PRELIMINARY OFFICIAL STATEMENT

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

DATED MAY 9, 2022

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

RATING
Moody's: " "

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

$3,580,000*
NEWPORT INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES OF 2022

Dated with Delivery: JUNE 7, 2022 **Due: as shown below**

Interest on the Bonds is payable each December 1 and June 1, beginning December 1, 2022. The Bonds will mature as to principal on June 1, 2023 and thereafter as shown below. The Bonds are being issued in Book-Entry-Only Form and will be available for purchase in principal amounts of $5,000 and integral multiples thereof.

Maturing June 1	Amount*	Interest Rate	Reoffering Yield	CUSIP	Maturing June 1	Amount*	Interest Rate	Reoffering Yield	CUSIP
2023	$ 90,000	%	%		2033	$ 120,000	%	%	
2024	$ 95,000	%	%		2034	$ 125,000	%	%	
2025	$ 95,000	%	%		2035	$ 130,000	%	%	
2026	$ 95,000	%	%		2036	$ 145,000	%	%	
2027	$ 100,000	%	%		2037	$ 160,000	%	%	
2028	$ 100,000	%	%		2038	$ 180,000	%	%	
2029	$ 105,000	%	%		2039	$ 405,000	%	%	
2030	$ 110,000	%	%		2040	$ 415,000	%	%	
2031	$ 115,000	%	%		2041	$ 430,000	%	%	
2032	$ 115,000	%	%		2042	$ 450,000	%	%	

The Bonds are subject to redemption prior to their stated maturity.

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

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

The Newport (Kentucky) Independent School District Finance Corporation will until May 17, 2022, at 1:00 P.M., E.D.S.T., receive competitive bids for the Bonds at the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Road, Carriage House, Frankfort, Kentucky 40601.

***As set forth in the "Official Terms and Conditions of Bond Sale," the principal amount of Bonds sold to the successful bidder is subject to a Permitted Adjustment by increasing or decreasing the amount not to exceed $360,000.**

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

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

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

RSA advisors

NEWPORT INDEPENDENT, KENTUCKY
BOARD OF EDUCATION

Ramona Malone, Chairperson
Dr. Julie Smith-Morrow, Vice-Chair
Sylvia Covington, Member
Melissa Sheffel, Member
Aaron Sutherland, Member

Kim Klosterman, Secretary
Tony Watts, Superintendent

NEWPORT INDEPENDENT SCHOOL DISTRICT
FINANCE CORPORATION

Ramona Malone, President
Dr. Julie Smith-Morrow, Vice-President
Sylvia Covington, Member
Melissa Sheffel, Member
Aaron Sutherland, Member

Kim Klosterman, Secretary
Jennifer Hoover, Treasurer

BOND COUNSEL

Steptoe & Johnson PLLC
Louisville, Kentucky

FINANCIAL ADVISOR

RSA Advisors, LLC
Lexington, Kentucky

PAYING AGENT AND REGISTRAR

U.S. Bank Trust Company, National Association
Louisville, Kentucky

BOOK-ENTRY-ONLY-SYSTEM

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Newport Independent School District Finance Corporation School Building Revenue Bonds, Series of 2022, identified on the cover page hereof. No person has been authorized by the Corporation or the Board to give any information or to make any representation other than that contained in the Official Statement, and if given or made such other information or representation must not be relied upon as having been given or authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

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

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

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

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OFFICIAL STATEMENT
Relating to the Issuance of

$3,580,000*

NEWPORT INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION
SCHOOL BUILDING REVENUE BONDS,
SERIES OF 2022

**Subject to Permitted Adjustment*

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices hereto, is to set forth certain information pertaining to the Newport Independent School District Finance Corporation (the "Corporation") School Building Revenue Bonds, Series of 2022 (the "Bonds").

The Bonds are being issued to finance various renovations and improvements to Newport Primary School (the "Project").

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

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

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

Copies of the Bond Resolution authorizing the issuance of the Bonds, the Participation Agreement and the Lease Agreement, dated June 7, 2022, may be obtained at the office of Steptoe & Johnson PLLC, Bond Counsel, 700 N. Hurstbourne Parkway, Suite 115, Louisville, Kentucky 40222.

BOOK-ENTRY-ONLY-SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

THE CORPORATION

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

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

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

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

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Projects and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay an annual Agreed Participation equal to approximately $85,555 to be applied to the annual debt service requirements for the Bonds herein identified each year until their retirement; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2022; the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of all of the Bonds, but such execution does not obligate the Commission to do so.

The General Assembly of the Commonwealth adopted the State's Budget for the fiscal year ending June 30, 2021. Inter alia, the Budget provides $124,836,200 in FY 2020-21 to pay debt service on existing and future bond issues; $58,000,000 of the Commission's previous Offers of Assistance made during the last biennium; and authorizes $58,000,000 in additional Offers of Assistance for the current biennium to be funded in the Budget for the biennium ending June 30, 2022.

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

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

In addition to the appropriations for new financings as shown, appropriations subsequent to that for 1986 included additional funds to continue to meet the annual debt requirements for all bond issues involving Commission participation issued in prior years.

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2022

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

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

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

OUTSTANDING BONDS

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

Bond Series	Original Principal	Current Principal Outstanding	Principal Assigned to Board	Principal Assigned to Commission	Approximate Interest Rate Range	Final Maturity
2012	$ 2,365,000	$ 1,310,000	$ 0	$ 1,310,000	2.000% - 3.250%	2032
2014	$ 2,125,000	$ 1,390,000	$ 879,727	$ 1,245,273	2.750% - 4.000%	2034
2014B	$ 9,715,000	$ 6,900,000	$ 9,022,771	$ 692,229	2.250% - 3.500%	2034
2017	$ 1,540,000	$ 1,380,000	$ 1,540,000	$ 0	3.000% - 3.250%	2037
2018	$ 3,310,000	$ 3,050,000	$ 3,310,000	$ 0	3.500% - 3.625%	2038
2021-REF	$ 1,365,000	$ 1,355,000	$ 0	$ 1,365,000	1.000% - 1.300%	2032
Totals:	$ 20,420,000	$ 15,385,000	$ 14,752,498	$ 4,612,502		

AUTHORITY

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

i) the issuance of approximately $3,580,000 of Bonds subject to a permitted adjustment of $360,000;

ii) the advertisement for the public sale of the Bonds;

iii) the Official Terms and Conditions for the sale of the Bonds to the successful bidder; and,

iv) the President and Secretary of the Corporation to execute certain documents relative to the sale and delivery of the Bonds.

THE BONDS

General

The Bonds will be dated June 7, 2022, will bear interest from that date as described herein, payable semi-annually on December1 and June 1 of each year, commencing December 1, 2022, and will mature as to principal on June 1, 2023, and thereafter in the years and in the principal amounts as set forth on the cover page of this Official Statement.

Registration, Payment and Transfer

The Bonds are to be issued in fully-registered form (both principal and interest). U.S. Bank Trust Company, National Association, Louisville, Kentucky, the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to Cede & Co., as the nominee of The Depository Trust Company. Please see Book-Entry-Only-System. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on December 1 and June 1 of each year, beginning December 1, 2022 (Record Date is 15th day of month preceding interest due date).

Redemption

The Bonds maturing on or after June 1, 2031, are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after June 1, 2030, in any order of maturities (less than all of a single maturity to be selected by lot),in whole or in part, upon notice of such prior redemption being given by the Paying Agent in accordance with DTC requirements not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

Redemption Date	Redemption Price
June 1, 2030 and thereafter	100%

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

SECURITY

General

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

The Lease; Pledge of Rental Revenues

The Board has leased the school Project securing the Bonds for an initial period from June 7, 2022, through June 30, 2022 with the option in the Board to renew said Lease from year to year for one year at a time, at annual rentals, sufficient in each year to enable the Corporation to pay, solely from the rental due under the Lease, the principal and interest on all of the Bonds as same become due. The Lease provides further that so long as the Board exercises its annual renewal options, its rentals will be payable according to the terms and provisions of the Lease until June 1, 2042, the final maturity date of the Bonds. Under the lease, the Corporation has pledged the rental revenue to the payment of the Bonds.

COMMISSION'S PARTICIPATION

The Commission has determined that the Board is eligible for annual participation from the Commission's appropriation by the Kentucky General Assembly which will be used to meet all of the debt service of the Bonds. The plan for financing the Project will require the Commission to pay thirty-two percent (32%) of the debt service of the Bonds.

The Participation Agreement to be entered into with the Board will be limited to the biennial budget period of the Commonwealth of Kentucky, with the first such biennial period terminating on June 30, 2022. The right is reserved in the Commission to terminate the commitment to pay the agreed participation every two years thereafter. The obligation of the Commission to make payments of the agreed participation shall be automatically renewed each two years thereafter unless the Commission gives notice to the Board of its intention not to participate not less than sixty days prior to the end of the biennium. However, the Commission has expressed its intention to continue to pay the agreed participation in successive biennial budget periods until the Bonds are retired, but the Commission is not required to do so.

STATE INTERCEPT

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

THE PROJECT

After payment of the Bond issuance costs, the Board plans to deposit the net Bond proceeds to finance various renovations and improvements at Newport Primary School (the "Project").

The Board has reported construction bids have been let for the Project and approval of the Kentucky Department of Education, Buildings and Grounds, to award the construction contract is expected prior to the sale and delivery of the Bonds.

Contractors for the Project are required to furnish to the Board a one hundred percent completion bond to assure their performance of the construction contract.

ESTIMATED BOND DEBT SERVICE

The following table shows by fiscal year the current bond payments of the Board.

Fiscal Year Ending June 30	Current Local Bond Payments	------ Series 2022 School Building Revenue Bonds -------					Total Local Bond Payments
		Principal Portion	Interest Portion	Total Payment	Local Portion	SFCC Portion	
2023	$ 938,471	$ 90,000	$ 114,155	$ 204,155	$ 118,601	$ 85,554	$ 1,057,071
2024	$ 933,952	$ 95,000	$ 114,290	$ 209,290	$ 123,736	$ 85,554	$ 1,057,688
2025	$ 936,663	$ 95,000	$ 112,295	$ 207,295	$ 121,740	$ 85,555	$ 1,058,403
2026	$ 937,313	$ 95,000	$ 110,158	$ 205,158	$ 119,603	$ 85,555	$ 1,056,916
2027	$ 936,767	$ 100,000	$ 107,925	$ 207,925	$ 122,370	$ 85,555	$ 1,059,138
2028	$ 935,254	$ 100,000	$ 105,475	$ 205,475	$ 119,921	$ 85,554	$ 1,055,175
2029	$ 936,081	$ 105,000	$ 102,875	$ 207,875	$ 122,320	$ 85,555	$ 1,058,401
2030	$ 934,486	$ 110,000	$ 100,040	$ 210,040	$ 124,485	$ 85,555	$ 1,058,972
2031	$ 931,450	$ 115,000	$ 96,960	$ 211,960	$ 126,405	$ 85,555	$ 1,057,855
2032	$ 932,102	$ 115,000	$ 93,625	$ 208,625	$ 123,070	$ 85,555	$ 1,055,172
2033	$ 931,201	$ 120,000	$ 90,175	$ 210,175	$ 124,620	$ 85,555	$ 1,055,821
2034	$ 932,065	$ 125,000	$ 86,455	$ 211,455	$ 125,900	$ 85,555	$ 1,057,965
2035	$ 932,519	$ 130,000	$ 82,330	$ 212,330	$ 126,776	$ 85,554	$ 1,059,295
2036	$ 920,184	$ 145,000	$ 78,040	$ 223,040	$ 137,485	$ 85,555	$ 1,057,669
2037	$ 906,613	$ 160,000	$ 73,183	$ 233,183	$ 147,628	$ 85,555	$ 1,054,240
2038	$ 896,538	$ 180,000	$ 67,743	$ 247,743	$ 162,188	$ 85,554	$ 1,058,726
2039		$ 405,000	$ 61,443	$ 466,443	$ 380,888	$ 85,555	$ 380,888
2040		$ 415,000	$ 47,268	$ 462,268	$ 376,713	$ 85,555	$ 376,713
2041		$ 430,000	$ 32,120	$ 462,120	$ 376,566	$ 85,554	$ 376,566
2042		$ 450,000	$ 16,425	$ 466,425	$ 380,870	$ 85,555	$ 380,870
Totals:	$ 14,871,658	$ 3,580,000	$ 1,692,978	$ 5,272,978	$ 3,561,886	$ 1,711,092	$ 18,433,543

Notes: Numbers are rounded to the nearest $1.00.

USE OF BOND PROCEEDS

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

Sources:	
Par Amount of Bonds	$3,580,000.00
Total Sources	$3,580,000.00
Uses:	
Deposit to Construction Fund	$3,466,230.00
Underwriter's Discount (2%)	71,600.00
Cost of Issuance	42,170.00
Total Uses	$3,580,000.00

DISTRICT STUDENT POPULATION

Selected school census and average daily attendance for the Newport Independent School District is as follows:

Year	Average Daily Attendance	Year	Average Daily Attendance
2000-01	2,365.9	2011-12	1,589.9
2001-02	2,3149.2	2012-13	1,530.2
2002-03	2,276.8	2013-14	1,598.6
2003-04	2,228.5	2014-15	1,564.9
2004-05	2,121.4	2015-16	1,532.0
2005-06	2,035.1	2016-17	1,511.5
2006-07	1,853.9	2017-18	1,441.1
2007-08	1,815.7	2018-19	1,375.0
2008-09	1,733.1	2019-20	1,337.0
2009-10	1,713.3	2020-21	1,337.0
2010-11	1,691.8	2021-22	1,398.2

Source: Kentucky State Department of Education.

STATE SUPPORT

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

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

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

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

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

Year	Capital Outlay Allotment	Year	Capital Outlay Allotment
2000-01	236,590.0	2011-12	158,989.0
2001-02	231,920.0	2012-13	153,017.0
2002-03	227,680.0	2013-14	159,856.0
2003-04	222,850.0	2014-15	156,494.0
2004-05	212,140.0	2015-16	153,201.0
2005-06	203,510.0	2016-17	151,150.0
2006-07	185,390.0	2017-18	144,110.0
2007-08	181,570.0	2018-19	137,500.0
2008-09	173,310.0	2019-20	133,700.0
2009-10	171,332.0	2020-21	133,700.5
2010-11	169,182.0	2021-22	139,818.7

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

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

1) The district must have unmet needs as set forth and approved by the State Department of Education in a School Facilities Plan;

2) The district must commit to establish an equivalent tax rate of at least 5 cents, in addition to the 30 cents minimum current equivalent tax rate; and,

3) The new revenues generated by the 5 cent addition, must be placed in a restricted account for school building construction bonding.

