57,795,000
	<u>\$ 395,097,655</u>	<u>\$ 81,221,655</u>	<u>\$ 387,635</u>	<u>\$ 476,706,945</u>



Board of Education of Jefferson County, Kentucky

Overlapping/Direct Debt and Bond Analysis Ratios

As of June 30, 2020

Governmental Unit	Gross Debt Outstanding	Percentage Applicable to Jefferson County Taxpayers	Jefferson County Taxpayers Share of Debt
Direct Debt:			
Jefferson County Public Schools	\$ 476,706,945	100%	\$ 476,706,945
Overlapping Debt ¹ :			
Louisville/Jefferson County Metro Government			
Revenue Bonds	28,715,428	100%	31,687,515
General Obligation Debt	<u>465,581,869</u>	100%	<u>469,910,738</u>
	<u>494,297,297</u>		<u>501,598,253</u>
Total Overlapping and Direct Debt	<u>\$ 971,004,242</u>		<u>\$ 978,305,198</u>
Total Overlapping and Direct Debt Per Capita	0.0244	Total Overlapping and Direct to 2020 Total Personal Income	0.024446647
Direct Debt Per Capita		Total Direct Debt to 2020 Total Personal Income	0.011912322
Net Bonded Debt to Assessed Value	0.0152		
Debt Service Expenditures to Total Governmental Expenditures	0.0302		
Governmental Revenues Coverage (Divided by Debt Service Expenditures)	33.5091		

¹ Percent of overlapping debt applicable to Jefferson County taxpayers calculated as 100% due to coterminus boundaries



Board of Education of Jefferson County, Kentucky

Ratios of Debt Outstanding

Ten Year Trend

<u>Fiscal Year</u>	<u>Jefferson Co. Board of Education Government</u>	<u>Jefferson Co. Board of Education Proprietary</u>	<u>Kentucky School Facilities Construction Commission</u>	<u>School Based Neighborhood Places funded by Metro Louisville</u>	<u>Total</u>	<u>Debt Service Coverage¹</u>	<u>Percent of Personal Income</u>	<u>Debt Per Capita</u>
2020	\$ 395,097,655	\$ -	\$ 81,221,655	\$ 387,635	\$ 476,706,945	1.15	1.19%	\$ 615
2019	363,089,854	-	88,588,121	479,158	452,157,133	1.15	1.24%	583
2018	359,092,880	1,113,962	83,177,234	568,886	443,952,962	1.17	1.36%	573
2017	380,821,200	2,237,862	91,111,285	753,653	474,924,000	1.19	1.45%	621
2016	371,614,934	3,339,736	97,532,246	932,084	473,419,000	1.17	1.45%	623
2015	358,747,835	4,378,081	83,443,649	1,104,435	447,674,000	1.14	1.37%	589
2014	383,549,548	5,383,481	73,011,023	1,270,948	463,215,000	1.02	1.42%	609
2013	343,630,627	6,360,349	69,473,540	1,430,484	420,895,000	1.69	1.35%	558
2012	336,440,411	7,308,117	73,618,593	1,587,879	418,955,000	1.11	1.33%	565
2011	357,242,036	8,229,578	62,180,845	1,601,188	429,253,647	2.36	1.37%	595

¹ Statutorily, revenues in two funds are used for debt service, with any remainder paid by General Fund. Coverage ratio is the total revenues in Capital Outlay and Building Fund divided by debt service expenses for the year.



Board of Education of Jefferson County, Kentucky

Jefferson County Demographics

Updated as of 2020

Population by Selected Age Groups	Jefferson County	
	Number	Percentage
0-4	47,464	6.1%
5-9	47,694	6.2%
10-19	93,342	12.0%
20-29	105,902	13.7%
30-39	108,103	13.9%
40-49	93,101	12.0%
50-59	98,566	12.7%
60-64	50,859	6.6%
65+	130,108	16.8%
Total Population	775,139	100.0%

Source: US Department of Commerce, Bureau of the Census

Population by Race and Hispanic Origin	Jefferson County	
	Number	Percentage
Caucasian	515,250	66.5%
African-American	169,631	21.9%
American Indian	1,648	0.2%
Asian	24,801	3.2%
Native Hawaiian / Pacific Islander	424	0.1%
Other / Multirace	18,078	2.3%
Hispanic Origin	45,393	5.9%
Population Estimates¹	775,225	100.01%

Source: US Department of Commerce, Bureau of the Census

¹ The groupings in this chart allow for some individuals to be counted twice, such as the Hispanic Origin. For this reason, totals are slightly different from the chart on the left.



Board of Education of Jefferson County, Kentucky

Economic Statistics

Ten Years' Trend Data

	<u>Total Personal Wages</u>	<u>Per Capita Income</u>	<u>Average Weekly Wage</u>	<u>Employment</u>	<u>Unemployment</u>	<u>Unemployment Rate</u>
2020	\$ 40,017,970,000	\$ 51,937	\$ 1,172	393,650	15,933	3.9%
2019	36,522,814,038	47,361	1,004	384,318	16,269	4.1%
2018	36,522,814,038	47,361	1,004	376,784	17,464	4.4%
2017	36,522,814,038	47,361	988	363,746	16,621	4.4%
2016	N/A	N/A	1,013	352,193	18,173	4.9%
2015	N/A	N/A	1,017	356,765	20,345	5.4%
2014	32,703,660,516	42,996	994	341,120	25,216	6.9%
2013	31,289,198,380	41,305	882	342,729	33,777	9.0%
2012	31,583,466,439	42,049	895	338,276	33,035	8.9%
2011	31,241,331,000	41,828	891	340,457	39,111	10.3%

Source: US Department of Labor, Bureau of Labor Statistics



Board of Education of Jefferson County, Kentucky

Number of Employees by Functional Duties

<u>Function</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Instruction	4,802	4,918	5,234	5,353	5,458
Home and Hospital Instruction	8	8	8	8	8
Other Instructional Programs	3,201	3,248	3,080	2,880	2,756
Student Support Services	650	568	543	528	506
Instructional Staff Support Services	1,151	1,125	1,220	1,133	1,148
District Administrative Support Services	41	38	29	29	28
School Administrative Support Services	1,148	1,171	1,041	1,025	1,022
Business Support Services	317	297	299	296	281
Plant Operations and Maintenance	1,095	1,114	1,101	1,099	1,082
Student Transportation	1,175	1,245	1,226	1,173	1,176
Food Service Operations	914	939	949	956	906
Day Care Operations	1	1	4	5	6
Community Service Operations	119	122	111	112	112
Architectural and Engineering Services	9	7	8	8	7
	<u>14,631</u>	<u>14,801</u>	<u>14,853</u>	<u>14,605</u>	<u>14,496</u>



Board of Education of Jefferson County, Kentucky

Enrollment by Level

Ten Years' Trend Data

	<u>Elementary</u>	<u>Middle</u>	<u>High</u>	<u>Kindergarten</u>	<u>E.C.E.</u>	<u>Preschool</u>	<u>Total Enrollment</u>
2020	35,239	21,515	28,234	7,416	2,512	2,618	97,534
2019	35,763	21,233	28,358	7,183	2,420	2,899	97,856
2018	37,428	20,717	28,757	6,294	2,316	3,386	98,898
2017	37,660	20,599	28,689	7,431	2,297	3,203	99,879
2016	37,740	20,703	28,603	7,480	2,305	3,864	100,695
2015	37,514	21,093	28,331	7,659	2,315	3,590	100,502
2014	37,242	21,413	27,840	7,828	2,352	4,020	100,695
2013	36,897	21,310	27,965	7,953	2,432	4,281	100,838
2012	36,540	21,039	27,980	7,608	2,443	4,810	100,420
2011	36,672	20,527	26,714	7,326	2,528	5,328	99,095

Reflects First Month Enrollment



Board of Education of Jefferson County, Kentucky

School Building Capacity Data

Ten Years' Trend Data

School Name	Square Footage	2019-20		2018-19		2017-18		2016-17		2015-16	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Alex R. Kennedy Elementary (2015-16)	45,627	357	361	350	353	350	335	450	316	450	277
Atherton High	204,019	1,218	1,411	1,490	1,462	1,490	1,471	1,490	1,473	1,350	1,365
Atkinson Elementary	73,902	680	335	720	360	720	444	720	461	720	461
Aubumdale Elementary	59,966	608	603	624	617	624	609	624	606	620	603
Audubon Traditional Elem.	51,227	665	621	628	622	628	618	628	622	612	621
Ballard High	278,137	2,110	1,969	2,050	1,920	2,050	1,895	2,050	1,943	2,050	1,958
Barret Traditional Middle	107,195	631	635	654	641	654	645	654	647	654	645
Bates Elementary	48,508	546	572	571	560	571	553	571	541	609	553
Blake Elementary	60,916	540	508	548	506	548	526	548	515	548	506
Bloom Elementary	61,676	475	552	560	556	535	549	535	548	535	532
Blue Lick Elementary	55,333	519	523	560	530	560	513	560	522	560	513
Bowen Elementary	63,960	784	731	752	729	752	712	752	726	752	727
Brandeis Elementary	55,400	660	529	594	547	594	561	594	578	570	599
Breckinridge Metropolitan High ¹	61,737	154	97	149	124	149	110	149	137	106	140
Breckinridge/Franklin Elementary	78,293	595	447	578	470	578	467	578	483	578	479
Brown School	157,340	1,562	749	860	731	720	720	720	701	720	700
Buechel Metropolitan High	53,221										
Butler Traditional High	210,238	1,740	1,652	1,680	1,681	1,680	1,686	1,680	1,688	1,650	1,680
Byck Elementary	72,698	531	366	640	383	640	489	640	532	624	568
Camp Taylor Elementary	58,936	553	463	568	398	568	441	568	447	598	449
Cane Run Elementary	60,107	587	394	536	455	536	412	536	437	574	424
Carrithers Middle	92,976	690	681	800	691	800	712	800	680	800	703
Carter Elementary	96,030	689	613	612	600	612	593	612	608	612	617

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2014-15		2013-14		2012-13		2011-12		2010-11	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Alex R. Kennedy Elementary	45,627										
Atherton High	194,044	1,350	1,353	1,350	1,266	1,350	1,269	1,250	1,269	1,250	1,171
Atkinson Elementary	67,912	720	436	720	428	720	418	720	385	755	407
Aubumdale Elementary	52,820	620	624	620	627	620	624	620	621	640	609
Audubon Traditional Elem.	51,615	612	616	612	618	612	621	612	622	612	624
Ballard High	251,954	2,050	1,978	2,050	2,003	2,050	1,953	1,980	1,975	1,800	1,863
Barret Traditional Middle	107,695	654	646	654	639	654	638	654	641	654	641
Bates Elementary	48,374	609	550	609	563	609	563	609	542	605	548
Blake Elementary	57,416	548	496	548	506	548	472	548	427	548	461
Bloom Elementary	67,415	535	521	535	535	535	533	535	532	466	535
Blue Lick Elementary	45,356	560	706	560	454	560	481	560	491	560	489
Bowen Elementary	57,010	752	706	752	722	752	720	752	730	763	709
Brandeis Elementary	55,400	570	586	570	599	570	561	570	565	526	569
Breckinridge Metropolitan High ¹	63,612	106	124	106	117	122	106	122	122		
Breckinridge/Franklin Elementary	78,404	578	493	578	479	578	437	578	398	578	382
Brown School	249,716	720	692	720	739	718	729	605	726	605	679
Buechel Metropolitan High ¹	46,759	181	153	181	127	213	181	213	213		
Butler Traditional High	219,238	1,650	1,695	1,650	1,693	1,650	1,677	1,635	1,673	1,630	1,672
Byck Elementary	67,558	624	579	624	621	614	593	608	613	583	615
Camp Taylor Elementary	59,199	598	482	598	470	568	470	568	483	568	488
Cane Run Elementary	59,840	574	406	574	400	574	427	574	464	574	487
Carrithers Middle	92,976	800	559	800	558	800	598	800	546	800	549
Carter Elementary	164,775	612	596	612	591	612	599	612	597	596	599

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2019-20		2018-19		2017-18		2016-17		2015-16	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Central High	233,564	1,380	1,249	1,400	1,259	1,400	1,183	1,400	1,110	1,400	1,120
Chancey Elementary	76,000	616	582	750	624	750	653	750	665	765	730
Chenoweth Elementary	55,842	632	522	640	525	640	556	640	543	640	513
Churchill Park School	82,200	134	104	120	120	80	151	80	136	89	138
Cochran Elementary	56,645	595	330	514	324	514	408	514	368	514	267
Cochrane Elementary	61,325	544	477	520	476	520	456	520	430	520	438
Coleridge Taylor Elementary	73,437	723	481	750	517	750	615	750	649	750	619
Conway Middle	101,137	832	804	950	814	950	816	950	833	950	840
Coral Ridge Elementary	53,751	527	566	562	548	562	553	562	527	562	524
Crosby Middle	98,894	1,022	1,060	1,290	1,090	1,290	1,131	1,290	1,296	1,405	1,315
Crums Lane Elementary	61,350	595	414	542	432	542	465	542	481	550	529
Dixie Elementary	44,573	459	370	500	436	500	451	500	471	480	469
Doss High	237,309	1,705	973	1,600	1,013	1,600	1,102	1,600	1,072	1,600	1,087
Dunn Elementary	51,816	641	536	615	534	615	528	615	570	610	563
DuPont Maunal High	249,048	2,066	1,894	1,920	1,921	1,880	1,919	1,880	1,901	1,850	1,896
Eastern High	299,962	2,262	2,128	2,090	2,065	2,090	2,088	2,090	2,024	2,090	2,073
Eisenhower Elementary	59,511	665	601	672	582	672	572	672	602	584	612
Engelhard Elementary	56,137	531	350	500	377	500	366	500	409	530	435
ESL Newcomer Academy (2016-17)	97,880	700	537		395		480		517		
Fairdale Elementary	64,726	1,746	1,362	669	578	669	569	669	606	669	621
Fairdale High Magnet Career Academy	270,295	638	602	1,600	1,279	1,600	1,204	1,600	1,173	1,600	1,164
Farmer Elementary	79,550	703	776	790	769	760	747	760	765	788	760
Farnsley Middle (Formerly Williams Middle)	129,979	873	1,134	1,150	1,095	1,150	1,059	1,150	1,048	1,150	1,067
Fern Creek Elementary	62,617	659	676	727	634	727	594	727	644	788	669
Fern Creek Traditional High	247,769	1,604	1,752	1,775	1,778	1,650	1,685	1,650	1,599	1,575	1,595
Field Elementary	55,945	451	421	446	407	446	413	446	405	446	414
Foster Traditional Academy	79,800	574	563	660	525	660	584	660	592	650	655