LOCAL SUPPORT

Homestead Exemption. Section 170 of the Kentucky Constitution was amended at the General Election held November 2, 1971, to exempt from property taxes $6,500 of value of single unit residential property of taxpayers 65 years of age or older. The 1972 General Assembly amended KRS Chapter 132 to permit counties and school districts to adjust their local tax revenues lost through the application of this Homestead Exemption. The "Single Unit" qualification has been enlarged to subsequent sessions of the General Assembly to provide that such exemption shall apply to such property maintained as the permanent resident of the owner and the dollar amount has been construed to mean $6,500 in terms of the purchasing power of the dollar in 1972. Every two years thereafter, if the cost of living index of the U.S. Department of Labor has changed as much as 1%, the maximum exemption shall be adjusted accordingly. Under the cost of living formula, the maximum was increased to $40,500 effective January 1, 2021.

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

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

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

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

Local Thirty Cents Minimum. Effective for school years beginning after June 30, 1990, the board of education of each school district shall levy a minimum equivalent tax rate of thirty cents ($0.30) for general school purposes. If a board fails to comply, its members shall be subject to removal from office for willful neglect of duty.

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

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

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

Local Tax Rates, Property Assessments and Revenue Collections

Tax Year	Combined Equivalent Rate	Total Property Assessment	Property Revenue Collections
2000-01	94.4	496,888,239	4,690,625
2001-02	95.4	510,507,081	4,870,238
2002-03	98.7	523,097,676	5,162,974
2003-04	98.7	550,334,485	5,431,801
2004-05	88.5	671,376,670	5,941,684
2005-06	88.2	690,959,682	6,094,264
2006-07	89.2	717,007,692	6,395,709
2007-08	88.2	743,893,565	6,561,141
2008-09	88.3	823,419,733	7,270,796
2009-10	88.3	820,610,927	7,245,994
2010-11	87.0	822,810,164	7,158,448
2011-12	93.4	833,242,559	7,782,486
2012-13	96.3	855,973,707	8,243,027
2013-14	99.5	804,322,401	8,003,008
2014-15	96.5	805,985,767	7,777,763
2015-16	95.7	839,620,141	8,035,165
2016-17	94.2	846,353,188	7,972,647
2017-18	100.5	838,096,715	8,422,872
2018-19	104.8	865,308,994	9,068,438
2019-20	106.4	904,428,936	9,623,124
2020-21	93.3	1,014,029,446	9,460,895
2021-22	97.4	1,045,556,362	10,183,719

OVERLAPPING BOND INDEBTEDNESS

The following table shows any other overlapping bond indebtedness of the Newport Independent School District or other issuing agency within the County as reported by the State Local Debt Officer for the period ending June 30, 2021.

Issuer	Original Principal Amount	Amount of Bonds Redeemed	Current Principal Outstanding
County of Campbell			
General Obligation	19,550,000	7,413,186	12,136,814
Elderly Care Facility Revenue	1,815,000	430,000	1,385,000
Refinancing Refunding Revenue	903,088	473,482	429,606
Manufacturing Facility Revenue	12,000,000	300,000	11,700,000
City of Alexandria			
General Obligation	760,000	0	760,000
City of Bellevue			
General Obligation	9,590,000	1,365,000	8,225,000
City of Dayton			
Infrastructure Revenue	1,150,000	210,000	940,000
Improvement Project Refunding	1,150,000	210,000	940,000
Fire Vehicles Revenue	685,973		500,686

City of Ft. Thomas			
General Obligation	2,290,000	1,470,000	820,000
Residential Revenue	17,130,782	0	17,130,782
City of Highland Heights			
General Obligation	10,230,000	1,375,000	8,855,000
City of Newport			
General Obligation	38,867,767	22,562,421	16,305,346
Public Project Revenue	44,230,000	27,475,000	16,755,000
KLC Funding Trust Program Revenue	50,000,000	0	50,000,000
Courthouse & City Hall Lease Revenue	27,750,000	10,410,000	17,340,000
Refunding Revenue	17,747,000	0	17,747,000
Parking Facilities Revenue	8,747,755	0	8,747,755
City of Silver Grove			
General Obligation	1,005,000	726,896	278,104
City of Southgate			
General Obligation	2,279,931	764,980	1,514,951
City of Wilder			
General Obligation	11,155,000	3,089,016	8,065,984
Special Districts			
Alexandria Fire Department	1,400,000	0	1,400,000
Campbell County Dispatching Board	3,373,000	492,000	2,881,000
Campbell County Fire District #1	590,000	365,323	224,677
Campbell County FPD #3	358,500	226,479	132,021
Campbell County Library District	1,595,000	506,000	1,089,000
Northern Kentucky Water District	175,380,000	51,421,254	123,958,746
Northern Kentucky Port Authority	1,500,000	1,370,000	130,000
Totals:	463,233,796	132,841,324	330,392,472

Source: 2021 Kentucky Local Debt Report.

SEEK ALLOTMENT

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

SEEK	Base Funding	Local Tax Effort	Total State & Local Funding
2000-01	8,667,055	4,690,625	13,357,680
2001-02	8,560,571	4,870,238	13,430,809
2002-03	8,706,193	5,162,974	13,869,167
2003-04	8,478,947	5,431,801	13,910,748
2004-05	7,672,950	5,941,684	13,614,634
2005-06	7,679,723	6,094,264	13,773,987
2006-07	6,956,984	6,395,709	13,352,693
2007-08	7,377,255	6,561,141	13,938,396
2008-09	7,158,122	7,270,796	14,428,918
2009-10	6,163,056	7,245,994	13,409,050
2010-11	6,011,349	7,158,448	13,169,797
2011-12	6,027,615	7,782,486	13,810,101
2012-13	5,504,209	8,243,027	13,747,236
2013-14	6,045,470	8,003,008	14,048,478
2014-15	6,153,537	7,777,763	13,931,300
2015-16	5,959,032	8,035,165	13,994,197
2016-17	5,972,884	7,972,647	13,945,531
2017-18	5,526,695	8,422,872	13,949,567
2018-19	5,128,236	9,068,438	14,196,674
2019-20	4,783,057	9,623,124	14,406,181
2020-21	4,401,475	9,460,895	13,862,370

(1) Support Education Excellence in Kentucky (SEEK) replaces the minimum foundation program and power equalization funding. Capital Outlay is now computed at $100 per average daily attendance (ADA). Capital Outlay is included in the SEEK base funding.

(2) The Board established a current equivalent tax rate (CETR) of $0.9740 for FY 2021-22. The equivalent tax rate" is defined as the rate which results when the income from all taxes levied by the district for school purposes is divided by the total assessed value of property plus the assessment for motor vehicles certified by the Commonwealth of Kentucky Revenue Cabinet.

State Budgeting Process

i) Each district board of education is required to prepare a general school budget on forms prescribed and furnished by the Kentucky Board of Education, showing the amount of money needed for current expenses, debt service, capital outlay, and other necessary expenses of the school during the succeeding fiscal year and the estimated amount that will be received from all sources.

ii) By September 15 of each year, after the district receives its tax assessment data from the Department of Revenue and the State Department of Education, 3 copies of the budget are forwarded to the State Department for approval or disapproval.

iii) The State Department of Education has adopted a policy of disapproving a school budget if it is financially unsound or fails to provide for:

a) payment of maturing principal and interest on any outstanding voted school improvement bonds of the district or payment of rental in connection with any outstanding school building revenue bonds issued for the benefit of the school district; or

b) fails to comply with the law.

POTENTIAL LEGISLATION

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

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

CONTINUING DISCLOSURE

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

The Board has been timely in making all required disclosure filings in the past five (5) years.

Financial information regarding the Board may be obtained from Superintendent, Newport Independent Board of Education, 30 West 8th Street, Newport, Kentucky 41071 (859) 292-3004.

TAX EXEMPTION; BANK QUALIFIED

Bond Counsel is of the opinion that:

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

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

(C) As a result of designations and certifications by the Board and the Corporation, indicating the issuance of less than $10,000,000 of tax-exempt obligations during the calendar year ending December 31, 2022, the Bonds are "qualified tax-exempt obligations" within the meaning of the Internal Revenue Code of 1986, as amended.

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

Original Issue Premium

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

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

Original Issue Discount

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

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

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

COVID-19

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

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

On March 24, 2020 the Governor of Kentucky signed Senate Bill 177 which provides relief to Kentucky School Districts in light of the Coronavirus emergency. Among other things, it removes the limits on the number of days that a district can utilize an approved Non-Traditional Instruction program ("NTI"). Senate Bill 177 also authorizes Kentucky Superintendents to use their school year 2018-2019 attendance data on their Superintendent's Annual Attendance Report. The report determines a district's average daily attendance used in calculating Support Education Excellence in Kentucky ("SEEK") funds. On Friday, Dec. 18, 2020, Gov. Andy Beshear issued Executive Order No. 2020-1041 (EO 2020-1041), which outlines requirements and recommendations for the reopening of schools in January 2021. For more information on the Kentucky Department of Education's response to COVID 19, please see their website at https://education.ky.gov/comm/Pages/COVID-19-Updates.aspx.

ABSENCE OF MATERIAL LITIGATION

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

APPROVAL OF LEGALITY

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

NO LEGAL OPINION EXPRESSED AS TO CERTAIN MATTERS

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

BOND RATING

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

FINANCIAL ADVISOR

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

APPROVAL OF OFFICIAL STATEMENT

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

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

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

By /s/______________________
President

By /s/______________________
Secretary

APPENDIX A

Newport Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2022

Demographic and Economic Data

CAMPBELL COUNTY, KENTUCKY

The Northern Kentucky Area, covering a total land area of 559 square miles, is composed of Boone, Campbell, and Kenton Counties; and is ideally situated along and adjacent to the south bank of the Ohio River, immediately south of Cincinnati, Ohio. Campbell County had an estimated 2021 population of 92,972. The city of Newport had an estimated population of 14,826 in 2021.

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

The Economic Framework

In 2021, Newport had a labor force of 6,312 people. The top 5 jobs by occupation were as follows: food preparation, serving - 1,070 (13.31%); sales - 966 (12.02%); office and administrative support - 899 (11.19%); executive, managers, and administrators - 689 (8.57%); and building and grounds maintenance - 608 (7.57%).

Transportation

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

Power and Fuel

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

LABOR MARKET STATISTICS

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

Population

	2016	2017	2018	2019	2020
Campbell County	92,373	91,537	92,747	92,615	93,543
Newport	15,243	15,000	14,787	14,710	14,780

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

Population Projections

	2026
Campbell County	94,988
Newport	14,305

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

EDUCATION

Public Schools

	2021-22 Total Enrollment	2021-2022 Pupil to Teacher Ratio
Bellevue Independent Schools	579	14.0 - 1
Campbell County Schools	4,930	16.0 - 1
Dayton Independent Schools	833	13.0 - 1
Ft. Thomas Independent Schools	3,054	17.0 - 1
Newport Independent School	1,322	9.0 - 1
Southgate Independent Schools	174	10.0 - 1

Vocational - Technical Schools

Institution	Location	Enrollment (2019-2020)
Boone County ATC	Hebron, KY	215
Kenton County Academies of Innovation	Ft. Mitchell, KY	508
Carroll County ATC	Carrollton, KY	464
Harrison County ATC	Cynthiana, KY	478
Mason County ATC	Maysville, KY	219
Campbell County ATC	Alexandria, KY	382

Colleges and Universities

Institution	Location	Enrollment (Fall 2020)
Thomas More College	Crestview Hills, KY	2,238
Northern Kentucky University	Highland Heights, KY	15,678
University of Cincinnati	Cincinnati, OH	25,973
Cincinnati Christian University	Cincinnati, OH	776

LARGEST EMPLOYERS
(Tri-County)

Firm	Product	Employment
Cold Spring		
CCL Labels	Flexographic and variable image printing	75
Fischer Special Manufacturing	Automatic screw machine products, produce specialty fasteners and inserts for the automotive industry	65
Dayton		
Advertiser Printers, Inc.	Commercial offset printing/binding	28
Cobb Inc.	Electronic prepress work & typesetting	7
Fastemp Glass Co., Inc.	Glass Products for lighting fixtures, restaurant equipment, fire place doors, solar power products	30
Metal Solutions Design & Fabrication LLC	Manufacture DOT certified metal containers for nuclear waste & other hazardous products	18
Newport		
Dixie Chili, Inc.	Manufacture & distribute canned beef and vegetarian chili	16
Steinhauser Inc.	Packaging, pressure sensitive labels	34
Wendling Printing Co.	Offset printing and binding	20
Wilder		
Trophy Awards Manufacturing, Inc.	Award manufacturer	35
Valcom Enterprises, Inc.	Custom commercial interior & exterior metal & drywall partitions	15
WB Jones Spring Co., Inc.	Manufacturer of compression, extension, and torsion springs	18
WJ Baker Co.	Metal stamping and tubular spacers	16
Wilder Iron Works, LLC	Manufacture and install ornamental iron work products and related products	5
Zenith Motors	Manufacturer of electric shuttle and cargo vans	10

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

APPENDIX B

Newport Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2022

Audited Financial Statement ending June 30, 2021

NEWPORT INDEPENDENT SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2021

MADDOX & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Kentucky State Committee for School District Audits
Members of the Board of Education
Newport Independent School District
Newport, Kentucky

Report on the Financial Statements
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Newport Independent School District (District) as of and for the year ended June 30, 2021, 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 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 audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract.* 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.

1407 Alexandria Pike
Fort Thomas, KY 41075

3863 Glenmore Ave
Cincinnati, OH 45211

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2021, 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

As discussed in note 12 to the financial statements, during the year ended June 30, 2021, the District adopted new accounting guidance, GASB Statement No. 84, Fiduciary Activities. Our opinion is 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 4-7, budgetary comparison on pages 45-46, and pension and OPEB schedules on pages 47-53 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 and 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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated November 8, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering District's internal control over financial reporting and compliance.

Maddox & Associates CPAs Inc.

Fort Thomas, Kentucky
November 8, 2021

As management of the Newport Independent School District we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements.

FINANCIAL HIGHLIGHTS

The assets and deferred outflows of the District were more than the liabilities and deferred inflows by $4,217,510 at the close of the current fiscal year. The unrestricted net position, which represents the amounts available to meet the District's ongoing obligations to citizens and creditors, was a deficit of $11,405,042. The District is required to provide postemployment benefits to its employees. As a result, the District has recognized substantial liabilities in the financial statements for these benefits. As of June 30, 2021, the District had liabilities of $16,266,071 for postemployment benefits, which has caused the deficit balance in the unrestricted net position. The District's total net position decreased $2,670,643.

At the close of the current fiscal year, the District's governmental funds reported combined fund balances of $5,230,791 a decrease of $2,185,186 from the prior year. Of this amount, $729,663 is available for spending at the District's discretion (unassigned fund balance).

At the close of the current fiscal year, the unassigned fund balance was approximately 3% of total fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the financial statements. This report also included supplementary information intended to furnish additional detail to support the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position.

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

The governmental activities of the District include general government, police, fire, public works, and recreation.

The government-wide financial statements can be found on pages 8-9 of this report

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have be segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by State law. However, the District may establish other funds to help it control and manage money for particular purposes.

Governmental funds: Governmental funds are used to account for essentially the same functions reported in the governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resource, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, and the debt service fund which are considered to be major funds.

The District adopts and annual appropriated budget for each of the major funds. A budgetary comparison schedule has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The fund financial statements can be found on pages 10-18 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 19-44 of this report.

OTHER INFORAMATION

In addition to the basic financial statements and notes to the financial statements, this report also presents required supplementary information concerning the District's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found on pages 47-53 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

	2021	2020
Assets		
Current and other assets	$ 6,723,318	$ 7,630,905
Capital assets	29,119,563	29,975,855
Total assets	35,842,881	37,606,760
Deferred outflows of resoucres	4,182,661	3,464,662
Liabilties		
Current liabilities	1,182,708	1,133,380
Long-term liabilities	31,676,065	30,108,414
Total liabilties	32,858,773	31,241,794
Deferred inflows of resources	2,949,259	3,063,425
Net position		
Net investment in capital assets	14,107,289	14,180,888
Restricted	1,515,263	(12,735,402)
Unrestricted	(11,405,042)	5,320,747
Total net position	$ 4,217,510	$ 6,766,233

See accompanying notes to financial statements.

Statement of Activities

	2021	2020
Revenues		
Local sources	$ 11,707,412	$ 10,912,211
State and federal programs	16,422,313	9,043,764
Total revenues	28,129,725	19,955,975
Expenses		
Instruction	19,872,817	8,112,741
Student	1,378,898	913,911
Instruction staff	865,021	1,304,972
District administrative	1,467,475	1,770,734
School administrative	1,645,049	1,378,923
Business support	631,554	1,355,652
Plant operation and maintenance	1,676,371	3,046,431
Food service	1,781,927	1,500,763
Student transportation	536,126	511,173
Community services	489,019	531,444
Interest on long-term debt	456,111	507,390
Total expenses	30,800,368	20,934,134
Decrease in net position	(2,670,643)	(978,159)
Net position - beginning restated)	6,888,153	7,744,392
Net position - ending	$ 4,217,510	$ 6,766,233

Capital Assets

	2021	2020
Land	$ 1,109,955	$ 1,109,955
Land improvements	272,148	291,150
Buildings and improvements	6,811,556	7,232,474
Technology equipment	1,029,050	1,417,109
Vehicles	124,048	83,189
General equipment	545,415	614,637
Construction in progress	19,227,391	19,227,391
Total capital assets	$ 29,119,563	$ 29,975,905

Long-Term Debt

	2021	2020
Bonds payable	$ 14,780,000	$ 15,515,000

REQUESTS FOR INFORMATON

This financial report is designed to provide a general overview of the District finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Superintendent, 30 West 8th Street, Newport, KY 41071.

See accompanying notes to financial statements.

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 5,238,517	$ 213,840	$ 5,452,357
Accounts receivable	1,173,115	92,773	1,265,888
Inventories		5,073	5,073
Capital assets, net	29,054,626	64,937	29,119,563
Total assets	35,466,258	376,623	35,842,881
Deferred Outflows			
Pension related	1,558,134	201,535	1,759,669
OPEB related	2,257,512	165,480	2,422,992
Total deferred outflows	3,815,646	367,015	4,182,661
Liabilities			
Accounts payable	189,156	1,875	191,031
Accrued salaries and benefits	794,828		794,828
Deferred revenue	196,849		196,849
Noncurrent liabilties:			
Due within one year:			
Accrued interest payable	58,604		58,604
Bonds payable	750,000		750,000
KISTA loans	46,581		46,581
Due in more than one year:			
Accrued sick leave	339,116		339,116
Bonds payable	14,030,000		14,030,000
KISTA loans	185,693		185,693
Net pension liability	8,358,819	1,081,162	9,439,981
Net OPEB liability	6,447,649	378,441	6,826,090
Total liabilities	31,397,295	1,461,478	32,858,773
Deferred inflows			
Related to pensions	248,640	32,160	280,800
Related to OPEB	2,567,181	101,278	2,668,459
Total deferred inflows	2,815,821	133,438	2,949,259
Net position			
Net investment in capital assets	14,042,352	64,937	14,107,289
Restricted	1,515,263		1,515,263
Unrestricted	(10,488,827)	(916,215)	(11,405,042)
Total net position	$ 5,068,788	$ (851,278)	$ 4,217,510

See accompanying notes to financial statements.

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges	Grants and Contributions		Governmental	Business-Type	
Governmental activities	Expenses	for Services	Operating	Capital	Activities	Activities	Total
Instruction	$ 19,872,817	$ 42,800	$10,199,248		$ (9,630,769)		$(9,630,769)
Support services:							
Student	1,378,898				(1,378,898)		(1,378,898)
Instruction staff	865,021				(865,021)		(865,021)
District administrative	1,467,475				(1,467,475)		(1,467,475)
School administrative	1,645,049				(1,645,049)		(1,645,049)
Business support	631,554				(631,554)		(631,554)
Plant operation and maintenance	1,676,371				(1,676,371)		(1,676,371)
Food service	108,188				(108,188)		(108,188)
Student transportation	536,126				(536,126)		(536,126)
Community services	489,019				(489,019)		(489,019)
Interest on long-term debt	456,111				(456,111)		(456,111)
Total governmental activities	29,126,629	42,800	10,199,248	0	(18,884,581)	0	(18,884,581)
Business-type activities							
Food service	1,673,739	466	754,318			(918,955)	(918,955)
Total business-type activities	1,673,739	466	754,318	0	0	(918,955)	(918,955)
Total District	$ 30,800,368	$ 43,266	$10,953,566	$ 0	(18,884,581)	(918,955)	(19,803,536)
	General Revenues						
	Taxes				10,838,094		10,838,094
	State and federal sources				5,392,793	75,954	5,468,747
	Investment earnings				12,445		12,445
	Other revenues				412,534	401,073	813,607
	Funds transfer				87,112	(87,112)	0
	Total general revenues				16,742,978	389,915	17,132,893
	Change in net position				(2,141,603)	(529,040)	(2,670,643)
	Net position - beginning (restated)				7,210,391	(322,238)	6,888,153
	Net position - end of year				$ 5,068,788	$ (851,278)	$ 4,217,510

See accompanying notes to financial statements.

	General Fund	Special Revenue	Building Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents (deficit)	$ 5,433,560	$ (1,833,822)	$ 1,066,576	$ 572,203	$ 5,238,517
Accounts receivable	155,091	1,018,024			1,173,115
Total assets	$ 5,588,651	$ (815,798)	$ 1,066,576	$ 572,203	$ 6,411,632
Liabilities					
Accounts payable	$ 149,684	$ 39,030	$	$ 442	$ 189,156
Accrued salaries and benefits	794,828				794,828
Deferred revenue		196,849			196,849
Total liabilities	944,512	235,879	0	442	1,180,833
Fund balances					
Restricted		41,208	1,066,576	572,045	1,679,829
Committed	2,839,116				2,839,116
Assigned	29,807				29,807
Unassigned	1,775,216	(1,092,885)		(284)	682,047
Total fund balances	4,644,139	(1,051,677)	1,066,576	571,761	5,230,799
Total liabilities and fund balances	$ 5,588,651	$ (815,798)	$ 1,066,576	$ 572,203	$ 6,411,632

See accompanying notes to financial statements.

Total governmental fund balances		$ 5,230,799
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets of $50,111,700, net of accumulated depreciation of $21,057,074 used in governmental activities are not financial resources and, therefore, are not reported in the funds.		29,054,626
Deferred outflows and inflows of resources related to postretirement benefits (pension and OPEB) are applicable to future periods and, therefore, not reported in the funds.		
Deferred outflows - pension related	1,558,134	
Deferred outflows - OPEB related	2,257,512	
Deferred inflows - pension related	(248,640)	
Deferred inflows - OPEB related	(2,567,181)	
Total deferred outflow and inflow related to postretirement benefits		999,825
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds		
Accrued interest payable	(58,604)	
Compensated absences	(339,116)	
Bonds payable	(14,780,000)	
KISYA loans	(232,274)	
Net pension liability	(8,358,819)	
Net OPEB liability	(6,447,649)	
Total long-term liabilities		(30,216,462)
Governmental funds report the effect of discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		-
Net position of governmental activities		$ 5,068,788

See accompanying notes to financial statements.

	General Fund	Special Revenue	Building Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
From local sources:					
Taxes:					
Property	$ 8,306,586	$	$ 1,014,030	$ 0	$ 9,320,616
Motor vehicle	767,137				767,137
Utilities	28,569				28,569
Revenue in lieu of taxes	721,772				721,772
Earnings on investments	12,445				12,445
Other local revenue	354,871	66,827		33,636	455,334
State sources	4,272,886	1,491,850	210,668	133,701	6,109,105
State on-behalf	5,107,107			285,686	5,392,793
Federal sources	272,217	3,817,926			4,090,143
Total revenues	19,843,590	5,376,603	1,224,698	453,023	26,897,914
Expenditures					
Instruction	13,415,566	4,104,538		48,936	17,569,040
Support services:					
Student	926,015	238,746			1,164,761
Instruction staff	523,100	198,840			721,940
District administrative	1,209,630	316,138			1,525,768
School administrative	1,393,309				1,393,309
Business support	924,673	278,393			1,203,066
Plant operation and maintenance	2,482,489	154,667		194,074	2,831,230
Food service	81,931	399,963			481,894
Student transporation	384,901				384,901
Community services		616,634			616,634
Debt service					
Principal	47,723			735,000	782,723
Interest	7,502			487,444	494,946
Total expenditures	21,396,839	6,307,919	0	1,465,454	29,170,212
Excess of revenues over (under) expenditures	(1,553,249)	(931,316)	1,224,698	(1,012,431)	(2,272,298)
Other financing sources (uses)					
Transfers in	238,151	28,077		1,220,151	1,486,379
Transfers out	(30,678)	(148,438)	(952,749)	(267,402)	(1,399,267)
Total other financing sources (uses)	207,473	(120,361)	(952,749)	952,749	87,112
Net change in fund balances	(1,345,776)	(1,051,677)	271,949	(59,682)	(2,185,186)
Fund balances - beginning (restated)	5,989,915	0	794,627	631,443	7,415,985
Fund balances - end of year	$ 4,644,139	$ (1,051,677)	$ 1,066,576	$ 571,761	$ 5,230,799

See accompanying notes to financial statements.

Net change in fund balances - total governmental funds		$ (2,185,186)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlay	69,198	
Depreciation expense	(913,134)	
Total capital asset activity		(843,936)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net position. Repayment of bond principal and capital lease principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effects of bond issuance premiums with debt is first issued, whereas these amounts are deferred and amortized in statement of activities.		
Principal paid on bonds	735,000	
Principal paid on KISTA loans	47,723	
Total debt activity		782,723
Some expenses reported in the statement of activities do not require the use of current financial resources are and, therefore, not reported as expenditures in the governmental funds.		
Accrued interest payable	38,835	
Compensated absences	18,791	
Changes in pension liabilities and related deferred outflows and inflows	(147,052)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	194,222	
Total expense activities		104,796
Change in net position of governmental activities		$ (2,141,603)

See accompanying notes to financial statements.

		Food Service Fund
Assets		
Current assets:		
Cash and cash equivalents	$	213,840
Accounts receivable		92,773
Inventories for consumption		5,073
Capital assets, net		64,937
Total assets		376,623
Deferred outflows		
Pension related		201,535
OPEB related		165,480
Total deferred outflows		367,015
Liabilities		
Accounts payable		1,875
Net pension liability		1,081,162
Net OPEB liability		378,441
Total liabilities		1,461,478
Deferred inflows		
Pension related		32,160
OPEB related		101,278
Total deferred inflows		133,438
Net position		
Net investment in capital assets		64,937
Unrestricted		(916,215)
Total net position	$	(851,278)

See accompanying notes to financial statements.

Newport Independent School District
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
Year Ended June 30, 2021

	Food Service Fund
Operating revenues	
Lunchroom sales	$ 466
Total operating revenues	466
Operating expenses	
Salaries and benefits	1,258,745
Materials and supplies	291,278
Other operating expenses	111,329
Depreciation	12,386
Total operating expenses	1,673,738
Operating loss	(1,673,272)
Nonoperating revenues	
State operating grants	485,608
Federal grants	667,932
Donated commodities	77,804
Transfers out	(87,112)
Total nonoperating revenues	1,144,232
Change in net position	(529,040)
Net position - beginning of year	(322,238)
Net position - end of year	$ (851,278)

See accompanying notes to financial statements.

	Food Service Fund
Cash flows from operating activities	
Cash received from lunchroom sales and fees	$ 466
Cash payments to employees for services	(551,693)
Cash payments to suppliers for goods and services	(218,606)
Cash payments for other operating expenses	(111,329)
Cash transfers	(87,112)
Net cash used for operating activities	(968,274)
Cash flows from noncapital financing activities	
Government grants	1,119,348
Net cash provided by noncapital financing activities	1,119,348
Net decrease in cash and cash equivalents	151,074
Cash - beginning of year	62,766
Cash - end of year	$ 213,840
Reconciliation of operating loss to net cash used for operating activities	
Operating loss	$ (1,673,272)
Adjustments to reconcile operating loss to net cash used for operating activities	
Depreciation	12,386
Commodities received	77,804
Changes in pension and OPEB liabilities	926,134
Change in deferred outflows and inflows	(219,082)
Operating transfers	(87,112)
Change in accounts payable	(5,132)
Net cash used for operating activities	$ (968,274)
Noncash Activities	
Donated commodities	$ 77,804

See accompanying notes to financial statements.