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2014-15		2013-14		2012-13		2011-12		2010-11	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Central High	206,118	1,400	1,107	1,400	1,123	1,400	1,144	1,400	1,116	1,400	1,088
Chancey Elementary	151,957	765	710	765	711	765	737	765	700	765	724
Chenoweth Elementary	57,431	640	514	640	520	640	520	640	527	640	520
Churchill Park School ¹	82,200	89	159	89	161	210	159	210	194		
Cochran Elementary	56,645	514	347	514	378	514	396	514	385	514	399
Cochrane Elementary	52,724	520	373	520	460	520	495	500	509	495	486
Coleridge Taylor Elementary	73,437	750	644	750	641	750	632	750	632	750	648
Conway Middle	99,073	950	889	950	925	950	901	950	887	950	874
Coral Ridge Elementary	53,751	562	502	562	489	562	493	562	465	562	459
Crosby Middle	98,894	1,405	1,417	1,405	1,440	1,450	1,402	1,450	1,402	1,120	1,337
Crums Lane Elementary	53,230	550	503	550	491	550	496	550	480	550	448
Dixie Elementary	44,573	480	444	480	401	480	384	480	437	468	442
Doss High	237,403	1,600	1,049	1,600	1,029	1,600	913	1,600	924	1,600	911
Dunn Elementary	51,816	610	580	610	616	607	611	607	594	603	590
DuPont Maunal High	249,048	1,850	1,896	1,850	1,877	1,850	1,895	1,850	1,888	1,800	1,893
Eastern High	241,428	2,090	2,069	2,090	2,054	2,090	2,119	2,090	2,118	1,800	2,150
Eisenhower Elementary	56,195	584	617	584	616	584	571	584	581	551	554
Engelhard Elementary	50,212	530	435	530	452	530	430	530	409	480	436
ESL Newcomer Academy	97,880										
Fairdale Elementary	67,584	669	603	669	576	669	559	669	563	669	558
Fairdale High Magnet Career Academy	285,863	1,600	1,139	1,600	1,080	1,600	1,095	1,600	1,004	1,600	1,004
Farmer Elementary	79,550	788	751	788	774	761	763	740	737	650	694
Famsley Middle (Formerly Williams Middle)	123,433	1,150	1,108	1,150	1,151	1,120	1,129	1,120	1,134	1,010	1,124
Fern Creek Elementary	56,020	788	728	788	781	780	801	765	789	796	773
Fern Creek Traditional High	249,569	1,575	1,548	1,575	1,463	1,575	1,454	1,575	1,433	1,575	1,472
Field Elementary	48,818	446	410	446	427	446	424	446	423	426	438
Foster Traditional Academy	80,743	650	649	650	632	650	622	650	623	650	662

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2019-20		2018-19		2017-18		2016-17		2015-16	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Frayser Elementary	68,142	510	331	522	354	522	363	522	380	522	380
Robert Frost Middle	77,553	761	449	700	423	700	470	700	435	700	169
Gilmore Lane Elementary	39,483			412	258	412	276	412	289	412	293
Goldsmith Elementary	50,464	638	597	683	599	683	584	683	611	683	631
Greathouse/Shryock Elem.	61,555	641	619	620	615	620	616	620	618	612	612
Greenwood Elementary	50,667	468	474	570	488	570	506	570	540	565	535
Gutermuth Elementary	53,378	489	394	541	385	541	402	541	414	563	444
Hartstem Elementary	53,718	553	463	592	463	592	464	592	469	592	469
Hawthorne Elementary	62,659	461	457	507	466	507	467	507	472	507	487
Hazelwood Elementary	104,673	497	510	620	529	620	477	620	492	696	471
Highland Middle	120,249	954	928	1,200	900	1,200	919	1,200	929	1,227	1,035
Hite Elementary	45,720	499	486	526	473	526	491	526	495	526	507
Indian Trail Elementary	45,660	468	509	537	436	537	446	537	472	537	447
Iroquois High	293,374	1,786	1,182	1,450	1,204	1,450	1,283	1,450	1,269	1,450	1,173
Jacob Elementary	64,800	646	498	700	584	700	623	700	656	698	687
Jefferson County Trad. Middle	120,513	935	928	929	921	929	930	929	918	929	918
Jefferson, Thomas Middle	206,213	1,644	1,077	1,425	1,082	1,425	998	1,425	901	1,425	858
Jeffersontown Elementary	69,309	638	705	766	684	766	720	766	754	819	766
Jeffersontown High Magnet Career	332,591	1,631	920	1,600	986	1,600	1,107	1,600	1,158	1,600	1,297
Johnson Traditional Middle	136,185	1,022	897	980	897	980	869	980	887	980	904
Johnsontown Road Elementary	46,556	446	322	487	321	487	352	487	417	487	416
Kammerer Middle	127,480	1,066	940	1,120	969	1,120	930	1,120	890	1,120	904
Kennedy Metropolitan	45,627										
Kennedy Montessori Elementary	58,592	595	558	640	586	640	599	640	574	620	559
Kenwood Elementary	46,843	531	587	600	580	600	571	600	607	615	588

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2014-15		2013-14		2012-13		2011-12		2010-11	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Frayser Elementary	71,730	522	371	522	352	522	373	522	375	522	406
Frost Middle	76,851	700	219	700	494	700	529	700	423	700	473
Gilmore Lane Elementary	39,483	412	289	412	312	412	373	412	367	407	361
Goldsmith Elementary	42,994	683	607	683	619	683	678	672	690	650	674
Greathouse/Shryock Elem.	51,054	612	607	612	609	612	610	612	612	612	610
Greenwood Elementary	42,848	565	563	565	564	565	561	562	562	556	565
Gutermuth Elementary	53,378	563	437	563	410	563	443	563	447	563	483
Hartstern Elementary	52,655	592	473	592	470	592	448	592	442	592	499
Hawthorne Elementary	42,510	507	492	507	496	507	477	487	490	484	484
Hazelwood Elementary	83,381	696	480	696	460	696	435	696	444	696	443
Highland Middle	123,574	1,227	1,089	1,227	1,156	1,227	1,189	1,200	1,195	1,025	1,118
Hite Elementary	45,720	526	499	526	500	526	530	523	517	513	521
Indian Trail Elementary	40,225	537	421	537	453	537	498	537	481	537	510
Iroquois High	296,110	1,450	1,158	1,450	1,100	1,450	1,193	1,450	1,174	1,450	1,104
Jacob Elementary	61,250	698	677	698	707	698	688	690	697	675	668
Jefferson County Trad. Middle	120,513	929	917	929	922	929	925	929	895	929	908
Jefferson, Thomas Middle	224,413	1,425	853	1,425	896	1,425	898	1,425	966	1,425	1,002
Jeffersontown Elementary	69,305	819	765	819	780	819	794	819	794	778	767
Jeffersontown High Magnet Career	298,488	1,600	1,389	1,600	1,434	1,600	1,471	1,600	1,366	1,600	1,224
Johnson Traditional Middle	136,185	980	909	980	912	980	932	980	940	959	951
Johnsontown Road Elementary	47,096	487	430	487	404	487	429	487	455	471	465
Kammerer Middle	112,682	1,120	939	1,120	1,064	1,100	1,074	1,050	1,033	1,050	936
Kennedy Metropolitan	36,765	84	73	84	71	77	86	77	82		
Kennedy Montessori Elementary	58,592	620	605	620	619	620	622	620	586	600	598
Kenwood Elementary	47,319	615	588	615	584	615	590	615	595	600	592

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2019-20		2018-19		2017-18		2016-17		2015-16	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Kerrick Elementary	46,870	531	410	582	424	582	479	582	455	540	459
King Elementary	67,295	531	374	550	394	550	400	550	423	550	470
Klondike Lane Elementary	57,300	587	453	650	418	650	438	650	476	732	516
Knight Middle	101,218	812	471	700	438	700	419	700	406	700	407
Lassiter Middle	103,834	893	1,021	1,100	1,071	950	1,002	950	900	900	913
Laukhuf Elementary	61,426	608	521	600	484	600	457	600	443	600	446
Layne Elementary	50,740	510	378	518	355	518	417	518	447	541	463
Liberty High	100,329	403	170	281	280	222	269	222	275	270	404
Lincoln Elementary Performing Arts	96,825	713	574	560	569	566	564	566	562	500	556
Louisville Male High	187,678	1,588	2,030	2,050	1,958	1,915	1,961	1,915	1,891	1,763	1,806
Lowe Elementary	59,560	546	588	620	584	620	600	620	602	620	606
Luhr Elementary	46,943	446	473	524	478	524	503	524	482	524	483
Maupin Elementary	74,000	638	296	675	328	675	313	675	367	675	473
McFerran Preparatory Academy	160,000	1,288	808	1,020	909	1,020	907	1,020	901	1,020	971
Medora Elementary	39,537	475	464	463	454	463	459	463	454	463	455
Meyzeek Middle	134,645	1,218	1,077	1,200	1,112	1,200	1,107	1,200	1,138	1,200	1,101
Middletown Elementary	58,553	570	544	645	562	645	562	645	595	645	611
Mill Creek Elementary	48,611	523	513	564	486	564	503	564	508	564	490
Minor Daniels (2015-16)	46,759	259	222		188		212		167		165
Minors Lane Elementary	51,721	480	364	529	395	529	431	529	454	600	447
Moore Middle/High	267,550	2,050	2,307	2,300	2,300	2,190	2,142	2,190	2,014	2,190	2,004
Myers Middle	97,164									1,010	129
Newburg Middle	119,000	893	1,126	1,100	1,040	1,100	1,077	1,100	1,040	1,112	1,061
Noe Middle	151,960	1,196	1,326	1,350	1,351	1,350	1,336	1,350	1,360	1,332	1,327
Norton Commons Elementary (2016-17)	86,235	713	730	784	552	784	488	784	404		
Norton Elementary	62,025	808	574	768	710	768	722	768	724	768	736

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2014-15		2013-14		2012-13		2011-12		2010-11	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Kerrick Elementary	49,808	540	459	540	444	540	480	540	482	540	492
King Elementary	67,295	550	456	550	457	550	486	550	441	484	499
Klondike Lane Elementary	57,300	732	569	732	617	732	681	732	727	658	696
Knight Middle	101,568	700	411	700	435	700	472	700	456	700	537
Lassiter Middle	103,834	900	925	900	855	900	754	900	751	925	817
Laukhuf Elementary	56,209	600	455	600	464	600	448	600	442	620	472
Layne Elementary	50,740	541	469	541	472	541	500	541	466	514	503
Liberty High	100,329	270	385	270	366	263	349	373	330	n/a	462
Lincoln Elementary	63,067	500	544	500	493	439	445	439	401	439	373
Louisville Male High	209,752	1,763	1,781	1,763	1,755	1,763	1,735	1,763	1,688	1,634	1,732
Lowe Elementary	59,560	620	606	620	620	615	614	608	615	600	611
Luhr Elementary	49,373	524	477	524	486	524	493	524	494	524	500
Maupin Elementary	74,000	675	485	675	496	675	497	675	507	675	528
McFerran Preparatory Academy	334,503	1,020	874	1,020	917	1,020	903	996	972	1,062	946
Medora Elementary	39,537	463	442	463	444	463	440	463	435	424	440
Meyzeek Middle	134,645	1,200	1,123	1,200	1,140	1,200	1,115	1,200	1,117	1,200	1,051
Middletown Elementary	58,553	645	598	645	603	645	620	645	609	632	611
Mill Creek Elementary	49,651	564	484	564	475	564	509	564	503	564	504
Minor Daniels	46,759										
Minors Lane Elementary	51,721	600	446	600	384	600	383	600	365	600	329
Moore Middle/High	267,550	2,070	1,984	2,070	1,860	2,050	1,763	2,050	1,651	2,050	1,550
Myers Middle	97,164	1,010	324	1,010	785	1,010	731	1,010	770	1,010	720
Newburg Middle	123,433	1,112	1,020	1,112	1,015	1,112	1,046	1,112	1,031	1,112	947
Noe Middle	155,118	1,332	1,331	1,332	1,330	1,332	1,341	1,332	1,323	1,250	1,319
Norton Commons Elementary	86,235										
Norton Elementary	62,025	768	732	768	726	768	737	768	730	750	722

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2019-20		2018-19		2017-18		2016-17		2015-16	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Okolona Elementary	50,950	434	354	501	326	501	324	501	313	501	310
Olmsted Academy North Middle	152,553	934	646	773	618	773	587	773	581	773	577
Olmsted Academy South Middle	101,082	873	771	810	735	810	692	810	690	810	665
Phoenix School of Discovery		368	358		375						
Pleasure Ridge Park High	284,117	2,091	1,622	1,885	1,582	1,885	1,697	1,885	1,796	1,850	1,895
Portland Elementary	53,599	340	263	400	276	400	294	400	292	400	294
Price Elementary	53,339	531	417	590	394	590	404	590	435	590	501
Ramsey Middle	129,000	1,044	1,051	1,075	1,083	1,070	1,054	1,070	1,056	950	1,013
Rangeland Elementary	54,840	616	437	620	431	620	423	620	461	620	464
Roosevelt Perry Elementary	62,566	574	198	451	248	451	278	451	350	451	415
Rutherford Elementary	87,876	587	492	630	452	630	482	630	551	630	598
Sanders Elementary	44,376	446	410	517	420	517	454	517	480	560	485
Schaffner Traditional Elementary	41,156	546	593	612	60	612	596	612	607	612	611
Semple Elementary	73,440	595	556	629	557	629	600	629	620	629	581
Seneca High	226,306	1,726	1,218	1,685	1,209	1,685	1,286	1,685	1,369	1,685	1,417
Shacklette Elementary	55,786	557	1,218	616	415	616	413	616	418	616	426
The Academy@Shawnee	333,804	1,441	540	1,175	582	1,400	697	1,400	770	1,449	770
Shelby Elementary	76,343	638	757	760	722	760	728	760	736	700	756
Slaughter Elementary	63,380	468	427	475	392	475	390	475	436	526	438
Smyrna Traditional Elementary	52,176	519	500	585	502	585	476	585	514	585	559
South Park TAPP Program (Combined)	42,440	147	95	191		191	40	191	93	191	105
Southern High	321,288	1,604	1,289	1,700	1,334	1,700	1,360	1,700	1,254	1,700	1,213
St. Matthews Elementary	44,888	523	553	585	541	585	557	585	563	597	567
Stonestreet Elementary	48,282	485	450	500	450	500	435	500	452	578	439
Stopher Elementary	79,550	727	817	820	807	800	776	800	803	832	822
Stuart Middle	214,706	979	825	900	829	800	779	800	647	1,500	806
Taylor, Zachary Elementary	60,043	531	377	585	417	585	463	585	444	585	464

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2014-15		2013-14		2012-13		2011-12		2010-11	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Okolona Elementary	50,950	501	346	501	329	501	328	501	329	501	382
Olmsted Academy North Middle	152,553	773	662	773	653	850	665	1,050	768	1,050	782
Olmsted Academy South Middle	101,510	810	680	810	721	895	771	895	814	895	771
Phoenix School of Discovery											
Pleasure Ridge Park High	284,117	1,850	1,887	1,850	1,837	1,850	1,861	1,850	1,859	1,820	1,891
Portland Elementary	52,661	400	293	400	288	450	268	450	256	472	259
Price Elementary	53,339	590	509	590	544	590	588	590	582	547	578
Ramsey Middle	129,000	950	998	950	947	950	877	950	821	950	727
Rangeland Elementary	46,210	620	485	620	529	580	580	560	545	520	520
Roosevelt Perry Elementary	50,185	451	435	451	413	451	397	451	381	451	379
Rutherford Elementary	83,296	630	605	630	608	630	606	630	595	600	598
Sanders Elementary	44,376	560	515	560	501	560	498	560	504	503	493
Schaffner Traditional Elementary	41,156	612	602	612	610	612	608	612	608	612	604
Semple Elementary	65,447	629	581	629	535	629	543	629	542	629	552
Seneca High	236,142	1,685	1,462	1,685	1,502	1,685	1,482	1,685	1,379	1,685	1,494
Shackleton Elementary	47,409	616	454	616	437	616	433	616	450	708	472
The Academy@Shawnee	333,804	1,449	675	1,449	595	1,400	553	1,400	587	1,400	563
Shelby Elementary	83,477	700	737	700	704	650	682	650	649	650	646
Slaughter Elementary	50,578	526	437	526	439	526	415	526	442	508	516
Smyrna Traditional Elementary	42,827	585	559	585	562	575	571	575	546	623	513
South Park TAPP Program (Combined)	42,152	191	89	191	157	216	211	216	212		
Southern High	329,983	1,700	1,192	1,700	1,124	1,700	1,199	1,700	1,240	1,700	1,274
St. Matthews Elementary	46,228	597	579	597	568	597	589	597	593	550	588
Stonestreet Elementary	49,169	578	460	578	482	578	515	578	488	578	497
Stopher Elementary	79,550	832	791	832	803	820	811	784	809	650	763
Stuart Middle	214,706	1,500	882	1,500	829	1,500	1,058	1,500	1,020	1,500	1,082
Taylor, Zachary Elementary	45,067	585	525	585	430	585	517	585	491	585	498

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2019-20		2018-19		2017-18		2016-17		2015-16	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Trunnel Elementary	54,086	540	450	642	462	642	530	642	562	662	561
Tully Elementary	105,648	931	789	828	758	828	747	828	733	828	708
Valley Traditional High	275,670	1,320	863	1,600	1,011	1,600	1,038	1,600	1,271	1,600	1,481
Waggener High	185,446	1,482	905	1,300	918	1,300	908	1,300	868	1,300	827
Waller Williams Environmental ¹	54,619	365	131	123	123	98	98	98	87	98	94
Watson Lane Elementary	68,925	663	297	661	303	661	315	661	364	661	364
Watterson Elementary	52,105	489	507	600	499	600	532	600	564	615	555
W.E.B. Dubois Academy (2018-19)		934	290		153						
Wellington Traditional Elem.	56,924	531	409	547	425	547	484	547	484	547	492
Western High	202,622	1,441	673	1,300	683	1,300	731	1,300	789	1,300	825
Western Middle	133,525	1,035	665	825	616	825	629	825	603	825	575
Westport ECH (combined 2018-19)	78,043	374	153	148	74	148	76	148	76	148	147
Westport Traditional Middle	169,768	1,421	1,344	1,310	1,281	1,300	1,251	1,300	1,244	1,300	1,205
Wheatley Elementary	61,244	531	320	500	321	500	387	500	387	550	414
Wheeler Elementary	53,443	618	651	688	644	688	660	688	667	680	679
Wilder Elementary	49,424	594	533	613	532	613	563	613	548	613	544
Wilkerson Traditional Elem.	43,795	565	483	534	474	534	468	534	470	534	448
Wilt Elementary	50,481	537	518	566	511	566	519	566	507	566	498
Young Elementary	73,437	723	340	650	397	650	514	650	525	650	553

¹ Students at these alternative schools are counted in the enrollment at their home school for years prior to 2011-12.

Continued



Board of Education of Jefferson County, Kentucky

School Building Capacity Data--Continued

Ten Years' Trend Data

School Name	Square Footage	2014-15		2013-14		2012-13		2011-12		2010-11	
		Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month	Program Capacity	Student Enrollment 1st Pupil Month
Trunnel Elementary	55,097	662	542	662	485	662	632	662	609	670	606
Tully Elementary	105,648	828	706	828	738	828	792	828	794	809	807
Valley Traditional High	266,102	827	1,481	827	1,481	1,600	1,087	1,600	979	1,600	908
Waggener High	222,142	1,300	763	1,300	763	1,300	782	1,300	790	1,300	852
Waller Williams Environmental ¹	52,616	98	86	98	86	98	97				
Watson Lane Elementary	62,030	661	395	661	395	661	443	661	449	661	454
Watterson Elementary	52,105	615	593	615	593	615	605	615	599	615	593
W.E.B. Dubois Academy											
Wellington Traditional Elem.	56,924	547	457	547	457	547	482	547	486	547	480
Western High	235,472	1,300	806	1,300	806	1,300	798	1,300	762	1,300	871
Western Middle	133,525	825	555	825	555	825	387	825	297	825	356
Westport TAPP Program ¹	52,950	148	158	148	158	228	154	228	219		
Westport Traditional Middle	169,768	1,300	1,124	1,300	1,124	1,300	928	1,300	885	1,300	849
Wheatley Elementary	63,935	550	390	550	390	550	405	550	420	550	410
Wheeler Elementary	53,443	680	681	680	681	680	631	680	618	680	597
Wilder Elementary	49,738	613	572	613	572	613	566	613	564	610	568
Wilkerson Traditional Elem.	43,795	534	479	534	479	534	490	534	496	470	517
Wilt Elementary	50,481	566	485	566	485	566	460	566	456	550	476
Young Elementary	73,437	650	535	650	535	650	531	650	440	610	429

¹ Students at these alternative schools are counted in the enrollment at their home school for years prior to 2011-12.

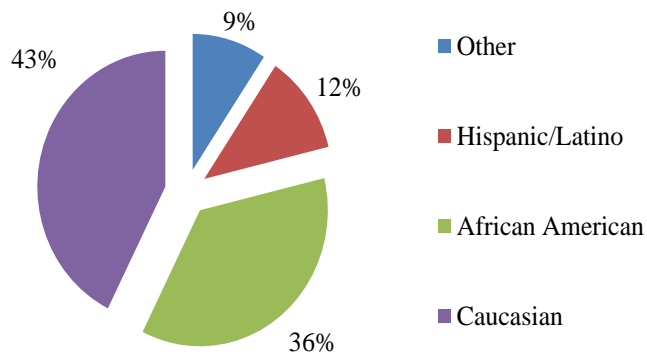
Enrollment presented is as of the end of the first pupil month. This is not typically our highest enrollment month during the school year, but this is when the program budget is set and students are assigned to each school within program capacity guidelines.

Board of Education of Jefferson County, Kentucky

Miscellaneous Statistics

For the Year Ended June 30, 2020

Student Demographics



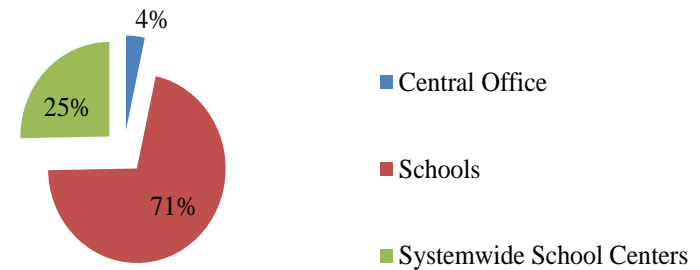
Number of Students

English as a Second Language	10,471
Different Languages	136
Special Needs	12,752
Free and Reduced Price Lunch	68%
Advanced Placement Tests Taken	8,848

Student Transportation

Number of Buses	909
Number of Bus Compounds	13
Miles Driven per Day (Average)	99,339
Number of Students Transported Daily	68,199

Funding Allocation



APPENDIX E

**SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION
AND THE BASIC LEASE;
CONTINUING DISCLOSURE CERTIFICATE; DEFINITIONS**

APPENDIX E

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL BOND RESOLUTION AND THE BASIC LEASE; CONTINUING DISCLOSURE CERTIFICATE; DEFINITIONS

The following is a brief summary of certain provisions of the General Bond Resolution and the Basic Lease together with definitions of terms used in this Official Statement. The summary and the definitions do not purport to be comprehensive or definitive. All references herein to the General Bond Resolution and the Basic Lease are qualified in their entirety by reference to such documents, copies of which are available for review prior to the issuance and delivery of the Bonds offered hereby, at the offices of the Issuer and thereafter at the offices of the Registrar and Paying Agent. All references to Bonds are qualified in their entirety by reference to the definitive form thereof and the information with respect thereto included in the Series Resolution and in the General Bond Resolution.

GENERAL BOND RESOLUTION

Authorization of Bonds; Authorization of Basic Lease. The General Bond Resolution authorizes the issuance of Bonds in one or more Series and creates a continuing lien on the Security to secure the full and final payment of the principal or Redemption Price of and interest on all of the Bonds. In connection with the issuance of Bonds pursuant to Series Resolutions, the General Bond Resolution authorizes the execution and delivery of the Basic Lease and Supplemental Leases thereto.

General Provisions for Issuance of Bonds. One or more Series of Bonds other than Refunding Bonds may be authenticated and delivered pursuant to a Series Resolution in such principal amount or amounts for each such Series as may be determined from time to time by the Issuer for the purpose of paying or providing for the payment or refinancing of all or a portion of the cost of one or more Projects. One or more Series of Refunding Bonds may be authenticated and delivered to refund all or part of the Outstanding Bonds (or portions thereof). The Issuer may issue Notes under the General Bond Resolution in anticipation of the issuance of a Series of Bonds. Such Notes shall be in a principal amount not exceeding the anticipated principal amount of such Series, plus, in the sole discretion of the Issuer, interest on such Notes. The proceeds of Bonds in anticipation of which the Notes are issued may be pledged for the payment of such Notes, and such pledge shall have priority over any other pledge created in the General Bond Resolution.

Funds and Accounts. With respect to each Series of Bonds, there are created and established the following trust funds and accounts to be held and designated as follows: [i] to be held by a Depository Bank, the Construction Fund; [ii] to be held by a Paying Agent, the Debt Service Fund, and within the Debt Service Fund: the Principal Account, the Interest Account and the Bond Purchase Account; and [iii] to be held by a Depository Bank, the Maintenance Fund. Each Depository Bank and each Paying Agent shall maintain, only for accounting purposes, such Series Accounts, Series Subaccounts and Project Subaccounts as it deems necessary or desirable for the administration of the General Bond Resolution and for the

accounting of deposits and allocations of funds and credits, and such Series Accounts, Series Subaccounts and Project Subaccounts as may be directed in a Series Resolution or Supplemental Resolution.