Newport Independent School District
Statement of Net Position
Fiduciary Funds
June 30, 2021

	Trust Funds
Assets	
Cash	$ 907,703
Total assets	907,703
Liabilities	
Due to student groups	
Total liabilities	0
Net position	
Held in trust	$ 907,703

See accompanying notes to financial statements.

	Trust Funds
Additions	
Interest income	$ 278
Total additions	278
Deductions	
Instruction	97,777
Total deductions	97,777
Change in net position	(97,499)
Net position - beginning of year	1,005,202
Net position - end of year	$ 907,703

See accompanying notes to financial statements.

NOTE 1: ACCOUNTING POLICIES

Reporting Entity

The Newport Independent Board of Education (Board), a five-member group, is the level of government which has oversight responsibilities over all activities related to public elementary and secondary education within the jurisdiction of Newport Independent Board of Education (District). The District receives funding from local, state and federal government sources and must comply with the commitment requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to develop policies which may influence operations, and primary accountability for fiscal matters.

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

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

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

> **Newport Independent Board of Education Finance Corporation** – In 1992 the Board resolved to authorize the establishment of the Newport Independent Board of Education Finance Corporation (Corporation), (a non-profit, non-stock, public and charitable corporation organized under the School Bond Act and KRS 273 and KRS 58.180) as an agency of the District for financing the costs of school building facilities. The members of the Board also comprise the Corporation's Board of Directors.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

NOTE 1: ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (Continued)

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to determine legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds, if any, are presented in a single column.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operation. The principal operating revenues of the District’s proprietary funds are charges for services. Operating expenses for the proprietary funds include personnel and other expenses related to water and sewer operations. All revenues not meeting these definitions are reported as nonoperating revenues and expenses.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are two categories of funds: governmental and proprietary.

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or may not be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets, deferred outflow, liabilities, and deferred inflows is reported as fund balance. The following are the District’s major governmental funds:

General Fund - The general fund is used to account for and report all financial resources not accounted for and reported in another fund. The general fund balance is available for any purpose provided it is expended or transferred according to the general laws of Kentucky. This is a major fund of the District.

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

NOTE 1: ACCOUNTING POLICIES (CONTINUED)

Construction Fund – This fund accounts for proceeds from sales of bonds and other revenues used by the district for authorized construction. This is a major fund of the District.

The following of nonmajor funds of the district:

Debt Service Fund – This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest and related cost, as required by state law. This is a major fund of the district.

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

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

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

Proprietary Fund Types (Enterprise Funds)

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

Fiduciary Fund Types (Agency Funds and Trust Funds)

Activity Fund – This fund accounts for activities of student groups and other types of activities requiring clearing accounts. These funds are accounted for in accordance with the Uniform Program of Accounting for School Activity Funds.

Measurement Focus and Basis of Accounting

Government-Wide, Proprietary, and Fiduciary Financial Statements – The government-wide, proprietary, and fiduciary fund financial statements are prepared using the economic resources measurement focus. With this measurement focus, all assets, deferred outflows, liabilities, and deferred inflows associated with the operation of the District are included on the balance sheet. The statement of activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place.

Fund Financial Statements – Governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (e.g. revenues and other financing sources) and uses (e.g. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which government –wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief

NOTE 1: ACCOUNTING POLICIES (CONTINUED)

explanations to better identify the relationship between the government-wide financial statements and the financial statements for governmental funds.

Cash and Cash Equivalents

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

Inventories

Supplies and materials are charged to expenditures when purchased with the exception of proprietary funds, which record inventory at cost, determined on the first-in, first-out basis.

Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and disposals during the year. Donated capital assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of $1,000 with the exception of computers and real property for which there is no threshold. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value to the asset or materially extend an asset's life are not capitalized.

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

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

Deferred Outflows of Resources – Pension, OPEB, and Debt Refunding

The District reports decreases in net position that relates to future periods as deferred outflows of resources in a separate section of its government-wide and proprietary fund statements of net position. The deferred outflows of resources reported in the financial statements include (1) deferred amount arising from the refunding of bonds, (2) deferred outflows of resources for contributions made to the District's defined benefit pension plan between the measurement date of the plan net pension liabilities and the end of District's fiscal year, and (3) deferred outflows of resources related to the changes between the expected and actual experiences for the plan and changes in actuarial assumptions. The deferred refunding amount is being

NOTE 1: ACCOUNTING POLICIES (CONTINUED)

amortized over the remaining life of the refunding bonds as part of interest expense. Deferred outflows for**)**

pension contributions will be recognized in the subsequent fiscal year. The deferred outflows related to experience and assumption changes will be recognized in future periods.

Deferred Inflows of Resources – Pension and OPEB

The District reports increases in net position that relates to future periods as deferred inflows of resources in a separate section of its government-wide and proprietary fund statements of net position. The deferred inflows of resources reported in the financial statements arise from changes in the expected and actual experiences for the plan and for changes in assumptions. The deferred inflows related to these changes will be recognized in future periods.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and Teachers Retirement System of the State of Kentucky (KTRS) and additions to/deductions from fiduciary net position have been determined on the same basis as the are reported by CERS and KTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net OPEB Liability

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources, and OPEB expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and Teachers Retirement System of the State of Kentucky (KTRS) and additions to/deductions from fiduciary net position have been determined on the same basis as the are reported by CERS and KTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Accumulated Unpaid Sick Leave Benefits

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

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements and proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, and retirement incentives that will be paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and capital lease obligations are not recognized as a liability on the governmental fund financial statements until due.

NOTE 1: ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets and deferred outflows and liabilities and deferred inflows. The net position component of net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislation or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. Net position restricted for other purposes consists primarily of programs to enhance the security of persons and property.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

> Nonspendable - includes amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash.
>
> Restricted - is reported as restricted when constraints are placed on the use of resources that are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
>
> Committed - includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of District (the highest level of decision making authority). Those committed amounts cannot be used for any other purpose unless District removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
>
> Assigned - amounts are intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund, assigned amounts represent intended uses established by policies of District.
>
> Unassigned - the residual classification for the general fund and includes all spendable amounts not contained in other classifications. In other governmental funds, the unassigned classification is only used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

NOTE 1: ACCOUNTING POLICIES (CONTINUED)

The District applies restricted resources first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, and unassigned) fund balance is available. Similarly, within restricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any unrestricted fund balance classifications could be used.

Property Taxes

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

The District levies a utility gross receipts license tax on telephone communication services, cablevision services, electric power, water, and gas furnished within the District's boundaries.

Revenues – Exchange and Non-exchange Transactions

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

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

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, those revenues are primarily charges for meals provided by the various schools. Operating expenses can be tied specifically to the production of the goods and services, such as materials, labor, and direct overhead.

NOTE 1: ACCOUNTING POLICIES (CONTINUED)

Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the basic financial statements.

Interfund Balances

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

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature an infrequent in occurrence. Special items are transactions or events that are within the control of the District administration and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the fiscal year.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the District's management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

Budgetary Process

Budgetary Basis of Accounting - The District's budgetary process accounts for certain transactions on a basis other than Generally Accepted Accounting Principles (GAAP). The major differences between the budgetary basis and GAAP basis are: (1) revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP); and (2) expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

Once the budget is approved, it can be amended. Amendments are presented to the Board at their regular meetings. Such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year-end as dictated by law.

Each budget is prepared and controlled by the budget coordinator at the revenue and expenditure function/objective level. All budget appropriations lapse at year-end.

Subsequent Events

The District has evaluated subsequent events for potential recognition and disclosure through November 8, 2021, the date the financial statements were available to be issued.

NOTE 2: CASH AND CASH EQUIVALENTS

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

NOTE 3: CAPITAL ASSETS

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

	Balance 7/1/2020	Additions	Disposals	Balance 6/30/2021
Govermental Activities				
Land	$ 1,109,955	$ 0	$ 0	$ 1,109,955
Land improvements	380,037	0	0	380,037
Buildings and improvements	23,417,111	0	0	23,417,111
Technology equipmenmt	3,874,944	0	0	3,874,944
Vehicles	707,668	69,198	0	776,866
General equipment	1,325,396	0	0	1,325,396
Construction in progress	19,227,391	0	0	19,227,391
Total at historical cost	50,042,502	69,198	0	50,111,700
Less Accumulated Depreciation				
Land improvements	88,887	19,002	0	107,889
Buildings and improvements	16,184,637	420,918	0	16,605,555
Technology equipmenmt	2,462,812	386,337	0	2,849,149
Vehicles	624,499	28,319	0	652,818
General equipment	783,105	58,558	0	841,663
Total accumulated depreciation	20,143,940	913,134	0	21,057,074
Capital assets - net	$ 29,898,562	$ (843,936)	$ 0	$ 29,054,626
Business-type Activities				
General equipment	$ 691,278	$ 0	$ 0	$ 691,278
Technology equipment	14,286	0	0	14,286
Total at historical cost	705,564	0	0	705,564
Less Accumulated Depreciation				
General equipment	618,932	10,664	0	629,596
Technology equipment	9,309	1,722	0	11,031
Total accumulated depreciation	628,241	12,386	0	640,627
Capital assets - net	$ 77,323	$ (12,386)	$ 0	$ 64,937

Depreciation was charged to the following functions:

	Governmental	Business-type
Instruction	$ 713,677	$
Student support	29,379	
Instructional staff	12,918	
District administration	14,391	
School administration	14,757	
Business support	94	
Plant operations	101,560	
Student transportation	26,257	
Community service	101	
Food service		12,386
	$ 913,134	$ 12,386

NOTE 4: LONG-TERM OBLIGATIONS

The amount shown in the accompanying financial statements as lease obligations represents the District's future obligations to make lease payments relating to the bonds issued by the Newport Independent School District Financial Corporation.

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

Bonds		
Issue	Proceeds	Rates
2014	2,125,000	0.350%-4.000%
2014B	9,715,000	0.450%-3.600%
2017	1,540,000	3.000%-3.625%
2018	3,310,000	3.000%-3.250%

KISTA Loans		
Issue	Proceeds	Rates
2012	108,289	3.50%
2015	113,107	2.000%-2.500%
2017	132,525	2.55%
2019	129,849	3.00%

The District, through the General Fund (including utility taxes and the Support Education Excellence in Kentucky (SEEK) Capital Outlay Fund) is obligated to make lease payments in amounts sufficient to satisfy debt service requirements on bonds issued by the sponsoring governmental entity to construct school facilities. The District has an option to purchase the property under lease at any time by retiring the bonds then outstanding.

The District entered into participation agreements with the Kentucky School Facilities Construction Commission (Commission). The Commission was created by the Kentucky General Assembly for the purpose of assisting local school districts in meeting school construction needs.

The bonds may be called prior to maturity and redemption premiums are specified in each issue. Assuming no bonds are called prior to scheduled maturity, the minimum obligations of the District and the Commission at June 30, 2021 for debt service (principal and interest) are as follows:

Year End	Newport Independent School District		School Facility Construction Commission		Total Debt
June 30	Principal	Interest	Principal	Interest	Service
2022	$ 549,744	$ 386,070	$ 200,256	$ 85,428	$ 1,221,498
2023	565,422	373,078	204,578	81,106	1,224,184
2024	575,768	358,184	209,232	76,451	1,219,635
2025	595,307	341,356	214,693	70,992	1,222,348
2026	614,509	322,805	220,491	65,194	1,222,999
2027	633,164	303,603	226,836	58,850	1,222,453
2028	651,522	283,733	233,478	52,209	1,220,942
2029	674,072	262,008	240,928	44,757	1,221,765
2030	696,205	238,282	248,795	36,890	1,220,172
2031	717,649	213,800	257,351	28,334	1,217,134
2032	743,762	188,339	266,238	19,447	1,217,786
2033	769,177	162,024	125,823	10,255	1,067,279
2034	797,507	134,558	127,493	5,409	1,064,967
2035	827,285	105,233	37,715	663	970,896
2036	835,000	85,185			920,185
2037	850,000	56,612			906,612
2038	870,000	26,538			896,538
	$ 11,966,093	$ 3,841,408	$ 2,813,907	$ 635,985	$ 19,257,393

The minimum obligations of the District at June 30, 2021 for debt service (principal and interest) on KISTA loans are as follows:

Year End	Newport Independent School District	
June 30	Principal	Interest
2022	$ 46,581	$ 6,300
2023	37,683	5,098
2024	36,688	4,100
2025	37,724	3,112
2026	25,805	2,096
2027	26,537	1,378
2028	10,476	637
2029	10,780	323
	$ 232,274	$ 23,044

NOTE 4: LONG-TERM OBLIGATIONS (CONTINUED)

Changes in long-term obligations are as follows:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Amounts Due Within One Year
Accrued sick leave	$ 357,907	$	$ (18,791)	$ 339,116	$
Bonds payable	15,515,000		(735,000)	14,780,000	750,000
KISTA	279,997		(47,723)	232,274	46,581
Net pension liability	8,454,634	985,347		9,439,981	
Net OPEB liability	6,319,390	5,654,100		11,973,490	
	$ 30,926,928	$ 6,639,447	$ (801,514)	$ 36,764,861	$ 796,581

NOTE 5: PENSION PLANS

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

General information about the 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 Commonwealth. 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 Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. KTRS issues a publicly available financial report that can be obtained at http://www.ktrs.ky.gov/05_publications/index.htm.

Benefits provided

For employees who have established an account in a retirement system administered by the Commonwealth prior to July 1, 2008, employees become vested when they complete five (5) years of credited service. To qualify for monthly retirement benefits, payable for life, employees must either:

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

Participants that retire before age 60 with less than 27 years of service receive reduced retirement benefits. Non-university employees with an account established prior to July 1, 2002 receive monthly payments equal to two (2) percent (service prior to July 1, 1983) and two and one-half (2.5) percent (service after July 1, 1983) of their final average salaries for each year of credited service. New employees (including second retirement accounts) after July 1, 2002 will receive monthly benefits equal to 2% of their final average salary for each year

NOTE 5: PENSION PLANS (CONTINUED)

of service if, upon retirement, their total service less than ten years. New employees after July 1, 2002 who retire with ten or more years of total service will receive monthly benefits equal to 2.5% of their final average salary for each year of service, including the first ten years. In addition, employees who retire July 1, 2004 and later with more than 30 years of service will have their multiplier increased for all years over 30 from 2.5% to 3.0% to be used in their benefit calculation. Effective July 1, 2008, the System has been amended to change the benefit structure for employees hired on or after that date.

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.

Contributions

Contribution rates are established by Kentucky Revised Statutes (KRS). Non-university employees are required to contribute 12.855% of their salaries to the System. University employees are required to contribute 10.400% of their salaries. KRS 161.580 allows each university to reduce the contribution of its employees by 2.215%; therefore, university employees contribute 8.185% of their salary to KTRS.

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

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 the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute (KRS) Section 61.645, the Board of Trustees of the Kentucky Retirement System administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from http://kyret.ky.gov/.

NOTE 5: PENSION PLANS (CONTINUED)

Benefits provided

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

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

Cost of living adjustments are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest five years' earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are $5,000 in lump sum. Five years' service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit and $10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years' service is required for nonservice-related disability benefits.

Contributions

Required contributions by the employee are based on the tier:

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

NOTE 5: PENSION PLANS (CONTINUED)

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

At June 30, 2021, 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 Commonwealth 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 Commonwealth support, and the total portion of the net pension liability that was associated with the District were as follows:

The net pension liability for each plan was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

District's proportionate share of the CERS net pension liability	$ 9,439,981
Commonwealth's proportionate share of the KTRS net pension liability associated with the District	40,840,230
Total net pension liability associated with the District	$ 50,280,211

The District's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2020, the District's proportion was 0.1231% percent.

For the year ended June 30, 2021, the District recognized pension expense of $731,178 related to CERS and $2,956,102 related to KTRS. The Board also recognized revenue of $2,956,102 for KTRS support provided by the Commonwealth. At June 30, 2021, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow	Deferred Inflow	Net Deferral
Change in liability experience	$ 235,403	$	
Change of assumptions	368,615		
Change in investment experience	409,192	172,968	
Change in proportionate share of contributions	162,333	107,832	
	1,175,543	$ 280,800	$ 894,743
Subsequent contributions	584,126		
Total	$ 1,759,669		

NOTE 5: PENSION PLANS (CONTINUED)

The contributions subsequent to the measurement date of $584,126 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The net deferral of $894,743 will be recognized in pension expense as follows:

Year ending June 30	Net Deferral
2022	$ 354,510
2023	322,006
2024	123,353
2025	94,874
	$ 894,743

Actuarial assumptions

The total pension liability as of June 30, 2020 was based on an actuarial valuation date of June 30, 2019. The Total pension liability was rolled-forward from the valuation date to the plan's fiscal year ending June 30, 2020, using generally accepted accounting principles and was determined using the following actuarial assumptions, applied to all periods included in the measurement. The total pension liability was determine using these actuarial assumptions:

Valuation date	6/30/2019
Actuarial cost method	Entry age normal
Asset valuation method	20% of difference
Amotrization method	Level percent of pay
Remaining amortization period	25 years, closed
Payroll growth rate	2.00%
Investment return	6.25%
Inflation	2.30%
Salary increase rate - nonhazardous	3.30% - 11.55%
Salary increase rate - hazardous	3.05% - 18.55%

For CERS, Mortality rates for the period after service retirement are according to the 1983 Group Annuity Mortality Table for all retired employees and beneficiaries as of June 30, 2006 and the 1994 Group Annuity Mortality Table for all other employees. The Group Annuity Mortality Table set forward five years is used for the period after disability retirement.

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 for two years for males and one year for females. The actuarial assumptions used were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2015 adopted by the Board on November 19, 2016.

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

NOTE 5: PENSION PLANS (CONTINUED)

of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a

longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

	CERS		KTRS	
Asset Class	Target Allocation	Long-term Expected Nominal Return	Target Allocation	Long-term Expected Nominal Return
US Equity	18.75%	4.50%	40.00%	4.60%
Non US Equity	18.75%	5.25%	22.00%	5.60%
Private Equity	10.00%	6.65%	7.00%	7.70%
Specialty Credit/High Yield	15.00%	3.90%		
Core Bonds	13.50%	-0.25%		
Fixed income			15.00%	0.00%
Cash	1.00%	-0.75%	2.00%	-0.50%
Additional categories			7.00%	2.50%
Real Estate	5.00%	5.30%	7.00%	4.30%
Opportunistic	3.00%	2.25%		
Real Return	15.00%	3.95%		
	100.00%		100.00%	

NOTE 5: PENSION PLANS (CONTINUED)

Discount rate

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

For 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 at statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan employees until the 2038 plan year. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments through 2035 and a municipal bond index rate of 3.56% was applied to all periods of projected benefit payments after 2035. 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 (I calculated the amounts in this schedule:

	1% Decrease 5.25%	Current Discount Rate 6.25%	1% Increase 7.25%
District's proportionate share of the CERS net pension liability	$ 11,641,550	$ 9,439,981	$ 7,616,997

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.

NOTE 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General information about the Teachers' Retirement System OPEB Plan

Plan description

Teaching certified employees of the District and other employees whose positions require at least a college degree are provided OPEBs through the Teachers' Retirement System of the State of Kentucky (KTRS)—a cost-sharing multiple-employer defined OPEB pension plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the Commonwealth. KTRS was created by the 1938 General Assembly and is governed by Chapter 161 Section 220

NOTE 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

through Chapter 161 Section 990 of the KRS. KTRS is a blended component unit of the Commonwealth of Kentucky and therefore is included in the Commonwealth's financial statements. KTRS issues a publicly available financial report that can be obtained at http://www.ktrs.ky.gov/05_publications/index.htm.

Medical Insurance Plan

Plan description

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

Benefits Provided

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

Contributions

In order to fund the post-retirement healthcare benefit, six percent (6%) of the gross annual payroll of employees before July 1, 2008 is contributed. Three percent (3%) is paid by member contributions and three quarters percent (.75%) from Commonwealth appropriation and two and one quarter percent (2.25%) 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.

General information about the County Employee's Retirement System OPEB Plan

Plan description

The District's employees are provide OPEB under provions of Kentucky Revised Statutes. The Kentucky Retirement Systems (KRS) board administers the CERS Insurance Fund. The CERS Insurance fund is a cost-sharing, multiple-employer defined benefit OPEB plan which provides group health insurance benefits for plan members that are regular full-time members employed in positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in the System. OPEB benefits may be extended to beneficiaries of plan members under certain circumstances. The CERS Insurance Fund is included in a public available financial report that can be viewed at www.kyret.ky.gov.

Benefits provided

Benefits provided

The CERS Insurance hospital and medical benefits to eligible plan members receiving benefits from CERS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. Premium payments are submitted to DEI. The KRS board contracts with Humana to provide health care benefits to the eligible Medicare retirees. The CERS Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

NOTE 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

For health insurance purposes, employees are grouped into three tiers based on hire date:

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

Contributions

For the year ending June 30, 2020, the employer's contribution was 4.76% to the insurance trust for non-hazardous job classifications and 9.52% for hazardous classifications. Participating employers were required to contribute at an actuarially determined rate. The Board may amend contribution rates as of the first day of July of the second year of a biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with actuarial basis adopted by the Board. Employees qualifying as Tier 2 or Tier 3 of the CERS plan contribute 1.0% of creditable compensation to an account created for payment of health insurance benefits.

Implicit Subsidy

The fully-insured premiums KRS Pays for the Kentucky Employees' Health plan are blended rates based on the combined experience of active and retiree members. Because the average cost of providing health care benefits to retirees under age 65 is higher than the average cost of providing health care benefits to active employees, there is an implicit subsidy for the non-Medicare eligible retirees. This implicit subsidy is included in the calculation of the total OPEB liability.

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2021, the District reported a liability for its proportionate share of the net OPEB liability of $2,971,090 related to CERS and $3,855,000 related to KTRS.

The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. The District's proportionate share at June 30, 2020 was 0.1230% related to CERS and 0.1527% related to TRS.

NOTE 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

District's proportionate share of the KTRS net OPEB liability	$ 3,855,000
District's proportionate share of the CERS net OPEB liability	2,971,090
Total net pension liability associated with the District	$ 6,826,090

For the year ended June 30, 2021, the District recognized OPEB expense of $231,499. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Total		
	Deferred Outflow	Deferred Inflow	Net Deferral
Change in liability experience	$ 496,407	$ 2,140,794	
Change of assumptions	750,794	3,143	
Change in investment experience	284,377	60,625	
Change in proportionate share of contributions	465,693	463,897	
	1,997,271	$ 2,668,459	$ (671,188)
Subsequent contributions	425,721		
Total	$ 2,422,992		

The contributions subsequent to the measurement date of $425,721 will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The net deferral of $(671,188) will be recognized in pension expense as follows:

Year ending June 30	Net Deferral
2021	$ (139,419)
2022	(101,194)
2023	(159,085)
2024	(65,469)
2025	(150,021)
Thereafter	(56,000)
	$ (671,188)

Actuarial assumptions

The total OPEB liability, net OPEB liability, and sensitivity as of June 30, 2020 were based on an actuarial valuation date of June 30, 2019. The total OPEB liability was rolled-forward from the valuation date (June 30, 2019) to the plan's fiscal year ending June 30, 2020, using generally accepted accounting principles.

The KRS Board of Trustee adopted new actuarial assumptions since June 30, 2018. These assumptions are documented in the report titled "Kentucky Retirement Systems 2018 Actuarial Experience Study for the Period Ending June 30, 2010". The total OPEB liability as of June 30, 2019 was determined using these updated assumptions.

NOTE 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

The actuarial assumptions are:
KTRS

Inflation	3.00%
Real wage growth	0.50%
Wage inflation	3.50%
Salary increase rate	3.50% - 7.20%
Investment rate of return - MIF	8.00%
Investment rate of return - LIF	7.50%
Muncipal bond index	2.19%
Single equivalent investment rate - MIF	8.00%
Single equivalent investment rate - LIF	7.50%
Health care cost trends:	
Pre-65	7.25% decreasing to an ultimate rate of 5.00% by FYE 2029
Post-65	5.25% decreasing to an ultimate rate of 5.00% by FYE 2022
Medicare part B premiums	6.49% with an ultimate rate of 5.00% by FYE 2031

CERS

Valuation date	6/30/2018
Actuarial cost method	Entry age normal
Amotrization method	Level percent of pay
Remaining amortization period	25 years, closed
Payroll growth rate	2.00%
Investment rate of return	6.25%
Inflation	2.30%
Salary increase rate - nonhazardous	3.30% - 11.55%
Salary increase rate - hazardous	3.05% - 18.55%
Health care cost trends:	
Pre-65	7.00% decreasing to an ultimate rate of 4.05% in 12 years
Post-65	5.00% decreasing to an ultimate rate of 4.05% in 12 years

The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females). For disabled members, the mortality table used is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back four yersr for males).

NOTE 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

The long-term expected rate of return was determined by using a building block method in which best estimate ranges of expected future real rates 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 are summarized in the tables below. The current long-term inflation assumption is 2.30% per annum for both the non-hazardous and hazardous system.

	CERS		KTRS	
Asset Class	Target Allocation	Long-term Expected Nominal Return	Target Allocation	Long-term Expected Nominal Return
US Equity	18.75%	4.50%	40.00%	4.60%
Non US Equity	18.75%	5.25%	22.00%	5.60%
Private Equity	10.00%	6.65%	7.00%	7.70%
Specialty Credit/High Yield	15.00%	3.90%		
Core Bonds	13.50%	-0.25%		
Fixed income			15.00%	0.00%
Cash	1.00%	-0.75%	2.00%	-0.50%
Additional categories			7.00%	2.50%
Real Estate	5.00%	5.30%	7.00%	4.30%
Opportunistic	3.00%	2.25%		
Real Return	15.00%	3.95%		
	100.00%		100.00%	

Discount rate

The projection of cash flows used to determine the discount rate of 6.25% assumes that the funds receive the required employer contributions each future year, as determined by the current funding policy established in statute as last amended by House Bill 362 (passed in 2018). The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 3.50%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 28, 2019. However, the cost associated with the implicit employer subsisdy was not included in the calculation of the KRS' acturarial determined contributions, and any cost associated with the implicit study will not be paid out of KRS' trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the KRS plan's CAFR.

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 8.00% for KTRS and 5.34% for CERS as well as what the District's proportionate share of the 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:

NOTE 7: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

	1% Decrease 7.00%	Current Discount Rate 8.00%	1% Increase 9.00%
District's proportionate share of the KTRS net OPEB liability	$ 4,660,000	$ 3,855,000	$ 3,184,000

	1% Decrease 4.34%	Current Discount Rate 5.34%	1% Increase 6.34%
District's proportionate share of the CERS net OPEB liability	$ 3,816,979	$ 2,971,090	$ 2,276,334
Total	$ 8,476,979	$ 6,826,090	$ 5,460,334

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the District's proportionate share of the net OPEB liability calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
District's proportionate share of the KTRS net OPEB liability	$ 3,056,000	$ 3,855,000	$ 4,840,000
District's proportionate share of the CERS net OPEB liability	2,300,366	2,971,090	3,785,029
Total	$ 5,356,366	$ 6,826,090	$ 8,625,029

OPEB plan fiduciary net position

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

NOTE 8: CONTINGENCIES

Grants

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

NOTE 8: CONTINGENCIES (CONTINUED)

Litigation

The District is subject to various legal actions in various stages of litigation, the outcome of which is not determinable at this time. Management of the District and its legal counsel do not anticipate that there will be any material effect on the combined financial statements as a result of cases presently in progress.

NOTE 9: RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, and natural disasters. The District has obtained insurance coverage through a commercial insurance company. In addition, the District has effectively managed risk through various employee education and prevention programs. All risk general liability management activities are accounted for in the General Fund. Expenditures and claims are recognized when probable that a loss has occurred and the amount of loss can be reasonably estimated.

The District purchases unemployment insurance through the Kentucky School Boards Insurance Trust Unemployment Compensation Fund; however, risk has not been transferred to such fund. In addition, the District continues to carry commercial insurance for all other risks of loss.

Management estimates that the amount of actual or potential claims against the District as of June 30, 2021 will not materially affect the financial condition of the District. Therefore, the General Fund contains no provision for estimated claims. Settled claims resulting from these risks have not exceeded insurance coverage amounts in any of the past three fiscal years.