Construction Fund. With respect to each Series, there shall be deposited in the Construction Fund all moneys delivered to the Depository Bank for such purpose, and moneys in the Construction Fund shall be applied in accordance with the requisition procedures set forth in the General Bond Resolution, but the Depository Bank shall transfer from the Construction Fund to any Paying Agent for deposit in the Interest Account and the Principal Account of the Debt Service Fund, as required, moneys for the payment of Principal Installments of, or interest on, any Outstanding Bonds as to which there would otherwise be a default in payment, in such amounts and at such times as are required to avoid any such default unless the Paying Agent is otherwise restricted from doing so with respect to Subordinated Debt. If all moneys to be disbursed in respect of any Project have been disbursed and the Depository Bank has received the documents provided for in the General Bond Resolution, the balance in the Project Subaccount within the Construction Fund and all investment earnings attributable thereto shall be transferred to the Debt Service Fund.

Debt Service Fund. Moneys or other assets received by a Paying Agent for deposit in the Debt Service Fund and all investment earnings thereon and proceeds therefrom shall be retained therein to the extent and for the purposes set forth in the General Bond Resolution. There shall be deposited in the Debt Service Fund with respect to each Series: [i] any proceeds of such Bonds provided to be deposited therein, and any amounts representing accrued interest, if any, and capitalized interest, if any, shall be deposited in the Interest Account of the Debt Service Fund, [ii] any amounts from any other Fund or Account required to be deposited therein or transferred thereto by the General Bond Resolution, [iii] any funds received by the Issuer under a Lease or Participation Agreement for a Series of Bonds for the purpose of enabling the Paying Agent to make the payments required to be made from the Debt Service Fund for which funds have not been otherwise provided, [iv] any Appropriation or other funds available or required or directed to be deposited in the Debt Service Fund for a Series of Bonds, and [v] any other Pledged Receipts or other amounts available to be deposited in the Debt Service Fund.

From the Pledged Receipts, with respect to each Series of Bonds and except as may be otherwise provided in a Series Resolution for a particular Series of Bonds, the Issuer shall pay the following amounts in the following order and at the following times, to the extent funds are available therefor: [i] first, to each Paying Agent for deposit in the Interest Account or the Principal Account of the Debt Service Fund, as applicable, ten business days or more prior to any Interest Payment Date or Principal Installment Date, the amount necessary, together with any amounts then on deposit in the Interest Account or the Principal Account, to accumulate the sum of the interest on Bonds other than Subordinated Debt to become due on such Interest Payment Date and the sum of the Principal Installments of Bonds other than Subordinated Debt to be payable on such Principal Installment Date; [ii] second, to each Paying Agent for deposit in the Interest Account or the Principal Account of the Debt Service Fund, as applicable, ten business days or more prior to any Interest Payment Date or Principal Installment Date, the amount necessary, together with any amounts then on deposit in the Interest Account or the Principal Account, to accumulate the sum of the interest on Subordinated Debt to become due on

such Interest Payment Date and the sum of the Principal Installment of Subordinated Debt to be paid on such Principal Installment Date; [iii] third, to the Board, at any time, the excess, if any, of [a] the sum of the amounts on deposit with the Paying Agents in the Debt Service Fund over [b] the amount of the required payments of Principal Installments and interest on all Bonds of each Series then Outstanding during the next succeeding six calendar months; [iv] fourth, to the Paying Agents for deposit in the Principal Account and the Interest Account of the Debt Service Fund, at any time, to effect a purchase of Term Bonds in accordance with the General Bond Resolution; [v] fifth, to the Paying Agents for deposit in the Bond Purchase Account of the Debt Service Fund, at any time, to effect a purchase of Bonds in accordance with the General Bond Resolution; and [vi] sixth, to the Maintenance Fund, at any time, the amount directed to be transferred thereto in a Certificate. If the amount transferred in each period to the credit of any Fund or Account under the above provisions shall be less than the required amount, the requirement therefor shall be cumulative and the amount of any deficiency in any period shall be added to the amount otherwise required to be deposited to the credit of such Fund or Account in each period thereafter until such time as such deficiency shall be remedied. With respect to each Series of Bonds and except as may be otherwise provided in a Series Resolution, the Paying Agent shall pay from the Interest Account on [i] each Interest Payment Date, the amounts required for the payment of interest on the Outstanding Bonds due on such date and [ii] the date of redemption or purchase, the amounts required for the payment of accrued interest on Bonds redeemed or purchased for retirement unless the payment of such accrued interest shall be otherwise provided for, and in each such case, such amounts shall be applied by such Paying Agent to such payments. With respect to each Series of Bonds and except as may be otherwise provided in a Series Resolution, to the extent funds are available therefor, the Paying Agent shall pay from moneys credited to the Principal Account, on each Principal Installment Date for any of the Outstanding Bonds, the amounts required for the payment of Principal Installments due on such date and such amounts shall be applied by such Paying Agent to such payment.

Except as may be otherwise provided in a Series Resolution, the Issuer may, but in no event less than 45 days prior to the succeeding Principal Installment Date on which a Sinking Fund Installment is scheduled to be due, direct a Paying Agent to purchase, with moneys that shall be paid by the Issuer for deposit to the Interest Account and the Principal Account of the Debt Service Fund for a Series, to the extent any such moneys have been deposited in the Debt Service Fund for the payment of such Sinking Fund Installment, at a price not in excess of par plus accrued interest to the date of such purchase, Term Bonds payable from such Sinking Fund Installment, and any Term Bonds so purchased shall be canceled by the Paying Agent and evidence of such cancellation shall be given to the Issuer and the aggregate principal amount of the Term Bonds so purchased shall be credited against the Sinking Fund Installment due on such Principal Installment Date.

Maintenance Fund. There shall be deposited with a Depository Bank to the credit of the Maintenance Fund with respect to each Series of Bonds: [i] any proceeds of such Bonds so provided to be deposited by any Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution, [ii] any amounts from any other Fund or Account required to be deposited therein or transferred thereto by the General Bond Resolution, [iii] any funds received by the Issuer under a Lease or Participation Agreement for the purpose of meeting the Issuer's requirements for the Maintenance Fund for which funds have not been otherwise provided under the General Bond Resolution, [iv] any Appropriation or other

funds available or required or directed to be deposited in the Maintenance Fund for a Series of Bonds and [v] any other Pledged Receipts or other amounts available to be deposited therein.

Amounts in the Maintenance Fund shall be used and expended to pay or reimburse the Issuer or the Board for the payment of the costs of maintaining and insuring the Projects financed pursuant to the General Bond Resolution, at the direction and in the sole discretion of the Issuer (except as may be otherwise provided in a Series Resolution or Participation Agreement or with respect to Subordinated Debt), and shall be paid out by the Depository Bank from time to time upon receipt of a written requisition of the Board. The Depository Bank shall transfer from the Maintenance Fund to any Paying Agent for deposit in the Interest Account and the Principal Account of the Debt Service Fund, as required, moneys for the payment of Principal Installments of, or interest on, any Outstanding Bond as to which there would otherwise be a default in payment, in such amounts and at such times which are required to avoid any such default unless the Paying Agent is otherwise restricted from doing so by a Series Resolution or Participation Agreement or with respect to Subordinated Debt.

Disposition of Amounts Subject to Rebate. Notwithstanding any provisions of the General Bond Resolution to the contrary, any Depository Bank and any Paying Agent, respectively, shall transfer all amounts determined by a Paying Agent to be subject to the rebate provisions of Section 148(f) of the Code (or any successor provision), as they are received, from the Fund or Account with respect to which such amounts are earned to any Rebate Fund established for such purpose in, and in accordance with the terms of, any Series Resolution authorizing the issuance of a Series of Bonds.

Investments. All moneys in each Fund and Account shall be continuously invested in Qualified Obligations to the full extent practical. The Depository Bank or the Paying Agent, as required, shall sell or reduce to cash a sufficient amount of such investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amount contemplated to be paid therefrom.

Credits to Board and Commission. All amounts transferred or credited to the Debt Service Fund from any Fund or Account with respect to a Series of Bonds shall be allowed as a credit against the payments otherwise required to be made, first by the Board under a Lease with respect to such Series, and, second, by the Commission under a Participation Agreement with respect to such Series, except to the extent otherwise provided in the General Bond Resolution or in such Lease or Participation Agreement, if any, or in a Supplemental Resolution or a Series Resolution under which a Series of Bonds is authorized to be issued or other action under and pursuant to the General Bond Resolution.

Open Market Purchases. The Issuer may, so long as no Event of Default shall then be existing, purchase Outstanding Bonds, whether or not such Bonds shall then be subject to redemption, at the most advantageous price obtainable with reasonable diligence, having regard to the maturity, option to redeem, interest rate and price, such price not to exceed the principal of such Bonds plus the amount of the premium, if any, which would have been payable to the Holders of such Bonds under the provisions of the General Bond Resolution if such Bonds had been called for redemption on the next permissible redemption date. The Issuer shall pay to the Paying Agent for deposit in the Bond Purchase Account the purchase price of the Bonds to be so

purchased and the Paying Agent shall purchase such Bonds; provided, however, that [i] no such purchase shall be made within the period of 45 days preceding any Interest Payment Date on which such Bonds are subject to a call for redemption under the provisions of the General Bond Resolution, and [ii] Bonds of a Series shall be purchased solely from moneys deposited for the payment of the principal or Redemption Price of and interest on such Series. If one or more Term Bonds are purchased pursuant hereto, then the principal amount of the Term Bonds so purchased shall be credited against such Sinking Fund Installments for such Term Bonds, as the Issuer shall direct.

Unclaimed Moneys. All amounts that a Paying Agent shall withdraw from the Debt Service Fund or shall have received from any other source and set aside or deposited with itself or any Fiduciary for the purpose of paying Bonds, either at maturity or otherwise, or for paying interest when due on Bonds, shall be held in trust for the respective Holders of such Bonds; provided, however, that any moneys which shall be so set aside or deposited and which shall remain unclaimed by the Holder of any Bond for a period of five years after the date on which such Bond shall become payable, shall be paid to the Issuer and thereafter the Holder of such Bond shall look only to the Issuer for payment and then only to the extent of the amounts so received without any interest thereon, and the Paying Agent and any such Fiduciary shall have no responsibility with respect to such moneys.

Covenants of the Issuer. The Issuer covenants that it shall duly and punctually pay or cause to be paid the Bonds on the dates, at the places, in the manner and solely from the Security. If contemplated by a Participation Agreement, the Issuer covenants to the extent permitted by law that, if at any time the principal of or interest on the Bonds becomes past due or if a deficit is projected to occur during the next biennial period, then the Issuer shall immediately make a formal request in writing to the Governor of the Commonwealth that sums adequate [i] to pay in full any past due principal of and interest on the Bonds and [ii] to fund any projected deficit during the next biennial period, be included in the next succeeding executive budget, as an Appropriation to the Commission, and that such budget request be presented to the Kentucky General Assembly with recommendation for approval of such an Appropriation. Any such request for Appropriations shall be considered separately and apart from any appropriations made by the Kentucky General Assembly for any other or similar programs established prior to or subsequent to the effective date of the General Bond Resolution. The Issuer further covenants that no use will be made of the proceeds of the Bonds or the Notes or of any moneys in the Funds and Accounts and no other action shall be taken or omitted to be taken that will cause any Bonds or Notes issued as “tax-exempt bonds” (as defined in Section 150(a)(6) of the Code) to be or become “arbitrage bonds” within the meaning of Section 148 of the Code.

The Issuer covenants that it shall keep or cause to be kept proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the Bonds, the Funds and Accounts, and the Projects, which shall at all reasonable times be subject to the inspection of the Holders of an aggregate of not less than five percent in principal amount of Bonds then Outstanding or their representatives duly authorized in writing. The Issuer shall maintain or cause to be maintained on file copies of all certifications or requisitions under which moneys were withdrawn from any Fund or Account.

The Issuer covenants to prepare and, upon written request, to furnish to any Holder of Outstanding Bonds, [i] within 60 days after July 1 of each year, an Annual Budget and [ii] within 120 days after July 1 of each year, complete financial statements in reasonable detail, audited by an independent accountant, for the preceding Fiscal Year. The Annual Budget shall set forth for such Fiscal Year the estimated Pledged Receipts, Principal Installments and interest due and payable or estimated to become due and payable during such Fiscal Year and estimated Operating Costs, if any. The Issuer may at any time adopt an amended Annual Budget for the remainder of the then current Fiscal Year. The Issuer shall not incur Operating Costs in any Fiscal Year in excess of the reasonable or necessary amount thereof, and shall not expend, except as permitted in the next sentence hereof, any amount or incur any indebtedness for Operating Costs for such period in excess of the amounts provided therefor in the Annual Budget as originally prepared or as amended. This does not limit the amount which the Issuer may expend for Operating Costs in any Fiscal Year, provided any amounts expended therefor in excess of such Annual Budget shall be received by the Issuer from some source other than the sources permitted and provided for in the General Bond Resolution.

The Issuer covenants to take all actions and perform all rights of the Issuer set forth in the Act and each Lease and Participation Agreement for the benefit and security of the Bondholders in timely and due fashion, including without limitation, the interception, to the extent permitted by law, of [i] aid from or payable through the Commonwealth to the Board or the Commission, as applicable, in default under a Lease or a Participation Agreement, [ii] the proceeds of any revenue-sharing payable by the Commonwealth to the Board or the Commission and [iii] any other entitlement from or payable or administered by the Commonwealth to, or for the benefit of, or to be administered by the Board or the Commission.

The Issuer shall perform all duties with reference to each Project financed under the General Bond Resolution and the Bonds imposed by the Constitution and laws of the Commonwealth, including the charging and collecting of sufficient rentals to pay principal of, Redemption Price and interest on the Bonds, plus the maintenance and insurance costs of the Project, and shall segregate the rentals under every Lease and Supplemental Lease and apply them to the Funds and Accounts created by the General Bond Resolution in accordance with the terms thereof. The Issuer shall use its best efforts, subject to the limitations of the Constitution and laws of the Commonwealth, to cause to be produced annually by taxation for the Board a sum sufficient to pay the rentals under every Lease and Supplemental Lease. The Issuer shall not sell, mortgage or in any other manner dispose of the Project, including any and all additions, extensions and improvements that may be made thereto, or otherwise materially adversely affect the Security, except as may be otherwise permitted pursuant to the General Bond Resolution, until all the Bonds are paid in full.

Option to Purchase Leased Premises. The Issuer grants to the Board the option to purchase any or all of the Leased Premises financed with the proceeds of a Series of Bonds and subject to the Lease free and clear of the statutory mortgage lien and the Lease at any time during the term of the Lease by directing the Issuer to exercise immediately its option to pay or redeem all Outstanding Bonds of that Series in accordance with the General Bond Resolution and by paying directly to the Paying Agent or Paying Agents the amount necessary to duly effect or provide for such payment or redemption and expenses associated therewith.

The Issuer grants the Board the option to purchase at any time a portion of the Leased Premises financed with a Series of Bonds free and clear of the statutory mortgage lien and the Lease by directing the Issuer to exercise immediately its option to pay or redeem, or provide for the payment or redemption of, a Pro Rata Share of the Outstanding Bonds of that Series in accordance with the General Bond Resolution, by paying directly to the Paying Agent or Paying Agents the amount necessary to duly effect or provide for such payment or redemption and expenses associated therewith.

Upon the full payment and retirement of the Bonds, or provision for the full payment and retirement thereof pursuant to the General Bond Resolution, the Lease shall automatically terminate and the Issuer shall convey the Leased Premises to the Board free and clear of the statutory mortgage lien and the Lease at the earliest practicable time.

Amendment to Lease. No amendment to the Lease shall be effective unless it is in writing, is executed by both parties, and is consistent with or permitted by the General Bond Resolution.

Series Resolutions and Supplemental Resolutions Effective Without Consent of Bondholders. The Issuer may adopt at any time and from time to time Series Resolutions or Supplemental Resolutions for any one or more of the following purposes, and any such Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Paying Agent or Paying Agents of a certified copy thereof: [i] to provide for the issuance of a Series of Bonds pursuant to the provisions of the General Bond Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed; [ii] to add additional covenants and agreements of the Issuer for the purpose of further securing the payment of the Bonds; [iii] to prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Issuer; [iv] to surrender any right, power or privilege reserved to or conferred upon the Issuer by the terms of the General Bond Resolution; [v] to confirm as further assurance any pledge under and the subjection to any lien, claim or pledge created or to be created by the provisions of the General Bond Resolution; [vi] to modify, amend or supplement any of the provisions of the General Bond Resolution or any previously adopted Series Resolution or Supplemental Resolution in any other respect, provided only that such modifications, amendments or supplements, as the case may be, are not in the Opinion of Counsel to the detriment of the Holders of Bonds of any Series Outstanding as of the date of adoption of such Series Resolution or Supplemental Resolution; [vii] to cure any ambiguity or defect or inconsistent provision in the General Bond Resolution or to insert such provisions clarifying matters or questions arising under the General Bond Resolution as are necessary or desirable, if any such modifications are not contrary to or inconsistent with the General Bond Resolution as theretofore in effect; [viii] to provide such additional terms and to create and establish such Rebate Funds as may be required to provide for compliance with any applicable federal or state laws, including without limitation Section 148 of the Code; or [ix] to supplement or amend any provisions of the General Bond Resolution in connection with the issuance of Subordinated Debt so long as such supplements or amendments are not to the detriment of the rights, remedies or security of the Holders of the Outstanding Bonds.

Series Resolutions and Supplemental Resolutions Effective With Consent of Bondholders. The General Bond Resolution may also be modified, amended or supplemented at

any time or from time to time by a Series Resolution or Supplemental Resolution, subject to the consent of the Bondholders in accordance with and subject to the provisions on amendments set forth below.

Amendment to General Bond Resolution. Any modification or amendment of the General Bond Resolution and of the rights and obligations of the Issuer and of the Holders of the Bonds in any particular, may be made by a Series Resolution or Supplemental Resolution, with the written consent given as provided in the General Bond Resolution of [i] if less than all of the Series of Bonds are affected by the modification or amendment, of the Holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given or [ii] if the modification or amendment changes the amount or date of any Sinking Fund Installment, of the Holders of at least two-thirds in principal amount of the Bonds of the particular Series, maturity and interest rate entitled to such Sinking Fund Installment Outstanding at the time such consent is given; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any such calculation of Outstanding Bonds; and provided, further, no such modification or amendment shall permit a change in the term of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment without the consent of all Holders of Bonds Outstanding.

General Bond Resolution To Constitute Contract. Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, in consideration of the purchase and acceptance of the Bonds by all Persons who shall purchase and hold the Bonds from time to time, the General Bond Resolution shall be deemed to be and shall constitute a contract among the Issuer, the Fiduciaries and the Bondholders, and the provisions thereof are covenants and agreements with such Holders which the Issuer determines to be necessary and desirable for the security and payment thereof. The provisions, covenants and agreements set forth in the General Bond Resolution to be performed on behalf of the Issuer shall be for the equal and ratable benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction except as may be otherwise expressly provided in a Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution. However, no representation or covenant of the Issuer in the General Bond Resolution or in any other proceeding, document or certification incidental to issuance of the Bonds shall create any indebtedness or liability of the Issuer, except to the extent of the Pledged Receipts and the other Security.

Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, [i] any Bondholder, either at law or in equity, by suit, action, mandamus or other proceedings, may enforce and compel the performance of all duties imposed by the General Bond Resolution or by the laws of the Commonwealth, including the

charging and collection of sufficient rentals, the segregation of revenues and gross income, and the application thereof, and may by such action compel the performance of all duties imposed in the operation of an adequate school system as provided by the laws of the Commonwealth, but only insofar as the failure to perform such duties would or could impair the interests of such Bondholder; and [ii] if there is a default in the payment of the principal of, Redemption Price or interest on any of the Bonds, then upon the filing of suit by any Bondholder, any court having jurisdiction of the action may appoint a receiver to administer the property on behalf of the Issuer or the Board or both of them, with power to charge and collect rentals sufficient to provide for the payment of any Bonds and any other obligations Outstanding, for the payment of operating, maintenance and insurance expenses, and to apply the Pledged Receipts and the other Security in conformity with the General Bond Resolution and the laws of the Commonwealth.

Events of Default and Remedies Under General Bond Resolution. Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, each of the following events is hereby declared an “Event of Default” under the General Bond Resolution: [i] failure to make due and punctual payment of any Principal Installment when and as the same shall become due and payable, whether at maturity or upon redemption or otherwise; [ii] failure to make due and punctual payment of any installment of interest on any of the Outstanding Bonds when and as the same shall become due and payable; or [iii] failure or refusal by the Issuer to comply with the provisions of the Act or to perform, observe or fulfill any of the covenants, agreements or conditions on its part to be observed, performed or fulfilled contained in the General Bond Resolution, any Series Resolution or Supplemental Resolution, or the Bonds, and such failure or refusal shall continue for a period of 45 days after written notice thereof by the Holders of not less than 25% in principal amount of the Outstanding Bonds.

In addition to other remedies described in the General Bond Resolution, and except as otherwise provided pursuant to the General Bond Resolution for a particular Series of Bonds (including but not by way of limitation, the provisions of any Participation Agreement entered into in accordance with the General Bond Resolution), upon the happening and continuance of any Event of Default specified in the General Bond Resolution, then the Holders of not less than 25% in principal amount of the Outstanding Bonds may proceed, in their own name, subject to the provisions of the General Bond Resolution, to protect and enforce the rights of the Bondholders by such of the following remedies, as they shall deem necessary or desirable to protect and enforce such rights: [i] by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bondholders, including the right to require the Issuer to enforce, collect and receive rental payments adequate to carry out the covenants and agreements as to, and pledge of, Pledged Receipts and the other Security, and to require the Issuer to carry out any and all other covenants or agreements with Bondholders and to perform its duties under the Act; [ii] by bringing suit upon the Bonds; [iii] by action or suit in equity, require the Issuer to account as if it were the trustee of an express trust for the Holders of the Bonds; [iv] by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds; [v] by declaring all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the Holders of not less than 25% in principal amount of the Outstanding Bonds, by annulling such declaration and its consequences; or [vi] if all Bonds are declared due and payable, by selling the Qualified Obligations and all other assets of the Issuer (to the extent not theretofore set aside either for redemption of Bonds for which call

has been made or pursuant to provisions of the General Bond Resolution relating to moneys set aside for the payment of Bonds) subject to the lien of the General Bond Resolution, and enforcing all Leases and Participation Agreements to the fullest legal extent in the name of the Issuer for the use and benefit of the Holders of Bonds.

Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, in the enforcement of any rights and remedies under the General Bond Resolution, the Bondholders shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Issuer for the principal or Redemption Price of and interest on the Bonds unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, if any, together with any and all costs and expenses of collection and of all proceedings thereunder and under such Bonds, without prejudice to any other right or remedy of the Bondholders, and to recover and enforce a judgment or decree against the Issuer for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

Priority of Payments After Default. Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, if upon the happening and continuance of any default, the funds held by the Fiduciaries shall be insufficient for the payment of any Principal Installment and interest then due on the Bonds, such funds (other than funds held pursuant to the General Bond Resolution relating to moneys set aside for the payment of Bonds) and any other moneys received or collected by the Bondholders, acting pursuant to the Act and the General Bond Resolution after making provision for the payment of any expenses necessary to protect the interests of the Holders of the Bonds, and for the payment of the charges and expenses and liabilities incurred and advances made by the Fiduciaries in the performances of their duties under the General Bond Resolution, shall be applied by the Fiduciaries as follows: [i] unless the principal of all of the Bonds shall have become or have been declared due and payable: [a] to the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installments, then to the payment thereof ratably, accordingly to the amounts due on such installments, to the persons entitled thereto, without any discrimination or preference; and [b] to the payment to the Persons entitled thereto of the unpaid Principal Installment of any Bonds which shall have become due, whether at maturity or by redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of the Principal Installment due on such date, to the Persons entitled thereto, without any discrimination or preference; and [ii] if the principal of all of the Bonds shall have become or have been declared due and payable, then, except as may be otherwise expressly provided in a Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution for a particular Series of Bonds, to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, accordingly to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series: [i] whenever moneys are to be applied pursuant to these provisions, such moneys shall be applied by each Fiduciary at such times, and from time to time, as the Fiduciary in its sole discretion shall determine, having due regard to the need to make payment of any expenses necessary to protect the interests of the Holders of the Bonds, the amount of such moneys available for application and the likelihood of additional money becoming available for application in the future; [ii] the deposit of such moneys with the Fiduciaries, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Fiduciaries, and a Fiduciary shall incur no liability whatsoever to the Issuer, to any Bondholder or to any other person for any delay in applying any such moneys, so long as the Fiduciary acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of the General Bond Resolution as may be applicable at the time of application by the Fiduciary; and [iii] whenever the Fiduciary shall exercise such discretion in applying such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Fiduciary shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Fiduciary shall not be required to make payment to the Holder of any Bond unless such Bond shall be presented to the Paying Agent for appropriate endorsement or for cancellation if fully paid.

Termination of Proceedings. If any proceedings taken by the Holders of the Bonds on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the Issuer, the Fiduciaries and the Bondholders shall be restored to their former positions and rights under the General Bond Resolution respectively, and all rights, remedies, powers and duties of the Bondholders and the Fiduciaries shall continue as though no such proceeding had been taken.

Bondholders' Direction of Proceedings; Limitation on Rights of Bondholders. Anything in the General Bond Resolution to the contrary notwithstanding, but except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, the Holders of the majority in principal amount of Bonds then Outstanding shall have the right to direct the method of conducting all remedial proceedings to be taken under the General Bond Resolution, provided that such direction shall not be otherwise than in accordance with law or the provisions of the General Bond Resolution, and that a Fiduciary shall have the right to decline to follow any such direction which in the opinion of the Fiduciary would be unjustly prejudicial to Bondholders not parties to such direction. No Bondholder or Bondholders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of the General Bond Resolution, or to enforce any right thereunder or under law with respect to the Bonds or the General Bond Resolution, except in the manner therein provided, and all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the General Bond Resolution and for the benefit of all Holders of the Outstanding Bonds except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series. Anything in the General Bond Resolution to the contrary notwithstanding, but except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, each Holder of any Bond by the acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under the General Bond Resolution or any Series Resolution or Supplemental

Resolution, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess such reasonable costs (including reasonable attorneys' fees) against any party litigant in any such suit having due regard to the merits and good faith of the claims or defenses made by such party litigant; but these provisions shall not apply to any suit instituted by any Bondholder, or group of Bondholders, holding at least 25% in principal amount of the Bonds Outstanding, or to any suit instituted by any Bondholders for the enforcement of the payment of the principal or Redemption Price of or interest on any Bond on or after the respective due date thereof expressed in such Bond.