NOTE 10: FUND TRANSFERS

The following transfers were made during the year:

From Fund	To Fund	Purpose	Amount
Food Service	General	Indirect costs	$ 87,112
Special Revenue	General	Indirect costs	151,039
General	Special Revenue	Technology	28,077
Building	Construction	Operating	283,393
Building	Debt Service	Debt service	669,356
Capital Outlay	Debt Service	Debt service	267,402
			$ 1,486,379

NOTE 11: ON-BEHALF PAYMENTS

For the year ended June 30, 2021 payments of $815,138 were made by the Commonwealth of Kentucky on behalf of the District for insurance benefits, retirement benefits, technology, and debt service. The following amounts were recorded in the Statement of Activities and the Statement of Revenue, Expenditures, and Changes in Fund Balance:

Fund	
General	$ 5,107,107
Debt service	285,685
Food service	75,954
	$ 5,468,746

Type	
Retirement	$ 2,956,102
Medical insurance fund and life insurance fund	220,605
Health insurance less federal reimbursement	1,792,249
Life insurance	3,274
Adminsitrative fee	26,610
HRA/Dental/Vision insurance	85,837
Technology	98,383
Debt service	285,686
	$ 5,468,746

NOTE 12: FUND BALANCE RESTATEMENT

Due to the implementation of GASB No. 84, *Fiduciary Activities* the beginning fund balance for governmental funds and beginning net position for government wide activities were increased by $121,920 and the student activity fiduciary fund was eliminated.

Newport Independent School District
Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Capital Outlay Fund	Construction Fund	Debt Service Fund	District Activity Fund	Student Activity Fund	Total Nonmajor Governmental Funds
Assets:						
Cash and cash equivalents	$ 67,305	$ 330,478		$ 57,470	$ 116,950	$ 572,203
Total assets	$ 67,305	$ 330,478	$ 0	$ 57,470	$ 116,950	$ 572,203
Liabilities:						
Accounts payable	$	$ 191		$ 251		$ 442
Total liabilities	0	191	0	251	0	442
Fund balances:						
Restricted	67,305	330,287		57,503	116,950	572,045
Committed						0
Assigned						0
Unassigned				(284)		(284)
Total fund balances	67,305	330,287		57,219	116,950	571,761
Total liabilities and fund balances	$ 67,305	$ 330,478	$ 0	$ 57,470	$ 116,950	$ 572,203

	Capital Outlay Fund	Construction Fund	Debt Service Fund	District Activity Fund	Student Activity Fund	Total Nonmajor Governmental Funds
Revenues						
From local sources:						
Taxes:						
Property	$	$	$	$		$ 0
Other local revenue				15,475	18,161	33,636
State sources	133,701					133,701
State on-behalf			285,686			285,686
Total revenues	133,701	0	285,686	15,475	18,161	453,023
Expenditures						
Instruction				25,805	23,131	48,936
Support services:						
Plant operation and maintenance		194,074				194,074
Debt service						
Principal			735,000			735,000
Interest			487,444			487,444
Total expenditures	0	194,074	1,222,444	25,805	23,131	1,465,454
Excess of revenues over (under) expenditures	133,701	(194,074)	(936,758)	(10,330)	(4,970)	(1,012,431)
Other financing sources (uses)						
Transfers in		283,393	936,758			1,220,151
Transfers out	(267,402)					(267,402)
Total other financing sources (uses)	(267,402)	283,393	936,758	0	0	952,749
Net change in fund balances	(133,701)	89,319	0	(10,330)	(4,970)	(59,682)
Fund balances - beginning (restated)	201,006	240,968	0	67,549	121,920	631,443
Fund balances - end of year	$ 67,305	$ 330,287	$ 0	$ 57,219	$ 116,950	$ 571,761

Newport Independent School District
Budgetary Comparison Schedule
General Fund
June 30, 2021

	Budgeted Amounts			Variances
	Original	**Final**	**Actual**	**Final to Actual**
Revenues				
Local sources	$ 11,262,557	$ 11,262,557	$ 10,191,380	$ (1,071,177)
State programs	4,334,204	4,334,204	9,379,993	5,045,789
Federal progams	497,000	497,000	272,217	(224,783)
Total revenues	16,093,761	16,093,761	19,843,590	3,749,829
Expenditures				
Instruction	8,949,447	8,949,447	13,318,102	(4,368,655)
Support services:				
Student	640,871	640,871	926,015	(285,144)
Instruction staff	532,487	532,487	523,100	9,387
District administrative	1,424,079	1,424,079	1,209,630	214,449
School administrative	1,166,221	1,166,221	1,393,309	(227,088)
Business support	956,632	956,632	924,673	31,959
Plant operation and maintenance	2,255,624	2,255,624	2,482,489	(226,865)
Student transportatioin	469,681	469,681	384,901	84,780
Food service	90,000	90,000	81,931	8,069
Community services	28,250	28,250		28,250
Debt service	56,000	56,000	55,225	775
Other (contingency)	2,661,714	2,661,714		2,661,714
Total expenditures	19,231,006	19,231,006	21,299,375	(2,068,369)
Excess (deficiency) of revenues over expenditures	(3,137,245)	(3,137,245)	(1,455,785)	1,681,460
Other financing sources (uses)				
Transfer in	77,509	77,509	238,151	160,642
Transfers out	(30,264)	(30,264)	(122,018)	(91,754)
Total other financing sources (uses)	47,245	47,245	116,133	68,888
Net change in fund balances	(3,090,000)	(3,090,000)	(1,339,652)	1,750,348
Budgetary fund balance - beginning of year	3,000,000	3,000,000	5,989,915	2,989,915
Budgetary fund balance - end of year	$ (90,000)	$ (90,000)	$ 4,650,263	$ 4,740,263

Newport Independent School District
Budgetary Comparison Schedule
Special Revenue Fund
June 30, 2021

	Budgeted Amounts			Variances
	Original	Final	Actual	Final to Actual
Revenues				
Local sources	$ 100,595	$ 100,595	$ 66,827	$ (33,768)
State programs	1,757,009	1,757,009	1,491,850	(265,159)
Federal progams	4,789,360	4,789,360	3,817,926	(971,434)
Total revenues	6,646,964	6,646,964	5,376,603	(1,270,361)
Expenditures				
Instruction	5,584,682	5,584,682	4,104,538	1,480,144
Support services:				
Student	256,046	256,046	238,746	17,300
Instruction staff	537,298	537,298	198,840	338,458
District administrative	21,110	21,110	316,138	(295,028)
Business support	162,660	162,660	278,393	(115,733)
Plant operation and maintenance	155,029	155,029	154,667	362
Student transportatioin	-	-	399,963	(399,963)
Community services	689,151	689,151	616,634	72,517
Total expenditures	7,405,976	7,405,976	6,307,919	1,098,057
Excess (deficiency) of revenues over expenditures	(759,012)	(759,012)	(931,316)	(172,304)
Other financing sources (uses)				
Transfer in	298,834	298,834	28,077	(270,757)
Transfers out	(262,268)	(262,268)	(148,438)	113,830
Total other financing sources (uses)	36,566	36,566	(120,361)	(156,927)
Net change in fund balances	(722,446)	(722,446)	(1,051,677)	(329,231)
Budgetary fund balance - beginning of year	-	-	-	-
Budgetary fund balance - end of year	$ (722,446)	$ (722,446)	$ (1,051,677)	$ (329,231)

Newport Independent School District
Statement of Receipts, Disbursements, and Fund Balances
Newport High School Activity Fund
Year Ended June 30, 2021

	Cash July 1, 2020	Receipts	Disbursements	Cash June 30, 2021
Abroad trip	$ 463			$ 463
Annual	100	1,431	104	1,427
Archery club	5			5
Band	358	99		457
Baseball	955		250	705
Basketball	1,631		1,045	586
Carpentry	590			590
Cheerleading	2,594		917	1,677
Class of 2021		2,942	2,785	157
Class of 2020	101		101	0
Donna Murphy Invitational To	912			912
Drama		1,231	71	1,160
FBLA	311	195	380	126
FCCLA	55			55
Football	3,788	7,613	6,594	4,807
Gifted and talented	581	1,666		2,247
Girls basketball	1,970		1,558	412
Graphic arts	1,309		72	1,237
GSA	188			188
Interest account	5,176	111		5,287
John Turner memorial donati	6,664		233	6,431
Library	2,162	2,184	1,544	2,802
Lockers	5			5
National Honor Society	431			431
Newport Strong	590			590
Officials	36,313	18,741	33,414	21,640
PE and health	-			-
Pep club	267			267
Prom	3,073			3,073
Records and postage	1,069	30		1,099
Skills USA	1,381	984	160	2,205
Soccer	1,895			1,895
Softball	885	1,295	563	1,617
Spirit shop	1,803	2,321	1,553	2,571
Student activity	3,080			3,080
Student council	1,700			1,700
Sunshine	97		97	0
Teachers lounge	53	482	430	105
Track	2,184			2,184
Volleyball	1,867	240	419	1,688
Wrestling	331		207	124
YSC fundraisers	56		56	0
Due to student groups	$ 86,993	$ 41,565	$ 52,553	$ 76,005

Newport Independent School District
Statement of Receipts, Disbursements, and Fund Balances
School Activity Funds
Year Ended June 30, 2021

	Cash July 1, 2020	Receipts	Disbursements	Cash June 30, 2021
Newport High School	$ 86,993	$ 7,140	$ 9,726	$ 84,407
Newport Adult Learning Center	2,182	7,479	4,006	5,655
Newport Intermediate School	8,928	502	2,047	7,383
Newport Primary School	23,817	3,040	7,352	19,505
Total	$ 121,920	$ 18,161	$ 23,131	$ 116,950

Newport Independent School District
Schedule of District's Share of Net Pension Liability and Contributions - KTRS
Year Ended June 30, 2021

Schedule of District's Proportionate Share of the Net Pension Liability - KTRS

As of June 30,	2021	2020	2019	2018	2017	2016	2015
Measurement period as of June 30,	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
District's proportionate share of the net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State's proportionate share of the net pension liability	$ 40,840,230	$ 38,033,090	$ 35,274,587	$ 79,502,497	$ 90,960,338	$ 72,203,325	$ 63,244,526
District's covered payroll	$ 8,514,955	$ 9,525,139	$ 9,434,495	$ 10,236,247	$ 10,278,171	$ 10,095,979	$ 9,642,589
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	58.27%	58.76%	59.30%	39.83%	35.22%	42.49%	45.59%

Schedule of District's Contributions - KTRS

As of June 30,	2021	2020	2019	2018	2017	2016	2015	20
Contractually required contribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
Actual contribution	-	-	-	-	-	-	-	
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$
District's covered payroll	$ 9,388,600	$ 8,514,955	$ 9,525,139	$ 9,434,495	$ 10,236,247	$ 10,278,171	$ 10,095,979	$ 9,64
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

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

As of June 30,	2021	2020	2019	2018	2017	2016	2015
Measurement period as of June 30,	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.0111%	0.0105%	0.0097%	0.0186%	0.0124%	0.0170%	0.0142%
District's proportionate share of the net pension liability	$ 9,439,981	$ 8,484,634	$ 7,278,097	$ 7,976,595	$ 6,947,591	$ 5,852,826	$ 4,295,000
District's covered payroll	$ 882,895	$ 793,018	$ 728,864	$ 626,075	$ 5,749,002	$ 560,614	$ 573,336
District's proportionate share of the net pension liability as a percentage of its covered payroll	1069.21%	1069.92%	998.55%	1274.06%	120.85%	1044.00%	749.12%
Plan fiduciary net position as a percentage of the total pension liability	47.81%	50.45%	53.54%	53.32%	55.50%	59.97%	66.80%

Schedule of District's Contributions - CERS

As of June 30,	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	$ 584,126	$ 882,895	$ 793,018	$ 728,864	$ 626,075	$ 5,749,002	$ 560,614	$ 573,336
Actual contribution	584,126	882,895	793,018	728,864	626,075	5,749,002	560,614	573,336
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,026,562	$ 3,669,555	$ 3,691,890	$ 3,800,125	$ 3,351,579	$ 3,369,890	$ 3,172,389	$ 3,035,128
Contributions as a percentage of covered payroll	19.30%	24.06%	21.48%	19.18%	18.68%	170.60%	17.67%	18.89%

Schedule of District's Proportionate Share of the Net OPEB Liability - KTRS

As of June 30,	2021	2020	2019	2018
Measurement period as of June 30,	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.0239%	0.0239%	0.0229%	0.0222%
District's proportionate share of the net OPEB liability	$ 3,855,000	$ 4,298,000	$ 4,752,000	$ 5,462,000
State's proportionate share of the net OPEB liability	$ 3,088,000	$ 4,461,000	$ 4,095,000	$ 3,471,000
District's covered payroll	$ 8,523,566	$ 8,132,466	$ 8,747,133	$ 9,525,139
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	45.23%	52.85%	54.33%	57.34%
Plan fiduciary net position as a percentage of the total OPEB liability	32.58%	32.58%	25.54%	21.18%

Schedule of District's Contributions - KTRS

As of June 30,	2021	2020	2019	2018
Contractually required contribution	$ 281,658	$ 255,707	$ 243,974	$ 262,414
Actual contribution	281,658	255,707	243,974	262,414
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 9,388,600	$ 8,523,566	$ 8,132,466	$ 8,747,133
Contributions as a percentage of covered payroll	3.00%	3.00%	3.00%	3.00%

Schedule of District's Proportionate Share of the Net OPEB Liability - KTRS

As of June 30,	2021	2020	2019	2018
Measurement period as of June 30,	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.0000%	0.0000%	0.0000%	0.0000%
District's proportionate share of the net OPEB liability	$ -	$ -	$ -	$ -
State's proportionate share of the net OPEB liability	$ 93,000	$ 81,000	$ 70,000	$ 60,000
District's covered payroll	$ 8,526,566	$ 8,132,467	$ 8,747,133	$ 9,525,139
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	71.57%	73.40%	74.97%	79.99%

Schedule of District's Contributions - KTRS

As of June 30,	2020	2020	2019	2018	2017
Contractually required contribution	$ -	$ -	$ -	$ -	$ -
Actual contribution	-	-	-	-	-
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 9,388,600	$ 8,526,566	$ 8,132,467	$ 8,747,133	$ 9,525,139
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

Schedule of District's Proportionate Share of the Net OPEB Liability - CERS

As of June 30,	2021	2020	2019	2018
Measurement period as of June 30,	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.0111%	0.0106%	0.0097%	0.0119%
District's proportionate share of the net OPEB liability	$ 2,971,090	$ 2,021,390	$ 2,121,663	$ 2,739,594
District's covered payroll	$ 3,669,555	$ 3,691,890	$ 3,800,125	$ 3,351,579
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	80.97%	54.75%	55.83%	81.74%
Plan fiduciary net position as a percentage of the total OPEB liability	51.67%	60.44%	57.62%	52.39%

Schedule of District's Contributions - CERS

As of June 30,	2021	2020	2019	2018	2017
Contractually required contribution	$ 144,064	$ 174,670	$ 194,193	$ 178,605	$ 158,259
Actual contribution	144,064	174,670	194,193	178,605	158,259
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 3,026,562	$ 3,669,555	$ 3,691,890	$ 3,800,125	$ 3,351,579
Contributions as a percentage of covered payroll	4.76%	4.76%	5.26%	4.70%	4.72%