Notice Of Event Of Default. Except as may be otherwise expressly provided in a Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution for a particular Series of Bonds, any Paying Agent shall give to the Bondholders and all other Fiduciaries notice of each Event of Default under the General Bond Resolution known to the Paying Agent within ninety days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured before the giving of such notice; provided that, except in the case of default in the payment of the Principal Installment or interest on any of the Bonds, the Paying Agent shall be protected in withholding such notice, if any, so long as the Paying Agent in good faith determines that the withholding of such notice is in the interest of the Bondholders.

Defeasance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to Holders of the Bonds, such amounts as will, taking into account the investment earnings therefrom, fully provide for all of the principal or Redemption Price of and interest to become due on a particular Series of Bonds, at the times and the manner stipulated therein and in the General Bond Resolution, then and in that event as to that particular Series of Bonds the General Bond Resolution shall cease, determine, and become null and void, and the covenants, agreements and other obligations of the Issuer thereunder shall be satisfied and discharged for that particular Series of Bonds, and in such event, each Fiduciary shall, upon the request of the Issuer, execute and deliver to the Issuer all such instruments as may be desirable to evidence such discharge and satisfaction and the Fiduciaries shall pay over or deliver to the Issuer, on behalf of the parties entitled thereto, all moneys, securities or obligations held by them pursuant to the General Bond Resolution which are not required for such payment or redemption for that particular Series of Bonds.

Bonds (or portions thereof) or interest installments of a particular Series of Bonds for the payment or redemption of which moneys shall have been set aside and shall be held in trust by Fiduciaries shall, at the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the above paragraph. Bonds or interest installments of a particular Series shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the above paragraph if: [i] if any of the Bonds (or portions thereof) are to be redeemed on a date prior to their maturity, the Issuer shall have given to a Paying Agent irrevocable instructions to give notice of redemption of such Bonds (or portions thereof) on such date as provided in the Series Resolution authorizing the issuance of such Series of Bonds; [ii] there shall have been deposited with the Paying Agent either moneys in an amount which shall be sufficient, or Governmental Obligations or Municipal Obligations, the principal of and the interest on which when due will

provide moneys in an amount which shall be sufficient, or Governmental Obligations or Municipal Obligations, the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Paying Agent, shall be sufficient to pay when due the principal or Redemption Price of and interest (or interest installments) due and to become due on such Bonds (or portions thereof) on and prior to the redemption date or maturity date thereof, as the case may be; and [iii] if Bonds (or portions thereof) are redeemed within the next succeeding sixty days, the Issuer shall have given the Paying Agent irrevocable instructions to notify as soon as practicable, the Holders of such Bonds by United States first-class mail, postage prepaid, at least thirty days prior to the redemption date. Any cash received from such principal or interest payments on such Governmental Obligations or Municipal Obligations, deposited with the Paying Agent, if not then needed for such purpose, shall to the extent practicable, be reinvested in Governmental Obligations or Municipal Obligations, maturing at times and in amounts sufficient to pay when due the principal or Redemption Price of and interest to become due on such Bonds (or portions thereof) on and prior to such redemption date or maturity date thereof.

If, through the deposit of moneys by the Issuer or otherwise, the Fiduciaries shall hold, pursuant to the General Bond Resolution or a Series Resolution or Supplemental Resolution, moneys sufficient to pay the principal and interest to maturity on all Outstanding Bonds of a Series or in the case of Bonds of a Series in respect of which the Issuer shall have taken all action necessary to redeem prior to maturity, sufficient to pay the Redemption Price and interest to such redemption date, then at the request of the Issuer all moneys held by any other Fiduciary with respect to that Series shall be paid over to the Paying Agent and, together with other moneys held by it under the General Bond Resolution, shall be held by the Paying Agent for the payment or redemption of the designated Outstanding Bonds of such Series.

Miscellaneous Provisions. Any request, consent, revocation of consent or other instrument which the General Bond Resolution may require or permit to be signed and executed by the Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys-in-fact appointed in writing with such proof as shall be required by the Issuer or a Fiduciary. Any request or consent by the owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer or any Fiduciary in accordance therewith. The Issuer expressly reserves the right to issue Subordinated Debt under the General Bond Resolution, to adopt one or more additional general bond-authorizing resolutions or trust indentures or similar documents, and to issue other obligations, payable from or secured by collateral other than the Pledged Receipts. Nothing in the General Bond Resolution or in any Series Resolution or Supplemental Resolution adopted pursuant to the provisions thereof, express or implied, is intended or shall be construed to confer upon or to give to any person or party other than the Issuer, the Fiduciaries and the Holders of the Bonds, any rights, remedies or claims under or by reason of the General Bond Resolution or any Series Resolution or Supplemental Resolution or any covenants, condition or stipulation thereof; and all covenants, stipulations, promises and agreements in the General Bond Resolution and any Series Resolution or Supplemental Resolution contained by or on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Fiduciaries and the Holders from time to time of the Bonds. All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the General Bond Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any

member, officer, director or employee of the Issuer in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based thereon or on the General Bond Resolution against any member, officer, director or employee of the Issuer or any natural person executing the Bonds.

BASIC LEASE

Lease of Premises; Lease Term. In connection with each Series of Bonds, each Project financed thereby shall be leased to the Board pursuant to a Lease or Supplemental Lease and occupied as a revenue-producing undertaking on a year-to-year basis. The Issuer leases and rents to the Board the Leased Premises for an annual term ending June 30 of each Fiscal Year and continuing automatically thereafter, unless the Board elects to terminate the Lease at the end of any then current term thereof by at least ninety (90) days' prior written notice to the Issuer. The Issuer shall do nothing to interfere with the Board's quiet and exclusive possession of the Leased Premises throughout the term of the Lease, provided there be no Event of Default.

The Board leases the Leased Premises subject to all conditions affecting the title to same, including but not limited to any statutory mortgage liens and any leases with the City of Louisville or Jefferson County, Kentucky, that affect the property pursuant to any outstanding school building revenue bond issues as may have been theretofore issued from time to time pursuant to KRS Chapter 162 or otherwise. The Board assumes all risks, if any, resulting from any present or future, latent or patent defects therein, or from the failure of the Leased Premises to comply with any legal requirements applicable thereto. The Issuer has made no representations as to the state of title or condition of the Leased Premises or their suitability for use and occupancy by the Board, and the Issuer leases the Leased Premises to the Board "as is."

Rental Payments. During the term of the Basic Lease, the Board is required to pay to or for the account of the Issuer, as rental payments in amounts and at the times sufficient to pay the principal of, interest, and Redemption Price, if any, on the Bonds when and as the same become due, together with all costs and expenses of Fiduciaries under the General Bond Resolution when and as the same become due and all amounts required to be deposited in any Fund or Account under the General Bond Resolution, in any case unless and until the same are paid by the Issuer from other revenues or assets of the Issuer, and all Operating Costs and costs of maintaining and insuring the Leased Premises.

Insurance. Subject to the right of the Board to self-insure through an established program of self-insurance, under the Basic Lease the Board is required to continuously during the term of the Lease insure against such risks and in such amounts with respect to the Leased Premises as are generally insured against with respect to properties of like size and character, including at least, but not limited to [i] broad form insurance to the extent of the full insurable value of the Leased Premises (recognizing that certain portions thereof may not be exposed to certain risks) or the aggregate outstanding principal amount of Bonds under the General Bond Resolution, whichever amount is greater, for loss or damage by fire, lightning and windstorm or other hazard, casualty or calamity, with standard extended coverage, vandalism and malicious mischief endorsement and [ii] public liability insurance with reference to the Leased Premises, in minimum amounts of one million dollars for personal injury or death and one million dollars for property damage, in respect of each occurrence. In addition, the Board is to include the Leased

Premises in its comprehensive general liability policies. All required insurance policies shall be with insurance companies qualified to do business in the Commonwealth, shall name the Issuer as an additional insured as its interest may appear, and may be written with exceptions and exclusions comparable to those in similar policies carried by others with respect to properties of similar size, character and other respects to the Leased Premises. The required insurance may be in the form of blanket insurance policies and may be provided by so-called umbrella coverage. All insurance claims may be adjusted by the Board alone, and all insurance proceeds for loss or damage to the Leased Premises shall be payable to the Board for application to the repair or restoration of the Leased Premises and the excess, if any, shall be deposited to the credit of the Maintenance Fund established under the General Bond Resolution.

Use and Maintenance under the Lease. The Board shall use the Leased Premises for educational purposes at all times during the term of the Basic Lease. The Board shall, during the term of the Lease, at its own expense, maintain the Leased Premises in good condition, repair and working order and shall pay all utility charges, all governmental charges, if any, that may be laid, assessed, levied or imposed or become due and payable or create a lien on any part of the Leased Premises and any other costs incurred in the operation, maintenance, use and occupancy of the Leased Premises. The Board shall, at its own expense, make or cause to be made from time to time all necessary repairs, renewals and replacements thereof, ordinary wear and tear and obsolescence excepted. The Board shall comply with all applicable governmental, health, sanitation, environmental, fire and safety requirements and all other governmental regulations or requirements. If destruction, total or partial, ensues so as to make the Leased Premises or any portion thereof untenable for the purposes intended, such destruction shall not operate as a surrender or cancellation of the Lease and shall not relieve the Board from any obligations under the Lease, but the Board agrees to repair or restore the affected portion of the Leased Premises to the condition that existed prior to such destruction, to the extent insurance proceeds are sufficient for such purposes, or if the insurance proceeds are insufficient, the Board agrees to repair or restore the affected portion of the Leased Premises to a tenantable condition with the Board's own funds or to purchase the affected portion in accordance with its option under the Basic Lease, in either case, to the extent funds are legally available for such purpose.

Modifications and Improvements. Subject to the statutory mortgage lien elsewhere described herein, the Board may, at its own cost and expense, remodel the Leased Premises or make modifications or improvements thereon or thereto from time to time as it, in its discretion, may deem to be desirable for its uses and purposes; provided that the security afforded by the statutory mortgage lien is not diminished thereby and provided, further, that the Board shall not permit any laborers', mechanics' or materialmens' liens to attach to the Leased Premises by reason thereof.

The Issuer and the Board acknowledge the statutory mortgage lien which exists pursuant to KRS 162.200, but only upon the application of the proceeds of any Series of Bonds to each Project, on the Leased Premises and all structures, equipment, fixtures and property of whatever nature thereon and all appurtenances thereto in favor of the owners of the Bonds. The Issuer reserves the right, however, to erect or construct upon the Leased Premises other structures and improvements, whether financed with the proceeds of additional school building revenue bonds, Subordinated Debt or otherwise, provided that the erection or construction of

such improvements shall not unreasonably interfere with, and the improvements shall not diminish the quiet possession of the Leased Premises by the Board.

Other Obligations of Board. The Board may assign its interest in the Basic Lease or sublet the Leased Premises or portions thereof without the consent of the Issuer, provided that the Board shall nevertheless remain primarily liable for the payment of the rentals due under the Lease and for the full performance and observance of all the obligations of the Board under the Lease. The Board covenants to use its best efforts, subject to the limitations of the Constitution and laws of the Commonwealth, during each year that the Basic Lease may be renewed, to cause to be produced annually by taxation revenues sufficient to make the rental payments thereunder and finance all other obligations of the Board thereunder.

Events of Default and Remedies. The occurrence of any of the following events will constitute an Event of Default under the Basic Lease: [i] failure by the Board to pay the rentals in the amounts and at the times provided; [ii] failure by the Board to perform any other obligation on its part to be performed or observed pursuant to the Basic Lease for a period of thirty days after written notice by the Corporation or a Bondholder to the Board specifying such failure and requesting that it be remedied; provided that if the failure be such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Board within such period and diligently pursued until such failure is corrected; or [iii] the dissolution or liquidation of the Board; or failure by the Board promptly to lift any execution, garnishment or attachment of such consequence as will impair its ability to carry out its obligations under the Lease; or if the Board becomes insolvent or bankrupt, or makes an assignment for the benefit of its creditors or consents to the appointment of a trustee or receiver for the Board or for the greater part of its properties; or a trustee or receiver is appointed for the Board or for the greater part of its properties without its consent and is not discharged within 45 days; or bankruptcy, reorganization or liquidation proceedings are commenced by or against the Board, and if commenced against the Board are consented to by it or remain undismissed for 45 days.

Except as may be otherwise expressly provided pursuant to the General Bond Resolution for a particular Series of Bonds, whenever any Event of Default shall have occurred and be continuing under the Basic Lease, the Issuer, the Paying Agent or the Bondholders may exercise all of their rights and remedies under the General Bond Resolution and the Lease, and may, without limiting the generality of the foregoing, [i] declare all rental payments due under the Lease to be immediately due and payable; [ii] re-enter and take possession of the Leased Premises without terminating the Lease and sublease the Leased Premises for the account of the Board, holding the Board liable for the difference between the rent and other amounts payable by any sublessee in such subleasing and the rentals and other amounts payable by the Board under the Lease; provided that until the Issuer or a Fiduciary has entered into a firm agreement for the subleasing of the Leased Premises, the Board may at any time pay all accrued basic rentals due (exclusive of accelerated basic rentals) and fully cure all defaults, whereupon the Board shall be restored to its use, occupancy and possession of the Leased Premises; [iii] have access to and inspect, examine and make copies of the books and records of the Board insofar as they relate to the Leased Premises or the Event of Default and the remedying thereof; [iv] take whatever action at law or in equity as may appear necessary or desirable to collect the rental payments then due and thereafter to become due or to enforce performance and observance of any obligation of the

Board under the Lease; [v] pursue all or any legal and equitable remedies available to them, including injunction and specific performance and the appointment of a receiver; or [vi] repair the Leased Premises in order to better sublease or relet the Leased Premises, and the costs and expenses of such repair will become a debt due by the Board to the Issuer or the Bondholders, and the Board will be entitled to reimbursement for such costs and expenses from the first revenues of such sublease or reletting. Notwithstanding the foregoing, neither the Issuer, the Bondholders or any Fiduciary shall be under an obligation or duty to seek any legal or equitable remedies.