KTRS

Benefits	2021	2020	2019
	no change	no change	no change

Assumptions	2021	2020	2019
Inflation	3.00%	3.00%	3.00%
Salary increases	3.50% - 7.30%	3.50% - 7.30%	3.50% - 7.30%
Investment rate of return	7.50%	7.50%	7.50%
Muncipal bond index	3.50%	3.50%	3.89%
Single equivalent investment rate	7.50%	7.50%	7.50%

CERS

Benefits	2021	2020	2019
	no change	no change	no change

Assumptions	2021	2020	2019
Valuation date	6/30/2019	6/30/2018	6/30/2017
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Asset valuation method	20% of difference	20% of difference	20% of difference
Amotrization method	Level percent of pay	Level percent of pay	Level percent of pay
Remaining amortization period	25 years, closed	26 years, closed	27 years, closed
Payroll growth rate	2.00%	2.00%	4.00%
Investment return	6.25%	6.25%	7.50%
Inflation	2.30%	2.30%	3.25%
Salary increase rate - nonhazardous	3.30% - 11.55%	3.30% - 11.55%	4.00%
Salary increase rate - hazardous	3.05% - 18.55%	3.05% - 18.55%	4.00%

KTRS

Benefits	2021	2020	2019
	no change	no change	no change

Assumptions	2021	2020	2019
Inflation	3.00%	3.00%	3.00%
Real wage growth	0.50%	0.50%	0.50%
Wage inflation	3.50%	3.50%	3.50%
Salary increase rate	3.50% - 7.20%	3.50% - 7.20%	3.50% - 7.20%
Investment rate of return - MIF	8.00%	8.00%	8.00%
Investment rate of return - LIF	7.50%	7.50%	7.50%
Muncipal bond index	2.19%	3.50%	3.89%
Single equivalent investment rate - MIF	8.00%	8.00%	8.00%
Single equivalent investment rate - LIF	7.50%	7.50%	7.50%
Health care cost trends:			
Pre-65	7.25% decreasing to an ultimate rate of 5.00% by FYE 2029	7.25% decreasing to an ultimate rate of 5.00% by FYE 2029	5.25% decreasing to an ultimate rate of 5.00% by FYE 202
Post-65	5.25% decreasing to an ultimate rate of 5.00% by FYE 2022	5.25% decreasing to an ultimate rate of 5.00% by FYE 2022	5.5% decreasing to an ultimate rate of 5.00% by FYE 202
Medicare part B premiums	6.49% with an ultimate rate of 5.00% by FYE 2031	6.49% with an ultimate rate of 5.00% by FYE 2031	0.00% with an ultimate rate of 5.00% by 2030

CERS

Benefits	2021	2020	2019
	no change	no change	no change

Assumptions	2021	2020	2019
Valuation date	6/30/2018	6/30/2017	6/30/2017
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal
Amotrization method	Level percent of pay	Level percent of pay	Level percent of pay
Remaining amortization period	25 years, closed	26 years, closed	27 years, closed
Payroll growth rate	2.00%	2.00%	4.00%
Investment rate of return	6.25%	6.25%	7.50%
Inflation	2.30%	2.30%	3.25%
Salary increase rate - nonhazardous	3.30% - 11.55%	3.30% - 11.55%	4.00%
Salary increase rate - hazardous	3.05% - 18.55%	3.05% - 18.55%	4.00%
Health care cost trends:			
Pre-65	7.00% decreasing to an ultimate rate of 4.05% in 12 years	7.00% decreasing to an ultimate rate of 4.05% in 12 years	7.00% decreasing to an ultimate rate of 4.05% in 12 years
Post-65	5.00% decreasing to an ultimate rate of 4.05% in 12 years	5.00% decreasing to an ultimate rate of 4.05% in 12 years	5.00% decreasing to an ultimate rate of 4.05% in 12 years

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal CFDA Number	Agreement Number	Total Federal Expenditures
U.S. Department of Education			
Passed through Kentucky Department of Education			
Special Education - Grants to States	84.027	3810002 20	$ 426,599
Special Education - Preschool	84.173	3800002 19	7,920
Special Education - Preschool	84.173	3800003 19	4,314
Total Special Education Cluster			**438,833**
Title I Part A	84.010	3100002-18	102,427
Title I Part A	84.010	3100002-19	74,105
Title I Part A	84.010	3100002-20	1,228,568
Title I Part D, Subpart Neglected and Delinquent	84.010	3100102-20	69,906
Title I Part D, Subpart Neglected and Delinquent	84.010	3100102-19	8,862
Title I Part D, Subpart Neglected and Delinquent	84.010	3100102-18	9,385
Title I School Improvement Funds Cohort I	84.010	3100202-17	287,429
Title I School Improvement Funds Cohort I	84.010	3100202-18	7,483
Total Title I Grants to Local Educational Agencies			**1,788,164**
Perkins Title I, Part C, Vocational	84.048	3710002-20	37,934
Title III, Part A English Language Learners	84.365	3300002-19	11,622
Title III, Part A English Language Learners	84.365	3300002-20	576
Total Vocational and English Language Learners			**50,132**
McKinney Homeless	84.196	3990002-19	30,229
McKinney Homeless	84.196	3990002-20	58,022
Adult Education - Basic Grants to States	84.002	2000000426	283
Adult Education - Basic Grants to States	84.002	2000000426	94,343
Adult Education Supplement	84.002	2000000426	48,935
Total McKinney Homeless and Adult Education			**231,812**
21st Century Community Learning Centers	84.287	340002-19	85,892
21st Century Community Learning Centers	84.287	340002-20	186,286
Total 21st Century Community Learning Centers			**272,178**
Elementary and Secondary School Emergency Relief Fund	84.425D	4000002-20	789,430
Governor's Emergency Education Relief Fund	84.425C	CARES-20	171,051
American Rescue Plan Elementary and Secondary School Emergen	84.425U	4300002-21	813,061
Coronavirues Relief Funds - SEEK Replacement	21.019	CARES-20	242,590
Coronavirus Relief Fund - Last Mile Internet	21.019	CARES-20	15,000
Total Coronavirus Relief Funds			**2,031,132**
Total US Department of Education			**4,812,251**

Federal Grantor/Pass-Through Grantor/ Program or Cluster	Federal CFDA Number	Agreement Number	Total Federal Expenditures
U.S. Department of Agriculture - Child Nutrition Cluster			
Passed through Kentucky Department of Education			
Summer Food Service Program for Children	10.559	7740023-21	667,932.89
Passed through Kentucky Department of Agriculture			
National School Lunch Program - Food Donation	10.555	4800014	49,451.08
Total U.S. Department of Agriculture - Child Nutrition Cluster			**717,383.97**
Total Federal Expenditures for FY ending 6/30/21			**$5,529,635.14**

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Newport Independent School District (District) under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3: INDIRECT COST RATE

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

NOTE 4: SUBRECIPIENTS

The District did not provide federal funds to subrecipients for the year ended June 30, 2021.

No prior year audit findings reported.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Kentucky State Committee for School District Audits
Members of the Board of Education
Newport Independent School District
Newport, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the audit requirements prescribed by the Kentucky State Committee for School District Audits in the *Independent Auditor's Contract*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Newport Independent School District (District) as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 8 , 2021.

Internal Control Over Financial Reporting

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

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

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

1407 Alexandria Pike
Fort Thomas, KY 41075

3863 Glenmore Ave
Cincinnati, OH 45211

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

We noted certain matters that we reported to management of the District in a separate letter dated November 8, 2021.

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

Maddox & Associates CPAs Inc.
Fort Thomas, Kentucky
November 8, 2021

Independent Auditor's Report on Compliance for Each Major Program and in Internal Control over Compliance Required by Uniform Guidance

Kentucky State Committee for School District Audits
Members of the Board of Education
Newport Independent School District
Newport, Kentucky

We have audited Newport Independent School District's (District) compliance with the types of compliance requirements described in OMB Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

1407 Alexandria Pike
Fort Thomas, KY 41075

3863 Glenmore Ave
Cincinnati, OH 45211

Report on Internal Control Over Compliance

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

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

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

Purpose of this Report

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

Maddox & Associates CPAs Inc.

Fort Thomas, Kentucky

October 27, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial	Unmodified			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified?		Yes	X	None reported
Type of report the auditor issued on compliance with major	Unmodified			
Any audit findings disclosed that are required to be reported		Yes	X	None reported

Identification of Major Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I Part A
84.425D	Elementary and Secondary School Emergency Relief Fund
84.425U	American Rescue Plan Elementary and Secondary School Emergency Coronavirus Relief Funds

Dollar threshhold used to distinguish between Type A and	$ 750,000			
Auditee qualified as low-risk auditee	X	Yes		No

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported

Kentucky State Committee for School District Audits
Members of the Board of Education
Newport Independent School District
Newport, Kentucky

In planning and performing our audit of the financial statements of Newport Independent School District (District) for the year ended June 30, 2021, we considered the District's internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of matters that our opportunities for strengthening internal controls and operating efficiencies. The memorandum that accompanies this letter summarizes our comments and recommendations regarding these matters. Any uncorrected comments from the prior year have been listed in this letter. A separate reported dated November 8, 2021 contains our report on the District's internal control. This letter does not affect our report dated November 8, 2021 on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed the comments and recommendation with various District personnel, and we will be pleased to discuss them in further detail at our convenience, to perform additional study of these matters, or to assist you in implementing the recommendations

Maddox & Associates CPAs Inc.

Current Year Recommendations

Central Office

2020-01: Publication of annual financial statement

Criteria: Per KRS 160.463 the District is required to publish its annual financial statement

Condition – The District did not publish its annual financial statement

Effect: The District did not comply with KRS 160.463

Cause: The District did not comply with KRS 160.463

Recommendation: We recommend that the District include the publishing of its annual financial statement in its year-end procedures

Activity Funds

Newport High School

No matters are reportable

Newport Adult Learning Center

No matters are reportable

Newport Intermediate School

No matters are reportable

Newport Primary School

No matters are repotable

Status of Prior Year Recommendations

Activity Funds

Newport Adult Learning Center

Prior year recommendation - Individual school activity accounts had ending negative balances

Status – The above issue is not reportable in the current year

APPENDIX C

Newport Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2022

Continuing Disclosure Undertaking Agreement

CONTINUING DISCLOSURE UNDERTAKING AGREEMENT

This Continuing Disclosure Undertaking Agreement ("Agreement") made and entered into as of the 7th day of June, 2022, by and between the Board of Education of Newport, Kentucky Independent School District ("Board"); the Newport Independent School District Finance Corporation, an agency and instrumentality of the Board ("Corporation") and the Registered and Beneficial Owners of the Bonds hereinafter identified as third party beneficiaries to this Agreement. For the purposes of this Agreement "Beneficial Owner" means the person or entity treated as the owner of the Bonds for federal income tax purposes and "Registered Owner" means the person or entity named on the registration books of the bond registrar.

W I T N E S S E T H:

WHEREAS, the Corporation has acted as issuing agency for the Board pursuant to the provisions of Section 162.385 of the Kentucky Revised Statutes ("KRS") and the Corporation's Bond Resolution in connection with the authorization, sale and delivery of $3,580,000 of the Corporation's School Building Revenue Bonds, Series of 2022, dated as of June 7, 2022 ("Bonds"), which Bonds were offered for sale under the terms and conditions of a Final Official Statement ("FOS") prepared by RSA Advisors, LLC, Lexington, Kentucky ("Financial Advisor") and approved by the authorized representatives of the Board and the Corporation, and

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

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

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

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

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

1. ANNUAL FINANCIAL INFORMATION

The Board agrees to provide the annual financial information contemplated by Rule 15c2-12(b)(5)(i) relating to the Board for its fiscal years ending June 30 of each year, commencing with its fiscal year ending June 30, 2022, to (a) the Municipal Securities Rulemaking Board ("MSRB"), or any successor thereto for purposes of its Rule, through the continuing disclosure service portal provided by the MSRB's Electronic Municipal Market Access ("EMMA") system as described in 1934 Act Release No. 59062, or any similar system that is acceptable to the Securities and Exchange Commission and (b) the State Information Depository ("SID"), if any (the Commonwealth of Kentucky has not established a SID as of the date of this Agreement) within nine (9) months of the close of each fiscal year.

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

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

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

2. MATERIAL EVENTS NOTICES

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

(1) Principal/interest payment delinquency;

(2) Nonpayment related default, if material;

(3) Unscheduled draw on debt service reserve reflecting financial difficulties;

(4) Unscheduled draw on credit enhancement reflecting financial difficulties;

(5) Substitution of credit or liquidity provider, or its failure to perform;

(6) Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the securities, or other material events affecting the tax status of the security;

(7) Modifications to rights of security holders, if material;

(8) Bond call, if material and tender offers;

(9) Defeasance;

(10) Release, substitution or sale of property securing the repayment of the security, if material;

(11) Rating change;

(12) Merger, consolidation, acquisition or sale of all or substantially all assets of an obligated person, other than in the ordinary course of business, and the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such action, other than pursuant to its terms, if material;

(13) Bankruptcy, insolvency, receivership or similar event of the obligated person;

(14) Successor, additional or change in trustee, if material;

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

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

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

(A) Debt obligation;

(B) Derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or

(C) Guarantee of paragraph (A) or (B) above.

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

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

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

3. SPECIAL REQUESTS FOR INFORMATION

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

4. DISCLAIMER OF LIABILITY

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

5. FINAL OFFICIAL STATEMENT

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

6. DURATION OF THE AGREEMENT

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

7. AMENDMENT; WAIVER

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

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

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

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

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

8. DEFAULT

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

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

BOARD OF EDUCATION OF NEWPORT, KENTUCKY INDEPENDENT SCHOOL DISTRICT

____
Chairman

Attest:

____
Secretary

NEWPORT INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION

____
President

Attest:

____
Secretary

APPENDIX D

Newport Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2022

Official Terms and Conditions of Bond Sale

OFFICIAL TERMS AND CONDITIONS OF BOND SALE

$3,580,000*
Newport Independent School District Finance Corporation
School Building Revenue Bonds, Series of 2022
Dated as of June 7, 2022

SALE: May 17, 2022 AT 1:00 P.M., E.D.S.T.