Annual Assignment of Board's Right to State Funds. To the extent permitted by law, the Board agrees that during the term of the Basic Lease, and any renewal thereof, and so long as any Bonds remain outstanding, in the event of a failure by the Board to pay the rentals due thereunder, and unless the Commission has received from the Board satisfactory evidence that sufficient funds have been transmitted to the Paying Agent, or will be so transmitted, for paying the rentals when due, the Board will grant under the terms of every Participation Agreement to the Corporation and the Commission the right to notify and request the State 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 the State Department of Education to transfer the required amount thereof to the Paying Agent for the payment of such rentals. To the extent permitted by law, the Corporation assigns to the Commission its rights in and to the rentals due under the Lease for the purposes set forth above, and delegates to the Commission the authority to collect the rentals on behalf of the Corporation for transmission to the Paying Agent in the event of a failure by the Board to pay the rentals in a timely manner.

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking. The Board is delivering a Continuing Disclosure Certificate, dated as of the date of original issuance of the Bonds, to the underwriters of the Bonds, in order to assist the underwriters in complying with the requirements of subsection (5) of section (b) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission. The Continuing Disclosure Certificate is also delivered for the benefit of the registered owners from time to time of the Bonds.

The Board undertakes in the Continuing Disclosure Certificate to provide:

a. To each Repository (as defined below) annual financial information for the Board with respect to the fiscal year of the Board ending on the next succeeding June 30, and each fiscal year thereafter;

b. If not submitted as part of the annual financial information, then when and if available, to each Repository, audited financial statements for the Board with respect to the fiscal year of the Board ending on the next succeeding June 30, and each fiscal year thereafter;

c. In a timely manner not in excess of ten business days after the occurrence of the event, to each Repository, notice of any of the following events with respect to the Bonds. The "*Events*" are:

i. Principal and interest payment delinquencies

- ii. Non-payment related defaults, if material
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties
- v. Substitution of credit or liquidity providers, or their failure to perform
- vi. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Bonds
- vii. Modifications to the rights of security holders, if material
- viii. Bond calls, if material, and tender offers
- ix. Defeasances
- x. Release, substitution or sale of property securing repayment of the Bonds, if material
- xi. Rating changes
- xii. Bankruptcy, insolvency, receivership or similar event of the obligated person
- xiii. NOTE: This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.
- xiv. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material

xv. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

xvi. Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

xvii. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the obligated person, any of which reflect financial difficulties.

d. In a timely manner, to each Repository, notice of a failure of the Board to provide required annual financial information, on or before the applicable date, if any, specified below in the Continuing Disclosure Certificate.

“National Repository” means the Municipal Securities Rulemaking Board (<http://emma.msrb.org>).

“Repository” means National Repository and each State Repository.

“State Repository” shall mean any public or private repository or entity designated by the Commonwealth of Kentucky as a state repository for the purpose of the Rule and recognized as such by the Commission. As of the date hereof, there is no State Repository.

The Continuing Disclosure Certificate provides that annual financial information and notices of material events will be provided under the Continuing Disclosure Certificate only for the Board.

The Continuing Disclosure Certificate describes the following types of financial information and operating data to be provided as part of the annual financial information. All references to headings and appendices below are to this final Official Statement for the Bonds, except where otherwise noted:

A. Summary of assessed valuation and bonded debt, as more particularly described in Appendix A, “Operating, Financial and Tax Base Information of the District.” (The Board does not undertake to separately update the reference thereto which appears in the text of the Official Statement under the heading, “Summary Statement.”)

B. Information in Appendix A under the headings, “Operating Information,” “Financial Data,” “General Fund,” “Capital Outlay Fund,” “Building Fund,” “Tax Base Information,” “Property Subject to Taxation,” “History of Assessment Rates,” “Amount of Homestead Exemption,” and “School Tax Collections.”

C. Table of bond issues of the Jefferson County School District Finance Corporation and other issuers on behalf of the District, as more particularly described in “Appendix C - Bonded Indebtedness Outstanding of the District and Debt Service Requirements for the Series 2021A Bonds.”

The Continuing Disclosure Certificate provides that the Board does not intend to provide, as part of the annual financial information described above, the financial and economic information contained in Appendix B, “General Information for Louisville/Jefferson County Metro Government,” inasmuch as the Metro Government is neither the issuer of the Bonds nor an “obligated person” with respect to the Bonds and therefore annual information for the Metro Government is not required to be provided by the Rule. The Board reserves the right, however, to provide information on the Metro Government from time to time in the discretion of the Board. The Continuing Disclosure Certificate provides that the future provision by the Board of information on the Metro Government, for a particular year, does not imply that the Board will continue to provide the same information on an annual basis for any subsequent year (unless the Board affirmatively, in writing, undertakes to provide such information).

The Continuing Disclosure Certificate describes the accounting principles pursuant to which financial statements of the Board will be prepared.

The date by which the annual financial information and the audited financial statements for the preceding fiscal year will be provided is each March 1. The annual financial information will be provided to each Repository, to the extent, if any, described above.

The Continuing Disclosure Certificate also provides that all documents provided by the Municipal Securities Rulemaking Board shall be accompanied by identifying information as prescribed by the Municipal Securities Rulemaking Board.

Notwithstanding the foregoing provisions, the Continuing Disclosure Certificate provides that the obligations of the Board will be terminated, effective immediately if and when the Board no longer remains an obligated person with respect to the Bonds. Among other possible reasons, the Continuing Disclosure Certificate provides the Board shall no longer be an obligated person with respect to the Bonds, if the Board terminates the Lease.

The Continuing Disclosure Certificate provides that any right to enforce it shall be limited to obtaining specific enforcement of the Board’s obligations thereunder. The Continuing Disclosure Certificate provides that failure by the Board to comply with it shall not be an event of default under the Bonds, or under the Lease or the Resolution (as defined in the Bonds).

The Continuing Disclosure Certificate provides that the Board from time to time may elect (but is not contractually bound) to provide other periodic reports or financial information, or notice of the occurrence of other events, in addition to those described in the Continuing Disclosure Certificate.

DEFINITIONS

Unless the context otherwise requires, the following terms shall have the meanings set forth below for purposes of this Official Statement:

“Accountant” means a certified public accountant of recognized standing who is licensed in the Commonwealth or a firm of such certified public accountants.

“Act” means, collectively, [i] KRS Chapter 162, including Sections 162.120 to 162.290 and 162.385, [ii] Chapter 273, including Sections 273.161 to 273.390 and [iii] Chapter 58, including Sections 58.010 to 58.140 and 58.180, as amended or supplemented from time to time.

“Agent Member” shall mean a member of, or participant in, the Securities Depository.

“Appropriation” means an appropriation of money by the Kentucky General Assembly to of for the benefit of the Commission.

“Architect” means, with respect to a Project for which architectural services are to be provided, an architect of recognized standing who is licensed in the Commonwealth or a firm of such architects, who in either case are responsible for providing architectural services to the Issuer with respect to the Project.

“Basic Lease” means the Basic Lease dated August 1, 1989, between the Issuer, as lessor and the Board, as lessee, as amended or supplemented from time to time in accordance with its terms and the General Bond Resolution.

“Bond” or “Bonds” means any revenue bonds or notes or other obligations of the Issuer issued and secured pursuant to and under the General Bond Resolution.

“Bondholder” or “Holder” means any Person who is the registered owner of any Outstanding Bond or Bonds.

“Bond Year” means the Fiscal Year, unless otherwise provided pursuant to the General Bond Resolution with respect to a Series.

“Book-Entry Form” or “Book-Entry System” means, with respect to a Series of Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in Bonds and bond service charges may be transferred only through a book entry and (ii) physical Bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as Holder, with the physical Bond certificates in the custody of a Securities Depository.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commonwealth” means the Commonwealth of Kentucky.

“Costs of Issuance” means the costs of issuing a Series of Bonds, including, but not limited to, the fees, charges and expenses of all consultants, advisors, fiscal agents, financial advisors, underwriters, counsel and other professionals, the Depository Bank, the Paying Agent, any other Fiduciary, the rating agencies, any Credit Facility Issuer, and such other fees and expenses as are incident to the issuance and sale of securities or obligations.

“Credit Facility” means any letter of credit, line of credit, policy of bond insurance, standby bond purchase agreement, or other form of credit enhancement which is authorized pursuant to the General Bond Resolution.

“Credit Facility Issuer” means any Person issuing a Credit Facility.

“Debt Service” for any period means, as of any date of calculation and with respect to a Series of Bonds, an amount equal to the sum of [i] interest accruing during such period on Bonds of such Series or Notes issued in anticipation of the Bonds of such Series and [ii] that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment due date for such Series (or, if there shall be no such preceding Principal Installment due date, from the date of issuance of such Series of Bonds or Notes or a date one (1) year preceding the due date of such Principal Installment, whichever period is shorter). Such interest and Principal Installments for such Series shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof, and such interest on such Notes shall be calculated on the assumption that all such Notes shall be retired upon the maturity date or dates thereof. The calculation of interest on Bonds bearing a variable rate of interest shall be made on the assumption that such Bonds bear interest at a fixed rate equal to the rate borne by such Bonds on the date of calculation.

“Depository Bank” means any bank or trust company selected by the Issuer pursuant to the General Bond Resolution as a depository of all or a portion of moneys and investments to be held under the provisions of the General Bond Resolution for a Series, and any successor or successors pursuant to the General Bond Resolution.

“Fiduciary” means, as applicable, any Depository Bank, any Paying Agent and any other bank, trust company or financial institution designated as paying agent for the Bonds or any Series thereof in the manner provided in the General Bond Resolution, and successors.

“Fiscal Year” means the period from each July 1 to and including the next succeeding June 30.

“Governmental Obligations” means [i] direct obligations of, or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America and [ii] obligations evidencing ownership interests in any obligation described in [i] held by a custodian in safekeeping on behalf of the holders of such interests.

“Interest Payment Date” means any date on which interest on any Bond or Note shall be due and payable.

“Lease” means collectively, the Basic Lease and any supplement thereto or other lease or similar financing agreement permitted by law between the Issuer, as lessor, and the Board, as lessee, with respect to a Project or Projects or Series of Bonds or Notes, as amended or supplemented from time to time in accordance with its terms and the General Bond Resolution.

“Leased Premises” means the property, land and improvements with respect to the Projects being financed with the Bonds, that are leased by the Issuer to the Board pursuant to the Lease.

“Municipal Obligations” means noncallable obligations validly issued by or on behalf of a state or political subdivision thereof, the interest on which is excludable from gross income for purposes of federal income taxation and which are fully secured by a first lien on Governmental Obligations and rated AAA by Standard and Poor’s Corporation and Aaa by Moody’s Investors Service, Inc.

“Notes” means any bond anticipation notes issued by the Issuer in accordance with the General Bond Resolution.

“Operating Costs” means, as of any date, the operating expenses and all other expenses, if any, incurred by or on behalf of the Issuer or the Board in carrying out and administering the General Bond Resolution, including, without limitation, salaries, supplies, utilities, mailing, labor, materials, office rent, maintenance, furnishings, equipment, machinery and apparatus, insurance premiums, legal, accounting, management, interest and other financing costs, any other debt service on Subordinated Debt, consulting and banking services and expenses, the fees and expenses of the Fiduciaries and any Accountant, and including Costs of Issuance not paid from proceeds of Bonds.

“Opinion of Counsel” means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the law of municipal finance or in the law of the subject matter to be covered by the opinion, selected by the Issuer.

“Participation Agreement” means any participation agreement between the Issuer or the Board, as applicable, and the Commission with respect to a Project or Projects or Series of Bonds or Notes, as such participation agreement may be amended or supplemented from time to time in accordance with its terms and the General Bond Resolution.

“Paying Agent” means any paying agent and bond registrar for Bonds of any Series selected by the Issuer pursuant to the General Bond Resolution, and any successor pursuant to the General Bond Resolution.

“Person” means any natural person, corporation, business trusts, partnership, association, governmental agency, or other entity.

“Pledged Receipts” means and includes:

D. All payments received or to be received by the Issuer as rental payments under Leases or receipts under any Participation Agreement (provided that each Participation Agreement shall be security only for the Series of Bonds for which such Participation Agreement was entered into unless otherwise provided therein) relating to any Series of Bonds or Notes (including both timely and delinquent payments with late charges, if any); and

E. All Appropriations, if any, to the extent required by the terms of any such Appropriation to become part of the Pledged Receipts (provided that each such Appropriation

shall be security only for the Series of Bonds required by the terms of such Appropriation unless otherwise provided therein);

F. Any aid to or revenues or entitlements of the Issuer or the Board duly intercepted by the Commission in accordance with a Participation Agreement, to the extent permitted by law (provided that such intercepted amounts shall be security only for the Series of Bonds for which such Participation Agreement was entered into unless otherwise provided therein); and

G. All proceeds of the foregoing.

“Principal Installment” means, as of the date of calculation with respect to any Series, so long as any Bonds thereof are Outstanding, [i] the principal amount of the Bonds Outstanding of such Series due on a certain future date and the principal amount of the Term Bonds due on a certain future date payable only by reason of the maturity of such Term Bonds, or [ii] the Sinking Fund Installment due on a certain future date for Term Bonds of such Series or [iii] if such future dates coincide, the sum of such principal amount and of such Sinking Fund installment due on such future date.

“Principal Installment Date” means, for each Series of Bonds, any date on which a Principal Installment shall, upon maturity or by redemption, be due and payable.

“Project” means a project authorized to be financed under the Act and pursuant to the General Bond Resolution.

“Pro Rata Share” means, on the date of calculation, with respect to a Series of Bonds or Notes and any Project, a percentage set forth in the applicable Series Resolution.

“Qualified Obligations” means except as otherwise provided in a Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution with respect to a Series of Bonds or Notes, all investments permitted by the law of the Commonwealth, including without limitation, any of the following, to the extent permitted by law, including but not limited to all regulations of the Commission, the State Department of Education and the State Superintendent of Public Instruction, or their successors: [i] to the extent permitted by law, Governmental Obligations; [ii] to the extent permitted by law, any of the following obligations: mortgage-backed securities and participation certificates which are guaranteed by the Government National Mortgage Association; certificates of beneficial ownership issued by the Farmers Home Administration; participation certificates issued by the General Services Administration; obligations of the U.S. Maritime Administration the payment of which is guaranteed under Title XI; guaranteed participation certificates or guaranteed pool certificates of the Small Business Administration; transit bonds of the Washington Metropolitan Area Transit Authority guaranteed by the federal government; debentures of the Federal Housing Administration; debt obligations of the Federal National Mortgage Association (to the extent that such obligations are guaranteed by the Government National Mortgage Association) and of the Federal Home Loan Bank System, the Farm Credit Bank System (i.e. the Federal Intermediate Credit Banks, the Federal Land Banks and Banks for Cooperatives), and the Student Loan Marketing Association (including any debt obligations the principal of and interest on which are

fully secured by and payable from an irrevocable letter of credit issued by the Student Loan Market Association); [iii] to the extent permitted by law, interest-bearing time deposits, certificates of deposit or banker's acceptances (having maturities of not more than 365 days) of any bank, trust company or national banking association (including a Fiduciary), the short-term obligations of which are rated A-1 or higher by Standard & Poor's Corporation and MIG2 or higher by Moody's Investors Service, Inc.; [iv] to the extent permitted by law, fixed income securities (including securities with variable rates of interest or no interest) other than those that do not have a fixed par value or whose terms do not promise a fixed dollar amount at maturity or upon redemption which are rated not less than A by Standard & Poor's Corporation and A by Moody's Investors Service, Inc.; [v] to the extent permitted by law, commercial paper or finance company paper of an issuer which has an original maturity of not more than 365 days and is rated not less than A-1 by Standard & Poor's Corporation and MIG2 or VMIG2 by Moody's Investors Service, Inc.; [vi] money market funds rated Am or Am-G or higher by Standard and Poor's Corporation; and MIG2 or VMIG2 or higher by Moody's Investors Service, Inc.; and [vii] to the extent permitted by law, repurchase agreements with any [1] institution with debt rated A or higher by Standard & Poor's Corporation and A or higher by Moody's Investors Service, Inc. or commercial paper rated A-1 or higher by Standard & Poor's Corporation and MIG2 or VMIG2 or higher by Moody's Investors Service, Inc., or [2] corporation or other entity that falls under the jurisdiction of the Bankruptcy Code, provided that [a] the term of the repurchase agreement is less than one (1) year or is due on demand, [b] the trustee or a third party acting solely as an agent for the trustee has possession of the collateral, [c] the market value of the collateral is maintained at acceptable levels (as determined by the rating agency), [d] failure to maintain such collateral at acceptable levels (as determined by the rating agency) will require the trustee (or a third party agent thereof) to liquidate such collateral immediately, [e] the collateral subject to the repurchase agreement must be either securities described above in clauses [i] or [iii], and [f] such collateral is free and clear of any third party lien or claim, or [3] financial institution insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation or any broker-dealer with "retail customers" which falls under the jurisdiction of the Securities Investors Protection Corporation (a "SIPC broker") provided that [a] the market value of the collateral is maintained at acceptable levels (as determined by the rating agency), [b] the trustee under the repurchase agreement or a third party acting solely as agent thereof has possession of the collateral, [c] such trustee for the collateral has a perfected first priority security interest therein, [d] such collateral is free and clear of third party liens and in the case of a SIPC broker, was not acquired by a SIPC broker pursuant to a repurchase agreement, and [e] failure to maintain the collateral at acceptable levels (as determined by the rating agency) will require such trustee (or third party agent thereof) to liquidate such collateral immediately.

"Rebate Fund" means, with respect to a Series of Bonds, a trust fund so designated, created and established with a Paying Agent or other Fiduciary for that Series, pursuant to the General Bond Resolution.

"Redemption Price" means, with respect to any Bond, the principal amount thereof plus accrued interest to the redemption date plus the applicable premium, if any, payable upon redemption thereof.

“Refunding Bonds” means any Bonds, whether issued in one or more Series, all or a portion of the proceeds of which are used to refund Bonds (or portions thereof) or obligations (or portions thereof) issued under resolutions, ordinances or trust instruments of any predecessor to the Issuer or any other issuer on behalf of the Board or as may otherwise be lawfully permitted.

“Securities Depository” means any securities depository that is 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, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interests in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

“Securities Depository Nominee” means any nominee of a Securities Depository and shall initially mean Cede & Co., New York, New York, as nominee of The Depository Trust Company.

“Security” means the security for the payment of Bonds and Notes issued under the General Bond Resolution and the performance by the Issuer of its obligations therein, as described under “Security” in the Official Statement.

“Series” means any series of Bonds or Notes designated as such and authorized to be issued by a Series Resolution or other action under and pursuant to the General Bond Resolution.

“Series Resolution” means any resolution of the Issuer authorizing the issuance of a Series of Bonds, adopted by the Issuer in accordance with the General Bond Resolution.

“Sinking Fund Installment” means any payment required to be made by the Issuer with respect to the principal of any Term Bond.

“Subordinated Debt” means any obligations (including Bonds or Notes) of the Issuer issued under the General Bond Resolution pursuant to the terms of a Series Resolution or Supplemental Resolution or other action under and pursuant to the General Bond Resolution, which obligations are subordinated in security or right of payment or both to one or more Series of Bonds or Notes.

“Supplemental Lease” means any lease or similar financing agreement supplemental to or amendatory of the Basic Lease, entered into pursuant to the General Bond Resolution.

“Supplemental Participation Agreement” means any participation agreement supplemental to or amendatory of a Participation Agreement, entered into pursuant to the General Bond Resolution.

“Supplemental Resolution” means any resolution of the Issuer supplemental to or amendatory of the General Bond Resolution, adopted by the Issuer in accordance with the General Bond Resolution.

“Term Bonds” means the Bonds of a Series that shall be stated to mature on one date and that shall be subject to retirement by operation of Sinking Fund Installments.

APPENDIX F
FORM OF BOND COUNSEL OPINION

_____, 2021

Jefferson County School District
Finance Corporation
Van Hoose Education Center
3332 Newburg Road
Louisville, Kentucky 40218

Re: \$ _____
Jefferson County School District Finance Corporation
School Building Revenue Bonds, Series 2021A

Ladies and Gentlemen:

We have acted as bond counsel in connection with the authorization, original issuance and delivery on the date hereof by the Jefferson County School District Finance Corporation (the “Issuer”), an agency and instrumentality of the Board of Education of Jefferson County, Kentucky (the “Board of Education”), of the Issuer’s School Building Revenue Bonds, Series 2021A (the “Bonds”).

The Bonds are issued under [i] the Constitution and laws of the Commonwealth of Kentucky (the “Commonwealth”), including among others Chapters 162, 273 and 58 of the Kentucky Revised Statutes, as amended (collectively the “Act”), [ii] the General Bond Resolution adopted by the Board of Directors of the Issuer (the “Board”) on July 17, 1989, as amended (the “General Bond Resolution”), and [iii] the Series Resolution adopted by the Board on December 1, 2020 (the “Series Resolution”). The Bonds are dated on original issuance as of the date of delivery, and bear interest, mature as to principal, and are payable on such terms as are described in the Series Resolution and the General Bond Resolution.

The proceeds of the Bonds are to be used to pay the costs (to the extent not otherwise provided) of the acquisition, construction or renovation of school building projects as more particularly described in the Series Resolution.

Principal of and premium, if any, and interest on the Bonds, in common with and without priority over all other obligations issued and outstanding from time to time on a parity as to security and source of payment under the General Bond Resolution, are payable solely from and secured solely by amounts derived from the Debt Service Fund established under the General Bond Resolution, and the other security provided for in the General Bond Resolution including a lien and charge on the defined revenues pledged in the General Bond Resolution and a statutory mortgage lien on projects financed with bond proceeds, subject in each case to the limitations set forth in the General Bond Resolution. The Bonds do not constitute an indebtedness of the Issuer or the Board of Education within the meaning of the debt limiting provisions of the Constitution and laws of the Commonwealth.

As bond counsel we have examined such documents and matters and conducted such research as we deemed necessary to enable us to express the opinions set forth below. As to questions of fact material to the opinions set forth below, we have relied on statements and certifications of certain elected officials, directors, officers and employees of the Issuer and the Board of Education and other public officials. We have assumed the authenticity of all documents submitted to us as originals, the legal capacity of natural persons and the conformity to the originals of all documents submitted to us as copies. We have also relied on the representations and warranties made in all such documents by all parties thereto.

Based on the foregoing, and in reliance thereon, and on the basis of our examination of such other matters of fact and questions of law as we have deemed relevant in the circumstances, it is our opinion that:

1. The issuance and sale of the Bonds have been duly authorized by the Issuer pursuant to the Act, the General Bond Resolution and the Series Resolution.

2. The Bonds are valid and binding special limited revenue obligations of the Issuer, and are enforceable in accordance with their terms and entitled to the benefit and security of the General Bond Resolution.

3. Under existing laws, regulations and judicial decisions and as of the date hereof, interest on the Bonds is excluded from gross income for federal income tax purposes. The Bonds are exempt from ad valorem taxation, and the interest thereon is exempt from income taxation, by the Commonwealth and all of its political subdivisions and taxing authorities.

For the purpose of rendering our opinion in Paragraph 3 above, we have assumed compliance by the Issuer with the requirements of the Internal Revenue Code of 1986, as amended, that must be met subsequent to the issuance of the Bonds in order that the interest thereon be and remain excluded from gross income for federal income tax purposes. Failure to comply with such requirements could cause the interest on the Bonds to be included in gross income retroactive to the date of issuance of the Bonds. The Issuer has covenanted in the General Bond Resolution to comply with such requirements.

Our opinion on the enforceability of the Bonds is subject to the qualification that such enforceability may be limited by bankruptcy, reorganization, moratorium, insolvency or other laws relating to or affecting the enforcement of creditors' rights, and by the exercise of judicial discretion in accordance with equitable principles.

We call your attention to the fact that the Bonds are a special limited revenue obligation of the Issuer, payable solely from the security described in the General Bond Resolution. The Bonds do not pledge the general credit or taxing power of the Board of Education or the Commonwealth or any political subdivision or taxing authority of the Commonwealth or the general credit of the Issuer. The Issuer has no taxing power.

We express no opinion on the laws of any jurisdiction other than the Commonwealth and the United States of America. Our opinion relates solely to the questions set out herein and does not consider other questions of law which may be presented by the facts outlined above. We do not express an opinion on the investment quality of the Bonds.

Very truly yours,

WYATT, TARRANT & COMBS, LLP

APPENDIX G
BOOK ENTRY SYSTEM

BOOK ENTRY SYSTEM

THE INFORMATION PROVIDED BELOW IN THIS APPENDIX G HAS BEEN PROVIDED BY DTC. NO REPRESENTATION IS MADE BY THE BOARD OR THE CORPORATION AS TO THE ACCURACY OR ADEQUACY OF SUCH INFORMATION PROVIDED BY DTC OR AS TO THE ABSENCE OF MATERIAL ADVERSE CHANGES IN SUCH INFORMATION SUBSEQUENT TO THE DATE HEREOF.

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Bonds”). The Bonds 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 in the aggregate principal amount of each maturity of Bonds and will be deposited with DTC.

2. 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. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 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, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, FICC, 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, and 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.

3. 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.

4. 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 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.

5. 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 transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security 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 Bond Registrar and request that copies of the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue 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.

7. Neither DTC nor Cede & Co. (nor such 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 Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend 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 Issuer or Agent, 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 securities held for the accounts of customers in bearer form or registered in "street

name,” and will be the responsibility of such Participant and not of DTC (nor its nominee), Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, 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.

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

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

11. The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Neither the Issuer nor the Bond Registrar shall have any responsibility or obligation to participants or to any beneficial owner with respect to (i) the accuracy of any records maintained by DTC or any participant; (ii) the payment by DTC or any participant of any amount with respect to the principal of or interest or compound accreted value on the Bonds; (iii) the delivery or timeliness of delivery by any participant or any notice to any beneficial owner which is required or permitted under the terms of the resolution or ordinance to be given to Bondholders; or (iv) any consent given or action taken by DTC or Cede & Co., as bondholder.