As published on PARITY®, a nationally recognized electronic bidding system, the Newport Independent School District Finance Corporation ("Corporation") will until May 17, 2022, at the hour of 1:00 P.M., E.D.S.T., in the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Rd, Carriage House, Frankfort, KY 40601, receive competitive bids for the revenue bonds herein described. To be considered, bids must be submitted on an Official Bid Form and must be delivered to the Corporation at the address indicated on the date of sale no later than the hour indicated. Bids may be submitted manually or by facsimile or electronically via PARITY. Bids will be considered by the Corporation and may be accepted without further action by the Corporation's Board of Directors.

Subject to a Permitted Adjustment* increasing or decreasing the issue by up to $360,000.

NEWPORT INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION

The Corporation has been formed in accordance with the provisions of Sections 162.120 through 162.290 and Section 162.385 of the Kentucky Revised Statutes ("KRS"), and KRS Chapter 273 and KRS 58.180, as a non profit, non stock corporation for the purpose of financing necessary school building facilities for and on behalf of the Board of Education of the Newport, Kentucky Independent School District (the "Board"). Under the provisions of existing Kentucky law, the Corporation is permitted to act as an agency and instrumentality of the Board for financing purposes and the legality of the financing plan to be implemented by the Bonds herein referred to has been upheld by the Kentucky Court of Appeals (Supreme Court) in the case of White v. City of Middlesboro, Ky. 414 S.W.2d 569.

STATUTORY AUTHORITY, PURPOSE OF ISSUE AND SECURITY

These Bonds are authorized pursuant to KRS 162.120 through 162.290, 162.385, and KRS 58.180 and are issued in accordance with a Resolution of the Corporation's Board of Directors. Said Bonds are revenue bonds and constitute a limited indebtedness of the Corporation payable from rental revenues derived by the Corporation from the Board under the Lease identified below. Said Bonds are being issued to finance various renovations and improvements at Newport Primary School (the "Project") and are secured by a lien upon and a pledge of the revenues from the rental of the school building Project property to the Board under the Lease on a year to year basis; the first rental period ending June 30, 2022; provided, however, said lien and pledge are on parity with a similar lien and pledge securing the Corporation's School Building Revenue Bonds previously issued to finance or refinance the school building(s) which constitute the Project (the "Parity Bonds").

Should the Board default in its obligations under the Lease or fail to renew the Lease, the Registered Owners of Bonds have the right to have a receiver appointed to administer the school building Project property but foreclosure and sale are not available as remedies.

The rental of the school building Project property from the Corporation to the Board is to be effected under a certain Lease Agreement by and between the Corporation and the Board (the "Lease"), whereunder the school building Project property is leased to the Board for the initial period ending June 30, 2022, with an option in the Board to renew the Lease each year at rentals sufficient to provide for the principal and interest requirements on the Bonds as they become due, plus the costs of insurance, maintenance, depreciation, and bond issuance and administration expenses; the Board being legally obligated only for the initial rental period and for one year at a time thereafter each time the Lease is renewed.

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

Although the Board is obligated to pay the Corporation annual rentals in the full amount of the principal and interest requirements for the Bonds for each year in which the Lease is renewed, the Board has entered into the Lease in reliance upon a certain Participation Agreement by and between the Board and the Kentucky School Facilities Construction Commission (the "Commission"). Under the terms of the Participation Agreement, the Commission has agreed to pay annually directly to the Paying Agent for the Bonds a stated Agreed Participation equal to approximately $85,555 to be applied to the annual debt service requirements for the Bonds herein identified until their retirement, subject to the constitutional restrictions limiting the commitment to the biennium; said annual amount is to be applied only to the principal and interest requirements of the Bonds so long as the Board renews the Lease. Under the Lease, the Board has pledged and assigned all of its rights under the Participation Agreement in and to the Agreed Participation to the Corporation in order to secure the Bonds and has agreed to pay that portion of the rentals in excess of said Agreed Participation for each year in which the Lease is renewed.

KENTUCKY SCHOOL FACILITIES CONSTRUCTION COMMISSION

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

Pursuant to the provisions of the Act, the Regulations of the Kentucky Board of Education and the Commission, the Commission has determined that the Board is eligible for participation from the Commission in meeting the costs of construction of the Projects and has entered into a Participation Agreement with the Board whereunder the Commission agrees to pay an annual Agreed Participation equal to approximately $85,555 to be applied to the annual debt service requirements for the Bonds herein identified each year until their retirement; provided, however, that the contractual commitment of the Commission to pay the annual Agreed Participation is limited to the biennial budget period of the Commonwealth, with the first such biennial period terminating on June 30, 2022; the right is reserved in the Commission to terminate its commitment to pay the Agreed Participation after the initial biennial period and every two years thereafter. The obligation of the Commission to make payments of the Agreed Participation shall be automatically renewed each two years for a period of two years unless the Commission shall give notice of its intention not to participate not less than sixty days prior to the end of the biennium; however, by the execution of the Participation Agreement, the Commission has expressed its present intention to continue to pay the Agreed Participation in each successive biennial budget period until the retirement of all of the Bonds, but such execution does not obligate the Commission to do so.

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

ADDITIONAL PARITY BONDS

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

Education, and filed in the office of the Secretary of the Corporation and a Lease shall be entered into whereunder the annual rental payments during the life of such additional bonds shall be increased by the amount of the annual principal and interest requirements of such additional bonds.

BOND MATURITIES, PRIOR REDEMPTION PROVISIONS AND PAYING AGENT

All such Bonds shall be in denominations in multiples of $5,000 within the same maturity, bear interest from June 7, 2022, payable on December 1, 2022, and semi annually thereafter and shall mature as to principal on June 1 in each of the years as follows:

Year	Amount*	Year	Amount*
2023	$ 90,000	2033	$ 120,000
2024	95,000	2034	125,000
2025	95,000	2035	130,000
2026	95,000	2036	145,000
2027	100,000	2037	160,000
2028	100,000	2038	180,000
2029	105,000	2039	405,000
2030	110,000	2040	415,000
2031	115,000	2041	430,000
2032	115,000	2042	450,000

*Subject to a Permitted Adjustment of the amount of Bonds awarded of up to $360,000 which may be applied in any or all maturities.

The Bonds maturing on or after June 1, 2031 are subject to redemption at the option of the Corporation prior to their stated maturity on any date falling on or after June 1, 2030, in any order of maturities (less than all of a single maturity to be selected by lot), in whole or in part, upon notice of such prior redemption being given by the Paying Agent in accordance with DTC requirements not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

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

The Bonds are to be issued in fully registered form (both principal and interest). U.S. Bank Trust Company, National Association, Louisville, Kentucky, has been designated as the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to the Registered Owner or, if the Bonds are issued as Book-Entry-Only Bonds, principal and interest will be payable through the Book-Entry-Only-System administered by The Depository Trust Company: Please see "BOOK-ENTRY-ONLY-SYSTEM" below. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on December 1 and June 1 of each year, beginning December 1, 2022 (Record Date is the 15th day of month preceding interest due date).

BIDDING CONDITIONS AND RESTRICTIONS

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

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

(C) The minimum bid shall be not less than $3,508,400 (98% of par) plus accrued interest. Interest rates shall be in multiples of 1/8 or 1/20 of 1% or both. Only one interest rate shall be permitted per Bond, and all Bonds of the same maturity shall bear the same rate. Interest rates must be on an ascending scale, in that the interest rate stipulated in any year may not be less than that stipulated for any preceding maturity. There is no limit on the number of different interest rates.

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

(E) The determination of the best purchase bid for said Refunding Bonds shall be made on the basis of all bids submitted for exactly $3,580,000 principal amount of Refunding Bonds offered for sale under the terms and conditions herein specified, but the Corporation may adjust the principal amount of Bonds upward or downward by $360,000 (the "Permitted Adjustment") which may be awarded to such best bidder may be a minimum of $3,220,000 or a maximum of $3,940,000. In the event of such Permitted Adjustment, no rebidding or recalculation of a submitted bid will be required or permitted and the Underwriter's Discount on the Bonds as submitted by the successful bidder shall be held constant. The Underwriter's Discount shall be defined as the difference between the purchase price of the Bonds submitted by the bidder and the price at which the Bonds will be issued to the public, calculated from information provided by the bidder, divided by the par amount of the Bonds bid. The price of which such adjusted principal amount of Bonds will be sold will be the same price per $5,000 of Bonds as the price per $5,000 for the $3,580,000 of Bonds bid.

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

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

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

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

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

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 17, 2022.

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

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

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

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

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

(K) Delivery will, at the request of the purchaser of the Bonds, be made utilizing the DTC Book-Entry-Only-System.

(L) The Corporation reserves the right to reject any and all bids or to waive any informality in any bid. The Bonds are offered for sale subject to the principal and interest not being subject to Federal or Kentucky income taxation or Kentucky ad valorem taxation on the date of their delivery to the successful bidder, in accordance with the Final Approving Legal Opinion of Steptoe & Johnson PLLC, Bond Counsel, Louisville, Kentucky, which Opinion will be qualified in accordance with the section hereof on TAX EXEMPTION.

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

STATE SUPPORT OF EDUCATION

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

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

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

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

KRS 160.470(12)(a) requires that effective for fiscal years beginning July 1, 1990 each school district shall levy a minimum equivalent tax rate of $.30 for general school purposes. The equivalent tax rate is defined as the rate which results when the income collected during the prior year from all taxes levied by the district (including utilities gross receipts license and special voted) for school purposes is divided by the total assessed value of property, plus the assessment for motor vehicles certified by the Revenue Cabinet of the Commonwealth. Any school district board of education which fails to comply with the minimum equivalent tax rate levy shall be subject to removal from office.

KRS 160.470(12)(2) provides that for fiscal years beginning July 1, 1990 each school district may levy an equivalent tax rate which will produce up to 15% of those revenues guaranteed by the SEEK program. Any increase beyond the 4% annual limitation imposed by KRS 132.017 is not subject to the recall provisions of that Section. Revenue generated by the 15% levy is to be equalized at 150% of the state-wide average per pupil equalized assessment.

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

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

KRS 160.460 provides that as of July 1, 1994 all real property located in the Commonwealth subject to local taxation shall be assessed at $57,158 to be applied to fair cash value.

BIENNIAL BUDGET FOR PERIOD ENDING JUNE 30, 2022

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

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

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

POTENTIAL LEGISLATION

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

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

CONTINUING DISCLOSURE

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

Financial information regarding the Board may be obtained from Superintendent, Newport Independent Board of Education, 30 W. Eighth Street, Newport, Kentucky 41071 (859-292-3004).

TAX EXEMPTION; BANK QUALIFIED

Bond Counsel advises as follows with respect to the Bonds:

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

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

(C) As a result of certifications by the Board and the Corporation, indicating the issuance of less than $10,000,000 of tax-exempt obligations during the calendar year ending December 31, 2022, the Bonds may be treated by financial institutions as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code.

BOOK-ENTRY-ONLY-SYSTEM

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

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

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

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

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

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

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

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

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

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

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

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

NEWPORT INDEPENDENT SCHOOL DISTRICT FINANCE CORPORATION

By /s/ Kim Klosterman
Secretary

APPENDIX E

Newport Independent School District Finance Corporation
School Building Revenue Bonds
Series of 2022

Official Bid Form

OFFICIAL BID FORM
(Bond Purchase Agreement)

The Newport Independent School District Finance Corporation ("Corporation" or "Issuer"), will until 1:00 P.M., E.D.S.T., on May 17, 2022, receive in the office of the Executive Director of the Kentucky School Facilities Construction Commission, 700 Louisville Rd, Carriage House, Frankfort, KY 40601, (telephone 502-564-5582; fax 888-979-6152) competitive bids for its $3,580,000 School Building Revenue Bonds, Series of 2022, dated June 7, 2022; maturing June 1, 2023 through 2042 ("Bonds").

We hereby bid for said $3,580,000* principal amount of Bonds, the total sum of $______________ (not less than $3,508,400) plus accrued interest from June 7, 2022 payable December 1, 2022 and semiannually thereafter at the following annual rates, (rates on ascending scale in multiples of 1/8 or 1/20 of 1%; number of interest rates unlimited) and maturing as to principal on June 1 in the years as follows:

Year	Amount*	Rate	Year	Amount*	Rate
2023	$ 90,000	________%	2033	$120,000	________%
2024	95,000	________%	2034	125,000	________%
2025	95,000	________%	2035	130,000	________%
2026	95,000	________%	2036	145,000	________%
2027	100,000	________%	2037	160,000	________%
2028	100,000	________%	2038	180,000	________%
2029	105,000	________%	2039	405,000	________%
2030	110,000	________%	2040	415,000	________%
2031	115,000	________%	2041	430,000	________%
2032	115,000	________%	2042	450,000	________%

* Subject to Permitted Adjustment

We understand this bid may be accepted for as much as $3,940,000 of Bonds or as little as $3,220,000 of Bonds, at the same price per $5,000 Bond, with the variation in such amount occurring in any maturity or all maturities, which will be determined at the time of acceptance of the best bid.

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

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

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

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

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

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

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

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

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May 17, 2022.

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

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

PARITY®. The use of PARITY® facilities are at the sole risk of the prospective bidders. For further information regarding PARITY®, potential bidders may contact PARITY®, telephone (212) 404-8102. Notwithstanding the foregoing, non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

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

The DTC Book-Entry-Only-System may, at the request of the purchaser of the Bonds, be utilized on delivery of this issue.

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

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

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

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds on or about June 7, 2022 and upon acceptance by the Issuer's Municipal Advisor this Official Bid Form shall become the Bond Purchase Agreement.

Respectfully submitted,

____
Bidder

By ______________________________
Authorized Officer

____
Address

Total interest cost from June 7, 2022 to final maturity	$______________
Plus discount or less any premium	$______________
Net interest cost (Total interest cost plus discount)	$______________
Average interest rate or cost	______________%

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

Accepted by RSA Advisors, LLC, as Municipal Advisor and Agent for the Newport Independent School District Finance Corporation for $_________________ amount of Bonds at a price of $______________ as follows:

Year	Amount	Rate	Year	Amount	Rate
2023	_______,000	________%	2033	_______,000	________%
2024	_______,000	________%	2034	_______,000	________%
2025	_______,000	________%	2035	_______,000	________%
2026	_______,000	________%	2036	_______,000	________%
2027	_______,000	________%	2037	_______,000	________%
2028	_______,000	________%	2038	_______,000	________%
2029	_______,000	________%	2039	_______,000	________%
2030	_______,000	________%	2040	_______,000	________%
2031	_______,000	________%	2041	_______,000	________%
2032	_______,000	________%	2042	_______,000	________%

Dated: May 17, 2022

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RSA Advisors, LLC,
As Agent for Newport Independent
School District Finance Corporation